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Unutilized balances of appropriations:

Programme for Change and Organizational Renewal

(change management initiative) and technical
cooperation activities

Unutilized balances of appropriations: Programme for Change and Organizational Renewal (PCOR)

Report by the Director-General

Addendum

The purpose of this addendum is to provide an update on the status of unutilized balances of appropriations: Programme for Change and Organizational Renewal (PCOR), particularly on the various cost elements of the enterprise resource planning (ERP) system for the Organization in compliance with decision GC.13/Dec.15 (d).

1. In accordance with the plans elaborated in document IDB.38/9 dated 9 July 2010, based on the feedback received from other United Nations organizations, the outcome of the business process reengineering (BPR) exercise and taking into account the UNIDO requirements, a request for proposal (RfP) for the selection of an implementation partner and ERP system was prepared. The potential suppliers were requested to also provide detailed cost information, as called for by the Conference. Based on the outcome of the competitive bidding exercise, comprehensive information on the total financial requirements for the PCOR, the resources currently available, the additional resources required, and the cash flow requirements will be shared with the Board through a further addendum to document IDB.38/9.

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2. Taking into account the procurement principles of UNIDO (i.e. best value for money; fairness, integrity and transparency of the procurement process; effective competition; and what would be in the best interests of UNIDO), the RfP was issued on 23 July 2010 on a wide international basis with a deadline for submission of proposals by 13 September 2010. The RfP was sent to suppliers known to UNIDO and was also placed on the UNIDO website, as well as the websites of the United Nations Global Marketplace (UNGM) and the European Union (e-notices) inviting qualified suppliers to submit their offers by the closing date in line with the requirements of the solicitation documents. The same information was also shared with Member States on the UNIDO extranet. A number of requests for additional information and/or clarifications from the potential suppliers were received during August 2010; the Secretariat promptly responded to these requests and shared the information with all potential suppliers.

3. In line with the procurement procedures, the potential suppliers were requested to provide their proposals in two sealed envelopes, one containing a technical offer, and the other a commercial offer. In accordance with the applicable procurement modality, the commercial offers shall remain sealed until the conclusion of the evaluation of the technical offers. Only then will the commercial offers of the shortlisted technically qualified suppliers be opened.

4. By the close of business on 13 September 2010, ten offers were received, each containing two sealed envelopes (technical and commercial offers). In accordance with the procurement procedures, a cross-organizational evaluation group was established to carry out the evaluation and make recommendation(s) for the selection of an implementation partner and ERP system, as per the following schedule:

(a) 14 September 2010: Opening of technical offers;

(b) 14 to 24 September 2010: Evaluation of technical offers and shortlisting of suppliers meeting the technical requirements;

(c) 4 to 8 October 2010: Technical presentations by shortlisted technically qualified suppliers, and completion of the technical evaluation;

(d) 11 to 14 October 2010: Opening of commercial offers (i.e. envelopes containing the financial offers) of shortlisted technically qualified suppliers and evaluation of their financial offers. Submission of a list of recommended suppliers to the Procurement Committee for its endorsement and obtaining authorization to further negotiate with the selected suppliers;

(e) 18 October to early November 2010: Negotiations with the selected suppliers giving due consideration to the best value for money principles and the best interests of UNIDO, as called for by the financial regulations, rules and procurement procedures of the Organization;

(f) November 2010: Award of contract for the implementation partner and ERP system, and the start of implementation of the new ERP system.

5. The due process for procurement, as called for by the UNIDO Financial Regulations, rules and the procurement manual, is expected to be concluded by November 2010. As emphasized by the Director-General in his opening statement at the twenty-sixth session of the Programme and Budget Committee on

7 September 2010, the integrity of the process necessitates that no information on the technical and/or commercial evaluation shall be disclosed until the process has been successfully concluded and a decision on awarding a contract to a supplier has been taken. Therefore, UNIDO can only disclose the various cost elements for the ERP implementation in November 2010 by providing the Board with a further addendum.

6. A briefing for Member States on PCOR is also planned for early November 2010 to share, among others, information on the cost elements of the new ERP system.

Action required of the Board

7. The Board may wish to take note of the information provided in the present document.
