Operational Instruction Ref. OI.PG.2024.02
Procurement Procedures

Authority:

This Operational Instruction (OI) is promulgated by the Executive Chief Procurement Officer under Organizational Directive Ref. OD.PG.2021.01 – Procurement Framework of 22 June 2021.

Purpose:

The purpose of this OI is to outline the mandatory procurement instructions, procedures and processes. However, in carrying out procurement activities for or on behalf of UNOPS, UNOPS personnel shall refer to the Procurement Manual to be issued under this OI.

Effective Date:

This OI shall become effective on **20 September 2024.**

Promulgation Date:

16 Sep 2024

Consequential changes:

This OI shall replace and supersede OI.PG.2024.01 - Procurement Procedures. The purpose of this revision is to revise Annex 1 to refer to the revised Procurement DOA Master Table and to reflect the transfer of the role previously delegated to the Director, Implementation and Standards (IPS) to the Director, PG.

[signature redacted]

Raad Gilyana
Executive Chief Procurement Officer a.i.

1. Introduction

1.1. The following sections outline the mandatory procurement instructions, procedures and processes. However, in carrying out procurement activities for or on behalf of UNOPS, UNOPS personnel shall refer to the Procurement Manual issued by the Director, PG under this OI, as may be amended from time to time, which spells out details regarding these mandatory instructions, procedures and processes and related guidance and provisions to be complied with. In addition, relevant information is embedded into PQMS, oneUNOPS and other relevant systems to ensure better compliance.

2. General Considerations

Applicability

2.1. The mandatory procurement instructions, procedures and processes established in this OI apply to all procurement activities undertaken for or on behalf of UNOPS and its partners.

2.2. Subject to adherence by UNOPS to the general procurement principles, the Executive Director may agree to apply the regulations, rules, policies and procedures on procurement of any partner or such other entities as the Executive Director may decide (Fin. Reg. 18.04).

Definition of procurement

2.3. Procurement activities refer to the acquisition of property, plant and/or equipment, goods, works or services through purchase, hire, lease, rental or exchange from any source other than UN system organizations (Fin. Ref. 1.02).[1]

2.4. Per the OI UNOPS Works Contracts, works refer to all activities associated with the construction, reconstruction, demolition, repair or renovation of infrastructure or activities such as site preparation, excavation, erection, building, installation of equipment or materials, decoration and finishing, as well as services incidental to construction such as exploratory drilling, mapping, satellite photography, seismic investigations and similar services. While most of the procurement procedures are the same for the procurement of goods, services and works, there are specific provisions, solicitation documents and contracts for works which shall be used.

General procurement principles

2.5. The following general principles should receive due consideration when undertaking the procurement activities of UNOPS:

(a) Best value for money;
(b) Fairness, integrity and transparency;
(c) Effective competition; and
(d) The best interests of UNOPS and its clients (Fin. Reg. 18.02)

2.6. Best value for money shall be understood as the trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria (Fin. Reg. 1.02).

2.7. Fairness, integrity and transparency shall refer to offering equal opportunities to vendors, and ensuring that procurement activities are carried out with probity by both UNOPS personnel and

vendors through the provision of a high level of visibility and openness throughout the procurement process.

2.8. Procurement contracts shall be awarded on the basis of effective competition, unless exceptions to the use of formal methods of solicitation are justified (Fin. Reg. 118.03). Competition shall be made on as wide a geographic basis as is practicable through appropriate procurement strategies and leveraging information from market research, in order to further enable the achievement of best value for money.

2.9. Undertaking procurement in the interest of UNOPS and its partners shall refer to focusing on the achievement of the objectives set out in project agreements while maintaining the image and reputation of the organization. In doing so, UNOPS shall carry out background checks/due diligence of vendors prior to contract award.

Ethics

2.10. As UNOPS undertakes procurement using public funds, it is imperative that all activities conform to the highest standards of ethical conduct. All UNOPS personnel involved in procurement activities shall maintain the highest standard of integrity in all business relationships, both inside and outside UNOPS.

2.11. Neither UNOPS personnel nor vendors participating in a procurement process shall have a conflict of interest. If any UNOPS personnel believe they have a conflict of interest, it must be promptly and fully disclosed to the UNOPS Ethics Office. Vendors must disclose any actual or potential conflict of interest in their bid submissions.

2.12. UNOPS personnel are subject to a general prohibition from accepting in the course of their duties gifts or hospitality from outside sources.

2.13. UNOPS expects all vendors who wish to do business with UNOPS to embrace the United Nations Supplier Code of Conduct. Furthermore, UNOPS expects all its suppliers to adhere to principles of the United Nations Global Compact.

2.14. UNOPS shall also require that the vendors we work with operate with high standards of integrity and competency. There shall be a zero tolerance against fraud and other proscribed practices. Should a vendor engage in a Proscribed Practice (corruption, fraud, coercion, collusion, unethical practice, obstruction) within the context of a UNOPS procurement, UNOPS grant or UNOPS partnership arrangement, they may be sanctioned further to the provisions in the OI on Vendor Sanctions.

2.15. In order to ensure that vendors operate responsibly and in accordance with high standards of integrity, UNOPS may request and verify information, including through conducting site inspections, on areas related to human rights, labour rights, ethical conduct, sexual exploitation and abuse and environmental responsibility, as part of its DRiVE programme (Delivering Responsibility in Vendor Engagement).

Roles and responsibilities

2.16. There are four key roles within a procurement process: project manager/requisitioner, procurement official, procurement reviewer, committing officers with procurement authority (PA). As per the FRR and OD on the Procurement Framework, the PA shall be designated by the ECPO or the Director, PG upon delegation of authority from the ECPO. The responsibilities of these roles, as well as the essential segregation of duties measures among these roles, are set out in the Procurement Manual and in compliance with the OD Internal Control Framework.

2.17. The role of PA may only be carried out by UNOPS personnel holding a valid delegation of authority (DOA). Authorized personnel shall be responsible for the procurement activities within their designated

level of delegated authority. The levels of delegated authority in procurement are set out in a Master Table of Authority in Procurement which is published on the UNOPS intranet, and may be amended from time to time.

2.18. In order to increase the efficiency and effectiveness of procurement operations, the ECPO and the Director, PG, may approve that certain UNOPS projects or business units are granted one or various of the following special measures during a specific period of time:

- Increased thresholds for Delegation of Authority in procurement (DOA);
- Increased thresholds for review by Contracts and Property Committees (CPC);
- Increased threshold for the usage of the Request for Quotation (RFQ) solicitation method;
- Other special measures as approved by the ECPO and the Director, PG.

2.19. In the event that special measures are granted, accountability to ensure compliance of the procurement activities to relevant UNOPS procurement policies and procedures shall remain with the PA with responsibility in such procurement activities.

2.20. The potential adoption of special measures shall be subject to a prior assessment led by the Procurement Group, with support from other key units including IPAS and CPC, and shall be monitored throughout their implementation to identify lessons learned and their potential mainstreaming into regular procurement procedures in the future.

2.21. All UNOPS personnel undertaking the above roles must complete the mandatory courses designed for such roles in the UNOPS procurement training strategy, as may be adjusted from time to time.

3. Supplier registration and eligibility

3.1. UNOPS contracts shall only be awarded to vendors that are registered with the United Nations Global Marketplace (UNGM), except where indicated in the Procurement Manual. Furthermore, for procurement processes carried out through the UNOPS eSourcing system, it is mandatory for vendors to register in UNGM to access the full tender details, request clarifications and submit an offer.

3.2. In addition, vendors must be registered in the oneUNOPS supplier database, for which they will be required to complete a supplier form, including their banking details. All vendors are approved in oneUNOPS by the UNOPS Bangkok Shared Service Centre (BSSC).

3.3. It is in UNOPS interest to foster competition as much as possible in its procurement processes and therefore deems all vendors eligible to be awarded a contract, unless a vendor is deemed ineligible under any of the following:

a) The vendor is from a nationality excluded under the project agreement to which the procurement process relates, as signed between UNOPS and its client/partner.

b) The vendor has a conflict of interest.

c) The vendor is included in any of the following ineligibility lists: United Nations Ineligibility List (UNIL) which includes UNOPS' ineligibility list; World Bank Corporate Procurement Listing of Non-Responsible Vendors and World Bank Listing of Ineligible Firms and Individuals; Consolidated United Nations Security Council Sanctions List.

d) The vendor is included in an ineligibility list of the client/partner, if such provision is included in the project agreement signed with UNOPS.

e) The vendor is currently suspended from doing business with UNOPS, for reasons other than engaging in Proscribed Practices subject to the OI Vendor Sanctions, including but not limited to:

i. Where a vendor has shown significant or persistent deficiencies in the performance of a prior UNOPS contract which led to early termination of the contract, application of damages or similar actions, as documented through a Supplier Performance Evaluation.

ii. Genuine concern about the supplier's ability to satisfactorily perform contractual obligations, such as, without limitation, filing for bankruptcy, being declared insolvent or the company is in or has recently been in receivership;

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

iv. If a criminal conviction or civil judgment or administrative determination has been issued against a supplier indicating a lack of business integrity or business honesty;

v. If the vendor has undertaken any other action that is so serious or compelling in nature that it could result in harm to UNOPS reputation or image;

vi. If UNOPS has a dispute, claim or other contentious issue pending with a supplier, where the General Counsel has advised that this either compromises or calls into question the ability of that supplier to perform or where performance would be inconsistent with the effective resolution of any dispute;

vii. If other compelling information available to UNOPS indicates that a vendor lacks business integrity or business honesty or its ability to satisfactorily perform a contract may be compromised.

3.4. Decisions further to section 3.3(e) above, shall be made by the Director PG based on a recommendation by a Vendor Review Committee (VRC) appointed by him/her for that purpose. If necessary, e.g. if the volume of cases is expected to be significant in a given UNOPS project or region, the Director, PG may appoint more than one VRC and corresponding Chairperson to make recommendations to him/her on possible suspensions under section 3.3(e).

3.5. A suspension under section 3.3(e) above shall have the following effects:

i. The vendor shall be suspended from doing business with UNOPS and, if applicable, shall be removed from UNOPS vendor databases(s).

ii. The vendor will be ineligible for the award of a UNOPS contract for the duration of the suspension.

iii. Eligibility is considered at the time of contract award. Therefore a vendor who has been suspended under section 3.3(e) is ineligible for any new UNOPS contract award for the duration of the suspension, including in respect of a tender process with a closing date which preceded the decision to suspend the vendor.

iv. The section 3.3(e) suspension extends only to UNOPS processes. It does not make a vendor ineligible for awards across the rest of the UN system by its inclusion in the United Nations Ineligibility List (UNIL).

v. The Director, PG may, after consulting ECPO, decide that it would be appropriate to publish on UNOPS website information regarding full suspensions imposed under section 3.3(e). Any such publication may be restricted to certain categories of vendors or grounds for the full suspension.

3.6. A VRC established to review requests under section 3.3(e) shall be formed by at least a Chairperson and two members appointed by the Director, PG, and shall operate per the following procedures, as may be further detailed in the Procurement Manual:

3.6.1 Should UNOPS decide to suspend a vendor from doing business with UNOPS for a specific period of time, under section 3.3(e) above, the vendor shall be notified, in writing, including details and grounds for the imposed suspension and the procedures to seek rehabilitation, if applicable.

3.6.2 Requests for rehabilitation may be made by a vendor to the VRC, normally when at least half of the suspension period has expired, provided it can demonstrate that the grounds stated in the notification of suspension no longer exist.

3.6.3 UNOPS decisions on vendor suspensions for reasons other than proscribed practices shall be reflected internally in the oneUNOPS supplier profile, in the UNOPS Claims Log and in UNGM, where relevant.

3.6.4 Should a UNOPS unit consider that exigency or other circumstances warrant the participation of a suspended vendor in a UNOPS procurement process, a request for waiver must be submitted to the VRC, which shall make a recommendation to the Director, PG.

3.6.5 When it is deemed necessary to protect the interests of UNOPS based on the information available to the VRC, the Director, PG, upon request from the Chairperson of the VRC may decide, at any time during the proceedings, that a vendor shall be subject to an interim suspension for the duration of vendor review proceedings. The decision to suspend a vendor in the interim shall be communicated to the vendor.

3.6.6 A vendor that is subject to an interim suspension under section 3.6.5 above shall not be prevented from participating in new UNOPS activities automatically, but UNOPS units considering working with the vendor shall first seek the approval from the Director, PG before deciding to award a new contract to the vendor.

4. Procurement process

4.1 The standard UNOPS procurement process consists of ten stages that can be categorized in three groups; pre-purchasing, purchasing and post-purchasing. Pre-purchasing steps include: procurement strategy and planning, requirements definition, sourcing. Purchasing: solicitation, management of submissions, evaluation, review and award. Post-purchasing: contract finalization and issuance, logistics, contract management.

5. Procurement process provisions

5.1 The below sections outline key provisions under each of the ten procurement process stages.

Procurement strategy and planning

5.2. Developing a strategic approach to procurement is a key element for successful acquisition of goods, services and works and necessary for timely implementation of projects or operations.

5.3. UNOPS projects, centres or hubs with a procurement volume estimated to exceed USD 50 Million in a year shall prepare a procurement strategy document within the first quarter of the year, to be approved by the corresponding Country or Hub Director and be shared with PG and IPAS Procurement for information purposes.

5.4. Procurement planning for an individual procurement activity includes setting up the timelines required to perform each step of the procurement process per the identified solicitation method, contract type and type of competition. Procurement planning is a mandatory requirement for all UNOPS business units for procurement activities with a value exceeding USD 50,000, but also constitutes good practice for lower amounts.

5.5. The Procurement Group shall be responsible for compiling all UNOPS procurement plans on an annual basis and for analyzing the data provided. In order to alert the vendor community of forthcoming procurement requirements and to uphold the basic procurement principles, the UNOPS corporate procurement plan shall be uploaded to the UNOPS website.

Requirements definition

5.6. Requirements definition is a systematic approach aimed at defining the procurement with the purpose to identify the precise needs of the requisitioner and to determine the best solution to meet those needs.

5.7. Requirements definition for goods and services can take the form of technical specifications, terms of reference or statement of work. For works requirements, these can be: terms of reference for design and other technical consultancy services for works, design document for works, Employer's Requirements for Design and Build Construction Contracts.

5.8. It is mandatory to initiate all procurement activities with a value equal or above USD 10,000 except where indicated in the Procurement Manual.

5.9. Requirements must be generic and defined with the aim of engendering competition; no specific brands, or other unnecessary restrictions can be requested unless for justified standardization purposes.

5.10. In determining the procurement strategies and requirements definition for particular categories of goods and services, procurement officials shall be guided by the instructions set forth in the Procurement Manual, including but not limited to:

> **a**. The procurement and supply of medicines, medical devices and other health products shall be done in compliance with Procurement Manual Annex 2: Quality Assurance Policy for medicines, medical devices and other health products.
>
> **b**. The procurement of certain products must be done by all UNOPS business units using UN Web Buy Plus. An updated list of these products, as may be adjusted from time to time, is kept on the intranet.
>
> **c**. Procurement of services expected to process, access, hold, or transmit UNOPS confidential data shall follow the Guidance on Information Security in Supplier Relationships.
>
> **d**. Procurement of software for official UNOPS use shall only be done after approval of UNOPS Information Technology Group, per the OI Security and Access.

Sourcing

5.11. Sourcing is the process of identifying suitable suppliers that could provide required goods, services or works for UNOPS.

5.12. Sourcing is carried out by two main methodologies: (a) market research, including through internal and external sources; and (b) advertisement of business opportunities, through either open competition solicitation, or through sourcing methods (RFI, EOI, pre-qualification).

5.13. All UNOPS business opportunities must be advertised on UNGM and on any website/media specified as mandatory in the project agreement. In addition, it should be advertised or distributed in a manner that, according to the nature and circumstances of the requirements, would lead to the most beneficial responses.

5.14. If the sourcing process is used to create a short list of suppliers to be invited to a limited competition tender, supplier selection must follow the provisions set out in the Procurement Manual, and the short list must be approved by the relevant PA.

Solicitation

5.15. Solicitation is the generic term for a request to suppliers to offer a bid, quotation or proposal. This is done either through formal methods of solicitation or exceptions to formal methods of solicitation.

5.16. Unless exceptions to the use of formal methods of solicitation are justified (point 5.24 below), procurement contracts shall be awarded on the basis of effective competition which include:

a) Acquisition planning for developing an overall procurement strategy and methodology;

b) Market research for identifying potential contractors;

c) Competition on as wide a geographic basis as is practicable and suited to market circumstances; and

d) Consideration of prudent commercial practices (Fin. Rule 118.03).

5.17. Open international or national/regional competition is the default method of competition. In the event of a valid reason (as set out in the Procurement Manual) for not holding an open competition and if approved by the PA, a limited competition tender may be issued where only selected vendors are invited to participate in a solicitation. Limited international and national/regional competition is restricted to a short list of suppliers selected in a non-discriminatory manner from rosters, pre-qualifications, expressions of interest, market research, etc.

5.18. There are four solicitation methods: shopping, Request for Quotation (RFQ), Invitation to Bid (ITB) and Request for Proposal (RFP). The first two are considered non-formal methods (to be used for procurements up to USD 10,000 in the case of shopping, and up to USD 250,000 for RFQ) and the latter two as formal methods of solicitation to be used for values equal or above USD 250,000.

5.19. Subject to the approval of the Director, PG, alternative procedures for the procurement of innovative goods and services may be applied per details in the Procurement Manual.

5.20. UNOPS standard solicitation documents shall be used when soliciting offers from suppliers through RFQ, ITB or RFP. While the details and complexity of solicitation documents will vary according to the nature and value of the requirements, they shall contain all information necessary to prepare a suitable offer, including: the tender particulars and instructions to bidders, evaluation method and criteria, UNOPS requirements, returnable bidding forms/schedules, and contractual information. For procurement of works, the specific solicitation documents for works must be used.

5.21. For the procurement of works, to ensure that the necessary standards for design of UNOPS projects are followed, it is mandatory that prior to commencing the tender process, all infrastructure

designs and technical specifications have been reviewed and assessed for design risks according to UNOPS applicable design planning manual and that IPMG has issued a Certificate of Design Review Compliance.

5.22. Contracts must be awarded in accordance with the evaluation methodology that corresponds to the selected solicitation method: 'lowest priced, most technically acceptable offer' methodology for RFQs and shopping; 'lowest priced substantially compliant offer' for ITBs, and 'cumulative analysis' of technical and financial proposals for RFPs as per definitions included in the Procurement Manual. The evaluation criteria should include as applicable: formal and eligibility criteria, qualification criteria, technical criteria, and financial criteria.

5.23. The solicitation documents must be pre-cleared by a Procurement Reviewer if applicable. The deadline for submission should allow vendors a sufficient number of days to prepare and submit an offer. Unless otherwise approved by the PA, the following minimum solicitation period applies: 5 calendar days (RFQ), 15 calendar days (ITB for goods and works), 21 calendar days (ITB for services and RFPs).

5.24. Particular provisions regarding invitation of vendors shall apply as stated in the Procurement Manual, including: distribution of solicitation documents, confidentiality of the short list, amendments to solicitation documents, cancellation of the solicitation process, solicitation of offers in situations of direct contracting under sole sourcing, solicitation of offers against LTAs, communication with vendors.

5.25. As per Fin. Rule 118.05, the Executive Chief Procurement Officer (ECPO) or authorized personnel may determine, for a particular procurement activity, that using formal methods of solicitation is not in the best interests of UNOPS and its clients when:

(i) The value of the procurement is below a specified monetary threshold established for formal methods of solicitation;

(ii) 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;

(iii) There has been a previous determination with regard to an identical procurement activity, or there is a need to standardize the requirement following recent procurement activity;

(iv) The proposed procurement contract is the result of cooperation with other organizations of the United Nations system, pursuant to Rule 118.02 (c) or governments and organizations other than those of the United Nations system, pursuant to Rule 118.02 (d);

(v) Offers for identical requirements have been obtained competitively within a reasonable period and the prices and conditions offered by the proposed contractor remain competitive;

(vi) A formal solicitation has not produced satisfactory results within a reasonable prior period;

(vii) The proposed procurement contract is for the purchase or lease of real property;

(viii) There is a genuine exigency for the requirement;

(ix) The proposed procurement contract relates to obtaining services that cannot be evaluated objectively; and

(x) The ECPO or authorized personnel otherwise determine that a formal solicitation will not give satisfactory results including, but not limited to, the situations where the proposed contractor is pre-selected by the funding source pursuant to Rule 118.02 (e).

5.26. When direct contracting under sole sourcing is justified (per section 5.25 above, paragraphs ii to x) the following procurement actions shall still be required: (a) writing the requirements definition; (b) soliciting an offer from the selected vendor based on the requirements definition and the UNOPS General Conditions of Contract; (c) evaluating the offer and carrying out negotiations if applicable; and (d) awarding the contract through the appropriate PA, with prior review by a Procurement Reviewer or CPC as applicable.

5.27. Pursuant to the project agreement and subject to review by a contracts and property committee(s) where necessary in accordance with the FRRs, the ECPO or authorized personnel may authorize the issuance of contracts in reliance on the pre-selection of a contractor or implementing partner by the funding source, per further provisions detailed in the Procurement Manual.

5.28. All procurement processes for a value of USD 10,000 or above must be carried out in the UNOPS eSourcing system. This excludes cases done under Emergency Procurement Procedures (EPP) and any other applicable exceptions set out in the Procurement Manual.

5.29. Subject to ex-ante authorization by the Director, PG, UNOPS business units may use an e-reverse auction system for identified tenders.

Management of submissions

5.30. It is the responsibility of suppliers to ensure that offers are submitted to UNOPS in accordance with the stipulations in the solicitation documents. UNOPS will not accept submissions after the stated deadline for submission except if approved, on a case-by-case basis by the Director, PG, per provisions in the Procurement Manual.

5.31. Bidders may modify or withdraw their offers only prior to the submission deadline.

5.32. For procurement values equal or exceeding USD250,000 (except for RFQs under secondary bidding under a LTA, RFQs under Emergency Procurement Procedures and processes done with the eSourcing system) an individual not directly concerned with the procurement function must be appointed to receive all offers.

5.33. For ITBs and RFPs, a bid opening panel must be appointed by the PA and consist of a minimum of two individuals, where at least one individual has no involvement in the subsequent stages of the procurement process, except for processes carried out with the eSourcing system, and documented waivers of segregation of duties in small offices.

5.34. The bid opening report shall be available for viewing by bidders who submitted bids and may be made available electronically if the bidder requests a copy.

5.35. Public bid opening may be held if the PA determines it is in the interest of UNOPS and such information must be included in the solicitation document.

Evaluation

5.36. Evaluation is the process of assessing offers in accordance with the evaluation methodology and criteria stated in the solicitation document.

5.37. Prior to starting the evaluation, the PA must approve the composition of an evaluation team comprised of minimum two members per provisions in the Procurement Manual.

5.38. Particular provisions regarding the evaluation stage are detailed in the Procurement Manual: handling of deviations, clarifications from vendors, evaluation of lots, review of offers received in situations of direct contracting or sole sourcing, complaints and representations, indications of potential fraud, Best and Final Offer (BAFO).

5.39. As part of the evaluation, it is recommended to always undertake an assessment of the reasonableness of price to establish value for money, and such justification is mandatory when less than three substantially compliant offers have been received. For engagements pertaining to new or complex industries or goods or services, a UNOPS business unit may develop a particular methodology for the justification of reasonableness of price, which if approved by the Director, PG, could be used for all procurement processes related to those requirements.

5.40. UNOPS does normally not enter into negotiations further to a formal method of solicitation, but there may be circumstances that justify the practice. They can only be conducted with the vendor selected for recommendation of award and if due cause exists per provisions in the Procurement Manual.

5.41. The results of the evaluation shall be documented in an evaluation report to be signed by the evaluation team members.

5.42. After completion of the evaluation but prior to award, UNOPS shall conduct background checks/ due diligence on the bidder recommended for award to verify that the bidder meets the criteria set forth in the solicitation document or as appropriate to the nature of the procurement process, and may reject a bidder on the basis of these findings, which shall be documented. Further provisions including the tiered risk approach to be followed for background checks are included in the Procurement Manual.

Review and award

5.43. All procurement activities are subject to a review process prior to award. The review process should ensure that that appropriate authority has been obtained for the commitment of funds; that the best interests of UNOPS and its clients are protected; and that the procurement activities are carried out in conformity with UNOPS FRRs, relevant policies and procedures and are in accordance with generally recognized leading business practices.

5.44. Procurement review shall be done by either: (a) the PA directly, (b) a Procurement Reviewer, or (c) a contracts and property committee (CPC), subject to the applicable thresholds.

5.45. Award is, as per UNOPS FRRs, the authorization given by authorized personnel to establish a commitment. In the context of UNOPS procurement, this refers to the decision that authorizes establishment of a contract with a selected supplier. Contracts are awarded by the relevant authorized PA, and when applicable, based on recommendations from a CPC.

5.46. Requests for award for any works contract must include a contingency sum of between 6 percent and 12 percent in the procurement submission except in situations identified in the Procurement Manual. Requests for award for goods or services contracts may also include such contingency sum.

5.47. The UNOPS FRRs require that the award takes place prior to any commitment being entered into by UNOPS. A post facto or retroactive situation occurs when a commitment has been made by UNOPS, or existed de facto, before an award of contract has been made.

5.48. UNOPS posts on its website (http://data.unops.org/) information about all awarded purchase orders, upon approval in the ERP system (oneUNOPS). Furthermore, when a tender process has been carried out using the UNOPS eSourcing system, information on the contracts awarded will be posted on the UNGM website.

5.49. UNOPS may debrief unsuccessful bidders upon written request,per provisions in the Procurement Manual. The request for debrief must be received within 10 calendar days of the notification by UNOPS of the tender results to unsuccessful bidders and is a prerequisite for a bidder to file a bid protest.

5.50. Suppliers that believe that they have been unjustly treated in connection with a solicitation process or a shortlist following an EOI or a pre-qualification process by a UNOPS Business Unit may lodge a bid protest through the bid.protest@unops.org[1] email address, subject to the receivability criteria and other details set out in the Procurement Manual.

5.51. Bid protests shall be managed by a Registrar appointed by the Director, RCG and the ECPO. After completing the review of the bid protest, the Registrar shall send a recommendation to the Director, RCG.

5.52. The Director, RCG, at the recommendation of the Registrar (supported by technical experts as needed), may make the following final determinations in response to a bid protests found to have merit, which shall not be subject to appeal or review:

a. In regards to the awarded contract: allowing the awarded contract to be performed in its entirety; limiting the duration of the awarded contract; or terminating in its entirety the awarded contract.

b. In regards to an EOI or a pre-qualification process, either cancelling the process; or adding a supplier to the short-list.

c. Authorizing, on an exceptional basis and upon consultation with the CFO and the General Counsel, a financial compensation of up to USD 50,000 to the protesting bidder as reimbursement of reasonable costs.

5.53. The Registrar shall prepare an annual report on bid protests managed in the year, to be shared with the Director, RCG, ECPO and Director PG. The annual report should include key statistics for the year, as well as highlight potential trends and make recommendations for policy or process improvements (including training) if relevant.

5.53A. The current version of the OI Procurement Framework, Procurement Manual and some tender templates may still retain references to the Director of Implementation Practices and Standards (IPS). Pending the update of those documents, any references therein to the Director, IPS in respect of bid protests shall be read as references to the Director, Risk and Compliance Group (RCG), and Director, PG as relevant and revised in this OI

Contract finalization and issuance

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

5.55. UNOPS model contracts must be used as included in the intranet, except other formats that are routinely used in certain industry sectors if approved by Legal or if the donor imposes different templates and is agreed to in the Project Agreement. Current UNOPS model contracts include, for goods and services: purchase order, goods contract, small services contract, professional services contract, Long Term Agreement (LTA), Blanket Purchase Agreement (BPA). For works, current contracts are as included in the OI Works Contracts, as may be amended from time to time, and currently consist of: Consultant Services Contract for Works, Minor Works Construction Contract, Short Form Construction Contract, Measured Price Construction Contract, Lump Sum Construction Contract, Design and Build Construction Contract. Additional model contracts might be developed in future if relevant.

1. mailto:bid.protest@unops.org

5.56. Further details on each model contract are included in the Procurement Manual, including particular provisions regarding the establishment and usage of LTAs and BPAs.

5.57. Written procurement contracts shall be used to formalize every procurement activity with a monetary value of USD 2,500 or above. Furthermore, for all contracts with a value equal or above USD 2,500 a purchase order must be created in the UNOPS ERP system (oneUNOPS), except where indicated in the Procurement Manual.

5.58. All contracts must be signed by a PA on behalf of UNOPS except when the purchase order generated in the UNOPS ERP system (oneUNOPS) is used as the contract itself and it has been approved electronically by an appropriate PA in the ERP system.

5.59. The contract shall be created and approved in the oneUNOPS contract management module, in addition to being issued in a document format, except for instances where the oneUNOPS purchase order itself is the contract.

5.60. Fin. Rule 105.01(c) states that commitments shall not be made under a project agreement prior to the receipt of project funds except in cases of approved advance financing activities. As such, PAs shall ensure that no contract is signed with a contractor without having the full amount encumbered for the same in oneUNOPS, except for approved advance finance situations. Other valid situations, such as multi-year contracts with yearly funding mechanisms, shall be cleared by a Legal Advisor.

5.61. Fin. Rule 122.20 states that except where normal, commercial practice or the best interests of UNOPS so require, no contract shall be made on behalf of UNOPS which requires payment(s) in advance of the delivery of products or the performance of contractual services.

5.62. Whenever an advance payment is agreed upon in accordance with UNOPS policies and procedures, the reasons therefore may be justified in writing. Such authorization shall normally not exceed USD 500,000 or 25 per cent of the total purchase price under the relevant contract, whichever is the lesser. Additionally, advance payments in excess of $ 250,000 shall not be made without advance receipt of an irrevocable guarantee made in favour of UNOPS from a bank or other guarantor acceptable to UNOPS. Requirements on the approval of advance payments are detailed in the Finance DOA Master Table.

5.63. Guarantees received by UNOPS in particular those for advance payment security and performance security must be reviewed upon receipt (and before disbursement of the advance payment, if applicable) for authenticity by a UNOPS personnel holding an appropriate level of DOA, as corresponding to the value of the guarantee and following the guidelines issued by the Finance Group (FG).

Logistics

5.64. Logistics is the process of planning, implementing and controlling the efficient, cost-effective flow and storage of goods and related information from point of origin to point of consumption for the purpose of conforming to customer requirements.

5.65. Incoterms 2020 shall govern shipment terms of UNOPS contracts provided that this requirement is stipulated in the general terms and conditions of contract. The use of the DDP Incoterm is incompatible with UNOPS status as part of the United Nations (UNOPS is exempt from paying direct taxes and duties). It, therefore, must never be used in solicitation documents, PO and contracts (except under the provisions set out in the Procurement Manual and if approved by a Legal Advisor).

5.66. Detailed provisions regarding packing and labelling, shipping and transportation, insurance, inspection and restrictions on the export or imports of goods are included in the Procurement Manual.

Contract management

5.67. Contract management and administration refers to all actions undertaken after the award of a contract and relates to activities such as: vendor performance monitoring, contract amendments, payments, contract closure, record retention, maintenance of the contract file, etc.

5.68. Contract management and administration is the responsibility of the project manager/ requisitioner as supported by the procurement official in charge of the procurement process.

5.69. Supplier performance evaluation (SPE) is mandatory for all procurement activities valued at USD 50,000 or above but is recommended for lower values too, if relevant and must be performed in a timely manner which shall not exceed one month after contract completion.

5.70. If a contractor has shown significant or persistent deficiencies in the performance of a UNOPS contract which led to early termination of the contract, application of damages or similar actions as documented in a SPE, the Director, PG may decide, upon review of the documentation, that such vendor is suspended from doing business with UNOPS further to the provisions set out in paragraphs 3.3 and 3.4. .

5.71. Contracts may be amended further to the provisions set out in the Procurement Manual, and may require a prior review by a CPC subject to applicable thresholds.

5.72. Contract termination occurs either by mutual convenience or when one party ends the contract for breach by the other. In all cases of termination, prior consultation and advice must be sought from a Legal Advisor.

5.73. Procurement officials must establish a procurement file for each procurement process. In line with the procurement principles of transparency and accountability, and in order to facilitate internal and external audits of UNOPS operations, every step in the procurement process shall be documented and kept on file (hard copy or electronic). For procurement processes handled with the eSourcing system, documentation included therein, i.e. solicitation documents, bid opening report, bids received, evaluation team approval, evaluation documentation, evaluation clarifications, award approval, etc. don't need to be kept in another electronic filing system.

6. Cooperation

6.1. Fin. Rule 118.02 provides the following two possibilities of cooperation: Fin. Rule 188.02 (c) - Cooperation with United Nations system organizations and Fin. Rule 188.02 (d) - Cooperation with governments and organizations other than those of the United Nations system.

6.2. Modalities of cooperation with UN organizations include any of the following, as detailed in the Procurement Manual: joint solicitation; re-use of UN entity tender results; using UN entity Long Term Agreements; obtaining goods, services or works from a UN entity; and outsourcing to a UN entity. If UNOPS were to procure through another UN entity, it shall be documented in the form of an appropriate legal instrument and be approved further to the provisions in the OI Grants Support.

7. Sustainable Procurement

7.1. Sustainable procurement is the practice of integrating requirements, specifications and criteria that are compatible with and in favour of the protection of the environment, social progress and the support of economic development, primarily by seeking resource efficiency, improving the quality of products and services and ultimately optimizing costs.

7.2. In line with UNOPS' EOD on Occupational Health and Safety, and Social and Environmental Management, all UNOPS personnel involved in procurement activities shall consider sustainable procurement to the extent possible within the context of their work, the country, the industry sector, and the supply market, with the objective that in due time, sustainable procurement becomes the default modality of procurement in the organization.

7.3. In order to meet the above objective and to continue to advance in this area, UNOPS has developed a mandatory but flexible Sustainable Procurement Framework, which is detailed in Annex 1 of the Procurement Manual. The framework is applied to the procurement of certain goods and services, and to certain contract types for procurement processes equal to or above US$ 5,000. Some exceptions apply as detailed in the Sustainable Procurement Framework and in addition, where market conditions are not deemed suitable for such considerations – either due to lack of availability or for value for money concerns – a waiver may be requested from the Director, PG.

8. Risk management

8.1. Risks in procurement can arise at any stage of the procurement process. At the procurement process level, the Project Manager should work closely with the Procurement Official in identifying potential risks, assessing impact and probability to understand the consequences, and putting in place appropriate mitigation measures.

9. Emergency Procurement Procedures (EPP)

9.1. Pursuant to Fin. Rule 118.05(b), the ECPO has established the following emergency procurement procedures:

a) Definition of emergency situation: "urgent situations in which there is clear evidence that an event or a series of events has occurred which imminently threatens human life/lives or livelihoods, and where the event or a series of events produces disruption in the life of a community on an exceptional scale."

b) Based on the definition mentioned above, the ECPO determines when there is an emergency situation justifying use of the emergency procurement procedures. Therefore, requests for approval of the use of the emergency procurement procedures must be presented to the ECPO using the standard corporate template.

c) Upon approval by the ECPO of the use of the emergency procurement procedures, Request for Quotations (RFQs) may be used for solicitation of offers regardless of the value of the procurement. Notwithstanding section (b) above, where such ECPO approval has been granted, the solicitation of offers using an RFQ shall be deemed to be a formal method of solicitation.

d) Save as stated in the following paragraph, the PA for awards made under emergency procurement procedures is the same as for normal awards.

e) The committee designated to review emergency procurement submissions will be indicated by the ECPO at the time of his/her approval. If a CPC review is required according to the OI establishing CPC scope and thresholds, the following simplified review process is established for emergencies:

(i) Procurement undertaken following the approval of the ECPO to use emergency procedures can be submitted to the relevant PA for award through the chairperson of the relevant contracts and property committee.

(ii) There is no requirement for a full committee review, but the chairperson reviews and provides written advice to the relevant PA. Alternatively, an ad hoc meeting of the relevant CPC can be called at the discretion of the chairperson.

f) The approval for use of EPP is time- bound, limited to a specific operation and may also be limited to the procurement of defined products in relation to a specific operation. Contract awards can only be done outside the approved EPP period provided the solicitation process for that procurement activity was initiated within the EPP period.

9.2. Additional instructions on emergency procurement procedures are set out in the Procurement Manual.

Annex 1: Master Table of Authority in Procurement

Copy of Annex 1: Master Table of Authority in Procurement

Annexes

- Annex I Master Table of Authority in Procurement
