Agenda

- World Bank – Facts and Figures
- Modernized Procurement Framework (WBPF)
  - Core principles
  - Contract Management
  - Complaints Handling
- Finding bidding opportunities
  - Overview of Lending Portfolio/Procurements
- Best practice in planning and making a bid
- Conclusions
World Bank – Facts and Figures

- Multilateral Development Bank
- Most Government’s represented
- Bank funds over 1,800 investment projects in 172 countries
- Procurement portfolio worth about US$44 Billion in total
- Annual procurement’s circa US$15 to $20 Billion
- Bank’s procurement system started over 50 years ago
- New modernized Procurement Framework based on feedback from 5,000 people around the World
- Great Apps for finding bidding opportunities/information
- 250 procurement staff in 72 countries support projects
Modernized World Bank Procurement Framework (goes live in 2016)
Core Procurement Principles

- **Value for money**
  - is the effective, efficient, and economic use of resources
  - requires an evaluation of relevant costs and benefits, along with an assessment of risks, and non-price attributes and/or life cycle costs, as appropriate

- **Economy**
  - takes into consideration factors such as sustainability, quality, and non-price attributes and/or life cycle cost as appropriate, that support value for money
  - permits integrating into the Procurement Process economic, environmental, and social considerations
  - permits augmenting identified sustainability criteria with specific criteria in support of the borrower’s own sustainable procurement policy
Core Procurement Principles

- Integrity
  - refers to the use of funds, resources, assets and authority, according to the intended purposes
  - Bank requires that all parties involved in the Procurement Process, observe the highest standard of ethics during the Procurement Process of Bank-financed contracts, and refrain from fraud and corruption

- Fit for purpose
  - applies both to the intended outcomes and the procurement arrangements in determining the most appropriate approach

- Efficiency
  - requires Procurement Processes to be proportional to the value and risks of the underlying project activities
Core Procurement Principles

➢ Transparency
  ➢ the Borrower and the Bank enable appropriate review of the procurement activities, supported by appropriate documentation and disclosure
  ➢ that relevant procurement information be made publicly available to all interested parties, consistently and in a timely manner, through readily accessible and widely available sources at reasonable or no cost
  ➢ appropriate reporting of procurement activity
  ➢ the use of confidentiality provisions in contracts only where justified

➢ Fairness
  ➢ equal opportunity and treatment for bidders and consultants
  ➢ equitable distribution of rights and obligations between borrowers and suppliers, bidders, consultants and contractors
  ➢ credible mechanisms for addressing procurement related complaints and providing recourse
Key Features Based on Business Feedback

- Project Procurement Strategy for Development (PPSD)
  - Fit for purpose, proportional procurement, to reflect market dynamics
- Modern procurement methods
  - VfM, market engagement, competitive dialogue, negotiation, BAFO’s, ALT
- More hands on support from the Bank
  - Low capacity/critical situations, Bank staff can provide more help
- Contract management
  - KPI setting, regular review by Bank, focus on most complex procurements
- Enhanced complaints management
  - Business standards, standstill periods/pauses, reporting/expediting
Key Features Based on Business Feedback

- **Integrity and transparency**
  - More tailored integrity management, new IT system to track procurements and report progress/provide more information to bidders

- **Sustainable procurement**
  - At the Borrower’s request, applied during procurement process

- **Alternative procurement arrangements**
  - Other development partners and Borrower implementing agencies, assessment methodology that needs testing/refining

- **Strategic private sector engagement**
  - Target key sectors to identify specific actions to improve procurement
Contract Management and Complaints Handling System
Bank Involvement in Contract Management

- Contract management approach detailed in PPSD
- Key Performance Indicators (KPIs) to be set that include regular review by Bank procurement staff
- Contract management reviews will involve discussion with clients and contractors/suppliers – discussing KPIs
- For high value/high risk procurements subject to the Operational Procurement Review Committee (OPRC) review, progress will be reported periodically to the OPRC
Contract Management Planning

- Contract management plan covers:
  - Risk management
  - Roles and responsibilities
  - Relationship management (communication and reporting procedures)
  - Key terms and conditions
  - Key milestones and payment provisions
  - Deliverables and KPIs
  - Contract administration (Variation and change control, record keeping)
Enhanced Complaints Handling

- Bank will be more involved in complaints handling through:
  - Centrally monitoring procurement related complaints
  - More support to Task Teams on complaints handling
  - Borrowers required to copy all complaints to the Bank and to resolve them appropriately and in a timely manner
  - Business standards and measures for tracking complaints established – with non-compliance actions available

- More streamlined complaints submission by bidders/consultants through provision of:
  - A standstill period to submit their complaint before the borrower proceeds to signing the contract in all cases;
  - A standstill period following the notification of the results of technical evaluation for consultants to complain before opening of the financial proposals
  - Debriefings by borrowers within standstill period
Standstill Period (SP)

- Period within which to complain (and still be able to influence the award decision)

SP commences on the day following the transmission of the Notice of Intention to Award to all Bidders (i.e. 1 minute past midnight)

SP expires at midnight on the last day

<table>
<thead>
<tr>
<th>Transmit Notices of Intention to Award</th>
<th>Standstill Period (minimum 10 Business Days)</th>
<th>Award the contract (sometime after this day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUMBER OF BUSINESS DAYS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Standstill Period

- Late debrief and extended SP

Original Standstill Period (minimum 10 Business Days) or

- Period within which Bidder can request a debrief
- Period within which Borrower must provide debrief

Extended Standstill Period ➔

- Late debrief (say 4 days late)
- Extended end date for the SP
Benefits of the new Procurement Framework for suppliers and contractors

- Much more focus on suppliers and contractors:
  - How best to engage with you, how to motivate you, how to persuade you to bid on procurements
- Opportunities for more dialogue and engagement
- Ability to offer innovative solutions to meet needs
- More efficient procurement approaches
  - In general due to use of fit for purpose procurement approaches and methods
  - By appropriate Borrowers receiving hands on implementation support from Bank staff, to fix any problems before they start
- Prompt handling of complaints and issues
- Standstill periods to fix any problems, before award
- Supports modern, collaborative procurement practices
Overview of Lending Portfolio/Procurements
Investment Project Cycle

- Country Partnership Framework
- Loan Negotiations
- Loan Approval & Signing
- Project Appraisal
- Project Preparation
- Project Supervision
- Implementation
- Evaluation

**Joint activity**

**World Bank activity**

**Borrower activity**
Top areas of spend in FY15

- Transport & ICT: 33%
- Water: 19%
- Energy & Extractives: 18%

Source: AO: BI – Information as of November 10, 2015
## FY15 Top Ten Borrowers

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Country</th>
<th>IBRD</th>
<th># of Projects</th>
<th>% of Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>India</td>
<td>1,956,497,240</td>
<td>55</td>
<td>31.2%</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>818,316,068</td>
<td>72</td>
<td>13.0%</td>
</tr>
<tr>
<td>3</td>
<td>Egypt, Arab Rep</td>
<td>775,022,496</td>
<td>12</td>
<td>12.3%</td>
</tr>
<tr>
<td>4</td>
<td>Brazil</td>
<td>335,617,861</td>
<td>42</td>
<td>5.3%</td>
</tr>
<tr>
<td>5</td>
<td>Serbia</td>
<td>275,134,354</td>
<td>10</td>
<td>4.4%</td>
</tr>
<tr>
<td>6</td>
<td>Lebanon</td>
<td>251,887,723</td>
<td>9</td>
<td>4.0%</td>
</tr>
<tr>
<td>7</td>
<td>Indonesia</td>
<td>245,881,734</td>
<td>14</td>
<td>3.9%</td>
</tr>
<tr>
<td>8</td>
<td>Argentina</td>
<td>180,938,894</td>
<td>13</td>
<td>2.9%</td>
</tr>
<tr>
<td>9</td>
<td>Philippines</td>
<td>167,297,788</td>
<td>11</td>
<td>2.7%</td>
</tr>
<tr>
<td>10</td>
<td>Azerbaijan</td>
<td>144,989,729</td>
<td>14</td>
<td>2.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>6,277,254,345</strong></td>
<td><strong>533</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: OA: Procurement Contract Detail - Additional Selections 11/12/2015
## FY15 Top Ten Supplier Countries

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Supplier Country</th>
<th>Amount US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>India</td>
<td>2,093,095,579</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>1,741,852,054</td>
</tr>
<tr>
<td>3</td>
<td>Italy</td>
<td>892,831,913</td>
</tr>
<tr>
<td>4</td>
<td>Vietnam</td>
<td>382,559,285</td>
</tr>
<tr>
<td>5</td>
<td>Spain</td>
<td>373,661,429</td>
</tr>
<tr>
<td>6</td>
<td>Nigeria</td>
<td>352,845,233</td>
</tr>
<tr>
<td>7</td>
<td>Brazil</td>
<td>341,242,330</td>
</tr>
<tr>
<td>8</td>
<td>France</td>
<td>276,324,775</td>
</tr>
<tr>
<td>9</td>
<td>Afghanistan</td>
<td>265,142,319</td>
</tr>
<tr>
<td>10</td>
<td>Serbia</td>
<td>205,743,894</td>
</tr>
<tr>
<td>Ranking</td>
<td>Supplier Name</td>
<td>Supplier Country</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>1</td>
<td>Sew Infrastructure</td>
<td>India</td>
</tr>
<tr>
<td>2</td>
<td>GMR Infrastructure Limited (GMR)</td>
<td>India</td>
</tr>
<tr>
<td>3</td>
<td>Ansaldo Caldaie S.P.A.</td>
<td>Italy</td>
</tr>
<tr>
<td>4</td>
<td>Alstom Ferroviaria S.P.A.</td>
<td>Italy</td>
</tr>
<tr>
<td>5</td>
<td>China Civil Engineering Construction Corporation (CCECC)</td>
<td>China</td>
</tr>
<tr>
<td>6</td>
<td>Cooperativa Muratori &amp; Cementisti</td>
<td>Italy</td>
</tr>
<tr>
<td>7</td>
<td>Corsan Corviam Construccion S.A</td>
<td>Spain</td>
</tr>
<tr>
<td>8</td>
<td>United Nations Children's Fund -UNICEF</td>
<td>UN Agency</td>
</tr>
<tr>
<td>9</td>
<td>KNR Constructions Ltd</td>
<td>India</td>
</tr>
<tr>
<td>10</td>
<td>Oberthur Technologies</td>
<td>France</td>
</tr>
</tbody>
</table>
FY15 Top Ten Active Projects

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Country</th>
<th>Amount US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>P131765</td>
<td>Eastern Dedicated Freight Corridor</td>
<td>India</td>
<td>824,697,889</td>
</tr>
<tr>
<td>2</td>
<td>P117407</td>
<td>EG - Helwan South Power Project</td>
<td>Egypt, Arab Republic of</td>
<td>370,165,874</td>
</tr>
<tr>
<td>3</td>
<td>P143751</td>
<td>Second Tamil Nadu Road Sector Project</td>
<td>India</td>
<td>266,479,905</td>
</tr>
<tr>
<td>4</td>
<td>P152359</td>
<td>Ebola Emergency Response Project</td>
<td>Western Africa</td>
<td>252,491,599</td>
</tr>
<tr>
<td>5</td>
<td>P121507</td>
<td>Dasu Hydropower Stage I Project</td>
<td>Pakistan</td>
<td>248,274,632</td>
</tr>
<tr>
<td>6</td>
<td>P101103</td>
<td>Egypt National Railways Restructuring Project</td>
<td>Egypt, Arab Republic of</td>
<td>247,987,061</td>
</tr>
<tr>
<td>7</td>
<td>P103063</td>
<td>LB- Greater Beirut Water Supply</td>
<td>Lebanon</td>
<td>238,865,320</td>
</tr>
<tr>
<td>8</td>
<td>P129663</td>
<td>System Enhancement for Health (SEHAT)</td>
<td>Afghanistan</td>
<td>214,905,059</td>
</tr>
<tr>
<td>9</td>
<td>P130865</td>
<td>NG-Polio Eradication Support</td>
<td>Nigeria</td>
<td>190,610,799</td>
</tr>
<tr>
<td>10</td>
<td>P121185</td>
<td>National Highways Interconnectivity Improvement Project</td>
<td>India</td>
<td>179,895,224</td>
</tr>
</tbody>
</table>
Finding Business Opportunities
World Bank Procurement App

- The App provides:
  - Procurement data on major contract awards
  - Allows the public to explore complex datasets
- The App enables the public to look at:
  - Ratios
  - Trends
  - Supplier Rankings
- Easily accessible menus and filters make it easy to mix and match at many levels of aggregation
- Enables the public to easily explore large amounts of data
- Includes an email feature that imports charts, figures, and tables into email messages
- The App is available for iPad and is being developed for iPhone/Android
- The App can be downloaded at the Apple Store for free
World Bank Group Finances App

- Allows users to quickly access Bank portfolio of projects, finances, and procurement data:
  - Access in one of nine different languages (Arabic, Bahasa Indonesia, Chinese, English, French, Hindi, Portuguese, Russian, and Spanish) from any place in the world
  - Locate the projects in your neighborhood financed by the Bank, including the major awarded contracts
  - Receive Procurement/Tender Notices and follow business opportunities in more than 100 countries
  - Get updates on pending projects in the pipeline, as well as latest approved projects
  - Check the disbursements data, updated monthly, and the contributions to Trust Funds
  - Engage with the Bank by sharing, following its projects and investments, or reporting back
World Bank Group Finances App

Financials
Donor
9.36 million contributed
Beneficiary
1,119.41 million disbursed
612.79 million undisbursed

Projects
Active Projects 32
Projects in Pipeline 3

Procurement
Contracts 1900
Procurement Notices 15

- In millions of US$ equivalent, rounded to 2 decimal places. Less than US$ equivalent 5,000 displayed as 0.00.
- Based on unaudited data.
- The fiscal year begins on July 1st of the previous year and runs through June 30th of the designated year.
More data available in 2016 - STEP

System

Systematic Tracking of Exchanges in Procurement

Framework

- Performance
- Risk
- Approach to market
- System Integration
- Open Contracting

Function

- Portfolio Monitoring
- Procurement Planning
- Activity Tracking
- Reporting and Analytics
- Transparency
STEP helping to procure better
More information on:

- **Life cycle tracking**
  - Records all contracts
  - Tracks all performance

- **Risk identification**
  - Identifies risks at activity level
  - Helps inform risk assessment

- **Integrity scanning**
  - Verifies supplier eligibility
  - Reduces risk of ineligible payments

- **Bidding information**
  - Captures competition data
  - Facilitates market analysis

- **Transparency**
  - Automates publication of data
  - Enables open contracting

- **Legacy integration**
  - Migrates existing data
  - Staging area for client systems

- **Monitoring & reporting**
  - Simplifies access to data
  - Enhances analytics
New reporting will be available:

- **Performance Data**
  - Process delays by the Client
  - Review delays by the Bank
  - Contract delays by Party

- **Task Management**
  - Portfolio: All Projects
  - Project: All Procurement Plans
  - Activity: All bid activities

- **Risk Identification**
  - Activity level risk
  - Dynamic recording
  - Supplier risk alerts

- **Market Intelligence**
  - Bidding data for all activities
  - Information on all bidders
  (Name, country, bid amounts, ranking etc.)
Best Practice in Planning and Making a Bid
General Considerations

- Huge and diverse portfolio, so target efforts
- We drive a structured approach to procurement
- Procurement is led by the Borrower, NOT the Bank
- Four broad procurement systems:
  - International Competitive Bidding
  - National Competitive Bidding
  - Procurement systems of another MDB/bilateral
  - Borrowers arrangements, in full if assessed and acceptable
- Tailor procurement approaches to countries, projects and markets
- Contract is with the Borrower, not the Bank, under their legal framework (international arbitration if ICB)
- Zero tolerance for Fraud and Corruption (public debarment)
Role of Bank Staff Role in Procurement

- Assess Borrower’s public procurement system, procurement capacity of project implementing agency, and mitigate potential procurement risks
- Support improving overall procurement system (capacity)
- For specific projects, set the procurement rules, and processes
- Assist borrower in preparing the PPSD and the Procurement Plan
- Provide procurement training, knowledge, and share best practice
- Supervise project/program (on a prior, and/or post review basis)
- Provide implementation support where appropriate (hands-on support to help in low capacity situations)
- Support contract management by reviewing KPIs
- Monitor compliance with Loan/Credit Agreement and Procurement Plan
Borrower’s Role in Procurement

- Lead the procurement using the Banks rules or other system agreed
- Prepare PPSD and Procurement Plans
- Advertise upcoming bidding opportunities
- Prepare and issue bidding/proposal documents
- Receive and evaluate bids/proposals
- Award contracts
- Implement contract; pay supplier/contractors/consultants
- Monitor compliance with Legal Agreement and Procurement Plan
- Arrange for project/program audit
Good Advice

➢ Be informed about the country, project, processes, and competition:
  ➢ Determine areas of focus, countries/procurement type etc.

➢ Consider how you will respond to project needs

➢ Identify local partners and others for any joint ventures

➢ Previous technical and country experience is usually critical

➢ Understand local customs, laws, markets

➢ Respond substantially to technical specifications

➢ Submit timely and high-quality bids

➢ Contact the Implementing Agency to address any need for clarifications or other concerns

➢ Make use of country trade missions/Executive Director team
Preparing the Proposals

- Make a pre-proposal visit (if indicated in RFP)
- For consultant services - address Terms of Reference fully
- For Goods, Works, Services etc. respond substantially to technical specifications
- Emphasize methodology for delivery – innovate if you can
- Propose a strong Project Manager and qualified experts
- Cite relevant technical and regional experience similar to the assignment – more significant and similar the better
- Involve national partner consulting firms or individual consultants, consider joint ventures
- Don’t deviate from standard RFP forms/conditions
Preparing the Proposals

➢ No conditionalities: conditionalities 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 ensuring all supporting documents included, signed by authorized individual

➢ Carefully review qualification and evaluation criteria:
  Failure to satisfy qualification criteria (including SOE eligibility criteria) results in high bid rejection rate
Final checks before submission

- Amount, validity and text of Bid Security
- Signatures and power of attorney
- Joint venture agreement enclose
- References enclosed
- Discounts in covering letter or appropriate place as specified in the bidding/proposal document
- Marking of 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
- Bids not signed
- JV partner as bidder in another bid
- Conflict of interest
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
  - The record is 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 months, as in certain cases the evaluation of bids requires more time than originally expected.
Conclusions
Conclusion

- Large and diverse procurement portfolio
- Support some of the World’s most complex procurements
- Examine our rich information system to identify potential opportunities
- Modernizing approach/parallel running of old system
- Support change in some challenging places/projects
- Great business opportunities available
- Strategy for geographic diversification, Bank projects provide a safety net/opportunity to build new markets
- Need great supplier and contractors to help us deliver the development results the World needs – help us out
Contact for World Bank Procurement Framework:

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1818 H Street NW  
Washington DC 20433  
USA  
Mail Stop MC 10-1018  
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[cbrowne1@worldbank.org](mailto:cbrowne1@worldbank.org)  
[Procurement Website](https://www.worldbank.org)

Enzo de Laurentiis  
Manager, Operational Procurement  
Tel: 202 473-0538  
[elaurentiis@worldbank.org](mailto:elaurentiis@worldbank.org)
Additional detail if needed: