**Procurement of Banking Services**

The Secretary General's Chief Executive Board (CEB) and the High Level Committee on Management (HLCM) approved the “Treasury Harmonization Project”, which commenced its work in 2013. The objective of the project is to implement a harmonized and coordinated approach to the procurement of and administration of banking services for UN Agencies on a regional as well as country-by-country basis.

The project set the foundation for an ongoing, coordinated and systematic approach by the UN and its agencies towards its banks and hence has been conducting harmonized and one UN procurement of banking services each year. **Please note that as a result of this initiative independent procurement exercises for banking are suspended. Please contact treasury.cash.management@undp.org for further guidance.** The following description will be applicable only when an office is approved by Treasury to run a procurement process for banking services.

1. The Request for Proposal (RFP) for banking services refers to the process, conducted by the RFP evaluation committee in HQ or a country office, with specific steps and procedures prescribed in the RFP for Banking Services and Guidelines to assess the type and quality of services offered by banks within a local environment. The objective of the RFP is to select a bank, among the banks that are evaluated, to provide banking services based on the business requirements of UNDP HQ and/or country offices and based on UNDP procurement principle of the best value for money.

1. Banks should be pre-qualified through consultation with Treasury. A short list is then developed which includes banks with minimum acceptable criteria (e.g., good credit quality, SWIFT membership). A minimum of three banks should be short listed, with the maximum of six banks to be considered.

1. When completing the evaluation of all RFPs received from pre-qualified banks, one bank with the highest combined technical and financial score is selected. This result is then endorsed by the local ACP and RR before being submitted to the Treasurer for final approval.

1. As this is a procurement exercise, procurement guidelines and policies should govern the process. Guidelines, documentation and templates for conducting an RFP for Banking Services are available under Templates and Forms in the procedure.

1. Once the Treasurer approves the selection, the implementation process starts. If an existing bank is selected, the bank must sign the UNDP Standard Banking Agreement. If a new bank is selected, in addition to the requirement of signing the UNDP Standard Banking Agreement, onboarding steps are to be taken by the UNDP office and the bank, with Treasury providing specific guidance and assistance as necessary.

1. UNDP Offices are required to proactively manage the bank relationship and prepare the annual scorecard (see Main Procedure Section for template/form) for its bank provider (see Cash Management Policies). This is to ensure timely resolutions for service issues, to be kept informed about the new banking products that would improve UNDP’s efficiency and effectiveness, regulatory changes, and to maintain cost advantage at the given business requirements, etc.

1. The RFP for Banking Services should be conducted approximately every ten years, or sooner if there are ongoing service issues and/or significant changes in the local banking market. The ten year period is defined as 5 years of initial contract period, with option to extend additional 5 years, provided that the annual bank service scorecard demonstrates the satisfactory service track record.