Agenda

- Introduction
  - Facts and Figures
  - What does the Bank Procure?
  - Operating Model

- Overview of International Procurement Process

- How Best to Sell to the Bank

- Key Procurement Data

- Conclusion
Introduction
World Bank – Facts and Figures

- International Financial Institution, part of United Nations system
- Bank funds over 1,800 investment projects in 132 countries
- Active project portfolio worth about US$80 Billion in total
- Annual IPF procurements circa $14 to $20 Billion
- Finances government-led procurement in a variety of industries and sectors
Top areas of spend in FY16

- Transport 47%
- Water 18%
- Energy & Extractives 17%

- Agriculture
- Education
- Energy & mining
- Finance
- Health & social serv
- Industry and trade
- Info & communication
- Public admin, Law
- Transportation
- Water/sanit/fld prot
Operating Model

- Country Partnership Framework
- Project feasibility studies
- Finalize project program
- Allocate a Task Leader
- Procurement planning
- Procurements led by the Borrower, using World Bank rules, processes and support framework
- International procurements advertised on UNDB
- 250 procurement staff based in 72 countries, supplemented by specific Project Implementation Units
Old versus new practice

- New Procurement Framework, for projects from July 1, 16

- Old approach was:
  - Standardized across the globe
  - Too price focused
  - Not engaging enough with businesses

- New Framework:
  - Tailors procurement based on market/country context
  - Value for money principles (not just lowest price)
  - Promotes early business engagement
New Procurement Principles

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

WORLD BANK’S CORE PROCUREMENT PRINCIPLES
Overview of International Procurement Process
Procurement Regulations for IPF Borrowers

THE WORLD BANK
Procurement Regulations for IPF Borrowers

PROCUREMENT IN INVESTMENT PROJECT FINANCING
Goods, Works, Non-Consulting and Consulting Services

July 2016

Guidance on PPSD

Project Procurement Strategy for Development
Long Form Detailed Guide

July 2016
Project Procurement Strategy for Development

➢ Project Procurement Strategy for Development (PPSD) is a critical planning tool that informs the procurement approach

➢ Captures key market analysis findings and explains how they:
  ➢ impact on the Borrower’s approach to market, and
  ➢ determine the best fit-for-purpose procurement approach

Through PPSD analysis determine:

1. What is the market segmentation? (national/international competition)
2. How will the project outcomes be delivered?
3. How will the contract and commercial deal be structured?
Market Approach Options

- **Direct** - Approach and negotiate with only one firm.

- **Open Competition** - Opportunity is openly advertised. All eligible firms have equal opportunity to participate. This is the Bank’s **preferred option**

- **Limited Competition** - Competition limited to those firms that are invited to participate. No open advertisement.

- **International Competition** Appropriate when participation of foreign firms will increase competition and deliver best VfM and fit-for-purpose results

- **National Competition** Appropriate when the procurement is unlikely to attract foreign competition
For International Procurements – A General Procurement Notice is published on UNDB Online and on the WB’s website. A GPN includes:

- The name and contact point of the Borrower
- The purpose and amount of financing
- The scope of procurement, reflecting the Procurement Plan
- If known, and indication of the schedule for publication of specific procurement opportunities

Specific Procurement Notice (SPN) shall also be published on UNDB Online and the WB’s website
Eligibility Overview

- Eligible firms and individuals from all countries are permitted to offer GWNcS and Consulting Services for Bank financed projects

- Exceptions:
  - Country is sanctioned by the UN
  - Country (by law) is sanctioned by the Borrower
  - Firm or individual is sanctioned by the Bank, or by law of Borrower (acceptable to the Bank)
Selection Methods

- **RFP** - Competitive method used when Borrower specifies functional/performance needs and the market proposes solutions. Uses Bank SPD and rated criteria apply.

- **RFB** - Competitive method used when Borrower clearly specifies requirements and wishes to maintain a higher degree of control in delivery. Uses Bank SPD.

- **RFQ** - Seek quotations for readily available, off-the-shelf GWNcS.

- **Direct Selection** - Approach and negotiate with only one firm.
Selection Arrangements

- Public Private Partnerships
  - Focus is on the commercial value of the proposal
  - Private sector partners procure from eligible sources using their own procedures
  - Unsolicited proposals allowed

- E-Auctions
  - Scheduled on-line auction where PQ/registered firms compete
  - Typically lower risk/value procurements

- UN Agencies
  - Borrower may select UN Agency directly
  - Used especially where urgent need of assistance
  - Use UN Standard Agreement
Key Procurement Provisions

➢ Sustainable Procurement
  ➢ Borrower may include additional sustainable procurement requirements in the Procurement Process

➢ Standard Procurement Documents
  ➢ New suite of documents developed for Projects after July 1, 2016
  ➢ Borrower required to use the Bank’s SPD’s for international competitive procurement

➢ Evaluation Criteria
  ➢ Rated criteria used to select the best Value for Money bid
  ➢ Proportionate to complexity, risk, value and type of objectives

➢ Abnormally Low Bids
  ➢ Method to identify and resolve very low priced bids
Key Procurement Provisions (cont.)

- **Value Engineering/Negotiation/BAFO**
  - Techniques to review and refine pricing and/or design, to deliver better Value for Money

- **Contract Award**
  - To the most advantageous Bid/Proposal
  - Generally subject to the Bank’s review and approval
Key Procurement Provisions: Standstill Period

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.

Send Notification  ➙ Standstill Period ➘ Can award contract now

NUMBER OF BUSINESS DAYS

1  2  3  4  5  6  7  8  9  10  11  12  13

REQUEST DEBRIEF

BORROWER PROVIDES DEBRIEF

INTERESTED PARTY MAY SUBMIT COMPLAINT
Key Procurement Provisions: Complaints

1. **Who can complain?**
   Complainant must be an ‘interested party’

2. **In what circumstances?**
   Circumstances giving rise to the complaint must be relevant to the procurement - there are 3 relevant circumstances (Procurement Documents; Decision to exclude; Decision to award the contract)

3. **When to make the complaint?**
   Complaints must be made in a ‘timely manner’ - Regulations set the time limits that apply

4. **What information must be included?**
   Regulations prescribe what information must be included in the complaint
Key Procurement Provisions: Complaints

- Must be submitted directly to the Borrower
- This is the entity/official designated for that purpose, as detailed in the Procurement Documents
- If sent to the Bank, it will be forwarded to the Borrower
- Must be submitted in writing e.g.:
  - letter
  - email
  - Borrower’s e-procurement system, if applicable
- Complaints tracked, monitored, and expedited by the Bank
Information Sources

- Processes, documents and guidance
  www.worldbank.org/procurement
- UNDB Online – Procurement Opportunities
- World Bank Project Procurement App
- World Bank Finances App
Summary

- PPSD sets the ongoing procurement strategy
- Market approach options considered
- Publication of International opportunities on UNDB
- Selection methods vary, depending on risk/value
- Key procurement provisions, supported by Guidance e.g. VfM, SPP, ALB, etc.

For more detail, please see the Procurement Regulations and supporting documents [www.worldbank.org/procurement](http://www.worldbank.org/procurement)
Conclusion
Conclusion

- Complex organization, operating in different environments

- Focus on Value for Money procurements

- Choice and flexibility to deliver the desired outcome

- Access to information and transparency a key principle
One Key Message

“Lots of opportunities to make a difference in development by being a supplier/contractor in a World Bank financed project”

We look forward to working with you!
Contact for World Bank Procurement Framework:

Enzo de Laurentiis  
Chief Procurement Officer  
elaurentiis@worldbank.org  
Tel: 202 473-0538

Christopher Mark Browne  
Lead Procurement Specialist  
cbrowne1@worldbank.org  
Tel: 202 458-5485

World Bank Group  
1818 H Street NW  
Mail Stop MC 10-1018  
Washington DC 20433  
USA  
Procurement Website