Introduction to the Procurement Support Office (PSO) in Copenhagen

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UNDP - Procurement Support Office
Copenhagen, 29-31 October 2008
The volume of UNDP procurement tripled to approximately $2.5 billion over a three-year period. It is no longer perceived as a back-office, but rather a mission-critical and strategic function in ensuring development results for the organization.

Procurement is having a much larger scope than generally acknowledged!
Products procured by IAPSO & GPU 2004-2008

Total procurement w. financial values

- ballot box: 51,470,597.00
- Ballot Paper/Printing: 3,687,851.85
- Banner: 94,541.80
- cards for registration: 144,300.00
- Clothing for Election Officials: 646.00
- Digital Registration Equipment: 51,470,597.00
- Electric Lanterns: 312,581.25
- Indelible ink kits: 3,011,572.75
- lantern: 2,949,059.35
- Other: 552,941.11
- photo background: 1,007,437.45
- photo cutters: 179,612.00
- Polaroid cameras/film: 17,172,675.43
- Registration/Polling kits: 98,414.40
- Seals: 74,941.11
- stationary: 1,007,437.45
- Voter Education Material: 17,853.30
- Voting Booths: 17,853.30
- VR Design/Printing: 54,518.00

Total: 9,413,677.00
Products procured by IAPSO & GPU 2004-2008

- Total procurement w. percentage
  - ballot box: 9%
  - Ballot Paper/Printing: 4%
  - Banner: 0%
  - cards for registration: 0%
  - Clothing for Election Officials: 0%
  - Digital Registration Equipment: 0%
  - Electric Lanterns: 0%
  - Indelible ink kits: 0%
  - lantern: 1%
  - Other: 17%
  - photo background: 5%
  - photo cutters: 2%
  - Polaroid cameras/film: 1%
  - Registration/Polling kits: 0%
  - Seals: 1%
  - stationary: 0%
  - Voter Education Material: 1%
  - Voting Booths: 0%
  - VR Design/Printing: 0%
Partial Merger of UNDP/IAPSO

• IAPSO ceased to exist from 1 Jan 2008
• Part of IAPSO’s functions merged into UNOPS
• Remaining part merged to strengthened UNDP-PSO
• Former OLPS split into PSO and LSO

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Merged into UNOPS

- UNWEBBUY e-procurement system
- Service for procurement of “common user” items such as vehicles, IT equipment etc
- UNGM web-portal and centralized vendor database serving UN agencies and vendors
Retained with PSO

- Strategic procurement specifically in support of key UNDP Practice Areas:
  - Elections support
  - GFATM
  - Crisis Prevention and Recovery

- High-level Committee on Management (HLCM) Procurement Network Secretariat

- Training

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PSO Organisation and Focus

- Policy and Support, New York (NYC)
- Risk Management, Oversight and Quality Assurance (RCPO and Professionalization/Training) NYC, Regional Centers and CPH
- Advisory Services (for Practice Areas) (CPH)
- Global Procurement Unit (CPH)
- High-level Committee on Management (HLCM) / Procurement Network Secretariat (CPH)

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PSO Electoral Support

- **Global Procurement Unit**: is the operational arm in providing direct procurement on behalf of COs that lack capacity or for strategic reasons (for a fee). The support could be purely on-line or supported with procurement planning missions.

- **Special Advisory Team**: acts as an independent advisory team to UNDP COs and provides advice and support on strategic planning, budgeting and on-site training, and seek appropriate integration between program and procurement. Support could be targeted exploratory, formulation and needs assessment missions and/or on-line support.

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GPU/SAT - *How do we work together?*

- Performing market analysis (supply/demand/ stakeholders)
- Keeping abreast of technological innovations
- Developing efficient procurement strategies leading to long term agreements (LTA) for the most strategic and essential electoral materials
- Developing tools for procurement management
- Exploring leasing options/software development options
- Developing Standard Operating Procedures (SOP)

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**Copenhagen, 29-31 October 2008**
Across the units we aiming at increased focus on early ‘Integration of Programme and Procurement’
OVERVIEW OF CHALLENGES IN ELECTORAL PROCUREMENT

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OBJECTIVE

• To create awareness on the multiple challenges in Electoral Procurement

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Elections Procurement – Challenges

Structural Arrangements in place
- Independent Electoral Management Bodies (EMB)
- EMB with a permanent structure or is it a shell?
- Human Resources in EMB and UNDP (bodies or technical experts?)
- Procurement Structure in EMB and UNDP

Supply Market Distortion
- Political lobbying lead to prejudicial outcome of the tender process, market distortion
- Some commodities are very simple but limited specialized suppliers.
- Affects cost, best technical solution, undermined the procurement entity

Insufficient Budget
- Lead to sub-optimal goods and services being purchased
- Several ad hoc procurement exercise as patch work solution
Inflexible deadlines
- Often use by critical stakeholders as a tool to exert pressure on the procurement agent
- Cause serious value for money predicaments i.e. need to airfreight, create artificial single source situation

Incomplete or Late Technical Specifications and ToR/Request for assistance
- Creates small margin of error. Remedy action limited
- Creates ambiguity, a situation suppliers can manipulate and difficult for procurement agent to disqualify
- Can result in the wrong supplier being selected
**Elections Procurement – Challenges**

**National ownership, capacity and infrastructure**
- EMB may not be ready, not created yet or simply lack capacity
- Capacity is not just one-off training
- Are policy framework, systems & tools, procedures, understanding of budget exist?
- Leadership?
- Some developing countries are challenged logistically i.e. DRC, G-Bissau

**Reputational risk**
- To EMB, UNDP and the donor community
- The media and certain stakeholders may misrepresent the procurement actions
Elections Procurement – Challenges

Unrealistic Expectations
- By stakeholders on the Procurement Rules & Regulations to deliver
- Ill-informed of the market response time and structure

Technological Innovations and Sustainability
- Over-focus on traditional products i.e. Polaroid cameras, silver nitrate ink
- Innovation in the market place was not embraced

Cost of high-tech solutions and sustainability
- Cost of Voter Registration without logistics factored in could go up to US$1.78.
- Could create unrealistic benchmark for some countries.
- Creates negative perception if this is not repeated in subsequent elections
- Could be a one time event with little synergies into a wider institutional plan
Thank You
Discussions