Presentation Plan

- Definitions and Competency framework
- General Procurement Process & Standards
- Criteria of Effectiveness. Solutions vs. Challenges
- Case Study – OCV Iraq, 2005
- Powerful Tips
Definitions

- Procurement is defined as the obtaining of something (Goods, Commodities, services), especially by effort.

- Logistics is the discipline dealing with the support related activities of the procurement, maintenance, and transportation of equipment, supplies, facilities, and personnel.
Humanitarian Logistics is defined as the process of planning, implementing and controlling the efficient, cost-effective flow and storage of goods and materials, as well related information, from the point of origin to the point of consumption for the purpose of alleviating the suffering of vulnerable people. The function encompasses a range of activities, including preparedness, planning, procurement, transport, warehousing, tracking and tracing, and customs clearance. (Fritz Institute)
Logistics Competency Framework

- Supply Chain management
- Warehousing and Inventory
- Procurement
- Transport
- Fleet Management
- Import and Export
- Managing Humanitarian Supply Chain
Logistics Coordination Unit aims to provide logistical support to the projects undertaken by IOM Field Missions (upon their request). Along the service related matters it focuses on interagency logistics coordination issues as well, as participates on global logistics forums. The unit further seeks to identify organization’s major logistical/procurement needs providing relevant services and constructive recommendations through analyses and proper planning mechanisms.
February 2003 - Opening office in Larnaca (Cyprus)
June 2003 – Opening offices in Baghdad, Basra, Hillah.
July 2003 - Erbil, Mosul, Suleymania.

19 August 2003
Blast in “Canal Hotel”

- August/September 2004 Setting up Logistics/Procurement Unit in Sudan
- **December/January 2004-05 - OCV Iraq office was opened in Jordan.**
Logistical Challenge

MANAGEMENT CONSULTATION

- SCALE & TYPE OF RESPONSE
- EXISTING LOG CAPACITIES
- MAJOR BOTTLENECKS
- RISK ASSESSMENT
- RESOURCE MOBILIZATION

TARGETED OBJECTIVE: RESPONSE WITHIN 24 HOURS!!!
Risk Factors

- Inappropriate/unethical vendor selection.
- Unauthorized or unbudgeted purchases.
- Liability is incurred but not recorded.
- Liability is settled but the good or service is not received.
- Incomplete documentation of purchases.
- Purchase amount is recorded incorrectly.
- Purchase is recorded in the wrong period.
Purchase Manager Workflow

workflow cycle

- create
- approve
- generate POs
- analysis cycle
- transaction catalogs
- workflow & policy
- decision making
- reconcile

receive vendor
- deliver POs
PROCUREMENT CRITERA

- Price
- Delivery Terms
- Payment Terms
- Quality
- After sales services/Warranty
- Specifications/Compatibility/Suitability
- Vendor’s Profile/Testimonials
Types of Procurement procedures

- OPEN PROCEDURE - Tender procedures are open whenever all interested suppliers may submit a tender after publication of tender notice.

- RESTRICTED PROCEDURE – Tender procedures are restricted whenever all suppliers may ask to participate to an invitation to tender, but only those candidates satisfying the selection criteria may submit a tender.

- NEGOTIATED PROCEDURE – Contracting Authorities invite simultaneously suppliers of their choice to negotiate the terms of the contract

  **Exceptionally**, contracting authorities may place the order on the basis of **single quote**.
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Method of Evaluation - Best Quality/Price Ratio

- Define Applicable Procurement Criteria.
- Assign the incremental points to the procurement criteria according to their Priority or importance.
- Distribute the score cards among the members of BEC.
- Summarize and Analyse the Result
Merit System

1st Memb
2nd Memb
3rd Memb

Price
Quality
Del. T
Payment T
Comp/Suit
AS/Warr
References
Simplified version of Bids Evaluation

Price
Quality
Delivery Terms
Other Commercial terms

Incremental Point +1
Incremental Point +2
Incremental Point +3
Incremental Point +4
When 3 Bids requirement can be waived?

- A minimum of three bids/proposals/quotations from vendors shall be required for all purchases. Proposals/Quotations must be in writing and signed (manually or electronically) by responsible officer of the proposing vendor.

- The requirement for a minimum of three quotations/proposals specified above, may be waived in any of the following instances:
  - Vendor is the manufacturer or exclusive distributor of the goods being purchased or when there are less than three distributors operating in the area.
  - When there is a valid and ongoing corporate long-term agreement (LTA) between IOM and a company manufacturing or distributing the goods.
  - The change of vendor will have detrimental effects on the warranty and/or after sales services of the existing equipment that shall be affected by the newly purchased equipment in the network. This is particularly important for IT and telecommunication equipment.
  - Placing a repeat order.
  - When purchase is made through the established UN electronic procurement sites – e.g., UNDP’s IAPSO.
  - In case of extreme emergency.
  - Purchases of goods/services below US$1,000 or its local currency equivalent.
# Criteria of Effectiveness

<table>
<thead>
<tr>
<th>Increase Awareness &amp; Recognition</th>
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<tbody>
<tr>
<td>Technological Solutions</td>
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<tr>
<td>Performance Measurements</td>
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<tr>
<td>Preparedness &amp; Pre-Positioning</td>
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</tbody>
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- Trained Personnel
- Technical Capacities
- Investments
- Stand by Capacities
- Policy & Standardization
<table>
<thead>
<tr>
<th>Solutions</th>
<th>Challenges</th>
<th>Lack of Recognition of Logistics</th>
<th>Lack of Professional Logisticians</th>
<th>Lack of Adequate Technology</th>
<th>Insufficient Institutional Learning</th>
<th>Limited Collaboration</th>
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<tbody>
<tr>
<td>1</td>
<td>Develop organizational philosophy recognizing Logistics as pivotal function</td>
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<td>2</td>
<td>Elevating Logistics portfolio to the strategic level</td>
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<td>3</td>
<td>Establish Central Logistics Unit (CLU) and Global Logistics Hub (GLH)</td>
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<td>4</td>
<td>Establish Emergency Revolving Fund (ERF)</td>
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<td>5</td>
<td>Professional Logistics trainings through academia</td>
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<td>6</td>
<td>Create capable pool of technically competent Logisticians</td>
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<td>In-house training packages (SOPs, manuals, team trainings for joint deployment)</td>
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<td>8</td>
<td>Acquisition of flexible technology solutions</td>
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<td>9</td>
<td>PRISM to seek compatibility with existing tracking and tracing software solutions.</td>
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<td>10</td>
<td>Continue participation in global Logistics initiatives</td>
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<td>11</td>
<td>Establish metrics and performance measurements</td>
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<td>12</td>
<td>Join UNHRD network</td>
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<td>Establish long-term agreements with Private sector, governments and CIMIC</td>
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<td>14</td>
<td>Provide incentives to dedicated field staff</td>
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IOM Signed agreement with Independent Electoral Commission of Iraq (IECI), 11-Nov-2004

Registration and polling was conducted in 14 countries

IOM Conducted voter registration of 279,785 Iraqis. 94.8% had cast their ballots. 28-30 Jan, 2005
Election - 4 Months

- Set up Field Offices (FOs) and Data processing Center (DPC)
- Identify + set up Registration/Pollings Centers (R/PCs)
- Hire + train registration/polling staff (from among the target population)
- Procure and produce materials
- Start PI / media / VE campaign – well in advance of voter registration
OCV Headquarters Organizational Chart

- **DIRECTOR’S OFFICE**
  - FRONT OFFICE ADVISORS REPORTING
  - DEPUTY DIRECTOR’S OFFICE
  - MANAGEMENT OFFICE

- **SUPPORT**
  - LOGISTICS
  - INVENTORY
  - WAREHOUSE AND SUPPLY
  - TRANSPORT
  - TRANSLATION

- **EXTERNAL RELATIONS**
  - ACCREDITATION
  - OBSERVATION

- **OPERATIONS**
  - IN PERSON OPERATIONS
  - BY MAIL OPERATIONS

- **TRAINING**
  - VOTER EDUCATION
  - OUTREACH CENTRES
  - VOTER INFORMATION OFFICE

- **FIELD OPERATIONS**
  - IN PERSON OPERATIONS

- **COMMS AND IT**
  - IT INFRASTRUCTURE
  - DATABASE DEVELOPMENT
  - IT PROJECTS
  - HELPDESK
  - COMMS

- **SECURITY**

- **ADMINISTRATION**
  - FINANCE/BUDGET
  - HUMAN RESOURCES
  - PROCUREMENT
- Closing down the operation: FOs, OCs, COs, HQ
- Delivery of sensitive materials to EC
- Sale, donation, shipment, destruction or storage of all other materials
- Final reports

Election + 1 Month
A way forward

- Create pool of professional and specialized logisticians
- Standardize conventional equipment
- Implement “Turn key” approach
- Preposition electoral equipment
- Follow up new technological developments
- Perform professional “on-job trainings”
Powerful Tips

- Use spend data matrix to analyze purchasing trends and gain leverage in vendor negotiations.
- Always design your BATNA before negotiations will take place. BATNA is the acronym for Best Alternative To a Negotiated Agreement. BATNA is the choice you can make if you conclude that negotiating with a particular party is not likely to yield a favorable result. You can walk away from a negotiation if your BATNA is better than the likely outcome of that negotiation.
- Ensure purchases comply with your internal policies as well as contracted vendors and terms — eliminate "maverick or casual spending."
- Control and react immediately if allocated budget is about to be overspent.
- Automatically split purchase requisitions/procurement files by line items if commodities must be obtained from various suppliers.
- Approve or deny purchase requisitions from the very beginning if commercial terms aren’t acceptable.
- Collect maximum information from your suppliers (catalogues, profiles of the company, leaflets, specs, descriptions of goods to be purchased).
- Track materials once they are purchased.
- Avoid interdependency and involvement of several suppliers at the same.
- While issuing PO/Contract -Assume less and request more from suppliers.
- Try do not release the advances and pay in time for already completed jobs.
- Try to minimize transportation needs and if possible eliminate warehousing of purchased commodities. Remember these services are costly and often results with unnecessary wastages and lost.
QUESTIONS???