



## 22<sup>ND</sup> SESSION OF THE HLCM PROCUREMENT NETWORK ICAO – MONTREAL, 4-6 OCTOBER 2017 SUMMARY OF DECISIONS & OUTCOMES

The 22<sup>nd</sup> session of the HLCM Procurement Network (HLCM PN) was hosted by the International Civil Aviation Organization (ICAO) in Montréal on 4-6 October 2017, under the Chairmanship of Mr. Eric Dupont (Chief, Procurement Services Branch, UNFPA) and with the support<sup>1</sup> of the Vice-Chairperson, Ms. Patricia Moser (Director, Procurement Group, UNOPS) and the PN Secretariat, Ms. Kerry Kassow (UNDP). The meeting followed a three-day agenda centred around the Network's Working Groups, Special Projects and various other topics. The following is a summary of the key decisions and outcomes of the discussions.

### THE WORKING GROUPS

#### 1. HARMONISATION WORKING GROUP

DECISION SESSION – PRESENTED BY WG CHAIR, MR. ERIC DUPONT (UNFPA)

##### (i) Video on uploading LTAs

The new instructional video showing the step-by-step process for uploading LTAs to UNGM was well received by the PN. The video will be further refined to include voiceover (from a user). The WG will then prepare an email for PN members to send to staff in HQ and field offices informing of this video/functionality, which is aimed at further strengthening collaborative procurement. The WG will also disseminate this same information to UNDG-DOCO.

##### (ii) Revision of the UN Supplier Code of Conduct

It was agreed at the PN meeting in Bonn in October 2016 that the Supplier Code of Conduct should be an aspirational document rather than a list of mandatory requirements to suppliers, as suppliers critical to some UN organisations could not accept some of these requirements. In light of this decision, OLA & ILO (legal office) were asked to revise the current document to meet this need. The proposed changes were presented at the last PN meeting and subsequently reviewed in more detail by PN members. As part of the review process, additional new provisions were suggested by UNICEF and UNRWA on 'Sexual exploitation and sexual abuse' and 'Terrorism', respectively. It was agreed that these additional changes will be submitted to OLA for review and subsequently shared with the PN for electronic approval, after which the revised Code of Conduct will be published. This task will be coordinated by the PN Secretariat.

##### (iii) Revised Proposal - Harmonisation Project, Phase 3

The proposal, which focuses on developing harmonised procurement templates (including translation into Spanish and French) and the translation of the revised Procurement Practitioner's Handbook (PPH) into French, Spanish and Arabic, was approved by the PN. In addition, it was recommended that the proposal is amended to include development of an app and ebook for the revised PPH (to replace those developed for the former PPH). Each of

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<sup>1</sup> The PN Advisory Chair, Ms. Neris Baez Garcia de Mazzora (Director, Procurement Services, IAEA) was unable to join the meeting due to a conflicting engagement.



the afore-mentioned components are to be presented and budgeted for as separate activities in the proposal in order to facilitate the review/approval process by the HBP Steering Committee of the HLCM. The UNGM Team Lead and Professional Development WG Chair will provide the Harmonisation WG Chair with information on costing for the app/ebook.

#### **(iv) Other business**

The HLCM-PN/UNDG roster of procurement harmonisation experts is currently being updated. Furthermore, collaborative tools and information developed by the WG will be organised in a more easily accessible manner on UNGM. This task will be undertaken jointly by the Harmonisation WG Chair and the PN Secretariat.

## **2. PROFESSIONAL DEVELOPMENT WORKING GROUP**

INFORMATION SESSION – PRESENTED BY WG CHAIR, MR. TORBEN SOLL (UNDP)

### **(i) Revision of the Procurement Practitioner's Handbook (PPH)**

Under close management of a Steering Group, the project has now been completed, and the newly revised and re-designed PPH was presented and highly commended by the PN membership. Appreciation was expressed to UNICEF and IAEA for having funded the project.

In moving forward, a means for submitting suggestions and recommendations for PPH content will be established (e.g. dedicated email account) with a view to revising the document on a biennial basis.

### **(ii) Other business**

The 2017 versions of the tables, 'Recommend Procurement Training Courses' and the 'UN System Training Compendium' were shared and key highlights presented for information.

The UN Procurement Awards concept will be further developed and presented at the next PN meeting.

## **3. STRATEGIC VENDOR MANAGEMENT WORKING GROUP**

INFORMATION SESSION – PRESENTED BY WG CHAIR, MR. SANDRO LUZZIETTI (IFAD)

There was a report on progress and possible future opportunities concerning the below Vendor Management topics. PN members not already represented on the WG were encouraged to join the group.

### **(i) Vendor Assessment and Appraisal**

Following the survey conducted earlier in the year, in-depth Interviews have been conducted with several agencies. The UNGM SC is currently exploring the technical feasibility of connecting UNGM with external sources of vendor information.

### **(ii) Vendor Access and Business Seminars**

Following the endorsement of the IPS concept at the last PN meeting, an event calendar, and IPS supporting documentation have been compiled and published in the Virtual Business Seminar Area in the UNGM Knowledge Centre.

All documents related to the meeting are available on the HLCM-PN Workspace on [www.ungm.org](http://www.ungm.org) or by contacting the PN Secretariat on [kerry.kassow@undp.org](mailto:kerry.kassow@undp.org)



In parallel, an Event Management module has been developed (and is currently being fine-tuned) in the new Trade Promotion Portal of the UNGM – a demo of which was provided for the PN.

Implementation of the IPS concept over the pilot period of 2017-2019 will be a learning process and the model is expected to be fine-tuned as required.

### (iii) Vendor Sanctions and Model Policy Framework

At present, 21 Agencies have implemented or are implementing the MPF. Planning is underway for a new MPF workshop. The common vendor sanction committee concept is still under development.

A number of issues with the UN Vendor Sanction process were presented along with the following action plan:

- The agencies are to provide **more information/details on Suspended Vendors** and improve periodic updates.
- The UNGM Secretariat will **revise the algorithm of potential match in the system and implement a centralised process** to assess simple potential matches. For more complex potential match cases, an escalation mechanism as well as the process and resources are to be identified by the SVM-WG in coordination with the UNGM Secretariat and the UNGM Steering Committee.
- The WG will **reinforce the role of UNGM Ineligibility List Administrators**, raising awareness of the role and responsibilities, invite to join the MPF Governance Group, etc.

### (iv) The UNGM Knowledge Centre

An update was provided on the expansion and usage of the UNGM Knowledge Centre (KC). The priorities in moving forward will be to:

- **Promote** the KC within the UN Staff Community
- Ensure **completeness and relevance** of topics
- Improve **clarity** & avoid **duplications**
- Develop a **network of UN contributors**
- Exploit the **forum and pages for sharing best practices** (e.g. further develop the section on Procurement Categories)
- **Develop specific pages** for UN Buyers and vendors.

## 4. SUSTAINABLE PROCUREMENT WORKING GROUP

DECISION SESSION – PRESENTED BY WG (CO)CHAIR, MR. NIELS RAMM (UNOPS)

### (i) Project: Tracking SP implementation within the UN system

Having identified the need for a systematic approach to monitoring, measuring and reporting on sustainable procurement (SP) within the UN system, the WG shared a first draft of a concept paper to indicate a way forward, which was presented as background for the PN's decision to support further development of the work. The proposed project is divided into the following two phases:

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**Phase I** – Development of SP tracking indicators and testing

**Phase II** – Automatisisation of SP measuring and reporting within UNGM

The PN endorsed Phase 1 of the project, but not Phase 2 at this point. Potential funding for Phase 2 may be sought after the successful completion of Phase 1.

### (ii) Other business

Since the WG was re-launched earlier in the year, the Terms of Reference for the group have been revised & approved, and communications have been strengthened via an internal newsletter, regular knowledge-sharing teleconferences and enhancement of SP sections (internal and external) in the UNGM Knowledge Centre.

## SPECIAL PROJECTS

### 1. COLLABORATIVE PROCUREMENT OF HIGH-VALUE COMMODITIES PROJECT

DECISION SESSION – PRESENTED BY PROJECT COORDINATOR, MR. STEPHEN INGLES (UNHCR) & PROJECT MANAGER, MR. ALEXANDER BLECKEN (CONSULTANT)

The outcomes and recommendations of Phase II of the project were reviewed by the PN the following decisions were endorsed:

#### Phase II

- The PN **acknowledged completion** of Phase II of the project “Collaborative Procurement of High-Value Commodities” and welcomes its final internal report.
- The PN **agreed to pursue forms of collaboration in three areas** identified in the Phase II report, i.e. IT hardware, generators, and advisory and management consulting services.
- The PN agreed that an **approach for calculating savings arising from collaborative procurement** needs to be jointly developed.

Following a discussion on the approach for the next phase of the project, the PN agreed on the following:

#### Phase III

- The PN **agreed to undertake** the next phase of the project “Collaborative Procurement of High-Value Commodities”. This will be an implementation phase.
- Concerning IT hardware, **UNICEF agreed to be the lead agency for collaborative procurement of IT hardware**. UNICEF counts on the support of the HLCM ICT Network, and requests those organisations that will opt-in to indicate their interest<sup>2</sup>.
- Concerning generators, the **PN Management Board will seek a lead agency to head this project**.
- Concerning advisory services, **PN members will pursue the option of piggy-backing best value contracts and recording consequent savings**.
- Concerning defining an approach for calculating savings, **UNOPS has agreed to be the lead agency for a project to agree on a collective approach**.

<sup>2</sup> Preliminary interest was expressed at the meeting by: UNHCR, UNFPA, CTCBTO, UNOPS, WFP, IFAD, ILO, UNDP, IOM, ITU, UNPD, WMO, WHO AND WIPO

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- The **lead agencies will collaborate to formulate a project Terms of Reference** indicating participation, and related funding request if required.



## 2. COLLABORATIVE VEHICLE PROCUREMENT & FLEET MANAGEMENT PROJECT

DECISION SESSION – PRESENTED BY PROJECT COORDINATOR, MR. DOMINIC GRACE (UNDP), PROJECT MANAGER, MR. ROB MCCONNELL (UNDP) & MR. ALAN DE LA TORRE (UNPD)

This HLCM-funded project has now reached completion. The project has looked beyond simply reducing costs through more effective procurement, to reducing the total cost of ownership of the fleet through the implementation of a Fleet Management Framework.

In addition to the contract established with Nissan<sup>3</sup> in 2015, an additional 8 contracts with 6 other manufacturers (Toyota, Ford, General Motors, Renault, Kia, Hyundai) for 6 vehicle types<sup>4</sup> have been established. A model framework for fleet management has been completed for use by organizations and UN Country Teams. Organizations are already reporting significant savings from using components included in the framework.

The following decisions were endorsed by the PN:

- **Commit to using the system contracts** delivered by the project when they provide the best value to the individual agency concerned.
- **Recommend using when possible the Fleet Management Framework** in order to identify savings in vehicle Total Cost of Ownership and other operational benefits.

Organisations should endeavour to track savings achieved through usage of the contracts and implementation of the Fleet Management Framework.

## OTHER TOPICS

### 1. THE UN GLOBAL MARKETPLACE (UNGM)

DECISION SESSION – PRESENTED BY UNGM STEERING COMMITTEE CHAIR, MR. GIORGIO FRATERNALE (ILO) AND UNGM TEAM LEAD, MR. NIELS RAMM (UNOPS)

The UNGM Rolling Budget for 2018-2019 was presented and endorsed by the UNGM Membership. The budget document provides a consolidated overview of the anticipated costs and income flows covering both the regular UNGM budget and development projects funded by the UNGM reserve fund.

In addition, key highlights from the 2017 Mid-Year Operational Report were presented for information.

Mr. Francesco Giusso (WFP) was welcomed as a new member of the UNGM Steering Committee.

### 2. REGISTERING GENDER OF BUSINESS OWNERS IN UNGM

DECISION SESSION – PRESENTED BY UNGM STEERING COMMITTEE CHAIR, MR. GIORGIO FRATERNALE (ILO)

<sup>3</sup> For Heavy Duty SUV, Medium Bus, Mini Bus

<sup>4</sup> Medium Duty SUV, Medium Duty Pickup, Heavy Duty Utility, Crossover Utility (or Compact SUV), Medium Sedan, Small Sedan



At the last PN meeting a technical solution was endorsed as presented through a mock-up. Following this, and as agreed, the UNGM SC Chair collaborated with UNOPS, UN Women, UNICEF and UNPD on the formulation of a statement explaining the registration of gender of business owners in UNGM. The proposed text, was subsequently reviewed by OLA. Having reviewed the feedback from OLA, the PN endorsed the text as formulated and which is:

*The United Nations is committed to the equality and empowerment of women and girls as represented by the Sustainable Development Goal [SDG] 5.*

*The United Nations Procurement Network is interested in understanding how the UN's global procurement volumes are supporting the economic advancement of women. We are therefore requesting that suppliers self-identify as women-owned businesses during the registration process on UNGM. The definition of what determines a women-owned business is here (link to be inserted).*

*This information will be collected on behalf of all UN entities who will self-determine how this information will be utilized in their agency.*

It was recognised that to date, specific use of the data has been limited to use within gender advocacy projects and not for general competitive tenders.

### 3. HLCM PN COMMUNICATIONS STRATEGY

DECISION SESSION – PRESENTED BY PN CHAIR, MR. ERIC DUPONT (UNFPA)

Key stakeholders, such as, donors, clients in Country Offices, Member State representatives, and others, often have little awareness of the work of the HLCM PN. To promote and improve communication on PN activities, it was agreed that a communications strategy should be developed. With the support of communications experts from UNFPA, UNICEF and UNOPS, the PN Management Board drafted a strategy document, which was approved by the PN during the session. The strategy is expected to achieve the following:

- Greater awareness among donors, Member States and other stakeholders of the work of PN and results achieved
- Reversal of perception that UN is not collaborating enough in procurement
- Awareness of users & clients of PN tools and how to access the information they need

As part of the strategy it was agreed that donors could be advocates for the work of the PN and highlight key activities that are being undertaken. Such initiatives will take place outside of regular PN meetings.

### 4. COLLABORATION WITH THE ICT NETWORK

DECISION SESSION – PRESENTED BY PN CHAIR, MR. ERIC DUPONT (UNFPA)

The ICTN has expressed interest in entering into a dialogue with the PN on potential opportunities for collaborative procurement of ICT hardware and services, in particular cloud-based services. Further to the discussion on the topic, the PN agreed the following:

- The PN will attend the **ICT Network meeting on 1 November** to present the findings of the Collaborative Procurement of High-Value Commodities Project.
- The **lead organisation, UNICEF**, in consultation with other PN members, **will identify the specific "asks"** that will be requested of the ICTN to enable the collaborative procurement of laptops, desktops and monitors.

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- The PN will also request the **ICTN to identify a focal point** for the collaboration needed to move this project forward.
- The PN took note of the possible opportunities for collaboration around cloud computing and requests the **ICTN to provide an update on the current status of cloud services** and an assessment of feasibility for collaboration in this area.

## 5. ENHANCEMENT & OPTIMISATION OF THE ANNUAL STATISTICAL REPORT

### DECISION SESSION – PRESENTED BY MR. BRIAN CHALK (UNOPS)

In continuation of the recent Annual Statistical Report (ASR) automation project, a proposal to optimise and enhance the current online ASR data upload and reporting functionality was presented to the PN for approval. The proposed project will create dynamic, interactive and user-friendly online visualisations and increase the efficiency, transparency and availability of the ASR information to UN organizations, Member States and other stakeholders.

Some PN Members urged caution with charging non-UN entities for value added reporting services as proposed under the project and did not support this part of the proposal. Otherwise, the project was welcomed by the PN and it was agreed that UNOPS would prepare a funding proposal for submission to the HBP Steering Committee of the HLCM.

### AOB

#### (i) Update from the CEB Secretariat

Senior Coordinator, Mr. Ronny Lindstrom (UNOG) highlighted the following priority areas from the UN Secretary-General's Office:

- Addressing the decentralisation of decision-making authority, which can be an obstacle to Delivering as One (collaborative procurement) in the field.
- The move towards one common back-office function in field office – a UNDG WG in collaboration with external consultants are expected to put forward recommendations on this shortly.

The PN reminded that UN organisations should position procurement as a strategic function contributing to enhanced program/project delivery rather than an administrative one. This message should continue to be reinforced.

The work of the Task Force on Common Definitions Related to Fraud and Implementing Partners has continued but final recommendations that will impact the PN have yet to be produced. The PN will be informed of any action that is required in terms of handling information on fraudulent Implementing Partners.

The PN was also reminded that coordination work at field level is the responsibility of one single person at UNDG-DOCO. Therefore, vertical communication from Heads of Procurement to their own country offices related to harmonisation, collaboration and tools available is required to facilitate the work of UNDG-DOCO and increase collaborative procurement.

#### (ii) Associate PN Membership

PN Management Board has been tasked with drafting a simple protocol to manage requests

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from external organisations seeking Associate Membership to the HLCM PN. In accordance with this request, the PN Advisory Chair (who was unable to attend the meeting in Montreal) will present a (revised) draft procedure for decision at the next PN meeting. Once endorsed, the procedure will be incorporated into the PN Statutes.

### **(iii) Venues for future meetings**

As agreed at the last PN meeting, the 2018 Spring session will take place at UN City, hosted by the Copenhagen-based agencies.

The 2018 Autumn session will take place in Washington DC, hosted by the World Bank and IMF.

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### **SHOW & TELL SESSIONS**

The following 'Show & Tell' sessions were also a part of the PN meeting agenda:

- (i) [The World Bank Group Corporate Procurement Strategy 2020](#) – Mr. Peter Easley (World Bank)
- (ii) [UNICEF's Ethics Month](#) – Ms. Katinka Rosenbom (UNICEF)
- (iii) [The UNOPS Possibilities Programme/UP Forum](#) – Mr. Jamieson Saab (UNOPS)
- (iv) [The CPAG 2016 Annual Report](#) – Mr. Stephen Farrell (UNOG)
- (v) [UNOPS Procurement Business Intelligence Journey](#) – Mr. Brian Chalk (UNOPS)

*Supporting information can be found as indicated in the footer.*