

Stage 3: Procurement

Stage 3 provides the guidelines for bidding and procurement based on international best practice as described by UNCITRAL and PPIAF.

Procurement under PPP means procurement of the (highest ranked) bidder under a transparent, fair and accountable procurement system. Procurement entails;

- Prequalification of bidders (RFQ)
- Bidding, including Request for Proposals (RFP), and;
- Subsequent negotiations and award of contract.

The tender process should be adapted to the nature and complexity of the project. This section of the Toolkit provides a detailed description of the various steps to be followed for the following two main categories of projects.

- **Concession projects**, which typically involve large investments, extensive scope of work entrusted to the private sector and private finance
- **Maintenance contracts**, for which the proposed selection process can more easily be adapted from the usual procurement rules for civil works

For both types of PPP the following is described under Main Steps;

- Principles of procurement
- The selection process
- Information required to be given to bidders
- Evaluation Criteria

The process of procurement however should be transparent, open, and fair.

- Transparency means that (a) the rules are made available to all participants and will be followed as stated in the bidding documents. Transparency means that clear and acceptable guidelines for bidding are distributed to all participants and that those guidelines are consistently followed.
- Openness means free and open competition. The first step to maximize free and open competition is through information provision, which instils confidence in the process, encourages more contractors to compete for PPP projects, and results in overall lower prices to the benefit of the public.
- Fairness means all participants are treated fairly and consistently at all times, which will further encourage capable, responsible contractors to compete for PPP projects.

Those responsible for procurement in government need to build up a reputation for these attributes.

The Toolkit indicates that if the tender process is not a success initially e.g. there is an insufficient number of bidders for a project, it should not just be re-tendered but re-evaluated and restructured as necessary. If Stage 2 is undertaken properly, the likelihood

of unsuccessful bidding will be minimized, as most unsuccessful tenders are due to poor project preparation or poorly drafted concession agreements or both.

World Bank guidelines in public procurement provide support to borrowers for sound public procurement policies and practices.



<http://go.worldbank.org/8HE37SPEJ0>

Concessions for Infrastructure: A Guide to their Design and Award. Michel Kerf with R. David Gray, Timothy Irwin, Céline Levesque, Robert R. Taylor, Michael Klein; WB/IADB 1998 PPIAF Advisory Toolkit 2001



ADB Developing Best Practices for Promoting Private Sector Investment in Infrastructure – Roads 2001



Highways Agency Procurement Strategy. November 2001



Public-Private Partnerships – Options to ensure effective competition. Charlie McCREEVY European Commissioner for Internal Market and Services - PPP Global Summit – The 6th Annual Government-Industry Forum on Public Private-Partnership — Copenhagen, 17 November 2005



Responsible PPP Procurement for British Columbia (PDF)



Contracts for Public-Private Partnership (PPP) Options World Bank procurement policies & procedures for different PPP options: Commonly used methods for award of PPP contracts, 2008



India's PPP Program: World Bank Support
PPP Nodal Officers' Round Table 2008 November 26-27, Cochin



Attracting Investors to African Public-Private Partnerships, Chapters 7 to 9
A Project Preparation Guide, 2009