DOING BUSINESS WITH THE UNITED NATIONS (UN)

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Agenda

- UN Procurement & Statistics
- Supplying the UN
- General UN Procurement Procedures
- Practical Tips
High Level Committee of Management’s Procurement Network

Heads and Directors of 40 Agencies
Procurement & United Nations ultimate goals

The Sustainable Development Goals 2015-2030

https://sustainabledevelopment.un.org/
The UN Global Compact and the Supplier Code of Conduct

- The UN strongly encourages all vendors to actively participate in the **Global Compact**
  
  The Global Compact promotes principles of **human rights, labour, environment and ethical conduct**
  
  [www.unglobalcompact.org](http://www.unglobalcompact.org)

- The **UN Supplier Code of Conduct** based on same principles as above and should inspire business practices of suppliers
  
  The UN Supplier Code of Conduct provides minimum standards expected of suppliers to the UN
  
Total UN procurement of goods and services 2013-2018

Procurement volume of the 10 principal UN organizations 2017 and 2018

Top 10 countries of supply to the UN System 2018

What did the UN buy in 2018?


Sectors of procurement

- Health: 21%
- Consultancy, Administration & Operations: 21%
- Transport: 20%
- Food and farming: 16%
- Construction and Engineering: 12%
- Other sectors: 10%

UN procurement from Argentina

USD Millions

- 2014: 117 M USD (Goods: 60 M, Services: 57 M)
- 2015: 130 M USD (Goods: 80 M, Services: 50 M)
- 2016: 10 M USD (Goods: 5 M, Services: 5 M)
- 2017: 270 M USD (Goods: 200 M, Services: 70 M)
- 2018: 70 M USD (Goods: 40 M, Services: 30 M)

0.38% of total UN procurement
53rd country of supply
UN procurement from Argentina 2018

**Top 5 categories**

- Management & Admin
- Building & Maintenance
- Security
- Food & Beverages
- Transportation

**Top 5 agencies**

- UNOPS
- IOM
- UNICEF
- PAHO
- UNDP
Supplying the UN
The United Nations is not a single organisation

Each organisation is a market in itself
- different functions, characteristics and requirements

Important to recognise the above if you wish to do business with the UN
Are you ready to supply the UN?

- Market knowledge
- Suitable products/services
- Export experience, references
- Competitive prices
- Networks/partners
- Capacity - personnel/financial
- Intercultural skills, languages
- Flexibility, accuracy
- Persistence and patience
Step-by-step towards success

- Market research, identify relevant UN Organisations, register (with accurate coding)
- Understand the procurement practices, seek opportunities, subscribe to tender alerts
- Bid according to tender documents, seek clarification
- Performance
Web-based information

UN Procurement’s single commercial and procurement portal:
United Nations Global Marketplace (UNGM)  www.ungm.org

Welcome to the UNGM

Register  Business Opportunities  Tender Alert Service

UN Staff Area  Contract Awards  Knowledge Centre
UN Procurement Procedures
Guiding Principles for UN Procurement

Procurement activities of the UN system are based on the following:

- Best interests of the UN Organisation
- Best value for money
- Integrity, accountability, transparency
- Fairness, effective competition
Common General Terms & Conditions

- Cover both procurement of goods and contracting of services
- Most provisions are common within the UN system, but can be differences
- Potential suppliers are encouraged to familiarise themselves with the UN General Terms & Conditions

Other **specific Terms and Conditions** are part of the contract (e.g. deliverables, delivery timeline, payment schedules, TOR, etc.)
How is the procurement method decided?

- the value of the procurement
- the nature of the goods and services to be procured
- critical dates for delivery
Types of solicitation

Request for Quotation (RFQ) - less formal solicitation used for lower value procurement (< USD 40,000*)

Invitation to Bid (ITB) - formal solicitation method for well-defined goods (or services); contract award is based on lowest priced acceptable bid (> USD 40,000)

Request for Proposal (RFP) - formal solicitation, generally for services, whereby the contract award is based on a combined (weighted) evaluation of both the technical solution and price (> USD 40,000)

Pre-tender/market research:
Request for Expression of Interest (REOI), Request for Information (RFI), Pre-qualification
In summary

Up to the agency’s threshold

- Informal, simplified acquisition procedure
- Requests for Quotation (RFQ)
- Minimum 3 responsive quotes recommended
- Lowest priced, technically acceptable bidder or best value bidder

Above the agency’s threshold

- Invitation to Bid (ITB) and Request for Proposal (RFP)
- Open and formal: advertised (on the web) generally larger shortlist (minimum 6 potential bidders, 3 to comply)
- Public bid opening
- CPO approval after review and recommendation by Contract Committees
In addition . . .

**Long Term Agreement/Frame Agreement**
- Based on ITB or RFP process
- 2-4 years period
- Potentially more than one LTA for same goods/service
- Single tendering exercise *reduces administrative effort*
- The supplier benefits in terms of *continuity of supply*

**Direct Contracting**
- Exceptional circumstances…
  - Extreme emergency
  - Sole source
- If competitive bidding process has failed for valid reason
- Very stringent controls and has to be well justified
Evaluation Criteria

- Eligibility
- Acceptance of UN payment terms, terms & conditions etc.
- Technical requirements being met
- Delivery time & terms (Incoterms)
- Supply according to recognised international/national standards
- Sustainability criteria
Evaluation Criteria

- Supporting documentation provided incl. references
- Proven production capacity & financial strength
- Warranty conditions & appropriate after-sales service
- Price
Practical Tips

**General**
- Always respond to bid invitations – if you cannot submit an offer, inform accordingly

**Bid Preparation**
- Study bid documents, conditions and requirements carefully
- Ask for clarification if uncertain
- Ensure that your offer meets ALL bidding requirements
- Technical specifications – read carefully and meet minimum requirements
Practical Tips

- Provide quality statements – international/national standards
- Submit bid, catalogues etc. in requested language
- Prepare bid to facilitate work of procurement officer - requested format, use submission forms

Bid Submission
- Meet deadline
- Attend public bid openings, whenever called

Remember
- Learning process
Thank you!

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