

## **Comments:**

### **1. Background**

In view of the forthcoming solicitations for long-term contracts for supply of food rations to the UN military contingents in Liberia (UNMIL), Eritrea (UNMEE) and in Congo (MONUC), PD, in consultation with LSD, decided to request responses to a detailed questionnaire aimed at preparing a short list of qualified providers to be invited to the formal solicitation.

### **2. Questionnaire**

In order to ensure maximum coverage for the questionnaire, PD posted an EOI on the Internet advising the interested parties of the forthcoming exercise. Questionnaire prepared by LSD was sent on 5 August 2003 to 69 potential providers located in 32 countries. Responses were requested by 18 August 2003. The list of the participants for the questionnaire included the registered with PD companies as well as those expressed the interest in reply to the above EOI. On 18 August 2003 12 responses to the questionnaire were received and passed to LSD for assessment. On 27 August 2003 LSD submitted a memorandum (copy attached) assessing 5 out of 12 companies as acceptable and potentially capable of providing the required services (supply of rations), recommending to include them in the short list of participants for the forthcoming RFPs. The companies were:

- Economat, France
- Es-Ko, Monaco
- Eurest, Cyprus
- PAE, USA
- Supreme Sales, Germany

### **3. Solicitation process**

Based on the above recommendation, RFP for supply of rations to UNMIL was issued to the 5 short listed companies on 12 September 2003. Proposals were requested on 23 October 2003. By the closing date 3 proposals were received and accepted for opening, namely from :

- Es-Ko, Monaco
- Eurest, Cyprus
- Supreme Sales, Germany

Economat advised that they were not in the position to submit a proposal at the time, requesting to retain them on the list on invitees for future solicitations. PAE did not inform PD of the reasons for not submitting a proposal. Technical portions of the 3 proposals were passed to LSD for technical evaluation and recommendation.

### **4. Evaluation process**

On 5 November 2003 LSD provided its technical assessment, a copy of which is attached as **Annex A**, considering all 3 companies as technically compliant. Financial summary of proposals is attached as **Annex B**. As may be noted from Annex B, Eurest submitted the lowest cost proposal for the main price categories as well as for the optional requirements. The sliding scale of the change of CMR depending on the change of the troop strength submitted by Eurest is the most favourable to the UN as well. Taking into account prospective increase of UNMIL's troop strength to some 15,000 strong, the scale would provide additional sizeable savings to the Organization. For the purposes of total contract cost, BOP "B" will be used as being the higher one. The Committee may also wish to note that "no cost/time" stated by Es-Ko for mobilization component should not be considered as incomplete proposal. Es-Ko advised that there was no cost nor a time for mobilization, as they already were awarded an interim contract for UNMIL and those costs/time is already included in the contract. In order to ascertain the companies financial and operational capabilities, PD assessed the companies financial and operational statements. It is worth noting that all 3 companies possess adequate financial and operational strength to successfully fulfil the requirements of the contract. The largest of 3 is Eurest with annual turnover in excess of \$ 16.5 Billion and annual profit of \$ 460 Million. Es-Ko is the second with respectively \$ 97.7 Million and \$ 3.7 Million and Supreme with \$ 77 Million and \$ 5.7 Million.

#### **5. Recommendation**

Accordingly, based on the above, PD in conjunction with LSD recommends an award of contract for supply of food rations to UNMIL for a period of 3 years with option to extend for an additional 2 years, to Eurest Support Services, Cyprus in the total 5-year "NTE" amount of \$ 60,288,725.00 on the basis of FR 105.15 (b) Qualified, Most Responsive Proposal. Due to the situation in UNMIL, it is also recommended to include an optional drinking water at \$ 1,905,300.00, which would bring an aggregate 5-year "NTE" cost to \$ 62,194,025.00. In the event if bottled water would be purchased elsewhere, the total costs would be adjusted accordingly. Contract would include provision for a Performance Bond in the amount of 10% of the total contract value.

In view of the urgent nature of services and taking into account a mobilization time, it would be appreciated if the HCC could arrange for an "expedited" approval of the case.

The advice of the Committee is requested.