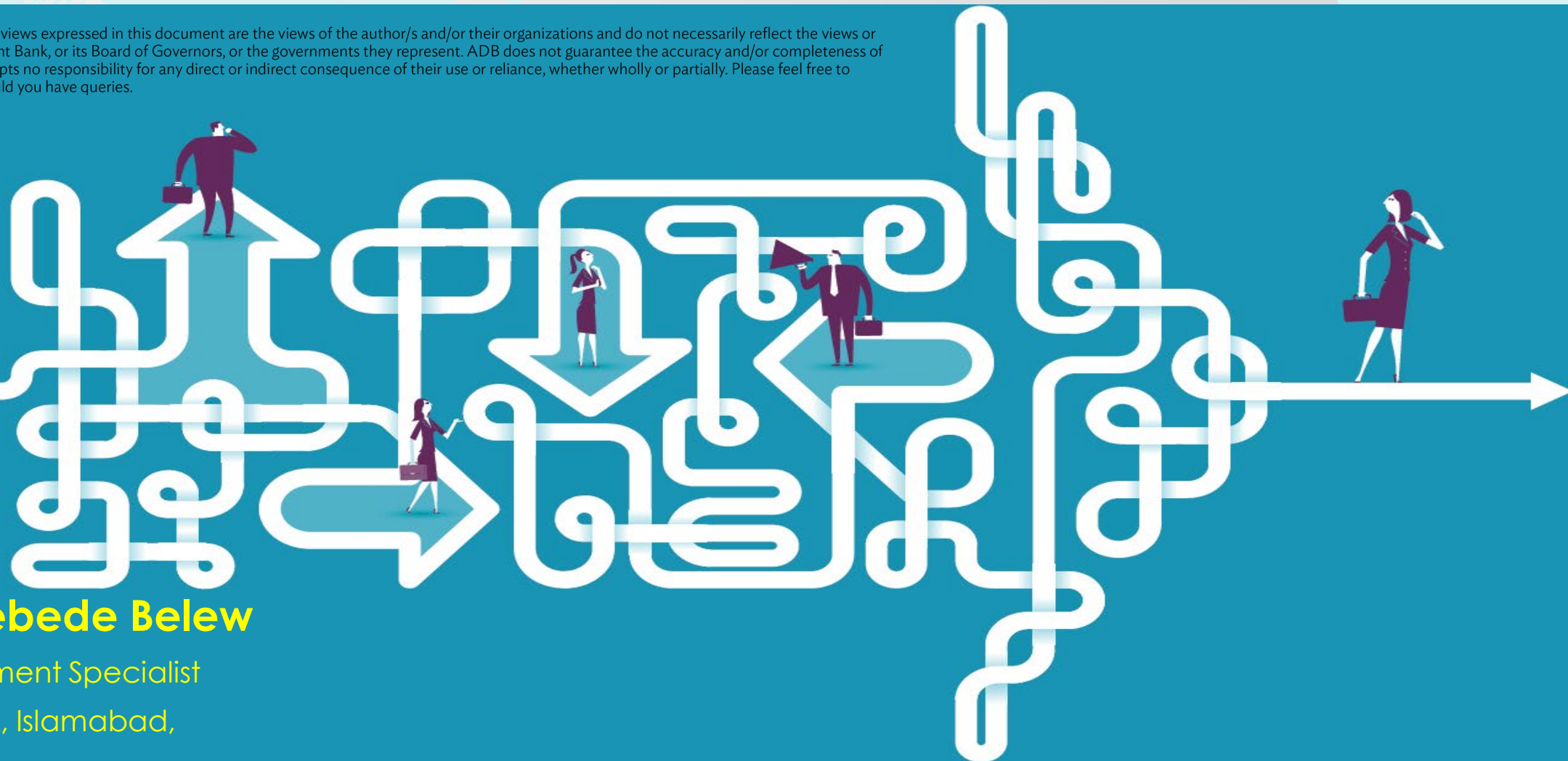


Overview of the World Bank

Procurement Procedures (Goods, Works, Consulting and Non-Consulting Services) Pakistan

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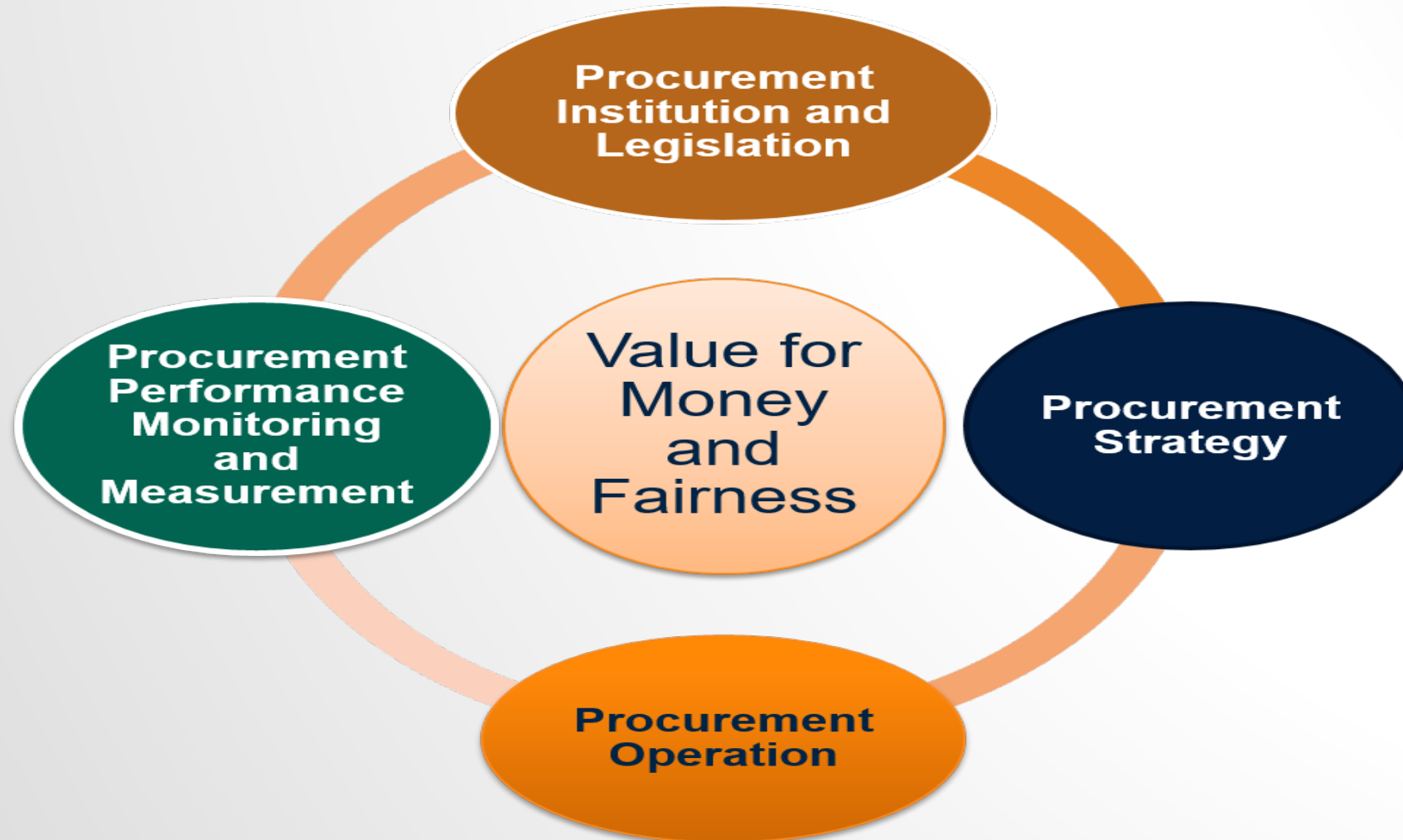
Ayalew Kebede Belew

Senior Procurement Specialist

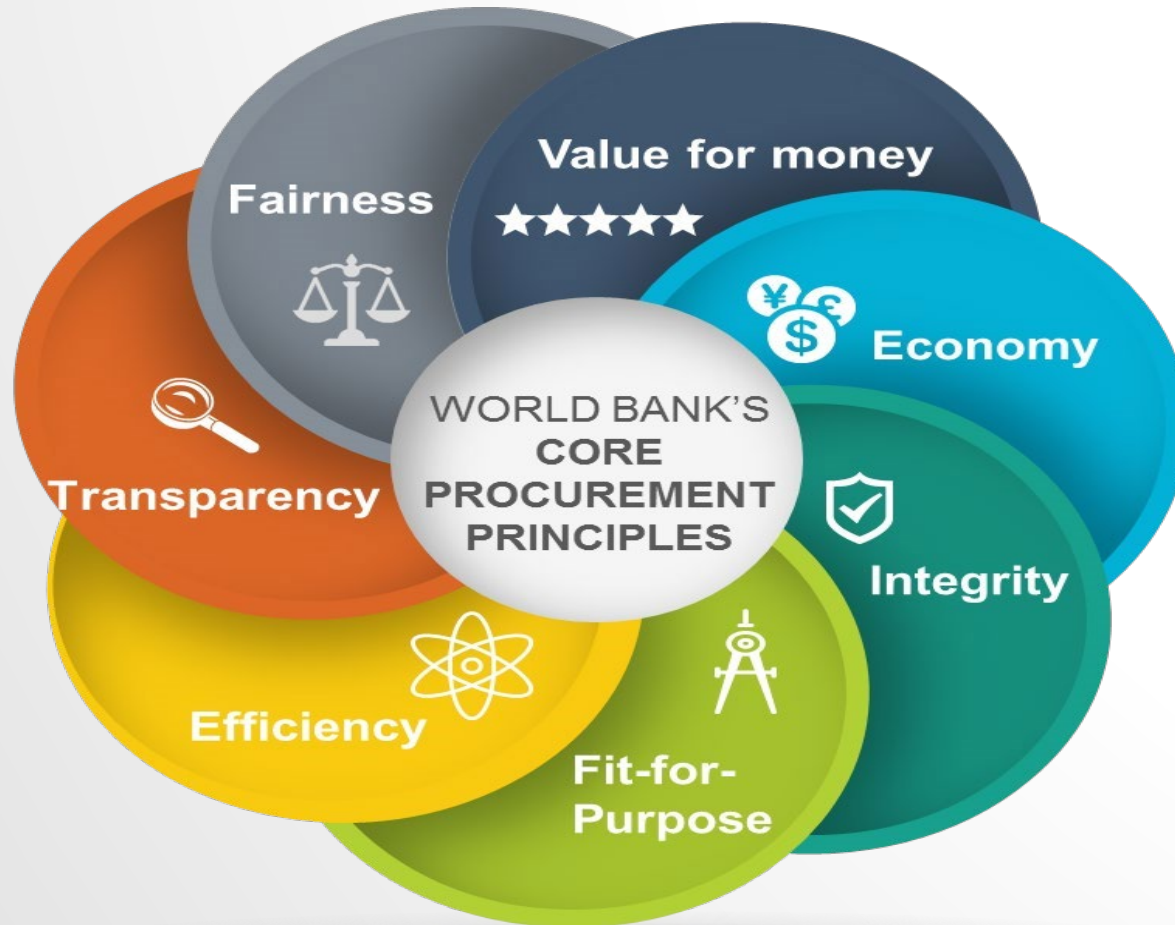
The World Bank, Islamabad,
June 3, 2024

PUBLIC PROCUREMENT MANAGEMENT SYSTEM, PRINCIPLES AND OBJECTIVES

PUBLIC PROCUREMENT MANAGEMENT SYSTEM MODEL



WORLD BANK CORE PROCUREMENT PRINCIPLES



PROCUREMENT OBJECTIVES AND PRINCIPLES OF MATERIALITY

- The Three Materiality principles to resolve deviations, reservations and omissions derived from the central objective of Procurement.
- A deviation, reservation or omission is considered material only if:-
 - It substantially affects the scope and quality of the Product.
 - It substantially affects the right of the Employer.
 - If corrected, it substantially affects the competitive position of other bidders.

BANK KNOWLEDGE AND FINANCING SERVICES, AND FINANCING INSTRUMENTS

- Knowledge/Technical Assistance Services
 - Advisory Services and Analytics(ASA)
 - Reimbursable Services and Analytics(RSA)
- Finance-(Loans, Credits, Grants and Guarantees)
 - Development Policy Financing (DPF)
 - Program for Results (PforR)
 - Investment Project Financing (IPF)

APPLICABLE REGULATIONS, GUIDELINES AND STANDARD PROCUREMENT DOCUMENTS

- ❑ Development Policy Financing(DPF)
 - Paid upon fulfilment of policy actions. Use Government procurement procedures and SBDs.
- ❑ Program for Results(PforR)
 - Paid for results. Use Government procurement procedures and SBDs with enhancements through DLIs, PAP, POM and FA.
- ❑ Investment Project Financing(IPF)
 - Paid for eligible expenditures. Use WB procurement procedures and SPDs except as specifically permitted for use of national procurement procedures.
 - National procedures may be used fulfilling certain conditions provided in the Guidelines/Regulations

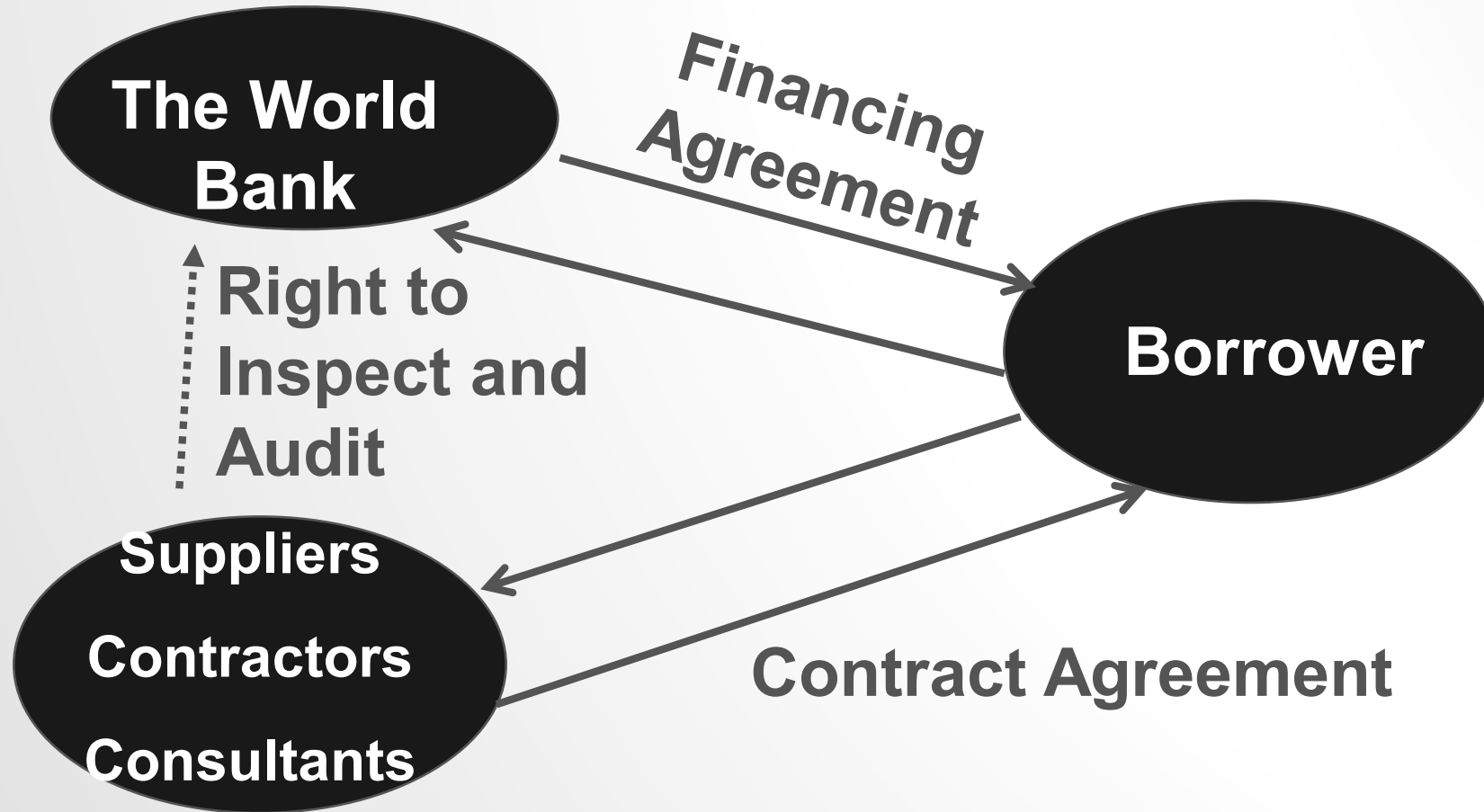
IPF LEGAL AND OTHER DOCUMENTS

- ❑ Financing Agreement
- ❑ Guidelines/Regulations
 - PCN prior to July 1, 2016;
 - WB's 'Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers' dated January 2011 and revised July 2014;
 - WB's 'Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers' dated January 2011 and revised July 2014
 - PCN after July 1, 2016
 - WB Procurement Regulation for IPF Borrowers, Fifth edition, revised September 2023

IPF LEGAL AND OTHER DOCUMENTS

- ❑ WB's 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants;
- ❑ The Project Implementation Manual(PIM);
- ❑ Bank's Standard Procurement Documents (SPDs)
 - Used for procurement of works and goods under International Competitive Bidding (ICB) and the Standard Request for Proposals will be used for consultants' contracts;

LEGAL RELATIONSHIP: BANK – BORROWER - CONTRACTOR/SUPPLIER/CONSULTANT



WB IPF PROCUREMENT OVERSIGHT AND SUPERVISION

- Implementation Support Mission
 - “Prior Reviews”,
 - “Post Reviews”,
 - “Independent Reviews”
 - Prior reviews will be based on the risk level assessed by the Bank during appraisal and updated at least semi-annually;
 - Post reviews will be carried out on sampled procurements, not subject to prior reviews;
 - The post review threshold is rewarding based on increased capacity and reduced risk. More capacity more delegation.

WORLD BANK IPF PROCUREMENT FRAMEWORK (JULY 1, 2016)

BEFORE

One size fits all

Limited options, very prescriptive

Fraud and Corruption seen as primary challenge

Mixed capacity - clients, suppliers and Bank

Arms-length approach to markets

Primary focus on selection phase

AFTER

Key focus on results

Fit-for-purpose approach as enabler of value-for-money

Flexible, risk-based decision-making

Early, proactive market engagement

Capacity building

Dynamic risk management, enhanced integrity, fairness and transparency

Increased focus on contract management

PROCUREMENT REGULATION FOR IPF BORROWERS



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

Fifth Edition
September 2023



RECENT CHANGES AND FOCUS AREA

- Use of Rated Criteria
- Sustainable Public procurement(SPP)
- Green Public Procurement(GPP)
- Procurement Reform and Modernization
 - Procurement Capacity Assessment (MAPS)
 - Use of e-procurement

RATED CRITERIA

- ***Rated Criteria is a scoring mechanism used to evaluate non-price attributes of Bids/Proposals, including quality, risks/mitigations, opportunities, sustainability, and other technical aspects.***
- Awarding criteria will be a combination of weighted scores on technical and price.
- Price no longer the only critical factor
- Information:

<https://www.worldbank.org/en/news/feature/2023/03/08/rated-criteria-a-game-changer-for-promoting-value-in-world-bank-procurement>

WHERE TO USE RATED CRITERIA?

- ❑ **All new International Procurements advertised or invited on or after September 1, 2023, using a Bank Standard Procurement Document* must use Rated Criteria**
- ❑ However, application of Rated Criteria is **not mandatory** for:
 - Pharmaceuticals
 - Vaccines
 - Off the shelf goods and educational materials (e.g., published academic textbooks)
 - Future commodities
 - Direct Selection
- ❑ **Use of Rated Criteria in national procurement is encouraged when it is appropriate.**

WHY USE RATED CRITERIA?

- Rated Criteria are not new, available for information systems, text-books/reading materials that require development, Plant and consulting services,
- Rated Criteria were used in other Bank-financed goods, works and non-consulting services contracts
- Globally more countries are using Rated Criteria, some for 30 years +
- Increasingly used to support wider social, economic, cultural and environmental outcomes
- Many others are modernizing to allow Rated Criteria, recently India and Croatia updated procurement laws to permit Rated Criteria (now Croatia uses for 90% of all procurements)
- Encourages participation from (potentially new) highly qualified suppliers and motivates them to offer better solutions, because they know their efforts will be considered
- **Sends a strong change signal to the market** (particularly any who game on low initial price)
- Encourages innovation by going beyond the minimum requirements
- Response to complex procurements such as Green Public Procurement(Climate Change Agenda) and Sustainable Public Procurements requirements.

SELECTION METHODS FOR GOODS, WORKS AND NON-CONSULTANCY SERVICES

- Request for Bids(RFB)
- Request for Proposals(RFP)
- Request for Quotations(RFQ)
- Direct Selection(DS)

SELECTION METHODS FOR CONSULTANCY SERVICES

FIRMS

- Quality and cost-based selection (QCBS)
- Least cost-based selection (LCS)
- Fixed budget based selection (FBS)
- Quality based selection (QBS)
- Consultant's qualification based selection (CQS)
- Direct selection (DS)

INDIVIDUALS

- Open competition
- Limited competition
- Direct selection

PREPARING A BID OR PROPOSAL

- ❑ Be specific in how your Bid or Proposal will address the criteria.
- ❑ Provide a description of the type of innovation where required.
- ❑ Propose a strong Project Manager and qualified experts.
- ❑ Propose technical and regional experience similar to the project or assignment.
- ❑ Consider a joint venture where necessary.
- ❑ Do not deviate from the conditions or requirements.
- ❑ If there is anything unclear or unacceptable, get official clarification.
- ❑ Do not express any conditionalities, or qualifications. These will lead to rejection of your Bid or Proposal.

COMMON ISSUES

- ❑ Do not make a silly mistake that results in your Bid being rejected.
- ❑ Bid Security-Check the amount, validity and text are correct.
- ❑ For a joint venture, the bid security shall state the names of all the JV partners.
- ❑ For a joint venture, the letter of bid shall state the names of all the JV partners.
- ❑ Signatures in the Bid or Proposal shall be signed by the person who is authorized through power of attorney.
- ❑ Attach JV agreement/Letter of Intent to a JV where applicable.
- ❑ Ensure that all references are relevant and attached to the Bid or Proposal.
- ❑ Ensure that financial statements, experience (general/specific), proposed DAAB members are complete.

COMMON ISSUES

- ❑ Discounts should be stated in the covering letter, or as specified in the bidding document.
- ❑ In two-envelope, keep the Technical bid separate from the Financial bid.
- ❑ Do not include financial price in the technical bid.
- ❑ Include bid security with the Technical Bid.
- ❑ Mark envelopes as 'Technical' and 'Financial,' as appropriate.
- ❑ Sign the letter of bid and the bid properly.
- ❑ Submit your bid before the deadline.

PROCUREMENT-RELATED COMPLAINTS

- ❑ Follow Annex III of the Bank's Procurement Regulations.
- ❑ A Complaint may challenge:
 - Prequalification, initial selection, Request for Bids, Requests for Proposals documents;
 - Decision to exclude an Applicant/Bidder/Proposer/Consultant from a procurement process prior to award; and/or
 - Decision to award the contract.
- ❑ Strictly Observe the timelines.



Thank you!



For additional information, such as Standard Procurement Documents (SPDs), Guidance, briefing, training and e-learning materials see www.worldbank.org/procurement

