



**DOING BUSINESS WITH THE UNITED NATIONS
WORLD FOOD PROGRAMME**

Food, Goods and Services

Updated May 2009



World Food Programme

DOING BUSINESS WITH WFP

This is our invitation to suppliers, both large and small; to learn more about the many contracting opportunities open to them with the world's largest humanitarian aid agency – the World Food Programme (WFP).

Introduction

We want to make it easier for you to do business with our procurement branches, both food and non-food, so we have prepared this guide to explain how to offer us your products, goods and services – it tells you what we buy and how we buy; it tells you how we select our vendors and what we expect of them.

As in all competitive markets, you can only become a successful player if you have a thorough knowledge of our real demand and the conditions we ask our vendors to respect.

In a nutshell, our procurement policy is designed to help meet food aid project objectives by purchasing appropriate commodities, goods and services on a competitive basis in a cost-efficient and timely manner on local, regional and international markets.

In doing so, we expect our commercial partners to share our ethical policies of fairness and transparency. Feeding the world's hungry poor is not just another business opportunity – it's a deadly serious question of alleviating suffering.

DOING BUSINESS WITH WFP informs potential suppliers of the screening process our food, goods and services business units use to selectively identify firms to be included in our Registered Supplier Roster. It seeks to clarify the procedures through which the procurement units aim to do business with only the world's best suppliers.

If you already believe your company could be interested in supplying WFP, read on to find out if you meet the profile for doing so. When you have gone through this guide, you will know more about us and you will have a clearer idea about business possibilities with the World Food Programme.

From there, it is a simple step to follow the registration formalities and a big step towards becoming a precious business partner in our global effort to avert humanitarian crises in many corners of the world.

Who we are

The World Food Programme of the United Nations started operations in 1963 and today is the world's largest international food aid organization with offices in over 80 countries world-wide. World Food Programme's mandate reflecting the principle of universality is to:

- Use food aid to support economic and social development;
- Meet refugee and other emergency food needs, and the associated logistics support; and
- Promote world food security in accordance with the recommendations of the United Nations and Food and Agriculture Organization.

The core policies and strategies that govern WFP activities are to provide food aid:

- To save lives in refugee and other emergency situations;
- To improve the nutrition and quality of life of the most vulnerable people at critical times in their lives; and
- To help build assets and promote the self-reliance of poor people and communities, particularly through labour-intensive works programmes.

While most of our activities are directly implemented in the field through staff based in countries where we provide assistance, we also work closely with governments, non-governmental organizations (NGOs) and other U.N. agencies.

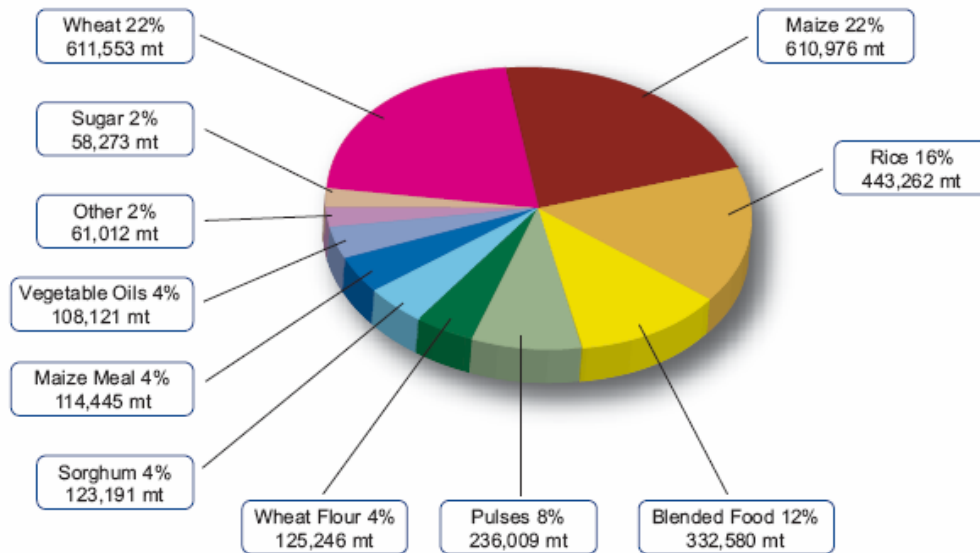
To meet our goals, we need to purchase food, goods and services; and arrange the transportation of the goods we purchase (from point of sale to final points of distribution).

At WFP headquarters in Rome, procurement activities related to food are undertaken by the Food Procurement Branch, and goods and services are taken care of by the Goods and Services Procurement Branch. Our Transport Division is responsible for contracting land, sea and air transport services. In the field, our country offices also play a major role at local and regional levels in procurement activities and provide logistics services regionally and locally to reach the needy people.

WHAT WE BUY

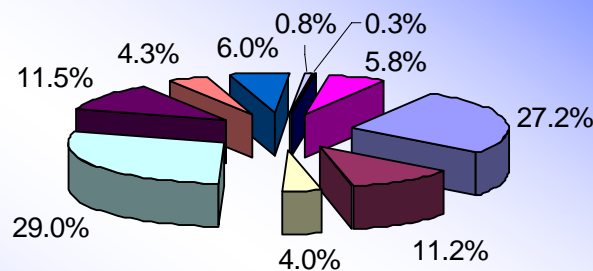
2008 Food Purchases

Total Quantity 2,824,667 MT Total Value USD \$1,407,899,530



Goods and Services Procurement in 2008 Total of \$ 395.4 million

Top Ten Items in 2008



- Warehousing / logistics /Prefab, tents and tarpaulins
- Travel training / conference / Consultant Fees
- Books, Public, newspapers and Office Supplies
- Office Services / Insurance / Utilities & Rental
- Vehicles
- EDP Equip & Services
- Communication equipment & Services
- Electrical Equipment
- Security Equipment
- Other Tools, Furniture & Equipment etc..

Procurement Guide for Vendors

How to apply for the WFP Registered Supplier Roster

If your company is a manufacturer or trader of any of the food, goods or service items indicated in the graphics on page 4, you can apply to be considered for the WFP Registered Vendor Roster. Vendor registrations for WFP are submitted through the United Nations Global Marketplace (UNGM). This is a portal through which suppliers wanting to do business with the United Nations submit their registrations. You can submit your registration through the UNGM, from the following internet address: www.ungm.org

Complete the 'New Supplier Registration' Section. You will then proceed through a number of steps requiring you to enter company specific information. Only fully completed registration forms with "Submitted" status will be reviewed.

Our Vendor Management Committee will review your completed supplier profile and registration on-line. Pending the committee's recommendations, trade references will be contacted. Subsequently, you will be advised via the UNGM of your status. Due to the high number of interested vendors, and our aim of finding the best suppliers possible, this process may be lengthy and extremely selective.

Since we often operate in complex emergency situations, we must be able to rely on a strong supply chain with reliable and reputable suppliers – there is no space for trial and error.

(Should you have any problems when entering your registration on the UNGM, please send an e-mail to food.procurement@wfp.org for food related queries; or write to feso.procurement@wfp.org for non-food and services related queries).

If you wish to participate in WFP Country Office food procurement tenders, **please contact our Country Offices directly** (contact details are found on our website www.wfp.org).

Note: WFP reserves the right to post details of the award of tenders on the WFP website (www.wfp.org), including details of the supplier's name and the contract value.

What does registration on the WFP Supplier Roster Mean?

Once registered, potential suppliers are eligible to be invited to submit bids for tenders where WFP considers them competitive in terms of the commodities, goods and services they offer and the discharge ports/final delivery points to which these items are destined.

Registration is a requirement for receiving invitations to tender

A vendor must be on the WFP Registered Supplier Roster to receive WFP tenders and for offers to be deemed valid.

Registration does not imply invitation to every tender issued by WFP

Registration means that a company is in our database of potential suppliers for a specified commodity, goods and services.

Registration status is not indefinite

WFP reserves the right to delete a vendor from its database in the event of poor performance, non response or non-competitive offers.

E-tendering

WFP uses electronic tendering through email. Registered suppliers will receive instructions accordingly.

Guidelines for vendor registration and qualification

- Legal qualification to enter into a contract with the United Nations.
- Food commodities: Cereals, pulses, edible oil and/or processed commodities (such as wheat flour, blended foods and high energy biscuits) must be part of your core business.
- Goods and services offered are of interest to WFP projects and programmes and/or the company holds the necessary professional and technical competence
- Goods and services: Ability to provide installation, training and after-sales services and/or maintenance in countries where the products will be used
- Readiness to dispatch company staff to project sites (for goods and services)
- Ability to provide technical manuals, instruction booklets and spare parts lists in the required language(s)
- Company has a minimum of three years' experience as an established business
- Company accepts WFP's general terms and conditions, including its payment terms (see next section)
- At least three trade references have been provided
- The UNGM registration has been completed in full and all WFP specific questions are answered (for food items only)

Payment terms

WFP's general payment terms are:

- Cash against by electronic transfer shipping documents within 4 days following day of presentation of necessary documents for **food procurement**.
- Payment by bank transfer within 30 days of receipt of the documents named in the purchase order in good order in Rome or on goods receipt at destination for **goods and services**. WFP may consider shorter periods against early payment discounts.
- WFP does not accept requests for letters of credit, advance payment or assignment of payments to third parties.

Requests for Quotations – bidding process

Food commodities are usually purchased through competitive bidding process and due to high volume of purchases, requests for quotations (RFQ) are issued on regular basis by Rome and/or Regional Bureaux/Country Offices. The RFQ is sent to short-listed bidders. The adherence to the tender terms and conditions is crucial for successful bidding.

Long Term Agreements (Goods and Services)

As part of WFP's strategy to rationalize the procurement of frequently-purchased non-food items, the Goods and Services Procurement Branch has entered into a number of long term agreements (LTAs). Although the agreements are established in Rome, the principal users are country offices which place their orders directly with suppliers. LTAs are currently established for telecommunications equipment, fuel, stationary and a number of services required at HQ. LTAs have considerably reduced lead times and fostered strategic supply chain alliances.

The principal characteristics of WFP's LTAs are:

- *Agreements guarantee neither minimum nor maximum off takes* during the validity of the agreement and contractually bind the supplier to ex-stock deliveries of certain agreed quantities. Indicative historical information on prior years' purchases is provided in the tender documents. In order to reduce stock levels, and therefore the overhead cost of operating emergency stockpiles, LTAs will increasingly include provisions for vendor management inventory.
- *Agreements are non-exclusive*. In the event a supplier is unable to deliver within the required period, WFP will source its requirements from the market.
- In view of the trend towards contracting major products and services under LTAs, it is important for potential suppliers of these products and services to *express an early and active interest in participating in the tendering process*. In coming years, LTAs will assume an increasingly important place in WFP's international procurement.

Delivery of Goods and Services

- **Food procurement** - Time is essence in WFP contracts. Suppliers are expected to adhere strictly to delivery times stipulated in the contract. Any breach of this vital condition entitles WFP to repudiate a contract. The tender documents specify the INCOTERMS the suppliers are invited to bid. Typically, WFP asks for FOB, CFR, DDU, or FCA terms.
- **Goods and Services** - Non-food purchases are typically made on a DDU basis if delivered to headquarters or purchased locally. International purchases, either shipped to or effected by country offices, are normally on CIP or CIF terms. Payment of non-food purchases is usually made within 30 days of presentation of documents or delivery, depending on the contracted delivery terms.

Packaging

Food stuffs: WFP buys cereals in BULK or BREAKBULK with necessary empty/printed bags to go along the shipment. Depending on the specification of the commodity, the processed commodities need to be packed in standard size bags or tins. Bag markings are specified in every tender document, but it is expected that the supplier is capable in ensuring the adherence to the specific bag markings (often multiple colors, logos and text)

Goods: Goods frequently have to be delivered to some of the remotest parts of the world. Transporting the goods to these areas requires sturdy packing to safeguard the goods, which often arrive at inadequately equipped ports and proceed to different destinations by rail, truck,

barge, etc. The transport infrastructure in many areas where WFP operates is rudimentary at best. It is important for suppliers to take particular note that although the goods that leave their premises may initially be shipped by air or sea in containers; the final transport legs may involve considerably less secure means. Packaging must therefore take into account all transport legs up to final destination.

In addition, packaging must be designed to protect goods from extreme temperatures and humidity. Suppliers are encouraged to make recommendations regarding improved packaging specifications.

Inspection of Goods

In order to protect WFP from the risk of non-conforming goods being shipped to distant locations where they run risk of being rejected, WFP may appoint an independent superintendent company to inspect an order. The inspection is carried out at WFP's expense during production or prior to dispatch. If, however, an inspection has to be repeated due to a supplier's default, the costs of a second inspection and of the superintendent company for the same purchase order will be charged directly to the supplier. Inspection must be completed within the delivery period stated in the purchase order.

Pre-shipment inspection is at WFP's direction and shall not otherwise affect WFP's rights to final inspection of all items after delivery. It does not prejudice any legal or equitable remedies that may be available to WFP as a result of the supplier's performance under the order. By accepting to offer, a supplier is considered to have accepted inspection of the goods prior to delivery as WFP may require. It is emphasized that inspection prior to shipment does not relieve a supplier from its contractual obligations.

Delivery and Shipping

In most WFP contracts "time is of the essence". Suppliers are expected to adhere strictly to delivery times stipulated in a contract. Any breach of this vital condition entitles WFP to repudiate a contract. WFP reserves the right to deduct liquidated damages from a supplier's invoice for late delivery or short-shipment. The details of the liquidated damages clause are notified at the time of the invitation to bid and are included in purchase orders.

Suppliers of CPT or CFR orders are requested to provide timely and full shipping details to consignees and the section using the "Shipping Details Form" mailed with purchase order confirmation. Commodity suppliers under CFR terms will be requested to comply with our transport specifications (in terms of type of vessel etc.) and will receive specific instructions from our shipping department. Consignees will be informed of shipments arranged by a WFP freight forwarder. It remains the responsibility of a supplier to cooperate and coordinate delivery with the forwarder, in accordance with the terms of the contract.

Tax Exemption

Food, goods and services purchased by WFP are exempt from all taxes and customs duties. However, in some rare cases, recipient governments may levy taxes and customs duties. In such cases, WFP expects the supplier to contact WFP immediately to determine a mutually acceptable solution.

Warranties

Food Items: All commodity orders will be inspected in terms of quality and quantity prior to dispatch in the originating country. WFP reserves the right to reject commodities if the quality analysis indicates that the food is not conforming to the required technical specifications.

Goods and services: WFP requires suppliers to guarantee in writing that all items furnished under a purchase order are new and unused. A seller must further guarantee in writing that all items conform fully to all requirements of an order and that approved samples, if any, be fit for the purpose intended and free from defects in material, workmanship and/or design.

Any questions?

Do you still think your company could be interested in supplying WFP? We hope this brief guide has explained what we do and how we do business, and helped you make up your mind – but, if you are still uncertain about whether you qualify for working with us, we will make every effort to provide you with further timely and practical information that will help clear up those remaining doubts.