FOR A WORLD WITHOUT HUNGER

UN Multi-Agency Business Seminar
Budapest, Hungary 2016
Food and Agriculture Organization of the United Nations (FAO)
Established in 1945 to lead international efforts to eliminate hunger
MANDATE

Achieve a food-secure world by raising levels of nutrition, improving agricultural productivity, bettering the lives of rural populations and contributing to the growth of the world economy.
WHAT DOES FAO DO?
FAO STRATEGIC OBJECTIVES
4 Big Players . . . .

Top 10 Agencies by Percentage of Total UN Procurement

<table>
<thead>
<tr>
<th>Agency</th>
<th>Total Procurement 2013</th>
<th>Total Procurement 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNICEF</td>
<td>2,741,091</td>
<td>3,382,136</td>
</tr>
<tr>
<td>UN/PD</td>
<td>2,997,081</td>
<td>3,207,163</td>
</tr>
<tr>
<td>WFP</td>
<td>2,476,558</td>
<td>2,752,857</td>
</tr>
<tr>
<td>UNDP</td>
<td>2,628,885</td>
<td>2,285,487</td>
</tr>
<tr>
<td>UNHCR</td>
<td>952,635</td>
<td>1,044,741</td>
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<tr>
<td>WHO</td>
<td>771,846</td>
<td>708,671</td>
</tr>
<tr>
<td>PAHO</td>
<td>584,986</td>
<td>708,579</td>
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<td>UNOPS</td>
<td>749,332</td>
<td>669,035</td>
</tr>
<tr>
<td>UNFPA</td>
<td>365,866</td>
<td>357,124</td>
</tr>
<tr>
<td>FAO</td>
<td>320,122</td>
<td>350,713</td>
</tr>
</tbody>
</table>

(in Thousands of US Dollars)
Amount Procured by FAO from Hungarian Companies

Goods and services, 2013 - 2015

(US dollars)

USD Amount Procured by FAO from Hungarian Companies

Year | Amount USD  
--- | ---------  
2013 | 381,241.95  
2014 | 358,293.59  
2015 | 382,494.99
Purchase Orders issued by FAO to Hungarian companies
2013-2015
FAO PROCUREMENT OBJECTIVES

1. Best value for money
2. Fairness
3. Transparency
4. Economy
5. Effectiveness
ADDITIONAL OBJECTIVES:

• Encourage developing and emerging economies and support capacity building in beneficiary countries while balancing requirements of international procurement.

• Promote a competitive market by favoring procurement from the private sector over government entities, government controlled enterprises or Vendors receiving government subsidies.

• Promote use of Framework (Long Term) Agreements.
Favor cooperation with other UN entities

- Common Procurement Team (FAO, WFP and IFAD)
- Piggy-backing on existing UN contracts
DECENTRALIZED OFFICES

- 5 Regional Offices
- 9 Sub-regional Offices
- 7 Liaison Offices
- 80 FAO Representations
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Decentralized offices have a procurement authority ranging from USD 100,000 to USD 500,000.
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MOST FREQUENTLY PROCURED...
GOODS

- Chemicals (fertilizers and pesticides)
- Agricultural produce (seeds, crop, vegetable, seedlings, plantlets)
- Special purpose machinery (agricultural machinery, tractors, spraying devices, irrigation equipment)
- Office and IT equipment
- Medical appliances, precision and optical instruments (laboratory equipment)
- Veterinary pharmaceutical products and vaccines, live animals and animal feed
SERVICES

- Small scale construction (laboratories, irrigation, milk processing, etc.)
- Information dissemination activities
- Information technology
- Transportation, storage and materials handling
- Communications
- Technical studies
- Inspection services, surveys and studies
- Building infrastructure and maintenance
- Aerial Spraying and Surveying (locust)
FAO AND VENDORS
VENDOR BASICS

- Expressions of interest.
- Competitive-based awards.
- Participation generally extended to registered Vendors.

**FEEDBACK ENCOURAGED!** Please share your thoughts and input with us!

FAO relies on its Vendors to meet its mandate.
VENDOR REGISTRATION

💡 Accurately indicate your products and services through UNGM.

💡 Registration does not guarantee invitation to tender.

💡 Details of the Vendor registration on the FAO Procurement Internet: www.fao.org/unfao/procurement/general-information/en
Solicitation Process

**SUBMISSION DEADLINES**
- 2 weeks - ITBs for goods
- 4 weeks - ITBs for services
- 6 weeks - RFPs

For emergencies these deadlines may be significantly reduced.

**VALIDITY OF BIDS**
- Goods: minimum 2 months
- Services: minimum 6 months

Tender proposals may be re-used for 12 months

**SUBMIT BY SECURE...**
- email (preferred)
- facsimile
- courier
- electronic tendering (In-tend)

**IMPORTANT**
- Follow the instructions!
  Non compliance may result in an invalid offer.
- Don't accept General Terms & Conditions and/or clauses?
  Notify why!
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quests to provide delivery to the final destination.

DAT (final destination Incoterms 2010)

Exceptions: some destinations (e.g. FAO) organize transport (FCA).

Incoterms® 2010 by the International Chamber of Commerce (ICC)
FAO requests Vendors to provide for delivery to final destination.

DAP (final destination Incoterms 2010)
DAT (final destination Incoterms 2010)

Exceptions: some destinations (e.g. Iraq) FAO organizes the transport (FCA Incoterms 2010).
INSPECTION: LOADING/UNLOADING

- Inspection contracted by FAO with 3rd party independent superintendency companies.

- Inspections are carried out at loading to verify the quality, quantity, bagging, marking, etc. and at unloading to identify damage/loss during transport.

- FAO instructs Vendors to dispatch goods without waiting for inspections results.

- Don't agree with conditions? Notify us and say why!
PAYMENT TERMS
FAO IS A RELIABLE PAYER
30 days from receipt of required documentation

- No advance payment or letters of credit.
- Contracts: possibility of 20% advance payment upon receipt of bank guarantee.
Emergency Procurement

Transparency

Competitiveness

Efficiency

*Emergency situations require very short delivery times for Vendors.*

- You can't meet the requests? Notify us with the alternatives.
• Strict “No-gifts, no-hospitality” policy.

• Vendors must adhere to the UN Supplier Code of Conduct.

FAO Vendor Sanctions Policy

Sanctions include:
(from less to more severe)
1. Reprimand
2. Conditional Non-Debarment
3. Debarment with Conditional Release
4. Debarment
5. Restitution or Remedy

FAO is the steward of public funds.

FAO must make every effort to prevent and deter actions that could be construed as fraud or misconduct.

"Sanctionable Actions"

- Corruption
- Fraud
- Collusion
- Coercion
- Unethical practice
- Obstruction
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Vendors have a reasonable time (30 working days) to prepare a response, provide arguments as well as evidence.

FAO will share information concerning sanctions with the rest of the UN System through UNGM.

Sanctions Committee will only recommend debarment when there is sufficient evidence.
POOR PERFORMANCE

Right to apply damages for Goods & Services not meeting specifications or for late delivery.

Consistent poor performance could be considered in future tenders.
7 TIPS FOR DOING BUSINESS WITH FAO

1. Register your company in UNGM.
2. Check opportunities in the UNGM and FAO website.
4. Prepare Responsive Offers meeting the requirements.
5. Meet tender deadlines and instructions in the solicitation documents.
6. If at first you don't succeed... try again!
7. WE WELCOME FEEDBACK & INPUT! Let us know why you don't respond to a solicitation.
PROS & CONS
**Pros**
- FAO is Fair
- FAO is a Reliable Payer
- Assist Humanitarian Relief Efforts

**Cons**
- Often short deadlines for submission of offers
- Often very tight delivery requirements
- Vendor responsible for delivery in often difficult areas
Liaising with country offices may be a challenge:

But our team of International Procurement Officers in the field makes the task easier.
International Procurement Officers around the globe...
FAO Procurement Statistics


*Data does not contain information on unit prices or other commercially sensitive information
Questions relating to Vendor Registration
Global-Vendor-Management@fao.org

FAO Procurement Internet: www.fao.org