Definition

• 1.3 For the purpose of these Guidelines, the term consultants includes a wide variety of private and public entities, including consulting firms, engineering firms, construction managers, management firms, procurement agents, inspection agents, auditors, United Nations (UN) agencies and other multinational organizations, investment and merchant banks, universities, research institutions, government agencies, nongovernmental organizations (NGOs), and individuals. Bank Borrowers use these organizations as consultants to help in a wide range of activities—such as policy advice; institutional reforms; management; engineering services; construction supervision; financial services; procurement services; social and environmental studies; and identification, preparation, and implementation of projects to complement Borrowers’ capabilities in these areas.
General Considerations

• *the need for high-quality services,*
• the need for economy and efficiency,
• the need to give all qualified consultants an opportunity to compete in providing the services financed by the Bank,
• the Bank’s interest in encouraging the development and use of national consultants in its developing member countries, and
• the need for transparency in the selection process.

GOODS AND WORKS vs CONSULTANTS

GOODS AND WORKS
• Product based
• Open competition
• Price is major criterion
• Public opening

CONSULTANTS
• Knowledge based
• Shortlists
• Price plays minor role
• Non-public opening of technical proposals
• Public opening of financial proposals
GOODS AND WORKS vs CONSULTANTS

GOODS AND WORKS
• Detailed specifications
• Single stage procedure (normally)
• Negotiations only exceptionally

CONSULTANTS
• Terms of Reference (General work program)
• Two-stage procedure
• Negotiations normally

Quality and Cost Based Selection (QCBS)

The most commonly recommended method
• Prepare TOR
• Advertise for Expressions of Interest (EOI) (mandatory for all appointments of firms)
• Preparation of shortlist (6 firms) – May comprise only national consultants for assignment under a threshold indicated in the Procurement Plan
• Prepare Request for Proposal (RFP) (Bank standard)
Quality and Cost Based Selection (QCBS)

- Submission and opening of technical proposals
- Technical evaluation and Evaluation Report
- Public opening of Financial Proposals
- Evaluation of financial proposals
- Final Evaluation Report
- Negotiations and Contract

Quality and Cost Based Selection (QCBS)

- Prepare TOR
  - Background
  - Objective
  - Scope of Services
  - Reports and Deliverables (Output)
  - Client’s Contribution (Input)
  - Institutional arrangements and reporting
Quality and Cost Based Selection (QCBS)

• Prepare cost estimate. Generally divided in two broad categories:
(a) fee or remuneration (according to the type of contract)
(b) reimbursables (incl. travel and transport, per diem/subsistence, incidentals) and further divided into foreign and local costs, if applicable.

Quality and Cost Based Selection (QCBS)

• Advertising:
  – GPN in UNDB and Development Gateway (required) - online
  – Request for Expressions of Interest published in local newspaper (plus UNDB if over $200,000) (required)
  – Use Bank standard form(s) of advertising
  – time allowed to respond - not less than 14 days
Quality and Cost Based Selection (QCBS)

- Preparation and issuance of Request for Proposal (RFP)
  - Use Bank’s standard RFP comprising of 1) LOI; 2) information to consultants (ITC); 3) TOR; and 4) draft contract
  - All sections must be completed as far as possible, including draft contract.
  - RFP may indicate estimated staff months or budget (but not both)

- Preparation of RFP
- ITC data sheet must be completed with Evaluation Criteria
  - relative weights (quality & cost-total 100 points)
    - use cost factor judiciously depending on nature of assignment
    - quality usually 80 out of 100 points
    - cost usually 20 out of 100 points
Quality and Cost Based Selection (QCBS)

• Preparation of RFP
  – break-down of quality points (100 points)
    • consultants specific experience 0-10 points
    • methodology 20-50 points
    • key personnel 30-60 points
    • transfer of knowledge 0-10 points
    • participation by nationals 0-10 points
  – minimum technical score to qualify--70 to 80 points (select a number)

• Types of contracts
  – Lump Sum
  – Time-based
  – Retainer and/or contingency fee
  – Percentage
  – Indefinite delivery

• The RFP includes samples of contracts that may be included. **WB sample contract form must be used**
Quality Based Selection (QBS) (par. 3.2 through 3.4)

As for QCBS except
- specify minimum technical score required to qualify;
- short-listed firms to submit technical proposals only or request technical & price proposals as per QCBS and open the financial proposal of only the highest ranked after technical evaluation report no objected;
- request highest ranked firm based on technical evaluation to submit the financial proposal;

Fixed Budget Selection (FBS) (par. 3.5)

As for QCBS except
- RFP indicates budget and not estimated staff time
- open financial proposals of firms that qualified in technical evaluation
- review that each financial proposal contains all cost elements stated in technical proposal; if not make appropriate adjustments
- any proposals that exceed the budget are rejected
- firm scoring the highest technical points is selected for negotiation
Least Cost Selection (LCS) (par.3.6)

As for QCBS except:

• opening of financial proposals above a minimum technical score

• recommendation for award to the consultant with the lowest price proposal within the minimum technical score

Consultants’ Qualifications (CQ) (par 3.7. and 3.8.)

For contracts less than $200,000

• prepare TOR
• solicit expressions of interest (EOI as for QCBS)
• prepare short list
• prepare simple evaluation report and select firm most qualified
• selected firm requested to submit combined technical and financial proposals
• negotiate contract – use Bank’ sample contracts for small assignment
Single Source Selection (SSS) (par. 3.9 though 3.13)

Only in exceptional cases for tasks representing:

- natural continuation of previous work same staff at same terms and conditions if previously by competition
- emergency situation
- for very small assignments
- only one firm qualified and experienced

ALWAYS! Bank’s prior no-objection required for TOR, cost estimate, selection and draft contract before signing

Other selection methods

- Commercial Practices (par. 3.14)
- Selection of Particular Types of Consultants
  - UN Agencies as consultants (par. 3.15)
  - Nongovernmental Organizations (NGO) (par. 3.16)
  - Procurement Agents (par. 3.17)
  - Inspection Agents (par. 3.18)
  - Banks (par. 3.19)
  - Auditors (par. 3.20)
  - Service Delivery Contracts (par. 3.21)
Selection of Individual Consultants

• Individual consultants are considered when:
  1. Teams of personnel are not required;
  2. No additional professional (home office) support is required;
  3. Experience and qualifications of the individual are most important;
• If hiring and coordination of a number of individuals will be difficult, hire a firm

Selection of Individual Consultants

• Preparing TOR together with evaluation criteria and scoring system
• Qualifications for the assignment
  1. Academic background
  2. Experience
  3. Knowledge of the local conditions - language, culture, administrative system, government organization
Sole Source Selection

Only as an exception e.g.

– Continuation of previous task (previous selection should be competitive)
– Assignment with total expected duration of less than six months
– The individual is the only qualified consultant
– Emergency situations resulted from natural disasters

• ALWAYS! Bank’s prior no-objection required for TOR, cost estimate, selection and draft contract before signing

TYPES OF CONTRACTS

• Lump Sum Contract – used when content and the duration of services and the required output of the consultants are clearly defined.
• Time Based Contract – appropriate when it is difficult to define the scope and length of services
• Retainer/Contingency Contract – used when consultants (banks or financial firms) are preparing companies for sales or mergers of firms (in privatization operations)
APPENDIX 1: REVIEW BY THE BANK

• Prior Review (no-objection):
  • Proposed cost estimate and RFP, incl. the short list;
  • Technical Evaluation Report;
  • Final Evaluation Report – furnished to the Bank for information;
  • Complaints and Borrower’s response;
  • Draft negotiated contract;

NOTE!! Description and amount of contract, together with the name and address of the firm, shall be subject to public disclosure by the Bank upon the Borrower’s receipt of signed copy of the contract

APPENDIX 1: REVIEW BY THE BANK

• Post Review

The Borrower shall retain all documentation with respect to each contract not governed by the above provisions during project implementation and up to 2 (two) years after the closing date of the Loan Agreement
The Consultant Guidelines and the RFP are available and can be downloaded from:

www.worldbank.org/procure