Procurement policy and procedures for projects financed by CDB

Procurement Policy Unit

Caribbean Development Bank
Barbados
October 15, 2019
○ Rationale
○ Timeline
○ Applicability
CDB’s Procurement Framework

Promotes the use of best international procurement practices, which deliver value for money and the highest standards of integrity, in order to provide the intended development outcomes in a timely manner.
Drivers for the Reform

- Evolution of Best International Practices
- Improve current Guidelines last updated in 2006 & 2011
- Need for more “fit-for-purpose” and proportional approach
- Demand for use of acceptable Alternative Procurement Arrangements (APAs)
- MDB Harmonisation
**Timeline**

**Feedback/Consultation**

- Internal Focal Group All 2018
- Consultation CDB staff HOP Public Q 3-4 2018

**Board of Directors approval June 2019**

- Update SBDs, Guidance notes, Training Jun-Nov 2019

**Implementation Nov 2019**

**Post November, 2019:**
- Prepare further guidance notes
- Continue training including e-learning
- Monitor and assess
Applicability

- Goods
- Works and Services (Consulting and Non-Consulting)

financed in whole or in part from CDB Financing or funds administered by CDB

- Non-Bank Financed
  - PBLs
  - Investments in Equity
  - Provision of Guarantees
  - CDB’s internal or corporate procurement, where CDB is a party to the resulting contracts

Exceptions: CDB’s Disaster Management Strategy and Operational Guidelines
Structure

Overview
CDB Procurement Framework

Projects Approved Prior November 2019:

• Guidelines for Procurement (Goods, Works and Non-Consultancy Services)
• Guidelines for Selection and Engagement of Consultants (Consultancy Services – Firms and Individuals)

Projects Approved From November 2019:

Procurement Policy

• Applicability
• Core principles
• Roles and responsibilities
• Eligibility provisions
• Integrity requirements
• APAs

Procurement Procedures

• Operationalises Policy
• Procurement considerations
• Procurement planning and contract management
• Selection Methods
• Procurement oversight
• Complaints procedures

Link to board paper
Link to CDB website
Procurement Framework anchored in the core principles of:

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

Methods and approaches

Sustainability

Regional and International Organisations

Alternative Procurement Arrangements

Public, Private Partnerships

Complaints
Eligibility

Explicit definition of entity as coming from an eligible CDB member country

- No restrictions on origin and source of goods
- Consistency across sub-contractors and consultants
- No restrictions for Private Sector operations

- Existing requirements for bidders
- SOE permitted if legally and financially autonomous
Methods and Approaches

Goods, Works and Non-Consultancy Services

- Open Competitive bidding
- Limited Bidding
- Direct Selection Force Account

Consulting Services

- Shortlisting: QCBS, QBS, FBS, LCS
- No Shortlisting: CQS,
- Direct Selection

Approved Arrangements

- Prequalification of Bidders
- Post-Qualifications of Bidders
- Two-Stage Bidding
- E-Reverse Auctions
- UN Agencies and Intl. orgs
- Service Delivery Contractors
- Community Participation
- Commercial Practices
- Imports and Commodities
- Financial Intermediaries
- PPP

Approved Arrangements

- UN Agencies and Intl. orgs
- NGOs
- Procurement Agents
- Inspection Agents
- Banks
- Auditors
- Project Implementation Support
Economic, social and environmental issues

Recipients may include additional sustainability requirements in the procurement process, beyond that required under CDB’s Environmental and Social Review Procedures.

Support reform and capacity of BMCs to implement Sustainable Procurement.

Value for money

Harmonised with other MDBs
There may be situations in which procurement directly from specialised UN Agencies and similar international or regional organisations, may be the most appropriate way of procuring Goods, Works and Non-Consultancy Services.

- **Goods, Works and Non-Consultancy Services**
  - small quantities of specialised off-the-shelf Goods or Non-Consulting Services where there are limited number of providers
  - Can Rapidly offer urgently needed assistance or where capacity constraints

- **Consulting Services**
  - uniquely or exceptionally qualified to provide technical assistance and advice in their area of expertise
  - Standard form of agreements when available
  - QBS, QCS for competitive processes
Alternative Procurement Arrangements

Provide for procurement to be governed by **policies and procedures other than those detailed in the Procurement Framework**, may be adopted in specific circumstances, approved by CDB.

Co-financing
- Other MDBs, bilateral donors, or similar organisations

Executing agency
- CDB approves use of procedures and operations thru informed assessment
Public Private Partnerships (PPPs)

MORE FLEXIBILITY

X ICB

Recipients to select a private partner using the most appropriate procurement approach consistent with CDB’s Core Procurement Principles

Fit-for-Purpose and reflect Value for Money
A more structured and transparent system has been developed, clearly stating the roles and responsibilities of the Recipient, the complainant and CDB. (ANNEX 3 of CDB Procurement Procedures)

A procurement-related complaint is a complaint:
(a) made in relation to a Recipient's procurement under a CDB Financed Project;
(b) by an ‘interested party’; and
(c) relating to a pre-contract procurement issue that arises during the procurement process up to the final notice of contract award.

STANDSTILL PERIOD (Optional)

Recipients to adopt a standstill period whereby all bidders are notified of the intention to award a contract and will be given a period of ten (10) calendar days to raise procurement-related complaints before a contract is concluded.
Prior and Post review Thresholds

Prior Review focused on higher value and higher risk procurement

free up time to provide greater capacity building and advisory support

Tools

- Procurement plan Pareto Analysis
- Procurement Risk assessment
- Procurement plans/strategies
BMCs On-boarding/training

- Project Launch workshops
- Webinar with Central Procurement Departments in Borrowing Member countries
- Joint MDB workshops (IDB, WB)
- Videos for private sector (English, Spanish, French, Dutch)
- Update Procurement E-learning platform
Thank You!