

## PROCEDURES OF THE VENDOR REVIEW COMMITTEE (VRC)

\*Steps in boxes with rows with dotted borders are either pre-VRC or option steps for VRC; steps in row with solid borders are key steps for VRC.

	Steps	Actioner	Recipient	Activities (with references)
	Reporting	ILO official or external party	Treasurer and the Chief Internal Auditor	<b>IGDS 69, para 22</b> <i>Any concerns or assertions of proscribed practices brought by an ILO official or an external party involving an ILO official, external collaborator, grantee, implementing partner or vendor must be reported to the Treasurer and the Chief Internal Auditor.</i>
	Investigation	IAO	Treasurer	<b>IGDS 69, para 14</b> <i>The Chief Internal Auditor is responsible for the conduct of ILO investigation activities concerning allegations of proscribed practices.</i>
	Interim Suspension	Treasurer	Vendor <sup>1</sup>	<b>Rules of Procedure for VRC, article 2.5</b> <i>Prior to referring the review of the matter to the Committee, the Treasurer and Financial Comptroller, in consultation with the Chief Internal Auditor, may decide to implement preventative measures based on an interim investigation report when a Vendor has admitted the allegations, or when there is clear undisputable evidence supporting the allegation of Proscribed Practices.</i>
1	Referral	Treasurer	VRC (Chair and Secretary)	<b>Rules of Procedure for VRC, article 2.1</b> <i>The Treasurer and Financial Comptroller, after consulting with the Chief Internal Auditor, and having taken due consideration of the findings of the investigation and any particular interests of the ILO, will determine whether an allegation of Proscribed Practices merits being referred to the Committee.</i>
2	Preliminary review of investigation report	<ul style="list-style-type: none"> <li>Chief Internal Auditor (on investigation)</li> </ul>	VRC (secretary)	<b>Rules of Procedure for VRC, article 2.2</b> <i>Upon receipt of the referral, the Secretary shall analyze the investigation report received and may request additional information from the Chief Internal Auditor, the Director of</i>

<sup>1</sup> For the purpose of this document, the word “vendor” is a general term that includes: external collaborator, grantee, implementing partner and supplier.

	(if necessary)	<ul style="list-style-type: none"> <li>• HRD (for external collaborators)</li> <li>• BUDFIN (for grantees and implementing partners)</li> <li>• Chief PROCUREMENT (for suppliers)</li> </ul>		<i>Human Resources Development (HRD) (for external collaborators), Chief of the Budget and Finance Branch (BUDFIN) (for grantees and implementing partners) and Chief PROCUREMENT (for suppliers), as necessary.</i>
3.1	<b>Draft Notice of Administrative Action</b>	VRC (secretary)	VRC	<b>Rules of Procedure for VRC, article 2.2</b> <i>The Secretary will prepare a Notice of Administrative Action based on the investigation report(s) and any subsequent information received, and present its content in draft form to the Committee for review.</i>
3.2	<b>Approval of the Notice of Administrative Action</b>	VRC	VRC (secretary)	<b>Rules of Procedure for VRC, article 2.4</b> <i>The Committee shall review the draft Notice, make amendments as necessary, and approve it.</i>
3.3	<b>Issuance of the Notice of Administrative Action</b>	VRC (secretary)	Vendor (respondent)	<b>Rules of Procedure for VRC, article 2.4</b> <i>The Secretary shall then issue to the Respondent(s) the Notice, redacted as necessary to protect the confidentiality of the other parties or protect any other information the Committee deems privileged or confidential, with all attachments</i>
	<b>Interim Suspension</b>	VRC -> Treasurer	Vendor (respondent)	<b>Rules of Procedure for VRC, article 2.5</b> <i>After the matter has been referred to the Committee for review and when reasonable inferences may be drawn from the investigation report and other documentation presented to the Committee, the Committee may also recommend to the Treasurer and Financial Comptroller that the Respondent be suspended from participating in ongoing or future contracts or procurement actions, at any stage of its proceedings.</i>
4	<b>Respondent's Response</b>	Vendor (respondent)	VRC (secretary)	<b>Rules of Procedure for VRC, article 2.6</b> <i>The Respondent(s) shall submit a written response (Response) to the Secretary <b>within thirty (30) days</b><sup>2</sup> following the receipt of the Notice.</i> ...

<sup>2</sup> For the purpose of the procedures, “days” means calendar days of the ILO Geneva HQ, and do not include weekends and holidays. If the last day of any period falls on a day in which the Respondent or ILO Geneva HQ is not officially open for business, the term shall run until the end of the next day on which the Respondent or the ILO Geneva HQ is officially open.

				<p><b>Rules of Procedure for VRC, article 2.18</b>  <i>If the Respondent fails to submit a Response in accordance with paragraph 2.6, the allegations set forth in the Notice will be considered by the Committee without the Respondent's response.</i></p>
5	Reply from the ILO	<ul style="list-style-type: none"> <li>• Chief Internal Auditor (on investigation)</li> <li>• HRD (for external collaborators)</li> <li>• BUDFIN (for grantees and implementing partners)</li> <li>• Chief PROCUREMENT (for suppliers)</li> </ul>	VRC (secretary)	<p><b>Rules of Procedure for VRC, article 2.7</b>  <i>If the Committee considers that further information is needed, it shall submit, <b>within five (5) days</b> of receipt of the Respondent's Response, a copy of the Response to the Chief Internal Auditor, the Director of HRD, Chief of BUDFIN or Chief PROCUREMENT who shall have <b>thirty (30) days</b> from the receipt of the Response to present further arguments and documentation in reply to the arguments and documents set forth in the Response. The Reply shall be limited to arguments and documents offered in rebuttal and shall be submitted to the Secretary, who shall then submit a copy to the Respondent.</i></p>
6	Forwarding ILO reply to respondent	VRC (secretary)	Vendor (respondent)	<p><b>Rules of Procedure for VRC, article 2.8</b>  <i>A copy of the Reply redacted, as necessary, shall be forwarded by the Secretary of the Committee to the Respondent(s).</i></p>
7	Respondent's Sur-reply	Vendor (respondent)	VRC (secretary)	<p><b>Rules of Procedure for VRC, article 2.8</b>  <i>The Respondent(s) shall have <b>fifteen (15) days</b> after receipt of the Reply to present arguments and information and documentation in specific rebuttal to the Reply.</i></p> <p><b>Rules of Procedure for VRC, article 2.18</b>  <i>If the Respondent fails to submit a Response in accordance with paragraph 2.6, the allegations set forth in the Notice will be considered by the Committee without the Respondent's response.</i></p>
	New Documentation and Information	<ul style="list-style-type: none"> <li>• Chief Internal Auditor (on investigation)</li> <li>• HRD (for external collaborators)</li> <li>• BUDFIN (for grantees and implementing partners)</li> </ul>	VRC (secretary) -> VRC	<p><b>Rules of Procedure for VRC, article 2.8</b>  <i>If new information and documentation becomes available to the Chief Internal Auditor, the Director of HRD, Chief of BUDFIN or Chief PROCUREMENT or the Respondent(s) after the submission of written materials and before the conclusion of the Sanctions proceeding, the Chief Internal Auditor, the Director of HRD, Chief of BUDFIN or Chief PROCUREMENT or the Respondent(s) may submit such new evidence to the Secretary.</i></p>

		<ul style="list-style-type: none"> <li>• Chief PROCUREMENT (for suppliers)</li> <li>• Respondent</li> </ul>		
	<b>Hearing</b>	VRC	Vendor (respondent)	<p><b>Rules of Procedure for VRC, article 2.27</b>  <i>Respondents shall have no right to a hearing. The Committee may, at its discretion, hold hearings when it deems them necessary, also determining their duration and form. The Secretary shall keep a written summary of the hearings.</i></p>
	<b>Offer of Settlement</b>	Vendor (respondent)	VRC (secretary) -> VRC	<p><b>Rules of Procedure for VRC, article 3.7</b>  <i>The Respondent may, at any time before the Committee reaches a final determination, present an offer of Settlement in accordance with the Committee procedures to the Secretary, who shall submit it to the Committee for its consideration <b>within five (5) days</b>. The Settlement offer must include an admission of involvement in Proscribed Practices, as well as an action plan for mitigating and eradicating the actions or omissions that resulted in the allegations included in the Notice.</i></p>
	<b>Decision on Settlement</b>	VRC -> Treasurer	Vendor (respondent)	<p><b>Rules of Procedure for VRC, article 3.7</b>  <i>The Committee (following consultations with the Participating Agencies involved in a joint procurement action, as appropriate) may recommend the Treasurer and Financial Comptroller to approve or reject the Settlement offer at its sole discretion.</i></p>
<b>8</b>	<p><b>Determinations of the Standard of Proof</b></p> <ul style="list-style-type: none"> <li>• Standard of Proof Standards not met</li> <li>• Standard of Proof Standards met</li> </ul>	VRC		<p><b>Rules of Procedure for VRC, article 3.1</b>  <i>After reviewing the entire documents, the Committee shall determine whether the Standard of Proof was met to support a finding that the Respondent engaged in any of the Proscribed Practices.</i></p> <p><b>Rules of Procedure for VRC, article 3.4</b>  <i>If the Committee finds that the information does not meet the appropriate standard of proof that the Respondent engaged in a Proscribed Practice, the Sanctions proceedings shall be closed after consultation with the Treasurer and Financial Comptroller.</i></p> <p><b>Rules of Procedure for VRC, article 3.5</b>  <i>If the Committee finds, after its assessment of the veracity of the allegations made and of the reliability and sufficiency of the information presented to the Committee to establish that there is clear and convincing proof that the Respondent engaged in any of the Proscribed Practices, the Committee shall issue a written report summarizing its recommendation to the Treasurer and Financial Comptroller.</i></p>

9	<b>Recommendation on the imposition of Sanctions</b>	VRC	Treasurer	<p><b>Rules of Procedure for VRC, article 3.8</b>  <i>If the Committee determines that there is sufficient information to support allegations of actions or omissions that constitute Proscribed Practices, the Committee shall select an appropriate Sanction, or a combination of Sanctions, proportional to the determinations based primarily on the demonstrated facts, and its duration. The recommended Sanction(s) will be communicated by the Secretary to the Treasurer and Financial Comptroller for its decision.</i></p> <p><b>Rules of Procedure for VRC, article 3.9</b>  <i>Possible Sanctions</i></p> <ul style="list-style-type: none"> <li>• <b>Censure:</b> A letter of reprimand of the Respondent's behaviour. Censure does not affect the Respondent's Eligibility, but its existence will be an aggravating factor for imposing Sanctions in future proceedings;</li> <li>• <b>Ineligibility or Debarment:</b> A formal declaration that a Respondent has become ineligible for a period of time to be awarded and/or to partake in contracts financed or executed by the ILO. Exceptionally, the Committee may recommend that a Vendor's ineligibility is permanent;</li> <li>• <b>Other Sanctions:</b> The Committee may recommend other Sanctions that it finds appropriate to the circumstances at hand.</li> </ul> <p><i>The Committee shall have the option to recommend to extend the Sactions to the Vendor's Affiliated Entities if applicable.</i></p>
10	<b>Decision on Sanctions and notice the respondent</b>	Treasurer	Vendor (respondent)	<p><b>Rules of Procedure for VRC, article 3.8</b>  <i>The Sanctions shall be imposed through a written decision, which shall be final and, unless stated otherwise in the decision, take effect immediately. The decision shall be without prejudice to any action that may be taken by any government or other international 9 organization under applicable law. The Respondent shall be given notice, in writing, consisting of a summary of the decision, the imposed sanction, and the Rehabilitation procedures, if applicable.</i></p>
11	<b>Inclusion in the UN Ineligibility List and/or IRIS</b>	VRC (secretary)	UNGM	<p><b>Rules of Procedure for VRC, article 3.15</b>  <i>Vendors that are subject to Sanctions that affect their Eligibility, pursuant to the Procedure detailed herein, shall be entered into the UN Ineligibility List for a term starting upon notification of the Treasurer and Financial Comptroller's decision and ending once they are rehabilitated.</i></p>

				<p><b>IGDS 69, para 22</b>  <i>Based on the recommendations made by the Vendor Review Committee, the Treasurer will decide whether to record the external collaborator, grantee, implementing partner or vendor, as "ineligible" in IRIS and/or in the United Nations Global Marketplace (UNGM) website.</i></p>
	<b>Re-opening of a case</b>	VRC	Treasurer	<p><b>Rules of Procedure for VRC, article 3.6</b>  <i>A matter may be re-opened when the Committee determines, after consultation with the Treasurer and Financial Comptroller, that new information made available to the Committee pursuant to paragraph 2.9, after the conclusion of the Sanction proceedings and the imposition of a Sanction, warrants the re-opening of the case.</i></p>
	<b>Rehabilitation prior to or upon Expiration of Sanction(s).</b>	Vendor (respondent)	VRC (secretary)	<p><b>Rules of Procedure for VRC, article 4.3</b>  <i>In cases where an Ineligible Vendor requests Rehabilitation, the request must be submitted in writing to the Secretary and must be accompanied by supporting documentation. The request will be deemed to have been submitted upon actual receipt by the Secretary. The Secretary shall submit the request to the Committee <b>within five (5) days</b> of receipt.</i></p>
	<b>Recommendation on rehabilitation</b>	VRC	Treasurer	<p><b>Rules of Procedure for VRC, article 4.3</b>  <i>The Committee shall recommend the Treasurer and Financial Comptroller to reject or accept the request for Rehabilitation <b>within thirty (30) days</b> of its submission.</i></p>
	<b>Effects of Rehabilitation, Notifications</b>	VRC (secretary)	UNGM	<p><b>Rules of Procedure for VRC, article 4.4</b>  <i>The Committee shall process requests for Rehabilitation and inform the Ineligible Vendor of the outcome of the request. If the ILO accepts the Ineligible Vendor's request for Rehabilitation, the Secretary shall inform the Ineligible Vendor and any Affected Agency and shall make a change of status of the entry in the UN Ineligibility List. If no other entries concerning the Vendor subsist, the Vendor will regain its status as an Eligible Vendor.</i></p>