



Engaging With the MDBs: PID, PAD, Procure

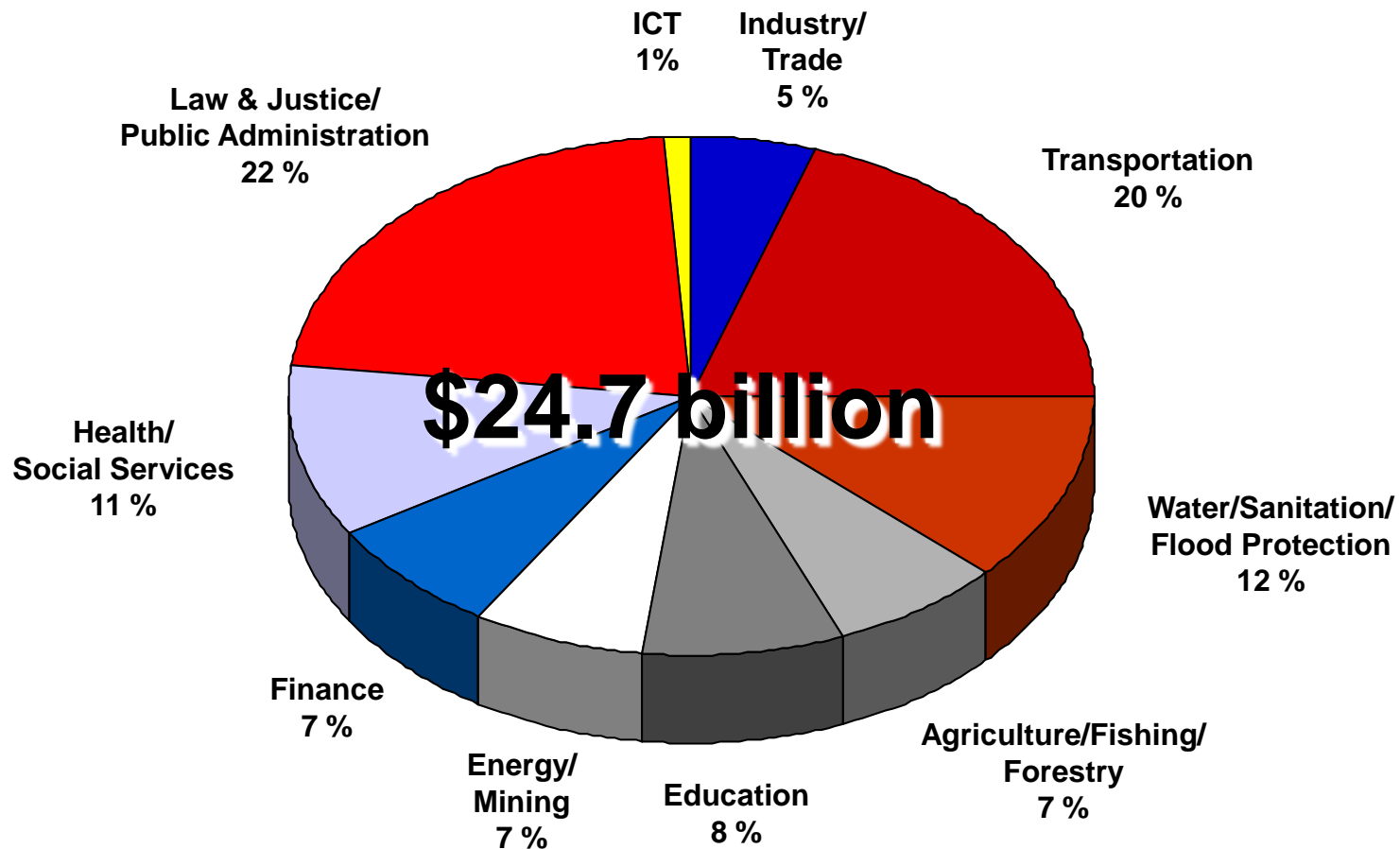
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The World Bank Group

Four Basic Product Lines

- 1. Bank-funded procurement: a foreign government borrows money from the MDB to buy goods and services**
- 2. Corporate procurement: the MDB buys goods and services for its own account**
- 3. Investment products: trade finance, investment funds, carbon finance**
- 4. Risk mitigation products: political risk insurance**

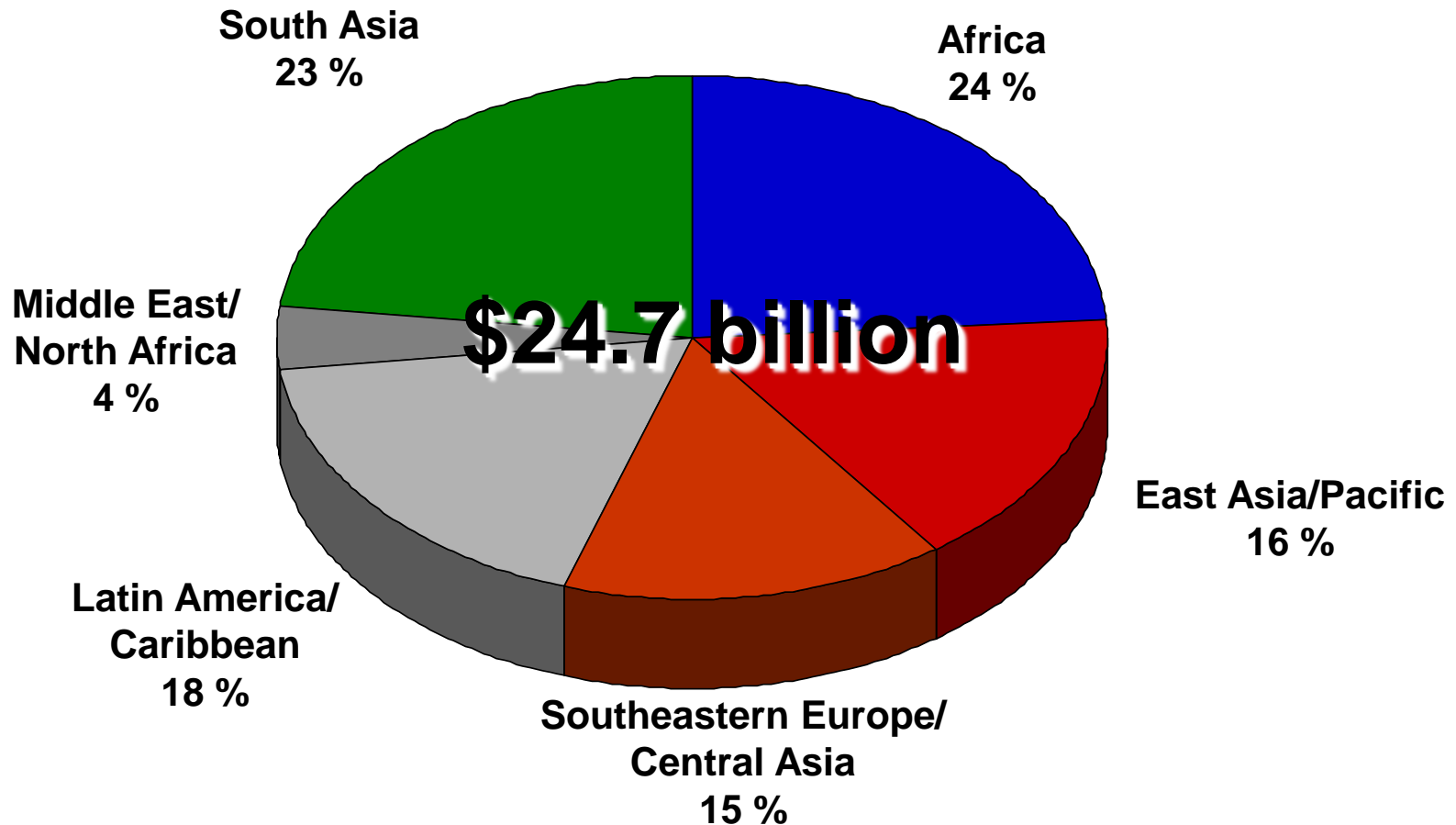
Identify World Bank-funded Bid Opportunities

World Bank Lending by Sector \ Best Prospects



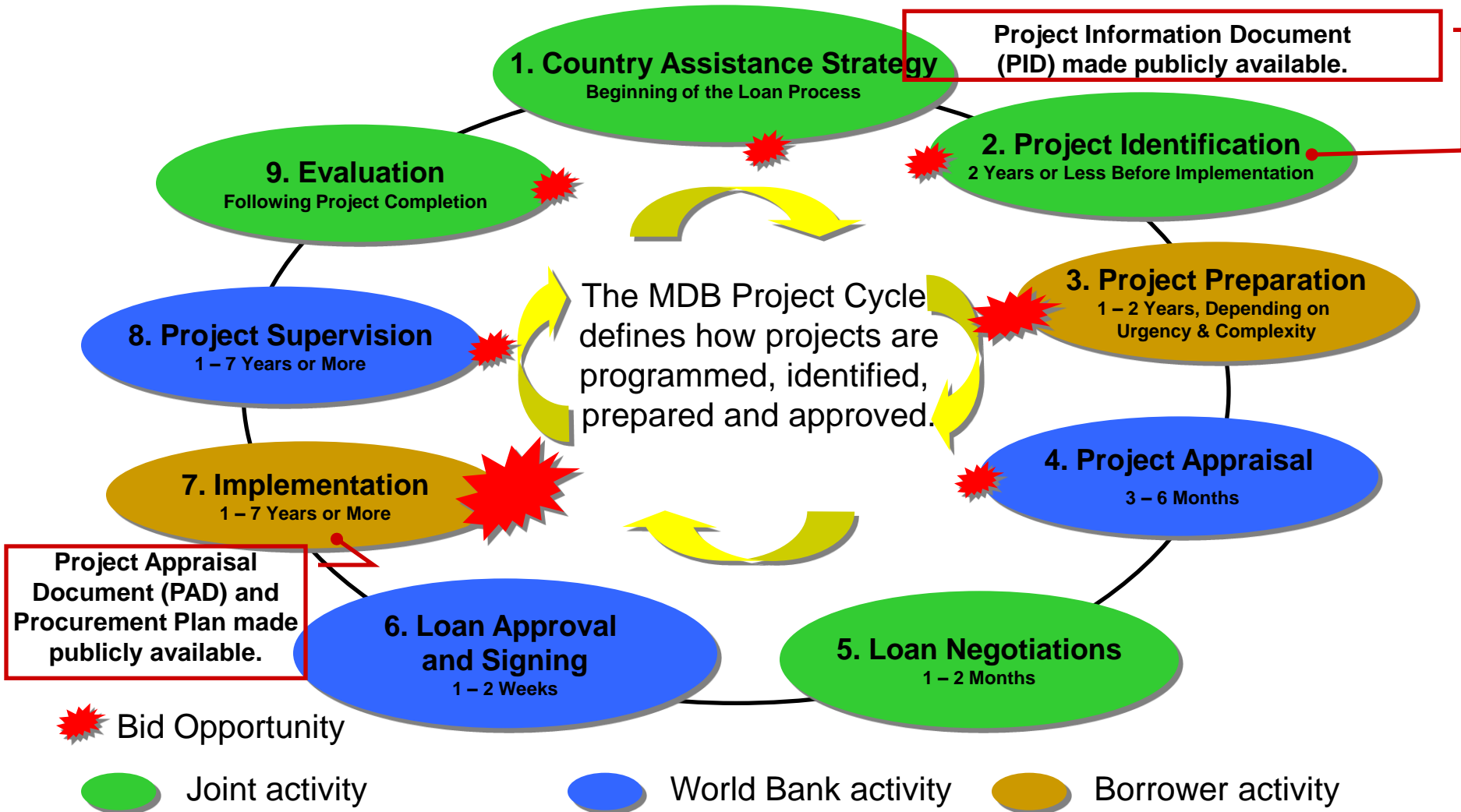
Identify World Bank-funded Bid Opportunities

World Bank Lending by Region



MDB-Funded Procurement

The Project Cycle: PID, PAD, Procure



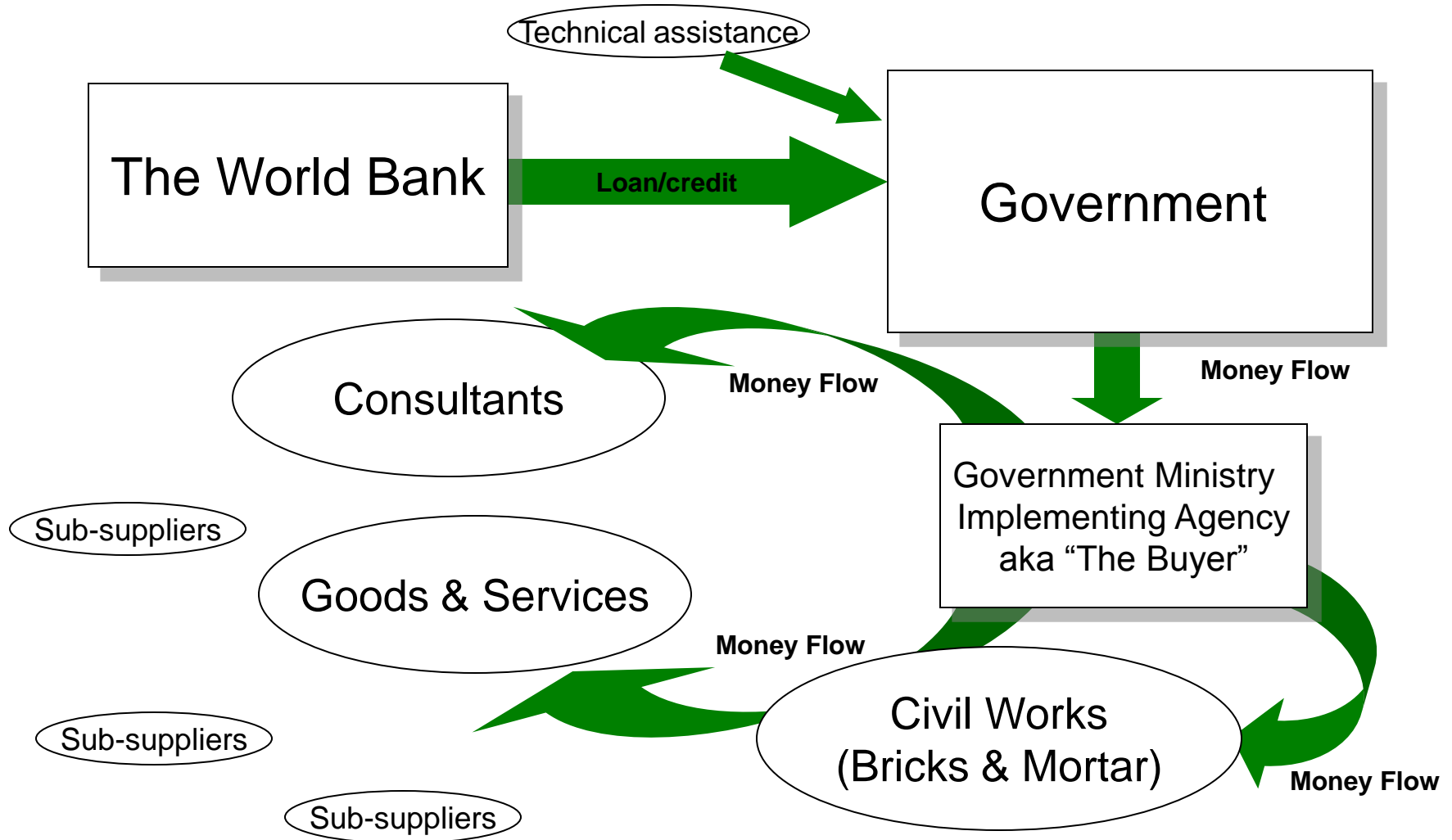
World Bank-funded Bid Opportunities

Analyzing the Project Cycle

Stage	Type of Opportunity	Buyer	Sources of Information
Concept	Short-term Consulting	World Bank	ESW, PRSP, CAS, Sector Studies, published REI
Identification	Short-term Consulting	World Bank	MOS, Published REI
Preparation	Short-term, Medium-term Consulting Services	Borrowing Country	MOS, PID
Appraisal	Short-term Consulting	World Bank	MOS, PID, published REI
Negotiation & Approval	N/A	N/A	GPN
Implementation	Consulting Services, Equipment, Goods & Civil Works	Borrowing Country	PID, PAD, GPN, REI, SPN, PP
Supervision	Short Term Consulting	World Bank	PID, PAD, GPN, REI, SPN, PP
Post Evaluation	Short Term Consulting	World Bank	PID, PAD, GPN, REI, SPN, PP

Identify World Bank-funded Bid Opportunities

Money Flow for Loans



Identify World Bank-funded Bid Opportunities

World Bank Project Cycle Documents

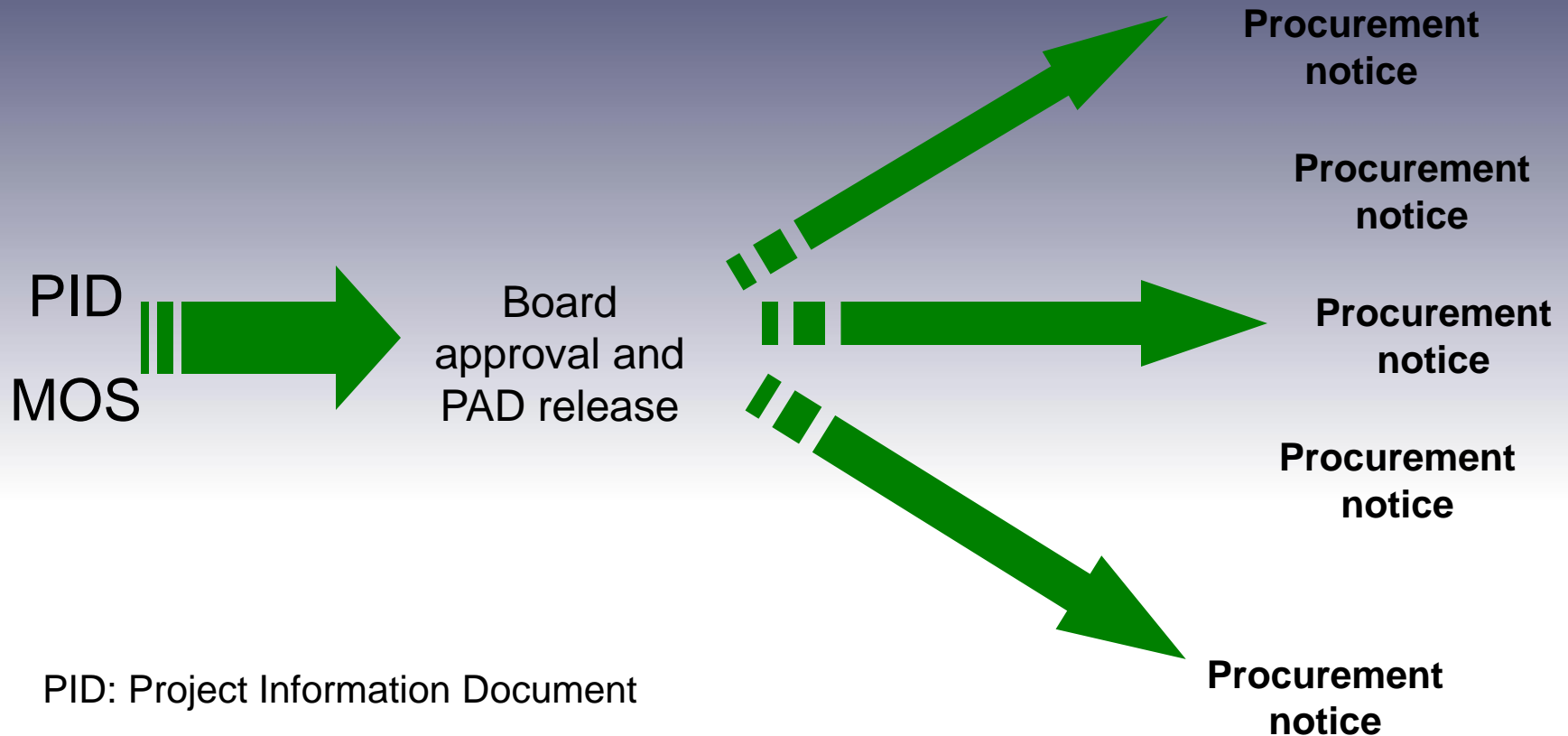
www.worldbank.org/projects

www.devbusiness.com

1. **PID (Project Information Document)** – The first publicly available document about a given project is the 6-7 page PID, which conceptualizes the project.
2. **Project Appraisal Document (PAD)** – The 100+ page PAD offers detailed information, including a procurement plan for the first 18 months.
3. **Procure** – Procurement notices are published locally and in UN Development Business.

Identify World Bank-funded Bid Opportunities

The PID PAD Procure Pipeline



PID: Project Information Document

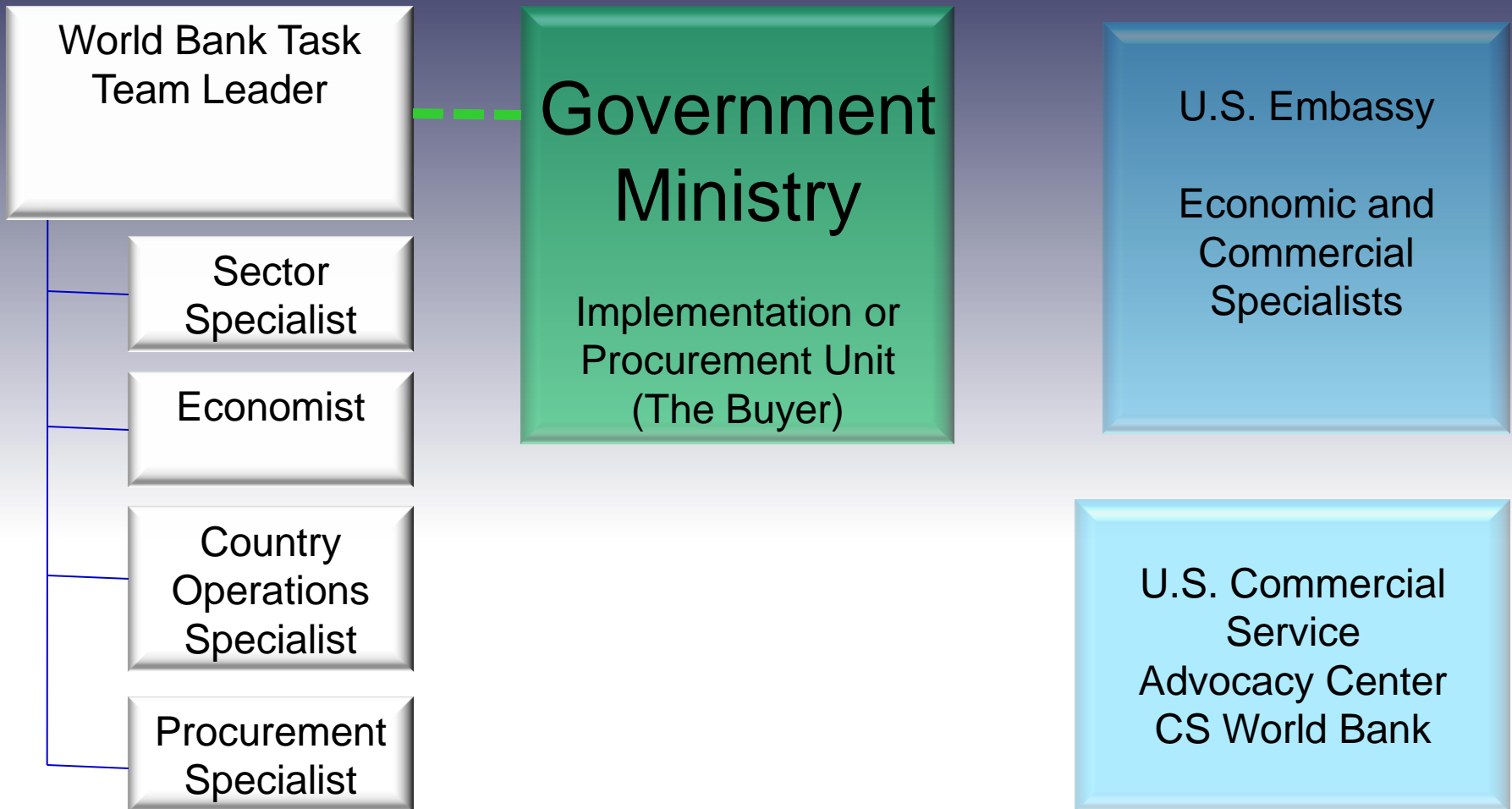
PAD: Project Appraisal Document

Identify World Bank-funded Bid Opportunities

Projects in Brazil

PROJECT ID	PROJECT NAME	APPROVAL DATE	LENDING PROJECT COST	TOTAL AMT	TEAM LEAD	IMP AGENCY
P106663	Sao Paulo Feeder Roads Project	9-Jul-09	596.42	166.7	Meyer, Aymeric-Albin	DER - DEPARTAMENTO DE ESTRADAS DE RODAGEM
P101324	Minas Gerais Partnership II SWAP	1-May-08	976	976	Fajnzylber, Pablo	SEGPLAN
P106038	BR São Paulo Trains and Signalling	1-May-08	1550	550	Rebelo, Jorge M.	STATE SECRETARY OF METROPOLITAN TRANSPORT/SAO PAULO METRO COMPANY
P105959	BR Sao Paulo Metro Line 4 - Additional Financing	8-Apr-08	190	95	Rebelo, Jorge M.	SECRETARY OF METROPOLITAN TRANSPORT/SAO PAULO METRO COMPANY
P088966	BR Municipal APL: Teresina Enhancing Municipal Governance and Quality of Life Project	27-Mar-08	44.47	31.13	Gambrill, Martin P.	MUNICIPALITY OF TERESINA

Key MDB Contacts



Identify World Bank-funded Bid Opportunities

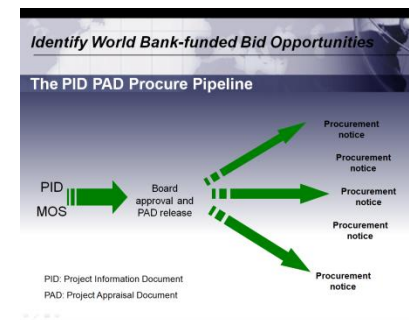
Roles

	Business Development and Government Relations Officers	In-country Marketing and Sales Team	U.S. Commercial Service
PID (Concept phase)	Identify promising opportunities, alert In-country Team, express interest with WB staffers	Establish contact and express interest to Project Implementation Unit	Facilitate access to WB and Project Implementation Unit staff
PAD (Appraisal Phase)	Monitor status of project and alert in-country team as potential opportunities emerge	Monitor status and provide input to Project Implementation Unit	Facilitate access to WB and Project Implementation Unit staff
Board Approval	Notify In-Country Team	Renew interest with Project Implementation Unit	Facilitate access to WB and Project Implementation Unit staff
Procurement Phase (GPN and SPN)	Monitor for and alert in-country team to General and Specific Procurement Notices	Monitor media for procurement notices, attend pre-bid meetings, prepare and submit bid package, attend bid opening, monitor for bidding issues	Provide USG advocacy support when appropriate, facilitate action on bidding issues

Identify MDB-funded Bid Opportunities

Targeting Strategy

1. Review procurement notices and trace them back through the process to identify the type of projects that produced opportunities for you in the past
2. Identify countries in which the Bank has a project in the pipeline (or one that has been recently approved)
3. Target the countries where you already have a presence or a strong local partner plus a Bank project in the pipeline
4. Engage with the buyer to educate and influence prior to development of tenders related to the project



Identify World Bank-funded Bid Opportunities

World Bank Strategies

Plan A:

Engage the Ministry and help shape the projects early in the concept phase before the formal project approval process starts. Work with U.S. Embassy to ensure good introduction and access.

Identify World Bank-funded Bid Opportunities

World Bank Strategies

Plan B:

Track PIDs and PADs as they emerge and use the long project approval cycle to find a local partner (use the U.S. Embassy if needed) and build a close relationship with the customer before the actual procurement starts.

Identify World Bank-funded Bid Opportunities

World Bank Strategies

Plan C:

Track procurement opportunities as they are announced and bid frantically on short notice.

World Bank Procurement

Procurement Guidelines

GUIDELINES

**PROCUREMENT
Under
IBRD LOANS
AND
IDA CREDITS**

MAY 2004
Revised October 2006

GUIDELINES

**SELECTION
AND
EMPLOYMENT
OF
CONSULTANTS
BY
WORLD BANK
BORROWERS**

MAY 2004
Revised October 2006

World Bank Procurement

“Peeling Back the Onion”

FY	Total World Bank Lending	Total Investment Lending	Total “Prior Review” Against Investment Lending	Number of “Prior Reviewed” Contracts	Number of Active Projects
2003	\$ 18,588	\$ 12,570	\$ 7,703	8,255	1,395
2004	\$ 20,180	\$ 14,029	\$ 8,747	8,343	1,346
2005	\$ 22,307	\$ 15,742	\$ 9,230	8,223	1,332
2006	\$ 23,641	\$ 16,311	\$ 7,647	7,249	1,345
2007	\$ 24,576	\$ 18,296	\$ 8,171	6,345	1,347
2008	\$ 24,702	\$ 18,604	\$ 10,219	6,077	1,612
Totals	\$ 133,994	\$ 95,552	\$ 51,717	44,492	-- --

* Figures stated in millions.

Top Supplier Countries: Consultancy Contracts

2004	2005	2006	2007	2008
UN Agencies	UN Agencies	Germany	United States	United States
*Afghanistan	Mexico	United States	Afghanistan	Germany
Germany	Germany	Canada	Indonesia	United Kingdom
United Kingdom	France	Russia	United Kingdom	France
United States	United Kingdom	Congo (DRC)	Russia	Italy
Indonesia	United States	Indonesia	France	Congo (DRC)
Mexico	Congo (DRC)	UN Agencies	UN Agencies	Canada
France	Russia	Brazil	Canada	Russia
Canada	Australia	Netherlands	Germany	Indonesia
Australia	Canada	France	Brazil	Australia

* Data entered on basis of country of registration can result in some unexpected outcomes. For example, Afghanistan is listed second for receipt of consulting contracts in FY07. This reflects large contracts to service provider in the country (e.g., CARE).

Top Supplier Countries: ICB Goods/Eqmt Contracts

2004	2005	2006	2007	2008
China	India	Russia	Germany	China
UN Agencies	China	China	China	India
Germany	UN Agencies	India	India	Spain
Argentina	Russia	Germany	Russia	Brazil
India	Germany	Turkey	Turkey	Argentina
Japan	Mexico	UN Agencies	Egypt	Russia
Vietnam	France	Netherlands	Korea	Vietnam
France	Turkey	France	UN Agencies	Italy
Russia	Spain	Italy	France	France
Mexico	Brazil	Iran	Ukraine	Indonesia

Top Supplier Countries: ICB Civil Works Contracts

2004	2005	2006	2007	2008
China	China	India	China	China
Brazil	India	China	Italy	India
India	Argentina	Brazil	Argentina	Brazil
Lebanon	Egypt	France	United Kingdom	Argentina
Argentina	France	Denmark	India	Italy
Croatia	Brazil	Pakistan	Germany	Vietnam
France	Congo (DRC)	Vietnam	Japan	Indonesia
Mexico	Croatia	Switzerland	Vietnam	Romania
Norway	Saudi Arabia	Argentina	Romania	Russia
South Africa	Yemen	Spain	Brazil	Turkey

World Bank Procurement

Defining Principles of WB Procurement Policy

- Need for **economy** and **efficiency**
- Give all eligible (qualified) bidders **opportunity** to compete
- Encourage development of **national industries** in borrowing countries
- Procurement process to be **transparent**
- Funds used for the **intended purpose**
- Encourage / advise on **least-cost solutions**

World Bank Procurement

International Competitive Bidding (ICB)

- Open to all eligible bidders from all countries
- International advertising of bid opportunities
- World Bank conducts “prior review”
- Standard bidding documents
- Clear evaluation criteria
- Public bid opening
- Prequalification for large contracts
- Payment in foreign or local currencies
- International commercial arbitration

World Bank Procurement

Basic Principles of Consultant Selection

- Economy & Efficiency
- Fair, Transparent Selection Process
- Public Notification for Large Assignments
- Restricted Competition (Shortlist)
- Standard Requests for Proposals (RFPs)

World Bank Procurement

Setting “Prior Review” Thresholds

Type of Procurement		Estimated Contract Cost in USD			
		High Risk Implementing Agency	Substantial Risk Implementing Agency	Moderate Risk Implementing Agency	Low Risk Implementing Agency
Works, Turnkey, & S&I of Plant and Equipment		\$5.0 million	\$10 million	\$15 million	\$20 million
Goods		\$0.5 million	\$1 million	\$3.0 million	\$5.0 million
IT Systems and Non-consulting Services		\$0.5 million	\$1 million	\$3.0 million	\$5.0 million
Consulting Services	Firms	\$0.2 million	\$0.5 million	\$1.0 million	\$2.0 million
	Individuals	\$0.1 million	\$0.2 million	\$0.3 million	\$0.5 million

*Risk rating is determined by the World Bank and is documented in the Procurement Capacity Assessment Report (CPAR) and the Project Capacity Assessment Report (PCAR).

World Bank Procurement

Procurement Capacity Assessments

Assess:

- Capacity of Implementing Agency
- Adequacy of Procurement and Related Systems
- Institutional, political, organizational, and procedural risks

Develop:

- Action Plan
- Procurement Supervision Plan

World Bank Procurement

Red Book (G&Ws) vs. Green Book (Consulting)

Differences in Procedures

Goods, Works, Services	Consulting Services
Product/Service based	Knowledge based
Open Competition	Short-listing (Restricted Competition)
Public Bid Opening	Non-public Opening of Technical Proposal
Price Major Evaluation Factor	Quality Major Evaluation Factor
Detailed Specifications	Terms of Reference
Single-stage Procedure	Two-envelope Procedure
No Negotiations	Negotiations

Differences in Terminology

Goods	Works \ Services	Consulting Services
Purchaser	Employer	Client
Supplier	Contractor	Consultant\Firm
Bid	Bid	Proposal
Standard Bid Doc't (SBD)	Standard Bid Doc't (SBD)	Standard Request for Proposal (RFP)
Specific Procurement Notice (SPN)	Specific Procurement Notice (SPN)	Expression of Interest (EOI)
Price	Price	Quality/Price
Lowest Evaluated Bidder (LEB)	Lowest Evaluated Bidder (LEB)	Highest Ranked Firm

World Bank Procurement

Red Book (G&Ws) vs. Green Book (Consulting)

Goods, Works, Services	Consulting Services
Steps in the Bid Process	Steps in the Selection Process
Specific Procurement Notice (SPN) Advertised (Clarifications on Bidding Documents must be Requested in Writing 21 days Prior Bid Deadline)	Request for Expressions of Interest (SPN) Advertised (Clarifications of the RFP Documents Only Permitted Up and Until the Date Stipulated in Data Sheet)
<u>Prequalification:</u> May require prequalification for complex and/or expensive projects	<u>Prequalification & Shortlisting of Firms:</u> Only six firms with a wide geographic spread No more than two from any one country At least, one firm from a developing country
<u>Bid Preparation:</u> Goods\Works (not less than 6 wks) Complex Goods\Works (not less than 12 wks) Includes Clarification Process (and\or Pre-bid Conference for Complex Projects)	<u>Proposal Preparation:</u> Normal Assignments (not less than 4 wks) Complex Assignments (not more than 3 mos.) Includes Clarification Process and\or Pre-proposal Conference (Complex Projects)
Bid Submission & Public Bid Opening	Request for Proposals Released to Shortlisted Firms
Examination & Evaluation (Blackout w/ Bidders, except for Written Bid Clarifications Requested by the Purchaser/Employer, Until After Award)	Technical Evaluation (Blackout w/ Bidders, except for Written Bid Clarifications Requested by the Client)
Post Qualification of Lowest Evaluated Bidder	Public Opening of Financial Proposals
Contract Award	Negotiations & Award

World Bank Procurement

Red Book (G&Ws) vs. Green Book (Consulting)

Goods, Works, Services	Consulting Services
Contents of Invitation for Bid (IFB)	Contents of Request for Proposal (RFP)
Letter of Invitation & Instruction to Bidders	Letter of Invitation & Instruction to Consultants
Bid Data Sheet: Technical Specifications, Drawings & Relevant Technical Data	Data Sheet, Standard Forms, & Form of Contract
Schedule of Requirements (goods) / Bill of Quantities (works), Delivery / Completion Schedule	Terms of Reference (TOR): Background & Objectives Scope & Phasing of Services Decision Points & Timing of Deliverables Client Contribution Supplies Required
Forms of Payment: Lump-sum, Unit Prices, or Reimbursable Cost (May include Advance\Progress Payments for Major Supply & Installation Contracts)	
Sample Bid Documents (Form of Bid, Form of Contract, Format of Bid\Performance Securities, and Manufacturer's Authorization Form)	Proposed Contract: Lump-sum or Time-based
Conditions of Contract: (General & Specific)	Conditions of Contract: (General & Specific)

World Bank Procurement

Red Book (G&Ws) vs. Green Book (Consulting)

Goods, Works, Services	Consulting Services
<p align="center">Lowest “Evaluated” Bid</p>	<p align="center">Highest Ranked Proposal (QCBS)</p>
<p>The bid with the lowest evaluated cost, but not necessarily the lowest submitted price, shall be selected for award.</p>	<p>The firm with the highest total score shall be invited for negotiations.</p>
<p>Substantial Responsiveness to Technical & Commercial Requirements</p>	<p>QCBS: As stipulated in RFP, but generally, Technical Evaluation weighted 80% \ Financial Evaluation weighted 20%</p>
<p>As stated in bidding documents, <u>there are factors, other than price, that may be assigned a monetary value in bid evaluation</u>; examples include: Operating Cost, Efficiency & Compatibility Installation; Training & Commissioning; Inland Transport & Insurance; Proposed Deviation in Payment Schedule, etc.</p>	<p>Basis of Technical Evaluation Score: Consultant’s Specific Experience: 0 – 10 pts Methodology: 20 – 50 pts Key Staff (CVs): 30 – 60 pts Transfer of Knowledge: 0 – 10 pts Participation by Nationals: 0 – 10 pts</p>
<p>Fully Compliant Bid Security & Bid Validity</p>	<p>75-point Minimum Technical Score to Open Financial Proposal for Evaluation</p>

World Bank Procurement

Red Book (Goods) vs. Green Book (Consulting)

Goods	Consulting Services
<p align="center">Payment Schedule</p>	<p align="center">Payment Schedule</p>
<p>Bidding Documents specify payment method and terms, whether alternative payment methods and terms will be allowed and, if so, how alternative terms will be evaluated.</p>	<p>Consultant financial proposals require itemized list of costs associated with the assignment, including foreign and local costs for staff remuneration and reimbursable expenses.</p>
<p><u>As stipulated in Bidding Documents but generally for goods contracts:</u></p> <ul style="list-style-type: none"> • 10% of the contract price is paid in Advance within 30 days of contract signing; • 80% is paid through irrevocable confirmed L/C upon submission of shipping documentation; • And, last 10% is paid upon receipt and acceptance of goods. <p>Payments shall be made no later than 60 days after submission of an invoice / payment request.</p>	<p><u>Time-based contracts:</u></p> <ul style="list-style-type: none"> • Payment made within 60 days (90 days for final payment upon acceptance of final report) against submitted itemized statements, invoices, vouchers, receipts, etc. with separate statements for expenses in foreign and local currencies. <p><u>Lump-sum contracts:</u></p> <ul style="list-style-type: none"> • Payment made according to schedule of outputs stipulated in in the SC, typically after the provision of a deliverable.
<p>When there are delays in payment, the Purchaser shall pay the Supplier interest on the delayed payment at the rate stipulated in the SCC.</p>	<p>After an initial “grace period” of typically 15 days, interest shall be paid to the consultant for each day of delay payment at the rate stated in the SC.</p>

World Bank Procurement

Frequently Asked Questions:

Goods	Consulting Services
<p>Currency: As stipulated in the bidding documents, bidders may express the price in any currency and may express the price as a sum of amounts in no more than three different foreign currencies. For the purpose of comparing prices, bid prices are converted to a single currency selected by the purchaser and according to the official exchange rate on a date stipulated in the bidding documents.</p>	<p>Currency: As stipulated in RFPs, firms may express the price in any fully convertible currency and may express the price as a sum of amounts in no more than three different foreign currencies. Payment will be made in the currency(-ies) as expressed in the proposal.</p>
<p>Taxes: The Supplier is responsible for all taxes, duties, fees and levies imposed outside the Purchaser's country. If there are any tax exemptions or privileges available, then the Purchaser shall use its best efforts to enable the Supplier to benefit from any tax savings.</p>	<p>Taxes: The Consultant is subject to local taxes, and the Data Sheet should specify payment of applicable local taxes. Such taxes are not included in the financial proposal and are not evaluated. Financial contract negotiations will include a clarification of the firm's tax liabilities in the Client's country and the manner to be reflected in the contract.</p>
<p>Contract Negotiations: No negotiations.</p>	<p>Contract Negotiations: The highest ranked firm will be invited for technical and financial negotiations to further refine the "Description of Services" and financial terms.</p>

World Bank Procurement

Frequently Asked Questions:

Goods	Consulting Services
<p>Bid Security/Bid Bonds: As stipulated in the Bid Data Sheet, a security in the amount specified is to be provided in a freely convertible currency and:</p> <ul style="list-style-type: none">• be issued by a reputable institution selected by the bidder, but if located outside the purchaser's country, then the financial institution shall have a correspondent bank located in-country;• be substantially in accordance with one of the forms of bid security in Section IV of the Bidding Documents; and• be valid for 28 days beyond the bid validity period.	<p>Bid Security/Bid Bonds: Not required for consulting assignments.</p>

World Bank Procurement

International Competitive Bidding (ICB)

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Pursue MDB-funded Bidding Opportunities

Bid Preparation: Do's & Don'ts

- Respond precisely to the requirements of the proposal
- Provide highly qualified staff and ensure that they are actually available for the assignment
- Do not exaggerate qualifications! Respond precisely to technical specifications.
- Unclear? Ask up front, do NOT guess or assume.
- Submit bid/proposals in time. Bids that are even one minute late will be rejected.
- Assess the competition. Compete where YOU are competitive.

The MDB Basic Course

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