**Procurement Overview and Principles**

1. Procurement involves acquiring goods, works and services. Although UNDP takes a decentralized approach to procurement by different business units, organization-wide policies and procedures apply. The procurement process encompasses planning, requisitions, sourcing of suppliers, solicitation and evaluation of offers, contract review, contract award, and the management of contracts and assets.
2. The following general principles must be applied to all phases and types of procurement.

**Best Value for Money**

1. The core governing principle is to obtain the best value for money. This means the selection of the offer that presents the optimum combination of lifecycle costs and benefits, and meets business needs.
2. Best value for money should not be equated with the lowest price. It requires an integrated assessment of technical, organizational and pricing factors in considering their relative importance (i.e., reliability, quality, experience, reputation, past performance, cost/fee and reasonableness). Parameters can also include social, environmental and other strategic objectives defined in the procurement plan.
3. As part of upholding best value for money, the processes of soliciting offers and selecting a contractor should:
4. Maximize competition
5. Minimize the complexity of the solicitation, evaluation and selection processes
6. Ensure impartial and comprehensive evaluation of solicited offers
7. 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

**Fairness, Integrity and Transparency**

1. As competition is the basis for efficient, impartial and transparent procurement, business units are responsible for protecting the integrity of the procurement process and maintaining fairness in the treatment of all offers. Sound procurement involves openness, probity, complete and accurate records, accountability and confidentiality. It establishes and maintains rules and procedures that are attainable and unambiguous.

**Effective Competition**

1. Competitive processes should provide all eligible offerors with timely and adequate notification of UNDP’s requirements, and an equal opportunity to tender bids for goods, works and services.
2. UNDP does not accept the restriction of awards to exclusive contractors or countries, unless explicitly mentioned in a donor agreement approved by the Chief Procurement Officer.

**UNDP’s Interest**

1. Four considerations consistently guide consideration of UNDP’s interest:
2. Economy and efficiency in programme implementation, including in the procurement of goods, works and services
3. Access to procurement opportunities for all interested and qualified offerors worldwide, except where other criteria are mandated by the UN Security Council or UN General Assembly
4. Giving all eligible offerors the same information and equal opportunity to compete in providing goods, works or services
5. Transparency throughout the procurement process