



**The World Bank**  
**Procurement Policy Review**  
**Feedback Summary: Consultation with Public Sector**

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**Date:** July 18, 2012

**Venue:** Dhaka, Bangladesh

**Total Number of Participants: 50**

**Specific feedback:**

1. The analysis presented in the Initiating Discussion Paper captures the key issues and concerns that should be addressed in the review. Are there other challenges which the review should try to address?

	<p><b>Policy Harmonization</b></p> <ul style="list-style-type: none"> <li>- Harmonization of Procurement Policies of WB with the Borrowers’.</li> <li>- Harmonization of Procurement Policies of WB with other Development Partners.</li> </ul> <p><b>Situation Specific Procurement Policies</b></p> <p>Preparing specific procurement policies based on group of countries (developed country and fragile or low income country), sector context, capacity of the borrower and risk.</p> <p><b>Proper Balance</b></p> <p>Maintaining a balance between fighting corruption and larger benefit to the users/ beneficiaries.</p> <p><b>Political Commitment in the Borrowers’ Countries</b></p> <p>Need to increase political commitment, the value of country ownership, leadership in the design &amp; implementation, financial &amp; other support to enhance procurement capacity.</p>
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2. Taking into account the new concepts of public procurement and the broader context of public sector management best practices, what type of changes should the Bank take into consideration in modernizing its procurement policies?

**Country System**

Increased use of country procurement system need to be encouraged by the new procurement policy. Strengthening borrowers' capacity and legal framework supporting country procurement system.

**Supply Chain Management Approach**

Procurement policies need to consider the entire supply chain; from suppliers to customer (internal and external) or beneficiaries. Otherwise there might be a possibility of sub-optimization.

**Value for Money**

Sustainable procurement based on life cycle costing need to be introduced at all levels, not only for power plants, with particular reference to procurement of equipment/ machinery/ vehicles as appropriate.

**Post Review**

Increasing post reviewing of contracts. Limiting Bank's 'Prior review' to Large Contracts only.

**E-procurement**

New policy should provide more emphasis on the e- procurement. Introducing e-monitoring mechanism as a default method.

**Other Suggestions**

- Principle based procurement policy not compliance based.
- New Policies need to be flexible enough to accommodate various contexts.

3. In light of various levels of risks and capacity among borrower agencies, how can the Bank best ensure that funds provided by the Bank are used for the purpose intended?

- Putting more effort to develop the country system. If the system is alright, fund will be utilized for the purpose intended.
- Involvement of the citizens/beneficiaries in the monitoring process.
- For value for money and other relevant issues, total professionalization in the procurement domain is an essence. Capacity development of the buyers, motivation, and awareness for tax-payers money are some of the goals. Automation is a prime requirement now. Involvement of bidders' community is also pertinent.
- Monitoring through specialized third parties (NGOs or firms)

4. The Initiating Discussion paper highlights the multiplicity of demands and contexts procurement is serving today –diverse sectors, instruments, delivery mechanisms and clients with varying institutional frameworks and governance conditions. What recommendations could help the Bank best tailor its procurement requirements to meet these diverse and varying demands and needs?

- Harmonizing broader procurement policies with the policies of the clients. Then relying on the client's own system of procurement.
- The use of information technology—e-procurement has feature of making procurement more transparent, economic & efficient and allowing improved management of procurement systems in response to the diverse needs.

5. What could the Bank do to simplify and streamline its current policies and to take advantage of the potential gains offered by e-procurement and IT-based tools?	
	<ul style="list-style-type: none"> <li>• Supporting capacity building of the suppliers and borrowers regarding use of e-tools.</li> <li>• Creating awareness regarding e-procurement through social medias (twitter, facebook etc.) and dedicated website.</li> <li>• Bank can carry out necessary study to streamline its current policies to take advantage of e-procurement and IT-based tools in procurement.</li> </ul>
6. International consensus calls for use of country systems and harmonization among development partners. What can the Bank do to advance the use of country systems and harmonization among partners?	
	<ul style="list-style-type: none"> <li>• Less compliance and more principles based policy. Harmonizing the broader procurement policies with the other development partners and borrower countries.</li> <li>• If a country has acceptable procurement acts, rules, standard methods and standard procurement documents; Bank may allow conducting procurement activities under the country system entirely.</li> </ul>
7. What suggestions do you have to monitor and evaluate the Bank's Procurement policies and assess their impact and effectiveness?	
	<ul style="list-style-type: none"> <li>• Development of time-tuned KPI's and regular disclosure of performance status.</li> <li>• Community involvement in the monitoring process. Through social media, cell phones etc.</li> <li>• Keeping measurement and reporting simple</li> </ul>
8. Do you have other suggestions to help the Bank develop a proposal for a new policy framework and guiding principles for revisions to the Bank's procurement policies?	
	<p><b>Contract Management</b> Contract management needs to be included under the head of procurement. "Effectiveness" (outcome) of contract may be included as a core principle of procurement.</p> <p><b>The most economically advantageous tender (MEAT)</b> Experience shows that goods of inferior quality made in some country are quoted at a very low price to win the bid. The clients cannot technically ignore such lower offer. It compels them to go for goods of inferior quality accepting economic loss and efficiency crises. Introduction of a policy to accept tender evaluated on "The most economically advantageous tender (MEAT)" basis rather than the lowest responsive bidder for procurement can help address this problems.</p> <p><b>Assessment of Procurement Requirements</b> Requirement of quantity of construction works should be checked by the Bank, particularly for Operations &amp; Maintenance contracts. The checking can be on a random sample basis.</p> <p><b>Model Documents</b> Procurement related instruments at the operational level should be of model characteristics, not of standard nature. All public agencies may customize the documents remaining the broader procurement policies intact.</p>