



MINISTRY OF PLANNING AND
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PROJECT PREPARATION TECHNICAL
ASSISTANCE FACILITY (PPTAF)



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PROCUREMENT FOR WORLD BANK FUNDED PROJECTS

TRAINING WORKSHOP
APRIL 2011



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PROCUREMENT OF CONSULTING SERVICES USING WORLD BANK GUIDELINES



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PROCUREMENT OF CONSULTING SERVICES: TOPICS

- WHY PROCURE CONSULTANTS?
- TYPES OF CONSULTING SERVICES
- MAIN CONSIDERATIONS
- SELECTION PROCESS AND SELECTION METHODS

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MORE TOPICS

- PREPARING A PROCUREMENT PLAN
- PREPARING THE REQUEST FOR PROPOSALS
- EVALUATION PRACTICES OF TECHNICAL PROPOSALS
- FRAUD AND CORRUPTION
- YOUR QUESTIONS

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WHY HIRE CONSULTANTS?

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1. Consultants are instrumental in the successful preparation and implementation of Bank-assisted projects.

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2. Users of consulting services should always be aware that the services given by professional consultants represent a small proportion of the project cost.

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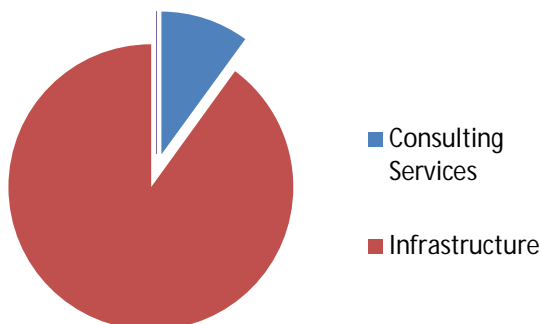
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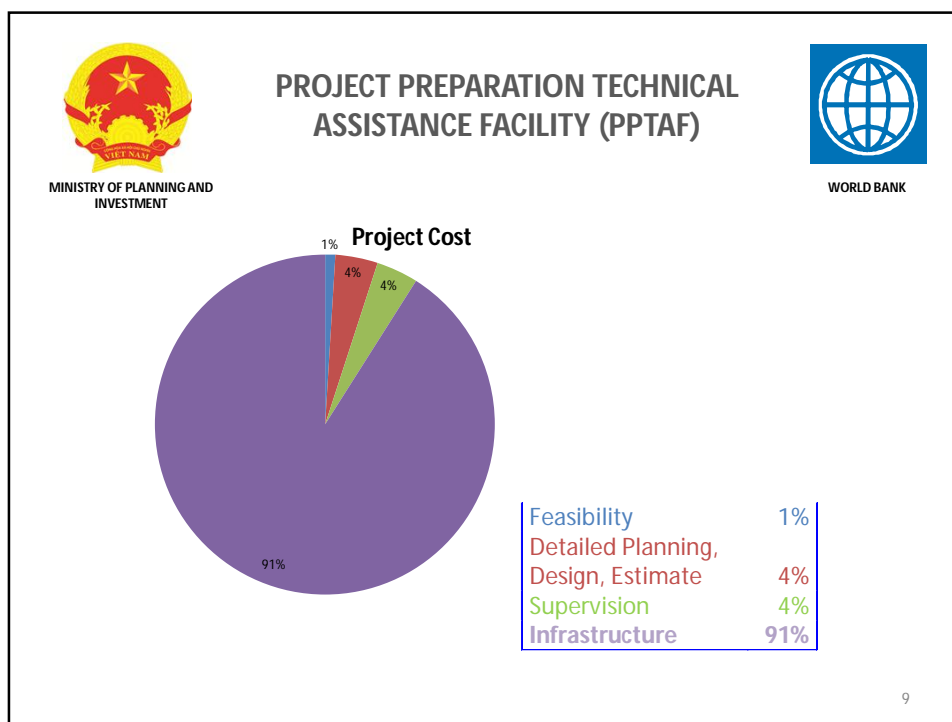


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Project Cost



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3. Most project failures or deficiencies happen or originate in the study-and-design phase or can be traced to faulty supervision during project implementation.

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4. Therefore it is essential to the success of the project that consultant services are selected on the basis of quality and independence.

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TYPES OF CONSULTANT SERVICES

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PREPARATION SERVICES

- **Sector Studies**
- **Master Plans**
- **Feasibility Studies**
- **Design Studies**
- **Specialist Studies**

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IMPLEMENTATION SERVICES

- **Tender Documents**
- **Procurement Assistance**
- **Construction Supervision**
- **Project Management**
- **Training**

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ADVISORY SERVICES

- Strategy and Policy
- Regulation
- Institutional Reform
- Capacity Building
- Management and Leadership

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General Policies and Principles in the Use of Consultants

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- 1. GENERAL PRINCIPLES**
- 2. ELIGIBILITY**
- 3. USE OF NATIONAL CONSULTANTS**
- 4. ASSOCIATIONS BETWEEN CONSULTANTS**

- 5. PROPERTY**
- 6. MISPROCUREMENT**
- 7. INSTRUCTIONS TO CONSULTANTS**

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Bank policy, as indicated in the *Consultant Guidelines*, is guided by the following principles:

- High quality of services
- Efficiency and economy
- Competition among qualified consultants from all eligible countries
- Participation of national consultants
- Transparency

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In practice, each of these principles may be stressed more or less, depending on the circumstances of the Borrower, and to a certain extent they compete with each other.

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FOR EXAMPLE:

- Increasing the quality of services may affect economy;
- increasing transparency and competition may require detailed and inefficient, time-consuming procedures;
- Tension may develop between the two competing policies of hiring qualified consultants from all eligible countries on one hand and promoting the development of national consultants on the other.

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Depending on the objectives and characteristics of the assignment, the Bank and the Borrower determine in the **Procurement Plan** the selection method and procedures that are likely to provide the best possible balance between these principles, whereby the **quality of the services** remains the primary objective of any selection.

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WHEN PROCURING CONSULTANT SERVICES, ALWAYS REMEMBER THESE FOUR:

1. The Loan Agreement governs the legal relationship between the Borrower and the Bank.
2. The rights and obligations of the Borrower and the consultant are governed by the Request for Proposals (RFP) issued by the Borrower and by the contract signed by the Borrower with the consultant, and **not by the *Consultant Guidelines* or the Loan Agreement.**

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3. The Borrower is responsible for selecting, evaluating, awarding, and supervising the consultant under the assignment and for complying with the rules laid down in the Procurement Plan.

4. The Bank reviews the hiring of consultants by the Borrower to verify that the selection process is carried out in accordance with the provisions of the *Guidelines*, and it monitors the work of consultants during execution to make sure that it is being carried out according to appropriate standards and is based on acceptable data.

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ELIGIBILITY

The term “eligibility” refers to the authorization to compete for a Bank-funded project.

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Consultants may be **ineligible** and hence excluded from participating in Bank-financed assignments in the following circumstances (see para. 1.11 of the *Consultant Guidelines*):

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- Legislation in the Borrower's country prohibits commercial relations with the consultant's country
- By an act of compliance with a decision of the UN Security Council, the Borrower's country has imposed economic sanctions against the consultant's country of origin.
- The Bank has declared the consultant ineligible to take part in Bank-financed projects because of fraudulent or corrupt practices on the part of the Consultant.

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State-Owned Consulting Organizations

State-owned organizations are eligible to take part in Bank-financed consulting assignments in their country of origin only if they can establish that they (a) are legally and financially autonomous, (b) operate under commercial law, and (c) are not a dependent agency of the Borrower or Sub-Borrower (see para. 1.11 (b) of the *Consultant Guidelines*).

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Universities and Research Institutes

The same principles apply to universities and research institutes in the Borrower's country, but they are applied more flexibly.

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Government Officials and Civil Servants

Government officials and civil servants may be hired under consulting contracts, only if:

- they are on leave of absence without pay,
- they are not being hired by the agency they were working for immediately before taking leave, and
- their employment would not give rise to any conflict of interest

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USE OF NATIONAL CONSULTANTS

The *Consultant Guidelines* (paras. 2.6, 2.7, and 2.15) contain the following provisions to foster participation of national consultants:

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- At least one firm from a developing country should be included in the short list, unless no qualified firms from developing countries are available.
- Short lists may comprise only consultants who are nationals of the Borrower country (with conditions).
- Borrowers may encourage foreign consultants to associate with qualified national firms (again with conditions).

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ASSOCIATIONS BETWEEN CONSULTANTS

Bank policy requires that consultants be free to associate and complement their respective areas of expertise

Bank does not accept mandatory associations with national firms; however, Borrowers may encourage association with them.

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An association of consultants can take either the form of a **joint venture** or a **subcontract**.

Under a **joint venture**, all members, shall individually sign and be jointly and severally liable for the entire assignment.

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Borrower and Bank staff must ensure that the firms are jointly and severally liable for the assignment.

Each partner has to be reasonably qualified to **take over the responsibilities and role of any of the partners** in case one of them fails to perform or withdraws.

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If the structure of the consulting firms that wish to associate (diversity of size, purpose, and objectives) does not naturally point to a joint venture, but their collaboration appears advantageous, they can decide that one (the leading consultant) will subcontract work to the other firm(s).

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To limit the quality risks related to subcontracting, the Borrower may consider the homogeneity of the proposed work team when evaluating the “organization and staffing”

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Misprocurement

During its review of the selection process, the Bank may discover that the Borrower has not selected or engaged the consultants in accordance with the procedures set out in the Loan Agreement and further elaborated in the Procurement Plan approved by the Bank.

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FOR EXAMPLE:

- Consultants may have insufficient qualifications
- Terms of contract are not acceptable to Bank
- "No objection" was given based on incomplete, inaccurate, or misleading information

In all these cases, the Bank will bring this to the attention of the Borrower.

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The Bank will withhold or withdraw its “no objection” and request the Borrower to amend the situation. If the Borrower fails to do so, the Bank will declare **misprocurement**.

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When misprocurement is declared the loan amount allocated for the consulting contract will be cancelled.

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Instructions to Consultants

Dissemination of relevant information is the cornerstone of a transparent and fair consultant selection process.

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INFORMATION TO CONSULTANTS BEFORE PROPOSALS

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Consulting opportunities in Bank-financed projects are advertised as follows:


- General Procurement Notice (GPN)
- Call for Expressions of Interest (RFEOI)
- >US\$200,000 shall be advertised in *UNDB online* and in *dgMarket*.

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INFORMATION TO CONSULTANTS DURING PROPOSALS

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Section 2 of the RFP: Instructions to Consultants (ITC), provides detailed information on the evaluation process.

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INFORMATION TO CONSULTANTS AFTER CONTRACT IS SIGNED

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For invited consultants who have not been selected, the *Consultant Guidelines* foresee the possibility, upon the consultant's request, of receiving a debriefing from the Borrower after the contract award, wherein the consultant will be informed about the strengths and weaknesses of its own proposal.

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**THANK YOU FOR YOUR
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