
**GENERAL PROCUREMENT PRINCIPLES,
ETHICAL STANDARDS & METHODS
for**

Procurement of Goods, Works & Services

Supply Chain Division

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1.0 OBJECTIVE

The purpose of this document is to guide vendors to general procurement principles and processes which shall be observed in carrying out procurement of goods, works and services in IOM. IOM is committed to promoting the highest ethical standards among its vendors.

2.0 SCOPE AND APPLICATION

These general principles and processes are applicable to all types of procurement related to the purchase of goods, works and services. Where in this Document the term 'Vendor' appears, it shall also mean 'Supplier', 'Contractor' or 'Service Provider'.

3.0 DEFINITIONS

- a) **Goods** - Objects of every kind and description including raw materials, products and equipment and objects in solid, liquid or gaseous form, and electricity, as well as services incidental to the supply of the goods if the value of those incidental services does not exceed that of the goods themselves.
- b) **Works** - All activities associated with the construction, reconstruction, demolition, repair or renovation of a building, structure or activities such as site preparation, excavation, erection, building, installation of equipment or materials, decoration and finishing, as well as services incidental to construction such as drilling, mapping, satellite photography, seismic investigations and similar services provided pursuant to the procurement contract, if the value of those services does not exceed that of the works themselves
- c) **Services** - Rendering of services may involve the associated provision of utilities or facilities if specified in the terms of the contract. Typical examples of services include security, catering, cleaning, travel management, event management, IT services, training, freight forwarding, and consulting.

4.0 IOM GENERAL PROCUREMENT PRINCIPLES

At IOM, the following general principles must receive due consideration when undertaking all procurement activities:

- Best value for money
- Accountability, integrity and transparency
- Fairness and effective competition
- Best interest of IOM

By applying these principles in the procurement process, IOM seeks to ensure cost-effective use of resources and solutions that respond to operational needs.

4.1 Best value for money

Best value for money means selecting offers that present the optimum combination of factors such as appropriate quality, life-cycle costs (an accurate analysis of all costs involved), timely delivery and other parameters, which can include social and environmental benefits or other strategic objectives that meet the end-user needs. Best value for money does not necessarily mean the lowest initial price option, but rather represents the best return on investment, taking into consideration the evaluation criteria and quality requirements as specified in the solicitation documents. The principle of best value for money should inspire and guide the selection of the best contracting strategy and should be applied at the award stage to select the offer that most effectively meets the stated requirements.

4.2 Accountability, integrity and transparency

Accountability in procurement means that participants in a procurement process must take ownership of all responsibilities and commitments that have been allocated to them; deliver outputs within the prescribed time and cost, and according to the required quality standards; and operate in compliance with IOM's regulatory framework, IOM Financial Regulations and other relevant rules and procedures. This must be supported by documenting the procurement process, with clear written justifications for decisions made, and a filing system, thus keeping a clear audit trail of the actions and decisions taken.

Integrity relates, *inter alia*, to soundness of moral character, having a sense of honesty and truthfulness in regard to the motivations for personal and organizational behavior, adherence to commonly accepted moral and ethical principles, impartiality and incorruptibility, and avoiding any behavior that may be construed as unethical practice.

Transparency refers to, *inter alia*, the processes by which reliable, timely information about existing conditions, decisions and actions relating to IOM activities are made accessible, visible and understandable. The concept of transparency includes unimpeded visibility and openness in all transactions. It ensures that all information on procurement policies, procedures, opportunities and processes is clearly defined and made known simultaneously to all relevant parties. A transparent system of procurement further includes that procurement records are open and appropriate for inspection by the IOM oversight bodies.

4.3 Fairness and effective competition

The way the procurement process is carried out must give all internal and external stakeholders of the Organization the assurance that the process is fair. The concept of fairness includes that the procurement process is free from favoritism, self-interest, or preference in judgement. Fairness goes hand in hand with the principle of effective competition.

Ensuring effective competition is one of the core principles of IOM procurement. Procurement personnel must comply with the IOM's principle of encouraging national and/or international competition and, in doing so, should encourage equal access and fair opportunity for all qualified vendors to compete for IOM contracts for goods, services or works. Effective competition is best explained as a situation in which a sufficient number of independent bidders acting on their own (i.e., not in collusion with each other) effectively compete for the same business opportunity and independently submit a responsive bid. IOM fosters effective competition in all procurement processes as a means of ensuring fairness, integrity, transparency and achieving best value for

money.

4.4 Best interest of IOM

The definition of this principle is derived from the ultimate objective of the procurement, which is to add value to the Organization, its programme delivery and operations and its beneficiaries receiving the goods and services they require. Undertaking procurement in the best interest of IOM means carrying out procurement activities in the manner that best enables the Organization, its stakeholders and the beneficiaries the Organization serves, to reach the general and specific objectives of the programmes or projects in compliance with applicable procurement procedures. The best interest of IOM shall be determined by the professional judgement of the appropriate official with the authority to make such a determination.

5.0 ETHICAL STANDARDS

5.1 Ethical behavior of vendors

IOM expects all vendors who wish to do business with the Organization to comply with the **United Nations Supplier Code of Conduct** and the **IOM Declaration of Conformity**. Acknowledging both documents is a requirement to register as a vendor in the IOM Enterprise Resource Planning System. The United Nations Supplier Code of Conduct includes principles of the United Nations Global Compact on Labour, Human Rights, Environment and Ethical Conduct (see **United Nations Global Compact**), and sets the minimum requirements expected by vendors across their supply chains. In case it is not possible for the vendor to accept the United Nations Code of Conduct, the vendor should submit evidence to demonstrate that they abide to equivalent or higher standards.

5.2 Vendor's conflict of interest

In a solicitation process, IOM requires all vendors to conduct themselves in a professional, objective and impartial manner. They must strictly avoid conflicts with other assignments or their own interests, and act without consideration for future work. All bidders found to have a conflict of interest shall be disqualified, if the conflict cannot be eliminated or managed.

Without limitation on the generality of the above, vendors, and any of their affiliates,² shall be considered to have a conflict of interest with one or more parties in a solicitation process, if they:

- (a) are, or have been in the past, associated with a firm or any of its affiliates¹ that has been engaged by IOM to provide services for the preparation of the requirements, that is, the design, Statement of Works, Technical Specifications, Terms of Reference, cost analysis/estimation, and other documents to be used for the procurement of the goods/services/works in the concerned selection process.
- (b) were involved in the preparation and/or design of the program/project related to the goods/services/works being procured.

Vendors may be found to be in conflict for any other reason, as may be established by, or at the discretion of, IOM. In the event of any uncertainty in the interpretation of what is potentially a conflict of interest, bidders must disclose the condition to IOM and seek IOM's confirmation on whether or not such conflict exists.

¹ "Affiliate" means any other person or entity that, directly or indirectly, controls, or is controlled by, or is under common control with, the vendor. For the purposes of this definition, "control" means the power to direct the management and policies of such person or entity, directly or indirectly, whether through ownership of voting securities, by contract or otherwise

5.3 Proscribed practices by vendors

IOM is committed to preventing any proscribed practices by vendors. To that effect, internal controls and procedures are in place to mitigate risks, as explained in the rest of this document. IOM reserves the right to require an IOM vendor to allow IOM, or any person that IOM may designate, to inspect or carry out audits of the vendor's accounting records and financial statements in connection with the contract, as provided for under the terms of the relevant procurement contract. Any of the following practices constitutes a proscribed practice ("Proscribed Practices"):

- (a) **"Fraudulent practice"** means any act or omission, including misrepresentation or concealment, that knowingly or recklessly misleads, or attempts to mislead, a natural or legal person in the procurement process or the execution of a contract party to obtain a financial gain or other benefit, or to avoid an obligation or in such a way as to cause a detriment to IOM.
- (b) **"Corrupt practice"** means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another natural or legal person in the procurement process or in contract execution, such as through bribery.
- (c) **"Collusive practice"** means an arrangement between two or more bidders, or other natural or legal persons designed to achieve an improper purpose, including influencing improperly the actions of another natural or legal person or artificially altering the results of the procurement process to obtain a financial gain or other benefit.
- (d) **"Coercive practice"** means impairing or harming, or threatening to impair or harm, directly or indirectly, any natural or legal person or the property of any such person to influence improperly its actions or impact the execution of a contract.
- (e) **"Obstructive practice"** means acts or omissions intended to materially impede the exercise of IOM's contractual rights of audit, investigation and/or access to information, including deliberately destroying, falsifying, altering or concealing of evidence material to IOM investigations, or making false statements to IOM investigators in order to materially impede a duly authorized investigation into allegations of fraudulent, corrupt, collusive, coercive or unethical practices; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation.
- (f) **"Unethical practice"** means a practice contrary to the IOM Unified Staff Regulations and Rules or UN Supplier Code of Conduct, such as those relating to conflict of interest, gifts, hospitality, post-employment provisions, abuse of authority, harassment, discriminatory or exploitative practices or practices inconsistent with the rights set forth in the Convention on the Rights of the Child.
- (g) **"Money laundering"** practice means the conversion or transfer of property knowing that such property is derived from any offence(s), for the purpose of concealing or disguising the illicit origin of the property or of assisting any persons who are involved in such offence(s)

to evade the legal consequences of their actions. Property shall include, but not be limited to money.

6.0 PROCUREMENT METHODS

6.1 Shopping

The shopping option is intended to provide flexibility when requirements are low in value and are not expected to be needed again in the short term. Price research is done by informal, pragmatic and reasonable means, such as by comparing Internet sites, local shopping, receiving pro forma invoices, etc. Under no circumstances shall the requirements be split into multiple solicitations for the same or related requirement in order to avoid a formal method of solicitation.

6.2 Informal methods of Solicitation

An informal method of solicitation is used for ordinary and routine purchases of well-defined products, services and works of low value and complexity, with no requirement for sealed bids. The award is normally made on the basis of the lowest cost among technically compliant quotations.

6.3 Formal Methods of Solicitation

a) Invitation to Bid (ITB) is a formal method of solicitation in which prospective vendors are requested to submit a bid for the provision of goods, services or works. The essential characteristic of the ITB is that the technical requirements are clearly and completely specified in a qualitative and quantitative manner, and the award is normally made on the basis of lowest cost among technically compliant bids.

ITBs are typically based on a so-called one-envelope system, which means that all technical and financial information of the bid is combined in one single document and the price can be read out at a public bid opening. ITBs are typically open to international competition. At a minimum, it must be posted on the IOM website (<https://www.iom.int/procurement-opportunities>) and UNGM (www.ungm.org). The solicitation must remain open for at least three weeks.

b) Request for Proposals (RFP) The essential characteristic of an RFP is that proposals are submitted against requirements that cannot be fully defined and/or quantified at the time of solicitation, and where innovation and the specific expertise of the proposer is being sought. In other words, it is used for procurement of goods, services and works when requirements cannot be quantitatively and qualitatively expressed in the specifications as and when the solicitation is issued (e.g. consulting or construction services, purchase of complex goods where service components are involved, etc.).

Proposals should be submitted with the technical and financial components in separate sealed envelopes, electronic submissions or separate emails; therefore, there is normally no public proposal opening. This implies that proposals will be evaluated technically prior to the opening of the financial offer and will be based on several criteria outlined in the solicitation documents, with a weighted score allocated for the overall technical proposal. The technical score is then combined with the financial score to determine the best value for money.



RFPs are typically open to international open competition. At a minimum, it must be posted on the IOM website and UNGM at www.ungm.org. The solicitation must remain open for at least four weeks.

7.0 PROCEDURES ON CONCILIATION, ARBITRATION OF CONTRACTS/SETTLEMENT OF DISPUTES

All disputes between IOM and its Vendors should be settled amicably. In case the parties cannot come to agreement, the dispute must be referred to arbitration in accordance with the UNCITRAL arbitration rules. Clauses on dispute resolution and immunity are included in IOM's standard Contracts and Purchase Orders.

8.0 CONFIDENTIALITY AND DATA PROTECTION

All information which comes into the vendor's possession or knowledge in connection with any agreement with IOM is to be treated confidential. The vendor shall not communicate such information to any third party without prior written approval of IOM. The vendor shall comply with Data Protection Principles in the event that it collects, receives, uses, transfers or stores any personal data in the performance of their obligations.

Notwithstanding the previous paragraph, IOM may disclose information related any agreement, such as the name of the vendor and value of the agreement, the title of the contract/project, nature and purpose of the contract/project, name locality/address of the vendor, and the amount of the contract/project to the extent as required by IOM's donors or in relation to IOM's commitment to any initiative for transparency and accountability of funding received by IOM in accordance with the policies, instructions and regulations of IOM.

For more information about the data protection you can find at the links below.

[IOM DATA PROTECTION NOTICE FOR VENDORS, IMPLEMENTING PARTNERS AND GRANT RECIPIENT ENTITIES, 1 December 2021](#)

[IOM Data Protection Manual](#)