

United Nations



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**United Nations Procurement Manual
Revision 6
March 2010**

**Department of Management
Office of Central Support Services
Procurement Division**

United Nations Procurement Manual

Revision No. 6

Table of Contents

Date of Publication: 01 March 2010

Chapter 1. Introduction and Overview of the United Nations Procurement Manual

Chapter 2. Organisation, Responsibilities and Functions of Procurement Offices

Chapter 3. Delegation of Procurement Authority

Chapter 4. Ethical Standards in Procurement

Chapter 5. Global Compact

Chapter 6. Overview of the Procurement Process

Chapter 7. Vendor Registration and Management

Chapter 8. The Acquisition Process

Chapter 9. The Solicitation Process

Chapter 10. Management and Treatment of Vendor Submissions

Chapter 11. The Source Selection Process

Chapter 12. Organization and Functions of, and Review by, the HCC and LCC

Chapter 13. Contractual Instruments

Chapter 14. Delivery and Receiving Process

Chapter 15. Contract Management

Chapter 16. Property Disposal

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Chapter 1. Introduction and Overview of the United Nations Procurement Manual

- 1.1 Introduction and Purpose of the Procurement Manual
- 1.2 Best Value for Money Principle
- 1.3 UN Financial Regulations and Rules Specific to Procurement (excerpt)
- 1.4 Explanation of Terms and Abbreviations
- 1.5 Procurement Division's IT Systems & Internet Sites

Chapter 1. Introduction and Overview of the United Nations Procurement Manual

1.1 Introduction and Purpose of the Manual

1. Purpose and Use of the Manual

- a. The United Nations needs to procure goods, services and works to support its activities at its Headquarters (HQ), Offices Away from Headquarters (OAHs), Regional Offices, Commissions and Tribunals, as well as Peacekeeping/Political Operations (Field Missions). The present Manual is intended to provide guidance on procurement policies, procedures and practices to all staff members involved in the procurement and acquisition processes and activities in all such offices and locations. The Manual is a compendium of regulations approved by the General Assembly and the related rules and in addition an official guide published by the UN Secretariat Procurement Division (UN/DPD) and approved by the Assistant Secretary General/ Office of Central Support Service (ASG/OCSS) for use by management and staff in performing the procurement function. Therefore, the present Manual provides the legal framework to undertake procurement activities in full compliance with current policies and industry practice. Staff should rely on the Manual to guide their actions and to carry out their official duties. Equally, the procedures in this Manual are designed to ensure that those seeking to do business with the UN can be confident that their proposals are considered and assessed in a fair, objective and transparent manner.
 - b. At HQ, procurement is the responsibility of the Procurement Division (UN/DPD). At other UN locations, Procurement Staff, in an organisational unit reporting to the Director of Mission Support (DMS) or Chief of Mission Support (CMS), or the Director of Administration (DOA) or Chief Administrative Officer (CAO), are responsible for local procurement and may also request that UN/DPD perform procurement on their behalf.
 - c. All UN activities, including procurement, are carried out under the provisions of the UN Charter, which is the primary instrument in this regard. The UN Financial Regulations as approved by the General Assembly and the Rules (FRR) as promulgated in [ST/SGB/2003/7](#) dated 9 May 2003, more specifically regulate the Organisation's procurement activities. Some administrative issuances (SGBs, AIs) relating to procurement have also been promulgated under such authority and are referred to in the Manual. Finally, other policies, procedures and guidelines for procurement activities have been issued by officials who have been granted authority to do so pursuant to the issuances referred to above and delegations of authority granted to them (e.g., the ASG/OCSS, Director, UN/DPD).
2. The FRR, in particular, Regulations 5.12, 5.13 and 5.14, when applicable, and Rules 105.13 through 105.19 and 105.22 through 105.23, govern procurement activities conducted at HQ, OAHs and Field Missions (see [Chapter 1. Section 1.3 UN Financial Regulations and Rules](#)). In case of any conflict or inconsistency between the FRR and this Manual, the FRR shall prevail. The ASG/OCSS reviews and approves any formal interpretations of the FRR regarding procurement, based on advice from UN/DPD and from other concerned UN departments and offices. In the event of any ambiguities or lacunae in the Manual, SGBs and AIs relating to procurement, the UNCITRAL Model Law on Procurement and the UN Practitioners' Handbook may be consulted.
 3. This Procurement Manual reflects the principle of segregation of responsibilities between requisitioning and procurement entities by specifying their separate and distinct functions within the overall procurement process. At the same time, cooperation between the requisitioning and procurement entities is essential to ensure that, under a balancing of the four basic principles of Financial Regulation 5.12, the UN obtains high quality goods, services and works that meet the applicable specifications, Terms of Reference (TOR) or Statement of Work (SOW) at competitive prices and within the time frame required, in order to achieve the mandates of the Organisation.
 4. Procurement Staff are responsible for the purchase, rental and sale of goods, services, real property, works and other requirements of the Organisation, for budgeted funds allocated to HQ, OAH and for procurement actions funded by Field Missions. In addition to entering into contracts, this function involves the invitation of Vendors to register, submit Quotations, Bids and Proposals, negotiation with Vendors and contract signature.
 5. Requisitioners are responsible for identifying the needs of the Organisation and developing generic Specifications, TORs and SOWs to fulfil such needs, as set forth in [Chapter 8. Section 8.7](#) Requisitioners need to be familiar with this Manual and the FRR. The Logistics Support Division of the Department of Field Support (LSD/DFS) may render advice to Field Missions in issuing Requisitions for local procurement. For certain requirements of Field Missions (e.g., aircraft charters), LSD/DFS may have sole responsibility for issuing Requisitions.

6. Given that the commercial environment and technology change over time, and that procedural changes may emanate from the UN's ongoing procurement reform programme, this Manual will be updated and modified from time to time. Comments and suggestions for modification of provisions of this Manual or for additional provisions should be addressed to the Director, UN/PD. This Manual is subject to change from time to time as deemed necessary by the ASG/OCSS, particularly upon changes to the FRR and relevant SGBs and AIs. The changes will be provided in the form of amendments to the Manual, or, if deemed necessary by the ASG/OCSS, a new version of the Manual. The Director, UN/PD is responsible for the distribution of this Manual and its amendments. The current version can be found on the UN/PD Internet website at www.un.org/depts/ptd.
7. UN/PD provides day-to-day advice and guidance on procurement policies and procedures in consultation with the Office of ASG/OCSS and Office of Legal Affairs (OLA), when necessary.
8. References in this Manual to particular UN officials shall be deemed to refer to that official or his/her duly authorized delegate. Likewise, references to particular offices or departments shall be deemed to refer to any successor office or department thereto.

[Chapter 1. Introduction and Overview of the United Nations Procurement Manual](#)
[PM Table of Contents](#)

[Next](#)

Chapter 1. Introduction and Overview of the United Nations Procurement Manual

1.2 Best Value for Money Principle

1. Best Value for Money Principle

- a. [Financial Regulation 5.12](#) establishes Best Value for Money (BVM) as one of the general principles that should be given due consideration when exercising the procurement functions of the United Nations. When procuring goods, services or works, all staff involved in procurement activities need to ensure that the optimal outcome has been achieved by considering all factors, such as relevant costs and benefits, risks and resources, etc., over the entirety of the product or service life-cycle.
 - b. Best Value for Money is defined as the “Optimization of whole -life costs and quality needed to meet the user’s requirements, while taking into consideration potential risk factors and resources available”. Its goal is to achieve maximum benefit for the Organisation. Accordingly, price alone is not necessarily determinative of Best Value for Money. Procurement under the Best Value for Money principle shall be conducted taking the factors set forth in paragraph 2. below into consideration, while ensuring that decision-making occurs in an accountable and transparent manner. (See additional guidance: [Director/PD memoranda](#).)
 - c. The responsibility for ensuring that Best Value for Money is not limited to Procurement Staff. Staff developing budgets, Requisitioners, end-users, contract managers, finance officers, etc. also have a key role in applying the Best Value for Money principle, during the process of acquisition planning, establishing requirements and Contract Management. The reviewing and approving entities also have responsibility for ensuring that the Best Value for Money principle has been applied properly.
2. In order to determine Best Value for Money, the following factors need to be taken into consideration:
- a. Cost-related factors: The entirety of the cost components that comprise the Total Cost of Ownership (TCO) of the acquired goods, services or works, whether direct or indirect, fixed or variable (e.g., price, ancillary support, such as maintenance, upgrade and storage, supplies and additional operating costs, disposal costs, volume discounts, internal processing costs to support the transaction, etc. and, in the case of leases, the cost of optional lease years).
 - b. Non-cost-related factors: Factors or attributes that are related to the Organisation’s needs and requirements (e.g., technical merits of the offered goods, services or works, compliance with Specifications, TORs or SOWs, quality, timelines of delivery, competence, reliability and financial capacity of the Vendor, and compliance with contractual terms and conditions). Such factors should be included in the Specifications, TORs or SOWs.
 - c. Market environment: Overall market maturity and availability of sources (e.g., Supplier availability, product availability, market maturity, Supplier sustainability). Such factors can be assessed using Market Research, REOIs, RFIs and the UN Vendor Register.
 - d. Competitive, fair, ethical and transparent sourcing that is conducted consistently and in accordance with best practices and UN procurement standards, and within applicable laws.
 - e. Risk factors: Any risk that may jeopardize the successful outcome of a procurement and diminish the value that could have been obtained (e.g., financial viability and capacity of the Vendor, legal exposure and liability, geo-political circumstances, price stability, and dependency). All factors that are relevant to the particular procurement need to be considered, and the relative importance of each factor determined on a case by case basis. As far as possible, all costs and benefits should be identified, compared and weighted against end-user need, evaluation criteria and risk factors. While Best Value for Money should be assessed as objectively as possible, professional judgement will be required, as complex needs rarely have one clearly correct solution.
3. The Best Value for Money principle is applicable throughout the acquisition process. The main stages within the process where it is applicable are:
- a. Planning, Funding and definition of requirements;
 - b. Identification of Vendors;

- c. Development of Source Selection Plan, including Evaluation Criteria and Weighting (if applicable);
 - d. Evaluation and Source Selection;
 - e. Risk assessment and management;
 - f. Contract Management, (including Vendor Performance assessment and ensuring that the Vendor complies with the terms and conditions of the Contract).
4. All those involved in the acquisition process are responsible for recording the steps taken to achieve Best Value for Money through proper documentation and filing.

[Chapter 1. Introduction and Overview of the United Nations Procurement Manual](#)
[PM Table of Contents](#)

[Previous / Next](#)

Chapter 1. Introduction and Overview of the United Nations Procurement Manual

1.3 [UN Financial Regulations and Rules](#) Specific to Procurement (excerpt)

C. Procurement - General Principles

Regulation 5.12.

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

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

Regulation 5.13.

Tenders for equipment, supplies and other requirements shall be invited by advertisement, except where the Secretary-General deems that, in the interests of the Organization, a departure from this regulation is desirable.

Authority and responsibility

Rule 105.13

(a) The Under-Secretary-General for Management is responsible for the procurement functions of the United Nations, shall establish all United Nations procurement systems and shall designate the officials responsible for performing procurement functions.

(b) The Under-Secretary-General for Management shall establish review committees, at Headquarters and other locations, to render written advice to the Under-Secretary-General for Management on procurement actions leading to the award or amendment of procurement contracts, which, for purposes of these Regulations and Rules, include agreements or other written instruments such as purchase orders and contracts that involve income to the United Nations. The Under-Secretary-General for Management shall establish the composition and the terms of reference of such committees, which shall include the types and monetary values of proposed procurement actions subject to review.

(c) Where the advice of a review committee is required, no final action leading to the award or amendment of a procurement contract may be taken before such advice is received. In cases where the Under-Secretary-General for Management decides not to accept the advice of such a review committee, he or she shall record in writing the reasons for that decision.

Competition

Rule 105.14

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

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

which such methods of solicitation are to be used;

(e) Public bid openings.

Formal methods of solicitation

Rule 105.15

(a) When a formal invitation to bid has been issued, the procurement contract shall be awarded to the qualified bidder whose bid substantially conforms to the requirements set forth in the solicitation documents and is evaluated to be the one with the lowest cost to the United Nations.

(b) When a formal request for proposals has been issued, the procurement contract shall be awarded to the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation documents.

(c) The Under-Secretary-General for Management may, in the interest of the United Nations, reject bids or proposals for a particular procurement action, recording the reasons for rejection in writing. The Under-Secretary-General for Management shall then determine whether to undertake a new solicitation, to directly negotiate a procurement contract pursuant to Rule 105.16 or to terminate or suspend the procurement action.

Exceptions to the use of formal methods of solicitation

Rule 105.16

(a) The Under-Secretary-General for Management may determine for a particular procurement action that using formal methods of solicitation is not in the best interest of the United Nations:

(i) When there is no competitive marketplace for the requirement, such as where a monopoly exists, where prices are fixed by legislation or government regulation or where the requirement involves a proprietary product or service;

(ii) When there has been a previous determination or there is a need to standardize the requirement;

(iii) When the proposed procurement contract is the result of cooperation with other organizations of the United Nations system, pursuant to Rule 105.17;

(iv) When offers for identical products and services have been obtained competitively within a reasonable period and the prices and conditions offered remain competitive;

(v) When, within a reasonable prior period, a formal solicitation has not produced satisfactory results;

(vi) When the proposed procurement contract is for the purchase or lease of real property and market conditions do not allow for effective competition;

(vii) When there is an exigency for the requirement;

(viii) When the proposed procurement contract relates to obtaining services that cannot be evaluated objectively;

(ix) When the Under-Secretary-General for Management otherwise determines that a formal solicitation will not give satisfactory results;

(x) When the value of the procurement is below the monetary threshold established for formal methods of solicitation.

(b) When a determination is made pursuant to subparagraph (a) above, the Under-Secretary-General for Management shall record the reasons in writing and may then award a procurement contract, either on the basis of an informal method of solicitation or on the basis of a directly negotiated contract, to a qualified vendor whose offer substantially conforms to the requirement at an acceptable price.

Cooperation

Rule 105.17

(a) The Under-Secretary-General for Management may cooperate with other organizations of the United Nations system to meet the procurement requirements of the United Nations, provided that the regulations and rules of those organizations are consistent with those of the United Nations. The Under-Secretary-General for Management may, as appropriate, enter into agreements for

such purposes. Such cooperation may include carrying out common procurement actions together or the United Nations entering into a contract relying on a procurement decision of another United Nations organization or requesting another United Nations organization to carry out procurement activities on behalf of the United Nations.

(b) The Under-Secretary-General for Management 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.

Written Contracts

Rule 105.18

(a) Written procurement contracts shall be used to formalize every procurement action with a monetary value exceeding specific thresholds established ST/SGB/2003/7 by the Under -Secretary-General for Management. Such arrangements shall, as appropriate, specify in detail:

- (i) The nature of the products or services being procured;
- (ii) The quantity being procured;
- (iii) The contract or unit price;
- (iv) The period covered;
- (v) Conditions to be fulfilled, including the United Nations General Conditions of Contract and implications for non-delivery;
- (vi) Terms of delivery and payment;
- (vii) Name and address of supplier.

(b) The requirement for written procurement contracts shall not be interpreted to restrict the use of any electronic means of data interchange. Before any electronic means of data interchange is used, the Under-Secretary-General for Management shall ensure that the electronic data interchange system is capable of ensuring authentication and confidentiality of the information.

Advance and progress payments

Rule 105.19

(a) Except where normal commercial practice or the interests of the United Nations so require, no contract or other form of undertaking shall be made on behalf of the United Nations which requires a payment or payments on account in advance of the delivery of products or the performance of contractual services. Whenever an advance payment is agreed to, the reasons therefor shall be recorded.

(b) In addition to subparagraph (a) above and notwithstanding Rule 105.2, the Under-Secretary-General for Management may, where necessary, authorize progress payments.

Chapter 1. Introduction and Overview of the United Nations Procurement Manual

1.4 Explanation of Terms and Abbreviations used in this Manual

These explanations are intended to assist the reader in understanding certain terms and abbreviations. The context in which these terms are used in this Manual may further clarify the meaning of a term.

Acquisition Plan	The plan resulting from the Acquisition Planning process
Acquisition Planning	The cooperative process by which the Requisitioner and UN/PPD devise a comprehensive plan for fulfilling the Requisitioner's need in a timely manner and at competitive pricing. Planning includes the development of the overall strategy for managing the procurement and includes a detailed list of anticipated purchases over a period of time, usually one year.
Agent	A person authorized by another to act for or in place of them.
AI	Administrative Instruction.
Approving Officer	See Financial Rule 105.6 . The Approving Officer is the UN official responsible for approving the entry into the accounts of obligations and expenditures relating to contracts, agreements, purchase orders and other forms of undertakings, after verifying that they are in order and have been certified by a duly authorized Certifying Officer. Approving Officers are also responsible for approving payments, once they have ensured that these payments are properly due, confirming that services, supplies or equipment have been received in accordance with the contract, agreement, purchase order or other form of undertaking by which they were ordered. Approving authority and responsibility is assigned on a personal basis and cannot be delegated. An Approving Officer cannot exercise certifying and bank signatory functions under Financial Rules 105.5 and 104.5.
ARB	Award Review Board
ASG/OCSS	Assistant Secretary-General, Office of Central Support Services, Department of Management.
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.
BAFO	Best and Final Offer. A negotiation tool that can be used during the final evaluation phase of a procurement using an RFP when at least two qualified Vendors remain within a competitive range.

Best Value for Money or BVM	<p>One of the four general principles of Financial Regulation 5.12 to be given due consideration in the exercise of procurement functions. Best Value for Money is the optimization of whole-life costs and quality needed to meet the user's requirements, while taking into consideration potential risk factors and resources available. Best Value for Money is a principle that is applicable throughout the acquisition process.</p> <p>After all relevant costs and benefits of the complete procurement exercise have been considered, the bid or proposal which is to be assessed as providing the Best Value for Money usually should become apparent.</p>
Bid	An offer in response to an Invitation to Bid (ITB).
Bid Security	A financial instrument which provides a source of compensation to the UN for the Vendor's failure to enter into a contract, to provide the required security for the performance of a contract, or to comply with any other condition precedent to entering into a contract specified in the Solicitation Documents, after the Vendor has been selected.
Bid Bond	A bid bond is a security from a Vendor securing the withdrawal or modification of a Submission after the deadline for submission of such documents; failure to sign the contract or failure to provide the required security for the performance of the contract after a Submission has been accepted; or failure to comply with any other condition precedent to signing the contract specified in the Solicitation Documents.
Bidder	An entity that submits a quotation or Bid in response to an RFQ or ITB.
BPO	Blanket Purchase Order
Calling Officer	A UNHQ staff member outside of UN/PD who is authorized to place orders under a Systems Contract.
CAO	Chief Administrative Officer (OAH).
Certifying Officer	See Financial Rule 105.5 . The Certifying Officer is the UN official responsible for managing the utilization of resources, in accordance with the purposes for which those resources were approved and the principles of efficiency, effectiveness and the FRR. Certifying Officers review the requests issued by the Requisitioner, ensure that the technical specifications are generic and that funds are available for the procurement. Certifying authority and responsibility are assigned on a personal basis and cannot be delegated. A certifying officer cannot exercise the approving function under Financial Rule 105.6.
Client-Offices	Requisitioner(s) of the goods or services
CMP	Capital Master Plan
CMS	Chief of Mission Support (Field Mission).

CMT	Cargo Movements Team (UN/PD)
Contract	In the context of UN procurement, a Contract is a written document, containing the agreement, and the terms and conditions, between the UN and a Vendor, and which establishes the parties' respective rights and obligations. Contracts can take various forms, including a BPO, ICA, Systems Contract or Purchase Order. See Chapter 13.
Contract Administration	All actions undertaken by the Procurement Staff 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, and handling of security instruments (e.g., Performance Security).
Contract Management	The ongoing monitoring and management of the Vendor's performance regarding the promised goods or services, as well as all other terms and conditions of a Contract, such as price and discounts. It includes managing the relationship between the Vendor, the Procurement Office, the Requisitioner and/or the end-user, feedback to the Vendor regarding its performance, as well as dispute resolution, if necessary.
Contractor	A provider or Supplier of goods, services and/or works under a Contract with the UN. A Contractor may take various forms, including an individual person, a company (whether privately or publicly held), a partnership or a government agency.
Committee on contracts	The Headquarters Committee on Contracts or a Local Committee on Contracts
Core Requirement	Essential goods and services which, by their nature, lend themselves to local procurement and are not available from HQ Contracts. The list of Core Requirements is included as an attachment to Annex 3-B .
CITPS	Corporate and IT Procurement Section
Cost-Plus Contracts	A Contract in which the Contractor is compensated for its costs, plus an agreed profit margin. The agreed profit margin can be a percentage of the cost (cost-plus percentage fee) or a fixed amount (cost-plus fixed fee).
CPO	Chief Procurement Officer (Field Mission and/or OAH).
Damages	The amount of compensation due to a party to a contract as a result of another party's breach of such contract. In the case of the UN, such amount should normally be based on a documented assessment of the amount of harm actually caused by the breach or by reference to a Liquidated Damages clause, if applicable.

Deliverables	Goods or services delivered or to be delivered to the UN pursuant to the terms and conditions of a Contract.
DESA	Department of Economic and Social Affairs (HQ).
DFS	Department of Field Support (HQ).
DM	Department of Management (HQ).
DMS	Director of Mission Support (Field Mission).
DOA	Director of Administration (OAH).
DPKO	Department of Peacekeeping Operations (HQ).
DRU	Documents Receiving Unit (HQ).
Effective International Competition	One of the four general principles of Financial Regulation 5.12 to be given due consideration in the exercise of procurement functions. In practice, this normally means that Procurement staff should make every effort to achieve as wide a geographical distribution in procurement as possible and practicable.
EOI	Expression of Interest: A response to an REOI expressing a Vendor's interest in participating in a Solicitation.
Erroneous submission	Inaccurate or incomplete submission in a non-material respect for which the approval of the submission is based on the discretion of the authorised official. However, inaccurate or incomplete submissions in a material respect, are subject to rejection.
Evaluation Committee	A committee established by the Source Selection Committee that is responsible for the commercial and technical evaluation aspects of the Source Selection process. The Evaluation Committee is divided into technical and commercial evaluation teams, which are responsible for the technical and commercial evaluation of Submissions, respectively. The Evaluation Committee assesses 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
Evaluation Criteria	Factors or specific areas of consideration that are part of the requirement Specifications. These factors are measurable components of the goods or services required and provide a basis for assessing each Vendor's ability to perform or deliver the goods or services.
Exigency	An exceptional, compelling, emergent need or situation of <i>force majeure</i> 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.
Field Mission	A UN peacekeeping mission or political mission. For a current list see:

FMS	Facilities Management Service (HQ).
FRR	Financial Regulations and Rules of the United Nations as promulgated by ST/SGB/2003/7 of 9 May 2003.
Generic Technical Specifications	Specifications that are performance oriented and do not specify brand names, the products of one company, or features which are unique to the products of a particular company.
GLD	General Legal Division, Office of Legal Affairs (HQ).
HCC	Headquarters Committee on Contracts.
HCC Threshold	The established monetary value above which any proposed procurement action leading to the award or amendment of a Contract shall be submitted to the HCC for the purpose of its rendering written advice to the ASG/OCSS or other designated official.
HCC/LCC Threshold	The established monetary value above which any proposed procurement action leading to the award or amendment of a contract shall be submitted to the HCC or LCC for the purpose of its rendering written advice to the authorized Official.
Head of Office	The chief administrative officer of an OAH.
HQ	UN Secretariat Headquarters, NEW YORK
ICA	Institutional or Corporate Contractor Agreement.
IMIS	Integrated Management Information System.
Incoterms	International commercial trade terms often forming part of a contract for sale of goods and published by the International Chamber of Commerce.
Interest of the UN	One of the four general principles of Financial Regulation 5.12 to be given due consideration in the exercise of procurement functions. The mandate of the UN as established in the UN Charter together with additional UN documents and directives plus operational circumstances set forth the general interest of the Organisation.
Internal Purchase Order	An instrument issued internally within the UN to obligate funds against Contracts for future payment of goods or services provided under a Contract.
ITB	Invitation to Bid.
Joint Venture	A business enterprise jointly undertaken by two or more companies that share the initial investment, risks and profits.
LCC	Local Committee on Contracts (Field Missions and OAHs).

LCC Threshold	The established monetary value above which any proposed procurement action leading to the award or amendment of a Contract shall be submitted to an LCC for the purpose of rendering written advice to a CMS/DMS or other designated official.
Lead Agency	Pursuant to Financial Rule 105.17, an Organisation of the UN system, a procurement action of which is to be relied by another UN Organisation in carrying out a procurement action (e.g., entering into a Contract or issuing an order) for the purposes of entering into a contract or issuing an order.
Liquidated Damages	The amounts which a party to a Contract agrees to pay as damages, if the party breaches an obligation (such as delay in delivery). The amount of Liquidated Damages must be arrived at in good faith and must be based on an estimate of the actual damage that will ensue from the breach.
LOA	Letter of Assist.
LSD/DFS	Logistics Support Division, Department of Field Support (HQ).
LTS	Logistics and Transportation Section (UN/PD)
LVRO	Local Vendor Registration Officer (Field Missions and OAHs).
LVRC	Local Vendor Review Committee (Field Missions and OAHs).
Market Research	The collection and analysis of information about capabilities within the market to satisfy the Organisation's needs, inter alia, in order to identify Vendors, assist in the development of Specifications, TORs and SOWs, ascertain pricing information, and obtain information on available technology.
Market Survey	A type of Market Research involving a survey of a specific market or industry to ascertain whether qualified sources capable of satisfying the Organisation's needs exist and to determine competition and capabilities and to estimate costs. A Market Survey may be done informally, (e.g. phone calls, internet), or formally (e.g.,RFI).
Not-to-Exceed Amount (NTE)	A maximum amount of goods or services stipulated in a Contract which may be acquired under such Contract.
OAH	Office away from Headquarters. See list attached as Annex D-4
OCSS	Office of Central Support Services (HQ). OICT Office of Information Communication Technology
OIOS	Office of Internal Oversight Services (HQ, Field Missions, OAHs).

OLA	Office of Legal Affairs (HQ).
Open Standard Products	Products without specificity to a particular Vendor, wide distribution of standards, and easy and free or low-cost accessibility.
OPPBA	Office of Programme Planning, Budget and Accounts (HQ).
OUSG/DM	Office of the Under-Secretary-General, Department of Management.
PBPU	Policy and Best Practices Unit (UN/PD).
PCMS	Planning, Compliance and Monitoring Section (UN/PD).
Performance-Based Contracting	A type of Contract whereby requirements are specified in terms of performance and output and generally include performance incentives and penalties.
Performance Security	A financial instrument that serves as a source of compensation for a Vendor's failure to fulfil the terms of a Contract.
Performance Bond	A written instrument issued by a bank or insurance company or similar entity, in favour of the UN, and from an issuer and in a form acceptable to the UN, to secure the Vendor's performance of a contract.
PPS	Peace Keeping Procurement Section/UNPD
PO	Purchase Order.
POS	Procurement Operations Service/ UN/PD
Procurement Assistant	A support staff member of UN/PD or other Procurement Office who participates in procurement functions under the supervision of a Procurement Officer.
PMS	Procurement Management Section/UN/PD
Procurement Office	UN/PD at HQ or other unit principally responsible for carrying out procurement functions at Field Missions and OAHs.
Procurement Officer	A staff member who performs procurement functions and has specified authority to enter into Contracts on behalf of the UN.
Procurement Staff	Procurement Officers, Procurement Assistants and other UN staff members authorized to carry out procurement functions.
Property	Supplies, equipment or other assets owned by the UN.
Proposal	A Submission in response to an RFP.
Proprietary Product or	Products or services to which a Vendor has exclusive

Service	legal right to manufacture, license, sell or perform because such party has intellectual property rights (e.g., patent or copyright), or other legally exclusive rights (e.g., an exclusive government concession), and for which, as a consequence, there is no competitive market.
Provisionally Registered Vendor	A Vendor that is temporarily included on the Vendor register pending completion of the registration process.
UNCCS	UN Common Codification System
Public Bid Opening Organisation	Unit that performs the public bid opening function at HQ.
R&I	Receipt and inspection.
Registered Vendor	Vendor whose registration application has been accepted by the UN organisations in UN Global Market Place (UNGM) .
REOI	Request for Expression of Interest: An advertisement of a forthcoming Solicitation in order to identify Vendors that wish to receive the Solicitation Documents.
Requisitioner	A UN official that is responsible for submitting to a Procurement Office, through a Certifying Officer, an approved IMIS pre-encumbrance document, or similar document from the local requisitioning system. The Requisitioner develops Acquisition Plans in cooperation with the Procurement Office, and upon identifying a future need, conducts Market Research and develops a description of the requirement through generic technical specifications.
RFI	Request for Information: A formal instrument to conduct a Market Survey in order to obtain information from the market that can be used to identify available or potential methods for fulfilling the identified need and information on cost and delivery time of such methods.
RFP	Request for Proposal.
RFQ	Request for Quotation.
RSQN	Request for Service in IMIS (HQ)
RQSN	Request for Goods in IMIS (HQ)
SGB	Secretary-General's Bulletin.
Sole Source	A procurement term employed when, for example, The Solicitation of a single source for a requirement when, for example, there is no competitive marketplace for the requirement or the product or service needed is available only from one source.
Solicitation	A procurement exercise involving the issuance of an RFQ, ITB or RFP.

Solicitation Abstract Sheet	A document in which certain aspects of Bids and Proposals are recorded for the purpose of facilitating a competitive evaluation of such Bids or Proposals.
Solicitation Documents	A document issued by the UN to describe its procurement requirements to Vendors, and to invite them to submit a response. Solicitation Documents can be in the form of an RFQ, ITB or RFP.
Source Selection or Sourcing	The identification of products and Vendors available to provide those products and services, using such methods as Market Research and Market Surveys or procurement instruments such as REOs and RFIs.
Source Selection Committee	A Committee consisting of the Procurement Officer, the Requisitioner, and program managers, who have joint responsibility for completing the Source Selection process in accordance with the FRR and the Procurement Manual (including the establishment of the Source Selection Plan) and ensuring that the Submission of the selected Vendor fulfils all the requirements of the Solicitation Documents.
Source Selection Plan	The Source Selection Plan (SSP) describes critical components of the Sourcing process and provides justification for Sourcing decisions in order to achieve Best Value for Money. It provides an objective approach to the methodology of selecting the best source to fulfil the established need. See Annex D-32 .
Specifications	A detailed description of the attributes of a good.
Standardization	Procurement on an exclusive basis of a single brand of product or service or from a Sole Source provider. This has been done with, for example IT equipment See Annex D-43 .
Statement of Award	A written record of the basis on which a Contract award was made. See Annex D-26 .
Submission	The reply received from a Vendor to Solicitation Documents issued by the UN. The Submission constitutes a firm offer from the Vendor to fulfil the requirements set forth by the UN in the Solicitation Documents. The Submission can be in the form of a Quotation, a Bid, or a Proposal, depending on the type of Solicitation Document issued (e.g., RFQ, ITB or RFP).
Submission Opening Officer	A UN officer who is authorized to carry out a Submission Opening.
Submission Closing	The deadline for the receipt of Submissions in response to Solicitation Documents.
Submission Opening	The opening of Submissions submitted in response to Solicitation Documents.
Supplier	A participant in the procurement process either as a contractor or as an entity that submits a Submission.

SVRC	Senior Vendor Review Committee
Systems Contract	A Contract used for procuring goods and services required on a recurring basis and for an extended period of time.
TCO	Total Cost of Ownership: the total cost of a good or service over its entire expected life span. It includes consideration of both direct and indirect costs related to the purchase of the good or service, including product costs, maintenance costs and disposal costs, in order to arrive at an amount that will reflect the effective total cost of purchase, all things considered.
TOC	Tender Opening Committee: Committee at a Field Mission or OAH that performs the public bid opening function.
Total Contract Amount	Also known as Total Contract Value (TCV) is the final anticipated amount that is expected to be paid for all services, goods and any other components purchased under the contract during the contract period, including any form of option and likely contract amendments.
TTS	Travel and Transportation Service.
UN	United Nations.
UN/PD	United Nations Secretariat Procurement Division (HQ).
UNCITRAL	United Nations Commission on International Trade Law.
UNCITRAL Arbitration Rules	UNCITRAL rules for conducting arbitration as used in UN Contracts, adopted by UNCITRAL in 1976.
UNGCC	United Nations General Conditions of Contract.
UNGM	United Nations Global Marketplace.
UNOG	United Nations Office at Geneva.
UNON	United Nations Office at Nairobi.
UNOV	United Nations Office at Vienna.
USG/DFS	Under-Secretary-General, Department of Field Support.
USG/DM	Under Secretary-General for Management (HQ).
Vendor	A potential or actual Supplier or provider of goods, services and/or works to the UN. A Vendor may take various forms, including an individual person, a company (whether privately or publicly held), a partnership, a government agency or a non-governmental organisation.
Vendor Performance	The Vendor's fulfilment of its contractual obligations

with regard to quality, delivery, timeliness, as well as all other performance indicators and service levels.

VRA	Vendor Registration Application created on-line by vendors in UNGM.
VRC	Vendor Review Committee
VRO	Vendor Registration Officer.
Weighting	The assignment of relative importance to each Evaluation Criterion so that a rating system can be used to assess whether each Vendor's Proposal meets or exceeds the minimum requirements of a Solicitation and to objectively compare it with other Vendors' Proposals.

[Chapter 1. Introduction and Overview of the United Nations Procurement Manual](#)

1.5 The Procurement Division's Computerized Systems and Internet Web Sites

1. Procurement Staff are required to be fully familiar with the use of the computerized procurement management software system. Training is provided to all Procurement Staff from time to time to keep them apprised of the available technology and to familiarize them with the functionalities of the system in order to meet changing needs.
2. Procurement Staff at HQ, OAHs and Field Missions should be familiar with the Internet website (public) and the Procurement Extranet (iSeek) (UN Staff). Any request to post information on either of these websites should be addressed to the Procurement Management Section (PMS) UN/PD in writing.

Chapter 2. Organisation, Responsibilities and Functions of Procurement Offices

- 2.1 Responsibilities of Organisational Units
- 2.2 Organisation and Functions of the UN Procurement Division
- 2.3 Organisation and Functions of Local Procurement Structure

PM Table of Contents

[Chapter 2. Organisation and Functions of Procurement Offices](#)

2.1 Responsibilities of Organisational Units

1. Responsibilities of Organisational Units

- a. The organisation and responsibilities of the units responsible for procurement at HQ, OAHs and Field Missions may vary, depending on the size and complexity of the duty station.
- b. In general, the organisational units responsible for procurement at OAHs and Field Missions, to the extent feasible, mirror those at HQ. The current structure of UN/PD is described in [Chapter 2. Section 2.2](#). The procurement structure at OAHs and Field Missions is set forth in [Chapter 2. Section 2.3](#) and includes a Procurement Office.

[Chapter 2. Organisation and Functions of Procurement Offices](#)

[PM Table of Contents](#)

[Next](#)

Chapter 2. Organisation, Responsibilities and Functions of Procurement Offices

2.2 Organisation and functions of the United Nations Procurement Division

1. UN/PD shall ensure the efficient, effective and economical administration of Secretariat procurement function and related support services. UN/PD shall also provide policy guidance and direction to Field Missions and, upon request, OAH and other UN agencies and subsidiary organs which may have their own delegation of procurement authority or a need for procurement support services.
2. The Organisational Structure of UN/PD is attached as [Annex D-2](#) hereof.
3. UN/PD is headed by a Director at the D-2 level and two Chiefs of Service at the D-1 level. Accordingly, the Procurement Manual should be read with this in mind, as the role and responsibilities (or portions thereof) currently entrusted to the Director, UN/PD may also apply to the senior procurement officials when required.
4. Director, UN/PD: The Director, UN/PD is a programme manager, authorized to establish policy and procurement-related procedures and practices. The Director directs the activities of UN/PD and is responsible for the efficient and effective operation of UN/PD. The Director, UN/PD is accountable to the ASG/OCSS for all activities carried out by UN/PD. Responsibility for compliance by UN/PD staff with all relevant FRRs, SGBs, AIs, the Procurement Manual, and other procurement procedures rests with the Director, UN/PD.

The Director shall:

- a. Undertake executive direction, planning and management of the procurement operations of UN/PD;
 - b. Develop and coordinate effective and coherent policies for procurement activities by HQ, OAHs, and Field Missions;
 - c. Provide appropriate reporting information to oversight bodies and Member States regarding procurement-related matters;
 - d. Oversee and review the preparation of responses to audit observations, reports, and management letters relating to procurement activities;
 - e. Manage the budget and staff of UN/PD;
 - f. Oversee staff training activities for all Procurement Staff and coordinate with other UN offices concerning the substantive aspects of any procurement training of other UN staff;
 - g. Coordinate business seminars and similar events to increase UN procurement profile in the vendor community.
5. Procurement Services.

The Division is divided into two Services, the Procurement Operations Service (POS) and the Integrated Support Service (ISS). Each Service is headed by a Director at the D1 Level.

- a. Procurement Operations Service (POS) is comprised of the Peace Keeping Procurement Section (PPS), Corporate and IT Procurement Section (CITPS), and Logistics and Transportation Section (LTS).
- b. Integrated Support Service (ISS) is comprised of Procurement Management Section (PMS), Policy and Best Practices Unit (PBPU), Planning, Compliance and Monitoring Section (PCMS), and the Capital Master Plan (CMP) Team.

[Chapter 2. Organisation and Functions of Procurement Offices](#)

2.3 Organisation and Functions of Local Procurement Offices

1. The size and composition of the Procurement Office at Field Missions and OAHs depend on many factors i.e., mandate, location, complexity of acquisition projects, size of troops, etc. At a minimum, it shall consist of a Chief Procurement Officer (CPO) and support staff. Normally, one or more Procurement Officers and Procurement Assistants will be employed to handle procurement actions.
2. Within the procurement authority delegated to the Field Missions and OAHs, the DMS/CMS or DOA/COA has, for local procurement actions, the same functional responsibilities as the ASG/OCSS, in relation to the work of the Procurement Division.

Chapter 3. Delegation of Procurement Authority

- 3.1 Authorised Officials
- 3.2 Procurement Authority and Responsibility
- 3.3 Procurement Authority at Headquarters
- 3.4 Procurement Authority at OAH and Field Missions
- 3.5 Modification of Individual Procurement Authority
- 3.6 Exceptional Delegation of Authority, Calling Officers

PM Table of Contents

Chapter 3. Delegation of Procurement Authority

3.1 Authorised Officials, Approval and Signing Authority

1. Introduction. Financial Rule 105.13 provides that “The Under-Secretary-General for Management is responsible for the procurement functions of the United Nations, shall establish all United Nations procurement systems and shall designate the officials responsible for performing procurement functions”. By way of [ST/AI/2004/1](#), the authority to designate officials responsible for performing procurement functions has been delegated to the ASG/OCSS, who in turn has sub-delegated such authority to other officials.
2. Delegation of procurement authority to officials at HQ, OAHs and Field Missions
 - a. Only those officials who have duly received a Delegation of Procurement Authority issued under the authority of the ASG/OCSS pursuant to Financial Rule 105.13, as described in [Chapter 3. Section 3.2](#) paragraphs 2 and 3, may enter into financial commitments relating to procurement activities on behalf of the the United Nations. This authority has been sub-delegated to The Under-Secretary-General/Department of Field Support (USG/DFS) who issues Delegations of Procurement Authority to staff at Field Missions. Similarly, the authority has been sub-delegated to CAO/DOA at Offices away from Headquarters, who in turn issues Delegations of Procurement Authority to staff at OAHs. The Director of the Procurement Division is empowered to issue Delegations of Procurement Authority to staff of the Procurement Division. A sample HQ delegation of authority is attached as [Annex D-3A](#).

Chapter 3. Delegation of Procurement Authority

3.2 Procurement Authority and Responsibility

1. At HQ, the procurement authority has been delegated to UN/PD. No other office within the UN Secretariat may purchase, or commit the UN to contractual obligations, or authorize, change or amend any Contract or Purchase Order (PO), unless otherwise provided in this Manual or an exception is specifically granted in writing by the ASG/OCSS.
2. For Field Missions supported by DFS, the procurement authority is delegated by the ASG/OCSS to the USG/DFS, and further delegated to the DMS/CMS. Delegations of procurement authority and the financial levels of authority to make commitments are granted in writing by the DMS/CMS directly to the CPO and to Procurement Officers and Procurement Assistants on an individual basis.
3. For OAHs, including the UN Regional Economic Commissions and Tribunals, the procurement authority is delegated from the ASG/OCSS to the DOA/CAO of the OAH. The procurement authority and the financial levels of authority to make commitments are granted in writing by the DOA/CAO directly to the CPO and to Procurement Officers and Procurement Assistants on an individual basis.
4. Any commitment made by Procurement Staff in their official capacity is made on behalf of the UN, in accordance with established regulations and rules and defined lines of authority for such action. A clear Audit Trail shall be maintained for each procurement case.
5. Prior to any commitment being made, officials entrusted with procurement authority are to ensure that:
 - a. the procurement action strictly complies with all FRRs, SGBs, AIs, the Procurement Manual and other procurement policies;
 - b. the appropriate and authorized officials have approved the commitment;
 - c. the required resources are available;
 - d. the commitment is in the interests of the UN, based on the information available at the time and as documented in the procurement case file.
6. Delegations of authority require Procurement Staff to exercise their duties and responsibilities with the utmost care, efficiency, impartiality and integrity in accordance with [Chapter 4](#) of this Manual.

Chapter 3. Delegation of Procurement Authority

3.3 Procurement Authority at HQ

1. Each Procurement Officer is granted an individual delegation of procurement authority.
2. The ASG/OCSS has delegated procurement authority to the Director UN/PD on a personal basis as follows:
 - a. Director, UN/PD:
 - i. for awards of \$500,000 or less without a review by the HCC. However, such authority shall be limited to \$300,000 in the case of awards made pursuant to an exception to the use of formal methods of solicitation under [\(Financial Rule 105.16\)](#) and provided that a quarterly report on all Contracts awarded under Financial Rule 105.16 shall be submitted to the ASG/OCSS;
 - ii. unlimited authority for awards recommended for approval by the HCC and approved by the ASG/OCSS;
 - iii. for awards of \$5,000,000 or less in the case of contract amendments relating to the Capital Master Plan till the completion of the CMP, provided that the Director, UN/PD provide a monthly submission to the [Post Award Review Committee \(PARC\)](#) of all such contract amendments.
 - iv. for awards of \$5,000,000 or less in the case of short-term logistics and transportation requirements (sea and air charter) where the award is made to the lowest cost Bid or Proposal;
 - v. for awards of \$2,000,000 or less in the case of short-term logistics and transportation requirements (sea and air charter) where the award is made to the lowest substantially conforming Bid (in the case of ITBs) or where the award is made to the most responsive Proposal (in the case of RFPs), but, in either case, the Bid or Proposal was not the lowest cost; provided that the Director, UN/PD must report all cases falling under clauses (iv) and (v) above to the HCC and the ASG/OCSS on a quarterly basis; and such clauses will not apply to awards to sole Bids or sole Proposals; and
 - vi. for Contracts that involve income to the Organisation, up to a threshold of \$40,000 with a single Contractor in respect of a single Requisition in accordance with Financial Rule 105.13(b)
 - vii. for procurement actions under the provisions of Financial Rule 105.16 (a)(vii) relating to exigency situations procurement must be in accordance with the General Assembly decision 54/468. All such cases must be reported quarterly to the ASG/OCSS.
3. The Director UN/PD may further sub-delegate his procurement authority to his staff as follows:
 - a. D1 – for awards of \$300,000 or less and under the provisions of Financial Rule 105.16 up to a threshold of \$150,000;
 - b. P5 - for awards up to \$200,000;
 - c. P4 - for awards up to \$150,000;
 - d. P3 - for awards up to \$100,000;
 - e. P2 - for awards up to \$70,000;
 - f. P1 – for awards up to \$40,000;
 - g. G7 – for awards up to \$40,000;

- h. G6 – for awards up to \$25,000;
 - i. G5 - for awards up to \$15,000.
4. In addition, the Director, UN/PD is further authorised to sub-delegate Procurement Authority under Financial Rule 105.16 (a) (x) up to a threshold of \$40,000 to Service Chiefs, Section Chiefs and Team Leaders in instances where the method of solicitation is the request for Quotation (RFQ) and competition is waived.
 5. Matrix of delegations of authority is set out in [Annex D-3](#).
 6. The standard memorandum for assignment of delegation of authority is attached as [Annex D-3A](#).
 7. [Annex D-3C](#) Delegation of Procurement Authority, Director/Procurement Division.

[Chapter 3. Delegation of Procurement Authority](#)
[PM Table of Contents](#)

[Previous/Next](#)

Chapter 3. Delegation of Procurement Authority

3.4 Procurement Authority at Offices Away from Headquarters and Field Missions

1. Offices Away from Headquarters: Delegations of procurement authority to CAOs/DOAs and Heads of Offices for Offices Away from Headquarters are granted by the ASG/OCSS. Presently UNOG, UNOV and UNON have unlimited delegation of procurement authority. Delegations of procurement authority to CPOs and Procurement Officers of OAHs are granted by the DOA/CAO after technical clearance of the list of candidates by the Director, UN/DP. A sample Field Delegation of Authority is attached as [Annex D-3B](#).
2. Field Missions: The ASG/OCSS has issued a delegation of procurement authority to the USG/DFS for awards of \$1,000,000 or less for Core Requirements and \$500,000 or less for other requirements excluding Special Requirements. Delegations of procurement authority to the DMSs/CMSs are granted by the USG/DFS.
3. The delegated financial limits shall be based on the system-wide financial limits conferred on officers delegated authority pursuant to [Financial Rule 105.13](#), taking into consideration the size and complexity of the Field Mission, experience of staff, the availability of checks and controls, and whether an LCC has or will be established.
4. At Field Missions, DMS/CMS are empowered to issue Delegations of Procurement Authority to Procurement Staff on an individual basis as follows:
 - a. DMSs/CMSs - for awards of \$500,000 or less in cases which are not reviewed by the HCC; for awards of \$1,000,000 or less in the case of Core Requirements which are not reviewed by the HCC; and unlimited authority for awards in cases recommended for approval by the HCC and approved by the ASG/OCSS;
 - b. CPOs, P -5 - for awards of \$75,000 or less, at the discretion of the DMS/CMS and subject to review by the LCC for procurement actions in excess of \$75,000;
 - c. Procurement Officers, P4/FS7 - for awards of \$75,000 or less, at the discretion of the DMS/CMS, in consultation with the CPO;
 - d. Procurement Officers, P3/FS6 - for awards of \$50,000 or less at the discretion of the DMS/CMS, in consultation with the CPO;
 - e. Associate Procurement Officers, P2/FS5 - for awards of \$25,000 or less at the discretion of the DMS/CMS, in consultation with the CPO;
 - f. Procurement Assistants, G5 through G7 or FS4/3 - for awards of \$7,500 or less, at the discretion of the DMS/CMS, in consultation with the CPO.
5. Within 30 days after procurement of a Core Requirement exceeding \$500,000, the DMS/CMS must report in writing to the USG/DFS and the Director, UN/DP, *inter alia*, the following information: description of commodity purchased, summary of procurement process, name of selected Vendor, duration and value of Contract, approved LCC minutes, and the financial rule basis of the procurement award. For non -Core Requirements exceeding \$500,000 in value and for Core Requirements exceeding \$1,000,000, the procurement action must be submitted to the HCC for review and subsequent approval of the ASG/OCSS.
6. Delegations of authority to procurement staff outside of HQ shall not exceed the value delegated to a Procurement Officer of equivalent grade at HQ.

[Chapter 3. Delegation of Procurement Authority](#)

3.5 Modification of Individual Procurement Authority

1. Individual procurement authority may be changed at any time in writing by the ASG/OCSS, or by any official who has been duly authorised by the ASG/OCSS to sub-delegate Procurement Authority.
2. Additional or exceptional delegations of authority may be granted periodically by the ASG/OCSS to designated officers of specific departments, OAHs and Field Missions, for limited durations or purposes.

[Chapter 3. Delegation of Procurement Authority](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 3. Delegation of Procurement Authority

3.6 Grants of Exceptional Delegation of Authority Calling Officers

1. On a trial basis and at HQ only, the ASG/OCSS may delegate authority in writing to Calling Officers to place orders under UN System Contracts. A Calling Officer shall have such authority and responsibility as are set forth in the delegation of authority issued to him/her. In this regard, unless otherwise stated in the Calling Officer's delegation of authority, Calling Officers shall:
 - a. only issue Purchase Orders against System Contracts that are related to the work of the office in which they serve;
 - b. only issue Purchase Orders on the same terms and conditions as set forth in the relevant System Contract and in accordance with the established Acquisition Plan (if any);
 - c. comply with the applicable provisions of the Procurement Manual and directives and instructions as communicated by the Director, UN/PD or posted on the PD Intranet site;
 - d. be subject to such monetary limits as are set forth in the delegation of authority issued to them;
 - e. prior to placing a Purchase Order, consult the UN/PD tracking system to ensure that the Purchase Order will not exceed the Not-to-Exceed Amount stipulated in the relevant System Contract;
 - f. in the event that a Purchase Order will result in 75% of the Not-to Exceed Amount being exceeded, inform the Director, UN/PD or his/her delegated officer and follow his/her advice as to how to proceed;
 - g. only issue Purchase Orders through an automated system which interfaces with the UN/PD system used for tracking orders under System Contracts;
 - h. send a copy of all Purchase Orders issued by them to the Director, UN/PD or his/her delegated officer;
 - i. maintain records relating to each Purchase Order issued by them as set forth in the delegation of authority issued to them;
 - j. under no circumstances perform the functions of Certifying Officer or be engaged in work associated with raising a Requisition or conducting Receipt and Inspection (R&I) of goods or services related to a Purchase Order for which he/she has been directly responsible.
2. UN/PD shall notify each Vendor under a System Contract of the identity and contact details of Calling Officers authorized to place orders under the System Contract.
3. UN/PD shall annually review the Purchase Orders issued by each Calling Officer to establish that the Calling Officer acted within his/her delegated authority and to establish whether the requirement has changed and if any action needs to be taken with respect to the relevant Systems Contract. The Procurement Officer responsible for a System Contract shall annually confirm the validity of the Calling Officer's authority and review the Calling Officer's compliance with the terms and conditions of his/her delegated authority.

Chapter 4. Ethical Standards in Procurement

- 4.1 Ethical Standards and Responsibilities in Procurement
- 4.2 Oath of Office
- 4.3 UN Staff Regulations and Rules
- 4.4 Financial Rule 101.2 – Staff Obligation
- 4.5 Conflict of Interest
- 4.6 Confidentiality
- 4.7 Financial Disclosure
- 4.8 Gifts and Hospitality
- 4.9 Post-employment Restrictions
- 4.10 Corrupt Practices
- 4.11 Other Administrative Issuances

PM Table of Contents

Chapter 4. Ethical Standards in Procurement

4.1 Ethical Standards and Responsibilities in UN Procurement

1. Introduction and United Nations regulatory framework

- a. The UN procurement process involves a wide-range of activities including: acquisition planning; drafting; reviewing or approving Specifications, SOWs and TORs; identifying, registering and evaluating Vendors; preparing and developing Solicitations; evaluating Bids or Proposals; Source Selection; negotiating price or terms and conditions of Contracts; reviewing and approving awards of Contracts; providing legal services including drafting Contracts; signing Contracts and Purchase Orders; receiving and inspecting goods or services; performing oversight services; managing Contracts; reviewing Vendor Performance; certifying, approving and making payments pursuant to large and complex Contracts; and handling Vendor protests or disputes regarding the procurement process.
- b. Staff members must adhere to the ethical standards and responsibilities that apply to procurement activities in order to protect the integrity, fairness and transparency of the procurement process.
- c. The funds used by the United Nations are entrusted to the Organisation by its Member States and other Parties. The transactions engaged in by the UN shall be conducted in accordance with the highest ethical and professional standards in order to ensure the maximum degree of public trust. Procurement activities must be carried out in a manner above reproach. Staff involved in the acquisition process must adhere to the highest ethical standards while implementing the four procurement principles (See [Chapter 1 Section 1.3](#)).

2. [The UN Charter](#): Articles 100 and 101(3) of the UN Charter specifically address the responsibility of staff members.

Chapter 4. Ethical Standards in Procurement

4.2 Oath of office

1. All staff members make a written declaration that they will “*exercise in all loyalty, discretion and conscience the functions entrusted to the [staff member] as an international civil servant of the United Nations, to discharge these functions and regulate [their personal] conduct with the interest of the United Nations only in view, and not to seek or accept instructions in regard to the performance of [the staff member’s] duties from any Government or other source external to the organisation.*” [ST/SGB/2009/6](#), Regulation 1.1(b); see also Regulations 1.2(d) and Regulations 1.2(d) and (e).

Chapter 4. Ethical Standards in Procurement

4.3 UN Staff Regulations and Rules

1. UN staff regulations and rules. *“The Staff Regulations and Rules embody the fundamental conditions of service and the basic rights, duties and obligations of the United Nations Secretariat. They represent the broad principles of human resources policy for the staffing and administration of the Secretariat....”* - [ST/SGB/2009/6](#), Scope and Purpose.

All staff must be familiar with the entire text of:

- a. [ST/SGB/2002/13](#)
- b. [ST/SGB/2009/6](#);
- c. [ST/SGB/2009/7](#)

- d. Guidance on interpreting the ethical and professional obligations of staff members under the Staff Regulations and Rules may be found in the commentary accompanying them and in the “Standards of conduct for the international civil service”, [ST/SGB/2002/13](#), Section V.

2. United Nations Staff Regulations and Rules most relevant to procurement activities are as follows:

- a. Regulation 1.2(b) - Staff members shall uphold the highest standards of efficiency, competence and integrity. The concept of integrity includes, but is not limited to, probity, impartiality, fairness, honesty and truthfulness in all matters affecting their work and status.
- b. Regulation 1.2(g) - Staff members shall not use their office or knowledge gained from their official functions for private gain, financial or otherwise, or for the private gain of any third party, including family, friends and those they favour. Nor shall staff members use their office for personal reasons to prejudice the positions of those they do not favour.
- c. Regulation 1.2(i) - Staff members shall exercise the utmost discretion with regard to all matters of official business. They shall not communicate to any Government, entity, person or any other source any information known to them by reason of their official position that they know or ought to have known has not been made public, except as appropriate in the normal course of their duties or by authorization of the Secretary-General. These obligations do not cease upon separation from service. (See [UN/PD Communication Policy](#))
- d. Regulation 1.2(j) - No staff member shall accept any honour, decoration, favour, gift or remuneration from any Government.
- e. Regulation 1.2(k) - If refusal of an unanticipated honour, decoration, favour or gift from a Government would cause embarrassment to the Organisation, the staff member may receive it on behalf of the Organisation and then report and entrust it to the Secretary-General, who will either retain it for the Organisation or arrange for its disposal for the benefit of the Organisation or for a charitable purpose.
- f. Regulation 1.2(l) - No staff member shall accept any honour, decoration, favour, gift or remuneration from any non-governmental source without first obtaining the approval of the Secretary-General.
- g. Regulation 1.2(m) - Staff members shall 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 position with the United Nations.
- h. Regulation 1.2(r) - Staff members must respond fully to requests for information from staff members and other officials of the Organisation authorized to investigate the possible misuse of funds, waste or abuse.
- i. Regulation 1.3(a) - Staff members are accountable to the Secretary-General for the proper discharge of their functions. Staff members are required to uphold the highest standards of efficiency, competence and integrity in the discharge of their functions. Their performance will be appraised periodically to ensure that the required standards of performance are met;

Rule 1.2:

(d) Disciplinary procedures set out in article X of the Staff Regulations and chapter X of the Staff Rules may be instituted against a staff member who fails to comply with his or her obligations and the standards of conduct set out in the Charter of the United Nations, the Staff Regulations and Staff Rules, the Financial Regulations and Rules and administrative issuances.

Specific instances of prohibited conduct:

(e) Any form of discrimination or harassment, including sexual or gender harassment, as well as physical or verbal abuse at the workplace or in connection with work, is prohibited.

(g) Staff members shall not intentionally misrepresent their functions, official title or the nature of their duties to Member States or to any entities or persons external to the United Nations.

(h) Staff members shall not intentionally alter, destroy, falsify or misplace or render useless any official document, record or file entrusted to them by virtue of their functions, which document, record or file is intended to be kept as part of the records of the Organization.

(j) Staff members shall neither offer nor promise any favour, gift, remuneration or any other personal benefit to another staff member or to any third party with a view to causing him or her to perform, fail to perform or delay the performance of any official act. Similarly, staff members shall neither seek nor accept any favour, gift, remuneration or any other personal benefit from another staff member or from any third party in exchange for performing, failing to perform or delaying the performance of any official act.

Honours, gifts or remuneration:

(k) No staff member shall accept any honour, decoration, favour, gift or remuneration from any Government. However, if refusal of an unanticipated honour, decoration, favour or gift from a Government would cause embarrassment to the Organization, the staff member may receive it on behalf of the Organization and then report and entrust it to the Secretary-General, who will either retain it for the Organization or arrange for its disposal for the benefit of the Organization or for a charitable purpose.

(l) Acceptance by staff members of any honour, decoration, favour, gift or remuneration from non-governmental sources requires the prior approval of the Secretary-General. Approval shall be granted only in exceptional cases and where such acceptance is not incompatible with the interests of the Organization and with the staff member's status as an international civil servant. If refusal of an honour, decoration, favour or gift from a non-governmental source would cause embarrassment to the Organization, or, when circumstances do not allow for prior approval, the staff member may receive it on behalf of the Organization. In both instances, such gift should be reported and entrusted to the Secretary-General, who will either retain it for the Organization or arrange for its disposal for the benefit of the Organization or for a charitable purpose. Notwithstanding the requirement to obtain prior approval of the Secretary-General, staff members may occasionally accept, without prior approval, minor gifts of essentially nominal value having regard to the duty station concerned, provided that all such gifts are promptly disclosed to the head of the office, who may direct that the gift be entrusted to the Organization or returned to the donor.

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

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

(o) Staff members shall not accept any gift, remuneration or favour from any individual or entity doing business with or seeking to do business with the Organization.

Conflict of interest:

(p) A staff member who has occasion to deal in his or her official capacity with any matter involving a profit-making business or other concern, including a concern in which he or she holds a financial interest, directly or indirectly, shall disclose that interest to the Secretary-General and, except as otherwise authorized by the Secretary-General, either dispose of that financial interest or formally excuse himself or herself from participating with regard to any involvement in that matter which might give rise to the conflict of interest situation.

(q) Pursuant to staff regulation 1.2 (n), the Secretary-General shall establish procedures for the filing and utilization of financial disclosure statements.

[PM Table of Contents](#)

[Chapter 4. Ethical Standards in Procurement](#)

[Previous/Next](#)

[Chapter 4. Ethical Standards in Procurement](#)

4.4 Financial Regulations and Rules 101.2 – Staff Obligation

1. Financial Rule 101.2 provides as follows: *“All United Nations staff are obligated to comply with the Financial Regulations and Rules and with administrative instructions issued in connection with those Regulations and Rules. Any staff member who contravenes the Financial Regulations and Rules and corresponding administrative instructions may be held personally accountable and financially liable for his or her actions.”*

[Chapter 4. Ethical Standards in Procurement](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 4. Ethical Standards in Procurement

4.5 Conflict of Interest

1. A conflict of interest occurs when a staff member's private interests, such as outside professional relationships or personal financial assets, interfere or appear to interfere with the proper performance of his or her professional functions or obligations as a United Nations official. Within the procurement environment, a conflict of interest may arise in connection with such private interests as personal investments and assets, political or other outside activities and affiliations while in the service of the United Nations, employment after retirement from United Nations service or the receipt of a gift that may place the staff member in a position of obligation. A conflict of interest also includes the use of United Nations assets, including human, financial and material assets, or the use of United Nations office or knowledge gained from official functions for private gain or to prejudice the position of someone the staff member does not favour. A conflict of interest may also arise in situations where a staff member is seen to benefit, directly or indirectly, or allow a third party, including family, friends or someone they favour, to benefit from the staff member's decisions.
2. Staff are prohibited from any involvement in a procurement action with a Vendor in which they have a financial interest. In cases where a conflict of interest could occur, such conflict should be reported to the head of the office, who should review the facts and decide whether the staff member should carry out the procurement activity. (The form for reporting situations where a conflict of interest could occur is set out at [Annex D -40](#).) The Ethics Office should be consulted, if necessary. See [ST/SGB/2006/5](#), [ST/AI/2000/13](#), [ST/IC/2006/30](#) and [ST/IC/2006/31](#).

Chapter 4. Ethical Standards in Procurement

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 4. Ethical Standards in Procurement](#)

4.6 Confidentiality

1. Procurement-related information is considered confidential. This includes any documentation or information that is part of the procurement process, which is not publicly available, and where any disclosure of the documentation or information could:
 - a. place a Vendor or the Organisation at a disadvantage;
 - b. provide an unfair advantage to a Vendor; or
 - c. adversely reflect upon the reputation and integrity of the Organisation.

Staff shall not allow any Vendor access to information on a particular acquisition before such information is available to the business community at large. Staff should not disclose any proprietary or Source Selection information, directly or indirectly, to any person other than a person authorized to receive such information. Disclosure of procurement-related confidential information should not occur, as it may seriously jeopardize the competitiveness of procurement, the principle of fairness, and the credibility of the Organisation.

Chapter 4. Ethical Standards in Procurement

4.7 Financial Disclosure

1. [ST/SGB/2006/6](#) of 10 April 2006 stipulates that annual financial disclosure statements must be filed by all staff members:
 - a. at the D-1 or L-6 level and above;
 - b. who are Procurement Officers
 - c. whose principal occupational duties are the procurement of goods and services for the United Nations, or
 - d. whose direct access to confidential procurement information warrants the filing of such a statement.

Declaration of interest statements must be filed in lieu of financial disclosure statements by staff members who are on “when actually employed” appointments, or \$ 1 per year appointments or who are serving on appointments of short duration and who fall within the categories set forth above. The procedure for completing financial disclosure requirements is set out in [ST/SGB/2006/6](#) of which further details are available from the Ethics Office. The scope of information which must be reported is set forth in Sections 3 and 4 of [ST/SGB/2006/6](#).

Chapter 4. Ethical Standards in Procurement

PM Table of Contents

[Previous/Next](#)

[Chapter 4. Ethical Standards in Procurement](#)

4.8 Gifts and Hospitality

1. It is of overriding importance that a staff member acting in an official procurement capacity should not be placed in a position where his/her actions may constitute or could be reasonably perceived as reflecting favourable treatment to an individual or entity by accepting gifts and hospitality or other similar considerations. Notwithstanding the applicable provisions of the Staff Regulations and Rules, no Procurement Officer or staff member involved in any aspect of procurement may accept any gift from any outside source that is soliciting business with the United Nations, regardless of the value. All staff members involved in procurement shall decline offers of gifts, including drinks, meals, tickets, hospitality, transportation, or any other form of benefits, even if it is in association with an "official working visit". Any gifts offered must be returned by the recipient and the Vendor must be informed that UN procurement staff are not allowed to accept gifts. A sample letter to return gift to the Vendor is set forth in [Annex D-37](#). A "zero tolerance" policy should govern the staff involved in the procurement activities. In this regard, provisions have been included into the Supplier Code of Conduct. In the event of any question regarding the application of the restrictions set forth above, the matter shall be brought to the attention of the Director, UN/PD, CPO or the Director, Ethics Office.

[Chapter 4. Ethical Standards in Procurement](#)

4.9 Post-employment Restrictions

1. [ST/SGB/2006/15](#) establishes the following restrictions on the post -employment activities of staff members involved in procurement:
 - a. For a period of one-year following separation from service, former staff may not seek or accept employment with, or accept any form of compensation or financial benefit from, any Vendor which conducts or seeks to conduct business with the UN and with whom such staff member has been personally involved in the procurement process during the last three years of service with the UN.
 - b. For a period of two years following separation of service, staff members may not knowingly communicate with, or appear before, any staff member or unit of the Organisation on behalf of any third party on any matters that were under their official responsibility relating to the procurement process during the last three years of their UN service. While in service, staff members may not solicit or accept, directly or indirectly, any promise or offer of future employment from any Vendor which conducts, or seeks to conduct, business with the Organisation and with whom such staff members have been personally involved in the procurement process during the previous three years of service with the UN.

Chapter 4. Ethical Standards in Procurement

4.10 Corrupt, Fraudulent and Unethical Practices

1. Corruption may occur at any stage in the acquisition process (budget, procurement, contract management, etc.), either with the knowledge and consent of at least some parties in the Organisation or through well-concealed initiatives by a Vendor acting alone. The UN shall communicate to Vendors during the registration phase, in the Solicitation Documents and in the Contract documents that all UN Vendors shall adhere to the highest ethical standards, both during the bidding process and throughout the execution of a Contract. A “corrupt practice” refers to the offering, giving, receiving or soliciting (directly or indirectly) of anything of value to improperly influence the actions of another person. Corruption in the procurement process generally involves a fraudulent act such as bribery or a kickback. The list of definitions set forth below indicates the most common types of corrupt practices, but is not exhaustive:
 - a. “Fraudulent practice” or “fraud” means a misrepresentation of facts in order to influence a procurement or selection process or the execution of a contract to the detriment of a person(s), and includes collusive practices among bidders or consultants (prior to the submission of bids or proposals) designed to establish prices at artificial, non-competitive levels and to deprive other parties, including the organization of the benefits of free and open competition;
 - b. “Corrupt practice” or “corruption” means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the actions of another party in the procurement or selection process or in contract execution;
 - c. “Unethical Practice” means conduct that violates the provisions of paragraphs 20 (conflict of interest); 21 (gifts and hospitality); or 22 (post-employment) of the [United Nations Supplier Code of Conduct](#);
 - d. “Bribery”: the act of unduly offering, giving, receiving or soliciting anything of value to influence the process of procuring goods, services or works, or executing Contracts.
 - e. “Extortion” or “Coercion”: the act of attempting to influence the process of procuring goods, services or works, or executing Contracts by means of threats of injury to person, property or reputation.
 - f. “Collusion” or “Bid Rigging”: a scheme or arrangement between two or more Vendors, with or without the knowledge of the UN, designed to establish prices at artificially non-competitive levels. Common schemes of collusion are:
 - i. Bid suppression: one or more Vendors who otherwise would be expected to bid, or who have previously bid, agree to refrain from bidding or withdraw a previously submitted Bid so that the designated winning competitor’s Bid will be accepted;
 - ii. Complementary bidding: an agreement by Vendors whereby at least one of them agrees to submit a Bid that is either too high to be accepted or contains special terms and conditions that will not be acceptable to the UN;
 - iii. Bid rotation: Vendors submit Bids but agree to take turns being the low Bidder;
 - iv. Subcontracting: Vendors agree not to bid or to submit a losing Bid in exchange for subcontracts from the successful Bidder;
 - v. Market division: Vendors divide markets among themselves allocating specific customers, products or territories to themselves.
2. The UN has adopted policies and standards for Vendors, along with sanctions to reduce the risk that Vendors will engage in corrupt practices in the procurement process. The UN Supplier Code of Conduct informs Vendors that they may not engage in corrupt practices; they must disclose any situation that may appear to be a conflict of interest; the UN has a “zero tolerance” policy regarding acceptance of gifts or hospitality; and there are restrictions on employment of former UN staff members.
3. Officials should be vigilant to the risks of corrupt practices and manage the procurement process to mitigate such risks. They should be familiar with potential warning signs of corrupt practices and strengthen internal controls, where needed.
4. Reporting misconduct or corruption or other unethical practices. Any staff member, consultant or other Contractor, or other individual involved in the procurement process who becomes aware of any misconduct or wrongdoing, including fraud or other

corruption, shall promptly report it to:

- a. the head of the department or office where he/she is working (or, in the case of a consultant or other Contractor, to the head of the department or office which has engaged them);
- b. [OIOS](#).

5. The following documents address Ethics and Compliance.:

- vi. [ST/SGB/2005/21](#),
- vii. [ST/SGB/2005/22](#),
- viii. [ST/IC/2005/19](#),
- ix. [ST/AI/371](#), and
- x. [ST/AI/397](#).

Staff must adhere to the provisions of these documents at all times.

Chapter 4. Ethical Standards in Procurement

4.11 Other Administrative Issuances

1. Other Secretary General's Bulletins/Administrative Issuances/Information Circulars. The following are some additional documents that relate to the ethical obligations and professional responsibility of staff members:

a. Reference documents:

- i. [ST/SGB/2009/6](#);
- ii. [ST/SGB/2009/7](#);
- iii. [ST/SGB/2003/7](#);
- iv. Harassment and interpersonal conflicts:
[ST/SGB/2008/5](#);
[ST/SGB/2005/20](#);and
[ST/IC/2004/4](#).
- v. Staff responsibilities:
[ST/SGB/2005/17](#);
[ST/SGB/2006/15](#);
[ST/AI/2000/12](#);and
[ST/AI/2004/3](#).
- vi. Use of organisational resources:
[ST/SGB/2004/15](#) and
[ST/AI/2003/5](#).

Staff must adhere to the provisions of the these ST/SGB's, ST/AI's and ST/IC's at all times.

Chapter 5. Global Compact

- 5.1 The Global Compact

PM Table of Contents

Chapter 5. Global Compact

5.1 The Global Compact

1. Procurement Staff should be aware that the United Nations encourages Vendors to participate in the Global Compact. The 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 participation to the Global Compact has no relation to the UN procurement system registration process or operations

2. The Ten Principles of the Global Compact are as follows:

Human Rights	
Principle 1	Business 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	Business should work against all forms of corruption, including extortion and bribery.

3. Participation. Information on how to participate in the Global Compact is available on the Global Compact website at www.unglobalcompact.org.

Chapter 6. Overview of the Procurement Process

- 6.1 The Procurement Process

PM Table of Contents

Chapter 6. Overview of the Procurement Process

6.1 The Procurement Process

1. General overview of the UN procurement process
2. A key aspect of the procurement process outlined in this Manual begins with the registration of potential recipients of UN Solicitation Documents. It is the procurement staff responsibility to further develop the sourcing by identifying vendors that will meet the Requisitioner's requirements. Consideration should be given to the diversity of the vendors, particularly those from Developing Countries and Countries with Economies in Transition. The UN in its sole discretion determines whether a Vendor is eligible for registration, and continues to remain eligible, for the purpose of establishing a pool of prospective UN Vendors (i.e. [Chapter 7](#)). Such Vendors may be invited to participate in a particular Solicitation. (See [Chapter 9 - Part 1.](#)) Determination of eligibility for registration is a UN prerogative.
3. Thereafter, the UN receives and evaluates responses to Solicitations, determining whether the Vendor is both qualified and meets the requirements of Financial Rule 105.15(a) for Bids or (b) for Proposals. The UN decides which Vendor to select and notifies it of its intention to award a Contract. See [Chapter 11. Section 11.2](#) for the distinction between eligible and qualified vendors ¹.
4. The successful Vendor, following Contract negotiations (if any) and the signature of a Contract, would then become a UN Contractor whose relationship vis-à-vis the UN is governed by the contract formation processes outlined in this Procurement Manual. (See [Chapter 12. Review by the HCC/LCC](#), [Chapter 13. Contractual Instruments](#), and [Chapter 14. Delivery and Receiving Process](#).)
5. Unsuccessful Vendors will be notified accordingly and may be granted a debriefing.

1. The procedures indicated in paragraphs 2 and 3 of this section do not apply to the [registration, selection and engagement of outside counsel](#), which is governed by special procedures.

Chapter 7. Vendor Registration and Management

- [Chapter 7. Part 1 - Vendor Registration and Management at Headquarters \(UN/PD\)](#)
- [Chapter 7. Part 2 - Vendor Registration and Management at Local Procurement Offices](#)

Registration Resources:

- [Staff Registration on UNGM](#)
- [UNGM UN Staff User's Manual](#)
- [UNCCS User's Guide](#)

[PM Table of Contents](#)

Chapter 7. Part - 1 Vendor Registration and Management at Headquarters (UN/PD)

- 7.0 Vendor Registration Process at Headquarters (UN/PD)
- 7.01 Vendor Review Committee at Headquarters (UN/PD)
- 7.02 Senior Vendor Review Committee at Headquarters

Chapter 7. Vendor Registration and Management
PM Table of Contents

Chapter 7. Part 1 - Vendor Registration and Management at Headquarters (UN/PD)

7.0 Vendor Registration Process at Headquarters (UN/PD)

- 7.1 Introduction - Registration of Vendors
- 7.2 Register of Vendors
- 7.3 Vendor Registration Officer (VRO) and VRO Responsibilities
- 7.4 General Overview of Registration Process
- 7.5 Pre-requisites for Eligibility Disclosure (UN/PD)
- 7.6 Criteria for Evaluating the Vendor Registration Application
- 7.7 Factors in VRA Evaluation
- 7.8 Evaluation of Application
- 7.9 Provisional Registration of a Vendor
- 7.10 Vendor Registration Files
- 7.11 Maintenance and Updating of the Register of Vendors

[7.0 Vendor Registration Process at Headquarters \(UNPD\)](#)

7.1 Registration of Vendors

1. Introduction. On 1 May 2008 the Procurement Division initiated pursuant to a six-month pilot programme (pilot program) on vendor registration which included revised and streamlined registration criteria and transferred the registration process to be conducted solely on-line at the United Nations Global Marketplace (UNGM) web site. On 11 November 2008, the pilot program was approved for full implementation at UNHQ and to expand the pilot program under the guidance of UN/PD to include Peacekeeping Missions in coordination with the Department of Field Support (DFS) and OAHs at large. Registration of Vendors by Local Procurement Offices (OAHs, Field Missions, etc.) is addressed in [Chapter 7. Part 2 - Vendor Registration and Management at Local Procurement Offices](#).
2. Registration of air transportation Vendors is a two-step process with specialized criteria and is addressed in detail in [Annex D-33B](#).

[7.0 Vendor Registration Process at Headquarters \(UNPD\)](#)

7.2 Register of Vendors

1. UN/PD maintains a centralized electronic Register of Vendors for sourcing the supply of UN needs for goods, services and works to HQ, OAHs and Field Missions. The UN/PD Register of Vendors resides on the United Nations Global Marketplace ([UNGM](#)) which is technically supported by the United Nations Office for Project Services (UNOPS). All vendors wishing to be included in the UN/PD Register of Vendors must register solely through the UNGM internet portal.
2. UN/PD identifies potential recipients of Solicitation Documents from accepted Vendors registered in the UN/PD Register of Vendors on UNGM.
3. The UN/PD Register of Vendors is published on the UN/PD web site and is made available to OAHs and Field Missions.
4. Using established criteria, UN/PD evaluates vendors' applications to determine whether the application complies with UN requirements and are thus eligible for registration. Successful applicants are duly registered in the Register of Vendors on UNGM, in respect of the commodities or services for which the applicant has been found eligible.

[7.0 Vendor Registration Process at Headquarters \(UN/PD\)](#)

7.3 Vendor Registration Officer (VRO) and VRO Responsibilities

1. The Director, UN/PD shall designate members of the Vendor Registration and Management Team staff to be the Vendor Registration Officers (VROs) with the Team Leader of the VRMT as the lead VRO and Secretary of the VRC.
2. The VRO(s) are responsible for administering and maintaining the Register of Vendors, including evaluation of Vendor Registration Applications (VRAs) and advising the Vendor Review Committee (VRC) on the status of Vendor evaluations. The VROs shall also submit to the VRC (through the Secretary of the VRC) recommendations to suspend or remove Vendors from the Register.
3. The VRO(s) shall record and maintain in the Vendor's file all information received relating to the Vendor's registration, even though the information may not warrant that any action be taken.
4. Upon receipt by a VRO(s) of information indicating that a Vendor has not complied with its contractual obligations to the UN or has performed unsatisfactorily, the VRO shall present Vendor's Case to the VRC for possible suspension or removal from the Register of Vendors.
5. When the VRO(s) receives information or documentation indicating that a UN/PD registered Vendor has been suspended or removed from or re-instated in Register of Vendors of other UN organization(s), the VRO(s) shall forward the relevant information or documentation to the VRC with a recommendation for a review of the Vendor's registration status.

[7.0 Vendor Registration Process at Headquarters \(UN/PD\)](#)

7.4 General Overview of the Registration Process

1. The registration process consists of the following:

- a. The applicant registers online at UNGM completing the on-line Vendor Registration Application form (VRA) and uploads the necessary documents as required by the UN/PD registration criteria.
- b. Upon notification by way of the UNGM electronic alert system, UN/PD Vendor Registration Officers (VROs) evaluate the application.
- c. The VROs evaluates the VRA, ensuring that the Pre-requisites for Eligibility Disclosure Form is fully executed by the applicant, and applying the evaluation criteria established by the UN as set forth in this [Chapter 7 Sections 7.5 and 7.6](#) and as published on the UNGM.
- d. The VRO either accepts or requests additional information or rejects the VRA.
- e. The applicant is informed of the status of their application through the UNGM on-line e-mail notification system.

2. Registration is subject to the following:

- a. All information provided to the UN must be certified as true and correct, subject to applicable UN remedies at any time in the UN's discretion, as well as to applicable national civil and criminal penalties for supplying false information as the UN may decide to pursue.
- b. 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 (including an existing Contractor) for registration and take such action as it may deem appropriate under the circumstances. This could include measures taken by the UN Ethics Office or the Vendor Review Committee/UN/PD. (See [Chapter 7. Section 7.01](#)) or the Senior Vendor Review Committee (SVRC) (See [Chapter 7 Section 7.02](#)).

3. Consequences of Successful Registration:

- a. Registration of a Vendor in the Vendor Register indicates that the Vendor is eligible to participate in UN procurement with respect to goods and/or services for which it is registered. It does not guarantee that the Vendor will be selected to participate in any Solicitation or be awarded any Contract.

[7.0 Vendor Registration Process at Headquarters \(UNPD\)](#)

7.5 Pre-requisites for Eligibility Disclosure (UN/PD)

1. As part of the registration application all Vendors are required to complete and sign the mandatory [Pre-Requisites for Eligibility Disclosure Form](#), pursuant to which they declare (both for parent and/or subsidiary entities, as applicable) that:
 - a. they are not on, or associated with, a company or individual on [The 1267 List](#) nor the [IIC Oil for Food List](#) ;
 - b. are not currently removed, invalidated or suspended by UN Headquarters, Field Missions or other UN organisations (including the World Bank) and are not under investigation by a government or UN Member State;
 - c. do not have outstanding bankruptcy, judgment or pending legal action that could impair operating as a going concern;
 - d. do not employ, or anticipate employing, any person(s) who is or was recently employed by the UN (in accordance with [ST/SGB/2006/15](#), post-employment restrictions);
 - e. agree to cooperate with the United Nations Office of Internal Oversight Services during any investigative processes undertaken by them, either before, during or after execution of a contract, including providing all required documents, company records, access to employees, officers and staff, as well as financial information.

7.0 Vendor Registration Process at Headquarters (UN/PD)

7.6 Criteria for Registration

1. In order to be fully registered on the UN/PD roster, vendors must provide the information and documents listed below depending on the Level of Registration (the level of contractual value per transaction that the vendor contemplates to undertake with the UN Secretariat) selected by the Vendor.

2. The criteria is as follows:

LEVEL 1 (Estimated Contract Award less than US \$200,000)

1. MANDATORY: Basic vendor information (name, owners, address, contact information, telephone, e-mail, etc.).
2. MANDATORY: Current certificate of incorporation or equivalent document verifying legal status/capacity.
3. MANDATORY: Three letters of reference or a list of at least three independent, non-affiliated clients/companies whom you have conducted business with over the last year.

LEVEL 2 (Estimated Contract Award US \$200,000 to less than US \$1 MILLION)

Criteria 1-3 identified above; and.

4. MANDATORY: Names of: owner(s) and principals (including parent company, subsidiaries/affiliates, CEO/Managing Director, and those with controlling interest, if applicable) and any former corporate incarnation.
5. MANDATORY: The names of intermediaries, agents and/or consultants, (if any) used in relation to United Nations contracts or bids/proposals.
6. MANDATORY: Certificate of quality standards you adhere to and evidence of quality control programme (ISO certification or equivalent).
7. MANDATORY: Financial documents (audited/certified financial statements or equivalent) for the last three years.

LEVEL 3 (Estimated Contract Award US \$1 MILLION to less than US \$5 MILLION)

Criteria 1-7 identified above; and

8. MANDATORY: Documentation and information to demonstrate sufficient production and export capacities and international scope of operation to supply regional or international markets including proof of exports such as shipping/freight documents or relevant licenses to operate business.

LEVEL 4 (Estimated Contract Award US \$5 MILLION and Above)

9. MANDATORY: A copy of the applicant's Code of Ethics and/or Anti-Fraud Compliance Programme, or equivalent.
10. OPTIONAL: Evidence of the applicant's policies on sustainable procurement practices and/or environmental risk assessment report (ISO 14000 certification, Global Compact ENVP principles, or equivalent).

[7.0 Vendor Registration Process at Headquarters \(UNPD\)](#)

7.7 Factors in VRA Evaluation.

1. Relevance of the goods or services offered to the UN:
 - a. The VRO shall determine whether the goods and/or services being offered by the applicant are required or not. If goods and/or services are not in the UN/PD Commodity Codes, it is very likely that UN/PD does not require them. In this case, the VRO may reject the VRA with respect to such goods and/or services, but may refer the applicant to other UN agencies which may require them.
2. Financial condition:
 - a. For Level 2 and above, the VRO shall evaluate whether the applicant is in sound financial condition based on the financial documentation and information furnished in the VRA which should not show any financial concerns, such as negative net worth, bankruptcy proceedings, insolvency, receivership, major litigation, liens, judgments or bad credit or payment history.
 - b. Failure to submit financial data capable of being adequately evaluated shall normally disqualify the applicant for registration at level 2 and above.
3. Payment Terms:
 - a. The applicant shall indicate whether it can accept the standard UN payment terms. Failure to accept the standard UN payment terms may disqualify (impact contract terms & contract) the applicant.

[7.0 Vendor Registration Process at Headquarters \(UN/PD\)](#)

7.8 Evaluation of the VRA

1. Minimum Standards for Acceptance into the Register of Vendors.

- a. The minimum standards for registering in the UN/PD Register of Vendors has been established under the registration criteria Level 1.

2. Acceptance into the Register of Vendors.

- a. If the VRO determines that an applicant fulfils the required minimum standards, he/she shall promptly ensure that the applicant is accepted in UNGM and notified.

3. Rejection of a VRA.

- a. If the VRO determines that an applicant does not meet the established criteria, the VRO shall reject the VRA in UNGM and ensure that automatic notification is issued from the UNGM.
- b. If the Vendor's application does not provide sufficient information or documentation to enable the VRO to make a determination, the VRO shall request any required additional information or documentation from the applicant before making a determination as to the applicant's eligibility for registration.
- c. In the event the VRO determines that the applicant is ineligible for registration in whole or in part, the VRO may allow up to three attempts by the vendor to satisfy the criteria. Upon re -submission of the VRA, the VRO shall re-evaluate the amended VRA.
- d. The VRO, having provided the vendor with the maximum opportunity to meet the registration criteria, and the vendor remains ineligible for registration in whole or in part, may submit the Vendor's case for review and recommendation by the VRC (See [Chapter 7 Section 7.01.2](#)).

[7.0 Vendor Registration Process at Headquarters \(UN/PD\)](#)

7.9 Provisional Registration of a Vendor

1. At the request of a Procurement Staff, a Vendor identified through market research or which has submitted an Expression of Interest (EOI) in respect of a procurement can be provisionally registered on the condition that the Vendor creates and activates an account on UNGM and provides the UNGM Account Number to the Procurement Officer in the completed EOI form. Instructions for logging on to UNGM are included in the UN/PD EOI form and on the UN/PD websites. Procurement Staff should direct and encourage vendors to complete and submit VRA promptly in order to ensure eligibility for potential contract awards.
2. If formal registration has not been completed within 90 days from the date of provisional registration, the Vendor shall be automatically blocked in the Register of Vendors from further access by the Procurement Staff.
3. Any exception to the policies set forth above may only be made upon written decision of the Director, UN/PD, upon consultation with the VRC Members, if applicable.

[7.0 Vendor Registration Process at Headquarters \(UN/PD\)](#)

7.10 Vendor Registration Files

1. Copy of the electronic documents uploaded to the UNGM in accordance with the registration criteria, and for which the vendor's application was evaluated, shall be maintained by all VROs on the local UN/PD network hard drive. Such files shall be maintained by the Vendor Registration and Management Team (VRMT)/PMS and be available for review by Procurement Staff.
2. Any information concerning a Vendor's registration received independently from Vendors by any staff member shall be forwarded to the VRMT.
3. Procurement Staff shall promptly forward vendor performance reports to the VRMT upon receipt for filing on the local UN/PD network hard drive in accordance with this [Chapter 7 Section 7.11](#).

[7.0 Vendor Registration Process at Headquarters \(UN/PD\)](#)

7.11 Maintenance and Updating of the Register of Vendors

1. Performance Evaluation Reports

- a. Proper maintenance of the Register of Vendors requires the receipt of regular reporting on Vendor Performance. Requisitioners and/or end-users are responsible for the timely evaluation of Vendor Performance in the appropriate Vendor Performance Evaluation Report (VPE) (See [Annex D-6A](#), [Annex D-6B](#), and [Annex D-6C](#), in accordance with [Chapter 15](#)).
- b. Procurement Staff are required to provide to the VRO, a copy of any VPER or written memorandum/report on any relevant information regarding non-compliance or poor performance of registered Vendors.
- c. Procurement Staff and Requisitioners must promptly inform the VRO of any material change of which they become aware regarding the information or documentation provided by a Vendor in connection with its registration.

2. Vendor Updating of Registration Application

- a. All registered Vendors are required to inform UNGM and 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 on-line application uploading additional documentation. A follow-up communication or alert may be in the form of an on-line application update, letter, fax or email and shall include all relevant documentation.
- b. On an annual basis, registered vendors shall update their VRAs by uploading their latest financial documentation for re-evaluation and any other updated certificates such as ISO certifications, licences, etc.
- c. Vendors shall also promptly report any overpayment received under a UN Contract to which it is party or should it have reasonable grounds to believe that a violation of criminal law has been committed in connection with the award or performance of any UN Contract or subcontract. Upon receipt of such information, the VRO shall report to the VRC to assess whether the new information requires a re-evaluation, suspension or removal of the Vendor's registration.
- d. If a Vendor changes its name, the Vendor shall submit the following to the UNGM and UN/PD:
 - i. A certified copy of the certificate of incorporation reflecting the name change;
 - ii. Written confirmation that the Vendor's tax identification number remains the same. If the Vendor's tax identification number has changed, the Vendor shall complete a new application for registration on UNGM.
 - iii. Vendors who fail to comply with the obligations set forth above may be subject to suspension or removal from the Vendor register.

[Chapter 7. Part 1. Vendor Registration and Management at Headquarters \(UN/PD\)](#)

[7.01 Vendor Review Committee at Headquarters \(UN/PD\)](#)

- [. 7.01.1 Vendor Review Committee](#)
- [. 7.01.2 Suspension or Removal from the Register of Vendors](#)
- [. 7.01.3 Vendor Review Committee Deliberations](#)
- [. 7.01.4 Decision to Suspend, Remove or Reinstate a Vendor](#)

[Chapter 7. Part 1.](#)
[Chapter 7.](#)
[PM Table of Contents](#)

[Previous/Next](#)

[7.01 Vendor Review Committee at Headquarters \(UN/PD\)](#)

7.01.1 Vendor Review Committee

1. At UNHQ, a standing Vendor Review Committee (VRC) shall be established by the Director, UN/PD, comprised of the following members:
 - a. Chiefs of POS, ISS, Chiefs of Procurement Sections, UN/PD as members
 - b. Representative of DFS
 - c. Team Leader, VRMT as Secretary.
2. The Chairperson, VRC shall be the Director, UN/PD or his designated representative.
3. The VRC shall serve as a review board for the following issues:
 - a. Applications to the Register of Vendors submitted by the VRO that do not meet the registration criteria (see [Chapter 7 Section 7.01.2](#)).
 - b. Complaints from requisitioners and/or other UN staff against vendors who were alleged to have failed to perform in accordance with the terms and conditions of contracts awarded;
 - c. Proposals for special approval of vendors recommended by a Procurement Section.
4. The VRC may meet in person or exchange information electronically depending on the number of agenda items and complexity of issues.
5. The VRC is an internal review body and does not communicate or meet directly with Vendors.
6. In the Field Offices, a Local VRC shall be established using the same guideline. The Local VRC shall have the same functions and duties as the HQ VRC. However, the Field Offices may refer their vendor issues to the HQ VRC if and when accepted by the Director, UN/PD.

[7.01 Vendor Review Committee at Headquarters \(UN/PD\)](#)

[Chapter 7. Part 1](#)

[PM Table of Contents](#)

[Next](#)

[7.01 Vendor Review Committee at Headquarters \(UN/PD\)](#)

7.01.2 Suspension or Removal from the Register of Vendors

1. Review by the Vendor Review Committee

- a. Upon receipt of a recommendation from the VRO for the review of a Vendor's registration status pursuant to [Chapter 7 Sections 7.3](#) and 7.01.2.a. below, the VRC shall review all relevant evidence provided to them by the VRO, taking the criteria listed below into consideration. Based on their examination, the VRC shall recommend to the ASG/OCSS for decision whether to suspend the Vendor for a specific period of time, remove the Vendor indefinitely from the Vendor register or take no action at all.
- b. In the case where a vendor does not meet the minimum registration criteria and the vendor has requested a further review, the VRO shall submit the case to the VRC. The VRC shall review the case and recommend either to accept or reject the application taking into consideration the published criteria for registration, the Vendor's sales volume or the goods and/or services offered, etc.
- c. The VRC shall ensure 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 will be taken to mitigate risk for the organisation.

2. Criteria for suspension or removal. The following circumstances, when based on substantial and documented evidence, shall be factors for considering whether to suspend or remove a Vendor from the Vendor register:

- a. The Vendor has failed to adhere to the terms and conditions of one or more Contracts with the UN, as to justify suspension or removal from the Vendor register;
- b. Genuine concern about the Vendor's ability to satisfactorily perform contractual obligations, such as filing for bankruptcy or entry into receivership;
- c. Failure to comply with the reporting requirements under [Chapter 7 Section 7.11](#).
- d. Failure to meet eligibility criteria for registration;
- e. Violation of any of the five (5) pre-requisite conditions (see [Chapter 7 Section 7.5](#)) after having signed the pre-requisites for eligibility disclosure form and having been duly registered (see [Chapter 7 Section 7.02 Senior Vendor Review Committee at Headquarters](#)).

3. Evidence of failure to adhere to the terms and conditions of a Contract by a Vendor should not automatically warrant suspension or removal from the Register of Vendors.

4. Removal or suspension of a Vendor may require consultation with OLA prior to such action being taken, as appropriate.

5. Upon receipt of a recommendation from the VRO for a review of a Vendor's status pursuant to [Chapter 7 Section 7.3](#), the VRC shall review the information and/or documentation submitted to it by the VRO and shall recommend to the ASG/OCSS, for decision, whether the Vendor's registration should be reinstated.

6. The VRC shall thoroughly consider any mitigating factors prior to recommending suspension or removal of a Vendor from the Register of Vendors.

[7.01 Vendor Review Committee at Headquarters \(UN/PD\)](#)

7.01.3 Vendor Review Committee Deliberations

1. The VRC shall review all substantial and documented evidence provided to them by the Secretary of VRC, taking the criteria listed in [Chapter 7 Section 7.01.2](#) paragraph 2 into consideration. Based on its examination, the VRC shall recommend to the ASG/OCSS, whether to suspend the Vendor for a specific period of time or remove the Vendor indefinitely from the Register of Vendors in case of those vendors who were alleged to have failed to perform in accordance with the terms and conditions of contracts awarded. If the circumstance warrants that the Vendor be suspended, the period of such suspension should be clearly defined so as to afford the Vendor with the opportunity to correct the deficiencies that led to the suspension. However, evidence of non-performance by a Vendor as described herein should not automatically translate into suspension or removal from the Vendor Register. Mitigating factors should be thoroughly considered by the VRC, prior to recommending suspension or revocation of a Vendor from the Register of Vendors.
2. The recommendation to the ASG/OCSS of the VRC shall be made in writing, and the reasons for removal from the Register of Vendors should be unambiguously stated, The recommendation shall be placed in the applicable UN Vendor file.
3. Proposals for registration of vendors may be approved by the Director, UN/PD or his designated representative if a majority of members recommends registration of such vendors as a result of deliberation at the VRC. The deliberation of VRC shall be recorded in writing and kept in the Vendor file in the form of minutes of VRC meeting or special approval form signed by the Director, UN/PD or his designated representative.

[7.01 Vendor Review Committee at Headquarters \(UN/PD\)](#)

[Chapter 7. Part 1](#)

[PM Table of Contents](#)

[Previous/Next](#)

[7.01 Vendor Review Committee at Headquarters \(UNPD\)](#)

7.01.4 Decision to Suspend, Remove or Reinstate a Vendor.

1. The ASG/OCSS shall decide whether to suspend or remove a Vendor from the Vendor register and shall notify the Vendor accordingly.
2. The notice of suspension shall advise the Vendor of the UN's decision to suspend for a specific period of time or remove indefinitely the Vendor from the Register of Vendors and specify the reasons for the decision. In addition, the notice shall inform the Vendor that it may request review of the decision by the VRC. Further, if applicable, it should list the corrective action (if any) which the Vendor must take in order to be considered for reinstatement.
3. The ASG/OCSS shall also decide whether a Vendor who has been suspended or removed from the Register of Vendors should be reinstated and shall notify the Vendor of any decision to reinstate the Vendor.
4. Notices shall be sent by mail, return receipt requested or facsimile, and the return receipt or "confirmation of transmission" copy shall be kept in the Vendor's file. The Vendor is entitled to a maximum period of 30 days following receipt thereof to request review of a UN decision.
5. If a Vendor who has been suspended or removed from the Register is, at the time of suspension or removal, in a contractual relationship with the UN, the Requisitioner and/or end-user shall be duly notified thereof, and shall consult with the UN/PD concerning any action to be taken, such as termination of the Contract. The UN/PD shall, in coordination with OLA, ensure that the interests of the UN are duly protected in connection with any termination of such Contract, taking into account such considerations as operational needs and the security of UN personnel and property.
6. Vendors dissatisfied with their suspension or removal from registration or with conditions precedent for reinstatement may, after exhausting their administrative remedies with UN/PD, request review of their case by the independent Senior Vendor Review Committee ^{1/} in accordance with its terms of reference as established by the USG/DM.

^{1/} A pilot program establishing a Senior Vendor Review Committee has been launched (see [Chapter 7 Part 1 Section 7.02](#)).

Chapter 7. Part 1 - Vendor Registration and Management at Headquarters (UN/PD)

7.02 Senior Vendor Review Committee at Headquarters

1. Under the general framework of the United Nations Secretariat Procurement Reform, the Secretary-General recommended a number of measures for strengthening the internal control measures in the procurement process and mitigating the risk exposure for the Organization, including the establishment of a Senior Vendor Review Committee (SVRC).
2. For the purpose of implementing the measures contained in the Report of the Secretary-General to the General Assembly on the United Nations Procurement Reform (document A/60/846/Add.5, section II.3(c), paragraphs 28 and 29) which the Assembly noted in its resolution 61/246, a Senior Vendor Review Committee (SVRC) shall be established at United Nations Headquarters under the leadership of the Director of the United Nations Ethics Office and supported by the United Nations Secretariat Procurement Division (UN/PD) administration, on a 12 month pilot basis.
3. Role of SVRC. The SVRC shall render independent advice to the Under Secretary-General for the Department of Management (“USG/DM”) regarding Vendors who are under investigation, accused, convicted or involved in litigation in which the Vendor is alleged to have, or did engage in a fraudulent, corrupt or unethical practice.
4. For additional information regarding the SVRC Pilot Programme please direct inquiries to: pd@un.org.

Chapter 7.

Chapter 7. Part 2 - Vendor Registration and Management at Local Procurement Offices

- [7.001 Vendor Registration Process at Local Procurement Offices](#)
- [7.002 Vendor Review Committee at Local Procurement Offices](#)

[PM Table of Contents](#)
[Chapter 7.](#)
[Chapter 7 Part 1](#)

[Previous/Next](#)

[Chapter 7. Part 2 - Vendor Registration at Local Procurement Offices](#)

7.001 Vendor Registration Process at Local Procurement Offices

1. Field Missions and OAHs having a Vendor Registration Officer (VRO) shall evaluate and process registration applications for Levels 1 through 4.
2. Field Missions and OAHs that do not have a VRO shall utilize the UNGM Local Vendor Registration feature, Field Missions, OAHs, Tribunals, and Commissions shall register local vendors anticipated to be awarded contracts under the informal solicitation process and low value/direct procurement. Applications for Levels 1 to 4 will be evaluated by the Vendor Registration and Management Team (VRMT), UN/PD (See [Chapter 7 Part 1 Vendor Registration Process at Headquarters](#)).

[Chapter 7.](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 7. Part 2 - Vendor Registration at Local Procurement Offices](#)

7.002 Vendor Review Committee at Local Procurement Offices

1. Field Missions and OAHs having a Vendor Registration Officer (See [Chapter 7 Part 2 Section 7.001](#)) shall establish a Local Vendor Review Committee (LVRC). The LVRC shall be established using the same guidelines as outlined for the VRC at HQ (See [Chapter 7 Part 1 Section 7.01](#)). The Local VRC shall have the same functions and duties as the HQ VRC. However, the Field Offices may refer their vendor issues to the HQ VRC if and when accepted by the Director, UN/PPD.
2. For Field Missions and OAHs that do not have a LVRC, vendor cases requiring due diligence and/or consideration of the VRC should be forwarded to the attention of the Director/UNPPD for further guidance.

Chapter 8. The Acquisition Process

- [8.1 Acquisition Planning](#)
- [8.2 Definition of Requirements and Specifications](#)
- [8.3 Establishing a Time-line](#)
- [8.4 Funding Requirements](#)
- [8.5 Market Surveys](#)
- [8.6 Approval of Requirements and Funding](#)
- [8.7 Requisitions and Certifying Officer Role](#)
- [8.8 Obligations Review by Certifying and Approving Officers](#)
- [8.9 Issuance of Requisitions to Procurement Office](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 8. The Acquisition Process

8.1 Acquisition planning

1. Acquisition Planning, including other planning functions such as logistics, finance and resource management, is essential for the effective and timely Solicitation of Bids and Proposals, award of Contracts and delivery of the goods, services and works required by the UN. Requisitioners are responsible for developing Acquisition Plans in cooperation with UN/PD (at HQ) or other Procurement Office (at Field Missions/OAHs) in a timely manner, generally not later than six months before the need for receipt of the goods, services or works. Accordingly, Requisitioners and Procurement Officers must begin to communicate with each other early in the planning process, while maintaining their separate roles. Due to a long lead time in the procurement process forward planning is a key factor to optimise the acquisition of goods and services.
2. Short-term Planning
 - a. Requisitioners shall perform short-term planning, which focuses on the then-current budgetary period. In order to ensure that the UN obtains high quality goods, services and works at competitive prices, and within the time frame required, Requisitioners shall, to the extent possible, ensure the optimal use of funds throughout the budgetary period.
 - b. The Requisitioner shall, to the extent possible, avoid last minute Requisitions, especially at the end of the budgetary period, as this may hamper the ability of the UN to ensure a transparent, open, efficient and timely procurement process.
3. Long-term planning
 - a. Requisitioners shall perform long-term planning, covering at least the remainder of the then-current budgetary period and the forthcoming budgetary period, in order to ensure procurement on the best terms for the Organisation. Long-term planning will also demonstrate that the Organisation manages its funds in a professional manner and in the best interest of the Organisation.
4. Annual plans
 - a. Requisitioners and UN/PD or other Procurement Offices shall communicate, and, to the extent feasible, meet on an annual basis to set up spending plans, including Acquisition Plans, for the forthcoming budgetary period(s). Requisitioners shall provide any proposed revisions to the plans at no more than three (at an OAH or Field Mission) or six month (at HQ) intervals, and UN/PD or such other Procurement Office shall advise as to what portion of these plans can be achieved within the current Acquisition Plan period. Such planning shall, to the extent possible, be used to obtain economies of scale and other benefits for the Organisation.
5. The Acquisition Plan shall contain the following information:
 - a. Item No. (i.e., a numerical identifier);
 - b. Type of goods, services or works, using the UN nomenclature therefor - [UN Common Codification System \(UNCCS\)](#)
 - 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 or works are required to commence and be completed;
 - f. Any other relevant information (e.g., locations where goods, services or works are required if different from the Requisitioner's office).
6. Annually, the Procurement Office will issue a Request for Acquisition Plan in the form attached as [Annex D-7A](#). The Requisitioner shall complete the Acquisition Plan and submit it to the Procurement Office in a timely manner, following the Acquisition Plan form attached as [Annex D-7B](#), together with any other information that would be pertinent.

Chapter 8. The Acquisition Process

8.2 Definition of Requirements and Specifications

1. Definition of Requirements and Specifications, SOWs and TORs

- a. Upon identifying a future need, either new or recurring, Requisitioners shall use their best efforts to accurately describe such need in the form of Specifications, SOWs or TORs. Specifications, SOWs and TORs of goods, services or works being procured form part of the Solicitation Documents, evaluation of Submissions, and the Contract. They fulfil the following essential features of procurement:
 - i. Informing Vendors of the nature of the UN requirements and what is needed to fulfil them;
 - ii. Constituting the basis for evaluating Submissions to determine if they satisfy the UN's requirements;
 - iii. Binding the successful Vendor to perform in accordance with the Specifications, SOWs or TORs.
2. Requisitioners are the Organisation's Subject Matter Experts (SME) in their respective areas and shall use their best efforts to develop Specifications, SOWs or TORs that allow a Vendor to understand the identified need. The Requisitioners shall ensure that the market and technology will support the requirements. Preferably, the Requisitioners will seek product "off the shelf" and standard on the market to prevent any complex and costly customised solution. To this end, the Requisitioners shall use generic Specifications in order to achieve effective, international competition and Best Value for Money. Specifications should not refer to brand names, catalogue numbers or types of equipment from a particular manufacturer except when it has been determined that it is necessary to do so in order to guarantee the inclusion of a particular essential design or characteristic of functioning, construction or fabrication. In these cases, the references should be followed by the words "or equivalent", together with the criteria for determining such equivalence. Specifications, SOWs and TORs should permit the acceptance of offers for goods, services or works with similar characteristics that provide performance and service at least equal to that specified. In special cases, with the prior approval of the Director, UN/PD or the CPO, which shall be fully justified in writing, where products of another company would not fulfil the requirements, Specifications may require the furnishing of an item from a designated manufacturer. Where proprietary products are specified, written justification is also required.
3. Specifications, SOWs and TORs shall be clear and sufficiently detailed to enable Vendors to effectively respond to them and, if the goods, services or works have been purchased previously, reasons shall be provided for any change in Specifications, SOWs or TORs from those previously utilized. Specifications, SOWs and TORs should focus on features that are truly necessary, as opposed to those that may be desirable, but are not really pertinent to the Organisation's requirements.
4. If goods or services sought have been approved for Standardization, the Requisitioner shall use a generally established unique identifier, such as standard Specifications or part number and brand name for such goods or services.
5. Where a procurement project is complex, the Organisation may use external consultants to assist in preparing or reviewing technical Specifications, SOW or TOR. A consultant engaged to prepare or review the technical Specifications, SOW or TOR and/or to assist as a Subject Matter Expert in an advisory capacity for the evaluation of Submissions concerning a particular requirement, shall not be allowed to recommend any Vendor for award of Contract or to submit a Bid or Proposal for the requirement. To improve sourcing of potential vendors, a Consultant may be requested to recommend Vendors, however, if a Consultant recommends a Vendor for participating in a tender exercise all efforts will be made to prevent any potential or perceived conflict of interest between the Consultant and the proposed Vendor.

Chapter 8. The Acquisition Process

8.3 Establishing a Time-line

1. The Requisitioner shall establish the time at which an identified need is to be fulfilled. The Requisitioner shall take into account all the steps of the procurement process, as set forth in this Manual, in order to initiate the process of fulfilling said need in due time.
2. The Requisitioner is encouraged to establish contact at an early stage (budget approval phase) with the Procurement Office regarding any planned procurement for a forthcoming Requisition in order to gain an understanding of the amount of time typically required to complete the procurement process.
3. The Requisitioner shall provide adequate lead-time to the Procurement Office to properly complete the procurement process. In its planning, the Requisitioner shall take into account the time required for obtaining EOIs, preparation of Solicitation Documents, receipt of Submissions, evaluation of Submissions, any required review by the HCC and/or LCC, and the need for negotiation and drafting of a Contract. Based on the complexity of the procurement case, the Requisitioner should know that many tasks during the procurement process are out of the procurement staff responsibility and control (Controller, legal, Insurance, LCC/HCC, etc.). Therefore, it is critical to secure the participation of all the stakeholders at the outset of the acquisition process.
4. For an example of typical time-lines for various activities in the procurement process see [Annex D-20](#)
5. The Requisitioner shall take appropriate measures to avoid using "exigency" as a justification when unwarranted. "Exigency" cases shall only be permitted in an absolute emergency when the Requisitioner could not reasonably have foreseen the need, and requires fulfilment in a time frame shorter than available for the use of the procurement process described in this Manual. When "Exigency" cases are unavoidable they shall be handled in accordance with the procedures set forth in [Chapter 9. Section 9.2.](#)

[Chapter 8. The Acquisition Process](#)

8.4 Funding Requirements

1. The Requisitioner shall ensure that sufficient funding is available for the procurement. Such funding shall be in place prior to issuing the Requisition to the Procurement Office, unless otherwise agreed with the Procurement Office.
2. If UN/PD or the CPO accepts later availability of funding, such funds must be secured prior to Contract award. If funding is not available when Contract award is imminent, the Procurement Office shall either suspend the award of the Contract until funding has been secured for the procurement or decide on another appropriate course of action within the funding available.
3. The Requisitioner shall ensure that the specific funding is allocated only to the applicable procurement, both at the time of Contract award and during the entire life of the Contract. The Procurement Officer shall not make the Contract award, unless the Certifying Officer confirms that funding is in place for the procurement.
4. The funding of the acquisition project is critical during the entire life cycle of the project in particular to prevent any disruption in the payment of invoices raised by the Vendor. Payment of undisputed invoice is a part of the contractual relationship between the vendor and the Organisation.

[Chapter 8. The Acquisition Process](#)

[PM Table of Contents](#)

Chapter 8. The Acquisition Process

8.5 Market Surveys

1. Market surveys are used to survey a specific market or industry to ascertain qualified sources capable of satisfying the Requisitioner's needs and to determine competition, capabilities or estimated costs with respect to a specific good or service sought by the UN. Only UN/PD and other Procurement Offices should conduct Market Surveys. However, Requisitioners should conduct their own technical research and participate in professional meetings and discussions to keep abreast of technological and other developments within their area of responsibility.
2. Any time additional information about potential methods to fulfil a requirement is necessary, the Requisitioner should request the Procurement Office to conduct a Market Survey. Also, before developing new Specifications or soliciting new products with which the UN is not familiar, the Requisitioner should request the Procurement Office to perform a Market Survey. A Market Survey shall be based on a generic and, preferably, performance-based description of the requirement to be fulfilled as provided by the Requisitioner.
3. Upon receipt by a Procurement Office of a request to undertake a Market Survey, the Procurement Officer shall evaluate the urgency, estimated dollar value and complexity of the procurement and past experience with similar procurements. The Market Survey shall involve obtaining information specific to the goods, services or works being acquired.
4. In conducting a Market Survey the Procurement Officer may:
 - a. Contact knowledgeable individuals in the industry;
 - b. Review the results of recent Market Surveys undertaken to meet similar needs;
 - c. Conduct internet research on the industry;
 - d. Obtain source lists of similar items from other agencies, trade organisations or other sources;
 - e. Review catalogues and other product literature;
 - f. Issue RFI's as indicated below.
5. In the same vein, the Procurement Officer may issue a Request for Information (RFI) to Vendors registered in the UN Vendor register, as well as other sources identified by the Procurement Officer, to obtain information to help devise generic descriptions of available or potential alternatives for fulfilling the requirement, as well as the cost and delivery time of such alternatives. Therefore the RFI is more oriented on seeking a technical alternative, costing range and other terms and conditions than seeking a direct response from the market or industry.

[Chapter 8. The Acquisition Process](#)

8.6 Approval of Requirements and Funding

1. The Requisitioner shall ensure that necessary reviews and approvals have been obtained prior to issuing the Requisition. Furthermore, the Requisitioner should liaise with UN/PD or other Procurement Office to identify and plan for additional reviews and approvals necessary before the Solicitation Documents are issued, or a contractual instrument is awarded (e.g., legal, security, Controller, etc.).

[Chapter 8. The Acquisition Process](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 8. The Acquisition Process

8.7 Requisitions and the Role of Certifying Officers

1. Requisitioners order products, services and works by way of Requisitions issued through IMIS⁽¹⁾ or the local requisitioning system. Such a system shall, at a minimum, identify the same data fields as the IMIS Requisitions. A sample Requisition is attached as [Annex D-8A](#) and a sample Requisition for DESA projects is attached as [Annex D-8B](#). Requisitions are electronically approved by a Certifying Officer.
2. The Stock Control Unit (or similar Office in Field Missions/OAHs etc.), TTS/OCSS maintains a catalogue of frequently procured items, such as stationery products, which are available online in IMIS. Requisitioners without access to IMIS should submit requests for procurement of such items to UN/PD or establish a mechanism to order such items directly from the relevant Vendor in consultation with UN/PD and TTS.
3. Certifying Officers act as a liaison between their respective departments/offices and the Procurement Office. They are authorized in writing by the heads of their department or office, with the concurrence of the Controller, to approve Requisitions (Financial Rule 105.5). The Accounts Division, or heads of department or offices as applicable, shall transmit the names of the Certifying Officers at HQ to UN/PD, and heads of the OAH or Field Mission shall maintain the list of Certifying Officers.
4. The main responsibilities of Certifying Officers with respect to procurement are as follows:
 - a. Reviewing all requests received in order to establish the actual need for the requirement, certifying the Requisition and transmitting it to the Procurement Office in accordance with appropriate instructions.
 - b. Ensuring that comprehensive and unambiguous technical Specifications, SOW or TOR are developed in accordance with [Chapter 8, Section 8.2](#) paragraph 1 and attached to the Requisition for each item not specified in the IMIS or other approved UN e-catalogues.
 - c. Consolidating Requisitions by commodity grouping, class of equipment, or services, to the extent possible.
 - d. Ensuring availability of funds for contract award, invoice payment and propriety of the purchase. When purchase action is required, and the cost of the goods, services or works sought is chargeable to an allotment account administered by the department, ensuring that funds and correct allotment codes are available within the allotment to cover the purchase. The clearance and approval of the Certifying Officer is taken as a certification that funds are available and that a need exists for the goods, services or works requested.

(1) Instructions for creating and completing Requisitions are available at the IMIS website, in the "Desk Procedures" section.

[Chapter 8. The Acquisition Process](#)

8.8 Obligations Review by Certifying and Approving Officers

1. Certifying officers should ensure that Purchase Orders or other contractual instruments are issued for any Requisitions processed for goods, services or works and obligations recorded in the accounts based on the above-mentioned guidelines prior to the closing of the accounts. Approving Officers must also carefully review requisitions to ensure compliance with this policy. Miscellaneous obligation documents (MODs/OBMOs) should not be misused to simply reserve funds at year-end. If a valid Contract or commitment with an external party exists at year-end, then it would be appropriate to record the related obligation using a Purchase Order rather than an MOD/OBMO. Further, as per [Financial Rules 105.7](#), [105.8](#), [105.9](#), all obligations should be systematically and carefully reviewed by both Certifying and Approving Officers to confirm their validity at the end of the fiscal year.

[Chapter 8. The Acquisition Process](#)

8.9 Issuance of Requisition to the Procurement Office

1. The Requisitioner shall submit to the Procurement Office an approved IMIS pre-encumbrance document or similar documents from the local requisitioning system for the requirement, supported by a comprehensive description of the goods, services or works to be procured, including detailed specifications of construction and installations required and architectural drawings, if appropriate. The description should also specify a reasonable time period within which work or service is to be performed or time limit for delivering the goods, as discussed and agreed to with the Procurement Officer.
2. Once the Requisitioner has developed the Requisition in accordance with the above criteria, he/she shall issue it to UN/PD or other Procurement Office for action.
3. Thereafter, the Requisitioner shall, as a priority, assist and cooperate in finalizing information for the Solicitation Documents, as requested by the Procurement Officer.

[Chapter 8. The Acquisition Process](#)

[PM Table of Contents](#)

[Previous](#)

Chapter 9. The Solicitation Process

- Chapter 9. Part 1 – Preparation for Solicitation and Vendor Selection
 - Sections 9.1 to 9.8
- Chapter 9. Part 2 – Methods of Solicitation
 - Sections 9.9 to 9.24
- Chapter 9. Part 3 – Terms and Conditions
 - Sections 9.25 to 9.50

Chapter 9. The Solicitation Process

Chapter 9. Part 1 – Preparation for Solicitation and Vendor Selection

- 9.1 Preparation and Issuance of Solicitation Documents
- 9.2 Requisition Evaluation
- 9.3 Identification of Potential Recipients of Solicitation Documents
- 9.4 Inclusion of Provisionally Registered Vendors
- 9.5 Limitation of Number of Vendors to be Invited
- 9.6 Minimum Number of Vendors
- 9.7 Equitable Geographical Representation of Invited Vendors
- 9.8 Requests for Expressions of Interest Posted on UN/PD's Website

Chapter 9. Part 2

Chapter 9 Part 3

PM Table of Contents

[Chapter 9. Part 1](#)

9.1 Preparation and Issuance of Solicitation Documents

1. Introduction

In accordance with the general principles set forth in [Financial Regulation 5.12](#), [Financial Rule 105.14](#), and [105.15](#) the UN Secretariat has established the general procedures for “Formal Methods of Solicitation”. [Financial Rule 105.16](#) provides for “Exceptions to the Use of Formal Methods of Solicitation”.

2. In preparing Solicitation Documents, Procurement Officers should factor a number of issues as described in the Source Selection Plan. In this regard, the Procurement Officer should prepare the Solicitation Documents, distinguishing between UN treatment of ITBs and RFPs as provided in [Financial Rule 105.15\(a\) and \(b\)](#).

[Chapter 9. Part 1](#)

[PM Table of Contents](#)

[Next](#)

Chapter 9. Part 1

9.2 Requisition Evaluation

1. The Procurement Officer shall evaluate the Requisition received from the Requisitioner. All Requisitions must conform to the general principles of [Financial Regulation 5.12](#) and, in this regard, must give due consideration to the following:
 - a. Best Value for Money;
 - b. Fairness, integrity and transparency;
 - c. Effective International Competition;
 - d. The interest of the United Nations.
2. The Procurement Officer shall identify any aspects of the Requisition that do not conform to the FRR or other procedures, industry practices on the procurement of goods, services or works by the UN. The Procurement Officer shall bring such aspects to the attention of the Requisitioner and the Requisitioner will then correct the Requisition accordingly.
3. Typical aspects of Requisitions that do not conform to the FRR are (not an exhaustive list):
 - a. Requirements designed to limit or eliminate competition such as:
 - i. Specification of a particular product (such as by make or model number) instead of a generic description, without a valid justification, as set forth in [Financial Rule 105.16](#);
 - ii. Generic specifications formulated in such a way that only one Vendor or a limited group of Vendors can fulfil the requirement.
 - iii. Unjustified or unpersuasive requests for exemptions from competitive bidding or other procedures such as claiming "exigency" as defined in this Manual, [Chapter 9 Section 9.19](#) even though no real emergency exists;
 - iv. Requesting technical standardization without adequate written justification and supporting documentation from approving authority and/or prior approval of ASG/OCSS.
 - b. Unreasonable delivery times, which may arise from causes such as:
 - i. Deliberately waiting to submit a Requisition until a need has become imminent, instead of when the need was first identified and established by the Requisitioner;
 - ii. Submission of Requisition(s) solely for the purpose of using funds by the end of the budget period.
 - c. Unrealistic budget estimates based on such factors as:
 - i. Using introductory or limited offers as a basis for budgeting;
 - ii. Basing a Requisition on less than the minimum number of units or less than the minimum level of services or works necessary to fulfil the requirement.

Chapter 9. Part 1

9.3 Identification of Potential Recipients of Solicitation Documents

1. Introduction. A key element of obtaining Best Value for Money in the Solicitation process is identifying Vendors to fulfill the Requisitioner's need. The goal is to have multiple Vendors that can meet or exceed the performance criteria so that competitive prices will be obtained. This result can be achieved by utilizing various techniques, including Market Research via Internet or UN Global Marketplace (UNGM), Requests for Expressions of Interest (REOIs), Requests for Information (RFIs), and Register of Vendors, etc. The activity of identifying suitable goods and services on the market and potential Vendors to provide such goods and services is generally referred to as "Sourcing". This is a key responsibility of the procurement function which, to a large extent, must anticipate and fulfill the Requisitioners needs and be able to offer a sourcing solution at all times as procurement is the interface between the Organisation and the commercial world.
2. The identification of Vendors for receipt of Solicitation Documents shall be undertaken in such a way that the fairness, integrity and transparency of the Solicitation process is safeguarded and the interest of the Organisation is protected.
3. In accordance with Financial Regulation 5.13 "tenders for equipment, supplies and other requirements shall be invited by advertisement, except where the Secretary-General deems that, in the interests of the Organisation, a departure from this regulation is desirable."
4. In accordance with [Financial Rule 105.14](#), formal methods of Solicitation are conducted by advertisement or by direct Solicitation of Vendors.
5. Advertising generally means the dissemination of the description of requirements through the issuance and posting on the UN/PD website of an RFI or an REOI, in accordance with this Section 9.3 of Chapter 9, and [Section 9.8](#), paragraph 2. At Field Missions and OAHs, depending on local conditions, local procurements may be advertised on the Field Mission or OAH website. Where local conditions render REOIs impractical or impossible, Procurement Officers should consider alternative methods for advertising the procurement.
6. Vendors identified through an RFI, REOI or other form of Market Research shall be included in the list of Vendors in accordance with Chapter 8 Section 8.5 and Chapter 9 Section 9.8, paragraph 1 provided they have started their registration procedure in the UNGM or are provisionally registered or already registered on the Register of Vendors. Unless there is a valid reason to limit the number of invited Vendors as set forth in Chapter 9 Section 9.5, the Procurement Officer shall invite all Vendors registered for the goods, services or works being procured, except those who have clearly indicated in responding to an RFI or REOI that they are not interested in participating in the particular procurement exercise. Vendors who have clearly indicated that they are only interested in participating in local procurement (e.g., at an OAH or Field Mission) need not be invited to procurement taking place elsewhere.
7. As a general rule, for all procurements estimated to cost more than US\$ 40,000 for a single award, all registered Vendors for the particular goods, services or works should be invited to participate through the issuance of an REOI and publication of a synopsis of the REOI on the UN/PD website. Vendors who have indicated that they are not interested in the solicitation need not be invited.
8. Vendors suggested by the Requisitioner or consultants may be considered in the sourcing list as long as the Requisitioner or consultants declare, in writing, that they have no potential conflict of interest with the proposed vendors.
9. The establishment of the sourcing list to fulfill the Requisitioner requirements is heavily dependent on the understanding of the nature of the service or the scope of work. Therefore, the procurement staff must exercise care and professional judgement in order to ensure a proper matching of the code and the vendor expertise. ([UN Common Codification System \(UNCCS\)](#))

[Chapter 9. Part 1](#)

9.4 Inclusion of Provisionally Registered Vendors

1. Provisionally registered Vendors or Vendors who have applied to the UNGM via their UNGM identification number may be invited to participate in a Solicitation, subject to the approval of the Chief of Section, UN/PD or the CPO. In such case, the procedures outlined in Chapter 7 Section 7.9 Provisional Registration of a Vendor shall be followed. The reason for the invitation shall be recorded in writing, and approved in writing by the Chief of Section, UN/PD or the CPO. Such Vendors shall be informed in writing that formal registration in the Vendor register is a prerequisite for being considered for a Contract award and entering into a Contract with the UN.

[Chapter 9. Part 1](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 9. Part 1

9.5 Limitation of Number of Vendors to be Invited

1. For good cause justified in writing, the Procurement Officer may, upon the written approval of the applicable Chief of Section, UN/PD, or the CPO limit the number of invitees.
2. Examples of circumstances under which the number of Vendors to be invited to participate in a Solicitation may be limited are as follows:
 - a. When the list of registered Vendors for the goods, services or works being procured is unduly long and therefore impractical to use;
 - b. Where the requirements for goods, services or works will be procured from a Sole Source, please refer to [Chapter 9 Section 9.9](#);
 - c. Where security considerations justify a limitation, see [Chapter 9 Section 9.11](#);
 - d. In the case of low-value procurements, see [Chapter 9 Section 9.15](#).
 - e. Where, in the opinion of the Chief of Section, UN/PD, or the CPO, other exceptional circumstances warrant such limitation. In such event, the exceptional circumstances shall be recorded by the Director, UN/PD or the CPO in writing and included in the procurement case file.
3. When the number of Vendors is limited, the following factors shall be taken into account in determining which Vendors to invite:
 - a. Vendor has received a previous award for a similar requirement; the buyer is advised to obtain a vendor performance evaluation report from the requisitioning office to ensure satisfactory past performance.
 - b. Vendor made a Submission for a similar requirement within the last three years;
 - c. Vendor has become registered with respect to the goods, services or works sought since the last Solicitation for such goods, services or works; or
 - d. Vendor was identified through the use of an RFI, REOI or other form of Market Survey, see [Chapter 8 Section 8.5](#).
 - e. If a vendor is not invited to a solicitation as the list of registered vendors is too lengthy (see para. 9.2.a of this Section), the buyer will make an effort to include this vendor in the next solicitation.
4. The final list of Vendors to be invited should reflect equitable geographical distribution, to the extent possible, and include at least the minimum number of Vendors set forth in [Chapter 9 Section 9.6](#), unless that number is impossible or impractical to achieve.

[Chapter 9. Part 1](#)

9.6 Minimum Number of Vendors

1. The Procurement Officer should endeavour to invite the following minimum number of Vendors, while encouraging the diversity of Vendor origins, to ensure an appropriate level of competition in accordance with [Financial Regulation 5.12 \(c\)](#). The Procurement Officer should equally endeavour to match the Vendor expertise, its registration in UNCCS and the Requisitioner requirements:
 - a. For acquisitions between US\$4,000 and US\$40,000, a minimum of 5 Vendors;
 - b. For acquisitions between US\$40,000 and US\$200,000 a minimum of 10 Vendors;
 - c. For acquisitions between US\$200,000 and US\$1,000,000 a minimum of 15 Vendors;
 - d. For acquisitions between US\$1,000,000 and US\$5,000,000 a minimum of 20 Vendors;
 - e. For acquisitions above US\$5,000,000, a minimum of 25 Vendors;
 - f. For acquisitions for less than US\$4,000, a fixed minimum is not required in accordance with [Financial Rule 105.16\(a\) \(x\)](#).
2. If the minimum number of potential Vendors cannot be met, the Procurement Officer shall document the reason for including a lower number in a written note to the procurement case file.

[Chapter 9. Part 1](#)

9.6 Minimum Number of Vendors

1. The Procurement Officer should endeavour to invite the following minimum number of Vendors, while encouraging the diversity of Vendor origins, to ensure an appropriate level of competition in accordance with [Financial Regulation 5.12 \(c\)](#). The Procurement Officer should equally endeavour to match the Vendor expertise, its registration in UNCCS and the Requisitioner requirements:
 - a. For acquisitions between US\$4,000 and US\$40,000, a minimum of 5 Vendors;
 - b. For acquisitions between US\$40,000 and US\$200,000 a minimum of 10 Vendors;
 - c. For acquisitions between US\$200,000 and US\$1,000,000 a minimum of 15 Vendors;
 - d. For acquisitions between US\$1,000,000 and US\$5,000,000 a minimum of 20 Vendors;
 - e. For acquisitions above US\$5,000,000, a minimum of 25 Vendors;
 - f. For acquisitions for less than US\$4,000, a fixed minimum is not required in accordance with [Financial Rule 105.16\(a\) \(x\)](#).
2. If the minimum number of potential Vendors cannot be met, the Procurement Officer shall document the reason for including a lower number in a written note to the procurement case file.

[Chapter 9. Part 1](#)

9.7 Equitable Geographical Representation of Invited Vendors.

1. The Procurement Officer shall always strive to ensure equitable geographical representation of invited Vendors. The sourcing of UN Secretariat requirements via Vendors from Developing Countries and Countries with Economies in Transition should attract the priority of the procurement staff. All efforts must be engaged by the procurement staff to raise business opportunities for Vendors from Developing Countries and Countries with Economies in Transition. A good knowledge of the local commercial conditions, capacity, practices, etc. is a pre-requisite for an efficient sourcing operation.
2. If the number of registered Vendors for the particular goods, service or works being sought is less than the minimum number set forth above, the Procurement Officer shall, to the extent possible, follow the procedures set forth in [Chapter 9 Section 9.3](#) in an effort to identify additional Vendors. If such effort is unsuccessful or impractical due to the circumstances of the case, only registered Vendors should be invited.

Chapter 9. Part 1

9.8 Requests for Expressions of Interest Posted on UN websites

1. In all cases requiring formal Solicitation (see Chapter 9, Section 9.10), the Procurement Officer shall post an REOI notice on the UN/PD website and advertise in the international print/internet media the UN's requirements, for a period ranging from two to four weeks, depending on the circumstances of the case, to identify Vendors interested in participating in the Solicitation. If the Procurement Officer decides not to post a REOI, he/she shall document the reasons in a written note to the procurement case file. The form of an REOI is attached as [Annex D-34](#). All UN Secretariat REOI will be posted on UNGM to ensure the maximum publicity and take advantage of the "UNGM Alert System" which enables Vendors to receive electronic notification for all notices posted by the UN Procurement System (Secretariat, Funds & Programmes, Specialised Agencies).
2. At OAH and Field Missions, the Procurement Officer should post the REOI on the local website and/or advertise locally in newspapers, as deemed appropriate. In case the estimated procurement value will likely exceed US\$200,000, the Procurement Officer should post the REOI on the UN/PD and UNGM websites in addition to the local advertisement.
3. In the case of procurements with a value of less than US\$200,000 carried out by a Field Mission or an OAH, the posting of an REOI on UN/PD and UNGM websites is optional, but the requirement should still be widely disseminated in neighbouring/regional countries to ensure, to the extent possible, Effective International Competition in accordance with [Financial Regulation 5.12\(c\)](#).
4. The REOI shall be in accordance with [Chapter 8 Section 8.5](#) and [Annex D-34](#) and provide as follows:
 - a. It shall give a detailed description of the requirements of the forthcoming Solicitation. It may include generic specifications, which shall not be used to single out or favour specific Vendors or products, but rather to identify appropriate Vendors that could potentially fulfil the requirements. It may also include a questionnaire developed by the Procurement Officer in cooperation with the Requisitioner. The REOI must be clear in the event that the questionnaire is the venue to conduct pre-qualification for Vendors receiving the solicitation documents.
 - b. Except as indicated in Chapter 9 Section 9.8 paragraph 1 above, it shall be advertised on the UN websites. In addition, a link with the REOI page may be sent by e-mail to all Permanent Missions to the UN, and it shall be disseminated in a manner that, in the opinion of the Procurement Officer, would lead to the widest response practically possible.
5. The REOI does not constitute a Solicitation; responding to the REOI does not guarantee that the Vendor will be invited to participate in the Solicitation when issued; and the UN reserves the right to change or cancel the procurement at any time during the REOI process or the formal Solicitation process.
6. Only those Vendors who are registered or provisionally registered or have started their registration process in UNGM for the relevant goods, services or works, will be eligible to receive the Solicitation Documents.
7. The REOI must also state that the UN reserves the right to send the Solicitation Documents to Vendors who were identified through additional market research or others means to source the UN requirements.
8. In all cases in which an REOI is posted, the Procurement Officer should send a one-page synopsis of the REOI to all Vendors registered for the relevant goods, services or works via e-mail or fax requesting the Vendors to indicate their interest by the deadline set forth in the REOI. Records of the synopsis sent and responses received shall be kept on file.
9. The issuance of a synopsis of the REOI is not required in cases where the estimated value of the goods, services or works being sought is less than US\$ 40,000 and which are processed through an RFQ and may be waived for urgent requirements or under special circumstances for estimated amounts of US\$ 40,000 or higher, upon approval of the Director, UN/PD or the CPO.
10. The requirement to post the REOI on the UN/PD and UNGM websites applies whether or not a synopsis is sent to Vendors.

11. If the synopsis is not sent to all registered Vendors, formal Solicitations shall be submitted to all registered Vendors for the relevant commodity code.
12. Upon receipt of responses to the synopsis and the REOI, the Procurement Officer may send a full copy of the ITB or RFP to all respondents who demonstrated interest at the time of release of the Solicitation.
13. Records of EOI, the synopsis sent and responses received shall be kept on file.
14. Suitable qualified Vendors who respond to the REOI, who are not UN registered Vendors, shall be added to the list of invitees of the Solicitation Documents only after being accepted for provisional registration or after they started the registration process on the UNGM website.
17. This procedure shall not be used to unduly limit competition, and the result may be cancelled if the minimum number of required Vendors does not reply to the REOI and the Section Chief, UN/PD or CPO agrees with the action to be taken.
18. In case of recurring procurement, the Procurement Officer may post an ongoing EOI without expiry or closing date. In such case, Vendors that respond, and are deemed qualified upon completion of an objective evaluation of their submission, will be added to the list of invitees for the next Solicitation for this commodity.
19. In case of Sole Source procurement, a notification of intended Sole Source purchase should be posted in the form of an REOI and the procedures of [Chapter 9 Section 9.9](#) shall be followed.
20. If the Procurement Officer decides not to post an REOI because the circumstances of the case do not warrant doing so, he/she shall document the reasons in a note to the case file.

[Chapter 9. The Solicitation Process](#)

[Chapter 9. Part 2 – Methods of Solicitation](#)

- [. 9.9 Types and Methods of Solicitation](#)
- [. 9.10 Sole Sourcing](#)
- [. 9.11 Security Considerations](#)
- [. 9.12 Deletion of Vendors from the List of Vendors to be Invited](#)
- [. 9.13 Vendors Recommended by Requisitioners or Consultants](#)
- [. 9.14 Certification of Fair Establishment of List of Vendors](#)
- [. 9.15 Low-Value Procurement](#)

- [. 9.16 Preparation and Modification of Standard Solicitation Documents](#)
- [. 9.17 UN General Conditions](#)
- [. 9.18 Exceptions to Use of Formal Methods of Solicitation](#)
- [. 9.19 Special Guidance on Exigency Situations](#)
- [. 9.20 Amendment of Solicitation Documents](#)
- [. 9.21 Cancellation of Solicitation Documents](#)
- [. 9.22 Consultation with the Office of Legal Affairs](#)
- [. 9.23 Solicitation Documents](#)
- [. 9.24 Language of Solicitation Documents](#)

[Chapter 9. Part 1](#)
[Chapter 9 Part 3](#)
[PM Table of Contents](#)

[Previous/Next](#)

Chapter 9. Part 2

9.9 Types and Methods of Solicitation

1. Types of Solicitation Documents

The UN uses three standard types of Solicitation Documents, namely RFQ, ITB and RFP. Each is used for a different type of procurement. The selection of the type of procurement shall take into account prudent commercial practices and consider the use of a competitive selection process appropriate within the particular industry for the goods, services or works being sought. At the earliest time possible, the intended selection process and components shall be developed in writing by the Procurement Officer and the Requisitioners and made part of the Source Selection Plan.

2. The selection of the appropriate type of Solicitation Document shall be based on the four principles of [Financial Regulation 5.12](#), the specific operational environment, the market conditions, technical considerations of the goods, services or works being procured and the monetary value of the procurement as follows:

a. Informal Methods of Solicitation

- i. A Request for Quotation (RFQ) shall be used for the procurement of goods, services or works with standard and clear specifications and a total estimated value above US\$4,000 and up to US\$40,000 (see [ASG/OCSS approval 08 Jan 2010](#)). For this type of procurement, the final contractual document to be issued or entered into shall be a UN Purchase Order or a customized UN Contract. A sample RFQ is attached as [Annex D-16](#). For requirements with a total estimated value of less than US\$4,000, the procedures set forth in [Chapter 9 Section 9.15](#) may be used.

b. Formal Methods of Solicitation

- i. An Invitation to Bid (ITB) shall be used for the procurement of goods with standard and clear specifications and a total estimated value in excess of US\$ 40,000. In these cases, the Contract shall be awarded under [Financial Rule 105.15\(a\)](#) to the “qualified bidder whose bid substantially conforms to the requirements set forth in the Solicitation Documents and is evaluated to be the one with the lowest cost to the United Nations”. For this type of procurement, the final contractual document is usually a customized UN Contract, unless the Procurement Officer decides, in consultation with the Chief of Section, UN/PD, the Director, UN/PD or the CPO, that a Purchase Order will be used. A sample ITB is attached as [Annex D-17](#).
- ii. Due to the specialized nature of air charter agreements, the UN uses modified solicitation documents for air charter services, specifically developed for all short-term and long-term aircraft charter and related services. For this type of procurement, the final contractual document shall be based on the UN Aircraft Charter Agreement. Samples of ITBs for air charter services are available upon request to the attention of pd@un.org.
- iii. A Request for Proposals (RFP) shall be used for procurement of goods, services or works that cannot be quantitatively or qualitatively expressed in sufficient detail to allow for use of an ITB, such as professional or other complex goods, services or works. An RFP shall also be used for outsourcing non-core activities (See General Assembly Resolution [GA/RES/55/232](#)).

(1) When the Procurement Officer determines that inviting Proposals is the preferred method for the Solicitation, he/she shall, to the extent possible, use functional specifications for the goods, services or works being procured. The specifications shall be clear, comprehensive and preferably performance-oriented. The Contract shall be awarded, under [Financial Rule 105.15\(b\)](#), “to the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the Solicitation Documents”. In other words, the award is not necessarily based on the lowest cost. The evaluation of the Proposals received from Vendors participating in the Solicitation shall be based on the criteria set forth in the Solicitation Documents, and each criterion shall be given a pre-determined weighting fixed by the Evaluation Committee or the Procurement Officer together with the Requisitioner, as the case may be, prior to the issuance of the Solicitation Documents. An RFP shall generally result in a customized written Contract which shall contain all applicable terms and conditions, including those agreed upon after negotiations with the selected Vendor. A sample RFP is attached as [Annex D-19](#) (See [Chapter 13](#) on contractual instruments for further

details).

[Chapter 9. Part 2](#)
[PM Table of Contents](#)

[Next](#)

[Chapter 9. Part 2](#)

9.10 Sole Sourcing

1. Pursuant to [Financial Rule 105.16](#), the UN may solicit only a single Vendor for a particular procurement action provided the ASG/OCSS has determined that using formal methods of Solicitation is not in the best interest of the Organisation.
2. In such cases, in order to ensure the fairness, integrity and transparency of the process, the Procurement Officer may post, if feasible, at an early date, a notice of intent to procure the requirement using informal methods of Solicitation in the form of an REOI. This notice should give Vendors the opportunity to submit a statement of their qualifications so that they may indicate whether they have qualifications to fulfil the requirement. This should justify the rationale for sole source selection process.
3. If any additional Vendor deemed qualified to meet the requirement has expressed an interest in participating, the Procurement Officer shall determine whether the circumstances that originally justified procurement using informal methods of Solicitation or from a Sole Source still apply and obtain the approval of the Director, UN/PD or the CPO accordingly. It will be her/his decision to pursue informal methods of Solicitation or Sole Source procurement, and document the procurement case accordingly.
4. If the Procurement Officer decides not to post a notice of intent on the relevant website to procure from a Sole Source because the circumstances of the case do not warrant such posting, he/she shall document the reasons in writing in the procurement case file.

[Chapter 9. Part 2](#)

9.11 Security Considerations

1. In specific categories of acquisition of goods or service the Requisitioner or the Department of Safety and Security (DSS) may request UN/PD to limit the number of Vendors invited to participate in a Solicitation due to security reasons. In such event, UN/PD shall seek the advice and recommendation of the DSS concerning criteria for selecting Vendors to be invited. Such limitation on the number of Vendors and the criteria for their selection shall be subject to the approval of the Director, UN/PD before the Solicitation Documents are issued.
2. Upon such approval, the Procurement Officer shall limit the number of Vendors to be invited based on the approved criteria and issue the Solicitation Documents only to those Vendors that fulfil the specific security requirements.

[Chapter 9. Part 2](#)

9.12 Deletion of Vendors from the List of Vendors to be Invited

1. Where a Vendor has been suspended or removed from the Vendor Register pursuant to [Chapter 7 Section 7.13](#), such Vendor shall not be included in any new list of Vendors to be invited, until and unless the Vendor has been reinstated. Information updates on Vendors suspended or removed are generally posted for regular consultation by the Staff. It should be noted that for operational reasons, a Vendor may continue to do business with the UN during its suspension period. In such instance, the Staff is invited to seek advice from UN/PD Vendor Registration Management Team (VRMT) and the final arrangements decided by the Vendor Review Committee (VRC).

[Chapter 9. Part 2](#)

9.13 Vendors Recommended by Requisitioners

1. 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](#).
2. If vendor recommendations are received, Procurement Officers shall carefully evaluate the desirability and propriety of including the recommended Vendor on the invitee list. However, unless the Procurement Officer 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.
3. If the Procurement Officer believes that a Vendor should be invited to tender, then the concurrence of the Director, UN/PD or CPO must first be obtained and the individual sponsoring the Vendor will have to ensure and declare that there is no potential conflict of interest between the vendor and him/herself.
4. 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 particular requirement shall not be allowed to submit a Bid or a Proposal for the same requirement. The situation will be assessed by the Director, UN/PD or CPO for any subsequent solicitations.
5. If a Vendor approaches the Requisitioner for inclusion on the list of invitees, the Requisitioner shall direct the Vendor to the Procurement Officer concerned.

[Chapter 9. Part 2](#)

9.14 Certification of Fair Establishment of List of Vendors

1. Prior to issuance of Solicitation Documents, the Procurement Officer shall certify that the list of Vendors to whom the Solicitation Documents will be issued contain all Vendors registered with respect to the goods or services being procured, subject to the limitations and exceptions provided in [Chapter 9 Section 9.5](#). The Procurement Officer must ensure that the required UNCCS for the solicitation and the Vendors capacity and expertise are matching. The Procurement Officer cannot simply rely on a mechanical process but should have a fair knowledge of the UNCCS, the market and Vendors. In addition, all efforts must be engaged by the procurement staff to increase the number of vendors from developing countries and countries with economies in transition and their participation in UN Secretariat solicitations.
2. If the number of Vendors has been limited, pursuant to [Chapter 9 Section 9.5](#), the Procurement Officer shall certify that the Director, UN/PD or the CPO, has approved such limitation and the conditions relating thereto. Such written approval to limit the number of Vendors shall be recorded by the Procurement Officer in the procurement case file.

Chapter 9. Part 2

9.15 Low-Value Procurement - (Direct Procurement)

1. Pursuant to [Financial Rule 105.16\(a\)\(x\)](#), formal methods of Solicitation are not required if the estimated value of the procurement is less than the monetary threshold established for formal methods of Solicitation, currently fixed at \$ 40,000 subject to the following:
 - a. A Procurement Officer or an official can directly procure up to the value of \$4,000.
 - b. For values above \$4,000 up to \$40,000 a Procurement Officer shall use informal methods of solicitation, such as Request for Quotation (RFQ).
2. The Procurement Officer or authorized official shall ascertain whether a Systems Contract is currently in effect for the required goods, services or works and make the purchase under the Systems Contract, if it is in effect.
3. If the UN has standardized purchases of the required goods, services or works with a specific Vendor, such goods, services or works shall be acquired from that Vendor.
4. If purchases under a Systems Contract or standardized purchases with a specific Vendor are not available, the Procurement Officer or authorized official, after exercising his/her judgement as to quality and price, shall obtain informal quotes via phone, e-mail, fax or in person or via quotations available on the Internet. The request for quotations from Vendors and quotations available on the Internet shall cover all aspects of the purchase (price, quality, quantity, delivery time, etc.). In order to ensure economy, efficiency and fair market prices, the Procurement Officer or authorized official shall assess which quotation offers Best Value for Money and record the assessment in a written note to the procurement case file, stating that he/she has in good faith obtained such value.
5. The Procurement Officer or the authorized official shall issue a Purchase Order or Contract, as applicable, and forward a copy of the Purchase Order or Contract to the Procurement Office.

[Chapter 9. Part 2](#)

9.16 Preparation and Modification of Standard Solicitation Documents

1. The Solicitation Documents attached as [Annexes D-16 through D-19](#) contain the required terms and conditions for soliciting UN requirements. The terms and conditions of the Solicitation Documents may be modified by the Procurement Officer to encompass requirements of a specialized nature, provided that such modifications do not alter the applicable UNGCC. Any significant change(s) to the UNGCC requires the prior approval of the ASG/OCSS and appropriate input from OLA before the issuance of Solicitation Documents (see [Chapter 9 Sections 9.17, 9.42](#) and [Chapter 13](#)).
2. Solicitations subject to the threshold for the forthcoming pilot debrief programme referred to in [Chapter 11 Section 11.41.3](#) should be supplemented with appropriate notice of the applicable debrief procedures for such high-value Solicitations. The Procurement Officer should take special care in all Solicitations to anticipate potential questions and concerns that may have to be answered later in a debriefing.

[Chapter 9. Part 2](#)

9.17 UN General Conditions of Contract (UNGCC)

1. The Office of Legal Affairs has promulgated specific versions of the UNGCC:
 - a. Contracts for the purchase of goods only
(see Annex D-9 [UN General Conditions of Contract \(provision of goods\)](#))
 - b. Contracts for acquisition of services
(see Annex D-10 [UN General Conditions of Contract \(provision of services\)](#));
 - c. Contracts for mixed goods and services
(see Annex D-11 [UN General Conditions of Contract for Purchase of Goods and Services](#));
 - d. De minimus field Contracts
(see Annex D-12 [UN General Conditions of Contract De Minimus Field Contracts](#)); and
 - e. other specific versions (e.g., air charters).
(Annex D-18C Short-Term Air Charter Agreement - Available upon request)
(see Annex D-18D [Long-Term Air Charter Agreement \(fixed wings\)](#))
2. Vendors should be reminded that they have indicated as part of the registration process and as part of any Submission, that they have accessed, read, understood and accepted the UNGCC, unless they state their reservations or non-acceptance clearly.
3. Solicitation Documents shall also indicate that reservations to or non-acceptance of any of the terms of the UNGCC may lead to a rejection of, or to higher risk rating of the Vendor's Submission.
4. When the selected Vendor has not objected to any of the terms and conditions of the UNGCC in the Submission, Vendors may not seek amendments to the UNGCC after an award has been issued. In most cases, the UN will not agree to any modifications to, or deletions of, the provisions of the UNGCC. Should the UN choose to negotiate with the Vendor under these circumstances, negotiations should normally be conducted with the assistance of OLA in order to ensure that the interests of the Organisation are adequately protected. Any changes to, or deletions of, the provisions of the UNGCC shall only apply to the procurement action regarding which they were agreed to. In the alternative, the award may be withdrawn and given to another Vendor after renewed evaluations of all Submissions, provided the Submission from the other Vendor meets the applicable standard under the FRR for selection. Any approved modification(s) to the UNGCC may be incorporated in the final Contract by an appropriate provision in the umbrella agreement (see [Chapter 13](#) for drafting Contracts).
5. If changes to the forms of the UNGCC are required, the UN/PD Contracts Officer or, in the case of Field Missions, the Legal Officer should be consulted in the first instance. For substantive changes to the UNGCC, the advice of OLA must be obtained.

Chapter 9. Part 2

9.18 Exceptions to Use of Formal Methods of Solicitation

1. Use of Exceptions. Procurement Officers shall exercise sound judgement and caution in applying any of the exceptions to the use of formal methods of Solicitation listed in [Financial Rule 105.16](#). In these cases, the Contract may be awarded “... on the basis of an informal method of Solicitation or on the basis of a directly negotiated contract to a qualified [V]endor whose offer substantially conforms to the requirement at an acceptable price.”
2. For the exceptions listed in [Financial Rule 105.16](#), the Procurement Officer shall consider the following:
 - a. The exception based on the non-existence of a competitive marketplace ([Financial Rule 105.16 \(a\) \(i\)](#)) includes goods, services or works for which only one manufacturer or source exists, or when similar or generic items that fulfil the requirements are not available. Items that are not sold at uniform fixed prices, although protected by patents or copyrights, are not necessarily covered by this exception and shall be subject to competitive bidding, if no other exception applies.
 - b. The exception based on the need to Standardize the requirement ([Financial Rule 105.16 \(a\) \(ii\)](#)) shall be used only when such Standardization limits the acquisition to only one Vendor, and such Standardization has been cleared by the relevant substantive official (e.g., ICTB in the case of information technology requirements) and has been recommended by the HCC and approved by the ASG/OCSS. Procurement under this exception shall take place only for a limited period of time, normally not to exceed five years. If multiple Vendors can provide the standardized requirement, competition shall be sought on a ‘no substitute’ basis for the specified requirement.
 - c. The exception for Contracts resulting from cooperation with other organisations of the UN system ([Financial Rule 105.16 \(a\) \(iii\)](#)) shall be exercised in accordance with [Financial Rule 105.17](#), which requires that “... the relevant regulations and rules of those organisations [be] consistent with those of the United Nations.” In cases of cooperation with other organisations of the UN system, the ASG/OCSS may, as appropriate, enter into agreements with such organisations for such purposes. This exception shall apply in circumstances such as the following:
 - i. The UN acts jointly with another organisation of the UN system to achieve economies of scale or other benefits. In this case, the organisations may elect to have one organisation lead the procurement process (the “Lead Agency”), and the Lead Agency signs the Contract with the Vendor. The other organisations may: (i) sign the same Contract; or (ii) issue Purchase Orders against the Contract entered into by the Lead Agency. In this case, the RFP or ITB and the Contract signed by the Lead Agency shall include special clauses to address the Lead Agency arrangements so that the other organisations may place orders under the Contract based upon the terms agreed to between the Lead Agency and the Vendor. The UN shall submit Lead Agency Contracts to the HCC, if required, based on the estimated value of UN procurement under the Contract, and, if it is a Systems Contract, the UN shall communicate to the HCC the estimated NTE amount for the UN under the Systems Contract.
 - ii. The UN relies on the procurement decision of another UN organisation and enters into a Contract directly with the successful Vendor without undertaking a new and separate selection process. In this case, the requirement must be substantially the same in terms of e.g., price, quality, quantity, and delivery time as those which were the subject of the other organisation’s procurement decision; the organisation whose decision is being relied upon has made the award within the last 12 months; the terms and conditions of the Contract must be substantially the same; the costs must be acceptable to the UN; and the administrative costs of directly contracting with the successful Vendor must not outweigh the costs of undertaking a new and separate Solicitation process. This exception would not apply to requirements which, though similar to those that were the subject of the other organisation’s procurement decision, are nonetheless different from such requirements (e.g., similar products, but with different specifications, such as size).
 - iii. The UN requests another UN organisation to conduct a procurement exercise on its behalf. This alternative may be used when the ASG/OCSS determines that the UN lacks the relevant expertise in procuring the type of goods,

services or works being sought, and the other organisation has such expertise with the anticipated result that the UN would save time and administrative costs.

- d. The exception for offers for identical goods, services or works [Financial Rule 105.16 \(a\) \(iv\)](#) applies if they were subject to a complete procurement exercise, and the original Contract was entered into less than 120 days prior to the new contract award. Generally, no more than three consecutive awards should be given to the same Vendor within a 120-day period using this exception. If such limitation is exceeded, and additional awards are foreseen thereafter, UN/PD shall take appropriate steps to develop a Systems Contract for the requirement through a competitive Solicitation, unless the Director, UN/PD determines that other valid reasons exist for not doing so and places a written note in the procurement case file to that effect.
 - e. The exception for previous formal Solicitations without a result ([Financial Rule 105.16 \(a\) \(v\)](#)) applies if the previous Solicitation was completed less than six months prior to the award on the basis of an informal method of Solicitation or directly negotiated Contract. In this case, “completed” means that the earlier formal Solicitation was declared unsuccessful by the Director, UN/PD or the CPO in a written note to the procurement case file.
 - f. The exception for purchase or lease of real property ([Financial Rule 105.16 \(a\) \(vi\)](#)) applies, if comparable property is not available in the required geographical area. The Procurement Officer should, to the extent feasible, seek the advice of a qualified real estate broker or consultant to confirm whether comparable property is available and to determine a market range for the selling price or rent. Any such advice shall be recorded in writing and put in the procurement case file by the Procurement Officer.
 - g. The exception for exigency cases ([Financial Rule 105.16 \(a\) \(vii\)](#)) applies as set forth in [Chapter 9 Section 9.19](#). Prior to awarding a contract on an exigency basis, the Procurement Officer should consider whether the requirement could be split and award parts on an exigency basis, and the remainder by competitive Solicitation, provided such action is acceptable to the Requisitioner and does not threaten or seriously impinge operational requirements.
 - h. The exception for services that cannot be objectively evaluated ([Financial Rule 105.16 \(a\) \(viii\)](#)) applies where the requirement is such that objective criteria for the technical evaluation are difficult to establish, as determined by the Procurement Officer with the approval of the Director, UN/PD or the CPO.
3. The approval of the ASG/OCSS is required for conducting a procurement process without formal Solicitation, above the applicable threshold. ([Financial Rule 105.16 \(a\) \(ix\)](#)).
 4. Pro Bono goods and services: [ST/SGB/2006/5](#), dated 22 March 2006, permits the acceptance of pro bono goods and services under certain conditions.
 5. If one of the exceptions to formal methods of Solicitation applies, the Contract may be awarded based on an informal method of Solicitation or a directly negotiated contract.
 6. If a Contract is awarded under an exception allowed by [Financial Rule 105.16](#), the Procurement Officer shall place a written record in the case file of the facts on which the award was based, including copies of statements from other UN staff or officials requesting or approving the exception.

[Chapter 9. Part 2](#)

9.19 Special Guidance on Exigency Situations

1. Exigency has been defined by as “an exceptional, compelling and emergent need,... that is likely to lead to serious damage, loss or injury to property or persons, if [it is] not addressed immediately”. In case of a certified exigency, review by the LCC or the HCC and approval by CMS/DMS or ASG/OCSS, if applicable, may be on an ex- post facto basis, only if the conditions of [Chapter 12 Section 12.8](#) are also met.
2. Exception for exigency shall not apply unless the Requisitioner’s head of office requests in writing a waiver of formal methods of Solicitation from the Director, UN/PD or the ASG/OCSS when applicable, and certifies the factual circumstances warranting such a waiver.
3. The above notwithstanding, UN/PD shall attempt to conduct a Market Survey, to the extent possible, to ensure that the costs of the goods, services or works procured under an exigency waiver are reasonable and acceptable to the UN. If, in the opinion of the Director, UN/PD, the additional cost or other substantial burden to the Organisation arising from a waiver of competitive Solicitation is likely to disproportionately exceed the expected results from a competitive Solicitation, the matter may be referred to the ASG/OCSS for a final decision in consultation with the Requisitioner’s head of office considering the seriousness of the situation threatening life or property.
4. In normal circumstances, exigency would not be an acceptable rationale for waiver of competitive bidding, when the situation is the result of undue or unjustified delay or omission on the part of the Requisitioner. However, if loss of life or serious injury to persons or a significant loss of property is imminent as certified by the Requisitioner’s head of office, procurement shall proceed on an urgent basis without delay.

[Chapter 9. Part 2](#)

9.20 Amendment of Solicitation Documents

1. Amendments to solicitation documents constitute a serious change from the normal execution of the solicitation process. Amendments must be fully justified and must ensure that integrity, transparency and fairness to all Vendors are respected. If it becomes necessary to modify Solicitation Documents in any way after they have been submitted to invited Vendors, a written amendment shall be issued to all Vendors who received the original Solicitation Documents. The amendment shall refer to the original Solicitation Documents, include the amendment number, and set forth in a clear and complete manner the exact changes made.
2. The Procurement Officer shall evaluate whether ample time remains for the invited Vendors to consider the amended Solicitation Documents. If the Procurement Officer determines that ample time is not available, he/she shall, with written notice to all invited Vendors, extend the Closing Date for Submissions to ensure that the Vendors can adequately consider the amendment. If the Procurement Officer determines that ample time to respond is available, he/she shall restate the original Closing Date in the amendment. The Procurement Officer shall not extend the Closing Date without careful consideration of all factors that may be involved, including preferred delivery date(s).

[Chapter 9. Part 2](#)

9.21 Cancellation of Solicitation Documents

1. To the extent possible, the UN should avoid cancelling Solicitation Documents, unless the Solicitation is unnecessary or will not give satisfactory results. For example, cancellation would be justified, if the requested goods, services or works are no longer needed, the requirements have substantially changed, funding is no longer available or the continuation of the Solicitation process is no longer in the best interest of the UN. Cancellation of Solicitation Documents may reflect a shortfall in the acquisition planning, funding cycle, or expertise of the Requisitioner and should be brought to the attention of the Director, UN/PD or CPOs.
2. If it becomes necessary to cancel the Solicitation prior to the Closing Date for Submissions, the Procurement Officer shall promptly notify all invited Vendors in writing that the Solicitation has been cancelled. The notification shall be transmitted in such a manner that it reaches the Vendors as quickly as possible by use of e-mail, facsimile or other means of expedited delivery.
3. The Procurement Officer shall evaluate whether or not the Vendors should be asked to return the Solicitation Documents, taking into consideration the confidential and sensitive nature of the documents. If the Procurement Officer determines that they should be returned, he/she must then notify all invited Vendors in writing to do so and instruct them not to retain any copies.
4. After notifying the invited Vendors of the cancellation, the Procurement Officer may decide to issue new Solicitation Documents. In this case, if possible, all Vendors invited to participate in the cancelled Solicitation shall be invited again.
5. If the Procurement Officer determines that an exception to the use of formal Solicitation may be available after he/she has notified the invited Vendors of the cancellation of the Solicitation, he/she may proceed with the procurement pursuant to the conditions set forth in [Chapter 9 Section 9.18](#).

[Chapter 9. Part 2](#)

9.22 Consultation with the Office of Legal Affairs

1. In cases where the Requisitioner or the Procurement Officer believes that a procurement exercise will be especially complex or sensitive (e.g., because the procurement is of an especially high value, presents novel legal issues, or poses a serious risk of damage to property or loss of life or injury to persons), and if time and circumstances permit, the Procurement Officer, upon consultation with the Director, UN/PD, may seek to involve OLA at an early stage of the procurement process in order to ensure that all legal issues raised by the Solicitation are addressed in a timely manner.

[Chapter 9. Part 2](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 9. Part 2

9.23 Solicitation Documents

1. Introduction. The Procurement Officer shall draft the Solicitation Documents in cooperation with the Requisitioner considering the factors set forth in this Section.
2. At a minimum, the Solicitation Documents shall include all elements that may have an impact on price, such as the quantity of goods or estimated level of services or works being procured, specific insurance requirements, Bid and Performance Security, if applicable, warranties, guarantees, Liquidated Damages, if applicable, standard UN payment terms, potential duration of contract, and anticipated minimum and maximum volumes for Systems Contracts. The Solicitation Documents shall also require submission of evidence of the authority of the individual(s) who will be signing the Bid or Proposal, as well as any Contract that may result from the Solicitation to bind the Vendor.
3. Consideration must be given to whether compensation to the Vendor will be on a Firm Fixed Price with or without price escalation, Fixed-Fee, Minimum Guarantee or Cost-Plus pricing. Firm Fixed Price is more commonly used in UN procurement and is most suitable for procurement of goods and services on the basis of reasonably definite functional or detailed specification when fair and reasonable prices can be determined at the outset. It places on one hand maximum risk of increased costs on the Vendor and on the other hand maximum incentive on the Vendor to control costs and develop innovative solution for the UN. However, for these reasons, the procurement staff must remain vigilant as there is greater risk that the Vendor may “cut corners” in order to maximize its profit. Cost-Plus is another contract type where uncertainties do not permit costs to be estimated with sufficient accuracy to use Fixed -Fee pricing, and is not used for the procurement of commercial items. It minimizes the Vendor’s incentive to “cut corners”, but provides little incentive for the Vendor to minimize costs. For this reason, it requires careful UN contract management and monitoring to ensure that the Vendor is performing efficiently and controlling costs, and therefore requires that the Vendor has a reliable accounting system that allows costs to be determined.
4. Generally accepted procurement practices and techniques, such as Performance-Based Contracting and Incentive Contracting, should be considered in developing Solicitation Documents, where appropriate. Both Performance-Based Contracting and Incentive Contracting encourage the Vendor to perform at a lower cost than the maximum Not To Exceed (NTE) amount agreed to in the Contract and allow the Vendor to share in the resulting cost savings at a pre-determined level. Such techniques will require special provisions in the Solicitation Documents, and the substance of those provisions shall be reflected in the Contract. However, overriding consideration should be given to the Best Value for Money principle. Unless Requisitioners and Contract Managers are familiar with these practices and techniques, they need to seek information on them from the Procurement Officer. Where the UN is acting in a "UN lead agency" capacity (see [Chapter 9 Section 9.18](#) paragraph 2.d.), this should be reflected in the Solicitation Documents.
5. Procurement Officers and Requisitioners shall pay special attention to relevant details in the preparation of Solicitation Documents, since many of them will form part of the final Contract with the selected Vendor.
6. The drafting of specific contractual provisions is the responsibility of the Procurement Officer, who may seek advice and assistance in drafting such provisions from the Procurement Division's Contracts Officer and when necessary, seek the approval of the Director, UN/PD to obtain advice from the Office of Legal Affairs. In the case of Field Missions, the Legal Officer may be consulted.

[Chapter 9. Part 2](#)

9.24 Language of Solicitation Documents

1. Solicitation Documents shall normally be prepared in English, unless there are special reasons to use another working language of the UN, and they shall state that Submissions shall also be submitted in English. If any document that forms part of a Submission is in a language other than English, it shall be accompanied by a certified translation, unless the Procurement Officer determines that the language requirement for a particular document can be waived without negative consequences for the Solicitation. However, in the case of local procurement for an OAH/Field Mission, the CPO may decide to issue Solicitation Documents in the local language, if he/she determines that it would be in the best interest of the UN to do so. In all cases, the Solicitation Documents shall clearly state the required language of the Submission and translation requirements, if any. When two documents are in a different language, the procurement staff will have to determine the original document which will govern the contract and the courtesy translation (if any).

[Chapter 9. Part 2](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 9. The Solicitation Process

Chapter 9. Part 3 – Terms and Conditions

- 9.25 All or Nothing Solicitations
- 9.26 Similar Items
- 9.27 Total Cost of Ownership (TCO)
- 9.28 Quantities
- 9.29 Closing and Opening Dates
- 9.30 Period of Validity of Bids and Proposals
- 9.31 Delivery Time and Place
- 9.32 Inspection and Acceptance Clauses
- 9.33 Method of Submission
- 9.34 Security Instruments
- 9.35 Liquidated Damages
- 9.36 Payment for Deliverables
- 9.37 Quality Assurance
- 9.38 Evaluation Criteria
- 9.39 Subsidiaries, Related Entities and Joint Ventures
- 9.40 Subcontractors

- 9.41 UNGCC
- 9.42 Rejection of Submissions
- 9.43 Samples and Demonstrations
- 9.44 Deviation from Published Procurement Procedures
- 9.45 Bid Summary Sheet
- 9.46 Issuance of Solicitation Documents
- 9.47 Contact with Vendors
- 9.48 Meetings with Vendors
- 9.49 Clarification Requests

- 9.50 INCOTERMS

[Chapter 9. Part 1](#)

[Chapter 9. Part 2](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 9 Part 3](#)

9.25 All or Nothing Solicitations

1. The UN may issue Solicitation Documents on an “all or nothing” basis, where the requirement is for a large number of low-cost line items and where split contract awards would not be advantageous to the UN for logistical and administrative reasons as determined by the Procurement Officer in consultation with the Requisitioner. The Solicitation Documents shall then state that the UN retains the option to convert quoted “all or nothing” prices into pro rata unit prices.
2. In this case, the Solicitation Documents may, at the Procurement Officer's discretion, state that the Vendor may offer alternative Submissions on an “item-by-item” basis or on an “all or nothing” basis, as the Vendor deems appropriate.

[Chapter 9 Part 3](#)

9.26 Similar Items

1. The Solicitation Documents shall, to the extent possible, group similar items together and request Vendors to quote prices on a per-group basis, but may, at the Procurement Officer's discretion, allow Submissions on a lump-sum basis and/or with option for prices quoted for each item. The procurement staff must ensure that during the financial proposal evaluation, the process will remain fair and transparent for all Vendors and pricing approach.
2. If the items requested are dissimilar, the Procurement Officer shall, to the extent possible and practicable, split the items into separate Solicitations, unless the cost of doing so is disproportionately high in comparison with having a single Solicitation.

[Chapter 9 Part 3](#)

9.27 Total Cost of Ownership (TCO)

1. In certain types of procurement such as the purchase of information systems or vehicles, the Solicitation Documents shall, to the extent possible, cover the TCO of the items procured. Therefore, it is critical for the Requisitioner and the Procurement Officer to develop a Source Selection Plan which will capture all components, factors, parameters which may impact the cost of the goods or services (investment, guarantee, maintenance, disposal, repair, down-time, time between failure, etc.) during the life cycle time. This approach is critical for a fair application of the Best Value for Money Principle.

Chapter 9 Part 3

9.28 Quantities

1. When the exact quantity of an item is not known, the Solicitation Documents shall indicate an estimated quantity, but state that the UN reserves the right to increase or decrease the indicated quantity by a certain percentage, usually not to exceed 25%.
2. If the foreseen deviation is potentially higher than 25%, the Solicitation Documents shall specify a minimum quantity with options to acquire additional quantities at the UN's discretion, up to a maximum quantity. Such Solicitation Documents shall specify a definite termination date for any resulting contract, normally within the fiscal period for which the UN has obligated funds.
3. Solicitation Documents for an open-ended quantity should contain a reservation that the UN will have the right to cancel any resulting Purchase Order or Contract at any time, upon reasonable advance notice and without penalties, whether any items or any items over an agreed minimum have been ordered.
4. Two examples of clauses suitable for inclusion in open-ended quantity Solicitation Documents are as follows:
 - a. "The intent of this Solicitation is to secure unit prices on the above-mentioned requirement during the period [insert start-date] to [insert end -date], inclusive; and, subject to satisfactory performance by the Vendor, the requirements will be purchased from the successful Vendor during this period. The quantity of the material to be so purchased is not guaranteed, but is solely an estimate as indicated herein."
 - b. "The above-mentioned quantities are solely estimates of the requirement during the period [insert start-date] to [insert end-date]. Subject to satisfactory performance by the Vendor, the requirement will be purchased from the selected Vendor on a non-exclusive basis during this period, and the purchases will not be less than the minimum number of units nor more than the maximum number of units of such items to be provided for in the contract."

[Chapter 9 Part 3](#)

9.29 Closing and Opening Dates

1. As part of the timeline determination, Procurement Officers shall, in consultation with the Submission Opening Officers, set the Closing Date and Closing Time for the receipt of Submissions and the Opening Date and Opening Time for opening of Submissions. The Procurement Officer shall ensure that prospective Vendors are given sufficient time to review the Solicitation Documents and formulate an appropriate response to the Solicitation. The Closing and Opening Dates and Times shall be clearly stated in the Solicitation Documents. Any extension of such Dates and Times shall be communicated to all invited Vendors (See [Chapter 9 Section 9.20 Amendment of Solicitation Documents](#)).

[Chapter 9 Part 3](#)

9.30 Period of Validity of Bids and Proposals

1. Bids and Proposals shall remain valid for a period to be specified in the Solicitation Documents. Depending on the circumstances and complexity of the case, the usual validity period should range from 60 to 180 days. A minimum validity period of 90 days is recommended in large procurement cases. In this context “large” is defined to mean any procurement with an estimated value of US\$500,000, or more and/or complex.
2. A Bid or Proposal which contains a shorter validity period than specified in the Solicitation Documents shall be rejected as non-responsive, unless the Vendor confirms that the Submission is valid for the specified period and amends the Submission accordingly.
3. In exceptional circumstances, prior to the expiration of the validity period, the Procurement Officer may request the Vendors to extend the validity period of their Bids or Proposals. The request and the responses shall be made in writing to all invited Vendors. If the Solicitation Documents required the Vendors to submit Bid Security in accordance with [Chapter 9 Section 9.34](#), the validity of the Bid Security must also be extended for a corresponding period of time.

Chapter 9 Part 3

9.31 Delivery Time and Place

1. The Procurement Officer and the Requisitioners must work together to ensure that the acquisition project includes all elements which will enable the fulfilment of the requirements. The delivery and shipment of goods must be planned in advance and the agreed strategy including the timeline must be recorded in the Source Selection Plan to prevent un-coordinated situations and crisis management.
2. The Solicitation Documents shall state the delivery date, the place of delivery, delivery terms for goods as per the appropriate Incoterms for delivery of goods (see [Chapter 9 Section 9.50](#)), other delivery conditions, if any, and, to the extent possible, the preferred method of delivery for the required goods, services or works. If the Solicitation Documents state a specific date for delivery of the goods, services or works, Vendors may be invited to quote the best alternative delivery terms, including schedules for partial shipments of goods. For System Contracts, the Solicitation Documents shall state at a minimum that details of delivery will be provided in the Purchase Order or other document used to place orders under such contracts.
3. Where there is an urgent requirement for the goods, services or works, the Solicitation Documents shall state that an offer of early delivery will be an important factor in the evaluation of Bids or Proposals.
4. The Procurement Officer shall evaluate the merits of using UN transport agents as opposed to having the Vendor handle transportation arrangements, and shall include provisions in the Solicitation Documents to obtain sufficient data for such evaluation, unless the chosen Incoterm makes clear who is responsible for arranging transportation and there is no reason to change that responsibility.
5. Determination of the delivery terms for goods shall be based on estimating the best value for the organisation (e.g., lowest landed cost), i.e. the cost of the goods with the addition of the cost of transporting the goods to their destination. In addition, the time factor shall be considered, as it normally takes an additional three to four weeks to complete a Solicitation for transportation, if the UN arranges the transport, normally through its own freight forwarder.

[Chapter 9 Part 3](#)

9.32 Inspection and Acceptance Clauses

1. The UN may condition its acceptance of a Bid or Proposal on pre-inspection of the Deliverables, if such inspection is deemed prudent and in the best interest of the UN. In such cases, the Solicitation Document shall state that pre-inspection shall not relieve the contractor from any of its warranties or the performance of the supplied goods/services or any obligations under the contract. Such inspection should be completed before an award is issued, unless there is reason to issue a conditional award, for instance, to lock in prices, subject to a satisfactory inspection.
2. Examples of such cases would include the purchase of pharmaceuticals, vaccination material and high-value goods being supplied from a new source. In this context, "high value" is defined to mean goods with an estimated value of \$500,000 or more.
3. Although such inspection may be performed by UN personnel, if they are readily available and possess the necessary skills, inspection by a duly authorized Agent such as an international surveillance company is normally preferable to ensure that an independent and qualified third party certifies the quality of the Deliverables.
4. The Solicitation Documents shall state that such prior inspection is required and describe the methods to be used and that the UN shall not be responsible for expenses incurred by the Vendor for such inspection.

[Chapter 9 Part 3](#)

9.33 Method of Submission

1. The Solicitation Documents shall state the acceptable method(s) of transmittal of Submissions. Generally, Submissions shall be in writing, transmitted to UN/PPD or the CPO by mail, messenger or overnight delivery and sent in sealed envelopes marked with the Solicitation Documents number and the Bid or Proposal Opening date, time and place or sent by fax to a secure fax location, if transmission by fax is permitted.
2. For low-value procurement (direct procurement) as determined by ASG/OCSS from time to time, currently fixed at \$2,500, the Procurement Officer may allow the invited Vendors to furnish Submissions by way of facsimile or may accept quotations via e-mail or orally. The Procurement Officer shall document quotations received via electronic means or orally in a note to the procurement case file.
3. The Solicitation Documents shall state that Submissions received via facsimile or electronic means will be rejected, unless such methods of submission are specifically allowed.
4. RFPs shall require the invited Vendors to submit the technical proposal and the commercial proposal in two separate envelopes, clearly marked to show the content of each envelope.

Chapter 9 Part 3

9.34 Security Instruments

1. The purpose of Security Instruments is to provide the UN with security against expenses and losses that result from a failure by a Vendor 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 Bid Security and Performance Security. Other less often used Security Instruments are Warranty Security and Labour and Materials Security.
2. Bid Security is used as a source of compensation in the event that a Vendor fails:
 - a. to honour its Submission;
 - b. to execute a Contract after award; or
 - c. to deliver other documents that are required by the terms of the Solicitation Documents, such as insurance policies and Performance Security instruments.
3. Performance Security is used to ensure that a source of compensation will be available in the event of a Vendor's failure to perform its obligations under a Contract.
4. Warranty Security is used to ensure that the Vendor complies with any warranty obligations.
5. In the case of works (e.g., in the context of construction contracts), Labour and Materials Security are used to ensure payment to subcontractors or Suppliers of materials, if the primary contractor fails to pay such parties.
6. Considerations for the Use of Security Instruments: Security instruments are not required for all solicitations or Contracts. Whether they are needed requires a careful assessment of the facts and circumstances of the procurement, especially an assessment of the ramifications that may result if the Vendor fails to comply with its obligations under the Solicitation Documents or to perform the Contract. Examples of factors to consider are:
 - a. The impact a delay or deficient performance would have on Organization's operational requirements (including any adverse financial or other consequences resulting from such delay or deficient performance).
 - b. The likely cost to find a replacement Vendor.
 - c. Whether the same goods or services, within the same delivery period, can be purchased from another Vendor, without adverse financial or other consequences to the UN.
 - d. The experience, of previous tenderings, the features of the market and industry practices.
 - e. The magnitude and complexity of the Contract.

Any decision to refrain from requiring Security is subject to the approval of the Director, UN/PD or the CPO as applicable. Any such decision, including the reasons therefor, must be recorded in writing and disclosed in the SSP and submissions to the LCC/HCC.

7. In determining whether Performance Security is necessary, the Procurement Officer should take into account factors such as the cost of the Security compared to the perceived financial risk to the UN should the Vendor fail to perform the Contract or Purchase Order satisfactorily. For example, if substitute goods or services are readily available at the same price as in the Contract, Performance Security will not generally be needed. Likewise, where a Contract provides that the Vendor is to be paid in instalments based on satisfactory completion of portions of the Contract, Performance Security will not be necessary. Or if the Vendor is to be paid only its cost of performance until final acceptance, and the Contract contains strong provisions on

cost control and auditing during performance, the Procurement Officer might judge that the cost of requiring security outweighs the risk of leaving the Contract unsecured. Bid Security is generally appropriate, inter alia, in the case of procurement of goods, services or works that are of a time sensitive nature. Procurement Officers should remain mindful that requiring such Security Instruments imposes costs on the Vendor, at least part of which the Vendor will seek to pass on to the UN.

8. Procurement Officers should remain mindful that requiring Security Instruments imposes costs on the Vendor, at least part of which the Vendor will seek to pass on to the UN. At the same time, Procurement Officers should be mindful of the relative importance of the Contract to the activity to which it relates. If a failure to perform or unsatisfactory performance would have a critical impact on the ability of the UN to fulfil its mandate, the Procurement Officer should consider whether it is useful to create added incentives for the Vendor to perform. The added incentive that results from securing the Contract may be important for ensuring that the Vendor remains motivated to perform the Contract.
9. The Solicitation Documents must specify all requirements with respect to Security Instruments, including the type(s) of acceptable issuers and the nature, form, amount, validity period and other principal terms and conditions of the Security. The Procurement Officer is responsible for ensuring that the identity and the credit of the issuer of the security instrument are satisfactory to the Organization. In this regard, the Procurement Officer may wish to liaise with the UN Treasury as appropriate. However, Procurement Officers should not designate a particular entity as the issuer, but should leave selection of the issuer to the Vendor, subject to the UN's right to reject an issuer on grounds of creditworthiness or on the basis of other reasonable criteria (e.g. the reputation of the issuer). All Security Instruments must be stored and safeguarded in a secure location.
10. Forms of Security Instruments: Security instruments may take various forms, depending on the purpose for which they are used and the jurisdiction where issued:
 - a. under exceptional circumstances and with the approval of the Director/PD, cash collateral: e.g., a cash deposit may be accepted.
 - b. negotiable instrument: e.g., a certified check, or a bill of exchange or check issued or accepted by a bank or other financial institution acceptable to the UN; often used as Bid Security, but should not be used as Performance Security. The UN deposits the instrument if the Vendor fails to enter into a contract in accordance with its submission or comply with other obligations set forth in the solicitation documents.
 - c. independent financial assurance: standby letter of credit or independent bank guarantee (first demand guarantee). These instruments should be payable on demand. In the case of a standby letter of credit, the demand for payment takes a form of a draft, the form of which is specified in the letter of credit. In the case of an independent bank guarantee (first demand guarantee), the demand for payment takes the form of a declaration that the vendor is in default under the contract. The instrument should not require the presentation of any third party certification or documentation.
 - d. surety bond: to guarantee the Contractor's obligation to pay subcontractors and Suppliers for work and materials under construction contracts; the surety bond is used for Labor and Materials Security. If a Contract calls for both Performance Security and Labor and Materials Security, the two categories of security should be covered by separate instruments.
 - e. retention of payment: to guarantee performance of a contract. The UN may, if the Contract so provides, decide to retain part of the Contract value until a specific date or period after the Vendor has completed the delivery of goods, services or works (e.g., for construction projects). After the waiting period, the UN will conduct an assessment of the quality of the works provided, and upon satisfactory performance, release the payment; and,
 - f. such other forms of security as PD, in consultation with OLA, may authorize (e.g., a guarantee from a creditworthy parent company).
11. The UN should refuse to accept any instrument that contains even a suggestion of "accessory liability" (i.e., an instrument where the surety is not liable in connection with a bonded contract unless the principal, the party that secured the bond, has such liability). This should be carefully evaluated on a case-by-case basis and OLA's advice should be sought, as appropriate.
12. Amounts for Security Instruments: The suggested amount of the security also varies depending on the purpose for which it is obtained. The following are suggested amounts, unless circumstances, such as the nature of the industry, the Deliverables or

the perceived financial risk to the UN should the Vendor fail to perform satisfactorily, are such that a lower or higher amount should be obtained:

- a. To secure performance of a Contract, including construction works and delivery of goods not readily available in the market: up to [10%] of the price of the estimated works, services or goods, including insurance and freight where these are the responsibility of the Vendor.
 - b. To secure tender of a Contract and required documentation in compliance with a Submission (i.e., Bid Security). Generally, a Bid Security should not have a value of less than 2% of the estimated value of a requirement. Alternatively, the value of a Bid Security may be determined at the discretion of the Procurement Officials taking into consideration the level of risk to the Organization.
 - c. To secure performance of post-completion or post-delivery warranty and maintenance obligations: 4% of the price of the works or goods; or retention of 4% of the Contract price until the expiration of the warranty/maintenance period.
 - d. To secure payment to subcontractors, labourers and material Suppliers (i.e., Labour and Materials Security): up to [10%] of the contract sum (or 100% in the case of surety bonds). In the case of an independent financial assurance, the amount should be the lesser of (i) two months' anticipated billings for materials and subcontract or services and (ii) 10% of the Contract amount. In cases where item (i) is difficult to estimate, the amount may be set at 85% of the total monthly payment.
13. Expiration and Use of Security Instruments: The duration of the Security Instrument should be a reasonable period (usually 60 to 180 days) after the completion of the obligations it is securing (e.g., contractual performance, warranty and maintenance, execution of a Contract). In the case of Bids or Proposals, this will allow sufficient time to conclude the Contract or issue the Purchase Order, and for the Vendor to provide any documents specified in the solicitation documents. The Sample Bid Security (Annex [D-21 Sample Bid Security](#)) provides that the Bid Bond shall be in force for a designated period following the expiration of the Bid validity period specified in the Solicitation Documents. When necessary, the UN may request the Vendor to extend the validity of a Bid Security, if the contractual instrument has not yet entered into force and any required Performance Security (or any other documents specified in the solicitation documents) has not been provided prior to expiration of the Bid Security. If the Vendor refuses to extend the validity of the Bid Security, that Bid or Proposal shall be rejected, unless the Vendor submits new acceptable Security before the expiration of the Bid Security. In the case of a Performance Security, the UN should return the Performance Security only when the Vendor has fully performed all its obligations under the Contract. In addition, the UN should notify the issuer once the Vendor has performed its obligations under the Contract or Purchase Order in full. When necessary, the UN shall request the Vendor to extend the validity of the Performance Security, in case the contractual obligation has not been completed within the duration of the Security or in case the Contract has been extended.
14. Expiry of a security instrument is an event that should be carefully monitored, to ensure that the UN does not lose the benefit of the security. Some security instruments include "evergreen clause" (i.e., a provision for automatic renewal of the instrument) e.g in the context of a long-term contract. Where that is the case, the Contract should provide that notice by the issuer that the instrument will not be renewed is an event of default under the Contract and the UN is entitled, at its option, to draw on the Security and/or to terminate the Contract. As an alternative to an evergreen clause, the Contract might provide that the Vendor's failure to provide a renewal instrument at least thirty (30) days prior to the expiry of the Security Instrument shall be an event of default, entitling, at its option, to draw on the Security and/or terminate the Contract.
15. Care must be exercised to ensure that the Vendor has fully completed its performance in advance of the expiration of the instrument securing such performance.
16. Drawing on a security instrument is a drastic measure and should be exercised with care upon consideration of all relevant factors. The Organization may incur liability as a result of wrongfully drawing on a Security Instrument. Drawing on a Security Instrument shall require the approval of the Director, UN/PD or the CPO, with advice from OLA, as appropriate. Care should be exercised to ensure that such approvals are sought and obtained in sufficient time to draw under the Security Instrument before it expires. Threatening to draw under a security instrument may be effective for encouraging proper performance; however, if this approach should be unsuccessful, a determination should be made as to whether to invoke the Security.
17. Return of Security Instruments: Subject to paragraph 17, below, Bid Security shall be promptly returned:
- a. To a Vendor whose Submission or Bid Security has expired, unless it has been extended.

- b. To all Vendors upon the entry into force of a Contract and the provision by the successful Vendor of Performance Security and other instruments, as required by the Solicitation Documents;
 - c. To all Vendors upon the termination of the Solicitation by the UN, except that if the termination of the Solicitation resulted from a failure by the successful Vendor to enter into the Contract or provide a Performance Security or other documents required by the Solicitation Documents, the Bid Security of that Vendor should be drawn; or
 - d. To a Vendor who withdraws its Submission prior to the Closing Date.
18. Bid Securities of qualified Vendors should not usually be returned until the selected Vendor has properly executed a Contract and delivered other documents, such as insurance policies and Performance Security, that may be required by the Solicitation Documents, in order to enable the UN to comfortably turn to the next qualified Vendor if the initially selected Vendor fails to execute a Contract or to deliver other documents, such as insurance policies and Performance Security, that may be required by the Solicitation Documents.
19. In the case of a Performance Security, the UN should return the Performance Security only when the Vendor has fully performed all its obligations under the Contract. When necessary, the UN shall request the Vendor to extend the validity of the Performance Security, in case the contractual obligation has not been completed within the duration of the Security or in case the Contract has been extended.
20. Sample Forms of Security Instruments: Forms for different types of Security Instruments are attached as Annexes: [D-21 Sample Bid Security](#), [D-22 Sample Performance Security](#), and [D-22A Sample Letter of Credit](#). Any material modifications to such forms shall require the approval of the Director, UN/PD, with advice from OLA. In this regard, Procurement Officers should be mindful that even minor changes to the forms can have a significant effect on the UN's rights.

Chapter 9 Part 3

9.35 Liquidated Damages

1. The Solicitation Documents may state that any Contract or Purchase Order will include a provision for Liquidated Damages to ensure proper performance by the Vendor. The amount thereof shall be included in the Solicitation Documents. The amount shall be tailored to the specific type of Deliverables and to the operational sensitivity of the requirement's schedule and duration, where applicable.
2. Generally, if Liquidated Damages are required, the UN shall require a fixed percentage of the contract value per day or week or other time period that the work is not completed or the goods or services are not delivered, up to a reasonable maximum percentage of the contract value, normally no more than 10 %. Instead of 'per diem' rates for failure to perform, a fixed amount may be more appropriate for certain types of procurement (e.g., x% price reduction if an artistic product does not meet all the requirements but is still considered acceptable).
3. The purpose of Liquidated Damages is to avoid lengthy disputes over the amount of actual damages once the aggrieved party can prove breach of contract. They shall, to the extent possible, be supported by other clauses to secure the economic interests of the UN, such as payment withholding, Performance Security, disputed invoice, etc.
4. Normally, if a Contract provides for Liquidated Damages, a party would also be able to claim payment for actual damages, if the alleged amount exceeds the maximum amount of Liquidated Damages.
5. Any requirement for Liquidated Damages shall be included in the Contract or Purchase Order as per [Chapter 13 Section 13.8](#) paragraph 3.

[Chapter 9 Part 3](#)

9.36 Payment for Deliverables

1. 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 30 days upon the Vendor's satisfactory completion of its delivery obligations in accordance with the delivery terms (e.g., Incoterms). When 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 in accordance with [Financial Rule 105.19 \(b\)](#) are implemented. The Procurement Officer shall record the reasons for advance or progress payments in the procurement case file. ¹
2. Thus, 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 Officer should consider establishing specially developed payment terms taking payment flows into consideration, provided such terms are approved by the Director, UN/PD or the CPO and are tailored to the specific procurement.

¹ Lease payments paid in the same month to which they relate, regardless if 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.

Reference Document: [Controller's Memorandum - Payment Instructions](#)

[Chapter 9. Part 3](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 9 Part 3](#)

9.37 Quality Assurance

1. In order for the UN to ascertain whether the selected Vendor has systems in place to minimize the risk that goods, services or works will not be of sufficient quality, quantity or will not be provided within the agreed timeframe and at the agreed cost, the procurement process may include appropriate quality assurance measures both prior to the issuance of an award and thereafter throughout the life of the contractual relationship (See [Chapter 15 - Contract Management](#)). Failure to adequately address risk, delivery and quality may increase the cost of acquiring the goods, services or works.
2. Factors to consider include the complexity of the design and manufacturing processes for the Deliverable(s), the design maturity of the goods, the characteristics of the goods, services or works to be delivered, safety issues, and the contractual value involved.
3. The Procurement Officer should identify events that, if they were to occur, may prevent the Organisation from achieving the objective of the procurement. Furthermore, the Procurement Officer should assess the likelihood of any such event occurring and the consequences, if such event occurs. The greater the likelihood of the event occurring and the seriousness of the consequences, the higher the level of quality assurance the Procurement Officer should require. In these instances, the Procurement Officer may develop, in consultation with the Requisitioner, risk management plans and quality assurance measures as part of the procurement process. All information arising from the quality assurance assessment process will be recorded in the Source Selection Plan to enable an identification of the issues and remedies in case of occurrence.
4. Quality assurance may be performed at multiple levels throughout the life of the contractual relationship, as follows:
 - a. Inspection by the UN before or after shipment of the Deliverables or during standard UN Reception & Inspection (R&I).
 - b. Testing of the product by independent sources; reliance on the Vendor's professional or trade qualifications; use of applicable industry standards or quality plans developed and provided by the Vendor or any other measure that may assist in assessing quality, such as adherence to local regulations.
 - c. Quality Systems Standards, such as ISO-, ANSI-, GMP- or other international, national or Corporate/Industry recognized standards, developed and granted to the Vendor, demonstrating the Vendor's capacity and expertise to provide the applicable goods, services or works in a satisfactory manner.
5. The Procurement Officer shall include relevant wording in the Solicitation Documents requesting invited Vendors to submit proof of adherence to the applicable quality assurance levels.

[Chapter 9 Part 3](#)

9.38 Evaluation Criteria

1. In order to seek best value for money, and as outlined in the Source Selection Plan, the Procurement Officer shall include the following in the Solicitation Documents:
 - a. The criteria to be used in evaluating Proposals, in descending order of importance, normally without identifying the weight given to each criterion or using adjectival descriptions, unless such would be useful for obtaining better Proposals, and a statement that price/cost may become more important for the evaluation when technical proposals are of relatively equal quality;
 - b. Any minimum requirements for each criterion, as applicable;
 - c. A statement that the UN shall award a Contract based on Best Value for Money.
 - d. Depending on the requirement, additional information on the criteria regarding the weights and scoring may be disclosed. This will be assessed during the development of the Source Selection Plan.
 - e. In the case of an ITB, the critical criteria for which a "pass/fail" response is required may be equally disclosed in the Solicitation Documents.
2. The evaluation criteria list must be exhaustive, fair, measurable, clear, all inclusive to ensure that the best value method used during the evaluation process i.e., technical, financial, commercial, etc. is thorough, complete and robust. It is of key importance that the criteria defined at the Source Selection Plan development remain consistent during the whole process to prevent the perception of changing the rule in the middle of the game. Compliancy and integrity are key principles of the UN procurement process.

[Chapter 9 Part 3](#)

9.39 Subsidiaries, Related Entities and Joint Ventures

1. The Solicitation Documents shall require the invited Vendors to indicate in their responses whether any goods, services or works are to be provided by a subsidiary or a related entity (i.e., a separate legal entity from the Vendor submitting the Bid or Proposal) or branch of the Vendor. If a subsidiary or related entity is involved in the provision of the goods, services or works, both the Vendor and the subsidiary or related entity must accept the UNGCC and the terms and conditions of the Contract. In this regard, any such entity(ies) will be required to sign both the Bid or Proposal and any resulting Contract with the UN. In this context “related company” means a company controlling the Vendor or which is under common control within the same group of companies as the Vendor submitting the Bid or Proposal. The same rule should apply to parties forming or having a Joint Venture to perform the Contract. All the parties to the Joint Venture should sign the relevant documents, including the Joint Venture entity, if it is set up as a separate legal entity.
2. The Solicitation Documents shall indicate that the UN prefers dealing only with one party or focal point for the administration of the Contract, unless there are special reasons not to do so.

[Chapter 9 Part 3](#)

9.40 Subcontractors

1. The Solicitation Documents shall stipulate that the invited Vendor must identify any subcontractors that will be material to the Vendor's performance of the Contract, except that any individual engaged by the Vendor as an "independent consultant" need not be identified as such, unless he/she will be the sole or lead person on the project or otherwise will play a significant role in the execution of the project.¹ The use of subcontractors does not relieve the Vendor with whom the UN has a Contract of its responsibility to fulfil 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 have any liability with any subcontractors.

¹ Software developers and translators are commonly not "employees" of the companies they work for but engaged as "independent consultants" and often it would be impractical to identify all of them since several may be engaged in performing the services.

[Chapter 9 Part 3](#)

9.41 UNGCC

1. The Procurement Officer shall ensure that the Solicitation Documents include the text of the appropriate UNGCC (see [Chapter 9 Section 9.17](#)). To the extent possible, the procurement staff will include in the Solicitation Documents a draft or contract template and will request the vendor to certify the compliance within the contract terms & conditions or to propose new alternative language. Any variance from the UNGCC and standard contract provisions should be assessed by the procurement staff during the financial and/or commercial evaluation as a potential risk for the Organisation.

[Chapter 9 Part 3](#)

9.42 Rejection of Submissions

1. 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 Organisation in accordance with [Financial Rule 105.15\(c\)](#).

[Chapter 9 Part 3](#)

9.43 Samples and Demonstrations

1. 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.
2. 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 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.
3. 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.

[Chapter 9 Part 3](#)

9.44 Deviation from Published Procurement Procedures

1. The Solicitation Documents may provide that the UN reserves the right to deviate from, or waive, any formalities of the procurement procedures set forth in this Manual, when such deviation or waiver is approved by the ASG/OCSS or CMS/DMS, as appropriate, on the grounds that it is in the best interest of the Organisation to do so.

[Chapter 9 Part 3](#)

9.45 Bid Summary Sheet

1. As part of the Solicitation Documents, the Procurement Staff shall prepare a Bid Summary Sheet to be completed by the Vendors submitting Bids. This sheet shall contain the most essential data from the Bid, including, but not limited to, price (including any discounts, e.g., prompt payment or volume discounts), quantities, quality standards and a summary description of the Deliverables.
2. The Bid Summary Sheet will assist the Submission Opening Officer in identifying and recording accurately and efficiently the data on the Solicitation Abstract Sheet.

Chapter 9 Part 3

9.46 Issuance of Solicitation Documents

1. Transmission of Solicitation Documents: The Procurement Officer shall strive to use the most efficient means of transmitting the Solicitation Documents so that all invited Vendors will have a chance to participate in the competition on an equitable basis and, to the extent possible, will receive the Solicitation Documents simultaneously. This policy shall not be used to remove Vendors from the list of Vendors to be invited or to limit competition.
 - a. If a Vendor has indicated in writing prior to the issuance of the Solicitation Documents that it will accept Solicitation Documents by electronic means (i.e., e-mail or fax), the Solicitation Documents may be transmitted to that Vendor by such means.
 - b. If a Vendor has not accepted transmittal by electronic means, the Solicitation Documents shall be transmitted by mail, preferably using high quality services such as express or priority mail, overnight courier or messenger, with confirmation of delivery (or receipt) when deemed appropriate by the Procurement Officer.
 - c. If the Solicitation Documents contain confidential or highly sensitive information, the transmittal shall be through the use of registered mail, internationally recognized courier, diplomatic pouch, or encrypted e-mail. Normally, the Procurement Officer shall require the recipient to provide a return receipt for such Solicitation Documents.
2. Electronic Transmittal: When electronic means are used for the transmittal of Solicitation Documents, the Procurement Officer and other procurement staff involved in the transmittal shall exercise due care to ensure that the Solicitation Documents are only routed to invited Vendors who have indicated that they will accept transmittal by electronic means.
3. Use of electronic transmittal of Solicitation Documents shall be subject to the provisions of [Financial Rule 105.18\(b\)](#)

Chapter 9 Part 3

9.47 Contact with Vendors

1. Points of Contact

The Solicitation Documents shall state that prior to the Closing date and Closing time for Submissions, all communications relating to the Solicitation between the invited Vendors and the UN may only take place with the Procurement Officer designated as the UN's point of contact. [See Chapter 9 Section 9.48](#) on meetings with Vendors.

2. Policies

- a. All UN personnel shall maintain absolute impartiality with respect to all invited Vendors throughout the Solicitation process. The Procurement Officer shall provide information concerning the Solicitation Documents or the Solicitation process to all invited Vendors on an equal basis and, to the extent possible, simultaneously to avoid the appearance of partiality and to prevent the perception that a particular Vendor may have received information offering such Vendor an undue advantage in the Solicitation process.
- b. Any material change of information related to the Solicitation process prior to the Closing Date shall be communicated to all invited Vendors, shall be appended to the official Solicitation Documents and shall constitute a part of them.

3. The following are examples of information which shall be provided to all invited Vendors, if requested by any such Vendor:

- a. Additional information or clarification regarding Specifications, TOR or SOW;
- b. Clarification or interpretation of a standard contract clause or a provision in a Solicitation Document;
- c. Determinations as to whether alternative goods or services are acceptable;
- d. Directions to site locations (pre-bid/pre-proposal conferences and work sites);
- e. General information and rules of conduct for UN Submission opening procedures; and
- f. Other specific matters as may be approved by the Director, UN/PD or CPO.

4. The following are examples of information that shall not be released to any Vendor, and requests for such information shall normally be rejected.

- a. Proprietary data, unless the UN has the right to release the information, confirmed in writing by the data owner, and then only if the Procurement Officer determines it is necessary to inform invited Vendors of such data to describe the requirement;
- b. UN cost estimates for the requirement unless to guarantee a maximum price when applicable;
- c. Information from a Vendor's response to a Solicitation, except as may be properly part of a Bid or Proposal opening procedure; and
- d. Other matters deemed inappropriate for disclosure by the Director, UN/PD or CPO.

Chapter 9 Part 3

9.48 Meetings with Vendors

1. For technical and complex acquisitions, normally solicited by the use of an RFP, the Procurement Officer may decide in collaboration with the Requisitioner to conduct meetings with the Vendors during the Solicitation process. Such meetings may be in the form of pre-closing conferences, site surveys or inspections. Such meetings should only take place to address matters which cannot be fully covered in the Solicitation Documents.
2. If such meetings are deemed necessary, the Solicitation Documents shall provide a provisional date for the meeting and a deadline for submitting questions to be discussed at the meeting and ask the Vendors to indicate their interest in participating in the meeting. The Solicitation Documents shall state whether participation at the meeting, either in person or by an authorized representative, is mandatory for submitting a response to the Solicitation Documents. The date and place for the meeting will be decided with caution to prevent to penalisation of certain vendors due to inability to obtain visa, lead time or long travel distance, etc.
3. Meetings of this nature shall be conducted in the following manner
 - a. Vendors interested in participating shall indicate their interest no later than the number of days prior to the meeting date as may be stipulated in the Solicitation Documents.
 - b. Vendors wishing to raise questions at the meeting shall submit questions in writing to the Procurement Officer no later than the number of days prior to the meeting date as may be stipulated in the Solicitation Documents. Where possible, questions should be answered in writing in advance of the meeting, copied to all invited Vendors.
 - c. At the meeting, relevant questions received in writing prior to the meeting shall be discussed. If additional questions are raised during the meeting, and the Procurement Officer deems it appropriate, such questions may be responded to at the meeting. If the Procurement Officer does not consider it appropriate to respond to any such question at the meeting, such question shall be noted by the UN staff member responsible for taking notes at the meeting and, if deemed appropriate, answered in writing as soon as reasonably possible after the meeting.
 - d. The UN may give presentations or provide clarifications at the meeting that were not raised by a question from a Vendor. However, under no circumstances shall the UN enter into an open-ended discussion with the participants in the meeting.
 - e. As soon as reasonably possible after the meeting, written answers to all questions received prior to and during the meeting, as well as descriptions of any presentations or clarifications given by the UN at the meeting, or any resulting modifications to the Solicitation Documents, shall be distributed in writing to all invited Vendors. If the Solicitation Documents stated that participation in the meeting was mandatory for submission of a response to the Solicitation Documents, the answers and descriptions shall only be distributed to the Vendors represented at the meeting.
 - f. Such answers, descriptions and clarifications normally should be made part of the Solicitation Documents, as amended, and included among the "Contract Documents" in the final contract.
 - g. If the requirement is materially altered as a result of the responses to the questions or by presentations or clarifications at the meeting, the Procurement Officer shall consider whether the Closing Date and Closing Time should be extended and whether the Solicitation Documents should be amended or re-issued in their entirety.
4. In order to ensure effective communication with Vendors and to facilitate dissemination of commercial information within Procurement Offices, all Procurement Staff shall observe the following procedures:
 - a. Meetings with Vendors for the opening of Submissions
 - i. Vendors attending the opening of Submissions are not allowed to meet with Procurement Staff responsible for a Solicitation which has just been opened, as it is not appropriate to have an individual meeting with them if they have participated in that particular procurement. While they may take the opportunity of the opening of Submissions to make an appointment with other staff, Procurement Staff should avoid as far as practically possible meeting with them, particularly if the staff involved have procurement cases which are still in the process of evaluation when the Vendor has

submitted a Bid or Proposal.

b. Introduction of new Vendors or products

- i. Any requests from Vendors, trade commissions or Member States to introduce Vendors that offer goods and/or services that relate to two or more UN/PD sections shall be reported to the Director, UN/PD so that appropriate arrangements can be made for group meetings with relevant Procurement Staff and for information to be recorded, as appropriate.

c. Discussions and negotiations with Vendors

- i. Any meetings with Vendors for discussion and negotiation of contractual issues shall be conducted by at least two staff, including at least one Procurement Staff member. The other staff members may be from UN/PD, the Requisitioner, end-user, OLA or another office as appropriate. Any negotiations must be conducted in accordance with this Procurement Manual, and any outcome must be recorded in writing.

d. Follow-up by Vendors for registration

- i. Meetings with Vendors concerning Vendor registration issues may be arranged after the opening of Submissions, provided that an appointment has been made in advance. Meetings shall be attended by at least two staff from the Vendor Registration and Management Team. Staff who invited such Vendors for a Solicitation are not allowed to attend such meetings, in order to maintain segregation of duties.

5. General:

- a. Any meeting with Vendors should be conducted in an area appropriate for such purpose, preferably a conference room. No confidential commercial information shall be disclosed at any time during meetings with Vendors. Procurement Staff shall follow the procedures above concerning recording of meetings with Vendors, so that the Director, UN/PD or CPO can produce reports on meetings with Vendors, as and when required.
- b. Procurement Officers shall record relevant information regarding Vendors obtained at meetings using a record of meeting as appropriate. This information should be kept in the procurement case file.
- c. Upon the Vendor's arrival, the staff member from UN/PD/ISS/PMS will call the respective Procurement Officer to pick up his/her visitor(s) from the reception area.

[Chapter 9 Part 3](#)

9.49 Clarification Requests

1. Since invited Vendors may request clarification of the Solicitation Documents, the Procurement Officer shall evaluate whether a deadline for such requests should be included in the Solicitation Documents to avoid late requests that may necessitate an extension of the Closing date and time. In order to ensure a fair and transparent Solicitation process, clarification requests shall be handled as set forth in this Section.
2. All clarification requests shall be directed in writing to the Procurement Officer responsible for the Solicitation. If the request is oral or is addressed to another UN staff member, he/she shall not engage in any discussion with the person making the request and shall instruct that person to forward the request in writing to the responsible Procurement Officer.
3. The Procurement Officer shall, in cooperation with the Requisitioner as appropriate, prepare a written reply to timely clarification requests. The reply shall be sent to all invited Vendors, without divulging the source of the request. If the clarification materially alters the requirement, the Procurement Officer shall consider whether the Closing date and time for Submissions should be extended and whether the Solicitation Documents should be amended or re-issued in their entirety.
4. Requests for clarifications received from third parties who did not receive the Solicitation Documents shall be denied and require no answer.
5. If a question or request for clarification clearly raises an ethics issue affecting the Solicitation, the Procurement Officer, in consultation with the Section Chief, shall immediately refer the matter to the Director, UN/PD or CPO for determination of an appropriate response, including immediate referral of the matter to the UNHQs Director, Ethics Office or Chair VRC/Local VRC, which shall follow procedures applicable to the particular case.

Chapter 9 Part 3

9.50 INCOTERMS

1. Purpose of Incoterms

- a. The purpose of [Incoterms](#) is to provide a set of definitions for terms commonly used in international trade. By using these terms, the parties to the transaction avoid or at least reduce to a considerable degree the uncertainties of different interpretations of such terms. All Procurement Officers and other UN staff members involved in the procurement of goods are expected to be familiar with Incoterms and their proper use, in particular the two terms most commonly used by the UN, “FCA” and “DDU”.

2. The Identification and Allocation of Responsibilities under Incoterms

- a. The chosen Incoterm determines when the risk of loss of goods passes to the buyer; how various costs for shipment and other costs will be divided between the parties; and what the seller and buyer must do with respect to delivery and shipment of the goods from seller to buyer, including who is responsible for export and import clearance.
- b. The official commentary to the Incoterms (ICC Guide to Incoterms 2000) published by the ICC states explicitly that Incoterms do not deal with transfer of ownership (i.e., “transfer of property rights in the goods”), force majeure (i.e., “relief from obligations...in case of unexpected or unforeseeable events”) or the consequences of various breaches of contract. Those issues are normally dealt with in the Contract or the UNGCC.

3. [Incoterms 2000](#)

- a. The latest version of Incoterms was published by the International Chamber of Commerce (ICC), and entered into force on 1 January 2000 (Incoterms 2000). The United Nations Commission on International Trade Law (UNCITRAL) endorsed the use of Incoterms 2000 during its 33rd session. In addition, the ICC has published the “ICC Guide to Incoterms 2000”, a comprehensive and authoritative commentary on Incoterms. This publication (ICC Publication No. 620) is available through the ICC.

4. Incoterms Abbreviations

- a. The usual abbreviations for Incoterms are:

- i. EXW ExWorks (... named place)
- ii. FCA FreeCarrier (... named place)
- iii. FAS FreeAlongside Ship (... named port of shipment)
- iv. FOB Freeon Board (... named port of shipment)
- v. CFR Costand Freight (... named port of destination)
- vi. CIF Cost,Insurance and Freight (... named port of destination)
- vii. CPT CarriagePaid to (... named place of destination)
- viii. CIP Carriageand Insurance Paid to (... named place of destination)
- ix. DAF Deliveredat Frontier (... named place)
- x. DES DeliveredEx Ship (... named port of destination)
- xi. DEQ DeliveredEx Quay (... named port of destination)
- xii. DDU DeliveredDuty Unpaid (... named place of destination)
- xiii. DDP DeliveredDuty Paid (... named place of destination)

5. Guidelines for Use of Incoterms

- a. The determination of the appropriate Incoterm to use shall be made by the Procurement Officer on a case-by-case basis and should only be made with a full understanding of its meaning. In general, the Procurement Officer shall use either FCA or DDU, unless he/she determines that there are reasons to use one of the other terms for a particular Solicitation. In the latter case, the Procurement Officer shall place a written explanation for the choice in the procurement case file.
- b. When the Procurement Officer uses the delivery term FCA, the contractual instrument shall clearly state “FCA [delivery

place] (Incoterms 2000)".

- i. FCA – “Free Carrier (...named place)” shall only be used when the UN is willing to accept the risk of loss from the moment the goods have been delivered to the named place of delivery and when transportation from the named place of delivery to the final destination is to be arranged by the UN (normally through the services of its freight forwarder). Note that FCA may be used for all modes of transport, including multi-modal, while FOB has traditionally been reserved for sea transport under Incoterms.
 - ii. Under the FCA term, once the goods have been delivered to the carrier designated by the UN at the named place of delivery and the Vendor has duly notified the UN that delivery has taken place, the risk of loss passes to the UN. Thus, if a loss occurs after delivery but before the goods reach the final destination, the UN bears the risk of such loss under the FCA term. Furthermore, the time for measuring when payment is due commences upon delivery and, unless the UN reserves the right to pay at a later stage, the UN may be obliged to pay for the goods before they reach their final destination.
 - iii. Therefore, if the goods are procured on an FCA basis, inspection necessary for clearing payment of invoices shall to the extent possible be conducted at cargo origin or at the place of delivery to make sure the goods conform to the Specifications in the Contract before payment is made. The Procurement Officer shall also consult with the UN Insurance Section, as appropriate, to ensure, that the UN is adequately insured for any losses that may occur between the named place of delivery and the final destination.
- c. When the Procurement Officer uses the delivery term DDU, the contractual instrument shall clearly state “DDU [delivery place] (Incoterms 2000)”.
- i. DDU – “Delivered Duty Unpaid (...named place of destination)” shall be used if the UN requires that the Vendor cover all risks and costs of transportation of the goods to the named place of destination.
 - ii. Under the DDU term, once the goods have been delivered to the named place of destination and the Vendor has duly notified the UN that delivery has taken place, the risk of loss passes to the UN. Note that the named place of destination may not be identical to the final destination (e.g., when inland transportation is required to bring the goods from a port named as the place of destination to an inland location where a Field Mission or OAH is located). In that case, the UN would carry the risk of loss during the inland transportation. Furthermore, the time for measuring when payment is due commences upon delivery to the named place of destination under DDU and the Vendor has duly notified the UN that delivery has taken place.
 - iii. The use of DDU may add costs over and above what the UN could arrange through its own freight forwarder, as the Vendor would have to finance the cost of transportation and would typically receive payment later under DDU than under FCA.
- d. The Procurement Officer may request that a post-delivery inspection of the goods be part of the Contract to ensure that the Vendor has delivered conforming goods. However, such post-delivery inspection will normally not extend the period for payment of the goods, unless the Contract specifies that, notwithstanding the applicable Incoterm, payment is not due and payable until the UN has had an opportunity to inspect the goods at the final destination.

6. Implications of Shipping Methods

- a. Use of trade terms that extend the Vendor’s obligations to deliver in the buyer’s country or destination will normally result in additional costs for the Vendor, which the Vendor will pass on to the buyer by charging a higher delivery price for the goods.
- b. The risk of loss or damage to goods purchased by the UN during transportation should ordinarily be covered by the UN’s standard cargo insurance (“warehouse-to-warehouse, London A plus war, state riot and civil commotion”). As the risk of loss normally would pass to the UN before the goods are transported from the named place of delivery or named place of destination to their final destination (unless the place of delivery or destination is identical to the final destination), the Procurement Officer shall ensure that the available insurance covers this risk and consult with the UN Insurance Section, if necessary.
- c. In the case of delivery to Field Missions, the risk of higher costs and hindrances of various types, (e.g., attempt to impose duties, government interventions, labour action or strikes, war (declared or undeclared) and other warlike situations) may be substantial. Any such type of hindrance may be considered an event of force majeure under the UNGCC depending on the circumstances of each situation. The carrier or freight forwarder, whether selected by the UN or the Vendor, may

charge a substantial sum to cover such risk. If the UN takes delivery elsewhere and undertakes to transport the goods itself to the Field Mission, the UN takes on a substantial risk whether or not it can inspect the goods before payment is due. The Procurement Officer shall take these factors into consideration when choosing shipping terms.

- d. The risks described above may be redistributed between the parties by negotiating contractual terms that address such matters, separate from the trade terms themselves. However, this requires that the contractual instrument clearly specifies how such risks will be distributed and how the selected trade term is modified by such provisions. The Procurement Officer shall carefully evaluate use of trade terms for distribution of risk in light of all other terms and conditions in the contractual instrument.

Chapter 10. Management and Treatment of Vendor Submissions

- 10.1 Receipt and Safeguarding of Submissions
- 10.2 Facsimile Submissions
- 10.3 Electronic Submissions
- 10.4 Safeguarding of Submissions
- 10.5 Unsolicited Submissions
- 10.6 Submissions in Response to RFQs
- 10.7 Withdrawal of Submissions
- 10.8 Modification of Submissions
- 10.9 Modifications due to Errors and Omissions
- 10.10 Errors in Affixing Signature
- 10.11 Clerical Errors
- 10.12 Late Submissions and Extension of Submission Closing Deadline
- 10.13 Public Submission Opening Officers
- 10.14 Public Opening Procedure Formal Submissions
- 10.15 Attendance at Submission Opening
- 10.16 Opening of Submissions
- 10.17 Submission Opening Officer
- 10.18 Availability of Information after Opening

[Chapter 10. Management and Treatment of Vendor Submissions](#)

10.1 Receipt and Safeguarding of Submissions

1. At HQ, all Submissions shall be delivered as specified in the Solicitation Documents. All Submissions sent by mail, courier service or hand delivery must be received by the Procurement Management Section (PMS), Monday to Friday, 9.00 AM to 5.00 PM New York time, excluding UN holidays. Such Submission shall be time and date stamped by PMS staff immediately upon receipt.
2. At Field Missions and OAHs, all Submissions in response to formal methods of solicitation shall be delivered as specified in the Solicitation Documents and addressed to the Tender Opening Committee (TOC), during that office's normal business hours, excluding UN holidays. Such Submissions shall be time and date stamped immediately upon receipt. The TOC shall establish procedures to verify that Submissions are received before the Closing Date and Time.
3. The DMS/CMS or the DOA/CAO of the relevant Field Mission/OAH shall appoint the members of the TOC, who shall be staff members who are not part of the local procurement unit or Requisitioner. The TOC shall, at a minimum, consist of two members from different offices. The DMS/CMS or the DOA/CAO shall establish the TOC's terms of reference, which shall address membership, roles, responsibilities and local operating procedures. The members of the TOC while performing such functions should not serve on the LCC.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

[PM Table of Contents](#)

[Next](#)

[Chapter 10. Management and Treatment of Vendor Submissions](#)

10.2 Facsimile Submissions

1. Facsimile Submissions, when allowed by the Solicitation Documents, shall be received at a dedicated facsimile number, located in a secured area, to which only designated Procurement Personnel have access. Facsimile Submissions shall be rejected unless such delivery method has been permitted by the Solicitation Documents and the Submission was received at the dedicated facsimile number.
2. The Facsimile Submission shall be placed in a sealed envelope, or sealed in a similar manner, indicating the time and date of receipt, the name of the Vendor, the Bid or Proposal number, the Bid Opening date and time, and the name of the Procurement Officer or Assistant, who issued the Solicitation.
3. If necessary due to limited facsimile facilities, the number of pages allowed to be submitted by facsimile may be limited. Any such limitation shall be clearly stated in the Solicitation Documents. All Submissions that exceed the allowed number of pages must be delivered by other permitted means.
4. A Facsimile Submission stating that a confirmation will follow shall not be considered, unless the confirmation is received by the designated means prior to Submission Closing.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 10. Management and Treatment of Vendor Submissions

10.3 Electronic Submissions

1. Submissions by electronic means shall only be permitted if such means of Submission has been permitted by the Solicitation Documents. When submission by such means is permitted, due regard shall be taken to ensure that the electronic Submission can be authenticated and is sufficiently secure and that its confidentiality can be preserved as provided for in [Financial Rule 105.18\(b\)](#). Thus, for example, the Solicitation Documents might require that the signed Submission be scanned and transmitted electronically to a dedicated terminal.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 10. Management and Treatment of Vendor Submissions](#)

10.4 Safeguarding of Submissions

1. Submissions received shall be placed in a secure area, until the stated Submission Opening date and time. Access to the secure area shall be limited to personnel duly authorized by the Director, UN/PD or the CPO.
2. Personnel so designated shall take all necessary measures to ensure the confidentiality of all Submissions received.
3. A Submission that is inadvertently opened before the Submission Opening date and time shall be brought to the attention of the Director, UN/PD or the CPO and be noted in the procurement file. If the Director, UN/PD or the CPO decides to accept said Submission, it shall immediately be placed in a sealed envelope and be marked in accordance with [Chapter 10 Section 10.1](#) paragraph 1.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 10. Management and Treatment of Vendor Submissions](#)

10.5 Unsolicited Submissions

1. Unsolicited Submissions, i.e., Submissions from Vendors that the United Nations has not invited, shall be rejected. The Director, UN/PD or the CPO, shall reject such Submission, and the Submission shall remain unopened and be forwarded to the Procurement Officer concerned. The Vendor shall be advised of such rejection in writing. The Submission shall be destroyed or returned to the Vendor, at its own cost, if so requested.
2. Submissions from vendors whose names are not on the list of invitees but appear to be related to the names of vendors invited in the opinion of the Team Leader of General Administration Team (GAT), or Chair/TOC in the case of Field Missions and OAHs, should be brought to the attention of Procurement Officer concerned. The Procurement Officer shall contact the original invitees to seek clarification.
3. In cases where submissions were made by parents, subsidiaries or other related business entities of the original invitees, due to their business and marketing arrangements in place, from such vendor submissions may be accepted upon documented and supporting evidence.
4. Submissions from vendors who are appointed by the original invitees as sales, export or local representatives of the original invitees and are not financially and legally affiliated with the original invitees in terms of ownership may be accepted provided that the invitees inform the UN of their appointment in advance with a proof of appointment prior to Submission Closing.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

10.6 Submissions in Response to RFQs

1. All Submissions in response to RFQs received prior to the applicable deadline shall be duly filed and recorded in the UN/PD Contract file. Submissions in response to RFQs do not need to be publicly opened. However, the relevant procedures of [Chapter 10, Section 10.1](#) shall be applied. Immediately after the deadline, the Procurement Officer shall review and evaluate the quotations in accordance with [Chapter 11 Section 11.10](#).

[Chapter 10. Management and Treatment of Vendor Submissions](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 10. Management and Treatment of Vendor Submissions

10.7 Withdrawal of Submissions

1. Prior to Submission Closure

- a. A Vendor may withdraw its Submission prior to the Submission Closing date and time. Such withdrawal notice shall be in the form of a written notice to the UN and should only be honored if transmitted by the same means as Submissions are permitted to be transmitted under the Solicitation Documents. The UN is not obliged to honor a withdrawal notice transmitted in any other manner, e.g., telephonic transmittal, unless followed up by proper notice received prior to the Submission Closing.
- b. Upon receipt of a proper withdrawal notice, the UN shall immediately separate the Submission from the other Submissions received to ensure that it is not accidentally opened during Submission Opening. Unless instructed otherwise, the UN shall destroy said Submission and notify the Vendor thereof. However, the Submission may be returned unopened at the Vendor's cost, if so requested in the withdrawal notice.

2. After Submission Closing

- a. Requests to withdraw a Submission after the Submission Closing date and time shall not be honored, and the UN shall duly register said Submission and evaluate it together with all other Submissions. The Vendor shall be informed accordingly in writing. If the Vendor has furnished Bid Security, the UN shall retain such Security until the status of the Submission has been resolved, taking care to ensure that the Bid Security does not expire before then. As necessary, OLA shall be consulted regarding the matter and drawing on the Bid Security, or initiating any legal claim, as appropriate. The procedures of [Chapter 7 Section 7.01 Vendor Review Committee at HQ](#) may also be applicable.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

10.8 Modification of Submissions

1. Prior to Submission Closing

- a. A Vendor may modify its Submission prior to the Submission Closing date and time. Any such modification shall be submitted in writing in a sealed envelope, marked with the original Submission number, and transmitted in a manner permitted by the Solicitation Documents. Upon receipt by the UN, the modification shall be placed in a secure area together with Submissions for the applicable Solicitation, in the same manner as for the original Submission.

2. After Submission Closing

- a. Modification of a Submission received after the Submission Closing shall not be permitted, unless such modification is in accordance with this Chapter 10 Section 10.8, and [Chapter 10 Sections 10.9](#) and [10.10](#). If the UN does not accept the modification, the Vendor shall be informed accordingly in writing.

Chapter 10. Management and Treatment of Vendor Submissions

10.9 Modifications due to Errors and Omissions

1. The most frequent errors and omissions encountered in Submissions, and the treatment of such errors or omissions, are as follows:
 - a. Errors in Totalling Prices.
 - i. When errors in totalling the cost of a group of items or the entire total cost of a Submission have been made, the unit prices quoted shall govern.
 - b. Apparent Errors in Price.
 - i. The UN is not responsible for errors in price made by a Vendor, and the Vendor is bound by any such errors.
2. Failure of Vendor to Furnish Data/Information:
 - a. Failure of a Vendor to furnish documentation/data/information requested in the Solicitation Documents which does not affect the price or the Specifications, SOW or TOR in the Solicitation Documents, shall not require immediate rejection of the Submission, unless otherwise stated in the Solicitation Documents.
 - b. If it is considered to be in the best interest of the Organisation, the Procurement Officer may request the missing documentation/data/information. If the Vendor does not furnish the documentation/ data/information within a specified period of time after it has been requested, normally five UN business days, the Submission shall be rejected, and the Vendor shall be notified accordingly in writing.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

10.10 Errors in Affixing Signature

1. All Submissions shall be signed by an authorized representative of the Vendor accompanied by the typed or printed name of the authorized representative, in all places where the Solicitation Documents so require.
2. If a Submission lacks the signature of an authorized representative, but there is accompanying evidence that the Submission is authentic and duly submitted by the Vendor concerned (e.g., the signature of an authorized representative appears on a letter of transmittal or on another document attached thereto), Bid Security is attached to the Submission, or other accompanying documents that provide evidence to support authenticity of submission, the UN can assume that the omission was unintentional, and accept it for consideration. The Procurement Officer shall inform the Vendor of any such omission and request that it be promptly corrected.
3. The authorized representative of the Vendor shall be required to complete the Submission by signing the appropriate areas of said document. An unsigned Submission, submitted without accompanying evidence that the Submission is authentic and made by the Vendor concerned, shall be rejected. The Vendor shall be notified accordingly in writing.
4. A signature evidently executed by someone other than the typed name, shall be verified and corrected by the Vendor.
5. The Solicitation Documents shall state that the authorized representative who signs the Submission must initial all corrections or modifications to the Submission made by a Vendor during its preparation and prior to Submission Closing. If this requirement is not complied with, the Vendor shall confirm each change in writing. The UN shall ensure that the Vendor does not make any other changes, except as permitted by [Chapter 10 Sections 10.8](#), [Chapter 10 Sections 10.9](#) and this Section 10.10 of Chapter 10. Upon receipt of the confirmation, it shall constitute a part of the Submission.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

10.11 Clerical Errors

1. If an error is clearly clerical in nature, such as transposition in figures, an error in the placing of a decimal point or in the unit of measure, the Procurement Officer, in consultation with the Section Chief, shall recommend to the Director, UN/PD or the CPO, the appropriate correction. Any modifications to the Submission shall be effected by a separate document duly signed by the Vendor. Said document shall be included as part of the Submission.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 10. Management and Treatment of Vendor Submissions

10.12 Late Submissions and Extension of Submission Closing Deadline

1. It is the responsibility of Vendors to ensure timely receipt of their Submissions by the designated UN office. A Submission received after Submission Closing shall be rejected except if it arrives in adequate time to be evaluated and the Director, UN/PD or CPO determines that the late delivery was due to the fault of the UN. The Director, UN/PD or the CPO shall document in writing such determination.
2. If the Director, UN/PD or the CPO, decides to reject a late Submission, it shall remain unopened and be forwarded to the Procurement Officer concerned. The Vendor shall be advised of such rejection in writing. The Submission shall be destroyed or returned to the Vendor, at its own cost, if so requested.
3. The Submission Closing date and time may be extended at the discretion of the Director, UN/PD or the CPO where force majeure or other circumstances prevents delivery of Submission in time for Submission Closure and proper evaluation of Submissions in accordance with the original schedule by amending the Solicitation Documents in accordance with [Chapter 9 Section 9.20](#). Vendors shall be notified accordingly in writing.

Chapter 10. Management and Treatment of Vendor Submissions

10.13 Public Submission Opening Officers

1. Overview

- a. At HQ, the Submission Opening Officers are appointed by the Director, UN/PD. (See [Memorandum of Appointment](#)).
- b. In the field, the Submission Opening Officers shall be members of the designated TOC.

2. Responsibility of the Officers

- a. The Procurement Officer shall provide the authorized Submission Opening Officer with:
 - i. The Submission Closing information specified in the Solicitation Documents;
 - ii. The Submission Opening date and time as stated in the Solicitation Documents;
 - iii. A Solicitation Abstract Sheet;
 - iv. The list of invitees for the Solicitation. A sample list of invitees is attached as [Annex D-23](#).
 - v. In the case of large or complex procurements, the Procurement Officer shall, as he/she may deem appropriate, attend Submission Openings as an observer.

3. The Submission Opening Officer shall:

- a. Receive Submissions sent in accordance with the Solicitation Documents and that are time and date stamped by the applicable registry;
- b. Seal facsimile Submissions in envelopes or in a similar manner to ensure that they will not be revealed until the Submission Opening; and record on the envelopes the date and time of receipt, the date and time of the Submission Opening, and the name of the Vendor;
- c. Record the date and time of receipt, the date and time of the opening, and the name of the Vendor as indicated on the envelopes;
- d. Record the receipt of Solicitation Documents against the invitee list provided by the Procurement Officer;
- e. Secure the Submissions in a secure area, or safe, until the specified Submission Opening date and time.

4. Disclosure of information prior to opening

- a. No substantive information, except for Solicitation Documents, amendments thereto, questions, clarifications and answers to Vendor inquiries, shall be disclosed by the Submission Opening Officers or any other UN staff members to any individual or otherwise made public, prior to the Submission Opening date and time.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

10.14 Public Opening Procedure for Submissions under Formal Methods of Solicitation

1. General. Depending on the type of Solicitation Documents utilized, see [Chapter 9 Section 9.16](#), the opening of the Submissions shall be handled as set forth in [Chapter 10 Section 10.16 Opening of Submissions](#).
2. Any permissible modifications to Submissions, in accordance with [Chapter 10 Section 10.8](#), received prior to Submission Closing shall be handled together with the original Submission during the applicable Submission Opening. Upon completion of the opening, such modifications shall be attached to the related Submission.
3. The Submission Opening Officer shall record receipt of each Submission on the Submission itself.
4. In the case of faxed Submissions, the Submission Opening Officer shall check the dedicated facsimile machine ten minutes prior to the specified Submission Opening time.
5. Any irregularities surrounding the opening and recording of Submissions shall be immediately reported by the Submission Opening Officer or Procurement Officers, as the case may be, to the Director, UN/PD or the CPO and recorded in writing.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 10. Management and Treatment of Vendor Submissions

10.15 Attendance at Submission Opening

1. Vendors who submit Submissions may designate one representative to be present at the Submission Opening, whose attendance shall be advised to the Submission Opening Officer in the required acknowledgement letter furnished by the Vendor prior to the Submission Opening.

Such representative:

- a. may be an employee or Agent of the Vendor, a local representative designated by the Vendor 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,
 - b. shall sign the Submission Opening attendance register, and
 - c. shall supply the following information:
 - i. Name of Vendor whom they represent and, if applicable, the Permanent Mission, trade office, or other diplomatic office of which they are an officer;
 - ii. Name, signature and title of the representative.
2. Other "parties" wishing to attend Submission Openings as an observer should submit a written request to the Director/PD or CPO who, taking into consideration the nature of the tender and transparency, will decide whether the request will be accepted.
 3. The Vendor representatives and other individuals entitled to attend the Submission Opening shall act solely as observers, and not as active participants in the Opening process. However, they may request the Submission Opening Officer to repeat information that has been read aloud.
 4. None of the UN personnel present at the Submission Opening shall engage in discussion with any representative of a Vendor or other attendees during the Submission Opening.
 5. The Submission Opening Officer shall enter the information read aloud during the Submission Opening on the Solicitation Abstract Sheet. The Solicitation Abstract Sheet may contain the following information: price (except in the case of RFPs), quantity, objective, delivery time and schedule, compliance with Specifications, TOR or SOW, discounts (if any), warranty and after sales service as applicable. A sample Solicitation Abstract Sheet is attached as [Annex D-24](#).
 6. Corrections of errors made during the recording process shall be initialled by the Submission Opening Officer, and countersigned by the immediate supervisor, after the completion of the Submission recording process.

Chapter 10. Management and Treatment of Vendor Submissions

10.16 Opening of Submissions

1. All Bids duly received in response to ITBs shall be recorded and publicly opened at the date, time and place specified in the ITB.
2. All Proposals duly received in response to RFPs shall be recorded and publicly opened at the date, time and place specified in the RFP, for the sole purpose of registering the details as indicated in the Solicitation Abstract Sheet furnished to the Submission Opening Officer. The fundamental purpose of public opening of Proposals is to record the names of Vendors who have submitted timely Proposals.
 - a. Price information of Proposals shall not be announced at the Submission Opening, as the nature of RFPs and Proposals does not lend itself to a direct comparison of prices. Evaluation of Proposals focuses on their relative responsiveness to the requirements of the RFP. As the price quoted in a Proposal may include complicated variables and other items that will only be apparent upon a detailed evaluation of the Proposal itself, disclosure of price information at the Opening could give an inaccurate impression of the actual cost to the Organisation.
 - b. If considered desirable by the Procurement Officer, with the approval of the Chief of Section or equivalent officer at a Field Mission/OAH, additional information or details of Proposals may be considered for public disclosure at the Submission Opening. Any decision to disclose additional information shall be made in advance of the Submission Opening.
 - c. Only the technical proposals shall be opened at the public Submission Opening. The financial proposals shall remain unopened, and the contents shall remain undisclosed, until the Procurement Officer has received the completed technical evaluation. In order to ensure the integrity of the procurement process and confidentiality of financial information during the technical evaluation stage, the financial proposals shall be kept by the Submission Opening Officers intact and unopened in a secure place pending completion of the technical evaluation. The Submission Opening Officers will open the financial proposal together with the case officers/Team leaders only upon receipt of notification from the Procurement Officer or Assistant confirming completion of the technical evaluation.

Chapter 10. Management and Treatment of Vendor Submissions

10.17 Submission Opening Officer

1. The Submission Opening Officer shall open Submissions in the order listed on the invitee list, record the relevant information on the Solicitation Abstract Sheet, and read aloud the following:
 - a. Vendor's name;
 - b. Except for RFPs, the unit price of each line item. However, if the Solicitation Documents requested more than 20 line items, only the grand total price shall be read;
 - c. Delivery period;
 - d. Except for RFPs, total cost (if feasible);
 - e. Except for RFPs, payment terms and discounts offered, if any;
 - f. Any other details specified by the Procurement Officer on the Solicitation Abstract Sheet.
2. After the Solicitation Opening, the Submission Opening Officers shall perform the following tasks:
 - a. Verify the Solicitation Abstract Sheet. The Submission Opening Officer shall certify the recording process by signing the Solicitation Abstract Sheet in the presence of an authorized UN/PD officer, acting as a witness.
 - b. Mark or perforate submissions except for printed catalogues and brochures publicly available to identify the original copy.
 - c. Deliver all Submissions, together with the Solicitation Abstract Sheet, to the relevant Procurement Officer immediately after completion of the aforementioned procedures.
 - d. Retain a copy of the Solicitation Abstract Sheet in a locked and secure place.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

10.18 Availability of Information after Opening

1. The Solicitation Abstract Sheet for ITBs and RFPs shall be available for viewing by Vendors who submitted Bids and Proposals, as the case may be, or by other authorized attendees for a period of 30 days from the Submission Opening date.
2. Except as provided hereafter, no Bid or Proposal may leave the possession of the Submission Opening Officers at the Submission Opening. After Bids or Proposals have been opened, read, summarized, dated and signed by the Submission Opening Officers, all Submissions shall be delivered to the Procurement Officer, together with the Solicitation Abstract Sheets.
3. After completion of the Submission Opening, the Procurement Officer shall immediately consult with the Requisitioner to clarify the ensuing procedures to be followed and the applicable deadlines.

[Chapter 10. Management and Treatment of Vendor Submissions](#)

[PM Table of Contents](#)

[Previous](#)

Chapter 11. The Source Selection Process

- [Chapter 11. The Source Selection Process - Part 1](#)
 - Sections 11.1 to 11.19
- [Chapter 11. The Source Selection Process - Part 2](#)
 - Sections 11.20 to 11.44

[Chapter 11. The Source Selection Process](#)
[PM Table of Contents](#)

[Chapter 11. The Source Selection Process](#)

Chapter 11. Part 1 - The Source Selection Process

- [11.1 Source Selection](#)
- [11.2 Determination of Vendors as Qualified for Award of a Contract](#)
- [11.3 Rejection of Submissions](#)
- [11.4 Source Selection Plan](#)
- [11.5 Source Selection Committee](#)
- [11.6 Evaluation Committee](#)
- [11.7 Technical Evaluation Team](#)
- [11.8 Commercial Evaluation Team Responsibility](#)
- [11.9 Evaluation Criteria](#)
- [11.10 Types of Evaluation Criteria](#)
- [11.11 Categorisation of Evaluation Criteria](#)
- [11.12 Rating System and Weighting](#)

- [11.13 Source Selection Process](#)
- [11.14 Procedures for the Source Selection Process](#)
- [11.15 Adherence to Solicitation Documents](#)
- [11.16 Evaluation using the Solicitation Abstract Sheet](#)
- [11.17 Requests for Clarification and Additional Information](#)

- [11.18 Opening of Commercial Proposals](#)
- [11.19 Opening of Commercial Submission of Technically Non-compliant](#)

[Chapter 11. Part 1 - The Source Selection Process](#)

11.1 Source Selection

1. Introduction. The purpose of the source selection process is to identify the Vendor(s) to whom the Contract(s) is/are to be awarded, i.e. the process from the receipt of Submissions, through the evaluation of such Submissions to the decision to award the Contract in accordance with the provisions of [Financial Rule 105.15](#).
2. In order to ensure that the procurement process is fair, objective and transparent, the source selection process shall also give due consideration to a balancing of the following general principles set forth in [Financial Regulation 5.12](#):
 - a. Best value for money;
 - b. Fairness, integrity and transparency;
 - c. Effective International Competition; and
 - d. The interest of the United Nations
3. The source selection process shall be objective and all the steps should be documented throughout in order to verify that the selection has been conducted in accordance with the principles referred to above, the other Financial Regulations and Rules, and other applicable UN policy and practices, including those set forth in this Manual. However, except as otherwise permitted herein, the participants in the source selection process shall ensure that information provided to the UN in connection with that process is not released to any person or party outside the process. The participants in the source selection process shall document how they perform the evaluation, without divulging the information that they are evaluating. This will aid those participants in ensuring that the UN is fair, reasonable and objective in taking decisions regarding procurement and assist in answering questions and concerns from unsuccessful Vendors in connection with any debriefing provided by the United Nations.

Chapter 11. Part 1 - The Source Selection Process

11.2 Determination of Vendors as Qualified for Award of a Contract

1. [Financial Rules 105.15](#) and [105.16](#) require that Vendors be “qualified” in order to be eligible to be awarded a Contract. Whether a Vendor is “qualified” under the FRR for award of a Contract involves a thorough evaluation of the Vendor’s responsibility and capacity to perform the proposed Contract. Generally, in order to be deemed “qualified”, a Vendor must:
 - a. have or be able to obtain adequate financial resources to perform the Contract;
 - b. be able to comply with the required or proposed delivery or performance schedule;
 - c. have a satisfactory past and current performance record;
 - d. have a satisfactory record of integrity and business ethics;
 - e. have or be able to obtain the necessary organisation, experience, and accounting/operational controls and technical skills;
 - f. have or be able to obtain the necessary production, construction and technical equipment and facilities;
 - g. be otherwise qualified to receive an award under applicable UN regulations, rules, policies and practices – i.e., have the capacity to receive and perform the proposed Contract.
2. The Procurement Officer, who may consult the Requisitioner and others designated in the Source Selection Plan, shall record this determination including a risk analysis prior to award of a Contract.
3. In the case of ITBs, [Financial Rule 105.15\(a\)](#) requires that the contract be awarded to “the qualified bidder whose bid substantially conforms to the requirements set forth in the Solicitation Documents and is evaluated to be the one with the lowest cost to the United Nations.” In the case of an award on the basis of [an informal method of Solicitation or] a directly negotiated Contract pursuant to an exception to the use of formal methods of Solicitation under [Financial Rule 105.16](#), the Contract may be awarded to “a qualified vendor whose bid substantially conforms to the requirement at an acceptable price.” A bid or other offer “substantially conforms” if it satisfies all material aspects of the requirement, and any deviations are insignificant in nature.
4. In the case of RFPs, [Financial Rule 105.15\(b\)](#) requires that the Contract be awarded to “the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation documents.” An RFP is “most responsive” if it adequately satisfies all material aspects of the requirement to an extent which exceeds all competing Proposals.
5. Whether a Vendor is qualified is separate from the determination of whether a Vendor is eligible to be a registered Vendor under Chapter 7 of this Manual. A Vendor may be eligible for registration and to be included in a Solicitation, but may still be deemed not to be qualified for the particular procurement. Thus, in each evaluation of a Submission, a separate determination as to whether the Vendor is qualified is required, notwithstanding their eligibility for registration as a UN Vendor. For example, a Vendor may be eligible for registration as a UN Vendor to provide generators, but not be deemed qualified under the requirements of a Solicitation to provide 1,000 generators to the site required in the time allowed.
6. Meeting the substantive and technical requirements of an ITB or RFP must be an objective, non-discretionary determination by the UN officials designated in the Source Selection Plan (e.g., the Requisitioner, Procurement Officer), at the time of evaluating Submissions that the Submission conforms to the substantive and technical aspects of the Solicitation Documents, as is required by ([Financial Rules 105.15\(a\) or \(b\)](#)), and the Submission is otherwise in accordance with the guidelines in this Manual and the Financial Regulations and Rules.
7. In other words, in the context of Best Value for Money principle which applies to the entire acquisition cycle, the methodology used for the determination of a contract recommendation will require that ITBs are evaluated on a lowest price, technically

acceptable basis, while RFPs are evaluated on a most responsive basis, with lowest cost not being the determinative factor. Determining whether a Submission meets the substantive and technical requirements of the ITB or RFP necessitates a robust Source Selection Plan which will encompass all criteria and an objective analysis of the Submission in accordance with the ITB or RFP criteria. Moreover, development of a clear and objective technical and commercial evaluation approach, with a breakdown of points per criteria/category, is essential before issuance of the Solicitation Documents.

[Chapter 11. The Source Selection Process](#)
[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 11. Part 1 - The Source Selection Process](#)

11.3 Rejection of Submissions

1. After the Submission Opening (see [Chapter 10 Section 10.14](#)), if material variation(s) among the Submissions become apparent which can be attributed to discrepancies or ambiguities in the Specifications, TOR or SOW in the Solicitation Documents, a new procurement exercise for the requirement shall be undertaken, provided the discrepancy or ambiguity had a material impact on the fairness of the source selection process. Vendors who made Submissions in response to the original solicitation shall be so informed in writing.
2. The UN may reject the Submission of a Vendor if the Vendor, based on additional information, is determined to be unable to perform the Contract. Such action shall be documented in writing and shall be subject to the approval of the relevant Director, UN/PD or the CPO.
3. Normally, a Vendor who has previously failed to perform satisfactorily or complete similar contracts on time should not be invited to participate, unless the Director, UN/PD or the CPO determines that special reasons exist to overlook the earlier failure and records such reasons in the procurement case file. This gives rise to the quality and timely submissions of vendor performance reports (see [Chapter 15 Section 15.3](#)).
4. Submissions from Vendors in receivership, liquidation or bankruptcy shall be rejected, unless exceptionally approved in writing by the Director, UN/PD or the CPO, in the case of special circumstances, such as a liquidation sale of Vendor inventory by a court-appointed Receiver.

Chapter 11. Part 1 - The Source Selection Process

11.4 Source Selection Plan

1. The Source Selection Plan (SSP) (see [Annex D-32](#) - SSP Template) is an internal and collective document, under the leadership of the procurement officer, that describes critical components of the acquisition process and provides justification for sourcing and procurement decisions in order to achieve the Best Value for Money principle. In short, it documents assumptions, decisions and justifications, as the procurement action can be over a long period of time and subject to change. It provides an objective approach to the methodology of selecting the best source to fulfill the established need. The Procurement Officer and the Requisitioner are jointly responsible for contributing and preparing the Source Selection Plan before the Solicitation Documents are issued.
2. Depending on the complexity of the procurement, the Source Selection Plan may be summarized in a few lines, or consist of long and precise descriptions of the steps of the evaluation necessary to ensure Best Value for Money for the Organisation. The following are elements that would be appropriate to include in the Source Selection Plan:
 - a. Description of the requirement (including operational circumstances, timeline, etc.);
 - b. Solicitation Method (RFQ, RFP, ITB) and justification thereof;
 - c. Sourcing method (identification of Suppliers, particular attention should be given to attract vendors from developing countries and from countries with economies in transition) and details thereof of the UN Common Codification System (UNCCS);
 - d. Contractual instrument to be used;
 - e. Evaluation Team(s) responsible for commercial and technical evaluation;
 - f. Evaluation Criteria and reasonable minimum criteria;
 - g. Weighting (i.e., the relative importance of each of the Evaluation Criteria);
 - h. Market conditions;
 - i. Planning and procurement activity schedule;
 - j. Rating and scoring system;
 - k. Required level of expertise and Requisitioner resource capacity;
 - l. Risk factors that should be assessed during the evaluation and potential remedies;
 - m. Any relevant information with regard to the forthcoming contract management capacity and expertise, staff training, equipment maintenance, after sale service, disposal, etc.
3. Any rating system for Submission evaluation, both commercial and technical, shall include all relevant details determined appropriate by the Procurement Officer and Requisitioner. The Procurement Officer shall include a description of said rating system in the Solicitation Documents, (see [Chapter 11. Section 11.12.](#))
4. The Evaluation Criteria in the Source Selection Plan 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. The Source Selection Plan shall be made available to the Headquarters Committee on Contracts and/or the relevant Local Committee on Contracts upon request as it is the basis of a selected procurement strategy, which may be subject to questions at a later date as

external and internal factors (market, vendor, staff, technology, etc.) may vary but, which was the result of a conscious decision at the time of the Source Selection Plan development. Therefore, it is critical for the procurement staff to develop expertise in drafting Source Selection Plans and engage the Requisitioner to fully contribute to this exercise.

[Chapter 11. Part 1 - The Source Selection Process](#)

11.5 Source Selection Committee

1. Source Selection Committee

- a. For large, costly and complex acquisition projects, the Procurement Officer shall establish a Source Selection Committee or request the requisitioning office to establish such a committee with proper Term Of Reference (TOR). The Source Selection Committee should consist of Staff from the procurement office, the requisitioning office, programme managers and whoever may bring value to the process (legal, Consultant, etc.). The Source Selection Committee must include all those who have the joint responsibility to complete the Source Selection process in accordance with the FRR and Procurement Manual, including the establishment of the Source Selection Plan, and ensure that the process through to the future recommendation of the selected Vendor fulfills all the requirements of the Solicitation Documents. Members of the Source Selection Committee may be part of the Evaluation Committee during the evaluation phase of the Source Selection process.

- b. For smaller projects, the Source Selection Committee is optional and can be tailored to the size of the acquisition project.

[Chapter 11. Part 1 - The Source Selection Process](#)

11.6 Evaluation Committees

1. For the evaluation of Submissions with an estimated value of goods or services of US \$200,000 or more, the Source Selection Committee shall establish two Evaluation Committees, each consisting of at least two members i.e., at least one of whom shall be from the Requisitioner's office, and another shall be a qualified UN staff member or a consultant (see [Chapter 8 Section 8, paragraph 5](#) for restrictions on the use of consultants). A superior and subordinate may not serve together on the Evaluation Committee. Members of the Source Selection Committee may also serve as members of the appropriate Evaluation Committee. The Evaluation Committees are normally divided into a Technical Evaluation Team, responsible for the technical evaluation, and a Commercial Evaluation Team responsible for the commercial evaluation. In order to ensure a clear segregation of duties, Procurement Officers and/or Procurement Assistants cannot serve as members of a Technical Evaluation Committee.
2. 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 pre-determined Evaluation Criteria.

[Chapter 11. Part 1 - The Source Selection Process](#)

11.7 Technical Evaluation Team

1. The Technical Evaluation Team (TET) shall conduct the technical evaluation and prepare a written report thereof, describing the relative score of the competing Submissions and ranking the Submissions from best to worst in order to establish a competitive range of most responsive Submissions. The report shall also set forth:
 - a. The basis of evaluation, i.e., the Source Selection Plan as applied to the Evaluation Criteria and their relative weight.
 - b. 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.
 - c. A summary of the findings, matrix, or quantitative ranking of each technical proposal relative to the best rating possible.
 - d. If deemed appropriate, members of the oversight bodies (OIOS, BOA, JIU) external to the procurement process may participate as independent observers, in technical evaluations and record their observations in writing.
2. The TET should make every effort to score Submissions on a consensus basis (Consensus Scoring). If necessary, Director UN/PD or CPO shall designate a non-voting and neutral mediator to facilitate reaching scores on a consensus basis. The mediator shall have expertise in the subject matter of the procurement, but may not serve on a TET in which one of his/her subordinates is a member. Neither the Requisitioner nor the end-user may serve as a mediator. In the event that a TET remains deadlocked, the TET shall conduct its evaluation by averaging the individual scores given by the TET members to each Submission (Individual Scoring).

[Chapter 11. Part 1 - The Source Selection Process](#)

11.8 Commercial Evaluation Team Responsibility

1. The Procurement Officer or Commercial Evaluation Team, in case of complex financial proposal, is responsible for developing and evaluating all of the commercial or non-technical Evaluation Criteria, to be included in the Source Selection Plan.
2. The Procurement Officer or Commercial Evaluation Team should formally document the Commercial Review of Submissions including a comparison of the Submissions and the rationale for recommending a vendor for award. Such a report shall be signed by the Officer(s) who participated in the Evaluation.

[Chapter 11. The Source Selection Process](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 11. Part 1 - The Source Selection Process

11.9 Evaluation Criteria

1. Evaluation Criteria are factors or specific areas of consideration that are inherently part of the requirement Specifications, TOR or SOW. These criteria are discrete, measurable, exhaustive and verifiable components of the goods, services or works required and provide a basis for assessing each Vendor's ability to provide the required goods, services or works. The criteria should capture all underlying factors of the definition of Best Value for Money to enable the Organisation to have a global and inclusive approach. By doing so, the Organisation will ensure that the acquisition project from its inception (i.e., budget and requirement definition) up to contract management and disposal or contract closure will bring a net added value to the Organisation's operation or mandate. In addition, evaluation criteria should, among others factors, take the following into account:
 - a. Method of evaluation;
 - b. Subject matter being evaluated;
 - c. Relative significance of the factor in relation to performance risk.
2. The primary reason for using Evaluation Criteria is to identify the Vendor for award in a fair and objective manner and minimise the technical and commercial risk that the Vendor selected for award will not be able to perform satisfactorily. The criteria should focus on elements that will establish the relative merit of the Submissions, taking special care to identify Submissions that might represent a substantial technical or commercial risk to the Organisation.
3. The specific number and types of Evaluation Criteria, as well as their relative importance, shall depend on the nature of the requirement. It is impossible to list all criteria for all acquisition projects. Every Subject Matter Expert (Requisitioner, procurement, legal, insurance, etc.) should develop expertise to ensure that all relevant aspects of their responsibility is properly addressed.
4. It should be noted that procurement practices reveal that the Committees on Contract pay particular attention, among other considerations, to the evaluations (technical or financial) to ascertain the best value for the Organisation.

Chapter 11. Part 1 - The Source Selection Process

11.10 Types of Evaluation Criteria

1. There are, generally, three types of criteria that are used to assess Submissions:
 - a. Commercial Criteria - Evaluate all cost and non costs related aspects of the Submissions and the acceptance of terms and conditions, including:
 - i. Price of goods, services or works, also called “face value”.
 - ii. Total Cost of Ownership (i.e., life -cycle costs of goods or services including maintenance, spare parts, warrantee, training, disposal, shipment, etc)
 - iii. Financial status and capability of the Vendor including the financial guarantee from the Vendor or parent HQs
 - iv. Non financial cost (TBD)
 - v. Limitation or exception or negotiation of the UN General Conditions on Contract (UNGCC), etc.
 - b. Technical Criteria - Evaluate the goods, services or works offered and the approach to providing it. Inherent in these criteria is an assessment of how well the Vendor has demonstrated an understanding of the UN’s requirements as well as the Vendor’s past performance. The technical evaluation criteria should reflect the requirements of the Specifications, TOR or SOW, and a successful technical proposal must satisfy these criteria. The technical evaluation criteria should be transmitted to the Procurement Office sufficiently in advance to be recorded in the Source Selection Plan and allow for the criteria to be reflected, globally or in detail, in the Solicitation Documents.
 - c. Management Criteria - Evaluate all business and management-related aspects of the Submissions, including:
 - i. Management experience
 - ii. Management methods and systems
 - iii. Commitment to quality
 - iv. Personnel qualifications and experience
 - v. Labor and equipment resources
 - vi. Facilities
 - vii. Finances and financial management
2. Technical and Management criteria should be developed as part of the Specifications, TOR or SOW writing process because these criteria should flow naturally from them. Depending on the specific situation, the Management criteria can either be included in the commercial criteria (and evaluation) or in the technical criteria (and evaluation). The latter will be the case when specific technical expertise is required to evaluate the management-related aspects of the Submission. The Solicitation Documents shall clearly specify whether the management proposal shall be included in the technical proposal or the financial proposal.

Chapter 11. Part 1 - The Source Selection Process

11.11 Categorisation of Evaluation Criteria

1. Evaluation Criteria can be categorized on the following basis:
 - a. Variable - Variable criteria evaluate the degree to which Submissions meet the requirement. They are often used to measure quality and therefore provide a good basis for making Best Value for Money assessments. Variable factors are usually expressed in terms of adjectives, such as excellent, good, fair, or numerical ratings (see [Chapter 11 Section 11.12](#)).
 - b. Pass/Fail - Pass/Fail criteria are used when an attribute is not conducive to varying degrees of superiority or inferiority and merely requires acceptance or rejection by the Organisation.
 - c. Minimum requirements - Minimum requirements establish minimum acceptable levels of quality or performance that are necessary to meet the requirement. Variable criteria can also be defined as minimum requirements, and therefore have pass/fail elements depending upon the complexity and specificity of the requirement.
2. All Evaluation criteria must be:
 - a. Discrete – There should be no confusion or overlap in the criteria selection, description and evaluation.
 - b. Reliable - Clear and measurable criteria that can be evaluated consistently across multiple Submissions and Evaluators.
 - c. Practical - Criteria that are verifiable and designed to measure facts rather than assumptions and promises from the Vendor. Practical criteria are tangible, with little likelihood of being construed differently by different Vendors.
 - d. Fair – Criteria that are relevant to the procurement and do not unduly exclude Vendors from the procurement.
 - e. Balanced -- Criteria that give appropriate and defensible weight when viewed objectively in the context of the procurement action.
3. The Evaluation Criteria shall not unduly disqualify Vendors from developing countries and countries with economies in transition by, for instance, demanding quality standards or labels available in developed countries only and/or requesting shipment across field missions when other movement alternative is available an/or demanding high financial guarantee for low value and risk procurement.

Chapter 11. Part 1 - The Source Selection Process

11.12 Rating System and Weighting

1. It should be noted that the Best Value for Money principle must be turned into a practical methodology in view of assessing vendors' bids or proposals and enabling the recommendation of a contract award. The methodology of criteria, points, weight and final score can include from basic to a complex mathematical and algorithm model. The UN Secretariat has, for a large extent of its portfolio, routine and general "off the shelf" commodity and service needs and therefore it is recommended to adopt a simple and reliable approach, albeit not perfect. However, for complex acquisitions the Procurement Officer is invited to supplement the method if the acquisition warrants the introduction of other factors, criteria, scenario, etc. Weighting involves the assignment of relative importance to each Evaluation Criterion so that a rating system is used to assess whether a Vendor's Submission meets or exceeds the minimum requirements in the Solicitation Documents and to objectively compare it with other Submissions.
2. The Evaluation Committee shall:
 - a. Establish the relative weight of each criterion
 - b. Establish the minimum requirement for each criterion as may be appropriate (e.g., a requirement that the prospective Vendor has successfully completed a comparable project within the past two years)
 - c. Establish the relative weight of technical, commercial and management criteria.
 - d. Devise the weighting system in a manner that is consistent and fair to all Vendors.
3. In general, the relative weights given to the commercial and technical criteria depend on various factors (e.g., the complexity of the requirement, the level of detail in the scoring matrix), and are used to objectively conduct the technical evaluations. Normally, the relative weights given to commercial and technical criteria, respectively, should be 40% to 60% other percentages (30% to 70%) can be considered when justified by critical factors or situations such as obtaining the latest market technology or state of the art equipment.
4. The Requisitioner, in consultation with UN/PD or the CPO, shall establish a rating system as part of the Source Selection Plan process that can be used to evaluate the Submission in an objective manner. The rating system shall be relevant to the procurement and involve numerical scoring or adjective rating defined in narrative form, supplemented by an explanation of such scoring.
5. As an example, the following rating system could be used:

Score	Adjective	Description
10	Exceptional/Blue	Exceeds specified performance or capability in a beneficial way to the UN; high probability of success; no significant weakness noted.
7	Acceptable/Green	Meets requirement/standard; good probability of success, weaknesses can be readily corrected.
4	Marginal/Yellow	Fails to meet requirements/standards; low probability of success, significant deficiencies, but correctable.
1	Poor/Red	Fails to meet a minimum requirement; requires a major revision to the proposal to make it acceptable.

6. The Evaluation Criteria, weighting, and rating system shall be fully documented in the Source Selection Plan as this information can be critical in the presentation of the procurement case during the review by Committee of Contracts. The Committee of Contracts must be convinced that either the price premium and the quality superiority are the decisive factors in the final

determination. To this effect, additional guidance has been issued by UN/PD (See [memo of the Director, UN/PD](#)).

[Chapter 11. The Source Selection Process](#)
[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 11. Part 1 - The Source Selection Process](#)

11.13 Source Selection Process

1. Objectives

- a. In accordance with [Financial Regulation 5.12](#), a primary objective of the procurement process is to ensure that the UN requirements are fulfilled in compliance with the Best Value for Money principle within the time frame needed, in compliance with the Specifications, TOR or SOW and in full accordance with remaining regulations or rules. Therefore, the procurement process shall be open and transparent, and the evaluation of Submissions shall at all times be fair, reasonable and objective.
- b. In the case of an ITB, no negotiation with Vendors shall take place unless it has been determined under [Financial Rules 105.15\(c\) and 105.16\(b\)](#) that it is in the interest of the Organization to enter into negotiations.

[Chapter 11. Part 1 - The Source Selection Process](#)

11.14 Procedures for the Source Selection Process

1. The Procurement Officer or Commercial Evaluation Team shall evaluate whether the Vendor has the capacity to satisfactorily perform the contract requirements, and has demonstrated financial soundness, integrity and proven reliability to provide good faith performance. The Procurement Officer or Source Selection Committee shall request the Requisitioner and/or end-user or Technical Evaluation Team to evaluate the technical compliance of the Submissions with the Specifications, TOR or SOW. The technical evaluation shall be in writing, shall be independent of the commercial evaluation, and shall be conducted without prior knowledge of cost, as specified in the Submission. Under no circumstance shall any cost data furnished by Vendors be disclosed to the Requisitioner, end-user or Technical Evaluation Team prior to the finalization of the technical evaluation.

[Chapter 11. The Source Selection Process](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 11. Part 1 - The Source Selection Process](#)

11.15 Adherence to Solicitation Documents

1. Submissions that comply with or exceed the technical specifications of the Solicitation Documents, shall be considered acceptable. Samples may be required to determine conformity with the Specifications. Superficial characteristics of a technical submission which do not affect the quality of offered goods or services and which are not precluded by the Solicitation Documents, shall not affect the acceptability of offered goods or services.
2. A qualification to the Specifications or other terms of a Submission that is not provided for in the Solicitation Documents shall be carefully examined to ensure that the Submission is compliant with the Specifications and terms of the Solicitation Documents. Such qualifications may concern the contractual terms and conditions, and if so, shall be solely evaluated by the Procurement Officer in consultation with OLA, when necessary. The Requisitioner or Technical Evaluation Team shall evaluate qualifications concerning the technical specifications.
3. It is crucial to maintain the integrity of the procurement process throughout the implementation of the Source Selection Plan. Any deviation and change from the agreed protocol and methodology will be perceived as an attempt to favour a vendor and will trigger serious concerns with regards to a flawed procurement and even fraud and wrong doing. The Committee on Contracts will likely raise such issues and may declare the case non compliant and request a re-bid. Therefore, it is preferable to cancel a tender process than changing any key components in the course of the implementation of the Source Selection Plan and solicitation documents.

Chapter 11. Part 1 - The Source Selection Process

11.16 Evaluation using the Solicitation Abstract Sheet

1. Evaluation of Quotations: For Submissions received in response to RFQs, the Procurement Officer shall establish a written list of quotations offered, to be included in the procurement case file, and select the lowest acceptable quotation that was received on time.
2. Evaluation of Bids: For Submissions received in response to ITBs, the Procurement Officer shall use the Solicitation Abstract Sheet or produce a separate commercial evaluation table to record the Bids received and indicate the lowest Bid for each item. The individual Bid represented by each low bid item shall be closely examined. If the item as offered by the lowest Bidder is compliant with the requirements of the ITB, the item and the name of the Bidder shall be identified on the Solicitation Abstract Sheet or the commercial evaluation table. Submissions for certain ITBs, including Air Charters, necessitate a detailed evaluation. Prices as indicated in the Solicitation Abstract Sheet are solely for the purpose of identifying Submissions as received. They are recorded subject to further review and without prejudice to the result of the final evaluation. Other factors recorded on the Solicitation Abstract Sheet may also be useful when evaluating Bids in which quality, quantity and shipping methods are among the essential criteria for evaluation.
3. Evaluation of Proposals: For Submissions in response to RFPs, the Solicitation Abstract Sheet shall not reflect price information. The Submission Opening Officer shall only open the technical proposal. The Procurement Officer shall send the technical proposal to the Requisitioner or Technical Evaluation Team, as applicable, to perform the technical evaluation. Evaluation factors, such as warranties, quality or shipping methods, shall be included in the Solicitation Documents and should take into account the managerial and technical competence of the Vendor and the effectiveness of the Proposal in meeting the technical requirements. Generally, once the technical evaluation is completed, the TOC shall open the commercial proposal in accordance with Chapters [10 Section 10.16](#) and [11 Section 11.18](#). The Procurement Officer shall thereupon evaluate the price (including Total Cost of Ownership elements, if any) and combine it with the results of the technical evaluation in order to decide which qualified Vendor's proposal is the most responsive to the requirements set forth in the Solicitation Documents.

[Chapter 11. Part 1 - The Source Selection Process](#)

11.17 Requests for Clarification and Additional Information

1. If the Submission is unclear or ambiguous, the Procurement Officer may, upon consultation with his/her supervisor, contact the prospective Vendor in writing to request a clarification. Such clarification shall be limited to the unclear or ambiguous aspect of the Submission, and not be used to modify the Submission. If possible, the request shall state the presumed interpretation of the unclear or ambiguous provision and request confirmation of this interpretation by the Vendor.

[Chapter 11. The Source Selection Process](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 11. Part 1 - The Source Selection Process](#)

11.18 Opening of Commercial Proposals

1. The Tender Opening Committee shall open the commercial proposals of technically compliant vendors after the technical evaluation report has been received and accepted by the Procurement Office.
2. The Procurement Officer or Commercial Evaluation Team shall thereupon evaluate the price as per the guidance and procedure recorded in the Source Selection Plan and in conjunction with consideration of the results of the technical evaluation, decide which Proposal is the most responsive to the requirements and best value set forth in the Solicitation Documents.
3. If the Procurement Officer decides to seek clarifications before issuing a recommendation of award, the procedures of [Chapter 11 Section 11.17](#) shall be followed.
4. If the Procurement Officer, upon consultation with the Evaluation Team and subject to written clearance by the Director, UN/PD or the CPO, determines that a material or substantial change in the Specifications, TOR or SOW would be appropriate in light of the evaluation of the Submissions, or that after requesting clarifications from the Vendors an award decision cannot be made, the Procurement Officer shall cancel the Solicitation and proceed in accordance with [Chapter 9 Section 9.21](#).
5. If the Procurement Officer decides to recommend an award, the Procurement Officer shall proceed directly to obtain approval to make the award in accordance with [Chapter 11 Section 11.35](#) and [Chapter 12](#).
6. The Procurement Officer shall ensure that the results of the commercial evaluation are not divulged outside the Procurement Office and the relevant Contracts Committee.

[Chapter 11. Part 1 - The Source Selection Process](#)

11.19 Opening of Commercial Submission of a Technically Non-compliant vendor

1. Generally, if a Submission is found to be technically non-compliant, the commercial submission is neither opened nor evaluated.
2. However, in some circumstances, in order to ensure that the Organisation is obtaining Best Value for Money, it may be prudent to open the commercial submission of a non-compliant Submission to undertake further due diligence and mitigate risk. Thus, for example, if only one Submission has been found to be technically compliant, then the Procurement Officer may open one or more commercial submissions 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. In this situation, the Procurement Officer 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.
3. Opening of a technically non-compliant Submission's Commercial Submission may only be done on an exceptional basis, after obtaining authorization, in writing, to do so from the Director, UN/PD or the CPO and providing a full explanation of the reasons for requesting the exemption. If such authorization is granted, the opening of such commercial submission and reasons for it must also be disclosed to the Contracts Committee.

[Chapter 11. The Source Selection Process](#)

Chapter 11. Part 2 - The Source Selection Process

- [11.20 Bid Evaluations](#)
- [11.21 Best and Final Offers](#)
- [11.22 Availability of Products](#)
- [11.23 Evaluation of Delivery Terms](#)
- [11.24 Alternate Delivery Points](#)
- [11.25 Warranties in Submissions](#)
- [11.26 Evaluation by Grouping](#)
- [11.27 Submissions based on Certain Incoterms](#)
- [11.28 Payment Discounts](#)
- [11.29 Tie Bids for ITBs](#)
- [11.30 Authorized Costs Exceeded](#)

- [11.31 Risk Evaluation](#)
- [11.32 Discussions with Vendors](#)
- [11.33 Negotiation with Vendor After Submission Opening](#)

- [11.34 Recommendation of Award](#)
- [11.35 Request for information from Vendors](#)
- [11.36 Notice of Consideration for Award](#)
- [11.37 Statement of Award](#)
- [11.38 Award](#)

- [11.39 Informing Unsuccessful Vendors – Letter of Regret](#)
- [11.40 Pilot Vendor Debriefing Programme](#)
- [11.41 Legal Review](#)
- [11.42 Contract Number](#)
- [11.43 Obligation of funds](#)

[Chapter 11. Part 2 - The Source Selection Process](#)

11.20 Bid Evaluations

1. The technical evaluation of Bids shall not be based on scoring, but rather shall be based on a pass/fail determination of whether the Bid substantially conforms to the requirements set forth in the ITB.

[Chapter 11. The Source Selection Process](#)
[PM Table of Contents](#)

[Previous/Next](#)

Chapter 11. Part 2 - The Source Selection Process

11.21 Best and Final Offers

1. After completion of the commercial evaluation of the technically compliant Proposals and establishing the competitive range of most responsive Vendors, the Procurement Officer may decide, upon clearance of the Chief UN/PD, the DMS/CMS or the DOA/CAO to obtain Best And Final Offers (BAFOs) from a sufficient number (at least two) of the technically qualified and compliant Vendors. The competitive range includes all Proposals that, based on the results of the evaluation, have a reasonable chance for award.
2. Sound professional judgement should be used in making the determination to use the BAFO procedure. The decision should be justified and documented in the procurement case file.
3. Among the circumstances where use of the BAFO procedure is appropriate are the following:
 - a. Clarification from Vendors on their technical proposals is needed, which may affect the commercial proposal;
 - b. Clarification of requirements and/or correction of factual errors in the Solicitation Documents are needed;
 - c. There are weaknesses in the Submissions that are remediable; and
 - d. Commercial proposals are tied.
4. The Specifications, TOR and SOW may not be changed significantly to affect the ranking or compliance of any of the Vendors. If there are any changes in the Specifications, TOR and SOW, the Procurement Officer shall cancel the Solicitation and conduct a new Solicitation for the requirement rather than using the BAFO procedure.
5. The Procurement Officer will not request BAFOs from any Vendors whose Proposals was rejected pursuant to [Financial Rule 105.15\(c\)](#), which provides that the USG/DM may, in the interest of the United Nations, reject bids or proposals and to determine whether to undertake a new Solicitation, to directly negotiate a Contract or terminate or suspend the procurement action.
6. The Procurement Officer shall prepare a clearance request, stating the reasons for seeking BAFOs, the Vendors in the competitive range, and the Vendors to be eliminated, including appropriate justifications. Upon approval by the Director, UN/PD, DMS/CMS or DOA/CAO, the Procurement Officer shall inform the Evaluation Committee of the decision to obtain BAFOs and notify the Vendors which have been eliminated at this stage via a Letter of Regret, prior to issuing a request for BAFOs to the remaining qualified Vendors (see [Chapter 11 Section 11.40](#)). BAFO requests should then be sent to the Vendors in the competitive range. Such requests must be issued in the form of a bid amendment.
7. In order to ensure the integrity and fairness of the process, the Procurement Officer shall not conduct more than one round of BAFOs and shall ensure that the original commercial proposals and any other price/cost/financial information obtained during the commercial evaluation of all Proposals remain confidential. The Procurement Officer shall ensure that the results of the commercial evaluation are not divulged to any unauthorised party.
8. The BAFO procedure shall consist of written communications with the technically qualified Vendors within the competitive range. Discussions in connection with the BAFO procedure shall only be conducted in writing.
9. The Procurement Officer shall ensure that all Vendors in the competitive range are offered equal opportunity to participate in the BAFO procedure. The Procurement Officer shall ensure that all Vendors are treated in the same manner, and that the information and clarifications are distributed equally.

10. Any requirements, guidelines, documents, clarifications or other information communicated by the Procurement Officer to a Vendor shall be fully documented in the procurement case file.
11. After a decision to seek BAFOs has been made, the Procurement Officer shall request all the selected Vendors to submit a BAFO by a specific date and time. All regular procedures for receipt and opening of Proposals shall apply (see [Chapter 10](#)). The BAFOs should consist of revised Proposals, submitted in two envelopes, the first marked "Technical" and the second "Commercial", if applicable. The BAFO should clearly identify all changes in the revised Proposal. If no update of the technical proposals is required, it should be clearly stated in the request for BAFO that Vendors should only submit a commercial proposal. The Vendors should be given a reasonable period of time to submit their BAFOs, taking into account the complexity of the Solicitation. The procedures of [Chapter 10](#) shall also apply.
12. Depending on the nature of the Solicitation, Vendors should be informed that they may also offer other terms such as, longer warranties, additional discounts, shorter delivery time and other benefits to the Organisation. The request for BAFOs shall not contain any information regarding chances for contract award that may impair the fairness of the process.
13. The request for BAFOs shall only allow Vendors to lower their prices or add value to the commercial proposal. A Vendor may decline to alter the price included in its original Proposal and remain acceptable.
14. In the scenario reflected under 3.a. above, upon receipt of the BAFOs from the Vendors, if necessary, the Technical Evaluation Committee shall reconvene and indicate or confirm whether the technical item being clarified has an impact on the technical score of the vendor. Upon receipt from the TET of the updated technical evaluation report, the Procurement Officer or Commercial Evaluation Committee shall review and update the commercial evaluation, make a final comparison of the competing Proposals in accordance with the terms of the Solicitation Documents and the Source Selection Plan, record its findings and advise the Evaluation Committee of the recommendation of award.
15. The Procurement Officer shall select the successful Proposal on the basis of the recommendation referred to above, and the normal process for recommendation of award shall then be followed.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.22 Availability of Products

1. A Vendor that does not carry a supply of goods sought by the UN on hand can be required to prove availability of a dependable source of supply prior to consideration of its Submission. Likewise, a manufacturer can be required to submit proof of its ability to manufacture or produce required goods sought by the UN within the required time frame.
2. Submissions of Vendors who are unable or unwilling to provide the proof referred to above shall be rejected. The rejected Submission shall be destroyed, or returned at the Vendor's cost, if so requested.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.23 Evaluation of Delivery Terms

1. When the delivery date is the primary factor in making an award, it shall be so stated in the Solicitation Documents. Any Submission that is not in compliance with the required delivery schedule shall be rejected. If all Submissions are rejected, as stipulated in [Financial Rule 105.15\(c\)](#), and, if undertaking a new Solicitation is not practical, it may be necessary to enter into direct negotiations with a Vendor, in accordance with [Financial Rule 105.16\(b\)](#).

[Chapter 11. The Source Selection Process](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 11. Part 2 - The Source Selection Process](#)

11.24 Alternate Delivery Points

1. When the Solicitation Documents specify an alternate delivery point, the Procurement Officer shall ascertain the transportation and related costs (freight forwarding, insurance, loading and discharge, etc.), if any, of the goods to the final destination from the UN designated freight forwarder or the UN/PD Cargo Movements Team. Such transportation cost shall be added onto the Solicitation Abstract Sheet to establish the total cost to the Organisation of acquiring the goods for delivery at the alternate delivery point, so that the Submissions can be compared on an equal basis. If prices are given for more than one transportation option, e.g., FCA and DDU, the Procurement Officer shall verify that the cost difference is acceptable, and select the option which represents Best Value for Money for the Organisation.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.25 Warranties in Submissions

1. Submissions shall be scrutinized to ensure that the offered warranties are in accordance with those set forth in the Solicitation Documents. The warranties are essential for equipment and service contracts, particularly for OAHs/Field Missions where 'after service' Agents may not be readily available, and for Systems Contracts. In such cases, warranties may therefore merit a higher weight in the evaluation.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.26 Evaluation by Grouping

1. When a Submission makes an offer on an “all or none” basis, the evaluation of the Submission shall compare the total “all or none” cost with the total cost if the award were split among the Vendors offering the lowest price for each line item. The award shall be made in accordance with the option offering the lowest cost to the Organisation.
2. When the Solicitation Documents permit the award of separate contracts for individual items or categories of items and the prices in one or more Submissions are substantially the same, the Procurement Officer shall ensure that the proposed contract award takes into account cost effectiveness, including estimated savings on administrative and contract management costs, (e.g., manpower costs for procurement and other personnel, archives, and document maintenance).
3. If otherwise acceptable, Submissions offering fewer items than specified in the Solicitation Documents can be accepted [by the Procurement Officer] on a case-by-case basis; provided that it is not done to favour a particular Vendor and is in the interest of the Organisation. However, if a Submission offers to satisfy the entire requirement, a contract award to such a Vendor shall not be split or partially awarded unless:
 - a. the Solicitation Documents allow split or partial awards; or
 - b. the Parties accept the proposed split award in writing.
4. When the Solicitation Documents allow for split awards, unless the lowest cost Submission offers to fulfil the entire requirement, such awards shall first go to the lowest cost Submission for the maximum quantity offered, then go to the next lowest cost Submission for the maximum quantity offered, and so on, until the requirement is fulfilled.
5. Splitting of awards should only be done in accordance with the BVM principle. Under no circumstances should it be done in order to favour a particular Vendor.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.27 Submissions based on Certain Incoterms

1. Where the UN has requested Vendors to submit Bids or Proposals using the Incoterm “DDU” and a Vendor offers “FCA” (or similar term) or vice versa, the Submission shall be rejected. (See [Chapter 9 Section 9.50](#) for a more detailed discussion of Incoterms and their use and interpretation).

[Chapter 11. The Source Selection Process](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 11. Part 2 - The Source Selection Process](#)

11.28 Payment Discounts

1. If a discount is offered, the Procurement Officer shall carefully consider the rate of discount and the applicable time limit in order to determine whether the discount is cost-effective and can be realistically availed of within the period specified by the prospective Vendor.
2. The payment discount period is a consideration in the contract award. All other things being equal, the longer the time limit for obtaining the discount, the more attractive the discount will be to the UN.
3. The Solicitation Documents shall state, as applicable, that any payment discount period shall begin to run from the date of the delivery of the goods or services, or the date of receipt of a proper invoice, whichever is later.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.29 Tie Bids for ITBs

1. Two or more Submissions that are identical in price and terms are referred to as “tie bids”. However, such situations are rare, as normally an element of one of the Submissions will make it more favourable to the UN, in which case that Submission shall be recommended for award, provided it is otherwise acceptable. Such a determination shall be explained to the Vendors involved, and a written record of it shall be kept on file.
2. If truly tie bids are encountered, the Procurement Officer shall request a BAFO from the ‘tie-bidders’ in accordance with the procedures set forth in [Chapter 11 Section 11.21](#).
3. If the request for BAFOs is without result, and a split-award is not feasible in accordance with this Section 11.29 of Chapter 11, then the award shall be made through a public drawing, to which the Vendors with tie bids shall be invited to attend. Such drawing shall, to the extent possible, be through mechanical means. The Director, UN/PD or the CPO, or a designated representative shall conduct the drawing in the presence of two other procurement officials. A written record of the drawing and the result thereof shall be placed in the procurement case file.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.30 Authorized Costs Exceeded

1. If the actual cost of goods, services or works being procured exceeds the estimated cost of the procurement, or some maximum amount set by the Requisitioner, the Procurement Officer shall inform the Requisitioner thereof and request further instructions. The award shall be withheld until receipt of an amendment to the Requisition to increase funds or cancellation of the Requisition. If the interests of the UN indicate that the requirement needs to be reduced or changed, the Procurement Officer shall seek authorization as to how to proceed.

[Chapter 11. The Source Selection Process](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 11. Part 2 - The Source Selection Process

11.31 Risk Evaluation

1. There are a variety of risks faced during every phase of a procurement, with certain risks being of greater importance, depending upon the goods or services being procured as well as the stage of the procurement. Understanding risk during the evaluation phase of the procurement process will assist in risk assessment. It is the responsibility of the Procurement Officer to develop practical management and operational measures to mitigate those risks.
2. Risks to successful procurement can come from several sources, such as:
 - a. external factors (political, economic)
 - b. project complexity
 - c. project planning.
3. There are two stages of assessing and dealing with risk in a procurement:
4. Risk Analysis: Planning stage during which a Procurement Officer identifies the origin, probability and extent of the risks. Focus is put on the risks that warrant the most attention and have the most potential for exposure. As stated above, there are distinct risks at each stage of the procurement process, and risk analysis should be part of each stage of procurement planning and should be regularly reviewed and updated.
5. Risk Management: Mitigates the impact of risk by reducing the likelihood of its occurrence and/or reducing avoidable consequences through planning, monitoring and other appropriate actions. When evaluating a Submission, Procurement Officers should identify and analyze all risk factors that are likely to occur on a project and then decide on the most appropriate management response for each risk. Responses may include:
 - a. ignoring risk
 - b. reducing risk
 - c. transferring risk
 - d. managing risk.
6. The Procurement Officer decides which party should manage each of the identified risks based on their relative ability to control it and act upon it.
7. Some measures to manage risks are based on the quality of the procurement process applied across all activities, while other measures may be targeted to specific risks inherent in certain categories of the procurement process such as the evaluation stage.
8. For the allocation of risks of damage to or loss of goods, refer to the discussion of Incoterms in [Chapter 9](#). Under each of those terms, that risk passes from the vendor to the UN at a fixed point that is clearly defined. Each Procurement Officer should be fully familiar with these terms; in particular “FCA” and “DDU”, as these are the most commonly used terms in UN contracts.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.32 Discussions with Vendors

1. Discussions with Vendors before Submission Opening shall normally only take place where the procurement was carried out through a Request for Proposals.
2. Discussions shall be conducted in accordance with the principle of equality and fair treatment of all Vendors.
3. Generally, such discussions may only be conducted for the purpose of clarifying the requirements in the Solicitation Documents or the content of the Submission, not to modify the requirements or any other aspect of the Solicitation Documents or the Submission.
4. In the case of a Sole Source procurement, the Procurement Officer shall conduct discussions with the Vendor in order to obtain the best terms and conditions for the Organisation.
5. As a minimum, the Procurement Officer assigned to the case and a representative from the Requisitioner shall normally represent the UN in any discussions. In addition, other procurement staff, as well as officers from other offices (e.g., OLA) may attend, when appropriate. The Procurement Officer shall lead the UN team and determine how to conduct the discussions.
6. The discussion should preferably be conducted on UN premises, either in person or through electronic means, such as telephone or videoconference, provided adequate security can be ensured.
7. During the discussion, no information obtained from other Vendors shall be divulged to the Vendor with whom the discussion is taking place.
8. All discussions shall be summarized in 'Discussion Notes' to be included in the case file. All clarifications shall be recorded in writing and included in said notes and shall be communicated to all invited Vendors.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.33 Negotiation with Vendor After Submission Opening

1. Negotiations with Vendors after Submission Opening shall be subject to recommendation by the HCC and approval by the ASG/OCSS and shall be conducted in accordance with procedures set forth in [Chapter 11 Section 11.33](#). Such negotiations may be directed to any aspect of the procurement, including price, quantity, the SOW, and the terms of the Contract.

[Chapter 11. The Source Selection Process](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 11. Part 2 - The Source Selection Process](#)

11.34 Recommendation of Award

1. If an award is for an amount that exceeds the individual authority of the Procurement Officer, the case shall be forwarded for review and written approval to a Procurement Officer who has the appropriate level of authority, such as a Team Leader, Chief of Section, the Director, UN/PD or the CPO.
2. For awards at HQ in excess of the threshold value for submission to the HCC, the written approval of the ASG/OCSS is required subsequent to the recommendation of the HCC. For awards in excess of the amount of a Field Mission's or OAH's authority, the written approval of the CMS/DMS or CAO/DOA is required subsequent to the recommendation of the LCC, and the additional written approval of the ASG/OCSS is required subsequent to the recommendation of the HCC.

[Chapter 11. The Source Selection Process](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 11. Part 2 - The Source Selection Process](#)

11.35 Request for information from Vendors

1. Prior to the making of an award, no information with respect to the likelihood of acceptance or rejection of any Submission may be made available to any individual other than UN officers involved in the procurement. The reasons for any delay in making an award can be disclosed upon request, if doing so would not be prejudicial to the interest of the UN and would not or does not compromise the confidentiality of the source selection process.
2. A pilot debriefing programme applicable to certain Solicitations is set out in [Chapter 11 Section 11.43](#).

[Chapter 11. The Source Selection Process](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 11. Part 2 - The Source Selection Process](#)

11.36 Notice of Consideration for Award

1. Where a Vendor is likely to be awarded a Contract and there is a need to advise a Vendor that it is being considered for such award before a Notice of Award can be issued to the Vendor, the Procurement Officer may issue a Notice of Consideration for Award to such Vendor. An example of a Notice of Consideration for Award is attached as [Annex D-25](#). Issuance of an Advance Notice of Award would normally be deemed to initiate the debriefing process under [Chapter 11 Section 11.41](#).
2. Such notice may be used if the expiration of the time limit for the acceptance of an offer is imminent or for other appropriate reasons. However, to the extent possible, the use of such notices shall be avoided, to protect the legal interests of the Organisation in the event a contractual instrument cannot be agreed upon. The notice may be transmitted by facsimile.
3. A Notice of Consideration for Award for cases in excess of the threshold value for submission to a Contracts Committee shall only be issued after the relevant procedures of [Chapter 12](#) have been followed.
4. The issuance of a Notice of Consideration for Award does not constitute a contract. The Procurement Officer should make this clear to the Vendor and inform them that any actions taken in expectation of the signature of a Contract or the receipt of a Purchase Order are at their own risk and that the issuance of the notice does not create any obligations on the part of the UN. The text of a Notice of Consideration for Award should not be modified without consultation with OLA.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.37 Statement of Award

1. For contract awards exceeding US \$2,500, the Procurement Officer shall include in the case file a written record, in the form of a Statement of Award, of the basis for the decision to make the particular award. If quotations were obtained from a number of Vendors, an abstract of those quotations shall appear in the record.
2. In addition, for contract awards exceeding US \$40,000, in respect of a single Contract, the Procurement Officer shall record the basis for the award on the Statement of Award, a copy of which is attached as [Annex D-26](#).¹ The Procurement Officer shall place a check mark in the appropriate box on the Statement of Award to indicate the type of award. An explanation shall be given for the award, except when the award is based on the lowest Quotation, Bid or Proposal or lowest acceptable Quotation or Bid. The Statement of Award shall list the main Evaluation Criteria and their weighting. For awards reviewed and recommended by a Contracts Committee, the meeting number and date shall be indicated. The Statement of Award shall include, as an attachment, a copy of the draft Contract expected to be signed by the UN for the clearance of the Director, UN/PD or the CPO.
3. The explanations required on the Statement of Award shall be in sufficient detail to show clearly the basis on which the award was made.
4. A Solicitation Abstract Sheet is not required when a sole Submission is received and an award is made to the sole Vendor. In such a case, the justification for the proposed award, including confirmation of the basis upon which the cost is considered fair and reasonable, should be indicated on the Statement of Award and attached to the Submission.
5. Once the award has been approved, the selected Vendor shall be notified of the award at the earliest possible date. If possible, the PO shall be issued or the Contract shall be signed before the expiration of the validity of the Submission.
6. If the Vendor requires a formal written Notice of Award, the text of such Notice shall be cleared in advance with the Chief UN/PD or the CPO. Forms of the Notice of Award are attached as [Annex D-25B](#) and [Annex D-25C](#).
7. The Statement of Award initiates the process of issuing Letters of Regret and the debrief process, the procedures and timetables of which should be consulted before proceeding with the award process.

1. In the case of Purchase Orders issued under Systems Contracts, the Procurement Officer shall indicate as the basis of award the same basis as applied to the Systems Contract to which it relates.

Chapter 11. Part 2 - The Source Selection Process

11.38 Award

1. When a customized Contract has been prepared, a copy of the Contract shall be presented to the Director, UN/PD or the CPO for review and clearance together with the Statement of Award before sending it to the Vendor. Once the Contract has been cleared, the Procurement Officer has initialled it on each page, and, as applicable, the appropriate funds have been obligated, the Procurement Office shall send a minimum of two copies (one copy, if sent by facsimile) to the Vendor under cover of a Notice of Award requesting the Vendor to sign and return all copies to UN/PD, the OAH or the Field Mission, as applicable. Such contractual instrument may be electronically transmitted in accordance with [Financial Rule 105.18\(b\)](#) , provided applicable security measures are in place to ensure that the document will not be tampered with.
2. Upon receipt of the signed copies from the Vendor, the Procurement Officer shall, as soon as possible thereafter, ensure that a duly authorized UN official signs the copies, and return one countersigned copy to the Vendor. In exceptional circumstances, and subject to the approval of the respective Chief of Section, the Director, UN/PD or the CPO, the authorized UN official may sign the Contract before the Vendor does so.
3. If a Purchase Order is being issued, [and electronic means of data interchange are not being used], a copy of the Purchase Order should be presented to the Director, UN/PD or the CPO for review and clearance together with the Statement of Award, before sending it to the Vendor. Once the Purchase Order has been cleared, and, as applicable, the appropriate funds have been obligated, the Procurement Officer shall sign the Purchase Order and send the signed copy to the Vendor under cover of a Notice of Award. Receipt by the UN of a copy of the PO signed by the Vendor shall conclude a Contract between the parties. In order to ensure the interests of the Organisation, the Procurement Officer shall obtain proof that the Purchase Order has been received by the Vendor, either by copy of fax transmittal receipt, proof of postal delivery to the Vendor or, preferably, Vendor acknowledgement of the Purchase Order through a countersigned copy of the PO. Such proof shall be attached to the procurement case file.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.39 Informing Unsuccessful Vendors - Letter of Regret

1. In the case of procurement actions that are not subject to the pilot debrief programme, the following shall apply:
 - a. Unsuccessful Vendors shall be informed of the result of the procurement. The information provided shall be limited to:
 - i. The name of the successful Vendor,
 - ii. The value at which the award was made, and
 - iii. The basis of the award.
2. If the Submission of the Vendor making the inquiry was unsuccessful for any reason other than price, a brief explanation of the reasons why the Submission was unsuccessful shall be given. In the case of a Solicitation by RFP, such a reply to a Vendor shall be limited to a general statement as to why the Proposal was not the most responsive to the requirements set forth in the Solicitation Documents as per ([Financial Rule 105.15\(b\)](#)). The information made available to such Vendors can also be provided to UN officials involved in the Solicitation or otherwise entitled to such information, and to permanent missions to the UN and other appropriate diplomatic missions. A form letter of regret is attached as [Annex D-36](#).

[Chapter 11. Part 2 - The Source Selection Process](#)

11.40 Pilot Vendor Debriefing Programme

1. The ASG/OCSS has established a Pilot Vendor Debriefing Programme, the terms of which the ASG/OCSS may amend as he/she deems appropriate.
2. This initial Pilot Debrief Programme shall apply only to Solicitations by ITB or RFP initiated after the starting date of the Programme that are issued from HQ with a value greater than US\$ 5,000,000. Without prejudice to the right of all Vendors who participate in UN procurements to receive a debrief, debriefs shall be provided in all cases indicated above if the Vendor requests a debriefing by written notice to the UN Procurement Officer as may be specified in the Solicitation Documents. A brief description of this Programme is set forth on the [UN/PD website](#), and a similar description shall be included in all Solicitation Documents where the Solicitation is reasonably anticipated to exceed the threshold amount indicated above. For purposes of this Programme, the threshold indicated above shall be deemed to have been met if any one of the participating Vendors submits a Bid or Proposal in excess of the threshold.
3. Letters of Regret shall be issued within [five] days of approval of an award. Unsuccessful Vendors must request a debriefing in writing within [five] days from the date of the Letter of Regret. The UN/PD officer concerned shall, within [five] days from the date the Vendor requests a debriefing, inform the requesting Vendor of the logistical details of the debriefing. Normally, the date for the debriefing shall not exceed [21] days from the date the request for a debriefing is made. Within [five] days of the debriefing session, the responsible UN/PD officer shall provide a note to the Vendor summarizing the debriefing.
4. The Director, UN/PD shall issue for the internal use of UN staff involved in debriefs practical guidelines on debriefing, covering details applicable to the Programme. Such guidelines may be amended from time to time during the Programme to take into account lessons learned.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.41 Legal Review

1. Prior to entering into a Contract, UN/PD, the OAH or the Field Mission Procurement Office may submit a draft Contract to the Office of Legal Affairs (in the case of HQ), or the OAH or Field Mission legal office (if in the field) for review, or request OLA's assistance in the preparation of the Contract, particularly if the contract raises novel issues of a legal nature. The decision as to whether a Contract is to be submitted to OLA or the OAH's or Field Mission's legal office rests with each Section Chief, upon consultation with the Director, UN/PD or the CPO, if appropriate. The CPO or the OAH's or Field Mission's legal office may, as applicable, request the assistance of OLA at HQ in reviewing the Contract.
2. Review by OLA or the OAH's or Field Mission's legal office shall not normally be sought if the Contractual document is merely an extension or renewal of an existing Contract which does not make significant changes to the terms and conditions of the original Contract, or if the Contract does not differ substantively from another Contract previously reviewed by OLA or a legal office. In such circumstances, attention should be paid to ensure that the proposed Contract conforms to current procurement policy, guidelines and UNGCC.

[Chapter 11. Part 2 - The Source Selection Process](#)

11.42 Contract Number

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

[Chapter 11. The Source Selection Process](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 11. Part 2 - The Source Selection Process](#)

11.43 Obligation of Funds

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

[Chapter 11. The Source Selection Process](#)

[PM Table of Contents](#)

[Previous](#)

Chapter 12. Functions of, and Review by, the HCC and LCC

- 12.1 Organisation and Functions of the HCC
- 12.2 Organisation and Functions of the Local Committee on Contracts
- 12.3 Review by Headquarters Committees on Contracts
- 12.4 Review by Local Committees on Contracts
- 12.5 Submission to Contracts Committees
- 12.6 Role of Procurement Offices with respect to Contracts Committees
- 12.7 Pre-clearance Measures by the HCC
- 12.8 Meetings and Decisions of the Contracts Committees
- 12.9 Special Procedures for Emergency Situations
- 12.10 Ex Post Facto Presentations

Chapter 12. Functions of, and Review by, Committees on Contracts

IMPORTANT NOTE: The formal responsibilities of the Headquarters Committee on Contracts are set out in Chapter 12 until such time as a separate set of policy documents are issued by the HCC in this regard.

12.1 Organisation and Functions of the Headquarters Committee on Contracts (HCC)

1. General Functions of the Headquarters Committee on Contracts (HCC)

- a. The primary duty of the HCC is to ensure that proposed procurement actions are based, inter alia, on compliancy, fairness, integrity and transparency, and, as such, are impartial. The HCC reviews written or electronic presentations made by or through UN/PD and provides advice to the ASG/OCSS, or other officials duly authorized under Financial Rule 105.13, on whether proposed procurement actions, including contracts that generate income to the Organisation, are in accordance with the FRRs, SGBs, AIs, the Procurement Manual and other relevant UN procurement policies.
 - b. As a secondary activity, the HCC may examine and provide general advice regarding the financial, commercial, operational implications of any proposed procurement action, comment where appropriate as to whether, in its view, the proposed action, inter-alia, is in the best interest of the UN, and advise whether the proposed procurement case is appropriate.
 - c. Notwithstanding the foregoing, the HCC is not responsible for reviewing or providing advice on the adequacy or necessity of the requirement being met under the proposed procurement action. Such responsibility rests with other officials such as Approving/Certifying Officer and/or the Requisitioner submitting the Requisition to UN/PD.
- #### 2. Composition of the Headquarters Committee on Contracts. The HCC shall be composed of five voting members, including the Chairperson or Deputy Chairman, one from each of the following departments/offices:
- a. Office of Under-Secretary-General, Department of Management (OUSG/DM), as Chairperson;
 - b. Office of Programme Planning, Budget and Accounts (OPPBA);
 - c. Office of Legal Affairs (OLA);
 - d. Department of Economic and Social Affairs (DESA)
 - e. Department of Peacekeeping Operations (DPKO)
- #### 3. Each member shall serve in their individual expert capacity and, except the Chairperson and Deputy Chairman, shall serve a maximum term of three years, renewable once, for a maximum of six years. Three members of the HCC (including the Chairperson) shall constitute a quorum.
- #### 4. The Head of each Department/Office identified in paragraph 2. a. through e. above shall nominate the staff members from their Department/Office to serve as members and/or alternate(s) on the HCC. The individuals shall have commercial, financial or legal experience, or other relevant qualifications, including qualifications or training in procurement.
- #### 5. It is mandatory that the Requisitioner and/or end-user, at appropriate level, shall attend, as non-voting subject-matter experts, the meeting(s) at which the HCC reviews a procurement action in which they are involved. In exceptional cases, the ASG/OCSS may authorize a representative of OIOS to attend an HCC meeting solely as an observer, but not to engage in the deliberations of the procurement case as a de facto HCC member.
- #### 6. If deemed necessary by the Director, UN/PD, or if so requested by the Chairperson, HCC, any department/office initiating a procurement action that requires HCC review shall attend, in a non-voting capacity, during the HCC review and consideration of said procurement action.
- #### 7. In case of an actual or perceived conflict of interest, the concerned HCC member should disclose the matter to the HCC and/or

other appropriate UN official and, if necessary, recuse himself or herself from consideration of that matter. Guidance for such questions is set forth in [ST/SGB/2002/13](#). No person involved in the procurement process for a matter being considered by the HCC, including the Procurement Officer, Requisitioner, end-user or Certifying Officer, shall serve as a voting member when such matter is being considered. In addition, under no circumstances may a superior and subordinate, or two officials with the same functions, serve together as members at the same HCC meeting.

8. The Chairperson shall be designated by the USG/DM, in consultation with the ASG/OCSS.
9. The Chairperson is responsible for the following:
 - a. Approving cases for inclusion on the HCC agenda;
 - b. Reviewing cases prior to HCC meetings and, if necessary, requesting clarifications or additional information from the Director, UN/PD;
 - c. Convening and chairing HCC meetings;
 - d. Promoting fairness, integrity and transparency throughout the procurement process;
 - e. Notifying the Director, UN/PD of presentations that are rejected or deferred by the HCC. Specifying at meetings and thereafter, in the HCC's minutes, the reasons for rejections or deferrals of presentations, and making recommendations for remedial action, where appropriate;
 - f. Nominating a member of the HCC to serve as Acting Chairperson in the absence of both the Chairperson and the Deputy Chairperson;
 - g. Supervising and managing the work of the HCC Secretariat and advising the ASG/OCSS on substantive HCC developments and related issues.
 - h. Submitting HCC minutes and recommendations approved by the members and signed by the HCC Secretary and the Chairperson to the ASG/OCSS for consideration and approval. Submissions should occur within ten (10) business days after the conclusion of the meeting, subject to prior receipt of any additional information, clarifications or documentation that HCC requested with regard to a particular presentation. At UN/PD's request, for urgent procurement actions, approved recommendations shall be submitted by the Chairperson on an expedited basis to the ASG/OCSS for consideration on an expedited basis.
 - i. Ensuring that LCC operation, training programme and output are meeting the quality standards across all UN Secretariat LCC.
10. The Secretary of the HCC is not a member of the HCC and serves the HCC in a non-voting capacity.
11. Under the general supervision of the Chairperson, the Secretary is responsible for the following:
 - a. Arranging and coordinating HCC meetings;
 - b. Ensuring the timely and efficient distribution of presentations and relevant documentation to HCC members;
 - c. Drafting the minutes of HCC meetings and the HCC recommendations;
 - d. Preparing HCC-related correspondence;
 - e. Liaising with UN/PD and field offices on issues involving HCC procedure, requesting additional information or clarifications on presentations, including in relation to any inquiries raised by HCC members regarding procurement actions under review;
 - f. Maintaining a permanent record of all HCC minutes, recommendations and case presentations reviewed by it;
 - g. Compiling statistics on the workload and activities of, and other matters pertaining to the HCC.

Chapter 12. Functions of, and Review by, Committees on Contracts

IMPORTANT NOTE: The formal responsibilities of the Local Committee on Contracts are set out in Chapter 12 until such time as a separate set of policy documents are issued by the HCC in this regard.

12.2 Organisation and Functions of the Local Committee on Contracts

1. Pursuant to [Financial Rule 105.13 \(b\)](#), Local Committees on Contract (LCCs) are established for Field Missions and OAHs that perform procurement activities. In Peacekeeping Missions the DMS/CMS and in Offices Away from Headquarters the CAO/DOA are responsible for appointing the members of the Local Committee on Contracts and the LCC Chair.

2. General Functions of the Local Committee on Contracts

The LCCs shall review and provide advice to the DMS/CMS or DOA/CAO, or other officials duly authorized under Financial Rule 105.13, on whether proposed procurement actions, including Contracts that generate income to the Organisation, are in accordance with the FRRs, SGBs, AIs, the Procurement Manual and UN procurement policies. The functions of LCCs, to the extent appropriate, mirror those of the HCC.

3. Composition

The LCC shall be comprised of four voting members the following members of the Field Mission or OAH:

- a. Finance Officer;
- b. Legal Adviser;
- c. General Services Section;
- d. Programme Management Section

4. Where such officers are not yet in place or out of the area, Field Mission or OAH resources are insufficient, or responsibilities are organized differently at an OAH or Field Mission, other UN officers or officers from other organisations of the UN system with comparable responsibilities may be designated from time to time to serve on the LCC. Under no circumstances may a supervisor and a subordinate, or two officers with the same functions, serve together as members at the same LCC meeting. Three voting members of the LCC (including the Chairperson) shall constitute a quorum.

5. The Chairperson of the LCC, who shall be a member, and the LCC members and alternates, shall be appointed by the DMS/CMS, and their names shall promptly be communicated to the USG/DFS (in the case of Field Missions), the ASG/OCSS and to the Chairperson of the HCC. If an appointment gives rise to concerns that the provisions of a particular delegation of authority are not being properly adhered to, in terms of proper functional representation on the LCC, or that there is an insufficient segregation of responsibilities, the HCC/DM shall inform the ASG for OCSS of the matter who will request the DMS/CMS or the DOA/CAO to correct the problem.

6. The Requisitioner and/or end-user shall attend, as non-voting subject-matter experts, the meeting(s) during which the LCC reviews and considers a procurement action in which they were involved. In exceptional cases, the DMS/CMS may authorize a representative of OIOS to attend an LCC meeting as an observer.

7. If deemed necessary by the DMS/CMS or DOA/CAO, any department/office initiating a procurement action that requires LCC review shall attend, in a non-voting capacity, during the LCC review and consideration of said procurement action. OIOS representatives should not serve as ex-officio observers at LCC meetings. In exceptional cases, where a decision has been made by the DMS/CMS or DOA/CAO to authorise a representative from OIOS to attend a particular LCC meeting, the OIOS representative shall be an observer and shall not engage in the deliberations of the procurement award as a de facto

Committee member.

8. The conflict of interest restrictions applicable to the HCC [Chapter 12 Section 12.1](#) paragraph 7 shall also apply to LCCs.
9. The Chairperson is appointed by the DMS/CMS. Subject to such changes as the context may require, the Chairperson of the LCC has the same responsibilities as the Chairperson of the HCC, as set out in [Chapter 12 Section 12.1](#) paragraphs 8 and 9.
10. The Secretary to the LCC is not a member of the LCC, and serves in a non-voting capacity. The Secretary is appointed by the DMS/CMS or the DOA CAO and shall be a staff member from an office outside the Procurement Office, usually a different administrative section, such as finance or human resources. If possible, the Secretary of the LCC should have procurement experience. Subject to such changes as the context may require, the Secretary of the LCC has the same responsibilities as the Secretary of the HCC, as set out in [Chapter 12 Section 12.1](#) paragraphs 10 and 11.

[Chapter 12. Functions of, and Review by, Committees on Contracts](#)
[PM Table of Contents](#)

[Previous/Next](#)

Chapter 12. Organization, Functions of and Review by the HCC/LCC

12.3 Review of Cases by Headquarters Committee on Contracts

1. In any of the following cases, irrespective of whether the procurement action originated at HQ or a Field Mission/OAH, in accordance with the Financial Rules and Regulations, the recommendation of the Headquarters Committee on Contracts (HCC), and the approval of the ASG/OCSS shall be obtained prior to any contractual commitment being made:
 - a. Any proposed award to a single Contractor in respect of a single or a series of related Requisitions, the total estimated contractual amount of which exceeds US\$ 500,000 or, in the case of procurement of Core Requirements, the delegated authority of the USG/DFS for such Core Requirements (“HCC thresholds”) during a fiscal year, or such other amounts as the ASG/OCSS may establish. For purposes of determining if the HCC threshold has been reached, there shall be no aggregation of multiple awards if they were based on separate competitive Solicitations in a [calendar] year;¹
 - b. Any proposed amendment, modification or renewal of a Contract previously reviewed by the HCC, where the amendment, modification, or renewal, increases the total estimated contractual amount by 20% or more or US\$ 500,000 or more, whichever is lower;
 - c. Any proposed amendment, modification or renewal of a Contract previously reviewed by the HCC, where the amendment, modification, or renewal extends the duration of the original Contract for a period of eight months or less for reasons other than: (i) to enable the completion of a Solicitation exercise or (ii) immediate operational needs;²
 - d. Any proposed amendment, modification or renewal of a Contract previously reviewed by the HCC, where the amendment, modification, or renewal extends the duration of the original Contract for a period exceeding eight months;
 - e. Any proposed amendment or modification of a Contract previously reviewed by the HCC where, in the judgement of the Director, UN/DP or CPO, such amendment in relation to the criteria on which the original award was made could have materially affected the procurement process or the original contractual terms;
 - f. Any Letter of Assist with a Member State if its value exceeds US\$ 200,000; and
 - g. Any other matter relating to a Contract referred to the HCC by the USG/DM, ASG/OCSS or any other official duly authorized under Financial Rule 105.13.
2. In any of the following cases, irrespective of whether the procurement action originated at HQ or a Field Mission/OAH, involving income to the Organisation, the recommendation of the HCC and the approval of the ASG/OCSS shall be obtained, prior to any contractual commitment being made:
 - a. Any proposed Contract or series of related Contracts which involves estimated total income to the Organisation during a calendar year of US\$ 40,000 or more; provided, however, income resulting from implementation of approved recommendations of the Headquarters Property Survey Board shall not be included;
 - b. Any proposed amendment, modification or renewal of a Contract which involves income to the Organisation previously reviewed by the HCC, which would increase the total estimated income during a calendar year by 20% or more or US\$ 40,000 or more, whichever is lower;
 - c. Any proposed amendment, modification of a Contract which involves income to the Organisation previously reviewed by the HCC, where in the judgement of the Director UN/DP or CPO, the significance of the contract amendment or modification in relationship to the criteria on which the original award was made would have materially affected the transaction generating income;
 - d. Any proposed amendment, modification or renewal of a Contract which involves income to the Organisation not previously submitted to the HCC, where the total estimated income would then exceed US\$ 40,000 during a calendar year;
 - e. Any other matter relating to a Contract, which involves income to the Organisation, referred to the HCC by the USG/DM, the ASG/OCSS or any other official duly authorized under Financial Rule 105.13.

1 The list of Core Requirements is attached as part of [Annex D-3B](#).

2 Any proposed amendment, modification or renewal of a Contract, where the total estimated contractual amount (NTE) remains unchanged, and the amendment, modifications or renewal constitute an extension of the Contract for a period of less than eight months, for reasons as to (i) enable the completion of a Solicitation exercise, or (ii) immediate operational reasons, is not subject to review by the HCC. (see [Controller's Note to USG/DFS dated 25 March 2007](#))

[Chapter 12. Organization, Functions of, and Review by the HCC/LCC](#)
[PM Table of Contents](#)

[Previous/Next](#)

Chapter 12. Review by the HCC/LCC

12.4 Review of Cases by Local Committees on Contracts

1. In any of the following cases, in accordance with the Financial Rules and Regulations, the recommendation of the LCC and the approval of the CMS/DMS or CAO/DOA, prior to any contractual commitment being made:
 - a. Any proposed award to a single Contractor in respect of a single or a series of related Requisitions for expendable and non-expendable supplies, rental agreements and/or service Contracts in excess of (i) such amount as the USG/DFS may designate in the case of Field Missions or (ii) such amount as [the ASG/OCSS] may have designated in the case of OAHs or the CPO's delegated procurement authority, whichever is less ("LCC threshold"), or such other amount as the ASG/OCSS may establish. For purposes of determining if the LCC threshold has been reached, there shall be no aggregation of multiple awards if they were based on separate competitive Solicitations in a calendar year;
 - b. Any proposed amendment, modification or renewal of an existing contractual instrument previously reviewed by the LCC, where the amendment, modification or renewal either increases the estimated contractual amount by more than 20% or by the LCC threshold, whichever is lower;
 - c. Any proposed amendment, modification or renewal of a Contract previously reviewed by the LCC, where the amendment, modification, or renewal extends the duration of the original Contract for a period of eight months or less for reasons other than (1) to enable the completion of a Solicitation exercise or (2) immediate operational needs; ^{1/}
 - d. Any proposed amendment, modification or renewal of a Contract previously reviewed by the LCC, where the amendment, modification, or renewal extends the duration of the original Contract for a period exceeding eight months;
 - e. Any proposed amendment or modification of a contractual instrument previously reviewed by the LCC where, in the judgement of the Director, UN/PD or CPO, such amendment or modification in relation to the criteria on which the original award was made could have materially affected the procurement process or the original contractual terms;
 - f. Such other matters as may be referred by the USG/DFS or any other official duly authorized under Financial Rule 105.13.
2. In any of the following cases involving income to the Organisation, ^{2/} the recommendation of the LCC and the approval of the CMS/DMS shall be obtained, prior to any contractual commitment being made:
 - a. Any proposed Contract or series of related Contracts which involve total estimated annual income to the Organisation during a calendar year of US\$ 10,000 or more; provided, however, income resulting from implementation of approved recommendations of the Local Property Survey Board shall not be included;
 - b. Any proposed amendment, modification or renewal of a Contract which involves income to the Organisation previously reviewed by the LCC, which in the aggregate would increase the estimated annual income during a calendar year by 20% or more or US\$ 10,000 or more, whichever is lower;
 - c. Any proposed amendment or modification of a Contract which involves income to the Organisation previously reviewed by the LCC, where in the judgement of the CMS/DMS or Procurement Officer, the significance of the Contract amendment or modification in relationship to the criteria on which the original award was made would have materially affected the transaction generating income;
 - d. Any proposed amendment, modification or renewal of a Contract which involves income to the Organisation not previously submitted to the LCC, where the total estimated Contract amount now exceeds US\$ 10,000 during a calendar year;
 - e. Any other matter relating to a Contract which involves income to the Organisation, referred to the LCC by the USG/DFS or any other official duly authorized under [Financial Rule 105.13](#).

^{1/} Any proposed amendment, modification or renewal of a Contract, where the total estimated contractual amount (NTE) remains unchanged, and the amendment, modifications or renewal constitute an extension of the Contract for a period of less than eight months, for reasons as to (i) enable the completion of a Solicitation exercise, or (ii) immediate operational reasons, is not subject to review by the LCC.

^{2/} Such cases would include Contracts for PX operations.

[Chapter 12. Organization, Functions of, and Review by the HCC/LCC](#)

12.5 Submission to Contracts Committees

1. For all procurement actions that require Contracts Committee consideration, the Director, UN/PD, or the Chief, POS or ISS, or their duly designated representative, shall sign each presentation and shall submit it to the Contracts Committee. However, cases originating from a Field Mission shall be presented to the HCC jointly by the Chief POS or his duly designated representative and the Field Mission concerned or DFS representative. In addition for procurement actions related to LOAs applicable to Field Missions, the Director, LSD/DFS, will submit presentations to the HCC, through the Chief POS, in accordance with [Chapter 13 Section 13.12](#).
2. If the case exceeds the Field Mission/OAH's delegated authority, the case shall first be submitted to the LCC for consideration and, upon approval by the CMS/DMS or DOA/CAO, shall be sent to the Director, UN/PD and forwarded to the HCC, (in the case of Field Missions, with a copy to LSD/DFS, for review and recommendation). The Director UN/PD or his duly designated representative, may request the LCC or the CPO to provide clarification, return the presentation to the Field Mission for reconsideration and clarification or submit the LCC presentation to the HCC at its next meeting.
3. Procurement Officers shall ensure that submissions to a Contracts Committee are comprehensive, factually accurate and clear in order to facilitate the review of the procurement action. Submissions shall be in sufficient detail to enable the Contracts Committee to obtain an accurate and complete description of the procurement actions taken and the basis for the proposed award. (see [PD SOP No. 001 Quality Assurance Programme for HCC Presentations](#) implemented at UN/PD).
4. The "basis of award and applicable financial regulation or rule" to be indicated on the HCC form should fall within one of the categories listed in the "Statement of Award" form attached as [Annex D-26](#).
5. The Chairperson of the HCC shall be responsible for submitting HCC minutes and recommendations, signed by the HCC Secretary and the Chairperson, to the ASG/OCSS for consideration and decision. Such minutes and recommendations should be submitted to the ASG/OCSS within ten business days after the conclusion of the meeting to which they relate, subject to prior receipt of any additional information, clarifications or documentation that the HCC requested with regard to a particular presentation. At UN/PD's request, in the case of urgent procurement actions, HCC recommendations shall be submitted by the Chairperson on an expedited basis to the ASG/OCSS for consideration.

[Chapter 12. Organization, Functions of, and Review by the HCC/LCC](#)

12.6 Role of Procurement Offices with respect to Contracts Committees

1. Procurement Offices are responsible for the following:

- a. Ensuring, in cooperation with the Requisitioner, accurate, timely and comprehensive presentations to the Contracts Committees, including a written justification for the proposed award(s) and a brief description of the purpose of the goods or services to be acquired;
- b. Providing to the Contracts Committees, upon request by the Contracts Committee or by its Chairperson, clarifications and/or additional information in connection with a case presentation;
- c. During or after a meeting of the Contracts Committee, promptly providing clarifications and/or additional information in connection with a presentation if so requested by the Committee;
- d. Ensuring that the procurement action is undertaken in accordance with the Financial Rules and Regulations, established procurement practices and procedures, applicable SGBs and AIs and further guidance of ASG/OCSS if any.

[Chapter 12. Organization, Functions of, and Review by the HCC/LCC](#)

12.7 Pre-clearance Measures by the HCC

1. Prior to a scheduled meeting, HCC members may use e-mail to exchange views, seek clarification and provide comments on case presentations. If by using this procedure, the members reach a full consensus on a recommendation for a case, the case need not be presented and deliberated upon at an in-person meeting of the HCC. All recommendations on acceptance or rejection of a case arising from this procedure shall be duly noted in the HCC minutes for the case, and the Secretary, HCC shall ensure that copies of all e-mail exchanges relating to the case are kept in the relevant HCC meeting files, as they constitute part of the official records thereof.

[Chapter 12. Organization, Functions of, and Review by the HCC/LCC](#)

12.8 Meetings and Decisions of the Contracts Committees

1. The Contracts Committees meets at such times and frequency as the Chairperson shall determine. The minimum frequency of meetings is once a week, subject to there being cases to review or other business for the Committee.
2. The Chairperson of the Contracts Committees shall introduce all agenda items for consideration and recommendations by the Committee, and ascertain that the HCC members have no conflict of interest with the cases to be reviewed.
3. The Contracts Committees make recommendations to the ASG/OCSS or the CMS/DMS or in Offices Away from Headquarters to the DOA/CAO, as appropriate, for their approval. Within ten business days after conclusion of a meeting, the Secretary shall distribute one copy of the approved recommendations and meeting minutes to each of the following:
 - a. ASG/OCSS, CMS/DMS or the DOA/CAO;
 - b. Members of the HCC and/or LCC;
 - c. Director, UN/PD or the CPO;
 - d. Requisitioner;
 - e. OIOS.
4. In general, Contracts Committees should make every effort to reach decisions by consensus. Where that is not possible, decisions shall be made by a majority of the members present and voting. In general, the Contracts Committees shall meet in open session. However, when deemed necessary by the Committee, it may convene in closed session (“executive session”), and the deliberations shall be limited to its members and the Secretary.
5. Presentations to a Contracts Committee shall include, at a minimum, the documents set forth in [Annex D-39](#), as appropriate. The Committee may also request such additional documents as it may deem appropriate.

[Chapter 12. Organization, Functions of, and Review by the HCC/LCC](#)

12.9 Special Procedures For Emergency Situations

1. The Chairperson of a Contracts Committee may at his/her discretion, and in accordance with guidelines established by the ASG/OCSS, 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 operational urgency. Such submissions are usually referred to as “Walk-In”, “Special meetings” or “Telephonic” presentations. The terms of reference and responsibilities set forth in this Chapter regarding normally submitted cases apply equally to such submissions. The Director, UN/PD or the CPO, shall ensure that the need for review is fully justified by the relevant Requisitioner and supported by the Procurement Office. Such justification shall be set forth in writing, in the request by Director, UN/PD or the CPO to the HCC Chairperson for the meeting.
2. A complete submission in accordance with standard requirements shall be presented to the Committee prior to any such meeting.
3. For urgent procurement actions, the Chairperson may submit the Committee’s recommendation on an expedited basis to the ASG/OCSS or CMS/DMS for consideration and approval prior to finalization of the meeting’s minutes. However, this procedure shall only be used to meet the Organisation’s urgent needs, as justified by the Requisitioner and subject to the approval of the Director, UN/PD or the CPO.

Chapter 12. Organization, Functions of, and Review by the HCC/LCC

12.10 Ex Post Facto Presentations

1. There are two special types of cases that require presentation to Contracts Committees, namely, (a) fully “ex post facto” cases and (b) partially “ex post facto” cases, defined as follows:
 - a. Fully ex post facto cases: A procurement action, whether a written contractual instrument exists or not, in which goods or services have already been fully furnished prior to submission of the procurement action to the relevant Contracts Committee(s) for its advice and/or approval of all other appropriate officials.
 - b. Partially ex post facto cases: A procurement action, whether a written contractual instrument exists or not, in which goods or services have been provided in part prior to submission of the procurement action to the relevant Contracts Committee(s) for its advice and/or the approval of all other appropriate officials.
2. Although ex post facto cases are not specifically addressed in the Financial Rules and Regulations, they may be accepted by the Organisation under exceptional circumstances, provided all other UN procurement practices and procedures have been followed. However, ex post facto cases should be rare exceptions; and when they occur, written justification from the responsible Head of Department or Office shall be provided to explain the reasons why timely presentation was not possible. Such justification must identify the causes for the ex post facto case and propose how to address the cause in order to avoid its recurrence in accordance with the provisions of the Controller's Inter-Office Memorandum dated 15 September 2005.
3. Ex post facto cases originating at Field Missions or OAHs shall be presented to the respective LCC, only when the value of the procurement exceeds the threshold of the CPO's delegation of authority. Ex post facto cases within the threshold of the CPO's delegation of authority shall be reported to the DMS/CMS. All ex post facto cases within the threshold of the Mission's delegation of authority shall be reported to the DMS/CMS and the DMS shall submit a quarterly report to the ASG/OCSS. If the monetary value exceeds the threshold for the applicable LCC, the case shall be forwarded to HQ for presentation to the HCC subsequent to the presentation to the relevant LCC.
4. Due to the serious financial implications of ex post facto cases, and in order to minimize their potential adverse consequences, the following shall apply:
 - a. The head(s) of the relevant offices shall inform the officials responsible for failing to follow the applicable procedures that they may be held personally accountable and financially liable pursuant to [Financial Rule 101.2](#) for authorizing any ex post facto case that cannot be properly justified. If warranted, the ASG/OCSS may refer ex post facto cases to the USG/DM for further action. The following considerations shall be taken into account in determining whether the ex post facto action was justified:
 - b. Whether not taking action on an ex post facto basis would have seriously jeopardized the operational capability of a Field Mission, OAH or HQ or would have endangered the lives, health or safety of UN or other personnel;
 - c. Whether the matter was beyond the reasonable control of the officers involved;
 - d. Whether, in the case of Field Missions, the action occurred during Field Mission start-up.
5. Detailed facts substantiating the conditions referred to above shall be provided.
6. Each ex post facto presentation to the HCC, whether originating at HQ, a Field Mission or an OAH, must include the following:
 - a. A reasonably detailed written explanation of the necessity for the procurement action, signed by the Head of the relevant department or office (the DMS/CMS or DOA/CAO in the case of Field Missions or OAHs), indicating whether one or more of the conditions for exigency as defined by the General Assembly have been met (see [Chapter 9 Section 9.19](#)) and detailed facts substantiating these conditions;
 - b. Copies of relevant documents pertaining to the procurement action, including the Requisition, the list of invitees, the Solicitation Documents, all Submissions received, the comparative statement and evaluation documents; the written contractual instrument, if applicable; and the LCC presentation with the relevant minutes attached;

- c. In cases originating at Field Missions, DFS's detailed description of the facts substantiating the exceptional conditions;
 - d. Recommendations for how to address the ex post facto situation and for avoiding such problems in the future.
7. In the case of partially ex post facto cases, the non-ex post facto portion of the matter should be presented to the Contracts Committees as an exception to competitive bidding.
8. Procedures for Ex Post Facto Cases Submitted to the HCC:
- a. Ex post facto presentations submitted to the HCC shall be submitted, in accordance with the procedures set forth in [Chapter 12 Section 12.5](#). Cases from Field Missions, shall be submitted to the USG/DFS (for the attention of LSD or CITS, as appropriate).
 - b. If UN/PD determines that the presentation has been submitted in conformity with the ex post facto procedures, the case shall then be presented to the HCC. The HCC may reject the presentation as non-compliant or note and forward the submission to the ASG/OCSS for a decision on how to proceed.
 - c. The HCC may take note of ex post facto cases submitted to it, request clarification and issue observations on the propriety of the action taken. Submission of ex post facto cases to the HCC and subsequent action by the Committee does not imply that the ASG/OCSS approves or accepts responsibility for the actions of the officer or officers responsible for the ex post facto situation.
 - d. Neither the designation of a case as ex post facto by an LCC, DMS/CMS, DOA/CAO, Head of Office or the HCC, nor the acceptance of HCC advice by the ASG/OCSS, constitute retroactive approval of the case. The officials concerned who authorized the ex post facto case remain personally accountable for their actions, unless otherwise determined, as set forth in this Chapter.

Chapter 13. Contractual Instruments

- 13.1 Introduction Contractual Instruments
- 13.2 Contractual Instruments used by the United Nations
- 13.3 Internal Purchase Orders
- 13.4 Blanket Purchase Order
- 13.5 Purchase Order
- 13.6 Customized Contracts
- 13.7 Standard Contract Documentation
- 13.8 Standard Contract Elements
- 13.9 Systems Contract
- 13.10 Institutional or Corporate Contractor Agreement
- 13.11 Letters of Assist
- 13.12 Procedures for Use of Letters of Assist
- 13.13 Other Contractual Instruments

Chapter 13. Contractual Instruments

13.1 Introduction Contractual Instruments

1. In accordance with [Financial Rule 105.18\(a\)](#) , all procurement actions over the monetary value of specific threshold(s) established by the ASG/OCSS, as may be changed from time to time, shall be in writing. The minimum threshold for written Contracts is currently set at US\$ 4,000. The Rule also requires that certain details be specified in such written Contracts, as appropriate.
2. In accordance with [Financial Rule 105.18\(b\)](#) electronic means of data interchange may be used to satisfy the requirement of written Contracts, provided the ASG/OCSS has ensured that the system used to exchange information is capable of ensuring authentication and confidentiality of such information. Thus, if these conditions are met, a binding and enforceable Contract may be formed by electronic means of data interchange, for instance, by exchanging e-mail over the Internet. If such a system is used, the Procurement Officer is primarily responsible for preserving the information in a safe and secure manner, with assistance from the information technologies unit as may be necessary.
3. Every UN contractual instrument for the purchase or lease of goods, services and other requirements such as works (i.e., construction contracts) shall include a reference by web link to the appropriate standard form of the UN General Conditions of Contract (UNGCC), unless a specific vendor has no web-access, in which case the Procurement Officer shall send this vendor the appropriate UNGCC form along with the solicitation documents. The version of the UNGCC to be used depends upon the Deliverables being acquired. Commonly used standard UNGCC forms are attached as Annexes D-9 through D-12. These forms are also available on the UN/PD website. Such forms of UNGCC include the following:
 - a. United Nations General Conditions of Contract for the Provision of Goods, ([Annex D-9](#));
 - b. United Nations General Conditions of Contract for the Provision of Services, ([Annex D-10](#));
 - c. United Nations General Conditions of Contract for the Provision of Goods and Services, ([Annex D-11](#)); and
 - d. United Nations General Conditions of Contract for De Minimus Field Contracts, ([Annex D-12](#)).
4. The Procurement Officer may assume that the most current forms are those posted on the UN/PD website and those linked to this Manual. The Procurement Officer must also consider the possibility of having to combine specific provisions of several forms in order to protect the Organisation adequately. In those situations, the Procurement Officer may, with the approval of the Director, UN/PD, consult with OLA for the preparation of the proper form to use.
5. As indicated in [Chapter 9 Section 9.17](#), Solicitation Documents shall require Vendors to specify, as part of their Submissions, that they have accessed, read, understood and accepted the UNGCC for the specific Deliverables without reservation, unless they clearly state in their Submission their reservations or objections and provide alternative language. The Solicitation Document shall state that the extent of non-compliance with the UNGCC will be a factor in the evaluation process.

[Chapter 13. Contractual Instruments](#)

13.2 Contractual instruments used by the United Nations

1. The UN uses the following contractual instruments:
 - a. Blanket Purchase Orders
 - b. Purchase Orders
 - c. Customized Contracts (including Systems Contracts)
 - d. Institutional Contract Agreements (ICAs)
 - e. Letters of Assist.

[Chapter 13. Contractual Instruments](#)

13.3 Internal Purchase Orders

1. Internal purchase orders are issued internally within the UN to obligate funds against Contracts for future payment for goods or services provided under a Contract and are not sent to Vendors. Thus, an internal PO is not a contractual instrument with a Vendor, but an internal UN document solely used to obligate available funds. An original of the Internal Purchase Order shall be signed by the duly authorized Procurement Officer or other authorized official and placed in the procurement case file. A copy shall be transmitted to the Requisitioner and the Accounts Division, as applicable.
2. The Procurement Officer shall ensure that funds for a proposed Contract have been approved and then obligate the funds by issuing an Internal Purchase Order. If all procurement activities related to the acquisition have been conducted at HQ, but payment for such goods or services is to be arranged by another office, such as an OAH or a Field Mission, the Procurement Officer must have received a certified and funded Requisition before the Internal Purchase Order is issued.

Chapter 13. Contractual Instruments

13.4 Blanket Purchase Order

1. Upon request, the Procurement Office may arrange for certain departments and offices to order limited quantities of specified products and services through a “Blanket Purchase Order” (BPO). The BPO is basically a simplified form of Systems Contract (see [Chapter 13 Section 13.9](#)). This instrument is usually reserved for repetitive orders of up to US\$ 50,000, 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.
2. In this context “low-value” means US\$ 4,000.00 at HQ and OAHs/Field Missions, unless different value has been authorized. These amounts may be changed from time to time by the UN official authorized to set such amounts.
3. The Procurement Officer shall establish Blanket Purchase Orders on a fiscal year basis, for specific items based on Requisitions received from the departments or offices concerned. The Solicitation procedures described in [Chapter 9](#) shall be followed in selecting Vendors to participate.
4. 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 is free to 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 not-to-exceed 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.
5. 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.
6. Requisitioners directly place orders against the BPO using the established Work Order/Task Order, copies of which should be provided to the Vendor, Receiving and Inspection, Property Control and Inventory Unit and Finance Section. Requisitioners may contact the Vendor directly to obtain specific information about the goods or services being requested, including catalogue numbers and pricing. The Work Order/Task Order must reference the BPO and include the specific items or services, quantities or volumes, pricing at the time of order and desired delivery date.
7. The Requisition must specify those individuals authorized to sign Work Orders/ Task Orders against the BPO. In order to maintain proper administrative and financial controls it is strongly recommended that authorisation of Work Orders/ Task Orders be limited to the Certifying Officer responsible for that cost center. It is the responsibility of the Requisitioner to keep records of expenditures against, and the unspent balance of, a BPO.
8. 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.
9. The total sum drawn upon a BPO shall be limited to a maximum of [US\$ 50,000] in each fiscal year and shall not exceed the face value of the BPO. The BPO shall specify the term for which it is valid, which shall not be longer than the end of the fiscal year in which the BPO was issued. In order to replace an expired BPO, a new BPO shall be issued.
10. After a BPO has been issued, the departments or offices concerned may proceed to order from the selected Vendor, in accordance with the terms of the BPO, by issuing Purchase Orders. All such orders must include the BPO number, and the terms and conditions of the BPO shall govern the purchase in all respects.
11. The Procurement Officer shall evaluate each BPO at the end of the year to determine whether it should be renewed. The

Section Chief/ Director, UN/PD or the CPO may approve 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.

[Chapter 13. Contractual Instruments](#)
[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 13. Contractual Instruments](#)

13.5 Purchase Order

1. A Purchase Order (PO) is an appropriate contractual instrument only when there is no contract or in case of a Systems Contract.
2. The PO serves both as the formal Contract and order to, or the means by which the UN accepts an offer from, the Vendor to furnish the Deliverables. The issuance of a PO obligates the available funds for the goods being procured against the appropriate Budget Account Codes (BAC). A sample PO is attached as [Annex D-13A](#).
3. The terms and conditions set forth on the front page of the PO, the general conditions annexed to the PO, and any attachments or documents referred to and explicitly made part of the PO, constitute the Contract between the UN and the Vendor and govern the parties' respective obligations. If necessary, the Procurement Officer may add special instructions to the Vendor under the POs which then should be made part of the Contract. A list of commonly used special instructions is attached as [Annex D-13B](#). The Solicitation Documents and the PO shall state that additional or inconsistent provisions proposed by the Vendor shall not bind the UN, unless agreed to in writing by a duly authorized official of the UN in order to avoid a "Battle of the Forms". Any modification of the applicable UNGCC annexed to the PO or attached or referred to in a separate document shall be handled in accordance with the procedures set forth in [Chapter 9 Section 9.17](#) (See also [Chapter 9 Section 9.18, 9.42](#), and [Chapter 13 Section 13.8](#)).
4. The Procurement Officer shall send a copy of the countersigned original, preferably in electronic format, to the Requisitioner and the Accounts Division.
5. For low-value purchases, currently fixed at under US\$ 4,000, the Procurement Officer or other authorized official shall follow the procedures set forth in [Chapter 9 Section 9.15](#).

[Chapter 13. Contractual Instruments](#)

13.6 Customized Contracts

1. General: A Contract with originally prepared wording, rather than a printed set of standardized provisions, shall be used when the terms and conditions of the proposed transaction with the Vendor are complicated or require detailed written elaboration to ensure that the respective rights and obligations of the UN and the Vendor are clearly and fully set out and understood by both parties to the transaction.
2. While formalizing a Contract, [Financial Rule 105.18\(b\)](#) should be taken into account, in order to determine whether electronic means of data interchange can be used to conclude the Contract (See [Chapter 13 Section 13.1](#) paragraph 2).

[Chapter 13. Contractual Instruments](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 13. Contractual Instruments](#)

13.7 Standard Contract Documentation

1. A customized Contract normally consists of the following documents
 - a. An “umbrella” document containing specific contractual provisions, including any terms agreed to in the course of negotiations with the Vendor; such provisions may be based on model agreements prepared by OLA or original wording prepared by the Procurement Officer or agreed to with the Vendor in the course of negotiations to address issues not covered by such model agreements. The UN/PD Contracts Officer or, in the case of Field Missions, the Legal Officer should be consulted for a review of wording not covered by model agreements.;
 - b. The appropriate UNGCC, as they may have been amended with required internal UN reviews and approval [Chapter 9 Section 9.17](#), [Chapter 11 Section 11.42](#) and [Chapter 13 Section 13.1](#) paragraphs 4 and 5).;
 - c. Relevant portions of the Solicitation Documents, including Specifications, TOR or SOW and any written clarifications provided by the UN during the Solicitation process that clarify such Specifications, TOR or SOW or elaborate on the parties’ respective obligations as set forth in the Solicitation Documents;
 - d. The Vendor’s Submission, including any Best and Final Offer, provided in response to an RFQ, ITB or RFP.
2. Other documents may be included in their entirety as Annexes to the Contract or incorporated by reference as necessary (e.g., written records of bid conferences, discussions, letters, samples, bonds) to the extent such documents are relevant to the Contract.
3. In the alternative, relevant parts of the documents referred to in paragraphs (1)(c), 1(d) and (2) of this Section may be made part of the umbrella document or included in a separate annex prepared for such purpose. If the Procurement Officer decides to use this alternative method in preparing the Contract, he/she should normally request OLA to review and clear the draft before it is presented to the Vendor, unless the Director, UN/PD decides that such review and clearance is unnecessary.

Chapter 13. Contractual Instruments

13.8 Standard Contract Elements

1. The Procurement Officer shall prepare each Contract in a proper form, subject to clearance by OLA, as appropriate, in accordance with the terms of [Chapter 11 Section 11.42](#). Several model agreements have been developed in cooperation with OLA to cover many procurement needs. When such a model is available, the Procurement Officer is expected to use such model in preparing a draft of the Contract, unless he/she determines there are special reasons not to use the model. In the course of negotiations with the Vendor, the terms and conditions of the model agreement may be modified to properly reflect the agreed terms and conditions between the parties.
2. If an appropriate model agreement does not exist, the Procurement Officer is primarily responsible for having a customized Contract prepared that addresses all the relevant issues raised by the specific case. In this situation, a model agreement may still serve as a starting point for the drafting of the proposed Contract and then be modified to take account of the specific details or complexities of the acquisition.
3. The following elements are illustrative of what should be included in the Contract and, in most cases, they should already have been reflected in the contract attached to the Solicitation Documents:
 - a. [Identification of the Parties.](#)
 - b. [Order of Precedence.](#)
 - c. [Specifications, TOR or SOW.](#)
 - d. [Duration/Term of Contract.](#)
 - e. [Responsibilities of the Vendor.](#)
 - f. [Responsibilities of the UN](#)
 - g. [Contract Monitoring and Supervision.](#)
 - h. [Reporting requirements.](#)
 - i. [Payment terms.](#)
 - j. [Payment method\(s\).](#)
 - k. [Liquidated Damages Clause \(See Chapter 9 Section 9.35\).](#)
 - l. [Performance Security \(See Chapter 9 Section 9.34\)](#)
 - m. [Additional insurance requirements.](#)
 - n. [Warranties](#)
 - o. [Amendment or Modification of Contract](#)
 - p. [Notice provisions.](#)
 - q. [Signatures of the parties.](#)

Chapter 13. Contractual Instruments

13.9 Systems Contract

1. Systems Contracts are used when the Procurement Officer determines, in consultation with the Requisitioners based on previous experience and project needs, that the Deliverables to be procured are required on a recurring basis over an extended period of time. Such Contracts facilitate prompt processing of procurement requirements and minimize the number of time-consuming and repetitive Solicitations for the same item(s). The unit price(s) offered by the Vendors should also be lower due to the larger volumes the selected Vendor will be expected to deliver, thereby making it possible to realize economies of scale for both parties. “Performance Based Contracting” and other techniques such as “Incentive Contracting” may be useful tools in developing Systems Contracts.
2. Systems Contracts can be used for a broad range of Deliverables. The simplest Systems Contracts are the BPOs (see [Chapter 13 Section 13.4](#)). At HQ, Systems Contracts have been used for the provision of office products and equipment, and computer and related help-desk services. At the Field Mission level, a more complex version of the Systems Contract, which permits a Field Mission to order directly from several Vendors, has been used.
3. Systems Contracts shall normally be awarded after competitive bidding, generally using a Request for Proposals. Procurement Officers shall work closely with Requisitioners to develop Acquisition Plans that will enable the establishment of Systems Contracts. The UN usually enters into Systems Contracts on a non-exclusive basis.
4. The use of Systems Contracts reduces the number of times Vendors are invited to participate in competitive bidding for the Deliverables needed. Therefore, the initial duration of Systems Contracts may be for an initial period of three years. Systems Contracts shall not be extended for more than two consecutive terms of one year each. Accordingly, requirements that are the subject of Systems Contracts shall normally be subject to competitive bidding, at a minimum, every five years.
5. The intent of Systems Contracts is to secure competitive prices for the duration of the Contract. However, Systems Contracts may provide that price(s) will be reviewed periodically during the term of the Contract based on specified criteria, such as changes in the Vendors’ costs of labour or material, provided the Solicitation Documents made clear that Vendors were allowed to quote prices subject to such periodic review. In such cases, the Contract should specify how often such reviews will take place and the criteria to use for adjusting the price(s), including any limits on the amounts by which the prices are adjusted.
6. The UN is not obliged to forecast the precise quantities to be ordered under a Systems Contract. However, in order to maximize the benefit of using Systems Contracts, the Solicitation Document and the Contract shall, to the extent possible, specify a minimum number and indicate a non-binding maximum number of Deliverables to be procured during the term of the Contract. The Contract must also specify the NTE amount so that appropriate internal approvals for increased amounts will be obtained in a timely fashion. If possible, Systems Contracts shall include volume discounts.
7. Systems Contracts require intensive monitoring and administrative support, primarily by the Requisitioner, to ensure that the selected Vendors perform satisfactorily and in accordance with the terms and conditions of the Contract and that NTE amounts are not exceeded. Typically, the Requisitioner should notify the Procurement Office when 75% of the NTE amount has been reached. In addition, the System Contract shall hold the vendor responsible to notify the Procurement Office when 75% of the NTE amount has been reached.
8. In order to obligate funds and facilitate the processing of invoices for orders under Systems Contracts, the Procurement Officer or other authorized official shall place orders by the issuance of Purchase Orders for the deliverable(s) requested by the Requisitioner. Such POs shall clearly refer to the Systems Contract, and the prices contained therein must reflect those agreed to in the Systems Contract. Since the Systems Contract, including the appropriate UNGCC, should govern the transaction, it is very important that POs do not include any terms or conditions that conflict with the terms and conditions of the Systems Contract.
9. Systems Contracts should be available for use by the entire UN system, unless the Requisitioner provides valid reasons why they should be limited to certain parts of the UN system (e.g., technical limitations on the ability to monitor the volume of orders under the Contract). Accordingly, HQ, OAHs/Field Missions, as well as other UN entities, may benefit from such contracts. When any offices outside UN/PD issue Purchase Orders under a Systems Contracts, a copy thereof shall be

furnished to the originating Requisitioner at HQ. The Requisitioner shall monitor the utilization of the Systems Contract, and inform UN/PD in writing when more than 75% of the allocated funds have been committed.

[Chapter 13. Contractual Instruments](#)
[PM Table of Contents](#)

[Previous/Next](#)

Chapter 13. Contractual Instruments

13.10 Institutional or Corporate Contractor Agreement

1. Introduction. The Institutional or Corporate Contractor Agreement (ICA) is used by UN/PD to contract with institutions or corporate bodies for the provision of outside expertise or professional services. The ICA is a simplified form of a contract and is used where the project is straight-forward and not complex. Issuance of an ICA also obligates the funds allocated for the project. For more complex projects, a properly customized Contract should be used.
2. Detailed provisions for contracting with institutional or corporate Contractors are contained in Administrative Instruction ST/AI/327 dated 23 January 1985. The standard form of an ICA is attached as [Annex D-14](#).
3. The IMIS ICA report and its conditions of service shall constitute the Contract between the parties, and Form PT.141B shall be used where appropriate.
4. Any changes to the terms of the ICA shall be subject to the approval of the Director, UN/PD.
5. Institutional or Corporate Contractors.
 - a. The temporary services of individuals required by the Organisation from time to time may be obtained by their engagement under a Contract entered into directly with an institution or a corporation with whom they are affiliated. The functions to be performed by the Vendor and a time schedule for execution of the project shall be specified in the Contract.
6. ICAs may be used to procure services in such areas as interpretation, translation, editing, language training, public information, secretarial work, and clerical functions. In addition, ICAs may be used to procure consultancy services involving analysis of substantive issues, direction of seminars or training courses, preparation of documents for conferences, and writing of reports on matters requiring special expertise.
7. The selection of the institution or corporation shall follow all the policies and procedures contained in the Financial Rules and Regulations and this Manual for the selection of Vendors, including competitive bidding and submission to the HCC or LCC, if required.
8. Legal Status
 - a. An institutional or corporate contractor shall be considered as having the legal status of an independent contractor under the ICA. The Vendor's personnel and subcontractors shall not be considered in any respect as employees or Agents of the UN.
9. Information to be Included in the Request for an ICA
 - a. Each request for an ICA shall include in the electronic transmission from IMIS to UN/PD, a detailed scope of work (to explain the work to be performed by the contractor), an estimated time frame for the work, the time lines for the various stages of the Contract, details of any payment on account in advance or progress payments in accordance with [Financial Rule 105.19\(b\)](#), the total Contract price, and the name and telephone number of the Requisitioner's contact person.

Chapter 13. Contractual Instruments

13.11 Letters of Assist

1. Conditions for use of a Letter of Assist (LOA). LOAs may be issued by the USG/DFS in support of Field Missions only in request of goods and/or services to be provided by a government that are:
 - a. Goods of a strictly military nature or use;
 - b. Not of strictly military nature or use, but are:
 - i. Goods that are required in such volume that except through a government, are not available other than through piecemeal purchases and the requirements of the Field Mission render piecemeal procurement impractical;
 - ii. Transportation services for the movement of UN military personnel or goods to or from a Field Mission area which are not readily available commercially or which, if provided commercially, are more expensive or on a schedule that is unacceptable and would likely cause operational disruptions.
 - iii. Dietary or other requirements unique to a contingent, which are available only from the country of the individual contingent, and procurement of which is facilitated or expedited by procurement through the government of the contingent, provided that the cost to the UN of such procurement is not higher than the cost of the same items if procured through commercial sources; or
 - iv. Ammunition.
3. Under exceptional circumstances the ASG/OCSS may delegate authority to the head of individual Field Missions to issue LOAs only in respect of goods and services to be provided by a government:
 - a. When the government can facilitate or expedite the delivery, and the costs to the United Nations of such procurement are not higher than those that would have been incurred if the procurement had been effected commercially; or
 - b. When the goods or services are not readily available commercially;
 - c. Concurrence with the level of reimbursement for LOAs shall be obtained from the Chief UN/PD for LOAs exceeding US\$ 200,000. For LOAs below US\$ 200,000 the USG/DFS may issue an LOA without requiring UN/PD's concurrence.
4. A submission to the HCC is required for all LOA cases exceeding US\$ 200,000.
5. The use of LOAs shall be discontinued when circumstances or conditions that gave rise to their use no longer exist.
6. A standard LOA is attached as [Annex D-15](#).

Chapter 13. Contractual Instruments

13.12 Procedures for use of Letters of Assist

1. The ASG/DFS is authorized pursuant to Financial Rule 105.13 to sign and issue LOAs. Before issuing an LOA, the ASG/DFS shall ensure that:
 - a. The Requisitioning UN department has sent a memorandum to UN/PD proposing the entering into an LOA as an exception to the use of a formal method of solicitation. The memorandum to UN/PD shall detail the following:
 - i whether the conditions set forth in Section 13.9 are met;
 - ii why a formal method of solicitation would not give satisfactory results;
 - iii attach all related documentation, including a detailed description of the requirement, the reasons for the selection of a government, the name of the proposed government counterpart, the government's proposal and a draft LOA; and,
 - iv the basis of the costs to the UN, including a statement that budgetary provisions for the LOA are available, and an obligating document is issued as required under Financial Rule 105.7.
 - b. That the requisitioning department keeps on file all documents related to the issuance of an LOA;
 - c. UN/PD has concurred positively in writing to the requisitioning department.
2. The memorandum and its attachments shall permit UN/PD to evaluate the prices offered by the government and determine whether they are fair market prices.
3. If the UN/PD determines that bids or proposals are not to be requested, the reasons for the award without competitive bidding shall be recorded in the file, in accordance with Financial Rule 105.16, including, if applicable, a comparative cost estimate of what the commercial cost would have been.
4. If the UN/PD determines that bids or proposals are to be requested, if applicable, the Government Roster should be consulted and a competitive process should be followed, ensuring that, whenever possible, adequate cost comparison and analysis is undertaken.
5. The proposed LOA, if its value is above US \$70,000, has been submitted to the HCC for review after being reviewed positively by UN/PD and a recommendation by the HCC and approval for issuance of the LOA has been granted by the ASG/OCSS.
6. The LOA or an attachment to it:
 - a. Properly describes the goods or services being procured;
 - b. States the cost to the UN; and,
 - c. Accurately and comprehensively.
7. The LOA should be expeditiously prepared and once all the procedures set out above have been followed, should be promptly submitted for government signature.
8. No government shall commence work or shall be paid until a valid LOA, duly signed and dated by the authorised government representative and countersigned and dated by the authorized representative of the United Nations, has been established;
9. In the exceptional case where any of the above conditions cannot be met, the reasons shall be fully documented and the authorisation of the UN ASG/OCSS shall be requested prior to issuing an LOA or prior to making any payment.

[Chapter 13. Contractual Instruments](#)

13.13 Other Contractual Instruments

1. Any other contractual instruments that are used under the provisions of Financial Regulation 5.12 such as a Memorandum of Understanding, a Letter of Assist involving payment to a government or to a UN Agency for goods and/or services shall be subject to the provisions of this Manual.

[Chapter 13. Contractual Instruments](#)

[PM Table of Contents](#)

[Previous](#)

Chapter 14. Delivery and Receiving Process

- 14.1 Introduction - Delivery and Receiving of Goods and Services
- 14.2 Guidelines for Recording and Receiving
- 14.3 Responsibilities of UN/PD
- 14.4 Procedures for UN/PD
- 14.5 Inspection of Goods and Services in IMIS
- 14.6 Returning Material to Vendor
- 14.7 Issues from Stores

[PM Table of Contents](#)

[Next](#)

[Chapter 14. Delivery and Receiving Process](#)

14.1 Delivery and Receiving of Goods and Services

1. Introduction. The receiving functions at the UN Headquarters (UNHQ) shall be performed by offices and individuals authorized by the Department of Management. The Travel and Transportation Service (TTS) is the main office responsible for receipt of goods delivered at the UNHQ.
2. The UN/PD has prepared specific guidelines for recording/receiving of items delivered at a shipping point overseas where ownership is transferred to the UN before items are forwarded to the field office, including individual duties and responsibilities.
3. It should be noted, however, that the UN/PD is only involved in the “receiving” function in IMIS for purchase orders for goods (PG) issued by PD with EXW and F- delivery terms. The Department of Field Support (DFS) is responsible for the “receiving” function in IMIS for purchase orders for goods (PG) issued by UN/PD with C - and D - delivery terms, and for the similar “receiving” function/task related to the purchase orders for goods issued directly by the field offices.

[Chapter 14. Delivery and Receiving Process](#)

[PM Table of Contents](#)

[Next](#)

Chapter 14. Delivery and Receiving Process

14.2.Guidelines for the Recording/Receiving: Items Delivered at a Shipping Point Overseas where Ownership is transferred to the UN before Items are forwarded to the Field Offices.

1. Background: In accordance with the Incoterms 2000, the ownership of the goods transfers to the buyer (i.e. the UN) at the point they are handed over to the main transport company nominated by the buyer, at the named place for purchases with EXW, F - and C - Delivery Terms; thereby creating an obligation (for the buyer/UN) to pay the seller of the goods in accordance with the terms and conditions agreed in the particular instance.
2. The current UN Headquarters (UNHQ) financial system (i.e. IMIS), on the other hand, requires “receiving” and “inspection” functions to be completed (electronically) in the system prior to the invoices (for goods) being processed for payment; thereby creating a need for the UN to systematically “receive” and “inspect” the goods in IMIS based on shipping documents, before the goods are physically received by the field or even UNHQ offices.
3. It should be noted that proper internal control measures also require that “receiving” and “inspection” functions in IMIS be performed by two separate individuals/divisions/offices; thereby segregating the responsibilities and creating “checks and balances” as intended by the design of this System.
4. For purchases with D - Delivery Terms, the “Receiving Unit/Team” generally performs the “receiving” function when the goods have been physically delivered to the UN and received by this Unit/Team. The requisitioner performs the “inspection” function after they have taken possession and inspected the goods.
5. Similarly for purchases with EXW, F - and C - Delivery Terms, the “Receiving Unit/Team” at the destination office should be provided with the shipping documents to perform the “receive” function in their relevant System. The requisitioner, upon the receipt of these documents and the commodity vendor’s invoices for the goods, should also perform the “inspection” function; thereby authorizing the payment of the invoices.
6. Due to the fact that field offices do not have access to IMIS, the “receiving” task for Purchase Orders for Goods (PGs) issued by PD at UN HQ for the field offices are currently being carried out as follows:
 - a. For purchases with EXW - and F - Delivery Terms, which the Freight Forwarding Unit (FFU) of PD is responsible for freight arrangements, the “receiving” function in IMIS will be performed by FFU staff based on the shipping documents received from the appointed freight forwarders or those forwarded to FFU by the Travel & Vendor Claims Unit (TVCU) of Accounts Division (AD).
 - b. For purchases with C - and D - Delivery Terms, for which the commodity vendors are responsible for freight arrangements, the “receiving” function in IMIS will be performed by representatives appointed by the relevant requisitioning Offices.
7. Requisitioners at UNHQ who raised requisitions on behalf of the field offices will perform the “inspection” function in IMIS based on “Receipt & Inspection” reports submitted by the field offices for purchase orders with D - Delivery Terms. For purchase orders with EXW - , F - and C - Delivery Terms the requisitioners will perform the “inspection” function based on the shipping documents forwarded to them by TVCU/AD.

[Chapter 14. Delivery and Receiving Process](#)

14.3 Responsibilities of UN/PD - "Receipt" of Goods in IMIS

1. The Movement Team of PD is responsible for arranging freights of PGs issued by PD for field offices with EXW and F - Delivery Terms. The Movement Team shall coordinate shipments with vendors and freight forwarders and respond to inquiries on shipment. The Movement Team shall also review, clarify and check freight invoices and shipping documents against the relevant PGs.
2. For PGs placed by PD for field offices with EXW and F deliver terms, the Movement Team of PD is responsible for freight arrangements. Due to the fact that field offices do not have access to IMIS, the Movement Team shall perform the "receiving" function in IMIS upon satisfactory review of the freight invoices and shipping documents, and forward these documents to the relevant requisitioners for verification and performance of the "inspection" functions in IMIS.
3. For PGs placed by PD for field offices with C - and D - Delivery Terms, the vendors providing the goods are responsible for freight arrangements. The "receiving" functions in IMIS shall be performed by representatives appointed by the relevant requisitioning offices.

Chapter 14. Delivery and Receiving Process

14.4 Procedures for UN/PD

1. The Freight Forwarding Unit shall appoint freight forwarders for PGs placed by UN/PD with EXWorks and F delivery terms. Appointed freight forwarders shall check all consignments received and verify completeness and conformity with the PG instructions with regards to number of packing units, appropriate packing, markings, value and documentation. The freight forwarder then issues a Forwarder's Certificate of Receipt (FCR) and a signed certified copy of the Bill of Lading (B/L) or CMR (Convention relative au contrat de transport international de Marchandises par Route) waybill.
2. If any discrepancy is observed between the goods collected and the terms and conditions of the PG, the appointed freight forwarder may reject the consignment or accept it with clear notation on the delivery notes as to the discrepancy and advise the UN immediately.
3. An FCR and/or a signed certified copy of the B/L or CMR will be issued to the commodity vendor (by the freight forwarder) as proof of the receipt of the goods. Two other sets of these documents will be sent separately to the consignee (along with arrival notices as pre-alerts for custom clearance purposes) and to the Movement Team (along with the Master B/L and freight invoices for payment of their services).
4. The Movement Team, upon the receipt of these documents, checks the accuracy and completeness of the task performed, carries out the "receiving" function in IMIS for the relevant PGs, and forwards the freight invoices and all the supporting documents to the requisitioners.
5. The requisitioners, upon the receipt of these documents, check for accuracy and completeness of consignments made, carries out the "inspection" function in IMIS for both the purchase order for goods and the purchase order for the associated freight services.
5. Due to the time gaps between the submission of invoices for goods by the commodity vendors and the submission of freight invoices and shipping documents by the freight forwarders, the Movement Team may perform the "receiving" function in IMIS based on the shipping documents forwarded to the Movement Team by TVCU in order to ensure the prompt/timely payment of the commodity vendor's invoices for goods.

[Chapter 14. Delivery and Receiving Process](#)

14.5 Inspection of Goods and Services in IMIS

1. Requisitioners shall perform “inspection” function in IMIS upon satisfactory receipt of goods and services ordered by PD through PGs and PSs. In order to ensure segregation of duties, “receiving” function and “inspection” function in IMIS shall not be performed by the same person.
2. For the provision of goods and services across multiple offices, the principal office that raises requisitions on behalf of other requisitioners and coordinate the provision of goods and services shall inspect the relevant documents and perform “inspection” function in IMIS.
3. In case PGs and PSs are issued with multiple line items having combined requisitions from multiple requisitioners, requisitioners may not be able to perform “inspection” function in IMIS. For such combined PGs and PSs, the Chief of PMS may perform “inspection” function in IMIS as an exception based on written confirmation from requisitioners attesting satisfactory receipt of goods and services ordered. Written confirmation from requisitioners in this regard shall be placed in case files for record.

[Chapter 14. Delivery and Receiving Process](#)

[PM Table of Contents](#)

[Chapter 14. Delivery and Receiving Process](#)

14.6 Returning Material to Vendor

1. When it is necessary to return items to a Vendor, the Procurement Officer shall issue a “Return to Vendor” (Form PT.4 as [Annex D-28](#)). This item shall be used both at UNHQ and in to Field Missions and/or OAHs.
2. The “Return to Vendor” form shall include:
 - a. A reference to the original Purchase Order number;
 - b. A description of the item to be returned;
 - c. The value of the items as shown on the Purchase Order;
 - d. An indication of the reason for the returned items;
 - e. Additional remarks, if required, to explain the reason(s) for the returned items;
 - f. Instruction to Vendor on the action required by the UN (i.e., replacement of the returned material or the issue of an appropriate credit or refund in respect of its value;
 - g. The shipping method by which the item is returned to the Vendor, and whether the cost is to be borne by the UN or the Vendor; and
 - h. The location of the item to be returned is indicated on the internal copies of the “Return to Vendor” form together with instructions to the TTS.
3. The “Return to Vendor” form shall be distributed as follows:
 - a. The original copy to the Vendor;
 - b. One copy to the relevant Receiving Sub-Unit, preferably electronically;
 - c. One copy to the Accounts Payable Unit, preferably electronically;
 - d. One copy to the appropriate UN/PD case file.

[Chapter 14. Delivery and Receiving Process](#)

[PM Table of Contents](#)

[Chapter 14. Delivery and Receiving Process](#)

14.7 Issues from Stores

1. Expendable Stock Items: Issuance of expendable stock items should not exceed a quantity sufficient to meet the requirements of a user over a period of two weeks. At UNHQ, TTS establishes auxiliary supply units in various departments from which daily stationery requirements may be drawn. Such supply units are normally replenished every two weeks. Technical maintenance shops and units who need to draw on a large diversity of expendable items should, where operationally feasible seek to hold stocks on hand that equate to no more than a 2 week supply overall. A similar regime shall be implemented in the Field Missions under the Technical Service Branch.
2. Non-Expendable Stock Items: At UNHQ, non-expendable stock items (other than office machines) held in stores consist primarily of office furniture and attractive items. Issuance takes place upon the approval, outside IMIS, by Facilities Management Service (FMS) and the requisitioner needs to raise in IMIS either a stock or goods requisition depending on FMS' advice. The majority of such items are for periodic special requirements such as temporary staff during General Assembly sessions, and are not for general use.
3. For stock of similar nature held in the field, the applicable Technical Service Branch shall control such stock in a manner consistent with FMS practice.

[Chapter 14. Delivery and Receiving Process](#)

[PM Table of Contents](#)

Chapter 15. Contract Management and Administration

- [15.1 Contract Management](#)
- [15.2 Vendor Performance Evaluation](#)
- [15.3 Vendor Performance Rating](#)
- [15.4 Remedies](#)
- [15.5 Dispute resolution](#)
- [15.6 Contract Administration](#)
- [15.7 Amendment of Contract](#)
- [15.8 Subcontractors](#)
- [15.9 Contract Closure](#)
- [15.10 Maintenance of Files](#)
- [15.11 Contract Log](#)

[Chapter 15. Contract Management](#)

[PM Table of Contents](#)

[Next](#)

[Chapter 15. Contract Management and Administration](#)

15.1 Contract Management

1. Introduction: Contract Management is a critical function for the Organisation and consist of ongoing monitoring and management of the Vendor's performance and obligations under the Contract for goods, services or works, including terms and conditions such as quality, time-lines (e.g. delivery and project deadlines), price, payments and discounts, etc. It includes managing the relationship between the Vendor, the Procurement Office and the Self-Accounting Unit, feedback to the Vendor regarding its performance, as well as contributing to dispute resolution, if necessary.
2. Contract Management is a key element in the procurement process to ensure that Best Value for Money will be achieved throughout the acquisition process. Contract Management includes Vendor Performance evaluation and rating on timely delivery, quality and assistance to the Requisitioner.
3. The Contract Management function activities are a responsibility between the contract management staff assigned to a dedicated project and/or the Requisitioner and/or end-user and all stakeholders reporting to the Procurement Office. The Procurement Office, in cooperation with the Requisitioner and/or end-user shall ensure that adequate Vendor Performance evaluation is conducted and reported in a timely manner in order to document future decisions on the contract and Vendor. If the Requisitioner and/or end-user are not able to resolve a dispute, they shall inform the Procurement Office, and the Procurement Office, in cooperation with OLA as appropriate, shall act on behalf of the Organization to resolve any contractual disputes.

[Chapter 15. Contract Management and Administration](#)

15.2 Vendor Performance Evaluation

1. Vendor Performance evaluation is the evaluation of the Vendor's fulfilment of the contracted requirements with regard to quality, delivery, timeliness, as well as all other performance indicators regarding the promised goods, services or works.
2. The Procurement Office, in cooperation with the Requisitioner and/or end-user shall ensure that adequate Vendor Performance evaluation is conducted as follows:
 - a. The Requisitioner and/or end-user shall develop the performance measurement criteria, which should be included in the Solicitation Documents and shall appear in the Contract.
 - b. The Requisitioner and/or end-user shall monitor and evaluate the Vendor's performance against the agreed performance measurement criteria.
 - c. The Requisitioner and/or end-user shall complete the Vendor Performance rating forms and notify the Procurement Officer as to whether the Vendor is performing adequately.
 - d. The Procurement Officer shall ensure that a copy of any performance rating form/report is included in the procurement case file and the Vendor registration case file.
 - e. The Procurement Officer shall notify the Staff in charge of Vendor Management and/or the Vendor Review Committee of any non-compliance or poor performance issues in writing.
3. Procurement Officers and Requisitioners must ensure that a Vendor Performance evaluation with a satisfactory result is on file before processing any amendment (including any extension) to an existing Contract in accordance with [Chapter 15 Section 15.7](#).

[Chapter 15. Contract Management and Administration](#)

15.3 Vendor Performance Rating

1. There are five types of Vendor Performance rating forms:
 - a. Short Form Specialist Report ([Annex D-6A](#));
 - b. Supplier Performance Report, ([Annex D-6B](#));
 - c. Contract or Performance Report ([Annex D-6C](#)). 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. Short Term Air Charter Services ([Annex D-6D](#))
 - e. CPR for Short Term Sea Transport Services ([Annex D-6E](#))
2. Upon receipt of performance reports from the Requisitioner and/or end-user, two copies of the relevant performance report shall be distributed to the Procurement Officer, for inclusion in the procurement case file and the Vendor registration case file.
3. The Recipient and/or end-user of the goods, services or works shall evaluate the Vendor's performance in accordance with, among others, the following factors:
 - a. Fulfilment of delivery schedule;
 - b. Compliance with contractual terms and conditions and other unique or special requirements of the Contract;
 - c. Adherence to warranty provisions;
 - d. Quality and quantity of goods or services provided, in accordance with contractual terms and conditions;
 - e. Timely response to UN requests to rectify deficiencies and resolve claims;
 - f. Failure to disclose information which can affect the performance of the Vendor, such as multiple appearances as a defendant in litigation, receivership, declaration of bankruptcy;
 - g. Undue delay in performance under the Contract or lodging frivolous claims against the UN.

[Chapter 15. Contract Management and Administration](#)

15.4 Remedies

1. Remedies are the means by which a contractual right is enforced or by which the breach of a contractual right is prevented or compensated. When the Contract is not being performed properly, or Vendor Performance is otherwise unacceptable, the Procurement Officer may apply such remedies as invoking liquidated damages or payment withholding provisions; drawing under Performance Security; terminating the Contract; and initiation of arbitration. For example, in the case of late delivery, one option would be to accept delivery and invoke a liquidated damages provision. Prior consultation with OLA, or the legal office of the Field Mission or OAH, is recommended in deciding whether to invoke a remedy and in determining which remedies to apply.
2. The Procurement Officer shall exercise professional judgement as to the use of remedies. When considering any contractual remedy, appropriate and documented communication with the Vendor is important. The Vendor should be given an opportunity to provide evidence defending its performance. That evidence might relate to an excusable delay or impossibility of performance.

Chapter 15. Contract Management and Administration

15.5 Dispute resolution

1. Contract Management includes resolving disagreements and disputes between parties regarding contractual rights and obligations and interpretation of the Contract. The UN is committed to fair, orderly and prompt resolution of disputes with Vendors.
2. Contractual disputes can be addressed using the following process:

STAGE	DESCRIPTION
1	The Requisitioner and/or end-user attempt to resolve any dispute with the Vendor in order to fulfil the contractual requirements and communicate with the Vendor directly to discuss and implement an amicable solution.
2	If the Requisitioner and/or end-user are unable to resolve the dispute, they will notify the Procurement Office, who will review the situation in consultation with PD's Contracts Officer, intervene with the Vendor, and pursue remedies to enforce the contractual terms, if necessary. Consultation with OLA, or the legal office of a Field Mission or OAH, may be appropriate at this stage.
3	Arbitration is the last recourse for dispute resolution and should only be pursued in consultation with OLA.

3. Considering the privileges and immunities of the United Nations which have been granted to the Organisation by the UN Charter and by the Convention on the Privileges and Immunities of the United Nations, adopted by the General Assembly on 13 February 1947, in particular the immunity from legal process, UN Contracts provide for disputes between the UN and a UN contractor to be resolved by amicable means (e.g., negotiation) or, if the parties agree, conciliation in accordance with the [UNCITRAL Conciliation Rules](#). In the absence of such amicable settlement, disputes may be resolved by final, binding arbitration in accordance with the [UNCITRAL Arbitration Rules](#). In reaching its decision, the arbitral tribunal should apply general principles of international commercial law. Because of the inherent uncertainty of the result of arbitration and its effect on the relationship between the UN and the Vendor, the UN seeks to resolve disputes amicably and without the need for arbitration whenever possible.
4. When it becomes apparent that a dispute with a Vendor has arisen and has not been resolved by the requisitioner and/or by the Procurement Officer, as mentioned above, the Procurement Officer shall send a memo to OLA seeking their advice. The memo shall set forth the Procurement Office's proposed strategy for addressing the dispute and all relevant information concerning the dispute, including: a chronology of events, the status of the dispute, the disputed amount or amount claimed, possible consequences of the dispute if it is settled or not (e.g., financial, operational, political, reputation/image of the UN). The memo shall also include copies of all relevant documentation and, if the matter is urgent, a deadline for OLA's response.
5. Following receipt of OLA's legal opinion, Procurement Personnel authorized to conduct negotiations shall enter into negotiations with the Vendor on the basis of the Procurement Office's strategy and in accordance with OLA's legal opinion. Any negotiations shall be conducted by a minimum of two Procurement Personnel, at least one of whom is experienced and senior in grade. PD's Contracts Officer and OLA should be requested to participate in any negotiations involving legal issues, especially if the other party has their counsel present. Minutes recording what was discussed and agreed upon shall be taken.
6. If an agreement is reached, its terms shall be transmitted to the Director UN/PD who shall review it and seek the approval of the ASG/OCSS. If the settlement has financial implications, the ASG/OCSS will also seek the approval of the Controller for

the financial aspects of the agreement. The Office of ASG/OCSS will be invited and is responsible to seek the Controller's approval.

7. Upon receipt of all required approvals, the Procurement Office shall request OLA to prepare a settlement and release agreement for all claims settled. The Procurement Office shall forward the settlement documentation to the Vendor for signature, following which the Director UN/PD shall countersign the agreement. For disputes arising at a Field Mission or OAH, the CPO shall be kept informed of significant developments in the case.
8. The Requisitioner and Procurement Officer are, each, responsible for ensuring that the procurement case file contains a description of their respective dispute resolution activities, stating exactly what was discussed and how the dispute was resolved.

[Chapter 15. Contract Management and Administration](#)

15.6 Contract Administration

1. Introduction. Contract Administration is comprised of all actions undertaken by Procurement Personnel following the award of a contract relating to the administrative aspects of the contract, such as contract amendment or extension, contract closure, record retention, and maintenance of the contract file, and handling security instruments (e.g. Performance Security).

[Chapter 15. Contract Management and Administration](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 15. Contract Management and Administration](#)

15.7 Amendment of Contract

1. Amendment of a Contract is necessary when there is a need to change the material aspects of the Contract, such as extension of the duration of the Contract, or modification of the goods or services to be delivered. Amendment of Contract for price is a delicate issue as the revised price may have affected the selection of the Vendor. Regular price revision for standard products (fuel, food, supplies, etc.) may be included in the original Contract to prevent recurring negotiations. Amendments to a Contract, if required, shall be numbered serially, commencing with Amendment No. 1. Each amendment shall identify the Contract to which it refers by number, subject and date. The nature of the amendment shall be clearly described and include a statement that all other terms and conditions of the Contract shall remain unchanged. The procedures for signing an amendment are the same as those for the original Contract.
2. Amendments shall be submitted to the HCC/LCC, in accordance with DOA as outlined in [Chapter 3](#).
3. Before issuing an amendment that extends or increases the value of a Contract, the Procurement Officer shall confirm that:
 - a. A satisfactory Vendor Performance report is on file, and any guarantee document (e.g., Performance Security) issued at the time of the original Contract is re-issued or modified, as appropriate;
 - b. If appropriate, a comparative cost estimate (benchmarking) has been undertaken to determine if the prices under the Contract are still competitive and are less than the cost would be if the UN were to engage in formal competitive bidding;
 - c. Standardization of the goods or services or issuance of a Systems Contract would not provide better results.
 - d. Contracts shall not be increased or extended as a means for unduly avoiding competitive Solicitation for the requirement. They shall only be amended to reflect a development in the contractual arrangement, such as a change in prices or other material change in circumstances.

[Chapter 15. Contract Management and Administration](#)

15.8 Subcontractors

1. [Article 5 of the UNGCC](#) provides that Contractors shall obtain prior written approval and clearance from the UN for all subcontractors, it being understood that such approval and clearance does not relieve the Contractor of any of its obligations under its Contract with the UN. Subcontracting 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) responsible for Contract Administration and Management should not deal directly with subcontractors. Failure to abide by this principle could limit the UN Contractor's liability vis-à-vis the UN for acts or omissions of the subcontractor.

[Chapter 15. Contract Management](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 15. Contract Management and Administration](#)

15.9 Contract Closure

1. Upon completion of performance and payment, the UN/PD registry or Procurement Office at a Field Mission/OAH shall close out the Contract. The Contract may not be closed out if any dispute between the parties remains outstanding. 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.
2. Once the Contract has been so closed, it shall not be reopened for any cause. If the Requisitioner and/or end-user require additional deliveries of goods or services, a new Requisition shall be sent to the Procurement Office.
3. A Vendor Performance Rating Report shall be submitted to the Procurement Office (see [Chapter 15. Section 3](#)).

Chapter 15. Contract Management and Administration

15.10 Maintenance of Files

1. Once a Contract has been issued, the original procurement case file shall be deposited at the UN/PD archives or similar archives at the Field Mission/OAH. The file shall at a minimum contain the documents relating to the following phases of the procurement process (if relevant):
 - a. Pre-Solicitation: Specifications, TOR, SOW, RFI/REOI, Market Research, Evaluation Criteria and weighting, Source Selection Plan, provisional registration/special approval form, correspondence;
 - b. Solicitation: Invitee list, RFQ/ITB/RFP, clarifications/amendments to RFQ/ITB/RFP, inquiries, correspondence;
 - c. Vendor Responses: acknowledgements, Submission Opening attendance register, record of Submission receipt, Vendor responses, technical proposals, commercial proposals, Solicitation Abstract Sheet, copies of Bid Security;
 - d. Evaluation: Request for technical evaluation, technical evaluation, commercial evaluation, approved HCC presentation and agenda, HCC recommendation and minutes, Dunn & Bradstreet report, correspondence;
 - e. Award: Notice of Award, Regret Letters, Vendor's signed acceptance of Award, documents related to Contract preparation, copy of Performance Security, correspondence;
 - f. Post award: Contract Administration documents; correspondence, Vendor Performance Report/Evaluation/ checklist for closed files;
 - g. Other: approved Requisition; Statement of Award; signed Contract; IMIS fund approval; NTE report; IMIS PO approval report; PO (yellow copy); acknowledgement copy of PO; any subsequent Contract or PO amendments.
2. If a member of the Procurement Staff, or other duly authorized UN staff member (e.g., auditors), requests access to a case file, the staff member shall sign the file out in the archive logbook or digital equivalent. Any damage to the file while in the custody of such staff member shall be the responsibility of the staff member who signed out the file. The archive staff shall regularly follow-up on procurement case files removed from the archives and request the relevant staff member to return such file or amend the anticipated date of return, as applicable.
3. All procurement case files shall be stored either by the Procurement Office or by the archive facility at HQ or the Field Mission/OAH, for a minimum of seven years after the date the Contract is closed in accordance with [Chapter 15 Section 15.9](#).
4. Submissions from Vendors that were not awarded a Contract may be destroyed 120 days after the Contract award.
5. It is the responsibility of the Procurement Staff to do their utmost in monitoring contract files and contract execution activities. An IT based contract management and reporting system should be used to alert Staff and Requisitioners of key dates for contract extension, validity of surety documents, etc. The good administration and maintenance of the contract file is required to assure clarity over actions taken during the course of the contract. Procurement Staff 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 management of files due to the dynamic nature of the procurement function and the mobility of Procurement Staff. In addition, Staff must adopt and maintain discipline in the filing and indexing of contract files. [Annex D-42](#) outlines the proposed filing and indexing system for UNHQ and which may also be adopted by other procurement offices at Field Missions, OAHs etc.

[Chapter 15. Contract Management and Administration](#)

15.11 Contract Log for ICC

1. Requisitioners shall be responsible for maintaining a current log of all expenditures for Institutional or Corporate Contractors (ICC) that they engage. The log shall indicate the work assignment and its purpose, the body or programme for which it is intended, the name and nationality of the individuals performing the work under the ICA, the commencement and expiration dates of the ICA, the estimated work-months required to complete the ICA, the fee or other remuneration and the basis for its calculation and payment, any travel costs and an evaluation of the Vendor's performance under the ICA.

[Chapter 15. Contract Management and Administration](#)

[PM Table of Contents](#)

[Previous](#)

Chapter 16. Property Disposal

- [16.1 Property Survey Boards](#)
- [16.2 Disposal of Property through Sale](#)
- [16.3 Treatments of Bids](#)
- [16.4 Contractual Instruments for the Sale of Goods](#)
- [16.5 Exceptions to Solicitation](#)
- [16.6 Deposits](#)
- [16.7 Notice of Award Billing](#)
- [16.8 Removal of Property](#)
- [16.9 Disposition of Assets of Peacekeeping Operations](#)
- [16.10 Sale of Real Property](#)

[Chapter 16. Property Disposal](#)

16.1 Property Survey Boards

1. Financial Rule 105.22 reads as follows: “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 Organisation;
 - 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 organisation, a Government or governmental agency or some other non-profit organisation”.
2. 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](#).

Chapter 16. Property Disposal

16.2 Disposal of Property through Sales - Procedures

1. Development of Solicitation Documents. The Procurement Officer shall issue Solicitation Documents to prospective purchasers, ensuring adequate competition. Generally, the minimum number of bidders should be established using the guidelines set forth in [Chapter 9 Section 9.6 Solicitation Process](#). Such Solicitation Documents shall refer to the relevant approved Property Survey Board (PSB) recommendation authorizing disposal through sale.
2. The Property may be sold individually or in lots in order to maximize the return for the UN.
3. 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 Bid (see Sample Sale of Surplus Property Form attached as [Annex D-29](#);
 - g. Date and time of Bid opening;
 - h. A statement that the Property shall be sold on an “as-is, where-is” basis, and without recourse or warranties, express or implied, of any kind;
 - i. The requirement to deposit, upon submission of a Bid, an amount of no less than ten percent (10%) of the total Bid value, which if such deposit exceeds US\$ 1,000 must be in the form of a certified check;
 - j. Time period within which the invoice issued to the successful Bidder shall be settled;
 - k. Time period within which the successful Bidder shall remove the Property;
 - l. Any other relevant matters.

[Chapter 16. Property Disposal](#)

16.3 Treatments of Bids

1. The UN shall treat Bids for the purchase of Property in the same manner as Submissions for the purchase of goods by the UN. [Chapter 10](#) of this Manual applies to purchases of Property, subject to appropriate changes as the context may require.
2. The Bids shall be itemized, and the Property shall be sold to the Bidder offering the best value to the organisation.
3. Successful Bidders shall be notified in writing, and items awarded shall be listed in a contractual sale instrument.

[Chapter 16. Property Disposal](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 16. Property Disposal](#)

16.4 Contractual Instruments for the Sale of Goods

1. The disposal by sale shall be effected by the issuance of a Contract for the sale of goods. The Contract for the sale of goods shall, inter alia, list and describe the Property to be sold, the agreed price, and any deposit paid.
2. The UN may elect to enter into a Systems Contract if it foresees a continuing sale of items over a period of time, provided that this is advantageous to the Organisation. In that case, a separate Notice of Sale or Disposal Action Forms shall be issued for each underlying sale, with a reference to the applicable Systems Contract. Please also refer to [Chapter 13 Section 13.9 Systems Contract](#).

[Chapter 16. Property Disposal](#)

16.5 Exceptions to Solicitation

1. Negotiation or “Spot Sales”: When the sales value is estimated to be under the threshold amount specified by the USG/DM, currently US\$ 4,000, 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. Sales shall be through a Notice of Sale or Disposal Action Form.
2. Trade-In: If there is an offer to exchange Property in partial or 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 Organisation, as provided for in [Financial Rule 105.22 \(b\)](#). See also [Chapter 9 Section 9.18](#).

[Chapter 16. Property Disposal](#)

16.6 Deposits

1. Bidders shall be required to deposit with the submission of any Bid an amount of not less than 10% of the total Bid value. Any deposit exceeding US\$ 1,000, must be submitted to the UN in the form of a certified check.
2. Upon acceptance of a Bid by the UN, the deposit shall not be returned to the Bidder except with the written approval of the Chairperson, Property Survey Board. 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.
3. All deposits received from unsuccessful Bidders shall be returned with a letter indicating that the Bidder was not successful.

[Chapter 16. Property Disposal](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 16. Property Disposal](#)

16.7 Notice of Award Billing

1. The Director, UN/PD or the CPO shall sign the Purchase Order, or other 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 Bid Opening, unless otherwise set forth in the Solicitation Documents.

[Chapter 16. Property Disposal](#)

[PM Table of Contents](#)

[Previous/Next](#)

[Chapter 16. Property Disposal](#)

16.8 Removal of property

1. 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.

[Chapter 16. Property Disposal](#)

[PM Table of Contents](#)

[Previous/Next](#)

Chapter 16. Property Disposal

16.9 Disposition of Assets of Peacekeeping Operations

1. United Nations Financial Regulation 5.14 reads as follows:

- a. "Following the liquidation of a peacekeeping operation, equipment and other property shall be disposed of in accordance with the Financial Regulations and Rules and the manner indicated below:
- b. 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;
- c. 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;
- d. 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 organisations or non-governmental organisations may be sold to such agencies or organisations;
- e. 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;
- f. Any assets which 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 Organisation 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.
- g. A report on the final disposition of assets for each such liquidated peacekeeping operation shall be submitted to the General Assembly."

[Chapter 16. Property Disposal](#)

16.10 Sale of Real Property

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

[Chapter 16. Property Disposal](#)
[PM Table of Contents](#)

[Previous](#)