



WORLD BANK GROUP

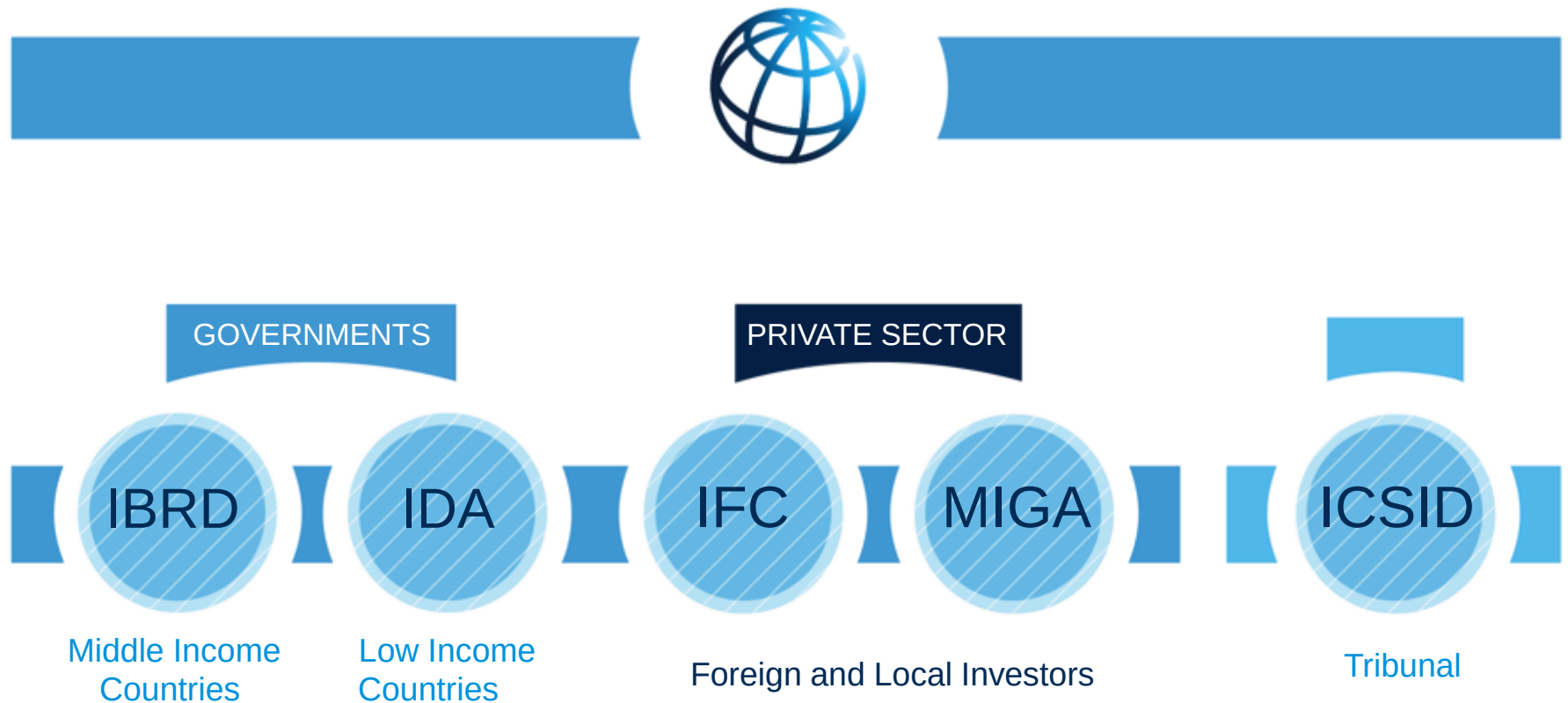
WORLD BANK PROCUREMENT

**Creating an enabling environment for business
in international development**

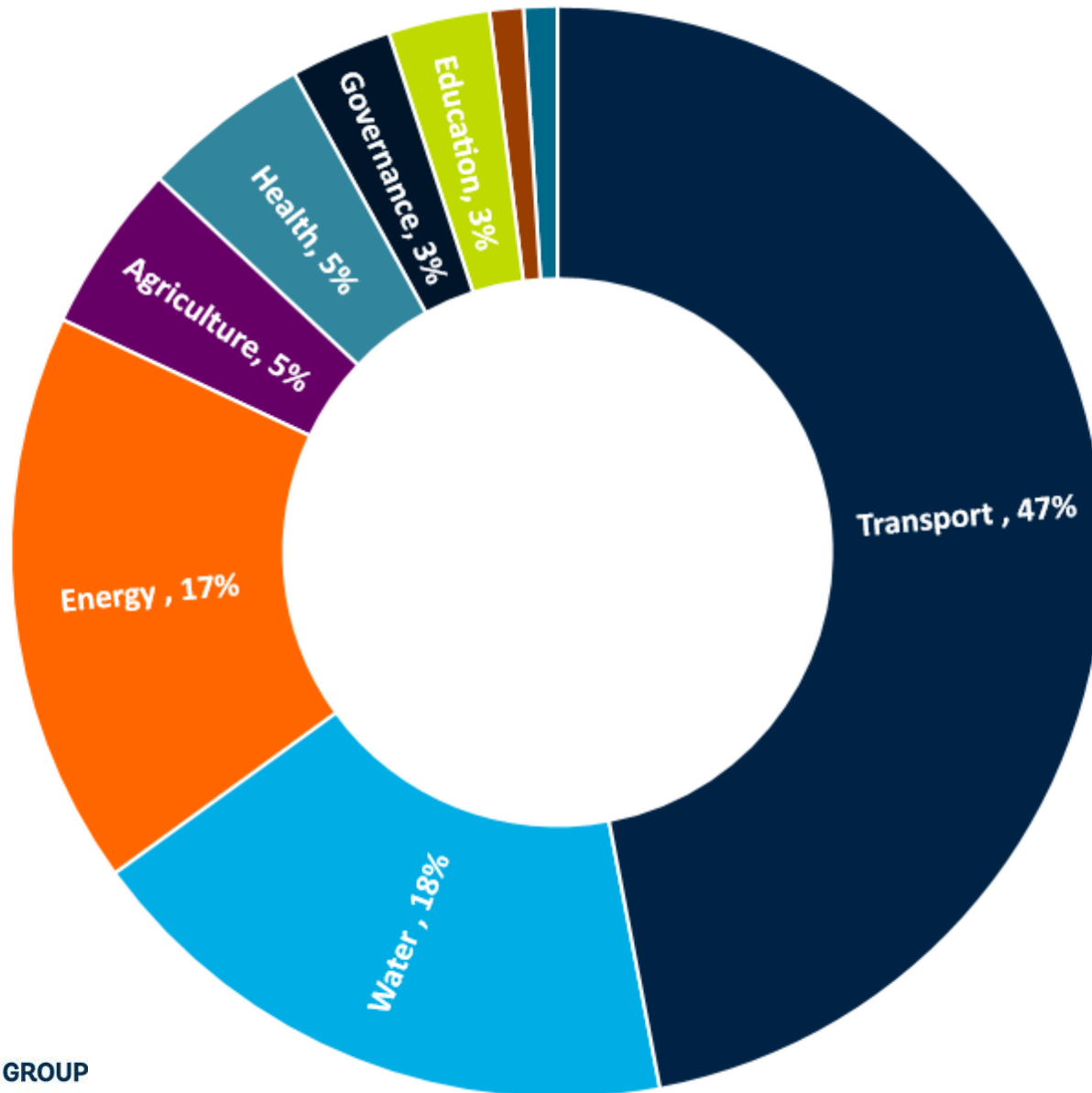
Enzo de Laurentiis
Chief Procurement Officer

Roma - May 14, 2018

The World Bank Group

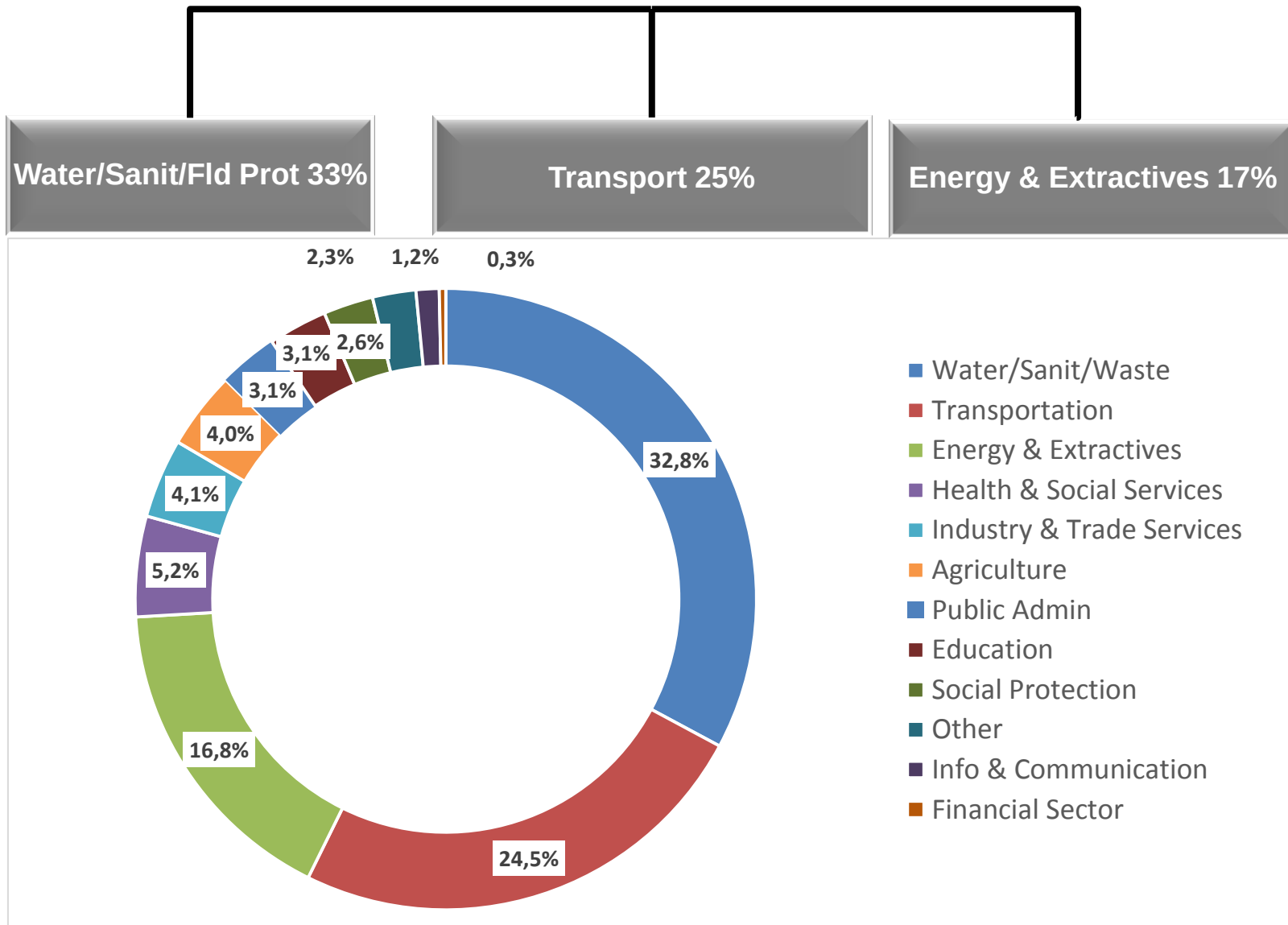


Diverse portfolio across multiple sectors – FY17

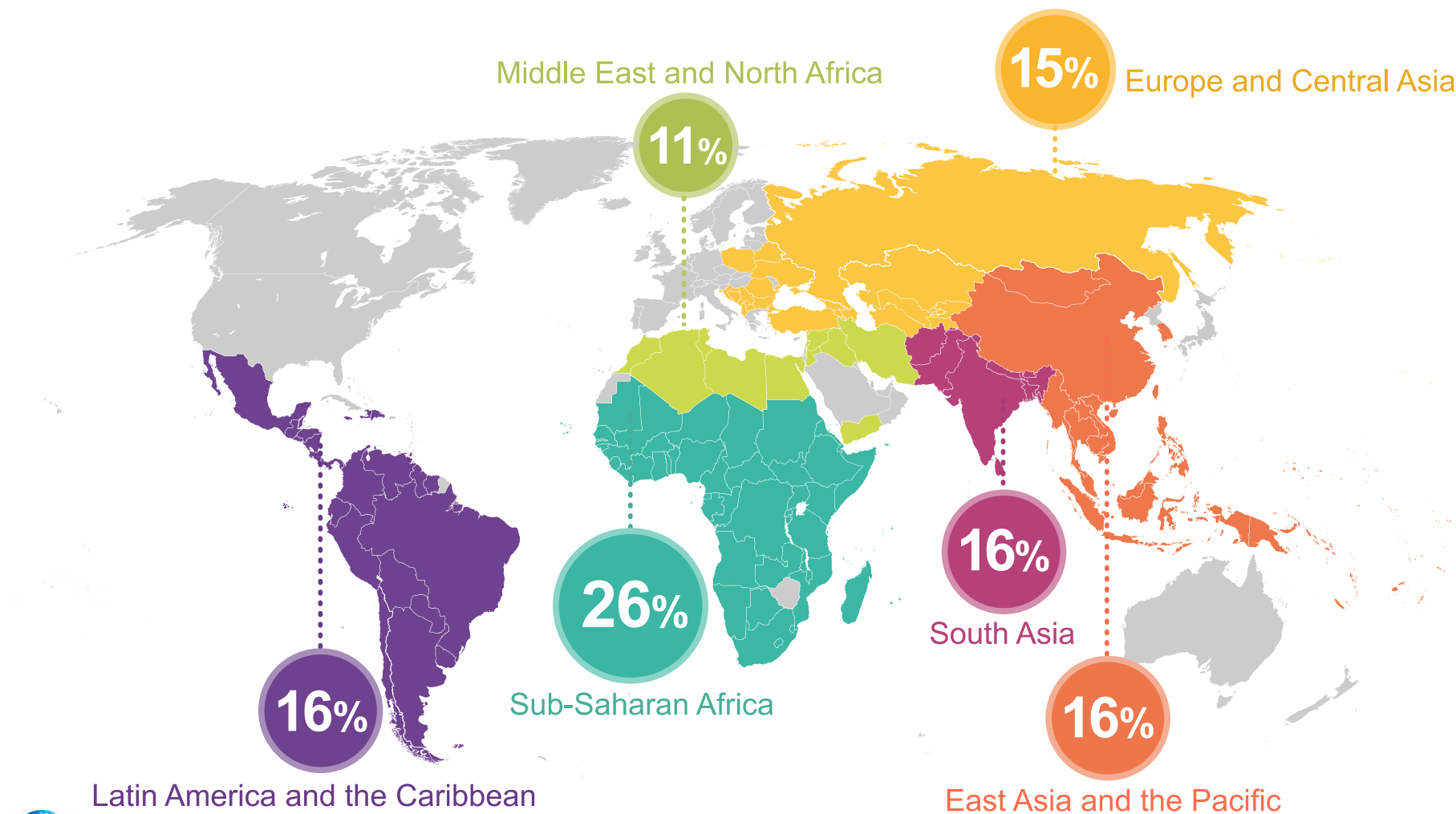


Top Areas of Procurement Spend in FY17 (Worldwide)

\$11 Billion – 1,600 Projects in 132 countries



2017 Global Commitments by Region



FY13 - FY17 Top Ten Procuring Borrowers

RANK	COUNTRY	CONTRACT VALUE (USD)	% OF TOTAL VALUE
1	India	8,752,920,035	12.82%
2	China	5,140,644,287	7.53%
3	Argentina	3,218,193,604	4.72%
4	Pakistan	3,200,964,256	4.69%
5	Egypt	3,061,083,355	4.49%
6	Vietnam	2,857,999,229	4.19%
7	Bangladesh	2,108,678,068	3.09%
8	Ethiopia	2,049,971,376	3.00%
9	Ecuador	1,889,437,833	2.77%
10	Indonesia	1,645,069,571	2.41%

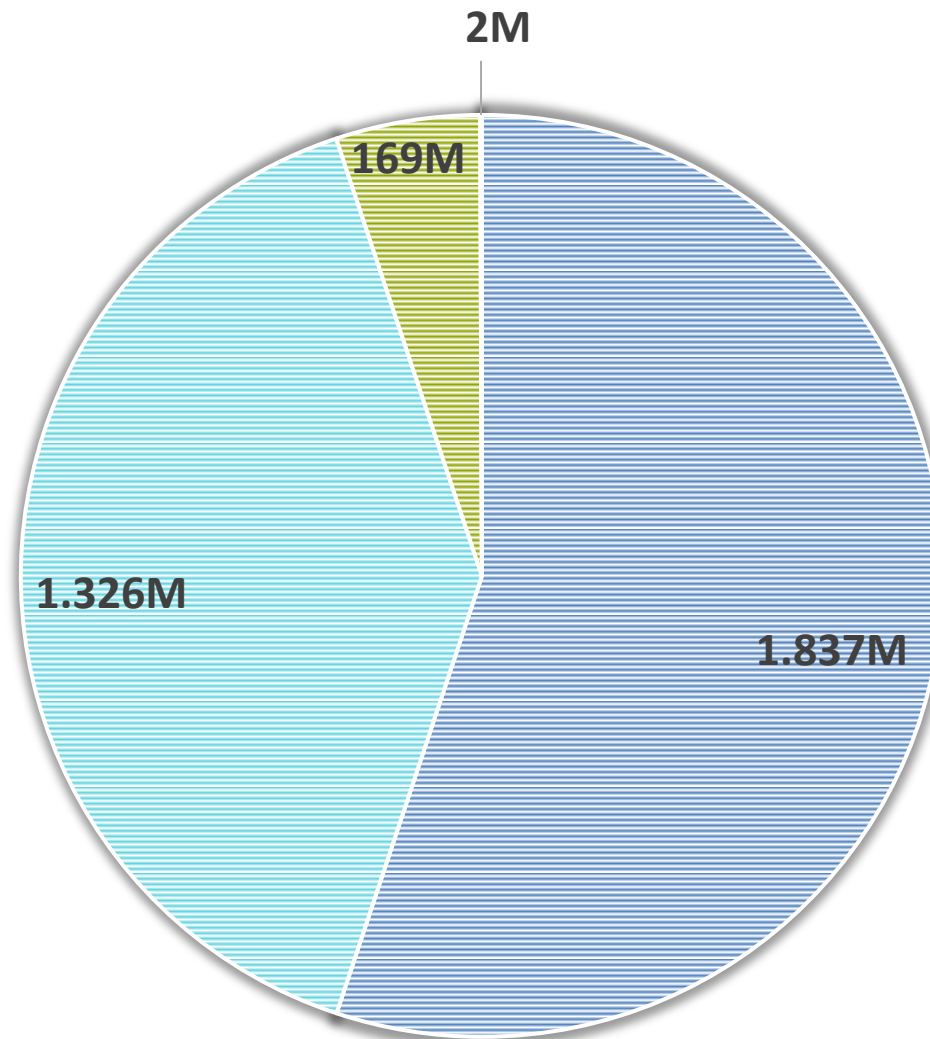
FY13 - FY17 Top Ten Supplier Countries

RANK	COUNTRY	CONTRACT VALUE (USD)	% OF TOTAL VALUE
1	China	13,105,261,913	19.20%
2	India	9,020,082,113	13.22%
3	Italy	3,334,248,497	4.89%
4	Spain	3,283,833,662	4.81%
5	Brazil	2,651,564,379	3.88%
6	Vietnam	1,950,293,547	2.86%
7	Argentina	1,847,827,464	2.71%
8	Turkey	1,684,168,408	2.47%
9	France	1,598,325,888	2.34%
10	Indonesia	1,295,092,576	1.90%

FY13 - FY17 Top Ten Consulting Service Countries

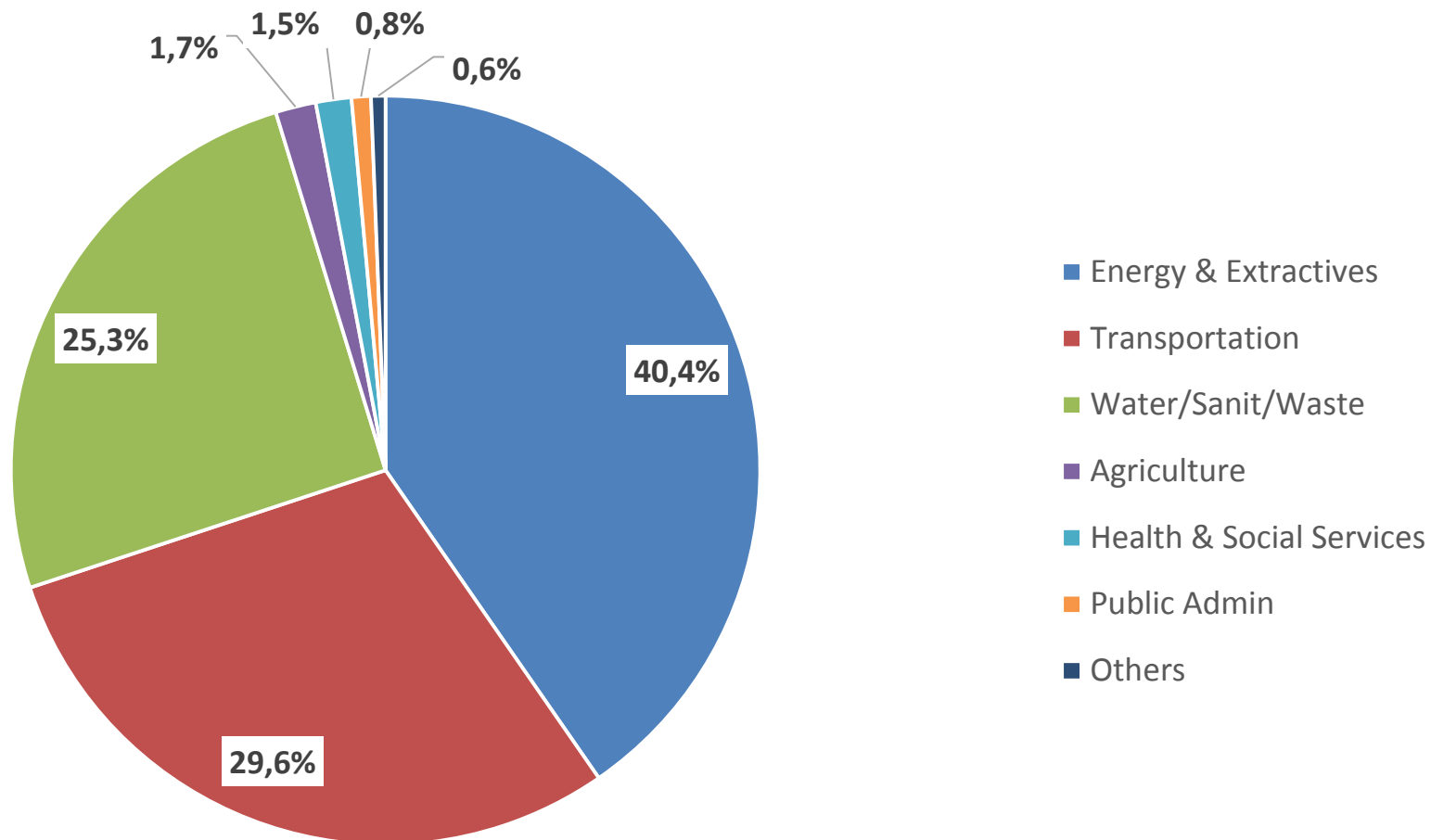
RANK	COUNTRY	CONTRACT VALUE (USD)	% OF TOTAL VALUE
1	Canada	513,684.5	5.41%
2	France	488,452.5	5.14%
3	India	459,911.0	4.84%
4	Germany	337,550.5	3.55%
5	United Kingdom	331,673.9	3.49%
6	Nigeria	318,608.0	3.35%
7	United States	316,091.4	3.33%
8	Australia	207,379.7	2.18%
9	Brazil	204,886.6	2.16%
10	Russian Federation	189,918.9	2.00%
11	Italy	168,668.6	1.78%

Italy: FY13 - FY17 Contract Awards by Procurement Category



■ CIVIL WORKS ■ GOODS ■ CONSULTANT SERVICES ■ NON-CONSULTING SERVI

FY13 - FY17 Sector Distribution of Awards to Italy



\$ 3 Billion

Energy & Extractives 40%

Transport 30%

Italy: FY13 - FY17 Top Ten Suppliers

RANK	SUPPLIER	CONTRACT VALUE (USD)	# OF CONTRACTS	% OF TOTAL VALUE
1	AC BOILERS S.P.A	729,661,929	2	21.88%
2	JV TODINI & IMPREGILO & KAZAKHDORSTROY	386,455,520	4	11.59%
3	ANSALDO CALDAIE S.P.A.	370,165,874	1	11.10%
4	GHELLA S.P.A. (JV)	339,874,191	0.33	10.19%
5	TODINI COSTRUZIONI GENERALI S.P.A.	280,582,240	2	8.42%
6	ALSTOM FERROVIARIA S.P.A.	245,982,271	2	7.38%
7	IMPREGILO S.P.A. (JV)	223,820,609	0.5	6.71%
8	COOPERATIVA MURATORI & CEMENTISTI	196,989,701	1	5.91%
9	PRYSMIAN POWER LING S.R.L. (JV)	80,386,709	1.5	2.41%
10	ASTALDI	76,002,694	0.66	2.28%

Italy: FY13-17 Top Ten Consulting Service Providers

RANK	SUPPLIER	CONTRACT VALUE (USD)	# OF CONTRACTS	% OF TOTAL VALUE
1	IRD ENGINEERING SRL	19,709,462	7	11.69%
2	ITALFERR S.P.A	10,543,538	3	6.25%
3	LOTTI INGEGNERIA-AL ENGINEERING S.R.I	9,391,340	2	5.57%
4	FINEUROP SPA	6,903,658	1	4.09%
5	STUDIO ING. G. PIETRANGELI SRL	6,288,864	2	3.73%
6	AIC PROGETTI	5,797,797	5	3.44%
7	STUDIO GALLI INGEGNERIA (SGI)	5,409,589	6	3.21%
8	TECHNIPLAN	5,168,215	2	3.06%
9	STIPE CONSULTING ENGINEERING	4,479,868	1	2.66%
10	TECHNIPLAN INTERNATIONAL CONSULTING	4,265,047	5	2.53%

How to Identify Contract Opportunities

- **Country Partnership Framework (CPF)**
- **Monthly Operational Summary**
- **Project Document**
- **World Bank website**
- **Financing App for real time info**
- **Historic Procurement data on major contract awards in Procurement App**
- **Procurement plan on WB site www.worldbank.org**
- **General and Specific Procurement Notices on United Nations Development Business www.devbusiness.com**

World Bank Website

[Projects.worldbank.org](https://projects.worldbank.org)

PROJECTS

PROCUREMENT

Advanced Search

BROWSE PROCUREMENT

Browse by Country/Area
 Browse procurement by over 100 countries and areas

Browse by Sector
 Browse procurement by types of economic activity

Browse by Procurement Plans
 Browse procurement by types of economic activity

NOTICES CONTRACTS PLANS			
Showing 21 - 28 of 28 procurement notices matching the search criteria -			
► Description	► Country	► Project Title	► Notice Type
Installation Of Network Pumps With Frequency Converters In The City Of Ternopil	Ukraine	UDHEEP - P132741	Invitation for Bids
Procurement Of Installation, Testing And Commissioning Of Bharatpur Bhardaghat 220 Kv Transmission Line	Nepal	NP-IN Electricity Transmission & Trade P - P115767	Invitation for Bids
Track Material Transport Motor Car Unit	China	CN-HaJia Railway - P117341	Invitation for Bids
Reconstruction Of Water Supply Networks In The City Of Zhytomyr	Ukraine	Second Urban Infrastructure Proj (UIP2) - P132386	Invitation for Bids
Design Area 8: Karakul District Southwest. Construction Of Primary And Secondary Trunk Mains, Regional Water Distribution Center ? karakul West?, Rural Water Distribution Centers And Distribution	Uzbekistan	ALAT-KARAKUL WS - P118197	Invitation for Bids

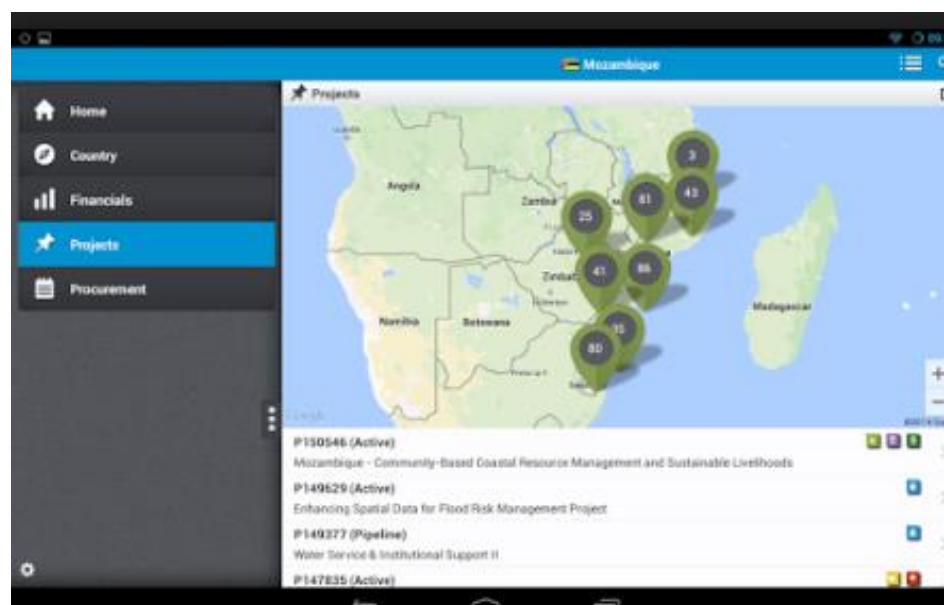
Steps In Identifying Contract Opportunities

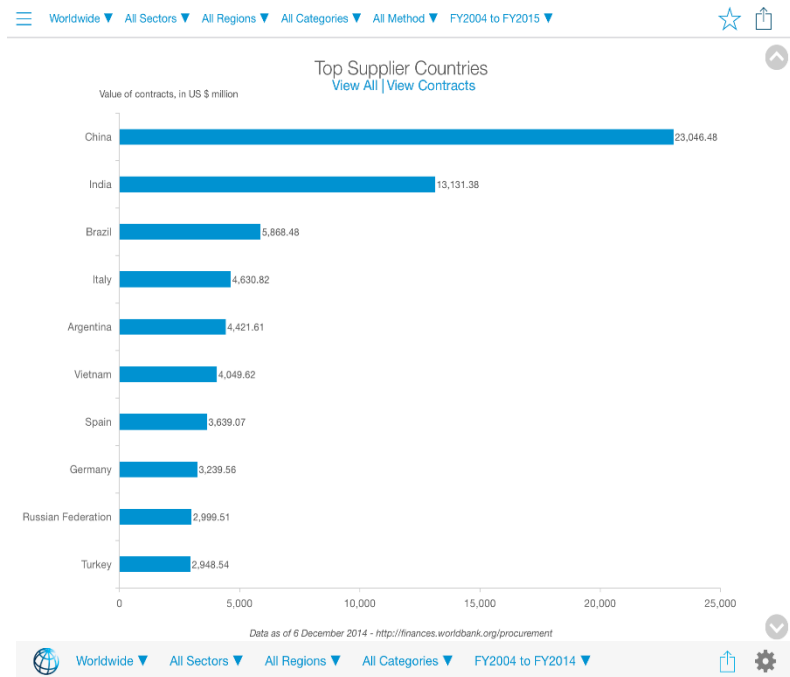
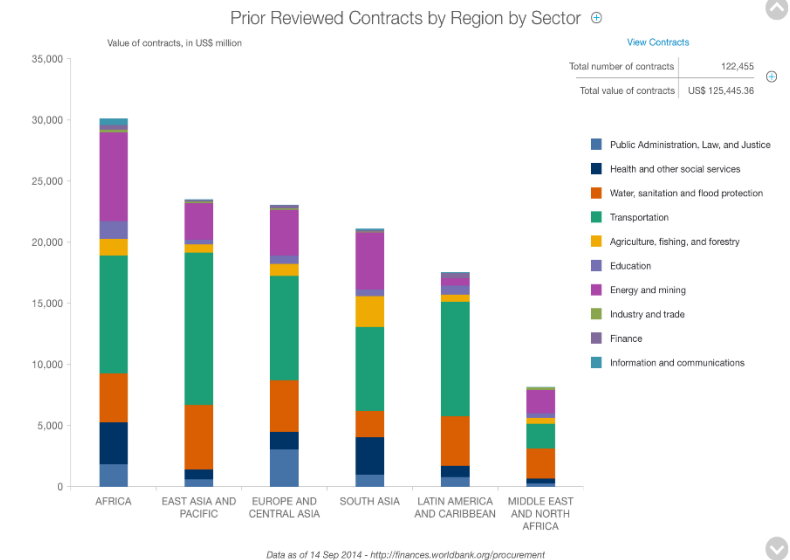
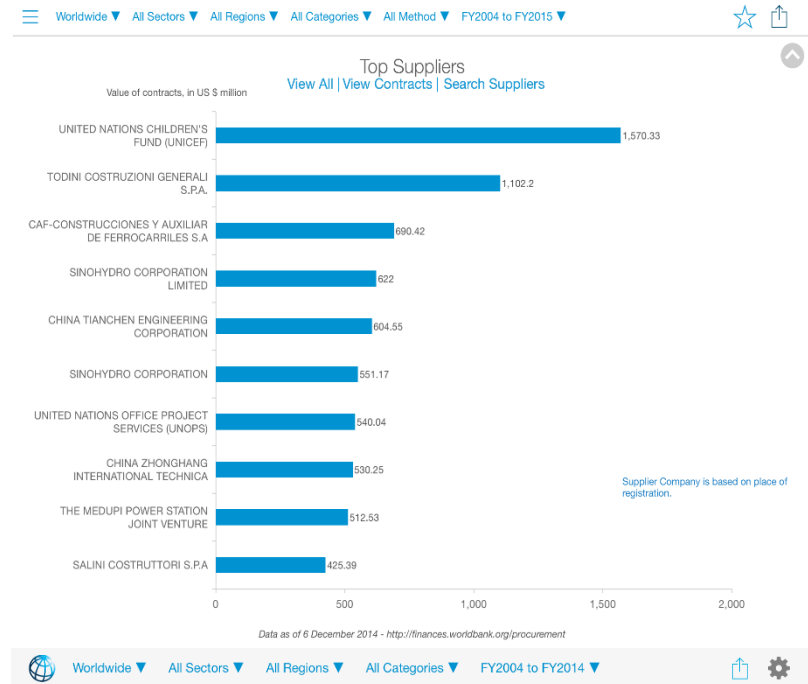
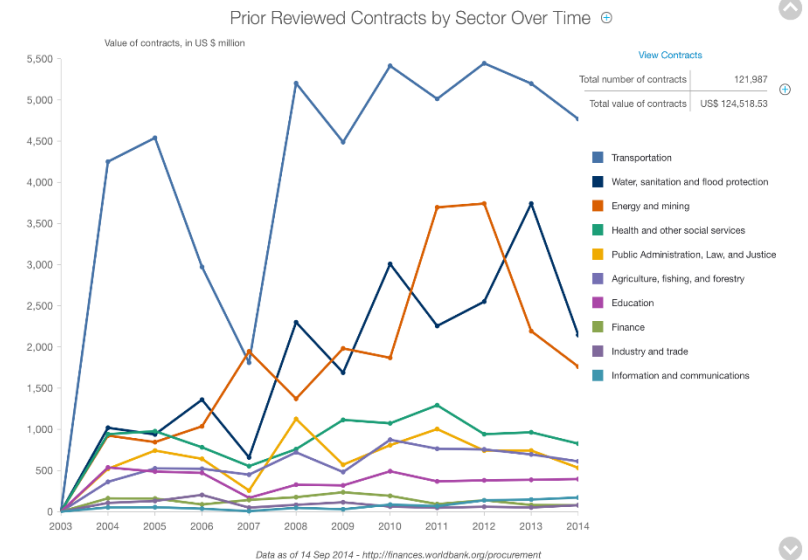
- **Identifying projects of Interest**
 - Determine country and/or sector of interest
 - Review CPF for country of interest to identify current and planned projects portfolio
<http://www.worldbank.org/en/where-we-work> (Overview tab/Strategy tab/select CPF)
- **Viewing procurement plans to identify planned procurement and timing under the project**
 - Go to www.projects.worldbank.org
 - Select “browse by country” choose country
 - Under “Projects” tab, select the project of interest
 - Under “Procurement” tab select “plans” to view latest plan
 - Under “Procurement” tab select “Notices” to view notices

Steps in Identifying Contract Opportunities

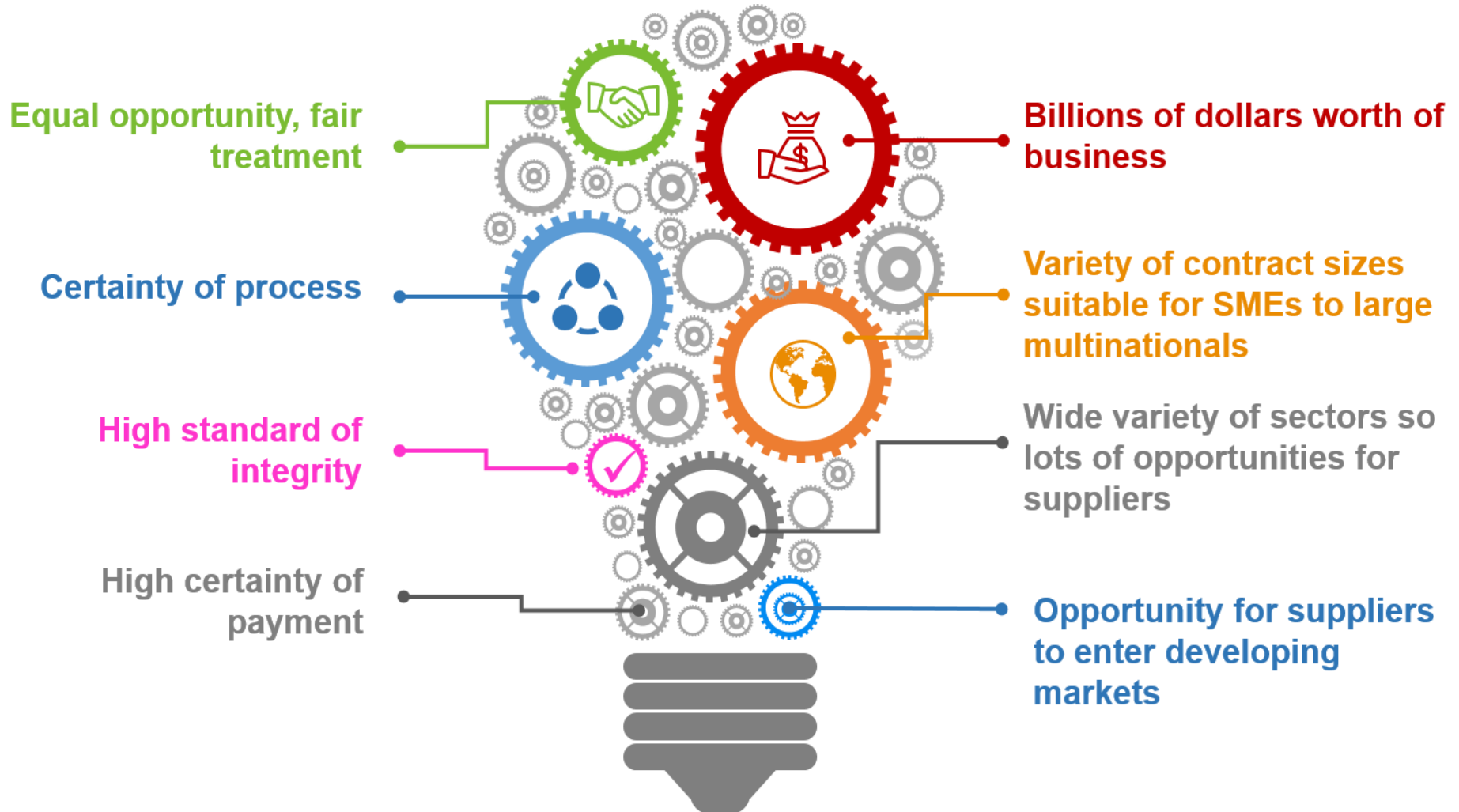
- **Viewing procurement notices by country or sector**
 - Go to www.projects.worldbank.org
 - Select the “Procurement” tab
 - Select “browse by country” (or sector) choose (country or sector)
 - Select the “country/sector of interest
 - View list of notices and select notice of interest

Finances App





Why bid on World Bank contracts



World Bank 2016 Procurement Framework

Key Innovations

The Logic of Modern Public Procurement

- **Stewardship of public resources**
- **Improved public services**
- **Economic and social policy objectives**
- **Growth and sustainable development**
- **Innovation**
- **Scanning the horizon to prepare for future needs**

The World Bank's New Procurement Framework

Old Problems – New Solutions

- **One size fits all, limited options, prescriptive**
- **F&C seen as primary challenge**
- **Mixed capacity - clients, suppliers and Bank**
- **Arms-length approach to markets**
- **Primary focus on selection phase**

- **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, with enhanced integrity, fairness and transparency**
- **Increased focus on contract management**

THE WORLD BANK

Procurement Regulations for IPF Borrowers

PROCUREMENT IN INVESTMENT PROJECT FINANCING

Goods, Works, Non-Consulting and Consulting Services

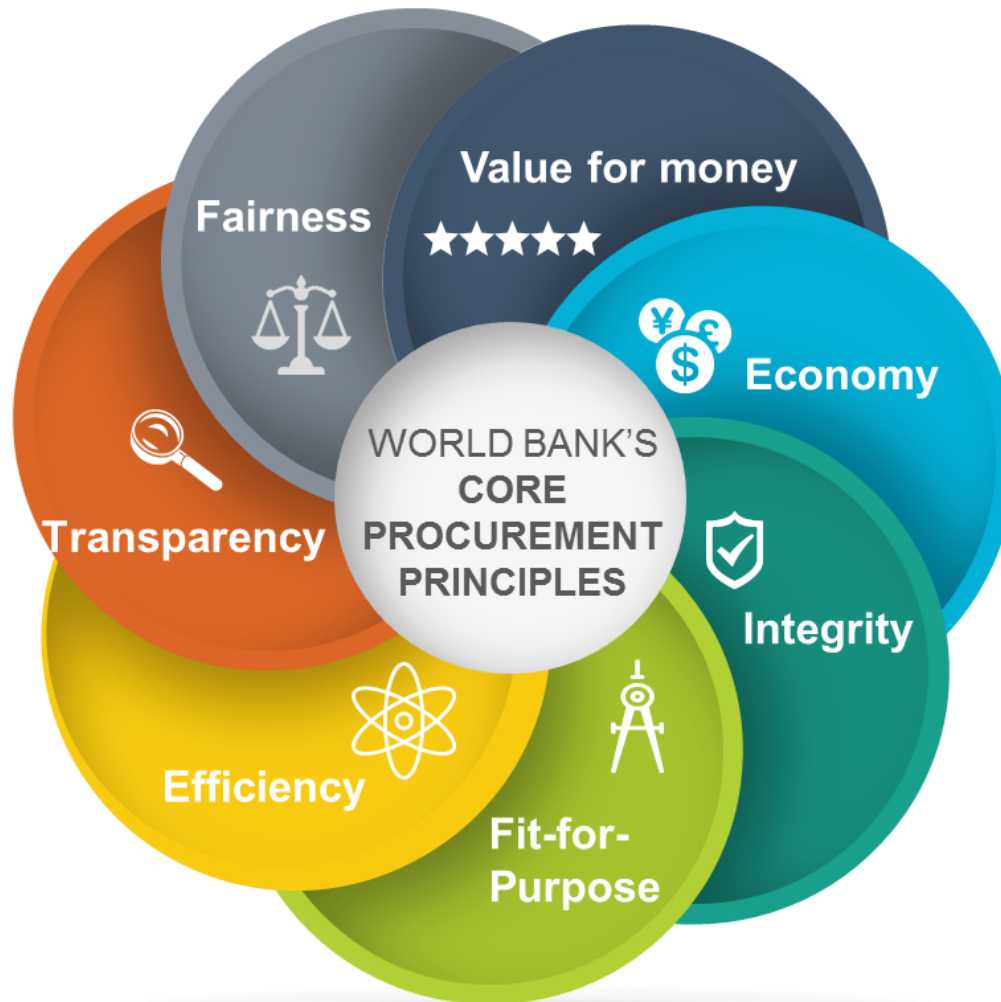
July 2016



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- 
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Core Procurement Principles



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 PPCS analysis determine:

What is the market segmentation?
(national/international competition)

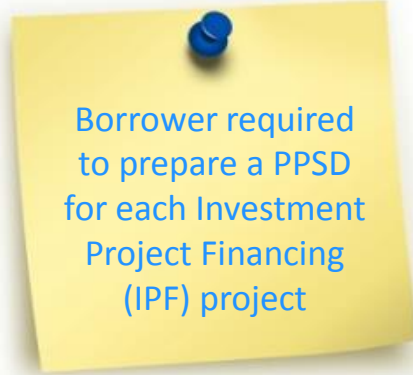
1

How will the project outcomes be delivered?

2

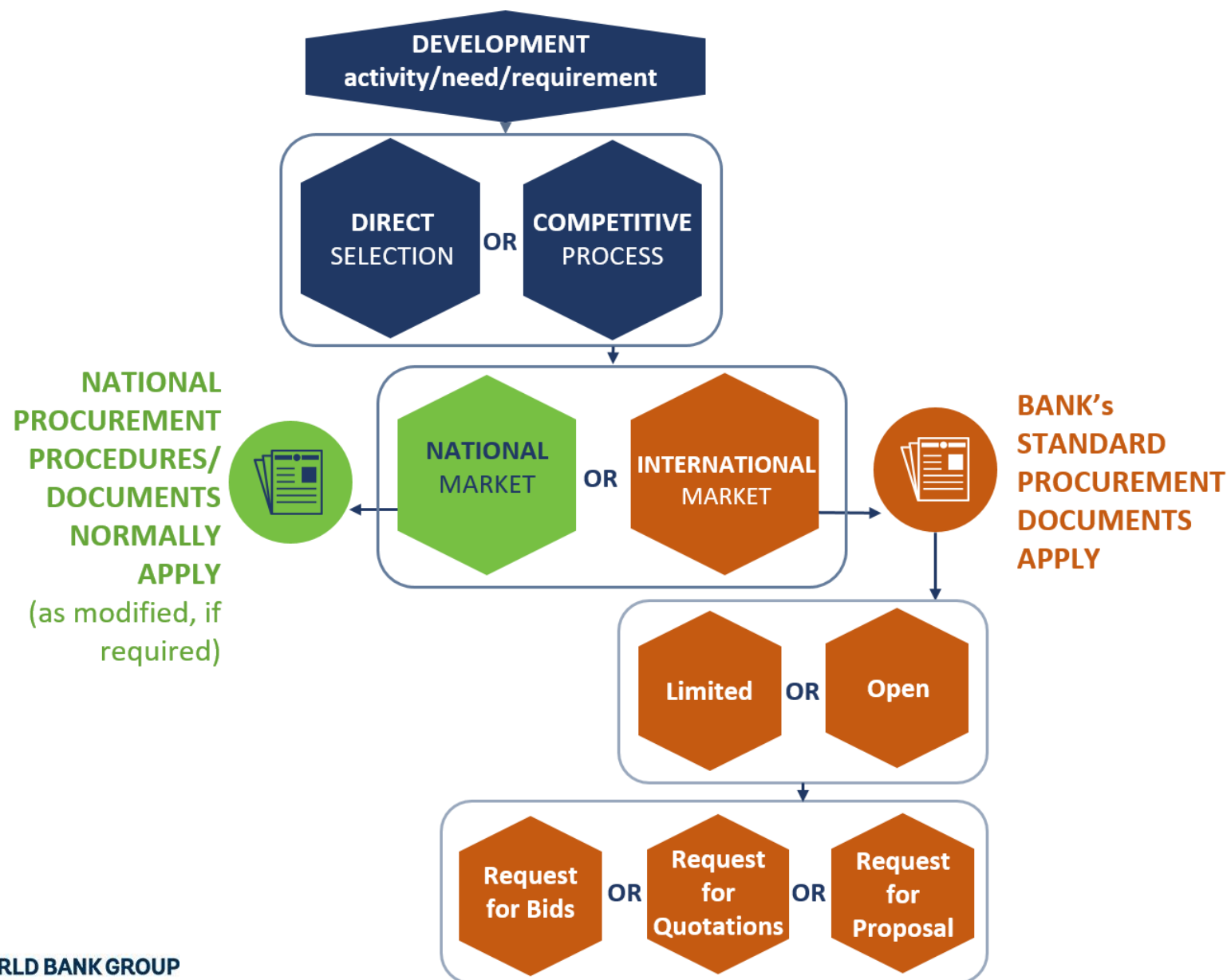
How will the contract and commercial deal be structured?

3



Borrower required
to prepare a PPCS
for each Investment
Project Financing
(IPF) project

PPSD, Selection methods and SPDs

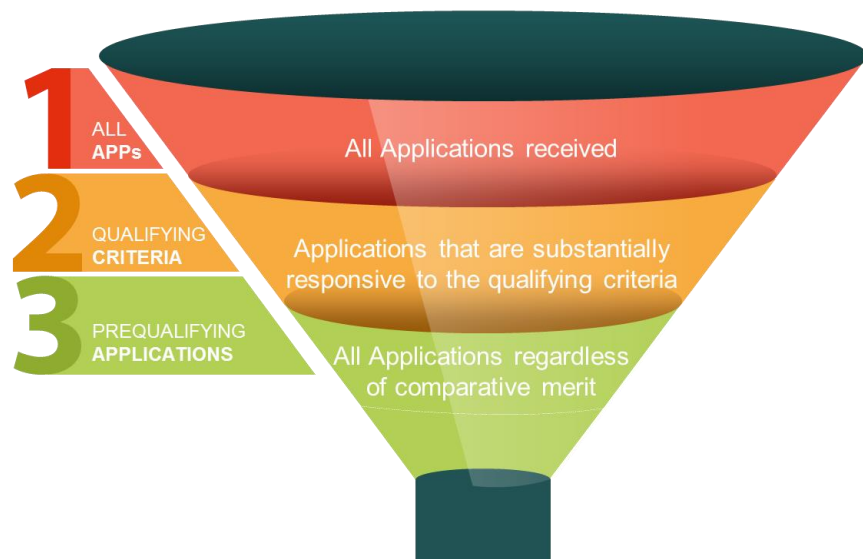


Selection Methods

- **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

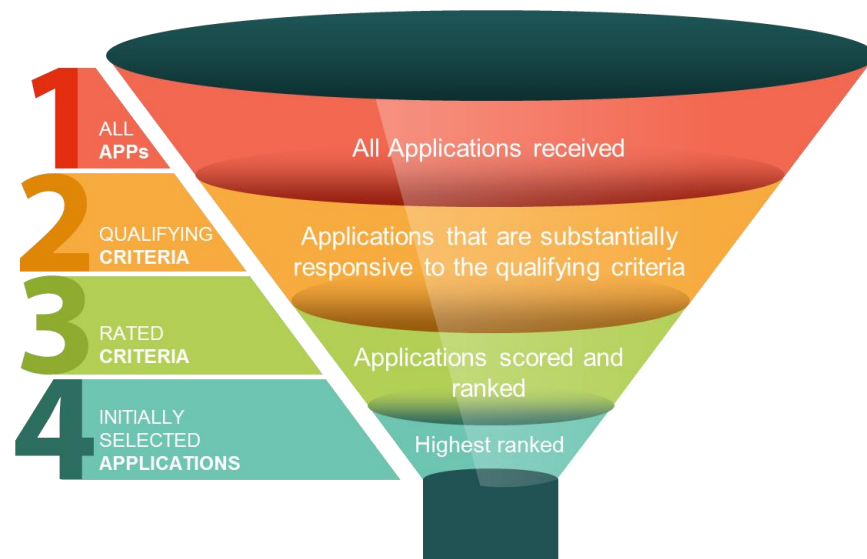
RFB Prequalification vs RFP Initial Selection

Existing Prequalification process (RFBs)



- All suppliers that are substantially responsive to the qualifying criteria are invited to bid

New Initial Selection process (RFPs)



- Additional step = rated criteria
- Only the highest ranked suppliers invited to submit full proposals
- Fairer to market – only suppliers that have a the best chance of succeeding are put to the full cost of proposing

Rated Criteria

- **Rated criteria are weighted and evaluated using a scoring system**
- **Rationale**
 - **Allows objective comparison of quality between different solutions**
 - **Rewards proposals that exceed minimum requirements and demonstrate best overall VFM**
- **Decision to award contract is based on the optimum combination of quality + cost**
- **Rated criteria may be applied to:**
 - **identify the highest scoring proposed solutions**
 - **assess innovative solutions**
 - **criteria that cannot be expressed in monetary terms**
- **Usually used with Request for Proposals selection method and performance specifications**

Abnormally Low Bids/Proposals (ALB/P)

- Method to identify and resolve very low priced bids/proposals
- Borrower is required to reject Bids determined to be abnormally low
- Definition of ALB/P:

Where the price, in combination with other elements, appears unreasonably low, to the extent that it raises material concerns as to the bidder's/proposer's capability to perform the contract for that price

The 5 stages in managing an ALB/P:

Identify:	Borrower identifies a potential ALB/P
Clarify:	Borrower seeks clarification from the bidder/proposer
Justify:	Bidder/proposer prepares a justification of the price
Verify:	Borrower analyzes the justification to verify if it provides reasonable explanation and validation of the price
Decide:	Borrower decides whether to accept or reject the bid/proposal.

Sustainable Procurement

- Sustainable procurement requirements beyond the Bank's Policies (e.g. environmental and social) are optional – at Borrower's discretion and as agreed with the Bank
- Application must be consistent with Bank's Core Procurement Principles and the Borrower's own policies
- May include sustainable procurement in:
 - technical specifications and/or business or performance requirements
 - evaluation criteria
 - contract terms and conditions, if relevant

Application in evaluation

- RFB normally (i) pass/fail and/or (ii) convert to monetary terms
- RFP normally assessed using combination of pass/fail and rated criteria

Best and Final Offer (BAFO)

- **Option in international competitive procurement (prior review)**
- **Opportunity to improve Bids/Proposals**
 - **Technical aspects including methodology enhancement**
 - **price reduction**
 - **clarification or modification of any aspect of the Bid/Proposal**
 - **provision of additional information**
- **Borrower inform Bidders/Proposers in the RFB/RFP that**
 - **BAFO may be used**
 - **Bidders/Proposers are not obliged to submit a BAFO**
 - **no negotiations allowed following BAFO**
- **Applied for competitive markets and is conducted with several Bidders/Proposers in parallel**

Negotiations

- **Option in international competitive procurement (Bank prior review)**
- **Negotiation may take place after the full evaluation of Bids/Proposals and before the Notice of Intention to Award the contract**
- **RFB/RFP outlines how the Negotiations will be conducted**
- **Negotiate with best ranked bidder only and then move to next if negotiations are unsuccessful**
- **Must be held in the presence of an independent probity auditor agreed by the Bank**
- **Negotiations must not reduce the minimum technical requirements of the Bid/Proposal**

Environmental, Social, Health and Safety (ESHS)

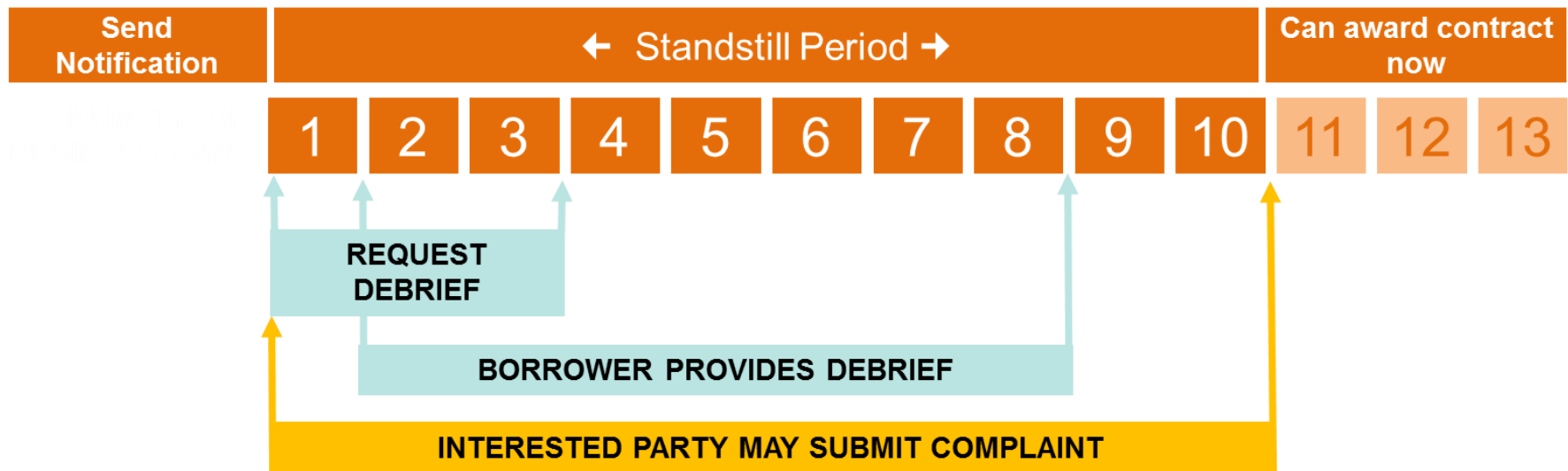
The Bank is driving improved ESHS performance and prevention and control of Gender Based Violence (GBV) by:

- **encouraging dialogue to build awareness, understanding and capability**
- **fostering industry change**
- **promoting and enabling good ESHS practice through procurement documents and procedures**
- **Clarifying ESHS responsibilities**
- **supporting Borrowers in setting appropriate ESHS policies, standards, measures, and requirements**
- **requiring bidders/proposers to address ESHS risks and impacts associated with the project**
- **assessing bidders/proposers to determine if they have sufficient ESHS capacity and capability to perform**
- **proactively managing project delivery**

Standstill Period, Debriefing and Complaints

The Standstill Period commences on the day following the transmission of the Notice of Intention to Award to all interested bidders.

The Standstill Period is a period of 10 business days during which the Borrower is prohibited from awarding the contract to any bidder.



Conclusion

- **The World Bank Procurement Framework:**
 - **Provides more choice and greater flexibility to deliver the desired outcome**
 - **More focus on VfM aspects, as opposed to cost only**
 - **Encourages innovation**
 - **More and earlier engagement with Business**
 - **More information and greater transparency on procurement through STEP**

Useful links for further information

World Bank's Procurement Regulations for IPF Borrowers

<https://policies.worldbank.org/sites/ppf3/PPFDocuments/Forms/DispPage.aspx?docid=4005>

Standard Procurement Documents templates

<http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework#SPD>

Guidance on SPDs

<http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework>

Guidance on finding business opportunities and winning contracts financed by the World Bank

<http://pubdocs.worldbank.org/en/767421522948635843/Procurement-Guidelines-finding-opportunities-2018.pdf>

Guidance on how to complain

<http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework>

Video: World Bank Procurement, How to bid, finding opportunities, what makes a successful bid

<http://www.worldbank.org/en/news/video/2016/03/30/world-bank-procurement-video>

**Procurement App for iPad:
Data on contracts**

<https://itunes.apple.com/us/app/world-bank-project-procurement/id911312962?mt=8>

**Procurement App for iPad:
Data on projects, finances and procurement data**

<https://itunes.apple.com/us/app/world-bank-group-finances/id465555488?mt=8>

UNDB Online

<https://www.devbusiness.com/Search/Search.aspx?PreLoadProjects=1>



WORLD BANK GROUP

Contact for World Bank Procurement Framework:

Enzo de Laurentiis
Chief Procurement Officer
elaurentiss@worldbank.org

Tel: 202 473-0538

World Bank Group
1818 H Street NW
Mail Stop MC 10-1018
Washington DC 20433
USA

[Procurement Website](#)