Questions + Answers

2018 New Procurement Framework Deep-Dive for IFI Liaisons- April 3, 2018

| No | Question | Answer |
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|  Approved Selection Methods**The following acronyms are used:**ALB=Abnormally Low BidBAFO=Best and Final OfferESHS=Environmental, Social, Health and Safety IPF: Investment Project FinancingNPF=New Procurement FrameworkPPP=Public Private PartnershipPPSD=Project procurement Strategy for developmentSOE=Stated Owned Enterprise[SPD](http://www.fatf-gafi.org/)= Standard Procurement DocumentSTEP= Systematic Tracking of Exchanges in ProcurementTTL =Task Team Leader |
|  | **Procurement Process for PPPs** **Q1:** Since the Bank’s clearance of PPP proposals is principle based, is it mandatory to use competitive selective methods for them?**Q2:** If procurement processes for PPP are supposed to be consistent with the core procurement principles, how does compliance work? | **A1:** Yes, new selection of PPP partners should be done using a competitive selection method consistent with the approved selection methods specified in the [World Bank Procurement Regulations for IPF Borrowers](https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=4005&ver=current) (Procurement Regulations). Exceptionally, the Bank may agree to a non-competitive selection process. **A2:** Professional judgement should be used to decide whether the procurement process is consistent with the Bank’s Core Procurement Principles. The Core Procurement Principles are further elaborated in the “[Bank Policy: Procurement in IPF and Other Operational matters](https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=4002&ver=current)”. |
|  | **Resources for Implementing the NPF****Q1:** Will there be an increase of resources in Bank offices to manage the flexibilities offered by the NPF such as in the case of PPPs? | **A1:** Allocation of resources, among other things, depends on risks and priorities. For example, reducing the volume of prior review through increasing the prior review thresholds, on a risk based approach, could release some resources to support other activities of the NPF. |
|  | **Financial Intermediary Loans****Q1:** You stated that the NPF does not apply to loans to financial intermediaries. Do the Bank’s environmental polices apply to the loans? | **A1:** The Procurement Regulations do not apply to repayable loans received by eligible private sub-borrowers through financial intermediaries. All other Bank’s policies apply as appropriate. |
|  | **Sustainability****Q1:** How does the NPF promote sustainability? | **A1:** The NPF promotes sustainability by including, among others, sustainable procurement (i.e. economic, environmental and social considerations) as one of its features. The Bank may agree that borrowers include sustainable procurement requirements if they are applied in ways that are consistent with the Bank’s Core Procurement Principles. The intention to adopt sustainable procurement in the procurement process should be identified at the planning stage and it is subject to an internal approval process. The Procurement Regulations allow for a number of stages at which sustainable procurement considerations may be applied: prequalification/initial selection, functional/ performance/technical requirements, evaluation criteria, contract terms and conditions, and contract management.  |
|  | **UN Agencies****Q1:** Do UN agencies use their own procurement procedures when they are contracted to execute world Bank funded contracts? | **A1:** The borrower shall use the Bank’s standard form of agreement or case specific template approved by the Bank. If specified in the standard form of agreement, the UN agency’s established regulations, rules, policies and procedures may be applied.  |
|  | **Framework agreements****Q1:** Have framework agreements been used for international competitive procurement?  | **A1:** Framework agreement can be used for international competitive procurement. The framework agreement SPD for goods was introduced recently.  |
|  | **Application of BAFO and Negotiations** **Q1:** Why can’t a procurement process apply both BAFO and negotiations as is done in the USA Government procurement for example? | **A1:** Negotiations and BAFO in the context of the Procurement Regulations serve similar objectives with the main difference being that BAFO is requested from all bidders that have submitted substantially responsive bids whereas negotiations are carried out starting with the bidder with the most advantageous bid. Conducting negotiations at the end of a BAFO process may undermine the benefits of BAFO as bidders may not have the incentive to give their best and final offers. There are also other mechanisms in place to achieve value for money such as dialogue with bidders (in a multistage procurement process) and/or pre-contract discussions. Further information is available in [Negotiations and BAFO Guidance](http://pubdocs.worldbank.org/en/663621519334519385/Procurement-Guidance-Negotiation-and-Best-Final-Offer.pdf). |
|  | **Competitive dialogue****Q1:** How do you ensure that firms are interested to bid on contracts which are subject to competitive dialogue?**Q2:** How many competitive dialogue procurement process have been completed in Bank financed projects?**Q3:** Is there a possibility of offsetting the bidders’ costs for competitive dialogue procurement processes? | **A1**: To maximize interest of firms to bid on contracts subject to competitive dialogue, borrowers are advised to carry out early market engagement. **A2**: According to information provided by borrowers through STEP, no competitive dialogue procurement process has taken place so far. **A3**: We may consider this issue when developing the relevant Standard Procurement Document(SPD) for competitive dialogue. Further information is available in [Competitive Dialogue Guidance](http://pubdocs.worldbank.org/en/412401507743078456/Competitive-Dialogue-Guidance-2017.pdf) |
|  | **Key staff****Q1:** The terms of reference and the required key staff are sometimes irrelevant to the assignment. How do you ensure that borrowers require and evaluate relevant staff for the assignment? | **A1**: The Bank carries out prior and post review to ensure that borrowers conduct the procurement in accordance with the agreed procedures including specifying requirements and evaluation of relevant staff.  |
|  | **Participation of SOEs****Q1:** How have the conditions for the participation of SOEs been changed in the NPF.**Q2:** Does the exception of contracting SOEs that do not fulfil the conditions apply to SOEs that are bidding outside their country? | **A1:** The following are the changes made to the conditions for participation of SOEs of the borrower’s country in procurement processes in the borrower’s country: (i) one of the eligibility conditions that had stated that they should not be dependent agencies of the borrower or sub-borrower has been changed to: that they are not under supervision by the agency that will contract them; and (ii) the exception on contracting of SOEs that do not fulfil the eligibility conditions, on case by case basis, (example absence of suitable private sector alternatives, or their participation is critical to project implementation) has been expanded beyond consulting services to cover goods, works or non-consulting services.**A2:** No. The conditions apply to SOEs of the borrower’s country.  |
| Project Procurement Strategy for Development (PPSD) |
|  | **Support to borrowers to prepare the PPSD****Q1:** Who prepares the PPSD?**Q1:** How does the Bank support the capacity development of borrowers to prepare the PPSD?  | **A1**: The borrower has the responsibility of preparing the PPSD. Some borrowers may hire consultants to support the preparation of the PPSD. **A2**: The Bank assists borrowers in the preparation of the PPSD. In addition, it provides ongoing capacity building to borrowers through making guidance available, training and hands-on support. Further information is available in [PPSD Detailed Guidance](http://pubdocs.worldbank.org/en/847531467334322069/PPSD-Long-Form.pdf) |
|  Corporate Procurement |
|  | **New eConsult System****Q1:** what is the timeline for the role out of the new procurement system?  | **A1**: The system will be rolled out by the end of this year.  |
|  | **Vendor Registration****Q1:** Is vendor registration a condition for submitting a bid/proposal?  | **A1**: No. It is mandatory for firm to have vendor registration only after it has been awarded a contract. |
|  | **Publication of notification of award of low** **value contracts?****Q1:** Since a majority of contract in Corporate Procurement are of low value between US$ 50,000 and US$ 75,000, are there plans to publish notification of award of low value contracts? | **A1**: No. There are no plans to make changes to Corporate Procurement policies to mandate the publication of contract awards of low value contracts. |
|  | **Sustainability****Q1:** Please provide us with information on the social sustainability work that is being undertaken by Corporate Procurement.**Q2:** What percentage of ownership of a business determines that it is women owned business? | **A1**: Corporate procurement has formed a group that is looking into ways to increase up to 100%, the participation of women owned business in our procurement. The work of identifying women owned business is ongoing and it is being done in collaboration with international organizations that register women owned businesses.**A2**: For a business to be considered as being women owned, the business must be owned and managed by women. |
|  | **Time for preparation of proposals****Q1:** What is being done to stop the practice of consultants being given 3 days to prepare proposals in eConsult instead of 7 days for contract that are below US$ 50,000?**Q2:** What happens to TTLs that receive proposals through emails instead of through eConsult? | **A1**: For now, the concerned TTLs are given a warning and their managers are notified. The new eConsult system will ensure that TTLs do not give less than the mandated time for preparation of proposals.**A2**: Their managers are notified**.** |
|  | **Environmental criteria****Q1:** Are environmental aspects factored into the procurement criteria? | **A1**: For some procurement such as for computers, environmental criteria are used. |
|  | **Value of Corporate Procurement contracts****Q1:** What is the annual value of Corporate Procurement contracts?  | **A1**: The annual value of Corporate Procurement contracts is US$ 450-490 million. |
|  | **Contacts****Q1:** Who should companies contract if they have issues? | **A1**: They should call the help desk. The help desk operates for 18 hours a day commensurate with Washington DC office hours. |
|  | **Debriefing****Q1:** Do you offer debriefing and who can request for it? | **A1**: Debriefing is offered to any firm that submitted a bid/proposal. The new eConsult system will have a feedback mechanism where companies can get feedback on their bids/proposals. This will remove the need for face to face debriefing.  |
| Standard Procurement Documents |
|  | **Abnormally Low Bids (ALBs)** **Q1:** In a two-envelope selection method, is it reasonable to assume that ALB is only in the financial envelop and how do you deal with high priced bids? | **A1**: Yes, ALB is only in the financial envelope in a two-envelope process. High prices bids may be handled in a variety of ways depending on the procurement process;1. reviewing the cost estimate to see if it is up to date reflecting the market price;
2. discussing with the recommended bidder to reduce the prices through reallocation of risk and responsibilities where appropriate;
3. application of BAFO /negotiations;
4. rebidding after analyzing and addressing the reasons for high prices.

Further information on ALB is available in [Abnormally Low Bids and Proposals Guidance](http://pubdocs.worldbank.org/en/780841478724671583/Guidance-on-ALB-FINAL.pdf) |
|  | **Sustainable procurement****Q1:** Since sustainable procurement is revolutionary, what kind of capacity building is being provided to suppliers and borrowers to include sustainable criteria in Bank financed procurement processes?  | **A1**: There is a guidance note on sustainable procurement. Training will continue to be provided. Borrowers may also engage consultants in the field to support them as appropriate e.g. in developing sustainable procurement specifications, in setting out evaluation and qualification criteria and contract terms, as appropriate.Further information is available in [Sustainable Procurement Guidance](http://pubdocs.worldbank.org/en/788731479395390605/Sustainable-Procurement-Guidance-FINAL.pdf). |
|  | **Environmental, Social, Health and Safety (ESHS) requirements** **Q1:** When did ESHS enhancements in the SPDs come into effect?  | **A1:** ESHS enhancements in SPDs were made effective in January 2017 and further enhancements to include Gender-based Violence (GBV) and on Sexual Exploitation and Abuse (SEA) were made in October 2017. |
|  Complaints |
| 24 | **Notification of intention to award****Q1:** How do borrowers ensure timely receipt of notification of intention to award by bidders? | **A1**: The notifications of intention to award are usually transmitted to bidders using electronic means (email or fax) which ensures their timeliness. |
| 25 | **Percentage of complaints****Q1:** What is the percentage of complaints received that are upheld? | **A1**: For the current fiscal year 2017/2018 as at March 31, 2018, 15% of the complaints received and recorded in the Banks complaints database were upheld. |
| 26 | **Number of projects under NPF** **Q1:** How many projects are subject to the NPF?**Q2:** How does one know which project applies the NPF and which one does not? | **A1:** 117 active projects are subject to the NPF as of January 31, 2018.**A2:** The loan agreement specifies the procurement framework that applies to a specific project. IPF projects with a project concept approved on or after July 1, 2016 onwards are governed by the Procurement Regulations. |
| 27 | **Standstill period****Q1:** Does the standstill period apply to all contracts that are subject to the NPF? | **A1:** The standstill period applies to all international competitive procurement which are subject to the Procurement Regulations. However, when only one bid/proposal is submitted, or if this contract is in response to an emergency situation recognized by the Bank, the standstill period shall not apply.  |
| 28 | **Prior and post review contracts****Q1:** It is indicated in Annex II section 4 of theProcurement Procedure that complaints related to contracts subject to post review are not subject to the Bank’s review. Please explain.**Q2:** The thresholds for post review contract is quite high and contracts especially in the IT sector where foreign bidders are interested to bid are often not subject to Bank’s prior review.**Q3:** How do you reconcile the mandatory prior review thresholds and country level thresholds?  | **A1:** Although contracts subject to post review are not subject to the Bank’s review, Annex II section 4 of the [Bank Procedure: Procurement in IPF and Other Operational Procurement Matters](https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=4004&ver=current) states that when the Bank receives such complaints, it promptly transmits them to the borrower for the borrower’s attention and resolution. In addition, when selecting sample contracts for post review, contracts against which complaints have been made will be among the list of contracts to be prioritized for inclusion in the sample.**A2:** Thresholds are determined based on risk. **A3:** The prior review thresholds are based on the project risk. The country level thresholds are indicative and apply to procurement approaches and methods. They are determined on the basis of: (i) the size, depth, and conditions of specific markets, and the capacity of the local industry; (ii) assessed level of interest of non-domestic firms and individuals to participate in domestic markets; and (iii) the nature, complexity, and level of risk of some industries. |
| 29 | **Change management****Q1:** What is being done to ensure that the partnership we have with the procurement policy unit in terms of dealing with complaints cascades to task team level? | **A1:** Procedures are in place on handling procurement related complaints. Trainings have been conducted and resources will continue to be provided to task teams as needed. |
|  Direct Payment & Beneficial Ownership |
| 30 | **Consequence of not revealing BO****Q1:** What are the consequences of not revealing beneficial ownership?  | **A1**: Such cases will be examined and if misrepresentation is found, the concerned firm could be suspended from bidding in Bank financed contracts. |
|  OTHERS |
| 31 | **Consortium versus Joint Venture (JV)****Q1:** Why is there no differentiation between consortium versus joint venture in Bank SPDs? | **A1:** Firms may participate in a procurement process in the form of a consortium or joint venture as long as they meet the requirements set out in the SPDs for joint ventures, such as joint and several liabilities. Differentiation is therefore not necessary. |