



International Civil Aviation Organization

Seventh Symposium and Exhibition
on ICAO MRTDs, Biometrics
and Security Standards

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MRTD Procurement: the foundations of a Tender Process

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Agenda

- 1 Procurement process
- 2 Planning the procurement process
- 3 Specifications and evaluation criteria
- 4 Methods of procurement
- 5 Sources of supply
- 6 Obtaining offers
- 7 Evaluation

The Procurement Process at ICAO

TG1

TG2

TG3

TG4

TG5

Prestudy
"What?"

Preparation
"How?"

Execution
"Do!"

Termination
"Close!"

Main Purpose with the Phase

Initiate the procurement project

Conduct the tender, evaluate and select the supplier

Prepare and negotiate the contract

Get the signature of the Contract

Get the FAT approval and the equipment ready to ship

Get the SAT approval

Organise the after sale service

Close the file

Main Activities in the Phase

- Develop the technical specifications
- Define project requirement
- Establish budget
- Determine the optimum bidders' list

- Prepare the tender and send it to bidders
- Organise the possible site survey
- Conduct the technical and commercial evaluations of tenders
- Summarise the evaluations and select the supplier(s)

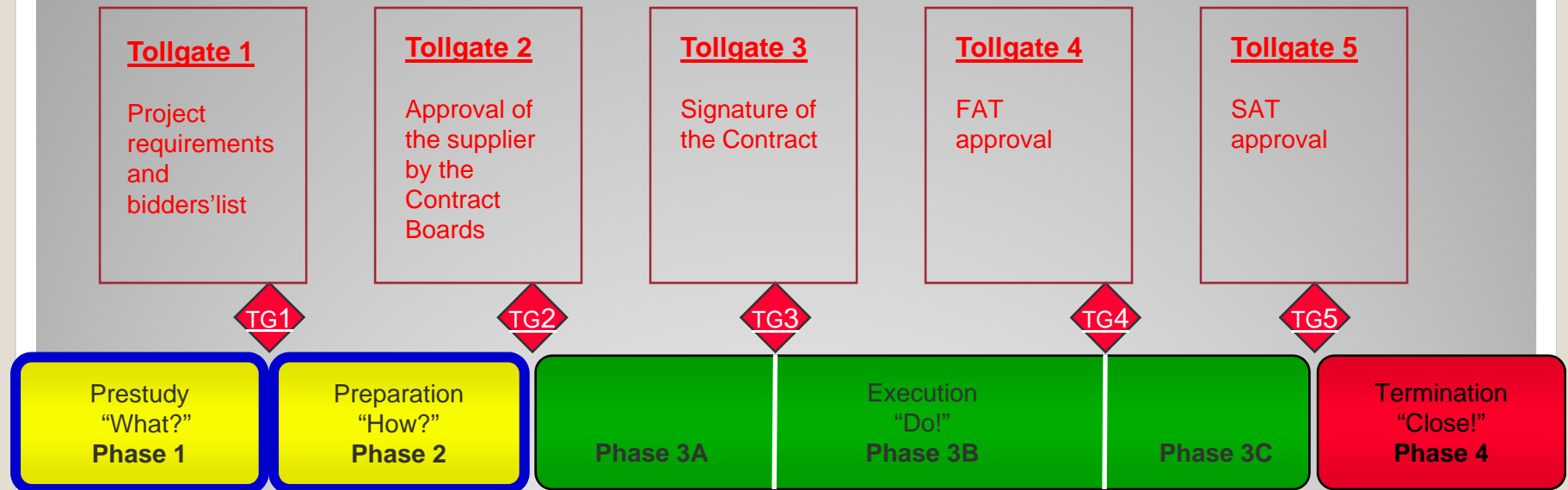
- Build the overall planning of the project
- Prepare the contract
- Circulate the contract (country, LEB, ...)
- Negotiate with supplier

- Arrange the down payment
- Write regret letters
- Review the SDD
- Review the FAT procedures
- Attend FAT
- Check the shipment

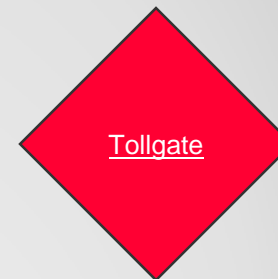
- Check the delivery
- Facilitate the customs clearances
- Review the SAT procedures
- Attend SAT on site
- Organize progress review meeting if needed

- Finalize the payment
- Specify the warranty period
- Follow the claims and their resolution during the warranty period.

The Procurement Process at ICAO



Tollgate
A defined point at which formal decisions are made about continuation of the project

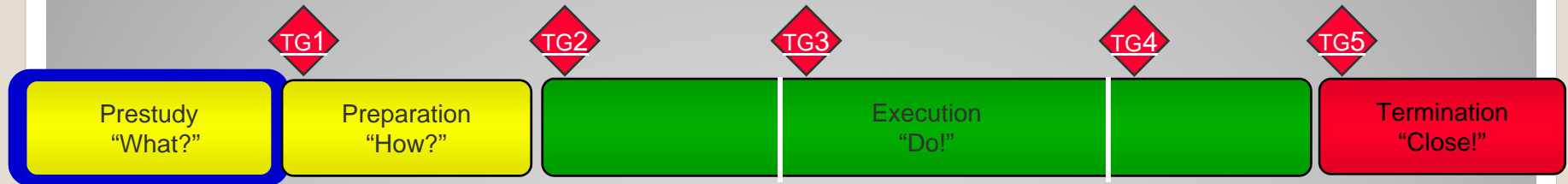


Procurement Quality Assurance Process

PHASE 1 : Pre-Study			
N°	ACTIVITY	END DATA	Check
1	PROJECT FILE		
1.1	Determine the end-users needs	Planning, key dates, quantities obtained from the customer Sole Source Determination form obtained from the customer if applicable: P-PRO-020-F1 Purchase Requisition obtained from Field Section: Agresso Category code and specific description of the Purchase Requisition reviewed for correctness	
1.2	Structure the project	Buyer designated for the project Money available on the project account to start preliminary procurement actions (to be requested if not) Sole Source Determination form approved by C/PRO if applicable: P-PRO-020-F1 TAR issued to obtain Technical Specifications and Technical Evaluation Criteria: P-PRO-100-F1 Formal criteria completed Expert and associated cost to write the specifications approved by the customer if applicable Budgetary price established (price of the equipment/service (with I&F) + O/H + TSS + PLI)	
1.3	Obtain approval for the procurement	Technical Specifications, evaluation criteria and budget sent to the customer: P-PRO-020-F2 Approval of the Technical Specifications, Evaluation Criteria and Budget by the customer	
1.4	Review the project	PR summary updated: G:\PRO:\z - pr summaries Decision to end phase reviewed	
2	TECHNICAL PART		
2.1	Analyse the need	Basic technical needs obtained from the customer Expert requested to write the Specifications and Evaluation Criteria Suitable and qualified expert identified and engaged Site survey organized if needed	
2.2	Define the solution	Technical specifications with technical evaluation criteria written Technical specifications approved by TO	
2.3	Estimate the cost	Estimated price of the Equipment/Service defined TSS fee calculated: P-PRO-070 (in progress)	
2.4	Define the bidders	List of possible suppliers established (panel)	

1

Procurement process



2

Planning the procurement process

Procurement Planning Phase

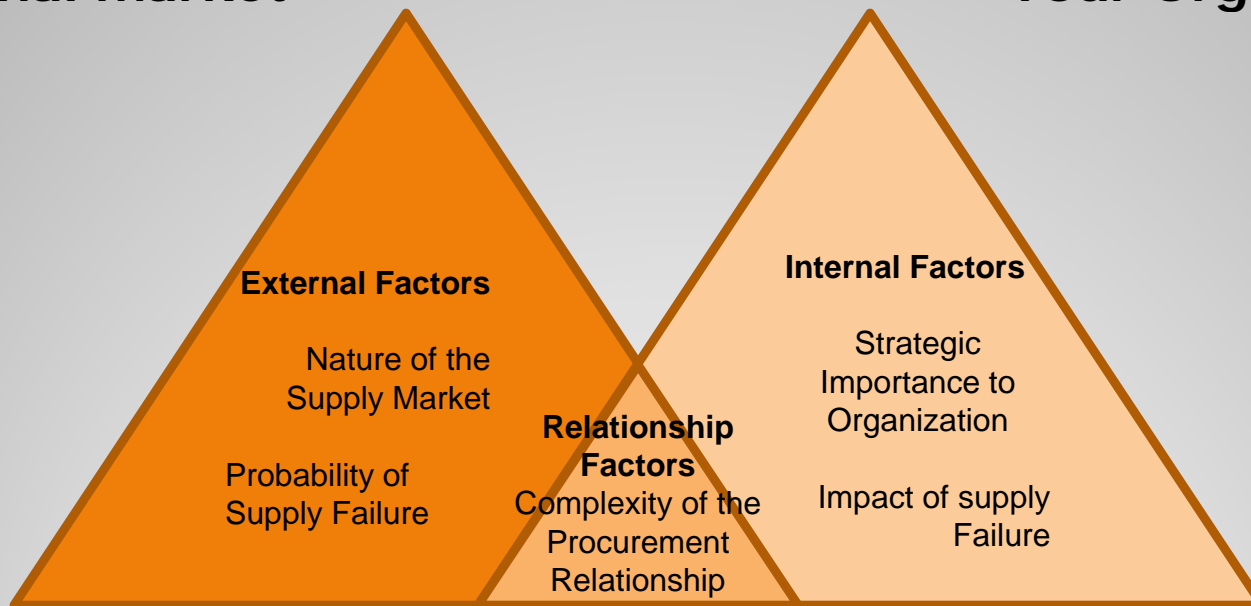
1. Confirms the need
2. Defines objectives, time frames and performance indicators
3. Identify the potential risks
4. Optimizes the use of resources
5. Determine the correct method of procurement
6. Determine appropriate selection criteria
7. Provides a better service to clients



Risks in Procurement

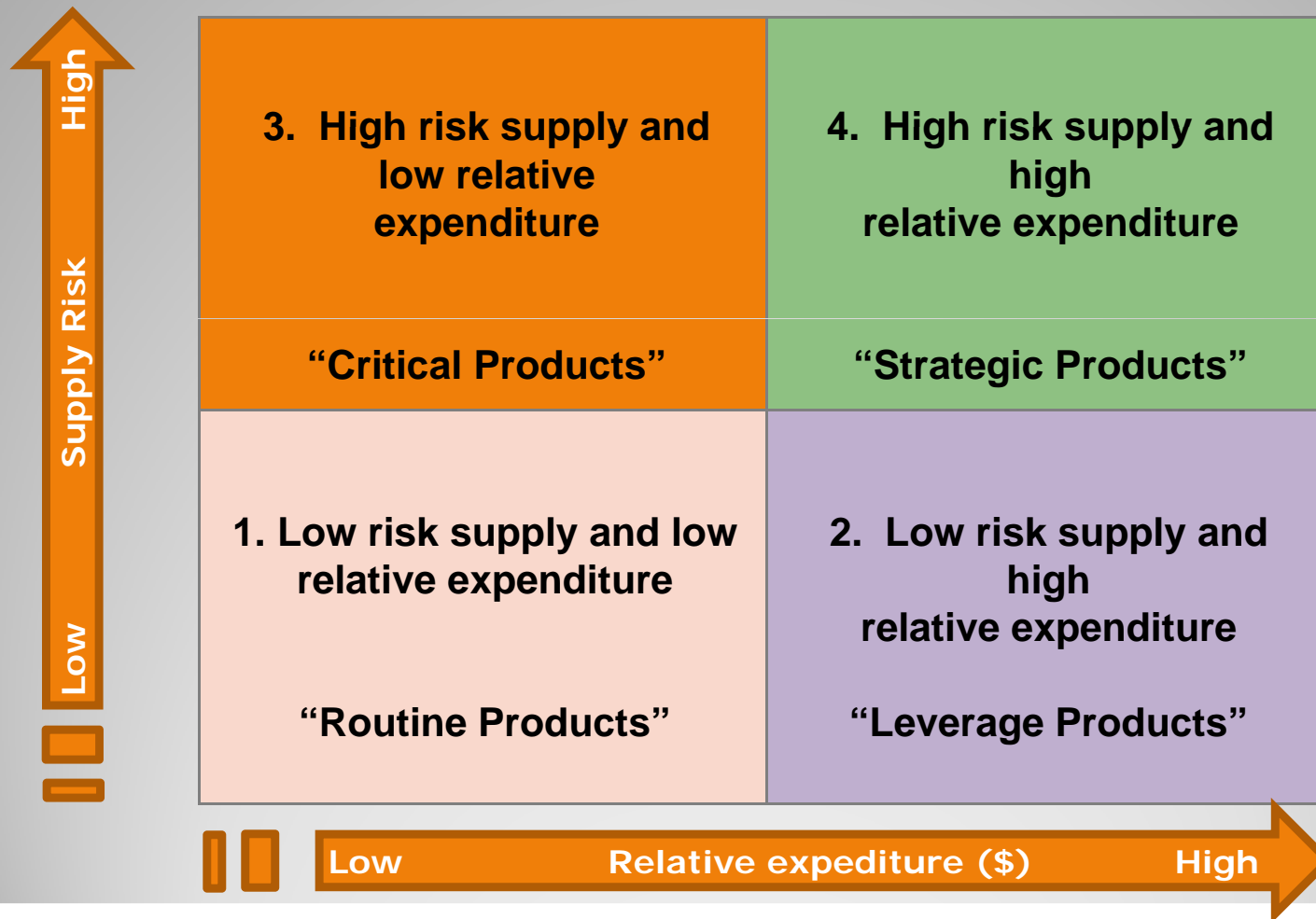
External market

Your Organization

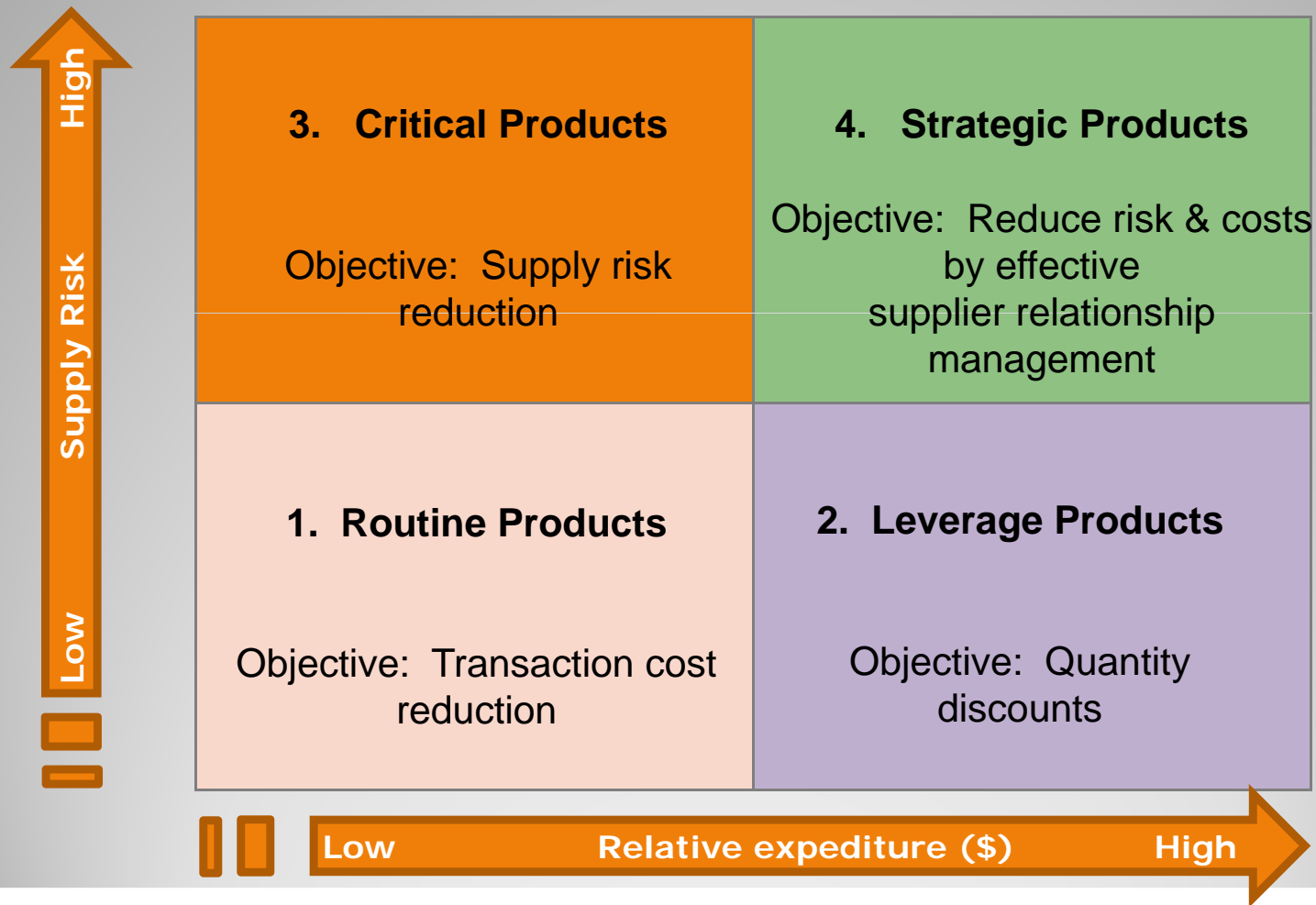


Risks in Procurement

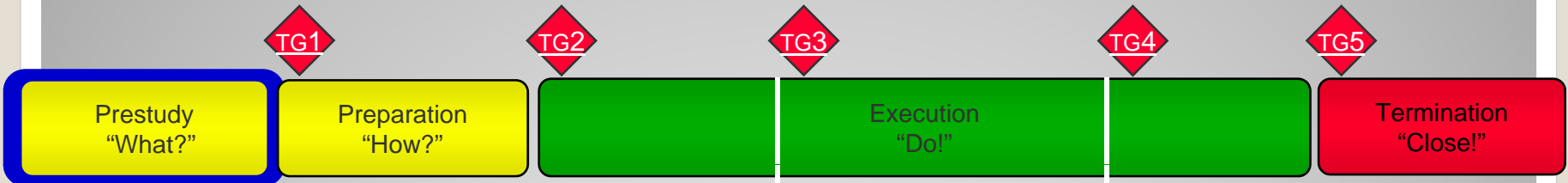
SUPREM
Supply Positioning and Risk Evaluation Matrix



Main Procurement Objectives



- 1 Procurement process
- 2 Planning the procurement process

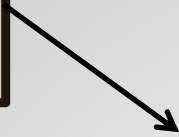


3 Specifications and evaluation criteria

TOR/Specifications

Specifications are the “heart” of the procurement transaction

Defines client needs



Tells buyer what to buy



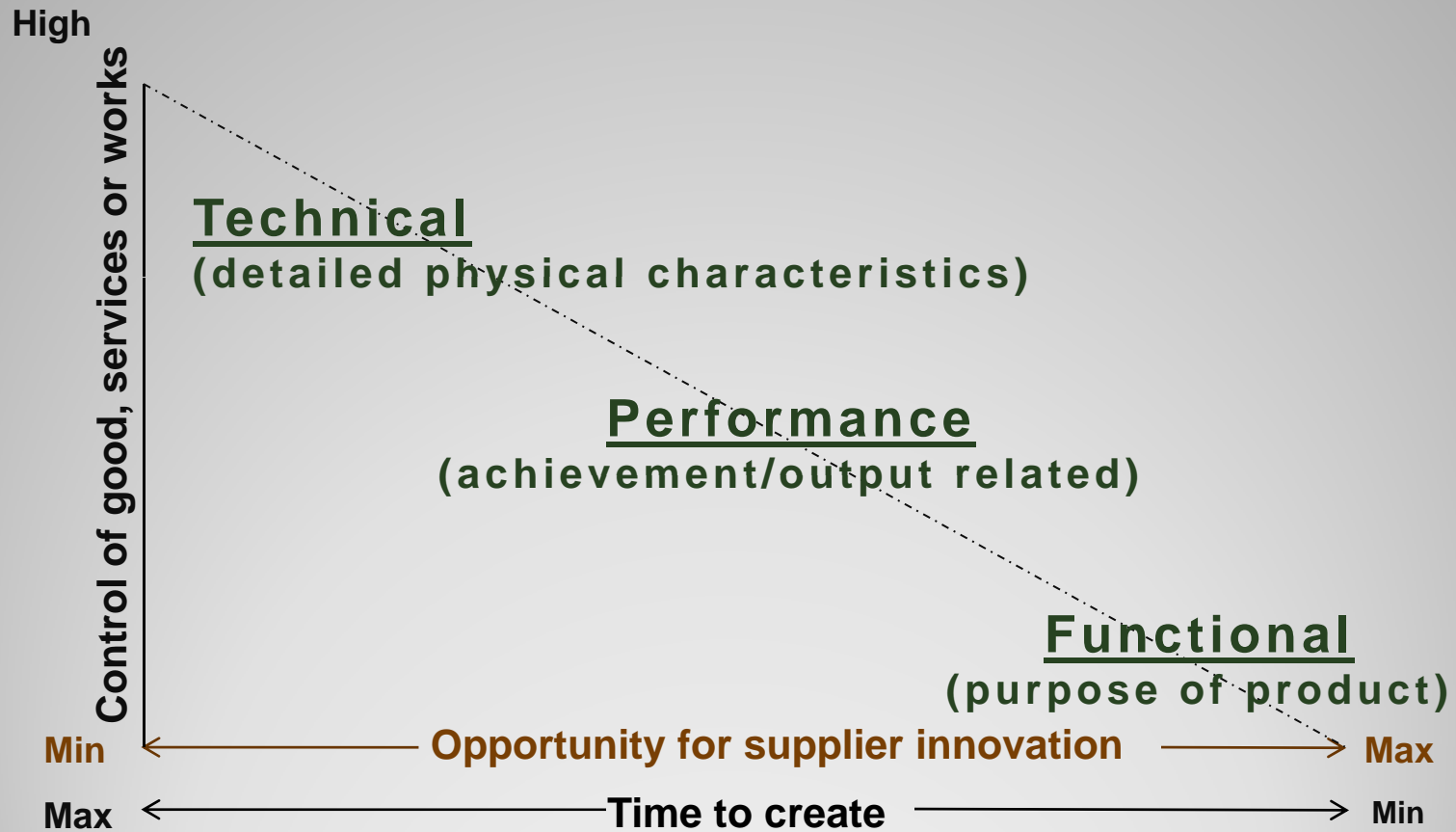
Tells supplier what is required



Sets standards for quality



Type of specifications



Methods of defining requirements

- Seeking outside input
- Dissecting requirements
- Value analysis and value engineering
- Staged refinement
- Use of Quality standard



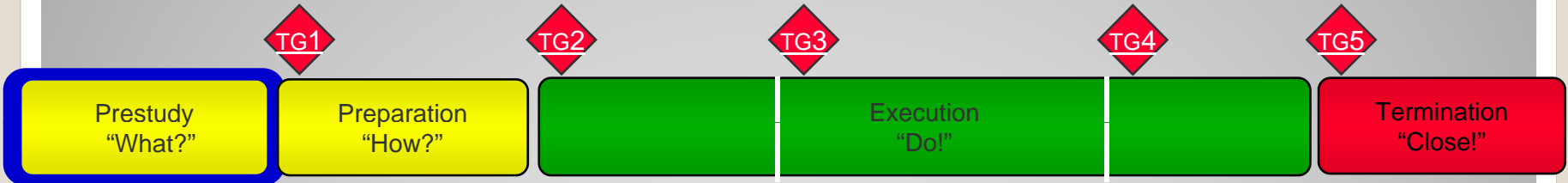
**For MRTD specifications:
ICAO Document 9303**

Evaluation Plan

The evaluation plan must be developed at the same time as Specifications to ensure that:

- information needed for evaluation is requested from supplier;
- all requirements are covered by the evaluation;
- suppliers respond in a form that matches the evaluation criteria and method;
- transparency.

- 1 Procurement process
- 2 Planning the procurement process
- 3 Specifications and evaluation criteria



- 4 Methods of procurement
- 5 Sources of supply

Solicitation Methods at ICAO

THRESHOLD	< \$100,000	> \$100,000
METHOD	REQUEST FOR QUOTATION (RQ)	SEALED TENDER (ST)

- Tendered through ICAO HQs;
- Advertised on ICAO Bulletin Board;
- Suppliers can add themselves to the bidders list directly.

Welcome to the ICAO Tendering Website

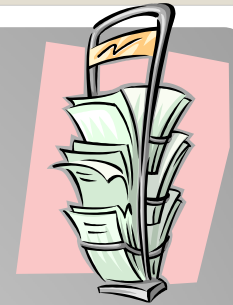
Suppliers interested in viewing the International Civil Aviation Organization's (ICAO) current tendering opportunities may select the Bulletin Board button below:

 [Bulletin Board](#)

Sourcing of suppliers

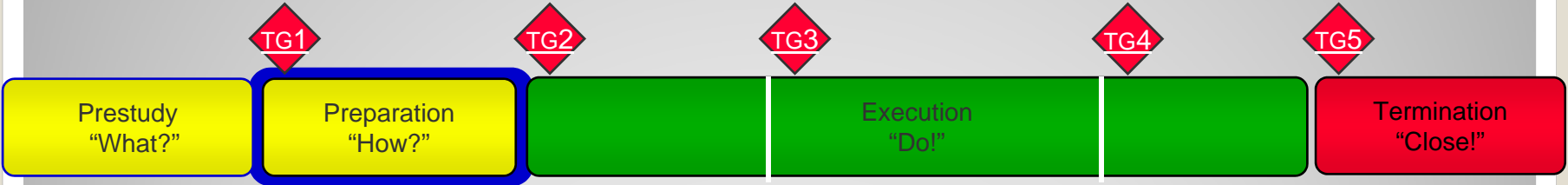
- Long Term Agreements
- ICAO Database / United Nations Global Marketplace
- Consultations with other UN organizations or agencies
- Databases:
 - DACON (www.dgmarket.com/dacon)
 - Kompass System (www.kompass.com)
 - Thomas Register (www.thomasnet.com)

Sourcing of suppliers



- Trade publications, directories, suppliers catalogues
- Industry Directories & Associations
- Supplier files and previous files for similar purchases
- Supplier visits/factory inspection
- Conference, trade fair, exhibitions
- End-users/clients
- Consultants and/or commercial agencies

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6 Obtaining offers

Obtaining offers



Bidding documents

- Ensure fair and transparent dissemination of important information
- Generally comprise the following sections:
 1. Instructions to Tenderers;
 2. Specifications with evaluation criteria
 3. Bid/Proposal submission form
 4. General Terms and Conditions of Contract
- Implement risk management

Reducing the **likelihood** of things going wrong

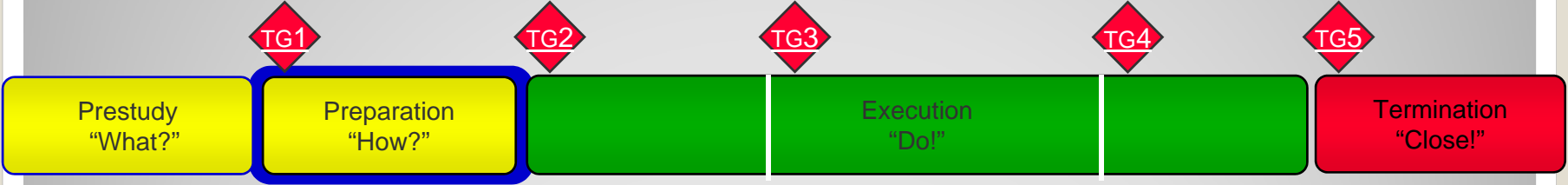
Risk management options which reduce the likelihood include:

- Specifications of appropriate product or service standards
- Site visit and technical meeting at tendering stage
- Inspection and testing
- Training
- Appropriate special contract conditions
- Kick-off meeting and Design Review Meeting
- Management control mechanisms

Reducing the **consequences** if something does go wrong

- Warranties and guarantees (performance bond)
- Insurance
- General and special terms of contract conditions (liquidated damages, termination, refuse to accept delivery)
- Contingency plans

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- 6 Obtaining offers



7 Evaluation

Evaluation

Based on the evaluation criteria of the specifications/TOR:

Goods:

- pass/fail
- Lowest priced technically responsive offer

Services:

- Price and quality through scoring
- Highest overall financial and technical score

EVALUATION SUMMARY SERVICES (Final Proposal & Detailed Program)				
Evaluator name: SaskTel Tender #170				
Contract award will be recommended to the company with highest combined score (technical + commercial points).				
TECHNICAL EVALUATION				
Criteria	Max. Score	Proposal 1	Proposal 2	Proposal 3
Personnel Experience	100	110	100	70
Work Plan and Approach	100	100	100	100
Personnel	100	100	100	100
Total Technical Points	300	310	300	270
COMMERCIAL EVALUATION				
Criteria	Max. Score	Proposal 1	Proposal 2	Proposal 3
Price of proposal without taxes	400	400	200	0
Price of proposal with taxes	400	400	200	0
Total Commercial Points	400	400	200	0
Combined Score (Technical + Commercial)	700	710	500	270

For calculation of the price score, use the formula: $P = \frac{1000000 - \text{Price}}{1000000}$

CONCLUSION:
Following the evaluation, Proposal 1 is recommended for contract award.
Other proposals are the lowest, technically compliant bid, or the technical evaluation proposal 2 scored negatively better than proposal 1, however, the price was 50% higher than proposal 1. Proposal 3 is not eligible for commercial evaluation due to non-compliance with 10% of technical points.
I have reviewed and certified the evaluation as the best judgement.
Signature: _____

Supplier vetting



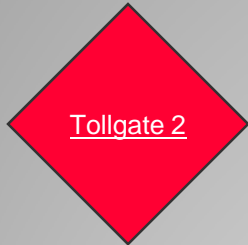
Ensure that the supplier has

- ✓ adequate financial resources to perform the contract
- ✓ comply with ICAO General Terms and Conditions
- ✓ a satisfactory performance record
- ✓ the necessary organization, experience, accounting and operational controls, appropriate insurance and technical skills
- ✓ the necessary technical experience, equipment, facilities, production capacity

Approval Process



PROCUREMENT VALUE	DESIGNATED AUTHORITY
< \$10,000	Allotment Holder
< \$99,999 (\$49,999 sole source)	Allotment Holder
\$100,000 to \$199,999 (\$50,000 sole source)	Contracts Board (recommended by C/PRO)
> \$200,000	SECRETARY GENERAL (recommended by CB)
> \$3,000,000: physical meetings of Contracts Board	



Tollgate 2 achieved
A defined point at which formal decision is made to place a PO/Contract with the selected supplier

Tollgate 1
Project requirements and bidders' list

Tollgate 2
Approval of the supplier by the Contract Boards

Tollgate 3
Signature of the Contract

Tollgate 4
FAT approval

Tollgate 5
SAT approval



Prestudy
"What?"
Phase 1

Preparation
"How?"
Phase 2

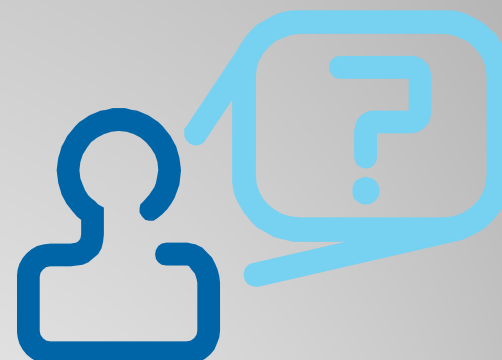
Phase 3A

Execution
"Do!"
Phase 3B

Phase 3C

Termination
"Close!"
Phase 4

Questions



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THANK YOU !

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