07/12/05

Annex 1

Terms of Reference
Procurement Project

1. Introduction

The successful bidder that the ITU will select to undertake Procurement Project will hereafter be referred to as "the Consultant".

The main purpose of this document, namely the Terms of Reference for the Procurement Project (Res. 1243), is to state clearly what the ITU shall expect from the Consultant, and what the ITU requests to see in the proposal of each bidder.

2. Project Summary

The Consultant shall be responsible for the design, development and delivery of an SAP-based procurement system (hereafter "the System") in accordance with the present terms of reference as set out below and in the documents referenced herein.

It is ITU's objective and requirement that the delivery of the System shall clearly enable and result in significantly increased efficiency and effectiveness in the ITU's procurement operations.

2. 1. Summary scope of work

The functional scope of the System shall include procurement / purchasing by the ITU of goods, materials and services.

In some instances, the scope of a given procurement of services may also necessitate purchasing of goods and / or materials. It is therefore required to be able to link or associate a given number of procurements by a common reference.

The organisational scope of the System will comprise those units in the ITU secretariat that currently place the vast majority of purchase orders and contracts. These comprise the following units:

a) The Implementation and Operation Support Department (IOS) in the Telecommunications Development Bureau (BDT), hereafter referred to as BDT/IOS.

b) The Common Services Department (SC) in the General Secretariat (SG), hereafter referred to as SG /SC.

    c) The Information Services Department (IS) in the General Secretariat (SG), hereafter referred to as SG /IS.

    d) The Telecom Unit in the General Secretariat (SG), hereafter referred to as SG / Telecom.

2. 2. Summary of the Functional Requirements

The following is a functional summary of the System to be delivered:

1. There shall be a single system for procurements for the entire ITU secretariat, incorporating the existing SAP-based procurement application described in Appendix 1-G.

2. The System shall permit the management of multiple workflow paths corresponding to different procurement procedures.

3. The System shall be fully integrated with the existing SAP-based financial system, including financial commitments, bills and payments.

4. The System shall include database-supported management of the information in the forms and documents corresponding to different steps in the procurement workflow.

5. The System shall provide an inquiry-and-reporting facility. This capability shall enable the users to retrieve information rapidly and in diverse ways that will support the procurement operations, including but not limited to commercial entities and purchase orders with the commercial entities. The System shall also provide for information import from and export to other user systems (e.g. an Excel-based application for reporting purposes).

6. The System shall be highly automated, in order to enhance, to the maximum extent possible, the efficiency and effectiveness of procurement activities in the ITU.

2. 3. Implementation Requirements

The Consultant's tasks for the design, development and delivery of the System shall comply with the following requirements:

1. The Consultant shall present the preliminary system design (or the blueprint) for the review and approval of the ITU. The preliminary design review (PDR) shall include all the key characteristics of the System, including the automation features.

2. The PDR shall include estimations of the annual costs of the System, both for operations and for maintenance.

3. The system implementation shall comply with the final system design as approved, and shall also include all those options that the consultant proposes and the ITU approves during the PDR.

4. The implementation plan shall include but not be limited to the following steps and their descriptions:

i) Verification that the FRS is complete;

ii) Preliminary design review (PDR);

iii) Prototype Review

iv) Training of users and testing of the pre-production system;

v) Implementation and delivery of the production system (i.e. cutover from pre-production system to production system in operational use).

3. Where ITU wants to be

The Functional Requirements Specification (FRS) in <u>Appendix 1-A</u> hereto is the statement of where ITU wants to be with respect to its procurement activities.

The FRS comprises the following main parts:
a) core requirements;
b) user-specific needs;
c) Automation Requirements; and
d) options to be included in the design process.

4. Where ITU is at present

The purpose of this section is to describe the current situation in the ITU regarding procurement activities, as follows:

1. Some of the procurement activities are already supported by an SAP-based application. <u>Appendix 1-B</u> describes what is currently covered by this SAP-based application.

2. The Logistics Division in SG / SC centralizes part of the procurement activities in the ITU. <u>Appendix 1-C</u> is the user summary for the procurement operations of the Logistics Division.

3. The BDT is that part of the ITU secretariat that provides services for telecommunication development projects in various developing countries. The BDT has its own procurement unit, and <u>Appendix 1-D</u> is the user summary of these procurement operations. The BDT has a number of Field Offices in other countries. <u>Appendix 1-D</u> also includes a summary of the needs of these offices relating to the present procurement project.

4. The Telecom Unit in the SG organizes regional and world exhibitions and forums relating to telecommunications. SG / Telecom also carries out its own procurement operations. Appendix 1-E is the corresponding user summary of these procurement operations.

5. Finally, Appendix 1-F is the user summary of the procurement activities of the IS Department in the SG.

5. The analysis done to date

In 2004, the ITU awarded a consultancy contract that included different tasks under the contract's terms of reference.

One of the tasks carried out by the said consultant, with the participation of the ITU Secretariat, was the business process review of the procurement activities in different organizational units of the ITU secretariat. This extensive analysis is presented in Appendix 1-G.

The said analysis included the identification of various improvements that should be undertaken, as well as the preliminary identification of some design options and issues. These points are also included in Appendix 1-G.

6. Contract deliverables envisaged by the ITU

As prescribed in Annex 5, the bidder is required to describe its proposed organisation for contract execution. The procurement project will comprise two separate and cooperating project teams, each with its own project manager: the Consultant's project team and the ITU's project team.

During contract execution, the ITU project team will include an in-house technical team. The main roles of the in-house technical team will be: to assure the appropriate knowledge transfer by learning from the consultant team; to develop interfaces with other existing application systems that are not SAP-based; and to verify data migrations. The in-house team will not have either design-and-development responsibilities or responsibilities relating to the transfer of the developed software from the test configuration to the production configuration. The in-house team will be responsible for any modification to existing applications that are non-SAP, and for the usage of interface files to export data from the System to the non-SAP applications.

Annex 3 contains a description of the IT environment for this project.

The Consultant's deliverables at the start of contract and during contract execution shall include the following:

1. Project work plan and timeline (to be updated periodically).

2. Acceptance Procedures.

3. Procedures for approval of change of scope.

4.   Verification that the FRS is complete.

5.   Preparation of the system blueprint and Preliminary design review (PDR) for the System to be delivered by the Consultant.

6.   Presentation of the System Prototype for review by the ITU.

7.   Delivery of the pre-production system.

8.   Training of users.

9.   Proposal of tests, and after approval organisation of user testing of the pre-production system.

10. Delivery of the production system, with as-built design documentation for maintenance purposes.

11. Completion of warranty actions.

7. The ideal bidder proposal

Regarding procurement activities in the ITU, the previous sections in the present document have provided detailed information to the bidders on where ITU is, where it wants to be and the analysis done to date. Taking this into account, the ITU's vision of the ideal bidder proposal relating to the Procurement Project is described in Annex 5 to the invitation to bid.

In addition, it is required that each bid includes the following: proposed detailed scope for each deliverable; a proposal for acceptance procedures; and a proposal for approval procedures for possible changes to the scope of work. Scope of deliverables, procedures for acceptance of deliverables, and procedures for approval of changes of scope will be finalised before contract signature.

List of Appendices to this Annex 1 to the Letter of RFP

Appendix 1-A: The Functional Requirements Specification (FRS)

Appendix 1-B: Current usage of SAP/MM for procurement activities

Appendix 1-C: User Summary for procurements by the Logistics Division (in SG/SC)

Appendix 1-D: User Summary for Steps in BDT Procurements

Appendix 1-E: User Summary for Telecom Procurement (in SG)

Appendix 1-F: User Summary for current Procurement and Orders by IS Department (in SG)

Appendix 1-G: Analysis to date

Appendix 1-H: Service Order No.13

Appendix 1-I: Basic Rules for Procurement of Equipment for ITU Technical Cooperation and Assistance Projects

Appendix 1-J: ITU Procurement Forms

Appendix 1-K: Summary description of BDT Applications

Procurement Project

APPENDIX 1-A

Functional Requirements Specification (FRS)

1 Introduction

1.1 Document description

This document is the statement of the Functional Requirements to be included by the Consultant in the integrated SAP-based procurement system to be delivered (hereafter referred to as the System).

2 Core Functional Requirements

2.1 Overall Requirements

Procurement of some of ITU's materials and equipment is currently managed through SAP, but not procurement of services.

It is required to automate the procurement of goods (including tools, furniture, spare parts and equipment), materials and services through SAP modules, such that the System shall provide the users with a consistent interface and a consistent series of required actions. The existing SAP procurement system (described in Appendix 1-B, 'Current usage of SAP/MM for procurement activities') can be simplified, modified or enhanced where appropriate, to integrate into the System.

The Telecommunication Development Bureau (BDT) currently uses a custom IT application based on MS Access for its procurement of materials, equipment and services.

It is required to automate the procurement processes of BDT through SAP, aiming to provide the users with a consistent interface and a consistent series of required actions.

2.2 Management of Information and Data

The System shall comprise databases including the following:
- **goods and materials items**: a searchable catalogue will be maintained;
- **stock levels:** levels and planned changes expected as a result of orders and requisitions in progress. Stock can be held in multiple stores;
- **vendors**: master database of vendors and service providers;
- **ITU organizational data**: database of user units, and System users with varying privilege level.

The Consultant shall propose an appropriate responsibility matrix of the roles and organizational profiles to maintain each aspect of the database. The Consultant shall propose a user authorization access concept to be implemented within the System.

Records shall be maintained of:
- all generated ITU Procurement documents;
- full transaction history, including timestamp and operator name.

2.3 Integration with other existing systems

The System shall include management of financial commitments and of invoice verifications and shall be fully integrated with the ITU's SAP-based financial system.

2.4 Process Workflow Management

The business processes in the procurement activities are depicted as steps in the workflow in Figure 1 below.
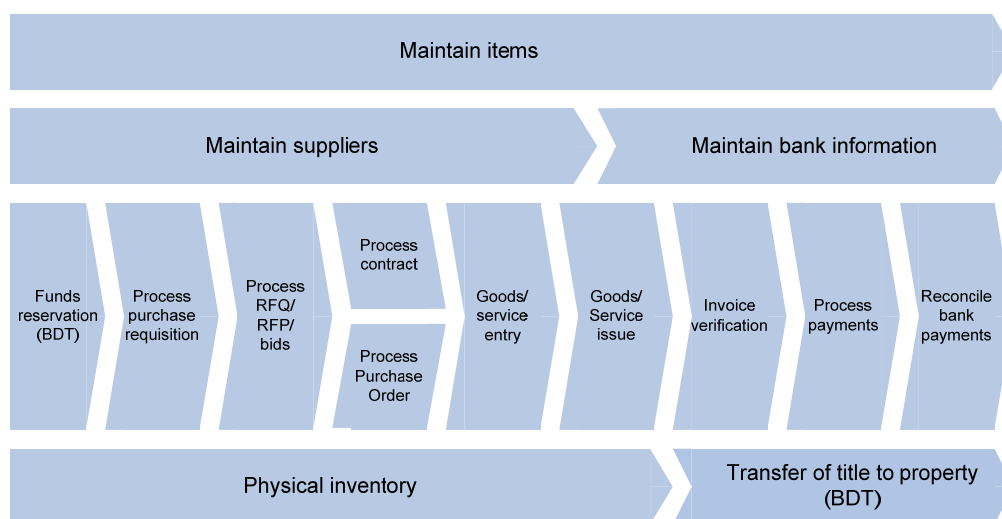

Figure 1: Processes as steps in ITU Procurement chain of events

Figure 1 above is intended as an illustration of the overall system, and should <u>not</u> be considered as an exact representation of the processes in workflow. The proposed workflow management in the System shall be presented by the Consultant during the preliminary design review, after consideration of ITU's needs.

The System shall be compatible with the normative Procurement Rules of ITU:
- ITU Service Order 13: 'Placement of Contracts for Purchases, Supplies, Work or Services', 15 June 1993. This document is Appendix 1-H of the RFP.
- 'Basic Rules for Procurement of Equipment for I.T.U. Technical Cooperation and Assistance Projects and Manual on Administrative Procedures for the application of these basic rules', entry into force 1 January 1992. This document is Appendix 1-I of the RFP.

The System shall allow different workflows, in order to automate different sets of normative rules. To minimize the number of workflows, where feasible, the System shall be streamlined by unifying optional paths through processes into a single SAP-based workflow.

2.5 ITU Procurement accounting documents

The documents included in ITU procurement are shown in Table 1 and Table 2 below, together with descriptions and approval signatories.

The System's degree of automation (see section 4 below) will determine whether all or only some of the documents shall be processed electronically, on paper, or both.

Table 1: Procurement documents covered by the procedure 'Service Order No.13'

Document	Description	Authorization
Requisition	Identification of the requirements	Manager & Financial Controller of requesting service.
Application for Commitment to Expenditure	Authorization will certify availability of funds estimated	Manager of centralizing service Chief of Finance department *Secretary-General if over CHF40'000*
A: if below CHF10'000 estimated		
	(three suppliers consulted)	Manager of centralizing service
	(supplier selected)	Manager of centralizing service
or B: if CHF10'000-40'000 estimated		
Bid documents	e.g. TofR, SoW, RFP, ITT	Manager of centralizing service
Recommendation of supplier	Evaluation of bids received	Manager of centralizing service
Final decision of supplier		Chief of Finance department
or C: if over CHF40'000 estimated		
Bid documents	e.g. TofR, SoW, RFP, ITT	Manager of centralizing service
Appraisal report of bids	Logging of proposals received. Receipt and opening of bids.	Appraisal committee officers
File completion		Manager of centralizing service
Recommendation of supplier to Secretary-General		President of Contracts Committee
Recommendation	Final decision of supplier	Secretary-General
Purchase Order		Manager of centralizing service
Contract	is prepared by Manager of centralizing service, (optionally) in consultation with Legal Affairs Unit.	Secretary-General or Deputy Secretary-General
Progress reports and or final inspection documents	(where appropriate and as defined in contract)	Manager of centralizing service
Received & processed invoice		Finance department
Controlled Invoice		Centralizing service
Payment record		Finance department

**Table 2: Procurement documents covered by the procedure
'Basic Rules for Procurement of Equipment for ITU Technical Cooperation and Assistance Projects …'**

Document	Description	Authorization
Administrative/cooperation agreement	Legal and administrative framework for project execution	Director, BDT
Project document	• Project name & number • Roles and responsibilities of the parties • Budget (pre-encumbrance) • Implementation Plan	Director, BDT
Tender document	• Request for Quotation • Invitation to Tender • Request for Proposal	• ADM[1] • BDev[2] • Project Manager
Tender Opening Report • (≤ US$500'000) • (> US$500'000)	Listing of received proposals	• Chief, BDev • Chief, FOP[3]
Evaluation Report	Evaluation of received proposals	Evaluation Group
Selection Panel recommendation (> US$75'000)		Selection Panel
Contract Financial Résumé	Confirmation of funds availability for specific procurement action	Chief, ADM
Purchase Order or Contract (≤ US$75'000)		Chief, BDev
Purchase Order or Contract (> US$75'000, ≤ US$500'000)		Chief, FOP
Purchase Order or Contract (> US$500'000)		Director, BDT
Payment authorization		Chief, BDev
Supplier registration form	Roster of qualified suppliers	Chief, BDev
Annual inventory form	A master inventory of the non-expendable equipment (as defined by the UNDP) supplied to each project	• Beneficiary administration • Project Manager
Transfer of Title to Property form	At the end of each project, the title to property is transferred from ITU to beneficiary administration	• Beneficiary administration • Project Manager

All ITU documents of Table 1 and Table 2 shall be traceable electronically within the Procurement System, and shall be archived for at least ten years following the document's creation. Examples of current forms are provided as Appendix 1-J of the RFP.

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[1] ADM : Administration unit
[2] BDev: Business Development unit
[3] FOP : Field Operations Department

2.6 Workload and Capacity

The design of the System shall include considerations of system workload and capacity.

2.7 Performance, Security and Reliability

The design of the System shall include considerations of system performance, security, reliability and auditability.

2.8 User interfaces

The users will interface to the System via standard office PC hardware and operating systems to lessen per-user cost of equipment and training.

2.8.1 User languages

Required language for user interaction is French. Where SAP provides for user-specific parametrisation, the Consultant shall ensure that ITU can recast menus and forms into Arabic, Chinese, English, Russian, Spanish.

Required language for user documentation and training is French.

Required language for technical documentation and training is English.

2.9 Inquiry and Reporting facility

The System shall provide an inquiry-and reporting facility. This capability shall enable the users to retrieve information rapidly and in diverse ways that will support the procurement operations, including but not limited to information related to commercial entities and purchase orders/contracts with the commercial entities.

The System shall also provide for information import from and export to other user systems (e.g. an Excel-based application for reporting purposes).

All reports shall be parametrisable by the user. Filters shall be available based on multiple criteria to allow a focus by such criteria as: supplier, procurement step in progress, date of start of procurement process, operator, item/service category.

An example of User-requirements on reporting is given in Appendix 1-C: 'User summary for procurements by the Logistics Division (in SG/SC)'. For a given report, the user shall be able to choose amongst templates in different languages.

The System shall provide alerting for time-sensitive procurement information such as: warning of automatic/default renewal of contracts, expiry of bidder response windows, key dates in payment schedules. The user shall be able to program the warning times of such alerts.

The reporting features available shall be proposed by the Consultant at the Preliminary Design Review.

3   User-specific requirements and description

3.1   Telecommunication Development Bureau (BDT)

The user summary for the BDT procurement unit is described in Appendix 1-D: 'User summary for steps in BDT procurement'.

There are rare occurrences of circumstances when a given BDT procurement needs to be done with extreme urgency that may not be feasible in the framework of normal procurement workflow. It is required that, for these rare occurrences, the System shall provide for a special workflow where the data capture is done after some or all steps of a given urgent procurement have already been completed.

3.1.1   Linkage to BDT project management application

BDT Procurements are currently treated as sub-projects of Development Projects, and are supported by BDT's proprietary database management application. The Consultant shall link the System to the existing BDT application, the link being by periodically exporting a file of data from the System. In this linkage, the System shall be the 'master', the BDT application shall be the 'slave'. The file format will be agreed between the Consultant and the ITU in-house technical team.

Technical details of BDT's application are given in Appendix 1-K, 'BDT Applications'.

3.1.2   Field office access

There are currently 12 ITU field offices in locations remote from Geneva, and 20 field-based 'points of access' to the current BDT project management application.

It is required that the System can be used by designated units within the ITU, and by the ITU field offices remotely via internet connection. This requirement is for read-only access to the database: write-access is not required. The ability to search is required.

Local procurements by Field Offices are excluded from the System.

3.2   Department of Common Services (CS)

The user summary for procurements by this Department is described in Appendix 1-C: 'User summary for procurements by the Logistics Division (in SG/SC)'. Also included in this document are the current reporting requirements of this Department.

3.3   Information Services Department (IS)

The user summary for procurements by this Department is described in Appendix 1-F: 'User summary for current procurement and orders by IS Department (in SG)'. Also included in this document are some suggestions for corrections and improvements to the ITU's current SAP system.

3.4 ITU Telecom Unit

The user summary for procurements by this unit is described in Appendix 1-E: 'User summary for ITU Telecom procurement (in SG)'.

There are rare occurrences of circumstances when a given ITU Telecom procurement needs to be done with extreme urgency that may not be feasible in the framework of normal procurement workflow. It is required that, for these rare occurrences, the System shall provide for a special workflow where the data capture is done after some or all steps of a given urgent procurement have already been completed.

4 Degree of automation

The System design and implementation shall include the following automation features:

1. With reference to Figure 1 above: considering this as a multi-step workflow, the System shall permit the representation of each step in the procurement workflow.

2. The System shall allow different procurement workflows by linking a given subset of distinct steps in a given procedure (e.g. Service Order No.13 procurements exceeding an estimated value of CHF 100'000).

3. The existing SAP application system for the Economat shall be adapted as necessary to become an integrated part of the System.

4. The System shall allow the capture of some key information specific to each step, including but not limited to: step description and status.

5. For each step in the procurement workflow, the System shall include all the necessary blank forms in electronic format.

6. For every blank form, the System shall enable the appropriate users to fill the form and to print the resulting electronic completed form as a paper document.

7. Decisions, approvals and related signatures are exclusively electronic

8. The System shall allow for multiple approval signatures.

9. The System shall permit each user to delegate his / her signature to another (e.g. in case of absence), and can easily replace one signature by another "acting or replacement" signature.

10. Completed forms are exclusively electronic. Each form completed with its signatures can be printed.

11. In a procedure of invitation-to-bid, the bid and final price proposals of the selected winner are scanned.

12. All invoices are scanned.

13. For any given procurement <u>order</u>, the price proposal and related documents are in the System.

14. For any given procurement <u>contract</u>, the scanned price proposal and related documents are in the System.

15. With the objective of "No paper flow", the System shall minimize paper flow to the extent possible.

16. The system design and implementation shall permit a future project to add E-Procurement to the System.

Procurement Project

APPENDIX 1-B

Current usage of SAP/MM for procurement activities at ITU

The main steps in the user process

Introduction

This paper describes the functionalities covered by the SAP system as it has been implemented in 2001 and used since for purchasing by the Common Services and IS Departments.

The scope of this document covers:

1. The organizational data

2. The basis master data

3. All main steps in the process from the initial financial commitment to final delivery to the end-user, stock management when appropriate, reporting.

Organizational data

Four departments are concerned by purchasing at the ITU. From these four, the Common Services and IS use SAP to purchase materials for all ITU. The departments are divided into divisions and services. Users with different functions are involved in the purchasing processes according to the types of materials they are buying.

The following organizational data have been generated in SAP in accordance with this work partitioning.

Plant Name	ECONOMAT	SERVICES INFORMATIQUES
Plant	1000	4000
Mag. Economat	1000	
Mag. Conférence	1001	
Mag. Events TELE	1001	
Mag. Eco. divers	1003	
Hors Codes ECO	2000	
Electronique	8000	
Menuiserie	8100	
CVCS	8200	
Électricité	8300	
Mobilier/Machine	9000	
Magasin IS		4000

The storage locations for each plant are listed under the plant number. Two purchasers are affected to plant 1000 and one to plant 4000. Goods entries, goods issues are normally done at the storage locations, except at the IS where actually the purchaser also carries out these processes in SAP. Invoice is done at the Finance Department after verification by the buyers.

Purchasers are grouped into two main purchase organizations 1000 for the CS (Common Services Department) and 4000 for the IS (Information Services Department).

Material data

The procured materials are considered into two aspects. Some must be kept locally in stock to be delivered to different organizational units on request. They are historically called "stockable" at ITU. Others are issued immediately upon reception to the requesting unit.

The SAP implementation handled these two kinds of materials as "stock articles". This was a constraint due to the particular use of commitment at the ITU at the time of the implementation. The difference in the article types is seen in SAP in their valuation class and/or their storage location. The valuation classes controls the automatic account assignment in the phases of the procurement process.

The basis data are maintained by the responsible for the storage plant. For each one of them a different material type is used, which is furthermore grouped. Article groups and hierarchies are used for statistical evaluation.

The following material types are implemented

Material type	Type description	Storage Location	Valuation class
ZECO	ZECO: Produits ECONOMAT	1000	3100
ZHEC	ZHEC: N C. CVCS	8200	3110
ZHEL	ZHEL: N C. Electroniques	8000	3110
ZHEM	ZHEM: N C. Menuiserie	8100	3110
ZHEZ	ZHEZ: N C. Électricité	8300	3110
ZHIN	ZHIN: Hors-Code inventor.	9000	3100
ZHOR	ZHORS: Non Codés ECONOMAT	2000	3100
ZHIS	ZHIS: Art. IS hors stock	4000	3150
ZIIS	ZIIS: IS pour stocks	4000	3150

Only the material types ZECO and ZIIS are kept in stock for distribution on demand. The others are issued manually immediately after reception. Sometimes for reason of convenience a buyer can wait until the invoice arrives to issue a non stock material, this to be sure that no price difference occurs.

The evaluation of these stocks is based on a moving average price. Quantities and values are updated for all types.

Vendor data

Vendor data is maintained by the Finance Department, as far as the address and accounting data are concerned. A vendor must be affected to a purchasing organization after his creation, before an order can be sent to him via this organization. This affectation is maintained by the purchaser.

The main steps

The main steps covered by the actual SAP business processes at ITU fall into the following categories:

- ❖ Purchase orders creation and maintenance
- ❖ Goods entries
- ❖ Goods issues
- ❖ Invoice verification
- ❖ Reporting and accounting of inventory and preparation of statistical reports concerning consumption, average cost, etc.

1.   Purchase orders

All actions <u>before</u> the establishment of an expenditure commitment remain outside SAP. This includes Material requisition and the approval process itself. The approved expenditure commitment is created by the finance department in SAP and updated by the SAP system at goods issue time.

Five different order types are used in the ITU. They allow the purchaser to identify their order by order number, easing the communication between them and the other departments involved.

Order type	Type description	where used
ZNB1	ZNB1: Cmd Economat	storage location 1000
ZNB2	ZNB2: Mob-Machine	transitory storage location 2000
ZNB3	ZNB3: Logistique/BAT	transitory storage location 8000-9000
ZNI1	ZNI1: Cmd IS Stock	storage location 4000
ZNI2	ZNI2: IS Cons. imméd.	transitory storage location 5000

At position levels, no account category is assigned, due to the specificity in ITU. The commitment must be updated only at goods issue.

The purchasing info is updated for every order. The last price issued by a vendor is proposed in the actual order.

The system does not check if the purchase price is within a predefined tolerance compared with the material valuation price.

It is not possible for purchase order to be generated automatically following a goods receipt.

The material purchased is not subject to any tax.

Each order saved is printed in five copies: for the vendor, the purchasing organization, the storage plant, the finance department and the quay. The layout of the printed order is similar for all ITU units. The order is sent by fax/post to the vendor after signature of the head of the purchasing service.

2.   Goods Receipt procedure

The goods are received for purchase order into the storage location. The data are copied from the purchase order into the goods receipt document. Two types of movements are used for this process:

901   Goods receipt for purchase order into warehouse/stores
902   Cancellation of the 901 movement

The updated quantities are proposed from the order (less the quantities already delivered). These values may be corrected by the user.

But he can not choose a different account assignment than the one specified via the automatic account determination process. This is defined for all goods movements by the Finance Department and is under its responsibility alone.

The material stock and its value is updated automatically upon registration of the goods receipt.

3.   Goods issues at ITU

No goods issues will be register in SAP without a valid commitment.
 The system checks on-line this validity together with the validity of the cost center connected to the commitment. This will be however updated in a second phase by a batch input.
The commitment number and position is put in the text part of the item to be issued.

The movement types used in this process are:

921   Goods issues for cost center
922   Cancellation

As for the goods entries, the account assignment is controlled by the automatic account determination, except for the updating of the commitment which is done via an ITU special development.

Stock values and quantities are updated when the document is registered.

4.   Invoice verification

The incoming invoice is entered into SAP at the Finance department upon arrival. It is parked and a copy of the paper is sent to the purchaser, with the number of the created and parked SAP invoice document. The updated quantities and prices are proposed by SAP according to the order.

The purchaser checks in SAP the position verified OK, signs the paper copy from the vendor and returns it back to the Finance Department which in turn registers the document.

5. Account determination

Here is an example of the account (value) determination with the following legend:
(1) Initial entry at the time of MM introduction
(2) Goods receipt
(3) Invoice registration
(4) Payment
(5) Goods issue after commitment update. A transitory account (not shown) may be used for the goods issue itself.

07-05000 Stock Economat	
1'000'000 (1)	
200'000 (2)	270'000 (5)

07-05005 Stock init. On 01.07.01	
	1'000'000 (1)

07-05010 GR/IR account	
200'000 (3)	200'000 (2)

500XXX Creditors	
200'000 (4)	200'000 (3)

05-01332 Bank	
	200'000(4)

01-06XXX Fournitures de bureau	
270'000 (5)	

6. Statistics and Reporting (Rapports et statistiques)

Statistics and reporting are currently available within the system. On demand, new reports are developed following user requirements.

5 December 2005

Procurement Project

APPENDIX 1-C

User summary for procurements by the Logistics Division (in the General Secretariat)

Purchase of furniture, machines and office supplies

List of documents requiring signature:

1. Requisition
2. Expenditure commitment form
3. Coordination/decision form
4. Order form
5. Contract
6. Invoice/credit voucher

* * * *

Purchase of furniture, machines and office supplies

Steps:

1.   Request (informal) for information on product (price, delivery time, …).

2.   Identification of suppliers, prices, … alternative proposals.

3.   Feedback to requesting service.

4.   Receipt of written purchase order (requisition, memo, e-mail, …) together with expenditure commitment form.

5.   Request for offers or CFB[1]s, according to estimated amount of purchase.

6.   Approval of CFBs file by the Legal Service.

7.   Drafting of order form or contract.

8.   Approval of contract by the Legal Service.

9.   Signature of order form or contract by the authorized officials.

10.   Follow-up of delivery for goods (data entry in SAP when goods comes in/goes out).

11.   Verification of proper execution of the contract (progress reports, work reports, …).

12.   Invoice verification against conditions of order or contract.

13.   Validation of invoice pre-registration in SAP (only for purchases of goods).

14.   Signature of invoices by the authorized officials.

* * * *

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[1] CFB = Call For Bids

Purchase of furniture, machines and office supplies

Brief description of procedure:

In most instances, purchases of goods or services are the culmination of a series of steps prompted by a service's desire to acquire a particular goods or service for which it does not know the price, delivery time or associated requirements.

The first task is to search the market, on the basis of the description given of the product or service requested, in order to obtain information to be fed back on to the requesting service. Alternative solutions, taking account of the best possible cost/utility/effectiveness trade-off, will also be put before the requesting service.

On the basis of this information, the requesting service carries out the administrative steps to ensure that the required funds are available (expenditure commitment form) and draws up a written purchase order (requisition, memo, …). This purchase order, together with the expenditure commitment form, is sent to the centralizing service.

The request for a number of offers or CFB procedure (depending on the amount involved) is launched.

On the basis of the lowest bid meeting the requirements, either an order is drawn up in SAP (for purchases of goods and equipment) or a contract is drawn up by hand (for services).

When goods or equipment are delivered, in/out movements are entered in SAP. The cost of the purchase is charged to the expenditure commitment when the goods are registered as going out.

Verification of proper execution of the contract is carried out, *inter alia*, on the basis of progress reports, discussions, reports of work done by the supplier or monitoring of work status.

Verification of the invoices completes the purchase procedure. Invoices shall reflect and comply with what was agreed on the order form or in the contract.

For some service contracts, the invoices also constitute another means of verifying proper execution.

Finally, validation and, where necessary, modification of the invoice pre-registration in SAP is carried out for purchases of goods and equipment.

* * * *

Description of requirements for the computerized management of service contracts

(Economat Section)

- When the contract is created on computer, the system must offer the possibility of entering the types of service supplied, the number of each foreseen in the contract, the unit cost of each in the currency indicated in the contract, the supplier's contact details, a text on the recto side of the document indicating the main terms of the contract (number of services per year, whether spare parts are included or not, billing arrangements, …), and a text on the reverse side of the document informing the supplier of ITU's general conditions governing the purchase of goods and services.
- It must be possible to modify, add to or cancel data up until completed reception of the items of each invoice pre-registered in the system.
- It must be possible to display the data entered in the contract as well as the historical progress of the contract (number and date of services provided, balances, invoices and dates corresponding to each service).
- Each invoice must be processed in the system in close correlation with the contract.
- Reporting:

It must be possible, using one or two selection parameters common to all the service contracts and specific to the Economat Section, and for a given period, to generate a report indicating all the services currently under order and those for which the contract has been completed, the number of each foreseen in the contract, their cost, the creation date of the contract, the type and quantity of each service "delivered" along with the actual cost invoiced for each service, the date of the invoice and the services still to be "delivered".

It must be possible, with selection by type of service or by supplier, and for a given period, to generate reports showing the same information as that described in the report above, but for the parameters selected.

The reports must have a display selection filter and a search and sort function for each type of information displayed. The reports must have functions allowing totals and subtotals to be established for the numerical values displayed.

The report display configuration must be accessible to the user (addition and removal of displayable data).

The reports must be easily convertible to Excel, Word and PDF formats.

Specific case:

A specific solution must be provided for processing a contract for which each service has to be invoiced to several different cost centres in a proportion set by the Finance Department.

Processing of invoices relating to urgent work not covered by the service contacts

A head of service sometimes has to call upon a supplier to clear a fault on equipment that needs to be brought back into operation as a matter of urgency.

In such a case, drawing up an order form is not justified and would slow down the process.

It is nevertheless essential to keep a track of the cost of repairs for each item of equipment over a given period.

As a minimum, the system should allow the user to enter the type of equipment and reason for the intervention in a window available at the invoice pre-registration stage.

Optimally, it should be possible to enter the type of equipment, invoice amount and financial data (cost centre, open commitment) in a single operation.

Reporting:

It must be possible, with selection by type of equipment, supplier or financial parameters (expenditure commitment, accounting type), for a given period, to generate reports showing the list of invoices corresponding to each intervention.

* * * *

Buildings Maintenance Fund projects

Steps:

1. Project definition
2. Cost estimate by LOG[2]
3. Authorization by PSC[3]
4. Expenditure commitment
5. CFB drafted
6. CFB reviewed by Legal Affairs Unit
7. CFB issued
8. Bids opened by Appraisal Committee
9. Contracts Committee + approval of Secretary-General
10. Contract drafted
11. Contract checked by Legal Affairs Unit
12. Contract signature
13. Receipt and settlement of invoices for part payment
14. Acceptance
15. Final accounting and invoice
16. Payment of 10% security against a bank guarantee

* * * *

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[2] LOG = Logistics Service

[3] PSC = Planning and Strategy Committee

Buildings Maintenance Fund projects

List of documents requiring signature:

1.   Expenditure commitment form

2.   Coordination/decision form

3.   Order form or contract

4.   Acceptance

5.   Invoice/credit voucher / invoice for part payment

6.   Final invoice

7.   Bank guarantee

* * * *

Buildings Maintenance Fund projects

Brief description of procedure:

1.   Project definition: Description of tasks to be done

2.   Cost estimate by LOG: Cost estimate, calculated using database or component bids

3.   Authorization by PSC: On the basis of 1 and 2 above, PSC decides if work should be done or postponed

4.   Expenditure commitment

5.   CFB drafted: Detailed specifications, consisting of a technical part and a legal part with ITU's conditions

6.   CFB reviewed by Legal Affairs Unit: Legal coherence and compliance with ITU's legal conditions

7.   CFB issued: Mailed to selected contractors for bidding

8.   Bids opened by Appraisal Committee: Appraisal Committee opens all bids and produces a report

9.   Contracts Committee + approval of SG[4]: Contracts Committee examines file and makes a recommendation to SG, who decides on the award of the contract

10.   Contract document drawn up based on technical part of CFB and ITU's legal conditions

11.   Contract checked by Legal Affairs Unit for compliance with ITU's legal conditions

12.   Contract signature by DSG[5]

13.   Receipt and settlement of invoices for part payment: Once work is commenced, the contractor periodically sends invoices for part payment on work that has been completed. These invoices are verified and settled by ITU.

14.   Acceptance: Once work is completed, verification is done for compliance and quality of the work

15.   Final calculation and invoice: The final calculation provides the basis for the contractor's final invoice

16.   Payment of 10% security against a bank guarantee: Note that part-payment invoices and final invoice are paid at only 90% of value. The remainder is withheld until expiry of the guarantee period. However, it is possible to settle the full amount if the contractor provides a bank guarantee for the 10% amount for the duration of the guarantee period.

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[4] SG = Secretary-General

[5] DSG = Deputy Secretary-General

Routine building maintenance work and contracts

Steps:

1.   Specifications of work drawn up

2.   Request for Proposals or CFB as per Service Order 13

3.   If cost of work is below CHF 40 000 an order form is drawn up; otherwise, a contract (in which case the procedure to be used is that which applies to Buildings Maintenance Fund projects up to item 12)

4.   Maintenance contracts are not subject to the security provision. Contracts for supplying energy are not subject to ordering or to the security provision.

5.   Verification of proper execution of contract (progress reports, work reports, status reports, etc.)

6.   Invoice verification against conditions of order or contract.

7.   Validation of invoice pre-registration in SAP (only for purchases of goods).

* * * *

Buildings and technical installations Service

Brief description of procedure and reporting:

In the "Buildings and technical installations Service", different procedures are used for ordering goods and for ordering services.

1.   Ordering goods

These orders are currently handled satisfactorily by SAP MM.

2.   Ordering services

Services are requested in writing (paper or e-mail) by the different ITU units.

Most buildings maintenance work is initiated by the Buildings and technical installations Service itself, and not on the basis of a requisition from a requesting service.

As soon as necessary work has been identified, a detailed description is drawn up, taking into account the complexity of the task and the quality standards required. One or more cost estimates are requested, depending on the estimated total value of the work. The availability of funds is then verified (expenditure commitment). In the case of major work, a CFB is issued in accordance with Service Order 13. Once the contract has been awarded or the order placed, it must be entered in SAP. The level of detail required is to be determined.

The contractor does the work or provides the services. Invoices for part payments are verified and entered in SAP. To be studied: possibility of entering additional orders under existing contracts.

Work is completed and subjected to checking or acceptance. For major contracts, a checkbox should be provided in SAP to indicate the following:

–   work has been checked (giving date);

–   bank guarantee has been submitted;

–   final invoice has been accepted.

Unless there is a bank guarantee, the order must remain open for two years.

It should be possible at any time to generate a report showing a full list of all orders and their payment status. For projects involving several orders or contracts, it would be useful if a consolidated financial report could be generated for the entire project.

* * * *

Procurement Project
APPENDIX 1-D
User summary for Steps in BDT Procurement

Step	Function	Description	List of documents requiring signature
Set-up project	• Set-up project framework and details. • Pre-encumbrance, attribution of budget lines	• Entire project document (including project name & number, implementation plan, budget, legal/administrative framework for project execution, etc.) is determined at this stage. • Budgetary aspect is managed in BCS[1] & IsAP[2] databases.	• Administrative/Cooperation Agreement • Project Document
Bidding process	Develop & Technical Specifications, ToR[3], SoW[4] Pre-qualification (EOI)[5] Prepare and issue RFQ[6], ITT[7], RFP[8] Analyze received offers Contract / PO[9] award	• Basic Rules for Procurement of Equipment for ITU Technical Cooperation and Assistance Projects and Manual of Administrative Procedures indicate different thresholds after which different evaluation and validation committees are necessary. (this document is attached as APPENDIX 1-I)	• Technical Specs, ToR, SoW • RFQ, ITT, RFP • Evaluation Report • Recommendation of the Selection Panel

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[1] BCS = Budget Control System
[2] IsAP = Istanbul Action Plan
[3] ToR = Terms of Reference
[4] SoW = Scope of Works
[5] EOI = Expression of Interest
[6] RFQ = Request for Quotation
[7] ITT = Invitation to Tender
[8] RFP = Request for Proposal
[9] PO = Purchase Order

Step	Function	Description	List of documents requiring signature
Process purchase order	Initiate purchase order	Purchase orders are used for simple purchases of equipment and services (MS Access based EQT[10] database). Each PO is assigned a specific number.	• Contract Financial Résumé • Purchase Order
	Check funds availability	Managed in BCS or IsAP databases.	
	Approve financial commitment	Workflow function exists in EQT database but backed by paper support.	
	Administrative follow-up of POs	Deadlines, insurance, payments, remarks, etc.	
Process contracts	Initiate contract	Contract information managed in SCO[11] database.	• Contract Financial Résumé • Contract
	Check funds availability	Managed in BCS or IsAP databases.	
	Approve financial commitment	Workflow function exists in SCO database but backed by paper support.	
	Administrative follow-up of contracts	Deadlines, payments, remarks, etc.	
Goods and service receipt	Goods and service receipt	• Receipt of goods and/or services must be certified (transportation documents). • Terms and conditions of a contract may foresee issue of an acceptance test certificate.	• Bill of Lading, Airway Bill • Acceptance Test Certificate

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[10] EQT = Purchase Order management system
[11] SCO = Sub-contracts management system

Step	Function	Description	List of documents requiring signature
Invoice verification	Invoice verification	Authorize invoice for payment.	• Payment authorization memorandum
Maintain supplier database	Maintain supplier information	Need to keep existing supplier information updated as well to introduce/maintain the list of potential suppliers (Roster function).	• Supplier Registration Form
	Search external supplier databases	External databases are accessible on-line. Formal registration is required in order to get the full access.	
Maintain articles database	Maintain articles	List of equipment purchased is managed in EQT database.	
Run inventory	Run annual inventory of items	• Functionality should allow generation a report of all equipment that was purchased within a project (EQT database). This report is sent to the field that runs inventory based on this listing. • At the end of the project, the title to property is transferred to the beneficiary administration.	• Annual Inventory Form • Transfer of Title to Property Form
Generate reports	Generation of various procurement reports and statistics	There are several reports than can be generated from the EQT and SCO databases.	

Procurement Project

APPENDIX 1-E

User summary for ITU Telecom Procurement (in SG)

Procurement Activities -

List of Main Contracts/Agreements per ITU Telecom Event

Host Country Agreement
Venue
Freight Handling Agent
Technical Services Provider
Official Travel Agency
Telecom TV
Advertising Agency
Daily News and Online Services Provider
Show Management Services
Hostesses and Temporary Staff
Audio-Visual and Simultaneous Interpretation Services
IS Equipment
ICT Services

List of Documents requiring signature for the above procurement activities

1. Request for Commitment to Expenditure [**signed by: Executive Manager ITU Telecom+ Telecom Finance + Chief of Finance + S-G (latter only for values over CHF 40,000)**]
2. Receipt and Opening of Bids [**signed by: 2 members of Evaluation Committee + Centralising Service**]
3. Evaluation Report [**signed by: 2 members of Evaluation Committee + Centralising Service**]
4. Contracts Committee recommendation (to S-G) [**signed by: Secretary of Contracts Committee + President of Contracts Committee**]
5. Recommendation [**signed by: Secretary-General**]
6. Contract [**signed by: Executive Manager ITU Telecom**]

Special Circumstances[*] for Procurement

The following activities are usually obtained by means of sponsorship agreements that, traditionally, are only obtained at short notice or not until very near to the event. Should a sponsor fail to manifest prior to the start of the event, ITU Telecom may decide to procure the goods and services independently of a sponsor.

Shuttle bus service
Forum dinner
Ministers' lunch
Catering
Telecom Board lunch
Forum coffee breaks
Briefcases
Notepads
Pens

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[*] Except in the cases specified in the Service Order N° 13, orders for goods and services for an ITU TELECOM Event are subject to prior competitive bidding. Competitive bids will not necessarily be invited in cases where the urgency of the requirement is such that the delay incurred by competitive bidding may hamper the organization of an ITU TELECOM Event.

For the organization of an ITU Telecom Event, three main categories of goods and services are requested:

1) Appointment of Service Providers as listed under <u>Procurement Activities</u>
2) Purchase of goods and services (Briefcases, Bus Service, Catering)
3) Purchase of minor services

1) The Service Providers can be appointed for several Events (Advertising Agency) or for one Event. A call for bids is issued and a contract is signed with a large part of services defined in advance.

2) Goods are generally purchased for one Event only and given away a few days after the reception (no need of stock management). In the majority of cases, a call for bids is issued and a contract is signed with details of goods to be provided defined in advance. However last minute negotiations can be necessary for unforeseen needs or for items purchased only when sponsorships are secured.

3) Minor Services are generally ordered with short notice. Last minute negotiations and verbal agreements are necessary.

To summarize the procurement activities of ITU TELECOM, a large part of goods and services are defined in advance, with some goods and services ordered with short notice depending on the final number of participants, the presence of local authorities and other last minute and unpredictable issues that need an immediate response.

Procurement Project

APPENDIX 1-F

User summary for current procurement and orders by IS Department (in SG)

PROCEDURE FOR PROCUREMENT: FOR IT EQUIPMENT:

1. Service Desk receives the duly signed Request For Computer Equipment (RFCE) from the requesting Bureau/Dept./Service.

   NOTE: An electronic version of the request form for computer equipment is being prepared and waiting for approval for electronic signature. See Appendix 1-J for an example of this form.

2. Service Desk sends RFCE to INFRA Division for verification.

3. Once the IT equipment requested has been verified and checked if standard or not or falls within the Service Order No. 04/17 in case of change management and duly approved by the Chief of the IS Department or the Chief of the INFRA Division or his delegate representative, the form is submitted to the IS Budget Controller for registering the request form in the HRIR (to be replaced by ASSYST in the near future) and for ordering the material in case there is no stock.

4. The stamped and recorded RFCEs is sent back to the ATELIER for issuance if there is stock.

5. If there is no stock, IS Administrative Officer **either** requests for at least 3 offers from suppliers and the lowest bidder gets the order **or** orders from an approved supplier (ex. supplier who was chosen by the Contracts Committee).

6. IS Administrative Officer makes the order in SAP MM:
   a. Enters the article in SAP
   b. Enters the supplier in SAP or if not in the list of ITU supplier, requests the Finance Department to create the new supplier and entered it in the IS
   c. Creates the order in the SAP
   d. The *Bon de Commande* is signed by the Chief of the Department
   e. IS Secretariat sends it by fax.

7. If the material costs 0 CHF e.g. as in the purchase of new mobile phone or replacement of mobile phone which cost 0 CHF, the IS Adm. Officer prepares a purchase order manually with an IS Reference no. as the Purchase Order No.; signed by the Chief of the Department and IS Secretariat sends it by fax. See Appendix 1-J for an example of this form.

8. ATELIER receives the goods delivered from the supplier; checks and verifies the delivery and sends the original delivery receipt to the IS Adm. Officer. Sends PDF of the delivery receipt to all the concerned persons. Makes an entry in the inventory for goods costing more than 500 CHF following Service Order No. 04/17.

9. ATELIER prepares, configures and delivers IT equipment to the user.

10. Requestor signs receipts of the goods requested. The installation sheet is filed by Atelier. Currently, the requestor is not requested by the IS technician to sign the RFCE to state that he/she received the material requested. The technician is the only one who enters the date when the equipment was installed.

11. The RFCE is returned to the IS Adm. Officer for billing purposes and waits for the supplier's invoice to be entered in SAP. A SAP entry is made to indicate that the goods are issued.

12. Supplier's invoice is received by Finance Department. They enter the supplier's invoice as a pre-registered invoices and send it to IS Adm. Officer.

13. IS Adm. Officer receives the pre-registered invoices and check the invoice for a match with the order created in SAP.
    a.   If the same, then makes the goods entry in the SAP MM and modifies the pre-registered invoices to show agreement with the payments;
    b.   If not the same i.e. there is additional cost added in the bills (transport/shipping, TAR recycling tax for laptops, etc.), modifies the cost and amortizes the extra cost to the unit cost of the material.

14. Sends the pre-registered invoices to the IS responsible contact person, requests for his/her initial or OK to pay and send it to the Chief of the IS Department for signature.

15. After the invoice has been signed by the Chief of the IS Department, sends the invoice to the Deputy Secretary General (DSG) for signature.

16. The signed invoices are returned to IS Adm. Officer. A copy is made of the signed documents and an entry is made in SAP MM to record that the goods have been issued.

    NOTE : Goods issued should be handled by the ATELIER when the migration of the MATINFO, CMD for inventory control been transferred to SAP.

    a.   If the goods are non-stockable, the goods issued are made directly in SAP MM. All non-end user material is issued directly to IS cost center and engagement. For example, purchase of servers, maintenance, onsite training and other consulting services.

    b.   If the goods are stockable, the goods issued are made once the equipment is already installed by the ATELIER to the requestor or end user.
    NOTE: Goods issued to ITU TELECOM cannot currently be processed in SAP MM as charging between the Societé 0020 and Societé 0001 is not possible.

17. If the supplier's invoice contains an item that needs to be in the inventory, IS Adm. Officer stamps the invoice <<for inventory>> and the invoice is sent back to ATELIER to input the Inventory No. and sign the invoice.

18. ATELIER sends it back to IS Adm. Officer and sends the PDF file to ATELIER and Payment files.

19. The signed and approved invoices are sent back to Finance Department for payment.

PROCEDURE FOR PROCUREMENT: FOR MOBILE PHONES:
1. IS Adm. Officer receives the duly signed Request For Mobile Phones (RFMP) from the requesting Bureau/Dept./Service.

2. The request form shall be approved by the Chief of IS Department.

3. The form is submitted to the IS Adm. Officer for registering the request form in the HRIR (to be replaced by ASSYST in the near future).

4. IS Adm. Officer orders the ITU standard mobile phone to the approved supplier and designated partner of Swisscom (as specified by the Telephony Systems Specialist/INFRA).

5. IS Administrative Officer makes the order in SAP MM:
    a. enters the article in the SAP
    b. creates the order in the SAP
    c. The *Bon de Commande* is signed by the Chief of the Department
    d. IS Secretariat sends it by fax.

6. If the material cost 0 CHF as in the purchase of new mobile phone or replacement of mobile phone which cost 0 CHF, the IS Adm. Officer prepares a purchase order manually with an IS Reference no. as the Purchase Order No.; signed by the Chief of the Department. IS Secretariat sends it by fax. See Appendix 1-J for an example of this form.

7. Telephony Systems Specialist and/or IS Adm. Officer receives the mobile phone delivered from the supplier; checks and verifies the delivery and sends PDF of the invoice to the concerned persons including the ATELIER. The ATELIER will inventory the mobile phone if costing more than 500 CHF following Service Order No. 04/17.

8. IS Adm. Officer prepares and delivers mobile phone to the user.

9. Requestor signs receipts of the phone and its requested accessories.

10. The RFMP is returned to the IS Adm. Officer for billing purposes and waiting for the supplier's invoice to be entered in the SAP and will be input in SAP as goods issued.

11. Supplier's invoice is received by IS Adm. Officer who sends it to Finance Department to register it. Input supplier's invoice in the pre-registered invoices and send it to IS Adm. Officer.

12. IS Adm. Officer receives the pre-registered invoices and checks the invoice for a match with the order created in SAP.
    a.   If the same, then makes the goods entry in SAP MM and modifies the pre-registered invoices to show agreement with the payments;
    b.   If not the same i.e. there is additional cost added in the bills (transport/shipping, TAR recycling tax for laptops, etc.), modifies the cost and amortizes the extra cost to unit cost of the material.

13. Sends the pre-registered invoices to the Chief of the IS Department for signature.

14. After the invoice has been signed by the Chief of the IS Department, sends the invoice to the Deputy Secretary General (DSG) for signature.

15. The signed invoices are returned to IS Adm. Officer. A copy is made of the signed documents and an entry is made in SAP MM to record that the goods have been issued.

    NOTE : Goods issued should be handled by the ATELIER when the migration of the MATINFO, CMD for inventory control has been transferred to SAP.
16. If the supplier's invoice contains an item that needs to be in the inventory, IS Adm. Officer stamps the invoice <<for inventory>> and the invoice is sent back to ATELIER to input the Inventory No. and sign the invoice

17. ATELIER sends it back to IS Adm. Officer and sends the PDF file to ATELIER and Payment files.

18. The signed and approved invoices are sent back to Finance Department for payment.

PROCEDURE FOR PROCUREMENT: FOR SOFTWARE:

1. IS Secretariat receives the duly signed Software Request Form (SWF) from the requesting Bureau/Dept./Service through their respective Budget Controller electronically through Outlook. See below

2. The request form is submitted for approval to the Chief of Users Division for technical evaluation of requests.

3. Once approved electronically, IS Secretariat receives it and requests Software License Administrator (SWLA) to give access to users:
   a. Add users to PKG-xxx group (access to Software via SMS)
   b. If necessary, prepare software deployment (SMS/advertised Software)

4. a. If there is an available software license, SWLA will register it in Software Database and send reply to IS Secretariat to give the requestor the installation instructions with a copy to the IS Adm. Officer for billing purposes.

   b. If there is no available license or request for upgrade version or a request for full special package, SWLA will send a request to IS Secretariat that an order should be made

5. IS Secretariat will request IS Adm. Officer to make the order.

6. The form is submitted to the IS Adm. Officer for registering the request form in the HRIR.

7. IS Adm. Officer requests an offer of Large Account Reseller (LAR) or the software distributors of the specialized software.

8. A. IS Administrative Officer makes the order in SAP MM:
   i. enters the article in SAP
   ii. enters the supplier in SAP
   iii. create order in the SAP
   iv. The *Bon de Commande* is signed by the Chief of the Department

   B. If the software needs to be ordered via Online or needs a prepayment:
   i. Prepare a *Pièce Comptable* for prepayment or credit card payment. See Appendix 1-J for an example of this form.

   ii. The prepared *Pièce Comptable* is signed by the Chief of the Department.

9. A. IS Secretariat sends it by fax and gives the purchase order to IS Adm. Officer.

   B. The *Pièce Comptable* is sent to the Office of the Deputy Secretary General (DSG) for signature and sent to Finance Department (Cashier) for Online order by credit card or prepayment.

10. A. ATELIER receives the delivery, checks and verifies the software received. Sends PDF of the delivery receipts to concerned persons.

    B. IS Adm. Officer receives the downloadable key through e-mail and sends e-mail to SWLA and IS Secretariat.

11. SWLA registers the software in the software database and when ready for installation via SMS sends message to IS Secretariat to give the requestor the installation instructions.

12. IS Secretariat gives installation instructions to the requestor.

13. A. Supplier's invoice is received by Finance Department. They enter supplier's invoice as a pre-registered invoices and send it to IS Adm. Officer.

    B. Supplier's invoice stating that it was paid by credit card or wire transfer is received by Finance Department, who sends it to IS Adm. Officer for filing.

14. IS Adm. Officer receives the pre-registered invoices and checks the invoice for a match with the order created in SAP.

a.   If the same, then makes the goods entry in the SAP MM and modifies the pre-registered invoices to show agreement with the payments;
b.   If not the same i.e. there is additional cost added in the bills (transport/shipping, bank charges, etc.), modifies the cost and amortizes the extra cost to unit cost of the software.

15. IS Adm. Officer sends the pre-registered invoices to the IS responsible contact person, requests for his/her initial or OK to pay and sends it to the Chief of the IS Department for signature.

16. After the invoice is signed by the Chief of the IS Department, sends the invoice to the Deputy Secretary General (DSG) for signature.

17. The signed invoices are returned to IS Adm. Officer. A copy is made of the signed documents and an entry is made in SAP MM to record that the goods have been issued. Software request is considered as non-stockable goods.

18. The signed and approved invoices are sent back to Finance Department for payment.

PROCEDURE FOR PROCUREMENT: FOR CONSULTING SERVICES:

1. The responsible IS officer submits a Request For Information concerning the approximate cost of service needed.

2. Once IT consulting services have been defined and there is an estimation of the cost of the consulting services, the procedure of Service Order No. 13 is followed:
A.   If the estimation is for less than 40,000 CHF, IS Department makes a Request For Quotation (RFQ). IS Dept. receives and opens all offers. A technical evaluation committee is formed by IS Dept. and the offers are evaluated in all aspects and the Chief of the Division requiring the consulting service justifies the need of the service and at the same time recommends the lowest bidder who gives the best service. Once the written evaluation is prepared, IS Adm. Officer prepares the request for commitment to expenditure signed by the Chief of IS Dept. This request is submitted for approval of the Chief of Finance Dept and Secretary-General or his delegated officer.

B.   If the estimation is for more than 40,000 CHF, IS Dept. prepares a request for commitment to expenditure for such service duly signed by the Chief of IS Department. The request for commitment is submitted to the Chief of Finance Department for certification of available funds, signed by the Deputy Secretary-General, and approved by the Secretary-General. Once the engagement is approved the IS Department issues a Call for Bid to at least five suppliers. Offers are received and opened by the Secretariat of the Contracts Committee. All offers received are sent to IS Dept. for technical evaluation. Once the technical evaluation is finished, the Chief of the Division requiring for such service requests the Secretariat of the Contracts Committee to have an Evaluation Committee Meeting composed of the two members of the Contracts Committee and the one from IS Dept. Once the offers are evaluated by the Evaluation Committee, the Evaluation Report is submitted to the IS Dept. The IS Adm. Officer prepares pages 2 and 3 of the Request for Commitment to Expenditure, the Chief of the IS Dept signs the third page. The following documents are submitted to the Contracts Committee:
        a. The Request for Commitment to Expenditure
        b. The Evaluation Committee Report duly signed by the 3 members
        c. The offers of the bidders
The contracts committee considers the completed file for approval and submits its recommendation to the Secretary-General. The Secretary-General makes the final approval of the supplier.

3. In some cases, additional clarifications and negotiation may be conducted. After negotiation, the contract/purchase order is submitted to the Legal Department for verification and to the Secretary-General for approval.

4. The IS Adm. Officer prepares the order in SAP MM, and attaches the contract (if any) to the Purchase Order,
   a. enters the article in SAP
   b. enters the supplier in SAP and if not in the list of ITU supplier, requests the Finance Department to create the new supplier and enter it in the IS
   c. creates the order in the SAP
   d. The *Bon de Commande* is signed by the Chief of the Department
   e. IS Secretariat sends it by fax.

5. The requesting IS officer receives the services of the Consultant; verifies that the specified services have been performed. The Consultant has to record the billable hours of work and tasks performed each day on the Consultant's Timesheet. The Timesheet must be signed by the Consultant and verified by the responsible IS officer.

6. Supplier's invoice is received by Finance Department. They input the supplier's invoice as a pre-registered invoices and send it to IS Adm. Officer.

7. IS Adm. Officer receives the pre-registered invoices and checks the invoice to verify a match to the order created in SAP.

8. IS Adm. Officer sends the pre-registered invoices to the IS responsible contact person, request for his/her initial or OK to pay, then sends it to the Chief of the IS Department for signature.

   In case of consulting services, the responsible IS contact person attaches the Consultant's time sheet duly signed by the responsible IS person and the Consultant

9. After the invoice has been signed by the Chief of the IS Department, the invoice is sent to the Deputy Secretary General (DSG) for signature.

10. The signed invoices are returned to the IS Adm. Officer. A copy is made of the signed documents and an entry is made in SAP MM to record that the goods have been issued.

11. The signed and approved invoices are sent back to the Finance Department for payment.

PROCEDURE FOR PROCUREMENT: FOR MAINTENANCE

1. The responsible IS officer makes a Request for Information concerning the approximate cost of service needed, normally this is sourced from the supplier of the equipment, software or services.

2. If it is possible to find alternate suppliers then the procedure as indicated in the Service Order No. 13 follows.

    In some cases, additional clarifications and negotiation may be conducted.

3. The contract is submitted to the Legal Department for verification and approval before finalizing the order

4. When the engagement is returned by the Finance Department, the IS Adm. Officer prepares the order in SAP MM. If there is a contract to be attached to the Purchase Order,
    a. enters the article in SAP
    b. enters the supplier in SAP and if not in the list of ITU supplier, requests the Finance Department to create the new supplier and enter it in the IS
    c. create order in the SAP
    d. The *Bon de Commande* is signed by the Chief of the Department
    e. IS Secretariat sends it by fax.

5. The requesting IS officer receives the services of the Consultant / maintenance on site and must verify that the specified services have been performed. The Consultant has to record the billable hours of work and tasks performed each day on the Consultant's Timesheet. The Timesheet must be signed by the Consultant and verified by the responsible IS officer..

6.   In case of software maintenance, the supplier automatically sends ITU the regular updates of the software. These are received by the Atelier and sendt it to Software License Administrator (SWLA). Atelier sends copy of delivery receipts to all concerned persons. Original delivery receipts are sent to IS Adm. Officer.

7. Supplier's invoice is received by Finance Department. Input supplier's invoice in the pre-registered invoices and send it to IS Adm. Officer.

8. IS Adm. Officer receives the pre-registered invoices and checks that the invoice matches the order created in the SAP.

9. Sends the pre-registered invoices to the IS responsible contact person, request for his/her initial or OK to pay and send it to the Chief of the IS Department for signature.

    In the case of maintenance onsite, the responsible IS contact person attaches the Consultant's time sheet duly signed by the responsible IS person and the Consultant

10. After the invoice has been signed by the Chief of the IS Department, the invoice is sent to the Deputy Secretary General (DSG) for signature.

11. The signed invoices are returned to the IS Adm. Office. A copy is made of the signed documents and an entry is made in SAP MM to record that the goods have been issued.

12. The signed and approved invoices are sent back to the Finance Department for payment.

SUGGESTIONS FOR IMPROVEMENT OF ITU'S CURRENT SAP PROCUREMENT SYSTEM

Add the ability to procure and transfer items at zero value;

Automate Request for Proposal (RFP) and Request for Quotations (RFQ) in SAP MM in order to facilitate easy access of offers submitted by suppliers;

After considering ITU needs, allow access to certain standardized legal texts from within SAP: e.g. Terms and Conditions

Procurement of services shall include the "Cahier de Charge"
a)   Regular services with contracts shall include the "Cahier de Charge"
b)   Irregular services (On-demand) – inclusion of "Cahier de Charge" should be considered

The duration of contracts should be allowed to extend beyond the end of the biennium, since maintenance agreements, for example, may be for as much as 3 years.
Aspects of commitment to spending from as yet unapproved budgets must be considered within this requirement

Contracts should be well-defined to the following needs:
- hardware and software maintenance (including warning of auto-renewal, and prompting with notice of cancellation dates)
- Consultancy services (including integration of timesheets for consultants)
- Training/Course On-site at ITU or outside.
More generally: consultant is to consider features to enhance 'delivery verification' for services.

All requisitions forms to put in the SAP portal for easy tracking and if it is possible to use one requisition form for the whole ITU.
Forms could perhaps be selected by good/service type or item code. Note that BDT regards 'requisition' form as applicable externally to ITU, other procuring units regard it an 'internal-ITU' form.

Advance payment shall be possible

Reimbursement to ITU staff shall be possible for cash on delivery transactions or when goods are picked up by ITU staff.

29 November 2005

Procurement Project

APPENDIX 1-G

Analysis to date of current procurement systems of ITU

1 Introduction

This document reflects the analysis made to date of the existing procurement systems of ITU, including the current SAP system, the current paper-based systems, and the current ITU Telecommunication Development Bureau (BDT) system based around MS-Access. This analysis was made by a consultancy external to ITU.

The document is intended to be read as an adjunct to Appendix 1-A 'Functional System Requirements'.

2 Description of existing processes (materials and equipment procurement)

2.1 Purchase to pay – Key Figures (2004, Jan-Sept 2005)

IS/IT figures

- *Approx 350 orders/contracts for purchase per year*
- *Approx 1.7M CHF spent Jan-Sept 2005*
- *IS/IT manages roster of suppliers = approx. 50 suppliers*
- *30-40% of request for IT equipment need to be modified by INFRA because out of spec*
- *Cycle time from order to installation of computer equipment can reach 3 months*

Telecom

- *6 suppliers which Telecom work on recurring basis, 25-40 are specific to each event*
- *Limited use of purchase order (5 per year) => use mostly contract*
  - *3.8MCHF (2004), 500kCHF (Jan-Sept 2005)*

Publications & reprography

- *Approx 100 RFQ per year*
- *outside sub-contracting = approx. 1 MCHF (2004)*
- *5 suppliers for services (equipment rental + service)*
- *30 suppliers for printing*
- *5-10 Contract Committee submissions per year*
- *Approx. 30 invoices per week (incl. Expeditions)*

Log/Economat

- *1100 positions/orders in 2004, 1200 in Jan-Sept 2005*
- *1.6MCHF spent in 2004, 1.6MCHF in Jan-Sep 2005*
- *Uses on recurring works with 100 suppliers, 40 on a recurring basis*
- *Approx. 15 RFQ per year*
- *Receives approx. 50 invoices per week for verification*
- *Online webcatalogue = approx 600 items*

Log/non-SAP

- *Small order/contract volume, larger items/services*
- *2.2MCHF spent in 2004, 1.7MCHF in Jan-Sep 2005*
- *flexibility in terms, payment schedule needed*

BDT

- *CHF and USD accounting*
- *Fewer than 200 orders/contracts per year*
- *P.O./contracts 800kCHF, 800k$ (2004),*
- *Extrabudgetary subcontracts 4M$ (2004), 2M$ (Jan-Sep 2005)*
- *268 projects ongoing (extra-budget)*
- *Roster of suppliers = 440, 30% of which are potential suppliers*
- *Inventory process = mobilizes team first three months of each year*

TOTALS: **year 2004:**   **<2000 total positions/orders/contracts, 8MCHF & 5M$ total value**
                Jan-Sep 2005:   **<2000 total positions/orders/contracts, 6MCHF & 3M$ total value**

2.2 Process Overview
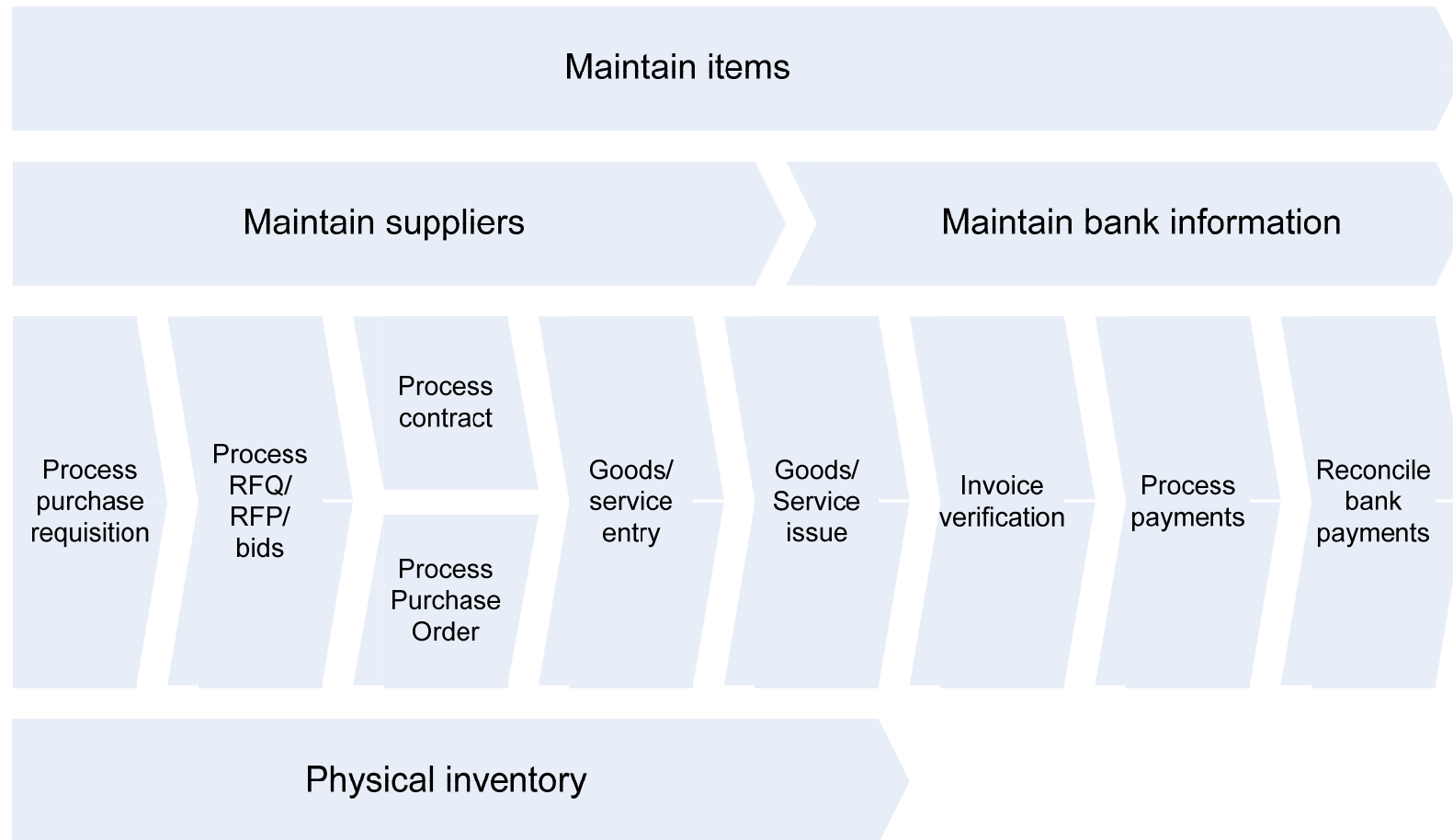
2.3 Major Process - Purchase

Main Processes	Sub-Processes		
Process Purchase Requisitions (PR)	Initiate purchase Requisition	Dispatch and validate purchase Requisition	Edit purchase Requisition
Process RFQ, RFP, bids	Initiate Request for Quotes	Send request for Quotes	Analyse RfQ and award suppliers
Process Contracts	Gather contract information	Dispatch & validate contract	Update contract information
Process Purchase Orders (PO)	Initialising Purchase Order	Dispatch & validate purchase Order	Edit Purchase Order
Maintain suppliers	Gathering supplier information	Update supplier information	
Maintain Items	Gathering item information	Update item information	

2.4 Major Process – **Inventory and valuation**

Main Processes	**Sub-Processes**

| Goods/service entry | Verify shipment & sign discharge | Run quality check & verify receipt | Enter goods/service in stock |

| Goods/service movements/ valuation | Post movements | Goods issue/transfer |

| Physical inventory | Run physical inventory |
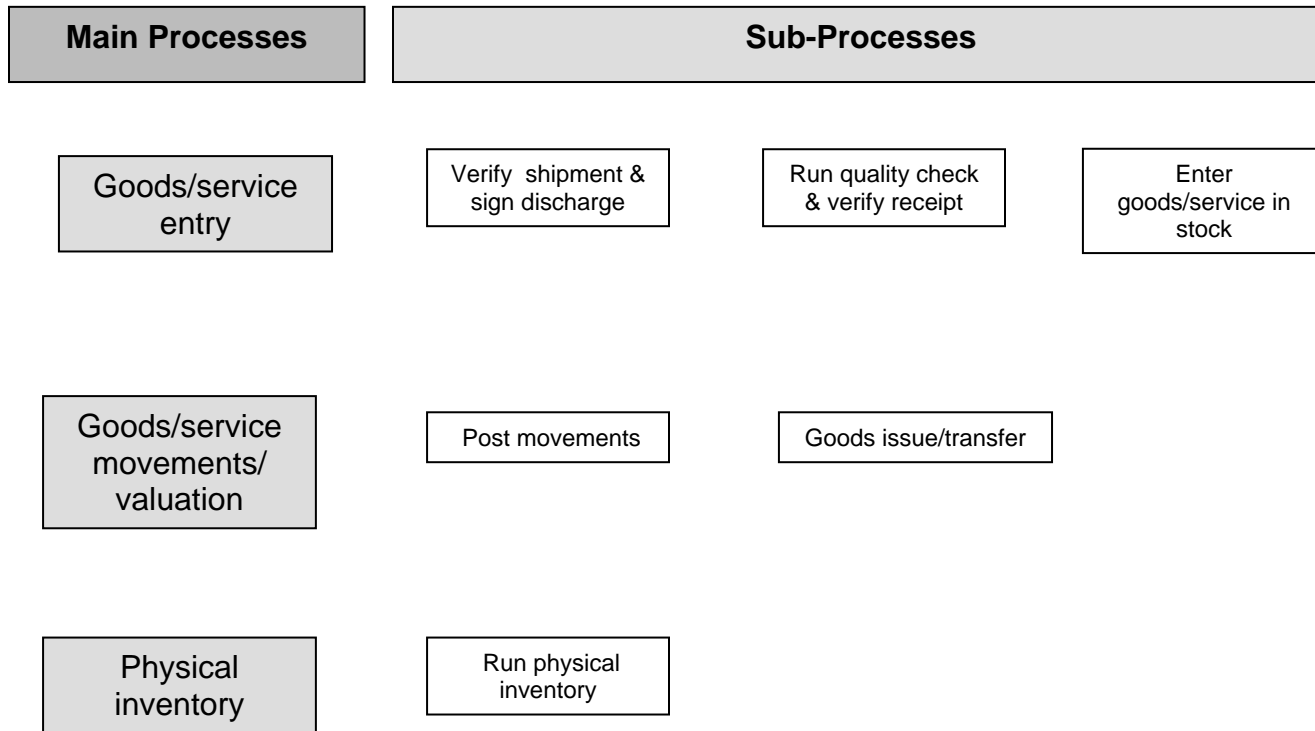
2.5 Major Process – Invoice verification and payment

Main Processes	Sub-Processes		
Invoice verification	Pre-registering invoices	Controlling invoice conformity	Posting to the General Ledger
Maintain Bank Information	Gathering bank account information	Maintaining bank account information	
Process Payments	Select invoices for Pay Cycle	Post DTA payments to accounts payable	Transfer DTA payment to bank
	Transfer payment to bank	Receive bank statement	Post payment to accounts payable
	Writing manual check	Posting payments to AP	
Reconcile Bank Payments	Receiving bank statement	Reconciling bank statement	Cash clearing

2.6 Processes

2.6.1 Process Purchase Requisition (LOG/Economat: office supplies)- Process Map

Actors

Systems
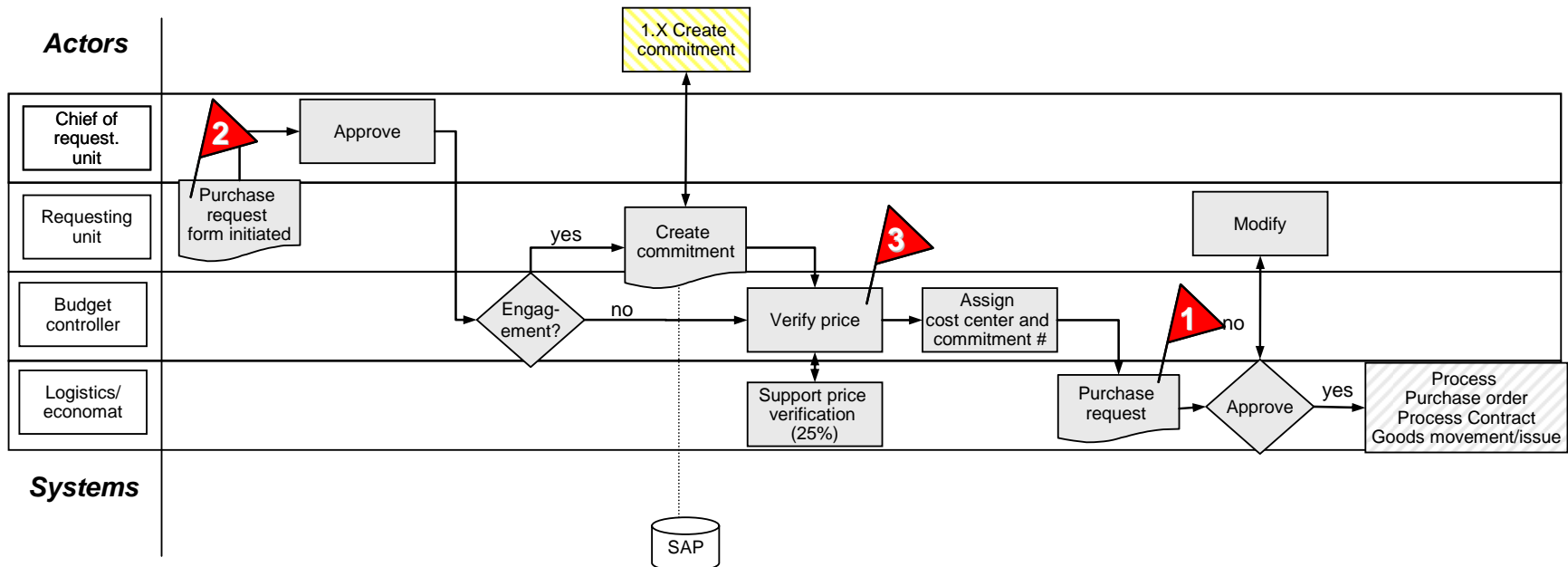
- commitment on office equipment only done once at begin of budgetary period

- No price indication on purchase request : in 25% of cases Logistics contacted by Budget Control to check price

2.6.2 Process Purchase Requisition (LOG/Economat: building/service)- Process Map

Actors

Requesting unit	From filled for small repair
Contractor	prepare estimates
Logistics/ economat	Identify needs → Prepare estimates → Create commitment → Process Purchase order Process Contract
Budget controller	

1.X Create commitment

Systems

1. commitment delegation levels

SAP
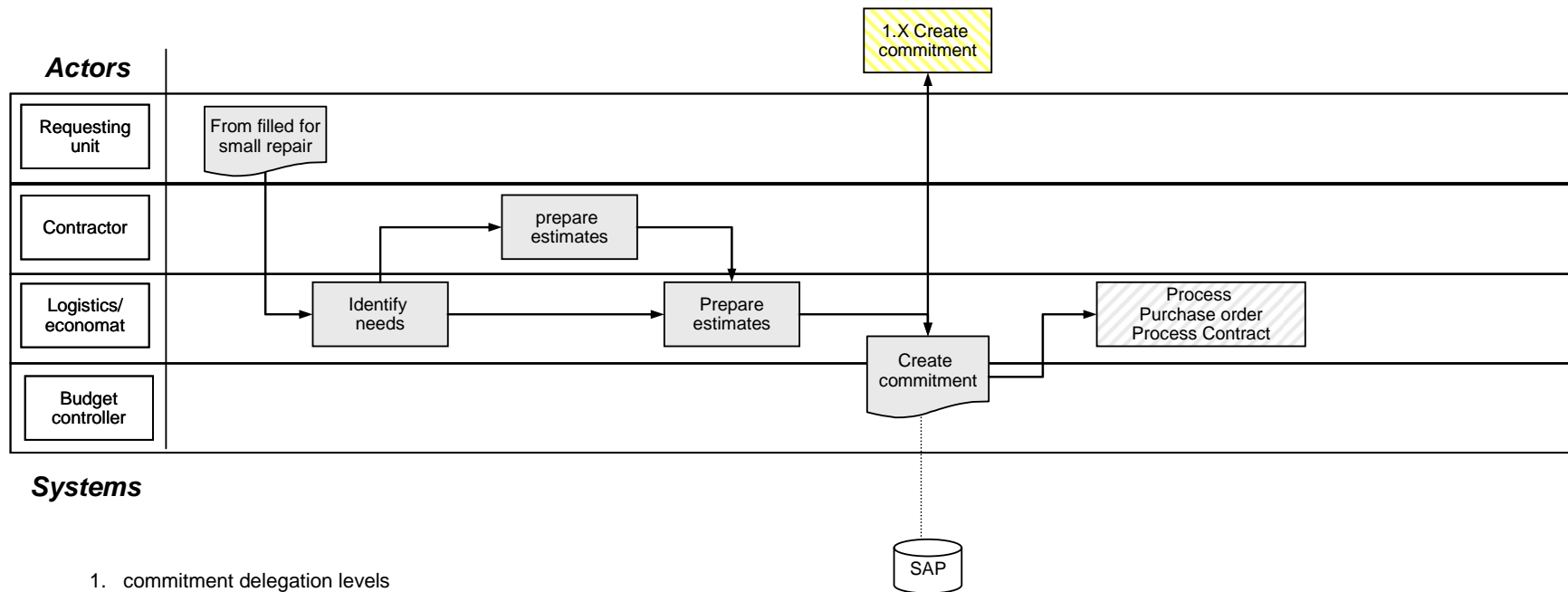
- No need for purchase request form but only commitment is sufficient for building maintenance/service (e.g. renovating sanitaries…)

2.6.3 Process Purchase Requisition (IT)- Process Map

Cycle time= 3 to 6 months •
until requesting unit receives
IT equipment
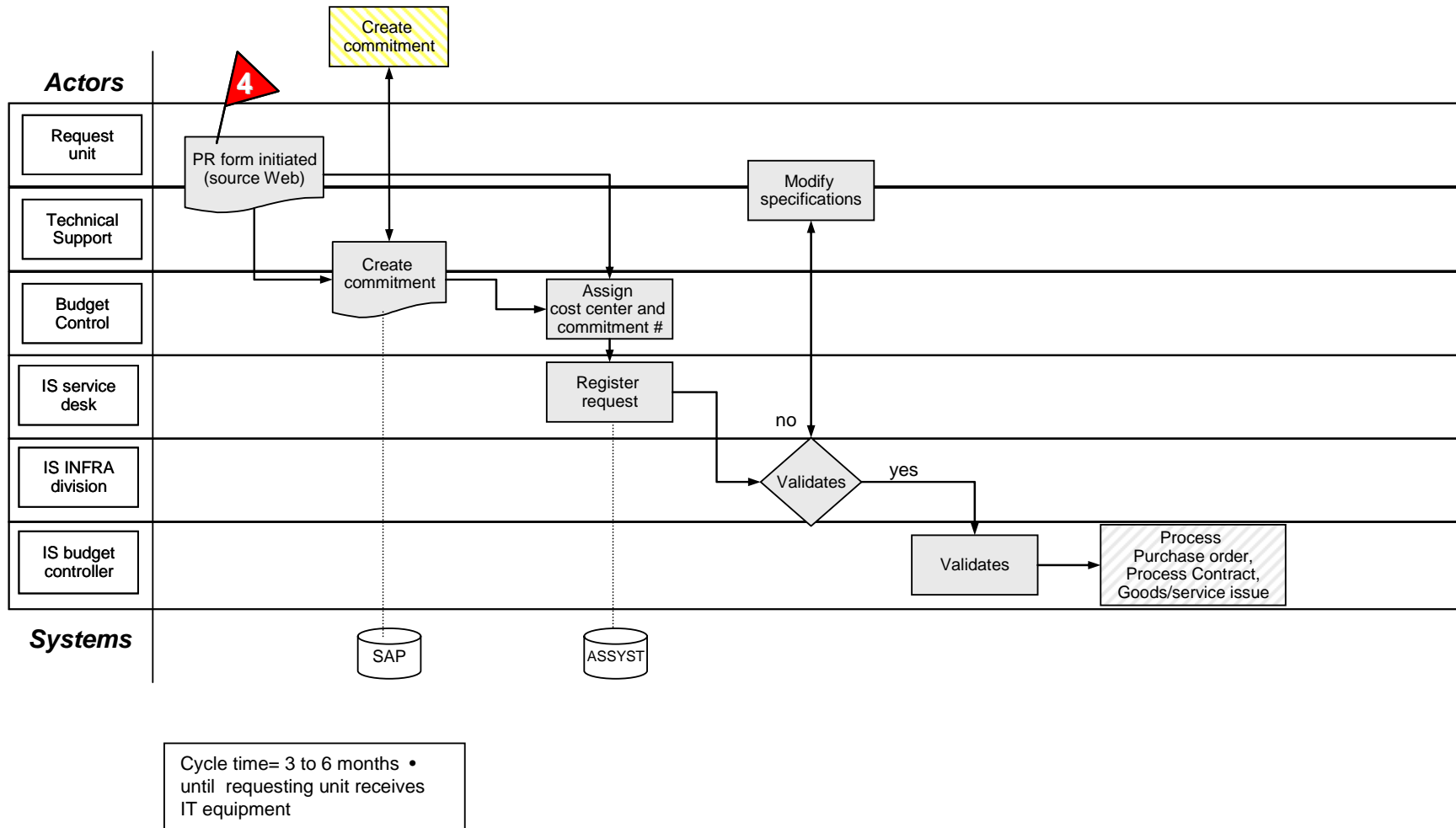
2.6.4 Process Purchase Requisition (BDT: project or activity-related)- Process Map
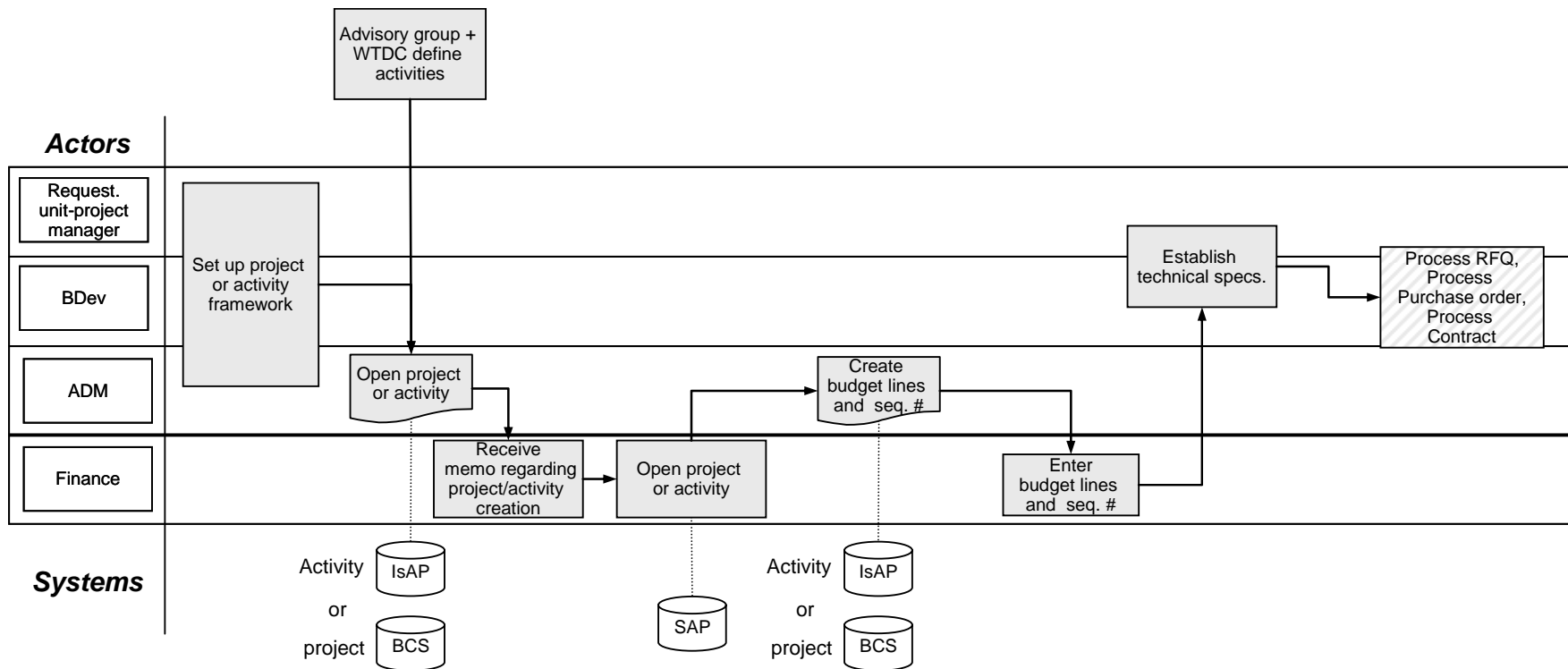
2.6.5 Process Purchase Requisition (Telecom: event-related)- Process Map
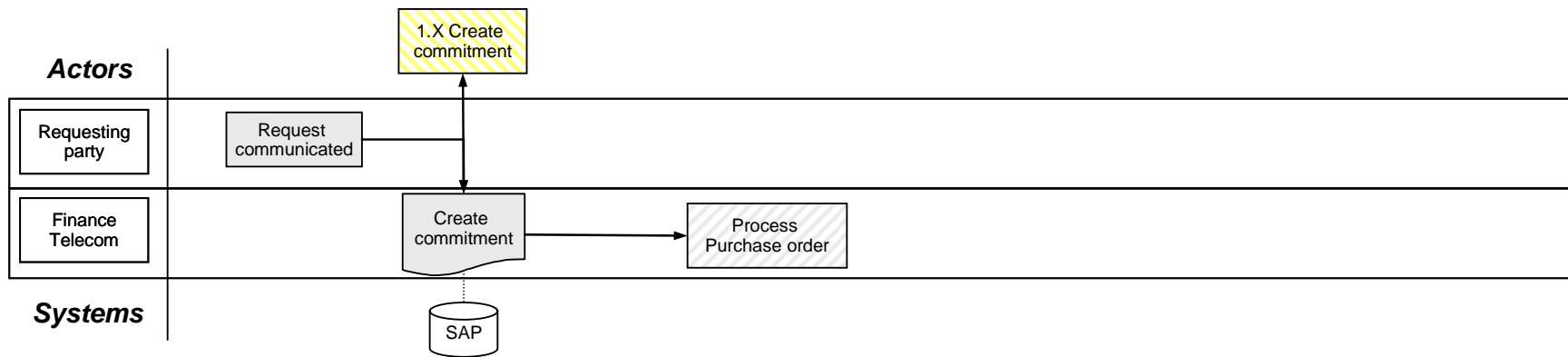
2.6.6 Process Request for Quotation/Proposal, Bids (not BDT) - Process Map

Actors

= if offers > 40KCHF

centralising service	Write terms of reference	Select potential bidders + send RFQ	Receive offers	Analyse and select		Process Purchase Order Process contract
JUR		Checks Terms of reference				
Appraisal committee			Check validity of offers	Amend + support		
Contract Committee					Review & advise SG	

Systems
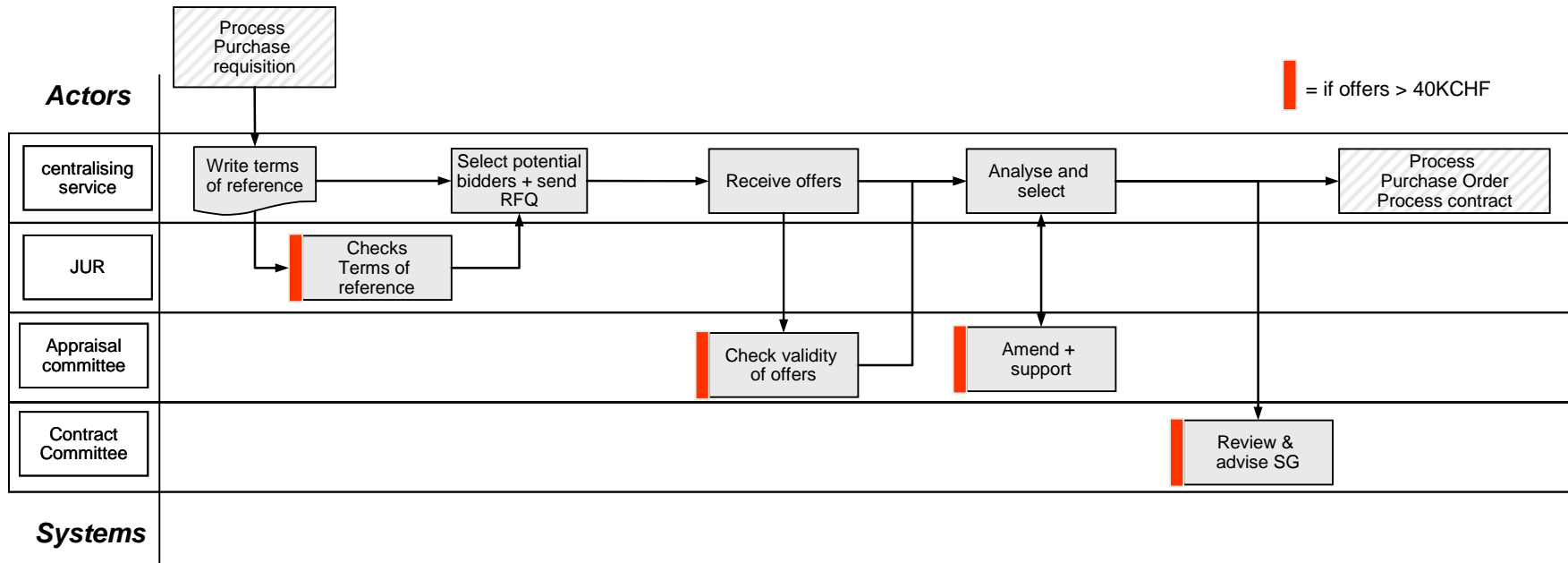
2.6.7 Process Request for Quotation/Proposal, Bids (BDT) - Process Map

Actors

Request. Unit	
BDev	
Evaluation Group	

Process Purchase requisition

Write RFQ

RFQ sent to bidders

Receive estimated value of purchases

Analyse and select (selection panel if > 75k$)

Process Purchase Order Process contract

Analyse and select

Systems

= if estimated value of purchase exceeds 500 k$, the Director of BDT shall establish an Evaluation Group
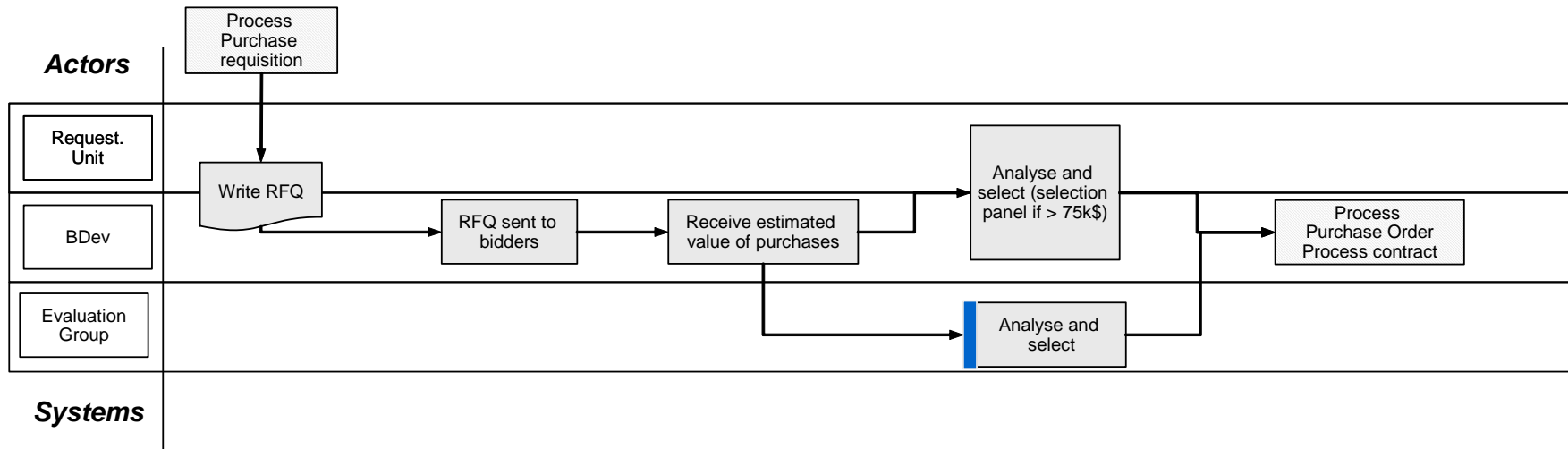
- Bidding can be done for procurement < 20k$. The 20 k$ threshold is established to identify the limit after which the competitive bidding is mandatory,

2.6.8 Process Purchase Order (LOG/Economat: article P.O.) - Process Map

Actors

Logistics/ economat - IS		
Head of division		
Warehouse		
Supplier		

Process
Purchase requisition
Process contract

Purchase order initiated (incl #)

Write PO# on PR (if exist)

Validate PO

Copy Purchase order

Copy Purchase request

Goods/service entry

Purchase order received

Systems

SAP
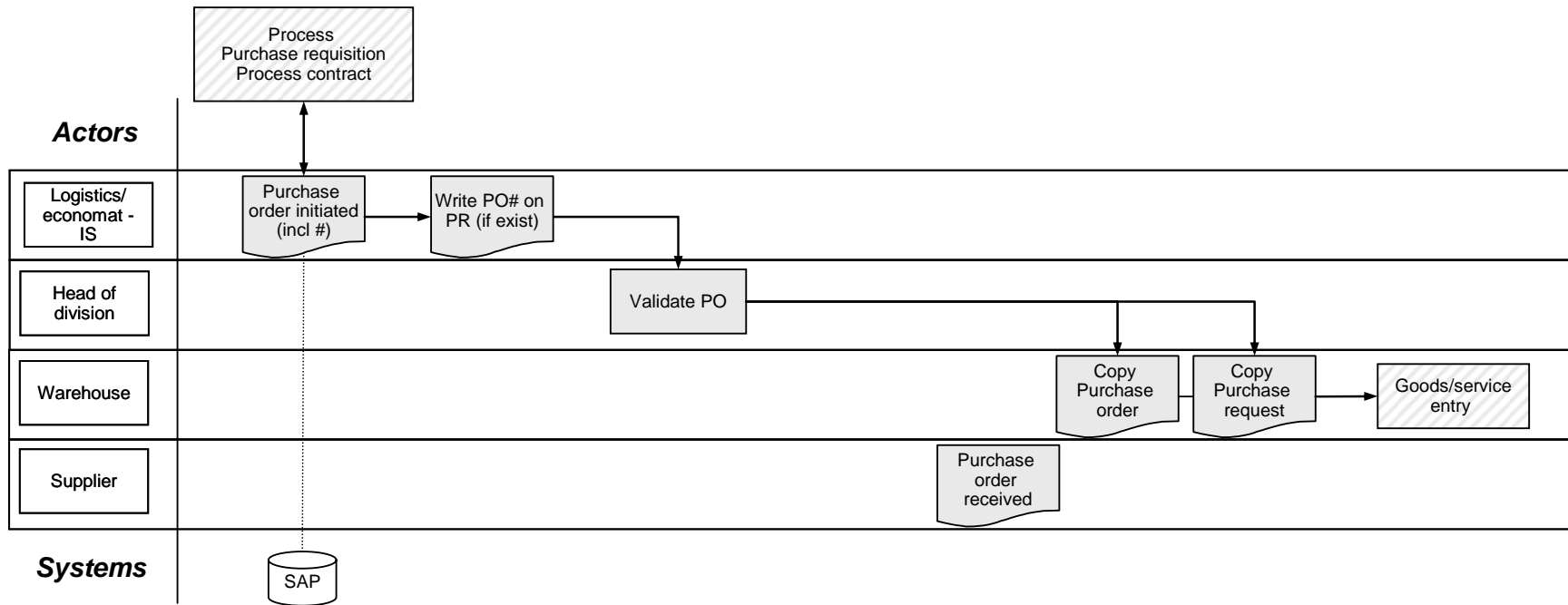
- For IS, procurement via SAP currently being implemented

2.6.9 Process Purchase Order (LOG/Economat: service P.O.) - Process Map
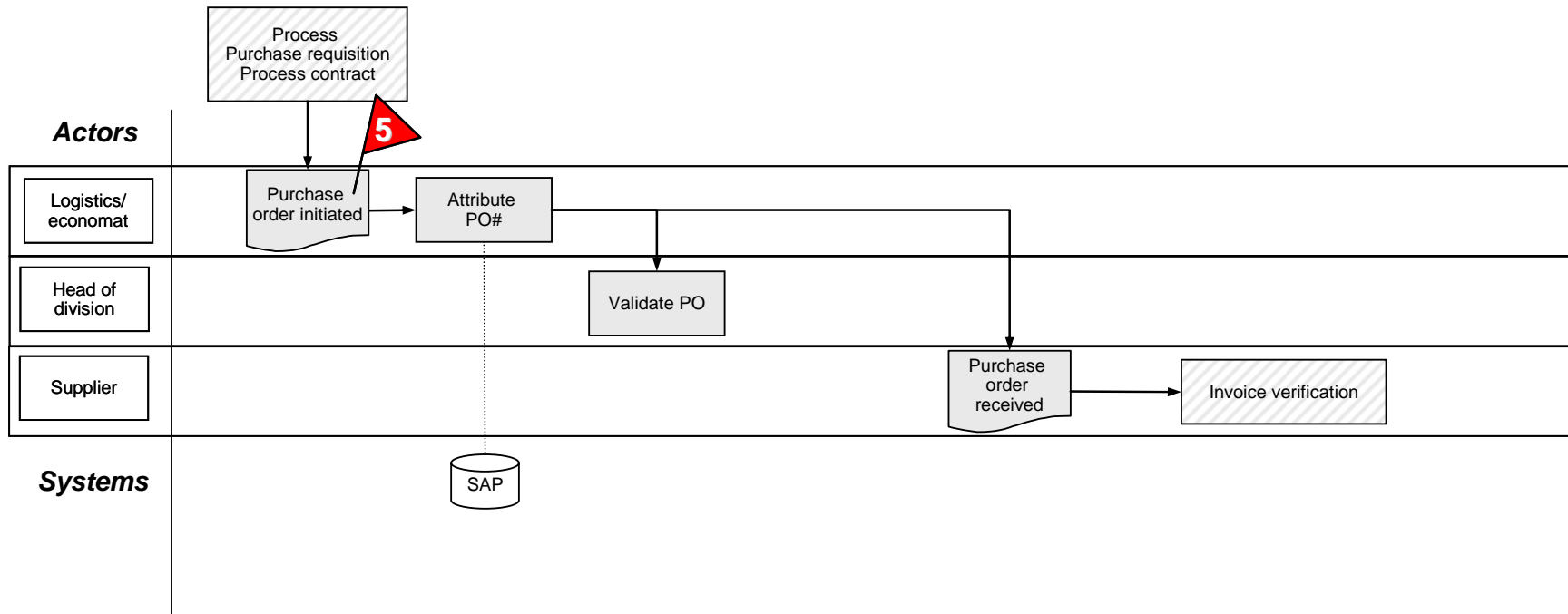
2.6.10   Process Purchase Order (BDT: simple P.O.) - Process Map
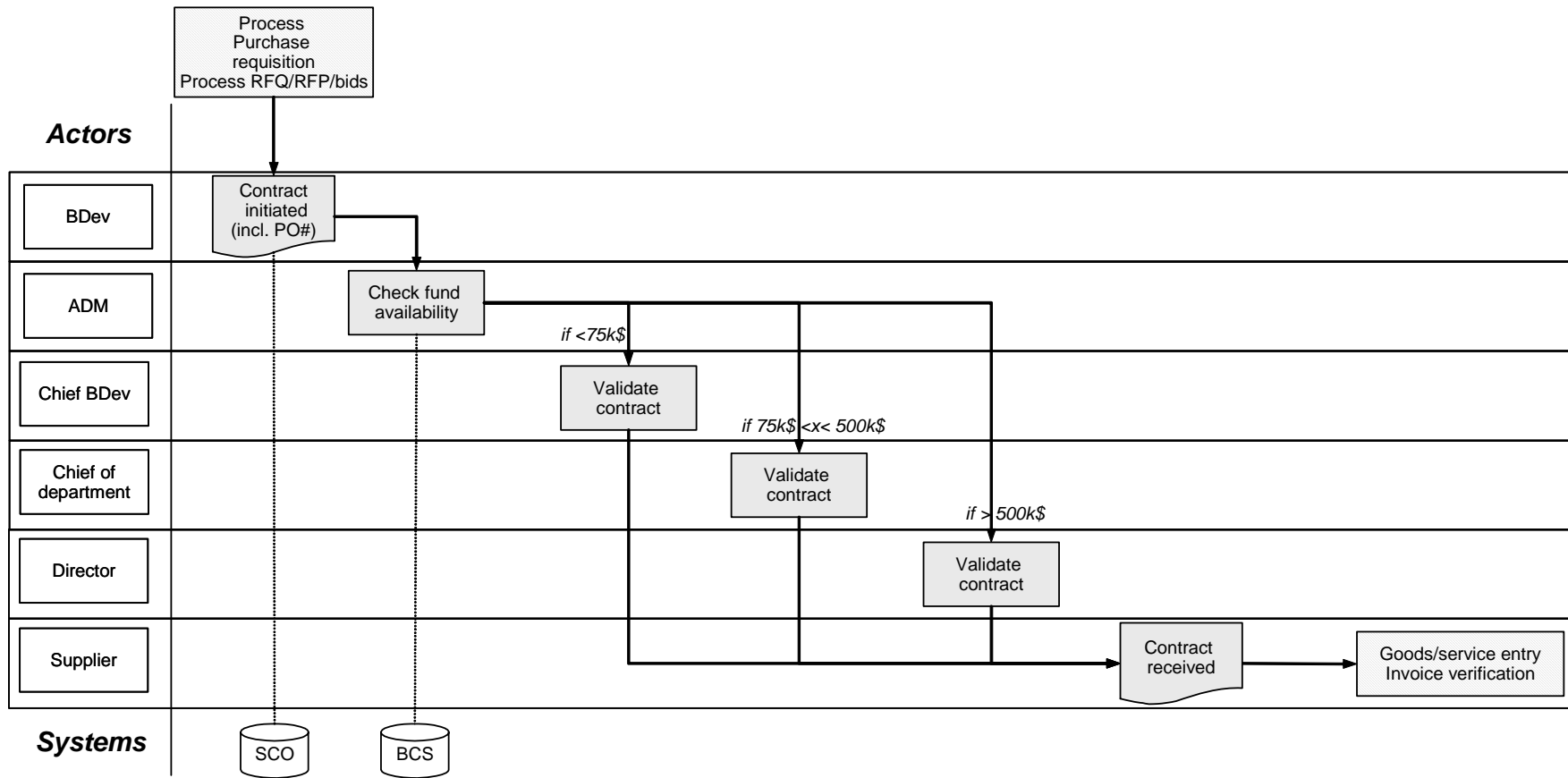
2.6.11　　　Process Purchase Order (Telecom: general purchase) - Process Map

Actors

```
                    ┌──────────────┐
                    │   Process    │
                    │  Purchase    │
                    │ requisition  │
                    └──────┬───────┘
                           │
  ┌──────────────┐   ┌─────▼──────┐   ┌─────────────┐
  │   Telecom    │   │  Purchase  │──▶│  Attribute  │
  │  Purchaser   │   │order initiated │ commitment # │
  └──────────────┘   └────────────┘   └──────┬──────┘
                                             │
  ┌──────────────┐              ┌────────────▼──┐
  │   Head of    │              │  Validate PO  │
  │   telecom    │              └──────┬────────┘
  └──────────────┘                     │
                              ┌─────────▼─────┐   ┌──────────────────┐
  ┌──────────────┐            │   Purchase    │──▶│   Goods entry    │
  │   Supplier   │            │    order      │   │Invoice verification│
  └──────────────┘            │   received    │   └──────────────────┘
                              └───────────────┘
```

Systems
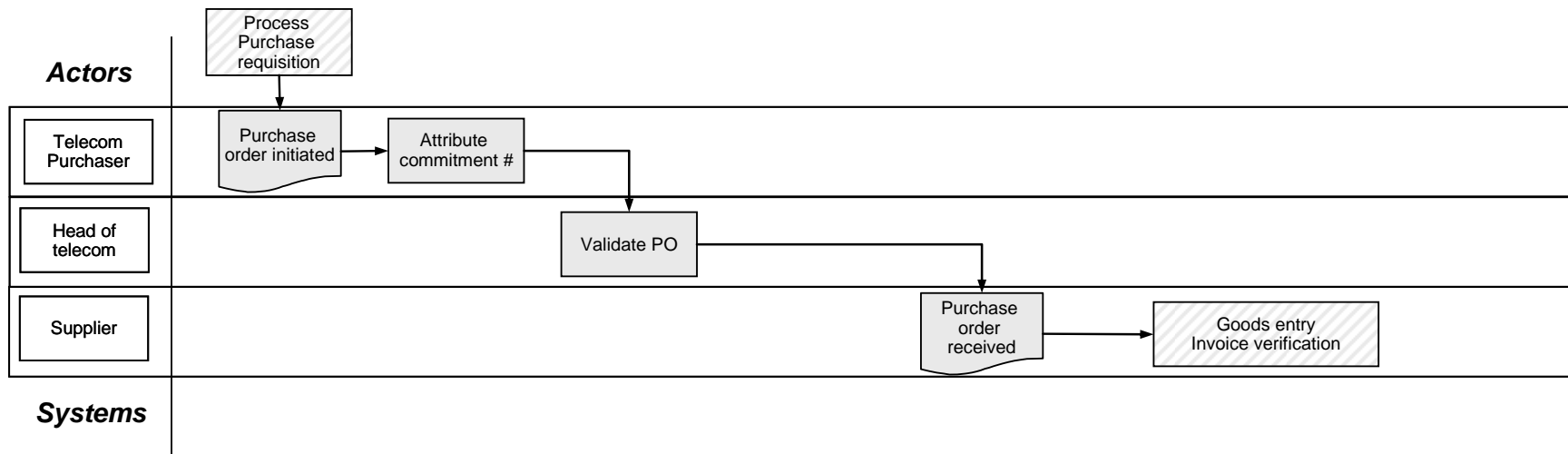
```
┌──────────────┐
│ • Approx 5   │
│   purchase   │
│   order / year│
└──────────────┘
```

2.6.12 Process Contracts (General Contract)- Process Map

Actors

Systems
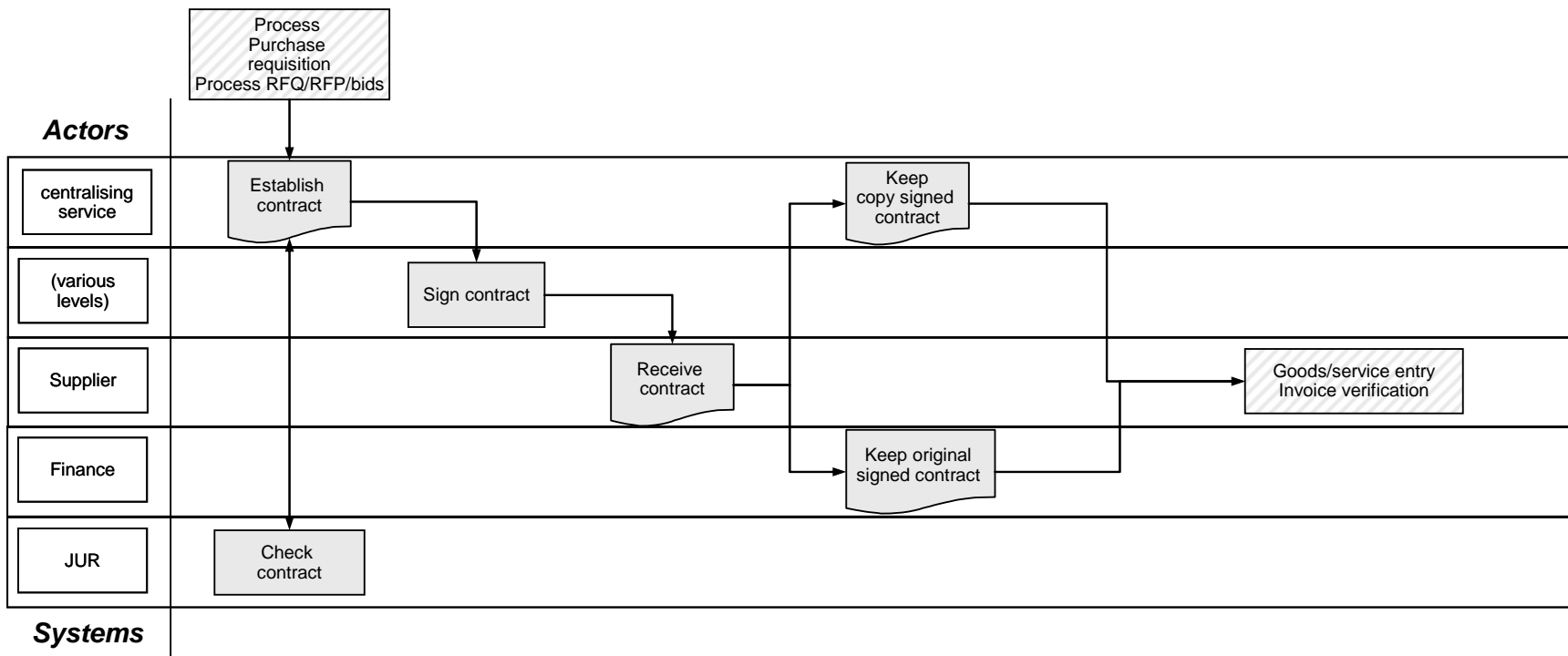
- Contract type may be already sent during RFQ

2.6.13 Process Contracts (BDT Contract: complex purchase) - Process Map

Actors

Bus. Dev	Contract initiated (incl. PO#)
ADM	Check fund availability
Chief Bus. Dev	Validate contract
Chief of department	Validate contract
Director	Validate contract
Supplier	Contract received

Process Purchase requisition Process RFQ/RFP/bids

if <75k$

if 75k$ <x< 500k$

if > 500k$

Contract received → Goods/service entry Invoice verification

Systems

SCO   BCS
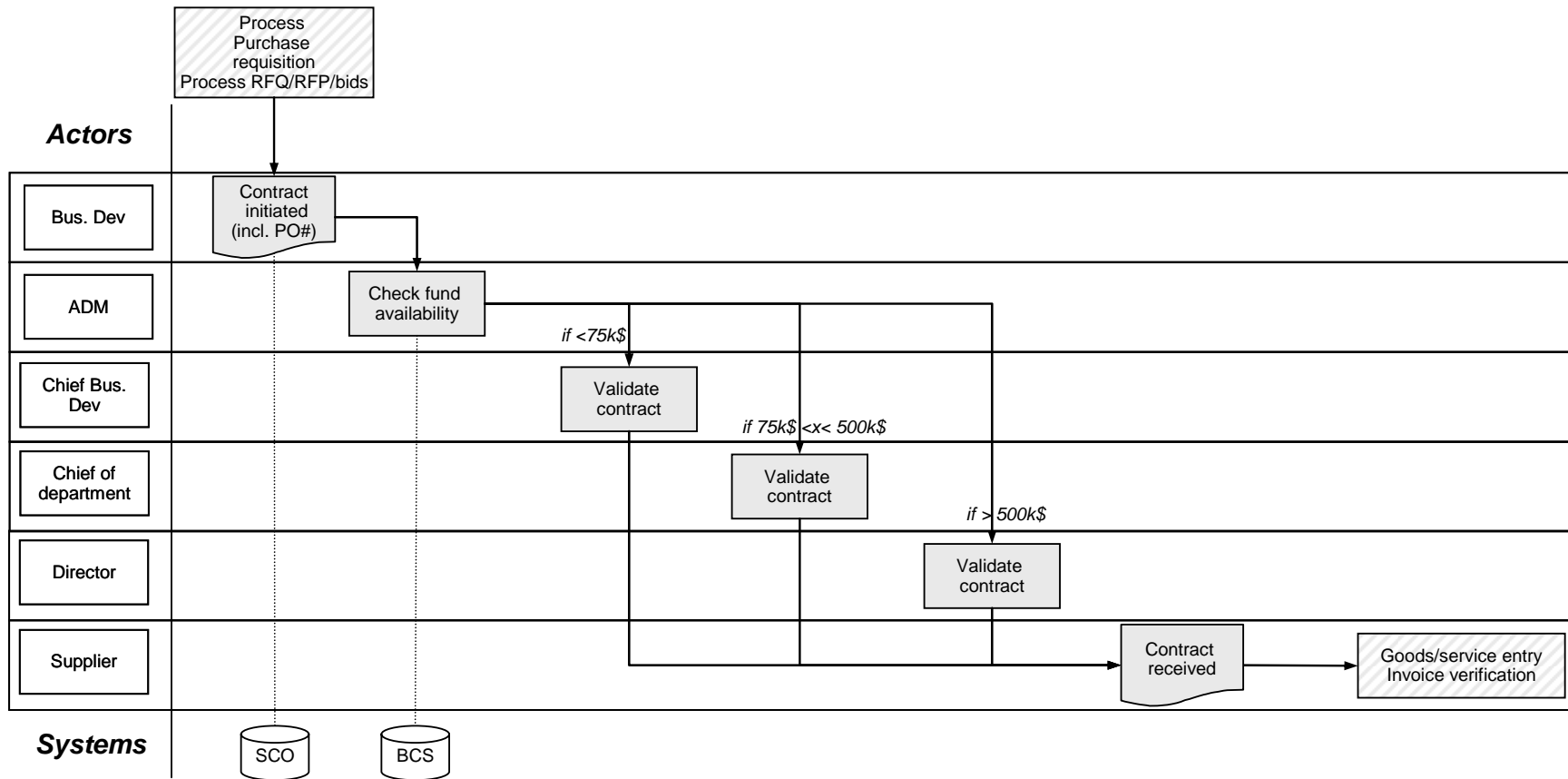
2.6.14 Maintain suppliers

Telecom

- Telecom uses on avg. 6 recurring suppliers per event, for each event approx 25-30 new/local suppliers. Basic supplier info stored with in FI.

BDT

SCO EQT

- Use of EQT database to maintain roster of suppliers. 30% of suppliers are potential suppliers (no purchases yet, entered because contacted during bidding). EQT enables vendor management (rating)
- Use of IAPSO (procurement service) for certain purchases (e.g. vehicles) which contains list of suppliers. Ongoing UN Marketplace initiative.

IS

6

Excel

- Use of Excel spreadsheet with supplier contact (approx. 50 suppliers). Note that IS uses HCR contract cadre for Microsoft.

Log/Economat

SAP

- Uses SAP MM. 204 MM suppliers (for all logistics) of which 40 are used regularly for economat
- No vendor evaluation

Reprography

Excel

6

- uses services of approx. 40 suppliers per year. Contact information maintained on Excel.

2.6.15   Maintain items

Telecom

     - No formalized/systemized list of items

BDT

     - article/item database used by EQT. Search function incorporated. Database not updated => new articles have not been coded

EQT

IS

     - catalogue on the Web but outdated. New service order pending which should clarify position ?

Web

LOG/Economat

- Uses SAP MM
- list of articles needs archiving (project stopped) – system performance slowed down
- Use Webcatalogue to publish internally items that can be purchased. This webcatalogue (pdf format) does not contain prices => no link to SAP prices. Note that 2-3 articles added each year.

SAP

Web

2.6.16 Goods entry (on-site ITU) - Process Map

Actors

Process Purchase order Process contract

- If immediate use of non stockable item =>, immediate entry + exit posted in SAP : price difference is managed in separate account which will be ventilated across cost centers
- If non immediate use on non stockable item => wait for invoice to entrer correct price in SAP

Resp Loading	Receives goods + sign bill of discharge

Resp. Storeroom Economat

Receives goods + check vs. delivery notice + PO

ok? —yes— —no—

Contact recipient/ purchaser for further action

signs PO

stock-able? —yes— Post entry → Purchase request Goods/service movement/issue

—no—

Immediate use? —yes— Post entry + exit → Invoice verification

—no— Wait for invoice+ adjust amount → Invoice verification

Resp storeroom IS	Receives IS IT items → If OK signs delivery receipt + makes scan copy of del notice

IS Adm officer	Post IS IT items entry → Desktop Provisioning (outside scope)

Resp Storeroom Publication	Receives publications → Goods entry (publications)

Systems

Foxbase   SAP   ASSYST   SAP

2.6.17   Goods entry (BDT and Telecom)

- For BDT, equipment is sent to ITU for transit shipment when ITU has negotiated better shipping tarifs.

- Same situation applies for Telecom which uses loading area as transit for further shipment.

2.6.18 Goods issues (stockable items only) - Process Map

Actors

		Purchase request Goods/service entry

Request dept — Receive info that item available → Picks up item

Resp. Storeroom Economat — Post exit

Resp storeroom IS

Resp Storeroom Publication

IS Adm officer

Systems

SAP

- IT goods movement and allocation => see IT demand to supply ?
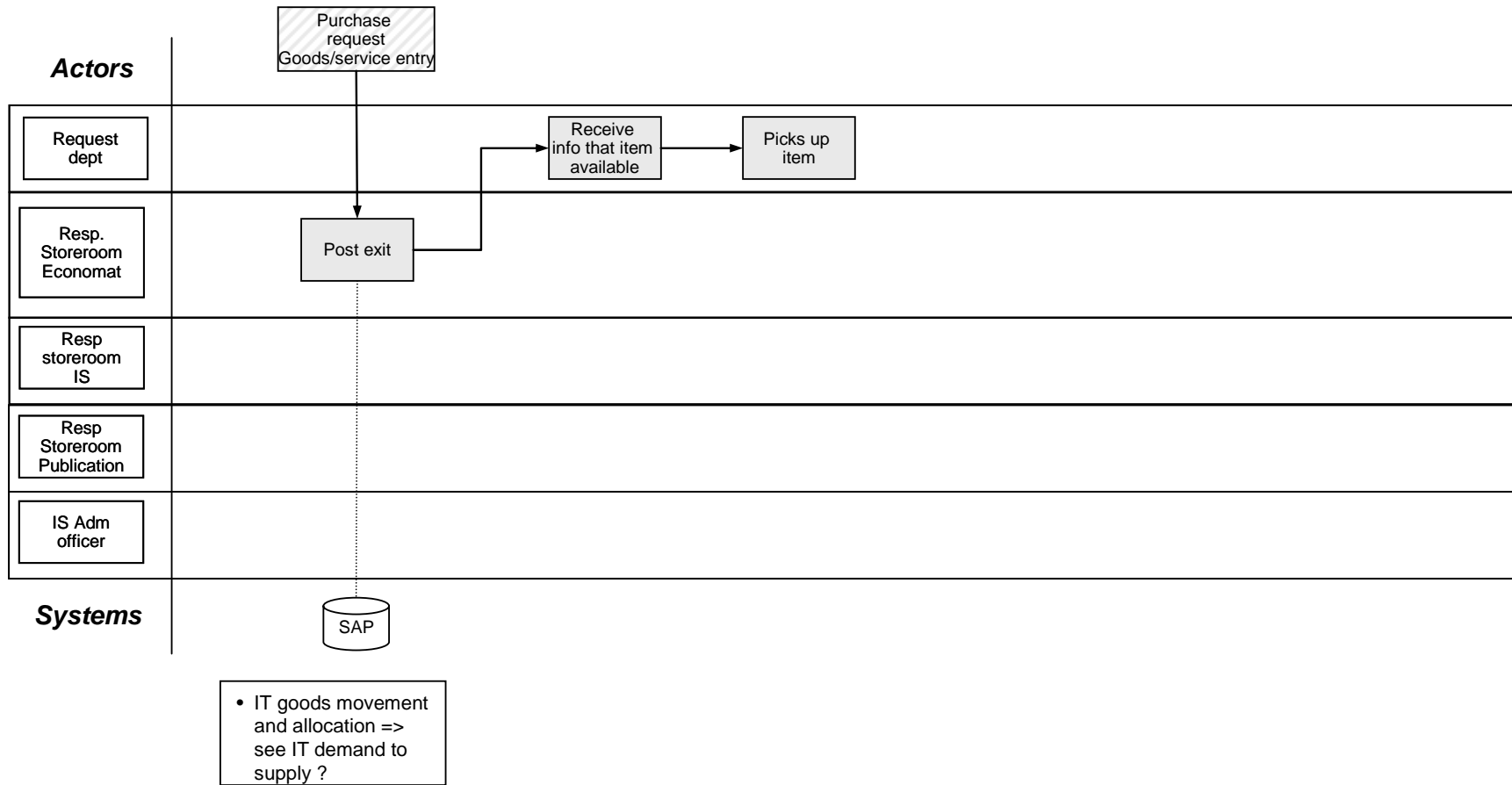
2.6.19   Physical inventory (non-IT equipment inventory)

- Inventory of storeroom is run yearly with SAP. Results are sent to finance.

_____

- Inventory of non storeroom equipment is run every 2 years using MS Access INVENT + OMS to trace office moves.
- This tool indicates the original value of equipment. Service order 17 indicates need to enter equipment in inventory for value above 900CHF, or 600CHF if can be removed from premises
- There is no depreciation of equipment. There is no apparent impact on amount of insurance calculation.

2.6.20   Physical inventory (IT hardware and software inventory)

- Inventory of storeroom will be run yearly with SAP. Results will be sent to finance.

_____

- Inventory of IT equipment at the ITU (non storeroom) is managed using MATINFO + OMS to trace office moves (+ INVENT until October 2004).
- Service order 17 indicates need to enter equipment in inventory for value above 500CHF
- MATINFO duplicate with INVENT and not synchronised=> need to check opportunity for new system for IT equipment and software or integration in INVENT.

2.6.21   Physical inventory (BDT inventory) - Process Map

Actors

BDev	Generate project inventory listing → Sign-off or adjust
Project Manager	Proceed inventory
BDT Client	Proceed inventory

Systems

EQT

- Inventory done each yearon non-expendable items/equipment or with value above 1000$. Listting generated automatically with EQT.
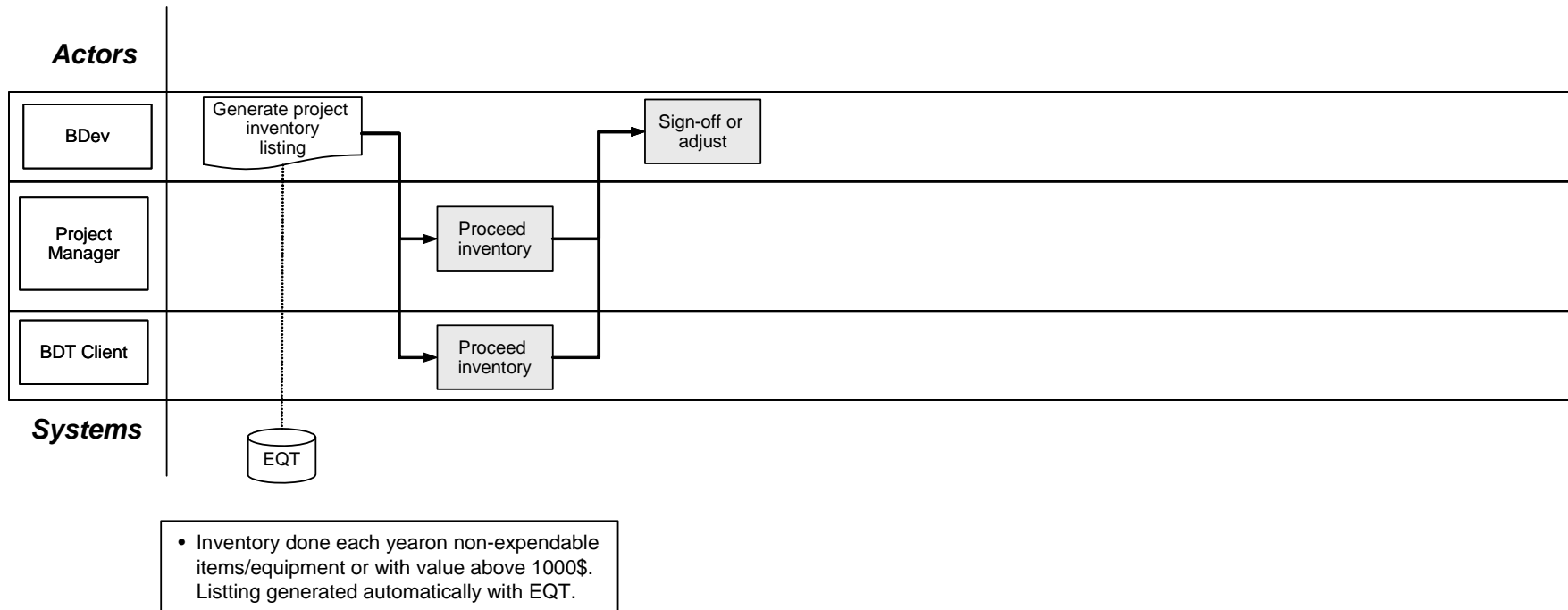
2.6.22 Invoice verification (standard in-house procurement) - Process Map

Actors

	Goods/service entry Process Purchase order Process contract								

| finance | Receives invoice | Check PO# and commitment # | If PO#, pre-post invoice | If commitment#, pre-post in GL client credit to "R" | | Post to GL if PO# | Take "R" out if no PO# | Balance price (spec. acct) | Process payment |

| centralizing service | Receives invoice | | | | validate invoice | | | | |

| Head of centralizing service | | | | | validate invoice | | | | |

| VSG | | | | | validate invoice | | | | |

Systems

SAP

- Invoice verification can be also for service acceptance in order to pay installments

2.6.23 Invoice verification (BDT project or activity-based procurement) - Process Map

Actors

finance	Receives invoice → Check budget line and project line # → Process payment
BDev	Receives invoice → Verify service performed or items delivered → Enter invoice in system ... Receive info of payment → Enter payment info
Head of Bus Dev	validate invoice
BDT ADM	Copy of invoice ... Receive info of payment → Enter payment info in system
Project manager	Confirms service or items delivered

Systems

SCO
EQT

SAP

Activity
or
project

IsAP
BCS

SCO
EQT

- Approx. 30 invoices per month

- Volume handled by ISAP 8 MCHF annually (regular budgets)
- Volume handled by BCS 20 M$ annually (non-regular budgets)

2.6.24 Maintain Bank Information

No detailed analysis available

2.6.25 Process payments

No detailed analysis available

2.6.26 Reconcile Bank payments

No detailed analysis available

2.7 Issues of existing processes, and opportunities for change

Issue red flag number	Issue	Severity	Process affected	Efficiency Improvement
1	Replenishment of stocked items done manually, time-consuming.	Medium	Purchase Requisition (Economat)	Implement automatic prompt via SAP for replenishment for Economat stocked items
2	Purchase requisitions for Economat made in paper format	Low	Purchase Requisition (Economat)	Use electronic format for Economat catalogue
3	No price visibility in Economat catalogue, no link to SAP for stocked articles	Medium	Purchase Requisition (Economat)	Link Economat catalogue to PMP price in SAP (currently 600 catalogued items). Link periodically updates price in catalogue
4	Purchase requisition forms available electronically on intranet but not completed electronically	Low	Purchase Requisition (IT)	Enforce sending of IT request form in electronic format
5	Purchase order manually created for services	High	Process Purchase Order (Economat)	Automate service procurement
6	Duplicate supplier databases	Medium	Maintain suppliers	Enrich and harmonize vendor databases

3 Description of existing BDT processes, and opportunities for change

Macro-function	Function	Details/questions	System impact in MM
Set-up project	Set-up project details	Project name and number are details to which SCO and EQT have links	There is no impact on SAP MM. This type of information is to be handled in a project management tool or in SAP FM which will include the various budget lines. Integration of MM with FM will allow link to budget lines
	Attribute budget lines	Currently managed by BCS or IsAP	
	Set-up project framework and details	Incl. entire project document (incl. implementation plan, budget, legal/administrative framework for project execution, etc.) is determined at this stage.	
Manage bidding	Write RFQ	Procedure exist that describes the different thresholds after which different evaluation and validation committees are necessary	Implement function which handle administrative aspects of RFQ in SAP. This will allow to trace the various key dates in the RFQ process and other administrative information. (limit date for submission, limit date for answers, limit date for bank warranties…). Will need to check option of generating weekly reports to see key milestones dates in the bidding process for the week. Business requirement phase should allow to clarify where bank warranty information is managed and stored
	Analyse offers		
Process purchase order	Initiate purchase order	Purchase order are used for equipment purchase as well as for purchase of services (Access EQT). Traceability is kept with PO#	Use standard PO transaction screen in SAP. May need to adapt PO form printout (develop different form than the one used at the SG). Conditions will need to be activated depending on the type of purchase (service, equipment…) Signature owners at the bottom of the PO should automatically change depending on the amount
	Check funds availability	Currently managed by BCS or IsAP	This will be covered by FM. There will be a fund check. Need to check possibility to add the step of purchase request which goes through the fund availability check. Once the purchase request is authorized from a budget point of view, the purchase order can be generated=> this step will need to be checked during the business requirement phase and in link with migration of BCS and ISAP in FM
	Validate purchase order	Simple Workflow function exist in EQT but backed by paper support.	This will be addressed in the workflow opportunity
	Administrative follow-up of POs	Deadlines, payments, remarks, etc.	Need to be able to generate report with listing of all current purchase orders including key dates
Process contracts	Initiate contract	Enter contract information	A contract can be managed as a type of purchase order in SAP. The various textual zones in the order screen will allow to capture key contractual information. There will be a reference number to the actual contract which will be stored in paper format. Multiple budget lines can be managed on a contract with total amount. In general, screens to manage contract and purchase order will be similar in SAP
	Check funds availability	Managed by BCS or IsAP	See above, same as for purchase order
	Validate contract	Supported by functionality	See above, check necessity to automate workflow or validation in SAP
	Administrative follow-up of contracts	Deadlines, payments, remarks, etc	Need to be able to generate report with listing of all current contract, including key dates

Macro-function	Function	Details/questions	System impact in MM
Goods and service receipt	Goods and service receipt	BDT Bdev is informed via the supplier (invoice received with copy of delivery receipt) or via the field (delivery receipt) that the goods have been delivered. Service can be received via report.	SAP allows the flexibility to do goods receipt line item by line item or by a lump sum (if there are too many line items to capture). The advantage of capture line items is in the ability that SAP has to simplify goods receipt and invoice verification steps. In the target solution, BDT will keep option of either detailing a purchase or putting a generic line item (generic material code will be used in this instance)
Invoice verification	Invoice verification	Authorize invoice for payment	In the target solution, the invoice (which will include a PO # generated by SAP) will be pre-posted by finance. A flow for authorization will go to the requesting department (in this case BDT Bdev who has done the procurement). After validation (see workflow opportunity), finance will post payment to the general ledger and process payment. The business requirement phase should allow to refine these processes
Maintain supplier database	Maintain supplier information	Need to keep existing supplier information updates as well to introduce/maintain the list of potential suppliers (Roster function)	The management of RFQ will introduce the capability to add suppliers, whether they are active or not
	Search external supplier databases	Use of IAPSO, other marketplaces. External databases are accessible on the Web. Formal registration is required in order to get the full access	No impact at this stage on MM. A supplier can be manually added to the MM roster if needed
Maintain articles database	Maintain articles	List of equipment purchased in EQT	List of articles will be managed through the material master. Generic service items will also managed in this situation (e.g. consulting days at a standard fee). See possibility to insert potential articles in the material master (not yet purchased but potentially)
Run inventory	Run annual inventory of items	There are several reports than can be generated from the various EQT and SCO DB	The ability to run the report in SAP is feasible. It can be done using a report on PO made. You can select one or several criteria to generate this report : account assignment (FM codification); budget line or project
Generate reports	Generation of various procurement reports		SAP allows to produce standard reports. The business requirement phase will allow to determine which reports can be generated from the standard and which ones may require specific development

4 SAP target description (service automation)

4.1 Use of material and service masters

Service procurement will be implemented in SAP Purchasing module (MM).
This module makes it possible to carry out purchases by using the 2 following types of processes:

4.1.1 Use of material masters (stored materials, non-stored materials)

Management of material masters, which enable to identify the object of the purchase in a precise way.
Material types : stored materials, non stored materials, services…

Creation of a Purchase Order with an item category « standard ». Entry of the material number, the required quantities, the delivery date, the amount…

The goods receipt (of material or service) is carried out with the traditional SAP transaction of stock entry (Goods Receipt):
Either in a real storage location
Or without entering a storage location (for services for example)
The Goods Receipt must be carried out according to the unit of quantity specified in the purchase order (piece, pallet, hour, days, unit of work for a fixed price).
It is impossible to specify this goods receipt using an amount.
The Goods Receipt generates accounting documents.

The invoice is entered on the basis of the delivered quantity and of the amount mentioned in the PO, as a pre-posting document.
The pre-posting leads to a validation process (workflow). When the pre-posted invoice is released, the invoice is posted and then generates accounting documents.

This process is frequently used: for materials and simple services.
It is already implemented for purchase of stored and non stored ITU materials.

4.1.2 Use of service masters

This process requires a new kind of master data (service master) and a new transaction (service entry sheet). Moreover, the shape of the P.O. item is slightly different. But this is the only way to receipt a service with an amount.

Management of service masters, which enable to identify the object of the purchase in a precise way.

Creation of a Purchase Order (even for contracts) with an item category « service ». Entry of the service number, the required quantities, the delivery date, the amount…

NB : it is possible to create a service PO without entering a service master if there is no need to trace precisely the service.

The service reception is carried out with a SAP transaction specific to this process :
« service entry sheet ».
The release of this service entry sheet generates the traditional Goods Receipt, which itself
generates accounting documents.
**The service entry sheet enables to set an amount and to write more description than
in the traditional Goods Receipt transaction.**

The invoice is entered on the basis of the delivered service and of the amount mentioned
in the PO, as a pre-posting document.
The pre-posting leads to a validation process (workflow). When the pre-posted invoice is
released, the invoice is posted and then generates accounting documents.

As a consequence, we recommend ITU to use:
Purchase orders with a service material as a rule, as long as the reception is not carried out
in value.
Purchase orders with service master, only for the cases where the reception is carried out
in value.

To avoid disturbing the users, it is better to use always the same procedure.
Therefore, during the Business Requirement Phase, it will be necessary to analyse for each ITU
department if the service reception can be expressed mainly in quantity (=> service material
master) or in value (=> service master).
If it is frequently expressed in value, then one should use systematically service masters.

Some urgent maintenance interventions cannot be planned, hence it is not possible to generate a
purchase order.
A decision will have to be taken during the business requirement phase whether or not to trace
these urgent purchases in MM. Two options:

1/ Track these urgent purchases in MM : this means upon receipt of the invoice by finance, the
purchasing department is contacted and creates a PO in SAP (which is not sent to the customer!)
=> this generates a PO number which is communicated to finance which in turns pre-posts the
invoice. The normal invoice verification flow will then take place. This option allows to trace all
purchases from a statistical point of view via the MM material groups and material numbers.

2/ Do not track these purchases in MM : this means pre-posting the invoice directly in accounting
=> the invoice verification workflow can be activated for this type of purchase but will require
adaptation. This option does not allow to trace these purchases in the MM module from a
statistical point of view. The information can however be found in FI by extracting total spending
on the according budget line(s) and/or the financial account.

4.2 Integration with budget module (FM):

The budget commitment validation will be implemented in SAP through Purchase Requisitions validation.
These PRs will generate a "pre-commitment" in FM module.

When a purchase order (as here described) will be created upon a purchase requisition, the PO will generate a "commitment" in FM module.

2).In case of stored and non stored ITU materials, the "right" final budget line (FM fund) can not be set in the PO. So a global budget line is set. When the Goods are retrieved from the storage location (SAP Goods Issues), the final budget line is then set.
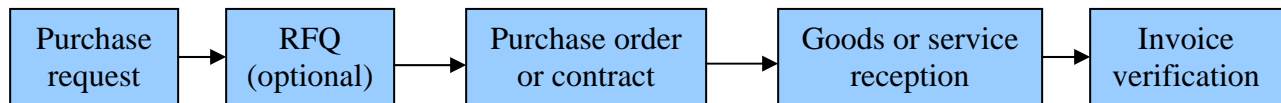
In case of services purchasing, the right account assignment (FM fund) can be set in the PO.
So no "goods issues" need to be carried out for services.
   -    [to be discussed within user groups]

5 SAP target description (BDT)

The whole BDT Purchasing process currently consists of purchasing non-stored goods and services, using request for quotations, purchase orders, contracts.

The target process will consist of the following steps :

| Purchase request | → | RFQ (optional) | → | Purchase order or contract | → | Goods or service reception | → | Invoice verification |

The purchase request steps will include a funds check with ADM (pre-commitment). The RFQ is optional depending on the conditions applicable for BDT. The purchase order or contract will include a check on funds availability => this step can be automated if necessary (commitment).

This process will be implemented in SAP as a roll out of the ITU SAP general procurement process (non-stored materials, services). The printing format of purchase orders and the printing of reports which are needed to support the activity will be investigated.

INTERNATIONAL TELECOMMUNICATION UNION   **15 June 1993**

SERVICE ORDER No. 13
PLACEMENT OF CONTRACTS FOR PURCHASES, SUPPLIES,
WORK OR SERVICES

(This Service Order cancels and replaces Service Order No. 179 of 10 September 1973
and all amendments and addenda thereto)

Table of Contents

SERVICE ORDER No. 13

**PLACEMENT OF CONTRACTS FOR PURCHASES,
SUPPLIES, WORK OR SERVICES**

(This Service Order cancels and replaces Service Order No. 179 of 10 September 1973
and all amendments and addenda thereto)

The purpose of this Service Order is to lay down rules for the placement of all contracts contemplated by the Union for purchases, supplies, work or services, or for activities generating income for the Union. It establishes which contracts are to be referred to the ITU Contracts Committee and describes the Committee's terms of reference, membership and organization of work.

I.   PLACEMENT OF CONTRACTS

1.   Centralization of requests for the placement of contracts

Unless otherwise provided for by this Service Order, the responsibility for placing contracts on behalf of all the services of the Union shall be centralized as follows:

i)	Office supplies, furniture, office machinery Paper for documents and publications printed in the ITU Sundry repairs to office machinery and furniture; Upkeep of premises	} } } }	Common Services Department, Logistic Service
ii)	Paper and printing work for documents and publications printed outside the ITU; Bookbinding, stitching and stapling work entrusted to suppliers	} } } }	Common Services Department, Outside Publications Service, Reprography and Audiovisual Service
iii)	Computer and telematic equipment, including associated software, parts, peripherals, work and services	} }	Information Services Department
iv)	Orders for supplies, services or work in respect of telecommunication exhibitions, forums, associated symposia and related activities	} } }	TELECOM Secretariat
v)	Service contracts - other than staff contracts entered into in accordance with the Staff Regulations and Staff Rules and special service agreement contracts (SSA) concluded with individuals - for providing to the Union a service which does not constitute one of the requesting service's regular duties and which entails recourse to an outside supplier	} } } } } } } }	the requesting service concerned, if not already mentioned above as a centralizing service or if not part of one such service; in such cases, the requesting service acts as the centralizing service within the meaning of this Service Order

2. Principles and procedures for the placement of contracts

a)   As a general rule, contracts shall be the subject of international competitive bidding between several potential suppliers and, bearing in mind the Union's best interests, shall be awarded to the lowest bidder provided that the other constituent parts of that bid and of the other bids relating to the same contract are equal in value. In order to optimize contract conditions for the Union, at least three suppliers shall be approached. If, for a specific reason, the centralizing service does not call for competitive bids (for example, when purchasing accessories for existing equipment), it shall so inform the Finance Department or the Contracts Committee, as appropriate, providing suitable supporting evidence.

b)   All contracts shall be placed in accordance with one of the written procedures described in this Service Order, with the exception of contracts worth less than 10 000 Swiss francs, to which the principles set out in paragraph a) above shall apply and in respect of which an order form shall be filled out and signed by the competent official of the Sector to which the requesting service belongs or of the General Secretariat if the requesting service belongs to it.

c)   When the need for purchases, supplies, work or services has been established, the requesting service, with the help of any relevant past experience, shall first estimate the cost of the proposed contract including any tax, insurance or transport costs, and shall ascertain from the Finance Department that the required credits are available. For this purpose it shall fill out an application for commitment to expenditure (see Annex 1) in triplicate and shall send the three copies to the appropriate centralizing service, which shall check the cost estimate, referring if necessary to potential suppliers or to Bureaux, departments or services that have submitted similar requests in the past.

2.1 Placement of contracts involving expenditure of between 10 000 and 40 000 Swiss francs

a)   Bids shall be invited for contracts involving purchases, supplies, work or services whose estimated cost is between 10 000 and 40 000 Swiss francs; such contracts shall be handled by the centralizing service, which shall be directly responsible for approaching and selecting potential supplier(s).

b)   Depending on whether purchases, supplies, work or services are involved, the bids submitted by suppliers shall include details of the price, technical specifications of the product or work, delivery or work schedules, length of guarantee, after-sales service and any other information requested by the centralizing service in its written invitation or tender specifications, if any.

c)   The centralizing service shall fill out an application for commitment to expenditure (see Annex 1), giving the name(s) of the supplier(s) chosen, the amount to be spent and the item to which it should be posted, and shall send the form to the Finance Department, which may ask for supporting evidence regarding details of the recommended contract.

d)   The Finance Department shall check and record the application and shall return a copy of the form to the centralizing service, which may then enter into the contract on behalf of the Union. If the application is turned down by the Finance Department, the centralizing service shall issue a further call for bids on the same terms and shall submit a new proposal to the Finance Department. In exceptional circumstances and for special reasons, the Chief of the Finance Department may, subject to the agreement of the Deputy Secretary-General, refer the contract to the Contracts Committee for study and comment.

2.2 **Placement of contracts involving expenditure of more than 40 000 Swiss francs**

a) All proposals involving expenditure of more than 40 000 Swiss francs shall be submitted to the Contracts Committee (see section II below) after bidding has taken place in accordance with the relevant provisions of this section.

b) All proposed contracts comprising several items or parts with unit costs of less than 40 000 Swiss francs, but whose sum total exceeds 40 000 Swiss francs, shall be referred to the Contracts Committee. The same rule shall apply when some bids are below and others above 40 000 Swiss francs for one and the same contract or item.

c) All new contracts for purchases, supplies, work or services already covered by one or more earlier contracts, proposed within 12 months of the date on which the earliest contract was entered into, shall be referred to the Contracts Committee if the aggregate value of the earlier and proposed new contracts exceeds 40 000 Swiss francs.

d) Contracts for the following transactions shall not be referred to the Contracts Committee:

   i) purchase of articles already ordered by the Common Purchasing Service (SCA) of the Geneva-based international organizations belonging to the common system;

   ii) expenditure supervised by an ITU control body specifically entrusted with the task of studying all aspects of a contract requiring the implementation of a special procedure; such control bodies should, as far as possible, comply with the provisions of this Service Order;

   iii) certain urgent work to be performed for or during an ITU conference or meeting, or in the case of extreme necessity;

   iv) purchase of standard items on a list previously approved and updated by the Contracts Committee.

e) The types of expenditure mentioned in iii) and iv) above require the prior approval, subsequently notified to the Contracts Committee, of the Secretary-General, the Deputy Secretary-General or their duly authorized representative.

2.2.1 **Placement of contracts involving expenditure of between 40 000 and 100 000 Swiss francs**

a) When the estimated cost of a contract for purchases, supplies, work or services is more than 40 000 but less than 100 000 Swiss francs, the centralizing service shall proceed directly with an invitation to suppliers to submit bids in accordance with the rules laid down in Annex 2. All bids must be submitted in the form and by the date stipulated by the centralizing service in its written invitation.

b) Depending on whether purchases, supplies, work or services are involved, the bids submitted by suppliers shall include details of the price, technical specifications of the product or work, delivery or work schedules, length of guarantee, after-sales service (see page 2 of the application for commitment to expenditure in Annex 1) and any other information requested by the centralizing service in its written invitation.

c)   An Appraisal Committee comprising a representative of the centralizing service, which shall provide the Committee with secretarial and logistic support, a representative of the Finance Department and a member of the Contracts Committee designated by the latter's Chairman and from a different permanent organ or department than the other two members, shall assess the bids received by the secretariat of the Contracts Committee in response to the invitation.

d)   The Appraisal Committee shall draw up a consolidated table of all the bids received including those rejected, together with the reasons for rejection. It shall enter on the three copies of the application for commitment to expenditure a short list normally consisting of at least three suppliers selected on the strength of the criteria enumerated in paragraph b) above, together with its conclusions (see pages 2 and 3 of Annex 1).

e)   The application form shall then be sent to the centralizing service, which shall prepare the complete file and forward it to the secretariat of the Contracts Committee for the latter's consideration and recommendation. The file shall contain:

-          all supporting documents relating to the contract;
-          a copy of the call for bids;
-          the consolidated table of bids received;
-          the application for commitment to expenditure, in triplicate, showing the suppliers selected by the Appraisal Committee together with the centralizing service's opinion and proposal (see pages 2 and 3 of Annex 1).

f)   Any incomplete file will be returned to the centralizing service by the secretariat of the Contracts Committee and its examination will be deferred.

g)   All the bids received shall be forwarded to the secretariat of the Contracts Committee by the centralizing service, for consultation by Committee members if required. Once the Committee has issued a recommendation in respect of the contract, the bids shall be returned to the centralizing service.

2.2.2   Placement of contracts involving expenditure of more than 100 000 Swiss francs

a)   When the estimated cost of a contract for purchases, supplies, work or services is more than 100 000 Swiss francs, the centralizing service shall be under a strict obligation to invite international competitive bidding for the contract.

b)   The rules laid down in Annex 2 shall apply throughout the procedure.

c)   Upon the expiry of the deadline set for the submission of bids, the centralizing service shall call a meeting of an Appraisal Committee comprising a representative of the centralizing service, which shall provide the Committee with secretarial and logistic support, a representative of the Finance Department and a member of the Contracts Committee designated by the latter's Chairman and from a different permanent organ or department than the other two Committee members, to open the bids received by the secretariat of the Contracts Committee. Any bid which reaches the Union after the expiry date or fails to meet the conditions of the invitation shall be rejected automatically and returned to the sender.

d)   The Appraisal Committee shall draw up a consolidated table of all the bids received including those rejected, together with the reasons for rejection. It shall enter on the three copies of the application for commitment to expenditure a short list of at least three suppliers selected on the strength of the criteria enumerated in the call for bids and tender specifications, if any. The opinion and proposal of the centralizing service shall also be entered on the application form.

e)   The form shall then be sent to the centralizing service, which shall prepare the complete file in accordance with paragraph e) of section 2.2.1 above, paragraphs f) and g) of which shall also apply.

2.3   Placement of contracts involving income of more than 40 000 Swiss francs[1]

a)   All contracts for activities generating income of more than 40 000 Swiss francs for the Union shall be subject to bidding and shall be referred to the Contracts Committee in accordance, mutatis mutandis, with the procedures laid down in section 2.2 above. The Contracts Committee shall examine each proposed contract and issue a recommendation on its award as well as on any conditions which should, in its opinion, be written into the contract in order to make it acceptable to the Union, having regard to the latter's specialized agency status.

b)   All contracts for activities generating for the Union estimated income which when aggregated with the estimated or real income from any other contract or contracts entered into with the same supplier within the previous 12 months amounts to more than 40 000 Swiss francs shall also be subject to bidding and shall be referred to the Contracts Committee under the same conditions.

II.   CONTRACTS COMMITTEE

In accordance with Article 1, paragraphs 3 and 5 of the ITU Financial Regulations, the Contracts Committee assists the Secretary-General in examining all proposals for contracts which the Union contemplates entering into with outside suppliers, making any recommendations it deems useful or necessary concerning the action to be taken in that respect.

1.   Terms of reference

a)   The Contracts Committee shall be responsible for supervising:

   i)   all proposed contracts for purchases, supplies, work or services which the Union contemplates entering into with outside suppliers and which involve expenditure of more than 40 000 Swiss francs, subject to the provisions of paragraph I.2.2 d) above;

   ii)   all contracts which the Union contemplates entering into with an outside supplier for an activity generating income of more than 40 000 Swiss francs for the Union.

b)   It shall make recommendations on how to fulfil the proposed requirements "bearing in mind economy, quality and the best interests of the Union" (see Article 1, paragraph 5 of the ITU Financial Regulations). It thus protects the Union's interests by ensuring compliance with the procedures laid down in this Service Order, having regard to the Union's special status as an intergovernmental organization and United Nations specialized agency.

c)   It may also submit to the Secretary-General recommendations for the amendment of this Service Order or for the settlement of any other matter relating thereto.

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[1] Contracts involving estimated income of less than 40 000 Swiss francs shall be dealt with, mutatis mutandis, under the procedures laid down in section 2.1.

d)   It may issue general recommendations on the conclusion of contracts to the centralizing services. Furthermore, those services are under an obligation to provide it with information on specific questions, difficulties or problems arising in connection with contracts entered into by them, including those not referred to it for prior consideration.

2.   Membership

a)   The membership of the Contracts Committee is prescribed by the Secretary-General, in consultation with the Coordination Committee (ibid).

b)   In addition to the Chairman appointed by the Secretary-General (see paragraph g) below), the Committee shall be composed of four (4) members representing, respectively:

- the General Secretariat;
- the Radiocommunication Bureau;
- the Telecommunication Standardization Bureau;
- the Telecommunication Development Bureau,

each of which shall recommend to the Secretary-General the name of the member and alternate by whom they wish to be represented.

c)   In addition to the above members, the Committee shall comprise two experts representing, respectively, the Finance Department and the Legal Affairs Unit, who shall attend all the Committee's meetings in an advisory capacity, without the right to vote.

d)   Subject to the provisions of paragraph g) below the Secretary-General, in drawing up the list of Committee members, shall appoint an alternate for each member. An absent member shall be replaced by his or her alternate. Alternates may attend all the Committee's meetings as observers, without the right to vote. If both the member and the alternate are absent, the chief of the body concerned shall appoint an official on an ad hoc basis to attend a specific meeting of the Committee.

e)   A member who ceases to serve on the Committee before completing his/her term of office shall automatically be replaced by the alternate, pending the appointment of another member by the Secretary-General at the normal time (see paragraph f) below); the Secretary-General shall appoint a new alternate to serve for the remainder of the term of office. An alternate may be appointed as a member.

f)   Members and alternates shall be appointed for a two-year period which may be renewed. Each period shall comprise two calendar years, unless the Secretary-General decides otherwise under paragraph a) above.

g)   The Secretary-General shall appoint the Chairman of the Contracts Committee for the period referred to in paragraph f) above. The Chairman may not be chosen from among the Committee's members and alternates. The Committee shall elect a Vice-Chairman from among its members.

3.   Organization of work

a)   Meetings of the Contracts Committee shall normally be convened by its Chairman or, in his/her absence, its Vice-Chairman. They may also be convened at the request of at least three Committee members.

b)   The Committee's decisions shall normally be taken unanimously. A decision may, however, be taken by a majority of four members. Recommendations issued by the Committee shall be valid only if at least four members or, in their absence, alternates are present at the meeting concerned.

c)   Notwithstanding the principle embodied in paragraph b) above, the file relating to a contract which presents no particular difficulties or complexities may, at the Chairman's decision, be dealt with by internal correspondence. In the absence of a member or members, the alternate(s) shall be responsible for dealing with the matter expeditiously. Under no circumstances shall this accelerated procedure be used to process files relating to the contracts referred to in sections 2.2.2 and 2.3 above.

d)   Recommendations on files handled by internal correspondence shall be made unanimously. If unanimity cannot be achieved the Chairman shall place the file on the agenda of the Committee's next meeting or convene a special meeting in order to deal with it.

e)   The centralizing and/or requesting services shall be notified of the date on which the Committee is to examine the file concerning it/them. At the Chairman's request, a representative of the said service(s) shall attend the meeting in order to introduce the file, provide additional information and answer any questions put by the Committee. The Chairman may also invite to a meeting any other expert whose qualified opinion might assist the Committee in issuing a recommendation on a specifc contract. The above-mentioned representative and experts shall not be present during the Committee's deliberations, which shall take place in camera.

f)   The Finance Department shall provide the Contracts Committee with secretarial support. All the files relating to the Committee's work shall be held in the archives of its secretariat.

g)   Notwithstanding the provisions of this Service Order, the Committee shall establish and amend its own internal working procedures which may not, however, conflict with the said provisions. The Committee shall provide the Secretary-General and, if required, the centralizing services with written notification of the procedures it adopts.

III.   CONCLUSION OF CONTRACTS EXAMINED BY THE CONTRACTS COMMITTEE

1.   If the Contracts Committee recommends that a wider range of suppliers should be approached in connection with a specific contract, the centralizing service shall either issue a further call for bids under the procedures described above or refer to the Committee further offers chosen from among those already received for the contract in question.

2.   The Committee's recommendation shall be entered on the three copies of the application for commitment to expenditure (see page 4 of the application form in Annex 1). If the Committee's recommendation is different from the centralizing service's proposal, it shall be substantiated before referral to the Deputy Secretary-General for final decision. The three copies of the form shall be sent by the Committee's secretariat to the Deputy Secretary-General for approval. Two copies shall then be returned to the centralizing service, the original being held in the Committee's archives.

3.   The Committee's recommendation approved by the Deputy Secretary-General shall be forwarded to the Finance Department by the centralizing service upon receipt.

4.   The Finance Department shall record the recommendation and return one copy of the application form to the centralizing service, which may then enter into the contract with the supplier(s) selected and officially commit expenditure on behalf of the Union.

5.   If in any of its recommendations the Contracts Committee specifically requests to be kept informed of developments or if the centralizing service deems it advisable to report on any special circumstances arising during the performance of a contract, that service shall provide the Committee with the information required.

                                                            Pekka TARJANNE
                                                            Secretary-General

<u>Annexes</u>: 2

ANNEXE 1
à l'Ordre de service N° 13 relatif
à la passation des marchés d'achats, fournitures, travaux ou services

DEMANDE D'AUTORISATION D'ENGAGEMENT DES DÉPENSES

Le double, tenant lieu de confirmation de l'engagement, sera renvoyé au Service centralisateur

Service demandeur		N° /CM	Date :
		Rubrique	
Service centralisateur		Engagement N°	
		Centre de coût	
Objet		<u>Montant estimatif de la dépense établi par le service centralisateur</u>	
Fournisseur [1]		<u>Montant établi sur la base de l'offre retenue</u>[1]	

Signature du chef du service autorisé à engager la dépense :	**<u>Certificat du Département des finances</u>** Le Département des finances certifie que les dépenses qui résulteront de l'engagement mentionné ci-dessus sont couvertes par le crédit prévu sous la rubrique du budget de 19 et qu'il existe à cet effet des fonds disponibles.
Date :	Date : Signature du Chef du Département des Finances :

1 Applicable uniquement pour les marchés dont le montant est inférieur 40.000,- francs suisses (voir section I.2.1 de l'Ordre de service N° 13).

OFFRES [2]				
Fournisseur				
1. Adresse				
2. Durée de l'offre				
3. Délai de livraison ou d'exécution				
4. Durée de la garantie				
5. Entretien ou service après-vente				
6. Prix en Francs suisses				
7. Autres détails				

2 Applicable pour les marchés dont le montant est supérieur à 10.000 francs suisses (voir sections I.2.1, I.2.2 et I.2.3 de l'Ordre de service N° 13).

OFFRES	
Conclusions du Comité d'évaluation[3]	Date :
Proposition motivée du Service centralisateur[4]	Date : Signature :

[3] Applicable pour les marchés dont le montant est supérieur à 40.000 francs suisses (voir sections I.2.2 et I.2.3 de l'Ordre de service N° 13)
[4] Applicable pour les marchés dont le montant est supérieur à 10.000 francs suisses (voir sections I.2.1, I.2.2 et I.2.3 de l'Ordre de service N° 13)

COMMISSION DES MARCHES [5]	
Avis et recommandation de la Commission des marchés	A sa　　　　ème séance du　　　　　　　　, la Commission a examiné la présente demande N°　　　/CM, sur laquelle elle a émis l'avis et adopté la recommandation qui suivent : Signature du Secrétaire de la Commission :　　　　　　　Signature du Président :
Visa du Vice-Secrétaire général	Date :　　　　　　　　　　Signature :
Enregistrement par le Département des finances	Date :　　　　　　　　　　Signature du Département :

5 Applicable pour les marchés dont le montant est supérieur à 40.000 francs suisses (voir sections I.2.2 et I.2.3 de l'Ordre de service N° 13)

ANNEX 2

GENERAL RULES
APPLICABLE TO CALLS FOR BIDS
UNDER SERVICE ORDER No. 13
RELATING TO THE PLACEMENT OF CONTRACTS FOR PURCHASES,
SUPPLIES, WORK OR SERVICES

These general rules apply to calls for bids under Service Order No. 13 relating to contracts involving expenditure or income of more than 40 000 Swiss francs. They contain standard clauses to be used in the written invitation to tender, subject to any adjustment required for the specific contract concerned.

I.   CONTENTS OF THE CALL FOR BIDS

1.   All calls for bids under the above-mentioned provisions must comprise at least the following items.

2.   A precise date must be given by which bids are to be submitted and after which any bid received will be returned unopened. Bids received are valid only for a given invitation; under no circumstances may they be considered in connection with any earlier, concurrent or subsequent invitation.

3.   Calls for bids must comprise specifications drawn up by the centralizing service, setting out the general technical requirements of the contract, if necessary together with any special conditions for performance of work, provision of services or delivery of purchases or supplies.

4.   Call for bids must include all the documents relating to bidding conditions and procedures.

5.   The ITU will treat as confidential all information supplied by bidders.

6.   Calls for bids must state specifically:

   a)   that the ITU will make no payment whatsoever to any bidder for the preparation and submission of his bid or for any costs incurred in that respect; in particular, the ITU will not refund the costs incurred by unsuccessful bidders; or

   b)   that the ITU will pay the bidder a compensatory amount of ... Swiss francs for costs incurred in preparing and submitting his bid.

7.   No provision of the call for bids may be regarded as derogating from the privileges and immunities enjoyed by the ITU under the international agreements applicable to it.

8.   Calls for bids meeting the above requirements shall, as far as possible, be advertised in a manner appropriate to the contract concerned. The objective of securing the contract for the Union on the most favourable terms should be borne in mind when deciding how to advertise.

II.   BIDDING CONDITIONS

Bids should meet the following requirements:

1.   Two copies of each bid must be submitted in [English/French/Spanish].

2.   To be taken into consideration, each bid must comprise the following documents:

   a)   specifications dated and signed by the company's legal representative and bearing the official company stamp;

   b)   the company information sheet and formal service agreement contract drawn up by the centralizing service, filled out, dated, signed and bearing the official company stamp;

   c)   a cost estimate giving details of all items relevant to the performance of the contract to the specifications, in the call for bids, used to establish the overall price quoted in the formal service agreement contract;

   d)   if appropriate, a testimonial by the competent national administrative authority to the effect that the bidder has signed a commitment to apply the wage scales, working conditions and social benefit system in force in its area of activity;

   e)   a formal declaration, signed by the company's legal representative and bearing the official company stamp, to the effect that all the terms and conditions of the bid, including the overall and breakdown prices, will remain valid until the date given in the call for bids or, as relevant, until the contract is entered into;

   f)   if appropriate, a detailed list of the work which the bidder intends to subcontract, together with precise identification of the subcontractor(s).

3.   Failure to include any one of the documents listed above or to complete all of the above-mentioned forms and papers fully and correctly may, at the sole discretion of the ITU, entail the automatic rejection of the bid as a whole.

4.   In addition to the compulsory submissions listed in paragraph 2 above, the bidder may append any document he may consider necessary. Such additional documents must be precisely identified in the covering letter.

5.   Any proposal by the bidder to modify the specifications must be clearly spelt out and the reasons given. Such proposals must be submitted in an entirely separate document; the specification themselves must bear no entries other than references to that document (see paragraph 2 a) above).

6.   All requests for further clarification concerning the call for bids should be addressed in writing to:

[address of the centralizing service issuing the invitation]

III. BIDDING PROCEDURES

1. Bids should be sent to the following address:

INTERNATIONAL TELECOMMUNICATION UNION
SECRETARIAT OF THE CONTRACTS COMMITTEE
Place des Nations
CH-1211 GENEVA 20

2. Bids should reach the ITU Communications Service in a sealed envelope bearing the words "Bid for [...]"., which must itself contain a second sealed envelope with the bid inside it. The label appended to the call for bids must be affixed to the latter envelope. The ITU reserves the right to reject any bid that is not submitted in the prescribed manner.

3. For bids relating to contracts involving expenditure or income of more than 100 000 Swiss francs, the outer envelope must contain two separate envelopes, one containing the proposed content of the bid and the proposed overall and breakdown prices.

4. All bids must be sent to the address given in paragraph 1 above or delivered personally by the bidder's representative to the ITU Communications Service, which will certify receipt of the bid by recording the date and time of receipt on the outside envelope. The official date and time of receipt will be those recorded by the ITU Communications Service upon receipt of each bid and may under no circumstances be queried.

5. Bids must be submitted by [...] (Geneva time) on [...]. Any bid registered by the Communications Service after the expiry of that deadline will not be considered and will be returned to the sender unopened, without any right of recourse or complaint; it is also understood that the bidder is responsible for seeing to it that the bid reaches the ITU Communications Service and is duly received by it before the above expiry date.

6. The ITU Contracts Committee will conduct a detailed and impartial evaluation of all bids received within the time limit and in the form prescribed in these general rules, and will issue an opinion and a recommendation to the Deputy Secretary-General.

7. The decision as to the choice of contractor will be taken by the Deputy Secretary-General and will be final. The Union will inform bidders of the decision taken in respect of their bid as soon as possible or by the date given in the call for bids.

8. The Union reserves the right to reject all or part of bids received in good and due form without being bound in any way to communicate its reasons to the bidders, who shall have no right of recourse against the final decision of the Deputy Secretary-General.

INTERNATIONAL TELECOMMUNICATION UNION

4 September 1996

Addendum 1
to SERVICE ORDER No. 13
(issued on 15 June 1993)
on
PLACEMENT OF CONTRACTS FOR PURCHASES, SUPPLIES,
WORK OR SERVICES

In conformity with sub-paragraph c) of paragraph 1 in Chapter II of Service Order No 13 referred to above, the Contracts Committee submitted to me the recommendation, which I accepted, to modify certain provisions in the said Service Order and to insert therein some new provisions.

These amendments to Service Order No 13 are contained in the present Addendum 1, which shall be applicable from the date of its issuance stipulated above, and read as follows:

A.   **Sub-paragraphs d) and e) of paragraph 2.2 of Section 2 in Chapter I of Service Order**
      No. 13 are amended to read as follows:

"d)   Contracts for the following transactions shall not be referred to the Contracts Committee:

    i)   purchase of articles already ordered by the Common Purchasing Service (SCA) of the Geneva-based international organizations belonging to the common system;

    ii) expenditure supervised by an ITU control body specifically entrusted with the task of studying all aspects of a contract requiring the implementation of a special procedure; such control bodies should, as far as possible, comply with the provisions of this Service Order;

    iii) purchase of standard items on a list previously approved and updated by the Contracts Committee.

    e)   The type of expenditure mentioned in iii) above requires the prior approval, subsequently notified to the Contracts Committee, of the Secretary-General, the Deputy Secretary-General or their duly authorized representative "

B.   **After paragraph 2.3 of Section 2 in Chapter I of Service Order No. 13, a new Section 3**
      is inserted with the following provisions:

- 2 -

"3.   Accelerated procedure

3.1   For certain unforeseeable urgent contracts to be placed for or during an ITU conference or meeting, or in the case of any other unforeseeable extreme necessity, the following accelerated procedure shall apply:

a)   The centralizing service concerned with the placement of such a contract, shall inform the Chairman of the Contracts Committee, or in his absence the Vice Chairman, of the urgent contract to be placed or the case of extreme necessity, submitting in writing the necessary justifications and the reasons why this case was unforeseeable as well as the application for commitment to expenditure signed by the Chief of the Finance Department and its proposal.

b)   The Chairman or Vice Chairman (see a) above) of the Contracts Committee, if convinced that the request is well justified and falls within the purview of 3.1, shall

      i) immediately establish an Appraisal Committee as referred to in paragraphs 2.2.1 c) and 2.2.2 c) of Service Order No. 13, or

      ii) if this is not possible, submit the case, together with his/her own recommendation, through the Chief of the Finance Department, to the Secretary-General, the Deputy Secretary-General or their duly authorized representative for decision.

c)   The Appraisal Committee established shall immediately convene and shall, after
having taken into account the time limits imposed and any other relevant circumstances of the case under consideration, determine first whether or not the case, in its opinion, falls within the purview of 3.1.

d)   If the Committee's decision on c) above is affirmative, it shall assess the proposal on its merits and submit its recommendations thereon, through the Chairman or the Vice Chairman (see a) above) of the Contracts Committee, to the Secretary-General, the Deputy Secretary-General or their duly authorized representative for decision.

e)   If the Committee's decision on a) above is negative, it shall recommend to the Chairman or the Vice Chairman of the Contracts Committee that the normal procedure laid down in Service Order No. 13 be followed; the Chairman or the Vice Chairman (see a) above) of the Contracts Committee shall inform the centralizing service accordingly.

3.2   The Contracts Committee shall be informed, at its next meeting, of any action taken pursuant to the foregoing accelerated procedure as contained in paragraph 3.1 above."

                                                Pekka TARJANNE
                                                Secretary-General

General Distribution

Procurement Project

APPENDIX 1-I

BASIC RULES

FOR

PROCUREMENT OF EQUIPMENT

FOR I.T.U.

TECHNICAL COOPERATION AND ASSISTANCE PROJECTS

as approved by the Administrative Council in 1968

<u>and</u>

MANUAL ON ADMINISTRATIVE PROCEDURES

for the application of these Basic Rules

as established by the Secretary General
in 1968 and up-dated in 1987 and 1991
for entry into force on 1 January 1992

BASIC RULES

Preamble

a)   These Basic Rules shall apply to the procurement, control and disposal of equipment (material and supplies) purchased by the International Telecommunication Union for the implementation of technical assistance projects under the United Nations Development Programme and the Funds-in-Trust arrangements.

b)   The Secretary-General shall establish the detailed administrative procedures for the application of these Basic Rules. The procedures shall be consistent with the policy of the United Nations Development Programme.

Procedures

1.   Under the authority of the Secretary-General, the Director of the Telecommunications Development Bureau (the BDT) shall be responsible for keeping the Manual on Administrative Procedures up to date.

2.   For the supply of unusually costly and complex equipment or systems, which may also include the provision of services such as installation, training, etc., or for the supply of equipment which is totally, or to an over-whelming percentage, paid out of trust funds stemming from the recipient country, and for which the present Basic Rules and Procedures are considered inadequate by the Secretary-General, a specially drafted contract between the ITU and the suppliers may be drawn up.

3.   The interpretation of the provisions of the Manual shall be the responsibility of the Secretary-General; this responsibility is normally delegated to the Director of the BDT.

4.   The word "equipment" shall be taken to mean all materials and supplies purchased by the ITU in connection with the implementation of technical cooperation and assistance projects.

5.   The procurement may also be made by authorizing a local purchase from a source in the recipient country.

6.   The Equipment Procurement Service of the BDT (hereinafter referred to as "the EPS") shall be the only official channel of communication in contractual matters between the ITU and suppliers.

7.   The EPS shall prepare quarterly reports on the status and the situation of the procurement of equipment by project.

Basic Rule 1

FINANCIAL RESOURCES

1.1   Equipment shall be procured within the limits of funds available for each project and in consultation and close cooperation with the recipient government.

<u>Procedures</u>

8.   Within the framework of the provisions and financial limitations of the project concerned, requisitions for equipment required shall be prepared by the Project Manager, expert or national official responsible for the project and shall be submitted to the Field Office concerned for approval. Requisitions so prepared shall be approved by an authorized official on behalf of the recipient governement.

9.   The requisitions shall always indicate the order of priority of the equipment required.

10.   Each requisition item (comprising one or more units) of any requisition shall bear a reference number and shall include the following information:

   a)   an adequate ordering specification, including a brief description of the purpose for which the equipment will be used. When the ordering specification includes required standards of performance, the permissible tolerance in the various characteristics so specified shall be given;

   b)   the estimated cost of the item, obtained either from records of previous similar purchases, or from the most recent price lists available;

   c)   if the requisition covers spare parts, the make, model number and maker's serial number of the unit of equipment for which the items are required;

   d)   in cases where only a specific item by a particular manufacturer will meet the operational requirements, the complete identification of the item based on the manufacturer's catalogue, explanations why only this particular item is suitable and the reasons for which the order of such equipment shall be considered mandatory and may be ordered without competitive bidding.

11.   When received in the BDT, the equipment requisitions shall be referred to the Field Operations Department which will clarify all technical queries or other problems concerning the requested equipment, in collaboration with engineers in the Department, or other organs as appropriate.

12.   The concerned Field Office is responsible for the correct use of the funds.

13.   When the equipment requisitions are handed over to the Equipment Procurement Service for processing, they should bear adequate technical comments and instructions to enable this Service to proceed.

<u>Basic Rule 2</u>

COMPETITIVE BIDDING AND ADVERTISING

2.1   Except in the cases specified by the Secretary-General, orders for equipment shall be given after competitive bidding.

2.2   The invitation to bid shall be accompanied by an appropriately detailed specification.

2.3   Where written bids have been called for, all such bids shall be opened at the time and place specified in the invitation to bid.

Procedures

14.   Orders for equipment shall be subject to prior competitive bidding, except as provided in paragraph 19.

15.   Competitive bids should be invited from no fewer than three suppliers.

16.   The EPS shall send invitations to bid requesting the information required in conformity with paragraph 18 below, simultaneously to potential suppliers. In addition, and, if necessary, bids may be invited by advertisement in newspapers and in the ITU Telecommunication Journal.

17.   If considered necessary by the Field Office concerned, this Office shall, prior to the dispatch of the invitations to bid, obtain amendment to the proposed list of suppliers by the EPS for reasons to be submitted to the latter.

18.   Each bid submitted shall contain, inter-alia, all relevant information such as:

       a)   the price ex-works (free of all taxes) of each item, showing what discounts are available (if any);

       b)   the cost of any special packing;

       c)   the estimated cost of transporting the goods to the destination indicated on the invitation to bid;

       d)   the estimated cost of insuring the equipment against all risks from the factory to the final destination (domicile to domicile);

       e)   the estimated date of delivery, should the order be awarded;

       f)   the detailed technical description of each item offered;

       g)   proposed terms of payment.

19.   Competitive bids shall not necessarily be invited in cases where:

       a)   the estimated value of Purchase Order is less than US$ 20,000;

       b)   there is only one acceptable source of supply (see paragraph 10 d));

       c)   standardization of equipment, interchangeability of parts or ease of maintenance has to be ensured (see paragraphe 10 d));

       d)   the urgency of the requirement is such that the delay incurred by competitive bidding is too great;

       e)   the use of specific currencies limits to less than three the number of potential suppliers;

       f)   previous competitive bidding has not given satisfactory results and it is not expected that a new bidding will prove successful;

       g)   quotations for identical items were received in the preceding six-month period;

h)   the items involved are books, periodicals or technical reviews.

20.   In cases to which paragraph 19 applies, a quotation or other written price information shall, however, at any rate be obtained before placing any order with any supplier.

21.   In the case of any competitive bidding for equipment estimated by the ITU to cost less than US$ 500,000 (excluding packing and shipping charges) per Purchase Order the following special procedures shall be applied.

a)   except for competitive bidding for less than US$ 20,000 complete specifications of the equipment required shall accompany the invitations to bid to be sent to potential suppliers; the latter shall be invited to submit a bid for all or part of the equipment, or to propose alternative equipment which would serve the purpose for which it is required; they shall also be requested to submit their bids to the Secretary-General by a specified closing date;

b)   bids shall be submitted in a <u>closed</u> envelope bearing an identification label or number supplied by the ITU together with the invitation to bid;

c)   envelopes containing such bids shall be kept unopened in the Mail Service of the Telecommunications Development Bureau until the opening date specified in the invitation to bid;

d)   bids received after the specified closing date shall not be opened until it is decided by the respective authority enumerated in paragraphs 24 and 25 below that no award shall be given to any bid received by the closing date; in the case of such a decision, those bids may be opened and considered and shall, if not opened, as such be returned to the respective supplier(s).

e)   bids shall be listed on a tender control sheet by the EPS.

22.   Competitive bidding for equipment the value of which is estimated by the ITU to be more than US$ 500,000 (excluding packing and shipping charges) shall, in addition to the procedures specified in paragraph 21, be dealt with as follows:

a)   the supplier's price proposal, including any price lists per item, shall be contained in an inner sealed envelope included in the closed envelope referred to in paragraph 21 b) above;

b)   bids shall be opened by the Chief of the Programme Support Department in the presence of the Chief of the EPS or their representatives at the place, date and time specified in the invitation to bid;

c)   the name of each bidder and the documents contained in the envelope referred to in paragraph 21 b) above shall be read aloud and recorded in the Opening Record. No discussion on bids received nor on the award of orders shall occur at this occasion, at which the inner sealed envelope referred to in a) above shall remain unopened and forwarded as such to an Evaluation Group established by the Director of the BDT. This group will make the technical and thereafter the commercial evaluation.

d)   bidders, or their representatives, may attend the opening of bids;

e)   after the purchase order has been issued, any supplier who has submitted a valid bid may request and receive a copy of the Opening Report.

<u>Basic Rule 3</u>

ORDERING

3.1   Orders shall normally be awarded to the suppliers with the lowest acceptable bid.

3.2   When bids are called for a group of items, the order may be awarded to the supplier whose bid shall be lowest in aggregate, although not necessarily lowest for each particular item of equipment.

3.3   All bids may be rejected without giving any reason to the bidders, if this action is in the interest of the ITU.

3.4   Ordering shall be done in writing by the Secretary-General or by the officials authorized by him to do so.

<u>Procedures</u>

23.   Orders which have been the subject of competitive bidding shall be awarded on the basis of the itemized tender control sheet prepared by the EPS.

24.   Orders shall be awarded by the Secretary-General himself or by an authorized
ITU official. Orders exceeding US$ 500,000 shall be awarded, solely, by the Secretary-General himself.

25.   The delegation to award orders which are less than US$ 500,000 shall be as follows:

   a)   in cases of less than US$ 75,000 (excluding packing and transport charges): the Chief, EPS;

   b)   in cases of between US$ 75,000 and US$ 500,000 (excluding packing and transport charges): the Chief of the Programme Support Department.

26.   Orders exceeding US$ 75,000 have to be passed to a Selection Panel, whose main duties are to make recommendations for the award of purchase orders. The Panel shall pay particular attention, in its deliberations, to the suitability of the equipment for the purposes intended, from the technical point of view and to the delivery times as well as to the price and quality ratio.

            The members of the Selection Panel nominated by the Secretary-General shall be the following:

                  - Chief, Prog. Sup. Dept, Chairman
                  - Chief, Field Operations Dept, Vice-Chairman
                  - One representative from IFRB
                  - One representative from the CCIs
                  - One representative from the Field Operations Department
                  - The Chief of the EPS, Secretary.

27.   Recommendations of the Selection Panel are not needed in the case of the purchase order being financed through a Funds-in-Trust agreement with the recipient Government and where the order is to be placed according to that Government's recommendations. In urgent cases, the Secretary may ask the Selection Panel to make its recommendations by correspondence through internal circulation of the matter amongst its

members; should there be no majority for the recommendation submitted, the Secretary shall call a meeting of the Panel as soon as possible.

28. Unless the context otherwise requires, any provision in the present Basic Rules and Procedures shall apply not only to orders, but also to purchase contracts and to authorizations of local purchase for any technical cooperation or assistance project.

29. After its acceptance by the supplier, the purchase order shall be considered as the binding contract between the ITU and the supplier.

30. Each purchase order shall include a reference to the supplier's quotation on which the order is based and a detailed description of the equipment, the quantity required, the unit price, the conditions governing delivery, acceptance testing requirements and terms of payment and, if appropriate, a penalty clause for late delivery.

31. Purchase orders shall bear the following clauses:

   a) "No advertising related to the acceptance of any tender may be published in any newspaper, magazine or other advertising media.";

   b) "The International Telecommunication Union reserves the right to cancel all or any part of the order if goods are not dispatched within the time limit specified in the purchase order and to refuse to accept any goods which do not conform with the description and specification contained in the quotation upon which this order is based.";

   c) "The supplier, at his own expense, shall ensure compliance with any export regulations, clearances, etc., in effect in the country of manufacture or supply and shall be responsible for ensuring that the goods are securely packed and transported to the address indicated on the purchase order.";

   d) A clause concerning the settlement of disputes and arbitration;

   e) If appropriate, a clause concerning patent and similar rights.

32. The original of each purchase order shall be sent to the supplier. Where applicable, copies shall be forwarded to the respective UNDP Resident Representative, ITU Regional or Area Representative, Project Manager, expert or national official responsible for the project, the BDT Budget Coordination Service, the Finance Department and to the forwarding agents.

33. If a purchase order has to be amended (change in specification, quantity, unit price or total value), and the value implied exceeds the amount of US$ 75,000, the amendment will be considered as a new purchase order, insofar as the awarding of the amendment is concerned, and sub-paragraph b) of paragraph 25 and paragraph 24 shall apply respectively. Amendments with an implied value of less than US$ 75,000 may be awarded by the Chief of the EPS (see sub-paragraph a) of paragraph 25 above).

<u>Basic Rule 4</u>

TRANSPORT OF EQUIPMENT

4.1 Equipment shall normally be dispatched by the cheapest method of transport. It may be sent by air when the fragile nature of the equipment so demands or when small replacement parts are urgently required.

<u>Procedures</u>

34.   Transport of equipment shall normally be by sea.

                However, equipment may be sent by air:

a)   if the equipment is urgently required or if, for other reasons, it cannot safely be sent by any other means;

b)   if the fragile nature of the equipment so demands;

c)   at the discretion of the EPS, in cases where the difference between surface transportation and air freight is small and provided it is judged that the avoidance of risks and delays incurred by surface transportation justifies the additional cost.

35.   Equipment shall normally be addressed to the UNDP Resident Representative in the country of the project; he will arrange for it to be cleared through customs and handed over to the project concerned.

36.   The supplier shall be responsible for ensuring that the goods are securely packed and transported to the address indicated on the purchase order.

37.   Transport charges shall be reimbursed by the ITU and charged to the project concerned.

38.   The ITU shall be informed immediately by the supplier by written notification of the date of dispatch of the goods to the address indicated on the purchase order.

39.   Immediately after dispatch of the goods, the supplier shall airmail to the consignee named on the purchase order a complete set of documents containing shipping documents, the commercial invoice, the packing list, etc. Duplicates of all these documents shall be sent immediately to the ITU.

Basic Rule 5

INSURANCE

5.1   Equipment supplied to the ITU Technical Assistance projects shall be adequately insured against all risks during transit from factory to final destination.

Procedures

40.   Shipments shall normally be insured by the ITU under a global insurance policy, but the purchase order may also expressly stipulate that the supplier shall be responsible for taking out the appropriate insurance.

41.   The EPS shall periodically provide to the insurance company, the necessary data concerning the equipment to the insured. This information may be obtained from invoices submitted for payment and shall comprise: the purchase order number, general description and value of the equipment, date and method of transportation, loading or departure site and final destination.

42.   Insurance claims shall be handled by the EPS.

43.   In case of loss and/or damage to equipment, the consignee shall inform the ITU immediately and shall follow the "General Instructions regarding Insurance Claims" issued by the EPS.

44.   Motor vehicles supplied to a project by the ITU shall be covered by, at least, a third party liability insurance to be taken out through the UNDP Resident Representative and in accordance with UNDP instructions.

45.   All insurance premiums in connection with the transport of equipment and for motor vehicles shall be charged to the budget of the relevant project.

Basic Rule 6

PAYMENTS

6.1   Except where normal commercial practice or the interest of the projects so require, no order shall be made for equipment which requires a payment in advance of the delivery of goods.

Procedures

46.   The EPS shall be responsible for certifying that the invoices received correspond to the orders placed and that the freight and transport charges invoiced are reasonable for the method of dispatch requested.

47.   After being certified, invoices shall be passed on to the Finance Department for verification of arithmetical accuracy and for subsequent payment.

48.   Payments shall be made either by cheque or bank transfer from Geneva, normally in the currency of the country of supply; payment shall be made, in principal, within thirty days from receipt by the ITU of the invoices and supporting copies of shipping documents (non-negotiable bill of lading, air waybill or postal receipt), unless otherwise agreed.

Basic Rule 7

RECEIPT OF EQUIPMENT

7.1   All equipment ordered shall be inspected by the officer-in-charge of the project, or on his behalf, to ensure that its condition is satisfactory and that it is in accordance with the specification and the terms of the order.

7.2   The ITU may engage the services of expert authorities or consultants, governmental or private, to assist in acceptance testing. Any decision to reject material or equipment as unsatisfactory shall rest with the Secretary-General.

Procedures

49.   The EPS shall inform the person in the field responsible for the project who could be for instance the ITU Area Representative or the Project Manager or an expert or a national official, of the dispatch of the equipment and shall provide, together with that information, the following two forms for each consignment:

      a)   consignee's arrival report;

      b)   consignee's examination report.

50.   As soon as the person in the field responsible for the project (see paragraph 49 above) has verified the arrival of a shipment in the country of the project, he shall complete the arrival report form and send it by airmail to the EPS, without waiting for clearance of the goods through customs and delivery to the project site for inspection of the shipment.

51.   When goods are received at the project site, they shall immediately be examined by the person in the field responsible for the project (see paragraph 49 above) . The examination report form shall thereafter be completed and returned by airmail to the EPS.

52.   In the event of loss or damage, the "General Instructions regarding Insurance Claims", issued by the EPS, shall be followed accurately by the consignee.

53.   In cases where insurance coverage has been arranged by the supplier (see paragraph 40), the instructions indicated on the individual insurance certificate accompanying the shipping documents shall be followed by the consignee.

54.   In order to preserve the ITU's right to make claims, it is important that on delivery of the goods the carriers' (steamship company, airline company or inland carrier) receipt is signed "UNEXAMINED". If, however, at first sight, it is obvious that the goods are damaged and in bad condition, or that there is a shortage, the carriers' receipt should be marked "RECEIVED IN BAD CONDITION" or "RECEIVED WITH SHORTAGE", followed by details of such condition, i.e. "BROKEN", "WATER DAMAGED", "PARTS MISSING", etc.

55.   If the goods are damaged, shortlanded or untraceable, the person in the field responsible for the project (see paragraph 49 above) shall immediately lodge a formal claim on the carriers or their agents by way of a LETTER OF PROTEST, by registered mail. If it is ascertained that the goods are shortlanded or untraceable, the matter shall be followed up very closely, and a shortlanding certificate shall be obtained from the port authorities, by the person in the field responsible for the project.

56.   If the amount of the loss or damage is likely to exceed US$ 200 (US$ 500 for goods insured by the ITU under the global insurance), the local representative, if any, of the insurance company should immediately be requested by the EPS to carry out a survey.

57.   Insurance claims shall be handled by the EPS, to which the following documents shall be sent by airmail by the person in the field responsible for the project (see paragraph 49 above):

  a) original bill of lading or air waybill;

  b) original insurance certificate (in cases where the supplier has insured the shipment);

  c) original survey report or other document stating the nature and extent of the damage;

  d) original shorlanding certificate in case of loss of entire package(s);

  e) copy of letter of protest;

  f) copies of correspondence with carriers;

  g) requisition form for items to be reordered.

Basic Rule 8

INVENTORY

8.1   A master inventory of the non-expendable equipment (as defined by the United Nations Development Programme) supplied to each project, shall be kept by the BDT.

8.2   The inventory lists shall be sent at least once a year to the project site for an
on-the-spot check of the equipment.

8.3   Any discrepancies discovered at the time of checking the inventory or at any other time, shall be reported to the Secretary-General, who shall decide on the remedial action.

Procedures

58.   At the beginning of each year, the EPS shall provide each project with three copies of the master inventory of non-expendable equipment.

59.   The physical check of the inventory lists on the project site shall be carried out by the Project Manager or the expert, together with the national official, responsible for the project.

60.   The checked inventory lists shall be signed by the Project Manager or the expert responsible for the project and a duly authorized official of the recipient government, confirming that the items on the list have been traced. One copy of the checked and signed inventory list, together with its annexes, shall be returned to the EPS. One copy shall be sent to the local UNDP Office.

61.   Discrepancies or damage discovered at the time of checking the inventory shall be reported to the ITU. The relevant report shall be examined by the EPS which shall submit to the Director of the BDT recommendations on the appropriate action to be taken, i.e. deletion from inventory, repair, sale, establishing of responsibilities etc; any decision taken in this respect by the Director of the BDT shall be recorded and the inventory shall be amended accordingly.

Basic Rule 9

EXCEPTIONS

9.1   These Basic Rules shall not apply to those projects for which special regulations in connection with the procurement of equipment have been established.

22 November 2005

Procurement Project

APPENDIX 1-J

Examples of ITU Forms and reports

The following example of forms are given here:
- Requisition for Economat goods (form)
- Commitment to expenditure (form)
- Purchase Order with terms and coniditions (form)
- Purchase Order for computer hardware (form)
- Request for ITU Finance Department to pay by credit-card (form)
- BDT inventory list (form)
- Consultant's timesheet

The following examples of reports are given here:
- BDT purchase orders status
- BDT supplier contact and good details (form)
- BDT subcontractor report, by contractor
- BDT subcontractor report, by project
- BDT subcontractor reminder list (for time-critical events)

Requisition for Economat goods

Union
internationale des
télécommunications

Division des Services Logistiques

Section Achats

RÉQUISITION N°

Centre de coût:

N° d'engagement:

L'Economat est prié de livrer à
M./Mme/Mlle:

Téléphone

Signature du contrôleur financier

Service

Bureau

Date:

Nom et signature de la personne autorisée

Prière d'inscrire les articles dans l'ordre numérique

Code N°	Nature des fournitures	Quantité demandée	A remplir par l'Economat	
			Quantité livrée	Remarques

refpubl\Formulair\logistic\2003

Reçu le:

Signature:

DEMANDE D'AUTORISATION D'ENGAGEMENT DES DÉPENSES

(Le double, tenant lieu de confirmation de l'engagement, sera renvoyé au Service centralisateur)

SC

1. **Service demandeur**	2. N° /CM	3. Date
	4. Centre financier	
	5. Centre de coût	
5. **Service centralisateur**	6. Nature comptable	
	7. Engagement N°	
8. **Objet**	**Montant estimatif de la dépense établi par le service centralisateur**	
	.-CHF	
10. **Fournisseur**[1]	11. **Montant établi sur la base de l'offre retenue**[1]	
	Fr.	**Monnaies étrangères**
12. Signature du chef du service demandeur autorisé à engager la dépense:	13. Signature du chef du service centralisateur autorisé à engager la dépense:	14. **Certificat du Département des finances** Le Département des finances certifie que les dépenses qui résulteront de l'engagement mentionné ci-dessus sont couvertes par le crédit prévu sous la nature comptable 2004/2005 et qu'il existe à cet effet des fonds disponibles.
		15. **Crédit total:** **Crédit disponible avant cette demande:**
16. Date:	17. Date:	18. Date: Signature du Chef du Département des finances:

*) (voir Ordre de service N° 13/1993 relatif à la passation des marchés d'achats, fournitures, travaux ou services)
1) Applicable uniquement pour les marchés dont le montant est inférieur à 40.000.– francs suisses (voir section I.2.1 de l'Ordre de service N° 13/1993).

UNION INTERNATIONALE DES TELECOMMUNICATIONS

Expédition à   **Dépt. des Services Informatiques**

Facturation en
Triple exemplaire   **Département des Finances**
à

Votre référence : 1234

Notre référence : **IS-F-xxx/05 OC 12345**

Conditions particulières :

Délai de livraison :

Fax : (022) ………

Name of Company
Address

Attention : *Name of Contact Person*

BON DE COMMANDE NO. IS-F-xxx/05 OC 12345

Date : 18.10.05

*** (A rappeler dans tout document d'envoi, facture, correspondance
ou emballages)

Code	Quantité	Designation	PRIX	
			unitaire	total
	1 unité	xxxxxxxxITEM 1xxxxxxxx	0.00	0.00
	1 unité	xxxxxxxxITEM 2xxxxxxxx	0.00	0.00

NOTE : Renouvellement d'abonnement xxxxxxxxxx pour 12 mois, avec l'integration xxx, xxxxxxxxxx et factures détaillés.

Name of user   SG IS   x1234   079 123 45 67

EXONERATION TVA SELON ART. 81 LETTRE 0TVA

NOTE: La livraison de ce produit doit être effectuée au nom de M. xxx xxxxxx, Chef, Dépt. des Services Informatiques. Veuillez trouver ci-joint les conditions générales de l'UIT. N'oubliez pas d'indiquer le numéro d'engagements. Nous n'accepterons aucune facture si l'engagement n'est pas mentionné.

Veuillez envoyer votre facture en 2 exemplaires dans laquelle nous vous prions de mentionner les informations suivantes à l'adresse ci-dessous:

      Département des Finances
      U.I.T.
      Place des Nations
      CH-1211 GENEVE 20
      Numéro de Commande: **IS-F-xxx05**
      Numéro d'engagement: **OC 12345 / C1C10970 / 01-08212**

xxx xxxxxxx
Chef, Dépt. des Services Informatiques

Le Chef
du Dépt. des   Services Informatiques

TOTAL **H.T.**
Francs s suisses   0.00

ORIGINAL   **L'acceptation de cette commande implique ('acceptation des conditions stipulees** au verso.

CONDITIONS GENERALES

1. Acceptation de commande: La commande ne devient effective qu'après réception, par l'Union internationale des télécommunications (UIT) d'une acceptation écrite du fournisseur; L'UIT en informera immédiatement le fournisseur.

2. Délais: Les délais contractuels d'exécution stipulés dans le Bon de Commande courent à partir de la date effective de la commande; ils sont impératifs. L'UIT se réserve le droit de refuser de prendre livraison de matériels et fournitures et de réceptionner des travaux exécutés après les délais impartis, sans que ce refus puisse ouvrir droit à une quelconque indemnisation du fournisseur.

3. Expédition et Documents de transport: L'UIT doit être informée immédiatement de l'expédition de la marchandise des locaux du fournisseur. Elle doit, en effet, pouvoir disposer de tous renseignements nécessaires à l'exécution des formalités douanières (nature de la marchandise, numéros et marques des colis, poids par colis, encombrement, moyen de transport utilisé, etc.).

4. Transport et assurance: Il appartient au fournisseur de veiller à ce que la marchandise soit emballée soigneusement et assurée contre tous risques pendant le transport de domicile à domicile.

5. Facturation, Impôts, Taxes et Droits: La facture afférente à la commande, établie en double exemplaire, est à adresser à l'UIT, Département des Finances, Place des Nations, CH-1211 GENEVE 20. Le fournisseur est avisé que l'UIT est, en vertu des accords internationaux qui lui sont applicables, exonérée de tous impôts directs ou indirects, de toutes taxes (y compris la Taxe sur la Valeur Ajoutée (TVA)), pourvu qu'il ne s'agisse pas de taxes perçues et rémunération de services particuliers rendus; elle est également exonérée de tous droits de douane. En ce qui concerne la TVA, l'UIT en est exonérée à la source. Le fournisseur se voit remettre à cet effet un formulaire A/01 dûment rempli par l'UIT. Chaque facture délivrée par le fournisseur à l'UIT doit porter la mention suivante: "Exonération TVA selon art. 81, lettre b OTVA". Le prix facturé par le fournisseur doit refléter toute exemption d'impôts, taxes et droits auxquels l'UIT peut prétendre.

6. Règlement des différends - Arbitrage: Tout différend relatif au présent contrat (interprétation, contravention, exécution, résolution, nullité etc.) qui ne peut être réglé à l'amiable par voie de négociations directes est soumis à la juridiction d'un arbitre unique nommé, à la demande de l'une des parties, par le Président de la Chambre de commerce internationale de Paris, dont le règlement de conciliation et d'arbitrage est applicable. Le lieu de l'arbitrage est Genève et la langue en est le Français. Le droit matériel applicable est, subsidiairement aux termes et conditions du présent contrat, le droit suisse. La décision de l'arbitre est définitive, exécutoire et sans appel, tout recours à un tribunal quelconque ou à une autre juridiction étant exclu. Par conséquent, l'application des dispositions du Chapitre 12 de la Loi fédérale suisse du 1er octobre 1987 sur le droit international privé est exclue.

7. Privilèges et immunités: Aucune des dispositions du présent Bon de commande ne peut être interprétée comme constituant une dérogation ou une renonciation aux privilèges, immunités et facilités dont jouit l'UIT conformément aux accords internationaux qui lui sont applicables en particulier à l'Accord de siège conclu avec le Conseil fédéral Suisse le 22 juillet 1972 ainsi qu'à la Loi suisse.

8. Cession: Le fournisseur ne peut céder ou transmettre tout ou partie de ses droits et obligations sans l'accord écrit préalable de l'UIT.

9. Publicité: Le fournisseur ne fait valoir, ni dans sa publicité ni par quelqu'autre moyen, qu'il est le fournisseur de l'UIT sans l'accord préalable écrit de cette dernière. Il n'utilise ni le nom,ni l'emblème de l'UIT que ce soit à des fins publicitaires ou autres.

10. Défaut: En cas de défaut du fournisseur y compris s'il n'est pas en mesure de livrer ou d'exécuter dans les délais spécifiés, l'UIT se réserve le droit d'acquérir les matériels et fournitures ou de faire exécuter les travaux en question auprès d'autres sources; le fournisseur en défaut peut être tenu responsable des frais supplémentaires ainsi occasionnés. En outre, l'UIT peut notifier au fournisseur, sans indemnité, la résiliation des liens contractuels, en tout ou partie, pour l'objet de la commande entaché de défaut.

11. Faillite: Au cas où le fournisseur serait déclaré en faillite, mis en règlement judiciaire ou ferait une assignation quelconque au profit de ses créanciers, l'UIT se réserve le droit de notifier immédiatement par écrit au fournisseur l'annulation de la commande, sans aucune indemnisation du fournisseur.

12. Frais supplémentaires: Les frais résultant des dommages causés par la non-observation des présentes Conditions générales ou des dispositions réglementaires en matière d'exportation en vigueur et applicables dans son pays d'origine restent à la charge du fournisseur. Il en est de même pour une éventuelle garantie bancaire donnée par le fournisseur à la demande de l'UIT.

I.T.U.   INFORMATION SERVICES DEPARTMENT   REQUEST N°:

REQUEST FORM FOR COMPUTER EQUIPMENT

TYPE OF REQUEST :	**HARDWARE REQUESTED (1 PER USER)**
⌐ New ⌐ Exchange (fill in "to be returned" section) Specify Node Name : ⌐ Loan (old equipment, max 3 months) ⌐ Move Computer (Send details via Email to Service Desk) **Reasons :** ⌐ New User ⌐ Obselete equipment (> 5 years) **OTHER :**	⌐ Desktop ⌐ Laptop ⌐ Printer STANDARD DESKTOP STANDARD LAPTOP PRINTER **KEYBOARD :** ⌐ EN ⌐ SW/FR ⌐ AR ⌐ RU ⌐ SP **SCREEN/VIDEO :** ⌐ Flat sreen (TFT) STANDARD FLAT SCREEN **OPTIONS :** ⌐ DVD writer ⌐ DVD writer for Laptop EXTERNAL DVD WRITER DVD WRITER FOR LAPTOP **OTHER (PLEASE SPECIFY) :**
Included Software **Additional Software :**	
COMMENTS :	**TO BE RETURNED**

	MODEL	INVENTORY N°
PC		
SCREEN		
OTHER (SPECIFY)		

Date of request :	Date requested for:		Until for Loans only: (Max 3 months)	
Requesting person :	Tel :	Organ :	Department :	Service :
Last name : **First Name :**	Tel :	Installation in Office N°:	**Logon Username:**	Technical Contact:
Approval of the chief of Department:	Budget line : Engagement:		Approval of Financial controler:	

FOR IS USE ONLY	
Request received on :	Node :
Equipment prepared by : Date :	Inventory :
Model :	Serial Number :
Equipment delivered by : Date :	Hardware Address :
Received by : Date :	

Request for ITU Finance Department to pay by credit-card (form)

UNION INTERNATIONAL DES TELECOMMUNICATIONS Secrétariat Général – Département des Finances	Pièce comptable 01 /

Francs | Suisses

PAYMENT BY CREDIT CARD :

Please pay the amount of 475.00 USD in the order of *XXX Co.* re purchase of 1 license of xxxxxxxxxxxxxxxxxxxxx (our reference no. IS-F-116/04 and the Online Purchase form No. 2861693 as per attached).

Centre du coût :   C1C10979
Rubrique   :   01-07203
Engagement   :   27445
Montant   :   xxx.00 USD

Signature of Chief of IS Department
Date

Countersigned by the Deputy Secretary General

NOTE : KINDLY SEND US A COPY OF THE PAYMENT BY CREDIT CARD.

Comptabilisé le:	DÉBIT			CRÉDIT			Comptabilisé par:
	Rubrique	Montant		Rubrique	Montant		Chef du Service
Photocopie à :							
							Chef du Dépt. Finances
							Secrétaire général

APPENDIX 1-J

INTERNATIONAL TELECOMMUNICATION UNION
TELECOMMUNICATION DEVELOPMENT

Date 09-Nov-05

Project

CERTIFIED CORRECT

FOR THE GOVERNMENT
Signature
Date

FOR THE INTERNATIONAL TELECOMMUNICATION UNION
Signature
Date

INVENTORY OF NON-EXPENDABLE EQUIPMENT

Requisition No.	Description	Qty	Total value in US dollars	Order No. & Supplier
			#Error	#Error
	TOTAL		**#Error**	
END			**END**	

END   **END**

Time Sheet and Work Report for external consultants

Supplier	
Name of consultant **First name**	
Subject of Mission	
ITU Commitment #	**ITU Responsible**

Week #	from	to

	Time sheet	Work report	Visa
Monday			
arrival time			
end time			
Total hours			
Tuesday			
arrival time			
end time			
Total hours			
Wednesday			
arrival time			
end time			
Total hours			
Thursday			
arrival time			
end time			
Total hours			
Friday			
arrival time			
end time			
Total hours			
Saturday			
arrival time			
end time			
Total hours			
Sunday			
arrival time			
end time			
Total hours			
Grand Total hours			

Visa ITU   Geneva,

A copy of this weekly time sheet has to be attached to the supplier's invoice!

Selected Purchase Orders

Item: Printer

Project	PO No	PO Date	Supplier	Delivery address	Status

INTERNATIONAL TELECOMMUNICATION UNION

TELECOMMUNICATION DEVELOPMENT BUREAU
Contracts and Procurement Service

Equipment Suppliers

Name of the company   **xxxxxx xxxxxx**   **HQ** ☐

Headquarters:

Supplier Types

Manufacturer	☐	**Subsidiary**	☐	**Agent**	☐
Trading Company	☑	**Importer**	☑	**Exporter**	☐
Stockist	☐	**Wholesaler**	☐	**Retailer**	☐
Consulting	☐	**Other**	☐		

Contacts

Contact	Mr. xxxxxx xxxxxxx	**Phone 1**	+xxx xx xx xx xx
Title		**Phone 2**	
Address	xx, xxxx xxxxxxx	**Fax 1**	+xxx xx xx xx xx
	N° x		
	Axxxx	**Fax 2**	
		Email	
City	xxxxxxx		
Country	xxxxxxxx		

Products

Baaaaaaaaaa
bbbbbbbbbbbbbbb
cccccccccccccccccc
ddddddddddddddddd

Example of BDT subcontractor report, by contractor

Subcontracts

Contractor: xxxxxx

Subcontract No Contr Status	Contractor	Project/CC	Budg Info	Curr	Contract Value	Paid	Rest to be Paid
CTR/05/XXX Terminated	**Txxxxxxx**	5COL96027	F00000/A	EUR	XX'XXX'XXXX	XX'XXX'XXX	0.00
CTR/05/XXX Add.N°1 Under Impl	**Txxxxxxx**	5COL96027	F00000/A	EUR	XX'XXX'XXXX	XX'XXX'XXXX	0.00
CTR/05/XXX Add.N°2 Terminated	**TxxxxXX**	5COL96027	F00000/A	EUR			

Example of BDT subcontractor report, by project

Subcontracts

Project: 7RAS02016

Subcontract No Contr Status	Contractor	Project/CC	Budg Info	Curr	Contract Value	Paid	Rest to be Paid
CTR/04/XXX Terminated	AAAAAAAAAAAA	7RAS0XXXX	F00000/A	USD	XX'500.00	XX'500.00	0.00
CTR/04/XXX Under Impl	WWWWWWWWWWWW	7RAS0YYYY	F00000/A	USD	XX500.00	XX'250.00	Y'250.00

Example of BDT subcontracts reminder list (of time-critical events)

Subcontracts Reminder List

09-Nov-05

Subcontract No	Contractor	Adv. Payment	Maint. Guarantee	PB Expiry	Status	Approval Status

23 November 2005

Procurement Project

APPENDIX 1-K

Summary description of BDT applications

Summary description of BDT applications

Procurement system (EQT)
Subcontracts system (SCO)

Introduction

The ITU/BDT currently use customized in-house applications to manage the purchasing of goods and the subcontracts for BDT projects. The EQT system is also a roster for suppliers.

Basic Information

Name of the Application	EQT
Year of implementation	2002
Functionality	Management of procurement and roster for suppliers
Technology environment	MS Access 2000 / MS Windows operating system
Application interface	MS Access 2000
Number of users max	15 with read access
Top users	BDT/IOS/BDev (read/write access)
Support	BDT/IOS/ISS
Number of transactions	150 / year
Size of the application	4'500 KB (application interface only)
Size of the data container	92'000 KB (contains all the data of the BDT administrative systems)
Reports	• Purchase order (in English, French and Spanish) • Inventory list (in English, French and Spanish) • Suppliers information (in English)

Name of the Application	SCO
Year of implementation	1997
Functionality	Management of the subcontracts
Technology environment	MS Access 2000 / MS Windows operating system
Application interface	MS Access 2000
Number of users max	15 with read access

Top users	BDT/IOS/BDev (read/write access)
Support	BDT/IOS/ISS
Number of transactions	50 / year
Size of the application	2'400 KB (application interface only)
Size of the data container	92'000 KB (contains all the data of the BDT administrative systems)
Reports	• Reminder list • Contract details

These applications belong to the BDT administrative systems suite. The other systems are the Budget Control System (BCS), the Istanbul Action Plan System (IsAP), the Recruitment and Control Administration (RCA) and the Fellowships System (FEL). All these applications are linked to the same data container, a Microsoft Access 2000 file (BDT900.MDB) and its access is strictly controlled by the ITU network security features, the Microsoft Access integrated security and the application itself.
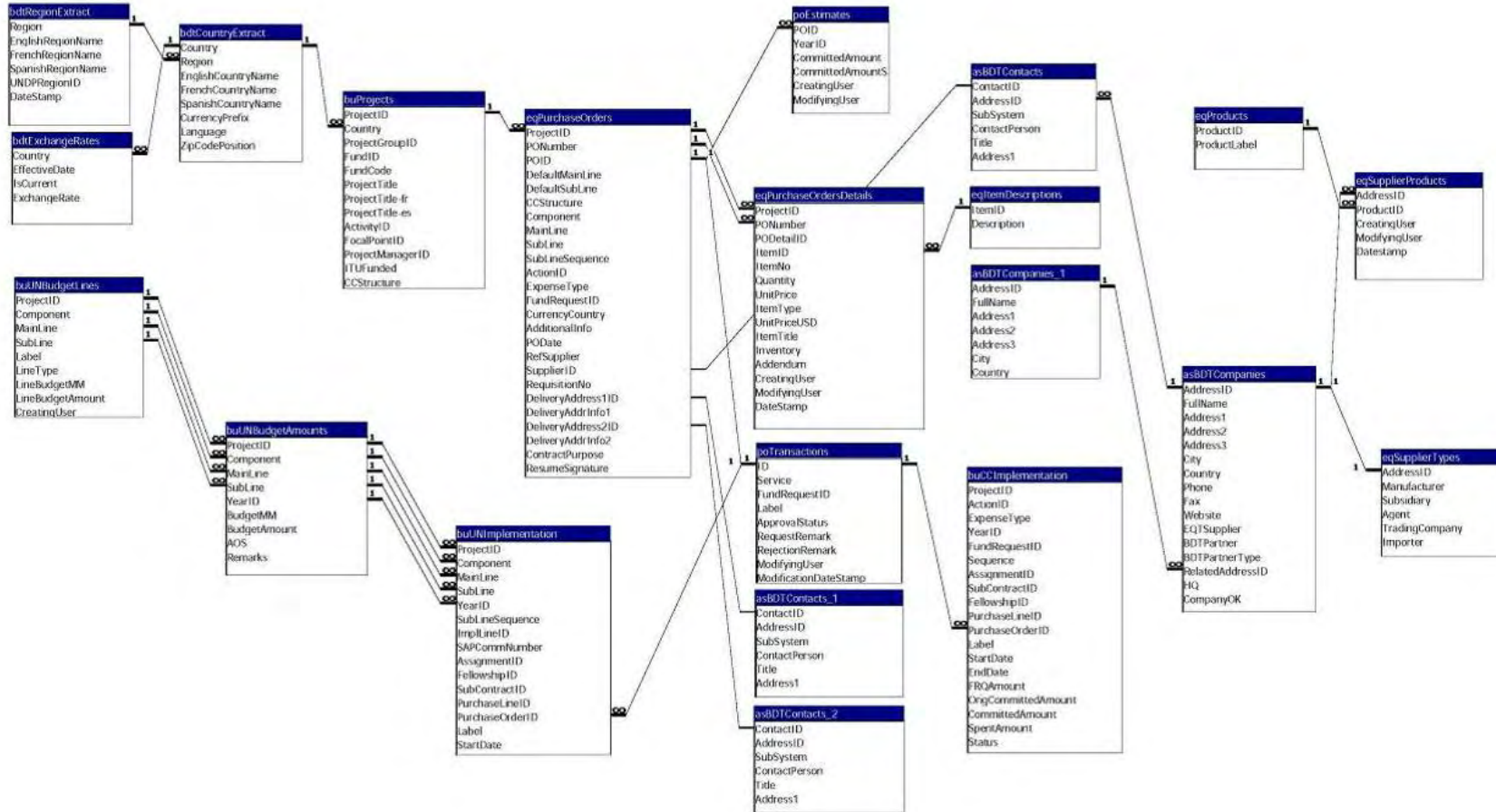
Setup environment

Windows Script files execute the installation of the BDT applications. They ensure that all users have the latest version of the systems, and are able to update them if necessary.
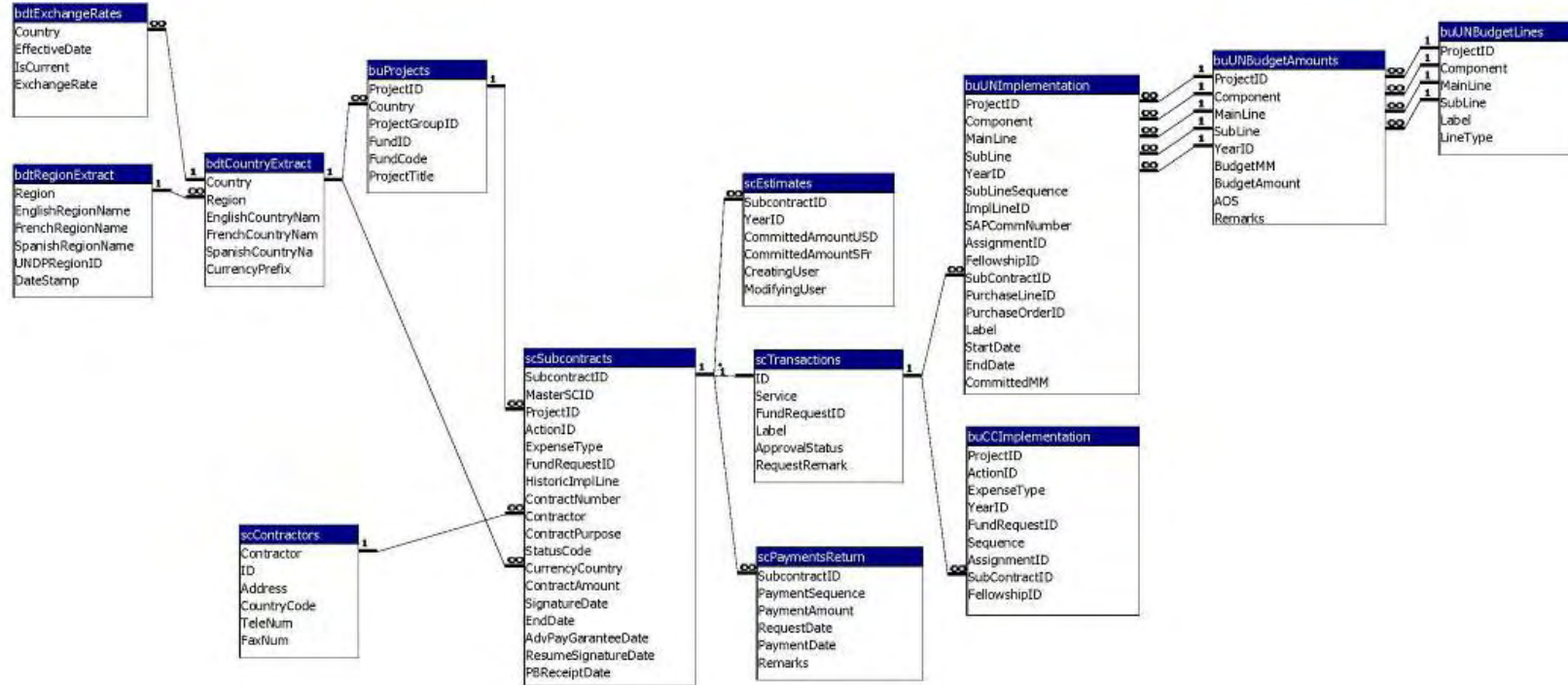
Relationships

EQT

Relationships for Eqt
16 November 2005

SCO

Relationships for Sco
16 November 2005

Link with other systems

The EQT and SCO systems are linked to the BCS and the IsAP systems. As soon as a purchase order or a subcontract has been completed, a request for commitment is sent to the BDT budget unit (currently BDT/ADM) by creating a request for approval in the budget system (BCS for extra budgetary projects, IsAP for BDT projects). Then the budget unit can approve or reject the commitment after checking the validity of the purchase order or the subcontract and/or the availability of funds.

The following diagram describes the data flow between the BDT applications and the SAP system used by the ITU.

**BDT applications
Data Flow diagram**