

# The United Nations System

The United Nations system is made up of organizations such as the United Nations Children's Fund (UNICEF) and the World Food Program (WFP), which report annually to the General Assembly through the Security Council or the Economic and Social Council.

The system also includes specialized agencies working in social, economic, scientific or technical fields that have financial and organizational autonomy and that report to the Economic and Social Council. Examples of such agencies are the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Civil Aviation Organization (ICAO).

The World Bank, although part of the United Nations system, is not included in this supplement. This is because suppliers of goods and services for projects funded by the World Bank are subject to the procedures of the recipient country's executing agency.

## General procedures

Every agency or organization in the UN system has its own types of activities and often, therefore, specific requirements. It is up to companies to identify those organizations likely to use their goods or services.

## Supplier registration

As a rule, a company should introduce itself by sending the target agency a letter of interest, along with its product catalogue, business and export background, and annual report as proof of its business capabilities. Having already been a UN supplier will generally be a good reference and should be mentioned to the buyer.

If the buyer is interested, the company will be asked to register as one of the organization's suppliers. It is important to remember that a listing in this register will not guarantee a contract. The company must maintain regular contact with buyers so that they will think of contacting it when they have particular product requirements. Similarly, the company should make a practice of sending these buyers its latest catalogues and new product information.

## Procurement regulations

Since UN agencies are international bodies, they are bound to provide the same opportunities to all firms that are interested in their contracts, regardless of country of origin. United Nations regulations therefore oblige buyers to make objective supplier choices for contracts of any size. The regulations are as follows:

1. For procurement under US\$30,000 (except for some agencies), the buyer or project manager selects three suppliers and awards the contract to the lowest bidder meeting the technical specifications and delivery conditions.
2. Orders between US\$30,000 and US\$100,000 are subject to limited international competition. A limited number of prequalified suppliers (from the project's recipient country, underused big-donor countries and other countries) are invited to submit closed bids. The contract award will reflect considerations of price and technical quality.
3. If the contract is over US\$100,000, an international call for tenders is in order and will be published in *UN Development Business* (see Box, p. VIII) or "Procurement Update" (see under IAPSO, p. V). Bids are opened publicly, and the contract award will reflect technical and economic criteria. Special conditions may rule out the use of normal tendering procedures, especially for natural disasters or epidemics where the urgency of obtaining assistance imposes tighter deadlines, thus making it impossible to proceed by tendering. In these special cases, recognized firms with a history of successful operations will generally be invited to tender a bid.

Since most procurement is under US\$30,000, the contracting decision will generally fall to the agency's buyer or to the project leader who will be receiving the good or service. It is therefore important to build good relationships with the people in charge of procurement and periodically to refresh their memories, so that they will call on the company when the time comes. The basic selling principle is that a buyer will prefer to use someone he or she knows (preferably by sight) and will do business again with a firm that has given satisfaction in the past.

## Choosing a supplier

Contracts are awarded in accordance with the following criteria:

- compliance with the specifications in the call for tenders;
- price (quality being equal, the lowest bidder gets the contract);
- technical quality;
- acceptance of the delivery schedule; and
- meeting the deadline for submissions.