DOING BUSINESS WITH THE UNITED NATIONS (UN)

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Agenda

- UN Procurement & Statistics
- Supplying the UN
- General UN Procurement Procedures
- Practical Tips
UN Procurement & Statistics
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 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 2013-2017

Procurement volume of the 10 principal UN organizations 2016 and 2017

<table>
<thead>
<tr>
<th>Organization</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNICEF</td>
<td>3,485</td>
<td>3,429</td>
</tr>
<tr>
<td>WFP</td>
<td>2,962</td>
<td>2,747</td>
</tr>
<tr>
<td>UNPD</td>
<td>1,697</td>
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<td>UNDP</td>
<td>2,117</td>
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<td>UNHCR</td>
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<td>UNOPS</td>
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<tr>
<td>PAHO</td>
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<td>900</td>
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<tr>
<td>WHO</td>
<td>790</td>
<td>790</td>
</tr>
<tr>
<td>IOM</td>
<td>667</td>
<td>667</td>
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<tr>
<td>FAO</td>
<td>317</td>
<td>317</td>
</tr>
</tbody>
</table>

USD millions
Top 10 countries of supply to the UN System 2017

USD millions

1,741 USD millions

USA: 1,741
India: 907
UAE: 797
Belgium: 719
France: 693
UK: 555
Switzerland: 547
Netherlands: 512
Denmark: 507
Kenya: 503
What did the UN buy in 2017?

Top 5 sectors (80% of total UN procurement)

- Health: 20%
- Transport: 20%
- Food & farming: 21.5%
- Construction & engineering: 16.5%
- Consultancy, Administration & Operations: 11%
- Other goods & services: 11%
UN procurement from Belgium

Top agencies
- UNICEF
- PAHO
- WFP
- ITU
- UNHCR

Top sector: Pharmaceuticals
UN procurement from France

Top agencies:
UNICEF
PAHO
WFP
UNPD
UNOPS

Top sectors: Pharmaceuticals, lab/medical equipment, construction & engineering
UN procurement from Germany

Top agencies:
- UNFPA
- UNICEF
- UNPD
- UNDP
- WFP

Top sectors: Contraceptives, vaccines, transportation, administrative services
UN procurement from Austria

Top agencies:
IAEA
UNIDO
UNDP
UNOV
WHO

Top sectors:
Lab/medical equipment, office equipment, facility construction & maintenance
Supplying the UN
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
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 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)

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

* 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 being met
- Delivery time & terms (Incoterm(s))
- 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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