

Procurement

Procurement processes can vary in complexity and duration depending on the type and value of goods, services and works required. It is important to understand the rules and principles governing procurement, the processes to follow and the roles and responsibilities involved. Doing so supports effective and timely procurement planning and execution, which is a key element of good Project Cycle Management (PCM) and Results-Based Management. In UNEP the Supply Chain Management Team is responsible for the organization's procurement function and is a strategic partner in the delivery of projects.





Contents

Administrative and Legal Framework.....	258
Procurement Principles	258
Procurement Standards.....	260
Procurement and Project Cycle Management (PCM)	262
Procurement Planning.....	264
Acquisition Plans.....	265
Procurement Process	266
Procurement Processes and Lead Times	272
Delegation of Authority.....	274

Subject Matter Experts: Emanuele Corino and John Peter Oosterhoff

Focal Point: Emanuele Corino

Version: May 2023

Administrative and Legal Framework

Procurement in UNEP is guided by the following:

1. United Nations Financial Rules and Regulations (FRR) [ST/SGB/2013/4](#) dated 1 July 2013.
2. Delegation of authority in the administration of the Staff Regulations and Rules and the Financial Regulations and Rules governed [ST/SGB/2019/2](#) dated 17 December 2018.
3. [United Nations Procurement Manual](#). Current Version Published 30 June 2020.
4. Administrative guidance and instructions issued by the UNEP Supply Chain Management Team (SCMT).

The UN Procurement Manual is intended to provide operational guidance on procurement policies and procedures to all staff members. The Procurement Manual is subject to periodic updating and refinement by the Organization, as and when necessary. This chapter details the application of these rules and regulations in relation to UNEP.

Procurement Principles

The following principles, defined by United Nations FRR 5.12 **must** be adhered to when planning and executing procurement of goods, services and works:



Best Value for Money (BVM):

It is necessary for the UN to achieve BVM, which is the optimization of the total cost of ownership and quality needed to meet the user's requirements, while taking into consideration risk factors and resources available. Often the BVM solution may not necessarily offer the lowest cost.



Fairness, Integrity, and Transparency:

The UN must offer equal opportunities to all bidders, exhibit strong moral principles and honesty and decency in dealing with others. The UN must also ensure that all information on procurement policies, procedures, opportunities, and processes is clearly defined, made public, and/or provided to all interested parties concurrently.



Effective International Competition

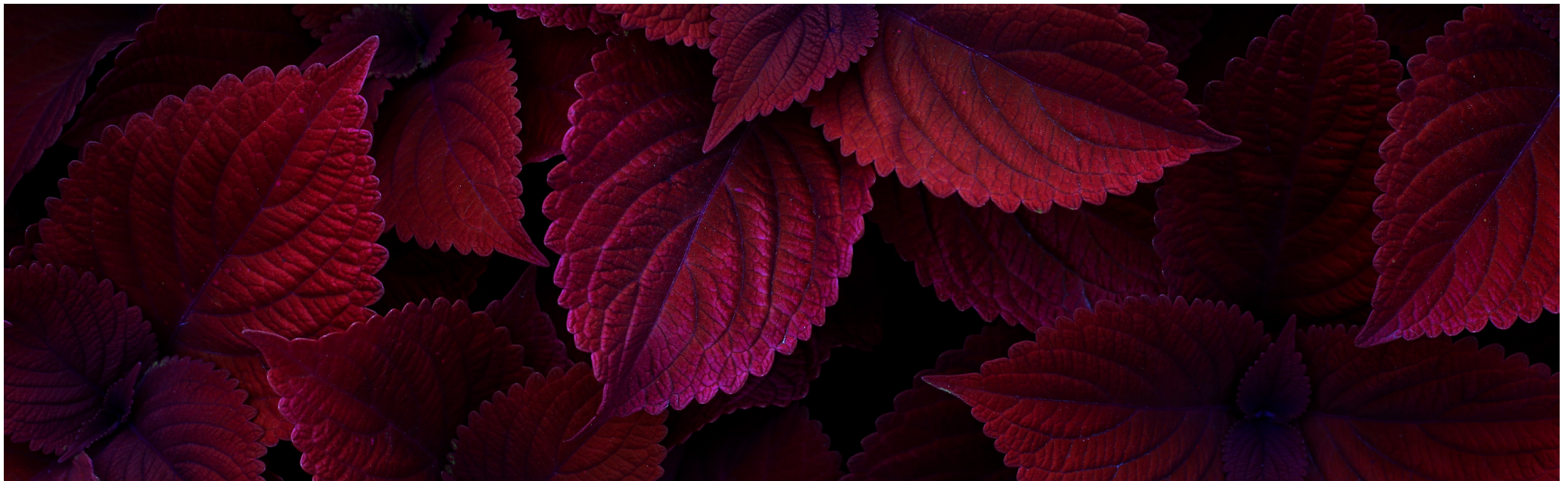
Adequate notification should be given to a vendor community as geographically broad as possible to ensure sufficient time to participate in procurement processes. There should be no restriction of competition through over-specification, generic specifications should be used (brand names should only be used to define the required standard), along with an invitation to offer equivalent products, and economies of scale should be achieved where possible.



Best Interest of the UN:

All procurement activities will be carried out in compliance with the applicable rules and regulations.

Given the nature of procurement as a discipline, the application of these principles requires procurement officials to constantly make judgement calls within the established organizational policies and procedures. In UNEP the members of the Supply Chain Management Team are the sole staff with the appropriate training, experience, certifications, and delegations which gives them the authority to make the required decisions arising from structured informational requirements. Decisions are made against organizational policies and procedures, and attendant check and balances.



Procurement Standards

Procurement is further guided by the following standards:



Accountability

UN organizations are the stewards of all public funds which have been provided in trust by people and their governments to fulfill the agreed purposes of the UN. A significant proportion of these funds are used through formal and informal procurement processes, for which there are many stakeholders – whether as donors, suppliers, or beneficiaries. These stakeholders need to be assured that the funds are being used correctly. Formal procurement processes include Request for Proposal (RFP) and Invitation to Bid (ITB), informal procurement processes include Request for Quotation (RFQ) and Low-Value Acquisition (LVA). Further information on each process is described below.



Segregation of duties

Segregation of duties is an internal control mechanism used to assure that no single individual or organizational unit is given responsibility for more than one related function within a single procurement process. The main purpose is to emphasize accountability of all key players in the procurement process and reduce the possibility of error or corruption.

In UNEP procurement this means that the Requester (Project team member), Requisitioner, Certifying Officer, Procurement Approving Authority, Procurement Official (Buyer) and Payer are all separate from one another, to provide appropriate organizational checks and balances and to permit specialization in their respective professional areas. The role and identification of each individual in UNEP procurement processes is described in greater detail below.



Conflict of interest

To avoid conflicts of interest, the following rules apply to UNEP staff:

- Staff members who have a financial interest in a bidder are prohibited from involvement in any procurement process involving such bidder.
- Staff members with a personal or professional interest in a bidder are also prohibited from any involvement in the acquisition process.

- Staff members who perform any function in the acquisition process, including project staff identifying and defining procurement needs, should not accept any form of hospitality; gifts; inducements, including bribes; or incentives such as free or discounted goods and private services. The UN has a zero-tolerance policy vis-a-vis gifts or hospitality from any individual or entity doing or seeking to do business with the UN.
- Staff members involved in the acquisition process should promptly notify the Head of Office of any case where a conflict of interest, such as those described above, may arise. Staff member are also encouraged to report suspected malfeasance or unethical behaviour in [UN Ethics Office](#).
- All staff members whose principal duties involve the procurement of goods and services are required to participate in the United Nations [Financial Disclosure Programme](#).



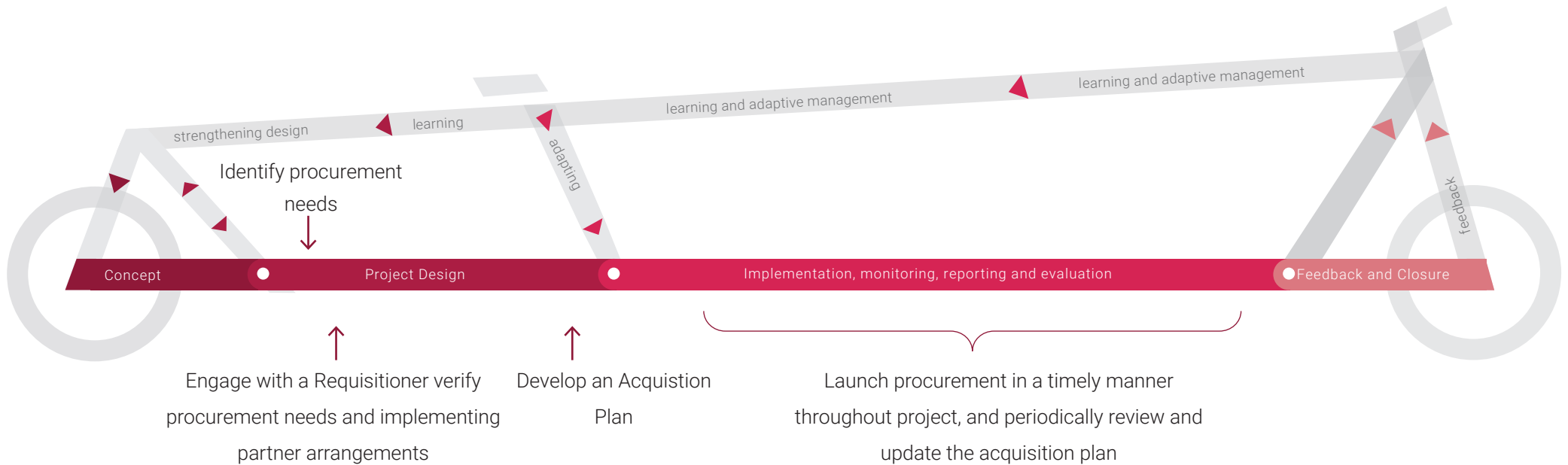
Delegation of authority (DoA)

UN organizations have established DoAs to implement procurement activities. The procurement delegation provides authorization to award and/or sign a contract and/or issue payment upon confirmation that the correct procedures have been followed. By exercising the authority, the staff member becomes accountable for the action..

The UNEP DoA Policy and Framework covers procurement, including those staff with authority to review and approve steps in the procurement process. Roles of different UNEP staff, and their levels of authority is described below under the sections on Procurement Process and [Delegation of Authority](#) on WeCollaborate.

Further information on principles and standards for procurement can be found in the [UN Procurement Manual](#).

Procurement and Project Cycle Management (PCM)



Key procurement activities during the project cycle:

Concept Development and Project Design

At the project design stage procurement needs for the proposed project should be identified and budgeted for. This includes all goods, services, and works predicted to be required for effective delivery of the project. Project Managers/Developers and Task Managers are recommended to engage with a Requisitioner or the Supply Chain Management Team (SCMT) for complex and high-risk cases as early as possible during the project

design stage and share procurement needs with them well in advance throughout the project life cycle, along with implementing partner arrangements.

Who/What is a Requisitioner?

A Requisitioner is a UN staff member that can translate a procurement need into a delivery strategy that also initiates a purchase requisition. They are staff trained in UN procurement processes, who can identify the appro-

priate strategy to follow based on the need and value, and in line with UN procurement rules and UN FRRs. The relationship between a Project/Task Manager and a Requisitioner is an important component of good project-cycle management. Each UNEP office has allocated Requisitioners, usually located within a unit or a sub-unit. To identify a Requisitioner, staff should contact the Head of Administration of their Division/Regional Office/MEA.

At the project design stage Project Managers/Task

Managers should work with the Requisitioner to develop an acquisition plan for the project. A Requisitioner can advise on the procurement processes and associated timelines required to deliver a project's procurement needs and ensure that goods, services, and works are available at the required time during project implementation. Early engagement with a Requisitioner provides the opportunity to seek guidance, identify challenges and avoid potential procurement issues during project implementation.

Notwithstanding what is advised above, complex multi-year projects or programmes may benefit from the early strategic advice on procurement matters. The UNEP SCMT is mandated to provide this advice and can help

in the appropriate formulation of plans and approaches to procurement in projects before unattainable expectations are set with donors or key stakeholders. Therefore, UNEP staff are advised to engage early in the cycle to leverage procurement as a strategic advantage to the project/programme.

UNEP Guidelines on the use of UNEP's Legal Instruments with Implementing Partners allow for incidental procurement up to specific thresholds. Projects that are engaging with implementing partners who will undertake procurement are recommended to contact the UNEP Supply Chain Management Team during the project design process to verify plans for implementing partner procurement. Questions regarding the use of

standard UNEP Legal Instruments should be directed to UNEP's [Legal Unit](#).

Implementation, Monitoring and Reporting

During the implementation stage of the project procurement activities should be launched according to an acquisition plan developed during project design. The roles and responsibilities involved in the procurement process are described below. It is recommended that Project/Task Managers regularly monitor their procurement requirements and engage with their Requisitioner on at least a six-monthly basis to update the acquisition plan.



Procurement Planning

Two key roles and responsibilities exist in the planning of procurement for UNEP projects:

ROLE	RESPONSIBILITIES
Project Manager/Task Manager	<ul style="list-style-type: none">• Identify and describe procurement needs.• Identify a Requisitioner(s) to work with to deliver the project's procurement needs.• Seek guidance on procurement needs and associated procurement processes, and verify procurement plans and partnership arrangements.• Develop an annual acquisition plan in collaboration with the Requisitioner.• Prepare an updated annual acquisition plan in Q4 of the preceding year.• Monitor procurement needs and regularly update the acquisition plan (minimum every six (6) months).
Requisitioner	<ul style="list-style-type: none">• Support project staff to develop and update acquisition plans, ensuring that proposed expenditures are in accordance with the project and UNEP's mandate.• Provide advice on suitable solicitation strategies and associated time required to undertake procurement to support effective project planning.• Establish the requisition process and drive forward the administrative process.

Acquisition Plans

At the project level, the primary tool for procurement planning is the acquisition plan. The purpose of an acquisition plan is to identify needs, understand the timeline required and identify the solicitation strategy. A typical acquisition plan includes:

- Type of goods, services or works, using the UN nomenclature ([UN Standard Products and Services Code \(UNSPSC\)](#)).
- Estimated quantity (number of units) or term (number of months or years).
- Estimated value in US dollars, funding source and budget reference. (Note: Sufficient funding to cover the cost need not be available at the moment when the acquisition plan is prepared.)
- Delivery date or quarter when the goods are required to be delivered or the services or works are required to commence and be completed.
- Any other relevant information (e.g.: locations where goods, services or works are required if different from the Requisitioner's office.)

Sample acquisition plans can be provided by Requisitioners or the UNEPSCMT. UMOJA has a Supply Chain Planning Tool, and it is anticipated that UNEP will roll this out in the future, enabling digital acquisition planning.

Best practices in procurement planning



DO

- Establish an annual acquisition plan for your project during the project design stage, and review and revise this regularly.
- Understand the timelines required and plan early. Allow Requisitioners sufficient time to develop a solicitation strategy and complete procurement.
- Consolidate repetitive requirements as far as possible to profit from economies of scale.



DON'T

- Raise piecemeal requisitions.
- Circumvent proper procedures by splitting requirements.
- Neglect procurement planning after the project has commenced.

Procurement Process

While UNEP procurement processes are uniform, it is decentralized, and variations in the process to be followed may exist between UNEP offices (e.g. Regional versus HQ Offices). The table below describes the main steps, roles and responsibilities involved in the procurement process.

STEP	ROLE	RESPONSIBILITY
STEP 1	Project/Task Manager	<ul style="list-style-type: none"> To initiate procurement, the Project/Task Manager completes a Purchase Request Form (PRF) to describe the need using generic specifications and/or equivalent criteria. The Project/Task Manager must gain the necessary approvals for the PRF. UNEP does not have one single template for a Purchase Request Forms (PRF) given the variety of different types of requests (e.g. amount threshold; type and nature of the purchase request, etc.) Project/Task Managers should contact their Requisitioner to request the relevant form.
STEP 2	Director/Regional Director/ MEA Executive Secretary (or delegate)	<ul style="list-style-type: none"> Approves the PRF, and the request to initiate a procurement action.
STEP 3	Fund Management Officer (FMO)	<ul style="list-style-type: none"> Reviews the PRF for alignment with project budget and budget codes
STEP 4	Requisitioner	<ul style="list-style-type: none"> A Requisitioner has primary responsibility for capturing demand data, consolidating needs from end-users and stakeholders, defining generic and clear specifications in consultation with the primary stakeholders. The Requisitioner reviews the PRF, and if necessary, consults with the Project/Task Manager to fully understand what is required, and identifies the relevant solicitation strategy using one of the following three routes:

STEP	ROLE	RESPONSIBILITY
STEP 4	Requisitioner	<ul style="list-style-type: none"> • Procurement using an existing UNEP procurement contract • Checks in UMOJA Power BI whether an existing supplier contract can be used. This applies to basic, standard goods or simple services with clear specifications and at times may be used for more complex specifications depending on availability of the system contract. • If a suitable contract(s) is identified, the Requisitioner communicates with the contract owner (i.e. the Project/task Manager who is typically the 'hire-er' and/or the approver) to verify whether the contract can be used for the procurement need. <hr/> <p>Common UN procurement</p> <ul style="list-style-type: none"> • A UN Secretariat entity may use a contract (including purchase orders and/or long-term agreements) concluded by another UN Organization, provided that the contract satisfies the UN Secretariat entity's requirements, specifically in terms of value for money and fit-for-purpose. • The Requisitioner checks whether a suitable contract exists on the United Nations Global Market. • If a suitable contract(s) is identified, the Requisitioner communicates with the contract owner to verify whether the contract can be used for the procurement need. <hr/> <p>Initiate a new solicitation exercise</p> <ul style="list-style-type: none"> • Raises a requisition - a new request for goods, services or works. • Drafts the requirements in the form of specifications, TORs, as well as associated technical evaluation criteria, in consultation with the Project/Task Manager if necessary. • "Raises a shopping cart" in UMOJA.

STEP	ROLE	RESPONSIBILITY
STEP 4	Requisitioner	<ul style="list-style-type: none"> Ensures that sufficient funds are available for the requirement. The Requisitioner is responsible for securing specific funding allocated only to the applicable procurement, both at the time of contract award and during the entire life of the contract. Leads contract management duties including vendor performance evaluation, where appropriate, in coordination with the end-user, if applicable.
STEP 5	Certifying officer	<ul style="list-style-type: none"> The Certifying Officer (CO) is the UN official responsible for managing the utilization of resources, in accordance with the purposes for which those resources were approved. They also oversee the principles of efficiency, effectiveness and the FRRs. The CO reviews the requests issued by the Requisitioner, to 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. The CO reviewer function cannot also be an approver function in accordance to separation of duties (under Financial Rule 105.6). Certifying Officers are responsible for approving requisitions. By approving a shopping cart, the CO takes responsibility and accountability for initiating the procurement action, and the attached documentation and preferred process. A Certifying Officer must inform a Requisitioner whether their requisition was approved or not. Identifying a Certifying Officer: To identify a Certifying Officer, staff should check the UNEP Delegations Repository, searchable by Division/Office/MEA on WeCollaborate.
STEP 6	Procurement Approving Authority/Delegation of Authority (DOA) Holder.	<ul style="list-style-type: none"> Approves the procurement of goods, services, or works within their designated DOA level, and ensures that prior to any commitment being made, the procurement activity strictly complies with UN procurement principles and standards. In UNEP the Procurement Approving Authority is comprised exclusively of members of the UNEP Supply SCMT.

STEP	ROLE	RESPONSIBILITY						
STEP 7	Procurement Official/Buyer	<ul style="list-style-type: none"> • Procurement activities can only be undertaken by Procurement Officials who are the staff members responsible for the procurement process. The dedicated procurement of goods and services is carried out by professional staff with proper training, knowledge, and experience, or by administrative staff with the appropriate procurement expertise, training, and qualifications if approved by the ASG, OSCM. • Only Procurement Officials can communicate with vendors. • In UNEP the Procurement Official/Buyer is typically a G5-G7 staff member. • The Procurement Official who completes the procurement process varies depending upon the location of procurement request and the value of the request, as described below: <table border="1" data-bbox="633 655 2130 1297"> <tr> <td data-bbox="633 655 1391 767"> <ul style="list-style-type: none"> • UNEP Outposted Office </td> <td data-bbox="1391 655 2130 767"> <ul style="list-style-type: none"> • UNEP Nairobi </td> </tr> <tr> <td data-bbox="633 767 1391 903"> <ul style="list-style-type: none"> • Buyer (Procurement Official) in outposted office </td> <td data-bbox="1391 767 2130 903"> <ul style="list-style-type: none"> • UNEP Supply Chain Management Team </td> </tr> <tr> <td data-bbox="633 903 1391 1297"> <ul style="list-style-type: none"> • United Nations Office Nairobi (UNON) Procurement Services • United Nations Office at Geneva (UNOG) Procurement Services • ESCAP Procurement Services • PD Procurement Services (NY) </td> <td data-bbox="1391 903 2130 1297"> <ul style="list-style-type: none"> • United Nations Office Nairobi (UNON) Procurement Services </td> </tr> </table>	<ul style="list-style-type: none"> • UNEP Outposted Office 	<ul style="list-style-type: none"> • UNEP Nairobi 	<ul style="list-style-type: none"> • Buyer (Procurement Official) in outposted office 	<ul style="list-style-type: none"> • UNEP Supply Chain Management Team 	<ul style="list-style-type: none"> • United Nations Office Nairobi (UNON) Procurement Services • United Nations Office at Geneva (UNOG) Procurement Services • ESCAP Procurement Services • PD Procurement Services (NY) 	<ul style="list-style-type: none"> • United Nations Office Nairobi (UNON) Procurement Services
<ul style="list-style-type: none"> • UNEP Outposted Office 	<ul style="list-style-type: none"> • UNEP Nairobi 							
<ul style="list-style-type: none"> • Buyer (Procurement Official) in outposted office 	<ul style="list-style-type: none"> • UNEP Supply Chain Management Team 							
<ul style="list-style-type: none"> • United Nations Office Nairobi (UNON) Procurement Services • United Nations Office at Geneva (UNOG) Procurement Services • ESCAP Procurement Services • PD Procurement Services (NY) 	<ul style="list-style-type: none"> • United Nations Office Nairobi (UNON) Procurement Services 							
STEP 8	Requisitioner	<ul style="list-style-type: none"> • Upon completion of procurement, the Requisitioner also accepts goods and/or services delivered by vendors and creates receiving and Inspection reports in UMOJA. 						

²⁶⁹ ¹Threshold at the time of writing. This may be subject to change in future.

²Ibid.

Software Procurement

There is usually a high demand for software procurements and licenses and that procurement modality is described below:

STEP	ROLE	RESPONSIBILITY
STEP 1	Project/Task Manager or project staff	<ul style="list-style-type: none">Identifies the software need and complete a Purchase Request Form.
STEP 2	Requisitioner	<ul style="list-style-type: none">Uses UN Intranet iSeek - ICTS standards for Hardware and Software.Checks the Current Hardware and Software Standards. If the required software is on the approved standards list, it can be procured. If it is not on the list, go to step 3.
STEP 3	Requisitioner	<ul style="list-style-type: none">If the software is not in the approved standards, the Requisitioner works with the UNEP Enterprise Solutions Section (ESS) to submit a case for a new standard to be approved, following the steps shown on UN Intranet iSeek - ICTS standards for Hardware and Software.



Procurement by Implementing Partners

UNEP uses two main legal agreements to formalise arrangements with Implementing Partners, the Small-Scale Funding Agreement (SSFA), and the Programme Co-operation Agreement (PCA). The [UNEP Guidelines on the use of UNEP’s Legal Instruments](#) allow for incidental procurement by Implementing Partners under SSFAs and PCAs, up to specific thresholds, which are described below:

AGREEMENT TYPE	THRESHOLD FOR INCIDENTAL PROCUREMENT	PROCESS FOR PROCUREMENT ABOVE THRESHOLD
Small-Scale Funding Agreement (SSFA)	A SSFA allows for cumulative procurement activities that are required to execute one or more activities of the SSFA and that involve no more than 15% or USD 20,000, whichever is lower, of the budget. Up to this threshold the partner may follow their own internal procurement procedures.	Where a partnership involves procurement requirements above the incidental procurement thresholds, the Project Manager/Task Manager should contact Supply Chain Management Team, in the Programme Advisory Services Unit to understand the procedure to handle high procurement volumes prior to signing the relevant legal instrument with the Partner.
Programme Co-operation Agreement (PCA)	A PCA allows for cumulative procurement activities that are required to execute one or more activities of the PCA and that involve no more than USD 40,000 of the budget. Up to this threshold the partner may follow their own internal procurement procedures.	
PCA for Green Climate Fund (GCF) projects	The threshold for incidental procurement does not apply to GCF legal instruments due to the specific modalities and requirements applied for Green Climate Fund (GCF) projects.	UNEP Implementing Partner Procurement Capacity and Monitoring Framework applies.

At the time of writing, UNEP is in the process of defining a risk treatment plan for Implementing Partner procurement. UNHQ is also developing a minimum standard Implementing Partnership agreement to be used by UN Secretariat entities. The procurement clauses will alter the thresholds for incidental procurement. Further information will be communicated to staff as and when necessary.

Procurement Processes and Lead Times

The table below summarizes the four primary methods of solicitation used in UNEP. Procurement takes time, and project staff are encouraged to understand the processes required to execute their procurement needs and adapt accordingly to ensure that goods, works, and services are procured in a timely manner and in support of results-based management of projects.

Solicitation Method	Estimated Value	Requirement	Evaluation Method	Estimated Timeline and notes
Low-Value Acquisition (LVA) (Informal)	≤USD \$10,000	An LVA is a direct form of purchasing undertaken by the Requisitioner or a Procurement Official and not conducted via a formal solicitation. A LVA is used for simple off the shelf products, goods or services, with no adjustment negotiation or specialization.	Lowest priced, technically	Minimum five (5) working days
Request for Quotation (RFQ) (Informal)	≤USD \$150,000	An RFQ is used for low-value procurement (equal to or below US\$ 150,000) where the requirement for goods or services is clear and specific. An RFQ is normally used for standard, off-the-shelf items where the value of the procurement falls below the established threshold for formal methods of solicitation.	Lowest priced, technically acceptable offer	Six (6) weeks

For UN procurements above US\$ 150,000, one of the two formal methods of solicitation described below must be used unless there is an exception to the normal process, in accordance with Financial Rule 105.16.

Solicitation Method	Estimated Value	Requirement	Evaluation Method	Estimated Timeline and notes
Invitation to Bid (ITB) (Formal)	> USD \$150,000	An ITB is a formal method of solicitation where vendors are invited to submit a bid for the provision of goods or services. It is normally used when the requirements for goods/services are: <ul style="list-style-type: none"> i. Simple and straightforward ii. Can be expressed well quantitatively and qualitatively at the time of solicitation, and iii. Can be provided in a straightforward way. 	Lowest priced, substantially conforming bid	Three (3) to six (6) months
Request for Proposal (RFP) (Formal)	> USD \$150,000	An RFP is normally used in cases where the requirements are complex and/or cannot be clearly or completely specified, where detailed technical evaluations are to be performed, and/or where pricing or cost may not be the sole basis of the award.	Cumulative/weighted analysis; award based on the most responsive proposal	Three (3) to six (6) months

Waiver of Procurement Processes

There are exceptions to formal procurement processes. Financial Rule 105.16 states the circumstances when using formal methods of solicitation is not in the best interest of the UN. Detailed information on these circumstances can be found in the United Nations Procurement Manual section 6. Current Version Published 30 June 2020. Available [here](#).

In UNEP, Requisitioners are responsible for advising on possible alternatives in sourcing. Therefore, may suggest the waiver option if justifiable under the UN Financial Regulations and Rules. Requisitioners are responsible for preparing requests to waive formal procurement processes. The authority to approve waivers of formal procurement processes rests with the Executive Director and has been delegated to the SCMT through the Director CSD. Hence, all requests for waiver of competitive bidding must follow the UNEP standing procedure and be addressed to the SCMT.

Delegation of Authority

A simplified delegation of authority for procurement is shown below:

ROLE	AUTHORITY
Directors/Regional Directors/MEA Executive Secretary	<ul style="list-style-type: none">• Approve a Purchase Request Form (PRF).• These staff members, as the ultimate accountability point for budget consumption, approve the request to initiate a procurement action.
Supply Chain Management Team (SCMT)³:	<ul style="list-style-type: none">• Once the Requisitioner has advised on the solicitation strategy, a member of the UNEP SCMT approves the procurement action up to a level authorized in UNEP Delegation of Authority.• The UNEP Delegation of Authority can be found on WeCollaborate. At the time of writing SCMT is described as PG2 in this tool.

³Staff members at time of writing