

- d. award the contract.

Bid/Proposal Opening

- 5.40 The date and time for the Bid/Proposal opening shall be the same as for the deadline for receipt of Bids/Proposals or promptly thereafter, and shall be announced, together with the place for Bid/Proposal opening, in the request for bids/request for proposals document and/or the SPN. In a single stage, two-envelope process, the date, time and place for opening the second envelope shall also be appropriately announced. In a two-envelope process (with no BAFO or Negotiations, or a process that is not a Competitive Dialogue), the second envelope shall not be opened earlier than ten (10) Business Days from the communication, to the Bidders/ Proposers/ Consultants, of the results of the evaluation of the first envelope. However, if the Borrower receives a procurement-related complaint in relation to the results of the evaluation of the first envelope within the ten (10) Business Days, the opening date shall be subject to Paragraph 3.1 (b) of Annex III, Procurement- Related Complaints.
- 5.41 Normally, Bid/Proposal openings are undertaken in public. In some circumstances (e.g., where BAFO or Negotiations will take place, or in a Competitive Dialogue) the Bid/Proposal opening will not normally take place in public, but in the presence of a Probity Assurance Provider acceptable to the Bank.
- 5.42 At the Bid/Proposal opening, the Borrower shall neither discuss the merits of any Bid/Proposal nor reject any Bid/Proposal that has been received on time.
- 5.43 In a single stage, one-envelope process, the Borrower shall:
 - a. open in public all Bids/Proposals received by the submission deadline; and
 - b. read aloud and record the name of each Bidder/Proposer/Consultant that submitted a Bid/Proposal, the total amount of each Bid/Proposal, any discounts, Bid/Proposal Security, Bid/Proposal securing declaration, if required, and any alternative Bids/Proposals offered if they have been requested or permitted.
- 5.44 In single stage, two-envelope process (with no BAFO or Negotiations, or a process that is not a Competitive Dialogue), for the first envelope (technical Bid/Proposal), the Borrower shall:
 - a. open in public the technical Proposals received by the submission deadline. Financial Proposals that have been submitted shall be kept, unopened, in a secure place; and
 - b. read aloud and record the name of each Bidder/Proposer/Consultant that submitted Bids/Proposals, the presence or absence of sealed envelopes with the price Bid/Proposal, the presence or absence of a Bid security/Bid securing declaration, if required, and any other information deemed appropriate.
- 5.45 In single stage, two-envelope process (with no BAFO or Negotiations, or a process that is not a Competitive Dialogue), for the second envelope (financial Bid/Proposal), the Borrower shall:
 - a. open in public the financial Proposals of the Bidders/Proposers/Consultants that meet the requirements set for the technical Bid/Proposal;

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- b. read aloud and record the name of each Bidder/Proposer/Consultant that submitted a Bid/Proposal, and as applicable the technical score, the total amount of each Bid/Proposal, and any discounts; and
 - c. after the contract is signed, return unopened the financial Bids/Proposals of those whose technical Bids/Proposals did not meet the requirements set for the technical Bid/Proposal or were considered nonresponsive.
- 5.46 In a multistage process in which the first-stage submission does not include prices, the information to be read out is the same as in a single stage, two-envelope process. In a multi-stage, two-envelope process, where BAFO or Negotiations will take place, or in a Competitive Dialogue process, the Bid/Proposal opening will not take place in public, but in the presence of a Probity Assurance Provider acceptable to the Bank.
- 5.47 A copy of the record of Bid/Proposal opening shall be promptly sent to all Bidders/Proposers/Consultants whose Bids/Proposals were opened and, if subject to prior review, to the Bank. Where the Bid/Proposal opening has not been undertaken in public, but in the presence of a Probity Assurance Provider, this information will be included in the Probity Assurance Provider's probity report. The probity report shall be sent by the Borrower to the Bank, and all such Bidders/Proposers/Consultants along with the Notice of Intention to Award the contract.
- 5.48 Bids/Proposals not opened and read out at the Bid/Proposal opening shall not be considered.

Late Bids/Proposals

- 5.49 Bids/Proposals received after the date and time deadline for receipt shall not be considered.

Evaluation Criteria

- 5.50 Evaluation criteria and methodology shall be specified in detail in the request for bids/request for proposals document. The evaluation criteria and methodology shall be appropriate to the type, nature, market conditions, and complexity of what is being procured. For international competitive procurement, the Bank's requirements for the submission of Bid/Proposal prices (format, structure and details), and method of comparison and evaluation of Bid/Proposal prices (including treatment of taxes levied in the Borrower's country for procurement of Goods, Works, Non-consulting services, and Consulting Services), are detailed in the appropriate SPDs. For details see Annex X, Evaluation Criteria.

Domestic Preference

Goods and Works

- 5.51 When open international competitive procurement is used to procure Goods or Works, a margin of domestic preference may be provided in the evaluation of Bids/Proposals for the following:
- a. Goods manufactured in the Borrower's country, compared with Goods manufactured abroad. The preference is fifteen percent (15%) added to the Carriage and Insurance Paid (CIP) price of the Goods manufactured abroad; and

- b. Works in member countries below a specified threshold of per capita gross national income (as defined annually by the Bank), when comparing Bids/Proposals from eligible domestic firms with those from foreign firms. The preference is seven and a half percent (7.5%) added to the price offered by the foreign firms.

5.52 Domestic preference shall not be applied to Plant.

5.53 The use of domestic preference is agreed in the Procurement Plan and set forth in the request for bids/request for proposals document. For details see Annex VI, Domestic Preference.

Currency

5.54 In international competitive procurement the Procurement Document shall state that a Bidder/Proposer/Consultant may express the Bid/Proposal price in any currency. A Bidder/Proposer/Consultant may express the Bid/Proposal price as a sum of amounts in local currency and/or no more than three different foreign currencies. The Borrower may also require Bidders/Proposers/Consultants to state the portion of the Bid/Proposal price representing local costs incurred in the currency of the country of the Borrower (local currencies).

5.55 Payment of the contract price shall be made in the currency or currencies in which payment has been requested by the Bidder/Proposer/Consultant specified in the Bid/Proposal.

Price Adjustments

5.56 The request for bids/request for proposals document shall state that either:

- a. the Bid/Proposal price will be fixed; or
- b. price adjustments will be made to reflect any changes in major cost components of the contract, such as labor and materials.

5.57 For details see Annex IX, Contract Conditions in International Competitive Procurement.

Rejection of Bids/Proposals

Goods, Works, and Non-consulting Services

5.58 Rejection of all Bids/Proposals is justified (for contracts subject to prior review, with the Bank's no-objection), when:

- a. effective competition is lacking;
- b. all Bids or Proposals are not substantially responsive to the requirements of the Procurement Documents;
- c. the Bids'/Proposals' prices are substantially higher than the updated cost estimate or available budget; or
- d. none of the technical Proposals meets the minimum technical qualifying score.

5.59 Lack of competition shall not be determined solely on the basis of the number of Bidders/Proposers. Even when only one Bid/Proposal is submitted, the process may be considered valid, if:

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- a. the procurement was satisfactorily advertised;
 - b. the qualification criteria were not unduly restrictive; and
 - c. prices are reasonable in comparison to market values.
- 5.60 If the Borrower rejects all Bids/Proposals, the Borrower shall review the causes justifying the rejection of all Bids/Proposals and make appropriate revisions to the PPSD, and request for bids/request for proposals document before requesting new Bids/Proposals.
- 5.61 The Borrower shall not reject all Bids/Proposals and invite new Bids/Proposals using the same request for bids/request for proposals document solely to obtain lower prices. If the Most Advantageous Bid/Proposal exceeds the Borrower's updated cost estimates by a substantial margin, the Borrower shall analyze the causes for the discrepancy and consider requesting new Bids/Proposals. Alternatively, the Borrower may negotiate with the Bidder/Proposer with the Most Advantageous Bid/Proposal to try to obtain a satisfactory contract through a reduction in the scope and/or a reallocation of risk and responsibilities that can be reflected in a reduced contract price. However, a substantial reduction in the scope or a modification to the contract documents may require rebidding.

Consulting Services

- 5.62 Rejection of all Proposals is justified (for contracts subject to prior review, with the Bank's no-objection), if:
- a. all Proposals fail to respond to important aspects of the TOR; or present major deficiencies in complying with the TOR;
 - b. all Proposals fail to achieve the minimum technical score; or
 - c. the offered price of the successful Proposal is substantially higher than the available budget or a recently updated cost estimate.
- 5.63 In Paragraph 5.62 c., rather than re-inviting Proposals, the Borrower, in consultation with the Bank, should investigate the possibility of increasing the budget or scaling down the scope of services with the Consultant. However, any substantial reduction in the scope of services requires a re-invitation. If cost is a factor in the evaluation of a time-based contract, the number of person-months proposed by the Consultant may be negotiated, provided that a change does not compromise quality or adversely affect the assignment.

Seriously Unbalanced or Front-loaded Bids/Proposals

Works and Plant

- 5.64 For Works and Plant, if the Bid/Proposal that results in the lowest evaluated cost/best evaluated Proposal is, in the Borrower's opinion, seriously unbalanced or front-loaded, the Borrower may require the Bidder/Proposer to provide written clarifications, including detailed price analyses to demonstrate the consistency of the prices with the scope of Works, proposed methodology, and schedule. After evaluating the detailed price analyses (for contracts subject to prior review, with the Bank's no-objection), the Borrower may as appropriate:
- a. accept the Bid/Proposal;

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- b. require that the total amount of the performance security be increased, at the expense of the Bidder/Proposer, to a level not exceeding twenty percent (20%) of the contract price; or
- c. reject the Bid/Proposal.

Abnormally Low Bids/Proposals

Goods, Works, and Non-consulting Services

- 5.65 An Abnormally Low Bid/Proposal is one in which the Bid/Proposal price, in combination with other elements of the Bid/Proposal, appears so low that it raises material concerns with the Borrower as to the capability of the Bidder/Proposer to perform the contract for the offered price.
- 5.66 Where the Borrower identifies a potentially Abnormally Low Bid/Proposal, the Borrower shall seek written clarifications from the Bidder/Proposer, including detailed price analyses of its Bid/Proposal price in relation to the subject matter of the contract, scope, proposed methodology, schedule, allocation of risks and responsibilities, and any other requirements of the request for bids/request for proposals document.
- 5.67 If, after evaluating the price analyses, the Borrower determines that the Bidder/Proposer has failed to demonstrate its capability to deliver the contract for the offered price, the Borrower shall reject the Bid/Proposal.

Most Advantageous Bid/Proposal

- 5.68 The Borrower shall award the contract to the Bidder/Proposer/Consultant offering the Most Advantageous Bid/Proposal, in accordance with the applicable selection method.

Goods, Works, and Non-consulting Services

- 5.69 When rated criteria are used, the Most Advantageous Bid/Proposal is the Bid/Proposal of the Bidder/Proposer that meets the qualification criteria and whose Bid/Proposal has been determined to be:
 - a. substantially responsive to the request for bids/request for proposals document; and
 - b. the highest ranked Bid/Proposal.
- 5.70 When rated criteria are not used, the Most Advantageous Bid/Proposal is the Bid/Proposal of the Bidder/Proposer that meets the qualification criteria and whose Bid/Proposal has been determined to be:
 - a. substantially responsive to the request for bids/request for proposals document; and
 - b. the lowest evaluated cost.

Consulting Services

- 5.71 The Most Advantageous Proposal is the best evaluated Proposal.

Notification of the Intention to Award

Goods, Works and Non-consulting Services

- 5.72 Following the decision to award the contract (or in the case of FAs, the decision to conclude a FA), the Borrower shall promptly and simultaneously provide, by the quickest means available, and as further specified in the request for bids/request for proposals document, written notification of the Borrower's intention to award the contract to the successful Bidder/Proposer (Notification of Intention to Award), (or, in the case of FAs, notification of intention to conclude a FA). Such notification shall be sent to each Bidder/Proposer that submitted a Bid/Proposal, (unless the Bidder/Proposer has previously received notification of exclusion from the process at an interim stage of the procurement process).
- 5.73 For contracts subject to prior review by the Bank, the Borrower shall transmit the Notification of Intention to Award (or in the case of FAs, notification of intention to conclude a FA), only after receiving the Bank's no-objection to the evaluation report, as required under paragraph 7.1 of Annex II, Procurement Oversight. In the case of FAs, this written notification of intention to conclude a FA shall be provided to Bidders/Proposers promptly after receiving the Bank's no-objection to the evaluation report.
- 5.74 The Borrower's Notification of Intention to Award shall provide to each recipient, as a minimum, the following information as applicable to the selection method, and as further specified in the relevant request for bids/request for proposals document:
- a. the name and address of the Bidder(s)/Proposer(s) submitting the successful Bid/Proposal;
 - b. the contract price, or where the successful Bid/Proposal was determined on the basis of rated criteria (where price and technical factors are rated), the contract price and the total combined score of the successful Bid/Proposal;
 - c. the names of all Bidders/Proposers that submitted Bids/Proposals, and their Bid/Proposal prices as read out, and as evaluated;
 - d. a statement of the reason(s) why the recipient's Bid/Proposal was unsuccessful, unless the price information under Paragraph 5.74 c. already reveals the reason. The Borrower shall not divulge any other Bidder's/Proposer's confidential or proprietary information such as: cost breakdown, trade secrets, manufacturing processes and techniques, or other confidential business or financial information;
 - e. instructions on how to request a debriefing and/or submit a complaint during the Standstill Period, as set out in the request for bids/request for proposals document and in accordance with the requirements of Annex III, Procurement-related Complaints; and
 - f. the date the Standstill Period is due to end.

Consulting Services

- 5.75 Following the initialing of the draft negotiated contract by the successful Consultant, the Borrower shall promptly and simultaneously provide, to each Consultant whose financial Proposal was opened, the Notification of Intention to Award to the successful Consultant with whom the Borrower successfully negotiated the contract. In the case of FAs, this written notification of

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intention to conclude a FA shall be provided to Consultants promptly following a decision to conclude a FA.

- 5.76 For contracts subject to prior review, such Notification of Intention to Award (or notification of intention to conclude a FA) shall be provided promptly after receiving the Bank's no-objection to the draft negotiated contract initiated by the successful Consultant or, in the case of FAs, the Bank's no-objection to the evaluation report.
- 5.77 The Borrower's Notification of Intention to Award shall provide to each recipient, as a minimum, the following information as relevant to the selection method, and as further specified in the request for proposals document:
- a. the name and address of the Consultant with whom the Borrower successfully negotiated a contract, and the contract price;
 - b. the names of all Consultants included in the short list, indicating those that submitted Proposals;
 - c. where the selection method requires, the price offered by each Consultant as read out and as evaluated;
 - d. the overall technical scores and scores assigned for each criterion and sub-criterion to each Consultant;
 - e. the final combined scores and the final ranking of the Consultants;
 - f. a statement of the reason(s) why the recipient's Proposal was unsuccessful, unless the combined score under Paragraph 5.77 e. already reveals the reason. The Borrower shall not divulge any other Consultant's confidential or proprietary information such as: cost breakdown, trade secrets, methodology or other confidential business or financial information
 - g. instructions on how to request a debriefing and/or submit a complaint during the Standstill Period, as set out in the request for proposals document and in accordance with the requirements of Annex III, Procurement-related Complaints; and
 - h. the date the Standstill Period is due to end.

Standstill Period

- 5.78 To give Bidders/Proposers/Consultants time to examine the Notification of Intention to Award and to assess whether it is appropriate to submit a complaint, a Standstill Period shall apply, except in the situations described in Paragraph 5.80.
- 5.79 Transmission of the Borrower's Notification of Intention to Award, (or in the case of a FA, notification of intention to conclude the FA), begins the Standstill Period. The Standstill Period shall last ten (10) Business Days after such transmission date, unless otherwise extended in accordance with Paragraph 5.82. The contract shall not be awarded either before or during the Standstill Period.
- 5.80 Notwithstanding Paragraph 5.78, there shall not be a requirement for a Standstill Period in the following situations:

- a. only one Bid/Proposal was submitted in an open competitive process;
- b. direct selection;
- c. call-off process among firms holding FAs; and
- d. Emergency Situations recognized by the Bank.

Debriefing by the Borrower

- 5.81 On receipt of the Borrower's Notification of Intention to Award referred to under Paragraphs 5.72 to 5.74 (Goods, Works and Non-consulting Services), or Paragraphs 5.75 to 5.77 (Consulting Services), an unsuccessful Bidder/Proposer/Consultant has three (3) Business Days to make a written request to the Borrower for a debriefing. The Borrower shall provide a debriefing to all unsuccessful Bidders/Proposers/ Consultants whose request is received within this deadline.
- 5.82 Where a request for debriefing is received within the deadline, the Borrower is required to provide a debriefing within five (5) Business Days, unless the Borrower decides, for justifiable reasons, to provide the debriefing outside this timeframe. In that case, the Standstill Period shall automatically be extended until five (5) Business Days after such debriefing is provided. If more than one debriefing is so delayed, the Standstill Period shall not end earlier than five (5) Business Days after the last debriefing takes place. The Borrower shall promptly inform, by the quickest means available, all Bidders/Proposers/Consultants of the extended Standstill Period.
- 5.83 For contracts subject to prior review, the Borrower shall simultaneously send the information on the extended Standstill Period to the Bank.
- 5.84 Where a request for debriefing is received by the Borrower later than the three (3) Business Day deadline, specified in Paragraph 5.81, the Borrower should provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of Contract Award Notice. Requests for debriefing received outside the three (3) Business Day deadline shall not lead to an extension of the Standstill Period.
- 5.85 Debriefings of unsuccessful Bidders/Proposers/Consultants may be done in Writing or verbally. The Borrower shall not impose undue formal requirements that would restrict the Bidder's/ Proposer's/Consultant's ability to receive a timely and meaningful debriefing. The Bidder/ Proposer/Consultant shall bear their own costs of attending a debriefing meeting.
- 5.86 As a minimum, the debriefing shall repeat the information contained in the Notification of Intention to Award and respond to any related question(s) from the unsuccessful Bidder/Proposer/Consultant. The debriefing shall not include:
- a. point-by-point comparisons with another Bidder's/Proposer's/Consultant's Bid/Proposal; and
 - b. information that is confidential or commercially sensitive to other Bidders/Proposers/Consultants (as described in Paragraph 5.19).
- 5.87 A written summary of each debriefing shall be included in the official procurement records, and copied to the Bank for contracts subject to prior review

Conclusion of the Standstill Period and Contract Award

- 5.88 At the end of the Standstill Period, if the Borrower has not received any complaint from an unsuccessful Bidder/Proposer/Consultant, the Borrower shall proceed to award the contract in accordance with its decision to award, as previously communicated through the Notification of Intention to Award.
- 5.89 For contracts subject to prior review, when no complaints are received by the Borrower within the Standstill Period, the Borrower shall proceed to award the contract in accordance with the award recommendation that had previously received the Bank's no-objection. The Borrower shall inform the Bank within three (3) Business Days of such award.
- 5.90 The Borrower shall transmit the notification of award to the successful Bidder/Proposer/Consultant, or in the case of a FA, notification to conclude the FA with the selected Bidders/Proposers/Consultants, along with other documents as specified in the request for bids/request for proposals document for the contract.
- 5.91 If the Borrower does receive a complaint from an unsuccessful Bidder/Proposer/Consultant within the Standstill Period, the Borrower shall not proceed with the contract award (or conclusion of a FA), until the complaint has been addressed, as set forth under paragraph 3.6 of Annex III, Procurement-related Complaints.
- 5.92 For contracts subject to prior review by the Bank, the Borrower shall not proceed with contract award without receiving the Bank's confirmation of satisfactory resolution of complaint.

Contract Award Notice

- 5.93 For all contracts, whether subject to the Bank's prior review or post review, the Borrower shall publish a public notice of award of contract (Contract Award Notice) within 10 (ten) Business Days from the Borrower's Notification of Contract Award to the successful Bidder/Proposer/Consultant.
- 5.94 The Contract Award Notice shall include, at a minimum, the following information as relevant and applicable for each selection method:
- a. name and address of the Borrower's Project Implementing Unit undertaking the procurement, and if different, the Borrower's contracting agency;
 - b. name and reference number of the contract being awarded, and the selection method used;
 - c. names of all Bidders/Proposers/Consultants that submitted Bids/Proposals, and their Bid/Proposal prices as read out at Bid/Proposal opening, and as evaluated;
 - d. names of all Bidders/Proposers/Consultants whose Bids/Proposals were rejected either as nonresponsive or as not meeting qualification criteria, or were not evaluated, with the reasons therefor;
 - e. the name of the successful Bidder/Proposer/Consultant, the final total contract price, the contract duration and a summary of its scope; and

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- f. **Successful Bidder/Proposer/Consultant's Beneficial Ownership Disclosure Form** for those contracts as indicated in the Procurement Plan, in the form required in the Procurement Documents.

5.95 In the case of FAs concluded in accordance with Paragraphs 6.57, 6.58 or 7.33, the publication requirement applies only to the conclusion of the FA and not to the award of a call-off contract under the FA. The Contract Award Notice shall be published on the Borrower's website with free access, or, if not available, in at least one newspaper of national circulation in the Borrower's country, or in the official gazette. In the case of international competitive procurement, the Contract Award Notice shall also be published by the Borrower in UNDB online. For contracts subject to the Bank's prior review, the Bank will arrange the publication on its external website upon receipt from the Borrower of a conforming copy of the signed contract. For contracts subject to the Bank's post review, the Bank will publish confirmation that a contract has been signed. Publication will be on the Bank's external website following notification to the Bank through the online procurement planning and tracking tool.

Debriefing by the Bank

5.96 If, after publication of the Contract Award Notice, a Bidder/Proposer/Consultant who has not received a satisfactory explanation from the Borrower as to why its Bid/Proposal was not successful, may request a meeting with the Bank. Such request should be addressed to the Accredited Practice Manager for the Borrower's country, who will arrange a meeting at the appropriate level and with relevant staff. The purpose of such meeting is not to discuss the Bids/Proposals of competitors or, in the case of prior review contracts, the Bank's position that has been conveyed to the Borrower.

Contract Management

5.97 The aim of contract management is to ensure that all parties meet their obligations. Contracts shall be actively managed by the Borrower throughout their life to ensure that contractor performance is satisfactory, appropriate stakeholders are informed and all contract requirements are met. For details see Annex XI, Contract Management.

Records

5.98 Borrowers shall keep records of all proceedings of the Procurement Process in accordance with the requirements of the Legal Agreement.

Section VI. Approved Selection Methods Goods, Works and Non-consulting Services

Approved Selection Methods

- 6.1 Table 1 overleaf provides an overview of the approved selection methods, particular types of approved selection arrangements, and market approach options available for the procurement of Goods, Works, and Non-consulting Services in IPF operations. For details see Annex XII, Selection Methods.

Section VI. Approved Selection Methods: Goods, Works and Non-consulting Services
 Table 1. Approved selection methods: Goods, Works and Non-consulting Services

Goods, Works, and consulting Services	Market approach options											Rated criteria
	Open	Limited	Direct	Inter-national	National	PQ	IS	Single-stage	Multi-stage	BAFO	Negotiation	
Approved selection methods and arrangements												
Selection methods												
Request for Proposals	℞	℞	x	℞	℞	x	normally	℞	℞	℞	℞*	normally
Request for Bids	℞	℞	x	℞	℞	optional	x	℞	x	℞	℞*	not normally
Request for Quotations	℞	℞	x	℞	℞	x	x	℞	x	x	x	x
Direct Selection	x	x	℞	x	x	x	x	℞	x	x	℞	x
Selection arrangements												
Competitive Dialogue	℞	℞	x	℞	℞	x	required	x	℞	x	x	℞
Public-Private Partnerships	℞	℞	℞	℞	℞	℞	x	℞	℞	℞	℞	℞
Commercial Practices	As per acceptable commercial procurement practices											
UN Agencies	As per Paragraphs 6.47 and 6.48											
E-Auctions	℞	℞	x	℞	℞	℞	x	℞	x	x	x	x
Imports	℞	℞	x	℞	x	x	x	℞	x	℞	x	x
Commodities	℞	℞	x	℞	℞	℞	x	℞	x	x	x	x
Community-driven Development	℞	℞	℞	x	℞	x	x	℞	x	x	x	x
Force Accounts	x	x	℞	x	℞	x	x	x	x	x	x	x

℞ This market approach option is available
 x This market approach option is not available
 PQ = Prequalification
 IS = Initial Selection

*This refers to negotiations after a competitive process as per Paragraphs 6.34 to 6.36

Section VI. Approved Selection Methods: Goods, Works and Non-consulting Services

6.2 The Bank defines the following as approved selection methods for Goods, Works and Non-consulting Services:

- a. Request for Proposals (RFP);
- b. Request for Bids (RFB);
- c. Request for Quotations (RFQ); and
- d. Direct Selection.

Request for Proposals

6.3 A RFP is a competitive method for the solicitation of Proposals. It should be used when, because of the nature and complexity of the Goods, Works, or Non-consulting Services to be procured, the Borrower's business needs are better met by allowing Proposers to offer customized solutions or Proposals that may vary in the manner in which they meet or exceed the requirement of the request for proposals document.

6.4 An RFP is normally conducted in a multi-stage process. To allow an evaluation of the degree to which Proposals meet the requirements of the request for proposals document the evaluation normally includes rated type criteria and an evaluation methodology. For details see Annex XII, Selection Methods.

Request for Bids

6.5 A RFB is a competitive method for the solicitation of Bids. It should be used when, because of the nature of the Goods, Works, or Non-consulting Services to be provided, the Borrower is able to specify detailed requirements to which Bidders respond in offering Bids.

6.6 Procurement under this method is conducted in a single-stage process. Qualifying criteria (minimum requirements normally evaluated on a pass/fail basis) are normally used with RFB. Rated-type evaluation criteria are normally not used with RFB. For details see Annex XII, Selection Methods.

Request for Quotations

6.7 A RFQ is a competitive method that is based on comparing price quotations from firms. This method may be more efficient than the more complex methods for procuring limited quantities of readily available off-the-shelf Goods or Non-consulting Services, standard specification commodities, or simple civil Works of small value. For details see Annex XII, Selection Methods.

Direct Selection

6.8 Proportional, fit-for-purpose, and VfM considerations may require a direct selection approach: that is, approaching and negotiating with only one firm. This selection method may be appropriate when there is only one suitable firm or there is justification to use a preferred firm.

6.9 Direct selection may be appropriate under the following circumstances:

- a. an existing contract, including a contract not originally financed by the Bank, for Goods, Works, or Non-consulting Services, awarded in accordance with procedures acceptable to

Section VI. Approved Selection Methods: Goods, Works and Non-consulting Services

the Bank, may be extended for additional Goods, Works, or Non-consulting Services of a similar nature, if:

- i. it is properly justified;
 - ii. no advantage could be obtained through competition; and
 - iii. the prices on the extended contract are reasonable;
 - b. there is a justifiable requirement to re-engage a firm that has previously completed a contract, within the last 12 months, with the Borrower to perform a similar type of contract. The justification shall show that:
 - i. the firm performed satisfactorily in the previous contract;
 - ii. no advantage may be obtained by competition; and
 - iii. the prices for the direct contracting are reasonable;
 - c. the procurement is of both very low value and low risk, as agreed in the Procurement Plan;
 - d. the case is exceptional, for example, in response to Emergency Situations;
 - e. standardization of Goods that need to be compatible with existing Goods may justify additional purchases from the original firm, if the advantages and disadvantages of another brand or source of equipment have been considered on grounds acceptable to the Bank;
 - f. the required equipment is proprietary and obtainable from only one source;
 - g. the procurement of certain Goods from a particular firm is essential to achieve the required performance or functional guarantee of an equipment, Plant, or facility;
 - h. the Goods, Works, or Non-consulting Services provided in the Borrower's country by an SOE, university, research center or institution of the Borrower's country are of a unique and exceptional nature in accordance with Paragraph 3.23 c.; or
 - i. direct selection of UN Agencies in accordance with Paragraphs 6.47 and 6.48.
- 6.10 In all instances of direct selection, the Borrower shall ensure that:
- a. the prices are reasonable and consistent with the market rates for items of a similar nature; and
 - b. the required Goods, Works, or Non-consulting Services are not split into smaller-sized procurement to avoid competitive processes.

Market Approach Options

Open Competition

- 6.11 An open competitive approach to market is the Bank's preferred approach as it provides all eligible prospective Bidders/Proposers with timely and adequate advertisement of a Borrower's requirements and an equal opportunity to bid/propose for the required Goods, Works, or Non-consulting Services. Any approach, other than open competition, shall be justified by the Borrower. Any such approach shall be stated in the Procurement Plan.

Limited Competition

- 6.12 A limited competitive approach to market is by invitation only, without advertisement. It may be an appropriate method of selection where there are only a limited number of firms or there are other exceptional reasons that justify departure from open competitive procurement approaches.

Approaching the International Market

- 6.13 Approaching the international market (international competitive procurement), is appropriate when the participation of foreign firms will increase competition and may assure the achievement of best VfM and fit-for-purpose results.
- 6.14 Open international competitive procurement, for which international advertisement is required in accordance with these Procurement Regulations, is the preferred approach for complex, high-risk, and/or high-value contracts. The Bank has set specific thresholds for this purpose. (see Guidance on Country Thresholds)

Approaching the National Market

- 6.15 As agreed in the Procurement Plan, approaching the national market may be appropriate when the procurement is unlikely to attract foreign competition because of:
- a. the size and conditions of the market;
 - b. the value of the contract;
 - c. activities that are scattered geographically, spread over time, or are labor-intensive; or
 - d. the Goods, Works, or Non-consulting Services are available locally at prices below the international market.
- 6.16 Approaching the national market may also be appropriate when the advantages of approaching the international market are clearly outweighed by the administrative or financial burden involved.
- 6.17 If foreign firms wish to participate in open national competitive procurement, they are allowed to do so on the terms and conditions that apply to national firms.
- 6.18 When approaching the national market, the country's own procurement procedures may be used, as specified in Paragraphs 5.3 to 5.6.

Prequalification and Initial Selection

Goods, Works and Non-consulting Services

- 6.19 Prequalification and Initial Selection are processes used to shortlist Applicants in the procurement of Goods, Works and Non-consulting Services. These processes ensure that only those with appropriate and adequate capacity, capability and resources are invited to submit Bids/Proposals. In undertaking a Prequalification or Initial Selection the Borrower shall use the Bank's Standard Prequalification document/Initial Selection document.
- 6.20 Prequalification or Initial Selection is appropriate for large or complex contracts, or in other circumstances, such as: the need for custom-designed equipment, Plant, specialized services, some complex information and technology, procurement under turnkey, design and build, or management contracting in which the high costs of preparing detailed Bids/Proposals could discourage competition.
- 6.21 The assessment of an Applicant's qualifications shall not take into consideration the qualifications of other firms such as its subsidiaries, parent entities, affiliates, subcontractors (other than specialized subcontractors if permitted in the Prequalification/Initial Selection document), or any other firm different from the firm that submitted the Prequalification/Initial Selection Application.
- 6.22 When the time elapsed between the Borrower's decision on the list of prequalified/ initially selected Applicants and the issuance of request for bids/request for proposals documents is longer than twelve (12) months, the Bank may require that a new Prequalification/Initial Selection process is conducted through re-advertisement.

Prequalification

- 6.23 Prequalification is normally used with Requests for Bids and is optional depending on the nature and complexity of the Goods, Works or Non-consulting Services. In Prequalification, minimum requirements are normally assessed on a pass/fail basis against such criteria as: eligibility, experience, technical capability and financial resources. These take into account objective and measurable factors such as: experience, satisfactory past performance, successful completion of similar contracts over a given period, capability of construction and/or manufacturing facilities, financial situation, and eligibility. All Applicants that substantially meet the minimum qualification requirements are invited to submit a Bid.
- 6.24 At the end of the Prequalification process, the Borrower shall inform all Applicants of the results of the Prequalification. The invitation to submit a Bid to a prequalified Applicant shall include the names of all prequalified Applicants.

Initial Selection

- 6.25 Initial Selection shall normally be used with Request for Proposals and shall be used for all Competitive Dialogue processes. It enables the Borrower to invite only the highest ranked Applicants to submit Proposals. Initial selection involves a two-step process. The first step is similar to the Prequalification process described above. This establishes the long-list of Applicants. Long-listed Applicants are then evaluated against rated criteria. After ranking the combined rated criteria scores the Borrower selects the highest ranked Applicants to submit Proposals. The Borrower shall state in the initial selection document, the range of Applicants that may be Initially Selected.

- 6.26 At the end of the Initial Selection process, the Borrower shall inform all Applicants of the results of the Initial Selection. The invitation to submit a Proposal to an Initially Selected Applicant shall include the names of all Initially Selected Applicants.

Post-Qualification

- 6.27 If Bidders/Proposers have not been prequalified/ initially selected, the Borrower shall specify appropriate qualification requirements in the request for bids/request for proposals document to verify that a Bidder/Proposer that would be recommended for contract award has the capability and resources to effectively carry out the contract. The assessment of a firm's qualifications shall not take into consideration the qualifications of other firms such as its subsidiaries, parent entities, affiliates, subcontractors (other than specialized subcontractors if permitted in the request for bids/request for proposals document), or any other firm different from the firm that submitted the Bid/Proposal.

Single Stage One-Envelope

- 6.28 Single-stage procurement is most appropriate when the specifications and requirements are sufficient to enable submissions of complete Bids/Proposals. Single stage-one envelope procurement requires submission of both technical and financial Bids/Proposals in one envelope.

Single Stage Two-Envelope

- 6.29 If appropriate, a two-envelope process may be used in single-stage procurement. The first envelope contains the qualifications and technical part and the second envelope the financial (price) part; the two-envelope are opened and evaluated sequentially.

Multistage Procurement

- 6.30 It may often be impractical to prepare complete technical specifications in advance for the procurement of:
- a. large complex facilities for which a turnkey contract will be awarded for the design and build of a Plant;
 - b. Works of a complex and special nature; or
 - c. complex information and communication technology that is subject to rapid technological advances.
- 6.31 In the first stage, Proposals are invited on the basis of a conceptual design or performance or functional specification, subject to the Borrower's conducting confidential discovery and clarification meetings to learn about possible solutions. In the second stage, the request for bids/request for proposals document may be amended to reflect the discoveries made in the confidential meetings, and issued to the qualified Bidders/Proposers, requesting them to submit final Proposals. As required in the request for bids/request for proposals document, the second stage may be submitted in one (1) envelope, or two (2) envelopes for the technical and financial parts respectively where the two envelopes are opened and evaluated sequentially.

Best and Final Offer

- 6.32 In international competitive procurement subject to prior review, the Bank may agree to the Borrower's use of Best and Final Offer (BAFO). BAFO is an option under which the Borrower invites Bidders/Proposers that have submitted substantially responsive Bids/Proposals to submit their best and final offer. Such a process may be appropriate when the procurement process would benefit from Bidders/Proposers' having a final opportunity to improve their Bids/Proposals, including by reducing prices, clarifying or modifying their Bid/Proposal, or providing additional information. The Borrower shall inform Bidders/Proposers in the request for bids/request for proposals document:
- a. if a BAFO is to be used;
 - b. that Bidders/Proposers are not obliged to submit a BAFO; and
 - c. that there will be no negotiation after the BAFO.
- 6.33 If BAFO is to be applied, the Borrower shall engage the services of a Probity Assurance Provider, agreed with the Bank.

Negotiations

- 6.34 In international competitive procurement subject to prior review, the Bank may agree to the Borrower's use of negotiations following Bid/Proposal evaluations and before final contract award.
- 6.35 Any negotiation shall be in accordance with the requirements of the request for bids/request for proposals document. If negotiations are undertaken, they shall be held in the presence of a Probity Assurance Provider, agreed with the Bank. Negotiations may involve terms and conditions, price, and/or social, environmental, and innovative aspects, as long as they do not change the minimum requirements of the Bid/Proposal.
- 6.36 The Borrower shall negotiate first with the Bidder/Proposer that has the Most Advantageous Bid/Proposal. If the outcome is unsatisfactory or an agreement is not reached, the Borrower may then negotiate with the next Most Advantageous Bid/Proposal, and so on down the list until a satisfactory outcome is achieved.

Use of Rated-type Evaluation Criteria

- 6.37 Rated-type criteria are criteria that are evaluated on merit points as they cannot be fully assessed in monetary terms. The merit points assigned are normally based on the degree to which the Proposal meets or exceeds the requirements detailed in the request for bids/request for proposals document. For details see Annex X, Evaluation Criteria.

Particular Types of Approved Selection Arrangements

- 6.38 The particular procurement features, procedures and approaches as applicable to the following:
- a. Competitive Dialogue;
 - b. Public Private Partnerships;
 - c. Commercial Practices;
 - d. UN Agencies;

- e. e-Reverse Auctions;
- f. Imports;
- g. Commodities;
- h. Community Driven Development; and
- i. Force Accounts.

Competitive Dialogue

- 6.39 Competitive Dialogue is an interactive multistage selection arrangement that allows for dynamic engagement with Proposers. The Borrower shall justify the use of Competitive Dialogue in the PSD. It may be used only for complex or innovative procurement.
- 6.40 Competitive Dialogue may be appropriate:
- a. where a number of solutions that satisfy the Borrower's requirements may be possible, and where the detailed technical and commercial arrangements required to support those solutions require discussion and development between the parties; and
 - b. due to the nature and complexity of the procurement, the Borrower is not objectively able to:
 - i. adequately define the technical or performance specifications and scope to satisfy its requirements and/or
 - ii. adequately specify the legal and/or financial arrangements of the procurement.
- 6.41 For details see Annex XIII, Competitive Dialogue.

Public-Private Partnerships (PPPs)

- 6.42 A PPP is a long-term contract between a private party and a government entity for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance.
- 6.43 The Bank may finance the cost of a project or a contract procured under PPP arrangements, such as build-own-operate (BOO), build-operate-transfer (BOT), and build-own-operate-transfer (BOOT) concessions or similar types of private sector arrangements, if the selection:
- a. is consistent with the Bank's Core Procurement Principles;
 - b. reflects the application of the Bank's Anti-Corruption Guidelines; and,
 - c. is consistent, as appropriate, with the requirements set out in these Procurement Regulations.
- 6.44 For details see Annex XIV, Public-Private Partnerships.
- 6.45 The private partner selected in accordance with Annex XIV, Public-Private Partnerships, then procures the Goods, Works, Non-consulting Services, and/or Consulting Services required for the facility from eligible sources, using its own procedures.

Commercial Practices

- 6.46 Commercial Practices refers to the use of well-established procurement arrangements used by the private sector (normally entities not subject to the Borrower's public procurement law), for the procurement of Goods, Works, or Non-consulting Services. Commercial practices may also be used for a program of imports undertaken by private sector entities (as specified in Paragraph 6.50). The Bank's Core Procurement Principles are the standard for determining the acceptability of Commercial Practices.

UN Agencies

- 6.47 When agreed with the Bank, Borrowers may select UN Agencies directly in situations where their expertise or rapid mobilization on the ground is critical, in particular, in circumstances of urgent need of assistance or capacity constraints.
- 6.48 When entering into a contract with a UN Agency, the Borrower shall use a standard form of agreement between the Borrower and the UN Agency or a case-specific template approved by the Bank. In circumstances in which the Bank and a UN Agency have an established FA, the Borrower may take advantage of the FA when entering into a contract with the UN Agency.

Electronic Reverse Auctions

- 6.49 An electronic reverse auction (e-auction) is a scheduled online event in which prequalified/registered firms Bid against each other on their price. For details see Annex XII, Selection Methods.

Program of Imports

- 6.50 When the IPF provides financing for a program of imports (i.e. a program for importing eligible essential Goods by private or public sector entities, based on a list agreed between the Borrower and the Bank), the procurement arrangements for such a program are described in Annex XII, Selection Methods.

Commodities

- 6.51 Procurement of commodities refers to procuring items such as: grain, animal feed, cooking oil, fertilizer, or metals. The procurement of commodities often involves multiple awards for partial quantities to assure security of supply, and multiple purchases over a period of time to take advantage of favorable market conditions and to keep inventories low. For details see Annex XII, Selection Methods.

Community-driven Development

- 6.52 Procurement arrangements, specifications, and contract packaging may be suitably adapted, in a way that is acceptable to the Bank, when, in the interest of project sustainability, or to achieve certain specific social objectives of the project, it is desirable (in selected project components), to:
- a. call for the participation of local communities and/or nongovernmental organizations (NGOs) in civil Works and the delivery of Non-consulting Services;

- b. increase the use of local know-how, Goods, or materials; or
- c. employ labor-intensive and other appropriate technologies.

6.53 For details see Annex XII, Selection Methods.

Force Accounts

6.54 Force Account, which refers to works such as construction and installation of equipment and Non-consulting Services carried out by a government department of the Borrower's country using its own personnel and equipment, may be the only practical method of procurement under specific circumstances. A government-owned construction unit that is not managerially, legally, or financially autonomous is considered a Force Account unit. The use of Force Account requires that the Borrower apply the same rigorous quality checks and inspection as for contracts awarded to third parties.

6.55 Force Account shall be justified and may only be used, after the Bank's no-objection, under any of the following circumstances:

- a. the quantities of construction and installation works that are involved cannot be defined in advance;
- b. the construction and installation works are small and scattered or in remote locations, so that qualified construction firms are unlikely to bid at reasonable prices;
- c. the construction and installation works are required to be carried out without disrupting ongoing operations;
- d. the risks of unavoidable work interruption are better borne by the Borrower than by a contractor;
- e. as a matter of the Borrower's law or official regulations in such areas as: national security, specialized Non-consulting Services such as aerial surveys and mapping can be carried out only by specialized branches of the government; or
- f. urgent repairs are needed requiring prompt attention to prevent further damages, or works need to be carried out in conflict-affected areas where private firms may not be interested.

Service Delivery Contractors

6.56 Projects may involve contracting individuals (but not as employees), to deliver Non-consulting Services. Their selection may be carried out according to the Borrower's personnel hiring procedures, as reviewed and found acceptable by the Bank. When the individuals who deliver such services are to be provided by firms, the firms shall be selected using appropriate selection methods and procedures specified in these Procurement Regulations.

Particular Types of Contractual Arrangements

Framework Agreements

6.57 A framework agreement (FA) is an agreement with one or more firms that establishes the terms and conditions that will govern any contract awarded during the term of the FA (a call-off contract).

The terms and conditions will usually include the fee rate, charge rate or pricing mechanism. FAs may be established for the anticipated procurement of Goods, Works, or Non-consulting Services, as and when required, over a specified period of time. An FA does not commit either party to procure or supply. Once established, a FA provides a fast and efficient way to procure Goods, Works or Non-consulting Services. A multi-supplier FA allows a Borrower to select from a number of firms, helping to ensure that each procurement represents best value for money.

- 6.58 FAs may be appropriate for the procurement of Goods, Works, or Non-consulting Services under the following circumstances:
- a. frequent reordering is based on the same, or similar requirements, or set of specifications;
 - b. where different entities of the Borrower procure the same Goods, Works, or Non-consulting Services, and aggregating the demand could lead to volume discounts;
 - c. planning for Emergency Situations; or
 - d. no single firm is considered to have sufficient capacity.
- 6.59 For details see Annex XV, Framework Agreements.

Performance-based Contracts

- 6.60 Performance-based contracts are contractual relationships in which payments are made for measured outputs (performance targets), instead of inputs. The outputs aim at satisfying functional needs in terms of quality, quantity, and reliability. Payment is made in accordance with the quantity of outputs delivered, subject to their delivery at the level of quality required. Reductions from payments, or retentions, may be made for lower-quality level of outputs and, in certain cases, premiums may be paid for higher quality level of outputs. The Contractor is free to propose the most appropriate solution, based on mature and well-proven experience, and shall demonstrate that the level of quality specified in the request for bids/request for proposals documents will be achieved.
- 6.61 Performance Based procurement may involve:
- a. the provision of Non-consulting Services to be paid on the basis of outputs;
 - b. design, supply, construction (or rehabilitation), and commissioning of a facility to be operated by the Borrower; or
 - c. design, supply, construction (or rehabilitation) of a facility, and provision of non-consulting services for its operation and maintenance for a defined period of years after its commissioning.

Section VII. Approved Selection Methods Consulting Services

Approved Selection Methods

7.1 Table 2 below provides an overview of the approved selection methods, particular types of approved selection arrangements, and market approach options available for the selection of Consulting Services in IPF operations. For details see Annex XII, Selection Methods.

Table 2. Approved selection methods: Consulting Services

Consulting Services Approved selection methods and arrangements	Market approach options					
	Open	Limited	Direct	Inter-national	National	Shortlist
Selection methods						
Quality Cost Based Selection	☑	x	x	☑	☑	☑
Fixed Budget Based Selection	☑	x	x	☑	☑	☑
Least Cost Based Selection	☑	x	x	☑	☑	☑
Quality Based Selection	☑	x	x	☑	☑	☑
Consultant's Qualification Based Selection	☑	☑	x	☑	☑	x
Direct Selection	x	x	☑	x	x	x
Selection Arrangements						
Commercial Practices	As per acceptable commercial Procurement practices					
UN Agencies	As per Paragraphs 7.27 and 7.28					
Non-Profit Organizations (such as NGOs)	☑	☑	☑	☑	☑	☑
Banks	☑	☑	☑	☑	☑	☑
Procurement Agents	☑	☑	☑	☑	☑	☑
Selection Methods for individual Consultants						
Selection of Individual Consultants	☑	☑	☑	x	x	x

☑ This market approach option is available

x This market approach option is not available

7.2 The following are approved selection methods for Consulting firm:

- a. Quality Cost Based Selection (QCBS);
- b. Fixed Budget Based Selection (FBS);
- c. Least Cost Based Selection (LCS);
- d. Quality Based Selection (QBS);
- e. Consultant's Qualifications Based Selection (CQS); and,
- f. Direct Selection.

Quality and Cost-based Selection

7.3 QCBS is a competitive process among Shortlisted consulting firms under which the selection of the successful firm takes into account the quality of the Proposal and the cost of the services. The request for proposals document shall specify the minimum score for the technical Proposals. The relative weight to be given to the quality and cost depends on the nature of the assignment. Among the Proposals that are responsive to the requirements of the request for proposals document and are technically qualified, the Proposal with the highest combined (quality and cost) score is considered the Most Advantageous Proposal. For details see Annex XII, Selection Methods.

Fixed Budget-based Selection

7.4 Like QCBS, FBS is a competitive process among Shortlisted consulting firms under which the selection of the successful firm takes into account the quality of the Proposal and the cost of the services. In the request for proposals document, the cost of services is specified as a fixed budget that shall not be exceeded. FBS is appropriate when:

- a. the type of Consulting Service required is simple and can be precisely defined;
- b. the budget is reasonably estimated and set; and
- c. the budget is sufficient for the firm to perform the assignment.

7.5 The request for proposals document specifies the budget and the minimum score for the technical Proposals. The Proposal with the highest technical score that meets the fixed budget requirement is considered the Most Advantageous Proposal. For details see Annex XII, Selection Methods.

Least Cost-based Selection

7.6 Similar to QCBS, LCS is a competitive process among Shortlisted consulting firms under which the selection of the successful firm takes into account the quality of the Proposal and the cost of the services. LCS is generally appropriate for assignments of a standard or routine nature (such as engineering designs of non-complex Works), for which well-established practices and standards exist.

7.7 The request for proposals document specifies the minimum score for the technical Proposals. Among the Proposals that score higher than the minimum technical score, the Proposal with the lowest evaluated cost is considered the Most Advantageous Proposal. For details see Annex XII, Selection Methods.

Quality-based Selection

- 7.8 Under QBS, the Proposal quality is evaluated without using cost as an evaluation criterion. If the request for proposals requests both technical and financial Proposals, the financial Proposal of only the highest technically qualified firm is opened and evaluated to determine the Most Advantageous Proposal. However, if the request for proposals document requests only technical Proposals, the firm with the highest-ranked technical Proposal is invited to submit its financial Proposals for negotiations.
- 7.9 QBS is appropriate for the following types of assignments:
- a. complex or highly specialized assignments for which it is difficult to define precise TOR and the input required from the firm, and for which the Borrower expects the firm to demonstrate innovation in its Proposals;
 - b. assignments that have a high downstream impact; and
 - c. assignments that can be carried out in substantially different ways, so that Proposals will not be comparable.
- 7.10 For details see Annex XII, Selection Methods.

Consultant's Qualification-based Selection

- 7.11 The Borrower shall request expressions of interest (REOI), by attaching the TOR to the REOI. At least three qualified firms shall be requested to provide information about their relevant experience and qualifications. From the firms that have submitted an EoI, the Borrower selects the firm with the best qualifications and relevant experience and invites it to submit its technical and financial Proposals for negotiations. Advertisement of REOIs is not mandatory.
- 7.12 CQS is appropriate for small assignments or Emergency Situations in which preparing and evaluating competitive Proposals is not justified.

Direct Selection

- 7.13 Proportional, fit-for-purpose, and VfM considerations may require a direct selection (single-source or sole-source selection), approach, that is: approaching and negotiating with only one firm. This selection method may be appropriate when only one firm is qualified, a firm has experience of exceptional worth for the assignment, or there is justification to use a preferred firm.
- 7.14 Direct selection may be appropriate under the following circumstances:
- a. an existing contract for Consulting Services, including a contract not originally financed by the Bank but awarded in accordance with procedures acceptable to the Bank, may be extended for additional Consulting Services of a similar nature, if it is properly justified, no advantage may be obtained by competition, and the prices are reasonable;
 - b. for tasks that represent a natural continuation of previous work carried out by a Consultant within the last 12 months, where continuity in the technical approach, experience acquired, and continued professional liability of the same Consultant may make continuation with the initial Consultant preferable to a new competition, if performance has been satisfactory in the previous assignment(s);

Section VII. Approved Selection Methods: Consulting Services

- c. there is a justifiable requirement to reengage a firm that has previously completed a contract with the Borrower to perform a similar type of Consulting Service. The justification shows that the firm performed satisfactorily under the previous contract, no advantage may be obtained by competition, and the prices are reasonable;
 - d. the procurement is of both very low value and low risk, as agreed in the Procurement Plan;
 - e. in exceptional cases, for example, in response to Emergency Situations;
 - f. only one firm is qualified, or one firm has experience of exceptional worth for the assignment;
 - g. the Consulting Services provided in the Borrower's country by an SOE, university, research center, or institution of the Borrower's country are of a unique and exceptional nature, in accordance with Paragraph 3.23 c.; or
 - h. direct selection of UN Agencies in accordance with Paragraphs 7.27 and 7.28.
- 7.15 In all instances of direct selection, the Borrower shall ensure fairness and equity, and shall have in place procedures to ensure that:
- a. the prices are reasonable and consistent with the market rates for services of a similar nature; and
 - b. the required Consulting Services are not split into smaller-size procurements to avoid competitive processes.

Selection Procedures for Consulting Firms

Shortlist

- 7.16 The preparation of a Shortlist of firms to provide Consulting Services is required for all selection methods except CQS and Direct Selection. The Borrower prepares the Shortlist of firms that have expressed interest and have the relevant experience and managerial and organizational capabilities for the assignment.
- 7.17 The Shortlist shall include not fewer than five (5) and not more than eight (8) eligible firms. The Bank may agree to Shortlists comprising a smaller number of firms when not enough qualified firms have expressed interest in the assignment, not enough qualified firms could be identified, or the size of the contract or the nature of the assignment does not justify wider competition.
- 7.18 The following is not normally be included in the same Shortlist with private sector firms:
- a. UN Agencies; or
 - b. SOEs or institutions and not-for-profit organizations (such as NGOs, and universities), unless they operate as commercial entities that meet the requirements of Paragraph 3.23 b.
- 7.19 If such entities are included in the list, the selection should normally be made using QBS or CQS. The Shortlist shall not include individual Consultants.
- 7.20 For details see Annex XII, Selection Methods.

Request for Proposals

- 7.21 The Shortlisted firms are invited to respond to the request for proposals document using one of the approved selection methods. In determining the right selection method for Consultants, quality aspects are particularly critical. Selection based on lowest price only may not deliver the best VfM.

Market Approach Options

Open Competition

- 7.22 An open competitive approach to market provides all eligible prospective firms or individual Consultants with timely and adequate advertisement of a Borrower's requirements and an equal opportunity to provide the required Consulting Services. Open, competitive procurement approaches, including the advertisement for EoI, is the preferred approach for Bank-financed selection of Consultants.

Limited Competition

- 7.23 Limited competition is competitive selection in which the Borrower prepares a Shortlist without advertisement. It may be appropriate when there are only a limited number of qualified Consultants that can carry out the subject assignment, or other justifiable exceptional reasons. Borrowers shall seek EoIs from a list of potential Consultants that is broad enough to ensure adequate competition.

Approaching the International Market

- 7.24 An open international competitive procurement/selection market approach, with mandatory international advertisement in accordance with these Procurement Regulations, is used when the participation of foreign firms is most likely to achieve the best fit-for-purpose and VfM.

Approaching the National Market

- 7.25 As agreed in the Procurement Plan, national selection through advertisement in the national media/press may be used when the nature, scope, and/or value of the Consulting Services is unlikely to attract foreign competition and there are adequate qualified national Consultants to carry out the assignments. If foreign Consultants wish to participate in national selection, they may do so. When approaching the national market, the country's own procurement procedures may be used as specified in Paragraphs 5.3 to 5.6.

Particular Types of Approved Selection Arrangements

Commercial Practices

- 7.26 The same provisions apply as those for Goods, Works, and Non-consulting Services in Paragraph 6.46.

UN Agencies

- 7.27 When agreed with the Bank, Borrowers may select UN Agencies directly, when they are uniquely or exceptionally qualified to provide technical assistance, advisory or technical services in their area of expertise, in particular in circumstances of urgent need of assistance or capacity constraints.
- 7.28 When entering into a contract with a UN Agency, the Borrower shall use a standard form of agreement between the Borrower and the UN Agency or a case-specific template approved by the Bank. In circumstances in which the Bank and a UN Agency have an established FA, the Borrower may take advantage of the FA when entering into a contract with the UN Agency.

Non-profit Organizations

- 7.29 Not-for-profit organizations such as NGOs may be uniquely qualified to assist in the preparation, management, and implementation of projects or carrying out other project activities, because of their involvement in and knowledge of local issues and community needs, or their participatory approaches. Such organizations may be included in the Shortlist if they express interest and if the Borrower and the Bank are satisfied with their qualifications. For these assignments the Shortlist may be made up entirely of NGOs. In such a case, the procurement follows an appropriate selection method (QCBS, FBS, LCS, or CQS), based on the nature, complexity, and size of the assignment, and the evaluation criteria reflect the unique qualifications of NGOs, such as local knowledge, scale of operation, and prior relevant experience. Borrowers may also select the NGO on a single-source basis, provided the criteria set out for the direct selection of consulting firms above are met.

Banks

- 7.30 Borrowers shall use QCBS to select investment and commercial banks, financial firms, and fund managers hired for the sale of assets, issuance of financial instruments, and other corporate financial transactions, notably in the context of privatization operations. In addition to the conventional remuneration (a retainer fee), the compensation includes a 'success fee'. This success fee can be fixed, but is usually expressed as a percentage of the value of the assets or other financial instruments to be sold. The request for proposals document shall indicate whether the financial

evaluation will take the success fee into account, either in combination with the retainer fee or alone.

Procurement Agents

- 7.31 When a Borrower lacks the necessary organization, resources, or experience, it may be efficient and effective for it to employ, as its agent, a firm that specializes in handling procurement. Procurement agents may be selected using QCBS or LCS. The procurement agent shall conduct the procurement on behalf of the Borrower following all the procurement arrangements outlined in the Legal Agreement and Procurement Plan.

Project Implementation Support Personnel

- 7.32 Project implementation staff, individuals contracted by the Borrower to support project implementation, other than individual consulting positions identified in the Legal Agreement, may be selected by the Borrower according to its personnel hiring procedures for such activities, as reviewed and found acceptable by the Bank.

Particular Type of Contractual Arrangements

Framework Agreement

- 7.33 A Framework Agreement (FA) is an agreement established with firms or individual Consultants (panel of Consultants), as required over a specified period of time. The FA sets out terms and conditions under which specific Consulting Services (call-off contracts), can be provided directly or competitively throughout the term of the agreement. FAs may be appropriate for the recurring selection of Consulting Services or to consolidate requirements when different entities of the Borrower procure the same types of Consulting Services. For details see Annex XV, Framework Agreements.

Approved Selection Methods for Individual Consultants

- 7.34 Individual Consultants are selected for an assignment for which:
- a. a team of experts is not required;
 - b. no additional home office professional support is required; and
 - c. the experience and qualifications of the individual are of paramount requirement.
- 7.35 When coordination, administration, or collective responsibility may become difficult because of the number of individuals, it is advisable to employ a firm. When qualified individual Consultants are unavailable or cannot sign a contract directly with a Borrower because of a prior agreement with a firm, the Borrower may invite firms to provide qualified individual Consultants for the assignment. In all cases, individual Consultants selected to be employed by the Borrower shall be the most experienced and best qualified among the candidates, and shall be fully capable of carrying out the assignment. The evaluation shall be based on the relevant qualifications and experience of the individual Consultant.

Open Competitive Selection of Individual Consultants

- 7.36 Advertisement through REOs is encouraged, particularly when the Borrower does not have knowledge of experienced and qualified individuals, or of their availability, the services are complex, there is potential benefit from wider advertising, or advertising is mandatory under national law.
- 7.37 REOs shall include complete TOR. Individual Consultants are selected from those that expressed interest in response to a REO.

Limited Competitive Selection of Individual Consultants

- 7.38 When the Borrower has knowledge of experienced and qualified individuals and their availability, instead of issuing a REO, it may invite those individual Consultants that it deems qualified to provide the required Consulting Services. The complete TOR shall be sent with the invitation. Individual Consultants shall be selected from those that expressed interest in response to the invitation.

Direct Selection of Individual Consultants

- 7.39 Individual Consultants may be selected on direct selection basis, with due justifications, under the following circumstances:
- a. tasks that are a continuation of previous work that the individual Consultant has carried out after being selected competitively;
 - b. assignments with a total expected duration of less than six months;
 - c. urgent situations; or
 - d. when an individual Consultant has relevant experience and qualifications of exceptional worth to the assignment.

Annex I. Value for Money

1. Purpose

- 1.1 This Annex describes the requirements to achieve value for money (VfM) in IPF operations.

2. Overview

- 2.1 VfM shall be considered at all stages of the Procurement Process. For details, see Annex V, Project Procurement Strategy for Development; Annex VIII, Contract Types; Annex X, Evaluation Criteria; Annex XI, Contract Management; and Annex XII, Selection Methods.
- 2.2 VfM means the effective, efficient, and economic use of resources, which requires the evaluation of relevant costs and benefits, along with an assessment of risks and of non-price attributes and/or life-cycle costs, as appropriate. Price alone may not necessarily represent VfM.
- 2.3 VfM is achieved through the application of the following:
- a. ensuring integrity throughout the Procurement Process;
 - b. a clear statement of needs and procurement objectives;
 - c. a procurement approach that is proportional to the risk, value, context, nature, and complexity of the procurement;
 - d. appropriate specification of the requirements;
 - e. selection of appropriate contractual arrangements;
 - f. suitable evaluation criteria;
 - g. selection of the firm that best meets the needs and objectives of the procurement; and
 - h. effective contract management to ensure successful execution of the contract and ensure that the deliverables are met as agreed in the contract.

3. Planning

- 3.1 Optimal design of the Procurement Process through the PPSD is the first step in obtaining VfM by deciding how to spend allocated funding to yield the most value.
- 3.2 The PPSD is used to state the needs and objectives and identify risks and opportunities in the market analysis and operating context of a project. The choice of selection methods and approaches to market are then tailored to suit the risk and value of the procurement, the operating context, and market to enable VfM to be achieved.

Approaching the Market

- 3.3 Achieving VfM requires a clear and focused approach to market to deliver the procurement objectives, with the following elements:
- a. selection methods and arrangements that are most likely to attract a competitive response from the market and the right bidders/proposers;

- b. requirements based on detailed technical specifications or performance/functional requirements, as appropriate;
 - c. evaluation criteria, including price, life-cycle costs, qualifying (pass-fail) and rated criteria as appropriate that best enable Bidders/Proposers to demonstrate the value they can offer;
 - d. standards and technical specifications per Paragraph 5.26; and
 - e. the contract type that is best suited for the specific procurement. For details see Annex VIII, Contract Types.
- 3.4 The recommended approach to market shall be justified and documented in the PPSD. For details see Annex V, Project Procurement Strategy for Development.
- 3.5 The evaluation criteria shall be designed to enable the Borrower to achieve best VFM in IPF operations. For details see Annex X, Evaluation Criteria.

Contract Management to ensure VFM

- 3.6 The Borrower shall determine the appropriate contract type and contract terms taking into account the nature, risk, and complexity of the activity, fit-for-purpose considerations, optimal allocation of risk and liabilities, and the roles and responsibilities of the contracting parties.
- 3.7 To effectively manage a contract, for contracts identified in the PPSD, the Borrower shall develop a Contract Management Plan with key performance indicators and milestone events. The Borrower shall monitor the performance and progress of contracts, in accordance with the Contract Management Plan, and provide timely reports to the Bank. The Bank may use the information gathered to benchmark performance. For details see Annex XI, Contract Management.

Annex II. Procurement Oversight

1. Purpose

- 1.1 This Annex outlines the Bank's procurement oversight function in discharging its fiduciary responsibilities as required by its Articles of Agreement.

2. Requirements

- 2.1 The Bank exercises its procurement oversight through a risk-based approach comprising prior and post reviews and independent procurement reviews, as appropriate.
- 2.2 Procurement oversight for Alternative Procurement Arrangements (APA) are those agreed in the respective Legal Agreement.

3. Procurement Prior Review

- 3.1 The Bank sets mandatory thresholds for prior review based on project procurement risk levels. As an exception, an activity/contract below the applicable mandatory thresholds shall be subject to prior review if the Bank determines that the activity/contract has risks such as procurement arrangements that are inherently risky, such as procurement that includes the use of negotiations in a competitive procurement process for Goods, Works and Non-consulting Services, BAFO, Competitive Dialogue, and the application of sustainable procurement.
- 3.2 If the assessed activity/contract level risk is low or moderate, the Bank may determine that procurement above the applicable thresholds shall be subject to post review, and be included in the Procurement Plan. Such procurement shall use SPDs.
- 3.3 For contracts subject to prior review to be awarded using Direct Selection, the Borrower shall submit to the Bank, for its review and no objection, a sufficiently detailed justification, prior to inviting the firm to negotiations. The justification shall include the rationale for direct selection instead of competitive procurement process and the basis for recommending a particular firm. After negotiations are completed, the Borrower shall submit to the Bank the draft negotiated contract and minutes of negotiations, for its prior review.
- 3.4 Unless otherwise agreed with the Bank, prior review will be undertaken for all Works procurements under projects classified as high risk for SEA/SH that use SPDs.

4. Procurement Post Review

- 4.1 The Bank carries out post reviews of Procurement Processes undertaken by the Borrower to determine whether they comply with the requirements of the Legal Agreement. The Bank may use a third party such as a supreme audit institution, acceptable to the Bank, to carry out post reviews. Any such third party shall carry out the reviews in accordance with the TOR provided to it by the Bank.
- 4.2 The purposes of procurement post reviews include the following:

- a. verifying that the procurement procedures followed by the Borrower comply with the Legal Agreement;
- b. confirming that the Borrower continues to be in compliance with the agreed procurement arrangements, including timely and effective implementation of the agreed risk mitigation/management plan;
- c. verifying continued adherence to the contract, including technical compliance;
- d. noting Fraud and Corruption red flags and reporting any evidence to Bank's Institutional Integrity, Integrity Vice presidency (INT); and
- e. identifying mitigating measures or actions to correct procurement deficiencies and recommending them to the Borrower.

5. Independent Procurement Reviews

- 5.1 Independent procurement reviews, performed by independent third parties appointed by the Bank, are carried out when the Bank determines the need for such a review through its assessment of risk. This applies to contracts subject to prior and post review.

6. PPSD and Procurement Plan

- 6.1 The Borrower prepares the PPSD and Procurement Plan during project preparation, and the Bank reviews the PPSD and agrees to the Procurement Plan before the completion of loan negotiations. The Borrower shall submit to the Bank, for its review and approval, any updates of the Procurement Plan approved by the Bank.

7. Documents for Prior Review

- 7.1 For procurement that has been determined to be subject to prior review, the following documents shall be submitted by the Borrower for Bank's prior review and no objection:
 - a. The GPN and SPN, as appropriate;
 - b. If Prequalification/Initial Selection is used, the invitation to prequalify/be initially selected, the prequalification/initial selection document, (including any amendment(s) to them) and the prequalification/initial selection evaluation report. For Consulting Services, the REoI, including the complete TOR, and the Shortlist assessment report;
 - c. The request for bids/ request for proposals documents, including any amendment to them;
 - d. The first request by the Borrower to Bidders/Proposers/Consultants to extend the Bid/Proposal validity period, if it is longer than four (4) weeks, and all subsequent requests for extension, irrespective of the period;
 - e. The Bid/Proposal evaluation report and recommendations for contract award, including documents demonstrating that any procurement complaints have been addressed to the satisfaction of the Bank. In two-envelope or multistage selection processes, the Borrower submits the Bid/Proposal evaluation report for each envelope/stage for the Bank's prior review and no-objection before proceeding to the next stage of the procurement process;