Questions + Answers

The following terms and acronyms are used:

**ALB**= Abnormally Low Bid

**CS** = Consulting Services

**GWNcS** = Goods, Works and Non-consulting Services

**IEP**= Industry Engagement program

**IPF**= Investment Project Financing

**MAP =** Most Advantageous Proposal

**NIA** = Notification of Intention to Award

**NPF** = New Procurement Framework

**PPSD** = Project Procurement Strategy for Development

**RFP**= Request for Proposals

**Regulation** = a numbered paragraph in the [World Bank Procurement Regulations for IPF Borrowers](https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=4005) (Sections I to VII)

**SPD**= Standard procurement document

Webinar 2 for the Private Sector (April 7, 2017): **New Procurement Framework and the new Standard Procurement Documents**

| Topic / | Question | Answer |
| --- | --- | --- |
|  | **Project Procurement Strategy for Development****Q1:** Is a PPSD prepared for each country or for each project?**Q2:** Who prepares the PPSD and at what stage? | **A1:** A PPSD is prepared for each project. The Project Procurement Strategy for Development (PPSD) is a methodology that is used to determine the optimum procurement approach to deliver the right procurement result for the project. For further details and guidance see the [PPSD Long Form Detailed Guidance](http://pubdocs.worldbank.org/en/847531467334322069/PPSD-Long-Form.pdf) and [PPSD Short Form Guidance](http://pubdocs.worldbank.org/en/123601488224013672/PPSD-Short-Form-Final.pdf).. **A2:** The Borrower prepares the PPSD and the procurement plan during the preparation of the Project. The Bank reviews the PPSD and agrees to the procurement plan before the completion of loan negotiations. The procurement plan, approved by the Bank during loan negotiations, is incorporated by reference in the legal agreement, making it legally binding on the Borrower. |
|  | **Notification of Intention to Award (NIA), Standstill Period and Complaints****Q1:** Does NIA apply for the selection of Consulting Services?**Q2:** Will a list of shortlisted firms be released as part of the NIA?**Q3:** Why is the Standstill Period extended when the debriefing has been provided?**Q4:** Whom from the WB should we copy in on a procurement related complaint?**Q5:** Does Standstill Period start from the date of transmission or the date of receipt by the bidders?**Q6:** If revised NIA is issued after a complaint, is the new award subject to a further Standstill Period.**Q7:** Does Standstill Period apply for all procurements?**Q8:** Won’t the NIA, Standstill Period and the new complaints process result in delays in the procurement process especially due to bidders that raise frivolous complaints to delay the award decision?**Q9:** Does NIA and Standstill Period apply for consulting services? | **A1:** Yes. NIA applies for selection of consulting services. In accordance with Regulation 5.75, after initialing of the draft negotiated contract by the successful Consultant, the Borrower shall promptly and simultaneously provide, to each Consultant whose financial Proposal was opened, the NIA to the successful Consultant with whom the Borrower successfully negotiated the contract. **A2:** Yes, the NIA shall include the names of the shortlisted consultants that submitted proposals. Shortlisting of consultants is not subject to a standstill period. NIA only applies upon the Borrower’s decision to award a contract and does not apply to the earlier stages of the procurement process. Borrowers shall continue to also disclose the list of shortlisted consultants at the time of requesting proposals. **A3:** The Standstill Period is not extended where the debriefing is provided in a timely manner. Borrowers are only required to extend the Standstill Period if the debriefing is not provided within 5 business days from the date of receipt of the request for debriefing, for those requests that are received by the Borrower within the deadline of 3 business days. The reason for such an extension is to allow bidders time after the debriefing to determine whether or not they wish to submit a complaint before the expiry of the Standstill Period.**A4:** Complaints shall be submitted to the Borrower’s entity that is responsible for the procurement. The point of contact in the Bank is the Task Leader for the Project. For more information, refer to the Procurement Regulations for Borrowers Annex III- Procurement Related Complaints. .**A5:** The Standstill period starts upon the Borrower’s transmission of the NIA to the bidders/proposers/consultants.**A6:** No. Where the Borrower’s award decision is changed following a complaint, the Borrower’s new award decision is not subject to a further NIA and Standstill Period.**A7:** Standstill period is required for International Competitive Procurement where the Bank’s SPDs are required to be used. Borrowers may however apply a Standstill Period when approaching the national market following national procedures if such national procedures provide for a Standstill Period. In addition, the Standstill Period does not apply in the following situations: (i) where only one bid/proposal was submitted in an open competitive process; (ii) direct selection; (iii) a call off process among firms holding Framework Agreements; and (iv) emergency situations recognized by the Bank.**A8:** We don’t expect the NIA, Standstill Period and the new complaints process to result in major delays. The Procurement Regulations bring discipline for both Borrowers and bidders by, for example: (i) establishing business standards for procurement related complaints, (ii) clarifying requirements for procurement related complaints, roles and responsibilities, etc. Frivolous complaints should be quickly identified and addressed without further delaying the process.**A9:** Yes. NIA and Standstill Period apply for the selection of consultants for those procurements that are internationally advertised and subject to the use of Bank’s SPDs. |
|  | **Abnormally Low Bids****Q1:** Is the methodology for identifying a potentially ALB specified in the SPDs?**Q2:** Is it only the Borrower that identifies and verifies a potential ALB?**Q3:** Why is ALB not applied for consulting services and when will it apply? | **A1:** No. The SPDs only specify the procedure for identification and treatment of a potential ALB as part of the evaluation. The methodology for identifying ALB is not specified in the SPDs. For further information on handling ALB refer to [Guidance: Identification and Treatment of Abnormally Low Bids and Proposals](http://pubdocs.worldbank.org/en/780841478724671583/Guidance-on-ALB-FINAL.pdf). **A2:** The Borrower is primarily responsible for identifying and determining a potential ALB as part of the evaluation of bids / proposals. The Bank may, as part of its Prior Review, advise the Borrower to conduct further due diligence if there are concerns that a potential ALB has not been identified by the Borrower. **A3:** ALB is not applied to consulting services at this stage. We believe that the risk of ALB is to a great extent mitigated through the use of the main selection methods such as QCBS (which give a very high weight to technical aspects compared to price) and QBS. For the future, we will look into the possibility/feasibility of application of ALBs to consulting services.  |
|  | **Probity Assurance Provider****Q1:** Who can be appointed as a Probity Assurance Provider? **Q2:** Who will pay for Probity Assurance? | **A1:** A Probity Assurance Provider is appointed by the Borrower. The Probity Assurance Provider is an independent third party that provides specialist probity services for concurrent monitoring of the Procurement Process. The provider is therefore expected to be independent and acceptable to both the Borrower and the Bank. The specific qualification requirements will be specified in the terms of reference for each such assignment.**A2:** The Borrower is expected to employ Probity Assurance Providers and pay for their services.  |
|  | **BAFO and Negotiations****Q1:** If there are 5 bidders, is it necessary to negotiate with all five bidders? **Q2:** How much room for change in price and scope is allowed during negotiations following international competitive procurement? Does a 15% limit apply?**Q3:** Under BAFO can the bidder/proposer revise their technical proposal/bid? | **A1:** The Procurement Regulations only provide for negotiations with the bidder/proposer offering the MAP and then moving to the next MAP if the outcome is unsatisfactory or an agreement is not reached. Simultaneous negotiation with multiple proposers/bidders is not allowed.**A2:** There is no predefined limit to the change in price when the option of negotiation is adopted during international competitive procurement. Negotiations may involve terms and conditions, price, and/or social, environmental, and innovative aspects, as long as they do not change the minimum requirements of the Bid/Proposal.**A3:** Under a BAFO, bidders/proposers may improve their technical bids/proposals but are not allowed to change their technical bid/proposal in a material way. |
|  | **Alternative solutions****Q1:** If an offer is not technically compliant, but functionally compliant (so offering another solution than requested, but still providing the requested function/outcome) and the Borrower accepts it, can we assume that the World Bank will have no issue with this?  | **A1:** This would be determined on a case by case basis, depending on the requirements specified in the bidding/request for proposals documents. |
|  | **SPD User Guides****Q1:** Where can we find users guides to the SPDs? | **A1:** The SPD user guides are being prepared and will be available by July 2017 on the Bank’s external website.  |
|  | **Prequalification and Initial Selection****Q1:** The RFB SPDs for Plant and RFB Large works allow procurement without prequalification. Such procurement without prequalification discourages bidders, particularly if it is a major project or design build project where the cost of proposal / bid is high. Could this be reviewed? | **A1:** For procurement of Plant and Large Works, the current approach allowing procurement with or without prequalification will be maintained. Whether or not a prequalification is to be carried out will be determined on a case by case depending on the risk, the nature of the market, the complexity of the procurement etc. The RFP SPD for Design and Build (D&B) is still being developed and it is likely that Borrowers will be required to initially select proposers when doing D&B procurement. |
|  | **Risk Based Approaches under the NPF****Q1:** Under the NPF, there is an increased emphasis on risk-based approaches. Can you expand on what this means in more detail? **Q2:** We welcome the reforms under the NPF. How will the Bank ensure that there’s meaningful response to this reform e.g. how do you ensure that the debriefing is timely and meaningful? | **A1:** The Procurement Arrangements of the project and the Bank’s implementation support and monitoring are determined based on the procurement risk of the project. As detailed in the [Procurement Procedure](https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=4004&ver=current), the level of the Bank’s prior review for each project is determined based on project procurement risk. Higher risk projects have lower thresholds for the Bank’s prior review. In addition, projects in risky environments such as situations of fragility and conflict are eligible for the Bank’s procurement hands-on expanded implementation support. Risky procurement approaches such as the use of BAFO, Competitive Dialogue and Negotiations are subject to independent Probity Assurance and the Bank’s Prior Review irrespective of the contract value.**A2:** As explained above, the Bank tailors its due diligence and implementation support based on the project risk and complexity. Riskier projects and approaches are subject to more due diligence than lower risk ones. Other measures include e.g. (i) failure to address complaints in accordance with applicable requirements may be considered noncompliance that is subject to appropriate Bank’s action,(ii) for international competitive procurement subject to the Bank’s prior review, Borrowers are required to provide a summary of the debriefing to the Bank, (iii) the new STEP system enables the Bank to more effectively monitor the procurement process etc. |
|  | **Framework Agreements****Q1:** When will the framework contracts document be available and how will it be used?  | **A1:** The SPD for framework agreements is being developed and is planned to be available by end of October 2017.A framework agreement is an agreement with one or more firms that establishes the terms and conditions that will govern any contract awarded during the term of the framework agreement (a call-off contract). The terms and conditions will usually include the fee rate, charge rate or pricing mechanism. Framework agreements may be established for the anticipated procurement of GWNcS or CS, as and when required by Borrowers, over a specified period of time. A framework agreement does not commit either party to procure or supply. Once established, a framework agreement provides a fast and efficient way to procure Goods, Works or Non-consulting Services. The Procurement Regulations also allow Borrowers to finance GWNcS or CS from existing framework agreements if they are consistent with the Core Procurement Principles. |
|  | **Engagement with Industry****Q1:** Are there open discussions with Industry before the procurement is completed or the procurement document issued? | **A1:** Generally the NPF encourages Borrowers to have more open discussions with the industry before and during the procurement process. The specific approach will vary depending on the complexity, risk, value and the nature of the industry. Complex procurement may require more upfront discussions with industry. This may take place through multiple stage procurement or during the preparation of the PPSD. The NPF also allows the Bank to engage with industry under the [Industry Engagement Program](http://www.worldbank.org/en/projects-operations/products-and-services/brief/industry-engagement-program) to identify ways to resolve key procurement issues in target areas and tailor and adapt processes, approaches and guidance to address them. The IEP Program is designed to work closely with sector experts (both client and supply side) to identify and fix recurring procurement problems in World Bank financed projects, with the goal of achieving improved procurement and development outcomes |
|  | **Business Days****Q1:** For international Bids how will Business Days be calculated? | **A1:** In accordance with the Procurement Regulations, a Business Day is any day that is an official working day of the Borrower. It excludes the Borrower’s official public holidays. |
|  | **SOE Eligibility****Q1:** Given the changes to the eligibility of SOEs under the NPF, are Borrowers required to advise all bidders during the procurement process whether SOEs will be eligible? | **A1:** Eligibility requirements are specified in the Procurement Regulations and continue to be specified in the SPDs. This enables the eligibility requirements to be disclosed upfront in the request for bids/request for proposals documents issued by Borrowers.  |
|  | **Payment Methods****Q1:** Under the NPF, is the use of Direct Payment being expanded e.g. can it be mandated where the bidder / proposer requests it?**Q2:** Have any changes been introduced in the use of letters of credit? | **A1:** Under existing provisions, direct payment (DP) is one of the disbursement methods that is processed at the Borrower’s request. The Bank is currently reviewing the feasibility of expanding its use.**A2:** The SPDs continue to include the use of letters of credit as the preferred option in international competitive procurement of Goods and Plant. |
|  | **Two Envelope Option****Q1:** Use of a two envelope system saves time because only the prices of substantially responsive bidders are opened and evaluated. Given these benefits including not compromising transparency, could the Bank scale up its use? | **A1:** The Procurement Regulations now allow Borrowers the option to use one envelope or two envelope systems. The appropriate option for a particular procurement will be determined on a case by case basis depending on the circumstances of the procurement. |
|  | **Bid Preparation and Submission****Q1:** What is the minimum time allowed for bid preparation in international competitive procurement?**Q2:** Under the NPF, can bids/proposals be submitted electronically e.g. by email? | **A1:** Borrowers are required to allow sufficient time for preparation and submission of bids taking into consideration the particular circumstances of the project and the magnitude, risk and complexity of the procurement. Regulation 5.36 establishes a minimum of 30 business days for international competitive procurement.**A2:** Regulation 5.8 allows Borrowers to use electronic procurement systems (e-Procurement) for aspects of the Procurement Process, including: issuing Procurement Documents, and addenda, receiving Applications/quotations/Bids/Proposals, and carrying out other procurement actions, provided the Bank is satisfied with the adequacy of the system, including its accessibility, security and integrity, confidentiality, and audit trail features. |
|  | **Fit for Purpose Core Procurement Principle****Q1:** The term "fit for purpose" has unique ties in the US to the US Commercial Code. Recommend this be distinguished from term use in the WB SBDs.? | **A1:** In the context of the Bank’s NPF and as defined in the Bank’s [Procurement Policy](https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=4002), fit for purpose means that in determining the most appropriate procurement approach to meet the project development objectives and outcome, one should take into account the context, risk, value, and complexity of the procurement. |
|  | **SPD Forms and Conditions of Contract****Q1:** What changes have been made to the conditions of contract?**Q2:** Are there any differences in the technical and financial forms in the new SPDs? | **A1:** There have not been major changes to the Conditions of Contracts except for areas such as expansion of value engineering and enhancements to drive performance improvements in Environmental, Social and Health and Safety management in Works.**A2:** For consulting services there are no major modifications are made but for GWNcS there are some changes to the forms depending on the specific SPD. |
|  | **RFP for GWNcS****Q1:** The RFP for GWNcS is essentially is based on a QCBS approach. Why is LCS not included?**Q2:** When following RFP selection method, what are the limits for technical and financial weights?**Q3:** As is the case with consulting services selection where NGOs may be shortlisted with commercial entities when QBS is adopted, does RFP for GWNcS require use of QBS when SOEs are eligible? | **A1:** LCS like approach is not included with RFPs for GWNcS because the RFB method normally uses a least cost approach and is appropriate for standard procurement where conformance specifications can be clearly defined and bidders will not be rewarded for exceeding the minimum requirements. Use of the RFP offers greater flexibility in designing a fit-for-purpose process that is proportional to nature, risk, value and complexity of procurement. It rewards proposals that exceed minimum requirements and demonstrate best overall VfM through use of rated criteria to select the best combinations of quality and cost. It is therefore appropriate to use the RFP with a QCBS like approach rather than an LCS like approach. **A2:** For GWNcS, the Procurement Regulations state that the weight to be assigned to quality should generally not exceed 30% but it may be set as high as 50% to achieve VfM. As the practice of the application of rated criteria to GWNcS evolves, we will consider reviewing this. The RFP also provides for ALB which mitigates the risk of unreasonably low prices. **A3:** The Conditions for eligibility of SoE make them almost a commercial entity in which case they are comparable with and can compete fairly with commercial entities. Therefore rated criteria combining quality and cost applies when the RFP SPD is used even where SOEs are included. |
|  | **Publication of Procurement Opportunities****Q1:** Do the procurements in the project and operations section in WBG website include all the procurement notices on the projects that were announced in eConsultant2 and UN Development Business? | **A1:** The Procurements notices in the project and operations section in WBG website are also published in the UN Development Business. However the notices in this section do not include those published through eConsultant2. eConsultant2 relates to the Bank’s internal corporate procurement regime, where the Bank is procuring services for the Bank, as opposed to a Borrower procuring services for a development project that is financed through IPF.  |