PROCUREMENT GUIDANCE NOTE ON THE KEY CHANGES AND FEATURES OF CDB’S NEW PROCUREMENT POLICY AND PROCEDURES

November 2019

Prepared by the Caribbean Development Bank
# COMMON ABBREVIATIONS AND DEFINED TERMS

Common abbreviations and defined terms that are used in these Guidelines. Defined terms are written using capital letters.

<table>
<thead>
<tr>
<th>Abbreviation / term</th>
<th>Full terminology / definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALB</td>
<td>Abnormally Low Bid</td>
</tr>
<tr>
<td>APAs</td>
<td>Alternative Procurement Arrangements</td>
</tr>
<tr>
<td>Bid</td>
<td>An offer, by a Bidder, in response to an Invitation to Bid or equivalent, to provide the required Goods, Works or Non-Consulting Services</td>
</tr>
<tr>
<td>Bidder</td>
<td>A Firm or Joint Venture that submits a Bid for the provision of Goods, Works or Non-Consulting Services in response to an Invitation to Bid or equivalent</td>
</tr>
<tr>
<td>BMCs</td>
<td>Borrower Member Countries</td>
</tr>
<tr>
<td>BOO</td>
<td>Build, own, operate</td>
</tr>
<tr>
<td>BOT</td>
<td>Build, own, operate, transfer</td>
</tr>
<tr>
<td>BOOT</td>
<td>Build, operate, transfer</td>
</tr>
<tr>
<td>CDB</td>
<td>Caribbean Development Bank</td>
</tr>
<tr>
<td>CiPS</td>
<td>Chartered Institute of Procurement and Supply</td>
</tr>
<tr>
<td>Consultant</td>
<td>Private and public entities, including, amongst others, Consulting Firms, engineering Firms, construction managers, management Firms, PAs, inspection agents, auditors, United Nations (UN) Agencies and other regional and multinational organisations, investment and merchant banks, universities, research institutions, government agencies, NGOs, as well as individuals, that provide Consulting Services. Where the Consultant is an individual and they are not engaged by the Recipient as an employee.</td>
</tr>
<tr>
<td>Consulting Services</td>
<td>Consulting Services are those advisory or intellectual services delivered by a Consultant Firm or an Individual Consultant</td>
</tr>
<tr>
<td>Contractor</td>
<td>A Firm that is contracted to provide Works</td>
</tr>
<tr>
<td>Contract Management Plan</td>
<td>Plan for managing high risk or sensitive CDB financed contracts, as detailed in the Procurement Plan</td>
</tr>
<tr>
<td>Core Procurement Principles</td>
<td>The Core Procurement Principles of VfM, Economy, Efficiency, Integrity, Equality and Fairness and Transparency, which govern all</td>
</tr>
<tr>
<td>Abbreviation / term</td>
<td>Full terminology / definition</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>procurement under CDB Financing, as detailed in Section 3 of the Policy</td>
<td></td>
</tr>
<tr>
<td>CQS</td>
<td>Consultant Qualifications' Selection</td>
</tr>
<tr>
<td>EOI</td>
<td>Expression of Interest</td>
</tr>
<tr>
<td>e-Procurement</td>
<td>Electronic Procurement</td>
</tr>
<tr>
<td>Goods</td>
<td>Includes commodities, raw materials, machinery, equipment, vehicles, Plant and equivalent. The term may also include related services, such as: transportation, insurance, installation, commissioning, training or initial maintenance</td>
</tr>
<tr>
<td>Goods, Works and Services</td>
<td>Goods, Works, Non-Consulting Services and Consulting Services</td>
</tr>
<tr>
<td>GPN</td>
<td>General Procurement Notice</td>
</tr>
<tr>
<td>Implementing/Executing Agency</td>
<td>An entity appointed by the Recipient to carry out the Project and provide its day-to-day management</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
</tr>
<tr>
<td>LCC</td>
<td>Life Cycle Costing</td>
</tr>
<tr>
<td>MDB</td>
<td>Multi-Lateral Development Bank</td>
</tr>
<tr>
<td>Member Country</td>
<td>CDB’s Member Countries are those that are described in Annex II, as updated from time to time</td>
</tr>
<tr>
<td>Non-Consulting Services</td>
<td>Services which are not Consulting Services. Non-Consulting Services are normally Bid and contracted based on performance of measurable outputs, and for which performance standards can be clearly identified and consistently applied. Examples include: drilling, aerial photography, satellite imagery, mapping, and similar operations.</td>
</tr>
<tr>
<td>Policy</td>
<td>The Procurement Policy for Projects Financed by CDB, as amended from time to time.</td>
</tr>
<tr>
<td>PPPs</td>
<td>Public Private Partnerships</td>
</tr>
<tr>
<td>Prequalification</td>
<td>The process, used to quality firms for Bidding in the procurement of Goods, Works and Non-Consulting Services.</td>
</tr>
<tr>
<td>Procedures</td>
<td>The Procurement Procedures for Projects Financed by CDB, as amended from time to time.</td>
</tr>
<tr>
<td>Procurement Cycle</td>
<td>The Procurement cycle considers the key steps when procuring Goods, Works and Services, including need identification, planning,</td>
</tr>
<tr>
<td>Abbreviation / term</td>
<td>Full terminology / definition</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>approaching the market, evaluation of offers, contracting, contract management and incorporating lessons learned into future procurements.</td>
<td></td>
</tr>
<tr>
<td>Procurement Documents</td>
<td>A generic term used in this Guidance Note to cover all Procurement Documents issued by the Recipient. It includes: GPN, SPN, EOI, REOI, Prequalification document, ITB and RFP, including any addenda.</td>
</tr>
<tr>
<td>Procurement Framework</td>
<td>The Policy and the Procedures, as amended from time to time.</td>
</tr>
<tr>
<td>Procurement Plan</td>
<td>The Recipient’s Procurement Plan for a CDB financed Project.</td>
</tr>
<tr>
<td>Procurement Strategy</td>
<td>The Recipient’s Project-level Procurement Strategy document that describes how the procurement will deliver the intended development objectives and provide VfM through the application of CDB’s Core Procurement Principles.</td>
</tr>
<tr>
<td>Prohibited Practices</td>
<td>Corrupt, fraudulent, collusive, coercive and obstructive practices</td>
</tr>
<tr>
<td>Proposal</td>
<td>An offer, usually in response to a Request for Proposals, to provide Consulting Services</td>
</tr>
<tr>
<td>Proposers</td>
<td>Consultants submitting EOI’s or Proposals</td>
</tr>
<tr>
<td>QBS</td>
<td>Quality Based Selection</td>
</tr>
<tr>
<td>REOI</td>
<td>Request for Expressions of Interest</td>
</tr>
<tr>
<td>RFP</td>
<td>Request for Proposals</td>
</tr>
<tr>
<td>SOEs</td>
<td>State-owned or Controlled Enterprises</td>
</tr>
<tr>
<td>SPDs</td>
<td>Standard Procurement Documents</td>
</tr>
<tr>
<td>Standard Procurement Documents</td>
<td>Standardised Procurement Documents issued by CBD to be used by Recipients for CDB financed projects. These include CBD’s standard documents for, e.g.: GPN, SPN, Prequalification, LOI, RFB and RFP.</td>
</tr>
<tr>
<td>SPNs</td>
<td>Specific Procurement Notices</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>VfM</td>
<td>Value for Money</td>
</tr>
<tr>
<td>Works</td>
<td>A category of procurement that refers to construction, repair, rehabilitation, demolition, restoration, maintenance of civil work structures, and related services such as transportation, insurance, installation, commissioning, and training.</td>
</tr>
</tbody>
</table>
CONTENTS

SECTION 1 – INTRODUCTION ........................................................................................................ 1
  Overview .................................................................................................................................... 1
  Procurement Cycle ...................................................................................................................... 2
  Procurement Policy .................................................................................................................... 2
  Procurement Framework ........................................................................................................... 2
  Core Procurement Principles ...................................................................................................... 3

SECTION 2 – SUMMARY OF KEY CHANGES ............................................................................... 5
  Applicability ............................................................................................................................... 5
  Eligibility .................................................................................................................................... 5
  State-Owned Enterprises ............................................................................................................ 5
  Alternative Procurement Arrangements ...................................................................................... 5
  Procurement Risk Assessment ................................................................................................... 6
  Procurement Planning and Strategy ........................................................................................... 6
  Abnormally Low Bids .................................................................................................................. 6
  Sustainable Procurement ........................................................................................................... 6
  Technology .................................................................................................................................. 6
  Regional/International Organisations ........................................................................................ 7
  Public Private Partnerships ......................................................................................................... 7
  Complaints and Debriefing .......................................................................................................... 7
  Contract Management ................................................................................................................ 7

SECTION 3 – APPLICABILITY .................................................................................................... 8
  Introduction ................................................................................................................................. 8
  Exclusions .................................................................................................................................. 8

SECTION 4 – ELIGIBILITY .......................................................................................................... 9
  Introduction .................................................................................................................................. 9
  Eligible Requirements of Bidders/Proposers ............................................................................. 9
  Exceptions to Eligibility Requirements ...................................................................................... 9
  Expansions to Eligibility Requirements ..................................................................................... 10
  State-Owned or Controlled Enterprises (SOEs) ....................................................................... 10
  Origin and Source ...................................................................................................................... 10

SECTION 5 – ALTERNATIVE PROCUREMENT ARRANGEMENTS .............................................. 11
  Introduction ................................................................................................................................ 11

SECTION 6 – PROCUREMENT RISK ASSESSMENT ................................................................. 12
  Introduction ................................................................................................................................ 12

SECTION 7 – PROCUREMENT PLANNING AND STRATEGY .................................................... 13
  Introduction ................................................................................................................................ 13
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Abnormally Low Bids</td>
<td>16</td>
</tr>
<tr>
<td>9</td>
<td>Sustainable Procurement</td>
<td>19</td>
</tr>
<tr>
<td>10</td>
<td>Technology</td>
<td>23</td>
</tr>
<tr>
<td>11</td>
<td>Regional and International Organisations</td>
<td>26</td>
</tr>
<tr>
<td>12</td>
<td>Public Private Partnerships</td>
<td>27</td>
</tr>
<tr>
<td>13</td>
<td>Complaints and Debriefing</td>
<td>28</td>
</tr>
</tbody>
</table>

**Section 8 - Abnormally Low Bids**

- Introduction: 16
- ALB Process: 16
  - ALB Identification: 18

**Section 9 - Sustainable Procurement**

- Introduction: 19
- Why Sustainable Procurement: 19
  - Financial: 19
  - Risk Management: 19
  - Commitments and Goals: 19
  - Responses to increasing Stakeholder Expectations: 19
  - Attractiveness: 20
- Sustainable Procurement: 20
- Implementing Sustainable Procurement: 21
- Sustainability Considerations: 22

**Section 10 - Technology**

- Introduction: 23
- Background: 23
- Use of e-Procurement: 24
  - Submission of Bids/Proposals: 24
  - E-Reverse Auctions: 24
  - e-Procurement System Accreditation Modalities: 24

**Section 11 - Regional and International Organisations**

- Introduction: 26
- Goods and Non-Consulting Services: 26
  - Consulting Services: 26

**Section 12 - Public Private Partnerships**

- Introduction: 27
- Public-Private Partnerships Selection Process: 27

**Section 13 – Complaints and Debriefing**

- Introduction: 28
- Submission of Complaints without Standstill Period: 30
  - Debriefing: 30
- Submission of Complaints with a Standstill Period: 30
SECTION 1 – INTRODUCTION

Overview

In June 2019, the Board of Directors of the Caribbean Development Bank (CDB) approved its new Procurement Policy for Projects financed by CBD (as amended from time to time); and noted the associated Procurement Procedures for Projects financed by CBD (as amended from time to time), collectively referred to as the “Procurement Framework.” These replace the former Guidelines for the Selection and Engagement of Consultants (October, 2011), which apply to Consulting Services and the Guidelines for Procurement (January, 2006), which apply to Goods, Works and Non-Consulting Services. The new Procurement Framework covers all applicable projects approved on or after November 1, 2019.

Unless stated otherwise in the Financing Agreement, the aforementioned Procurement Policy and the Procurement Procedures address the procurement activities undertaken by project implementing and/or executing agencies on projects financed in whole or in part by a CDB loan or grant, or through CDB-administered funds. The Procurement Policy and Procedures have been developed to deliver significant flexibility and benefits within the Procurement Cycle. The Framework aims to provide a renewed focus on the concepts of Value for Money (VfM), fitness for purpose and the highest standards of integrity, to provide the intended development outcomes in a timely manner.

This Guidance Note covers the key changes and the new procurement approaches, methods and functionality introduced in CDB’s 2019 Procurement Framework.

Detailed in this Guidance Note is more information on each of the new features and key changes, explaining their conditions of use and an overview of the benefits. The key changes and new features covered in the Guidance Note are:

- Applicability
- Eligibility
- Alternative Procurement Arrangements (APAs)
- Procurement Planning and Strategy
- Abnormally Low Bids (ALBs);
- Sustainable Procurement;
- Technology;
- Regional and International Organisations;
- Public Private Partnerships;
- Complaints;
- Standstill Periods; and
- Contract Management

Some of the new features covered in this Guidance Note will be covered in more detail in individual Guidance Notes which will be produced and available on CBD’s website once available.

1 https://www.caribbean.org/work-with-us/procurement
Procurement Cycle

CDB’s procurement reforms intend to ensure VFM and the highest standards of integrity, by improving flexibility, quality, and efficiency throughout the Procurement Cycle as detailed below.

Figure I – CBD’s Procurement Cycle

Procurement Policy

The Procurement Policy for Projects Financed by CDB ("the Policy") establishes the core principles and policy requirements governing the procurement of Goods, Works, Non-Consulting Services, and Consulting Services (Goods, Works and Services) undertaken by Recipients of CDB financing. It aligns with CDB’s fiduciary obligations and practices, and the Agreement Establishing CDB, which requires that CDB financing shall only be utilised for the purposes for which the financing was granted, with due attention to considerations of economy and efficiency, without regard to political or other non-economic influences or considerations.

Procurement Framework

The Policy is accompanied by the Procurement Procedures for Projects Financed by CDB (“the Procedures”), and collectively they are referred to as “the Procurement Framework.” The Procurement Framework promotes the use of best international procurement practices. CDB’s Standard Procurement Documents (SPDs) and Procurement Guidance Notes supplement the Procurement Framework. The Policy is the overarching document and in the event of a conflict between it and any other documents forming the Procurement Framework or CDB’s SPDs and Procurement Guidance Notes, the Policy prevails.
Core Procurement Principles

While recognizing that the procurement approach adopted will depend on the circumstances of the project concerned, the following, mutually supporting and reinforcing, Core Procurement Principles shall guide all procurements financed by CBD.

- **Value for Money**: The principle underpinning VfM is the effective, efficient, and economic use of resources, which requires an evaluation of relevant costs and benefits, along with an assessment of risks, and non-price attributes and/or life cycle costs, as appropriate. Price alone may not necessarily represent VfM.

- **Economy**: The principle of economy takes into consideration price, and non-price factors, including quality, sustainability and life cycle costs, as appropriate, that support VfM. Economy may consider sustainability with specific criteria in support of the Recipient's own sustainable procurement policy. The maximising of competition supports the achievement of economy.

- **Efficiency**: The principle of efficiency necessitates that procurement processes be proportional to the value and risks of the underlying project activities. Efficient procurement and subsequent contract management is crucial to the timely completion of projects.

- **Integrity**: The principle of integrity refers to CDB financing being used for its intended purposes, as detailed above, and requires that all parties involved in the procurement process observe the highest standards of integrity and ethics during the procurement and execution of CDB financed contracts, and refrain from the Prohibited Practices defined in the Procedures.

- **Equality and Fairness**: The principle of equality and fairness requires that all Bidders be treated in an equal and fair manner and be provided equal opportunities. Therefore, open competitive procurement is CDB’s preferred procurement approach, whenever possible. In addition, there should be an equitable distribution of rights and obligations between Recipients and Suppliers, Bidders, Consultants, and Contractors, and
credible mechanisms for addressing procurement-related complaints and providing recourse.

➢ **Transparency:** The principle of transparency requires that relevant procurement information be made publicly available to all interested parties, consistently and in a timely manner, through readily accessible and widely available sources at reasonable or no cost and appropriate reporting of procurement activities, including contract awards.
SECTION 2 – SUMMARY OF KEY CHANGES

The 2019 CDB Procurement Framework introduced some key changes and new features to the previous procurement guidelines. Detailed below is a summary of the main changes and new features, which are expanded on in later sections of the Guidance Note. A matrix of these changes is included in Annex I.

Applicability

Policy-based operations, investments in equity and the provision of guarantees are excluded from the scope of the 2019 Procurement Framework, while private sector operations are permitted to employ commercial practices acceptable to CDB, excluding them from the public sector provisions of the Procurement Framework.

Eligibility

The 2019 Procurement Framework clearly defines the criteria against which a Bidder or Proposer is evaluated for country eligibility. This was previously defined in the Standard Procurement Documents (SPD) rather than the Guidelines.

Both sub-contractors, for Goods, Works and Non-Consulting Services, and sub-consultants, for Consulting Services, may now come from non-eligible countries so long as the majority of the financial benefits under a contract accrue to firms from eligible countries.

The Procurement Framework allows some specific exemptions to the requirement that Bidders and Proposers shall come from CDB member countries. These include private sector operations and individual consultants who receive honorariums, where there are no country eligibility restrictions.

The previous eligibility restrictions on the source and origin of goods has been removed given the challenges of procuring eligible Goods from a relatively limited pool of Member Countries and the international nature of modern supply chains.

State-Owned Enterprises

The Guidelines for Procurement (January 2006) stated that State-Owned Enterprises (SOEs) from an eligible country are not permitted to provide Goods, Works or Non-Consulting Services to a CDB financed project unless they are legally and financially autonomous, operate under commercial law and are not dependent agencies of their government which wasn’t consistent with other MDBs who only apply such restrictions to SOEs from the Recipient’s country. The Guidelines for the Selection and Engagement of Consultants (October 2011) applied the aforementioned criteria but only to SOE consultants from the Recipient’s country and BMCs.

The new Procurement Framework allows SOEs from all eligible countries to participate in CDB financed procurement so long as they are legally and financially autonomous and operate under commercial law. SOEs from the Recipient’s country who participate in procurement processes would need to be scrutinized to ensure compliance with the conflicts of interest and unfair competitive advantage provisions in the Procurement Framework. Where there is a desire to promote the use of regional contractors and suppliers, there is still an option to apply the existing regional preference system, which has been retained.

Alternative Procurement Arrangements

Alternative Procurement Arrangements (APAs) have been introduced into CBD’s Procurement Framework and are possible where CDB:
NEW PROCUREMENT FEATURES AND CHANGES TO CBD’S PROCUREMENT POLICY AND PROCEDURES

- Delegates Procurement responsibility, in joint co-financing scenarios, to other MDBs, bilateral donors or similar organisations, which follow procurement policies and procedures that are broadly harmonised with CDB’s Procurement Framework; or where
- CDB approves the use of the procurement policies, procedures and operations of the agency executing procurement on behalf of the Recipient, rather than CDB’s Procurement Framework. Such APAs shall be subject to accreditation by CDB, informed by an assessment of the procuring entity.

Procurement Risk Assessment

As part of project preparation, a Procurement Risk Assessment for the project should be completed. A Procurement Risk Assessment is the process of identifying and minimizing the likelihood of a risk occurring and minimizing the impact to the Recipient, CDB and stakeholders if the risk does occur. The risk analysis establishes the plan for managing risks and opportunities. More information and guidance on procurement risk assessment is detailed in CDB’s Guidance Note on Procurement Risk Assessment.

Procurement Planning and Strategy

The 2019 Procurement Framework provides a greater emphasis on procurement planning and Procurement Strategy development to ensure VfM is achieved throughout the full Procurement Cycle. Procurement planning shall involve the development of Procurement plans but also for high risk or sensitive procurements the development of more detailed Procurement Strategies has been introduced.

Abnormally Low Bids

Abnormally Low Bids (ALB) are considered for Works procurements under the framework. In this context, ALBs are those where the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns with the Recipient as to the capability of the Bidder to perform the contract for the offered price. The 2019 Procurement Framework and CBD’s Guidance Note on ALB’s provides a structured approach for Recipient’s to identify, clarify, and treat Works ALBs during the Bid evaluation phase.

Sustainable Procurement

The option is provided for BMCs to undertake sustainable procurement, which considers economic, social and environmental issues in determining VfM and life cycle costing.

Technology

The 2019 Procurement Framework encourages BMCs to utilise e-Procurement modalities to realise greater procurement efficiencies and transparency, where CDB is satisfied with the proposed approach and system to be used. This includes the use of new e-approaches such as e-Reverse Auctions.

2 https://www.caribank.org/work-with-us/procurement
Regional/International Organisations
The Procurement Framework provides a greater scope for Recipients to contract regional and international organisations where they have relevant expertise and experience to deliver the Project and the development objectives.

Public Private Partnerships
The 2019 Procurement Framework has introduced more flexibility in relation to Public Private Partnership. Recipients are required to select a private partner using the most appropriate procurement approach, consistent with CDB’s Core Procurement Principles, and as further elaborated in the Procurement Procedures.

Complaints and Debriefing
Recognising the importance of the private sector having recourse to make procurement complaints, a more structured and transparent system has been developed, clearly stating the roles and responsibilities of the Recipient, the complainant and CDB.

The 2019 Procurement Framework introduced the option of a Standstill Period between the formal communication of the intention to award a contract and the actual contract award. The purpose of a Standstill Period is to allow unsuccessful Bidders or Proposers an opportunity to challenge an intended contract award decision before the actual ‘Notification of Contract Award’ is issued. A Standstill period in some situations can delay the award of the contract for a period, however the benefits are that it can mitigate the risk of legal challenges following contract award as these will already have been dealt with in the Standstill Period. Any legal challenges can delay a contract for far longer than a Standstill Period.

Contract Management
The 2019 Procurement Framework promotes the use of more pro-active contract management using contract management plans and the establishment of key performance indicators to track the progress of high value and sensitive procurements.
SECTION 3 – APPLICABILITY

Introduction
The 2019 Procurement Framework applies to all contracts for Goods, Works and Services financed in whole or in part from CDB Financing or funds administered by CDB to the extent that the agreement providing for such funds does not conflict with the Procurement Framework.

For the procurement of Goods, Works and Services not financed by CDB, the Recipient may adopt other procedures. In such cases CDB must be satisfied that the procedures to be used will fulfil the Recipient’s obligations to carry out the Project diligently and efficiently, and that the Goods, Works and Services to be procured:

- Are of satisfactory quality and are compatible with the other elements of the Project;
- Will be delivered or completed in a timely fashion; and
- Are priced so as not to adversely affect the economic and financial viability of the Project.

Exclusions
The Procedures do not apply to CDB’s internal or corporate procurement, where CDB is a party to the resulting contracts. In addition, unless specifically agreed in the Financing Agreement, these Procedures shall not apply to policy-based operations, investments in equity, or the provision of guarantees.

Private sector operations are permitted to employ commercial practices acceptable to CDB, excluding them from the public sector provisions of the Procurement Framework. Exceptions to the Procedures, as allowed for under CDB’s Disaster Management Strategy and Operational Guidelines3 (as amended from time to time), are also permitted.

---

SECTION 4 – ELIGIBILITY

Introduction

The Procurement Framework details the eligibility requirements governing participation in CBD financed procurement, including making explicit the criteria that determine whether an entity is classified as coming from an eligible country and clarifying the treatment of Sub-Contractors and Sub-Consultants.

Eligible Requirements of Bidders/Proposers

CDB permits Firms and Individual Consultants from all its Member Countries (Annex II), and other countries, which are indicated as eligible in the Financing Agreement, to be awarded contracts under Projects financed by CDB.

Any Firm whether Bidding individually or in the form of a Joint Venture, must:

- Be legally incorporated or otherwise organised in, and have their principal place of business in an Eligible Country;
- Be more than fifty (50) percent beneficially owned by a citizen or citizens and/or a bona fide resident or residents of an Eligible Country, or by a body corporate or bodies meeting these requirements, as far as the ownership can be reasonably determined; and
- Shall have no arrangement and undertake not to make any arrangement whereby most of the financial benefits of the contract, i.e. more than fifty (50) percent of the value of the contract, will accrue or be paid to sub-contractors or sub-consultants that are not from an Eligible Country.

All Individual Consultants and individual Service Delivery Contractors must be citizens or bona fide residents of an Eligible Country to CDB to be eligible to submit a Bid or Proposal.

Exceptions to Eligibility Requirements

The Procurement Framework details the exceptions to the aforementioned eligibility requirements. Bodies Corporate, Consultant Firms or Individual Consultants from an Eligible Country or Goods from a specific Country may be excluded if

- As a matter of law or official regulation, the country of the Recipient prohibits commercial relations with that country, provided that CDB is satisfied that such exclusion does not preclude effective competition for the required Goods, Works or Services; or
- By an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations (UN), the country of the Recipient prohibits any import of Goods from, or payments to, a country, person, or entity. Where the country of the Recipient prohibits payments to a body corporate, Consultant Firm or individual or for Goods by such an act of compliance, that body corporate or individual may be excluded.
- A Firm or an individual suspended or sanctioned by CDB for engaging in Prohibited Practices shall be ineligible to be awarded a CDB financed contract, or to benefit from a CDB financed contract, financially or otherwise, during such period as CDB shall determine;
- If requested by the Recipient, CDB may agree that under CDB financed contracts, the Bidding or Request for Proposal (RFP) documents, and similar associated documents, state that a Firm or individual that is under a sanction of debarment from being awarded a contract by the proper judicial or administrative authorities in the Recipient’s country...
and pursuant to its relevant laws is ineligible to be awarded a CDB financed contract. Provided that CDB concludes to its satisfaction that the debarment relates to Prohibited Practices and follows a judicial or administrative proceeding affording the Firm or the individual adequate due process;

**Expansions to Eligibility Requirements**

The 2019 Procurement Framework details the expansions to the eligibility requirements as detailed below.

- UN Agencies or other regional or international organisations, may be contracted by Recipients and such organisations are permitted by CDB to apply their eligibility procedures in relation to any procurement they need to make under a CDB financed contract;
- Expansion to eligibility permitted under CDB’s Disaster Management Strategy and Operational Guidelines, as amended from time to time;
- When commercial practices are employed, there shall be no restrictions on country eligibility; and
- When Individual Consultants receive honorariums, there shall be no restrictions on country eligibility.

**State-Owned or Controlled Enterprises (SOEs)**

The revised eligibility requirements permit State-owned or Controlled Enterprises (SOEs) or institutions from any eligible country to compete for and be awarded contracts in the Recipient’s country only if they can establish, in a manner acceptable to CDB, that they are legally and financially autonomous. “Legally autonomous” means a legal entity separate from the eligible country’s government. “Financially autonomous” means not receiving budget support from any public entity, and not being obliged to pass financial surplus to the same, except through dividends to shareholders.

SOE’s must operate under commercial law and have legal rights and liabilities similar to any commercial enterprise, including, being incorporated or established by statutory charter under local law and having the right to enter into legally binding contracts, to sue and to be sued and to borrow money and being liable for the repayment of debts and being able to be declared bankrupt.

There are some exceptions to the eligibility requirements of SOEs such as when Works and Non-Consulting Services are provided under the Force Account selection method and when Goods and Services are provided by universities, research institutes or similar institutions and are of a unique or exceptional nature because of the absence of suitable private sector alternatives or because of the regulatory framework.

If an SOEs participation is critical to Project implementation, CDB may agree to the contracting of these entities on a case-by-case basis and CDB may agree to the hiring of government officials and civil servants of the Recipient’s country under Consulting contracts, either as Individual Consultants or as members of the team of experts proposed by a Consulting Firm provided they meet the requirements outlined in the Procedures.

**Origin and Source**

The 2019 Procurement Frameworks removed all restrictions on the source and origin of Goods given the challenges of procuring eligible Goods from a relatively limited pool of Member Countries and the international nature of modern supply chains.
SECTION 5 – ALTERNATIVE PROCUREMENT ARRANGEMENTS

Introduction

The 2019 Procurement Framework introduced the concept of Alternative Procurement Arrangements (APA). APAs are approved procurement arrangements that can be used instead of applying the Procurement Policy and Procedures for Projects Financed by CDB. CDB where satisfied with the proposed arrangements, may agree to APAs where the procurement policies and procedures applied are those of:

- Another multilateral or bilateral agency or organisation, and may agree to such a party taking a leading role in providing the implementation support and monitoring of procurement activities; or
- An agency or entity of the Recipient whereby these policies, procedures and operational practices are consistent with CDB’s Core Procurement Principles. Such APAs shall be subject to accreditation by CDB. Accreditation shall require an assessment of the procurement arrangements of the agency or entity to be undertaken by CDB or by another Multi-Lateral Development Bank (MDB) or equivalent institution, provided CDB is satisfied with the quality of such an assessment and the associated fiduciary risk mitigation measures that have been established.

The decision to rely on the procurement arrangements of a Recipient’s agency shall be based on:

- A justification of why the APAs are the most appropriate procurement arrangement to support the Recipient in achieving the project’s development objectives; and
- An explanation on how the APAs will:
  - Provide adequate assurance that the proceeds of the Bank operation will be used for the intended purposes; and
  - Meet the requirements set out in the Procurement Policy and Procedures.

If an APA is approved by CDB, the terms and conditions of the APA are set out in the legal agreements with the Recipient and other relevant parties governing the specific project. If the terms and conditions of the APA are not complied with, CBD has the right (in addition to its other contractual rights) to revoke or modify the use of the APA.
SECTION 6 – PROCUREMENT RISK ASSESSMENT

Introduction

As part of project preparation, a Procurement Risk Assessment for the project should be completed. Procurement risk analysis is the process of identifying and minimising the likelihood of a risk occurring and minimizing the impact to the Recipient, CDB and stakeholders if the risk does occur. The procurement risk analysis sets out the plan for managing risks and opportunities.

The findings of the Procurement Risk Assessment are used by CBD to determine the appropriate and proportional oversight and if the procurement should be subject to prior or post review.

Risks identified should be summarised and evaluated in a Procurement Risk Management Plan. The Procurement Risk Management Plan defines the risks, assesses their impact, describes the mitigation action and allocates the risk to an owner.

Risk management is important as it supports the recognition, evaluation and prioritization of potential failures and their effects. It enables Project delivery by identifying and tracking actions, which eliminate or mitigate the chance of the potential failure occurring. Its intent is to maximise positive impact and minimise adverse impact to the procurement approach and objectives. Through a structured approach to risk management, Recipient’s should identify how opportunities and risks will be managed at different stages of the procurement process.

More information and guidance on procurement risk assessment is detailed in CDB’s Guidance Note on Procurement Risk Assessment.
SECTION 7 – PROCUREMENT PLANNING AND STRATEGY

Introduction
The new Procurement Framework has greater emphasis on VfM throughout the full Procurement Cycle. Procurement planning shall involve the development of Procurement Plans but also for high risk or sensitive procurements, as determined by CDB during appraisal, the development of a more detailed Procurement Strategy document.

The Procurement Planning/Strategy stage of CBD’s Procurement Cycle is highlighted in the following figure.

![Figure III – Procurement Strategy Development](image)

Background
The Procurement Plan and Procurement Strategy, when required, are documents that the Recipient prepares as part of the Project preparation process. A Procurement Plan must always be completed for the project by the Recipient for all procurements, except in emergency or post-disaster situations, as detailed below. In certain circumstances, and for high risk and high value projects CDB may request that a Procurement Strategy be produced as well as the Procurement Plan.

Procurement Planning
The Recipient is required to prepare a Procurement Plan for CDB’s review and no-objection during Project appraisal in accordance with CDB’s Procurement Plan template (Annex III) or
an alternative acceptable to CDB. The Procurement Plan shall form part of the Financing Agreement.

At a minimum, the Recipient shall prepare a detailed and comprehensive Procurement Plan including:

- All contracts for which the selection of Firms and individuals is to take place at least during the first twelve (12) months of Project implementation;
- Estimated costs for each contract;
- The proposed selection method for each contract;
- Time schedules;
- The related CDB review procedures; and
- Any other relevant procurement information.

Procurement Plans and their updates or modifications, shall be subject to CDB’s prior review and no-objection before implementation. CDB shall arrange, after approval of the Financing, the publication on CDB’s website of the initial Procurement Plan and all subsequent updates once it has provided a no-objection. The Recipient shall implement the Procurement Plan in the manner which has been approved by CDB.

The Recipient shall update the Procurement Plan as needed throughout the duration of the Project but at a minimum at least annually, by including contracts previously awarded and to be procured at least during the next twelve (12) months.

For Projects, or their components, that are demand-driven in nature such as community-driven development, etc. where specific contracts, or their time-schedules, cannot be identified in advance, a suitable Procurement Plan shall be agreed with CDB.

In emergency or post-disasters situations, it is not always possible for the Recipient to prepare a Procurement Plan, and, subject to CDB’s approval, this requirement may be waived or deferred to the implementation phase of the Project.

**Procurement Strategy Development**

**Overview**

If a Procurement Strategy is required by CDB it must detail the rationale for the proposed procurement approach and explain how the Procurement Strategy will support the socio-economic and development objectives of the Project and how it will deliver VfM. The level of detail and analysis shall be proportional to the risk, value and complexity of the Project and the Procurement Strategy should usually cover the following areas.

- Identification of the specific project needs;
- Assessment of the operating context and its potential impact on the procurement;
- Assessment of the implementing agency’s capacity, resources and previous experience in procuring the required Goods, Works and Services;
- Assessment of the adequacy, behaviour and capabilities of the market to respond to the Procurement; and
- Justification of the proposed procurement arrangements based on market analysis, risk and operating context and the project’s circumstances.

The preparation of the Procurement Strategy is the responsibility of the Recipient and it should be prepared during project preparation. CDB reviews the Procurement Strategy and provides

---

4 [https://www.caribank.org/work-with-us/procurement](https://www.caribank.org/work-with-us/procurement)
a no objection to the Strategy and the Procurement Plan, before the completion of the financial agreement negotiations with the Recipient.

The Recipient shall implement the Procurement Strategy in the manner which has been approved by CDB. The Recipient shall update the Procurement Strategy as needed throughout the duration of the Project but at a minimum at least annually.

The Procurement Strategy helps inform the Recipient’s procurement approach and in turn the appropriate selection methods and tools.

The Recipient may prepare a high level, simplified Procurement Strategy in emergency or post-disaster situations recognised by CDB, provided that the simplified procurement arrangements in the Procurement Strategy are consistent with CDB’s Core Procurement Principles.

More information and guidance on how to produce the Procurement Strategy is detailed in CDB’s Guidance Note on Procurement Planning and Strategy Development which is available on CBD’s website\(^5\).

\(^5\)\text{https://www.caribank.org/work-with-us/procurement}
SECTION 8 - ABNORMALLY LOW BIDS

Introduction

Abnormally Low Bids (ALBs) have increasingly become a major issue for MDBs and many public-sector entities. The Procurement Procedures introduced a new approach to determining Abnormally Low Bids (ALB) for Works subject to International Competitive Bidding. The Procedures provide the following definition.

“An ALB for the purposes of the Procedures covers Works and is one in which the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns with the Recipient as to the capability of the Bidder to perform the contract for the offered price”

The methodology on the identification and treatment of ALBs was developed in conjunction with other MDB’s and provides Recipients with a structured approach that will better enable them to obtain VfM under Works procurements.

While it is expected that in all contract award decisions, the Recipient will undertake reasonable due diligence to ensure the Bidder can perform the contract, in the case of a suspected ALB, there is a requirement to undertake enhanced due diligence on the Bid by following the process detailed in the below-mentioned ALB Guidance Note.

While an ALB may appear to represent good value, it can result in greater overall costs, contract delays or even the collapse of a contract. In other terms, accepting an ALB has the potential to put a contract in jeopardy, as ALBs are often submitted by Bidders that may not be able to complete their work as per their Bid price. Alternatively, a Bidder may have made simple errors in their Bid and be unable to complete the work at the submitted Bid price. If an ALB is accepted, it can cause the Recipient to spend time and money managing a poorly performing Firm or finding a new Firm to complete the original scope of Works.

Examples of how a Bid may appear Abnormally Low include:

- When it is compared with the Recipient’s cost estimate for the contract if there is no ability to compare market prices;
- When it is compared with all other Substantially Responsive Bids;
- When it does not appear to provide a margin for profit; and
- Where the low price cannot be explained by, for example:
  - The economy of the selected constructions method, or
  - The technical solution chosen by the Bidder.

A detailed Guidance Document on Abnormally Low Bids has been produced to assist Recipient’s with identifying ALBs which also includes mathematical formulas to assist with the identification. This Guidance Note can be found on CDB’s website⁶.

ALB Process

The SPD for Works details the ALB instruction to Bidders. If the Recipient uses an SPD with the ALB instruction they must check as part of the financial evaluation if the Bid price is Abnormally Low and make use of the ALB clauses in the SPD.

The process of establishing whether a Bidder is capable to perform a contract within its total evaluated Bid price can be highly complex and subjective, particularly for design and build type contracts, and in instances where Recipients do not have the necessary in-house

---

⁶ https://www.caribank.org/work-with-us/procurement
capability and expertise. In these cases, the Recipients may require the input of independent Consultants with technical knowledge and experience relevant to the specification and project.

If the Bidder is unable to show they can complete the contract for the Bid price, then subject to CBD’s review, the Bid must be rejected. Bidders whose Bids are rejected due to an ALB will not forfeit their Bid security due to their low Bid.

The process for assessing Bid/Proposals for possible ALB’s comes during the Bid evaluation phase of CBD’s Procurement Cycle below.

*Figure IV – Standstill Period step of CBD’s Procurement Cycle*

The process to identify an ALB is broken into five steps, Identify, Clarify, Justify, Verify and Decide as detailed in the following figure and further detailed in the separate Guidance Note on Abnormally Low Bids.
NEW PROCUREMENT FEATURES AND CHANGES TO CBD’S PROCUREMENT POLICY AND PROCEDURES

Figure V – Five Steps of an ALB

ALB Identification
The identification of an ALB is undertaken on the evaluated Bid prices of Substantially Responsive Bids only and there are two approaches that can be used, ‘absolute’ and ‘relative’ depending on the number of Bids received.

Absolute Approach
Where fewer than five (5) Substantially Responsive Bids have been received, the ‘absolute’ approach identifies an ALB based on a comparison of the evaluated Bid price, and its constituent parts, with the Recipient’s own cost estimate. If the Bid price is 20% or more below the Recipient’s cost estimate when fewer than five Substantially Responsive Bids are received, then the Recipient should clarify the Bid price with the Bidder to determine whether the Bid is Abnormally Low.

Relative Approach
The ‘relative’ approach uses a statistical calculation using at least five Substantially Responsive prices. A potential ALB is identified when the low Bid is more than one standard deviation below the average of the Substantially Responsive Bids received. Bids that are more than one standard deviation below the average fall into the ALB risk zone. Bids that fall into the ALB risk zone, the Recipient should establish the capability of the Bidder to perform the contract within its total evaluated price.

Recipients must not automatically reject a potential ALB before completing all the five stages, outlined in figure V, unless the Bidder does not provide the requested clarification in a timely manner and the Bid is rejected on that basis.

More information on how to apply the relative approach and the statistical calculation are detailed in CBD’s Guidance Note on Abnormally Low Bids.

---

7 https://www.caribank.org/work-with-us/procurement
SECTION 9 - SUSTAINABLE PROCUREMENT

Introduction

The 2019 Procurement Framework includes the option for BMCs to undertake sustainable procurement, which considers economic, social and environmental issues, beyond CDB’s Environmental and Social Review Procedures (2014)\(^8\), in determining VfM.

If agreed with CDB, Recipients may include additional sustainability requirements in the procurement process, including their own sustainable procurement policy requirements, if they are applied in a manner that is consistent with CDB’s Core Procurement Principles.

More information on Sustainable Procurement and its application is detailed in CBD’s Guidance Note on Sustainable Procurement\(^9\).

Why Sustainable Procurement

There are many reasons to practice Sustainable Procurement. They include the following five key business drivers:

Financial

Reduce total operating costs by procuring more efficient and sustainable Goods, Works or services that:

- strive for innovative and more sustainable outcomes that offer greater efficiencies and cost savings;
- realise cost savings on a long-term basis by applying life-cycle costing;
- minimise disposal costs and maximise sustainable impacts of products at their end of life;
- develop the market’s capacities to deliver sustainable solutions; and
- increase demand for sustainable solutions which in turn increases market competitiveness.

Risk Management

Engage in the mapping of economic, legal, environmental and social sustainability threats and opportunities, and develop sustainable approaches to manage them.

Commitments and Goals

Reflect the implementing agency’s organisational culture, values, and ethics in accordance with relevant policies. This could include developing Sustainable Procurement policies that are in harmony with a country’s overall strategy; that is, relevant national commitments and priorities ought to be reflected in procurement practices.

Responses to increasing Stakeholder Expectations

It is important to take account of social responsibility and sustainability issues. Beyond the requirements established by CBD in its other policies (e.g.: environmental and social), these can be further enhanced by using Sustainable Procurement approaches.

---


\(^9\) [https://www.caribank.org/work-with-us/procurement](https://www.caribank.org/work-with-us/procurement)
**Attractiveness**

Performance in terms of social responsibility and sustainability may impact a Recipient’s or project’s image, enhance competition and provide organisations greater competitive advantage. Implementing Sustainable Procurement may attract other financial investors, boost labour markets, attract the best organisations to Bid, and further drive development goals.

**Sustainable Procurement**

The concept of sustainability is based on three (3) pillars, economic, environmental and social. Effective Sustainable Procurement supports sustainable development and Sustainable Procurement and has been defined by Chartered Institute of Procurement and Supply (CIPS) as:

“A process whereby organisations meet their needs for Goods, Services, Works and utilities in a way that achieves VfM on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment”

Detailed below are examples of what should be considered under each of the three (3) pillars.

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>➢  Economic regeneration</td>
</tr>
<tr>
<td></td>
<td>➢  Sustainable economic development</td>
</tr>
<tr>
<td></td>
<td>➢  Emerging markets</td>
</tr>
<tr>
<td></td>
<td>➢  Development of SMEs</td>
</tr>
<tr>
<td></td>
<td>➢  Total cost of ownership and life cycle costing</td>
</tr>
<tr>
<td></td>
<td>➢  Value for Money</td>
</tr>
<tr>
<td></td>
<td>➢  Poverty reduction</td>
</tr>
<tr>
<td>Environmental</td>
<td>➢  Environmental resource management</td>
</tr>
<tr>
<td></td>
<td>➢  Urban planning</td>
</tr>
<tr>
<td></td>
<td>➢  CO2 reduction</td>
</tr>
<tr>
<td></td>
<td>➢  Alternative energies: e.g.: solar, wind</td>
</tr>
<tr>
<td></td>
<td>➢  Water management</td>
</tr>
<tr>
<td></td>
<td>➢  Sustainable agriculture</td>
</tr>
<tr>
<td></td>
<td>➢  Marine resources management</td>
</tr>
<tr>
<td></td>
<td>➢  Pollution and waste management</td>
</tr>
<tr>
<td>Social</td>
<td>➢  Human rights</td>
</tr>
<tr>
<td></td>
<td>➢  Clean drinking water</td>
</tr>
<tr>
<td></td>
<td>➢  Food security</td>
</tr>
<tr>
<td></td>
<td>➢  Fair pay and labour law protections</td>
</tr>
<tr>
<td></td>
<td>➢  Anti-child labour and forced labour laws</td>
</tr>
<tr>
<td></td>
<td>➢  Fair trade</td>
</tr>
<tr>
<td></td>
<td>➢  Health and safety</td>
</tr>
<tr>
<td></td>
<td>➢  Gender equality including universal education</td>
</tr>
<tr>
<td></td>
<td>➢  Child mortality and maternal health</td>
</tr>
<tr>
<td></td>
<td>➢  Healthy lives and well-being for all</td>
</tr>
</tbody>
</table>

*Table II – Three Pillars of Sustainable Procurement*

Sustainable Procurement is a process which incorporates sustainability considerations throughout the procurement process in order to achieve optimal VfM in delivering development objectives.
It is said that Sustainable Procurement is “smart” procurement, as it takes a three-dimensional life cycle approach versus the traditional one-dimensional, economics-focused approach. Three-dimensional thinking (economic, environmental and social) does not mean it takes three times longer, nor is the outcome necessarily more expensive.

Beyond any requirements established by CBD’s other policies (e.g.: environmental and social), Sustainable Procurement is not mandatory, and the use of Sustainable Procurement is at the Recipient’s discretion. This recognises that countries continue to develop their national and policies that work towards greater sustainability in development. However, CDB encourages Recipients to actively consider and apply sustainable procurement, where appropriate. The use of Sustainable Procurement has been enabled through the Procurement Procedures, which state:

*If agreed with CDB, Recipients may include additional sustainability requirements in the procurement process, including their own sustainable procurement policy requirements, if they are applied in a manner that is consistent with CDB’s Core Procurement Principles.*

**Implementing Sustainable Procurement**

The intention to adopt Sustainable Procurement requirements in the procurement process should be identified at the planning stage and included in the Procurement Plan and Procurement Strategy if requested by CDB.

CBD’s Procurement Framework allow for several stages at which Sustainable Procurement considerations may be applied such as:

- Prequalification/ Initial Selection of firms;
- Functional and/or detailed technical specifications;
- Evaluation criteria;
- Contract terms and conditions; and
- Contract performance monitoring.

Sustainable Procurement requirements may arise from the following sources:

- The Borrower’s policies on economic, social, and environmental sustainability.
- Risks and opportunities identified through analysis of the market or the business and operating environment. Sustainability risks and opportunities that could be managed through the procurement process may also be identified through the environmental and social impact assessments.

Any Sustainable Procurement requirements should be based on evidence (i.e., with supporting data), and on existing social-label criteria, eco-label criteria, or information collected from stakeholders in industry, civil society, and international development agencies. The Recipient shall not request Sustainable Procurement requirements that are proprietary or otherwise available to only one firm, unless such a requirement is justified to the satisfaction of CDB.

If Sustainable Procurement requirements are specified in the SPDs, relevant evaluation and qualification criteria should also be specified in the Invitations to Bid/Request for Proposals documents to enable the evaluation of the Sustainable Procurement aspects included in the Bids/Proposals. The Recipient may adopt international sustainability standards covering a wide range of product and service groups, provided they are consistent with the Core Procurement Principles.

Internationally recognised certification or accreditation schemes may be used to demonstrate a Bidders/Proposers’ ability to apply environmental management measures. Such schemes
may include ISO 14001 or other systems that conform to the relevant international standards on certification and environmental management. Bidder/Proposers may also be able to demonstrate that they apply equivalent sustainable management measures, even without certification.

The Recipient may include economic, environmental, and social considerations in a contract, provided they are consistent with CBD’s policy. If Sustainable Procurement requirements are included in a contract, the KPIs should include key Sustainable Procurement aspects to enable monitoring the requirements.

**Sustainability Considerations**

Sustainable Procurement considerations occur at various stages throughout the procurement process. It is crucial to take Sustainable Procurement considerations into account from the outset. For example, during the identification of need and defining the development outcomes to be achieved.

Key to achieving effective Sustainable Procurement is designing a fit for purpose procurement process. Sustainability opportunities and risks ought to be managed throughout the procurement process. However, the assessment, analysis and Procurement Strategy, where required, need to be proportional to the size, nature and complexity of the procurement.

The market research and analysis, and other relevant assessments (such as Environmental and Social Impact Assessments), help procurement practitioners to work through the approved Selection Methods for Goods, Works and Non-Consulting Services (see Procurement Procedures, Section 7 to identify the appropriate Selection Methods and arrangements and SPD).

Below identifies some of the key sustainability considerations that may be considered at the different stages in the procurement process.

- Initial Consideration such as the Recipient’s sustainability policies, strategies and priorities and Environmental and Social Impact Assessments
- Market Research and Planning to establish the expected sustainable benefits and the relevant sustainable products and services that are available in the market.
- Procurement Process Design such as the selection method, type of specification and relevant sustainability standards and classifications
- Procurement Process such as assessing Bidders/Proposers sustainability credentials and track records and comparing whole-of-life costs

Contract Implementation and Management such as the development of contract management plans, with KPIs and assessing VfM over the whole-of-life and sustainability outcomes and benefits achieved

More information on key sustainability considerations are detailed in CBD’s Guidance Note on Sustainable Procurement\(^\text{10}\).

\(^{10}\) [https://www.caribank.org/work-with-us/procurement](https://www.caribank.org/work-with-us/procurement)
SECTION 10 - TECHNOLOGY

Introduction
Recipients may use electronic procurement systems (e-Procurement) for aspects of the procurement process, including: advertising procurement notices, issuing tender documents/RFPs, and addenda, receiving and responding to requests for clarification, receiving applications/quotations / Bids / Proposals, evaluation activities, issuing contracts and amendments, publishing contract award information and carrying out other specific procurement actions such as e-Reverse auctions, provided CDB is satisfied with the adequacy of the system, including its accessibility, security and integrity, confidentiality, and audit trail features.

Background
CBD’s 2019 Procurement Framework details the core procurement principles of VfM, Economy, Efficiency, Integrity, Equality and Fairness and Transparency in procurement.

The Chartered Institute of Procurement and Supply defines e-Procurement as

“"The combined use of electronic information and communications technology (ICT) to enhance the links between customer and supplier, and with other value chain partners, and thereby to improve external and internal procurement & Supply Chain Management (P&SM) processes. e-Procurement is a key component of e-business and e-commerce."

CDB Recipients are encouraged to use e-Procurement, with prior approval from CDB, and it can be designed and used across CDB’s Procurement Cycle, as detailed in figure VI below, and particularly for the procurement planning, Bidding, Bid evaluation, contract award, and contract implementation stages.
Use of e-Procurement

Recipients are encouraged to use e-Procurement for Goods, Works, and Services for all selection methods.

The project procurement risk assessment completed by CDB should verify and confirm the proposed use of e-Procurement or related arrangements as being considered adequate, efficient, and secure, and should not prevent participation of any potential eligible Bidders/Proposers as detailed in Section 4 of this Guidance Note.

A description of the use of e-Procurement and related specific arrangements and decisions shall be indicated in the approved Procurement Plan and Procurement Strategy, if requested by CDB, before implementation.

Submission of Bids/Proposals

Bidders/Proposers shall be permitted to submit Bids/Proposals through electronic systems, provided CDB is satisfied with the adequacy of the electronic system, including, inter alia, that the system is secure, maintains the integrity, confidentiality and authenticity of Bids/Proposals submitted, uses an electronic signature system or equivalent to keep Bidders/Proposers bound to their Bid/Proposal and the deadline and place for receipt of Bids/Proposals shall be specified in the relevant Procurement Documents.

E-Reverse Auctions

Electronic Reverse Auctions are a type of open competitive competition for Goods and Non-Consulting Services and start within a reasonable time after Bidders, that have been prequalified/registered receive information on:

- The automated evaluation method that will be used to rank Bidders during the E-reverse auction; and
- Any other relevant information on how the e-Reverse auction is to be conducted, including clear instructions on how to access and participate in the auction.

Bidders then place offers to provide the Goods or Non-Consulting Services and with sight of the other Bid prices can adjust their offers; until at the end of the auction, the Bidder with the lowest Bid price is considered for award.

Auctions may be used when the Recipient’s requirements are standardised in nature, unambiguously specified and there is adequate competition among Firms.

e-Procurement System Accreditation Modalities

The e-Bidding or e-tendering module in Recipient led e-Procurement will be verified for compliance with the latest version of the MDBs’ e-tendering requirements, as adopted by CDB. The use of e-Reverse Auction in procurement will be verified for compliance with the latest version of the MDB’s e-Reverse Auction Guidelines, as adopted by CDB. The other modules of e-Procurement, such as catalogue management or e-marketplace, will be verified for compliance with reference to CDB’s Core Procurement Principles as detailed in Section 1 of this Guidance Note and the Procurement Policy.

---

Once an e-Procurement system has been approved by CDB, the Recipient is required to closely monitor and record e-Procurement implementation experiences and share with CDB any challenges faced in the procurement, specifically because of the e-Procurement system used. Such feedback will enable CDB to develop suitable remedial measures to address these challenges and coordinate a harmonised approach to problem-solving with other MDBs.

The accreditation of an e-Procurement system by CDB is not necessary if its use is limited to the advertising of opportunities and the publication of contract award notices.

CDB will approve the use of an e-Procurement system on a case by case basis. If a system is found to be substantially non-compliant with the 2019 Procurement Policy, Procedures and Core Procurement Principles, the non-compliances would need to be remedied. The concerned project executing agency will be asked to adopt these remedial measures while using the e-Procurement system. CDB will avoid, whenever possible, requiring changes to the standard functionality and processes of the system.

If an e-Procurement system was accredited previously by CDB, or another MDB, and no substantial modifications were introduced since such accreditation, CDB will consider authorising the use of the system on a case by case basis if it complies with CDB’s Core Procurement Principles. If the system was not accredited previously by CDB or another MDB, or substantial modifications were since introduced, the system will be (re)assessed during the procurement planning stage of the project if agreed by CBD.

The current approach for assessing and accrediting an e-Procurement system for use in CDB operations is drawn from recent independent assessments of e-Procurement systems by the Inter-American Development Bank (IDB), the Islamic Development Bank (IsDB) and World Bank reports on e-Procurement development in CDB’s BMCs, and CDB’s own experience in implementing e-Procurement systems. The approach will be updated from time to time to ensure that it remains consistent with evolving changes in e-Procurement practice.

CDB may choose to reassess an already accredited e-Procurement system under any of the following circumstances.

- Complaints and issues are raised to CDB about the accredited e-Procurement system, such as an inability to access the system, challenges making modifications or the corruption of submissions;
- The accredited e-Procurement system has undergone material changes after accreditation by CBD; and/or
- A significant period (5 years) has elapsed since the system was accredited by CDB or use of the system was authorised by CDB.
SECTION 11 - REGIONAL AND INTERNATIONAL ORGANISATIONS

Introduction

The 2019 Procurement Framework includes a greater scope for Recipients to contract regional and international organisations, as detailed below, and such organisations are permitted by CDB to apply their eligibility procedures in relation to any procurement they need to make under a CDB financed contract.

Recipient are required to submit to CDB for its no-objection a complete justification, unless it already forms part of the Procurement Plan and, where relevant, Procurement Strategy, for contracting with such entities and, in the case of prior review, the draft form of agreement. Where CDB has agreed a standard form of agreement with the organisation to be contracted this should be used by the Recipient unless otherwise agreed with CDB.

Goods and Non-Consulting Services

There are situations in which procuring directly from specialised UN Agencies and similar international or regional organisations, may be the most appropriate way of procuring what is required. These include:

- Small quantities of specialised off-the-shelf Goods or Non-Consulting Services where there are limited number of providers in the market; and
- Where such agencies can rapidly offer urgently needed assistance or where capacity constraints are significant.

Consulting Services

Agencies of the UN and other International and Regional Organisations may be contracted directly by Recipients when they are uniquely or exceptionally qualified to provide technical assistance and advice in their area of expertise.

CDB may agree that UN agencies and other International and Regional Organisations follow their own eligibility requirements for the selection of their sub-Consultants and individual experts to perform the contract. They shall not receive any preferential treatment when they participate in a competitive selection process, except that Recipients may accept the privileges and immunities granted to the UN agencies or international or regional organisations and their staff under existing international or regional conventions and may agree with UN agencies or international or regional organisations on special payment arrangements required according to the agency’s charter, provided these are acceptable to CDB.

To neutralize the privileges of such organisations, as well as other advantages such as tax exemption and facilities, and special payment provisions, the Quality Based Selection (QBS) method, or the Consultant Qualifications Selection (CQS) method for small assignments, should be used.
SECTION 12 - PUBLIC PRIVATE PARTNERSHIPS

Introduction

A Public Private Partnership (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 where remuneration is linked to performance. PPP’s have been used by Governments for many years, however, the late 20th century and early 21st century have seen a clear trend towards Governments making greater use of various PPP arrangements.

The 2019 Procurement Framework is more flexible than the Guidelines for Procurement (January, 2006) in terms of PPP related procurement PPPs.

Public Private Partnerships Selection Process

CDB may finance the cost of a Project or a contract procured under PPP arrangements, Build, own, operate (BOO), Build, operate, transfer (BOT), Build, own, operate, transfer (BOOT) concessions or similar types of private sector arrangements, if the selection procedures:

- Are Fit-for-Purpose and reflect VfM through the application of CDB’s Core Procurement Principles; and
- Are consistent, as appropriate, with the requirements set out in the Procedures.

Where a Recipient selects a private partner CDB shall be satisfied with:

- The Project justification, feasibility, PPP structure requirements and contract arrangements; and
- That the selection process for the private partner is Fit-for-Purpose and reflects VfM through the application of CDB’s Core Procurement Principles, and the Procedures (in particular: Paragraphs 5.15 - 5.17, Conflicts of Interest, Section 4, Eligibility, and Paragraphs 5.25 - 5.27, Prohibited Practices).

In exceptional circumstances and having considered the specific circumstances, CDB may agree to a non-competitive selection process.

Unsolicited Proposals

CDB may agree to finance PPP Projects initiated from unsolicited Proposals. In all instances of unsolicited Proposals, the process to assess and determine the best Fit-for-Purpose and VfM approach to awarding a contract initiated by an unsolicited Proposal shall be clearly defined by the Recipient and accepted by CDB.

When an unsolicited Proposal is subjected to a competitive selection process, the Recipient may use one of the following approaches in allowing the Firm that submitted the unsolicited Proposal to participate in the process:

- The Recipient grants no advantage to the Firm in the process. The Recipient may separately compensate the Firm for the agreed cost of preparing the Proposal, if permitted under Recipient’s applicable regulatory Framework; or
- The Firm is granted an advantage in the selection process, such as an additional merit in the evaluation. This advantage shall be disclosed in the ITB and defined in such a way that it does not prevent effective competition.
SECTION 13 – COMPLAINTS AND DEBREIFING

Introduction

This section relates to the administration of procurement-related complaints for CBD financed Procurements by expanding on the 2019 Procurement Policy and Procedures.

CDB promotes an open and fair procurement process and Recipients of CDB financing must always make every effort to address any procurement-Related Complaint received objectively and in a timely manner, with transparency and impartiality.

A well-managed, robust, and objective complaints handling system is critical for any public procurement system. It provides a check on arbitrary decision-making and encourages open and transparent competition.

A procurement-related complaint is a complaint:

- Made in relation to a Recipient's procurement under a CDB Financed Project;
- By an ‘interested party’; and
- Relating to a pre-contract procurement issue that arises during the procurement process up to the final notice of contract award.

It is the Recipient’s responsibility to carry out the selection and award procedures for any procurement process. Bidders or Proposers should communicate any queries, issues and grievances to the Recipient. In the case of grievances, they should be addressed in accordance with the procurement-related complaints process as outlined in the Procurement Procedures under Paragraphs 5.24 and Annex 3.

Procurement-related complaints may be brought, at the appropriate stage of the procurement process, to the attention of the Recipient and copied to CDB. Procurement-related complaints normally arise from four (4) possible scenarios outlined below.

- Allegations of Prohibited Practices, which shall be considered by CDB’s Office of Integrity, Accountability and Compliance.
- Complaints that arise out of, or relate to, a procurement process subject to joint co-financing with another MDB or equivalent. The complaints process to be followed for procurement processes that are subject to joint co-financing with another MDB or equivalent are determined by who is the lead financier. If CDB is the lead financier then CDB’s complaints procedures apply, however if another MDB or equivalent is the lead financier then the complaints procedures for that organisation would apply.
- Complaints that arise out of, or relate to, a procurement process run by a Recipient’s Executing Agency following an Alternative Procurement Arrangements assessment, approved by CDB.
- Complaints, other than those related to Prohibited Practices, that allege misapplication or omission in the application of CDB’s 2019 Procurement Policy and Procedures (as reflected in the SPDs) during a procurement process financed in whole or in part by CDB, which would amount to a breach of the Policy and/or Procedures and/or the SPD’s.

To promote an economic, efficient, effective and fair Procurement process, the Recipient is required to seek to resolve complaints in a timely and objective manner and in accordance with the requirements set forth in the Policy and Procedures.

Under projects effective after November 01, 2019, the SPDs include the option to apply a Standstill Period for the submission of complaints, however the use of a Standstill Period is not mandatory. A Standstill Period is a period of at least ten (10) Business Days following the
‘Notification of Intention to Award’ decision, before the contract is signed with the Bidder/Proposer.

The purpose of a Standstill Period is to allow unsuccessful Bidders or Proposers an opportunity to challenge an intended contract award decision before the actual ‘Notification of Contract Award’ is issued. A Standstill period in some situations can delay the award of the contract for a period, however the benefits are that it can mitigate the risk of legal challenges following contract award as these will already have been dealt with in the Standstill Period. Any legal challenges can delay a contract for far longer than a Standstill Period.

A Standstill Period can also improve the level of competition, as it can in some cases increase potential Bidders/Proposers confidence that the procurement process will be conducted in a fair and transparent manner.

The Standstill Period starts at the contract award stage of CBD’s Procurement Cycle as outlined in Figure VII below, when the ‘Intention to Award the Contract’ notice is issued.

The introduction of a Standstill Period in CBD’s 2019 Procurement Procedures was included to enable unsuccessful Bidders/Proposers time to determine once the ‘Notification of Intention to Award’ has been issued whether to seek a debrief or to submit a procurement-related complaint.

A Standstill Period should not be utilised where:

- Only one Bid/Proposal was submitted in an open competitive process;
- Direct Selection is used;
The first stage of a two-stage procurement process; and
The technical evaluation of a two-envelope procurement process

Submission of Complaints without Standstill Period

Procurement-related complaints should be submitted in writing by the interested party to the Recipient in a timely manner and at the appropriate stage in the procurement process and should include the following content:

- The name, contact details, and address of the complainant;
- Identify the complainant’s interest in the procurement;
- Identify the specific Project, the procurement reference number, and current stage of the procurement process;
- Specify any previous communication between the complainant and the Recipient on the matters addressed in the complaint;
- Specify the nature of complaint, and the perceived adverse impact on the complainant;
- State the alleged inconsistency with, or violation of, the applicable Procurement Policy or Procedures; and
- Any other information the complainant considers relevant to the complaint.

The Recipient is required to acknowledge receipt of a complaint, in writing, in a timely manner. The Recipient shall promptly inform CDB of receipt of the complaint, and provide CBD with any relevant information and documentation, including its proposed action and justification and a draft response to the complaint for CBD’s review, where the procurement is subject to CDB’s No Objection.

Should the interested party not receive what they deem to be a suitable response to a complaint, other than complaints including allegations of Prohibited Practices, the matter can be escalated to the attention of the Head of Procurement at CDB, including the information required under Paragraph 13 of Annex 3 of the Procurement Procedures.

Debriefing

The Recipient shall specify that any Bidder/Proposer who wishes to ascertain the grounds on which its Bid/Proposal was not selected, may request an explanation from the Recipient in form of debriefing.

If the Bidder/Proposer requests a debriefing the Recipient must promptly provide an explanation of why their Bid/Proposal was not selected, either in writing and/or in a debriefing meeting as requested by the Recipient. The debriefing should not include a point-by-point comparisons with another Bid or Proposal or include any information that is confidential or commercially sensitive to other Bidders/Proposers.

A written summary of each debriefing shall be included in the official procurement records and copied to CDB for contracts subject to prior review. The requesting Bidder/Proposer shall bear all the costs of attending such a debriefing.

Submission of Complaints with a Standstill Period

If the SPDs used include the Standstill Period provision the Standstill Period needs to be managed effectively to ensure it does not add any additional delays to the procurement and project delivery. The Standstill Period should not be less than ten (10) business days following the ‘Notification of Intention to Award’ a contract. During this ten (10) business days period a Bidders or Proposer may challenge the award decision. The Standstill Period is fixed, and the Recipient has no obligation to respond to challenges received after its expiry.
Standstill Period Debriefing

CDB’s Procurement Procedures gives unsuccessful Bidder or Proposers the opportunity to request a debriefing by the Recipient. The requirements for debriefing by Recipients are:

- Requesting a Debrief does not remove a Bidder’s or Proposer’s right to challenge an award decision. Recipients are required to provide debriefings regardless of whether a Standstill Period applies or not.
- When a Standstill Period applies, the Procurement Documents must allow a Bidders or Proposer three (3) business days from their receipt of the ‘Notification of Intent to Award’ a contract to request a debriefing.
- The Recipient is required to debrief the Bidder or Proposer within five (5) business days after receiving a debriefing request in writing. If the Recipient fails to deliver a debriefing within this five (5) day period, for reasons not within the control of the Bidder or Proposer, the Standstill Period must be extended by five (5) business days after completion of the debriefing.
- Any costs incurred for participating in a debriefing shall be borne solely by the Bidder or Proposer.
- A written summary of each debriefing must be completed by the Recipient and included in their official procurement records and copied to CDB for contracts subject to prior review.

If following the Recipient’s review of a procurement-related complaint, the Recipient proposes to change its contract award recommendation, it must first revise the evaluation report and submit to CDB for review. The Recipient will not award the contract without receiving CDB No-Objection. If CDB No-Objection is not received by the Recipient during the Standstill Period, the Standstill Period is automatically extended until CDB No-Objection is received.

Conclusion of the Standstill Period

Once the Standstill Period concludes the Recipient should then proceed with the contract award to the successful Bidder/Proposer if:

- The Recipient has not received a challenge from an unsuccessful Bidder/Proposer.
- The Recipient receives a challenge from an unsuccessful Bidder/Proposer, the Recipient shall not proceed with contract award until the challenge has been suitably resolved.
- Five (5) business days after a late debriefing is delivered, if the Recipient previously failed to deliver a valid debriefing request as required within the original Standstill Period.

The Recipient is then required to issue a ‘Notification of Contract Award’ to all unsuccessful Bidders and/or Proposers and within ten (10) Business Days. The ‘Notification of Contract Award’ should be published using the same media as used for the GPN and SPN. This notice provides details of the procurement and the contract award details.

Following conclusion of the Standstill Period a Bidder or Proposer can request an explanation from the Recipient as to the grounds on which their Bid or Proposal was not selected. If the Bidder or Proposer is not satisfied with the explanation provided by the Recipient, or if the Recipient fails to provide such explanation, the Bidder/Proposer may forward the request in writing directly to CDB.

More information on Complaints and Debriefing including roles and responsibilities of Recipients, Bidders and Proposers and CDB are detailed in CBD’s Guidance Note on Complaints and Debriefing.
SECTION 14 - CONTRACT MANAGEMENT

Introduction

The 2019 Procurement Procedures promote the use of contract management plans and the establishment of key performance indicators (KPIs) to track the progress of high value and sensitive procurements. The aim of contract management is to ensure that all parties meet their obligations. Contracts should be actively managed by the Recipient throughout their life to ensure that Supplier or Contractor or Consultant performance is satisfactory.

Contract Management

Contract management is a formal process that focuses on ensuring both the Firm or Individual and the Beneficiary meet their contractual commitments as defined in the contract. Contract Management requires systematic and efficient planning, execution, monitoring, and evaluation to optimise performance while managing risks to ensure that both parties fulfil their contractual obligations with the goal of achieving VfM and results on the ground.

Contracts that are managed effectively with the aid of a contract management plan can assist Recipients to:

- Ensure that the supplier delivers upon their commitments;
- Obtain the best VfM during the life of the contract;
- Manage supply risks for the duration of the contract;
- Continually challenge to drive best value under contracts;
- Ensure effective contracts that continue to deliver;
- Demonstrate best procurement practice in the management of contracts; and
- Provides evidence to support any audits.

When defining the contract management strategy and approach, it is important to understand the level of influence the Recipient may have over the Firm or Individual, which is informed by the supply preferencing model analysis as detailed earlier in this guidance. It is also important to understand how much influence the Recipient needs over the Firm or Individual which is informed by the supply position model and procurement risk analysis.

The Beneficiary should also consider:

- How the Firm or Individual will be managed through review meetings, progress reports, risk logs, action plans, etc.;
- The key milestones and when they should be reviewed;
- The level of resources required to manage the contract effectively; and
- How performance will be assessed against pre-agreed measures, including key performance indicators.

The approach to contract management should be proportionate to the value, risk, length, type, and complexity of the contract and the type of market/suppliers who will be fulfilling the contract. Depending on the nature of the relationship with the Firm or Individual, the level of effort may change for the Recipient. For simple and low value contracts, the contract management plan should include, as a minimum, the following:

- Key roles and responsibilities;
- Key contractual dates and delivery milestones;
- Payment milestones; and
- Record keeping requirements.
For high value, high risk, or complex contracts identified in the Procurement Plan, the contract management plan shall typically contain a summary of contract details such as:

- Identified potential risks (such as delays in the contractor’s right of access to site, payment delays and other defaults in the Recipient’s contractual obligations that could potentially lead to contractual disputes) and their mitigation;
- Key contacts, roles and responsibilities of the parties;
  - The names and contact details of the key contacts for each party shall be clearly identified in the contract;
  - Ensuring that each party has established the necessary authorizations and delegations for its personnel at the beginning of the contract to ensure all contracting decisions are valid and enforceable.
- Communication and reporting procedures;
- Key contractual terms and conditions that relate to delivery;
- Contractual milestones including critical path (identified to ensure early detection and mitigation of issues) and payment procedures consistent with contractual provisions;
- Key contract deliverables;
  - Contract deliverables shall be identified and properly described so they can be easily monitored;
  - Key contract deliverables shall be updated to account for change orders during the execution of the contract.
- KPIs and measurement process;
- Contract variation/change control mechanisms;
- Record keeping requirements; and
- Issues management and escalation plan.

The approach to managing each contract needs to be determined in advance and where described in the Procurement Documents to ensure the Firm or Individual allocates adequate resources to supporting effective contract management. The Firm or Individuals bid response, along with the Recipient’s contract management requirements, need to be combined into a Contract Management Plan. The Contract Management Plan should be developed during contract creation and ideally completed at the time the contract is signed. The plan should be developed in consultation with the successful Bidder/Proposer.

The Recipient should begin developing a contract as early as possible in the procurement process. As the Procedures require, the contract conditions are included in the ITB/RFP or equivalent document for the particular procurement process. The level of detail required in a contract depends on the risk and complexity of the contract. The terms and conditions should be fit-for-purpose, with appropriate allocation of risks, liabilities, roles, and responsibilities of the parties.

**Key Performance Indicators (KPIs)**

KPIs are measures of contract performance that are aligned to the key outcomes that the procurement approach has been designed to deliver. The KPIs should be specific, measurable, attributable, relevant and time-bound (SMART). They should also be directly linked to the development and procurement Objectives which helps ensure contract delivery is fully aligned with the desired outcome.

KPIs should be included in the contract management plan, and if they link to incentive mechanisms/payment decisions, they will need to be agreed and included as part of the contract with the Firm or Individual before it is signed.
**Contract Monitoring**

During contract execution, the Recipient uses the contract and, where relevant, the Contract Management Plan to ensure that both contracting parties are complying with the contractual provisions.

To determine whether VfM is achieved, the Recipient monitors the contract to ensure at least the following:

- Risks are managed or mitigated before they materialise;
- The contract is completed on time and within budget;
- Contract variations are properly justified;
- The outcome of the contract meets the objectives set at the start;
- The Recipient’s technical and commercial requirements are met or exceeded within budget; and
- The final contract price compares favourably with comparable benchmarks.
## ANNEX I - KEY CHANGES

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>KEY CHANGE</th>
<th>SECTIO N</th>
<th>PARA</th>
<th>PAGE</th>
<th>APPLICABILIT Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>APPLICABILITY</strong></td>
<td>Policy-based operations, investments in equity and the provision of guarantees are excluded from the scope of the Procurement Framework and private sector operations are permitted to employ commercial practices acceptable to CDB, excluding them from the public sector provisions of the Procurement Framework.</td>
<td>Section 1</td>
<td>1.05</td>
<td>6</td>
<td>X</td>
</tr>
</tbody>
</table>
| **APA**     | APAs are possible where CDB:  
- Delegates procurement responsibility, in joint co-financing scenarios, to other MDBs, bilateral or similar organisations, which follow Procurement policies and procedures that are broadly harmonised with CDB’s Procurement Framework; or where  
- CDB approves the use of the procurement policies, procedures and operations of the agency executing procurement on behalf of the Recipient, rather than CDB’s Procurement Framework. Such APAs shall be subject to accreditation by CDB, informed by an assessment of the procuring entity.                                                                                       | Section 3 | 3.05 | 9    | X               |
| **ELIGIBILITY** | Makes explicit what classifies an entity as coming from an eligible CDB Member Country.  
Makes the treatment of sub-contractors and sub-Consultants consistent so they can come from non-Member Countries so long as most of the contract value accrues to eligible country interests.  
Permits state owned or controlled firms to come from any eligible country so long as they meet the criteria detailed in the Procedures.  
Removes all restrictions on the source and origin of Goods given the challenges of procuring eligible Goods from a relatively limited pool of Member Countries and the international nature of modern supply chains. | Section 4 | 4.01 – 4.04 | 9 – 12 | X               |
|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |          | 4.02 | 9    | X               |
|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |          | 4.04 | 10 – 11 | X               |
|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |          | 4.01 - 4.04 | 9 – 12 | X**            |
Details exceptions to the above, including removing all eligibility restrictions for private sector operations, which is already the practice for such CDB projects. | 4.01 - 4.04 | 9 – 12 | X | X |

**PROCUREMENT PLANNING** There is greater emphasis of these areas to ensure VfM is achieved throughout the full Procurement Cycle. Procurement planning shall involve the development of procurement plans but also high risk or sensitive procurements the development of more detailed procurement strategies. | Section 5 | 5.09 – 5.14 | 13 – 14 | X | X |

**COMPLAINTS** Recognising the importance of the private sector having recourse to making procurement complaints, a more structured and transparent system has been developed, clearly stating the roles and responsibilities of the Recipient, the complainant and CDB. | Section 5 | 5.24 | 16 | X | X |

**SUSTAINABLE PROCUREMENT** The option is provided for BMCs to undertake Sustainable Procurement, which considers economic, social and environmental issues in determining VfM. | Section 6 | 6.04 | 20 | X |

**TECHNOLOGY** BMCs are encouraged to utilise e-Procurement modalities to realise greater procurement efficiencies, where CDB is satisfied with the proposed approach and system to be used. This includes the use of new e-approaches such as reverse e-auctions. | Section 6 | 6.05 | 20 | X | X |

**ALB** An ALB for the purposes of the Procedures covers Works and is one in which the Bid price, in combination with other elements of the Bid, appears so low that it raises material concerns with the Recipient as to the capability of the Bidder to perform the contract for the offered price. | Section 6 | 6.55 – 6.57 | 29 | X* |

**STANDSTILL PERIOD** The purpose of a Standstill Period is to allow unsuccessful Bidders or Proposers an opportunity to challenge an intended contract award decision before the actual 'Notification of Contract Award' is issued. A Standstill period in some situations can delay the award of the contract for a period, however the benefits are that it can mitigate the risk of legal challenges following contract award as these will already have been dealt with in the Standstill Period. Any legal challenges can delay a contract for far longer than a Standstill Period. | Section 6 | 6.91 – 6.95 | 36 – 37 | X | X |

**CONTRACT MANAGEMENT** The Procedures also promote the use of contract management plans and the establishment of key performance indicators to track the progress of high value and sensitive procurements. | Section 6 | 6.103 | 38 |
| REGIONAL/INTERNATIONAL ORGS | There is a greater scope for Recipients to contract regional and international organisations where they have relevant expertise and experience. | Section 7 | 7.20 | 44 |
| PPP'S | The existing procedures are overly restrictive in relation to procurement related to PPPs and thus the requirements have been made more flexible. Recipients are required to select a private partner using the most appropriate procurement approach consistent with CDB’s Core Procurement Principles and as further elaborated in the Procedures. | Section 7 | 7.29 – 7.32 | 45 – 46 |

*GW*  *Goods and Works*

*CS*  *Consultant Services*

*X*  *Only covers Works*

*X*  *Only covers Goods*
ANNEX II – MEMBERS OF THE BANK

REGIONAL MEMBERS

1. Anguilla
2. Antigua and Barbuda
3. Bahamas
4. Barbados
5. Belize
6. British Virgin Islands
7. Cayman Islands
8. Dominica
9. Grenada
10. Guyana
11. Haiti
12. Jamaica
13. Montserrat
14. Saint Kitts and Nevis
15. Saint Lucia
16. Saint Vincent and the Grenadines
17. Suriname
18. Trinidad and Tobago
19. Turks and Caicos Islands

OTHER REGIONAL MEMBERS

1. Brazil
2. Colombia
3. Mexico
4. Venezuela

NON-REGIONAL MEMBERS

1. Canada
2. China
3. Germany
4. Italy
5. United Kingdom
ANNEX III – CBD’s PROCUREMENT PLAN TEMPLATE

(This is only a sample with the minimum content that is required for disclosure on the Bank’s website in accordance with the 2019 Procurement Framework. The Project Team will agree with the Recipient on a Procurement Plans which may contain additional information and may be prepared in a different format as desired by the Recipient of CDB Financing. The initial Procurement Plan will cover the first 18 months of the project and then updated annually or earlier as necessary. Note the published version shall replace budgetary figures with “NP” i.e. not published and this should be reflected accordingly in the abbreviations)

I. General

1. Project Information: [add to this section as necessary]

   Country:

   Borrower:

   Project Name

   Project Implementing Agency (PIA):

2. Bank’s Approval Date of the Procurement Plan [Original; Revision]

3. Period Covered by This Procurement Plan:
II. Goods and Works and Non-Consulting Services

1. **Prior Review Threshold**: Procurement decision subject to Prior Review by the Bank as stated in the Procurement Procedures: *Thresholds for applicable procurement methods (not limited to the list below) will be determined by the Portfolio Manager, Procurement based on the risk assessment.*

<table>
<thead>
<tr>
<th>Selection Method</th>
<th>Prior Review Threshold</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ICB (Goods)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. NCB (Goods)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. LB (national or regional/international) (Goods)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. ICB (Works)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. NCB (Works)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. LB (national or regional/international) (Works)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>[Add other methods if necessary]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. **Prequalification.** Bidders for _______________ shall be qualified in accordance with the provision of paragraphs 7.12 and 7.13 of the Procurement Procedures.

3. **Reference to (if any) Project Operational/Procurement Manual**: [normally Procurement Policy for Projects Financed by CDB and Procurement Procedures for Projects Financed by CDB 2019]

4. **Any Other Special Procurement Arrangements**: [including advance procurement and retroactive financing, if applicable]

5. **Procurement Packages with Methods and Time Schedule** [List the Packages which require Bank’s prior review first and then the other packages]

<table>
<thead>
<tr>
<th>Ref No.</th>
<th>Contract (Description)</th>
<th>Estimated Cost (insert currency)</th>
<th>Selection Method</th>
<th>Prequalification (Y/N)</th>
<th>Regional Preference (Yes/No)</th>
<th>Review by Bank (Prior/Post)</th>
<th>Expected Bid-Opening Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
III. **Consulting Services**

1. **Prior Review Threshold:** Procurement decision subject to Prior Review by the Bank as stated in the Procurement Procedures: [Thresholds for applicable procurement methods (not limited to the list below) will be determined by the Portfolio Manager, Procurement based on the risk assessment of the implementing agency’s capacity.]

<table>
<thead>
<tr>
<th>Selection Method</th>
<th>Prior Review Threshold</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Firms: QCBS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Firms: Direct Selection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Individual Consultant Selection</td>
<td></td>
<td>[Add other methods if necessary]</td>
</tr>
</tbody>
</table>

2. **Short list comprising entirely of national consultants:** Short list of Consultants for services, may comprise entirely of national consultants in accordance with the provisions of paragraph 6.17 of the Procurement Procedures. [delete this point if not relevant]

3. **Reference to (if any) Project Operational/Procurement Manual:** [normally Procurement Policy for Projects Financed by CDB and Procurement Procedures for Projects Financed by CDB 2019]

4. **Any Other Special Procurement Arrangements:** [including retroactive financing, if applicable]

5. **Procurement Packages with Selection Methods and Time Schedule:** [List the Packages which require Bank’s Prior Review first and then the other packages]

<table>
<thead>
<tr>
<th>Ref No.</th>
<th>Assignment (Description)</th>
<th>Estimated Cost (Insert Currency)</th>
<th>Selection Method</th>
<th>Review by Bank (Prior/Post)</th>
<th>Expected Proposal Submission Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
III. **Implementing Agency Procurement Capacity Building Activities with Time Schedule**

In this section the agreed Procurement Capacity Building Activities are listed with time schedule.

<table>
<thead>
<tr>
<th>No.</th>
<th>Expected Outcome/Activity Description</th>
<th>Estimated Cost</th>
<th>Estimated Duration</th>
<th>Start Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


### IV. Summary of Proposed Procurement Arrangement

<table>
<thead>
<tr>
<th>Project Component</th>
<th>CDB (USD'000)</th>
<th>NBF (USD'000)</th>
<th>Total Cost (USD'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Primary</td>
<td>Secondary</td>
<td>Other</td>
</tr>
<tr>
<td></td>
<td>ICB</td>
<td>LB</td>
<td>RB</td>
</tr>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Physical Contingency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Price Contingency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Finance Charges</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Abbreviations:**
- **DS**: Direct Selection
- **FA**: Force Account
- **LB**: Limited Bidding
- **NB**: Financed
- **NCB**: National Competitive Bidding
- **QBS**: Quality Based Selection
- **QCBS**: Quality and Cost-Based
- **FBS**: Selection
- **Fixed Budget Selection**

[amend abbreviations above as necessary]
ANNEX IV – REFERENCE MATERIAL

- Caribbean Development Bank – Procurement Policy for Projects financed by CBD (November 2019)
- Caribbean Development Bank - Procurement Procedures for Projects financed by CBD (November 2019)
- Caribbean Development Bank - Guidance Note on Abnormally Low Bids (April 2016)
- Caribbean Development Bank – Guidance Note on Procurement Planning and Strategy Development
- E-Tendering Requirements for Multi-Lateral Development Bank Financed Procurements
- E-Tendering Requirements for Multi-Lateral Development Bank Financed Procurements
- https://www.caribank.org/work-with-us/procurement/resources
CARIBBEAN DEVELOPMENT BANK

P.O. Box 408, Wildey, St. Michael
Barbados BB 11000

246-431-1600
246-426-7269

www.caribank.org