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Date: 29 November 2011

To: Ms. Eleanor T. Burns Chief, Peacekeeping Audit Service Internal Audit Division,OIOS **Info:** Mr. William Suson, OIC-Chief OIOS Resident Auditors UNAMID	**From:** Ibrahim Gambari Joint Special Representative UNAMID
Fax No. : +1-212-963-3388	**FAX NO:** 7-2707, 192-3594

Subject: **Assignment No. AP2010/634/09- Audit of Procurement Systems and Procedures in UNAMID**

Total Number of Transmitted Pages including this Page: 17

1. With reference to your interoffice memorandum dated 04 November 2011 on the above subject matter, we hereby confirm receipt of your draft report on the Audit of Procurement Systems and Procedures in UNAMID. We are pleased to provide, attached, our detailed comments and would like to state that most of the recommendations contained in the draft report, have been overtaken by events, hence the estimated target dates for full implementation are not provided. However, name and title of individual responsible for full implementation of each accepted and rejected recommendations provided as per your request for further action.

2. Thank you and best regards.

Drafted By:	Through:	Cleared By:
Beatrice Lushugurhi, AAO	Samuel Baidoo, Act. SAO	Wolfgang Weiszegger, DMS

ANNEX I
RECOMMENDATIONS
Audit of procurement systems and procedures in UNAMID

Para. no.	Recommendation	Critical[1]/ important[2]	Accepted? (Yes/No)	Client comments[3]
15	UNAMID should strengthen controls intended to detect and follow up on deviations from established procurement procedures and potential fraud indicators.	Critical	Yes	The Mission accepts the recommendation in general, but considers that since the report covers a period that ended 1.5 years ago, the recommendation has been overtaken by events and the Mission is now in compliance. For this reason, the Mission seeks immediate closure of this recommendation. During the period under audit, which ended 30 Jun2010, PCMS had trouble filling management positions, due to the perceived hardship of the UNAMID Mission, ultimately leading to a situation in which the Service lost its entire management structure towards the end of 2009 (CPCMS, CPO and CMS). A new CMS arrived in May10, just prior to the close of the period under Audit; a new Chief of Service arrived in 17 November2010, and the CPO post was filled in Mar11. Since then, the service has undergone a full reorganization which focused on bringing the following benefits, as detailed in **Attachments A and B**: - Establish a balanced management structure, - Facilitate delegation and empowerment, - Avoid duplication of effort by rationalization of tasks, - Facilitate higher productivity and quality of service, - Facilitate single-point-of-contact with clients, suppliers and UNHQ offices, - Facilitate consistency of product, and lastly, - Provide resources for neglected areas.

[1] Critical recommendations address significant and/or pervasive deficiency or weakness in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

2 Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

[3] Please indicate feasibility and realistic timelines for implementation of the recommendation.

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In the particular case of Procurement, the roles of CPO and Unit Chiefs were strengthened to allow multi-layer review of incoming and outgoing work products of the Section to ensure that its work proceeds in line with UN Procurement rules, Financial Rules and Regulations and PCMS Guidelines. As such, Unit Chiefs took on the role of "Procurement Managers" and no longer carry personal caseloads; rather, their caseloads are the caseloads of all staff reporting to them. As "Procurement Managers", Unit Chiefs provide more intensive mentoring functions to staff, to increase their professional knowledge and further promote consistency in the application of rules. They are thus better poised to flag concerns before these become problems.

The Jul11 Procurement Assistance Visit carried out in the Mission by UNPD, covering FY 10-11 (01Jul10-30Jun11) further validates the positive changes that have taken place since the close of the audit period in question. While a draft copy of the report has been issued to UNAMID for comments, the final report has yet to be, however the draft report is provided at **Attachment C.**

Comments concerning paragraphs which led to this recommendation:

Para. 12: The case has been the subject of a detailed OIOS investigation which remains pending as of this writing. In the meantime, as reported to OIOS:
- No viable evidence was made available to Procurement (PS) that the subject bid was received late.
- The CM s/m had no input in vendor selection and joined the team for the diligence visit to the companies to verify technical submissions. The Procurement Manual Rev 6 paragraph 11.6.1 states that the TET shall consist of at least two members and minimum of them shall be from the requisitioning office and the other shall be a qualified staff member or a consultant. The CMS staff was from engineering background and would be engaged in the contract management with the SAU following the award. She was therefore well suited for the role.

				- The comment regarding the final award is factually incorrect. The award was based on the result of negotiations led by UNPD after the bids had been cancelled hence the award was not based on the initial recommendations. The company awarded was on the basis of their parent company Giad Automotive Industries co-signing the contract which took care of the limitation of the capacity of the company to handle more than two locations. The auditors comment does not seem to take into consideration the full picture and is hence misleading. Para 13: - Re the case cited, a Procurement Officer made an error which has not occurred since. The Officer went to the UNAMID main gate to assist the TOC secretary in carrying the sealed box containing the tender responses. The box was delivered to the TOC sealed, in the presence of the secretary. - Airfield lighting system: As reported to OIOS, the Buyer did not participate in the TET but instead erred by signing the report in PS, which gave an impression of having participated in the TE. The Buyer and PS Unit Chiefs were cautioned and sensitized to the requirement of ensuring transparency at all levels. - Erection of pre-fab buildings: Again, this remains under OIOS investigation. **Responsible individual**: Ms. Barbara Klopp
19	UNAMID should strengthen controls over delegation of procurement authority, including access rights to the Mercury system.	Critical	Yes	The Mission accepts the recommendation, but considers that since the report covers a period that ended 1.5 years ago, the recommendation has been overtaken by events and the Mission is now in compliance. For this reason, the Mission seeks immediate closure of this recommendation. The Mission also notes that this DPA breach occurred outside of the period covered by this Audit which ended on 30 Jun 2010, but will nevertheless address it, in the interest of transparency. The DPA breach is an anomaly that occurred during a chaotic period in the Mission and in PCMS in particular. For all of that period, Procurement had no CPO and no Service Chief.

				Due to issues regarding the designation of the OIC MSD, the OIC MSD possessed no DPA to further sub-delegate, with the result that one P4 Procurement Officer possessed DPA issued from USG/DFS for the largest DFS mission in existence. Faced with the void, the DPA had been requested through the office of the USG DFS and only one Procurement Officer at the P4 level received it. The USG/DFS issued a time-limited DPA to a P3-equivalent Procurement6 Officer in the mission, during a period when the P4 Officer needed to take leave, to ensure continuity of operations. It was not realized at the time that the DPA had a time-limitation and the P3 continued to exercise these duties, until the new Service Chief arrived in November 2010 and received her DPA from USG/DFS shortly thereafter. However, during this period, the P3 followed all applicable rules and regulations of the procurement manual and the POs signed by the P4 Procurement Officer In the period since, PCMS' full management structure has come on board and the Sections within the Service have been fully reorganized, as detailed in the Mission's response to the para. 15 recommendation above. Further, a fully designated DMS arrived in Aug11, who immediately issued DPAs to the CPA and P3-level OICs of Procurement purchasing units. Since the issuance of the DPAs, the Mercury system has been aligned to reflect the DPAs granted. See **Attachment D** for copies of DPAs issued. **Responsible individual**: Ms. Barbara Klopp
21	UNAMID should implement procedures to ensure that Purchase Orders do not exceed the Local Procurement Authority granted by the United Nations Procurement Division.	Important	No	UNAMID does not accept this recommendation, as it considers it to be a reflection of a misunderstanding on the part of OIOS as to the purpose of an LPA and, indeed, how the acquisition process unfolds. The Mission therefore seeks that this recommendation be dropped. LPAs are sought and granted at the start of a solicitation process on the basis of the Mission's delegated authority vis-à-vis the requirement involved, and the "estimated" value of that requirement, at that time. Its purpose is purely to obtain

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				permission to proceed with a local solicitation that is expected to exceed a Mission's delegated authority. The actual value of an award made after-the-fact has nothing to do with the process of seeking an LPA. Further, many reasons exist as to why there can be a significant difference between the estimated value of a requirement and its award value following solicitation, common among them: SAUs all-too-often do not possess adequate knowledge of prevailing market prices for delivery to the desired destination, or may use old, obsolete estimates. It is only after a solicitation is conducted that the real prices are known through competitive bidding. **Responsible individual**: Ms. Barbara Klopp
24	UNAMID should develop mission-specific benchmarks to monitor the procurement activities and ensure the timely procurement of goods and services.	Critical	Yes	The Mission accepts the recommendation, but considers that since the report covers a period that ended 1.5 years ago, the recommendation has been overtaken by events and the Mission is now in compliance. For this reason, the Mission seeks immediate closure of this recommendation. In accepting it, however, the Mission notes that the conclusions drawn by OIOS, which led to the recommendation, may be interpreted by naïve readers to reflect dysfunction in the Procurement Section alone, when in fact all stakeholders in the Acquisition Process have roles to play at different times during the life of a requirement that can spell success or failure. This was brought repeatedly to the attention of OIOS during the Audit. Since the end of the period under audit, much has been done to improve the timelines of Mission acquisitions, by directly addressing points of failure and concern: - Reorganization of PCMS Sections (Procurement, CMS), with focus on tighter management and better throughput of requirements. Detailed in Attachments A and B. - Training in specifications-writing given to SAUs in Jul/Aug10 by ISDEFE professionals. - Vetting by CMS of specifications written by SAUs, to ensure clarity and focus on performance-based results,

				starting in Summer 2010. - Issuance of Procurement Guidelines to ensure Procurement staff are all on the "same page" regarding Proc. Manual interpretations and procedures (already provided to OIOS). - 20Nov11 IOM from DMS to MSD Chiefs on acquisition deadlines (See **Attachment E**). **Responsible individual**: Ms. Barbara Klopp
34	UNAMID should implement appropriate procedures to ensure compliance with vendors' registration requirements stipulated in the United Nations Procurement Manual.	Important	Yes	The Mission accepts the recommendation, but considers that since the report covers a period that ended 1.5 years ago, the recommendation has been overtaken by events and the Mission is now in compliance. For this reason, the Mission seeks immediate closure of this recommendation. As discussed above and detailed in Attachments A and B, the reorganization of the Procurement Section in Mar/Apr11 established a new Administrative Unit which, among other functions, now focuses responsibility for vendor registration activities in line with the Procurement Manual. In addition to formally registering vendors, the Unit is presently engaged in on-going activities to clean the Roster, which was originally inherited (as per usual practice) from a nearby Mission during the startup of UNAMID in Jan 2008. **Responsible individual**: Ms. Barbara Klopp
43	UNAMID should implement appropriate procedures to ensure that the solicitation process consistently complies with the provisions of the United Nations Procurement Manual.	Important	Partially Accepted	The Mission partially accepts the recommendation only as it applies to the portion of paragraph 41 in which it is stated that "…not all registered vendors … had been invited to take part in the bidding *and the procurement case files did not contain justification for excluding them.*" (UNAMID emphasis), but considers that since the report covers a period that ended 1.5 years ago, the recommendation has been overtaken by events and the Mission is now in compliance. The Mission therefore seeks immediate closure of this aspect of the recommendation. The Mission does not accept all other elements of paragraphs 41 and 42 which led to this recommendation. Procurement Manual Article 9.5.2.a leaves the number of invitees to a solicitation to the judgment of the Procurement Officer and does not require that all registered vendors for a

				certain commodity must be invited to all solicitations. The PM does contain parameters regarding the minimum number of invitees based on the value of the requirement, but again, also allows discretion on the part of the Procurement Officer, giving due consideration to geographic distribution, performing and nonperforming/responsive vendors, awardees of recent awards, etc. Following the arrival of its Service and Section Chief in November 2010 and Mar 2011, Procurement has reorganized and implemented multiple-level review of Lists of Invitees through empowered "Procurement Managers" (see Attachments A and B), and has as well issued PCMS Guideline 10/2011 dated 14 April 2011 (see **Attachment F**) which further addresses the subject across-the-board for all Buyers and Procurement Managers. PCMS Guidelines are published on the PCMS share drive and their adherence is strongly monitored by PCMS Management. **Responsible individual**: Ms. Barbara Klopp
46	UNAMID should implement appropriate measures to ensure that the Tender Opening Committee adheres to established procedures for handling bids.	Critical	Yes	The Mission accepts the recommendation, but considers that since the report covers a period that ended 1.5 years ago, the recommendation has been taken over by events and the Mission is now in compliance. For this reason, the Mission seeks immediate closure of this recommendation. AI 2010/11, cited in the report, was published in May 2010. Without details provided by OIOS in its draft report, the Mission believes that the cases observed for audit purposes occurred prior to the promulgation of this AI. Since its issuance, the mission has taken strong significant steps to improve this critical function: - Enhancement of the TOC membership roster - Issuance of an SOP for the TOC (**Attachment G**) - Establishment of TOC calendar and regular meeting schedule implemented - Dedicated secretariat appointed - Through the reorganization of PS and clear responsibilities assigned to Unit Chiefs, with PCMS guidelines issued, to which adherence is actively monitored.

				Each TOC log is personally received and reviewed by CPO. Endorsement on the log and each bid document (if late/unsolicited) is made on-the-spot prior to release to the unit chiefs/buyers for processing. The following documents demonstrate the functioning of TOC and close scrutiny being given to this critical step of the acquisition process: - Procurement Unit Chiefs responsibilities **(Attachment B)** - PCMS Guidelines 02/2011 and 05/2011 **(Attachment H)** - AIs 2010/011 and 2011/006 **(Attachment I)** - Fax to USG (Cases submitted to HCC in June 2010) **(Attachment J)** - Attendance Sheet of TOC Members **(Attachment K)** - TOC Calendar observation (email from TOC Secretary) **(Attachment L)** **Responsible individual**: Ms. Barbara Klopp
49	UNAMID should strengthen internal controls over the technical evaluation of bidders to ensure that: (a) only those bidders that meet all evaluation criteria are considered as technically compliant; (b) technical evaluation criteria are applied consistently; (c) the rating scheme is clear and unambiguous; and (d) only pre-established criteria are used for technical evaluation.	Critical	Yes	The Mission accepts the recommendation, but considers that since the report covers a period that ended 1.5 years ago, the recommendation has been overtaken by events and the Mission is now in compliance. For this reason, the Mission seeks immediate closure of this recommendation. OIOS das itself acknowledged in paragraph 48 that there has been an improvement in the level of diligence in PS and various technical evaluation reports were rejected/returned by PS for re-conduct since they fell short in adhering to the pre-established criteria. Mission Management in general and PCMS/Procurement in particular have focused on this issue in the past months and has taken concrete remedial measures: - CMS is actively engaged in guiding SAUs during the preparation of SOWs/SORs and working with them to establish tight evaluation criteria. - SAU personnel that work on requirements are now the same personnel who compose the Techeval Teams (TET)

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				evaluating bids/proposals. - PS reviews TEs in accordance with the criteria and returns any not in full compliance or lacking in substance. It is difficult to quote a percentage of returned TERs since there is no electronic record of such events but in general approximately 25% or more TERs pertaining to high value (and even low value) awards go through a return/revision if there is a shortfall observed. This has been made possible through the reorganization of the PS under experienced Procurement Officers serving as Chief/OiCs. Recruitment of serious management positions in the service and processing each step of the process through at least 3 levels of review i.e. buyer, unit chief, CPO and CPCMS. - The Mission has drafted an SOP in draft form entitled "Technical Evaluation of Bidder's Solicitations Documentation". The SOP shall shortly be promulgated upon finalization and approval. The document addresses the roles, responsibilities and actions for all involved in each stage of technical evaluation of bidders' solicitation documentation and its handling. - The Mission organized training in October 2010 for staff involved in the acquisition process focusing on writing/development of SOWs/SORs and conducting the technical evaluation of received solicitation documents from vendors. The training was attended by requisitioning staff from SAUs, Procurement and CMS staff. **Comments on the paragraphs leading to the recommendation** The comment on hippo roller (bullet point 3) is not correct and is irrelevant. There were three responses received while two of them were rejected for being received late. There was therefore only one compliant bidder. When the case was presented to the LCC, the Committee insisted that Procurement and the SAU review and consider the other two offers for the sake of competition. The LCC clearly went beyond its prerogative and was wrong in making such request, which PS and the SAU were wrong in carrying out.

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				The comment on second evaluation as pointed out by OIOS does not take into consideration the events and hence is not giving the correct impression. The TER had been completed before an award recommendation. The follow up evaluation resulted from unjustified opening of offers from rejected bidders on LCC's insistence. Once reviewed, both the offers were found in excess of the recommended supplier. **Responsible individual**: Ms. Barbara Klopp
51	UNAMID should ensure the transparency of the vendor selection process by implementing appropriate procedures for the proper documentation of vendors' selection/rejection decisions.	Critical	No	UNAMID does not accept this recommendation, as it is based on erroneous conclusions drawn from apparent misinterpretation of facts observed in the case files by OIOS. The Mission therefore seeks that this recommendation be dropped. The Mission contends that, on the contrary, there is no evidence in the case files of the transparency of the process having been compromised. The examples quoted in paragraph 50 have not been analysed correctly and the award recommendations and decisions are based on reasonable judgements. The weapon racks and ballistics containers were subject to rebidding due to not meeting the specifications of the end users. The award for cement was distributed among seven vendors to ensure the overall most competitive award for each final destination. The total value of the 7-way split award was US$ 402,942.22 which was US$ 18,657.78 lower than the overall lowest bid valued at US$ 421,600.00. Re cleaning supplies, the vendor who was awarded 9 out of 44 items was compliant for those items and offered the most competitive prices for those items. Nevertheless, although the Mission does not accept this observation on the grounds that it appropriately made the awards cited, it is to be noted that the Mission has further strengthened controls through its reorganization, as detailed in **Attachments A and B** **Responsible individual**: Ms. Barbara Klopp
56	UNAMID should take immediate steps to	Important	Yes	The Mission accepts the recommendation, but considers that

	improve the maintenance of procurement case files in compliance with Section 15.10 of the Procurement Manual.			since the report covers a period that ended 1.5 years ago, the recommendation has been overtaken by events and the Mission is now in compliance. For this reason, the Mission seeks immediate closure of this recommendation. The comments on the inadequateness of the case file maintenance are accepted. However, it is important to note that during the period audited, the mission and the section were going through the start up phase. There was shortage of all types of resources including the room for such archive maintenance. The service has taken concrete steps towards addressing this shortfall and the same were widely acknowledged by the recent PAV to the Mission from UNPD visit (see draft report provided as **Attachment C**) and the annual external audit conducted during July and August 2011 respectively. Under new leadership, the Section has been reorganized with a new Administrative Unit created headed by an experienced Procurement Officer (see **Attachments A and B**). PCMS Guideline 01/2011 dated 12 Jan 2011 (**see Attachment M**) provides explicit guidance on case file maintenance. This Guideline was the first issued, precisely to target the problem. It points out the shortfalls in case files prior to issuance, sensitized the staff to its importance and contained explicit instructions on steps, contents and responsibilities at each stage of the process. The Guideline also includes a checklist for use in each case file that is now included in each case file opened by the Administrative Unit, prior to being assigned to a Buyer who may then use it as a guide as to the contents of the case file. PCMS Guideline 07/2011 dated 12Apr11 (**see Attachment N**) provides guidance on handling/possession of case files during various stages. Procurement's new Administrative Unit has established a central archive for case files turned over upon issuance and acknowledgment of a PO, as per its contents. As documented in PCMS Guidelines 01/2011, 05/2011,

				07/2011 and 08/2011 (**Attachments M, N, O and P, respectively**), the Administrative Unit initiates a case file for each requisition received in the Mercury system, appends a cover sheet for Procurement management comments on the treatment of the requirement and further assignment to a Unit and Buyer. Once turned over to Admin Archives, the Admin Unit verifies case file contents against the check list to confirm it is in correct chronological sequence, complete in all aspects and does not contain unnecessary duplicates and drafts. At any stage thereafter if the buyer (or any other staff) needs access to the case file, it is signed out from the Admin Unit. The PAV report (**see Attachment C**) further confirms its successful implementation. **Responsible individual**: Ms. Barbara Klopp

ANNEX II
OPPORTUNITIES FOR IMPROVEMENT
Audit of procurement systems and procedures in UNAMID

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Para. no.	Opportunity	Client comments
8	UNAMID procurement strategy could benefit from clearly referencing the Mission's strategies and priorities.	The mission procurement strategy stems from the Acquisition Plan which is a direct reflection of the proposed and approved budget for a fiscal year. The Section follows the approved Acquisition Plan and through regular monitoring and quarterly reporting to UNHQ on its implementation, already carries out this function. The progress of the Acquisition Plan is part of the DMS monthly reporting and the Roadmap as well. The opportunity for improvement is therefore considered achieved already. **Responsible individual**: Ms. Barbara Klopp
10	UNAMID could prepare source selection plans as prescribed in the United Nations Procurement Manual.	PS agrees with the comments made in paragraph 9. It is however stated that this area has already been strengthened and well addressed. All high value solicitations (sealed bids > USD 40k) are based on a detailed SSP. All aspects are reviewed through PS review mechanism. It is agreed between PS and SAU through signatures of buyer, CPO and SAU Section Chief. Timelines, vendor selection for solicitation, criteria for evaluation, appointed evaluation teams, risks and mitigation approach are all well defined and strictly followed. Copies of recent solicitations SSPs are enclosed for reference. The opportunity for improvement is therefore considered achieved already. **Responsible individual**: Ms. Barbara Klopp
17	To improve transparency in procurement and management of vendors' performance, UNAMID could segregate the functions of procurement and contracts management.	This "suggested opportunity" is not agreed by the Mission. It is not correct that "In other large missions, the Contracts Management Section reports directly to the Director of Mission Support Division or the Deputy Director of Mission Support Division while the PS reports to the Chief of Administrative Services". UNMIS (now UNMISS) is the second largest Field Mission; its CCMS and CPO both report to the CAS, which is no different from both reporting to the CPCMS in UNAMID. The Sections work independently and there is no loss of transparency or conflict of interest inherent in the reporting structure. This recommendation apparently arises out of the previous organization in the Service that applied during UNAMID startup through approximately the time the period audited ended (Jun10), when a very high vacancy rate existed. The Chief of PCMS at that time pooled resources between the two Sections, such that Contracts Management staff were involved with acquisitions of high value/high complexity, while Procurement staff handled all other acquisitions. This practice ended under new Service Management which arrived between May 2010 and Nov 2010, and the two Sections were "disentangled". Since May/June 2010, CMS

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		operates independently on classic CM functions, while Procurement handles 100% of the acquisitions undertaken by the Mission. There is no overlapping of functions, rather the two Sections dovetail activities to streamline and strengthen the acquisition process. That this is working is evidenced by the recent BOA annual visit which reviewed FY 2010-11 (final report not issued at this writing) and in the positive PAV report following UNPD's July 2011 visit **(see Attachment C).** **Responsible individual**: Ms. Barbara Klopp
28	To ensure effective oversight of procurement activities, UNAMID could identify and take appropriate measures to ensure that the Local Committee on Contracts carries out its functions more effectively and remind the Procurement Section of its responsibility to provide all relevant information to the Local Committee on Contracts.	Serious efforts have been undertaken to improve in these areas. LCC membership has been expanded with 100% staff on the committee having gone through the LCC training. SAUs, Procurement and Contracts Management staff have also received LCC training and efforts are underway to ensure that 100% procurement staff undergoes the LCC training. The recent PAV report **(see Attachment C)** has recognized the initiatives and commended the mission for these. The reorganized procurement section is now geared to adequately handle the complex requirements through multiple reviews. Unit Chiefs responsibilities memo dated 11 April 2011 (attachment C bullet point # 9) refers. The LCC has in many recent sessions acknowledged the improved quality of PS presentations and in terms of content, clarity and quality. The comments made in paragraph 27 are not correct, as already documented in the response to Annex I, Paragraph 51. The opportunity for improvement is therefore considered achieved already. **Responsible individual**: Ms. Barbara Klopp
31	To reduce error and possibility of irregularities, UNAMID could strengthen its supervisory and review controls over procurement-related activities and take remedial action to reduce errors. Also, additional training should be provided to Mission staff.	The mission agrees with this comment. There have been instances of possible weakness in supervision and control within the PS. The main attributing reason has been the key managerial positions being vacant for a very long time exposing the junior/less experienced staff to carry out the acquisitioning functions without adequate guidance and control. It is however reiterated that this exposure has been addressed and is considered fully implemented **(see Attachments A and B).** The key positions have been filled and the mid-level supervisory positions i.e. unit chiefs at p4 level are followed up for recruitment following the completion of FCRB procedures. CPO and CPCMS positions have already been filled; the section has been reorganized in smaller units based on commodities. The unit chiefs/OiCs have been divested of their personal workloads and they carry the workload of their unit in a supervisory role. Guidelines have been issued outlining the roles, functions and responsibilities of all involved in the process. Each award is made through a minimum of two level reviews i.e. unit

		chief followed by CPO, and for complex cases the third review of CPCMS also takes place. The comments made in paragraph 30 are not correct. The awards were made on the basis of technical evaluations conducted by the SAUs. There have been instances whereby the SAUs have selected a product based on the received bids corresponding to the specifications provided in the requisitions, however, the quality of requisition or the evaluation conducted resulted in the final delivered product which was not of desired standard. The PO for coffins was issued after a formal technical evaluation and even inspection of a sample. The ball point pens were ordered against the systems contract which is based on a catalogue and the items were selected by the SAU from the catalogue. PS has taken correctional measures to also counter for the weaknesses in areas beyond its responsibility whereby the SAUs are continuously guided on development of specifications, CMS is reviewing and assisting in preparation of SOW/SOR. The procurement unit chiefs are also following the instructions in memo dated 11 April 2011 and guidelines cited above. The opportunity for improvement is therefore considered achieved already. **Responsible individual**: Ms. Barbara Klopp
38	UNAMID could implement procedures to ensure that the Vendor Review Committee meets regularly and performs its functions in compliance with the United Nations Procurement Manual.	The mission agrees with this comment and has taken steps to improve its internal processes in this regard. The new Administrative Unit has vendor roster management within its purview; a VRC has been constituted and shall be meeting shortly to address the outstanding reviews. The mission is working towards full implementation of this opportunity for improvement. **Responsible individual**: Ms. Barbara Klopp
40	UNAMID could consider strengthening the requisitioning process by training staff who are involved in preparing requisitions and supervising the preparers of requisitions.	Significant improvement has already been achieved for this on-going activity. However, the comments on hippo roller and surge arrester are not accepted, since paragraph 8.2.2 of the Procurement Manual while explaining the requirement of generic specifications provides leeway in use of brand names where applicable, although it requires that these be justified. When brand names are used and are not for standardized items/required for compatibility with existing items' reasons the Manual requires to include the phrase "or equivalent" in the solicitation document. In case of hippo rollers there is a memo in the case file through which the approval of DMS was sought to purchase this specific item for a particular outreach campaign. The explicit approval serves the documentation requirement for use of brand name in this case. The

		further comment regarding the said vendor's preference to not participate in the bid since the manufacturer is invited is a business decision of the vendor which has no bearing over the procurement process. The solicitation was issued following a formal EOI to which the companies had responded. It is also noted that the manufacturer did not respond to the solicitation, therefore the vendor's comment regarding reason for non-participation is irrelevant. PS routinely invites the manufacturers and traders for all its acquisitions and the ratio of traders winning the awards over the manufacturers is much higher. There is no way of knowing which vendor is going to respond to a solicitation and who will be most competitive and what will be the source/origin of the goods before the bids are received. The comments about the purchase of APC Surge Arrester are rejected since the item is included in the list of standardized items circulate vide UNHQ fax 3 2008-UNHQ-003982.01 dated 20 February 2008 Annex III ICT Standards. It is however noted that at the time PS failed to provide this clarification to the LCC. The award recommendation is correct, however, the sole irregularity noted in the case file which has not been pointed out by the auditors is that during the deliberations in the meeting and query regarding the use of brand name the committee was split on the award recommendation. Had PS documented the standardization aspect or SAU clarified this point there would not have been a split recommendation from the LCC. Moreover, based on the LCC minutes the Acting DMS did not approve the award and ordered re-bidding. Due to lack of oversight in PS this was not observed and the PO was issued to the originally recommended vendor. OIOS has failed to point out this error. The shortfalls referred to about the MSA accommodation solicitation are correct. The comments about the POs related to bricks deliveries at Haskanita and Habila where the vendors could not deliver due to non UNAMID presence are also correct. At the time of issuing solicitations there were plans to build those team sites and the bricks were going to be required there. Later, due to changes operational plans of military, those projects did not kick off and the bricks were redirected the other destinations. The lesson has been learnt and any team sites where the deliveries are required, PS confirms with Engineering about their presence on site and also all such POs are issued based on task orders so that the vendor only delivers when UNAMID is ready to receive those deliveries. The opportunity for improvement is therefore considered achieved already. **Responsible individual:** Ms. Barbara Klopp
53	UNAMID could ensure letters of regret to unsuccessful vendors are systematically issued.	The mission agrees with this recommendation and admits that there have been instances where this requirement of the procurement manual has not been fully adhered to as pointed out in paragraph # 52. There has always been an effort to issue

		regret letters to unsuccessful vendors but during the audited period when the mission was in start up phase and the section was scrambling to meet the pressing mission requirements and cope with the work load coupled with lack of staffing resources and void in review capabilities this was overlooked. The PS has taken serious view of this requirement already and this requirement has been emphasized in numerous section and unit meetings. PCMS Guideline 12/2011 dated 20 April 2011 (**Attachment Q**) in addition to the memo outlining Unit Chiefs' responsibilities **(Attachment B)** address this requirement. Additionally, PCMS Guidelines 07/2011 (**Attachment N**) and the Annex to PCMS Guideline 01/2011 (**Attachment M**) also emphasize this. All awards submitted for approval are presented to the unit chief and CPO along with detailed regret letters which include the name of the awardee, the basis of award and the value (in case of split awards same information for all awardees is included). The opportunity for improvement is therefore considered achieved already. **Responsible individual**: Ms. Barbara Klopp

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