WORLD BANK FINANCED PROCUREMENT

October 2017
Agenda

- Introduction
  - Facts and Figures
  - The Pacific
  - Infrastructure Looking Forward
  - What does the Bank Procure?
  - Operating Model

- Overview of International Procurement Process
- How Best to Sell to the Bank
- Key Procurement Data
- Corporate Procurement opportunities
- Conclusion
Introduction
World Bank – Facts and Figures

- International Financial Institution
- Represented by most countries (189)
- 2 types of Procurement: IPF operations, and Corporate Procurement
- Procurement in IPF operations circa $14 to $20 Billion annually
- Finances government-led procurement in a variety of industries and sectors (IPF operations)
- Corporate Procurement annual spend <$2 Billion a year
## FY17 Top Ten Borrowers

<table>
<thead>
<tr>
<th>RANK</th>
<th>COUNTRY</th>
<th>AMOUNT (US$M)</th>
<th>% OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>India</td>
<td>$18,294.05</td>
<td>7.96%</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>$11,852.40</td>
<td>5.16%</td>
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<tr>
<td>3</td>
<td>Bangladesh</td>
<td>$9,917.96</td>
<td>4.32%</td>
</tr>
<tr>
<td>4</td>
<td>Nigeria</td>
<td>$9,410.05</td>
<td>4.10%</td>
</tr>
<tr>
<td>5</td>
<td>Indonesia</td>
<td>$9,203.44</td>
<td>4.01%</td>
</tr>
<tr>
<td>6</td>
<td>Pakistan</td>
<td>$8,616.01</td>
<td>3.75%</td>
</tr>
<tr>
<td>7</td>
<td>Ethiopia</td>
<td>$7,787.90</td>
<td>3.39%</td>
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<tr>
<td>8</td>
<td>Vietnam</td>
<td>$7,512.78</td>
<td>3.27%</td>
</tr>
<tr>
<td>9</td>
<td>Egypt, Arab Republic of</td>
<td>$6,755.00</td>
<td>2.94%</td>
</tr>
<tr>
<td>10</td>
<td>Colombia</td>
<td>$6,032.70</td>
<td>2.63%</td>
</tr>
</tbody>
</table>
# FY17 Top Ten Supplier Countries

<table>
<thead>
<tr>
<th>RANK</th>
<th>SUPP CTRY</th>
<th>AMOUNT</th>
<th>% OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>4,296,460,751</td>
<td>39.92%</td>
</tr>
<tr>
<td>2</td>
<td>India</td>
<td>965,709,101</td>
<td>8.97%</td>
</tr>
<tr>
<td>3</td>
<td>Turkey</td>
<td>669,427,401</td>
<td>6.22%</td>
</tr>
<tr>
<td>4</td>
<td>Belarus</td>
<td>279,526,877</td>
<td>2.60%</td>
</tr>
<tr>
<td>5</td>
<td>United States</td>
<td>253,780,400</td>
<td>2.36%</td>
</tr>
<tr>
<td>6</td>
<td>France</td>
<td>208,920,221</td>
<td>1.94%</td>
</tr>
<tr>
<td>7</td>
<td>Bangladesh</td>
<td>187,960,652</td>
<td>1.75%</td>
</tr>
<tr>
<td>8</td>
<td>Vietnam</td>
<td>170,947,323</td>
<td>1.59%</td>
</tr>
<tr>
<td>9</td>
<td>Germany</td>
<td>164,946,219</td>
<td>1.53%</td>
</tr>
<tr>
<td>55</td>
<td>Australia</td>
<td>22,070,096</td>
<td>0.21%</td>
</tr>
<tr>
<td>124</td>
<td>New Zealand</td>
<td>1,717,302</td>
<td>0.02%</td>
</tr>
</tbody>
</table>
Pacific Overview
Thirteen Member Countries
The Pacific department now has 65 projects in the active portfolio\(^2\), with a net commitment of US$1.34 billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Active Projects</th>
<th>Net Commitments</th>
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<tbody>
<tr>
<td>FY07</td>
<td>17</td>
<td>196.7</td>
</tr>
<tr>
<td>FY08</td>
<td>18</td>
<td>197.9</td>
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<tr>
<td>FY09</td>
<td>20</td>
<td>206.5</td>
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<tr>
<td>FY10</td>
<td>22</td>
<td>235</td>
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<tr>
<td>FY11</td>
<td>30</td>
<td>410.8</td>
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<tr>
<td>FY12</td>
<td>30</td>
<td>364.4</td>
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<tr>
<td>FY13</td>
<td>32</td>
<td>432.3</td>
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<tr>
<td>FY14</td>
<td>40</td>
<td>738.8</td>
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<tr>
<td>FY15</td>
<td>57</td>
<td>967.7</td>
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<tr>
<td>FY16</td>
<td>55</td>
<td>1055.7</td>
</tr>
<tr>
<td>FY17</td>
<td>67</td>
<td>1390.0</td>
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<tr>
<td>FY18 (Aug 15)</td>
<td>63</td>
<td>1224.23</td>
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</tbody>
</table>

\(^2\) The active portfolio only includes IBRD/IDA, GEF and large RETFs (over US$5 million).

As of July 1, 2017 the active portfolio no longer includes Timor-Leste.
Our new lending during IDA17 was 1.5 times greater than IDA16.
Portfolio by Global Practice

- **Transport & ICT**: 635.72, 52%
- **Social, Urban, Rural & Resilience**: 198.07, 16%

**Portfolio Size (US$ million)**

- Agriculture: 63.00, 5%
- Health, Nutrition & Populations: 15.00, 1%
- Water: 70.00, 6%
- Energy & Extractives: 97.44, 8%
- Environment & Natural Resources: 82.46, 7%
- Macroeconomics & Fiscal Management: 15.30, 1%
- Finance & Markets: 47.24, 4%
- Macroeconomics & Fiscal Management: 15.30, 1%

**No of Operations**

0 5 10 15 20 25

- Agriculture: 4
- Health, Nutrition & Populations: 4
- Water: 5
- Energy & Extractives: 4
- Environment & Natural Resources: 4
- Macroeconomics & Fiscal Management: 4
- Finance & Markets: 4
- Transport & ICT: 4
- Social, Urban, Rural & Resilience: 4
INFRASTRUCTURE
Looking forward
Pacific Possible
The IDA18 scale-up presents significant opportunities but also challenges us to work differently.
World Bank Procurement in IPF Operations
What does the Bank Procure in IPF Operations?

- Goods
  - From commodities and raw materials to machinery, equipment and vehicles

- Works
  - Construction, repair, maintenance and rehabilitation of civil works structures

- Consulting Services
  - Services of advisory and professional nature provided by Consultants

- Non-Consulting Services
  - Examples include: drilling, aerial photography, mapping, and similar operations
Top areas of IPF project spend

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

Further breakdown:
- 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 carried out by the Borrower, using World Bank rules, processes and support framework
- International procurements advertised on UNDB
- 250 Bank procurement staff based in 72 countries
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
Key Innovations

- Improved approach to resolving procurement-related complaints
- Shifts focus from the lowest evaluated compliant bid
- Enables the use of sustainable procurement criteria
- Value for Money as a core procurement principle
- More upfront analysis and design
- Provides more options for tailored procurement approaches
- Promotes strategic engagements with providers in highest risk operations
- Enables hands-on expanded implementation support

BETTER OUTCOMES
Overview of International Procurement Process
Procurement Regulations for IPF Borrowers

Guidance on PPSD

PROCUREMENT GUIDANCE

Project Procurement Strategy for Development

Long Form Detailed Guide

July 2016
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.
Publication of International Opportunities

- 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 GWNCsS 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
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**

<table>
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<tr>
<th>NUMBER OF BUSINESS DAYS</th>
<th>1</th>
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<th>7</th>
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<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
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<tbody>
<tr>
<td>REQUEST DEBRIEF</td>
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<tr>
<td>BORROWER PROVIDES DEBRIEF</td>
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<td>INTERESTED PARTY MAY SUBMIT COMPLAINT</td>
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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 three 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
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)
How Best to Sell to the Bank
How best to sell to the Bank

- Determine where and what to focus on (what country, what are they buying, etc.)
- Examine the country and project pipeline
- Consider how you will respond to project needs
  - Previous technical and country experience is usually critical
  - Understand local customs, laws, markets
- Identify local partners and others for any joint ventures
- Contact the Implementing Agency for information
- Use your country’s trade missions/Embassies for assistance if needed
How to Find Opportunities
Information Sources

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

- Historic Procurement data on major contract awards
- Most recent procurement/tender notices for Bank projects
- The App enables the public to look at:
  - who won what, where, and how much
  - ratios
  - trends
  - supplier rankings
  - current tenders
- Enables the public to easily explore large amounts of data
- Email feature to export charts, figures, and tables
- Identify upcoming and relevant procurement opportunities
- Free for iPad/iPhone from the Apple Store
World Bank Group Finances App

- Access the Bank portfolio of projects, finances, and upcoming/key procurement opportunities:
  - nine different languages (Arabic, Bahasa Indonesia, Chinese, English, French, Hindi, Portuguese, Russian, and Spanish)
  - locate any project including the 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 Corporate Procurement
Corporate Procurement

- Each year, the World Bank Group spends approximately $1.7+ billion for products and services for its own internal requirements.

- The Corporate Procurement Unit is responsible for setting policy and conducting the procurements for all World Bank Group internal requirements.

- Country Offices have delegated authority to conduct small procurements locally, following the Corporate Procurement Policies and Procedures.
Corporate Procurement: What the Bank buys

- Information Technology
- Communication Equipment and Services
- Professional and Technical Consulting Services
- Office Supplies, Paper and Paper Products
- Graphic Design, Publications and Print Services
- Construction and Renovation Services
- Facilities Management Services and Equipment
- Other Administrative Services as needed
Corporate Procurement: Consulting Services

- The Bank Group procures services from Consultants to support its project work:
  - Firms are contracted by the Bank Group and must be eligible to become a vendor
  - Individuals are appointed to the staff of the Bank Group
- All consultants are selected using the Bank Group’s eTendering tool “eConsultant2”
  - The system includes templates, contract terms and conditions and information about how to use the system
- Firms are encouraged to create a profile in eConsultant2
- Information about eConsultant2 may be found at https://wbgeconsult2.worldbank.org
Corporate Procurement: Vendor Registration

- Before the World Bank Group can contract with a company to provide goods or services, the company must register as a vendor.

- Companies do not need to be a registered vendor to bid on a World Bank Group requirement. They will be asked to register at the time of contract award.
  
  - Check the Corporate Procurement website for the Bank Group’s vendor eligibility criteria.

- If you are a registered vendor, you should provide updated information to the World Bank Group when your company has a material change.
Corporate Procurement: Learn More

www.worldbank.org/corporateprocurement

gprocurement@worldbank.org – general queries
wbgeconsultant@worldbank.org – consulting queries
Conclusion
Conclusion

- Two different opportunities, operations and corporate
- 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
- Business Opportunities in the Pacific Island Countries will continue to increase (beyond infrastructure)
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!
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