



DOING BUSINESS WITH THE UNITED NATIONS (UN)

Kerry Kassow, High Level Committee of Management's
Procurement Network (HLCM PN)

Agenda



- UN Procurement & Statistics
- UN System of Organisations
- Supplying the UN
- Finding Information – UNGM
- General UN Procurement Procedures
- Practical Tips



High Level Committee of Management's Procurement Network

The Procurement Network - Heads and Directors of 40 Agencies.

Focuses on:

- Professional Development
- Strategic Vendor Management
- Harmonisation
- UN Global Marketplace (UNGGM)
- Sustainable Procurement





UN Procurement & Statistics



Procurement & United Nations ultimate goals <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 anti-corruption

www.unglobalcompact.org



- ❖ The **UN Supplier Code of Conduct** spells out the principles that should inspire the business practice of suppliers

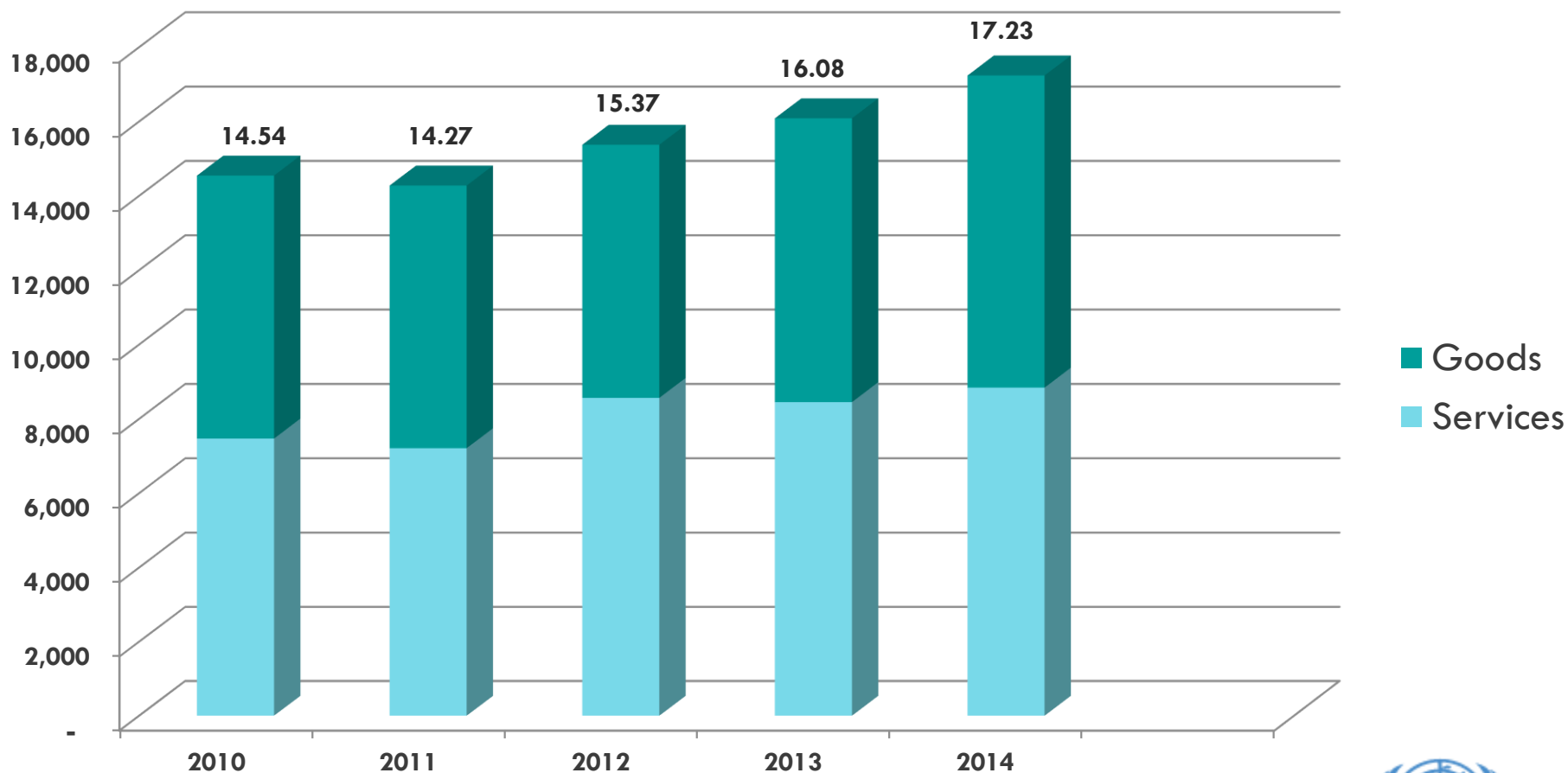
The UN Supplier Code of Conduct provides the minimum standards expected of suppliers to the UN

www.un.org/depts/ptd/code_of_conduct



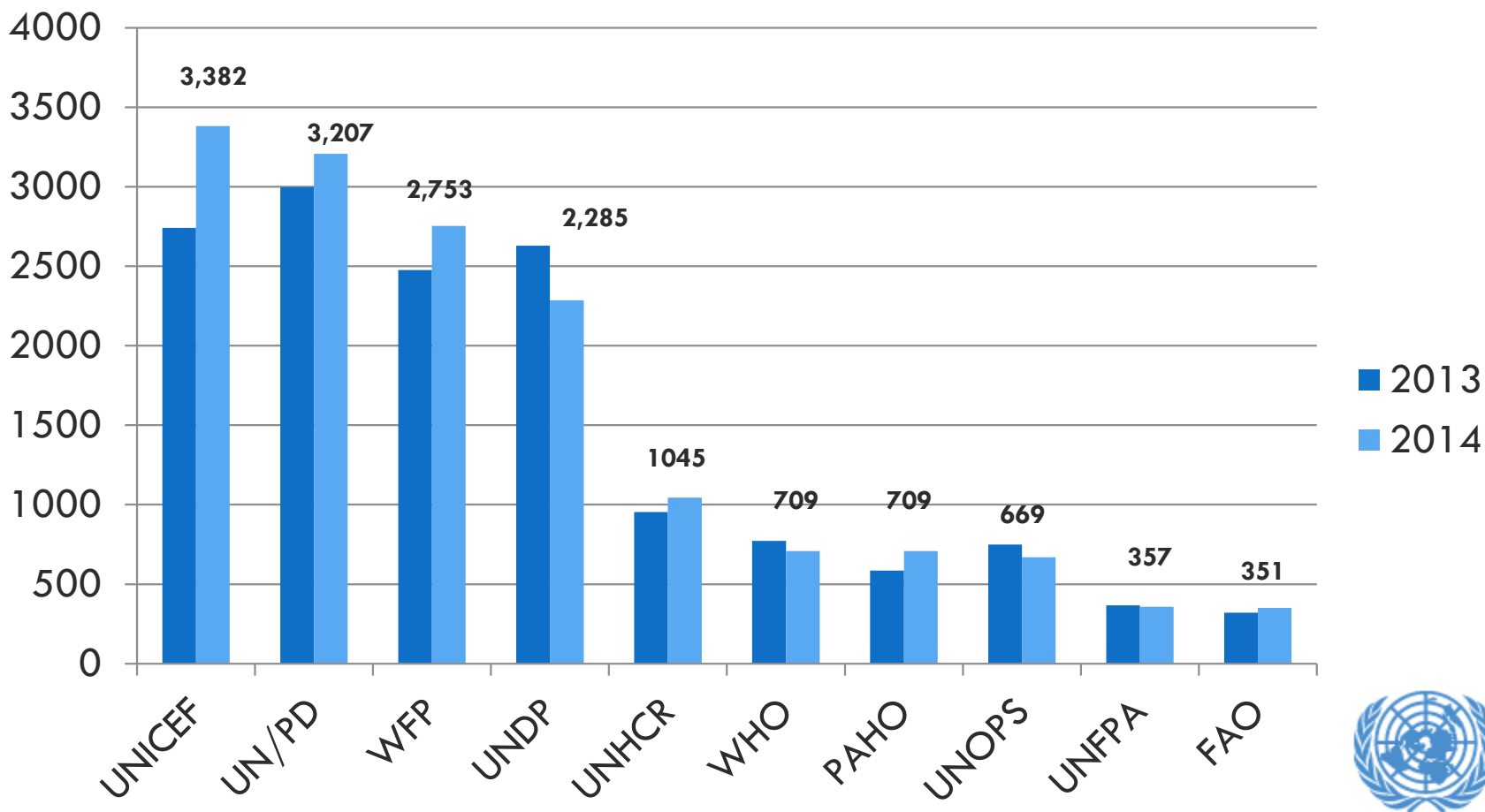
Total UN procurement of goods and services 2010-2014

USD Million



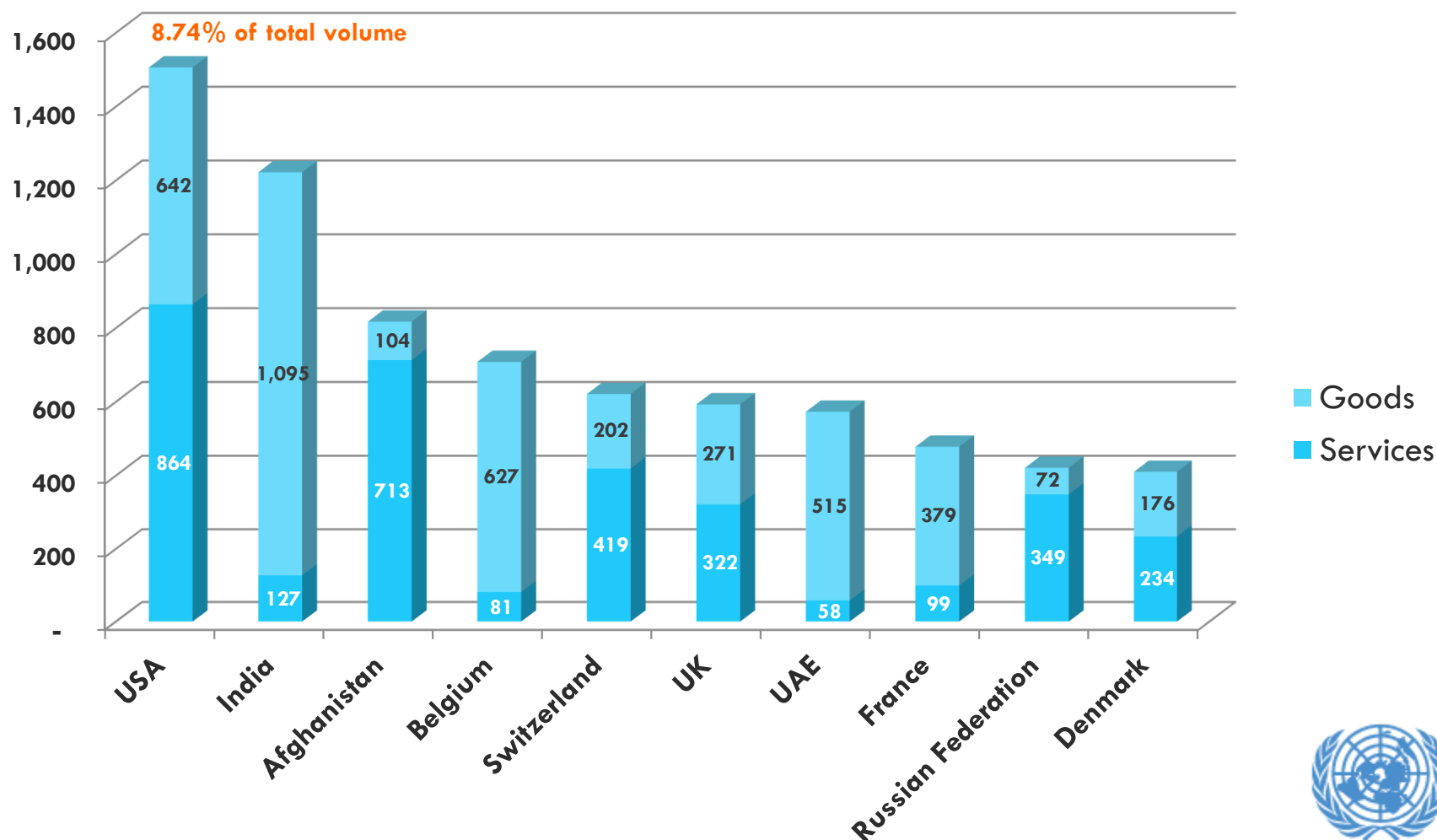
Procurement volume of the 10 principal UN agencies 2014

USD Million



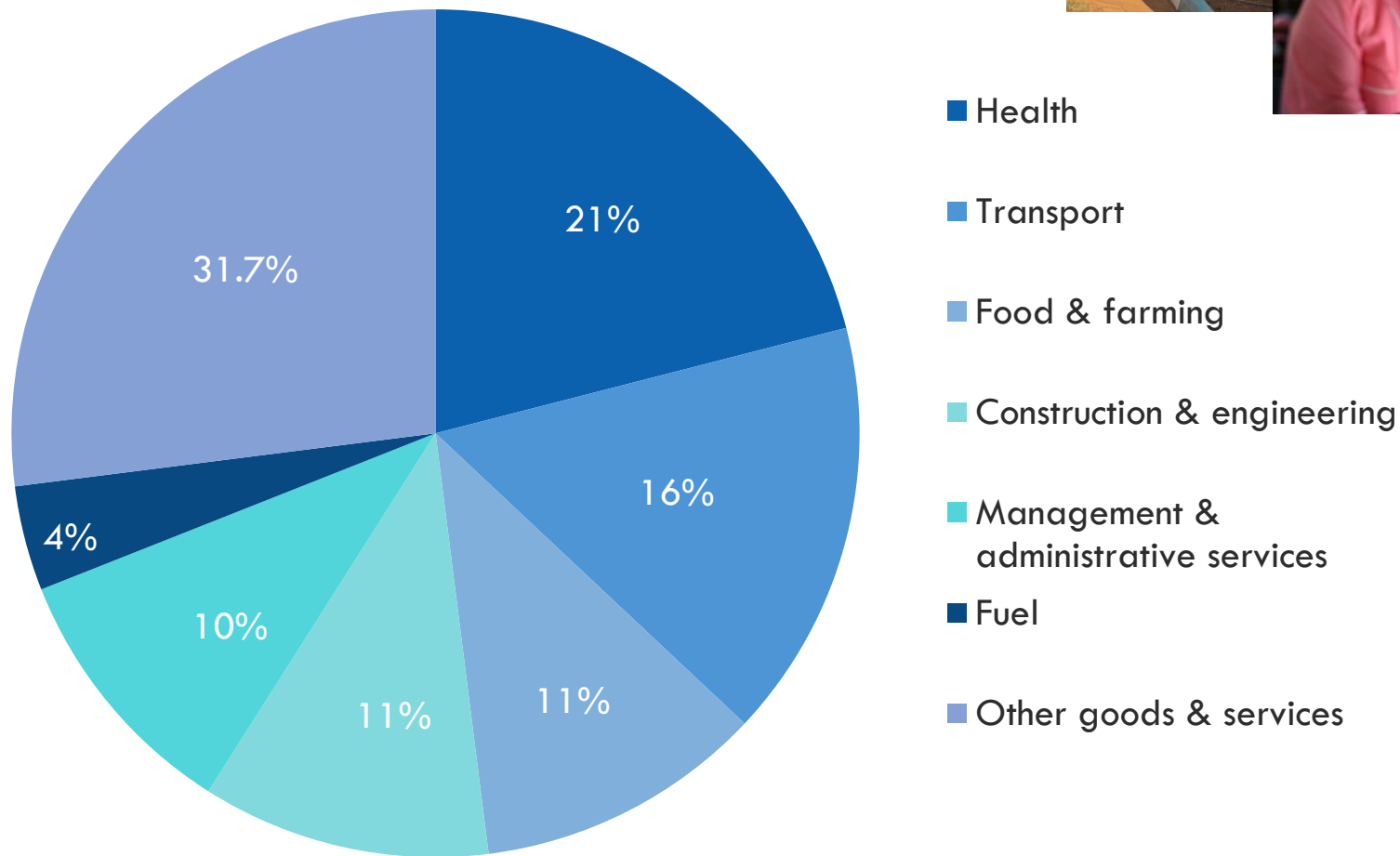
10 major countries of supply to the UN System 2014

USD Million



What does the UN buy?

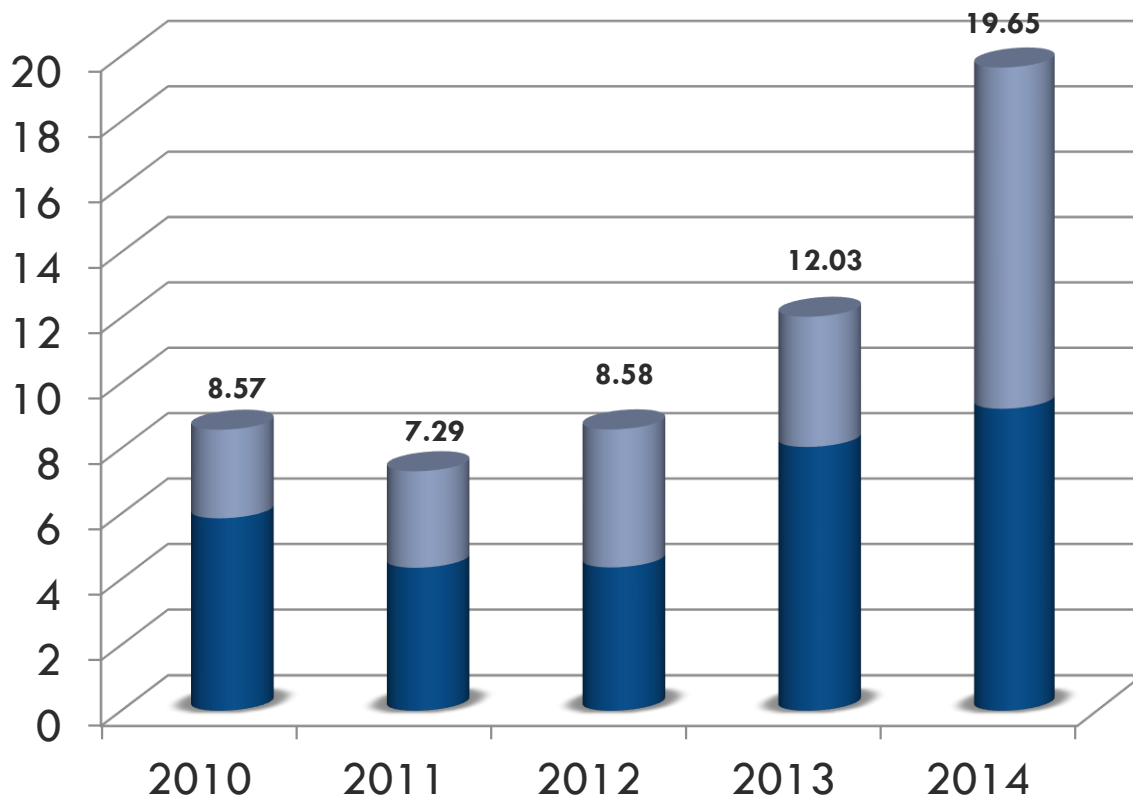
Top 5 sectors (approx 65% of total UN procurement)



UN procurement from Hungary

USD Million

0.23% of total UN procurement



Buying from Hungary

(USD Million) 2014

UNHCR – 9.25

WFP – 7.40

IAEA – 0.98

WHO – 0.46

Services

Goods



Major goods and services supplied by Hungary

Goods

- Pharmaceuticals
- Food & Beverages
- Irradiation Equipment

Services

- Nuclear Waste Treatment
- Education & Training
- Engineering
- Management & Administration
- Insurance





UN System of Organisations





The United Nations System

UN Principal Organs

General Assembly

Security Council

Economic and Social Council

Secretariat

International Court of Justice

Trusteeship Council⁵

Subsidiary Bodies

Main and other sessional committees
Disarmament Commission
Human Rights Council
International Law Commission
Standing committees and ad hoc bodies

Subsidiary Bodies

Counter-terrorism committees
International Criminal Tribunal for Rwanda (ICTR)
International Criminal Tribunal for the former Yugoslavia (ICTY)

Programmes and Funds

UNCTAD United Nations Conference on Trade and Development
• **ITC** International Trade Centre (UNCTAD/WTO)
UNDP United Nations Development Programme
• **UNCDF** United Nations Capital Development Fund
• **UNV** United Nations Volunteers
UNEP United Nations Environment Programme
UNFPA United Nations Population Fund

UN-HABITAT United Nations Human Settlements Programme
UNHCR Office of the United Nations High Commissioner for Refugees
UNICEF United Nations Children's Fund
UNODC United Nations Office on Drugs and Crime
UNRWA¹ United Nations Relief and Works Agency for Palestine Refugees in the Near East
UN-Women United Nations Entity for Gender Equality and the Empowerment of Women
WFP World Food Programme

Research and Training Institutes

UNICRI United Nations Interregional Crime and Justice Research Institute
UNIDIR¹ United Nations Institute for Disarmament Research

UNITAR United Nations Institute for Training and Research
UNRISD United Nations Research Institute for Social Development
UNSSC United Nations System Staff College
UNU United Nations University

Other Entities

UNAIDS Joint United Nations Programme on HIV/AIDS
UNISDR United Nations International Strategy for Disaster Reduction
UNOPS United Nations Office for Project Services

Related Organizations

CTBTO PrepCom Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization
IAEA² International Atomic Energy Agency
OPCW Organisation for the Prohibition of Chemical Weapons
WTO³ World Trade Organization

Advisory Subsidiary Body

UN Peacebuilding Commission

Functional Commissions

Crime Prevention and Criminal Justice
Narcotic Drugs
Population and Development
Science and Technology for Development
Social Development
Statistics
Status of Women
Sustainable Development
United Nations Forum on Forests

Regional Commissions

ECA Economic Commission for Africa
ECE Economic Commission for Europe
ECLAC Economic Commission for Latin America and the Caribbean
ESCAP Economic and Social Commission for Asia and the Pacific
ESCWA Economic and Social Commission for Western Asia

Other Bodies

Committee for Development Policy
Committee of Experts on Public Administration
Committee on Non-Governmental Organizations
Permanent Forum on Indigenous Issues
United Nations Group of Experts on Geographical Names
Other sessional and standing committees and expert, ad hoc and related bodies

Departments and Offices

EOSG Executive Office of the Secretary-General
DESA Department of Economic and Social Affairs
DFS Department of Field Support
DGACM Department for General Assembly and Conference Management

DM Department of Management
DPA Department of Political Affairs
DPI Department of Public Information
DPKO Department of Peacekeeping Operations
DSS Department of Safety and Security
OCHA Office for the Coordination of Humanitarian Affairs

OHCHR Office of the United Nations High Commissioner for Human Rights
OIOS Office of Internal Oversight Services
OLA Office of Legal Affairs
OSAA Office of the Special Adviser on Africa
OSRSG/CAAC Office of the Special Representative of the Secretary-General for Children and Armed Conflict

UNODA Office for Disarmament Affairs
UNOG United Nations Office at Geneva
UN-OHRLS Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
UNON United Nations Office at Nairobi
UNOV United Nations Office at Vienna

Specialized Agencies⁴

ILO International Labour Organization
FAO Food and Agriculture Organization of the United Nations
UNESCO United Nations Educational, Scientific and Cultural Organization
WHO World Health Organization
World Bank Group
• **IBRD** International Bank for Reconstruction and Development
• **IDA** International Development Association
• **IFC** International Finance Corporation
• **MIGA** Multilateral Investment Guarantee Agency
• **ICSID** International Centre for Settlement of Investment Disputes

IMF International Monetary Fund
ICAO International Civil Aviation Organization
IMO International Maritime Organization
ITU International Telecommunication Union
UPU Universal Postal Union
WMO World Meteorological Organization
WIPO World Intellectual Property Organization
IFAD International Fund for Agricultural Development
UNIDO United Nations Industrial Development Organization
UNWTO World Tourism Organization

NOTES:

¹ UNRWA and UNDR report only to the General Assembly.

² IAEA reports to the Security Council and the General Assembly.

³ WTO has no reporting obligation to the General Assembly (GA) but contributes on an ad hoc basis to GA and ECOSOC work inter alia on finance and developmental issues.

⁴ Specialized agencies are autonomous organizations working with the UN and each other through the coordinating machinery of ECOSOC, at the intergovernmental level, and through the Chief Executive Board for Coordination (CEBC) at the inter-secretariat level. This section is listed in order of establishment of these organizations as specialized agencies of the United Nations.

⁵ The Trusteeship Council suspended operation on 1 November 1994 with the independence of Palau, the last remaining United Nations Trust Territory, on 1 October 1994.

UN System of Organisations

- 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





Supplying the UN



Are you ready to supply the UN?

- ☐ Market knowledge (UN structure and culture)
- ☐ Suitable products/services
- ☐ Export experience/references
- ☐ Languages
- ☐ Competitive prices
- ☐ Networks/partners (country knowledge, after-sales services etc.)
- ☐ Capacity (financial, personnel)
- ☐ Intercultural skills
- ☐ Flexibility
- ☐ Accuracy
- ☐ Persistence and patience



Step-by-step towards success

- Market research, identify relevant UN Organisations, register
- Understand the procurement practices, seek opportunities
- Bid according to tender documents, observe norms and standards, seek clarification
- Performance





Finding Information



Web-based information

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



UNITED NATIONS
GLOBAL MARKETPLACE

Welcome to the UNGM

Register



Business
Opportunities



Tender Alert Service



UN Staff Area



Contract Awards



Knowledge Centre



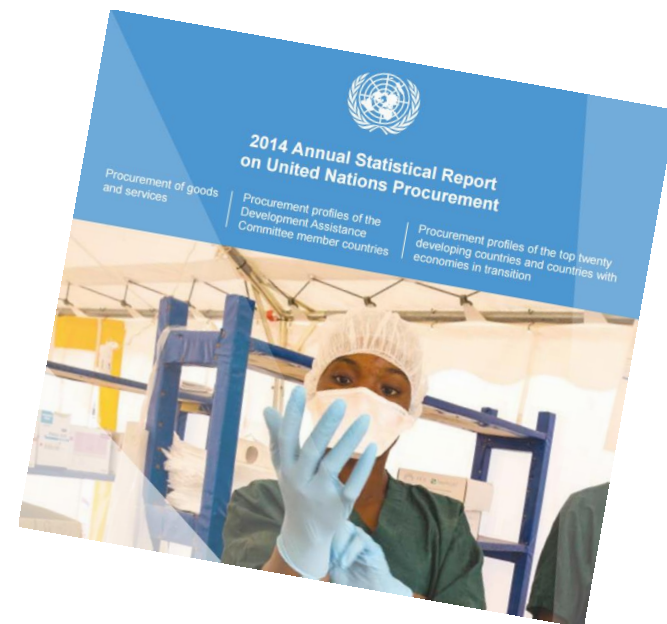
Business information

□ The Annual Statistical Report

- UN procurement by country
- UN Agency procurement by country, commodity or service
- Purchase orders and Contracts (over USD 30,000) placed by agency, by country of vendor, value and description of goods or services
- Top Ten items procured by Agency

□ Virtual Business Seminar Area

- Meet the UN Agencies, fields of activity, procurement activities, statistics, tenders etc.



Available from www.ungm.org





Register as a Potential Supplier
www.ungm.org



The UN Global Marketplace (UNGM)

- Register - free of charge
- Business opportunities
- Subscribe to Tender Alert Service
- Help? registry@ungm.org



UNITED NATIONS
GLOBAL MARKETPLACE

Welcome to the UNGM

Help ?

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UN Staff Area

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UN Procurement Procedures



Common Guidelines for UN Procurement

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

- The objectives of the UN Organisation
- Fairness
- Integrity & accountability
- Transparency
- Effective competition
- Best value for money

The common guidelines cover procurement stages from sourcing to execution of a contract - www.ungm.org



Common General Terms & Conditions

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

Available at www.ungm.org



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

Expression of Interest (EOI) - interested suppliers requested to provide information on their products, resources, qualification etc.

Request for Quotation (RFQ) - less formal solicitation used for lower value procurement (< USD 30,000*)

Invitation to Bid (ITB) - formal solicitation method for well-defined goods (or services); contract award is based on lowest priced acceptable bid (> USD 30,000*)

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 30,000*)

* Thresholds may vary



In summary

Up to 30,000 USD*

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

Above 30,000 USD*

- 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

* Thresholds may vary



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

- Exception to the rule

- Extreme emergency

- Sole source

- If competitive bidding process has failed for valid reason

- Very stringent controls and has to be well justified



Evaluation Criteria

- ❑ Acceptance of UN payment terms, terms & conditions etc.
- ❑ Technical Requirements
- ❑ Delivery Terms & Delivery Time
- ❑ Recognised International/National Standards
- ❑ Supporting Documentation
- ❑ Proven Production Capacity & Financial Strength
- ❑ Previous Contract References
- ❑ Warranty Conditions & Appropriate After-sales Service
- ❑ Price



How are vendors identified?

- Competitive suppliers of previous procurement
 - Past performance
- Suppliers of the required goods or services, found on the UN Global Market
 - Codification
- Through calls for Expression of Interest (EOI)
 - Notices
- Search of World Wide Web
- Databases e.g. Kompass, DACON
- Trade Missions, Chambers of Commerce
- Exchange with other UN Agencies



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
- Quality statements – international/national standards



Practical Tips

- Alternative proposal may be provided, in addition to what is being asked for
- 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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