

An hour in the shoes of the Procurement Division

1. The Republic of Bickistan has been through 26 years of civil war in its Central Province. Much of the infrastructure (roads, water and sewage & power systems etc) has been degraded. Bickistan has some oil and significant natural gas deposits. In the last year, the cruelty of the civil war has escalated causing international concern for the continuous violations of human rights.

2. The Security Council of the United Nations approved in its resolution S/RES/20XX the establishment of a new United Nations Mission in Bickistan. The new Mission will be called United Nations Mission in Bickistan (UNMIB) and is to start operations within 3 months by establishing peacekeeping troops in different locations of the Central Province. Several Troop Contributing Countries have expressed their support to the mandate of UNMIB.

3. In order to prepare for the commencement of operations of UNMIB, the United Nations Procurement Division (PD) has been requested to establish several contracts as a matter of priority, like the establishment of various camps for accommodation for the troops, the rental of office space for the non military staff, the repair of the airport runways to enable the take-off and landing of UN aircrafts, the provision of fuel for UN aircrafts and vehicles, as well as various telecommunication services. Among the first priorities for UNMIB is the establishment of a contract for provision of food rations for the peacekeeping troops that will be stationed in the Central Province.

4. The UN's strategy for this requirement will be to find a long-term contractor with the capability to operate all aspects of the supply chain of food, from the sourcing of the food items at their origin to the final delivery to the troops, as a turnkey service. The contract is envisaged to be in place for 3 years, plus two optional extensions of one year at the sole discretion of the UN. Because of the different dietary tastes of the nationalities of the troops that will be deployed in UNMIB, the chosen contractor will be required to deliver the more than 400 food items that are part of the UN Rations Scale without exceptions.

5. While the final details of the requirement are being developed by the logistics experts of the Department of Field Support (DFS), the Procurement Division has started to look for potential bidders for this requirement.

Question 1: if you were the PD case officer, what would you do?

6. DFS and UNMIB have determined that the best strategy to ensure uninterrupted supply of food is to establish a warehouse in Bickistan City, outside of the area of conflict, with reserves of at least 36 days of supply. The contractor will be required to construct, maintain and operate the warehouse. A state-of-the-art quality assurance system will be necessary to ensure that the quality and safety of the food delivered to the troops is optimal. Most of the food, except for some fresh fruits and vegetables, will need to be imported by the contractor and stored in the warehouse before distributing it on a weekly basis to the contingents, located in points of the Central Province. The final distribution of the food will also be the responsibility of the contractor.

Question 2: if you were the PD case officer, what solicitation instrument would you use?

7. The bid required bidders to submit proposals in 2 sealed envelopes - one envelope with the technical proposal and the other envelope with the financial offer – both envelopes to be clearly marked with the RFP number and the contents and the name of the bidder. Each component (technical and financial offer) is to be submitted in three (3) sets each (i.e. 3 sets technical proposal and 3 sets of financial offers). Firms were cautioned to separate technical and financial information in to separate sealed envelopes. Failure to do so will lead to disqualification.

8. The bid specifies that the technical offer will carry a weight of 60% in the final decision and the Financial Offer will be weighted 40%. The cut off score for a technical offer to be deemed as technically compliant is 70%.

9. In accordance to the conditions set forth in the bid, the bidders must be able to demonstrate compliance with quality standard ISO 22000, or an equivalent quality certification. The Scope of Requirement (SOR) annexed to the bid carefully explains the details of the requirement, and requires the bidders to submit the following information as part of their technical proposal:

- A corporate profile of the bidder's company, details on the subcontractors that will be used for this requirement and the resumes of the key personnel of the project.
- A detailed quality assurance plan.
- A proposal for the warehouse, including drawings, mechanical handling equipment, etc.
- A proposal for the supply chain to the final delivery locations, including a business continuity plan in case of contingencies.

10. The bid states that the prices must remain valid for the initial term of the Contract. The successful bidder must, upon signature of the Contract, provide an Independent Bank Guarantee in the amount of 10% of the total amount envisaged for the initial term of the Contract. The UN will pay to the Contractor in accordance to this pricing structure:

- A mobilization fee to be paid once that the mobilization of the warehouse has been completed
- A monthly warehousing fee to reflect the costs of the operation of the warehouse, to be paid monthly after mobilization has been completed.
- The landed cost of food at the warehouse.
- The costs for the final distribution of food to the contingents.

11. The bid specifies that bidders must attend a mandatory bidders conference that will take place in the capital of Bickistan on a date clearly specified in the bid. In accordance to the bid documents, the bidders have three weeks from the date of issuance of the bid to ask any questions that they may have about the requirement.

12. By the bid closing date PD received 8 bids. The bid opening unit opened the packages in a public ceremony.

#	Name	Separate sealed Technical Offer	Separate sealed Financial Offer	Observation	Questions
1	A	Yes	Yes	Accepted	
2	B	Only one envelope		Bid opening team opened the envelope & found loose documents – technical and financial in the envelope	Question 3: If you were the director of PD – what would you do?
3	C	Yes	Yes	Accepted	
4	D	Yes	Yes	Accepted	
5	E	Yes	Yes	Accepted	
6	F	Yes	Yes	Delivered by hand 20 minutes after the bid closing dead line	Question 4: If you were the director of PD – what will you do?
7	G	Yes	Yes	Accepted	
8	H	Yes	Yes	Supplier’s name not on invitee list	Question 5: If you were the director of PD – what will you do?

13. PD submitted the Technical Offers to the Technical Evaluation Committee of the bid for evaluation.

14. The next day the chairman of the Technical Evaluation Committee called PD – she advised that in vendor “H’s” offer, the envelope containing the technical offer included a CD-Rom disk marked “Technical Offer” but upon viewing the contents it was found that the disk also included a spread sheet with the firm’s financial proposal and the bid prices.

Question 6: if you were the director of PD, what would you do?

15. Following the evaluation, the Technical Evaluation Committee submitted the technical report with the following scores.

Phase I – Technical Evaluation Matrix

#	Name	Phase I score - Technical out of 1000 points	%	Comments
1	A	855	85.5	
2	B	580	58.0	
3	C	650	65.0	
4	D	750	75.0	
5	E	720	71.0	The technical proposal did not submit a copy of ISO 22000 nor equivalent
6	F	700	70.0	
7	G	790	79.0	
8	H	450	45.0	

Question 7: which firms failed Phase I of the Technical Evaluation?

Question 8: what action would you take next as the PD case officer?

16. The PD case officer performed a commercial evaluation of the offers, making sure that all the components of the cost submitted by the suppliers were carefully added to come up with a total cost of the Contract. The evaluation of Financial Offers gave the following results:

#	Name	Financial offer
1	A	\$35,850,000
2	D	\$58,570,000.
3	G	\$29,875,000.

17. Following this, the PD case officer calculated the Best Value for Money computation in accordance to the terms of the bid.

#	Name	Phase II Technical Offer	Weighted 60%	Financial offer	Financial Offer weighted 40%	Aggregate BVM Score.
1	A	85.5	51.3	\$35,850,000	33.3	84.6
2	D	75.0	45.0	\$58,570,000.	20.4	65.4
3	G	79.0	47.3	\$29,875,000.	40.0	87.3

Question 9: what company would you recommend for award?

18. Following internal practices, PD submitted the procurement case to the Headquarters Committee on Contracts (HCC) for review. After ascertaining that the principles of Procurement of the United Nations had been carefully adhered to, the HCC recommended the award of the contract for approval and the Assistant Secretary General, Office of Central Support Services approved the award. Upon signature of the Contract with the company that won the award, the PD case officer sent letters of regret to all 7 unsuccessful bidders. The day after receiving that letter, a representative of company D called the PD case officer bitterly complaining about the outcome of the solicitation.

Question 10: what would you do as the PD case officer?