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UNIDO Procurement Practices: How Companies from UNIDO Member States Can Participate in UNIDO Bidding Processes



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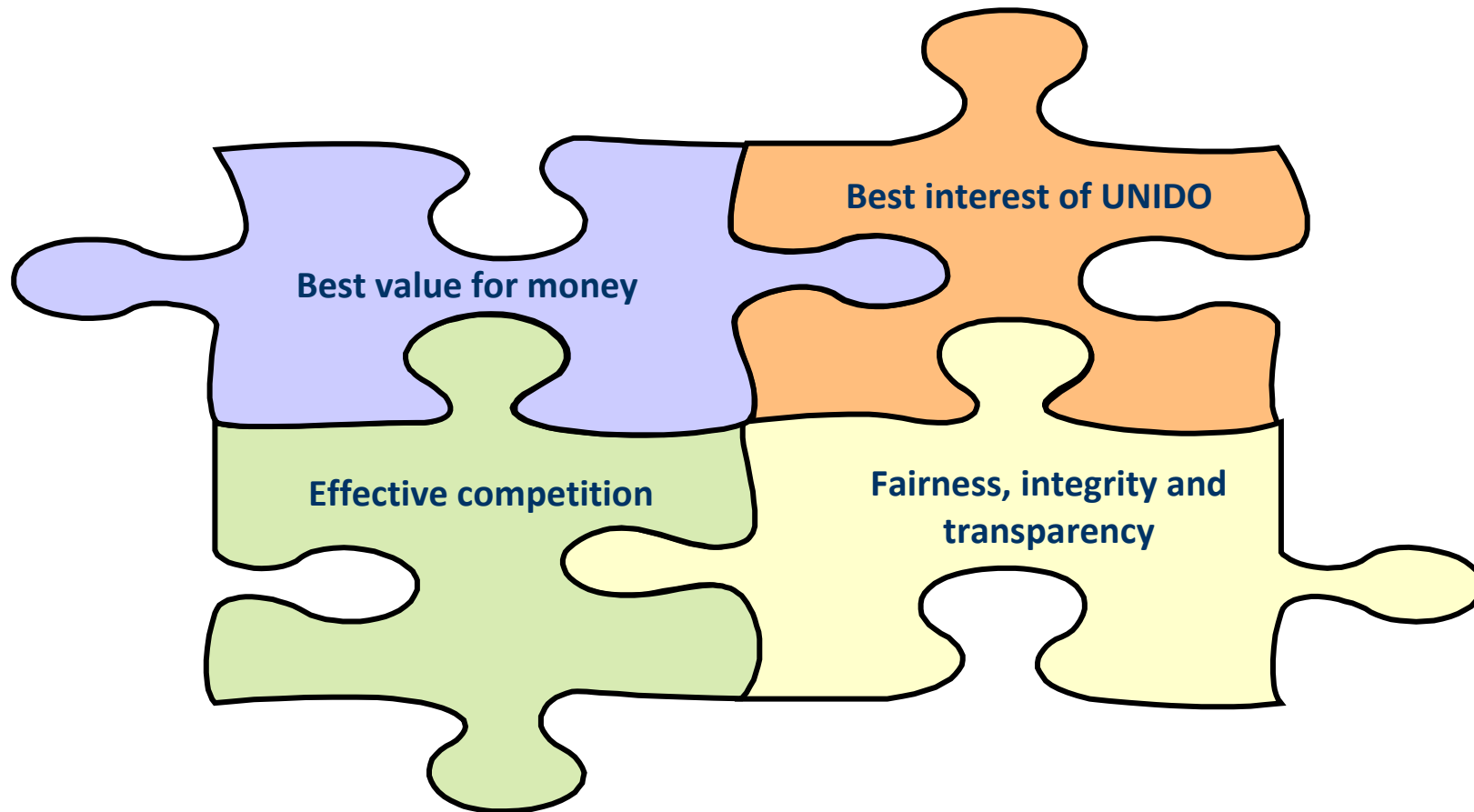


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UNIDO Procurement Principles





Most Frequently Procured Goods

- Ozone depleting substance replacement and phase-out equipment (in the refrigeration, solvents, aerosols and foam manufacturing sector);
- Equipment for the replacement of methyl bromide measuring, checking & testing instruments;
- Laboratory, calibration and testing equipment;
- Agricultural produce and materials;
- Equipment for textile apparel & leather production;
- Wood and timber products;
- Vocational toolkits;
- Chemicals;
- Hydrogen production and storage;
- Agricultural & food processing machinery and equipment;
- IT HW & SW equipment and supplies;
- Building and construction materials and supplies;
- Renewable and rural energy systems and infrastructure
- Motor vehicles, parts, accessories;
- Leather and leather products, footwear;
- Office furniture and accessories;
- Engines, turbines and similar machinery and equipment (hydroelectric, others)
- Security and safety equipment;
- Wind mills and motors;
- Solar energy systems and related equipment;
- Pumps; compressors, valves, etc.;
- Air conditioning equipment, controls and machinery;
- Water treatment systems, equipment and machinery;
- Ventilation systems and equipment;
- Mining, quarrying and construction machinery and equipment;
- Recycling and waste management systems, equipment and machinery;
- Design, publication and training materials;
- Telecommunications equipment;
- Fishing testing equipment;
- Metrology equipment;



Most Frequently Procured Services

- Phase-out ozone depletion in refrigeration, foam, aerosols and solvents sector (ODS, POPs)
- Phase-out of methyl bromide
- Trade promotion and technology information exchange
- Standardization and laboratory accreditation
- Energy Policy and management (electricity and alternative systems)
- Advisory services for environmental protection
- Water management services
- Training
- Engineering design, research and development;
- Agro related services (textile, leather, fisheries, food...)
- Revolving credit support facilities;
- Office leases, maintenance and repair services;
- Construction works and site management;
- Technical assistance and advisory services;
- Air conditioning work and maintenance;
- Environmental engineering and science;
- Thematic mapping and evaluation services;
- Trade and business related services;
- Maintenance and repair services;
- Design, publication and advertising services;
- Telecommunications services;
- Financial advisory services and insurance;
- Freight, transportation, storage and logistics services;
- Audit and accounting services;
- Laboratory testing and calibration services;
- Translation services;





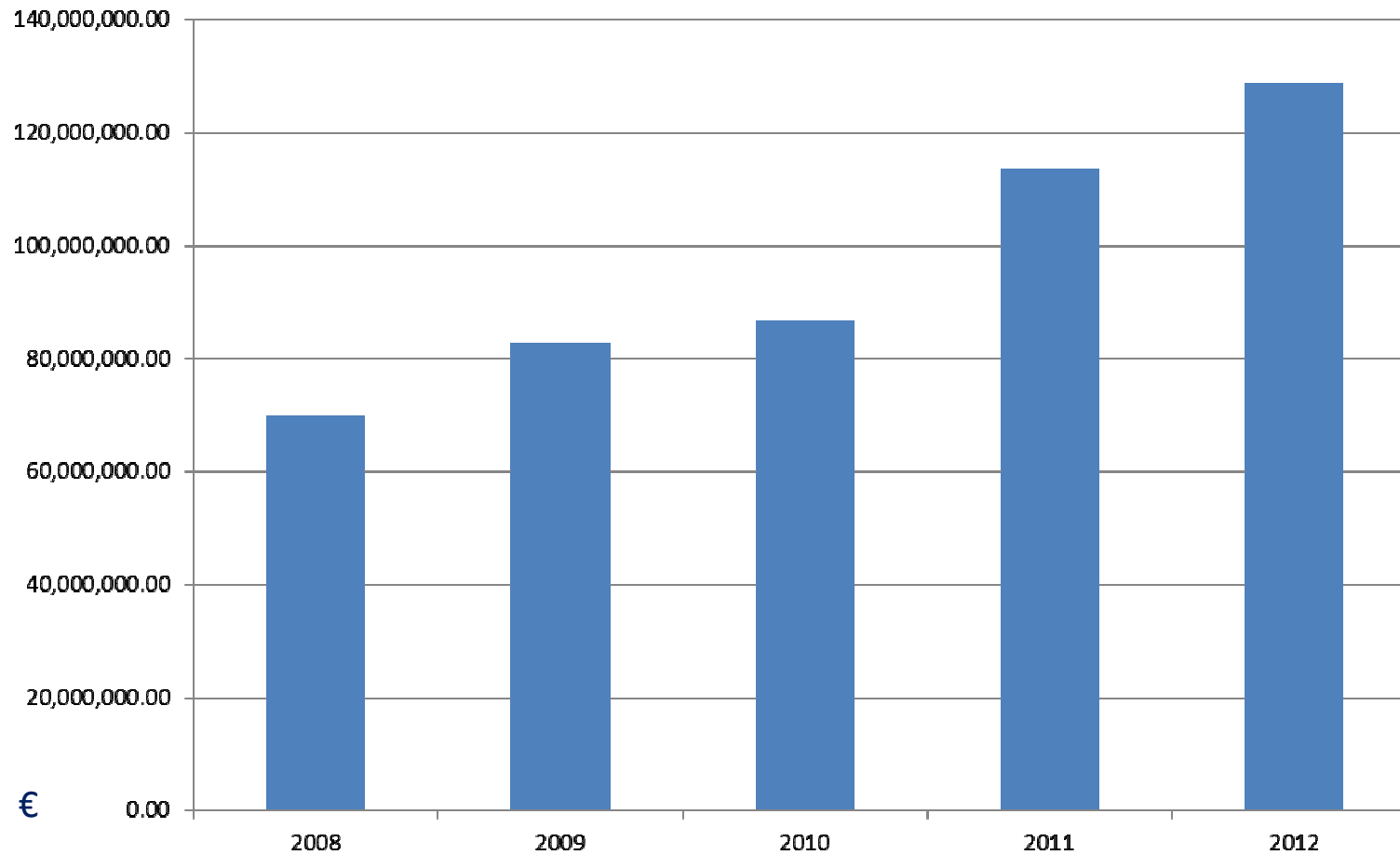
Most Frequently Procured Services (cont'd)

- Electrical /mechanical installation works;
- Consulting/advisory services on environmentally sound technology and practices;
- Technology assessments and information exchanges;
- Repair and maintenance services;
- Consulting/advisory services on agriculture produce;
- Consulting/advisory services related to renewable energy and environmental systems and infrastructures;
- Technology conversion, retrofit and rehabilitation projects;
- Energy policy and management;
- Environmental management related advice and consulting services;
- Consulting/advisory services related to environmental protection;
- Waste disposal related advice and services;
- Cleaner technology promotion services;
- Water pollution related services;
- Industrial surveys and consulting services;
- Management advice and consultancy services;
- Training and development services;
- Consulting/advisory services related to nanotechnology;
- Security services;
- Catering services;
- Conference services;
- Business seminars and conferences;
- Professional & vocational training and workshops
- IT SW and internet related services.



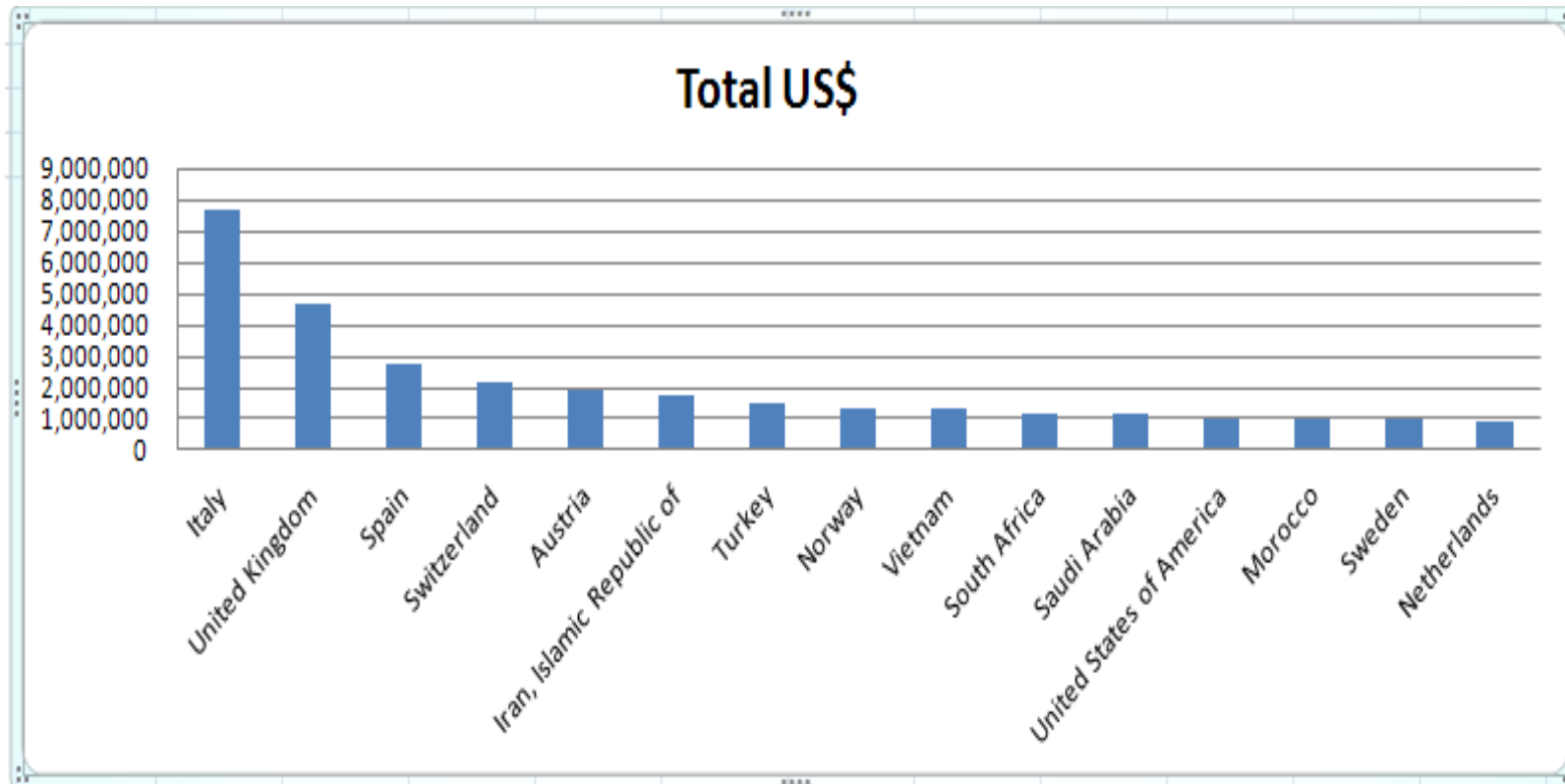
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UNIDO Procurement Spend





Top 15 Supplier Countries





UNIDO Sourcing Channels

Threshold	Sourcing Channel	Shopping Cart	RFx	Evaluation	PO Approval	Goods/ Services Receipt	Invoice Matching/Payment
<€5,000	Fast Track Procurement	Allotment Holder [AH]					FIN
<€40,000	Decentralized Procurement [open competition]	AH	AH	AH	Line Manager of AH	AH	FIN
≤€40,000	Decentralized Procurement [waiver]	AH => Line Manager of AH	AH	AH	Line Manager of AH	AH	FIN
>€40,000	Centralized Procurement [open competition]	AH	PRS Proc Off	AH + PRS Proc Off	Director, OSS Chief, PRS Proc Off, PRS	AH	FIN
>€40,000	Centralized Procurement [waiver]	AH => Chief, PRS	PRS Proc Off	AH + PRS Proc Off	Director, OSS Chief, PRS Proc Off, PRS	AH	FIN
ALL	LTAs	AH *)			Line Manager of AH	AH	FIN

*) For LTAs requiring freight, freight quotation to be obtained from Procurement Services



eProcurement Workflow



Project Team (Assistant, field staff, etc) create the Shopping Cart (SC)



Allotment Holder (AH) will review the SC and either approve or reject it. In case of rejection, the SC is returned to the creator with comments

or

Fast Track/ Call Off Orders Against LTAs

≤ € 5,000 and unlimited respectively

or

Decentralized Procurement: Project Team creates RfX Event

≤ € 40,000

or

Decentralized Procurement @ Waiver: Line Manager of AH 2nd approver of SC

≤ € 40,000

or

Centralized Procurement:

PRS manages RfX event:

Generally > € 40,000 (All values also)

Centralized Procurement @ Waiver: Chief, PRS 2nd approver of SC

Generally > € 40,000 (All values also)



RfX Event



Payment is released **only** if GR approved and 3-way matched [PO value = GR value = invoice value]



Certified Invoice is sent **directly** to FIN



Reports/ Deliverables are checked and if everything is OK, Goods/Service Receipt created and approved by AH

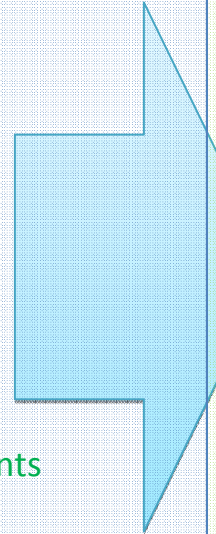


Purchase Order is created out of RfX Event and **approved** either by Line Manager of AH or PRS



Benefits of the eProcurement System

- Organizational process setup, i.e. no differentiation between Field and Headquarters procurement requirements
- Global procurement from anywhere to anywhere
- Reduction of procurement cost
- Global freight forwarding solution
- Enhanced collaboration between Project Managers and procurement staff (Risk Management)
- Increased transparency
- Strengthened internal controls
- Reduction of risks and bottlenecks
- Roll-out of Long-Term Agreements (LTAs)
- Simplification/standardization of procurement documents
- Integration of procurement and risk management
- Global vendors
- For decentralized procurement, no/less reliance on UNDP support



- ✓ Increased efficiency and effectiveness
- ✓ Higher transparency
- ✓ Enhanced focus on quality
- ✓ Improved risk management
- ✓ Improved monitoring and reporting
- ✓ Greater flexibility



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UNIDO's eProcurement Portal

Please visit: <http://procurement.unido.org/>. If you click on “Current Opportunities”, it will take you to ...



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Procurement Login

(Returning Visitors)

Request User Account

(First Time Visitors)

Lost Password

(Request Password Reset)

Procurement Portal

IF YOU NEED HELP, YOU CAN REACH US

- by email: procurement@unido.org
- by phone: [+43 1 26026 4839](tel:+431260264839)

→ [CURRENT OPPORTUNITIES](#)

→ [RETURN TO MAIN WEB SITE](#)



UNIDO's eProcurement Portal (cont'd)



PROCUREMENT PORTAL

Title	Beneficiary Country	Deadline	Type	Event Number	Registration
Supply of leather processing equipment Establishment of a Footwear Training Centre in Mashhad, Iran	IRAN	01.11.2013 17:00:00 CET	Inv. to Bid (1 env.)	7000000367	Click here for more information
Development of training package modules on the use of bioenergy and solar thermal on industrial applications.	Ukraine	08.10.2013 17:00:00 CET	RFP (1 env.)	7000000350	Click here for more information
SUPPLY AND DELIVERY OF LEATHER PRODUCTS MACHINERY.	NIGERIA	08.11.2013 17:00:00 CET	Inv. to Bid (1 env.)	7000000364	Click here for more information
Supply of Technical Services for the dismantling of two existing CFC-12 based centrifugal chillers and installation of two new scree	Argentina	10.10.2013 17:00:00 CET	Inv. to Bid (1 env.)	7000000311	Click here for more information
Supply and Delivery of Heavy Equipment Operator Simulators	Liberia	10.10.2013 17:00:00 CET	Inv. to Bid (1 env.)	7000000354	Click here for more information
Supply of two (2) air-cooled chiller units each of 120 tons of refrigeration using R-134a or another acceptable to UNIDO non-ODS al	Argentina	10.10.2013 17:00:00 CET	Inv. to Bid (1 env.)	7000000337	Click here for more information
Supply and delivery of insulated containers and four (4) cooling units for a UNIDO Project.	Sudan	10.10.2013 17:00:00 CET	Inv. to Bid (1 env.)	7000000344	Click here for more information
Supply of Pelletize machine for green plants	Mexico	11.10.2013 17:00:00 CET	Request f. Quotation	7000000265	Click here for more information
Purchase of Four Wheel Tractors and Implements	Sudan	14.10.2013 17:00:00 CET	Inv. to Bid (1 env.)	7000000370	Click here for more information
Supply and Delivery of a Project Vechicle.	Chad	14.10.2013 17:00:00 CET	Request f. Quotation	7000000340	Click here for more information
Provision of Services related to the development of a Project entitled "Biomass energy for productive use for small and medium ente	Albania	14.10.2013 17:00:00 CET	Request f. Quotation	7000000355	Click here for more information
Supply of Spare Parts for Polyurethane Foaming Machines for conversion from HCFC-141b to Methyl Formate Operation	South Africa	14.10.2013 17:00:00 CET	Request f. Quotation	7000000358	Click here for more information
		18.10.2013 17:00:00 CET	Request f. Quotation	7000000372	Click here for more information
Construction of Drying Sheds for Shea Butter and Cassava Processing, Guinea - Re-Tender	Guinea	18.10.2013 18:00:00 CET	Request f. Quotation	7000000332	Click here for more information
Value Chain Analysis for Cocoa Production	Ghana	23.10.2013 18:00:00 CET	RFP (1 env.)	7000000369	Click here for more information
Supply of Equipment and Technical Services for replacement of HCFC-141b at FERSA in Monterrey	Mexico	25.10.2013 00:00:00 CET	RFP (1 env.)	7000000353	Click here for more information
Supply and delivery of workshop tools for a heavy equipment training school.	Liberia	31.10.2013 17:00:00 CET	Inv. to Bid (1 env.)	7000000356	Click here for more information



UNIDO's eProcurement Portal (cont'd)

Example of an "electronic bidding document":

Display RFX : 7000000337

RFX Number 7000000337 Smart Number Air-cooled water chiller - Hospital Ital RFX Status Published RFX Start Date Submission Deadline 10.10.2013 17:00:00 CET Remaining Time 2 Days 03:27:19 Ext. RFX Version Number 2
 RFX Version Type Active Version

Close Refresh Register Questions and Answers (0) Export

RFX Information Items Notes and Attachments

RFX Parameters Questions Note and Attachments Table Extensions Payment Synopsis User-Specified Status

Question	Reply	Comment
Please confirm your company/organization's ability and readiness to execute an eventual PO in accordance with this tender requirement. Any deviation shall be clearly expressed in your offer:	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> No Reply	<input type="text"/>
Please confirm that: a) you are registered as a legal entity in accordance with the laws of your country b) You have attached the Certificate to the offer:	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> No Reply	<input type="text"/>
Please provide your debt ratio for the past 3 financial years (I.e. total debt/total assets):	<input type="text" value="0.00"/> USD	<input type="text"/>
Please confirm DAP Incoterms 2010 (Buenos Aires, Argentina):	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> No Reply	<input type="text"/>
Please confirm that you have enclosed a certified copy of the financial statement for the last 2-3 years of business or filled the attached version:	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> No Reply	<input type="text"/>
Please confirm that insurance will cover the full price of the goods including freight costs plus ten (10) per cent and shall be in the currency of the purchase order.:	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> No Reply	<input type="text"/>
Please indicate figures for the each of the last three annual financial statements: *	<input type="text"/>	<input type="text"/>
Please indicate figure (based on latest balance sheet)::	<input type="text" value="0.00"/> USD	<input type="text"/>



UNIDO's eProcurement Portal (cont'd)

How UNIDO communicates directly with companies in the RfX Functionality:

The screenshot displays the 'Display RfX : 700000234' interface. At the top, it shows RfX Number 700000234, Smart Number Solar PV Power System, RFX Status Published, RfX Start Date, and Submission Deadline 06.09.2013 17:00:00 CE. Below this, there are buttons for Close, Refresh, Questions and Answers (55), and Export. The main content area is titled 'Questions and Answers' and includes a Refresh button and a checked 'Display Time Stamps' option. A table lists five questions and answers:

Time Stamp	Sender	To	Message
27.08.2013 17:44:01	CET Aymen AHMED	Broadcast	output power and voltage of the system then there is no issue.
27.08.2013 17:44:13	CET Aymen AHMED	Broadcast	In section-II, Appendix 1, at page number 11, AC Distribution box, where, mentioned that 3 phase energy meter is required to measure the DC & Ac power. As there are no application of 3
27.08.2013 17:44:20	CET Aymen AHMED	Broadcast	Sorry for the inconvenience, that will be single phase energy meter not three phase.
27.08.2013 17:44:31	CET Aymen AHMED	Broadcast	For battery charging hub, the system consists 10 nos. of 12V / 25A charge controllers. where total PV power is 2.125 kW. Charge controller is too much over rated. Another reason is, we can't
27.08.2013 17:44:42	CET Aymen AHMED	Broadcast	25 pieces 85W solar PV panels. Two panels in parallel should be connected

Below the table is a 'Send Message' section with a dropdown menu for 'Send Question to:' set to 'Purchaser' and a text area for the message, followed by a 'Send' button. A 'Close' button is located at the bottom right of the interface.



Forms of Collaboration with UNIDO

Partnerships:

Which Type of Organization should Companies Normally Adopt?



Sub-Contracting

What are UNIDO's Rules on Collaborations With Local Business Partners?



Refer to the Instructions to Bidders section in the RFX, requiring bidders to specify in their Technical Bids:

the **names and qualifications** (including description of activities, number of personnel employed, references to the clients and completed projects) of the proposed sub-contractor(s) and/or equipment manufacturers, if any, and **the extent and nature of such sub-contracting** and/or equipment





Sub-Contracting

Most common form of collaboration among companies dealing with UNIDO:

UNIDO concludes contract with one company (“the Contractor”)



Contractor concludes individual contracts with sub-contractors



- Sub-contractors need to be indicated in the Technical Bid which will become part of the Contract under consideration;
- In case of non-performance, UNIDO only deals with the Contractor, not with sub-contractors.



Consortia

In principle, permitted by UNIDO – and due to the complexity of procurement cases increasingly applied.



Requirements:

- Bidders need to provide written declaration indicating:
 - **members** of consortium
 - nomination of the **leading company** with whom contract would be signed
 - **purpose** of establishment of a consortium
 - depending on the 'form' of a consortium **attach all 'legal' documents**
- Once declaration has been received and accepted, separate bids by individual member(s) of the consortium are not permitted and may be disregarded.



Procurement Tips

- Make use of information/publications available on the procurement page of UNIDO's web site www.unido.org/procurement;
- Register on the UN Global Marketplace (UNGM) at www.ungm.org;
- Regularly monitor procurement opportunities published on UNIDO and UNGM web sites;
- Always respond when invited to submit a bid, even if you should not be in a position to participate;
- Study bidding documents carefully;
- Use your right to ask for clarification if anything in the bidding documents is unclear;
- Ensure that your bid meets all requirements; if you cannot meet all requirements consider to sub-contract or form joint-venture/consortium;
- Submit required certificates, financial statements, catalogues, reports, etc in the required format and language
- Clearly mark and sign bids as required
- Meet deadline for submission of bids





Procurement and Innovative Solutions

- Procurement at the right price
- Balance customer requirements with market readiness and value for money
- Open competition: Once size fits it all?
- Beware of over-specified requirements
- Limit your terms and conditions to risks relevant to the type of procurement concerned [time of delivery, warranty, SLA, etc]
- Adapt, as far as you can, to vendor conditions
- Adapt, as far as possible, to market-ready products and services
- You get the right prices only when customers and providers understand each other
- Right size customer versus right size provider
- How important is it for the provider to have you as a customer?
- Long term relationship
- Cultural affinities
- Seasonal trends
- Economic cycles





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Thank you!