Procurement Depository Sensitisation Series

Session #1:
Code of Ethics Training
&
Understanding the UNSPSC

GUIDELINES FOR ETHICAL CONDUCT FOR SUPPLIERS OR CONTRACTORS IN PUBLIC PROCUREMENT, RETENTION & DISPOSAL

CONTENTS

I. Introduction

II. Obligations of Suppliers or Contractors

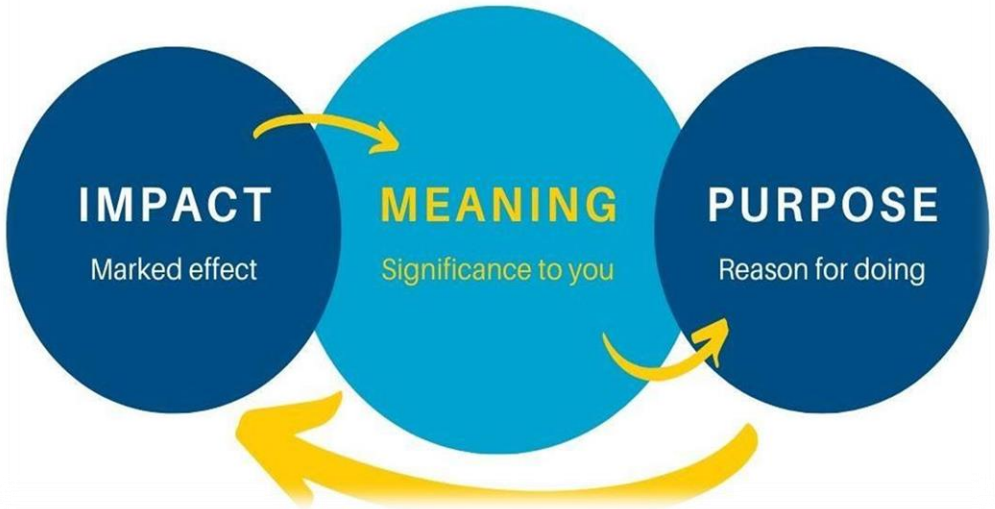
CONTENT

OPR
The Office of Procurement Regulation

Purpose & Objective

- The guideline aims to encourage the adoption of good practices and set the minimum standards of ethical behaviour and conduct of suppliers or contractors

- The guideline complements the Act and the Regulations and **does not** replace any part of the Act or the Regulations or any other Law



Purpose & Objective (Cont'd)

The following values are enshrined in section 5 of the Act and serve as overarching values to which suppliers or contractors participating in public procurement must adhere to:

- Accountability
- Integrity
- Transparency
- Value for money
- Efficiency
- Fairness
- Equity
- Public Confidence

Scope & Applicability

The guideline applies to all suppliers or contractors and their agents:

Participating in public procurement or disposal of public property

Engaging or seeking to conduct business with a public body

Compliance

To ensure compliance:

- All named procurement officers shall observe the rules of and communicate the content of the guideline to suppliers or contractors; and

- All suppliers or contractors shall observe the rules of and communicate the content of the guideline to their agents, including employees, subcontractors and subsidiaries who may be engaged in procurement proceedings with a public body

The provisions of the guideline shall be deemed to be incorporated by reference into the standard bidding documents of procuring entities and shall be binding on suppliers or contractors who shall commit to the same by duly signing the Declaration and Commitment form

Sample: Declaration and Commitment

I …… declare that I have read and fully understood the contents of the PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC PROPERTY ACT 2015 (AS AMENDED) AND THE GUIDELINES FOR ETHICAL CONDUCT FOR SUPPLIERS/CONTRACTORS IN PUBLIC, PROCUREMENT, RETENTION & DISPOSAL.

I do hereby commit to abide by the provisions of the PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC PROPERTY ACT 2015 (AS AMENDED) AND THE GUIDELINES FOR ETHICAL CONDUCT FOR SUPPLIERS/CONTRACTORS IN PUBLIC, PROCUREMENT, RETENTION & DISPOSAL.

Binding
Name……..
Signature……
Position……...
Office address……
Telephone……...
Email……

Name of the Public Body/ Company……
Date…… (Public Body/Company Seal/ Rubber Stamp where applicable)
Witness Name ……
Signature……...
Date……

Monitoring

In terms of monitoring:

- The OPR shall, on its own initiative or upon receipt of a complaint, consider, inquire into, investigate and or institute ineligibility proceedings in accordance with section 41 and section 58 of the Act and the corresponding Regulation; and

- In accordance with the Regulations a public body may submit a report to the OPR on any breaches of this guideline by suppliers or contractors and any action taken against the breach

Consequences for Non-Compliance

Breach of the guideline may provide grounds for:

1. Rejection or revocation of a bid, tender or proposal by a procuring entity
2. Being placed on the ineligibility list thereby debarring suppliers or contractors from participating in procurement proceedings for a stated period
3. The establishing the commission on an offence

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OBLIGATIONS OF SUPPLIERS OR CONTRACTORS

Professionalism

Suppliers or contractors shall maintain the highest standards of integrity and professionalism in their operations and when engaging in business with a public body

Suppliers or contractors shall comply with professional standards of their industry or of any professional body of which they are members

Fair and Transparent Practice

A supplier or contractor shall:

- act in a manner that is transparent, fair, accountable and honest, and shall not engage in any act that may promote or encourage patronage, tribalism, cronyism and nepotism or any other form of preferential treatment towards personnel of a public body (directly or indirectly) who may be in a position to influence the outcome;
- act with honesty and integrity in all their engagements and transactions with a procuring entity;
- perform the obligations of the contracts efficiently and effectively and ensure that competent persons carry out its contractual obligations; and
- accept full responsibility for all works, services or supplies provided to a procuring entity

Gifts, Favours & Other Benefits

In accordance with Section 59 of the Act, ‘Conduct influencing public officer’:-

A supplier or contractor shall not approach, contact, unduly influence or exert pressure on any member of a committee or any other employee of a procuring entity to take a particular action which favours or tends to favour them, or in respect of any matter that is before that procuring entity or that is expected to come before that procuring entity.

No member, officer or employee of a public body shall accept a gratuity in any form, any offer of employment, service or any other thing of value as an inducement with respect to an act or decision of, or procedure followed by, the public body in connection with any procurement proceedings and a public body shall promptly reject a tender of any supplier or contractor who gives, agrees to give or offers directly or indirectly, any such inducement.

Examples of Gifts

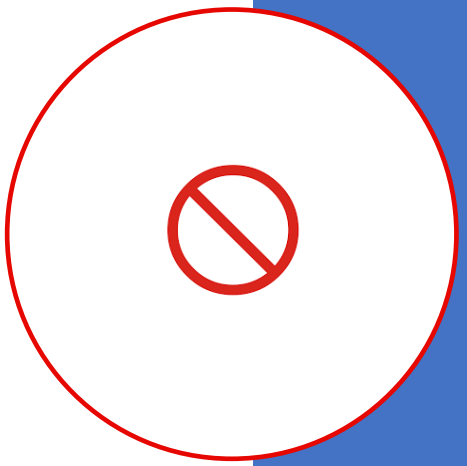
Gifts and entertainment include for example:

- Favours
- Meals
- Attending Sporting, Social and Cultural Events
- Hospitality - Lodging or Accommodation
- Loans and Loan Guarantees
- Discounts or Favourable terms on any product or service
- Services
- Prizes
- Transportation
- Use of Vacation Facilities
- Shares or other securities or participation in share offerings
- Home Improvements
- Tickets to cultural, social or sporting events
- Gift Certificates

Prohibition Against Corrupt, Fraudulent, Coercive, Collusive and Unethical Practices

A supplier or contractor shall report to the OPR and/or any other relevant agency any procurement practice which might be deemed to be improper

A supplier or contractor shall not engage in bid rigging or in any form of fraudulent, collusive, corrupt, coercive, and or unethical practices, or inappropriate influences



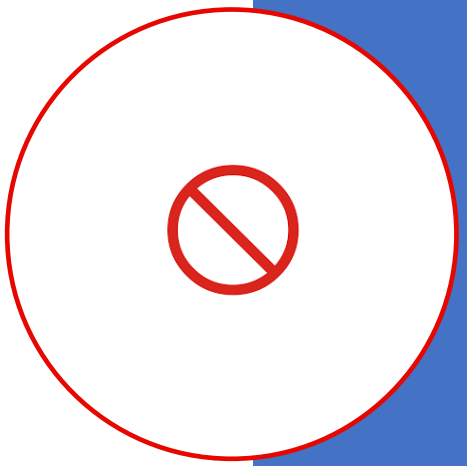
Prohibition Against Corrupt, Fraudulent, Coercive, Collusive and Unethical Practices (Cont'd)

A supplier or contractor shall not:

- misrepresent facts in order to influence a procurement exercise, manipulate the tender process, or the execution of a contract to the detriment of a public body.

- deliberately harm or threaten to harm, either directly or indirectly, personnel of a public body or their property, to influence their participation in procurement proceedings, or to affect the execution of a contract.

- engage in any **obstructive practices** either by deliberately destroying, falsifying, altering or concealing evidence material to an investigation, or making false, statements to an inquiry, in order to materially impede an investigation.



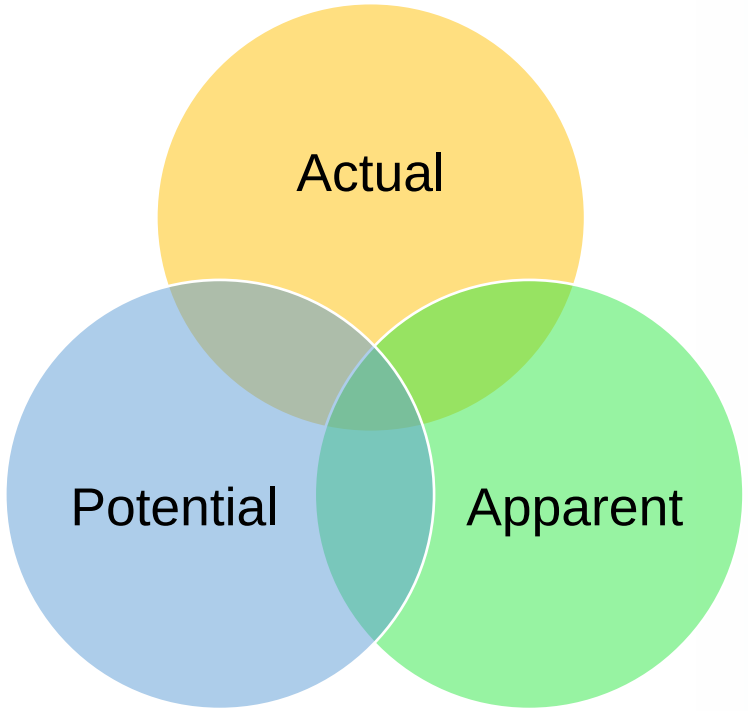
Confidentiality

A supplier or contractor shall:

- respect the confidentiality of information received in the course of performing a contract and shall not disclose or use such information for material gain or the furtherance of its private interest

- preserve the confidentiality of information in accordance with contractual requirements or the prevailing law and even after the business or contractual relationship with the procuring entity has been determined

Conflict of Interest- What is it ?



- **Integrity in Public Life Act (IPLA)**

Conflict of Interest- How to Identify ?

- Public Duty versus Private Interests
- Potentialities
- Perception
- Proportionality
- Presence of mind
- Promises

Conflict of Interest – How to Manage it?

Record/ Register

Restrict

Recruit

Remove

Relinquish

Resign

Labour, Human Rights & Social Responsibility

A supplier or contractor shall:

- not engage in forced or compulsory labour in all its forms;
- pay at least the minimum wage or the appropriate prevailing wage and provide any fringe benefits required by the laws of Trinidad and Tobago; and
- not evade or attempt to evade payment of taxes imposed in accordance with section 119 of the Income Tax Act.

Health, Safety and Environment

A supplier or contractor shall:

- provide a safe and healthy workplace setting and comply with the Occupational Safety and Health Act of Trinidad and Tobago;
- obtain, maintain, and keep current all environmental permits, approvals, and registrations;
- adhere to all applicable laws and regulations regarding the restriction of specific substances in products and manufacturing and will take particular care to restrict and/or avoid the use of the “hazardous substances” in products;
- adopt responsible measures to mitigate negative impacts that the workplace has on the environment; and
- strive to use durable products, reusable products and products that contribute to waste reduction and to increase the development and awareness of sustainable and environmentally sound procurement, wherever possible

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The "Ethics Check" Questions

1. Is it legal?

2. Is it balanced?

3. How will it make me feel about myself?

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Accountability
Integrity
Transparency
Value for Money

Scenario

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INTEGRITY PAYS!

YOU DON'T HAVE TO CHEAT TO WIN

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Accountability
Integrity
Transparency
Value for Money

Quiz Time!

Procurement Depository Sensitisation Series

WE WELCOME YOUR QUESTIONS AT THIS TIME

PLEASE USE THE Q&A OPTION ON THE RIGHT-HAND SIDE OF YOUR SCREEN

UNSPSC Coding Standard Sensitisation

UNSPSC Coding Standard Sensitisation

1. Definition, Structure & General Use
2. Why is UNSPSC necessary
3. Use in the Procurement Depository
4. Working Examples of the Codes
5. Additional Resources & Support

What is UNSPSC?

- United Nations Standard Products and Services Code
- Jointly developed by the United Nations Development Programme (UNDP) and Dun & Bradstreet Corporation (D & B) in 1998
- Is an open, global, multi-sector standard for efficient, accurate classification of products and services

How is UNSPSC Used generally?

- Aid in identifying the particular goods, works, or services that:
  i. Are being requested by a Public or Private entity
  ii. Suppliers can provide.

- It is considered an efficient, accurate and flexible classification system used for:
  i. achieving organisation-wide visibility of spend analysis,
  ii. enabling procurement to deliver on cost-effectiveness demands
  iii. allowing full exploitation of electronic commerce capabilities

UNSPSC Coding Structure

- Categorised as a four (4)- level hierarchical structure:
    1. Segment
    2. Family
    3. Class
    4. Commodity

- Each level give a two (2) digit code, which will give a complete code of eight (8) digits

UNSPSC Code Structure

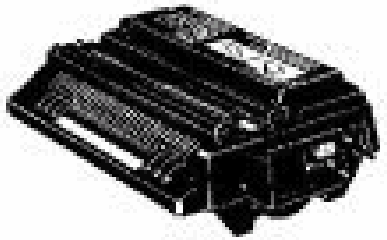
Segment **44**000000 *Office Equipment and Accessories and Supplies*

Family 44**10**0000 *Office machines and their supplies and accessories*

Class 4410**31**00 *Printer and facsimile and photocopier supplies*

Commodity 44103**03** *Toner*

44103103 = *Toner*



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Example of UNSPSC

Root – All Products and Services

- Segment – 44 Office Equipment and Accessories and Supplies
  - Family – 10 Office machines and their supplies and accessories
    - Class – 15 Duplicating machines
      - Commodity – 01 Photocopiers
    - Class – 31 Printer and facsimile and photocopier supplies
      - Commodity – 03 Toner

44101501 Photocopiers

44103103 Toner

Why is UNSPSC Necessary?

- There is no common standard used by Public Bodies in Trinidad & Tobago for the classification of Goods and Services.

- This is a golden opportunity to adopt an internationally recognised standard for classification of goods and services

- UNSPSC standard is adopted in the Procurement Depository which will be used by Public Bodies and Suppliers/Contractors

Benefits of Coding Standard

By classifying their products & services, businesses can assist their customers with:

1. **Product discovery** - a common naming convention allows computer systems to automatically list similar products under a single category.

2. **Facilitates expenditure analysis** - when every purchase transaction of an enterprise is tagged with a common set of product identifiers, purchasing managers are able to analyse enterprise expenditures.

3. **Control and uniformity across the board** - codes bring a single, uniform view of all expenditures in an organization. It ties together all departments and divisions, including business functions such as purchasing and settlement.

What will the Procurement Depository do?

- The system will manage, capture and report information as described in the Public Procurement and Disposal of Public Property Act 2015, Sections 13, 24, 26, 58.

UNSPSC in Procurement Depository

Public Body

- Express interest in Line(s) of Business (LOB)
- Pre-Qualify Suppliers/Contractors
- Classification of Tenders by LOB
- Shortlist Suppliers/Contractors

Supplier/Contractor

- Express their Line(s) of Business
- Match with Public Bodies with the same Line of Business for Pre-Qualification
- Notification of new Opportunities by LOB

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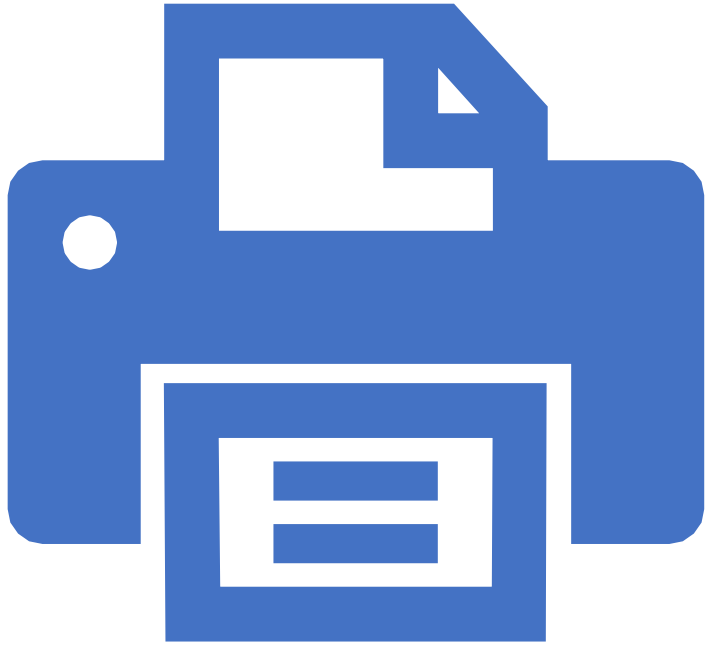

Examples of using UNSPSC in the Procurement Depository

Office Supplies

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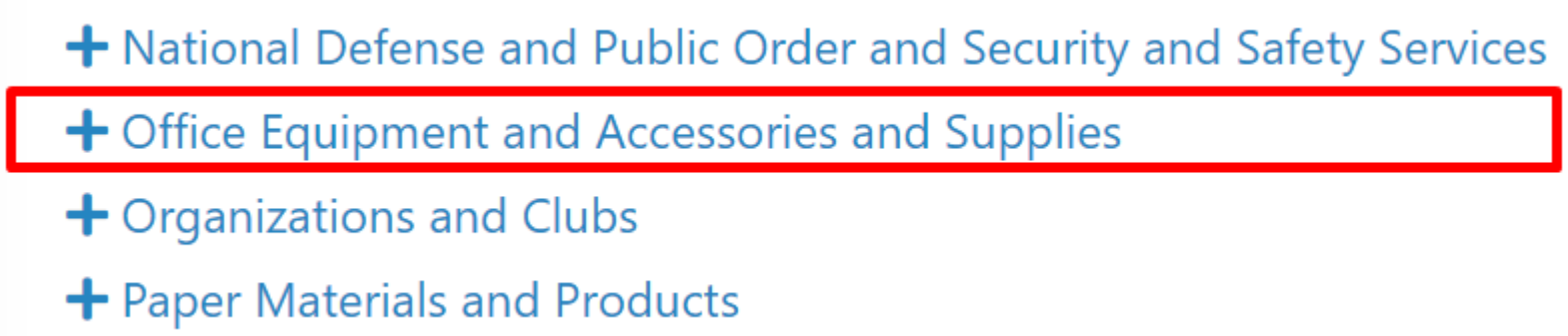
How do I use this coding system?

Office Supplies



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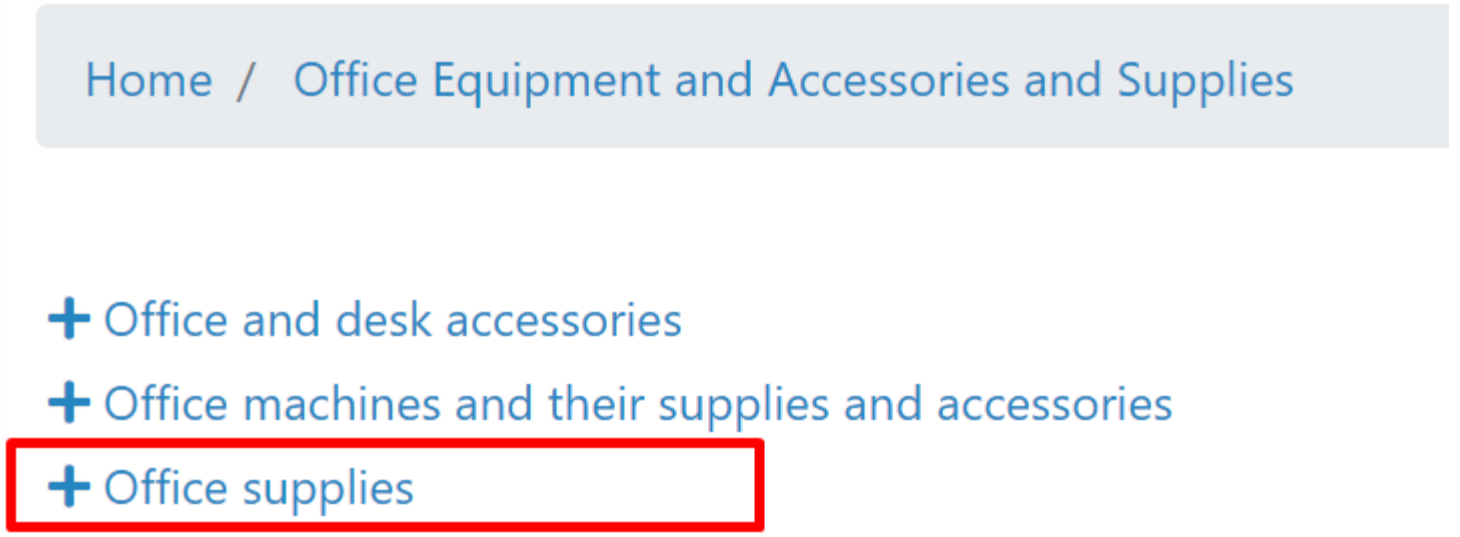
How do I use this coding system?

Office Supplies



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How do I use this coding system?

Office Supplies

Home / Office Equipment and Accessories and Supplies / Office supplies

+ Correction media
+ Desk supplies
+ Fastening supplies
+ Folders and binders and indexes
+ Ink and lead refills
+ Mailing supplies
+ Writing instruments

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How do I use this coding system?

Office Supplies

Home / Office Equipment and Accessories and Supplies / Office supplies / Folders and binders and indexes

- [ ] **Accordion file folder**
- [ ] **Archboards**
- [ ] **Binder handles**
- [ ] **Binder mounting channels**
- [ ] **Binder pockets or accessories**
- [x] **Binders**
- [ ] **Book page separator**
- [ ] **Box file**
- [ ] **Card pockets**
- [ ] **Classification folder**
- [x] **Clipboards**
- [ ] **Conference folder**

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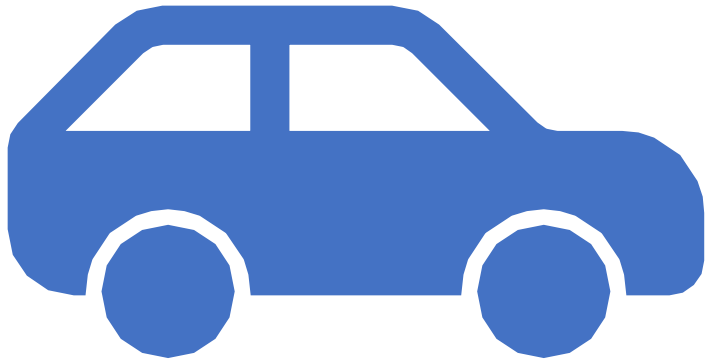
Examples of using UNSPSC in the Procurement Depository



Vehicle Tyres

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How do I use this coding system?

Vehicle Tyres

+ Chemicals including Bio Chemicals and Gas Materials
+ Cleaning Equipment and Supplies
+ Commercial and Military and Private Vehicles and their Accessories and Components
+ Defense and Law Enforcement and Security and Safety Equipment and Supplies

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How do I use this coding system?

Vehicle Tyres

Home / Commercial and Military and Private Vehicles and their Accessories and Components

+ Aerospace systems and components and equipment
+ Aircraft
+ Marine transport
+ Motor vehicles
+ Non motorized cycles
+ Railway and tramway machinery and equipment
+ Spacecraft
+ Transportation components and systems
+ Transportation services equipment
+ Vehicle bodies and trailers

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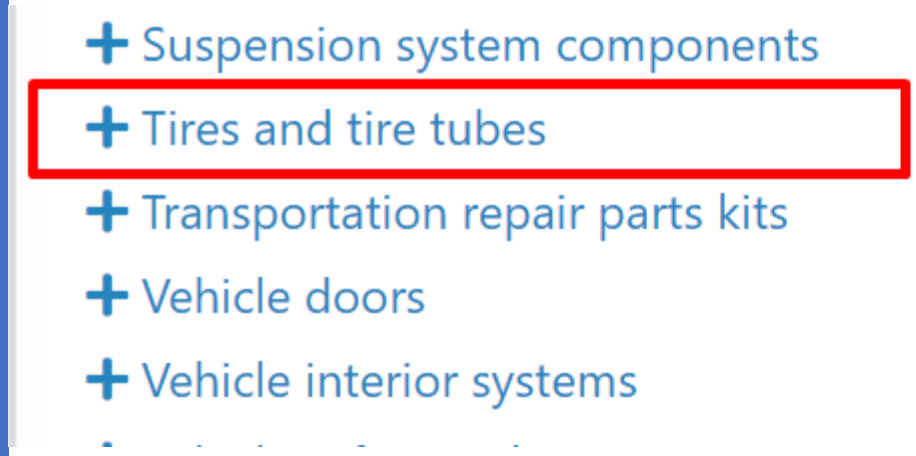
How do I use this coding system?

Vehicle Tyres



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How do I use this coding system?

Vehicle Tyres

Home / Commercial and Military and Private Vehicles and their Accessories and Components / Transportation components and systems / Tires and tire tubes

- [x] **Automobile or light truck tires**
- [ ] **Automobile tire tubes**
- [ ] **Bicycle tires**
- [ ] **Bicycle tubes**
- [ ] **Foam tire**
- [ ] **Heavy truck tire tube**
- [ ] **Heavy truck tires**

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Examples of using UNSPSC in the Procurement Depository

Electronic System to facilitate payment of monies to public bodies

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How do I use this coding system?

Electronic System to facilitate payment of monies to Public Bodies

- + Farming and Fishing and Forestry and Wildlife Contracting Services
- + Farming and Fishing and Forestry and Wildlife Machinery and Accessories
- + Financial and Insurance Services
- + Financial Instruments, Products, Contracts and Agreements
- + Food Beverage and Tobacco Products
- + Fuels and Fuel Additives and Lubricants and Anti corrosive Materials
- + Furniture and Furnishings

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How do I use this coding system?

Electronic System to facilitate payment of monies to Public Bodies

Home / Financial Instruments, Products, Contracts and Agreements

+ Bank offered products
+ General agreements and contracts
+ Governmental property right conferrals
+ Insurable interest contracts
+ Monetary instruments or currency
+ Securities

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How do I use this coding system?

Electronic System to facilitate payment of monies to Public Bodies

Home / Financial Instruments, Products, Contracts and Agreements / Bank offered products

- + Account based credit products
- + Card based revolving credit products
- + Demand deposit accounts
- + Electronic fund transfer and payment products
- + Investment accounts
- + Time deposit accounts

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How do I use this coding system?

Electronic System to facilitate payment of monies to Public Bodies

Home / Financial Instruments, Products, Contracts and Agreements / Bank offered products / Electronic fund transfer and payment products

- [ ] **Bill paying application**
- [ ] **Currency exchange application**
- [x] **Money transfer application**
- [ ] **Over draft protection**

Additional Resources

- Additional information on UNSPSC can be sourced on the UNSPSC website: https://www.unspsc.org/ and
- United Nations Global Market Place:https://www.ungm.org/Public/UNSPSC

- Full code listing available as follows:
  - PDF format – Free
  - Excel Format – USD 100

OPR Support

- Email questions on UNSPSC to support@opr.org.tt

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