

UNDP Procurement Principles

1. Best Value for Money

By and large the core governing principle of UNDP is to obtain the best value for money. In the context of the procurement process, obtaining “best value for money” means selection of the offer, which presents the optimum combination of life-cycle costs and benefits, which meet the Business Unit’s needs.

Best value for money should not be equated with the lowest initial price option rather requiring an integrated assessment of technical, organizational and pricing factors in light of their relative importance (*i.e., reliability, quality, experience, reputation, past performance, cost/fee realism and reasonableness*). The Business Unit’s parameters can also include social, environmental and other strategic objectives defined in the procurement plan. The principle of best value for money is applied at the award stage to select the offer that effectively meets the stated requirement. To ensure that best value for money is obtained, the process of soliciting offers and selecting a Contractor should:

- maximize competition;
- minimize the complexity of the solicitation, evaluation, and the selection process;
- ensure impartial and comprehensive evaluation of solicited offers; and
- ensure selection of the Contractor whose offer has the highest degree of realism and whose performance is expected to best meet the Business Unit’s specifications, statement of works or terms of reference.

2. Fairness, Integrity and Transparency

As competition is the basis for efficient, impartial and transparent procurement; Business Units are therefore, responsible for protecting the integrity of the procurement process and maintaining fairness in UNDP’s treatment of all Offerors. Sound procurement (*i.e., openness of the process; probity; complete and accurate records; accountability; confidentiality*) establishes and then maintains rules and procedures that are attainable and unambiguous.

3. Effective Competition

The objective of UNDP’s competitive processes as described in these Guidelines is to provide all eligible prospective Offerors with timely and adequate notification of UNDP’s requirements and an equal opportunity to tender for the required goods, civil works and services.

Business Units should ensure that restrictions are not placed on the competitive processes limiting the pool of potential Offerors, as UNDP does not accept procurement awarded to exclusive Contractors or countries, unless otherwise explicitly mentioned in a Donor agreement. However, any such restrictive procurement provisions within an agreement must obtain prior approval of the Chief Procurement Officer.

4. Interest to UNDP

In practice, the specific procurement rules and procedures established for the implementation of a programme are contingent upon the individual circumstances of the particular case; however four considerations consistently guide the UNDP's interest for the acquisition of inputs:

- the need for economy and efficiency in the implementation of the programme, including the procurement of goods, civil works and services involved;
- the access to procurement opportunities for all interested and qualified Offerors worldwide, except where other criteria mandated by the Security Council or General Assembly prevails;
- giving all eligible Offerors the same information and equal opportunity to compete in providing goods, civil works or services; and
- the importance of transparency in the procurement process.