Developing Capacity for Procurement Management

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Drivers:

- PP critical to the effective delivery of public services
- PP represents 10-30% of GDP
- Huge opportunities for savings: greater spend consolidation, e-procurement
- Procurement becoming increasingly complex
- Limited pool of qualified PP professionals
Areas of Focus

- Establishing and managing procurement policies and procedures
- Training and support to government agencies, the private sector and civil society
- Data collection and analysis
- Planning and executing specific procurements
- Contract management
Necessity of Public Procurement Reform

- Establishes PP Legal / Regulatory Framework
- Produces guides and standard bidding documents
- Creates PP Institutions
- Provides Recourse for Bidders
- Facilitates Collection / Analysis of Data

All underpinned by suitable qualified/experienced procurement staff
CDB’s New Procurement Framework

Promotes the use of best international procurement practices, which deliver value for money and the highest standards of integrity, in order to provide the intended development outcomes in a timely manner.
CDB Procurement Framework anchored in the core principles of:

- Value for money;
- Economy;
- Efficiency;
- Integrity;
- Equality; and
- Fairness and transparency.

“Fit-for-Purpose” Solutions

Harmonised with other MDBs
Where Procurement Capacity is Required in the Procurement Cycle

**Planning**
Once requirement approved for procurement consider procurement approach based on market analysis, risk, operating context and the project’s circumstances.

**Contract Management**
Supervision to ensure required deliverables provides on schedule, payments and appropriate management of variations/amendments or disputes.

**Approach to Market**

**Contracting**
Award of Contract and possible handover to separate team to supervise contract.

**Evaluation and Approval**
Review and evaluation of submissions. Approval of recommendations of evaluation committee by relevant authorities.
Planning

Need for capacity to:

• establish direct linkage between budgeting and procurement planning
• undertake market analysis
• review project context: what are the objectives, timeframes and risk
• perform analysis of executing agency capacity
• consider optimum procurement approach to market: engagement, selection method, type of contract, technical requirements
• map and consult with stakeholders

“By failing to prepare, you are preparing to fail”

Benjamin Franklin
Evaluation and Approval

Capacity consideration:

• makeup of evaluation committee, including suitable expertise
• define approach to evaluation and establish standard evaluation sheets/templates
• consult with/prepare various entities involved in evaluation and approval in-country
• prepare/seek no-objections from CDB/other financiers
In-country Evaluation/Approval Flow

BID OPENING CEREMONY

May differ from evaluation committee

BID EVALUATION

Committee which may include experts from various agencies

PROCUREMENT / TENDERS BOARD

Approve/reject evaluation recommendation

CABINET

Approve procurements over a certain threshold
Consider:

- Who is responsible for contract management
- Tools for contract management: employer’s engineer, contract management plans, reporting/meetings with provider
- Other stakeholders needed for payments
- Preparation for variations/amendments and disputes

Estimated average of 21% of savings realised in pre-contract procurement phase lost during contract implementation.

Aberdeen Group
Possible Solutions??

01 Continue Procurement Reform

02 Establish Appropriate Levels of Authority for Procurement Decision Making

03 Balance Investment in staff with ad hoc inputs

04 PP Career Paths/Professionalisation

05 Greater focus/rewards for planning and contract management

06 Digitalisation

07 Networking
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