

Sourcing in Emergencies

Overview

Goods/supplies can be procured locally or internationally. The Procurement Officer in coordination with the Chief of Mission (COM)/authorized delegate should assess the operational needs and determine whether items are readily available locally, from IOM's global Long-term Agreement (LTA) suppliers, or from IOM pre-positioned stocks including IOM Global Stocks.

The COM should consider the cost-effectiveness of continuing such local purchases beyond the initial phase of the emergency, compared with making those purchases internationally.

The Supply Chain Division (SCD) and the Department of Financial Administration and Management (DFM) Emergency Support Team can provide advice and support as needed. If procurement is to be done by the Implementing Partners (IPs) on behalf of IOM, the Country Office should first check the donor agreement where it is determined if the IP can follow up their own procurement rules or they should follow IOM's procurement guidelines.

This entry focuses on sourcing in emergencies to enable timely response to urgent needs. It is important to consult the IOM Procurement Manual for more information. The manual can be found in the Guidance Documents and Tools for Procurement and Logistics entry.

Key Points

- Carefully evaluate the market before sourcing goods or services.
- Give attention to the financial, operational, social, and environmental implications of your sourcing strategy.
- Look carefully at issues of quality, especially when procuring emergency relief items locally.
- Do not hesitate to seek support from the Supply Chain Division (SCD) and the DFM Emergency Support Team.
- Ensure segregation of duties in the performance of procurement functions.

Scope and Application

Procurement

Emergency procurement must be undertaken in compliance with the IOM Procurement rules and regulations, and all other directives and administrative instructions relevant to procurement processes as outlined in the IOM Procurement Manual.

Identifying sources of emergency supply

Some of the sourcing methods are:

- Drawing from existing IOM Global Stocks (more information is available in the Preparedness and Stock Prepositioning entry).
- Donations or borrowing from other agencies/partner organizations (global/regional stockpiles).
- Purchasing from local, available suppliers based on a quick request for quotation with request for short turnaround.
- Contacting the Regional Office or nearby County Offices to find out if they have emergency stocks that can be used.
- Humanitarian depots can also be utilized to source emergency supplies. For example, the World Food Programme (WFP) have warehouses strategically located in the United Arab Emirates (UAE) and other countries to respond to emergencies.

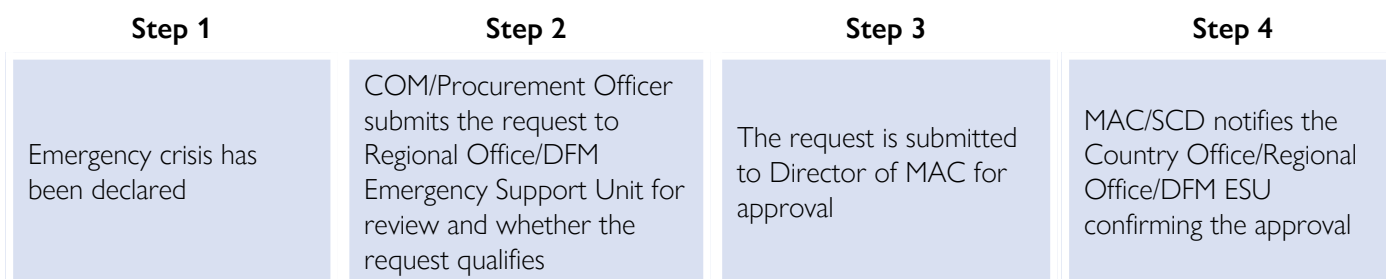
The Procurement Officer should also consider contingency planning where appropriate to allow for the provision of goods and

services. Please contact SCD for advice or assistance in meeting procurement needs.

Process for obtaining approval to waiver competitive bidding process or low value procurement method

Emergency procurement requirements constitute any situation in which the implementation of an action has to start immediately and where there is not enough lead time to conduct bidding activities such as posting invitations, bidding conference, bid submission etc. The COM, in coordination with the Regional Office/DFM Emergency Support Unit/SCD, may request a derogation from the Director of MAC to temporarily waive the normal three bid requirement for acquisitions. Urgent requests that cannot be justified (note that there is a difference between urgent procurement and emergency procurement) and other non-emergency situations must apply standard procurement procedures.

Regardless of the MAC Director waiver it is understood that the procurement is still subject to the sound judgment of the COM/Procurement Officer to ensure that the process offers the best value for money while addressing the emergency nature of the procurement.



After the approval to waive the competitive bidding process or low value procurement, the Country Office should still submit the required documentations (PR, quote(s) and approved BAS) to MAC/GPSU for approval for compliance purpose. The approval to waive the process is different from the compliance approval. GPSU and MAC shall respond with an approval code within 24 hours.

- The Procurement Officer should provide adequate justifications when submitting the request for special derogations and how the derogations will be applied.
- The estimated period should also be specified and in line with the L3, L2, L1 emergency declaration period, depending on the length and scope of emergency. Where an extension is deemed necessary, the Director of MAC should be notified keeping both the Regional Office and the DRM Crisis Unit in copy.
- Lead time for the MAC Director approval is within 1 to 2 days.

Authorization Levels and maintaining accountability

The COM is authorized without the prior approval of the Director of MAC/GPSU, to procure goods/works/services up to a maximum amount of USD 100,000 or its equivalent in local currency. Any purchase above USD 200,000 has to be endorsed by GPSU.

For accountability purposes, the following should be considered:

- The Procurement Officer in coordination with the COM, should develop a structure to coordinate and authorize procurement activities.
- The Procurement Office must raise awareness on the possibility of conflict of interest and should manage this appropriately.
- Departure from normal procurement processes should be well justified through a note for file which should be kept on record.
- The Procurement Officer shall ensure to follow and adhere to IOM procurement procedures and that the prescribed standards are observed in order to surpass an audit scrutiny.

Steps involved in the procurement process

Vendor selection: Processes and controls should be in place to utilize appropriate vendors when procuring in emergency. Competition should be sought to the maximum extent possible. Vendors approved by COM should be registered in PRISM. Each vendor should have a unique vendor number and completed Vendor Information Sheet, and relevant company files should be kept in the Country Office's procurement department. A purchase order should not be issued unless the vendor number exists in PRISM. A vendor file should also be maintained. The answers to the following questions should be considered in choosing a vendor:

- Which humanitarian organization is using the same supplier?
- How long has the supplier been in business and what is the feedback from their references?
- Where is the supplier located? If the supplier is located outside of the country, what are the cost implications in terms of transport and duties?
- Is the supplier a registered business entity?
- What other businesses is the supplier involved with?

Raising of the procurement request: A standardized Purchase Requisition Form should be used to request emergency supplies. The requisitions should be clear with exact specific technical requirements and quantities and should indicate the priority of the supplies depending on the identified needs.

WBS and Funds/budget availability check: The Resource Management Officer (RMO) should check for funds availability prior to commitment.

Soliciting offers from suppliers: Requests for Quotations (RFQ) can be sent to suppliers locally or internationally.

Receiving, reviewing and evaluation of offers: Offers received based on Request for Quotations (RFQs) should be assessed against the written requirements in the solicitation document. The delivery time should be considered when determining the offer that provides the minimum compliant technical specification and best value for money (price, delivery, warranty, after sale support etc.). If a single quote is received, price reasonability should be considered against the other available and equivalent products and their market prices, and justification for single sourcing should also be provided. Bids should be evaluated using a Bid analysis Form.

Selection and awarding of contract/ Purchase Order (PO) creation: Regardless of the procurement method used (Sole Sourcing, Low Value Procurement or Competitive Public Bidding), all emergency service contracts including supply and delivery contracts and works reaching the threshold of USD 100,000 must pass through SCD and MAC Director approval in accordance with Section 6.2.1 of the IOM Procurement Manual. The contracts must be reviewed by DFM Emergency Support Unit and endorsed by the Office of Legal Affairs (LEG) before awarding on the contract.

Good receipts: Regardless of whether the goods received are procured locally, internationally or donated, a Good Receipt Note (Good Receipt Note or Delivery Receipt) should be in place. The Procurement Officer should also engage in the verification process by carrying out both the documentary verification and physical verification.

Payment: Payments should be processed once all the goods have been received, verified and accepted. Acceptance of the goods indicates that these are in accordance to the technical requirements as requested in the PO.

Purchase Orders (PO)

A purchase order should be prepared for all purchases, except for petty cash payment and one time vendors. The PO should be system generated and must be approved and signed by the COM/ authorized delegate. Terms and conditions must be part of all POs issued by the system. It is the responsibility of the COM/RMO to ensure that commitments are correctly captured and recorded in PRISM in a timely manner. The signed PO should be sent to the supplier and a copy of the same should be kept on file except in instances where a contract (Supply and Delivery, Service, etc.) is signed by both IOM and the vendor.

Advance payments are highly discouraged. All payments should be made once the goods have been received or services have been rendered, and the office is in possession of an original invoice and good receipt note. Offices that do not have access to PRISM or are remotely located should request support from their Regional Office.

Service Contracts

These are contracts made with service providers for provision of goods, services or works. Please use the standard service contract templates available on the intranet portal. The COM is responsible for ensuring that:

- All service contracts are reviewed and approved by LEG.
- The standard templates, available on the LEG page in the intranet, are used.
- The payment conditions must be clearly stated on the agreement.
- Payments in advance are made only in exceptional situation and should never exceed USD 10,000. Any advance payment in excess of the set limit should be cleared by DFM Emergency Support Unit/FAD.

Document and Filing

As part of the IOM internal controls and in line with the procurement principles of accountability and transparency, every step in the procurement process should be documented and kept on file. This documentation ensures that the decisions made when selecting the supplier and awarding the contract are justified and provide a basis for an audit scrutiny. The COM/Procurement officer should establish a standard filing system to enable tracking of procurement documents, as well as to help maintain institutional memory. The procurement file should contain:

- Approval from the Director of MAC waiving the three bid standard process
- Note to the file approved by COM justifying the mode of competition
- Vendor Assessment (VIS)
- The number and choice of suppliers requested to quote. Explain and justify if fewer than three (e.g. single sourcing)
- RFQ
- Proposals/Bids received
- Summary of the evaluation of products, prices, terms and conditions of the various offers
- Service contract and subsequent review and endorsement by LEG
- Amendments to contracts, if any
- Purchase Orders issued in PRISM
- Good receipt note/ Service confirmation

In-Kind Donations

In emergencies, the Country Office may be offered in-kind donations. Donations cannot only be of value to the affected population, but they can also provide budgetary relief. In such situations, please consult with DFM Emergency Support Unit/FAD for guidance on the treatment of donations.

Key Considerations

- Clarify that the situation meets the criteria for treatment as an emergency. Deviations from the normal procurement process should be fully justified by the Procurement Officer in coordination with the COM, DRM Crisis Support Unit and the Regional Office when sourcing in emergencies.
- It is the responsibility of the COM/authorized delegate to implement the procurement plan and strategies for sourcing in emergency. The goal should be to identify several vendors that can meet or exceed IOM's performance criteria, and to obtain competitive prices.

Relevance to IOM's Emergency Operations

As emergency supplies come from different sources, the Procurement Officer needs to consider the different options of sourcing and choose the most appropriate one, including global stocks. Arrangements with global vendors may already be in place including Long Term Agreements (LTAs) that can support immediate delivery of emergency items. If LTAs exist, and goods and services can be delivered within the required lead time or if piggy backing with other UN agencies holding LTAs is possible, then Purchase Orders

can be created in PRISM and issued directly. SCD can provide the Country Office with information on LTAs.

Other Entries in this Topic

- [Shelter and NFI](#)

Contacts

For more information and guidance contact the Supply Chain Division: SCD@iom.int.

For more information and guidance on agreements, contact the Office of Legal Affairs: LEG@iom.int.

DFM Emergency Support can also provide assistance as needed: DFMES@iom.int.

For more information on IOM Global Stocks, contact globalstocksupport@iom.int.

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