

# EMERGENCY RELIEF SECTOR

## Doing Business with the United Nations

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<p>Abstract</p> <p>Major disasters show the world how little control we have on them. They dramatically affect health and economic aspects of the country. In order to reduce the destroying effect of disasters, close cooperation between public and private actors is required.</p> <p>There are many international organizations which deal with extreme situations globally, such as the UN, International Federation of the Red Cross and Red Crescent Societies, CARE and many others. They open business opportunities for thousands of companies willing to supply them with emergency relief items. In my research, I focused on main aspects of doing business with the UN.</p> <p>The objective of the research is to provide a suggestion for Finnish SMEs, operated in the emergency relief industry on how to succeed in the UN's calls for tenders. Analyses of secondary data were made in order to identify targeted UN agencies, their procurement needs and requirements, and procurement procedure. Six critical elements were pointed out which should facilitate business operations with the UN.</p> <p>The research findings can be used not only by Finnish SMEs but by any other companies, no matter of their country of origin as UN's aim is to ensure equal distribution of the suppliers' geographical range. The results provide clear guidance to start doing business with the UN and reveal information of the UN's policy and regulations.</p>		
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Miscellaneous		

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## **Explanation of main terms and abbreviations**

Acquisition Planning-the cooperative process by which the Requisitioner and UN/PD devise a comprehensive plan for fulfilling the Requisitioner's needs in a timely manner and at competitive pricing

ASG/OCSS-Assistant Secretary-General, Office of Central Support Services, Department of Management

Bid-an offer in response to an Invitation to a Bid

CAO-Chief Administrative Officer

CMP-Capital Master Plan

CMS-Chief of Mission Support

Committee on Contracts-The Headquarters Committee on Contracts or a Local Committee on Contracts

Core Requirement-essential goods and services which, by their nature, lend themselves to local procurement and not available from HQ contracts

CPO-Chief Procurement Officer in Field Mission or OAQ

DFS-department of Field Support (HQ)

DMS-Director of Mission Support (Field Mission)

EOI- Expression of Interest: A response to an REOI expressing a Vendor's interest in participating in a Solicitation.

Field Mission-A UN peacekeeping mission or political mission

FRR-Financial Regulations and Rules of the United Nations

HCC-Headquarters Committee on Contracts

HQ- UN Secretariat Headquarters, New York

ITB- Invitation to Bid

IOM-International Organization for Migration

LCC-Local Committee on Contracts

LSD/DFS-Logistics Support Division, Department of Field Support (HQ)

LVRO-Local Vendor Registration Officer (Field Missions and OAHs)

LVRC-Local Vendor Review Committee (Field Missions and OAHs)

NGO-Non government organization

OAH-Office Away from Headquarters

Procurement Officer-a staff member who performs procurement functions and has specified authority to enter into contract on behalf of the United Nations

Procurement Staff-Procurement Officers, Procurement Assistants and other UN staff members authorized to carry out procurement functions

Proposal-A Submission in response to an RFP

Provisionally Registered Vendor-A Vendor that is temporally included in the Vendor Register pending completion of the registration process

UNCCS-United Nations Common Codification System

Registered Vendor-Vendor whose registration has been accepted by the UN organizations in UN Global Marketplace (UNGM)

REOI-Request for Expression of Interest

Requisitioner - a UN official responsible for Acquisition Plan development with support of Procurement Office and description of future procurement needs and requirements

RFP-Request for Proposal

RFQ-Request for Quotation

SGB-Secretary-General's Bulletin

Solicitation Abstract Sheet-A document which contains certain information of Bids and Proposals and facilitates competitive evaluation of such Bids and Proposals

Solicitation Documents-a document (e.g. RFQ, ITB, RFP) issued by the UN to invite Vendors to submit a response

Submission-the reply from a Vendor to Solicitation Documents issued by the UN

UN/PD- United Nations Secretariat Procurement Division (HQ)

UNGM-United Nations Global Marketplace

UNHCR-United Nations High Commissioner for Refugees

UNICEF-United Nations Children's Fund

UNOG-United Nations Office at Geneva

UNON-United Nations Office at Nairobi

UNOV-United Nations Office at Vienna

USG/DFS-Under-Secretary-General, Department of Field Support

USGS-United States Geological Survey

VRA-Vendor Registration Application submitted online by Vendors in UNGM

VRC-Vendor Review Committee

VRO-Vendor Registration Officer

WFP-World Food Programme

## 1 INTRODUCTION

### 1.1 Background and importance of the research

Emergencies and disasters occur regardless of the development level of the country, and time. Disasters may be earthquake, floods, hurricanes, and tornados. Many aspects of human life are affected by them: health, housing, access to food and water.

There were 427 natural disasters which killed more than 23, 000 people and caused around USD 34.5 billion of economic loss in 2006 (Hoyois P.,Scheuren J-M., Annual Disaster Statistical Review: Number and Trends 2006, 2007,3 ).

It remains very complicated to manage emergency situations, especially in low income countries. The adverse impact of disasters is greater there than in developed countries. Underdeveloped countries and countries with economies in transition usually face the problem of limited resources, logistics and infrastructure facilities. There is high level of poverty and lack of awareness about external environment.

According to the Annual Disaster Review: Number and Trends 2006 (Hoyois P.,Scheuren J-M.,2007,3), Asia had to face much more disasters than any other continent in 2006. More than 119 million people were killed or affected by emergency situations (Hoyois P.,Scheuren J-M., Annual Disaster Statistical Review: Number and Trends 2006, 2007,3 ).

Annually, there is one in 19 people affected by natural disasters in developing countries, whereas there is one in 1,500 people affected in developed countries (Info Resources, Disaster Risk Reduction: A Gender and Livelihood Perspective,2009,3).

However, four European countries such as France, the Netherlands, Belgium and the Ukraine were ranked among top 10 countries most affected by disasters (Hoyois P.,Scheuren J-M., Annual Disaster Statistical Review: Number and Trends 2006, 2007,3 ). There were 1,388 deaths caused by extreme events in France, 1000 in

Netherlands, 940 in Belgium and 801 in Ukraine (Hoyois P.,Scheuren J-M., Annual Disaster Statistical Review: Number and Trends 2006, 2007,3).

According to the United States Geographical Survey (Magnitude 9.0- Near the east coast of Honshu, Japan, 2011), the 9.0 magnitude earthquake which occurred near the northeast of Honshu, Japan on March 11, 2011 Japan killed around 15,700 people. After disaster 5,314 persons were injured, 4,674 missing and 130,927 displaced. 332,395 buildings, 2,126 roads, 56 bridges and 26 railways were destroyed during the earthquake (Magnitude 9.0- Near the east cost of Honshu, Japan, 2011). Total economic loss for Japan was USD 309 billion.

United States Geographical Survey's findings (Magnitude 7.0- Haiti Region, 2010) reveal that around 316,000 people died, 300,000 were injured and 1, 3 million displaced during the earthquake occurred in approximately 25 km away from Port-au-Prince, Haiti's capital in January 12, 2010. 97,294 houses were destroyed and 188,383 damaged (Magnitude 7.0- Haiti Region, 2010). Communication systems, air, land and sea transport facilities, hospitals and electrical networks had been destroyed which prevented a quick response to the disaster. Fortunately, many countries helped Haiti in this critical situation, sending rescue teams and giving pledging funds.

A 7.9 magnitude earthquake occurred in Sichuan; China on May 12, 2008 was registered by United Nations Geographical Survey (Magnitude 7.9-Eastern Sichuan, China, 2008). According to that source (Magnitude 7.9-Eastern Sichuan, China, 2008), 69,195 people were killed, 374,177 injured and 18,392 missing; 5.36 million buildings were destroyed and more than 21 million were damaged. The total economic loss was around USD 86 billion.

The most distractive tsunami in the recorded history was the Indian Ocean Tsunami occurred December 26, 2004. It was caused by sudden movements of the India and Burma tectonic plates, sending tsunami waves out in all directions at the speed of a

jet aircraft. Tsunamis reached the coasts of Indonesia, Thailand, Sri Lanka, India, ten other Indian Ocean nations, and even the coast of Tanzania which is 5000 km away. United States Geological Survey's findings (Magnitude 9.1-off the west coast of Northern Sumatra, 2005) reveal that 227,869 people were killed and 1.7 million displaced in 14 countries in South Asia and East Africa.

## **1.2 The aim of the research**

I found very interesting to write thesis about the United Nations and doing business with it. I believe that action of the UN is very important for every society in the world. It works on peacekeeping and security, economic and social development, environment protection and many other fundamental issues globally.

The UN has strong budgets to finance emergency relief operations. One of the UN's fund is a Central Emergency Response Fund which allocated more than USD 426 million for emergency response in 2011 (CERF Figures, 2011). UN's financial capabilities provide business opportunities to thousands of suppliers no matter of the country of origin.

The aim of the research is to provide valuable suggestions for Finnish SMEs operating in the emergency relief sector for doing business with the UN. The Thesis topic was commissioned by Mikko R. Salminen from the School of Technology.

It is important for Finnish SMEs to be aware of relevant emergency relief UN's bodies, procurement procedure, quality requirements of goods, services and works to succeed in calls for the tenders. My thesis work provides information on all mentioned before issues. I hope it will help Finnish SMEs to start business with the UN.

I study international business, and have never thought of business opportunities in the emergency relief industry before. Getting this topic, I understood how

meaningful emergency relief business could be for the whole world. In the future, I would like to work with such organizations as the UN is. I will feel that my action is important for society and helps to solve many fundamental problems.

The primary source of the thesis is secondary data. The UN encourages fair competition and makes available different business guides for potential suppliers in the Internet to increase their awareness about procurement procedure.

## **2 LITERATURE REVIEW**

### **2.1 Global emergency relief industry**

In addition to various UN's agencies there are many other international and NGOs organizations operating in emergency relief industry. International Federation of Red Cross and Red Crescent Societies, Oxfam International, CARE, World Vision and Doctors without Borders are all examples of biggest important institutions which strive for justice, poverty prevention and dignity worldwide.

The International Federation of Red Cross and Red Crescent Societies were found in 1919 and comprise 187 country members. Their main aims are to save lives and improve recovery from disasters, enable safe living and promote non-violence and peace worldwide (International Federation of Red Cross and Red Crescent Societies, History, Our Mission and Vision, Strategy 2020).

Oxfam International was established in 1995 by a group of independent non-government organizations (Oxfam International, History of Oxfam International). Its aim is to provide health services, clean water supplies, shelters and ensures education in poor countries. It works in more than 90 countries (Oxfam International, History of Oxfam International).

CARE is a humanitarian organization which was founded in 1945. It aims to improve basic education, increase access to clean water, reduce diseases, expand economic opportunities and save natural resources (CARE, About CARE, Mission and Vision).

World Vision is a Christian organization which works with children and families to ensure their adequate living conditions. It helped to 100 million people operating in nearly 100 countries worldwide (World Vision, About us, Who we are- World Vision).

Doctors without Borders is an international medical assistance organization which was found in 1971 (Doctors without Borders, About Us, History and Principles). It operates in more than 60 countries and provides medical care to people in crisis (Doctors without Borders, About Us, History and Principles). In 2009, Doctors without Borders provided more than 7.5 million consultations for its patients; treated 1.1 million people for malaria and 200,000 severely malnutrition children; assisted 165,000 people living with HIV and AIDS through antiretroviral therapy; and conducted 50,000 surgeries (Doctors without Borders, About Us, Support Our Work, Activities).

## **2.2 Emergency relief industry in Finland**

Emergency relief industry in Finland is divided between public and private actors with international rescue cooperation. As in all countries of the world, State plays important role in emergency relief operations.

Ministry of the Interior and Ministry of Social Affairs and Health are the main public actors which lead rescue services and emergency response centers in Finland (Markku Haranne, Future Development on Emergency Response and Disaster Management of Finland, 2005, 3).

There are 22 regional rescue services and 15 emergency response center systems in Finland (Markku Haranne, Future Development on Emergency Response and Disaster

Management of Finland, 2005, 9, 11). All of them use the Tetra Radio Network for inter-agency communication which covers whole country (Markku Haranne, Future Development on Emergency Response and Disaster Management of Finland, 2005, 13).

Defense Force is a part of rescue services. It consists of professional and voluntary firefighters, and other people employed for civil defense. Defense Force is responsible for monitoring of threats, warning the population, protection in shelters and evacuation (Markku Haranne, Future Development on Emergency Response and Disaster Management of Finland, 2005, 14).

Most of the international emergency relief organizations operate in Finland as well. UN, International Federation of Red Cross and Red Crescent Societies, Oxfam International and World Vision have its field offices there.

Moreover, there are various Finnish-owned emergency relief companies which operate globally. One of them is Environics. Environics provides industrial gas detection and chemical, biological, radiological and nuclear (CBRN) monitoring solutions (Environics, Solutions for Monitoring Industrial Safety and CBRN Security). It supplies government, military and industrially organizations in more than 40 countries worldwide. Environics has branch offices in the Middle East and the USA and cooperates closely with leading research universities and government representatives. Its product and service's quality complies with ISO: 9001:2008 and AQAP 2110 standards (Environics, Solutions for Monitoring Industrial Safety and CBRN Security).

### **2.3 The engagement of UN in emergency response**

Emergency situation has been defined by the UN (United Nations Procurement Manual, 2010, 34) as "those situations where the United Nations faces a disaster and/or where lives of United Nations personnel and/or United Nations

properties are in danger. Such situations would require the Organization to immediately perform rapid deployment of life supporting goods and services, and to ensure timely acquisition and delivery of requirements."

Emergency relief response is a humanitarian assistance to those affected by natural disasters or political conflicts. In my thesis work, I would like to concentrate on the UN's participation in crisis events. There are many examples of the UN' high involvement in emergency relief responses. One of them is 2011 Consolidated Appeal for Afghanistan response.

Millions of Afghans face lack of food, clean water, sanitation, hygiene, livelihood assistance and protection. Afghanistan has slow-moving economy and underdevelopment. It faces numerous natural disaster, including floods, rock slides, wind storms, drought, pandemics, earthquakes, and avalanches.

The United Nations Assistance Mission in Afghanistan (UNAMA) Human Rights Report (Consolidated Appeal for Afghanistan, 2010, 7) states that 2,412 people dead from January 2010 to September 2010. There are 7.8 million people who experience lack of food; 68 % of Afghans has no access to safe water; and 440,647 internally displaced people (Consolidated Appeal for Afghanistan 2011, Emergency Revision in Response to Draught, 2010, 1). Moreover, the Afghan Human Development Report for 2007 (Consolidated Appeal for Afghanistan, 2010, 8) reveals that 42 % of population lives on USD 1 a day.

United Nations Children's Fund (UNICEF) implements response strategy to improve education in Afghanistan (Education Cluster). It aims to increase school attendance, especially in insecure areas (Consolidated Appeal for Afghanistan 2011, Emergency Revision in Response to Draught, 2010, 52). UNICEF and Education agencies should ensure quality of teaching, provide complementary non-formal education for out-of-school children, strengthen sanitation facilities in schools, and empower local

committees to manage education in emergencies (Consolidated Appeal for Afghanistan 2011, Emergency Revision in Response to Draught, 2010, 52).

United Nations High Commissioner for Refugees (UNHCR) and International Organization for Migration (IOM) with support of various international and national NGOs implement Programme for Emergency Shelter and Non-Food Items Cluster. Its aim is to provide shelter for 25,000 families, to ensure that returning refugees from Iran and Pakistan have adequate household supplies, and ensure preparedness for and response to conflicts and natural disasters (Consolidated Appeal for Afghanistan 2011, Emergency Revision in Response to Draught, 2010, 2010, 55).

World Food Programme (WFP) cooperating with various humanitarian communities implements strategy for Emergency Telecommunication Cluster. Its aims are to register information and communication technology (ICT) with the government; prepare information technology staff (IT) to the emergency response; and ensure the stock of telecommunications equipment available in order to have quick response to emergency situation (Consolidated Appeal for Afghanistan 2011, Emergency Revision in Response to Draught, 2010, 57).

Food and Agriculture Organization (FAO), World Food Programme (WFP) and Afghnaid (NGO) implement Programme for Food Security and Agriculture Cluster (FSAC). Its aim is to improve food security, and to increase agricultural productivity of vulnerable farmers through technical agricultural support (Consolidated Appeal for Afghanistan 2011, Emergency Revision in Response to Draught, 2010, 58).

### **3 UNITED NATIONS**

#### **3.1 Description of organization**

The United Nations (UN) is a very complicated system which consists of 29 member organs and specialized agencies with different functions and institutional structures

(General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 4). The principal bodies and the subsidiaries of the UN Secretariat are financed by the regular budgets of the UN. Other agencies have their own budget or are financed by volunteers.

There are 3 main categories of the United Nation's organs. First of them is a member organ which annually reports to the General Assembly through the Security Council or Economic and Social Council (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 4). These are United Nations Secretariat (UN); United Nations Children's Fund (UNICEF); United Nations Conference on Trade and Development (UNCTAD); United Nations Development Programme (UNDP); United Nations Environment Programme (UNEP); United Nations Relief and Works Agency for Palestine (UNRWA); United Nations University (UNU); United Nations Population Fund (UNPF); World Food Programme (WFP); United Nations High Commissioner for Refugees (UNHCR); United Nations Centre for Human Settlements (UNCHS); and Office for the Coordination of Humanitarian Affairs (OCHA). All of them are financed by the UN and authorized by the General Assembly (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 4).

The second type of the UN organ is specialized agencies which promote economic and social progress and report to the Economic and Social Council (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 4). They have their own budgets, executive bodies and secretariats. These include the International Labour Organization (ILO); Food and Agriculture Organization of the United Nations (FAO); United Nations Educational, Scientific and Cultural Organization (UNESCO); International Civil Aviation Organization (ICAO); World Health Organization (WHO); World Bank Group (WB); International Monetary Fund (IMF); Universal Postal Union (UPU); International Telecommunication Union (ITU); World Meteorological

Organization (WMO); International Maritime Organization (IMO); World Intellectual Property Organization (WIPO); World Tourism Organization (WTO); International Fund for Agricultural Development (IFAD); and United Nations Industrial Development Organization (UNIDO) (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 4).

The rest is the International Atomic Energy Agency and the International Trade Centre. Those annually report to the United Agency General Assembly (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 4).

Moreover, there are Regional Commissions which promote the economic and social development of their respective regions. Those are Economic Commission for Africa (Addis Ababa), Economic and Social Commission for Asia and the Pacific (Bangkok), Economic Commission for Europe (Geneva), Economic Commission for Latin America and the Caribbean (Santiago), and Economic and Social Commission for Western Asia (Beirut) (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 5). All of them are under the authority of the Economic and Social Council. They study the problems of their regions and provide advice to the member governments and the specialized agencies.

### **3.2 Procurement authority**

Financial Rules and Regulations (FRR) is a primary UN document which provides guidance for procurement activities, and it states that (United Nations Procurement Manual, 2010, 31) "The Under-Secretary-General for Management is responsible for the procurement functions of the United Nations, shall establish all United Nations procurement systems and shall designate the officials responsible for performing procurement functions".

The authority to delegate procurement authority to the officials of UN was sub-delegated to ASG/OCSS (Assistant Secretary-General Office of Central Support Services) (United Nations Procurement Manual, 2010, 31).

At Headquarters, all procurement authority belongs to the Director of UN/PD (United Nations Procurement Division) (United Nations Procurement Manual, 2010, 32). No other offices inside of UN Secretariat have the right to purchase goods and services; or amend any Contract or Purchase Order (PO), unless the exception is specified in the UN Procurement Manual (PM) or provided by ASG/OCSS (United Nations Procurement Manual, 2010, 32).

UN/PD is headed by a Director and two Chiefs of Service (United Nations Procurement Manual, 2010, 28). The Director of UN/PD establishes and ensures effective policies for procurement action of HQ, OAQ and Field Missions; takes responsibility for budget and staff of UN/PD; provides all necessary information related to procurement activities to other UN bodies and Member States.; maintains vendor's awareness about UN procurement requirements; manages training activities for Procurement staff; etc (United Nations, Procurement Manual, 2010, 28).

In case of emergency situation, the exceptional procurement authority is delegated to the Director of UN/PD the ASG/OCSS (Assistant Secretary-General Office of Central Support Services) (United Nations Procurement Manual, 2010, 34). She/he can purchase the amount of goods, services and works, not exceeding of USD 10 million without prior review by Headquarters Committee on Contracts (HCC) (United Nations Procurement Manual, 2010, 34). The exceptional authority activates, when ASG/OCSS (Assistant Secretary-General Office of Central Support Services) requests the Director of UN/PD to respond to emergency situation (United Nations Procurement Manual, 2010, 34).

The Director of UN/PD empowers Vendors Registration Officers (VROs), Vendor Registration and Management Team staff (VRMT) and the Team Leader of the VRMT to manage vendor registration process (United Nations Procurement Manual, 2010,63). Particularly, VROs are responsible for Vendor Registration Applications (VRAs) (United Nations Procurement Manual, 2010, 63). They transfer all information concerning the status of applicant's evaluation to the Vendor Review Committee (VRC) (United Nations Procurement Manual, 2010, 63). With the support of VROs, VRC provides its final decision of whether to suspend and remove the Vendor from the Register, take no action at all, or approve registration, to the ASG/OCSS (Assistant Secretary-General Office of Central Support Services) (United Nations Procurement Manual, 2010, 75).

Headquarter Committee on Contracts (HCC) provides its advice to the ASG/OCSS of whether the proposed procurement action is based on fairness, integrity and transparency by reviewing presentation made by UN/PD (United Nations Procurement Manual, 2010, 225). It is managed by five Chairpersons or Deputy Chairman who are appointed from Office of Under-Secretary-General, Department of Management (OUSG/DM); Office of Programme Planning, Budget and Accounts (OPPBA); Office of Legal Affairs (OLA); Department of Economic and Social Affairs (DESA); and Department of Peacekeeping Operations (DPKO) (United Nations Procurement Manual, 2010, 225).

At Field Mission, the Procurement Authority has been delegated by ASG/OCSS (Assistant Secretary-General Office of Central Support Services, Department of Management) to the USG/DFS (Under Secretary-General, Department of Field Support) (United Nations Procurement Manual, 2010,32). DMS/CMS (Director of Mission Support/Chief of Mission Support) are empowered the Procurement Authority by USG/DFS on an individual basis, depending on the purchasing value of goods, services and works ( United Nations Procurement Manual,2010, 32). DMS/CMS have unlimited authority to purchase goods and services with ASG/OCSS's approval (United Nations Procurement Manual, 2010, 35).

At Offices Away From Headquarters (OAHs), including the UN Regional Economic Commissions and Tribunals, the procurement authority has been delegated to the DOA/ CAO (Director of Administration/Chief Administrative Officer) of OAHs (United Nations Procurement Manual, 2010, 32). DOA/CAO with the support of the Director UN/PD grants the Procurement Authority to CPOs (Chief Procurement Officer) and Procurement Officers of OAHs (United Nations Procurement Manual, 2010, 32).

DMS/CMS and DOA/CAO appoint members for the Local Committee on Contracts (LCC) (United Nations Procurement Manual, 2010, 231). LCC provides advice to the DMS/CMS and DOA/CAO of whether the proposed procurement action is complied with UN policy and regulations (United Nations Procurement Manual, 2010, 231). It is managed by four members of Field Mission or OAH and comprised of Finance Officer, Legal Advisor, General Services Section, and Programme Management section (United Nations Procurement Manual, 2010, 231). However, the functions of LCC are mirror than those of HCC. Their procurement activities are limited to the estimated value of contract (United Nations Procurement Manual, 2010, 231).

Field Mission and Offices away from Headquarters should establish Local Vendor Review Committee (LVRC) which has the same functions and duties as the Vendor Review Committee at HQ (United Nations Procurement Manual, 2010, 80). In case they don't have LVRC, all issues concerning vendor's review should be forwarded to the Director/UNPD (United Nations Procurement Manual, 2010, 80). However, the Field Offices can direct some vendor issues to the HQ VRC if accepted by the Director, UN/PD (United Nations Procurement Manual, 2010, 80).

UNOG (United Nations Office at Geneva), UNOV (United Nations Office at Vienna) and UNON (United Nations Office at Nairobi) have unlimited authority of procurement on behalf of United Nations (United Nations Procurement Manual, 2010, 70).

Evaluation is carried out by the procurement officer and evaluation team (United Nations Procurement manual, 2010, 180). The purpose of evaluation team is to ensure that bidding is complied with requirements and compare it with others. It is comprised of two to five members and may include technical expertise (United Nations Procurement Manual, 2010, 180). The Source Selection Plan (SSP) is a UN document prepared by procurement officer and Requisitioner which specifies responsibilities of evaluation team members, the evaluation criteria, and sourcing method applied (United Nations Procurement Manual, 2010, 180).

In case of complex acquisition processes, the procurement officer should establish Source Selection Committee (United Nations Procurement Manual, 2010, 182). Its responsibilities and functions are similar with evaluation team, but more experts are involved (e.g. legal advisory, consultant, etc) (United Nations Procurement Manual, 2010, 182).

For evaluation process of the bid with an estimated valued of USD 200,000 or more, the Source Selection Committee establishes technical evaluation team and commercial evaluation team (United Nations Procurement Manual, 2010, 183). The technical evaluation team ensures that submissions are complied with technical requirements, ranks the offers from best to worst and describes strengths and weaknesses of each submission (United Nations Procurement Manual, 2010, 184). The commercial evaluation team reviews commercial attributes of the bid and identify the best vendor to award (United Nations Procurement Manual, 2010, 185).

All officials responsible for procurement activities should ensure that their action is complied with FRRs (Financial Regulations and Rules), SGBs (Secretary-General's Bulletin), the United Nations Procurement Manual and other procurement policies; and that they act on the interest of the UN (United Nations Procurement Manual, 2010, 32).

Financial Regulations and Rules regulates the procurement activities of UN ,ensuring that the quality of goods, services and works meet UN policy and regulations at competitive prices and within the time required (United Nations Procurement Manual, 2010, 11). Main principles of UN Financial Regulations and Rules regarding the procurement activities are best value of money; fairness, integrity and transparency; effective international competition; and the interest of United Nations (United Nations Procurement Manual, 2010, 11).

Secretary-General's Bulletin establishes policies and procedures for all staff of UN regarding international agreements and treaties (Secretary-General's Bulletin, 2001, 1).

The United Nations Procurement Manual provides clear and comprehensive guidance for all staff members of UN regarding the procurement activities (United Nations Procurement Manual, 2010, 7). It must be complied with Financial Regulations and Rules (United Nations Procurement Manual, 2010, 7).

### **3.3 Scope and content of the calls for tenders**

According to the Annual Statistics Report on the United Nations Procurement of 2010, the overall procurement volume of UN has increased by 5.4 percent, compared to 2009, and it reached USD 14, 5 billion (Annual Statistical Report on United Nations Procurement, 2010, 7).

The most common goods bought by the UN are food, pharmaceuticals, medical supplies, vehicles, telecommunication and IT equipments, shelter and housing, water supply equipment, educational supplies, and domestic and household items (Doing Business with UN System, 2005, 3). The major services procured by the UN are security, outsourced personnel service, engineering, leasing and rental, general management, freight, printing, consultancy, telecommunication and construction (Doing Business with UN System, 2005, 3, 4).

The largest purchasers inside of the UN system were the UN/PD (USD 3,144.52 million), UNDP (USD 2,928.44 million, WFP (USD 2,717.03 million), UNICEF (USD 1,823.74 million), and UNOPS (USD 1,015.52 million) (Annual Statistical Report on United Nations Procurement, 2010, 64).

In 2010, procurement volume from developing countries has increased from 54.9 percent in 2009 to 57.7 percent in 2010 (Annual Statistical Report on United Nations Procurement, 2010, 10).

Among 10 major suppliers of the UN, four of them are from developing countries or from countries with economies of transition (Annual Statistical Report on United Nations Procurement, 2010, 8). These are Afghanistan, Sudan, India and Pakistan, representing 34.8 percent of total UN's procurement (Annual Statistical Report on United Nations Procurement, 2010, 8).

**TABLE 1. Top 10 countries of supply to the UN system in 2010 (Annual Statistical Report on United Nations Procurement, 2010, 8)**

<b>Countries</b>	<b>USD Million</b>
USA	1,519.0
Switzerland	841.4
Afghanistan	669.2
Sudan	601.7
India	567.6
Russian Federation	552.1
United Kingdom	490.0
Denmark	469.9
Pakistan	468.5
France	443.8
<b>Top 10 total</b>	<b>6,623.1</b>
<b>Grand Total</b>	<b>14,544.2</b>

### 3.4 Humanitarian units

It is important to identify right UN agencies, which are interested in buying the emergency relief products, services and works. General Business Guide provides description of agencies and their procurement needs.

UNICEF, UNOPS, UNDP, UNRW, WFP, UNHCR, Peacekeeping Mission and OCHA should be targeted by potential supplier to do business with.

In 2010, UNICEF responded to 290 emergency situations. Its supplies are located in Accra, Douala, Dubai, Panama, Shanghai and Copenhagen (main warehouse) (UNICEF Supply Annual Report, 2010, 22).

It procured emergency relief items to 69 countries worth of USD 195 million (UNICEF Supply Annual Report, 2010, 24).

**TABLE 2. Major supplier countries of UNICEF (UNICEF Supply Annual Report, 2010, 40)**

Country	Value in USD million
India	358,6
Switzerland	279,8
Belgium	197,3
France	142,6
Denmark	130,7

UNICEF procured goods and service from Finland worth of 2 USD million in 2010 (UNICEF Supply Annual Report, 2010, 40). Most supplies are directed to underdeveloped countries.

**TABLE 3. Where supplies are used (UNICEF Supply Annual Report, 2010, 64)**

Country	Value in USD million
Pakistan	157,3
Zimbabwe	99,6
India	90,7
Nigeria	87,9

The majority of companies invited to bid are from India (242), the United Kingdom (227), Germany (225), and Denmark (213).

Most popular purchased goods and services by UNICEF are vaccines, education and medical supplies, IT, nutrition, transport, household tech, water supply and sanitation services (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 27, 28).

UNOPS is another targeted agency for emergency-relief suppliers. Every year it implements projects more than USD 1 billion worth of projects in more than 80 countries. (UNOPS Results that matter, 2010, 4). UNOPS supplies are located in the offices of Bangkok, Copenhagen, Johannesburg, New York and Panama and in the twenty operations and project centers in order to ensure quick emergency response to many territories (UNOPS, Procurement and Supply Chain Management, Procurement Statistics, 2010 statistics).

Most common goods and services, procured by UNOPS are IT equipments; motor vehicles, machinery; communication equipments; medical testing tools; construction and engineering, transport and logistics, peacekeeping, and natural resource development services (UNOPS, Procurement and Supply Chain Management, Procurement Statistics, 2010 statistics).

UNOPS aims to ensure wide geographical range of their suppliers.

**TABLE 4. Major supplier countries of UNOPS (UNOPS, Procurement and Supply Chain Management, Procurement Statistics, 2010 statistics)**

Region	Percentage share (in %)
Latin America	43
Industrialized countries	20
Asia	18
Africa	12
Arab countries	6
Europe	1

Nowadays, UNOPS plays an important role in emergency relief operations, purchasing emergency supplies and assisting with logistics services (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 30).

UNDP is one of the biggest purchasers of UN system, spending more than USD 3 billion annually on over 3,500 different types of goods (UNDP, Procurement, 2009). Its main office is located in New York, but it operates in 166 locations worldwide (e.g. Panama, Argentina, Afghanistan, Guatemala, Columbia, Denmark, Sudan, etc) (UNDP, Procurement, 2009).

Around 80 percentages of purchase comes from developing countries or countries with economies in transition (Latin America, Asia and the Pacific, Africa, Arab countries) (UNDP, Procurement, Statistics, 2009).

UNDP most commonly buys electrical, telecommunication, cooling and heating, construction, agricultural and medical equipments; motor vehicles; power generators; water supply systems; and shelter items. It also procures information technology; public administration; education; energy; transportation and communication services (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 32, 33).

An estimated value of UNRWA's procurement in 2010 was over USD 228 million. It's biggest supplier comes from Occupied Palestinian Territory (United Nations Relief and Works Agency, Annual Statistical Report, 2010, 5).

**TABLE 5. Procurement Top 10 countries of vendors (United Nations Relief and Works Agency, Annual Statistical Report, 2010, 5)**

Country	Amount in USD million
Occupied Palestine Territory	97,8
Lebanon	34,2
Jordan	30,6
Netherlands	13,6
Turkey	13,6
Syria	11,1
Israel	7,3
UAE	5,8
Egypt	3,8
Cyprus	3,2

It's headquarter is situated in Amman. Local offices are located in West Bank (eastern part of Palestine), Gaza, Jordan, Syria and Lebanon (Procurement-UNRWA).

UNRWA actively buys grain mill products, dairy products, books, brochures and leaflets, oils and fats, cereals, petroleum oils and petroleum products, sugar plants, meat, and bakery products (United Nations Relief and Works Agency, Annual Statistical Report, 2010, 15). Moreover it spent over USD 39 million on contraction and alternations of agency premises services in 2010 (United Nations Relief and Works Agency, Annual Statistical Report, 2010, 16).

WFP is engaged in disaster prevention, emergency preparedness and post-disaster recovery. It spent around USD 1.25 billion on food from 96 different countries in 2010.

At WFP headquarters in Rome, there are Food Procurement Branch, Goods and Services Procurement Branch and the Transport and Logistics Division. Food Procurement Branch is responsible for food procurement. Goods and Services Procurement Branch procures non-related food goods and services. The Transport and Logistic Division is in charge of air and sea transport services (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 46, 47). Moreover, WFP has many country offices which play an important role in local procurement activities (e.g. Angola, Burkina, Faso, India, Cote d'Ivoire, Kenya, Uganda and Zimbabwe) services (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 48).

The major product categories of WFP are food; transport; warehousing and logistics; vehicles; and IT and communication equipments services (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 48).

UNHCR is UN agency with aim is to protect the rights of refugees and to assist stateless people. It's headquarter is located in Geneva and it operates in more than 124 countries helping around 34 millions of people (UNHCR, What we do). Its annual budget of 2012 has reached USD 3.59 billion (UNHCR Figures).

Goods and services purchased by UNHCR include shelter products, water supply equipments, pharmaceuticals, and radio telecommunication equipments, vehicles and spare parts, household and domestic items, construction materials, and insurance and transport services (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 62).

In order to be able to have quick response to emergency situations, UNHCR established central and regional emergency stockpiles. The central emergency

stockpile is operated by UNICEF and located in Copenhagen, Denmark. Main emergency-relief items are stored there (Doing business with the United Nations High Commissioner for Refugees, 2007, 6). Regional emergency stockpiles are situated close to politically unstable countries. Plastic sheeting, kitchen sets, blankets, jerry cans and plastic rolls are the most common items in the regional stockpiles (Doing business with the United Nations High Commissioner for Refugees, 2007, 7).

Department of Peacekeeping Operations strives for international peace and security.

The Field Administration and Logistics Division (UN/FALD) is in charge of identifying Department of Peacekeeping Operation's needs, providing administrative and logistics support (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 17).

UN Procurement Division purchases goods, services and works on behalf of Department of Peacekeeping Operations at Headquarters (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 17). Moreover, Department of Peacekeeping Operations has got local procurement authority in different country offices, up to USD 200,000 (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 17).

That department requires emergency relief items to support engineering, supply, transport, and other operations. Most popular goods and services are communication and computer systems, medical supplies, engineering and construction equipments, building materials, waste removal, earth moving equipment, furniture, water-purification systems, aircraft charter services and many others (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 17).

United Nations Office for the Coordination of Humanitarian Affairs (OCHA) is a part of the United Nations Secretariat and is highly involved in the response of emergency situations. It managed humanitarian programming worth of USD 8.5 billion in 2011, responding to 14 crises and assisting 50 million people (OCHA, Who we are).

OCHA is headed by the Under-Secretary General for Humanitarian for Humanitarian Affairs and Emergency Relief Coordinator others (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 60).

The Disaster Response Branch (DRB) of OCHA in Geneva is an entity most involved in procurement activities. It is responsible for response to natural disasters, environmental emergencies, and technological accidents others (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 60).

OCHA most commonly purchases communication and transport equipments, tents, water disinfection, blankets, generators, spare parts, and transport services. It does not procure medical and food items others (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 60, 61).

## **4 VENDOR REGISTRATION WITHIN THE UN SYSTEM**

### **4.1 Vendor registration in the United Nations Global Marketplace**

In order to participate in the procurement process, the potential supplier must register within the UN system.

One of the ways to express an interest for the vendor is through submission the company's details on the United Nations Global Marketplace (UNGM) (United

Nations Procurement Manual, 2010, 61). UNGM maintains a supplier database and make it available to the whole UN procurement personnel (United Nations Procurement Manual, 2010, 62). It acts as an intermediary between the UN and an interested company. The suppliers should fill in the Vendor Registration Application form (VRA) and upload all the required documents (United Nations Procurement Manual, 2010, 64). Online registration is free of charge, and it is available on [www.ungm.org](http://www.ungm.org).

#### **4.2 Documents required for registration on United Nations Global Marketplace**

The documents required for registration on UNGP vary, depending on the estimated value of a contract award.

For example, if the estimated contract award is less than USD 200,000, applicants should mandatorily provide their basic information (name, owners, address, contact information, e-mail, telephone, etc), current certificate of incorporation (or equivalent document verifying legal status), and three letters of reference of independent, non-affiliated clients or companies whom they conducted business with previous year (United Nations Procurement Manual, 2010, 66).

When the estimated values of a contract award is more than USD 200,000 but less than USD 1 million, in addition to all the documents mentioned above, vendors must also include information about the names of owners and principals (including parent company, subsidiaries, affiliates, CEO, Managing Director, etc), and former corporations; the names of intermediaries, agents, and consultants, (if any) used in relation to United Nations contracts or bids/proposals; certificate of quality standards (ISO certification or equivalent); and audited financial documents covering the three last years (United Nations Procurement Manual, 2010, 66).

When the amount of an estimated contract award is more than USD 1 million but less than USD 5 million, in addition to the documents mentioned previously (for the

award from USD 200,000 to USD 1 million), the applicants have to provide documentation which ensures the sufficient production and export capacity and international scope of business operations (including shipping or (and) freight documents or other documents) (United Nations Procurement Manual, 2010, 66).

If the estimated value of a contract award is USD 5 million or more, in addition to the required documents mentioned previously, the vendors must also attach a copy of the applicant's Code of Ethics, Anti-Fraud Compliance Programme, or equivalent (United Nations Procurement Manual, 2010, 66).

As a part of registration at the UNGM, all the applicants have to complete a Pre-Requisites for Eligibility Disclosure form, according to which they state that their companies or employees are not currently and have not been in the last five years, under the sanction of the UN Headquarters, the Field Missions, other UN organizations, or any government of the UN Member State; do not have outstanding bankruptcy; do not employ any persons who are or were recently employed by the UN; and agree to cooperate with the United Nations Office of Internal Oversight Services either before, during or after execution of a contract, and are obliged to provide all required documents, such as company records, employees information, financial statements, etc (United Nations Procurement Manual, 2010, 65). This form can be downloaded from the website

[http://www.un.org/depts/ptd/pdf/prerequisite\\_for\\_eligibility.pdf](http://www.un.org/depts/ptd/pdf/prerequisite_for_eligibility.pdf).

In addition, the suppliers should select the proper United Nations Common Coding System (UNCCS) codes during the registration. UNCCS describes a certain product or service (UNCCS Guidelines-Tips on how to use UNCCS Codes, 1). There is a hyperlink "UNCCS Codes" on the UNGM webpage, which will display the code of the product or service depending on their descriptions. It is recommended to select several UNCCS codes to ensure that vendor covers his/her target business (UNCCS Guidelines-Tips on how to use UNCCS Codes, 4)

Every applicant can subscribe to the Tender Alert Service at UNGM and receive tender email notifications corresponding to the UNCCS codes selected (UNCCS Guidelines-Tips on how to use UNCCS Codes, 1).

There are specific factors, which affect the decision-making of whether to suspend or remove the vendor from the register; such as a vendor's failure to complete the terms and condition of one or more contracts with the UN; concern about company's bankruptcy and entry into receivership; failure to meet reporting requirements and eligibility criteria for registration; and non-compliance with any of pre-requisite conditions (United Nations Procurement Manual, 2010, 74).

It is very important for registered vendors to ensure that their company information is updated with the UNGM. In order to change it, the potential supplier should log-in to his/her UNGM account. In addition, the updated information should be transferred to the UNPD by email [register@un.org](mailto:register@un.org) (United Nations Procurement Manual, 2010, 71).

#### **4.3 UN agencies available on the United Nations Global Marketplace**

There are 24 UN's agencies available in UNGM (United Nations Global Marketplace, UN useful links, Links to organizations participating in the UN Global Marketplace). It is import to choose the right agencies, which are potentially interested in buying the company's products, services and works. Supplier should be registered with UNICEF, UNOPS, UNDP, UNRW, WFP, and UNHCR.

**TABLE 6. Evaluation criteria of UN's agencies**

Name of the UN's agency	Main evaluation criteria
UNICEF	Quality, compliance with internationally recognized technical standards, and competitive prices are the main criteria. Moreover, UNICEF does not purchase from companies which use child labour or deal with

	<p>sale and manufacture of anti-personnel mines. It does not procure second-hand merchandise, food and clothing. Only in case of emergency situation, specific therapeutic food should be purchased by it. UNICEF country offices are not allowed to buy vaccines, auto-disable syringes, and safety boxes for disposal of injection, pharmaceuticals, micronutrients and therapeutic food. Full information about procurement needs of UNICEF can be found in its online catalogue on <a href="http://www.unicef.org/supply">www.unicef.org/supply</a>. (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 28)</p>
UNOPS	<p>Compliance with international recognized standards, generic specifications, and ethical principles, and price are the main criteria (UNOPS, What we need, Become a UNOPS supplier). As a condition of doing business with UNOPS, suppliers are required to cooperate with the Office of Internal Oversight Services (OIOS) of UN, UNOPS Internal Audit and Investigations Group, whenever necessary. Those organizations may inquire information about employees and their professional competence, financial records, etc (UNOPS, What we need, Guidelines for suppliers).</p>
UNDP	<p>Quality compliance with international or national product standards, delivery terms, environmental compliance (i.e. ISO 14 000 Certification), accuracy of documentation, financial strength, speed of response, customer service, and professional competence are the main criteria (UNDP, How we operate, Evaluation of offers).</p>
UNRW	<p>Quality, technical and organizational factors and prices, ability to response quickly to its needs, environmental care, and accuracy of all documents provided, and customer service (based on detailed service level agreements) are the main criteria (UNRWA, Procurement, How we operate, Evaluation). In addition to the registration through UNGM, all potential suppliers are recommended to full fill an online form and the environmental management</p>

	questionnaire available on <a href="http://www.unrwa.org/etemplate.php?id=274">http://www.unrwa.org/etemplate.php?id=274</a> .
WFP	Cost effectiveness, professional and technical competence, company's experience (at least 3 years), performance, financial stability, relevance of goods, services and works offered, timely delivery, ability to provide installation and after-sales service are the main criteria. Moreover, food commodities must be the part of core business of potential supplier (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 46).
UNHCR	Lowest total costs, delivery terms and quality compliance are the main criteria (Doing business with the United Nations High Commissioner for Refugees, 2007,2)

#### 4.4 UN Agencies which are not included in United Nations Marketplace

It is important to keep in mind that not all Agencies, Funds and Programmes are represented in UNGM. Economic Commissions, Tribunals Peacekeeping Mission, United Nations Office at Geneva, United Nations Office at Vienna (UNOV) are not yet available at UNGM. In this case, vendors should register with them on an individual basis.

Department of Peacekeeping Operations is not included in UNGM system. In case the goods, services and works are targeted for Headquarter procurement, the registration with United Nations Procurement Division (UN/PD) through UNGM takes place. For the local procurement activities, the respective Chief of Procurement Section of the field mission should be contacted (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 17). Their contact information can be founded on the website <http://www.un.org/depts/ptd/field.htm>.

In order to register within OCHA, all interested suppliers should follow award procedure, set on the United Nations Office at Geneva's (UNOG) website (The United Nations Office at Geneva, Procurement). The registration form and all required documents can be found on

[http://www.unog.ch/80256EDD006AC19C/\(httpPages\)/D69BFF41202B9C7180256EED0060A4D5?OpenDocument](http://www.unog.ch/80256EDD006AC19C/(httpPages)/D69BFF41202B9C7180256EED0060A4D5?OpenDocument). The required documents are the same as in the register at UNGM and vary depending on the estimated value of the contract (United Nations Office at Geneva, Vendor Registration).

OCHA does not procure medical and food items. These should be offered to WHO or WFP (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 61).

#### **4.5 Other than the United Nations Global Marketplace supplier's database**

In addition to the UNGM, there are other vendor's databases which are used by UN for supplier's search.

DACON is a database of consulting companies supported by the World Bank and the Inter-American Development Bank. It allows sharing company's details, updating its information, when necessary and having access to other company's profiles. DACON is free of charge. Its webpage is available on <http://www.dacon1.com/>.

Moreover, twelve of UN agencies encourage the potential suppliers to register on United Nations Common Supply Database (UNCSD). The annual fee is USD 100. Some agencies use this database while looking for potential suppliers. More information can be found on <http://unjobs.org/topics/health/food-and-nutrition/food-aid/united-nations-common-supplier-database>.

Kompass system maintains of more than 1.8 million company's profiles with more than 23 million product and service references. It is available for all UN procurement

personnel and used for sourcing of suppliers. Its webpage:

<http://www.kompass.com/>.

#### **4.6 Procurement notices**

It is important for potential suppliers be aware of UN procurement notices through various trade publications directories, professional journals, supplier's catalogues, yellow pages for local procurement and (or) by visiting seminars.

The primary source of information about business opportunities for projects financed by the UN, governments, and the world's leading banks is UN Development Business (UNDB). It is published by the UN Department of Public Information and is available in print form (24 times per year) or online on [www.devbusiness.com](http://www.devbusiness.com). UNDB provides information about awarded contracts from world's leading banks, UN agencies and governments, and key elements to win the tender (United Nations Development Business, About UNDB).

Request for Expression of the Interest (REOIs) notice is posted by the Procurement Officers on the UN/PD webpage and advertised in the international print and Internet media. It provides detailed information on the UN procurement needs and requirements. All interested vendors must submit specific documents identified on the webpage of UN/PD (United Nations Procurement Manual, 2010, 101). Moreover, they are obliged to register in UNGM within 90 days (United Nations Procurement Manual, 2010, 69). At OAH and Field Missions, REOIs notice is posted on the local website. In case an estimated value of contract exceeds USD 200,000, the Procurement Officers should post REOIs on UN/PD webpage (United Nations Procurement Manual, 2010, 101).

UN business seminars increase vendor's awareness of procurement process. During those seminars, the potential supplier can get updated information about evaluation criteria, vendor registration procedures and how to find business opportunities in

different UN's organizations (United Nations Procurement Division, Business Seminars, 2008). Places and dates of upcoming seminars can be found on the website <http://www.un.org/depts/ptd/seminars.htm> .

Moreover, information about business seminars schedule, contract awards and business opportunities can be obtained in real-time by the “UN Procurement” App for Android, iOS (iPhone, iPad, iPod Touch) and BlackBerry. It is free of charge. The “UN Procurement” App also provides direct access to UN most important resources (e.g. United Nations Procurement Manual) (United Nations Procurement Division, Home, 2008). It can be downloaded from the iTunes Store, Android Market and BlackBerry App World.

Vendors should frequently enter to the website of relevant Procuring Entity and check its updated acquisition plan or (and) procurement notices. They provide updated information about types of goods, services and works required, quantity needed, estimated value in USD, and delivery date (United Nations Procurement Division, Acquisition Plan, 2008).

## **5. AFTER SUCCESSFUL REGISTRATION**

### **5.1 Solicitation documents**

After the vendor is registered with the UN system, the solicitations documents are normally issued. According to United Nations Procurement Manual (2010, 21), solicitation is a procurement exercise which involves the issuance of Request for Quotation (RFQ), Invitation to Bid (ITB) and Request for Proposal (RFP). They include a form of the proposed contract, conditions of the contract, technical specification, list of goods, services and works, necessary appendixes, evaluation criteria and minimum qualification requirements (United Nations Procurement Manual, 2010, 120).

A RFQ is an informal method of solicitation which is issued for clearly specified goods, services and works with an estimated valued between USD 4,000 and USD 40,000 (United Nations Procurement Manual, 2010, 104).

An ITB is issued for clearly specified goods, services and works, when the procurement value is over USD 40,000 (United Nations Procurement Manual, 2010, 104). A RFP is issued for complex and professional goods, services and works, which cannot be easily described (United Nations Procurement Manual, 2010, 104).

However, sometimes the formal methods of solicitation can be abandoned, whenever it is determined by Under-Secretary-General for Management. Some examples of exceptional cases are cases when there are a monopoly for certain goods, services and works, extreme urgency, with an estimated value of the contract being less than USD 4,000 or when identical products and services were obtained with the same prices and quality before. In the last mentioned situation, an award for the contract is granted by direct contracting or by informal methods to the vendor who meets the requirements with an acceptable price (United Nations Procurement Manual, 2010, 111).

## **5.2 Public opening of bids and proposals**

The Procuring Entity will announce the date and place for the formal opening of sealed bids and proposals. The date, time and place for the public big opening are specified in the ITB. The Vendors' names, prices, delivery period, total cost, payments terms and discounts, if any and any other relevant details are discussed (United Nations Procurement Manual, 2010, 171).

All proposals are publicly opened according to the date, time and place specified in the RFP. The main purpose of the public opening of proposals is to register the vendors who have timely submitted all the required documents. Price information is not announced during public proposal opening. Technical attributes of the goods,

services and works and delivery terms are the main topics (United Nations Procurement Manual, 2010, 171).

After a bids and proposals opening, the submission opening officers will make all necessary additions to the solicitation abstract sheet and deliver it with all the submissions to the relevant Procurement Officer (United Nations Procurement Manual, 2010, 172). The solicitation abstract sheet is available for all the vendors who have submitted their bids or proposals in 30 days after the public opening with the authorized second person, acting as a witness (United Nations Procurement Manual, 2010, 173).

## **6. CRITICAL ELEMENTS TO SUCCEEDING IN THE CALLS FOR TENDERS**

### **6.1 Selection process of UN**

According to the United Nations Procurement Manual (2010, 176), the selection process should be complied with four main principles: “best value for money; fairness, integrity and transparency; effective international competition; and the interest of the United Nations”. The term “best value for money” was stated by the United Nations Procurement Manual (2010, 9) as the “optimization of whole-life costs and quality needed to meet the user’s requirements, while taking into consideration potential risk factors and resources available”. According to this statement, price is not the only criteria of the selection process, but there are also quality, availability, time, compliance, cost of maintenance, etc.

The selection procedure depends on an estimated value of the award for the contract.

When an estimated value of purchase orders is up to USD 30, 000, usually there are three suppliers identified and then a direct selection is made to the one, who meets the specifications and delivery terms with the lowest prices (General Business Guide

for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 5)

When an estimated value of purchase order is from USD 30, 000 up to USD 100,000, limited competitive bidding is used. Suppliers are invited from pre-selected short list. The award is granted to the most qualified and responsive contractor who offers the lowest prices (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 5).

When the value of purchase order is from USD 100,000 and up, international competitive bidding is used. Suppliers are actively invited by UN publications (e.g. IASPO's Business Opportunities on [www.iapso.org](http://www.iapso.org) ). They strengthen competition, providing information about the scope of procurement, name and address of Procuring Entity, and the scheduled data for availability of solicitation documents. The award is granted to the best-evaluated responsive offer (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 5).

Every local office is a potential business partner. The majority of UN agencies have been granted the procurement authority to their respective country office with a certain financial limit, varying from USD 5,000 to USD 100,000. Peacekeeping mission local office has been delegated the procurement authority up to USD 200,000 (General Business Guide for Potential Suppliers of Goods and Services with Common Guidelines for Procurement by Organizations in the UN System, 2006, 6).

## **6.2 Types of evaluation criteria**

There are three types of Evaluation criteria: technical, commercial and management criteria (United Nations Procurement Manual, 2010, 187).

Technical criteria verify if a submission meets technical requirements of the Specifications, Terms of Reference (TORs) and Statement of Work (SOWs) (United Nations Procurement Manual, 2010, 187).

Specifications are commonly used for the goods and comprised of broad description of the product; background information which reflects procurement needs; standards (e.g. ISO or EN); specific constraints and limitations (e.g. physical space available for equipment installation, servicing and maintenance limitations, etc); requirements (specific functional, technical and performance characteristics); marking (e.g. identification marking, manufacturer's name; manufacturing standard, warnings for the fragile items ,etc); packaging; testing, whenever applicable (UNDP User Guide, 2006, 15, 16).

In case of emergency-relief items, their standard specification can be found at [http://www.iapso.org/pdf/erc\\_vol1.pdf](http://www.iapso.org/pdf/erc_vol1.pdf), posted by IASPO.

TORs are applicable for services and include information about context in which potential supplier will operate (e.g. sector involved and its main characteristics, institutional framework, other stakeholders involved, etc); description of existing problem; objectives within specified time; target result; activities involved to achieve the objectives; expected input (e.g. professional experience of employees, their specialization, etc), timing; and reporting (e.g. inception report, mission report, presentation material, etc) (UNDP User Guide, 2006, 16, 17).

SOWs describe the requirements for work. The term “work” refers to any other than consulting services and it includes the supply of construction materials (e.g. civil, mechanical, electrical, engineering, construction and other services). SOWs are comprised of information about overall scope of the project and its purpose; location; legal status of the area where the work will take place; ownership of the place; designs and drawings; right of way; estimated budget for the work; timing for the project implementation; supervision; experience of the bidding company (clients references are usually requested);required qualifications of each key employee;

financial capability (the balance sheet, working capital are usually revised by relevant Procuring Entity); minimum number and characteristics of equipments needed; and construction methods and approach (e.g. steps of the work, its presentation, etc). (UNDP User Guide, 2006, 16).

Commercial criteria include price of goods, services or works; financial status and capability of the vendor; total costs of ownership; and some others (United Nations Procurement Manual, 2010, 187).

Management criteria evaluates management experience; management methods and systems; personnel qualification and experience; facilities; financial management; and some other (United Nations Procurement Manual, 2010, 187). Quite often management criteria are included either in commercial or technical evaluations (United Nations Procurement Manual, 2010, 187). The solicitation document describes whether management criteria are included in some of two others, or are separate one (United Nations Procurement Manual, 2010, 187).

Depending on the submission, variable, pass/fail, and minimum requirements basis criteria are applied (United Nations Procurement Manual, 2010, 188). Variable criteria measures the quality of goods, services and works based on the Best Value for Money principle (United Nations Procurement Manual, 2010, 188). It evaluates the degree of compliance with UN's requirements (United Nations Procurement Manual, 2010, 188). Pass/fail criteria determines acceptance or rejection of the tender, and used when the degree of superiority is not appropriate (United Nations Procurement Manual, 2010, 188). Minimum requirements establish minimum acceptable level for performance and quality (United Nations Procurement Manual, 2010, 188).

### 6.3 Methods of evaluation

In the evaluation process of the quotations, all offers are evaluated against the minimum selection criteria and the supplier's reliability. Price is the main measure (United Nations Procurement Manual, 2010, 194).

Upon the solicitation of the bids, the offers are evaluated against the specifications, SOWs and TORs, identified in the solicitation documents. Bids can be accepted, if they meet or exceed the evaluation criteria. Price is also important. The Financial Rule (United Nations Procurement Manual, 2010, 177) states that in the evaluation process of the bids, the contract should be awarded to "the qualified bidder whose bid substantially conforms to the requirements set forth in the solicitation documents and is evaluated to be the one with the lowest cost to the United Nations."

The proposals are evaluated through a cumulative analysis. Total score is obtained by a combination of weighted technical and financial proposals. An offer should be automatically rejected, if it does not meet the specifications, SOWs and TORs, and (or) it fails to score the minimum technical score identified in the RFP. The weight of a financial proposal depends on the complexity of an assignment and its relative proportion to quality (United Nations Procurement Manual, 2010, 177).

The Financial Rule (United Nations Procurement Manual, 2010, 177) requires in this method of solicitation the contract to be awarded to "the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation documents."

In other words, the lowest price and the technically acceptable quality of products, services and works are the most important factors of awarding a contract for ITBs, whereas RFPs are evaluated depending on degree of responsiveness to the UN requirements (United Nations Procurement Manual, 2010, 177, 178).

#### **6.4 Decision on award for the contract**

In order to be awarded for the contract, the vendor must be “qualified” (United Nations Procurement Manual, 2010, 177). “Qualified” vendor must have sufficient financial resources to perform the proposed Contract, complying with UN rules, policies and regulations (United Nations Procurement Manual, 2010, 177). Moreover, he/she has to be able to comply with delivery schedule; have a satisfactory past and current performance; comply with business ethics; have necessary experience; accounting and operational controls; technical skills; technical equipment and facilities ( United Nations Procurement Manual, 2010, 177).

In case there are uncertainties that the potential contractor responses to specifications, TORs and SOWs, the additional information is required (United Nations Procurement Manual, 2010, 179). In case there is still ambiguity whether the vendor is able to perform the contract, the submission should be rejected (United Nations Procurement Manual, 2010, 179). Moreover, submissions of those suppliers who have failed to complete similar contracts before are normally rejected automatically, unless authorized by the Director of UN/PD or the CPO (United Nations Procurement Manual, 2010, 179). Vendors who are in receivership, liquidation or bankruptcy are not encouraged to participate in the submission process neither (United Nations Procurement Manual, 2010, 179).

When decision of granting award is taken, the procurement contract is made between successful vendor and relevant Procuring Entity. Unsuccessful suppliers will get a formal letter of rejection.

#### **6.5 Practical tips**

In order to do business with the UN, it is important to identify target UN agencies; follow carefully the vendor’s registration procedure within the UN system; be aware

of updated procurement notices; deliver on time all required documents ensuring compliance with UN's policy and regulations (UN General Terms and Conditions for the Procurement of Goods and the Contracting of Services which can be accessed on <http://www.iapso.org/information/publications.asp>); meet technical, commercial and management evaluation criteria of the UN; and visit public bid openings whenever invited.

It is recommended that a vendor requests from the relevant UN agency a meeting in order to make company presentation or provide promotional materials (Doing Business with UN System, 2005, 8).

Moreover, it is important to keep in mind that business ethic is crucial for UN. The Code of Conduct describes the main principals of what is expected from potential suppliers. First of all, they should be able to protect internationally recognized human rights. Potential suppliers are required to treat their employees with dignity and be able to prevent violence, sexual abuse, and verbal and psychological. They are expected to act in compliance with local legislation to ensure safe workplace. In addition, suppliers should avoid any kind of discrimination in hiring employees, and respect their right for collective association in accordance with the country law (Doing Business with United Nations Secretariat, 6).

Moreover, UN requires the potential vendors to have effective environmental policy. All dangerous materials and air emissions need to be identified, monitored and controlled. Waste should be reduced or eliminated (Doing Business with United Nations Secretariat, 7).

According to the Code of Conduct, the potential suppliers should prevent any corrupt practices. The UN does not accept any gifts or offers of hospitality to do business. There is a post-employment restriction in business engagement with the UN for former employees and staff in service who used to participate in procurement process (Doing Business with United Nations Secretariat, 7).

Vendors are encouraged to participate in UN Global Compact. It is a strategic policy established by the UN to ensure that business can benefit societies worldwide. It consists of ten main principles, concerning human rights, labour, environment, and anti-corruption. Those principles are the support and respect of internationally recognized human rights; prevention from human rights abuses; the support of freedom of association and the right to collective bargaining; prevention from compulsory and child labour; the elimination of discrimination in employment and occupation; the implementation of effective program to protect environment; initiatives that demonstrate environmental responsibility; the promotion of the diffusion of environmentally friendly technologies; and the promotion and adoption of initiatives to prevent all forms of corruption, including extortion and bribery. In order to participate in UN Global Compact, the supplier should follow the web link: [http://www.unglobalcompact.org/HowToParticipate/Business\\_Participation/index.html](http://www.unglobalcompact.org/HowToParticipate/Business_Participation/index.html) (UN Procurement Division, The Global Compact, 2008).

#### **6.6 Current business opportunity for emergency relief products**

One of the most important recent projects of UN is the Capital Master Plan (CMP). It gives opportunities to thousands suppliers to participate in it (United Nations Capital Master Plan, 2006).

The purpose of the projects is to ensure HQ complex operates in compliance with principles of energy conservation, sustainability and efficiency. Old building structures should be renewed in accordance with local building codes and standards. The project has been started in early 2009 and is planned to be finished in 2014 (United Nations Capital Master Plan, 2006).

The United Nations selected Skanska USA Building Inc., as a Construction Manager of CMP. Some of the goods and services required are furniture; plumbing, hollow metal and glass doors, signage, security systems, electrics, fire protection and demolition

services, etc. All interested vendors should follow the web link <https://partners.myskanska.com/usa/clients/unitednations/CMP/default.aspx>. There they can find the upcoming projects, and requirements for them. The potential suppliers should click the link number one at the top right of the page, in order to submit a response form. They should also contact Skanska's UN Procurement Manager (the link available in the webpage) to start Prequalification process (United Nations Capital Master Plan, 2006).

## **7 DISCUSSION**

Thesis reveals seriousness of recent emergencies and their increase in almost two times. The earthquake and tsunami in the east coast of Japan in March, 2011; Haiti earthquake, January, 2011; 7.9 magnitude earthquake in Sichuan, China occurred in May, 2008; or Indian Ocean Tsunami of 2004 are all examples of world catastrophe, which seriously affected economic and social aspects of life.

Disaster damage can be reduced by proper emergency preparedness and close cooperation with governments, non-governmental organizations, and International organizations, such as the United Nations, Red Cross, and Red Crescent.

The main purpose of the thesis was to provide a suggestion for Finnish SMEs on how to do business with the UN. The study can be used not only for Finnish SMEs but also for large multinational companies from all over the world, operated in the emergency relief industry.

Targeted UN's agencies, vendor's registration, solicitation documents and selection processes were identified in order to facilitate business operations with the UN. The limitation of the research is its focus on the UN. There are many other international organizations (e.g. the Red Cross and Red Crescent) which should be considered for doing business with.

I believe my suggestion is useful for Finnish SMEs, increase their awareness of business opportunities with the UN and provide some guidance to success in the calls for tenders.

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## APPENDICES

### Appendix 1. Contact information of targeted UN's agencies

#### UNICEF contact information:

UNICEF Supply Division  
 Unicef Plads, Freeport  
 DK-2100, Copenhagen Ø, Denmark  
 Phone: (45) 35 27 35 27  
 Fax: (45) 35 26 94 21  
 Email: [supplierapplications@unicef.org](mailto:supplierapplications@unicef.org)  
 Internet: <http://www.unicef.es/>.

#### UNOPS contact information:

Global Service Centre  
 Midtermolen 3 (PO Box 2695)  
 2100 Copenhagen Ø, Denmark  
 Tel.: +45 3546 7500  
 Fax: +45 3546 7508  
 E-mail: [procurement@unops.org](mailto:procurement@unops.org)  
 Internet: [www.unops.org](http://www.unops.org)

#### UNDP contact information:

Director, Office of Legal & Procurement Support  
 United Nations Development Programme  
 304 East 45th Street, 8th Floor,  
 New York, NY 10017, USA  
 Fax: (212) 906-6663  
 Email: [olps.info@undp.org](mailto:olps.info@undp.org)  
 Internet: <http://www.beta.undp.org/undp/en/home.html>.

#### UNRWA contact information:

Chief, Procurement and Logistics Division  
 UNRWA Headquarters  
 Bayader Wadi Seer, P. O. Box 140157  
 11814 Amman, Jordan  
 Tel: (962-6) 5864 124  
 Fax: (962-6) 5864 125  
 Internet: <http://www.unrwa.org/>.

#### WFP contact information:

Chief, Non-Food Procurement Branch  
 Management Services Division  
 Via Cesare Giulio Viola, 68/70  
 00148, Rome, Italy  
 Phone: (39-06) 6513 2365  
 Fax: (39-06) 6513 2807  
 Internet: [http://home.wfp.org/wfp\\_internal/new\\_index/division](http://home.wfp.org/wfp_internal/new_index/division)

UNHCFR contact information:

Chief, Supply and Transport Section  
 United Nations High Commissioner for Refugees  
 Case Postale 2500  
 CH-1211 Geneva 2 Depot, Switzerland  
 Tel: (41-22) 739 8111  
 Fax: (41-22) 739 7306  
 E-mail: [hqsf00@unhcr.ch](mailto:hqsf00@unhcr.ch)  
 Internet: <http://www.unhcr.org/cgi-bin/texis/vtx/home>.

Contact information of Peacekeeping Mission:

The Director  
 Field Administration and Logistics Division  
 Division of Peacekeeping Operations  
 United Nations Secretariat  
 New York, NY 10017, USA  
 Tel: (1-212) 963 6141  
 Fax: (1-212) 963 0383  
 Internet: [www.un.org/depts/dpko](http://www.un.org/depts/dpko)

Contact information of OCHA:

Chief, Disaster Response Branch (DRB)  
 Office for the Coordination of Humanitarian Affairs  
 c/o United Nations Office at Geneva  
 8-14, avenue de la Paix  
 1211 Geneva 10, Switzerland  
 Tel: (41-22) 917 1234  
 Fax: (41-22) 917 0023  
 Internet: <http://www.unocha.org/>

## **Appendix 2. Executive Summary**

The research was commissioned by Mikko R. Salminen from the School of Technology in order to provide a suggestion for Finnish SMEs, operated in emergency relief sector on how to do business with the UN. The study can be used not only for Finnish SMEs but also for other SMEs as well as large multinational companies from all over the world.

First of all, the research reveals the UN's agencies which should be targeted by supplier companies. Those are United Nations Children's Fund (UNICEF), United Nations Office for Project Services (UNOPS), United Nations Development Programme (UNDP), United Nations Relief and Works Agency (UNRW), World Food Programme (WFP), United Nations High Commission for Refugees (UNHCR), Peacekeeping Mission and Office for the Coordination of Humanitarian Affairs (OCHA). All of them procure emergency relief items in order to respond to extreme situations globally.

Further, the report draws attention to suppliers' registration in the United Nations Global Marketplace (UNGM). It acts as an intermediary between the UN and an interested company. The suppliers should fill in the Vendor Registration Application form (VRA) and upload all the required documents which depend on an estimated value of the contract award. There are specific factors which affect the decision-making of whether to suspend or remove the vendor from the register. These factors include a vendor's failure to complete the terms and conditions of one or more contracts with the UN; concern about company's bankruptcy and entry into receivership; failure to meet reporting requirements and eligibility criteria for registration; and non-compliance with any of pre-requisite conditions.

There are only 24 agencies available in UNGM. Department of Peacekeeping Operations is not included in the UNGM system. In case the goods, services and works are targeted for Headquarter procurement, the registration with United

Nations Procurement Division (UN/PD) through UNGM takes place. For the local procurement activities, the respective Chief of Procurement Section of the field mission should be contacted. Their contact information can be founded on the website <http://www.un.org/depts/ptd/field.htm>.

In order to register within OCHA, all interested suppliers should follow the award procedure which can be found on the United Nations Office at Geneva's (UNOG) website

[http://www.unog.ch/80256EDD006AC19C/\(httpPages\)/D69BFF41202B9C7180256EED0060A4D5?OpenDocument](http://www.unog.ch/80256EDD006AC19C/(httpPages)/D69BFF41202B9C7180256EED0060A4D5?OpenDocument). The required documents are the same as in the register at UNGM and vary depending on the estimated value of the contract award.

After the vendor is registered with the UN system, the solicitations documents are normally issued. According to United Nations Procurement Manual (page 21), solicitation is a procurement exercise which involves the issuance of Request for Quotation (RFQ), Invitation to Bid (ITB) and Request for Proposal (RFP). They include a form of the proposed contract, conditions of the contract, technical specification, list of goods, services and works, necessary appendixes, evaluation criteria and minimum qualification requirements.

It is important for potential suppliers of the UN to visit public openings of bids and proposals upon invitation. The Vendors' names, prices, delivery period, total cost, payments terms and discounts, if any and any other relevant details are discussed during public opening of bids. The date, time and place for the public big opening are specified in the ITB.

All proposals are publicly opened according to the date, time and place specified in the RFP. The main purpose of the public opening of proposals is to register the vendors who have timely submitted all the required documents. Price information is not announced during public proposal opening. Technical attributes of the goods, services and works and delivery terms are the main topics.

Moreover, the research describes the selection process of the UN. According to the United Nations Procurement Manual (page 176), the selection process should be complied with four main principles: “best value for money; fairness, integrity and transparency; effective international competition; and the interest of the United Nations”. The term “best value for money” was stated by the United Nations Procurement Manual (page 9) as the “optimization of whole-life costs and quality needed to meet the user’s requirements while taking into consideration potential risk factors and resources available”. According to this statement, price is not the only criteria of the selection process. Main criteria also include quality, availability, time, compliance, and cost of maintenance.

In the evaluation process of the quotations, all offers are evaluated against the minimum selection criteria and the supplier’s reliability. Price is the main measure. The Financial Rule in the United Nations Procurement Manual (page 177) states that in the evaluation process of the bids, the contract should be awarded to “the qualified bidder whose bid substantially conforms to the requirements set forth in the solicitation documents and is evaluated to be the one with the lowest cost to the United Nations.” However, in the case of request for proposal, the Financial Rule requires the contract to be awarded to “the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation documents.”

In other words, the lowest price and the technically acceptable quality of products, services and works are the most important factors of awarding a contract for ITBs, whereas RFPs are evaluated depending on degree of responsiveness to the UN requirements.

Finally thesis work provides practical tips which can be used by supplier companies to succeed in the calls of tenders. It is recommended that a vendor requests from the relevant UN agency a meeting in order to make company presentation or provide promotional materials. Vendors are encouraged to participate in UN Global Compact. It is a strategic policy established by the UN to ensure that business can benefit

societies worldwide. It consists of ten main principles, concerning human rights, labour, environment, and anti-corruption. Those principles are the support and respect of internationally recognized human rights; prevention from human rights abuses; the support of freedom of association and the right to collective bargaining; prevention from compulsory and child labour; the elimination of discrimination in employment and occupation; the implementation of effective program to protect environment; initiatives that demonstrate environmental responsibility; the promotion of the diffusion of environmentally friendly technologies; and the promotion and adoption of initiatives to prevent all forms of corruption, including extortion and bribery. In order to participate in UN Global Compact, the supplier should follow the web link:

[http://www.unglobalcompact.org/HowToParticipate/Business\\_Participation/index.html](http://www.unglobalcompact.org/HowToParticipate/Business_Participation/index.html)

The research also reveals current business opportunities with the UN, such as the Capital Master Plan (CMP). Its purpose is to renew HQ's buildings. The project has been started in early 2009 and is planned to be finished in 2014.

I believe that my suggestions are useful for Finnish SMEs, increase their awareness of business opportunities with the UN and provide some guidance to success in the calls for tenders.

### Appendix 3. Qualification list

Criteria to be eligible and succeed in the calls for tenders	Vendor's Own Assessment
1) Companies' employees should not be currently and have not been in the last five years, under the sanction of the UN Headquarters, the Field Missions, other UN organizations, or any government of the UN Member State.	
2) Company should not have outstanding bankruptcy.	
3) Potential supplier should not employ any persons who are or were recently employed by the UN.	
4) Potential vendor should agree to cooperate with the United Nations Office of Internal Oversight Services before, during or after execution of a contract, and are obliged to provide all required documents, such as company records, employees' information, and financial statements.	
5) Company's product should be in compliance with internationally recognized technical standards.	
6) Potential vendors should have competitive prices.	
7) Supplier's company should ensure on time delivery.	
8) Company's activities should comply with environmental standards (i.e. ISO 14 000 Certification).	
9) Vendors should ensure the accuracy of documentation.	
10) Company should be financially strong.	
11) Company should be able to provide a good customer service (ability to provide installation and after-sales service).	
12) Vendors should have quick speed of response to any of the UN's inquiries.	
13) Company should have at least 3 years of experience.	
14) Company should comply with business ethics (The Code of Conduct describes the main principals of what is expected from potential suppliers).	
15) Company should comply with the UN's policy	

and regulations (UN General Terms and Conditions for the Procurement of Goods and the Contracting of Services which can be accessed on <a href="http://www.iapso.org/information/publications.asp">http://www.iapso.org/information/publications.asp</a> .	
16) Company should have low total cost of ownership.	
17) Company should have relevant management experience, management methods and system and personnel qualification.	
18) Company should offer relevant goods, services and works.	