



Associazione delle organizzazioni di ingegneria,
di architettura e di consulenza tecnico-economica



World Bank

Procurement Policy Review

Banca d'Italia

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Speech of the Representative of OICE, Dott. Francesco Fiermonte

1. Introduction

Italian consulting companies consider World Bank's procurement policy and procedures satisfactory.

Transparency and standardization facilitate the comprehension of procedures and enables to concentrate on substance and quality.

This approach, in line with the new tendency of the European Directives, is particularly appreciated because it increases the efficiency of the procurement procedures in the common interest of bidders and clients.

2. Awarding and abnormally low tenders

OICE considers that in the phase of contract awarding, quality evaluation must prevail on economic evaluation.

So far as consultancy services are concerned, procurement policies should shift from QCBS

(Quality/Cost based Selection) to QBS (Quality based Selection) integrated with a following economic negotiation.

Leaving the economic negotiation at a following stage is the only way to improve the selection of the most qualified bidders.

Abnormally low bids are the most sensitive issue for consulting companies.

At a national level, the abolition of professional minimum standards has determined a situation whereby average rebates reach 42%.

Our Associated companies indicate that WB procedures follow a similar trend.

Even though the economic bid has a 20/30% impact on the global score this situation must be kept under control in order not to affect global bidding quality.

In order to contain this problem a solution could be the of automatic exclusion of bids that go beyond a predetermined value of the average bidding.

“Rebates” beyond a certain percentage of the bidding threshold should be automatically excluded.

However in this case participants would tend to concentrate on the lower value limit of the economic offer impacting on the price competition.

For consulting services the economic bid must be tightly linked to a quality standard. This should prevent that an abnormally low bid fits to a predetermined quality standard.

3. Guarantees

With respect to the guarantees requested for advance payments consulting companies request a more flexible approach.

They suggest that beyond bank guarantees, insurance guarantees should be equally accepted.

4. Local procedures

So far as **procurement procedures** are concerned, OICE recommends to stress on standardization. Local procurement mechanisms should be avoided or restricted to low value contracts under close supervision of the Bank.

OICE recommends to reduce as much as possible the “Use of country systems” or of procedures that differ from standard WB procedures. Differing procedures correspond to barriers that condition companies participation ability.

OICE recommends to strengthen the training of officers of the Executing Agencies that must deal with local procurement procedures in order to secure transparency and harmonization of WB procedures.

5. Template Harmonization

In order to facilitate applications of consultancy firms for prequalification and award phases it would be useful to create and adopt a standard form or template (for CVs and references) for all IFI's.

6. Fragmentation contracts

Consulting companies consider that some tenders suffer an excessive fragmentation into small consulting contracts that are insignificant for engineering companies. Bidding costs for tenders of 100.000.00 \$ or of 1.000.000,00\$ are substantially equivalent.

7. Transparency

Transparency in every step of the selection is paramount in order to prevent discrimination in the awarding process.

Lack of transparency will impact on buyers worthiness and dissuade most qualified bidders to participate to the tender.

Transparency standards should be assured in the phase of EoI (Expression of Interest).

Companies complain for late replies or total absence of replies after the submission of the EoIs or during the tender. This is a handicap for bidders.

Information flow must therefore be organized and monitored in a more efficient way in order to prevent discrimination.

8. E-Procurement

OICE considers that E-procurement does not perfectly fit the consulting sector because quality and intellectual contents cannot be fully expressed with these procedures.

Furthermore some companies have complained that in some countries they have suffered difficulties in submitting their bid due to incompatibilities of IT systems or for difficult access to IT platforms in the period preceding the deadline.