Agenda

➢ Introduction
  ➢ Facts and Figures
  ➢ The Pacific

➢ Operating Model

➢ Overview of International Procurement Process

➢ How Best to Sell to the Borrowers

➢ 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
Pacific Overview
The World Bank in Papua New Guinea & the Pacific Islands

Working in partnership with 12 countries across the region, the World Bank is currently supporting 75 projects across the Pacific Islands and PNG, totaling a US$1.75 billion commitment through a combination of IBRD and IDA financing and Recipient-Executed Trust Funds. *

* based on 1 July 2019 data
The active portfolio only includes IBRD/IDA and large RETFs (over USD 5 million). Sixteen projects closed in FY19.

Number of projects has consistently increased

<table>
<thead>
<tr>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
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<tbody>
<tr>
<td>Net Commitments Amt $m</td>
<td>380.26</td>
<td>381.58</td>
<td>655.09</td>
<td>902.66</td>
<td>990.74</td>
<td>1,224.23</td>
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<tr>
<td>Active Projects #</td>
<td>27</td>
<td>28</td>
<td>37</td>
<td>55</td>
<td>53</td>
<td>63</td>
<td>65</td>
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</table>

2 The active portfolio only includes IBRD/IDA and large RETFs (over USD 5 million). Sixteen projects closed in FY19.
The Pacific had a record year in terms of disbursements¹ – closing FY19 at more than 1.5x disbursements in FY18.

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¹ FY disbursements are for IPF only (DPOs not included). Total disbursements refer to cumulative disbursements from active projects.
The current sectoral focus of the Bank portfolio

PORTFOLIO DISTRIBUTION BY GP2

End IDA18

End IDA17

% SHARE OF ACTIVE PORTFOLIO

World Bank
Procurement in IPF Operations
Why bid on World Bank contracts?

- Billions of dollars worth of business
- Variety of contract sizes suitable for SMEs to large multinationals
- Wide variety of sectors so lots of opportunities for suppliers
- Opportunity for suppliers to enter developing markets

Equal opportunity, fair treatment
Certainty of process
High standard of integrity
High certainty of payment
Operating Model

- Procurements carried out by the Borrower, using World Bank rules, processes and support framework
- Project Procurement Strategy for Development
- Procurement planning
- International procurements advertised on UNDB
- 250 Bank procurement staff based in 72 countries
Some Innovations

- Strategic procurement
- New suite of Standard Procurement Documents
- Rated Criteria
- Abnormally Low Bids/Proposals
- Sustainable Procurement
- Many new options and methods
- Value engineering
- ESHS provisions in works documents
- Enhanced complaints management
- Hand-on support
- Direct payment
- Beneficial Ownership
Top areas of Spend in FY19 (large contracts prior reviewed)
$13.5 Billion

- Energy & Extractives 22.6%
- Transportation 19.6%
- Water & Sanitation 13.2%

Detailed breakdown:
- Energy and Extractives
- Transportation
- Water, Sanitation and Waste Management
- Public Administration
- Health
- Agriculture, Fishing and Forestry
- Industry, Trade and Services
- Education
- Social Protection
- Information and Communication Technologies
- Financial Sector
<table>
<thead>
<tr>
<th>RANK</th>
<th>COUNTRY</th>
<th>CONTRACT VALUE (USD)</th>
<th>No. of Contracts</th>
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<tr>
<td>1</td>
<td>China</td>
<td>$2.55B</td>
<td>137</td>
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<tr>
<td>2</td>
<td>India</td>
<td>$749.40M</td>
<td>105</td>
</tr>
<tr>
<td>3</td>
<td>Turkey</td>
<td>$702.20M</td>
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<tr>
<td>4</td>
<td>Afghanistan</td>
<td>$647.25M</td>
<td>83</td>
</tr>
<tr>
<td>5</td>
<td>France</td>
<td>$335.27M</td>
<td>58</td>
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<tr>
<td>...</td>
<td>Australia</td>
<td>$6.24M</td>
<td>10</td>
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</tbody>
</table>
What Australian companies sell? (from 2016)

- **Consultant Services**: $19.56 million
- **Goods**: $1.38 million
- **Civil Works**: $17.39 million
- **Non-consulting Services**: $84.22 million
Overview of International Procurement Process
**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.
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
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.
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: 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.

<table>
<thead>
<tr>
<th>Send Notification</th>
<th>← Standstill Period →</th>
<th>Can award contract now</th>
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<tbody>
<tr>
<td>NUMBER OF BUSINESS DAYS</td>
<td>1 2 3 4 5 6 7 8 9 10 11 12 13</td>
<td></td>
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</table>

- REQUEST DEBRIEF
- BORROWER PROVIDES DEBRIEF
- INTERESTED PARTY MAY SUBMIT COMPLAINT

THE WORLD BANK
IBRD • IDA
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 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 Borrowers
How best to sell to Borrowers

- 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
Bank’s website: Solomon Islands Roads and Aviation Project

- USD54.60 (Bank funding of USD 51 million). Approved on March 2019. Publicly available procurement plan shows interesting

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<th>Activity Reference No. / Description:</th>
<th>Category</th>
<th>Market Approach</th>
<th>Planned Signature Date</th>
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<tbody>
<tr>
<td>MCA-MID/RFBW/SI/A01/1 / Runway Resurfacing HIR</td>
<td>Works</td>
<td>Open - International</td>
<td>Jul-20</td>
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<tr>
<td>MCA-MID/RFBW/SI/A01/2 / Runway Resurfacing MUN - Runway, taxiway and Apron Resurfacing</td>
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<td>MCA-MID/RFBW/SI/A10 / Terminal Building including Flight Service Tower</td>
<td>Works</td>
<td>Open - International</td>
<td>Aug-20</td>
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<tr>
<td>MCA-MID/RFQW/SI/B02/1 / Upgrading of Fiu bridge</td>
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<td>Sep-20</td>
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<tr>
<td>MCA-MID/RFBW/SI/B01 / Resealing of existing sealed section (Airport-Auki) (17km)</td>
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<td>MCA-MID/RFBW/SI/B04 / Routine maintenance and regravelling of Malaita main road network (232 km)</td>
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<td>Open - National</td>
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<td>MCA-MID/RFBW/SI/B03 / Spot Upgrading for Climate Resiliency</td>
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<td>Goods</td>
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<td>MCA-MID/RFBG/SI/A08 / Stand by Generators</td>
<td>Goods</td>
<td>Open - International</td>
<td>Jul-20</td>
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Deadline for Aviation Sector Strategy was on Aug 9!

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<th>NOTICE AT-A-GLANCE</th>
<th>CONTACT INFORMATION</th>
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<tr>
<td><strong>Project ID</strong></td>
<td><strong>Organization/Department</strong></td>
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<td>P166622</td>
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<td><strong>Country</strong></td>
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<td><strong>Notice Status</strong></td>
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<td><strong>Procurement Method</strong></td>
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<td>Quality And Cost-Based Selection</td>
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<td><strong>Language of Notice</strong></td>
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<td>English</td>
<td><a href="mailto:platu@paipfsu.com">platu@paipfsu.com</a></td>
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<td><strong>Submission Deadline Date/Time</strong></td>
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<td><strong>Published Date</strong></td>
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<td>July 26, 2019</td>
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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 web site 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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