



International Civil Aviation Organization

# Procurement Process Briefing

## ICAO/TCB Procurement Procedures and Mechanisms

# Agenda



1 ICAO/TCB/PRO Organization

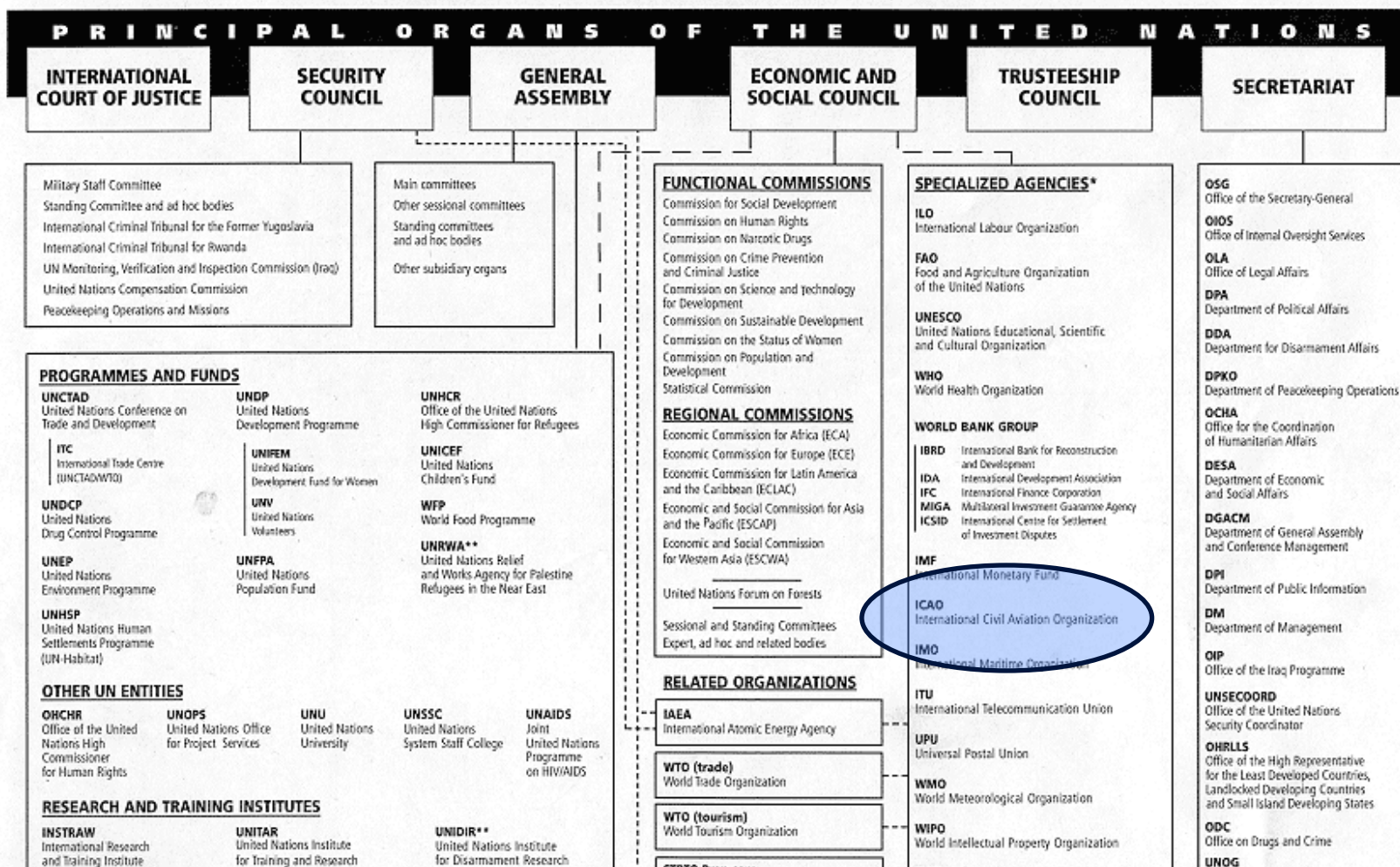
2 Principles of Procurement at ICAO as a UN Agency

3 Procurement Process

# ICAO as a UN Specialized Agency



## The **UNITED NATIONS** system



# ICAO Secretariat

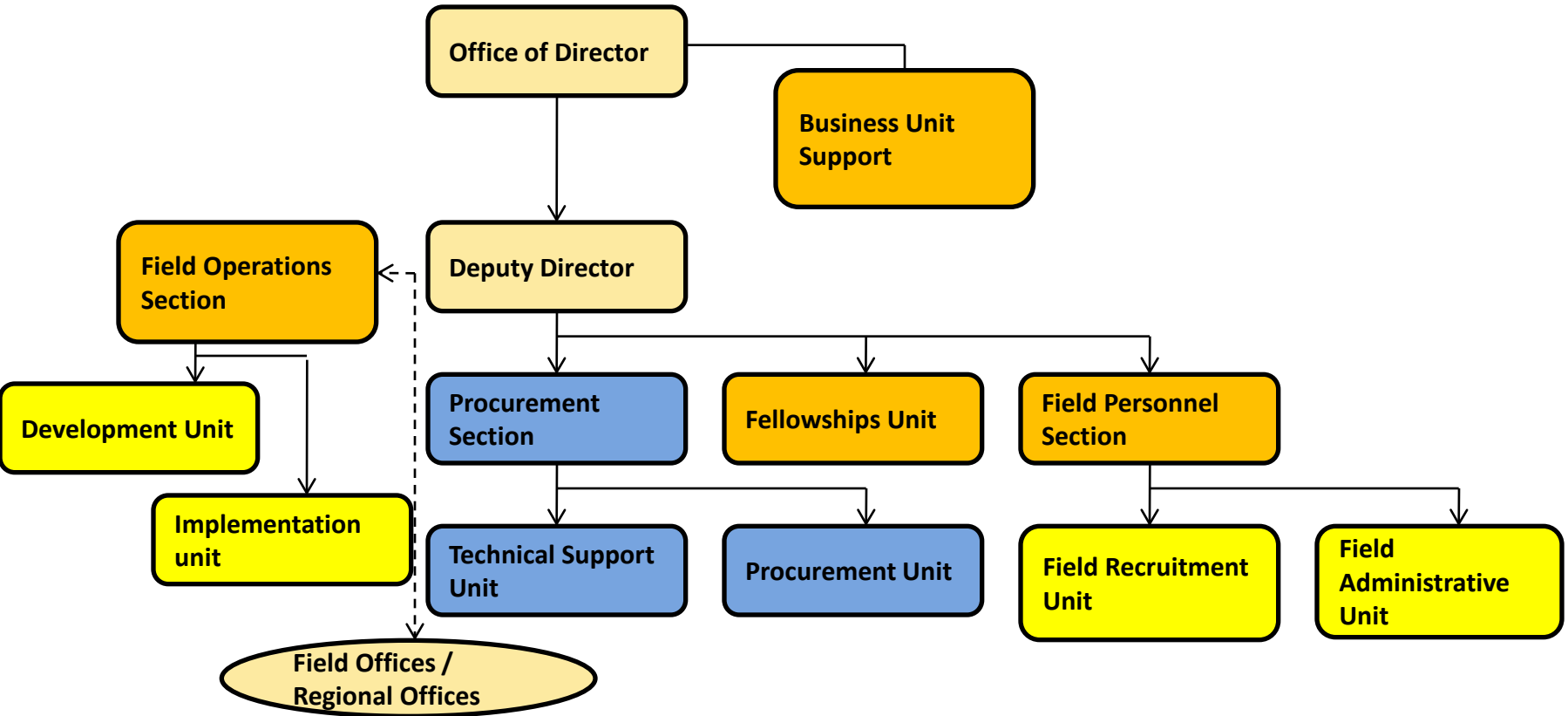


Managed by the Secretary General, nominated by the Council

Consists on five main Bureaux

- Air Navigation Bureau, ANB
- Air Transport Bureau, ATB
- Administration and Services Bureau, ADB
- Legal Bureau, LEB
- **Technical Co-operation Bureau, TCB**

# Technical Co-operation Bureau (TCB)



**Technical Support from other Bureaux of ICAO**

**Personnel: 60 in TCB and 23 in RP**

**Consultants and Technical Experts: 560 international and 1,500 national annually**

# Procurement Section

## Technical Support Unit

- **Technical Specifications**
- **Budgetary Estimates**
- **Technical Negotiations**
- **Factory & Site Acceptance**
- **Field Support**

## Procurement Unit

- **Procurement of Goods & Services**
- **Tendering**
- **Contract Preparation**
- **Contract Administration**
- **Financial Management**
- **Liaise with Field Ops. / Field Staff**
- **Liaise with States & CAA**

# Infrastructure and Services



- Aerodromes
- Air navigation systems and equipment
- Security systems and equipment
- Airport management systems
- Maintenance programmes
  - Organization
  - Update





# Air Navigation Equipment



**TOWER EQUIPMENT**



**SIMULATORS**



**CONTROL CENTERS**



**RADARS**



**SAT COMM**



**NAV AIDS**





# Airport Equipment

- Special equipment
- Boarding bridges
- Fire fighting equipment
- Automated systems
- Modernization works



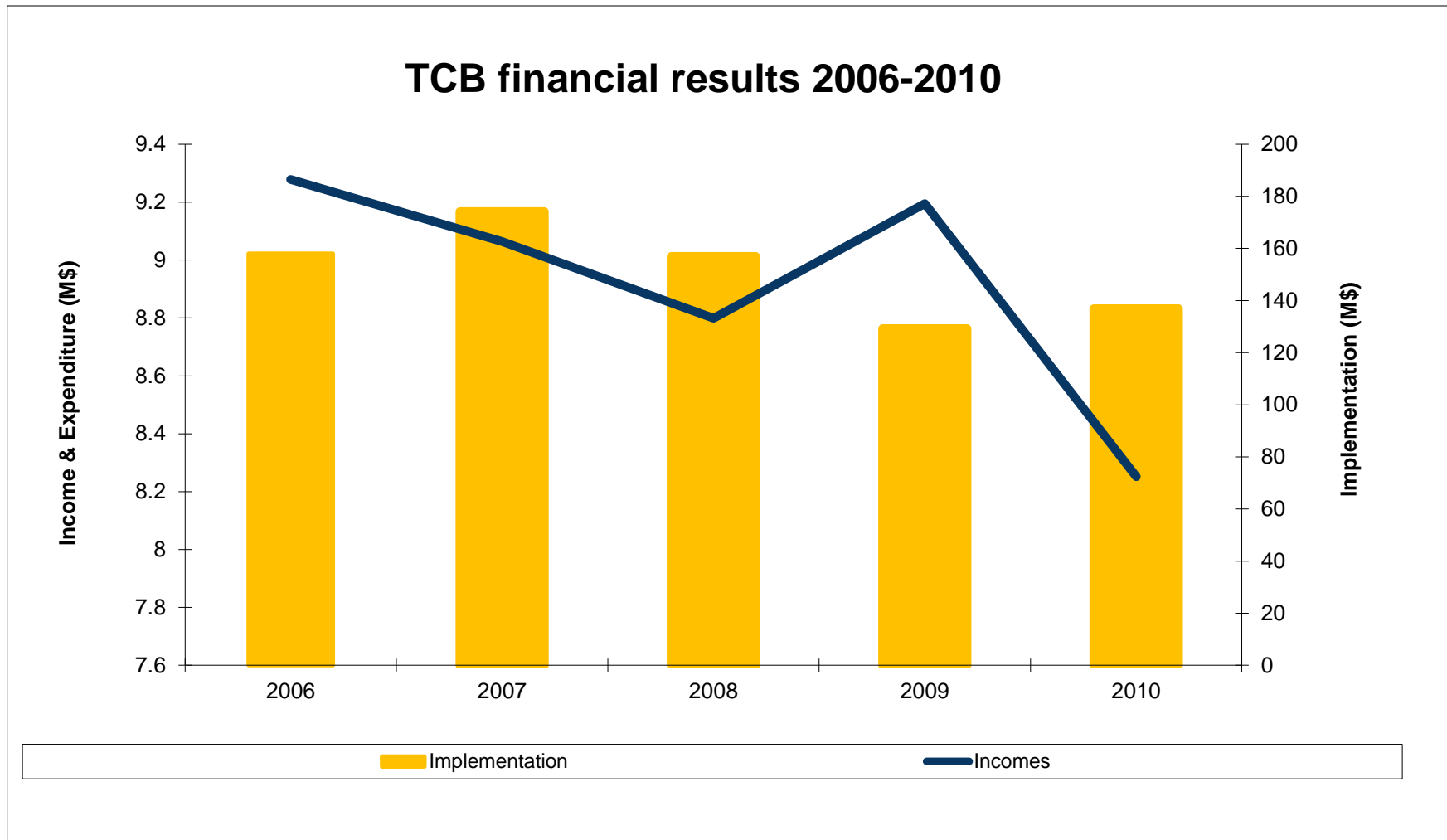
# TCB Implementation Program



**Over 200 Projects in more than 80 Countries \* 20 Regional Projects**



# TCB implementation figures



# Administrative Costs

- The operating costs of TCB are financed mainly by the **administrative cost** applied to technical co-operation projects, **between 5% and 10%**, always trying to make it the lowest possible.
- The **administrative costs** applied to the procurement of equipment and systems and/or contracting services that involve big amounts are usually **between 4% and 8%**.



# TCB is generating strong results

## Results for States beyond ICAO SARPs Compliance

Strengthened civil aviation institutions

Trained, developed and harmonized human resources

Transferred knowledge, technology, innovation and

Modernized infrastructure and services

# Principles of Procurement at ICAO as a UN Agency



- Best value for money
- Integrity (ethics)
- Accountability (audit trail)
- Fairness (vis-à-vis suppliers)
- Transparency (clear instructions/advertising)
- Effective competition (open tendering)

# The Procurement Process at ICAO for Field Projects



## Main Purpose with the Phase

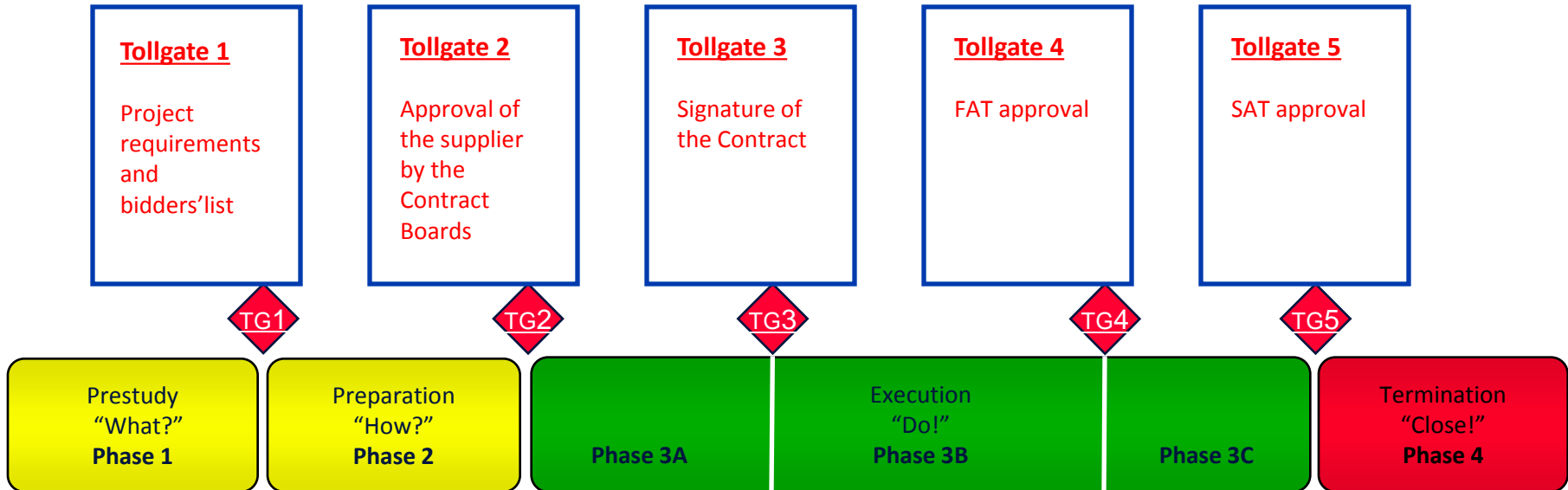
<p>Initiate the procurement project</p> <p>Determine requirements</p> <p>Determine Bidders' list</p>	<p>Conduct the tender, evaluate and select the supplier</p>	<p>Prepare and negotiate the contract</p> <p>Get the signature of the Contract</p>	<p>Get the FAT approval and the equipment ready to ship</p>	<p>Get the SAT approval</p>	<p>Organise the after sale service</p> <p>Close the file</p>
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## Main Activities in the Phase

<ul style="list-style-type: none"> <li>• Develop the technical specifications</li> <li>• Establish budget</li> <li>• Determine the optimum bidders' list</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare the tender and send it to bidders</li> <li>• Organise the possible site survey</li> <li>• Conduct the technical and commercial evaluations of tenders</li> <li>• Summarise the evaluations and select the supplier(s)</li> </ul>	<ul style="list-style-type: none"> <li>• Build the overall planning of the project</li> <li>• Prepare the contract</li> <li>• Circulate the contract (country, LEB, ...)</li> <li>• Negotiate with supplier</li> </ul>	<ul style="list-style-type: none"> <li>• Arrange the down payment</li> <li>• Write regret letters</li> <li>• Review the SDD</li> <li>• Review the FAT procedures</li> <li>• Attend FAT</li> <li>• Check the shipment</li> </ul>	<ul style="list-style-type: none"> <li>• Check the delivery</li> <li>• Facilitate the customs clearances</li> <li>• Review the SAT procedures</li> <li>• Attend SAT on site</li> <li>• Organize progress review meeting if needed</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize the payment</li> <li>• Specify the warranty period</li> <li>• Follow the claims and their resolution during the warranty period</li> <li>• Assess customer satisfaction</li> </ul>
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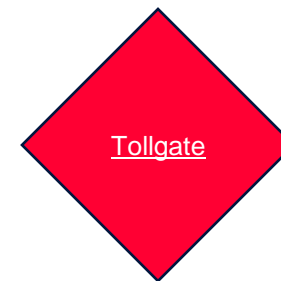


# The Procurement Process at ICAO for Field Projects



## Tollgate

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



# The Procurement Quality Assurance Process

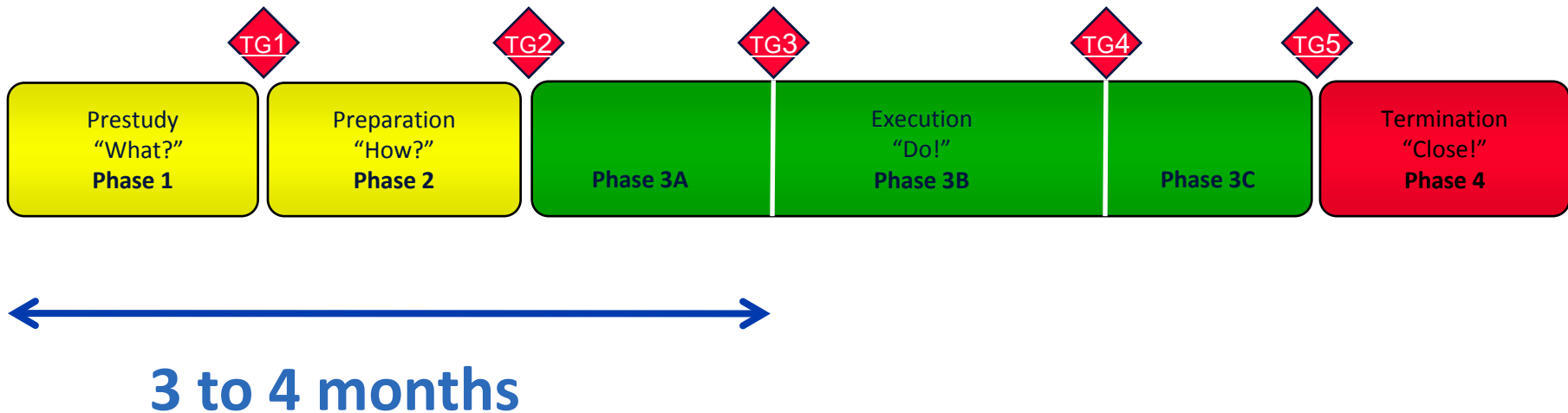


PHASE 1 : Pre-Study			
N°	ACTIVITY	END DATA	Check
<b>1</b>	<b>PROJECT FILE</b>		
1.1	<b>Determine the end-users needs</b>	Planning, key dates, quantities obtained from the customer Sole Source Determination form obtained from the customer if applicable: P-PRO-020-F1 Purchase Requisition obtained from Field Section: Agresso Category code and specific description of the Purchase Requisition reviewed for correctness	
1.2	<b>Structure the project</b>	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	<b>Obtain approval for the procurement</b>	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	<b>Review the project</b>	PR summary updated: G:\PRO\z - pr summaries Decision to end phase reviewed	
<b>2</b>	<b>TECHNICAL PART</b>		
2.1	<b>Analyse the need</b>	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	<b>Define the solution</b>	Technical specifications with technical evaluation criteria written Technical specifications approved by TO	
2.3	<b>Estimate the cost</b>	Estimated price of the Equipment/Service defined TSS fee calculated: P-PRO-070 (in progress)	
2.4	<b>Define the bidders</b>	List of possible suppliers established (panel)	

# The Procurement Quality Assurance Process



- ISO 9001:2008 certified;
- Efficiency constantly monitored and subject to improvement;



# Involvement of the end-user

- At any stage of the procurement process (establishment of the requirement, tendering process, evaluation and contractual negotiation; project management);
- Can request one or more steps of the process or the whole procurement as turn key;
- Always the ultimate decision maker.

# Registration of Suppliers

- **ICAO database of more than 3000 suppliers of civil aviation equipment and/or services;**
- **Suppliers can self register on ICAO's tendering website:**  
<http://www.icao.int/procurement>
- **No registration fee**

# 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



# The TCB Advantages

- ✈ Impartiality and Objectivity
- ✈ Knowledge and Experience
- ✈ Economy of Scale
- ✈ No commercial interests
- ✈ Transparency
- ✈ Low costs



# Some successful examples

- Building a new airport in a period of 19 months
- Facilitation of the transition from military to civil aviation authority / Establishment of new autonomous civil aviation authorities
- Airport and air traffic management in conflict situations
- Rehabilitation of runways and construction of new hangar facilities
- Support to governments in the surveillance of airport concession processes
- Tendering process for regional satellite communication systems (involving several countries)
- Procurement of 55 ARFF vehicles and associated equipment, 22 PBB, 3 BHS, 4 ACC and flight simulators, 24 radars, 2 ADS-B, 35 VOR/DME, 5 ILS, 3 AMHS, two complete overhaul of aircraft, 2 complete country VSAT networks, more than 100 different security equipment and surveillance systems procured during the last 3 years.

# THANKS FOR YOUR ATTENTION !



Any questions?

[procurement@icao.int](mailto:procurement@icao.int)

## Reference material:

- ICAO Procurement Code
- ICAO Procurement Procedures Manual
- UNDP Procurement Certification Level 2 course material