

# PROCUREMENT WORKSHOP

## NATIONAL HYDROLOGY PROJECT

### CIVIL WORKS

July 28, 2015

## WORKS

	ICB	NCB	Shopping	Force Account/ Direct
Works, Supply & Installation	> 40 Million USD	100,000 to <=40 Million	Up to USD 100,000	As per guidelines 3.8 with prior agreement of the Bank

## Bidding documents for WORKS

- National Competitive Bidding – W2 (depending on estiatme);
- Request for Quotations (Shopping)- W-5;
- Procurement of Works (ICB);
- Pre-Qualification Document for Procurement of Works

## Bidding documents for WORKS

- sharing of risks between the parties of the contract;
- incorporation of suitable qualification criteria;
- incorporation of precise and fair evaluation criteria;
- incorporation of non-discriminatory/broad technical specification;

## Shopping

Shopping is a procurement method based on comparing price quotations obtained **from several contractors with a minimum of three**, to assure competitive prices, **simple civil works of small value** when more competitive methods are not justified on the basis of cost and efficiency.

If the Borrower has been **unable to obtain at least three quotations**, it shall provide the Bank with the reasons and justification why no other competitive method could be considered and **obtain a no objection before proceeding on the basis of the only responses already received.**

## Shopping

**Requests for quotations** shall indicate the description and specifications of works, as well as desired delivery (or completion) time and place. Quotations may be submitted by letter facsimile, or by electronic means. The evaluation of quotations shall follow the same principles as of open bidding. The terms of the accepted offer shall be incorporated in a brief contract

## FORCE ACCOUNT [FA]

Force Account, which are works carried out by a government department of the Borrower's country using its own personnel and equipment, may be the only practical method of procurement under specific circumstances.

The use of Force Account requires that the Borrower sets maximum aggregate amounts for the use of Force Account, to which the Bank shall give its no objection, and applies the same rigorous quality checks and inspection as for contracts awarded to third parties.

## FORCE ACCOUNT [FA]

- A government-owned construction unit that is not managerially, legally, or financially autonomous shall be considered a Force Account unit. "Force Account" is otherwise known as "direct labor", "departmental forces", or "direct work".

## FORCE ACCOUNT [FA]

Force Account shall be justified and may only be used, after Bank no objection, under any of the following circumstances:

- (a) **quantities of construction** and installation works that are involved **cannot be defined in advance**;
- (b) construction and installation works are **small and scattered or in remote locations** for which qualified construction firms are **unlikely to bid at reasonable prices**;
- (c) construction and installation works are required to be carried out **without disrupting ongoing operations**;

## FORCE ACCOUNT [FA]

- (d) **risks of unavoidable work** interruption are better borne by the Borrower than by a contractor;
- (e) **urgent repairs to prevent further damages**, requiring prompt attention, or works to be carried out in **conflict-affected areas where private firms may not be interested**.

## DIRECT CONTRACTING

Direct contracting is contracting without competition (single-source) and may be an appropriate method under the following circumstances.

The Borrower shall submit to the Bank for its review and no objection a sufficiently detailed justification, including the rationale for direct contracting instead of a competitive procurement process and the basis for recommending a particular firm in all such cases, except for contracts below a threshold defined on the basis of risks and the scope of the project, and set forth in the Procurement Plan.

## DIRECT CONTRACTING

- (a) An existing contract for works awarded in accordance with procedures acceptable to the Bank, may be extended for additional works of a similar nature. The Bank shall be satisfied in such cases that no advantage could be obtained by further competition and that the prices on the extended contract are reasonable. Provisions for such an extension, if considered likely in advance, shall be included in the original contract;
- (b) in exceptional cases, such as, but not limited to, in response to natural disasters and emergency situations declared by the Borrower and recognized by the Bank;

## DIRECT CONTRACTING

(c) of small value contracts (US\$200,000 for simple civil works) for works of a simple nature when the UN agencies act as contractors, or directly hire small contractors, and skilled or unskilled labor; or ;