


UNICEF's Procurement: Principles and Processes

UNICEF Ukraine

unicef  | for every child

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UNICEF is mandated by the United Nations General Assembly to advocate for the protection of children's rights, to help meet their basic needs and to expand their opportunities to reach their full potential.

Agenda

- Data and UNICEF Procurement Principles and Processes
 - UNICEF Information Sources
- 

UNICEF Procurement Overview: 2020*

unicef  for every child

Procurement value: 2019

\$3.83bn

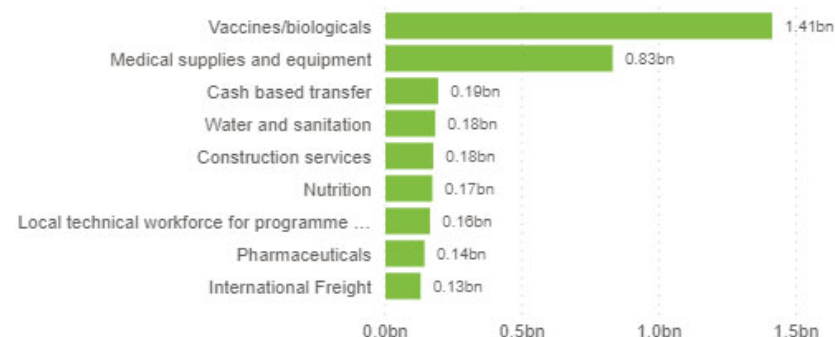


Procurement value: 2020

4.47bn



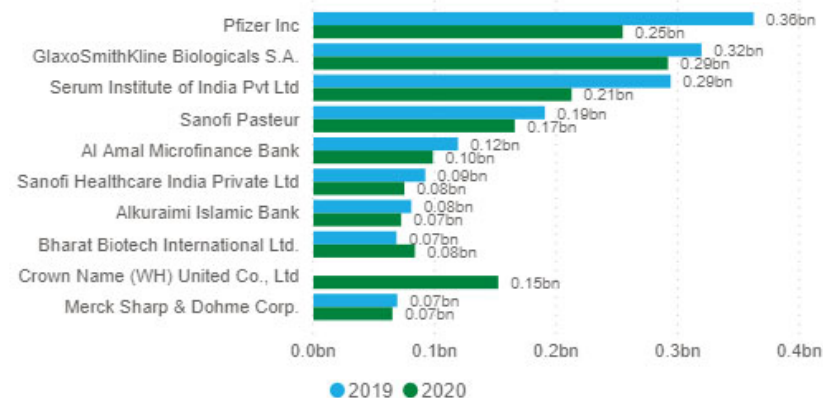
Procurement value by Commodity Group: 2020



Procurement value by month

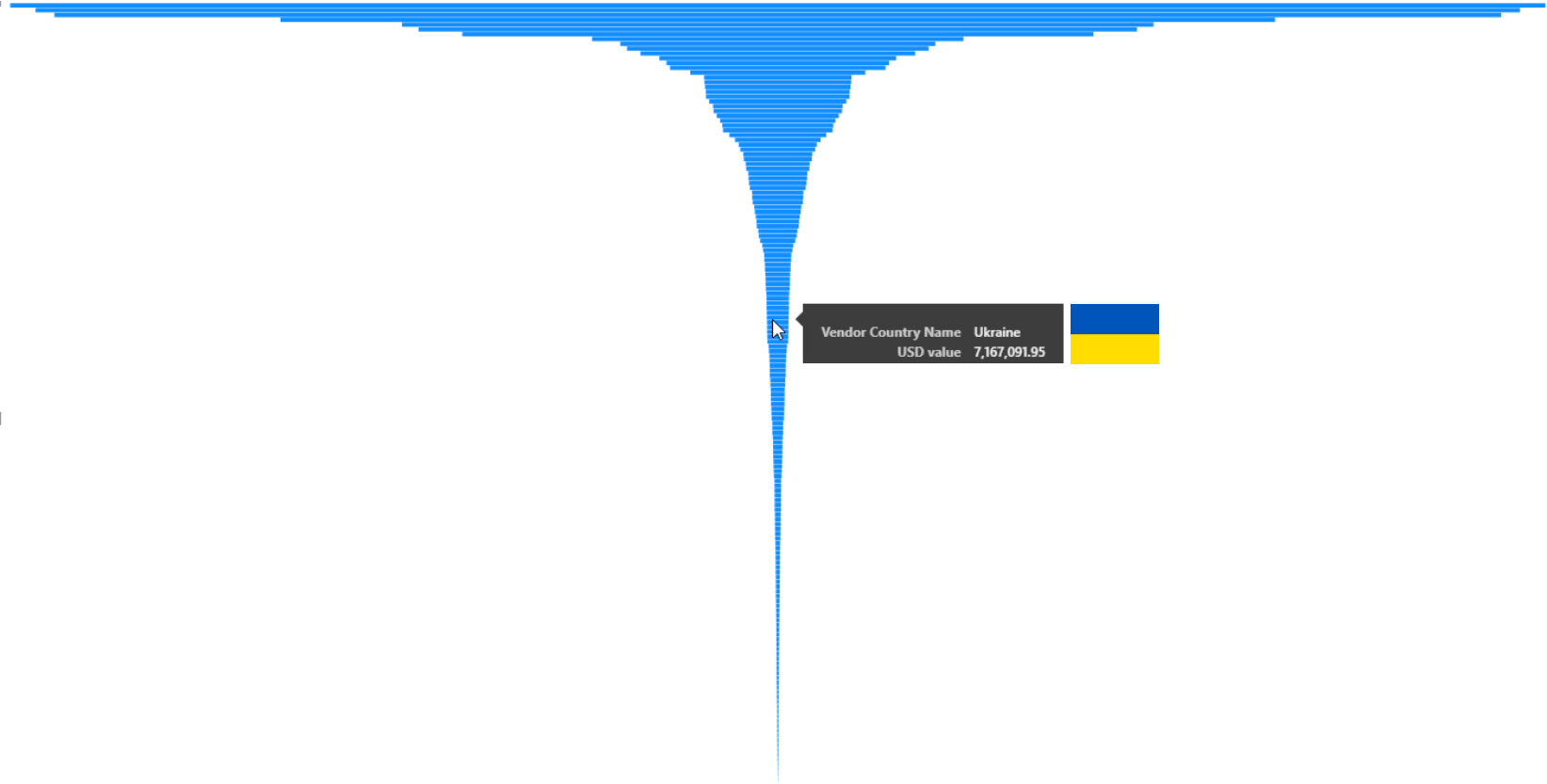


Suppliers by Procurement value



*2020 figures are preliminary and are subject to change before finalization/publication of the SD Annual Report

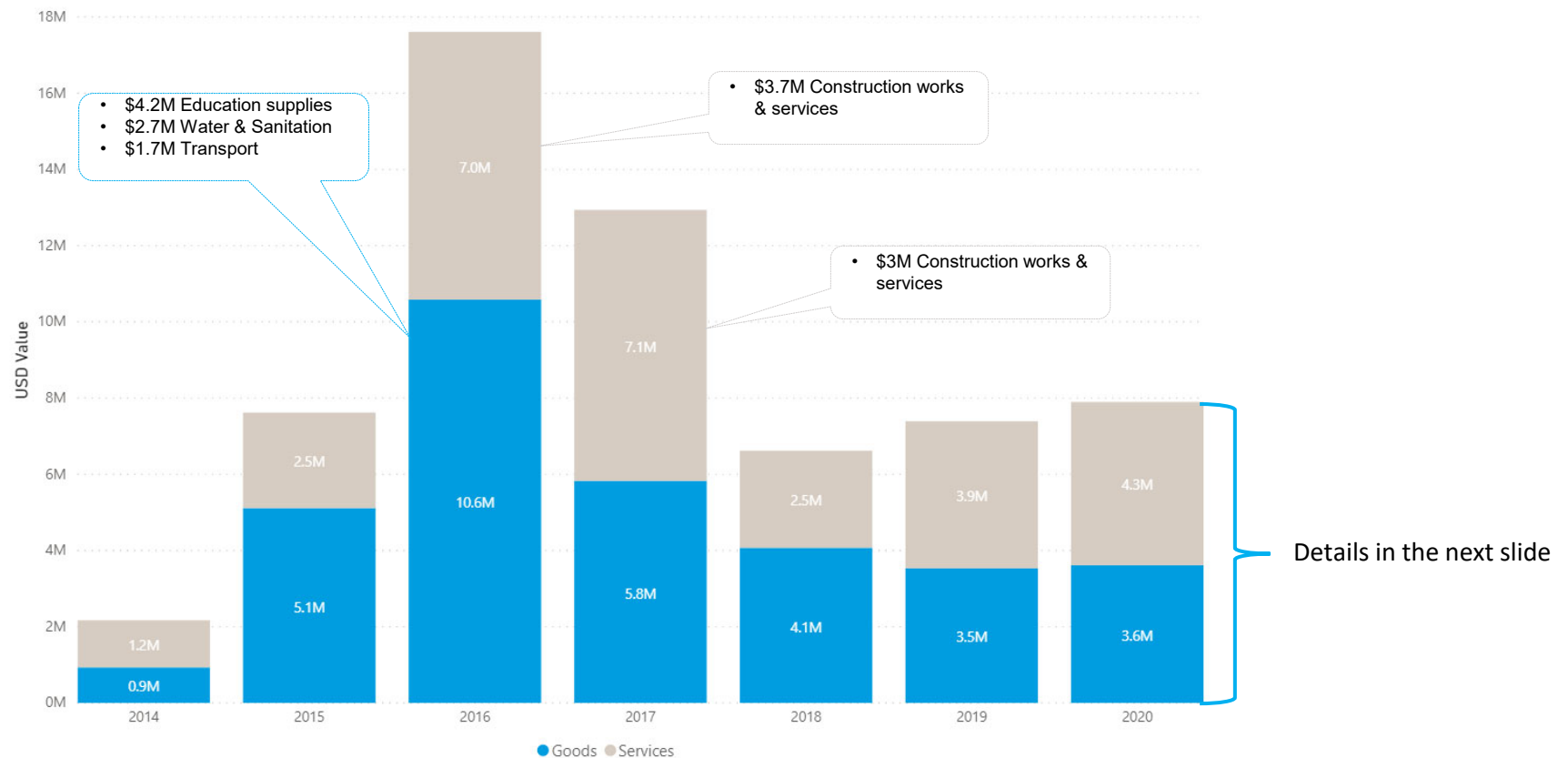
Ukraine is one 173 countries that provided goods and services to UNICEF in 2020*
– at US\$7.1M, it was the 66th largest supplier country



*2020 figures are preliminary and are subject to change before finalization/publication of the UNICEF Supply Division Annual Report

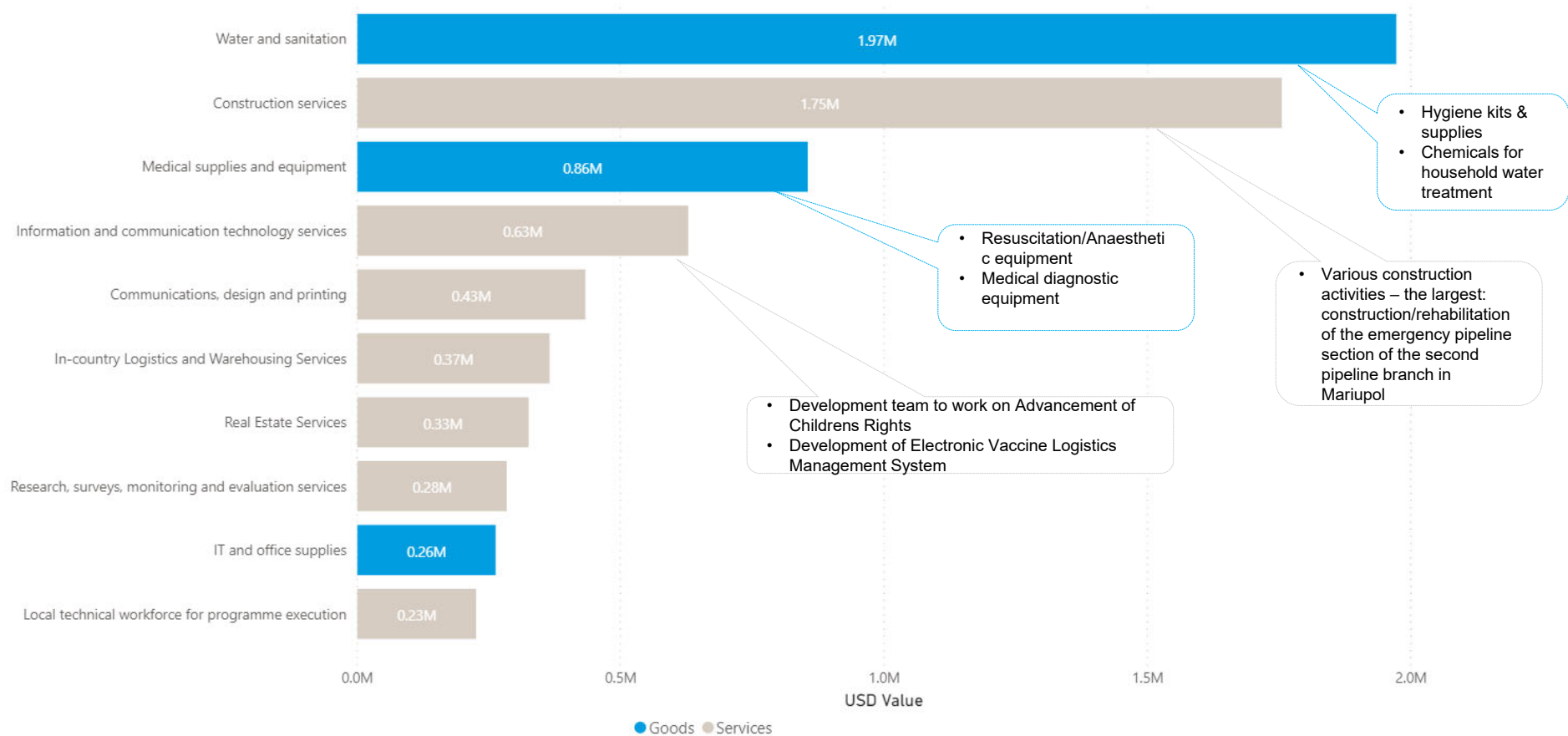


UNICEF's procurement value of goods and services (2014-2020*) from suppliers in the Ukraine



*2020 figures are preliminary and are subject to change before finalization/publication of the UNICEF Supply Division Annual Report

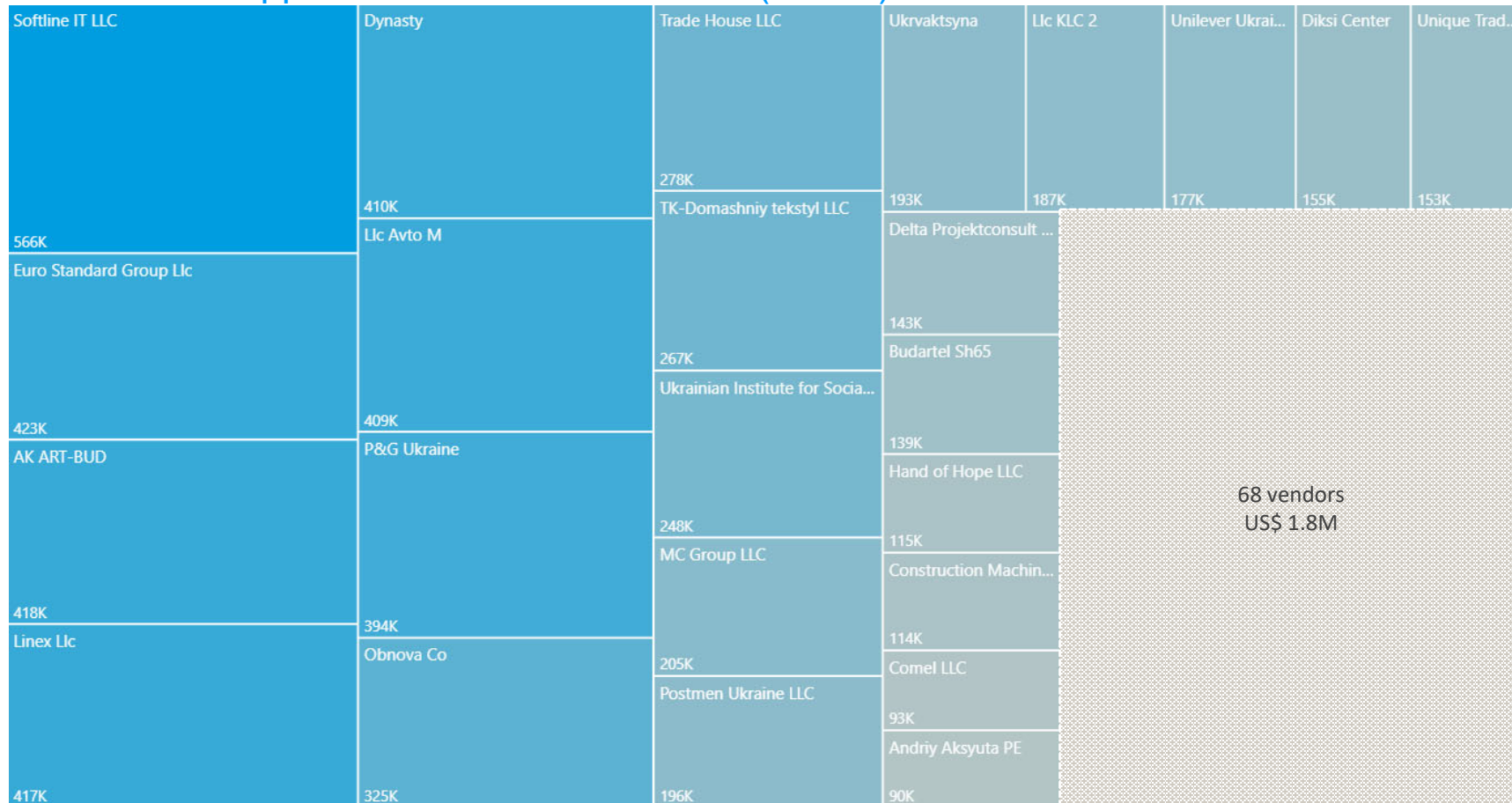
In 2020*, vendors from the Ukraine provided both goods and services to UNICEF



*2020 figures are preliminary and are subject to change before finalization/publication of the UNICEF Supply Division Annual Report



In 2020 UNICEF worked with 92 vendors from Ukraine;
of which 24 supplied 77% of the total value (\$7.9M)



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UNICEF Procurement Principles and Processes



Supply Function Regulatory Framework

UNICEF Financial Rules and Regulations

Country
Offices

Supply Manual

*Procurement Guidelines & Procedures for
other offices*

- ▶ - Contents
- ▶ - Introduction
- ▶ Chapter 01: The Supply Function
- ▶ Chapter 02: Organization and Responsibility
- ▶ Chapter 03 Supply Planning
- ▶ Chapter 04: Supply Processes
- ▶ Chapter 05: Vendor Evaluation
- ▶ Chapter 06: Procurement of Supplies, Equipment and Services
- ▶ Chapter 07: Shipment of Supplies
- ▶ Chapter 08: Quality Assurance
- ▶ Chapter 09: In-Country Logistics
- ▶ Chapter 10: Emergencies
- ▶ Chapter 11: Procurement Services
- ▶ Chapter 12: Insurance
- ▶ Chapter 13: Product Innovation
- ▶ Chapter 14: Complaint Management
- ▶ List of Acronyms and Abbreviations

Divisional Procedures

Supply Division's Standard Operating Procedures

Implementation

- Advisory Boards
- Committees
- Delegation of Authority
- Project teams
- Working groups
- Training

Monitoring

- Segregation of Duties, Table of Authority (TOA)
- Key performance indicators & results
- Evaluations
- Strategies

Supply
Division

UNICEF Guiding Procurement Principles(1)

Each UN organization
has a
different mandate

but

all UN organizations
share the
**same procurement
principles**

- **Fairness, integrity and transparency through competition**
(clear & appropriate regulations/rules applied to all suppliers, fair process, equal treatment of suppliers, transparent system)
- **Economy and effectiveness**
(meet requirement in terms of quantity, quality, timeliness at the right place. Economy=minimize cost, Effectiveness=meet end-user interest)
- **Best value for money**
(Consider the optimum combination of factors in meeting the end user needs)
- **Promotion of objectives of UNICEF**
(fulfilling the mandate, goals and objectives)



UNICEF Guiding Procurement Principles(2)

UNICEF:

- Purchases goods and equipment to implement its **mandate**
- Purchases primarily from **manufacturers** and **authorized representatives**
- **Evaluates and registers** suppliers with which it does business
- Uses **competitive tendering** to ensure **best value for money**
- Invites an appropriate **geographical range** of suppliers to tender
- Purchases products that comply with recognized [technical standards](#)
- Through **sustainable procurement** approaches, as and when applicable, considers negative impacts on the environment and society that may stem from UNICEF's supply operations
- **Does not** purchase from companies employing [child labor](#), manufacturers of [land mines](#) and their components, nor companies found to have undertaken unethical, unprofessional or fraudulent activities ([UN Supplier Code of Conduct](#))



UNICEF Guiding Procurement Principles(3)

Applicable policies & procedures:

- [Children's Rights and Business Principles](#)
- [UNICEF's Policy on Conduct Promoting the Protection and Safeguarding of Children](#)
- [UN Supplier Code of Conduct](#)
- [UNICEF's Policy Prohibiting and Combatting Fraud and Corruption](#)
- [Information disclosure policy](#)
- [UNICEF Procedure on Sustainable Procurement](#)

All UN and UNICEF registered suppliers sign on to the [UN Supplier Code of Conduct](#):

- Based on the UN charter, the principles of the Global Compact and ILO standards;
 - *The UN expects that these principles apply to suppliers and their employees, parent, subsidiary or affiliate entities, and subcontractors; that they are seen as minimum standards that suppliers strive to meet and exceed them.*
- The code addresses:
 - **Labour conditions:** Freedom of Association, no force or compulsory, no child labour, discrimination, standards for working conditions.
 - **Human Rights:** No Harassment, Harsh or Inhumane Treatment, no manufacture or sale of mines.
 - **Environment:** Compliance with regulations, manage chemical and hazardous materials; waste and air emissions, Minimize Waste, Maximize Recycling.
 - **Ethical conduct:** No corruption, conflict of interest declaration, no gift and hospitality, post employment restrictions.



UNICEF Guiding Procurement Principles(4)

UNICEF's General Terms and Conditions

1.2 These General Terms and Conditions of Contract, UNICEF's Policy Prohibiting and Combatting Fraud and Corruption, the UNICEF's Policy on Conduct Promoting the Protection and Safeguarding of Children, the UN Supplier Code of Conduct, and UNICEF's Information Disclosure Policy referred to in the Contract, as well as other policies applicable to the Supplier, are publicly available on the UNICEF Supply Website. The Supplier represents that it has reviewed all such policies as of the effective date of the Contract.

Article 7 (Ethical Standards)

- Anti-fraud
- Anti-corruption
- Sexual Exploitation and Abuse
- Post-employment restrictions
- Conflict of Interest Disclosure
- Sanctions and suspension

UNICEF may terminate a contract with immediate effect and no liability in case of breach of Article 7 of the GTC



UNICEF's Approach to Sexual Exploitation & Abuse

- [United Nations Secretary-General's 2017 report on Special measures for protection from sexual exploitation and abuse](#) focuses on: putting victims first, ending impunity, engaging civil society and other external partners, and raising awareness on the issue.
- UNICEF has **zero tolerance** policy for child safeguarding violations and Sexual Abuse and Exploitation by employees, implementing partners and suppliers.
- Contractors have an obligation to **ensure measures are in place** to prevent sexual offenses by employees and subcontractors.
- Read more at UNICEF's website:
https://www.unicef.org/protection/57929_96455.html



UNICEF's Procurement Policies Webpage

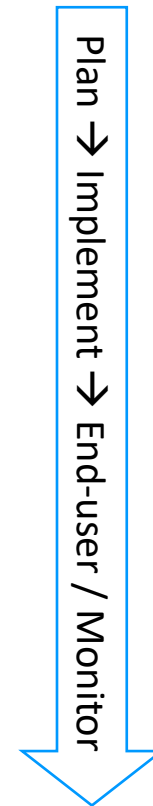
- Webpage address:
https://www.unicef.org/supply/index_procurement_policies.html
- Provides information/links to all the key UNICEF (and UN) **policy documents** including the UN Supplier Code of Conduct, the Global Compact, UNICEF's Policy Prohibiting and Combatting Fraud and Corruption, UNICEF's Policy on Conduct Promoting the Protection and Safeguarding of Children, UNICEF's Information Disclosure Policy and UNICEF Procedure on Sustainable Procurement.
- Makes publicly available UNICEF's **General Terms and Conditions**, Long Term Arrangement standard Contractual Provisions and UNICEF's PO/service contract standard Contractual Provisions.

Supplies and Logistics

Supply home	Procurement Policies
About Supply	
For suppliers and service providers	
Become a supplier	
UNICEF supplies	
Procurement Policies	
Technical Standards	
Technical Bulletins	
Quality Assurance	
Bidding Opportunities	
Tender Calendars	
Contract Awards	
Supplier meetings	
Target Product Profiles	
Procurement Services	
Strengthening supply chains	
Immunization	
Health emergency supplies	
HIV	
Malaria	
Medical devices	
Supplies for children with disabilities	
Medicines	
Nutrition	
UNICEF follows the Common Guidelines for Procurement by Organizations in the UN System .	
The objective of procurement activities within UNICEF is the timely acquisition of the right goods, works and services, while addressing:	
<ul style="list-style-type: none">• UNICEF's mandate;• fairness, integrity and transparency, through competition;• economy and effectiveness; and;• best value for money.	
Further, UNICEF:	
<ul style="list-style-type: none">• only purchases goods and equipment to implement its mandate;• purchases primarily from manufacturers and authorized representatives;• evaluates and registers suppliers with which it does business;• uses primarily competitive tendering for all procurement;• invites an appropriate geographical range of suppliers to tender;• purchases products that comply with recognised technical standards;• does not purchase from companies employing child labour, nor manufacturers of land mines and their components (see paragraphs below).	
UN Supplier Code of Conduct and the Global Compact	
Companies doing business with the United Nations are required to accept and comply with the UN Supplier Code of Conduct .	
The UN Supplier Code of Conduct reflects the ten principles of the Global Compact in the areas of human rights, labour, environment and anti-corruption. The Global Compact is a voluntary international network set up to advance responsible corporate citizenship and universal social and environmental principles. The UN strongly encourages all suppliers to actively participate in the Global Compact – for more information, please visit the Global Compact website at: www.unglobalcompact.org	
UNICEF standard contractual texts	
The UNICEF standard contracts, Long Term Agreements (LTA) and solicitation documents are made up of various elements, notably the description of goods or Terms of Reference for services, the contractual provisions, the invoicing instructions, the shipping instructions (in the case of goods) and the General Terms and Conditions (GTCs), which are attached as an annex to all contracts, LTAs or solicitations. Below are the main standard texts that will be part of UNICEF's Purchase Orders, service contracts, LTAs and solicitation documents:	
General Terms and Conditions	
For Goods	
For Services	
LTA Contractual Provisions	
For Goods	
For Services	
PO/Service Contract Contractual Provisions	
Purchase Order	
Service Contract	
Shipping and Invoicing Instructions	
Solicitation Documents	
ITB (Goods)	
ITBS (Services)	
RFQ (Goods)	
RFPS (Services)	
Please also see UNICEF's standard packing, packaging and labelling requirements at the following link .	

UNICEF Procurement Process

- Procurement/Supply Planning
- Requirement Definition (TOR, specs)
- Sourcing/Invitee list (REOI / UNICEF Vendor Roster / UNGM...)
- Preparation and Issuance of Solicitation Documents
 - Request for Quotation (RFQ) → USD 10,000 - USD 30,000
 - Invitation to Bid (ITB) → USD 30,000 and over
 - Request for Proposal (RFP) → no threshold
- Receipt and Opening of Submissions
- Evaluation (Technical/Quality and Commercial)
- Adjudication & Award Recommendation
- Contract Finalization and Issuance
- Contract Management



Types of competition

- **Open**

- Open competition / Maximized access
- Public advertising of a tender
- All qualified can participate

- **Limited**

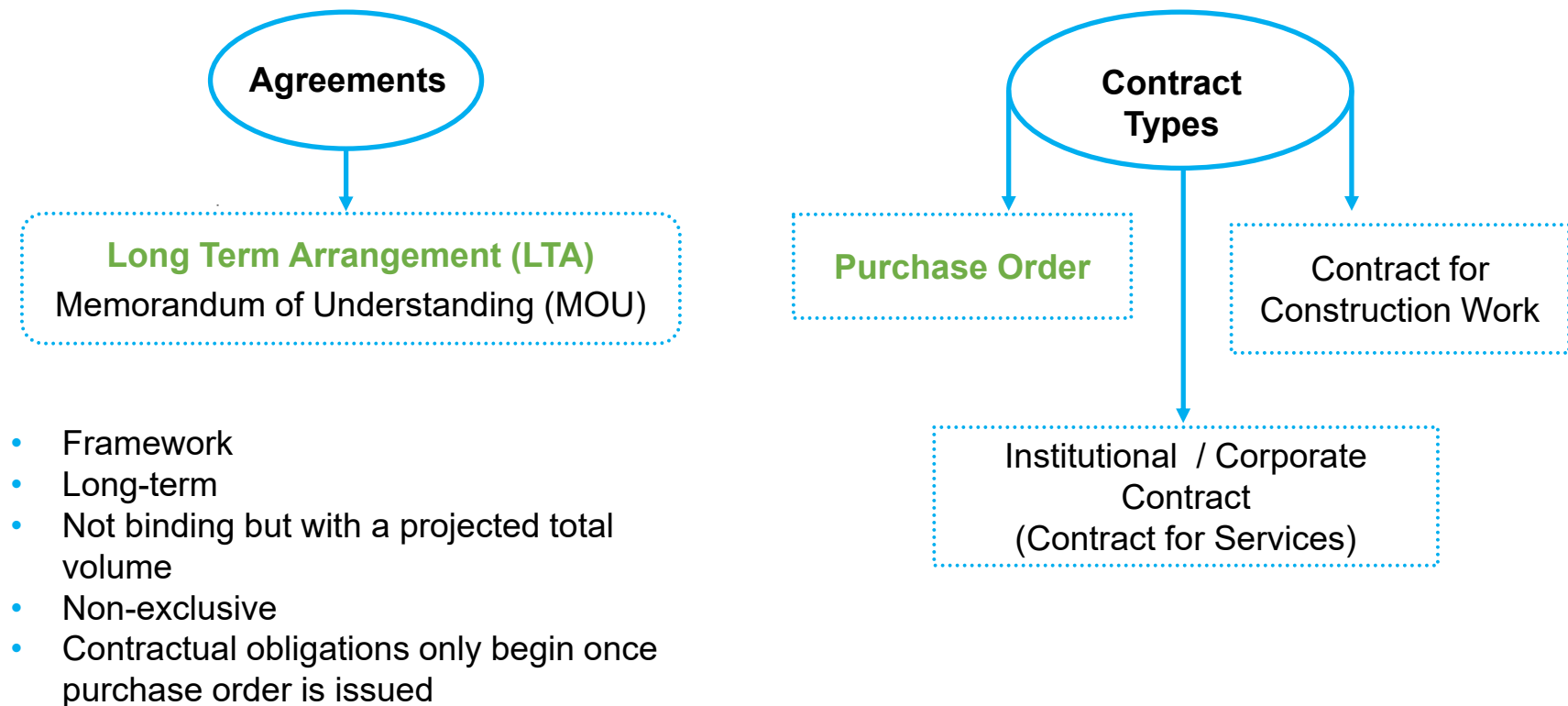
- Open Expression of Interest (Eoi) or pre-qualification process
- Predetermined qualifications for participation in the tender
- Short listing

- **Direct procurement**

- Waiver of competition as per exceptions defined in Financial Regulations and Rules (FRRs)



Contractual instruments



What is a Long Term Arrangement (LTA)?

An LTA is an arrangement entered with a supplier to secure the supply of a product or service over a period of time:

- Framework of mutually agreed terms and conditions (product, price, etc.)
- As a result of a competitive bidding process
- For procurement of goods, services or works for which the buyer has a repeated need
- Entered in good faith for a period of time
 - Contractual obligations only begin once purchase order is issued
- Not binding but with a projected total volume
- Non-exclusive
- Long term commercial partnership with selected supplier(s)

When to establish an LTA

- High frequency of repeat orders
- Strategic and/or emergency items
- Products with precise specifications
- In-house technical capacity available
- High potential for business leverage
- To secure supply for a scarce market area
- Consider product life cycle – maturity of the market
- Consider stability/volatility of prices

Procurement Compliance Oversight: CRC

- Beyond certain financial thresholds, a Contracts Review Committee (CRC) is established to render written contracting advice to Authorized UNICEF Officials as necessary and required.
- The CRC is established as an advisory body to Authorized UNICEF Officials to provide a competent, independent and unbiased review of the process leading to proposed contract award recommendations.
- Principles of the review
 - a clear and transparent process followed to identify bidders (i.e. eligible bidders are given equal access and a fair opportunity to compete for the contracts);
 - the solicitation process was compliant with UNICEF procurement policies & procedures and relevant Financial Regulations and Rules;
 - offers were assessed based on clear and transparent commercial, technical and quality criteria as well as value for money.

Ukraine: Requirement from suppliers by the local authorities

There are no specific documental requirements for working with UNICEF. The list of the most common documents :

- Registration documents (charters, extracts from the state register, tax certificate, bank certificate, licenses, permits, etc.);
- Contract;
- Invoice / expenditure invoice;
- Completion and acceptance certificate / statement of acceptance of works;
- Waybills.



UNICEF Information Sources



UNICEF Supply Website and UNICEF Ukraine website

Supplies and Logistics

Supply home

About Supply

Sustainable Procurement
The UNICEF Supply Chain
Partnerships
Market Influencing
Market Notes
Commitment to transparency
Supplies on the way to...
Procurement and Supply Management Systems
Warehouse operations
The Supply Community
Annual Report

For suppliers and service providers

About Supply

Supplies are essential to fulfil children's rights. Supporting child survival and development programmes around the world, UNICEF-procured supplies are critical in providing for children's health, education and protecting them from abuse, exploitation, and neglect.

UNICEF procures and supplies over 5,000 products to address the needs of children.

In 2017, UNICEF procured \$3.46 billion worth of supplies and services from all over the world, ensuring high [quality](#) and good value through fair and open [open procurement](#).

As well as supporting UNICEF's ongoing programmatic activities, the Supply function provides rapid supply response to [emergencies](#).

UNICEF also procures and supplies essential commodities on behalf of governments and other partners in their efforts. These [procurement services](#) can also include in-country logistics, capacity building, and project management.

Ensuring the global availability of essential supplies through influencing markets for lifesaving commodities such as vaccines, essential medicines and health products, and implementing a range of supply chain models to ensure these supplies are delivered to children, are two overarching focuses.

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DONATE NOW >

Supply Division brochures

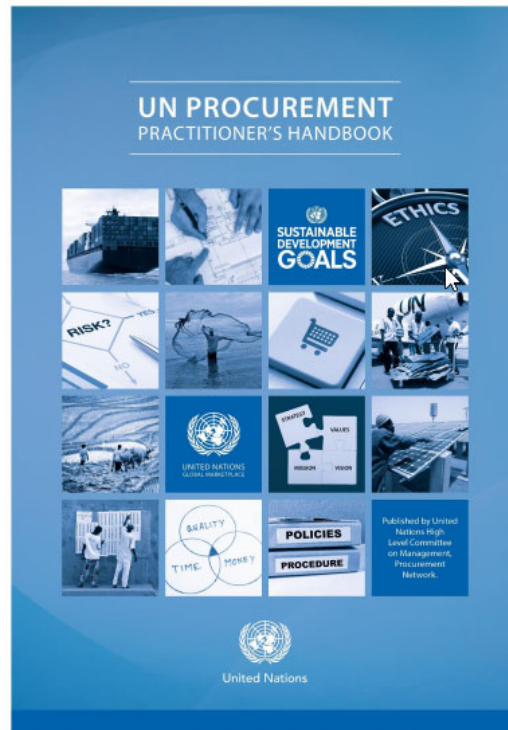
[Supporting Child Rights](#)

UNICEF Supply

- WWW.UNICEF.ORG/SUPPLY
- Useful information regarding UNICEF's procurement practices, operations, policies and procedures.
- unicef.org.ua



UN Procurement Practitioner's Handbook



- Good procurement practices by UN organisations (including UNICEF)
- Descriptive not prescriptive
- Reference material/background reading
- Available as soft copy on UNGM and UNICEF intranet. It can also be downloaded on the smart phone.

<https://www.ungm.org/Shared/KnowledgeCenter/Pages/PPH>



Thank You



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References: SD presentation, data prepared by
MSDEU SD