



Procurement in UNHCR

Procurement Services (PS)

2017

What would you do?

Violent conflict spreads in your area. You and your children prepare to flee home on foot. You have 3 minutes to decide what to bring. Do you...

- Grab your passport, identity papers and money?
- Gather clothes for the children, a blanket and an umbrella?
- Pack a cooking pot and spoon, dried beans, matches and a shawl?



UNHCR's Role and Mandate

ROLE: protect and support refugees at the request of a government or the UN itself and assists in their voluntary repatriation, local integration or resettlement to a third country.



14 December 1950 by the UN General Assembly

MANDATE:

- provide **protection** for refugees and other persons of concern
- provide **assistance** for refugees and other persons of concern
- pursue **durable solutions** for their problems

Persons of Concern

A woman wearing a blue headscarf and a dark blue long-sleeved shirt is looking out from a tent. She is holding a blue water container. The tent is made of grey fabric and has a blue plastic container hanging from the top. In the background, a green bicycle is visible.

These include refugees under the 1951 Convention, persons who have been forced to leave their countries as a result of conflict or events seriously disturbing public order, returnees, stateless persons, and, in some situations, internally displaced persons.

“UNHCR's authority to act on behalf of persons of concern other than refugees is based on General Assembly resolutions”.

UNHCR publication Protecting Refugees: A Field Guide for NGOs, #GV.E.99.0.22, 2nd edition (Dec 2001)

The World in Numbers

At the middle of 2017 there were **67.4 million people forcibly displaced worldwide**

– some 300,000 less than half a year earlier.

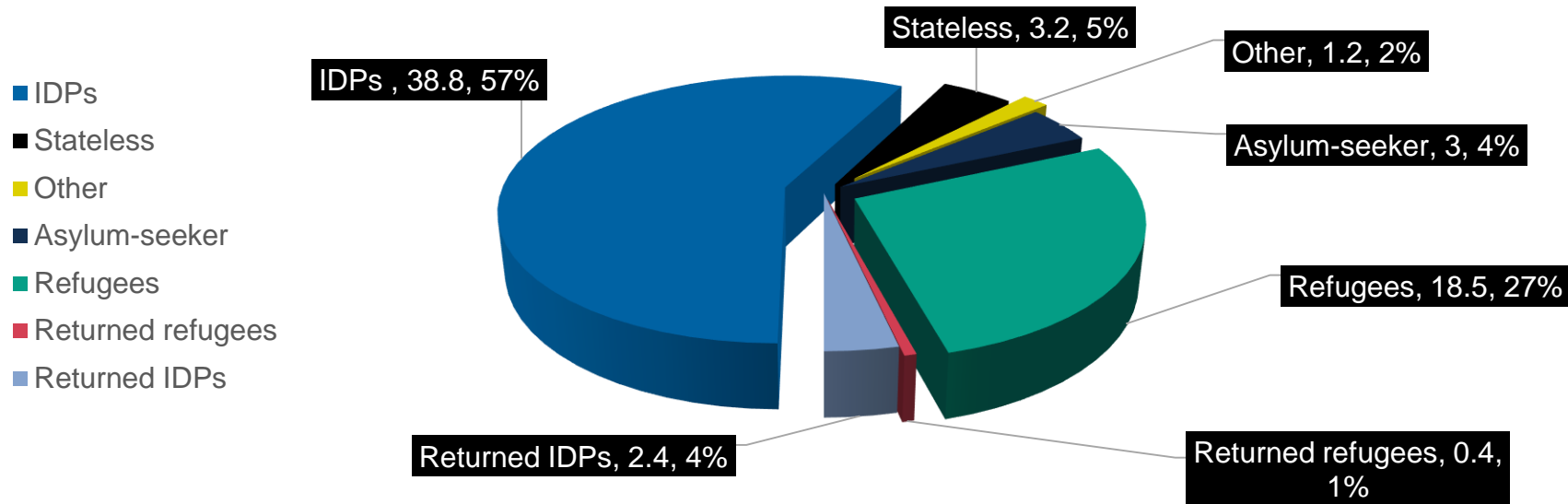
This total represents an enormous number of people needing protection worldwide.



<http://popstats.unhcr.org/>

Persons of Concern by their status

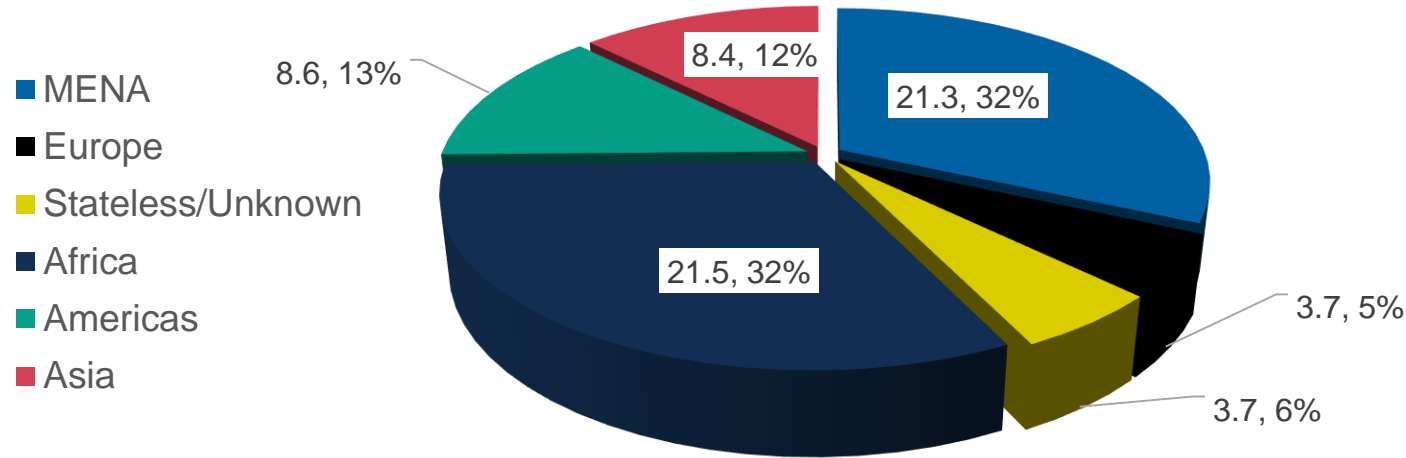
(million and %) as of middle of 2017



By middle of 2017, the total number of refugees stood at 18.5 million individuals while the number of IDPs was 38.8 million.

Number of PoCs as per region of origin

(million and %) as of middle of 2017



TOP 15 countries of origin as of middle of 2017 (millions of PoC):

1. Syria (12.47) **2.** Colombia (7.85) **3.** Iraq (5.22) **4.** Afghanistan (5.04) **5.** DRC (4.69) **6.** South Sudan (3.91) **7.** Stateless (3.28) **8.** Sudan (3.04) **9.** Yemen (2.97) **10.** Nigeria (2.78) **11.** Somalia (2.64) **12.** Ukraine (2.04) **13.** CAR (1.17) **14.** Myanmar (0.92) **15.** Burundi (0.77)

A SIGNIFICANT HUMANITARIAN ORGANIZATION

- Approximately **10,966 employees**
- **88%** of staff works in the **field**
- Present in **130 countries** with a total of ab. **450 offices**
- Budget 2017: **7.7 billion dollars**
- Headquarters in Geneva, Budapest and Copenhagen

Division of Emergency, Security and Supply

- One Division to coordinate Emergency response, Security and Supply: DESS
- Our aid and experts are ready for rapid deployment across the world.
- We can launch an emergency operation within 72 hours, thanks to a global network of suppliers, specialist agencies and partners.
- The Procurement Service (PS) and the Supply Management and Logistics Service (SMLS) are located in Budapest, Hungary

Supply Management and Logistics

- Forecasting and planning, market research
- Sourcing and procurement of goods and services
- Management of contracts / frame agreements
- Quality control and management
- Asset management
- Fleet management
- Logistics and warehousing





Procurement Service



Procurement in UNHCR

In trying to help and protect some of the world's most vulnerable people in so many different places and types of environment, UNHCR must purchase goods and services worldwide.

This might range from buying fleets of heavy duty vehicles needed in the most inaccessible parts of the African continent to purchasing needles and thread for a self-help project in Pakistan.

UNHCR also hires consultants and specialized companies and their staff for projects.

Procurement Authority

General Assembly

UN High Commissioner for Refugees

CC Chairperson – Decision Maker
Contracts Committee Members – Advisors

Procurement Service

Procurement Principles

In line with UN Financial Regulations and Rules:

- UNHCR procurement is based on **integrity** and **transparency** through **fair competition** to reach **best value for money**, taking into consideration the **best interest of the organization**.
- Priority is to source in areas of operation (when prices are competitive and other conditions allow).
- UNHCR uses competitive bidding to obtain goods and services. Exceptions to this are limited to a few cases only.



- Optimization of **whole life costs and quality** needed to meet the user's requirements, while taking into consideration potential risk factors and resources available
- **Spending** UNHCR funds **wisely**
- In accordance with **UN Financial Rules & Regulations**
- Taking into account **cost-related** and non cost-related factors, **risk** and **market environment** considerations, possibly through **competitive bidding**
- Ensuring **transparency** in procurement processes



Tendering methods in UNHCR

- **Informal solicitation (Request For Quotation - RFQ)**
- **Formal solicitation (Request for Proposal – RFP and Invitation to Bid – ITB)**
 - Open international tender
 - Limited international tender
 - Local tender
 - Joint procurement activities



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How to become a supplier

Learn about your business opportunities at www.ungm.org



How does UNHCR procure?

There are three types of solicitation methods accepted by UNHCR to fulfill a procurement requirement.

While each of the documents referred to, contain the information necessary to submit a suitable offer, they vary in accordance with the nature of the requirement and the estimated monetary value.

RFQ Request for Quotation

- An informal invitation to submit a quotation for requirements of relatively low monetary value. Prices and other commercial terms and conditions are requested and an award is usually made the lowest priced technically compliant offer.

ITB Invitation to Bid

- A formal invitation to submit a bid usually associated with the requirements that are clearly or concisely defined, and have a monetary value below or exceeding the RFQ threshold. Award recommendations are based on the lowest cost technically compliant offer.

RFP Request for Proposal

- A formal request to submit a proposal against requirements that are not fully definable at the moment of solicitation and where the innovation and specific of the proposer is sought to better meet the procurement requirement. It has a monetary value below or exceeding the RFQ threshold. Price is only one of the several factors comprising the evaluation criteria, which are determined before the RFP is released.

Request for Quotation (RFQ)	Invitation to Bid (ITB)	Request for Proposal (RFP)
Turnaround time depends on value	Turn around time depends on value, requested offer validity usually 120 days	Turn around time depends on value, requested offer validity usually 120 days
Direct invites	Open competition (Publication by advertising), and/or direct invites	Open competition (Publication by advertising) and/or direct invites
<ul style="list-style-type: none"> ✓ Value < USD 40,000 in field and HQ ✓ Contract awarded to the lowest price offered <ul style="list-style-type: none"> ✓ Informal procedure ✓ Deadline: any stage of the process <ul style="list-style-type: none"> ✓ Minimum of 3 vendors 	<ul style="list-style-type: none"> ✓ Value > USD 40,000 in field and HQ ✓ Contract awarded to lowest cost eligible bid <ul style="list-style-type: none"> ✓ Formal procedure ✓ Pass / fail technical criteria to determine eligible bids ✓ Simpler requirements which can be assessed on a pass or fail basis and which can be clearly stated 	<ul style="list-style-type: none"> ✓ Value > USD 40,000 in field and HQ ✓ Contract awarded to most responsive proposal <ul style="list-style-type: none"> ✓ Weighted scores to determine most responsive proposal taking account of both technical and commercial / financial aspects <ul style="list-style-type: none"> ✓ Formal procedure ✓ More complex requirements where ideas and input are sought from the proposer

UNHCR carries out joint procurement activities (One UN)

Procurement Strategy

- Goods: deployment from stockpiles / re-deployment of assets / goods from other operations
- Procurement under establishment of Frame Agreements (long term agreements)
- Direct procurement from suppliers through local, regional and international tenders

UNHCR Contract Terms

- UNHCR does not pay any VAT
- The Contractor shall take all appropriate measures to prevent sexual exploitation and child labour
- Invoices paid within thirty days from the date of receipt of documents in good order with the supply unit

The Role of Frame Agreements

- Open tender
- Represents 70-75% of goods/services purchased by UNHCR
- Examples: core relief items, freight forwarding, IT equipment and light vehicles, inspection services
- Core relief items: tents, kitchen sets, medical supplies
- Advantages for UNHCR:
 - Shorter lead time
 - Flexibility (quantities)
 - Better quality control / supply security
 - Not exclusive to single supplier (however: procurement principles apply)
 - Binds suppliers to ex-stock deliveries and agreed quantities
 - Competitive prices

Procurement conditions

Building on the philosophy and achievements of the UN Global Compact, UNHCR envisions a world in which the private sector plays a constructive role in finding durable solutions for people forced to flee their homes, including refugees and the internally displaced, as well as returnees.

To achieve this, we proactively engage with corporations and foundations eager to help drive change and find innovative solutions to refugee issues. This collaboration can take many forms ranging from special events to cause-related marketing campaigns reaching millions of people.



Procurement conditions

UNHCR does not purchase from companies engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child.

UNHCR does not purchase from companies engaged in the sale or manufacture, either directly or indirectly, of antipersonnel mines or any components produced primarily for the operation thereof.

UNHCR also endeavours to undertake environmentally responsible sourcing of goods and services.



Sustainable Procurement

1. **Economic considerations:** best value for money, price, quality, availability, functionality;
1. **Environmental aspects,** i.e. green procurement: the impacts on the environment that the product and/or service has over its whole life-cycle;
1. **Social aspects:** effects of purchasing decisions on issues such as poverty eradication, international equity in the distribution of resources, labour conditions, human rights.



Procurement in Figures 2017





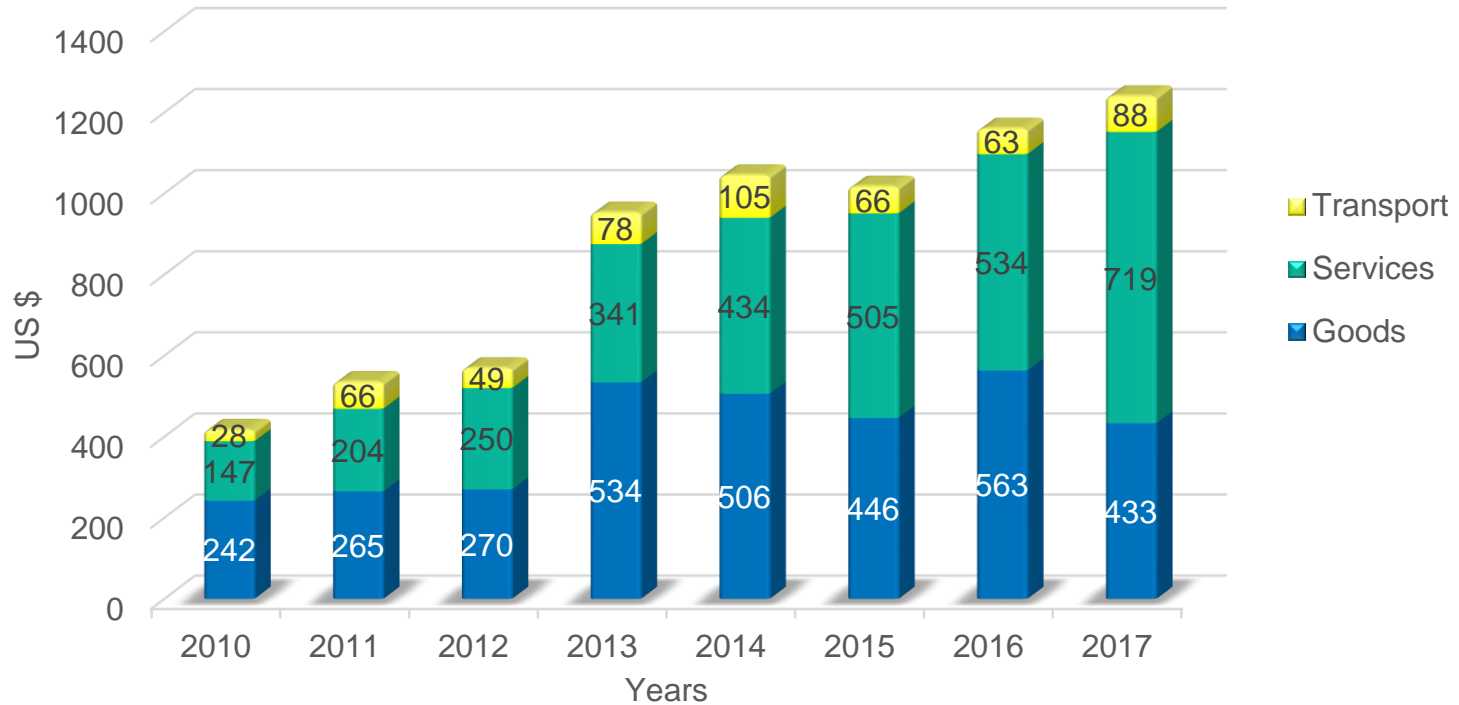
**Procurement value:
1,24 billion US\$**

**HQ: 325 million US\$
Field: 915 million US\$**

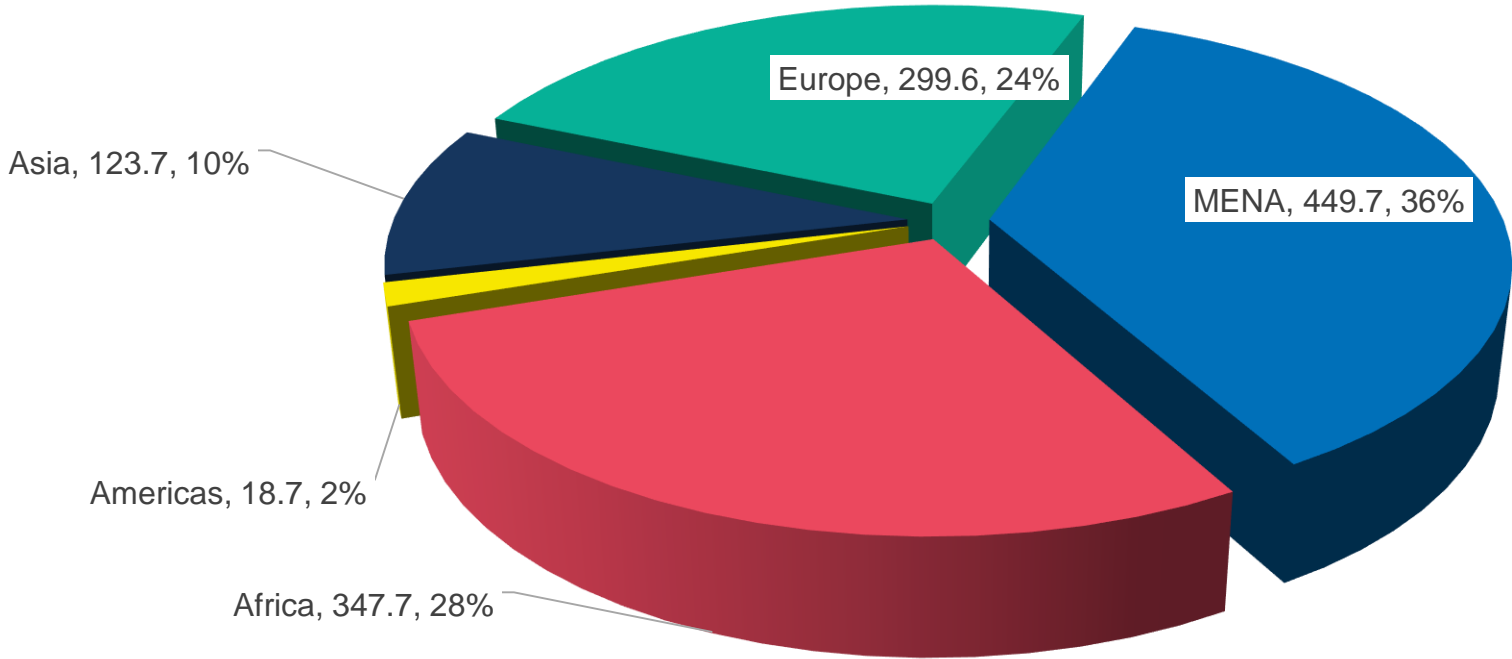
**Goods: 433 million US\$
Services: 807 million US\$**

UNHCR Procurement 2010-2017

in million US\$



Division of Procurement value by Ship to Region 2017 (million USD)



What does UNHCR procure?

Services

- Audit service
- Cash Based Intervention related bank services
- Cleaning
- Construction
- Electricity
- Health administration service
- Inspection
- Insurance
- IT, Telecom
- Lease or rental of property/building
- Mailing services
- Medical Services, Evacuation
- Meeting facilities
- Printing
- Road maintenance service Security
- SAT Communication service
- Training/workshops
- Transportation

Goods

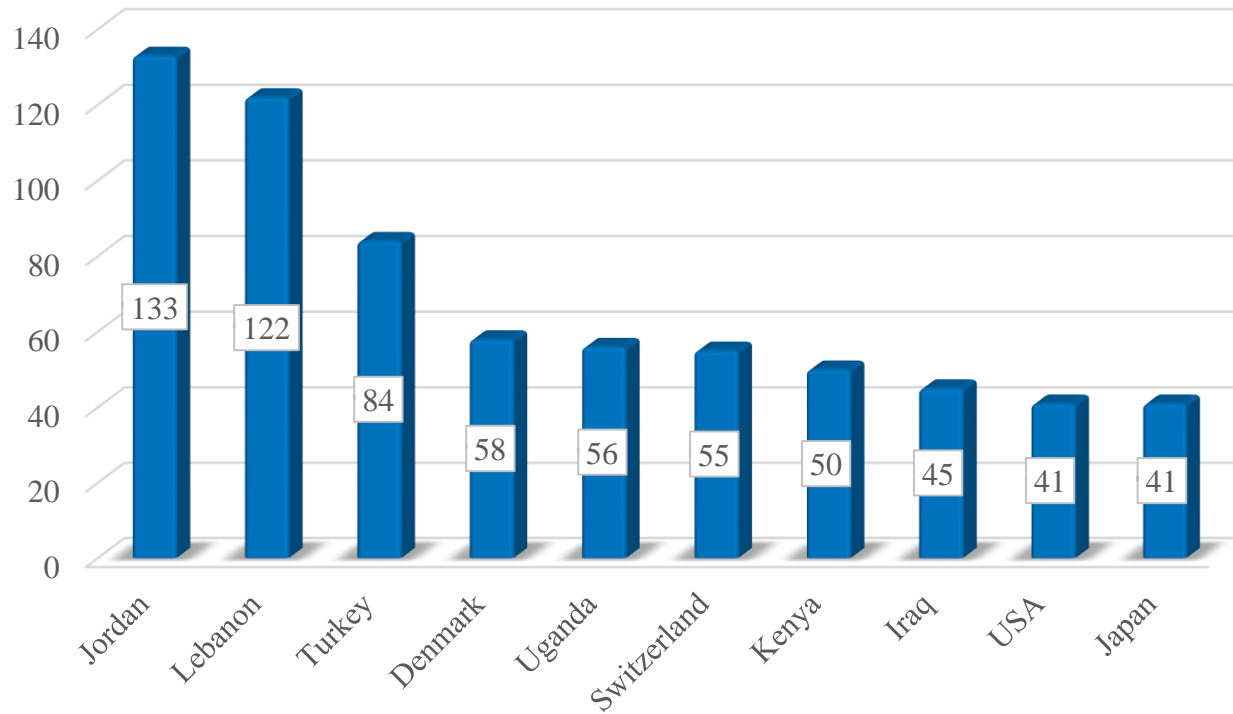
- Agricultural tools Blankets Clothing
- Drugs and medical supplies Fuel
- Fuel
- Generators, pumps
- Hygiene parcel
- IT and Telecommunications equipment
- Jerry cans, buckets
- Kitchen sets, stoves
- Mattresses
- Office equipment
- Plastic tarpaulins, rolls
- Prefabricated houses
- Sanitary materials
- Sleeping mats
- Solar lamp
- Tents
- Vehicles, trucks

Top 10 Item Categories purchased in 2017

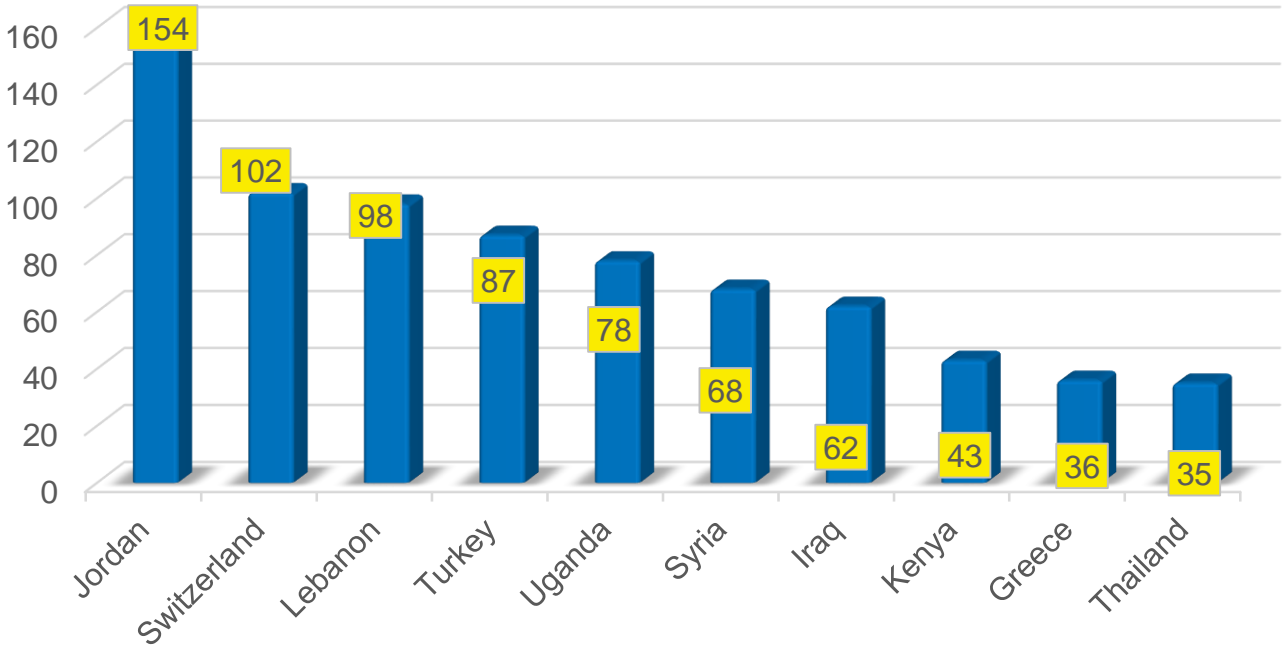
based on their value in million USD

Goods	Value in m US\$	Services	Value in m US \$
Clothing	29	Business / Administrative services	151
Bedclothes/ Mattresses / Towels	28	CBI related bank service	137
Lamp/ lamp components	27	Civil affairs service	79
Diesel	25	Maintenance/ Construction service	72
4x4 station wagon	24	Cargo / Passenger transport service	70
Plastic products (sheets & rolls)	19	Financial service	48
Tent/ Camp / Outdoor equipment / accessories	18	Advertising / Information service	41
Kitchenware	15	Security / safety service	40
Miscellaneous medical supplies	14	Computer service	28
Blankets	13	Meeting / Travel services	21

Top vendors by country of vendor 2017 (million USD)



Top Ship to Countries 2017 (million USD)



Doing business with UNHCR

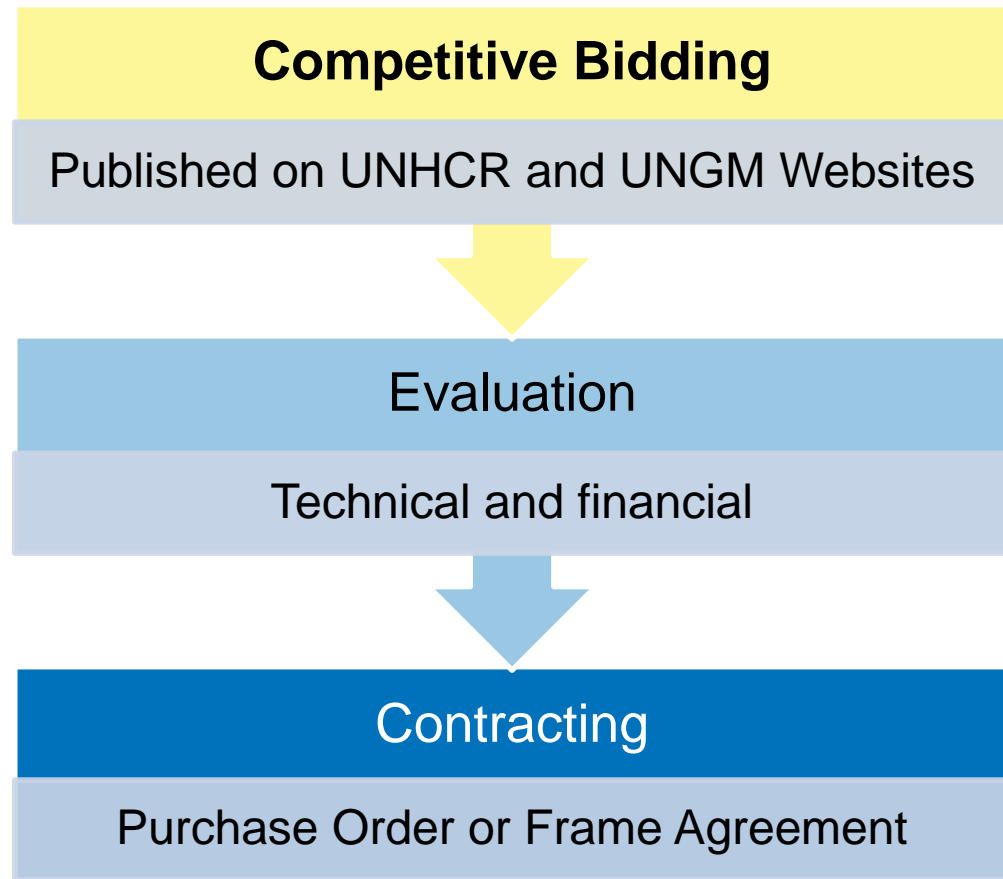


How to participate in the selection?

Register at www.ungm.org to learn more about all the opportunities to be a supplier to UNHCR.

You can subscribe to the Tender Alert Service to make sure you are notified of all opportunities.


If you are interested in being a supplier for a specific country or region, you are recommended to contact the local operation as they might use different channels to advertise their tenders.



Code of Conduct

The Code of Conduct sets forth what is expected of all suppliers with whom UNHCR does business. Filling a vendor Registration Form with supporting documents is mandatory.

- Firm/Company/Factory registration certificate
- Registration with Tax/VAT
- Company's annual financial report
- Audit certificate/report
- Brochures on products/services
- Environmental policy
- Quality assurance certificate



Thank you for your
interest in becoming a
supplier with UNHCR

Visit our website:
unhcr.org/supply