

INTRODUCTION TO THE Vendor Review Committee



Procurement Support Office
Bureau of Management
Istanbul, Turkey
26 May 2015

CONTENTS

- 1. Introduction**
- 2. Guiding Principles**
- 3. Basic Definitions**
- 4. Proscribed Practices
Sanctions**
- 5. Vendor Review Committee**
- 6. Operational Implications
for COs**



1. Introduction



- **The Model Policy Framework on Vendor Sanctions for the UN System**
- **The UNDP Vendor Sanctions Policy (November 2011)**
- **The Vendor Review Committee (October 2012)**

Firefox | Inbox (2,181) - lorenasander@gmail.c... | Pandora Internet Radio - Listen to Fre... | Vendor-Sanction-Procedures

https://intranet.undp.org/global/popp/cap/Pages/Vendor-Sanction-Procedures.aspx

UNDP PUBLIC WEBSITE | TEAMWORKS | UNDP INTRANET | OFFICES | DECISIONS | PRACTICES | SOLUTIONS | HELP

Empowered lives. Resilient nations. | Contract and Procurement | Vendor-Sanction-Procedures

Contract and Procurement | Documents

Home

Procurement Overview

Transactional Procurement Strategies and Procurement Planning

Requisitions

Sourcing of Suppliers

Procurement Methods

Solicitation Process

Evaluation of Offers

Contract Review Committees

Award of Contract

Contract Management

Individual Contracts (IC)

Vendor Sanction Procedures

- | Relevant Policies
- | Flowchart
- | Procedures
- | Inputs
- | Deliverables
- | Roles and Responsibilities
- | Templates and Forms
- | Additional Info. and Tools
- | Lessons
- | On the Drawing Board

3.0 SOURCING: KNOWING YOUR NEEDS AND THE MARKET

4.0 VENDOR SANCTION PROCEDURES

4.1 DEFINITIONS

4.1.1 *Vendor*: An offeror or a prospective, registered or actual supplier, contractor or provider of goods, services and/or works to UNDP. Vendors include individuals, private or public companies, whether parent, holding, subsidiary, affiliate, consortium members, or partnership, a government agency or a non-governmental organization. Employees, officers, advisers or representatives of the Vendor

Document Properties

Responsible Unit
PSO

Focal Point
Ethelind Capuno
alfonso fernandez

Issuance/POPP Publishing Date*
20/10/2011

Approval Date*
08/08/2011

Effective Date*
01/11/2011

Planned Review Date*
20/10/2013

Last Revision Date*

Summary of changes (one entry per revision)

Applicability
All UNDP Staff

*=dd/mm/yyyy

Windows Taskbar: 4:13 PM 9/28/2012

2. Guiding Principles

Flexibility

Uniformity

Business
Oriented

Rehabilitative

Administrative

Coordinated

Separating
duties

Due Process

3. Basic Definitions



WHO, WHAT and **HOW** the Vendor Sanctions System impacts UNDP operations.

UNDP requires that all its **Vendors** be qualified as well as eligible.

3. Basic Definitions



VENDOR:

An **Offeror** or a prospective, registered or actual **supplier**, contractor or provider of goods, services and/or works to UNDP. Vendors include **individuals**, private or public **companies**, whether parent, holding, subsidiary, affiliate, consortium members, or partnership, **a government agency** or **a non-governmental organization**.

Employees, officers, advisers or representatives of the Vendor will be considered agents for which the Vendor is responsible.

UNDP Service Contract Holders are not considered Vendors.

4. Sanctions and Proscribed Practices

Fraudulent Practice

- Mislead of gain

Obstruction

- Of an investigation

Corrupt Practice

- Improperly influence actions

Collusive Practice

- Arrangement for improper purpose

Coercive Practice

- Threat to harm

Unethical Practices

- In conflict with specific UNDP policies

4. Sanctions and Proscribed Practices



Except for the addition of “Unethical Practices” these definitions are harmonized with those currently in use by the Multilateral Development Banks.

MDBs drew heavily from the UN Convention Against Corruption (1996).

4. Sanctions and Proscribed Practices



WHO: Imposed by the Chief Procurement Officer. Recommended by the VRC.

WHAT SANCTIONS:

- **Censure** (does not affect Eligibility)
- **Debarment** (Affects Eligibility)
- **Others**

5. Vendor Review Committee



An internal technical administrative body.

Created by BoM.

PURPOSE: Tasked with making recommendations for CPO's consideration in rendering the final UNDP decision regarding Vendor Sanctions

5. Vendor Review Committee

6

members

- Chairperson (BoM) and PSO representative (non voting)
- 4 designated members, selected from pool made up of Bureau nominees

May be advised upon request by Legal Support Office, OAI or Ethics Office

5. Vendor Review Committee



Responsibilities:

1. The VRC will make **recommendations** based on its analysis of a case's Record and its determination of a vendor's involvement in proscribed practices
2. Annual Reports to CPO
3. Any other duties

5. Vendor Review Committee



Types of **recommendations**:

- Dismissal of charges/approval for submission to Vendor/NAA
- Acceptance or rejection of settlement offers
- Requests for additional information
- Determinations of involvement
- Recommend specific sanctions
- Acceptance or rejection of rehabilitation requests
- Acceptance or rejection of Waivers (of UNDP sanctions) / Exceptions (of other agencies)
- Referrals to other UN agencies or national authorities

5. Vendor Review Committee



Meetings:

- Will be convened by the Chairperson on an as-needed basis.
- Designated members will remain on a case until the matter is closed.
- Vendors are not allowed to participate in person.
- The Secretary of the VRC will generate and circulate the documents that make up the record; liaise with investigators and respondents; and brief the membership on the particulars of cases.

5. Vendor Review Committee

Types of possible **submissions**:

NAA

REPLY

SUR-REPLY

5. Vendor Review Committee

Determinations

**Majority
vote**



Sufficient / Insufficient
basis to find that the
Respondent was involved
in actions or omissions that
constitute Proscribed
Practices

5. Vendor Review Committee



Final **outputs**:

- Interim Suspensions.
- Notices of Administrative Action / Replies.
- Settlements.
- Sanctions:
 - Debarments would constitute entries into the **Ineligibility List**; Phase 2 of the Vendor Eligibility Project, HLCM – PN.
- Referrals to other UN Agencies or to National Authorities.

6. Operational implications for COs



Potential Proscribed Practices Detected:

- Gather and preserve documentation.
- Discuss with Senior Management.
- Report to the Office of Audit and Investigations
 - Through the RR to the Director, OAI
 - Through the OAI hotline:
http://www.undp.org/content/undp/en/home/operations/accountability/audit/office_of_audit_andinvestigation.html

6. Operational implications for COs



Interim Suspensions Issued:

- At the request of OAI, the VRC can consider putting some or all of the respondents involved under **Interim Suspension when the case is especially sensitive.**
- Interim Suspension is temporary, and only affects UNDP Business Units. They are not shared or published outside of UNDP.
- Vendors under Interim Suspension are **ineligible for new awards.** LSO and PSO should be consulted if ongoing contracts are affected.
- The CD/RR is informed immediately, and the OM ensures that no new awards are made in the affected BU.

6. Operational implications for COs



Communications from the Chairperson, VRC

- The VRC keeps Senior Management informed of the status of a case.
- When the OAI investigation, coupled with the VRC's review detects lessons that could be learned, the matter is communicated to Senior Management directly.

6. Operational implications for COs



Sanctions

- COs are essential to the enforcing and monitoring of sanctions against UNDP vendors.
- Due diligence and vetting is done at the CO level.
- Exigency and Waivers (from UNDP sanctions or from those imposed by another agency) can be requested to the VRC by the CO.
- Rehabilitation efforts will be consulted with the CO.

Thank you!



Lorena Sander
Vendor Management Specialist
Secretary, Vendor Review Committee
212-906-5745
lorena.sander@undp.org
undp.org/procurement