DOING BUSINESS WITH
THE UNITED NATIONS (UN)

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Agenda

- UN Procurement & Statistics
- UN System of Organisations
- Supplying the UN
- General UN Procurement Procedures
- Practical Tips
UN Procurement & Statistics
Procurement & United Nations ultimate goals

- The Sustainable Development Goals 2015-2030
- 17 goals with 169 targets covering a broad range of sustainable development issues
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](http://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
Total UN procurement of goods and services 2009-2015

**NOTE:** Statistics for 2015 in this slideshow have not yet been published and may be subject to slight amendment before doing so.
Procurement volume of the 10 principal UN organizations 2014 and 2015

USD Million
(total shown for 2015)

10 major countries of supply to the UN System 2015

USD Million

- USA: 836 (Services 811, Goods 25)
- India: 1,120 (Services 1,100, Goods 20)
- UAE: 712 (Services 610, Goods 102)
- Switzerland: 133 (Services 133, Goods 0)
- Belgium: 67 (Services 67, Goods 0)
- Afghanistan: 580 (Services 580, Goods 0)
- Denmark: 333 (Services 233, Goods 100)
- France: 123 (Services 421, Goods 308)
- UK: 167 (Services 167, Goods 0)
- Kenya: 139 (Services 139, Goods 0)
What does the UN buy?

Top 5 sectors (approx 75% of total UN procurement)

- Health: 23%
- Transport: 24%
- Food & farming: 17%
- Construction & engineering: 15%
- Management & administrative services: 11%
- Other goods & services: 10%

[Diagram showing the distribution of UN procurement across sectors]
Procurement from Denmark

Goods
- 2009: 346.8 million USD
- 2010: 469.9 million USD
- 2011: 422.4 million USD
- 2012: 397.4 million USD
- 2013: 552.7 million USD
- 2014: 426.7 million USD
- 2015: 565.7 million USD

Services
- 2009: 100.5 million USD
- 2010: 348.1 million USD
- 2011: 298 million USD
- 2012: 192.8 million USD
- 2013: 299.5 million USD
- 2014: 189.9 million USD
- 2015: 232.7 million USD

(in million USD)
Procurement from Sweden

(in million USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Goods</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>4.2</td>
<td>9.3</td>
</tr>
<tr>
<td>2010</td>
<td>6.7</td>
<td>11.8</td>
</tr>
<tr>
<td>2011</td>
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<tr>
<td>2013</td>
<td>11.6</td>
<td>17</td>
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<tr>
<td>2014</td>
<td>11.7</td>
<td>17.2</td>
</tr>
<tr>
<td>2015</td>
<td>11</td>
<td>25</td>
</tr>
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</table>

Goods: 36
Services: 25
Procurement from Norway

(in million USD)

Goods

Services
Procurement from Finland

<table>
<thead>
<tr>
<th>Year</th>
<th>Goods</th>
<th>Services</th>
<th>Total (% of Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>9.5</td>
<td>3.3</td>
<td>3.3</td>
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<tr>
<td>2010</td>
<td>16.8</td>
<td>6.3</td>
<td>3.3</td>
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<tr>
<td>2015</td>
<td>10.0</td>
<td>6.6</td>
<td>6.6</td>
</tr>
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</table>

(in million USD)
Procurement from Iceland

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (in million USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>0</td>
</tr>
<tr>
<td>2010</td>
<td>11.9</td>
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<tr>
<td>2011</td>
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<td>2014</td>
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<tr>
<td>2015</td>
<td>0.2</td>
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</table>
UN System of Organisations
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
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
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 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 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 being met
- Delivery terms & delivery time
- Supply according to recognised international/national standards
- 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
- Provide quality statements – international/national standards
Practical Tips

- 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!