



UNHCR

United Nations High Commissioner for Refugees
Haut Commissariat des Nations Unies pour les réfugiés

Annex A

TERMS OF REFERENCE

REQUEST FOR QUOTATION: No. RFQ/SOADEN/001/22 FOR THE PROVISION OF INSPECTION SERVICES

1. BACKGROUND

In implementing its humanitarian mandate in Yemen, UNHCR has been and continues providing Core Relief Items (CRIs) and other forms of tangible humanitarian assistance to its persons of concern such as the refugees, internally displaced people and vulnerable members of the local population. The Supply Unit in the UNHCR-Yemen Operation is responsible for administering the agency's supply chain. The unit supports the Branch Office in Sana'a, Sub-offices in Aden, Field Offices in Ibb, Saada, Hudaydah as well as the UNHCR partners in over 20 governorates and locations in achieving UNHCR's priorities by purchasing CRIs that meet high standards for quality and value and ensures their timely delivery.

The UNHCR HQ Supply Management Service (SMS), together with the agency's Supply team in the Yemen Operation, provides support to the procurement cycle by setting and enforcing quality standards in the supply chain. Thus, a system of organized and systematic third-party independent inspection of the relief items sourced from commercial entities has been put in place to reduce the risk of non-conformity of the supplied goods with the approved UNHCR product specifications.

Inspection services required by UNHCR-Yemen are intended to validate the compliance of its procured goods in accordance with the approved technical specifications. UNHCR will request the Inspection Company to follow sampling procedures for inspection on goods in accordance with International Standards to verify that the manufacturers/suppliers submit consignments/lots of quality and quantity that meet or exceed UNHCR's expectations.

Bidders are required to have minimum 3 years of demonstrated experience in the field of inspections and related services, proof presence/ability to operate in Yemen (including Sana'a, Aden, Hodeida, etc.), Kingdom of Saudi Arabia, UAE, Oman, or at any source country if required. The service provider is expected to hold accreditation to perform Inspection and/or Audits (such as IFIA, TIC, CEOC, ICA or equivalent).

The Inspection Company shall be authorized to render to UNHCR the services listed herein. In the event that any UNHCR offices request addition inspection activities not explicitly described in this Terms of Reference (ToR), i.e. site inspections, a quote for each specific activity will be sought from all the qualified FA holders after seeking authorization and consent of UNHCR Supply Unit in Yemen.

2. PURPOSE OF THE REQUEST FOR QUOTATION (RFQ)

This RFP is issued with the aim of establishing a Frame Agreement(s) for the provision of Quality Inspection Services for the UNHCR-Yemen Operation.

The inspection services will apply to selected relief items as well as the other products and services, detailed in this ToR. The services required from Inspection Company will be

requested based on demonstrated technical ability of the service provider to render a value adding service to inspect a specific product group in a specific location.

To simplify the evaluation process all the UNHCR products range has been grouped into the main categories listed below:

- a) Non-food Items (mattresses, buckets, water and/or fuel jerry cans, etc.);
- b) b) Essential shelter-kit materials (wooden poles, wooden plates, steel bars, nails, ropes, etc.);
- c) Medical devices, equipment and furniture;
- d) d) Medicines and drugs;
- e) Armored products and spare parts;
- f) F) Personal protective equipment [PPE] (face masks, gloves, vests/jackets, helmets, etc.);
- g) Hygiene material (soap, sanitizer gel, sterile napkins, etc.);
- h) Construction projects (school rehabilitation, shelters huts, building renovations, etc.);
- i) ICT and related equipment;
- j) Solar electrical systems;
- k) Fuel.

Bidders will be requested to demonstrate inspection expertise in each of the above product groups and will be scored in accordance with the technical evaluation criteria.

3. DESCRIPTION OF WORK (required inspection services, including lab. testing)

Inspection services in possible conjunction with laboratory testing which may be required by UNHCR are intended to validate the compliance of its procured goods in accordance with the corresponding approved technical specifications. UNHCR will request the Inspection Company to follow the sampling procedures for inspection on goods in accordance with International Standards known as AQL which 'AQL' stands for 'Acceptance Quality Limit and is defined as the "quality level that is the worst tolerable" in ISO 2859-1:1999 which represents the maximum number of defective units, beyond which a batch is rejected to verify that the supplier submits consignments/lots of quality and quantity that meets the required technical specifications.

The clear and formal implementation of UNHCR sampling procedures for inspection of goods aims to guarantee a high probability of acceptance of the consignment/lot from the manufacturer/supplier. These procedures shall lead to less inspection work; lower service-cost and secure the quality on goods delivered by the manufacturer/supplier upon decreasing the volume of non-conformities.

The following inspection services may be required. The most commonly requested service will be Post-Delivery Inspections.

3.1 INSPECTION AT PRODUCTION LINE

The purpose of inspection works at production line is primarily to verify and validate the quality of finished goods to ensure that the product is compliant with the technical specifications and requirements of UNHCR.

The inspector will carry out, visits as per Purchase Order where services will be specified, on goods that would include, but is not limited to, the following:

- a) Report any non-conformity to UNHCR specifications and /or non-optimum operational aspects observed during production that could jeopardize the production capacity of the manufacturer to fulfil the purchasing order on goods requested by UNHCR. The general information about the manufacturing plant and its capacity to consistently meet UNHCR's requirement of the specified product in quantity, quality and time.
- b) A report or certificate of the Manufacturer's Quality Unit/Department, stating the goods under production are compliant with the suitable manufacturing standards national or international and in accordance with UNHCR requirements.
- c) Verification and validation of test results performed on finished goods in accordance with the requirements defined in the technical specifications of the product.
- d) Verification of laboratory, inspection tools, testing equipment and the accuracy of testing methods and apparatus (Review reports of tools calibrated updated by a recognized local or international authority).
- e) Validation of the product design and manufacturing technology used in the production line.

Deliverables

All non-conformities of the activities mentioned above shall be immediately reported to UNHCR Supply Unit with clear explanation of its impact on production operations, procurement and delivery of goods. The inspector shall inform UNHCR on any additional factors that may be prejudicial to the purpose of the order especially when it is subject to impact the time of delivery and delays that it could generate to UNHCR operations.

The inspection report at production line shall provide the final advice to the manufacturer and UNHCR regarding corrective actions to be considered to prevent potential production shutdowns and inform immediately UNHCR of its potential risk on production operations.

3.2 INSPECTIONS OF FINISHED GOODS

PRE-DELIVERY INSPECTION (PDI)

The purpose of Pre-delivery Inspection is to identify non-conformities or manufacturing defects, so that corrective actions are taken in due time and prior delivery, so that delays and waste arising out of deficient supplies reaching consignee are eliminated/minimized.

Pre-Delivery Inspections (PDI) shall be conducted by a third-party Inspection Company, at supplier's premises, or any other location specified by UNHCR. UNHCR will issue a work order or Purchase Order, by email, detailing the PDI requirements. Generally, PDI will consist of checking that goods or services are provided in accordance with any Purchase order/ Contract specification requirements. The PDI will include such tests and measurements necessary to verify the requirements described in the relevant Purchase Order. The inspection company may also be requested to observe/assess the process of loading and sealing of containers and/or trucks at the time of the PDI.

The POI will include, but may not be limited to, the following activities:



UNHCR

United Nations High Commissioner for Refugees
Haut Commissariat des Nations Unies pour les réfugiés

- a) Check quality of the consignment, with samples drawn based on the batch size and sampling plan described by ISO 2859-1: latest issue, or as specified by and agreed with UNHCR.
- b) Check the quantity of items listed in the Purchase Order/Contract and further ensure the requirements against the contract specification, technical drawings and other relevant documents or standards are met.
- c) Check the workmanship and finish of the items listed in the Purchase order/Contract requirements.
- d) Conduct dimensional checks.
- e) Verify manufacturer's test reports for raw materials or, if required, witness the testing of the raw materials.
- f) Check the packing, pallet size, shipping marks against instructions specified in the Purchase Order and stamp the supplies as inspected.
- g) Collect and forward samples as requested by UNHCR for further laboratory testing.
- h) Report any damage or non-conforming aspects observed.
- i) Record the rate of non-conformities found during the pre-delivery inspection works for manufacturer's / supplier's performance records.
- j) In cases where the UNHCR technical specifications miss an important parameter to be controlled the inspector shall inform to UNHCR to consider it in the technical specifications.
- k) All inspection samples selected shall be marked with permanent marker or sticker (i.e. "QC") when defective goods are found.
- a. The Inspection Company shall notify the UNHCR Supply Unit in the Yemen Operation by e-mail with results of the analysis before the consignment is removed from the storage area. The draft inspection report must be completed and issued within 2 working days of completion of the inspection.
- l) The actual product-specific inspection requirements shall be stipulated in the corresponding work order issued by UNHCR-Yemen to the Inspection Company.

In some cases, and for certain products, separate specific inspection guidelines will be issued with the inspection requests. These activities listed above shall either be performed by the representative nominated by the Inspection Companies or performed by others and witnessed by the nominated representative.

In order to make inspections more cost-effective, inspections against different Purchase Orders must be combined where possible, if the supplier, place and date of inspection are the same. Should consistently good quality be achieved, UNHCR may switch to reduced inspection (as per sampling plan and guidelines in the ISO 2859-1:1999). Alternatively, should a deterioration in quality be detected, UNHCR may ask for tightened inspection. UNHCR will determine any changes to the sampling plans and advise the inspection agency accordingly when requesting the inspection service.

UNHCR shall, in all cases, make the final decision to release any consignment for shipment. This decision will be based in part on the pertinent information contained in the inspection report(s).

Deliverables

The inspection report at manufacturing site shall provide the results of the full assessment on the manufacturer's capacity and infrastructure to supply UNHCR goods in accordance with the terms and conditions laid down in the relating purchase order and particularly with regard to compliance to the technical specifications of the goods, the manufacturing standards ruling in the industry. In the event that the findings of the inspector could jeopardize the operations/reputation

of UNHCR due to violation of manufacturing standards and policies agreed with UNHCR the inspector must immediately report to PMCS for its consideration.

4. SUPERVISION OF LOADING (manufacturer's site) AND/OR UNLOADING

The Inspection at unloading will be carried out as per Purchase Order where services will be specified and will include, but not be limited to, the following functions:

- a) Quantity inspection, the Inspector shall inspect the quantities by random checking of weight or volume as applicable of a representative number of full and empty bags, bottles, boxes, aluminum sachets or such other type of packaging used in accordance with the contractual specifications to determine the net weight or volume.
- b) The inspector shall verify the accuracy of the Quantity Certificate provided to UNHCR.
- c) Quality inspection, visual appraisal of the packing and/or palletized supplies before loading/unloading or conditioning.
- d) Ensure that shipping marks correspond in color, dimensions and size to the requirements of provided samples or purchase order.
- e) Sampling during loading/unloading and analysis.
- f) Confirm that the items received are in accordance with the UNHCR's purchase order. The Inspector shall inspect bags, aluminum sachets, outer cartons, rolls etc. and verify their correspondence to the contractual specifications in terms of material, size, weight and suitability and verify that packaging is well sealed.
- g) Witness handling of all loading operations.
- h) Ensure the stowing, fastening and wedging on all transport is adequate to withstand the conditions likely to be encountered during shipment. Report any non-conformities and /or non-optimum aspects observed.
- i) Check the standard of transport, condition of containers.
- j) Check all relevant documents.
- k) Stamp and seal, both consignment and container, as required.

Deliverables

UNHCR could accept PO delivery partially based on the inspection outcome. The Inspection Report, Visit Report, Graphic Evidence Record and on-site test results are the most important reports to be submitted to UNHCR.

5. POST DELIVERY INSPECTION

Inspections at UNHCR Warehouse or Final Destination shall be performed on the following basis: the inspector shall immediately inform to UNHCR the condition of the goods upon arrival and validate that the cargo has been fully secured for safety transportation and unloading in its final destination.

The Inspections will be carried out as per Purchase Order where services will be specified and will include, but not be limited to, the following functions:

- **IF PDI INSPECTION CONDUCTED:**

- a) The inspector shall report on the timely arrival of commodities at port of discharge or UNHCR warehouses and shall coordinate the time and place of inspection.



UNHCR

United Nations High Commissioner for Refugees
Haut Commissariat des Nations Unies pour les réfugiés

- b) Witness and survey handling of all unloading operations.
- c) Quantity inspection against Quantity Certificate and purchase order - by count and/or weighing.
- d) Quality inspection, visual appraisal of the packing and/or palletized supplies after shipment.
- e) Report all damages observed at the consignee's site, including the extent, nature and cause of damage for future preventive measure.
- f) Ensure consignee stamp and seal, both consignment and container, as required.
- g) Quality inspection and field observation on the durability of supplies (to be done only upon request by UNHCR).
- h) Confirm storage of the items is in accordance with the conditions stipulated by the client or manufacturer.
- i) UNHCR may request the Inspector to conduct periodic testing and to draw and analyze samples from UNHCR warehouses.
- j) The Inspector shall submit an inspection report to UNHCR prior approval of the inspection plan to be used at UNHCR warehouses.

• **IN CASE NO PDI INSPECTION IS CONDUCTED:**

- a) Check quality of the consignment, with samples drawn based on the batch size and sampling plan described by ISO 2859-1: latest issue and as specified by and agreed upon with UNHCR.
- b) Check the quantity of items listed in the Purchase order/ Contract and further ensure the requirements against the contract specifications, technical drawings and other relevant documents or standards are met.
- c) Check the workmanship and finish of the items listed in the Purchase order/Contract requirements
- d) Conduct dimensional checks.
- e) e) Verify manufacturer's test reports for raw materials or, if required, witness the testing of the raw materials.
- f) Check the packing, pallet size, shipping marks against instructions specified in the Purchase Order and stamp the supplies as inspected.
- g) Collect and forward samples as requested by UNHCR for further laboratory testing.
- h) Report any damage or non-conforming aspects observed.
- i) Record the rate of non-conformities found during the pre-delivery inspection works for manufacturer's/supplier's performance records.
- j) In cases where the UNHCR technical specifications miss an important parameter to be controlled the inspector shall inform to UNHCR to consider it in the technical specifications.
- k) All inspection samples selected shall be marked with permanent marker or sticker (i.e. "QC"); defective goods shall also be marked for easy distinction and stored separately.
- l) The Inspection Company will notify authorized notify party in the UNHCR-Yemen Operation (Supply Unit) by e-mail with results of the analysis before the consignment is removed from the storage area. A draft inspection report must be completed and shared with UNHCR-Yemen within 2 working days of completion of the inspection with the final inspection report - within 5 working days after completing the inspection.
- m) Any other agreed ad-hoc inspection requirement.

DELIVERABLES

Inspection Reports and additional documents submitted to UNHCR shall be furnished as the deliverable requirements of Inspection on Finished Goods. However, since the goods have been already delivered to UNHCR warehouses/final destination, the finished goods are subject to the same validation of compliance with technical specifications. The

acceptability criteria will serve for UNHCR to apply compensation measures on manufacturers/suppliers depending on the results of the inspection reports.

6. MINIMUM LEVEL OF EFFORT

The minimum level of effort (MLE) shall be calculated to establish how many inspected units of a given product can a company visually assess per man-day, i.e. a given inspector under any circumstances will not be able to inspect less than stated quantity of the products. This MLE should constitute part of the vendors' offer and future minimum contractual commitment. MLE item-specific information is contained in Annex I which must be filled in and presented as part of your Offer.

7. REPORTING

All the Inspection Reports requested by UNHCR shall be sent in Excel (with the records of parameters controlled) via e-mail and its final version converted into PDF format duly signed and stamped by the inspector and witness(es) of the inspection process.

The inspection agency shall issue a Certificate of Inspection along with an Inspection Report and provide UNHCR with relevant photographs for each consignment, within 2 working days after each inspection. Exceptionally, a draft report detailing any major issues will be accepted, by agreement, where the reporting will take longer due to any complicated or technically challenging inspections that have been conducted.

Inspection reports are to be signed by both the concerned inspector as well as by the Company's Director/Principal Manager. Reports shall include the minimum following information:

- a) UNHCR PO number;
- b) Description of goods inspected;
- c) Time date and place of inspection;
- d) Sampling and AQL levels used;
- e) Number of samples taken for inspection;
- f) Statement(s) or recordings against products critical characteristics, either visual or measured to verify the PO requirements;
- g) Summary of findings showing number of critical major or minor defects against AQL;
- h) Signatures of inspector and company representative;
- i) Additional comments i.e. were samples recovered and sent onwards to laboratory for further testing;
- j) Photos in the inspection report shall represent a proof of defect found during the inspection performed by the Inspection Company surveyor;
- k) The packing conditions (including sealing and marking; UNHCR visibility logo, list of items, manufacturer's marking) of the goods inspected during the loading stage shall be summarized after the selection of a representative sample as per ISO 2859-1;
- l) The time of delivery of the product for inspection shall be shown in the report;
- m) Visit Reports shall be submitted alongside with the Inspection Report (or Preliminary Inspection Report) as proof of all the parameters controlled/measured by the inspector in accordance with UNHCR technical specifications described in the UNHCR Supply Catalogue and the inspection plan as per ISO 2859-1;



UNHCR

United Nations High Commissioner for Refugees
Haut Commissariat des Nations Unies pour les réfugiés

n) Overall recommendation of inspector to accept or reject the lot.

Inspection Report at port of discharge shall be sent by e-mail to UNHCR-Yemen. All certifications, including Inspection certificates must be recognized by and comply with current requirements of the pertinent Authorities in the country of importation. If the consignment has successfully passed inspection, a release note may be issued so as not to delay the departure or hand-over of the goods. The draft Inspection Report must be completed and issued within 2 working days of completion of inspection.

8. REQUIRED STANDARD OF SERVICES

All Inspection Services shall be delivered by the Inspector in a professional and workmanlike manner in accordance with the terms and conditions of this Contract. Without limiting the generality of the foregoing:

- a) The Inspection provider shall perform the Inspection Services and conduct its operations associated with this Contract with due diligence and efficiency, in accordance with sound technical, financial and managerial practices and the highest applicable industry standards, and in a manner that at all times protects the interests of UNHCR.
- b) The supplier (Inspection Company) shall ensure that its employees, agents, contractors and subcontractors possess the technical and professional qualifications, licenses, competencies and skills necessary to deliver the Inspection Services and to perform the obligations of the Contractor under this Contract.
- c) The Inspection Company is to take full liability for the performed services.
- d) The Inspection Company shall possess and demonstrate a copy of the liability insurance policy covering the inspection services provided to UNHCR under this ToR.
- e) No assistance from the manufacturer/supplier personnel shall be allowed for the services directly connected to the inspection (such as items' measurement, weighting, etc.), the only type of help allowed from the manufacturer/supplier personnel, if available, is moving boxes, unpacking, repacking and any accessory services related to the inspection.

9. BILLING INFORMATION

Original invoices for the rendered services shall be submitted immediately after sharing the inspection final report, and should be accompanied by the following:

- Inspection request (Work/Service) sent from UNHCR Focal Point and UNHCR PO reference number for the given inspection services;
- Attendance sheet (acknowledged by the supplier's store man and/or UNHCR Warehouse Manager) showing the number of inspectors participated in the inspection, location, date and time inspection started and finished, items and quantities of the products inspected;
- Final inspection report.

10. KEY PERFORMANCE INDICATORS (KPIs)

The supplier will be measured on several performance criteria and recorded as follows:



UNHCR

United Nations High Commissioner for Refugees
Haut Commissariat des Nations Unies pour les réfugiés

- a. Days from receiving UNHCR request for Inspection to furnishing acknowledgement request to UNHCR - max. 2 working days;
- b. Days from receiving an Inspection request from UNHCR to the actual commencement - max. 5 working days;
- c. Days of the Inspection per-man-day duration should be in accordance with the minimum effort level¹ contained in the approved vendor's offer (applicable to the selected products enlisted in the annex);
- d. Days from inspection conclusion to report shared with UNHCR - max. working 2 days for draft report and max. 5 working days for final report from the end date of the Inspection.

Ad-hoc meetings may be called to discuss any poor performance trends.

The Key Performance Indicators (KPI's) may be amended from time to time to ensure supplier performance can be properly measured.

END

¹ Minimum effort level - output of number of goods that can be inspected in a given location in units per man-day.