European Commission
United Nations Development Programme
International IDEA

Joint Training on
Effective Electoral Assistance

DAY 5
Brussels, 22-26 October 2007
Procurement of electoral materials

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IAPSO

Joint Training on Effective Electoral Assistance
Day 5
Procurement
Overview

- UNDP organisation & procedures
- Challenges in electoral procurement
- Approaches to improve procurement outcomes
- Case study – Procurement of Biometric voter registration system
- Lessons learned
UNDP Procurement Principles

- Fairness, Integrity, Transparency
- Effective International Competition
- Interest of UNDP
- Best value for money
Value for money
What is the actual cost?

- Purchase Price
- Acquisition
- Installation
- Maintenance
- Disposal

What is the actual cost?
UNDP Procurement

- Decentralised procurement organisation
- HQ support - Procurement Support office
UNDP Procurement

- Procurement support office (PSO)
  - Procurement advisor for election
  - Global procurement unit
  - Procurement capacity development centre
  - Procurement policy, training, oversight
Approvals

- **Contract, Asset and Procurement (CAP)** committee reviews all procurement cases above USD 30,000

- **Advisory Committee on Procurement (ACP)** reviews all procurement cases above USD 100,000
# Procurement methods

<table>
<thead>
<tr>
<th>Procurement Method</th>
<th>Application</th>
<th>Lead time</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFQ – Request for Quotation</td>
<td>&lt; USD 100,000 Goods/Services</td>
<td>1-3 weeks</td>
</tr>
<tr>
<td>ITB - Invitation to bid</td>
<td>&gt; USD 100,000 Goods</td>
<td>10-12 weeks</td>
</tr>
<tr>
<td>RFP – Request for proposal</td>
<td>&gt;USD 100,000 Services</td>
<td>12-16 weeks</td>
</tr>
<tr>
<td>LTA – Long term agreements</td>
<td>Where they exist</td>
<td>1 week</td>
</tr>
</tbody>
</table>
Procurement needs

- Polling day materials
- Voter registration materials
- Printing (ballots, posters etc.)
- Consultants/advisors
- NGOs/Civil Society organisations
- Vehicles
- ICT
Challenges

- Specifications/Terms of References
- High risk
- Time constraints
- Insufficient budgets for procurement needs
- National ownership & capacity
Procurement strategy
Election kits

- What are the procurement objectives?
- What is the requirement and how is it going to be met?
- What are the risks and how can risks be managed?
Specific procurement objectives

- Secure supply
- Value for money
- Local procurement
- Long-term sustainability
- Develop local capacity
- Ensure transparency & accountability
What is the requirement and how is it going to be met?

- Specifying the requirement
- In-house develop or procurement
- Complete or partial outsourcing
- Procurement method
Risk analysis
Supply Positioning Matrix

- "Bottleneck Items"
- "Strategic Products"
- "Routine Products"
- "Leverage Products"

Supply Risk
Relative expenditure ($)

[Diagram showing a matrix with different product categories based on supply risk and relative expenditure]
Address key steps in how a buyer will meet the needs when procuring goods and services.

Define what will be purchased, how, when, the levels of approval required, risk areas, etc.
Procurement plan

- Procurement objectives
- Requirements
- Roles & responsibilities
- Risks
- Costing
- Timelines
- Logistics
- Disposal/retrieval
Supply market analysis

Demand profile – elections kits

- Typical one-off demand from country offices
- Late requests – short lead times
- Requirements too rigid defined or not defined at all
Supply market analysis

Supply market – election kits

- Few specialised suppliers – CODE, Pakflatt, Intequip, Danish Camp Supply, Lantrade, Expectra
- A clear market leader – CODE
- Low-tech products sourced from China
- Competition based on network & product differentiation
- UN/UNDP a major player in the market
Supply market analysis

Procurement strategy – election kits

- Objectives: Shorten the lead time & lower the purchase price
- Long-term agreements with three suppliers
- Quick biddings for each requirement
- Participate in joint missions with the EC to develop procurement plans and review budgets for procurement
Supply market analysis

Results: LTA with three main suppliers

- Lower lead times
- Increased price competition – lower cost
- Changed the power relationship between supplier and buyer
<table>
<thead>
<tr>
<th>Product</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ballot boxes</td>
<td>Solid transparent plastic</td>
<td>Made of corrugated plastic with “windows”</td>
<td>Corrugated cardboard, Price: USD 5</td>
</tr>
<tr>
<td></td>
<td>Price: USD 18-22</td>
<td>Price USD 8:</td>
<td></td>
</tr>
<tr>
<td>Polling day kit</td>
<td>Stationary packed in box for easy distribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Price: USD 35-45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indelible ink</td>
<td>Dipping bottle 60 ml, 15 % silver nitrate</td>
<td>Indelible ink marker 25 % silver nitrate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Price: USD 5-8</td>
<td>Price: USD 2-3</td>
<td></td>
</tr>
<tr>
<td>Polling booth</td>
<td>Corrugated cardboard</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Price: USD 4-8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Supply market analysis

Supply market – Digital registration

- Few specialised suppliers – Zetes Pass, Siemens, Sagem, Smartmatic
- High-tech products
- Competition on innovative solutions, technical competence & support
- Global market – UNDP is a small player
Supply market analysis

Procurement strategy

- Monitor new developments in the markets through market research, supplier presentations etc.
- Approach the market through RFPs for each specific request
- Utilise that suppliers view UNDP as an opening of the markets
Procurement of biometric voter registration system for Guinea
The Procurement process

- Call for Expression of Interest
- Published on UNDP/IAPSO’s website and UNGM
- Published in two local Guinean newspapers in July 2007
The Procurement process

- All responses to the EoI evaluated

- **11 companies were shortlisted and invited to submit a proposal (RFP)**

- The closing date of the bidding were set to 24 September, 2007
The procurement process

Evaluation process

- All offers were evaluated against the criteria stated in the RFP
- Only offers passing the technical evaluation were evaluated financially
- The 3 best evaluated offers is invited to Conakry for a validation test.
### Technical evaluation criteria:
- **Criteria 1**: Expertise of the company
- **Criteria 2**: Project plan
- **Criteria 3**: Technical solution

| 3.1 | Compréhension des besoins matériels du projet (kit et infrastructure informatique). Performance des matériels offerts, garantie locale. | 100 |
| 3.2 | Plan détaillé de livraison de l’ensemble des matériels permettant de répondre aux exigences du projet. | 75 |
| 3.3 | Compréhension des besoins logiciels du projet. | 50 |
| 3.4 | Plan détaillé d’adaptation du logiciel du soumissionnaire pour répondre aux besoins du projet. | 100 |
| 3.5 | Plan d’audit de la base de données existante des électeurs. | 50 |
| 3.6 | Modèle de cartes d’électeurs proposé | 25 |

**Total**: 400
The test is designed to validate the technical proposal and test if the solution offered will work in the local environment.

It is, from a procurement point of view, a purely technical assessment.
Validation test criteria:

- Content and methodology of the training
- Functionality of the kit, both the hardware & software
- Identification of multiple registrations
- Generation of the voters’ list
Validation test

- For the test, each supplier will provide four kits operated at two different locations.
- The operators of the kits will be Guineans with no prior relationship with the suppliers.
- The training of the operators are the responsibility of the suppliers.
Validation test

- The test will reveal any weaknesses that need to be corrected prior to implementation.

- It will also provide an estimate of the number voters that can be registered in a day, providing input to the operational plan.
## Voter registration – materials costs

<table>
<thead>
<tr>
<th>Option 1: OMR forms registration</th>
<th>Option 2: Digital registration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 kit box</strong></td>
<td><strong>1 Notebook</strong></td>
</tr>
<tr>
<td><strong>3000 Registration forms</strong></td>
<td><strong>1 Office 2003</strong></td>
</tr>
<tr>
<td><strong>3000 Laminates</strong></td>
<td><strong>50 CD Media</strong></td>
</tr>
<tr>
<td><strong>1 Polaroid camera M484</strong></td>
<td><strong>1 Digital Camera</strong></td>
</tr>
<tr>
<td><strong>68 sets of AA Batteries</strong></td>
<td><strong>1 Printer</strong></td>
</tr>
<tr>
<td><strong>1 Photo cutters</strong></td>
<td><strong>1 Fingerprint scanner</strong></td>
</tr>
<tr>
<td><strong>1 photo background</strong></td>
<td><strong>3000 cards</strong></td>
</tr>
<tr>
<td><strong>1 tripod</strong></td>
<td><strong>1 Battery</strong></td>
</tr>
<tr>
<td><strong>3000 Photo fix (glue)</strong></td>
<td><strong>1 Generator</strong></td>
</tr>
<tr>
<td><strong>150 Polaroid Films</strong></td>
<td><strong>1 Software</strong></td>
</tr>
<tr>
<td><strong>Total price per kit</strong></td>
<td><strong>1 Suitcase</strong></td>
</tr>
<tr>
<td><strong>Price per voter</strong></td>
<td><strong>Total price per kit</strong></td>
</tr>
<tr>
<td><strong>Tanzania - total cost per voter appr. USD 2,70</strong></td>
<td><strong>Price per voter</strong></td>
</tr>
<tr>
<td><strong>USD 10</strong></td>
<td><strong>USD 1100</strong></td>
</tr>
<tr>
<td><strong>USD 390</strong></td>
<td><strong>USD 170</strong></td>
</tr>
<tr>
<td><strong>USD 260</strong></td>
<td><strong>USD 10</strong></td>
</tr>
<tr>
<td><strong>USD 300</strong></td>
<td><strong>USD 25</strong></td>
</tr>
<tr>
<td><strong>USD 95</strong></td>
<td><strong>USD 500</strong></td>
</tr>
<tr>
<td><strong>USD 40</strong></td>
<td><strong>USD 500</strong></td>
</tr>
<tr>
<td><strong>USD 12</strong></td>
<td><strong>USD 450</strong></td>
</tr>
<tr>
<td><strong>USD 25</strong></td>
<td><strong>USD 450</strong></td>
</tr>
<tr>
<td><strong>USD 30</strong></td>
<td><strong>USD 65</strong></td>
</tr>
<tr>
<td><strong>USD 1050</strong></td>
<td><strong>USD 425</strong></td>
</tr>
<tr>
<td><strong>USD 2212</strong></td>
<td><strong>USD 160</strong></td>
</tr>
<tr>
<td><strong>USD 0.74-0.88</strong></td>
<td><strong>USD 3855</strong></td>
</tr>
<tr>
<td><strong>DRC – total cost per voter appr. USD 4.20</strong></td>
<td><strong>USD 1.26-1.52</strong></td>
</tr>
</tbody>
</table>

Option 1: OMR forms registration

Option 2: Digital registration
Lessons learned

- Involve procurement as early as possible – already in the project design
- Samples of all sensitive materials prior to placing orders
- Tests should validate the evaluation when procuring highly complex products – e.g. biometric voter registration & e-voting systems
Lessons learned

- Outsourcing procurement to avoid pressures
- Be clear about the market structures (supply/demand/vendor driven)
- Do not wait for the money to start the procurement process
Lessons learned

- Pre-bid conferences for complex projects
- Need more focus on procurement capacity development & electoral cycle
Procurement of biometric voter registration systems

- Context
- Some best practices
- Moving forward
Context

- Multiple interdependent components (equipment, training, maintenance, logistics)
- Interoperability between diverse providers and management of outsourced activities
- Constraints on operational planning of electoral activities
- Sustainability (total cost of acquisition, reusability, managing expectations, etc.)
Some best practices

- Plan for staged introduction of the technology (e.g. pilot tests)
- Knowledge transfer to the EMB early in the process
- Opt for proven solutions
- Qualitative and quantitative management of outsourced activities
- Validate the operational concept
- Look for synergies with non electoral activities and projects (e.g. civil registry)
Moving forward

- Document and share successes but also failures
- Define a framework for evaluation of the contribution of biometric voter registration to transparency of elections
- Develop an operational concept