Doing business with UN
With the collaboration of 33 UN agencies providing their own procurement information, UNOPS has published the 2013 Annual Statistical Report on United Nations Procurement.

The overall procurement volume of UN organizations during 2013 increased to US$16.1 billion from US$15.4 billion in 2012.

UNPD (US$ 2.997 billion), UNICEF (US$ 2.741 billion), UNDP (US$ 2.269 billion) and WFP (US$ 2.477 billion) are topping the list and together account for 67% of the total procurement volume of UN organizations.

This year's report presents the data in greater granularity enabling for a more detailed analysis and now includes:

- An analysis of the procurement of developing countries and transition economies over the previous 10 years
- An analysis of countries with the largest procurement increase over the previous 10 years
- An analysis of procurement by sectors of categories of goods and services
- A category analysis of goods and services procured from developing countries and transition economies
- Revised sustainability indicators allowing for an improved understanding of UN system performance in sustainable procurement implementation

The report can be downloaded directly from the UNOPS website.
Top twenty developing countries and countries with economies in transition supplying UN organizations

In total, procurement of goods and services from the top twenty developing countries and countries with economies in transition represents 38.5 percent of overall UN procurement volume, an increase of 1.4 percentage points over the previous year. For a detailed overview of procurement volume trends, types of goods and services procured, as well as the share of UN procurement for each of the countries listed in Table 2, please refer to the procurement profiles of these countries available from page 23 onwards.

Table 2
Top twenty developing countries and countries with economies in transition supplying UN operations in 2013
(in millions of US dollars and percentage)

<table>
<thead>
<tr>
<th>Countries</th>
<th>Goods</th>
<th>Services</th>
<th>Total</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>953.4</td>
<td>127.8</td>
<td>1081.2</td>
<td>6.7%</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>50.5</td>
<td>650.4</td>
<td>700.9</td>
<td>4.4%</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>363.8</td>
<td>138.2</td>
<td>502.1</td>
<td>3.1%</td>
</tr>
<tr>
<td>Kenya</td>
<td>88.2</td>
<td>307.3</td>
<td>395.5</td>
<td>2.4%</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>65.9</td>
<td>296.8</td>
<td>364.4</td>
<td>2.3%</td>
</tr>
<tr>
<td>Sudan</td>
<td>179.0</td>
<td>167.8</td>
<td>346.7</td>
<td>2.2%</td>
</tr>
<tr>
<td>Lebanon</td>
<td>106.6</td>
<td>127.7</td>
<td>234.3</td>
<td>1.8%</td>
</tr>
<tr>
<td>Argentina</td>
<td>117.5</td>
<td>160.1</td>
<td>277.6</td>
<td>1.7%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>95.1</td>
<td>175.9</td>
<td>271.0</td>
<td>1.7%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>104.5</td>
<td>123.9</td>
<td>228.4</td>
<td>1.4%</td>
</tr>
<tr>
<td>Turkey</td>
<td>198.7</td>
<td>31.3</td>
<td>230.0</td>
<td>1.4%</td>
</tr>
<tr>
<td>Jordan</td>
<td>120.8</td>
<td>101.1</td>
<td>221.9</td>
<td>1.4%</td>
</tr>
<tr>
<td>South Africa</td>
<td>90.8</td>
<td>103.6</td>
<td>194.4</td>
<td>1.2%</td>
</tr>
<tr>
<td>Panama</td>
<td>127.1</td>
<td>53.5</td>
<td>180.7</td>
<td>1.1%</td>
</tr>
<tr>
<td>China</td>
<td>113.1</td>
<td>85.1</td>
<td>198.2</td>
<td>1.1%</td>
</tr>
<tr>
<td>Brazil</td>
<td>43.8</td>
<td>118.6</td>
<td>162.4</td>
<td>1.0%</td>
</tr>
<tr>
<td>Dem. Rep. of Congo</td>
<td>25.9</td>
<td>118.7</td>
<td>144.6</td>
<td>0.9%</td>
</tr>
<tr>
<td>Uganda</td>
<td>38.6</td>
<td>102.9</td>
<td>141.5</td>
<td>0.9%</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>53.0</td>
<td>87.3</td>
<td>140.3</td>
<td>0.9%</td>
</tr>
<tr>
<td>South Sudan</td>
<td>16.4</td>
<td>117.5</td>
<td>133.9</td>
<td>0.8%</td>
</tr>
<tr>
<td><strong>Top 20</strong></td>
<td>3,008.9</td>
<td>3,177.1</td>
<td>6,186.0</td>
<td>38.5%</td>
</tr>
<tr>
<td><strong>Grand total</strong></td>
<td>7,633.8</td>
<td>8,449.7</td>
<td>16,083.4</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Procurement from developing countries and countries with economies in transition by region

Over the last ten years, the share of UN procurement from developing countries and countries with economies in transition has significantly increased. Figure 5 below illustrates this increase by showing the distribution of the UN procurement in 2003 and in 2013, where procurement from countries with developing economies and countries with economies in transition is separated by region.\(^9\)

Figure 5
Procurement volume of the UN system by region in 2003 and 2013
(in percentage)

\(^9\) Countries with developed economies have been separated to highlight the share of UN procurement that is made from countries with developing economies and countries with economies in transition.
Procurement by sectors of categories of goods and services

The UN system’s procurement of goods and services consists of a wide variety of categories, which can be grouped into sectors of categories that relate to the different areas of procurement that support the UN operational activities. Figure 9 shows the distribution of the UN’s procurement across the largest sectors of categories of goods and services.

Figure 9
Procurement of the UN system by sector of goods and services, in 2013 (in percentage)

- Health: 22%
- Transport: 16%
- Construction and engineering: 11%
- Food and farming: 10%
- Management and administrative services: 10%
- Fuels and fuel additives: 4%
- Other goods and services: 27%
The United Nations Global Marketplace (www.ungm.org)

- The UNGM was established through collaborative efforts of UN organizations to develop and maintain a UN wide database of active and potential vendors.
- UNGM is web portal of the UN system, bringing together UN procurement staff and the supplier community by providing access to a global common database of international suppliers and to rosters of local suppliers.
- The UNGM database facilitates the interchange of vendor information within the UN system, countries and regions covered by the implementation of the UN projects.
Expression of Interest

Notice on Expressing Interest In Planned Solicitations:

Companies can only participate in solicitations of the UN Secretariat after completing their registration at the United Nations Global Marketplace.

As you express interest in a planned solicitation by submitting an EOI response form, please verify and ensure that your company is registered under its full legal name with the UN Secretariat on the United Nations Global Marketplace.

We strongly recommend all companies to register at least at Level 1 under the United Nations Secretariat prior to participating in any solicitations.

The information contained in this page is intended to encourage new vendors of relevant products and services to register with the Procurement Division of the United Nations. Interested firms/organizations already registered with the Procurement Division should immediately forward their EOI to the attention of the referenced Procurement Officer, giving the EOI reference number and Subject, their vendor registration number, and the commodities/services for which they are registered.

Firms/organizations interested in a particular EOI that have not yet been registered with the United Nations Procurement Division must submit applications for vendor registration, along with detailed information demonstrating experience and qualifications in provision of the relevant commodities/services.

Please note that each EOI forwarded to the Procurement Division must be sent under a separate facsimile transmission or letter.

Vendors are required to register with the United Nations Procurement Division directly. Please also note that vendor registration with another UN Agency does not result in automatic registration with the United Nations Procurement Division (UNPD) at this time.

These notices do not constitute solicitations. The United Nations reserves the right to change or cancel these requirements at any time in the EOI and/or solicitation process. The United Nations Procurement Division considers a firm’s qualifications and experience in the particular commodity/service area, and previous performance, when preparing a list of invitees. Therefore in the case of EOI’s concerning equipment or supplies, for responding vendors who are not manufacturers, full details of the vendor’s status as a factory-appointed wholesaler or distributor must be provided if not already on file with PD. Thus submitting an EOI does not automatically guarantee a firm will be considered for receipt of the solicitation when issued.
Vendor Registration

The United Nations Procurement Division (UNPD) is pleased to announce that registering with UNPD is now a “One-Step” fully “On-Line” process. In its continued partnership with the United Nations Global Marketplace (UNGM), UNPD and UNGM have worked together to provide vendors with a powerful yet easy-to-use tool to prepare and submit an on-line application for registration with UNPD. In addition, the registration criteria has been revised and now allows vendors to select the level of business activity they wish to participate in that best matches their capacities, business scope and commercial strategy.

Why Register?

After making yourself familiar with the UN business opportunities at the United Nations Expression of Interest website, registering with UNPD is the first step to be considered for participating in tendering exercises in an easy and systematic way. Since the UN Secretariat is currently implementing a new ERP system, registering with UNPD through UNGM will provide access to all UN Secretariat entities, including Field Missions, Offices away from Headquarters, Economic Commissions and Tribunals.

Basics for Applying On-Line in UNGM

Pre-requisites for Eligibility: As part of the registration process, vendors are required to declare that they meet the pre-requisites for eligibility.

UN Supplier Code of Conduct: Vendors are also required to comply with the UN Supplier Code of Conduct.

Registration Assistance & Support: An interactive UNGM guide to supplier registration.

Meeting the Registration Criteria: It is highly recommended that your company prepare in advance to meet the registration criteria for applying on-line in order to efficiently process your application. Depending on the Level of Registration being applied for, the documents listed below under Basic, Level 1 and Level 2 should be ready for uploading in Adobe Acrobat .pdf file format. Other basic information such as names, owners, principals, address, contact information, telephone, e-mail, etc. will be requested through the on-screen application form.
For Basic Level - Estimated Contract Award less than US $40,000

On-line Screen Information that will be requested:

- Company Name, Company’s most senior official, Company type, License number, Country/Area, Telephone number, Number of employees
- Company address
- Registration type
- Contacts: including name, title, telephone, e-mail, etc.
- Commodity Codes (UNSPSC)
- Declaration of eligibility

For Level 1 - Estimated Contract Award up to US $500,000

Documents required in Adobe Acrobat PDF Format:

- Current certificate of incorporation or equivalent document verifying legal status/capacity*.

On-line Screen Information that will be requested:

- Same as for Basic plus:
- At least three references
- Company information such as company ownership
- *Note: The vendor must be in business for a minimum of three years.

For Level 2 - Estimated Contract Award over US $500,000

Documents required in Adobe Acrobat PDF Format:

- Same as Level 1 plus:
- At least three reference letters
- Financial documents including Income Statement and Balance Sheet (audited financial statements or equivalent) for the last three years to be submitted with Auditors report or External Accountant Report.
Frequently Asked Questions

In addition to international procurement action, field offices are authorized to undertake local and required procurement action which include a wide range of requirements. For purchases within the authority of field offices, the Procurement Division plays a normative role in setting policies and providing advisory support. Vendors may wish to establish separate contact with field offices.

1. HOW CAN I REGISTER AS A VENDOR WITH THE UNITED NATIONS SECRETARIAT?
Registration as a vendor with the United Nations Secretariat and many other organizations of the UN system is done through the United Nations Global Marketplace (UNGM). Visit the website to create your account and to complete your application to become a registered vendor. Note: In UNGM the UN Secretariat includes the UN Procurement Division, Peacekeeping and Political Missions, Regional Economic Commissions (ECA, ECLAC, ESCAP, ESCWA), Tribunals (ICTY, ICTR, AKRT) and Offices Away from Headquarters (UNOG, UNON, UNOV).

2. DOES THE UNITED NATIONS SECRETARIAT PROCUREMENT IN NEW YORK CONDUCT PURCHASES FOR THE WHOLE UNITED NATIONS SYSTEM?
No, every UN System entity (WFP, UNICEF, UNESCO, UNDP, etc.) has its own procurement capacity, expertise and portfolio. The UN Secretariat Procurement conducts procurement for the UN Secretariat in New York, Peacekeeping/Political Missions, Tribunals and Commissions. Selected Offices Away from Headquarters do have delegated procurement authority to carry out their own procurement up to established financial limits. The UN Secretariat Procurement generally conducts purchases beyond these limits and for global acquisition projects.

3. DOES THIS MEAN THAT I HAVE TO INDIVIDUALLY CONTACT EACH AGENCY, FUND AND PROGRAMME?
No, the United Nations Global Marketplace (UNGM) provides a one-stop portal for applying to become a registered vendor with 22 different Agencies, Funds and Programmes and UN Secretariat that together represents 95% of the procurement expenditure of the UN System. The UN entities use UNGM as a sourcing tool in search for suppliers, as well as to publish new business opportunities. The UNGM registration is free of charge.

4. IS THERE INFORMATION ON REQUESTS FOR BIDS/PROPOSALS?
Yes. All procurement opportunities for the UN Secretariat are published on our website in the Expression of Interest section as well as on the United Nations Global Marketplace website.
5. I HAVE BEEN APPROVED AS A UN SECRETARIAT VENDOR, BUT I HAVE NEVER BEEN INVITED TO BID
Buyers search for potential vendors based on the United Nations Standard Product and Services Code (UNSPSC) indicated in your application to become a potential vendor with the UN Secretariat tenders. Accurate selection of UNSPSC codes that describe your core products and services, and which are in line with the tender requirements of the UN Secretariat, will increase the likelihood of your company being invited to bids.

Regularly checking our website to review open procurement opportunities and expressing your interest in these directly is another way to ensure that your company is invited to participate in tenders. It is possible to sign up for the Tender Alert Service on the UNGM website which will ensure that all procurement opportunities matching the UNSPSC codes selected in your UNGM account are e-mailed to you.

One reason why your company should never been invited to bid may be that the product or service you offer is rarely required by the UN Secretariat, and we simply have no need to buy any of them. Be aware that the UN Secretariat is only one entity within the 21 UN entities and each have a distinct portfolio. Please review the General Business Guide, which is available at the Knowledge Centre in the publications section for more information on the procurement requirements of the 21 UN Agencies, Funds and Programmes participating in the United Nations Global Marketplace.

6. I HEARD THERE IS A BID GOING ON FOR "XYZ" PRODUCT OR SERVICE. I WANT TO PARTICIPATE. WHO SHALL I CONTACT?
You are encouraged to consult the Expression of Interest section on the UN Secretariat Procurement website or United Nations Global Marketplace where all open Expressions of Interest (EOI) are published and contact the procurement officer for information. Please note, however, that the first step to participating in procurement opportunities with the UN Secretariat and other agencies of the UN System is by registering as a vendor at the United Nations Global Marketplace. Contact information for the UN Secretariat can be found in the Contact Us section and on the UNGM website for other Agencies, Funds and Programmes.

7. ARE PURCHASES BY THE UNITED NATIONS SECRETARIAT TAX/DUTY FREE?
As an inter-governmental organization, the UN Secretariat is exempt from the payment of taxes and duties for its purchases.

8. AS A US FIRM, SHOULD MY COMPANY QUOTE BASED ON A GENERAL SERVICE ADMINISTRATION (GSA) CONTRACT?
The United Nations does accept GSA pricing, however, as a rule, the UN Secretariat makes its purchases on the basis of Best Value for Money (BVM). You should always offer the best prices combined with the best quality of products or services that match our procurement requirements when offering a quotation, bid or proposal.

9. WE ARE PRODUCERS/MANUFACTURERS OF "XYZ". CAN WE INVITE THE UNITED NATIONS TO ATTEND WHEN WE HOLD DEMONSTRATIONS IN OUR COUNTRY?
The UN Secretariat does not normally make specific visits to individual companies. However, the UN system does organize Business Seminars which offer opportunities for companies to meet with procurement officials and which may include visits to select industries.

10. COULD YOU GIVE ME NAMES OF PERSONS FROM THE UN SECRETARIAT WHO ARE IN CHARGE OF PURCHASES OF "XYZ" PRODUCTS?
Contact information for UN Secretariat Procurement can be found in the Contact Us section and on the UNGM website for other Agencies, Funds and Programmes.
11. I AM A SMALL VENDOR, IS IT WORTHWHILE FOR ME TO REGISTER WHEN THE UN IS SUCH A LARGE ORGANISATION? DO I HAVE AN OPPORTUNITY TO DO BUSINESS WITH THE UNITED NATIONS SECRETARIAT?

Yes, of course. The UN Secretariat procures on an international basis from vendors of all sizes and from all geographical locations. Sometimes our requirements are large and sometimes our requirements are small. For this reason, we have different levels of registration and companies can choose the level at which they wish to register based on the size of their company and the size of contract that they are able to manage. A description of the different levels of registration and the requirements for each level can be found at [Vendor Registration](#).

12. WE HAVE A NEW PRODUCT THAT WE BELIEVE THE UNITED NATIONS SHOULD KNOW ABOUT; WHO SHOULD WE TALK TO?

Contact information for UN Secretariat Procurement can be found in the [Contact Us](#) section and on the [UNGM](#) website for other Agencies, Funds and Programmes.

13. CAN WE DELIVER DIRECTLY TO THE UNITED NATIONS SECRETARIAT IN NEW YORK FOR GOODS DESTINED FOR EXAMPLE TO AFRICA/MIDDLE EAST, ETC.?

Delivery requirements for purchases are usually specified in the tender documents (ITB, RFP). Delivery requirements may range from Ex-Works (EXW) to Delivered At Place (DAP) or Free Carrier (FCA). Your ability to comply with the stated delivery requirements will be factored into the evaluation process.

14. SHOULD I WANT TO MEET WITH ANY UNITED NATIONS SECRETARIAT OFFICIALS IN THE UNITED STATES, NEW YORK, REGARDING OUR COMPANY'S ABILITY TO PROVIDE SERVICES (OR GOODS), CAN THE UNITED NATIONS ISSUE ME A BUSINESS VISA?

We are not authorized to issue visas. Visas to the United States can only be issued by the US Embassy or Consulate in your country.

15. HOW DOES THE UNITED NATIONS SECRETARIAT PAY VENDORS?

The United Nations Secretariat payment terms are normally net 30 days upon receipt of invoice and delivery of goods or performance of contractual services, whichever is later. Advance payments and progress payments prior to delivery of goods or performance of contractual services ordered may be approved on an exceptional basis at the discretion of the UN Secretariat, if such payments are required pursuant to normal commercial practice or considered to be in the interest of the UN Secretariat. The United Nations does not issue letters of credit.

16. DOES THE UNITED NATIONS SECRETARIAT REQUIRE PERFORMANCE GUARANTEE?

The United Nations Secretariat may require a successful contractor to furnish performance bonds in the United Nations standard format or similar forms of financial guarantee. The amount of performance bonds/guarantees will vary depending on the nature of the requirements. The UN may also include a liquidated damages clause in its contractual documents in case adherence to the schedule of delivery of goods or performance of contractual services is critical to meet the requirements of the UN.

17. AS A NON-US BASED COMPANY, WOULD IT BE ADVANTAGEOUS IF I APPOINT A US COMPANY OR AGENT TO ACT ON MY BEHALF?

No. The United Nations Secretariat procures goods and services on an international basis and we prefer to deal directly with Vendors. Presence in the United States will not result in any advantage for your company.

18. DOES THE UNITED NATIONS SECRETARIAT HAVE A PARTICULAR PROFILE FOR VENDORS WITH WHOM IT DOES BUSINESS?

No. The UN Secretariat does business with vendors from all over the world, guided, among others, by the Best Value for Money principle. Nevertheless, the UN also represents 193 Member States, which guides it to diversify its vendor database in its business dealings. The UN is therefore constantly seeking to attract suppliers from countries and regions hitherto under-represented and is actively increasing its sources of supplies of goods and services from vendors in countries categorised as developing or with economies in transition.
FINANCING

- The UN is almost entirely funded by voluntary contributions from Member States.
- Contributions are also received from non-governmental organisations, enterprises, foundations and individuals.
- A very limited subsidy (approx. 3%), used exclusively for administrative costs, is received from the Regular Budget of the United Nations.
- Although UN operates on an annual budget, programmes are frequently not funded at the beginning of the year.
- The actual receipt of funds from the donors depends on the national legislation and fiscal cycles.
- Emergency requirements are met by launching special appeals on a need basis.
- Donors may decide to earmark their contributions to meet only specific requirements of a particular programme.
FINANCIAL POLICY

- All contractual arrangements are subject to the financial rules and procurement procedures in line with the Financial Rules and Regulations of the United Nations.

- Public accountability and control of financial transactions is ensured through checks and audits by internal and external bodies.

- Authority delegated to the procurement staff is clearly defined enabling them to act and obtain what is needed at the right time adhering to the Best Value for Money principle in a fair and transparent manner.
General Procurement Principles

- Financial Regulation 5.12:
  - Best Value for Money
  - Effective International Competition
  - Fairness, Integrity and Transparency
  - Interest of the Organization
Typical timelines (estimated working days) - ITB

Identification of the Need: 1-5 days
Development of the requirement: 5-10 days
Transmittal of the requisition: 1 day
Review of the requirement: 1-5 days
Development of Solicitation Documents: 20-30 days
Submissions of Vendors: 30 days
Opening of Submissions: 1 day
Evaluation of Submissions – technical and commercial: 5-10 days
Review by the HCC and approval of minutes: 1 day
Issuance of Award (subject to conclusion of contract): 5-10 days
Preparation of contractual instrument: 20-60 days
Input/assistance by OLA/GLD (if required): 5-35 days
Discussion/negotiation with the prospective vendor (if required): 5-35 days
Final internal approval; HCC review and issuance of minutes (if necessary); and approval by ASG/OCSS: 3-10 days

Total: 108-248 Days
Typical timelines (estimated working days) - RFP

Identification of the Need: 1-5
Development of the reqt: 5-60
Transmittal of the requisition: 1-10
Review of the requirement: 20-40
Development of Solicitation Documents: 30-50
Submissions of Vendors: 10-30
Opening of Submissions: 5-10
Evaluation of Submissions – technical and commercial: 15-20
Request for Best and Final Offers, if appropriate: 5-10
Review by the HCC and approval of minutes: 15-20
Issuance of Award (subject to conclusion of contract): 10-30
Preparation of contractual instrument: 20-60
Input/assistance by OLA/GLD (if required): 10-60
Discussion/negotiation with the prospective vendor (if required): 15-20
Final internal approval; HCC review and issuance of minutes (if necessary); and approval by ASG/OCSS: 15-20

Total: 155-408 Days
PS may contact prospective vendor seeking clarification:

✓ submission is unclear or ambiguous,

✓ clarification relates to unclear and ambiguous part and not to modify the submission.
Best Value for Money - Principle

Why Best Value for Money?

UN Financial Regulations and Rules 5.12:
"The following general principles shall be given due consideration when exercising the procurement functions of the United Nations:

- Best Value for Money
- Fairness, integrity and transparency
- Effective international competition
- Interest of the United Nations"
BVM - Non-Cost Related Factors

Non-Cost Related Factors are factors or attributes that are related to the organizational needs and requirements.

Examples of non-cost related factors are:

- Technical merits of the goods or services being offered
- Compliance with the specifications and requirements
- Quality of the product being provided
- Timeliness of the supplier's ability to deliver
- Relevant methods of assuring quality
- Competency, reliability and financial capacity of supplier
- Compliance with contractual terms and conditions
Market Environment refers to the overall market maturity and availability of supplier sources

Some examples of market environment factors are:

- **Supplier Availability** – Are there sufficient suitable suppliers in the market for the goods or services that we are sourcing?
- **Product Availability** - Are the products we are sourcing available in the market?
- **Market Maturity** – Is the product fully developed? (new development or off the shelf may affect the number of sources available)
- **Supplier Sustainability** – Is the supplier able to sustain in the current marketplace without risk to the contract and promised deliverables?
- **Local Law and Regulations** – some markets are restricted due to local regulations
BVM - Risk Factors

Risk factors refer to any risk that may jeopardize the successful outcome of a procurement process. Risk factors can affect a number of sourcing variables including, but not limited to price.

Some examples of Risk Factors are:

- Financial viability and capacity of supplier
- Risk of supply and delivery
- Price stability
- Currency fluctuations
- Legal exposure
- Geo-political
- Dependency
BVM - Sourcing Process

The Procurement process should be conducted in accordance with the UN Financial Regulations and Rules and the Procurement Manual to ensure:

- **Transparency**: nothing is hidden to stakeholders
- **Fairness**: equal opportunities to all suppliers
- **Integrity**: process is in accordance with best practices and UN Procurement Policy standards.

Source Selection plan ensures all three conditions are met.
Identify Potential Supplier Sources

“Tenders for equipment, supplies and other requirements shall be invited by advertisement [...]”.

(FRR 5.13):

- Fair opportunities to all vendors
- Increase of effective competition

Examples of tools that we use to assess the marketplace and identify potential suppliers are:

- Market Research / Survey
- Expression of Interest (EOI) - Advertisement
- Request for Information (RFI)
Contract Management

Contract management is the final element to any sourcing initiative to ensure that BVM will be achieved throughout the contract duration.

Examples of metrics or Performance Indicators that are assessed post-award are:

- Timeliness of product or service delivery
- Consistency of quality of product / service
- Supplier responsiveness to requests / requirements
- Discounts in line with increased volume over contract life
Payments

- UN’s standard terms are payment by bank transfer within thirty days of receipt of the documents stated in the purchase order in a good order.

- UN does not entertain requests for Letters of Credit, advance payments or assignment of payments to third parties.

- The Vendor’s banking details are shared with the Treasury that is responsible for effecting payment instructions should be kept up to date.
Business Gifts and Hospitality

- The UN staff are forbidden to accept gifts or favours of any kind, other than publicity items (company calendars, plastic pens, key chains and diaries) of a purely nominal value.

- If other types of gifts are received by means over which the staff member has no control, the gift will be tactfully returned or donated to the charity. With notification to the vendor.

- Modest hospitality, as a courtesy of business, may be accepted.
Code of Conduct

- Set of principles that focuses on individual and collective ethics and institutional integrity.
- Intended to serve as an illustrative guide for UN staff to make ethical decisions in their professional and, at times, in their private lives.
- Designed to Moral code that does not have force of law.
- It allows UN staff to better understand the obligations placed upon their conduct.
UN SUPPLIER CODE OF CONDUCT

United Nations Charter: The values enshrined in the United Nations (UN) Charter, respect for fundamental human rights, social justice and human dignity, and respect for the equal rights of men and women, serve as overarching values to which suppliers of goods and services to the UN are expected to adhere.

Global Compact: The Global Compact is a voluntary international corporate citizenship network intended to support the participation of both the private sector and other social actors to advance responsible economic, environmental and social principles to meet the challenges of globalization. The UN strongly encourages all suppliers to actively participate in the Global Compact. And to that end, this Code of Conduct has been developed with recognition of the importance of the ten principles of the UN Global Compact and is intended as an important means of integrating the Compact's principles into the operations of the UN. The Code of Conduct addresses the issues included in the Compact in the areas of human rights, labour, environment and anti-corruption. This Code should be understood in a manner consistent with the Global Compact. Suppliers interested in supporting the Global Compact and obtaining more information on the ten principles, can visit the Global Compact website at www.unglobalcompact.org

International Labour Convention and Recommendations: The International Labour Convention (I.L.C.) is a global mechanism that provides a framework for the International Labour Organization (ILO), which was established by the United Nations (U.N.) as part of the International Labour Congress, and its conventions, have served as the foundation on which much of this Code of Conduct is based. It is the U.N.'s expectation that any supplier providing products or services to the UN will, in addition to the values of the UN Charter, adhere to the principles concerning International Labour Standards summarised in paragraphs 4 - 5.4

1. Scope of Application: The provisions of this Code of Conduct set forth the U.N.'s expectations for all suppliers that are registered with the U.N. or with whom it does business. The U.N. expects that these principles apply to suppliers and their subcontractors, and to licensed or affiliated entities, and representatives and sales agents. The U.N. expects suppliers to ensure that the Code of Conduct is communicated to their employees, parent, subsidiary and affiliated entities as well as any subcontractors, and that it is done in the local language and in a manner that is understood by all.

2. Continuous Improvement: The provisions set forth in this Code of Conduct provide the minimum standards expected of suppliers to the U.N. The U.N. expects suppliers to strive to exceed both international and industry best practices. The U.N. also expects that its suppliers encourage and work with their own suppliers and subcontractors to ensure that they also comply with these principles. To maintain the integrity of this Code of Conduct, the U.N. expects that suppliers hold its own, and that suppliers meet the challenges of the standards established in this Code of Conduct in a dynamic rather than static process and encourages suppliers to continually improve their workplace conditions accordingly.

3. Management, Monitoring, and Evaluation: It is the expectation of the U.N. that suppliers, at a minimum, have established clear goals toward meeting the standards set forth in this Code of Conduct. The U.N. expects that its suppliers will establish and maintain appropriate management systems related to the content of this Code of Conduct, and that they actively identify, assess, and modify their management processes and business operations to ensure they align with the principles set forth in this Code of Conduct. Suppliers participating in the Global Compact are strongly encouraged to operationalize its principles and to communicate their progress annually to stakeholders. The U.N. expects that suppliers be audited on a regular basis, and that the results of these audits be made available to the U.N. The U.N. also expects that, to the extent possible, suppliers to the U.N. will be held to the same standards as those established for the U.N.'s suppliers.

4. Freedom of Association and Collective Bargaining: The U.N. expects its suppliers to recognize the right of workers, to form and join trade unions and to bargain collectively, as well as to protect those workers from any actions or other forms of discrimination related to the exercise of their right to organize, to carry out trade union activities and to bargain collectively.

5. Forced or Compulsory Labour: The U.N. expects its suppliers to refrain from forcing or compulsory labour in all its forms.

6. Child Labour: The U.N. expects its suppliers not to employ: (a) children below 14 years of age or, if higher than that age, the minimum age of employment permitted by the law of the country or countries where the performance, in whole or in part, of a contract takes place, or the age of the end of compulsory schooling in that country or countries, whichever is higher; and (b) persons under the age of 18 for work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of such persons.

7. Discrimination: The U.N. expects its suppliers to ensure equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, religion, political opinion, national extraction or social origin or other such grounds as may be recognized under the national law of the country or countries, where the performance, in whole or in part, of a contract takes place.

8. Wages, Working Hours and Other Conditions of Work: The U.N. expects its suppliers to ensure that the wages paid to workers are not less than the minimum wages or the wages prevailing in the area of the enterprise concerned. The U.N. also expects that the standard of living on which the workers and their families can rely is not less favourable than the best conditions prevailing locally (i.e., as contained in (i) collective agreements covering a substantial proportion of employers and workers, (ii) arbitration awards, or (iii) applicable laws or agreements).

*These principles are set out in the ILO Fundamental Conventions, No. 87, Freedom of Association and Right to Organise in 1948; and No. 98, Right to Organise and Collective Bargaining in 1949.

*This principle is set out in the ILO Fundamental Convention, No. 29, Employment or Forced Labour, 1930.

*These principles are set out in the ILO Fundamental Convention, No. 159, Minimum Age, 1973, and No. 182, Worst Forms of Child Labour, 1999, and in the ILO Convention on the Rights of the Child.

*These principles are set out in the ILO Fundamental Conventions, No. 100, Equal Remuneration (Women), 1951; and No. 111, Discrimination (Employment and Occupation), 1956.
9. **Health and Safety:** The UN expects its suppliers to ensure, to the extent reasonably practicable, that: (a) workplace, machinery, equipment and processes under their control are safe and without risk to health; (b) the physical, chemical and biological environment in which they are carried out is safe and with no risk to health; (c) the appropriate measures of protection are taken; and (d) where necessary, adequate protective clothing and protective equipment are provided to prevent, so far as is reasonably practicable, the risk of accidents or of adverse effects to health.

**Human Rights:**

10. **Human Rights:** The UN expects its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses.

11. **Harassment, Harass or Inhumane Treatment:** The UN expects its suppliers to conduct and maintain an environment that treats all employees with dignity and respect and will not use any tactics of violence, sexual exploitation or abuse, racial or psychological harassment or abuse, Ito, boycotts or other harmful treatment or corporal punishment of any kind or tolerated. It is the latter to be the victim of any such treatment.

12. **Mines:** The UN expects its suppliers not to engage in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.

**Environment:**

13. **Environmental:** The UN expects its suppliers to have an effective environmental policy and to comply with existing environmental and regulations regarding the protection of the environment, support and ensure the promotion of sustainability and encourage the effective management of environment technologies implementing sound life-cycle practices.

14. **Chemical and Hazardous Materials:** Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

15. **Wastewater and Solid Waste:** Wastewater and solid waste generated from operations, industrial processes and facilities are to be monitored, controlled and treated as required prior to discharge or disposal.

16. **Air Emissions:** Air emissions of volatile organic chemicals, aerosols, carcinogens, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, measured, controlled and treated as required prior to discharge or disposal.

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17. **Minimize Waste, Maximize Recycling:** Waste of all types, including water and energy, are to be minimized or eliminated at the source or by practices such as modifying production, maintenance and facility processes, material substitutions, conservation, recycling and reusing materials.

**Ethical conduct:**

18. **Corruption:** The UN expects its suppliers to adhere to the highest standards of ethical and conduct, to respect local laws and not engage in any form of corrupt practices, including but not limited to extortion, fraud, or bribery.

19. **Conflict of Interest:** UN suppliers are expected to disclose to the UN any situation that may appear to be a conflict of interest, and disclosure to the UN if any UN official or professional under contract with the UN may have an interest in any kind in the supplier's business or any kind of economic ties with the supplier.

20. **Gifts and Hospitality:** The UN has a “zero tolerance” policy and does not accept any type of gift or any offers of hospitality. The UN will not accept any invitations to opening or cultural events, dinner or dinners or other social events, transportation, or invitations to loads or dinners. The UN expects its suppliers to exercise their best judgment in any social, business or non-business opportunities to the same staff member as the UN staff member in their discussions with the supplier.

21. **Post Employment restrictions:** Post-employment restrictions may apply to UN staff in service and former UN staff members who participated in the procurement process, if such personnel had prior professional dealings with suppliers. UN suppliers are expected to refrain from offering employment to any such person for a period of one year following separation from service.

Non-adherence to these principles will be a factor in considering whether a supplier is deemed eligible to be registered as a UN supplier or to do business with the UN, in accordance with applicable UN policies and procedures.

We encourage UN suppliers to improve their business practices in accordance with the principles set out in this Code of Conduct.

**Contacts:**

Any questions related to this Code of Conduct can be addressed to the High Level Committee on Management - Procurement Network (HLCM-RF) at email: hlcmp.secretariat@un.org.
Goods and services purchased by the UN are normally exempted from Value Added Tax and custom duties.

In rare cases, recipient governments may levy taxes and custom duties.

In those instances, UN would expect the vendor to reflect such costs in its offer, as stipulated in the tendering documents.
Warranties

- UN requires seller to warrant that all items furnished under purchase order are new and unused.
- The seller further warrants all items shall conform fully to all requirements of the order, to approved samples if any, be fit for the purpose intended and be free from the defects in material, workmanship and/or design.
Settlement of Disputes and Arbitration

- The UN policy is to achieve an amicable solution to disputes with its vendors.
- Any dispute arising out of the interpretation of the terms of contract signed between UN and a vendor shall, unless settled by direct negotiations, be referred to arbitration, usually in accordance with the rules of UN Commission on International Trade Law (UNCITRAL).
- UN and the vendor accept in advance to be bound by any arbitration award, rendered in accordance with the agreed procedures, as the final adjudication of any such dispute.