



*Empowered lives.
Resilient nations.*

{ Doing business with UNDP

| VENDOR INFORMATION

UNITED NATIONS DEVELOPMENT PROGRAMME

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INTRODUCTION

United Nations Development Programme (UNDP) manages one of largest procurement operations in the UN system, procuring around US\$3 billion worth of goods and services each year, to ensure that developing countries have access to life-saving medicines, cutting-edge technology, emergency relief supplies and a host of other needed items.

UNDP strives to build long-term business relationships with reputable vendors across the globe that have goods and services that will help us address some of the world's most urgent needs and pressing problems. This compendium is for companies that might be interested in doing business with UNDP. We outline some of the frequently asked questions posed by vendors and suppliers and aim is to provide insights to how we do business, with whom and how you can market your goods and services to UNDP. For further questions, do not hesitate to contact your local UNDP office or UNDP's Procurement Services Unit.

PROCUREMENT AT UNDP

In order to fulfil our mandate and achieve our vision of empowered lives and resilient nations, UNDP must procure a significant volume of goods and services. As a public organization entrusted with donor funds and committed to supporting developing economies, UNDP work to improve access to quality assured supplies in a cost effective and reliable way. We do this by abiding the following principles

- **Best Value for Money**, which consists of the selection of the offer that best meets the end-users' needs and that presents the best return on investment. Best Value for Money is the result of several factors, including quality, experience, the vendor's reputation, life-cycle costs and benefits, and parameters that measure how well the good or service allows the organization to meet its social, environmental or other strategic objectives.
- **Fairness, Integrity and Transparency**, which ensures that competitive processes are fair, open, and rules-based. All potential vendors should be treated equally, and the process should feature clear evaluation criteria, unambiguous solicitation instructions, realistic requirements, and rules and procedures that are easy to understand.
- **Effective International Competition**, understood as giving all potential vendors timely and adequate information on UNDP requirements, as well as equal opportunity to participate in procurement actions, and restricting them only when it is absolutely necessary to achieve UNDP development goals; and
- **In the best interest of UNDP**, which means that any business transactions must conform to the mandates and principles of UNDP and the United Nations.

UNDP has vendors from some 200 different countries yearly

Growth over previous year: 19.75%

% of total UN procurement: 15.57%

Procurement value: around 3 billion USD (3rd largest in terms of procurement in the year 2015)

DOING BUSINESS WITH UNDP

UNDP is present in some 170 countries around the world and buys goods and services to service the portfolio of each of its Country Offices as well as UNDP Headquarters in New York as well as out posted units in Copenhagen and Kuala Lumpur.

Responsibility for procurement is decentralized, meaning that the entire procurement cycle – from sourcing to contract management – is done locally. The head of the Country Offices, the Resident Representative (or his or her designee) oversees the process.

The Country Office will enter into contracts with vendors, which may be companies or individuals. Headquarters plays a limited role with the Procurement Services Unit (PSU) providing support and specialized assistance. The Procurement Oversight Unit (POU), an independent unit within the Bureau for Management Services, approves contracts exceeding 150,000 USD. The POU ensures that procurement undertaken by UNDP all units complies with relevant guidelines, and that procurement risks are properly assessed and mitigated.

As a public organization, UNDP must strictly adhere to its Financial Regulations and Rules, which mandate that contracts be awarded through a competitive process, obtaining bids through formal tenders. While this may sometimes lengthen the procurement process, UNDP delegates a significant amount of authority to its Country Offices, has introduced more flexible methods for low-value/low-risk purchasing, and approves purchase orders electronically, all of which save time and money for the organization and its vendors. To ensure consistency across all our offices and business units, UNDP uses standard bidding documents, available in English, Spanish and French.

What we buy

With offices all over the world and with a broad mandate to work for sustainable human development, UNDP buys both goods and services to be able to carry out projects and programmes together with partners.

On average, UNDP buys approximately \$3 billion (US) worth of goods and services every year to maintain operations in the field and to react to upcoming and recurring demands. While the needs vary, services account for approximately 75% of demand. Examples of goods and services frequently procured by UNDP country offices include:

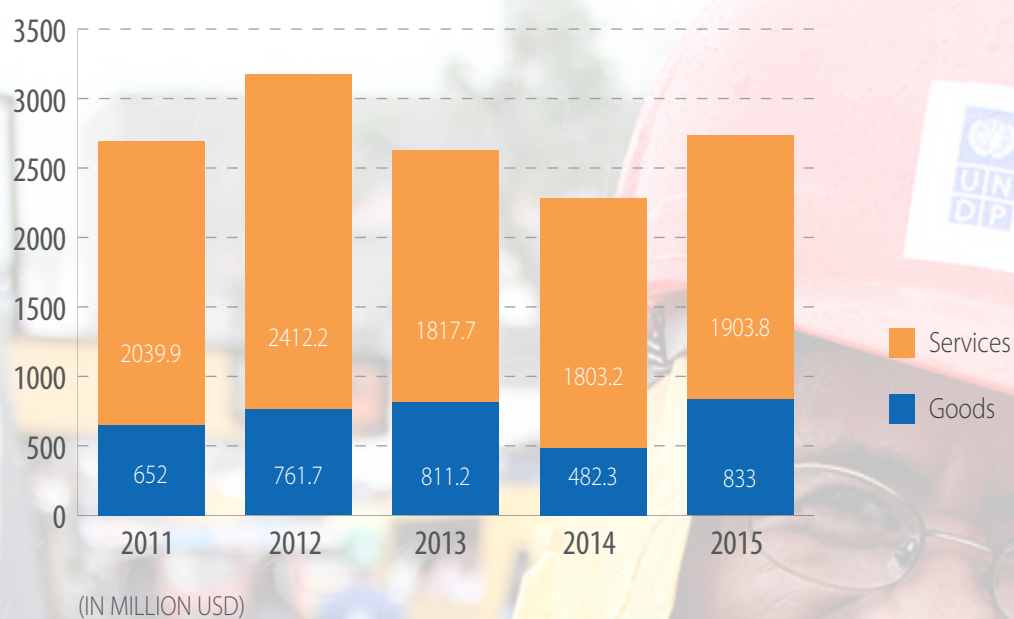
GOODS

- Computer Equipment
- Motor Vehicles, Spare Parts and Accessories
- Computer Software, Licensing and Maintenance
- Management Information Systems
- Satellite Communication Equipment
- Office Furniture
- Office Machinery and Consumables
- Fuel
- Generators
- Security Appliances
- Uniforms

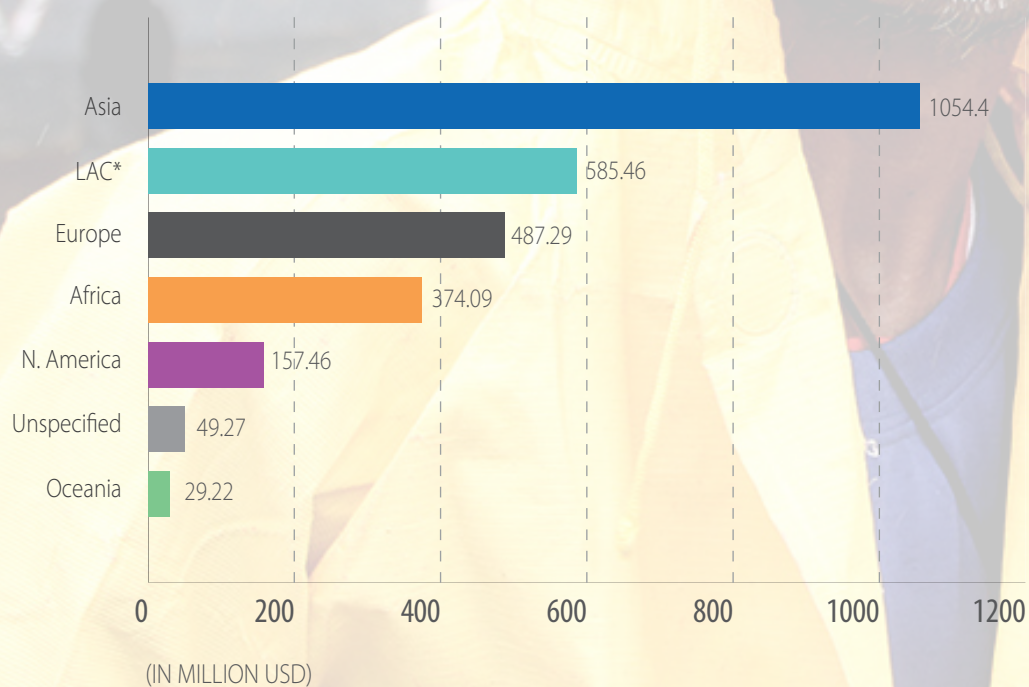
SERVICES

- Transportation
- International and Local Consultants
- Facilities Rental / Leasing
- Conference Organizing
- Printing, Publishing and Bookbinding Services
- Construction and Engineering Services
- Cargo Transport, Warehousing and Storage
- Project Management
- IT Services
- Evaluation Services

GOODS AND SERVICES DISTRIBUTION



PROCUREMENT BY REGION



Source: 2015 Annual Statistical Report on United Nations Procurement, p. 211

How we buy

If the value of the goods, services or simple works to be procured is below USD 5,000, Micro-Purchasing may be used. This method uses a simple canvassing template, and procurement staff may obtain pricing information over the phone, internet, or by visiting local vendors. Micro-purchasing can normally be done in 1 or 2 days. Award is made to the lowest price available.

A **Request for Quotation (RFQ)** is an informal invitation to submit a quotation, used for goods/services/civil works valued between USD 5,000 and USD 100,000. Depending on the complexity of the requirement, vendors will be given 3 to 10 business days to respond to an RFQ. Prices, and other commercial terms and conditions are requested and award is made to the lowest priced technically acceptable offer.

An **Invitation to Bid (ITB)** is a formal invitation to submit a bid, usually associated with requirements that are clearly and concisely defined, with an estimated procurement value of USD 100,000 or more. Normally price is the sole determinant in making an award. Where all technical criteria are met, an award is made to the lowest bidder. Vendors will normally be given 15 business days or more to respond, depending on the complexity of the requirement. In some cases involving large and complex contracts, vendors may be asked to pre-qualify.

A **Request for Proposal (RFP)** is a formal request to submit a proposal usually associated with requirements for services, which cannot be clearly or concisely defined, with an estimated procurement value of USD 100,000 or more. Price is only one of several factors comprising the evaluation criteria. Award is made to the qualified bidder whose bid substantially conforms to the requirement set forth on the solicitation documents and is evaluated to be the lowest cost to UNDP. Vendors are normally given 15 business days or more to respond to an RFP. In some cases, vendors may be required to pre-qualify.

Exceptionally and when it is deemed in the best interest of UNDP, procurement staff may buy goods or services through **Direct Contracting**.

UNDP may also engage Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs) as **Responsible Parties**, a deliverables-based approach to undertaking project activities.

INDIVIDUAL CONSULTANTS

Most of UNDP's procurement activities are dedicated to acquiring services, which may be executed by companies or by individuals. Individuals provide services directly to UNDP under the Individual Contract (IC) modality.

The IC modality may be used when:

1. Services cannot be provided by existing staff due to a lack of specialized knowledge or expertise;
2. The assignment is results-oriented and can be completed on or off UNDP premises, within a definite period of time linked to deliverables;
3. The assignment requires the performance of non-staff duties.
4. ICs are engaged through a Reimbursable Loan Agreement (RLA) that is awarded through a competitive process, covering professional fees and certain expenses, such as travel, if and when required. Country Offices may issue Expressions of Interest (EOI) from time to time, in order to keep a roster of potential ICs.

ICs are not considered staff and do not receive entitlements when engaged by UNDP. If the services require travel, individuals may be given "Expert on Mission" status.

EVALUATION OF OFFERS

Each procurement method has a slightly different evaluation method. When evaluating RFQs and ITBs, the price is the most important element. In contrast to this, an RFP relies mostly on a technical evaluation. The technical component primarily determines whether the proposal will be accepted or declined. Evaluation is done through pre-set criteria, which are clearly indicated on the bidding documents.

When examining, evaluating and comparing offers, UNDP may consider price as well as non-price factors,

which include cost (operation, maintenance, repairs); delivery/completion time; functional characteristics; terms of payment/guarantee; a vendor's performance record with UNDP and other UN agencies; and the vendor's presence in the local market.

TERMS OF CONTRACT

In order to become a vendor to UNDP, you must accept the General Terms and Conditions of Contract (GTCs). A copy of these GTCs is included in bidding documents. UNDP procurement staff may not modify these terms of contract, and any alterations require the advice and consent of the Legal Support Office (LSO).

PROCUREMENT METHODS

Procurement Method	Contract Value	Type of Requirement	Market Conditions	Method of Solicitation	Type of Competition
Micro-Purchasing	Below USD 5,000	Goods (commoditized or off-the-shelf) Services (standardized) Civil Works (simple)	Competitive marketplace	Request	Regional or local
RFQ	USD 2,500- USD 100,000	Goods (commoditized or off-the-shelf) Services (standardized) Civil Works (simple)	Competitive marketplace	Formal invitation (written)	International or local
ITB	Over USD 100,000	Goods Services Civil Works	Competitive marketplace	Advertisement	International
RFP	Over USD 100,000	Services	Competitive Marketplace	Advertisement	International
Direct Contracting	Any amount as may be justified by FRR 121.05	Goods (commoditized or off-the-shelf) Services (standardized) Civil Works (simple)	All conditions defined under FRR 121.05	Advertisement	No competition
Exigent Circumstances	Dependent on the conditions defined under Fast Track Procedure (FTP) Authorization	Goods Services Civil Works	Natural disaster Health epidemic Sudden unforeseen crisis Time-critical activities	Direct invitation or negotiation	No competition

Qualifications and eligibility

UNDP is a public organization and as such must diligently follow its Financial Regulations and Rules. All UNDP procurement is subject to the relevant policies set forth by the Bureau for Management Services. All UNDP Suppliers must abide by the [UN Supplier Code of Conduct](#). Under this framework, all vendors must be qualified, as well as eligible..

While qualification criteria may be further specified to meet the needs of a particular purchase, in general terms all qualified UNDP vendors must meet the following commercial criteria:

1. Have adequate financial resources to perform the contract or the ability to obtain them;
2. Be able to provide audited financial statements for completed fiscal years upon request;
3. Be able to comply fully and effectively with UNDP General Terms and Conditions of Contract;
4. Have the necessary organization, facilities, experience, accounting and operational controls; adequate insurance and technical skills (including, as needed, quality controls, property and production control systems, standards and safety programmes applicable to goods produced or services performed);
5. Have a record of satisfactory performance with UNDP, when applicable; and
6. Have sufficient material and financial resources to meet all existing commercial commitments.

Eligible vendors are qualified vendors that have not been temporarily suspended or debarred by UNDP or another UN agency, fund or programme (see page xx). UNDP also considers vendors included in the Security Council Resolution Lists ([1267](#), [1989](#)) to be ineligible for UNDP contracts. If you are a consortium, holding or parent company, the entire group must meet these eligibility requirements.



Photo: UNDP in Europe and CIS

Vendor registration

UNDP publishes its procurement opportunities directly on its [Procurement Notices website](#). UNDP also participates in the [United Nations Global Marketplace](#), the procurement portal of the United Nations.

UNGM is the single window for registration with the UN System. It allows suppliers to keep current business information available to all UN Organizations as a tool for locating potential suppliers. It also provides online access to all tender opportunities and contract awards published by 35 UN agencies. UNDP does not require prospective bidders to be registered on UNGM. However, Level 1 Registration is encouraged.

REGISTERING WITH UNGM

To be listed as a potential supplier in the UNGM, please fill out the Supplier Registration Form. The Supplier Registration Form is the same form used by individual organizations to pre-qualify suppliers and incorporate them into their internal procurement rosters. Registering on UNGM is free of charge.

TENDER ALERT SERVICE

UNGM runs a value-added service that allows registered vendors to receive tender alerts every day over email, directly and automatically, tailored to the products and services they have expressed an interest in as soon as they are published. There is an annual fee of US\$250 for this optional service.

For more information, we encourage interested suppliers to register with the [UN development business procurement notices](#). You can also find procurement opportunities at [UN development business procurement notices](#).



Photo: UN Photo/Iskender Dabeb



Market your goods and services

Since UNDP procurement is decentralized to the authority of the country office, your first contact is the Procurement Focal Point. After you have done your market research and identified regions or projects that are of interest to you and the business sector you work in, you should introduce your company and present the goods or services you offer.

Marketing yourself means:

- Register at the UNGM
- Respond to expressions of interest, invitations for prequalification etc.
- Contact the procurement focal point
- Introduce your company
- Visit the Country Office
- Organize meetings with the project managers
- Be proactive!

SUPPLIER SELECTION

The first step in selecting Suppliers is often market research, particularly if the product or service has not previously been procured. Business Units may source Suppliers through an expression of interest for commonly procured goods, registration of prospective Suppliers at UNGM and/or business seminars, where applicable.

- Other procurement related websites; and
- Yellow pages for local suppliers.

PRE-QUALIFY AS A SUPPLIER

Business Units may pre-qualify potential Suppliers, which meet established qualification criteria to ensure that offers are sought only from Suppliers with requisite resources and experience. Although prequalification is not a form of selective engagement, the process ensures that invitations to bid are extended only to those with adequate capabilities and resources. Prequalification criteria should be specified in an Invitation for Prequalification, based entirely upon the capability and resources of potential Suppliers to perform the particular contract satisfactorily, taking into account such factors as their

1. experience and past performance on similar contracts;
2. capabilities with respect to personnel, equipment and construction or manufacturing facilities; and
3. financial position.

Such prequalification is generally recommended for large and complex contracts (i.e., involving US\$100,000 or more for civil works or the procurement of professional services).

Procurement protest and vendor sanctions

As the steward of public funds, UNDP wants to award contracts through fair and effective competition. If you believe you were not treated fairly, you have the right to present a procurement protest.

All procurement protests should be addressed to the UNDP Country Office or HQ Business Unit that undertook the procurement action. If the matter is not resolved satisfactorily, it may be raised to PSO by the Country Office or Business Unit. To present a process, you must compile the following information and submit it over e-mail to the Resident Representative:

1. Your name, address, telephone number, fax number, and email;
2. The solicitation or contract number, name of contracting office and the procurement officer;
3. A statement of the grounds for your protest, and an explanation on how you were directly affected;
4. Copies of relevant documents supporting your statement;
5. Any information that can help UNDP determine that you are an interested party in this process;
6. Any information that can help UNDP establish that your protest is timely; and
7. A statement on the best way UNDP may provide you with relief.

VENDOR SANCTIONS

Effective governance and integrity are central to the UNDP mandate. UNDP requires its Vendors to comply with the highest ethical standards, and report to UNDP all suspected acts of fraud and corruption. See also the [Office of Audit and Investigations website](#). UNDP has banned a series of practices in its procurement process. These behaviors, also known as proscribed practices, include:

- **Corruption:** offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
- **Fraud:** any act or omission, including a representation, that knowingly or recklessly

misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

- **Coercion:** any act or omission that impairs or harms, or threatens to impair or harm, directly or indirectly, any party or the property of the party to improperly influence the actions of a party.
- **Collusion:** an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
- **Unethical Practices:** behavior that constitutes a conflict of interest, or that is contrary to the policies and requirements of doing business with UNDP, including but not limited to post-employment and gifts and hospitality provisions.
- **Obstruction:** Acts or omissions by a Vendor that prevent or hinder UNDP from investigating complaints of Vendor engagement in Proscribed Practices.

VENDOR REVIEW COMMITTEE

The Vendor Review Committee (VRC) is a technical advisory body, tasked with considering allegations made against UNDP vendors. The VRC may issue Notices of Administrative Action when it determines that the Office of Audit and Investigations (OAI) has provided information that indicates that one or more vendors have engaged in proscribed practices. The VRC will give the vendor a reasonable period to respond to these allegations and their supporting documentation, and present explanations and documentation of its own. Sanctions proceedings, which are regulated by the UNDP Vendor Sanctions Policy may result in a vendor being censured or debarred for up to 7 years, depending on the level and severity of the allegations.

UNDP Sanctions are separate from any actions that may be taken by any government or international organization under international law.

UNDP ENTRIES TO THE UN INELIGIBILITY LIST

If entities and individuals do not respond to allegations of engaging in proscribed practices when presented to them, they can be sanctioned by the Chief Procurement Officer at the recommendation of the VRC. These adverse decisions are made through an exhaustive administrative process based on the findings of the Office of Audit and Investigations which allows these entities and individuals to respond to the allegations made against them, pursuant to the UNDP Vendor Sanctions Policy.

Imposing sanctions is one of the ways in which UNDP seeks to prevent and combat fraud and corruption in the pursuit of its mandate. UNDP shares these entries with the other organisations of the United Nations through the UN Ineligibility List. UNDP may also, at its sole discretion, publish the names of the individuals or organizations named in its own entries.

The VRC may recommend any sanction that it considers appropriate under the specific circumstances of a case to the Chief Procurement Officer. These include, but are not limited to:

- censure;
- conditions on future contracts; and
- debarment.

Debarred vendors are ineligible to participate in any UNDP Procurement Action. This ineligibility may affect any entity or individual who directly or indirectly controls the debarred vendor, or any entity or individual that the debarred vendor controls or employs. Sanctioned vendors may apply to the VRC for rehabilitation after at least half of the sanctions period has passed.

For an updated list of UNDP entries to the UN ineligibility list, please check [our website](#).

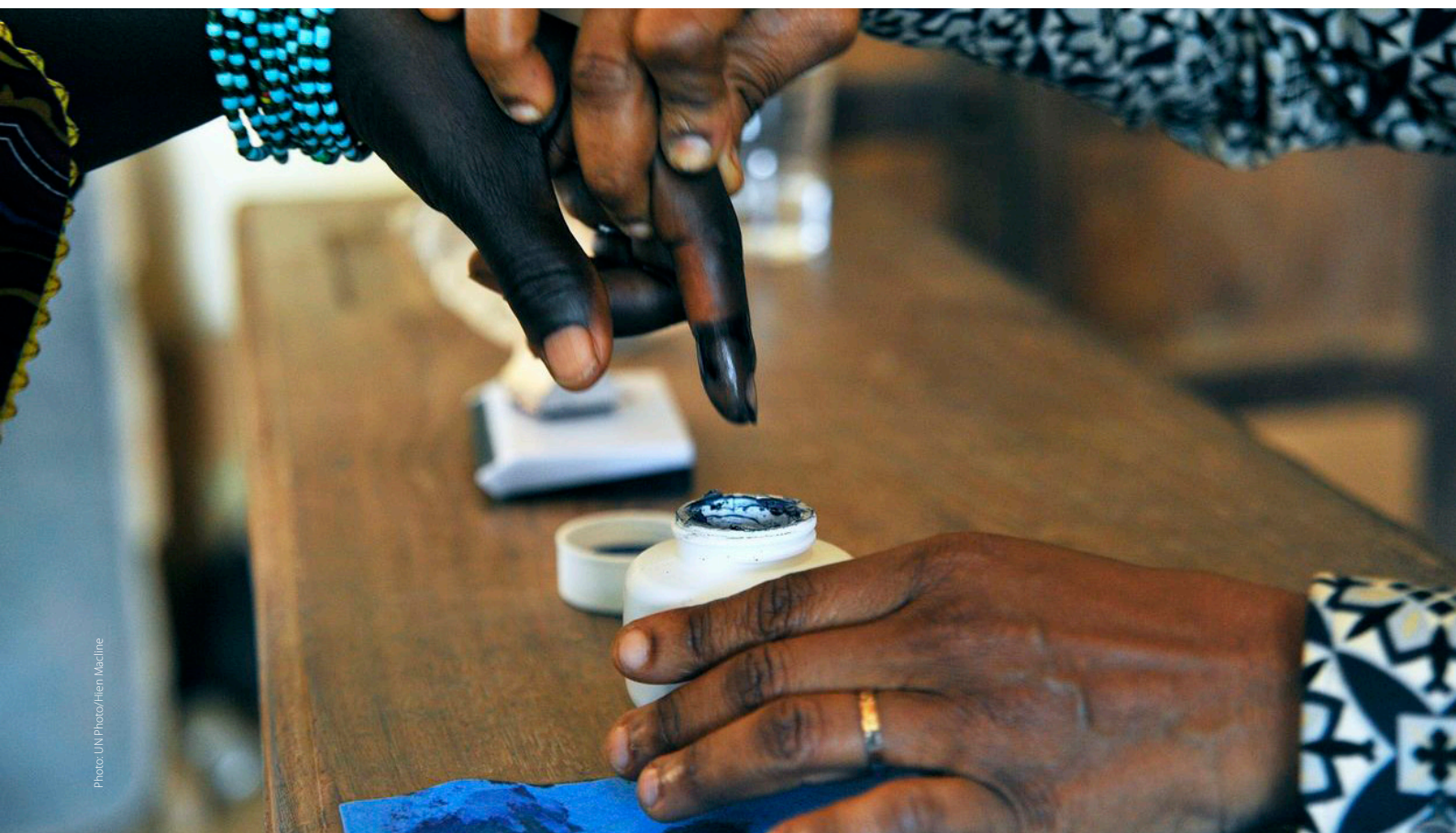


Photo: UN Photo/Hen MacInnes

ABOUT US

UNDP's Procurement Services Unit (PSU) provides direct support to country offices and other business units within the organisation worldwide to ensure transparent purchasing processes that provide UNDP with the best value for money. This is achieved through targeted training, direct assistance, and tools and systems to facilitate the procurement process. Through innovative supply chain management, PSU helps country offices and Headquarters units to keep pace with the dramatic growth in volume and complexity of procurement at UNDP.

With a dynamic and expanding portfolio of services, PSU is committed to helping other UNDP units to secure the goods and services they need to empower communities and build resilient nations.

For contact information, go to www.undp.org/procurement

For more information about UNDP's Programme and Operations Policies and Procedures, go to popp.undp.org







*Empowered lives.
Resilient nations.*

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www.undp.org/procurement



Photo: UN Photo/Isaac Billy