World Bank Procurement Guidelines and Business Opportunities

Tel Aviv, January 18th, 2011
Gilles Garcia
CONTRACTS AWARDED TO ISRAELI FIRMS BY REGION

Breakdown of contract awards by Bank Region

- **ECA**: 63.52%
- **LCR**: 22.77%
- **EAP**: 1.32%
- **AFR**: 12.07%
- **MNA**: 0.33%
CONTRACTS AWARDED TO ISRAELI FIRMS BY TYPES

- Civil Works: 73%
- Consultant Services: 22%
- Goods: 5%
CONTRACTS AWARDED TO ISRAELI FIRMS BY SECTORS

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
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<tr>
<td>Transportation</td>
<td>73%</td>
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<tr>
<td>Public admin, Law</td>
<td>8%</td>
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<td>Water/sanit/flood protection</td>
<td>6%</td>
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<td>Agriculture</td>
<td>6%</td>
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<td>Info &amp; communication</td>
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<td>Health &amp; social services</td>
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<td>Industry &amp; trade</td>
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<td>Education</td>
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<td>Energy &amp; mining</td>
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<td>Supplier OECD Status</td>
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<td>OECD Countries</td>
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<td>Fiscal Year</td>
<td>Supplier</td>
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<td>06</td>
<td>Marmanet, Israel</td>
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<td>Motorola Israel Ltd.</td>
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<td>Tadiran Electronic Systems Ltd.</td>
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<td>Rom Transportation Engineering Ltd/Phoenix Engineering &amp; Res</td>
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<td>07</td>
<td>Tahal Consulting Engineers Ltd</td>
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AGENDA

- Lending Trends
- How to Identify Business opportunities
- The Role of the Bank and Borrower in Bank Finance Procurement
- Procurement of Goods, Works and Services
- Procurement of Consulting Services
- Guidance to Bidders/Consultants and Learn More
Lending Trends
IBRD/IDA LENDING IN FY10

Fiscal Year 2010 = July 1, 2009 to June 30, 2010

356 Operations

- IBRD: 164 (46%)
- IDA: 192 (54%)

$58.6 Billion

- IBRD: $44 billion (75%)
- IDA: $14.6 billion (25%)
### Top Ten Sectors by Loan Amount in FY10

<table>
<thead>
<tr>
<th>Sector</th>
<th>Loan ($M)</th>
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<tbody>
<tr>
<td>Public Administration and Law</td>
<td>9,259.3</td>
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<tr>
<td>Health and Social Services</td>
<td>6,458.2</td>
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<tr>
<td>Finance</td>
<td>6,221.0</td>
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<tr>
<td>Transportation</td>
<td>4,984.8</td>
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<tr>
<td>Energy and Mining</td>
<td>4,091.6</td>
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<tr>
<td>Education</td>
<td>3,351.3</td>
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<tr>
<td>Water/Sanitation/Flood Protection</td>
<td>2,403.5</td>
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<tr>
<td>Agriculture</td>
<td>2,092.9</td>
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<tr>
<td>Industry and Trade</td>
<td>1,344.1</td>
</tr>
<tr>
<td>Information and Communication</td>
<td>115.4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$40.3 Billion</strong></td>
</tr>
</tbody>
</table>
Trends – FY10 Lending by Major Sectors

- Public Administration and Law: 22.96%
- Finance: 15.43%
- Health and Social Services: 16.02%
- Industry and Trade: 3.33%
- Information and Communication: 0.29%
- Energy and Mining: 10.15%
- Transportation: 12.36%
- Agriculture: 5.19%
- Water/Sanitation/Flood Protection: 5.96%
- Education: 8.31%
- Industry and Trade: 3.33%
- Information and Communication: 0.29%
- Energy and Mining: 10.15%
- Transportation: 12.36%
- Agriculture: 5.19%
- Water/Sanitation/Flood Protection: 5.96%
- Education: 8.31%
How to Identify Opportunities
Procurement Opportunities at the World Bank

Corporate Procurement
- Procurement for Bank’s internal needs
- $700 million per year
- Goods & services (incl. consulting)
- Procurement done through GSDPR

www.worldbank.org/corporateprocurement
- bidding opportunities
- Vendor Kiosk
- FAQ’s & other information

Project Operations Procurement
- $58.5 billion in FY10
- Consulting Services, Goods, Civil Works
- Borrower executed contracts

www.worldbank.org/procurement
- procurement policies/guidelines
- standard bidding documents
- Other relevant information
Business Opportunities in Bank-Funded Projects: Project Cycle

Country Assistance Strategy

Evaluation

Project Identification

Project Supervision

Project Preparation

Implementation

Project Appraisal

Loan Approval and Signing

Loan Negotiations

Joint activity

World Bank activity

Borrower activity
Business Opportunities in Bank-Funded Projects: Goods & Works

Implementation

Goods
Works

Borrower activity
Business Opportunities in Bank-Funded Projects: Consulting Services

Consulting Services

- Project Supervision
- Implementation
- Project Appraisal
- Project Preparation
- Project Identification
- Evaluation
- Country Assistance Strategy

Joint activity
World Bank activity
Borrower activity
HOW TO TRACK OPPORTUNITIES

World Bank website
www.worldbank.org

- Country Assistance Strategy
- Sector Support Strategy
- Monthly Operational Summary
- Project Information Document
- Project Appraisal Document
- Contract Awards
- UN Development Business (UNDB)
- REOI for consultants hired by World Bank
The Role of the Bank and the Borrower
THE BANK’S ROLE IN PROCUREMENT

- Assess country system, project’s procurement capacity and potential risks
- Assist borrower in procurement planning
- Provide procurement training/ knowledge sharing
- Monitor compliance with loan/credit agreement and procurement plan
  - Prior review, Post review, Independent review
- Translations
World Bank Organizational Structure

Resident Missions

- ECA: Europe/Central Asia
- EAP: East Asia/Pacific
- SA: South Asia
- MNA: Middle East/North Africa
- AFR: Africa
- LCR: Latin America/Caribbean

Operations Policy & Country Services

- Financial & Private Sector Development
- Poverty Reduction & Economic Management
- Sustainable Development

Board of Governors

- Executive Directors
- President
- Corporate Functions
The Borrower’s Role in Procurement

- Design procurement plans
- Prepare and issue bidding/Proposal documents
- Invite bids
- Receive and evaluate bids/proposals
- Award contracts
- Implement the project through the project implementing agency /contract payment
- Monitor compliance with loan/credit agreement and procurement plan
  - Audit
Contractual Relationships

WORLD BANK

LOAN/ CREDIT AGREEMENT

IMPLEMENTING AGENCY
(Borrowing Country Government)

COMPLAINTS/ AUDITS

SUPPLIER/ CONTRACTOR

BIDDING DOCUMENTS/ CONTRACTS
Procurement of Goods, Works and Services
I. Introduction
II. International Competitive Bidding
III. Other Methods of Procurement
IV. Appendices
INTERNATIONAL COMPETITIVE BIDDING (ICB)

- International advertising
  - UNDB online and Development Gateway’s dgMarket
- Standard Bidding Documents
  - Website: www.worldbank.org
- Public bid opening
- Evaluation and comparison of bids
Other Methods

• LIB - Limited International Bidding
  • Direct invitation to suppliers

• NCB - National Competitive Bidding
  • Country’s rules with some modifications if necessary

• Shopping
  • Price quotations from at least three suppliers

• Direct Contracting
  • Reconstruction, spare parts, etc.
HOW TO WIN

• Be informed about the country, project, processes, and competition
• Identify local partners and possible associations
• Understand local customs, laws, markets
• Respond adequately to technical specifications
• Submit timely and high-quality bid
• Contact the Implementing Agency to address any need for clarifications or other concerns
Procurement of Consulting Services
Scope of Business Opportunities for Consultants in World Bank Projects

Study, design, supervision of Projects

Technical assistance

Institutional strengthening
CONSULTANT SELECTION

Basic Principles

- Economy and efficiency
- Quality & fair selection process
- Development of national consultants from borrowing member countries
- Transparency

Bank Guidelines

- Public notification for assignments
- Standard Request for Proposals
- Different selection methods are specified in the loan agreement
SELECTION METHODS

- Quality- and Cost-Based Selection (QCBS)
- Quality-Based Selection (QBS)
- Fixed Budget (FBS)
- Least Cost Selection (LCS)
- Consultants’ Qualifications (CQS)
- Single Source Selection (SSS)
SHORT LIST

- Six firms with a wide geographic spread
- No more than two from any one country
- Shortlist may comprise all national firms for smaller contracts
- All short listed firms must be qualified
- Participation of national consultants encouraged
CONSULTANTS’ STRATEGY

1. Target assignments based on regional experience and technical qualifications
2. Obtain background information on project:
3. Understand roles of Borrower and Bank
4. Target marketing at appropriate time

- Country Assistance Strategy (CAS)
- Sector Strategies
- Project Appraisal Document (PAD)
- Project Information Document (PID)
MAKING THE SHORT LIST

- Contact, visit client before short-listing
- Identify national partner firm, consultants
- Monitor advertisements systematically
- Express interest promptly, selectively
- Expression of Interest (EOI):
  - Brief information on firm’s qualifications
  - Relevant technical and regional experience
PREPARING THE PROPOSAL

Preparation Steps (Part 1)

• Conduct a pre-proposal visit
• Fully address the Terms of Reference (TOR)
• Emphasize innovative technical solutions
• Offer qualified consultants in key staff positions
• Provide strong technical leadership
• Cite directly relevant technical and regional experience
• Involve national partner consulting firm or individual consultants
• Avoid deviation from standard RFP forms
• Facilitate evaluation of proposal by using charts, diagrams, color where possible
SUBMITTING PROPOSALS

- Respond precisely to the requirements of the proposal
- Provide highly qualified staff and ensure that they are actually available for the assignment
- Do not falsify qualifications!
Guidance to Bidders/Consultants and Learn More
• Address all queries or complaints to the client (the Borrower)
• Send copies of communications to the Bank or write to the Bank directly when borrowers do not respond promptly, or if the communication is a complaint against the Borrower.
• Address to World Bank Task Team Leader, copy to Country Director and Regional Procurement Manager
• Bidders may request a debriefing
Procurement website
www.worldbank.org/procure

- Procurement & Consultants Guidelines
- Standard Bidding and Proposal Documents
- Guide to Business Opportunities
- Other
THANK YOU!

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