

# New IsDB Project Procurement Guidelines Rationale and Key Changes 2019



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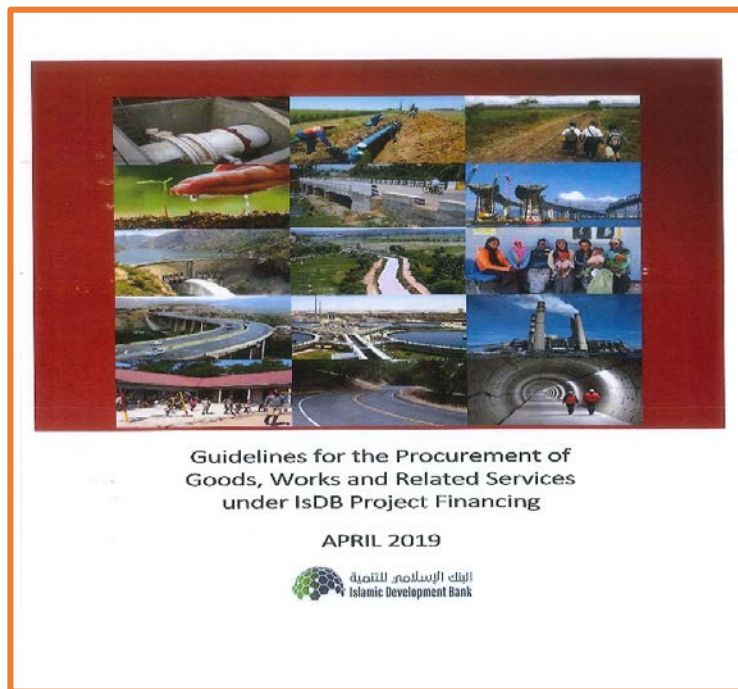
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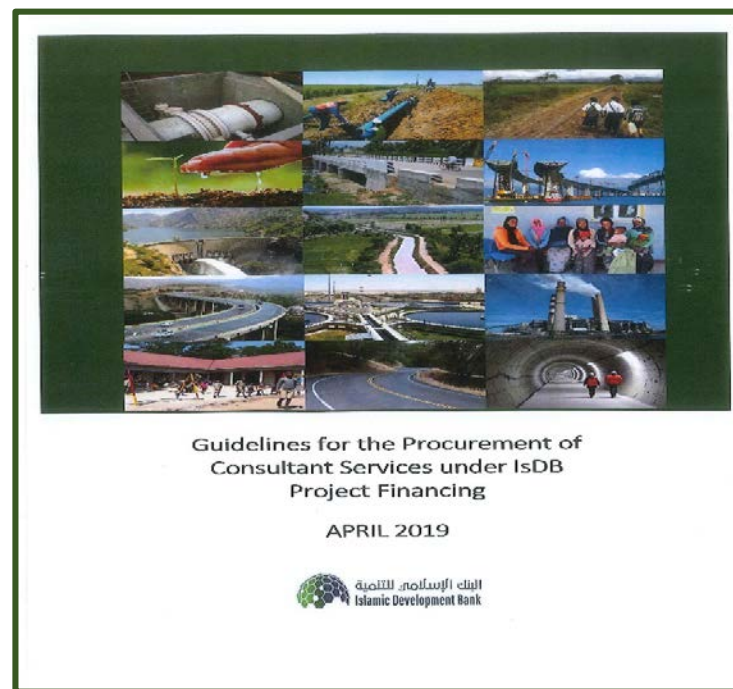


# 1. Introduction

## The Project Procurement Guidelines

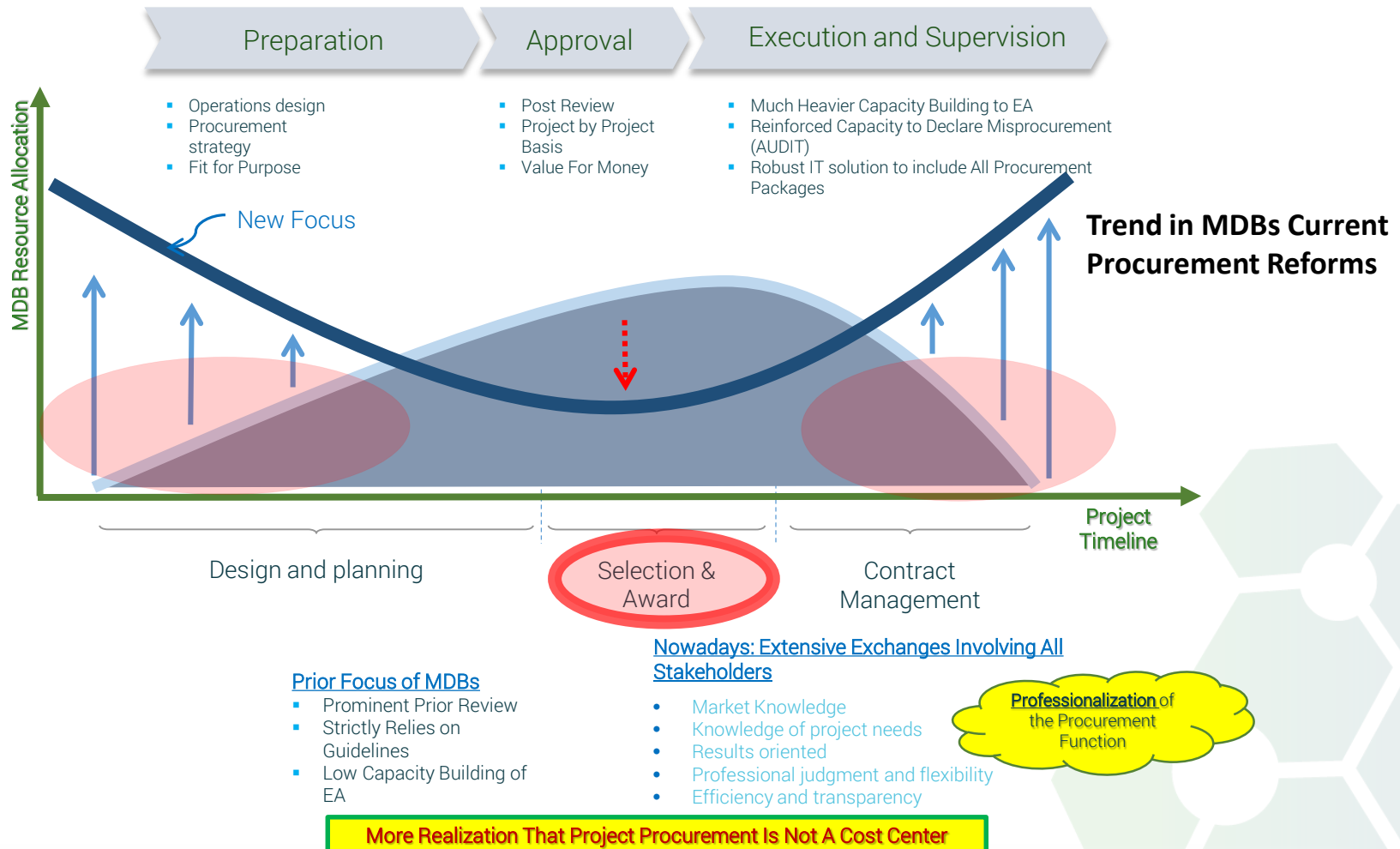


The Guidelines for Procurement  
of Goods and Works



Guidelines for Procurement of  
Consultant Services

## 2. Rationale for Revising the Guidelines



.....Risk Based Approach in Procurement.....

## 2. Rationale for Revising the Guidelines

- Some Articles No Longer Relevant Today
- Some Cases Encountered in Projects Not Handled

- New Procurement Arrangements Emerged
- Requests for Waivers Are Increasing ...

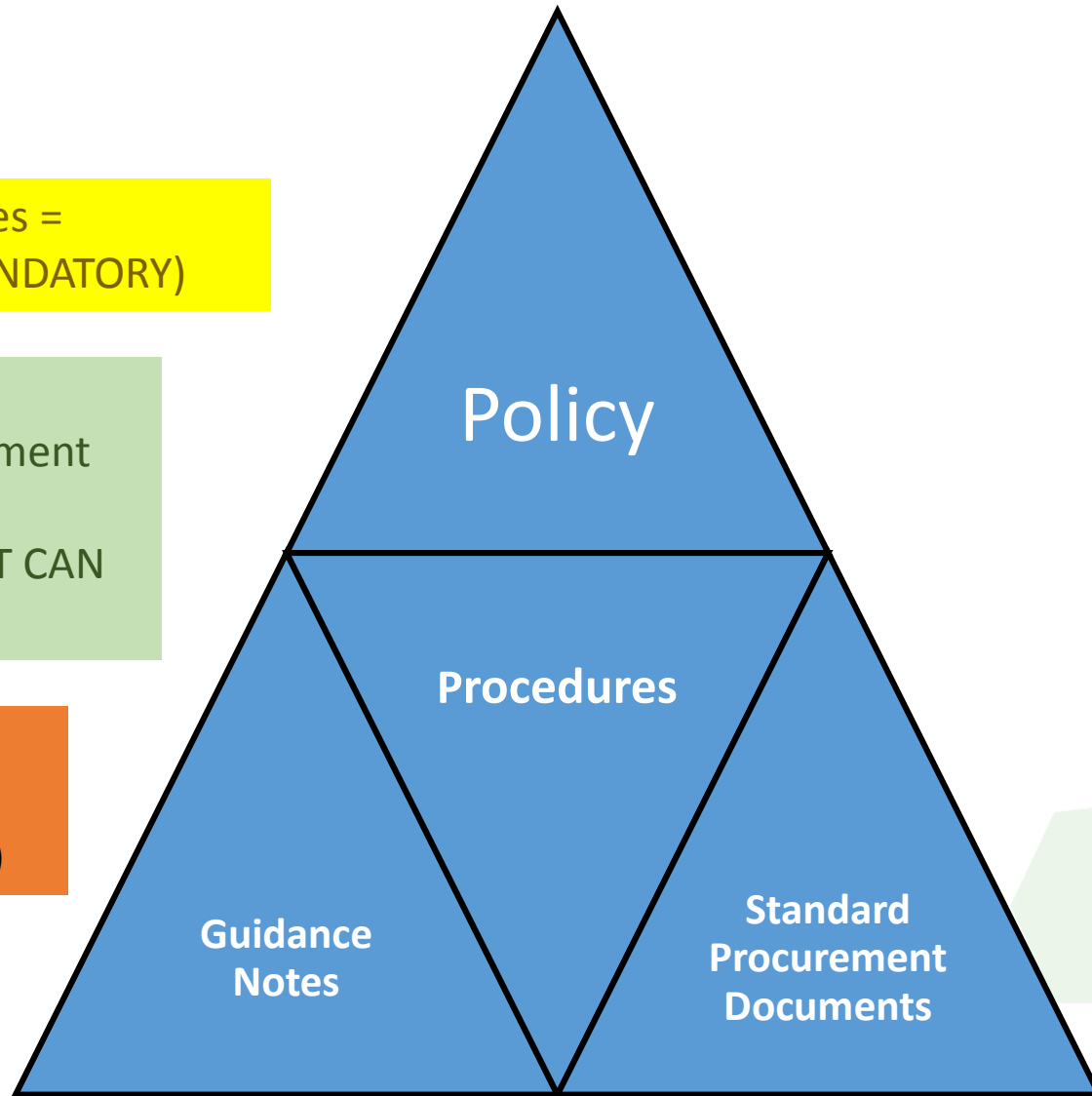
- Procurement Capacity of MCs Have Increased
- Requests for Focusing on Prior Review for High Value & Risk Contracts

### 3. Key Changes: Overview

Policy + Procedures =  
GUIDELINES (MANDATORY)

Updated Suite of  
Standard Procurement  
Documents  
(MANDATORY BUT CAN  
BE CUSTOMIZED)

17 New Guidance  
Notes  
(RECOMMENDED)



# 3. Key Changes: Overview

GUIDANCE NOTES: To Clarify and Explain Important Topics in the Guidelines

**1. Procurement Related Complaints Handling**

**2. Non-Compliance**

**3. Procurement Plan / Strategy Document**

**4. Prior and Post Review**

**5. E-Procurement**

**6. Abnormally Low Tenders - ALT**

**7. Advanced Contracting and Retroactive Financing**

**8. Selection of Consultants**

**9. Eligibility**

**10. Joint Ventures and Other Types of Association**

**11. Hands-On Implementation Support**

**12. Procurement in Fragile and Conflict Affected States**

### 3. Key Changes: Overview

GUIDANCE NOTES: To Clarify and Explain Important Topics in the Guidelines

**13. Conflict of Interest and Unfair Competitive Advantage**

**14. New Procurement Approaches**

**15. Alternative Procurement Arrangements**

**16. PPP and Other Types of Private Sector Methods**

**17. Gender Consideration, Social and Sustainable Public Procurement**



# 3. Key Changes: Overview

## NEW SUITE OF STANDARD PROCUREMENT DOCUMENTS

### Sample

- REOI
- PS & PP Templates
- GPN
- SPN

### Standard

- Shopping Document for Procurement of Works and Goods
- Pre-qualification Document
- Standard RFP Selection of Consultants
- RFP Financial Auditing

### Evaluation

- St Evaluation Report Consultants
- St Evaluation Report Goods and Works

### SBD for

- Procurement of Plant
- Procurement of Goods
- SBD Works - Major Works
- SBD Works Smaller Contracts

### Users' Guides

- User's Guide For PQD for Proc of Works
- User's Guide for SBD Major Works

SPD - January 2019

# Key Implications of the Revised Procurement Policies

## 1- Better Procurement Approach

- Tailored to Country & markets
- Project based
- Upfront planning (PP)
- Results focus (PS)
- Fit for Purpose (FfP)
- Value for Money (VfM)

## 2- Faster Delivery And Effective Results

- Tailored to project objectives
- More focus on high value
- Prior and Post review
- Risk based approach over the entire delivery cycle
- Enhanced NCB method
- Stand-still period for better complaint handling (**key for private sector involvement**)

## 3- Resources Targeted More Efficiently

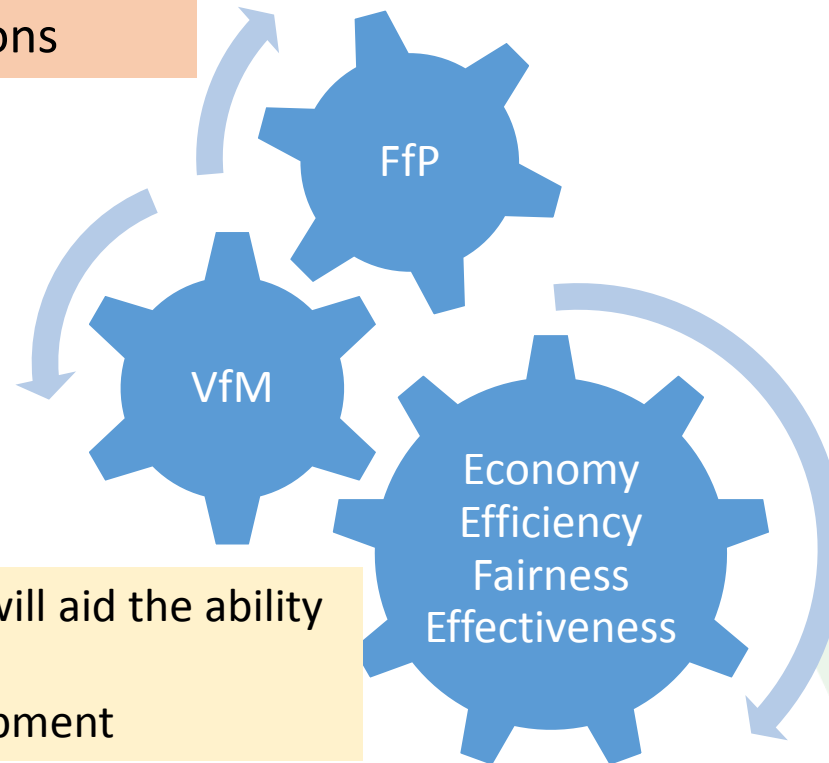
- Capacity building & UCS
- Recognition of “alternative procurement arrangements”
- professional judgement

## 4- Modern Systems & Processes

- Aligned with MDBs
- Allows **ACG Members** Rules
- Introduce e-Gproc., BAFO, Hands-On, Fragility, PPP...
- **Guidance Notes (17)** to complement the New Policies & Procedures (“*Guidelines*”)

## 4. Key Changes: New & Amended Provisions

Introduction of Value for money and Fit for purpose approach in procurement operations



These overarching principles will aid the ability of the Beneficiaries to achieve sustainable development

## 4. Key Changes: New & Amended Provisions

### Value for Money (VfM)

Obtaining the optimum benefits with the effective, efficient, and economic use of resources

VfM may be applied to any type of procurement i.e. Works, Goods, Consulting and Non-consulting Services

## 4. Key Changes: New & Amended Provisions

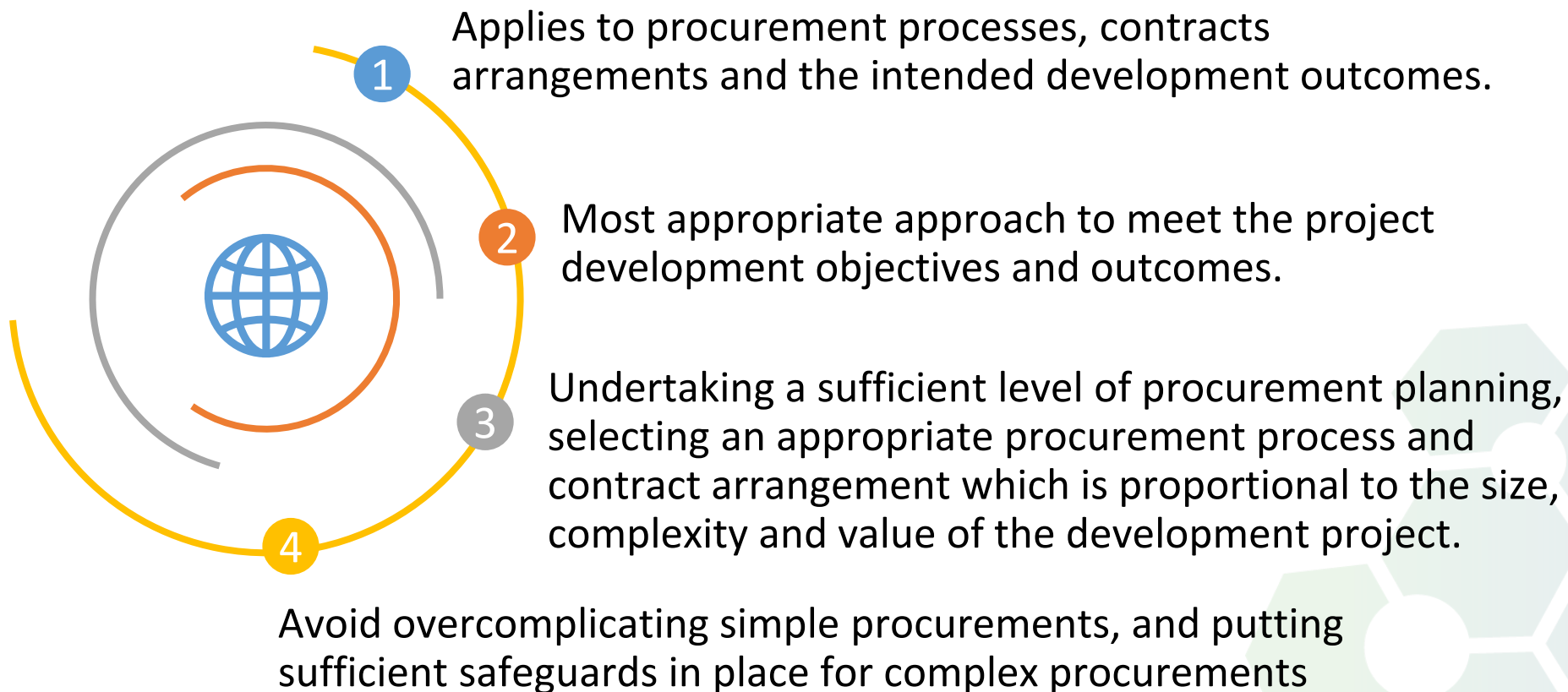
### Value for Money (VfM)

VfM is considered at all stages of the Procurement Process.



## 4. Key Changes: New & Amended Provisions

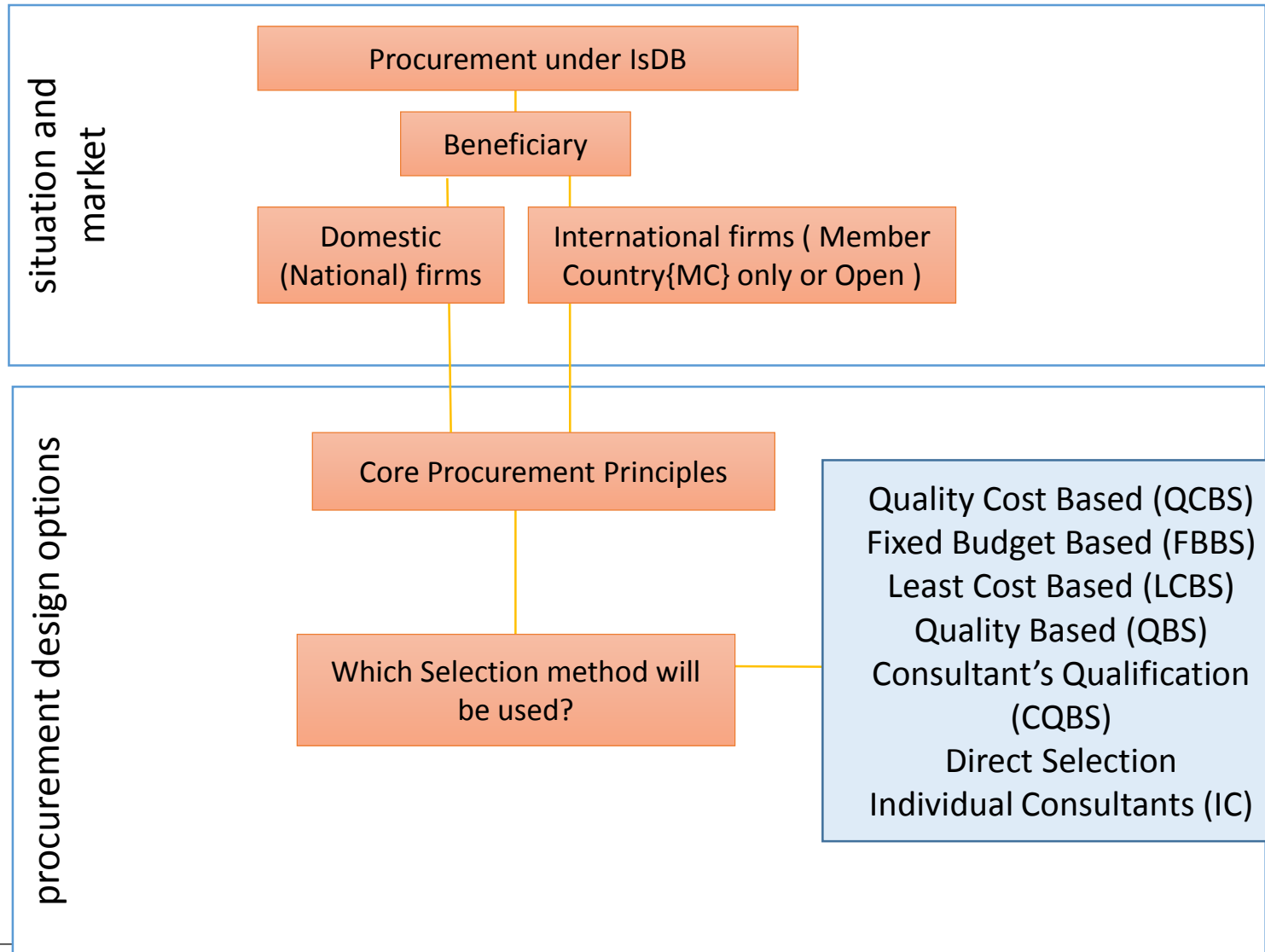
### Concept of Fit for Purpose



# 4. Key Changes: New & Amended Provisions

## Concept of Fit for Purpose

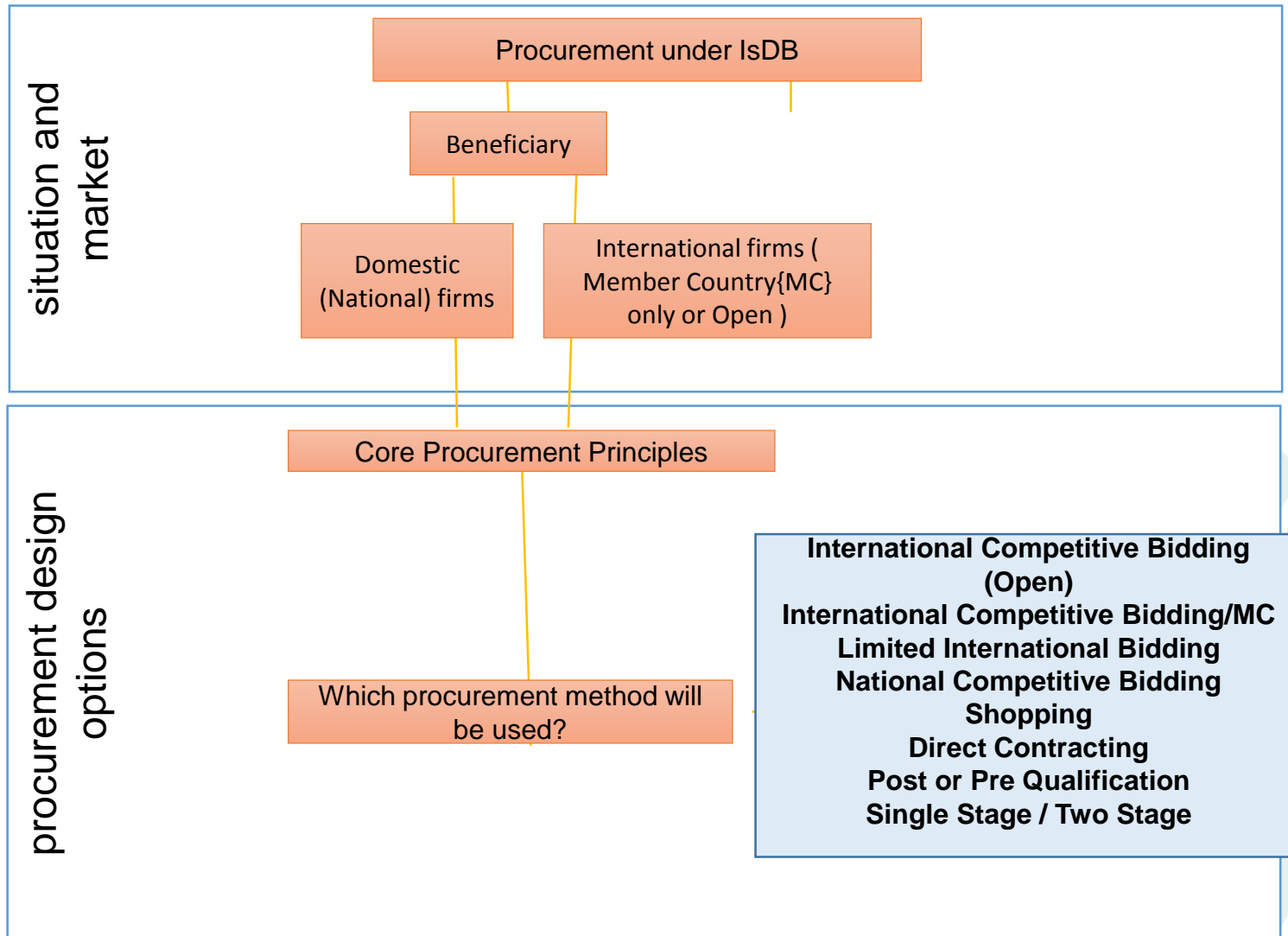
Fit-for-Purpose options for selection of Consulting Services



# 4. Key Changes: New & Amended Provisions

## Concept of Fit for Purpose

Fit-for-Purpose options for Procurement  
of  
Goods, Works, Non Consulting





## 4. Key Changes: New & Amended Provisions

### Concept of Fit for Purpose

**EXAMPLE : Fit-for-purpose Procurement method for Goods, Works and Non-consulting Services**

#### General rule

Applying international competition may be appropriate when the participation of foreign firms:

1. will increase competition, and
2. may lead to best **Value for Money [VfM]** .

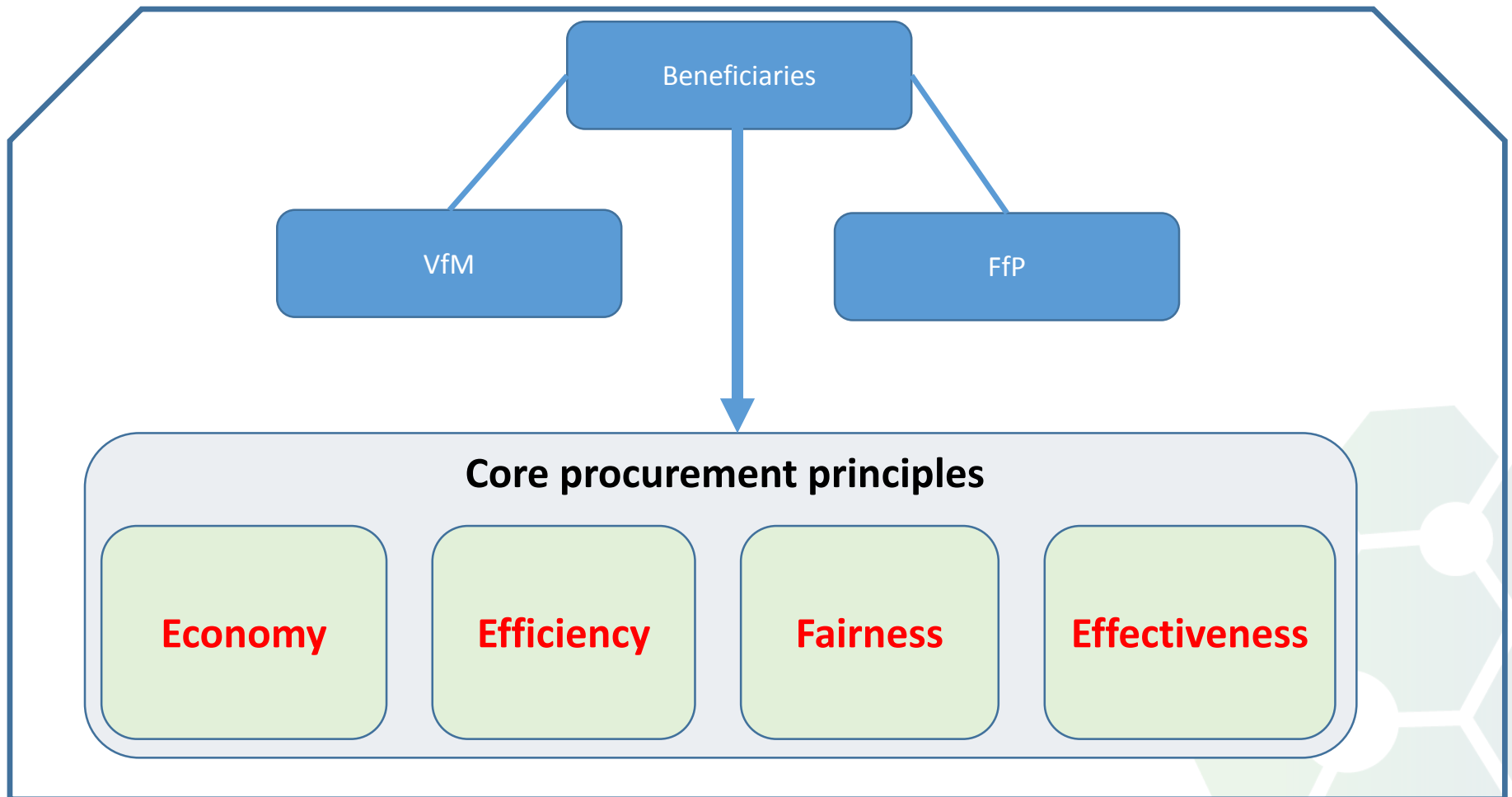
#### Bank's preferred approach

International competition ( Limited to Member Countries)is the Bank's preferred approach for contracts that are:

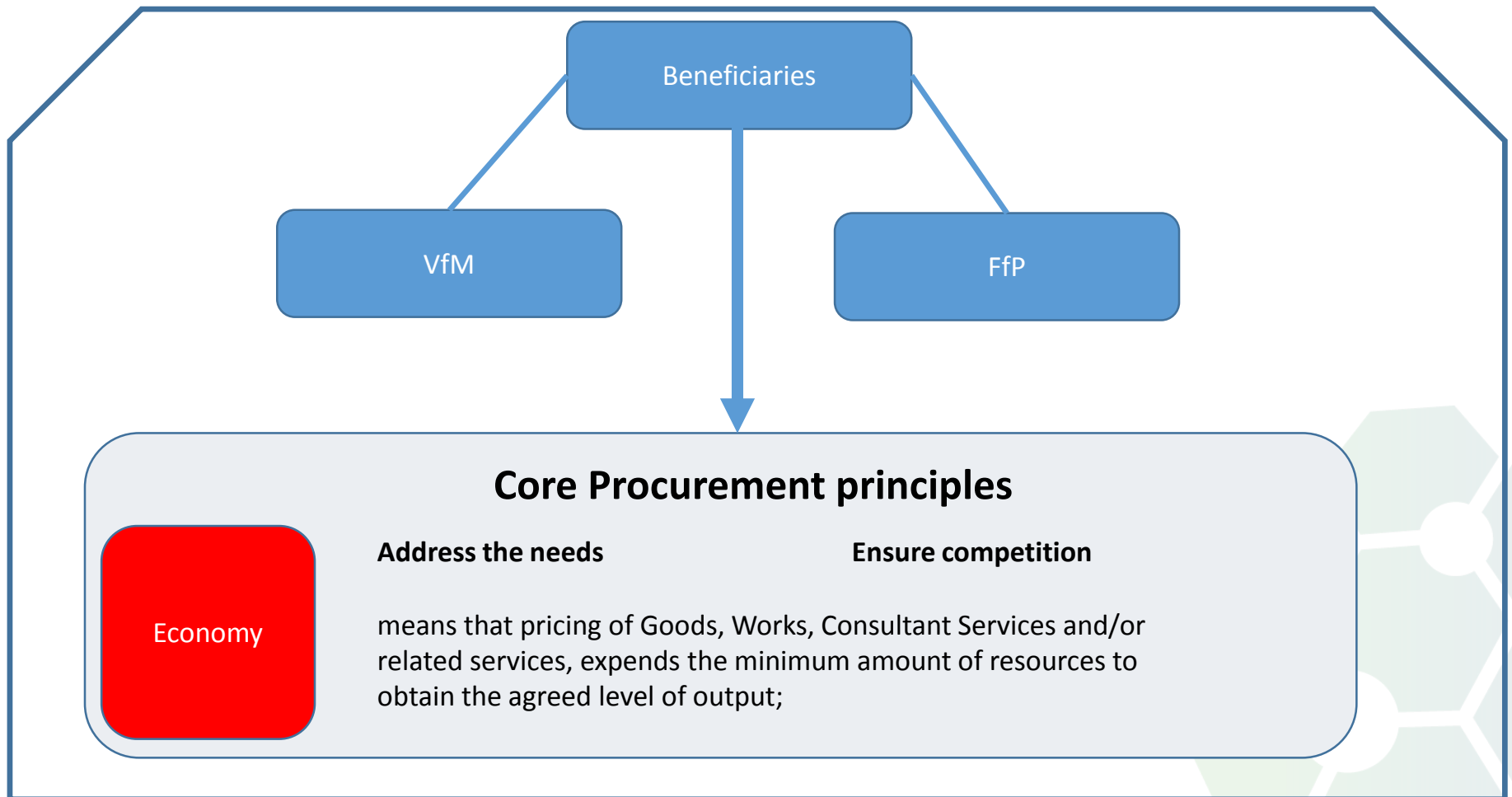
1. complex
2. high-risk and/or high-value



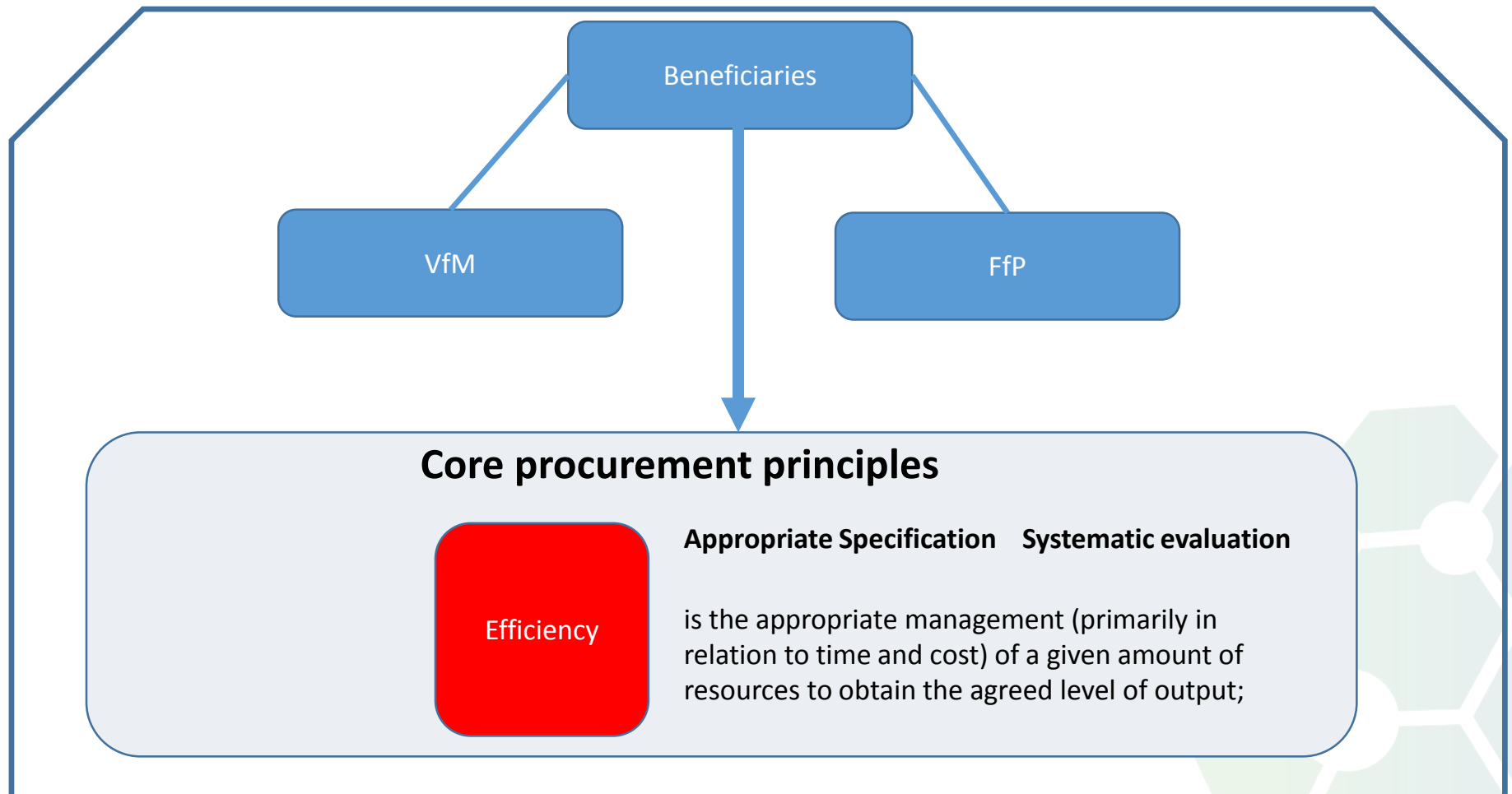
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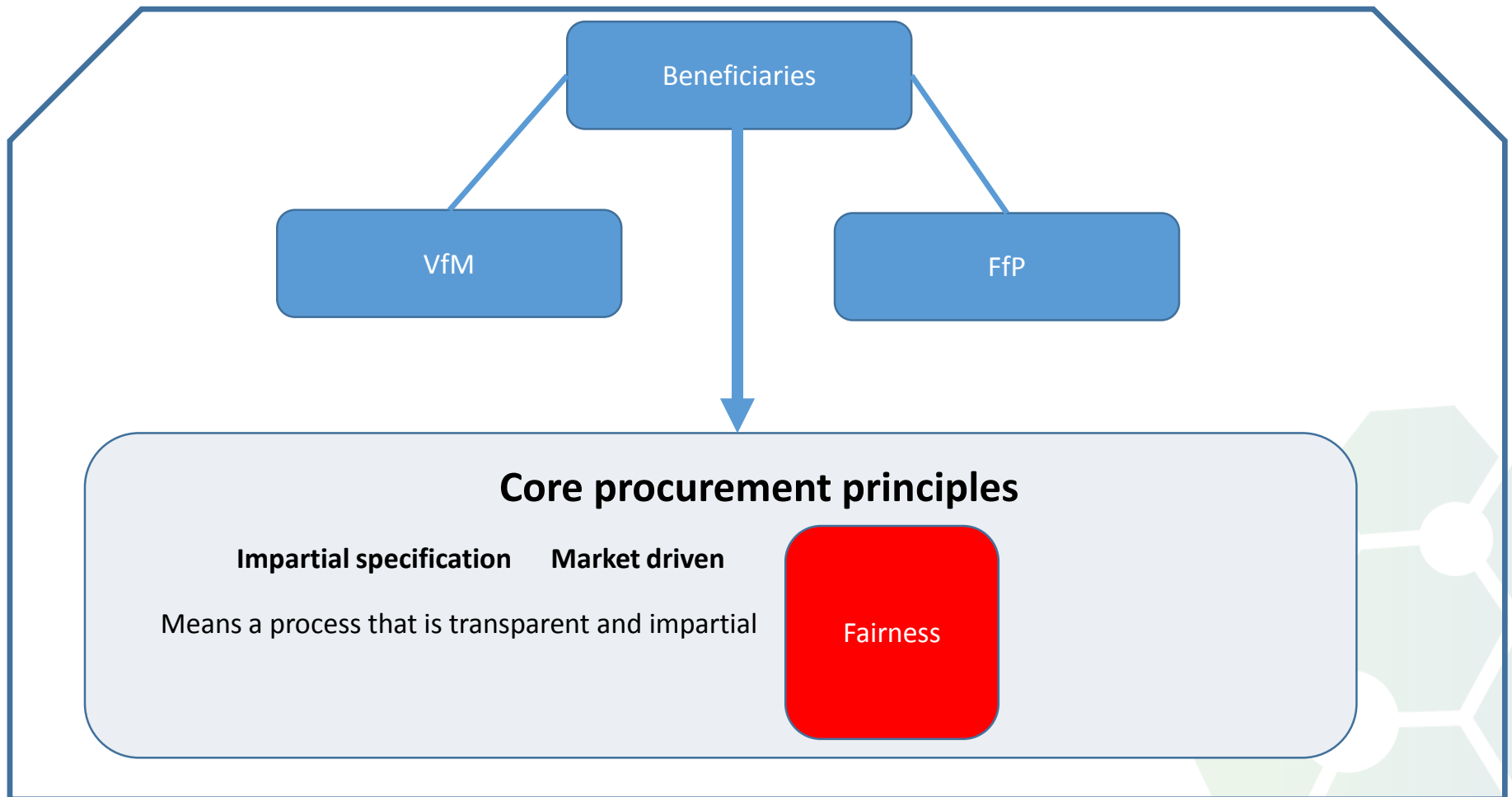
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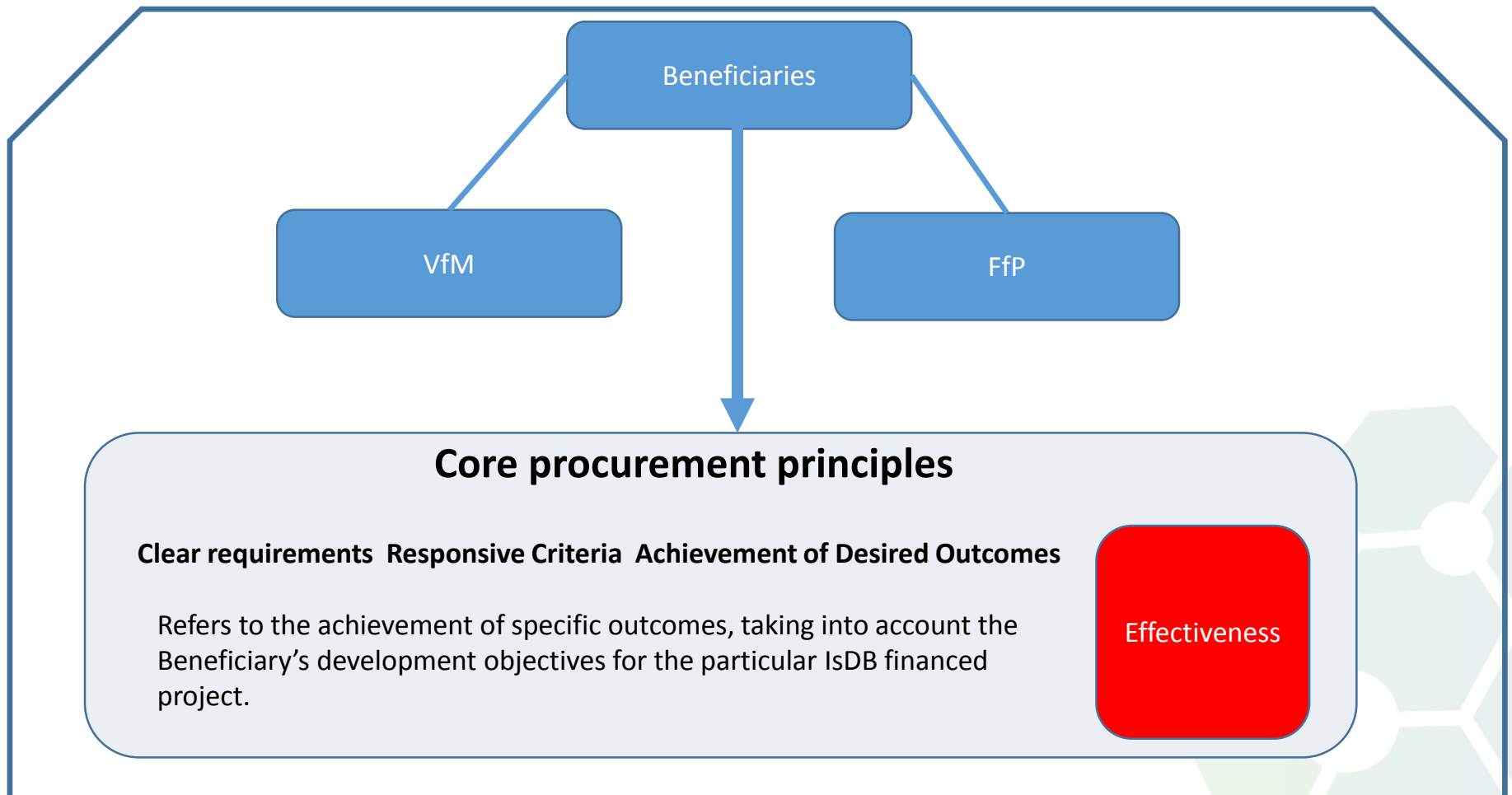
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# 4. Key Changes: New & Amended Provisions

## Procurement Plan

Procurement plan and strategy are fundamental prerequisites for project implementation success, the new guidelines provide separate provisions that introduce clarity and visibility in this regard.

A sound procurement plan will show how:



Research and planning add value to sourcing

Effective and efficient implementation supports results

Collaborative cross-disciplinary teams/teamwork lead to strong solutions

Good governance and project management ensures delivery on time; budget and to specification

Professionalism and ethics support due process , accountability and transparency.

A procurement plan serves as a catalyst for realistic completion projections and swifter disbursements.

## 4. Key Changes: New & Amended Provisions

### eProcurement

- The introduction of provisions on **e-Procurement**, will increase flexibility and provide opportunity for Beneficiaries to use their own e-procurement platforms in procurement of Goods and Works, as well as in the selection of consultants, under IsDB financing. The use of e-procurement, if found satisfactory by the Bank, will potentially increase transparency and shorten the procurement cycle.

### Abnormally Low Tenders

- The introduction of provisions on **Abnormally Low Tenders-ALT** will give guidance on how to deal with bids which are found to be the most technically responsive but are significantly below the estimated cost. Such bids can now be properly assessed and rejected, if deemed appropriate.



## 4. Key Changes: New & Amended Provisions

### Prior and Post Review

- The current provisions for **Prior and Post Review** are revised to set clear distinction between prior and post review of procurement process by the Bank, in line with the other MDBs. It would significantly increase flexibility, rationalization and prioritization of the use of IsDB's resources.

### Procurement of Commodities

- The introduction of provisions on **Procurement of Commodities** will streamline the process for procurement of commodities such as grains, animal feed and fertilizers, common in IsDB financing.

## 4. Key Changes: New & Amended Provisions

### Procurement under Disaster and Emergency assistance

- The introduction of provisions on **Procurement under Disaster and Emergency Assistance**, including the possibility for **Hands-on-Support** to enhance implementation support, allow greater flexibility for Procurement of Goods, Works or related services, under disaster and emergency situation. These Policies would make it possible for immediate response to such urgent needs.

### Best and Final Offer (BAFO)

- The introduction of provisions on **Best and Final Offer (BAFO)** in the presence of a Probity Assurance Provider, makes it possible under specific conditions for Beneficiaries to include appropriate clauses in bidding documents allowing discussions with substantially qualified bidders in order to grant them a final opportunity to provide “their best and final offers”.

## 4. Key Changes: New & Amended Provisions

### Co-Financing and Partnership

- introduction of new provisions on **Co-Financing and Partnership** will increase clarity, harmonization and facilitates joint co-financing, particularly with regards IsDB's collaboration with the Arab Coordination Group members

### Standstill Period

- A mandatory period will be instituted following the notification of an award decision intention via official publication. The purpose is to allow unsuccessful bidders to challenge the award decision before the contract is signed while keeping the period for complaints to be lodged within a reasonable period.

## 4. Key Changes: New & Amended Provisions

### Publication and Advertising

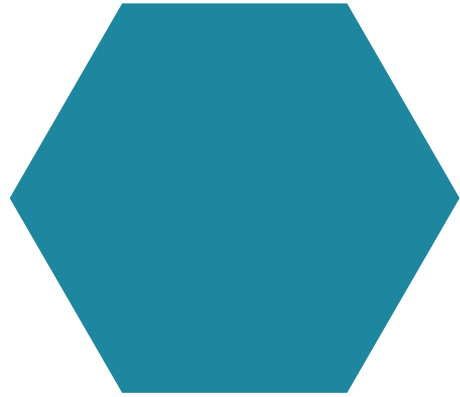
This requirement has changed from international recognized newspapers, to internet media sources.

The new requirements stipulate that the advertisements for the respective procurement notice (GPN,IFP,SPN,REOI... etc).

The internet media sources required are:

- UN development business
- DG Market
- IsDB website
- MC beneficiaries websites





Thanks!

