



SRMI FACILITY PROCUREMENT FRAMEWORK (ANNEX 10)

June 2020

1. INTRODUCTION

The present document describes the procurement approach that will be followed under the *Sustainable Renewables Risk Mitigation Initiative (SRMI) Facility*. The projects identified at this stage are located in Botswana, Central African Republic (CAR), Democratic Republic of Congo (DRC), Kenya, Mali, Namibia and Uzbekistan. The present document describes the main steps to be taken by the Borrowers to manage procurement as per the “The World Bank Procurement Regulations for IPF Borrowers¹” effective as of August 2018 and as may be amended by the World Bank. Terms starting with a capital letter in this document and not otherwise defined have the meaning ascribed to them in these regulations. References in this document to the Bank and Bank funds includes the World Bank acting as an Accredited Entity of the GCF in connection with the provision of GCF funds to projects under the SRMI Facility.

Procurement in Investment Project Financing (IPF) supports Borrowers to achieve value for money (VfM) with integrity in delivering sustainable development. The World Bank is required by its Articles of Agreement to “make arrangements to ensure that the proceeds of any loan are used only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency and without regard to political or other noneconomic influences or considerations.” In accordance with this requirement, and other applicable World Bank rules, the World Bank has adopted the World Bank Procurement Regulations for IPF Borrowers (Procurement Regulations) governing the procurement of Goods, Works, Non-consulting Services, and Consulting Services for IPF operations to be financed in whole, or in part, by the Bank. While in practice the specific procurement rules and procedures to be followed in the implementation of a project depend on the circumstances of the particular case, the following Bank’s Core Procurement Principles generally guide Bank decisions under these Procurement Regulations: value for money, economy, integrity, fit for purpose, efficiency, transparency and fairness.

The Procurement Regulations are applicable to the procurement of Goods, Works, Non-consulting Services and Consulting Services in IPF operations, as provided for in the Legal Agreement for each project. The rights and obligations of the Borrower and the providers of Goods, Works, Non-consulting Services and Consulting Services for IPF operations are governed by the relevant request for bids/request for proposals document and by the contracts signed by the Borrower and the providers of Goods, Works, Non-consulting Services, and Consulting Services, and not by the Procurement Regulations or the Legal Agreement. The Procurement Regulations do not apply to the procurement of Goods, Works, Non-consulting Services, and Consulting Services financed under Bank Guarantees provided by the Bank and through loans made by eligible financial intermediaries to private borrowers.

¹ <http://pubdocs.worldbank.org/en/178331533065871195/Procurement-Regulations.pdf>

2. ROLES & RESPONSIBILITIES

As specified in the World Bank Procurement Regulations for IPF Borrowers, the governance of procurement in IPF operations will be managed through clear and transparent lines of accountability, and clear definition of the roles and responsibilities of each party.

2.1 Borrowers

The Borrower is responsible for carrying out procurement activities financed by the Bank in accordance with the Procurement Regulations. This includes planning, strategizing, seeking and evaluating Applications, Quotations, Bids, Proposals, and awarding and managing contracts. The Borrower will retain all Procurement Documents and records of procurements financed by the Bank, as required in the Legal Agreement for each project.

The Borrower may engage independent Probity Assurance Providers to be present during different stages of the Procurement Process, including engagements/discussions with firms, Bid/Proposal opening, evaluation, negotiations, contract award decisions, and/or contract execution. Where the Bank requires the Borrower to appoint a Probity Assurance Provider, the Borrower will obtain the Bank's agreement to the selection and appointment.

2.2 World Bank

To ensure that Bank funds are used only for the purposes for which the financing was granted, the Bank carries out its procurement functions, including implementation support, monitoring and procurement oversight, under a risk-based approach.

The Bank carries out prior reviews of procurement activities that are of high value and/or high risk to determine whether the procurement is carried out in accordance with the requirements of the Legal Agreement. The Bank also carries out post reviews of procurement activities 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 will carry out the reviews in accordance with the terms of reference (TOR) provided to it by the Bank.

Whether a procurement is subject to prior or post review is determined on the basis of the project and contract-specific procurement risks. These risks are assessed by the Bank during project preparation and reassessed and updated during project implementation. The requirement for a prior or post review will be specified in the Borrower's Procurement Plan. During project implementation, the Bank monitors and reassesses the risk and risk mitigation measures. If necessary and appropriate, as determined by the Bank, the Bank may require the Borrower to revise the prior and/or post review requirements in the Procurement Plan.

3. PROJECT PROCUREMENT STRATEGY FOR DEVELOPMENT AND PROCUREMENT PLAN

The Bank requires the Borrower to develop a Project Procurement Strategy for Development (PPSD) for each project financed under IPF. The PPST will address how procurement activities will support the development objectives of the project and deliver the best VfM under a risk-based approach. It will provide adequate justification for the selection methods in the Borrower's Procurement Plan. The level of detail and analysis in the PPST will be proportional to the risk, value and complexity of the project procurement. The initial Procurement Plan will normally cover at least the first 18 months of the project implementation.

The Borrower prepares the PPST and Procurement Plan during project preparation, and the Bank reviews the PPST and agrees to the Procurement Plan before the completion of loan negotiations. The Procurement Plan, approved by the Bank during loan negotiations, is incorporated by reference in the Legal Agreement, making it legally binding on the Borrower. The Borrower will submit updates of the Procurement Plan to the Bank for its review and approval. Once it has provided its no-objection, the Bank arranges for the publication of the Procurement Plan and all its updates on its external website.

The Procurement Plan, including its updates, will include a. a brief description of the activities/contracts; b. the selection methods to be applied; c. cost estimates; d. time schedules; e. the Bank's review requirements; and f. any other relevant procurement information.

4. SELECTION METHODS FOR GOODS, WORKS AND NON-CONSULTING SERVICES

4.1 Approved Selection Methods

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.

Goods, Works, and Non-consulting Services	Market approach options											
	Open	Limited	Direct	Inter-national	National	PQ	IS	Single-stage	Multi-stage	BAF O	Negotiation	Rated criteria
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

4.2 Request for Proposals

An 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.

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.

4.3 Request for Bids

An 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. 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.

4.4 Request for Quotations

An 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.

4.5 Direct Selection

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.

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 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 will 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;
- g. the Goods, Works, or Non-consulting Services provided in the Borrower's country by a State-Owned Enterprise (SOE), university, research center or institution of the Borrower's country are of a unique and exceptional nature; or
- h. direct selection of UN Agencies.

In all instances of direct selection, the Borrower will 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.

5. SELECTION METHODS FOR CONSULTING SERVICES

The table 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.

Consulting Services	Market approach options					
Approved selection methods and arrangements	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

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.

5.1 Quality and Cost-based Selection

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 will 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.

5.2 Fixed Budget-based Selection

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 will 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.

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.

5.3 Least Cost-based Selection

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. 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.

5.4 Quality-based Selection

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.

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.

5.5 Consultant's Qualification-based Selection

The Borrower will request expressions of interest (REOI), by attaching the TOR to the REOI. At least three qualified firms will 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. CQS is appropriate for small assignments or Emergency Situations in which preparing and evaluating competitive Proposals is not justified.

5.6 Direct Selection

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.

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);
- 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;
- e. only one firm is qualified, or one firm has experience of exceptional worth for the assignment;
- f. 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; or
- g. direct selection of UN Agencies.

In all instances of direct selection, the Borrower will ensure fairness and equity, and will 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.