

# PROCUREMENT AND TRANSPORTATION

## SUPPLY AND TRANSPORT SECTION

To respond to new refugee situations, UNHCR must have the resources – funds, staff and relief items – either immediately on hand or readily available. The Supply and Transport Section (STS) handles procurement: at UNHCR Headquarters (responsible for the bulk of international procurement); at regional procurement offices established on an ad hoc basis (especially for major programmes); and by UNHCR field offices (for local and regional procurement). Implementing partners (governmental and non-governmental agencies, and other UN agencies) also

make purchases on behalf of UNHCR. In 1999, UNHCR had three regional procurement officers focusing on needs for the Great Lakes operation in Central Africa, South-Eastern Europe and Indonesia.

The primary objective of STS is to source and deliver goods required by the Office in a timely and cost-effective manner. It updates and disseminates policies, guidelines and procedures for procurement, and provides training.

## PROCEDURES

UNHCR seeks appropriate quality, rapid delivery of goods, and local servicing and spare parts. It follows competitive bidding procedures, in line with UN Financial Rules and Regulations. A single purchase order is subject to a formal bidding process if it exceeds USD 20,000 at headquarters or USD 5,000 in field locations. For purchases below these amounts, purchasing staff must compare at least three offers. Offers are most

frequently invited by fax from a shortlist of registered vendors. Purchase orders of USD 100,000 or more are subject to approval by the Committee on Contracts in Geneva or by regional or local contracts committees (whenever such committees exist). A contract is generally awarded to the lowest bid that meets the required specifications.

## STRATEGIC TOOLS

To rationalise the procurement process and shorten delivery times, UNHCR uses two strategic tools: a centrally held emergency stockpile and long-term “call-off arrangements” called “frame agreements”. Stockpiles of frequently needed goods, such as blankets, plastic sheets and vehicles, allow UNHCR to respond rapidly during the initial phase of an emergency. The centrally held emergency stockpile was moved from Amsterdam to Copenhagen in 1999 and is now managed by UNICEF on UNHCR’s behalf. Frame agreements between UNHCR and several suppliers guarantee the availability of an increasingly wide variety of items of the desired quality at fixed prices. These agreements, usually valid for a non-renewable one-year period, do not stipulate minimum or maximum quantities and are non-exclusive, allowing UNHCR to procure the same items elsewhere, as and when required.



UNHCR has concluded frame agreements for about 20 frequently purchased items, such as blankets, kitchen sets, plastic sheeting, collapsible jerry cans, vehicle tyres and tubes, computer and telecommunications equipment, medical supplies, medicines, generators and office stationery. Frame agreements have also been established for several services. For major relief items,

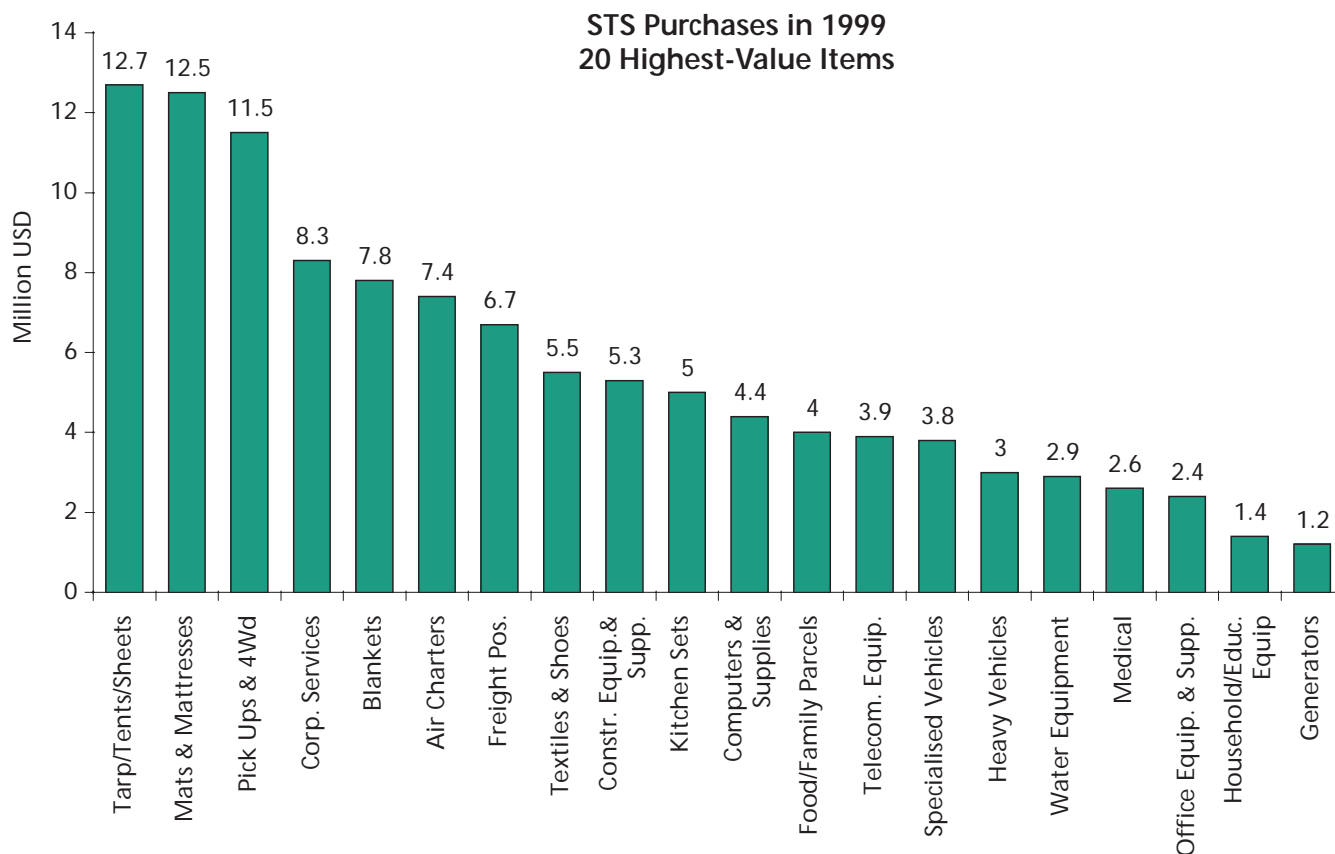
contracts are awarded to various suppliers in different continents, to meet world-wide need in a cost effective manner. Most frame agreements were re-rendered during the course of the year. UNHCR also uses stand-

ing offers concluded by the Inter-Agency Procurement Services Office (IAPSO) on behalf of the United Nations system.

### SUPPLY DATABASE

On 1 January 1999, UNHCR joined the United Nations Common Supply Database (UNCSD), maintained by UNDP/IAPSO. The database is a collaborative effort by 13 UN agencies and is designed to

obviate the need for separate databases or for potential suppliers to register individually with each agency. Companies now wishing to register as potential UNHCR suppliers must first register with UNCSD.



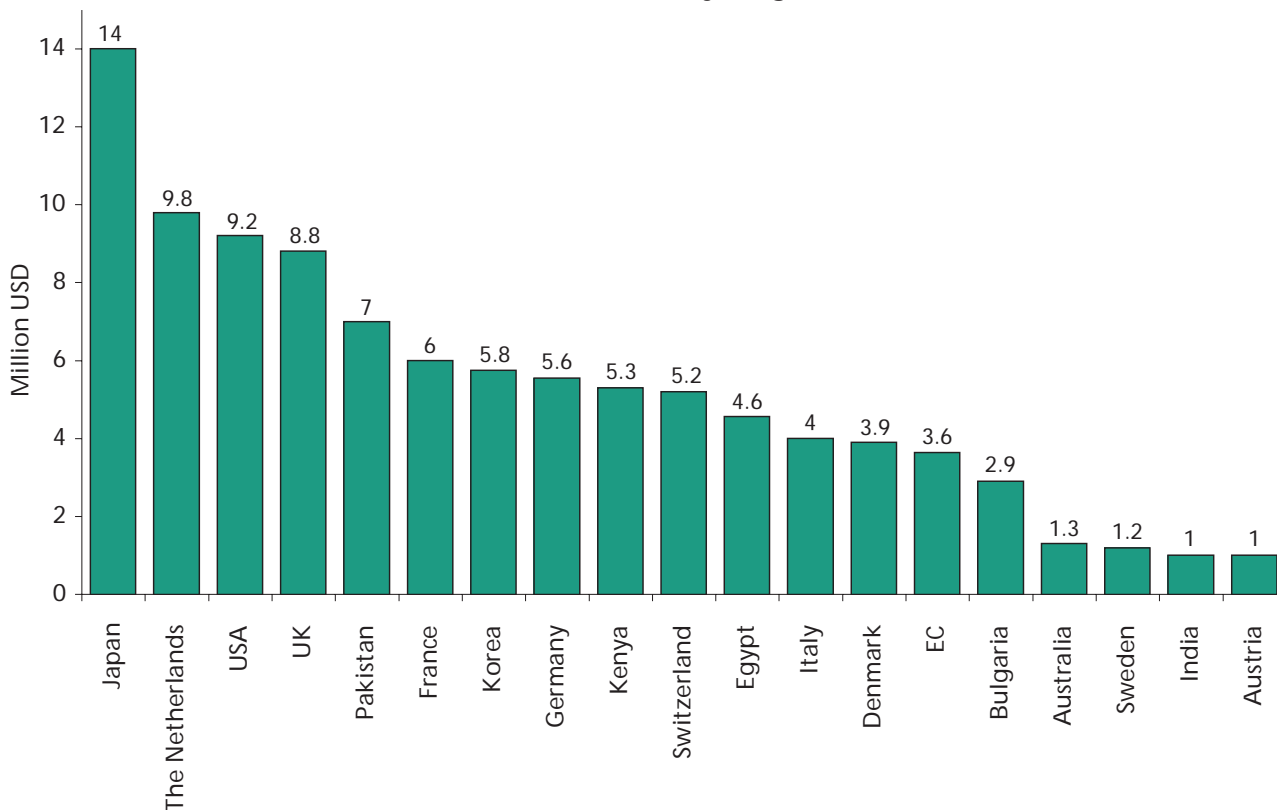
Statistics reflect Headquarters procurement by Supply and Transport Section only

### VOLUME OF PROCUREMENT

The volume of procurement done by headquarters amounted to USD 115 million in 1999. Regional procurement accounted for an additional USD 40 million. In recent years, UNHCR field offices and implementing partners have been handling a larger share of procurement activities. Under 1999 budgets, USD 129.1 million was budgeted for procurement by field offices and USD 257.3 million for procurement by governmental, non-governmental and UN partners. Since implementing partner procurement complements centralised procurement by headquarters, it has been decided that implementing partners will increas-



Procurement by Origin of Goods



ingly procure goods through UNHCR’s STS. This will allow donor countries more opportunities to bid for a larger share of contracts.

UNHCR procurement staff regularly undertake sourcing missions to donor countries or areas hosting major

relief operations. In 1999 these missions — which frequently include attendance of business seminars and trade fairs — were to Australia, the People’s Republic of China, The former Yugoslav Republic of Macedonia, the Netherlands, Spain, Oman, the UK and the USA.

1999 Purchases by the Supply and Transport Section, Geneva and Major Decentralised Procurement Centres

