



UN Secretariat Procurement Higher Standards – Better Solutions

April 2009, New York: In 1998 the United Nations (UN) spent some \$318 million on procurement activities involving the provision of quality goods, services and expert business advice to UN headquarters in New York, field missions around the world, Offices Away from Headquarters, Tribunals as well as Economic and Social Commissions. Today this figure has swelled to more than \$3 billion.

Concomitantly, such an upsurge in the dollar value of procurement has been accompanied by the scrutiny of UN Member States to whom the Organization is accountable. This has guided UN Secretariat Procurement to undergo substantive transformations which have moved away from the simple purchase of products and services begun in 1946, towards strategic coordination of a sophisticated and interrelated set of management functions with the attendant checkmarks, quality control and accountability mechanisms.

Beyond standard Headquarters activities, since 1948 there have been some 63 global UN peacekeeping operations. Each has progressively presented more difficult challenges prompting a gradual evolution away from the traditional “procure to pay” approach to acquisition concepts that are intricate multi-dimensional and logistical enterprises. Faced with this rising demand for increasingly complex interventions, the Organization has strengthened its capacity to manage and sustain field operations, and has qualitatively reworked its approach to the delivery of effective procurement support.

Today field operations require sophisticated supply chains based on detailed negotiated terms and conditions of contracts that ensure well-balanced risk-allocation. Acquisitions are complex, long-term and often involve local supply to global turnkey support. Procurement

officers are no longer just “buyers”, but “managers” of expertise and critical financiers as well as experts in client-vendor synergies. The need to place procurement in a larger strategic context is even more critical in a rapidly evolving market place. Important decisions - such as where to buy, from whom, and under what conditions - are handled by procurement experts.



There seems to be a myth that doing business with the UN is different to doing business with other organizations. UN procurement methods are no different to other public sector or international practices. Like any other entity, the Organization is looking for potential vendors to demonstrate expertise. Predictably, a

supplier will have to be the best among other competitors. Moreover, simple price is not the singular determinant for contractual award – the UN is more interested in the Best Value for Money. In addition, the UN is actively involved in outreach efforts to increase its database with vendors from developing countries and from States categorized as “Economies in Transition”.



Doing business with the UN requires registering as a potential supplier with the UN Global Marketplace (UNGM). Interested suppliers register via a single portal for UN

procurement on a fully online process at the UNGM web site (www.unqm.org). Potential vendors must sign up in the pre-requisites registration criteria section and select the business activity that matches their capacity, financial strength, business scope and commercial strategy. The criteria for registration includes the relevance of goods or services to the UN as well as international business experience; the financial stability of the company and; evidence of compliance with national, international or corporate quality assurance and management standards.



Of possible interest to potential vendors is the Capital Master Plan - a critical project for the renovation of UN Headquarters in New York - scheduled to take place over a five-year construction period. The refurbishment will bring the facility into compliance with US local building codes and standards; replace deteriorated building components and systems; preserve the architectural integrity and original design of the historic complex; enable the building to be operated in accordance with current principles of energy conservation, and efficiency and; create a dignified and appropriate working environment for the UN in the most cost-effective and efficient manner. Detailed information for participating in this project is available at <http://www.un.org/cmp/uncmp/english/index.asp> or <https://partners.myskanska.com/usa/clients/unitednations/CMP/default.aspx>.

In addition to its relationships with clients and suppliers, UN Secretariat Procurement values many other strategic partnerships, particularly one it is strengthening with the International Chamber of Commerce (ICC) World Chambers Federation (WCC). Through a series of outreach activities, the UN, WCC and national chambers of commerce all over the world, will make educational material on UN procurement

available to potential vendors. Suppliers will therefore be able receive information and even be briefed on the prerequisites and opportunities of doing business with the UN.

Finally, the UN has to respond to public expectations; because of the nature of its business it faces increasing scrutiny. Procurement personnel therefore maintain the highest standards of integrity in all matters affecting their official duties and the interests of the Organization.

In tandem, the UN Ethics Office plays a key advisory role in promoting, among others things, ethics in procurement and is also involved in reviewing vendor performance as it relates to ethical issues. In short, the Organization expects its partners to act upon the same ethical principles that guide its day-to-day business.



Conversely, UN Secretariat Procurement has finalized the Supplier Code of Conduct. Effective implementation of this Code is critical to the integrity of the Organization. It is essential that suppliers follow this Code, which is on the UN Procurement Division website (<http://www.un.org/depts/ptd/#>).