



*executive committee of
the directing council*

PAN AMERICAN HEALTH ORGANIZATION

*working party of
the regional committee*

WORLD HEALTH ORGANIZATION



48th Meeting
Washington, D. C.
April 1963

Draft Agenda Item 10

CE48/2 (Eng.)
15 March 1963
ORIGINAL: ENGLISH

PROCUREMENT SERVICES TO GOVERNMENTS OF THE ORGANIZATION

The Director has the honor to report to the Executive Committee on the subject of procurement services to Governments of the Organization.

Pursuant to Resolution X of the 46th Meeting of the Executive Committee, a communication was dispatched to all the Governments of the Organization inviting their attention to the existence of the procurement services provided by the Pan American Sanitary Bureau for its Governments and requesting their comments on the merit of continuing the activity. This communication CT-CL-9-62 dated 27 July 1962 is attached for the information of the Executive Committee.

To date, less than half the Governments have replied. The Director urges the Governments to submit their appreciation of this matter at an early date in order that a definitive report may be made to the Directing Council at its next meeting. The responses to date are not indicative as to whether the procurement service is considered useful and necessary by the Governments and should be continued.

To assist in the further discussion of the matter the table on procurement activity is brought up to date through 1962.

PROCUREMENT ACTIVITY 1951-1962

<u>YEAR</u>	<u>DOLLAR VALUE PROFORMAS</u>	<u>PURCHASES ON BEHALF OF GOVERNMENTS</u>	<u>PERCENTAGE OF ACTUAL PURCHASES</u>	<u>PROCUREMENT REVENUES 3%</u>	<u>TOTAL LINE ITEMS</u>
1951		\$1,434,634.00		\$43,039.00	
1952	\$3,924,265.00	2,668,500.00	67.9	80,055.00	
1953	2,517,521.00	1,139,976.00	45.2	34,199.00	3,140
1954	2,672,166.00	819,574.00	30.67	24,587.00	3,791
1955	3,281,899.00	716,661.00	21.83	21,500.00	6,996
1956	3,657,916.00	839,300.00	22.94	25,179.00	5,257
1957	4,204,316.00	1,568,500.00	37.3	47,055.00	3,997
1958	3,466,165.00	303,100.00	8.74	9,093.00	3,077
1959	5,812,321.00	788,771.00	13.57	23,663.00	3,029
1960	1,680,564.00	310,500.00	18.47	9,315.00	2,931
1961	2,013,569.00	113,929.00	5.65	3,421.00	2,977
1962	1,056,421.00	231,907.00	21.9	6,957.00	2,590

Annex: CT-CL-9-62



PAN AMERICAN HEALTH ORGANIZATION

Pan American Sanitary Bureau, Regional Office of the

WORLD HEALTH ORGANIZATION

1501 NEW HAMPSHIRE AVENUE, N.W., WASHINGTON 6, D.C. U.S.A.

CABLE ADDRESS: OFSANPAN

IN REPLY REFER TO

CT-CL-9-62

27 July 1962

Sir,

I have the honor to communicate with you on the matter of procurement services provided by the Pan American Sanitary Bureau to the Governments, pursuant to paragraph 2 of Resolution X of the 46th Meeting of the Executive Committee. This Resolution invited me to bring to your attention the existence of this service and to request your comment on the merit of continuing the activity.

... To assist you in your review there are attached hereto the following documents:

- 1) Resolution X of the 46th Meeting of the Executive Committee (Document CE46/15).
- 2) Resolution XXIX of the V Meeting of the Directing Council (Document CD5/74).
- 3) Report of the Director on Procurement Procedures for Member Governments (Document CE46/5).

Sincerely yours,

Abraham Horwitz
Director

... Enclosures

CE48/2 (Eng.)
ANNEX

RESOLUTION X

The Executive Committee,

Having considered the report of the Director on the procurement services the Pan American Sanitary Bureau provides to Governments (Document CE46/5); and

Considering that the provision of those services, including procurement as such and proforma invoicing, is extremely useful for both Governments and public institutions,

RESOLVES:

1. To take note of the Report of the Director on procurement services to Governments (Document CE46/5).

2. To invite the Director to remind the Governments of the existence of those services; to bring to their attention the procedures and methods used by the Bureau in meeting the requests of the Governments, in the matter of the price and quality of products; and to request them to state whether they are interested in continuing to use those services.

3. To request the Director to review the operation of the procurement service and, in accordance with the replies from the Governments, to submit a report on the matter to the meeting of the Executive Committee in the Spring of 1963.

(Approved at the 46th Meeting of the Executive Committee
of the Pan American Health Organization)

RESOLUTION XXIX

PROCUREMENT POLICY OF THE PAN AMERICAN SANITARY BUREAU

WHEREAS:

It is necessary to establish a basic policy regarding the procurement services performed by the Pan American Sanitary Bureau,

THE DIRECTING COUNCIL

RESOLVES:

1. That the following provisions be made part of the internal regulations of the Pan American Sanitary Bureau concerning procurement procedures:

a) The Bureau shall furnish procurement services only to non-profit institutions and agencies under the jurisdiction of the Minister and/or Director of Health of the respective country;

b) The 3 per cent service charge now in effect shall be continued, and will be applied only on the net cost of the items purchased;

c) Before purchases are made, an amount equal to the total cost as estimated by the Bureau shall be deposited in dollars to the credit of the Bureau, which can draw freely upon that amount to make payments, including partial payments, as they become due. Such a deposit shall be made either by check or bank draft payable on sight to the Bureau, or by irrevocable letter of credit payable to the Bureau upon demand;

d) Partial shipments may be made, and upon completion of the purchase the Bureau shall send to the respective purchaser a statement of account together with the supporting documents. The Government concerned may at any time request a statement of account to date and/or the refund of unexpended balances. Form letters shall be used wherever possible to acknowledge the receipt of orders, transmit documents, etc., as an economy measure;

e) Any discount or other saving shall be passed on to the Government concerned. When quotations are requested for the purpose of comparison with prices submitted by local dealers, the Bureau shall be so informed. The acceptance of quotations and authorization to purchase shall be the responsibility of the Government, as shall also be the responsibility to deposit funds with the Bureau in time to take advantage of the prices offered in a given quotation. The Bureau shall not be responsible for any increase in price;

f) In all cases the Governments shall supply import permits, if required, at the time that purchase orders are authorized;

g) It shall be understood that the Bureau neither buys nor sells but acts merely as a non-profit agent for the Member Governments for whose

convenience procurement services are made available.

2. That orders received by the Bureau prior to the adoption of this resolution shall be handled under the conditions previously in effect.

3. To instruct the Director of the Pan American Sanitary Bureau to transmit the text of this resolution to all Member Governments.

(Approved at the V Meeting of the
Directing Council of PAHO)