

# *IDB's Procurement Policies and Procedures*

2016

# Objectives

- What is Procurement
- Principles of Procurement
- IDB Procurement Policies
- Procurement Methods & Processes
- Selected areas from Procurement Policies

# What is Procurement?

Procurement is the process of:

1. Identifying what is needed
2. Determining who is the best person or organization to supply this need
3. Ensuring what is needed is delivered based on the following criteria:

<b>Quality</b>	<b>Service</b>
<b>Quantity</b>	<b>Price</b>
<b>Time</b>	<b>Place</b>
<b>Source</b>	

# Principles of Procurement

- Economy
- Efficiency
- Equal Opportunity
- Increased Competition
- Transparency

# IDB's Procurement Policies

- Policies for the selection and Contracting of Consultants Financed by the Inter-American Development Bank  
**GN-2350-9**
- Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank  
**GN-2349-9**

Access at: [www.iadb.org](http://www.iadb.org)

# Thresholds

INTER-AMERICAN DEVELOPMENT BANK					
COUNTRY	International Competitive Bidding Threshold*		National Competitive Bidding Range ** (Complex Works and non-common goods)		Consulting Services
	Works	Goods	Works	Goods	International Short List
BARBADOS	>3,000,000	>150,000	150,000 – 3,000,000	50,000 - 150,000	>200,000

# Procurement Methods & Processes

Methods for Goods, Works and Non Consulting Services

- International Competitive Bidding – ICB
- Limited International Bidding – LIB
- National Competitive Bidding – NCB
- Shopping\*
- Direct Contracting\*
- Force Account (Works)

Minimum Time Allocations for Procurement:

ICB / LCB / NCB – 14 weeks

DC – 3 weeks

# Procurement Methods & Processes

## Selection Methods for Consulting Services

- ❑ Quality and Cost Based Selection – QCBS (12 Weeks)
- ❑ Quality Based Selection – QBS (10 Weeks)
- ❑ Selection under a Fixed Budget – FBS (10 Weeks)
- ❑ Least-Cost Selection – LCS (8 Weeks)
- ❑ Selection Based on the Consultants' Qualifications – CQS (8 Weeks)
- ❑ Single Source Selection – SSS (3 Weeks)



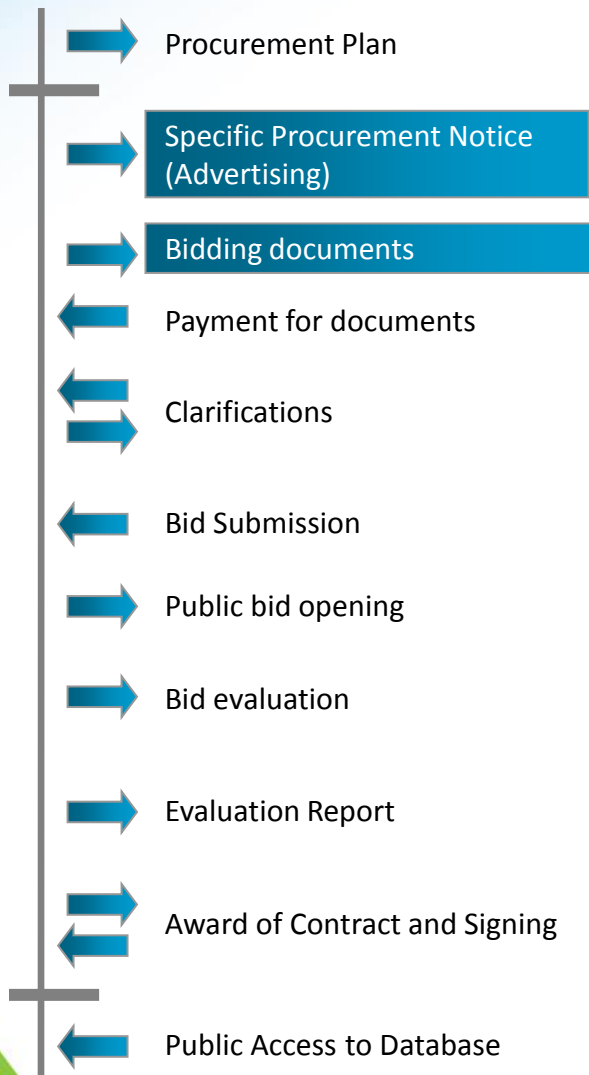
# Procurement Methods & Processes

## Selection Methods for Consulting Services

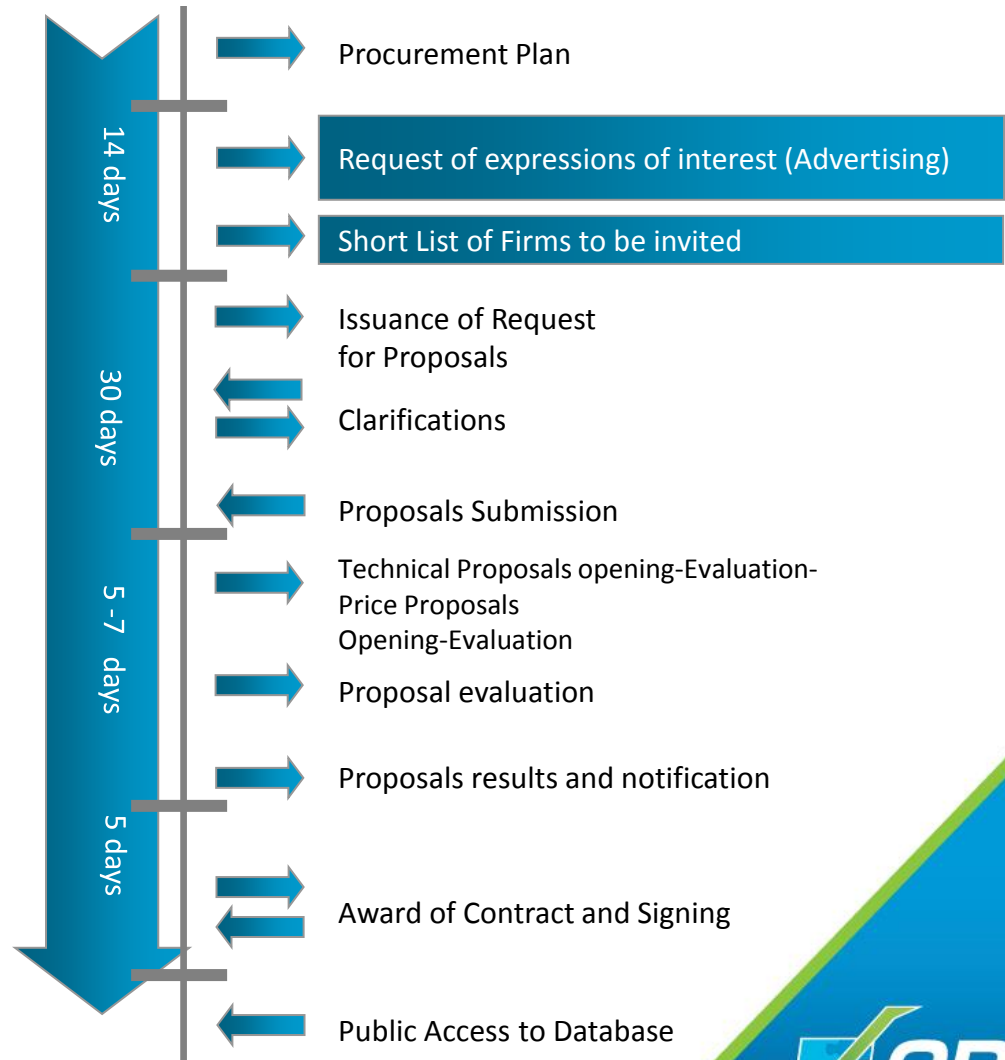
- ❑ National/ International Individual Consultant Qualifications – **NICQ/ IICQ (3 Weeks)**
- ❑ Single Source Selection – **SSS (3 Weeks)**

# Procurement Process

## for Works and Goods



## for Consulting Services



# Selected Areas of the Policies

- Conflicts of Interest
- Eligibility
- Prohibited Practices

# Conflict of Interest

Consulting firm that prepares or implements project is disqualified from also,

- Supplying Goods
- Constructing Works
- Supplying Services (does not apply to turn-key contracts)

resulting from or directly related to the firm's consulting services for such preparation or implementation.

# Conflict of Interest

- Neither consultants (including their personnel and sub-consultants) nor any of their affiliates shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants

E.g. A firm consultants hired to prepare engineering designs for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project.

- Relationship with Borrower's Staff - Consultants that have a business or family relationship with a member of the borrower's staff should not be involved in any part of the procurement process.

# Eligibility

- **Nationality and Origin**

Only firms and individuals from member countries can

- Receive payments from Bank funds
- Participate in Bank financed contracts

Only goods originating (mined, grown, produced, assembled) in member countries

- Can be financed by the Bank (\*)

(\*) Exception Goods labelled “made in the European Union”

## ■ Eligible Countries are:

Argentina	Ecuador	Nicaragua	<b>Territories</b>
Austria	El Salvador	Norway	
Bahamas	Finland	Panama	Guadeloupe
Barbados	France	Paraguay	French Guyana
Belgium	Germany	Peru	Martinique
Belize	Guatemala	Portugal	Reunion
Bolivia	Guyana	Slovenia	U.S. Virgin Islands
Brazil	Haiti	Spain	Puerto Rico
Canada	Honduras	Suriname	Guam
Chile	Israel	Sweden	Aruba
People's Republic of China	Italy	Switzerland	Bonaire
Colombia	Jamaica	Trinidad and Tobago	Curaçao
Costa Rica	Japan	United Kingdom	Saint Marten
Croatia	Republic of Korea	United Staes	Saba
Denmark	Mexico	Uruguay	Saint Eustatius
Dominican Republic	Netherlands	Venezuela	Hong Kong

# Prohibited Practices

- (i) corrupt practices
- (ii) fraudulent practices
- (iii) coercive practices
- (iv) collusive practices
- (v) obstructive practices



# Prohibited Practices (cont'd)

## Corrupt practice:

The offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party

## Fraudulent practice:

**Any act or omission**, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation

# Prohibited Practices (cont'd)

## Coercive practice

**Impairing or harming**, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party

## Collusive practice

an arrangement between **two or more parties** designed to achieve an improper purpose, including influencing improperly the actions of another party

# Prohibited Practices (cont'd)

## Obstructive practice

deliberately destroying, falsifying, altering or concealing evidence material to the investigation or making false statements to investigators in order to materially impede a Bank Group investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation

acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 1.7.1 (e) of the Instructions to Consultants.

# ***QUESTIONS***