OPERATIONAL DIRECTIVE REF. OD.PG.2021.01

PROCUREMENT FRAMEWORK

1. Authority:

1.1. This Operational Directive (OD) is promulgated by the Executive Chief Procurement Officer, on the basis of a delegation of authority from the Executive Director.

2. Purpose:

2.1. The purpose of this OD is to define the UNOPS procurement framework, further to UNOPS Financial Regulations and Rules (the FRR).

3. Effective Date:

3.1. This OD shall become effective on 1 July 2021.

4. Consequential changes:

4.1. This OD abolishes and supersedes OD.EO.2017.01: Procurement Framework of 16 May 2017. The purpose of the revision is to adjust and clarify the responsibilities of the Director, IPS and the Director, PG.

[signature redacted]

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Jim Provenzano
General Counsel
Executive Chief Procurement Officer
OPERATIONAL DIRECTIVE REF. OD.EO.2017.01

PROCUREMENT FRAMEWORK

Table of Contents

1. General Considerations: 3
2. Principles: 3
3. Executive Chief Procurement Officer: 5
4. Director, Implementation Practices and Standards: 5
5. Procurement Group: 5
6. Procurement Authority: 6
7. Contracts and Property Committees: 7
1. **General Considerations:**

1.1. The Executive Director shall be fully responsible and directly accountable to the Executive Board for UNOPS procurement activities (Fin. Reg. 3.01). This responsibility may be delegated to relevant UNOPS personnel to ensure the efficacy and efficiency of UNOPS procurement activities (Fin. Reg. 3.05).

1.2. Procurement activities relate to the acquisition of property, plant and/or equipment, goods, works or services through purchase, hire, lease, rental or exchange from any source other than UN system organizations (Fin. Reg. 1.02).

1.3. All procurement activities undertaken by UNOPS, for itself or on behalf of our partners, shall be carried out in accordance with our FRR, in particular section F thereof, and the procurement procedures to be promulgated under this OD (Fin. Reg. 12.04).

1.4. Subject to adherence by UNOPS to the general principles set out below, the Executive Director may agree to apply the regulations, rules, policies and procedures on procurement of any client or such other entities as the Executive Director may decide. In such circumstances, the UNOPS Financial Regulations and Rules relating to procurement shall be deemed to be waived. (Fin. Reg. 18.04).

2. **Principles:**

2.1. UNOPS procurement activities shall be carried out on the basis of sound stewardship, that is, the careful and responsible management of our funds or the funds untrusted to us by a partner.

2.2. In particular, UNOPS procurement activities shall be carried out in accordance with the following principles:

   - Best value for money,
   - Fairness, integrity and transparency,
   - Effective competition, and
   - Best interest of UNOPS and its partners (Fin. Reg. 18.02).

2.3. Best value for money shall be understood as the trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria (Fin. Reg. 1.02).

2.4. Fairness, integrity and transparency shall refer to offering equal opportunities to vendors, and ensuring that procurement activities are carried out with probity by
both UNOPS personnel and vendors through the provision of a high level of visibility and openness throughout the procurement process.

2.5. Procurement contracts shall be awarded on the basis of effective competition, unless exceptions to the use of formal methods of solicitation are justified (Fin. Reg. 118.03). Competition shall be made on an as wide a geographic basis as is practicable through appropriate procurement strategies and leveraging information from market research, in order to further enable the achievement of best value for money.

2.6. Undertaking procurement in the interest of UNOPS and its partners shall refer to focusing on the achievement of the objectives set out in project agreements while maintaining the image and reputation of the organization. In doing so, UNOPS shall carry out background checks/due diligence of vendors prior to contract award.

2.7. In line with UNOPS’ EOD on Occupational Health & Safety and Social & Environmental Management, all UNOPS personnel involved in procurement activities shall consider sustainable procurement (i.e. the practice of integrating requirements, specifications and criteria that are compatible with and in favour of the protection of the environment, social progress and the support of economic development) to the extent possible within the context of their work, the country, the industry sector, and the supply market.

2.8. In carrying out procurement activities on or on behalf of UNOPS, UNOPS personnel, as personnel of the United Nations, shall be subject to the highest standard of ethical conduct and shall uphold the highest standards of efficiency, competence and integrity. This includes probity, impartiality, fairness, honesty and truthfulness (Staff Reg. 1.2).

2.9. Neither UNOPS personnel nor vendors participating in a procurement process shall have a conflict of interest. If any UNOPS personnel believe they have a conflict of interest, it must be promptly and fully disclosed to the UNOPS Chief Ethics and Compliance Officer. Vendors must disclose any actual or potential conflicts of interest in their bid submissions.

2.10. UNOPS personnel are subject to a general prohibition from accepting in the course of their duties gifts or hospitality from outside sources.

2.11. UNOPS shall also require that the vendors we work with operate with high standards of integrity and competency. There shall be a zero tolerance against fraud and other proscribed practices. Should a vendor engage in a proscribed practice (i.e. corruption, fraud, coercion, collusion, unethical practice, obstruction) they shall be sanctioned in accordance with the Operational Instruction (OI) on Vendor Sanctions to be issued under this OD.
2.12. Risks in procurement can arise at any stage of the procurement process. UNOPS personnel shall actively identify potential risks, assess impact and probability to understand the consequences, and put in place appropriate mitigation measures.

3. **Executive Chief Procurement Officer:**

3.1. Overall oversight of UNOPS procurement activities has been delegated by the Executive Director to the Executive Chief Procurement Officer (ECPO). The ECPO may in turn further delegate part of this authority to relevant UNOPS personnel to ensure efficacy and efficiency of UNOPS procurement activities.

3.2. The ECPO shall be responsible to establish the necessary policies and procedures as may be necessary to protect the integrity of the procurement process and the best interests of UNOPS as per the provisions set out in the FRR.

   a) Further to sections 3.1 and 3.2 above and the FRR, the ECPO hereby delegates to the Director, IPS and to the Director, PG, the responsibilities identified in sections 4 and 5 below.

4. **Director, Implementation Practices and Standards:**

4.1. The Director, IPS, shall be responsible to:

   a) Make decisions on vendor sanctions and vendor suspensions, further to the recommendations of the Vendor Review Committee (VRC), as set forth respectively in the OI Vendor Sanctions and the OI Procurement Procedures;

   b) Make decisions on bid protests, as set forth in the OI Procurement Procedures.

5. **Procurement Group:**

5.1. The Procurement Group, under the authority of its Director and the general supervision of the Director, IPS, shall be responsible to:

   a) Articulate strategy, policy positions and innovative solutions for procurement at UNOPS;

   b) Enable the organization’s procurement in a transparent, accountable and efficient manner in order to execute the organization’s business strategy;
c) Establish and maintain instructions, procedures, processes, control mechanisms, and supporting guidance on procurement activities, including by issuing and maintaining the UNOPS Procurement Manual;

d) Ensure that the above instructions, processes and tools are being complied with by the units responsible for implementation of UNOPS operations, achieve the intended outcomes, and if not, assess why and make any required changes;

e) Enable the operationalization and managerial oversight of UNOPS procurement activities through appropriate systems and reports;

f) Support in the identification and development of opportunities for the provision of procurement services for partners and clients, and ensure appropriate modalities for service delivery;

g) Strengthen the knowledge, skills and career development of procurement practitioners, including through setting standards for internal and external certification;

h) Provide guidance on skills, education and experience for personnel profiles to facilitate recruitment and rostering of procurement profiles;

i) Maintain the list of UNOPS personnel holding a delegation of authority (DOA) in procurement;

j) Establish mechanisms to address bid protests submitted by vendors;

k) Establish the requirements for vendor registration and for background checks/due diligence;

l) Save as may be provided otherwise by the Director IPS for particular situations, host the secretariat of the Vendor Review Committee (VRC), further to the provisions of the OI on Vendor Sanctions and the OI Procurement Procedures

m) Designate personnel as Procurement Reviewers.

6. Procurement Authority:

6.1. The ECPO, or the Director, PG, upon delegation of authority from the ECPO, shall designate, for each business unit, one or more personnel as committing officer(s) for procurement activities, and shall establish the authority and responsibility of those committing officers. (Fin. Rule 117.01 (a)). This shall be done through formal delegations of authority (DOA) in procurement.

6.2. The DOA in procurement shall be issued in accordance with the directives to be issued by the Executive Director.

6.3. Approval of a commitment by the holder of a DOA in procurement shall indicate that its purpose is in accordance with the following principles:
(i) The activities to be financed are within the policies, approved strategy and plans of UNOPS;

(ii) Funds necessary to satisfy the present or future liability are available in the relevant account for which the committing officer is responsible; and

(iii) The commitment decision is in accordance with the financial regulations, rules, policies and procedures of UNOPS. (Fin. Rule 105.02 (c)).

6.4. Per the EOD on UNOPS Organizational Principles and Governance Model, UNOPS Regional Directors shall be responsible and accountable for the day-to-day management and implementation of UNOPS operations, including procurement, in accordance with the UNOPS strategy and legislative framework, and in particular for monitoring, reporting, elevating and mitigating associated operational risks.

7. **Contracts and Property Committees:**

7.1. Further to Fin. Rule 117.01 (c), the Executive Director has established a Headquarters Contracts and Property Committee (HQCPC) to control that UNOPS procurement activities are carried out in accordance with UNOPS rules and procedures.

7.2. In addition, the Executive Director has delegated authority to the ECPO to establish Local Contracts and Property Committees (LCPCs) to control that UNOPS procurement activities under certain thresholds are carried out in accordance with UNOPS rules and procedures.

7.3. The creation of LCPCs by the ECPO shall be done on the basis of written advice from HQCPC in this regard.

7.4. Instructions regarding these committees, including the types and monetary values of proposed procurement and other activities subject to review by the committee, are specified in the OI Contracts and Property Committee Members and Duties, and the OI Contracts and Property Committees Submissions and Reviews.