WORLD BANK FINANCED PROCUREMENT

Main operational considerations

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AGENDA

01 The World Bank Group
02 Bank’s financed procurement
03 Goods, works and non-consultant services
04 Consultant services
05 Recommendations when preparing bids/proposals
06 How to identify contract opportunities
07 Procurement related complaints
Bank’s financed procurement

Annual procurements = $24Bn, 1800 projects, in 132 countries
Bank’s financed procurement
Why bid on World Bank contracts

Equal opportunity, fair treatment
Certainty of process
High standard of integrity
High certainty of payment

Billions of dollars worth of business
Variety of contract sizes suitable for SMEs to large multinationals
Wide variety of sectors so lots of opportunities for suppliers
Opportunity for suppliers to enter developing markets
Bank’s financed procurement
Roles during procurement implementation

**Borrowers: Execution**

- Planning and preparing procurement strategy
- Seeking, receiving and evaluating proposals/bids/quotations
- Awarding, signing and managing contracts

**Bank: Implementation support/ supervision**

- Setting/agreeing on the project procurement arrangements
- Implementation Support (i.e. Hands-on expanded implementation support)
- Supervision (i.e. prior/post reviews)
Bank’s financed procurement
Core procurement principles

- Fairness
- Transparency
- Efficiency
- Fit-for-Purpose
- Integrity
- Value for money

WORLD BANK’S CORE PROCUREMENT PRINCIPLES
Better Outcomes

- Improved approach to resolving procurement-related complaints
- Shifting focus from the lowest evaluated compliant bid
- Enables the use of sustainable procurement criteria
- Enables hands-on expanded implementation support
- Value for Money as a core procurement principle
- More upfront analysis and design
- Promotes strategic engagements with providers in highest risk operations
- Provides more options for tailored procurement approaches

Bank’s financed procurement
Key innovations from the current framework
Bank’s financed procurement

Summary of the procurement process

01 Develop strategy
Assess the market and operating environment and determine procurement approach (PPSD).

02 Plan the procurement
Prepare detailed plan for the procurement process and schedule activities.

03 Invite offers
Request offers from the market e.g. RFB or RFP. Answer questions from the market.

04 Receive offers
Receive offers. Open offers and keep a record.

05 Evaluate offers
Compare offers and determine most advantageous bid/proposal.

06 Award contract
Standstill Period, address any complaints received, award contract and publish Contract Award Notice.

07 Manage contract
Finalize Contract Management Plan and implement monitoring, evaluation and payment systems. Ensure both parties meet their obligations.
General Considerations

- Huge and diverse portfolio, so target efforts
- We drive a structure approach to procurement
- Procurement is led by IRC/NRPB, NOT by the Bank
- Taylor procurement approaches to projects and markets
- Contract is with the Borrower, not the Bank
- Zero tolerance for Fraud and Corruption (public debarment)
Back staff Role in Procurement

- Set the procurement rule and processes
- Assist IRC/NRPB in preparing the PPSD and the Procurement Plan
- Provide procurement training, knowledge and share best practice
- Supervise project (on a prior and/or post review basis)
- Provide implementation support where appropriate (hands-on support)
- Support contract management by reviewing KPIs
- Monitor compliance and Procurement Plan
IRC’s Role in Procurement

- Lead the procurement using the Banks rules
- Prepare PPSD and Procurement Plan
- Advertise upcoming bidding opportunities
- Prepare and issue bidding/proposal documents
- Receive and evaluate bids/proposals
- Award contracts
- Implement contract; pay supplier/contractor/consultant
- Monitor compliance with Legal Agreement and Procurement Plan
Types of expenditure financed

- Goods
- Non-consulting services
- Works
- Consultancy services
Goods, works and non-consultancy services
Selection methods

REQUEST FOR BIDS
- competitive approach
- usually used with conformance specifications
- market responds by offering bids
- offers are compared against the requirements on a pass or fail basis.
- award to the lowest price conforming bid

REQUEST FOR QUOTATIONS
- competitive approach
- compares price of the offers/quotations
- used when buying readily available low-value goods and services

REQUEST FOR PROPOSALS
- competitive approach
- usually used with performance specifications
- market responds by offering proposals
- proposals are usually compared by scoring against the requirements (rated criteria)
- Award to the most advantageous proposal

DIRECT SELECTION
- non competitive way of approaching and negotiating with only one firm
- used when there is only one suitable firm or where there is a good reason to approach only one firm
Goods, works and non-consultancy services
Evaluation criteria

Monetary Quantifiable Criteria

Qualifying criteria
Each Bid must be substantially responsive to:
1. process qualifying criteria
2. qualification criteria

01

Monetary quantifiable
Apply monetary quantifiable methodology to Bid prices to determine the lowest evaluated costs

02

Most Advantageous Bid
The qualified Bidder, whose Bid is substantially responsive and is the lowest evaluated cost

03

Rated Criteria

Qualifying criteria
Each Proposal must be substantially responsive to:
1. process qualifying criteria
2. qualification criteria

01

Rated criteria
Substantially responsive Proposals are scored against rated criteria

02

Monetary quantifiable
Apply monetary quantifiable methodology to Proposal prices to determine comparative evaluated costs

03

Most Advantageous Proposal
The qualified Proposer, whose Proposal is substantially responsive and is the highest ranked Proposal

04

05

Ranking
Evaluated costs converted to scores and added to the computation of the evaluation. Proposals are ranked from highest scoring to the lowest
Eligibility criteria examples:
- Conflict of interest; Bank eligibility; SOE.

Qualification criteria Works examples:
- History of non performance contract; Suspension base on Security Declaration; Pending litigation;
- Financial Capabilities;
- Average annual Construction turnover;
- General Construction Experience; Specific Construction & Contract Management Experience.

Qualification criteria Goods: Demonstrate that it has successfully completed at least [insert number of contracts] contracts of similar goods in the past [insert number of years] years.
Consultancy services
Main considerations

• Full terms of reference should be attached to the request for expression of interest (REOI),

• Criteria for firms to be shortlisted is based on merits (such as relevant experience),

• Geographic based restrictions have been removed – such as no more than two firms from the same country on the shortlist,

• Evaluation of technical proposals continues to give emphasis to quality of approach, methodology and key staff.
Consultancy services
Selection methods

| Quality Cost Based Selection |
| Fixed Budget Based Selection |
| Least Cost Based Selection |
| Quality Based Selection |
| Consultant’s Qualification Based Selection |
| Direct Selection |
Consultancy services
Evaluation criteria

**Quality-cost based selection (QCBS)**
- Both quality of the proposal & cost of the service taken into account
- Allows determination of the right weight to be given to quality vs. cost:

<table>
<thead>
<tr>
<th>Description</th>
<th>Quality/Cost Score Weighting (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High complex / downstream consequences / specialized assignments (or may use QBS method)</td>
<td>90 / 10</td>
</tr>
<tr>
<td>Moderate complexity</td>
<td>70-80 / 30-20</td>
</tr>
<tr>
<td>Assignments of a standard or routine nature (or may use LCS method)</td>
<td>60-50 / 40-50</td>
</tr>
</tbody>
</table>

- Rejection of technical proposal if N(tech) < min. technical score required

**Quality based selection (QBS)**
- Financial proposal of only highest technical proposal considered
Good Advice

- Be informed about the country, project, processes, and competition:
  - Determine areas to focus, procurement type, etc.
- Consider how you will respond to project needs,
- Respond substantially to technical specifications,
- Submit timely and high-quality bids,
- Contact the Implementing Agency to address any need for clarifications or other concern,
Recommendations when preparing a bid/proposal

- Make a pre-proposal visit (if indicated in the RFB or RFP),
- Fully address the requirements,
- Emphasize methodology for delivery – innovate if you can,
- Propose a strong Project Manager and qualified experts,
- Be specific and in describing relevant experience and qualifications,
- Consider joint ventures with domestic and/or foreign firms to enhance your qualifications and capabilities
Recommendations when preparing a bid/proposal

- Cite relevant technical and regional experience similar to assignment – more significant and similar the better,
- Don’t deviate from standard forms/conditions,
- Consider involve an international partner consulting firm or individual consultant (consider joint ventures),
Conditions or qualifications will lead to rejection,

Get official clarification: If any provisions of the bidding/proposal document are unclear or unacceptable, submit an official inquiry in writing to the Borrower cc the Bank before the bid closing date or such date as may be specified,

Submit a professional proposal signed by an authorized individual ensuring all supporting documents are included,

Carefully review qualification and evaluation criteria.
Final checks before submission

✓ Amount, validity and text of Bid Security,
✓ Signatures and power of attorney,
✓ Joint venture agreement enclose,
✓ Reference enclose,
✓ Discounts in covering letter or appropriate place as specified in the bidding/proposal document,
✓ Marking of the envelopes as appropriate.
Pay attention to “Don’ts”

✓ No Bid security,
✓ Insufficient amount of Bid Security,
✓ Lack of supporting documents,
✓ Incomplete Bids,
✓ Expiration and extension of Bid validity,
✓ Partial quantities,
✓ Absence of test reports if required,
✓ Bid not signed,
✓ JV partner as bidder in another bid
✓ Conflict of interest.
Pay attention to “Don’ts”

When you present a Bid/ proposal without fully addressing the requirement just to see what happened
At bid/ proposal opening

✓ Be on time: submit bid/ proposal within the stipulated deadline. Late bids/ proposals will not be accepted,

✓ During bid opening, ensure that:
  ✓ All relevant prices are read out
  ✓ All discounts are read out
  ✓ Presence and amount of bid security is read out
  ✓ No envelope remains unopened
  ✓ All the above is recorded correctly and signed by all bidders present and by the purchaser

✓ Be aware of possible extension: There may be a request to extend the bid validity and bid security periods by several weeks, as in certain cases the evaluation of bids require more time than originally expected.
How to identify contract opportunities

- Country Partnership Framework (CPF)
- Project Document
- Procurement plan on WB site www.worldbank.org
- STEP website (step.worldbank.org)
- Financing App for real time info
- Historic Procurement data on major contract awards in Procurement App
- General and Specific Procurement Notices on United Nations Development Business www.devbusiness.com
1. **Who can complain?**
   Complainant must be an ‘interested party’

2. **What can be challenged?**
   Circumstances giving rise to the complaint must be relevant to the procurement - there are 3 (three) relevant circumstances

3. **When to complain?**
   Complaints must be filed in a ‘timely manner’ - time limits apply

4. **Which information should be included?**
   Regulations prescribe the minimum information required
Procurement related complaints
Four essential requirements: Who can complain?

‘interested party’ means either:

- a potential participant in a procurement opportunity, or
- an actual participant

‘potential’ or ‘actual’ depends on:

- the stage that the procurement process has reached when the complaint arises
- what action, if any, the interested party has taken in relation to the procurement process

**Example:** potential participant
RFB advertised, and party is interested in submitting a bid, but has not yet done so

**Example:** actual participant
A firm that submitted a bid under RFB
Procurement related complaints
Four essential requirements: What can be challenged?

Regulations identify 3 circumstances that complaints may challenge:

1. Procurement Documents
   Challenge any aspect of the Procurement Documents

2. Decision to exclude
   Challenge the Borrower’s decision to exclude the interested party from a procurement process (prior to the contract award decision being made)

3. Decision to award the contract
   Challenge the Borrower’s decision to award the contract (after the contract award decision has been made)
Procurement related complaints
Four essential requirements: When to complain?

In a timely manner: “Timely’ depends on what is being challenged.

1. **Procurement Documents**
   - Submit the complaint within the following deadline, whichever is later:
     a. at least 10 Business Days prior to the deadline for submission of responses, or
     b. within 5 Business Days after the Borrower has issued amended terms (for example: an addendum to a Prequalification document)

2. **Decision to exclude**
   - Submit the complaint within 10 Business Days following the Borrower’s transmission to the interested party of the notice of exclusion

3. **Decision to award the contract**
   - Submit the complaint prior to the expiry of the Standstill Period (which lasts 10 Business Days after the transmission of the Notice of Intention to Award)
Procurement related complaints
Four essential requirements: When to complain?

Standstill period and debriefing

The Standstill Period **commences** on the day following the transmission of the Notice of Intention to Award to all Bidders/Proposers.

The Standstill Period **expires** at midnight on the tenth day (unless extended).

A complaint may be submitted anytime during Standstill Period.
Procurement related complaints
Four essential requirements: Which information should be included in the complaint?

- the identity of the complainant
- contact details
- address
- interest in making the complaint
- identify the procurement
- details of any previous communications
- nature of complaint
- grounds for the complaint
- any other relevant information
Procurement related complaints
Submitting a complaint

- Procurement Documents explain on how to file a complaint.
- Form of Notification of Intention to Award provides among others instructions on how to file a complaint challenging award.
- Complaints must be submitted to the Borrower.
- If sent to the Bank, the complaint will be forwarded to the borrower promptly.
- Must be submitted in writing (preferably by the quickest means available to be able to meet the timelines). E.g.
  - Email, fax, or
  - borrower’s e-procurement system, if applicable.
Procurement related complaints
Debriefing by the Bank

• After publication of the Contract Award Notice, a Bidder who has not received satisfactory explanation from the borrower may request a debriefing with the Bank

• Such request is to be addressed to the Practice Manager for procurement in the region of the borrower’s country

• The purpose of Bank debriefing is not to discuss the Bids of competitors
Thank you