



Belize Procurement Week

Bridging the gap between local supply capabilities and the demand for works, in Inter-Development Bank (IDB) and Caribbean Development Bank (CDB) financed projects.

BELIZE PROCUREMENT WEEK November 4th – 8th 2024





1



 **PENDA**
CONSULTING & DEVELOPMENT

Belize Procurement Week

Empowering Tomorrow's Bidders for Success

Marlon M. Martin
Procurement Consultant

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2

TABLE OF CONTENTS



- Overview of the Procurement Process
- Understanding the Bidding Process
- Understanding Legal Procurement
- Common Errors with Case Studies
- Pricing and Costing Strategies
- You Won!!! What is Next?



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3



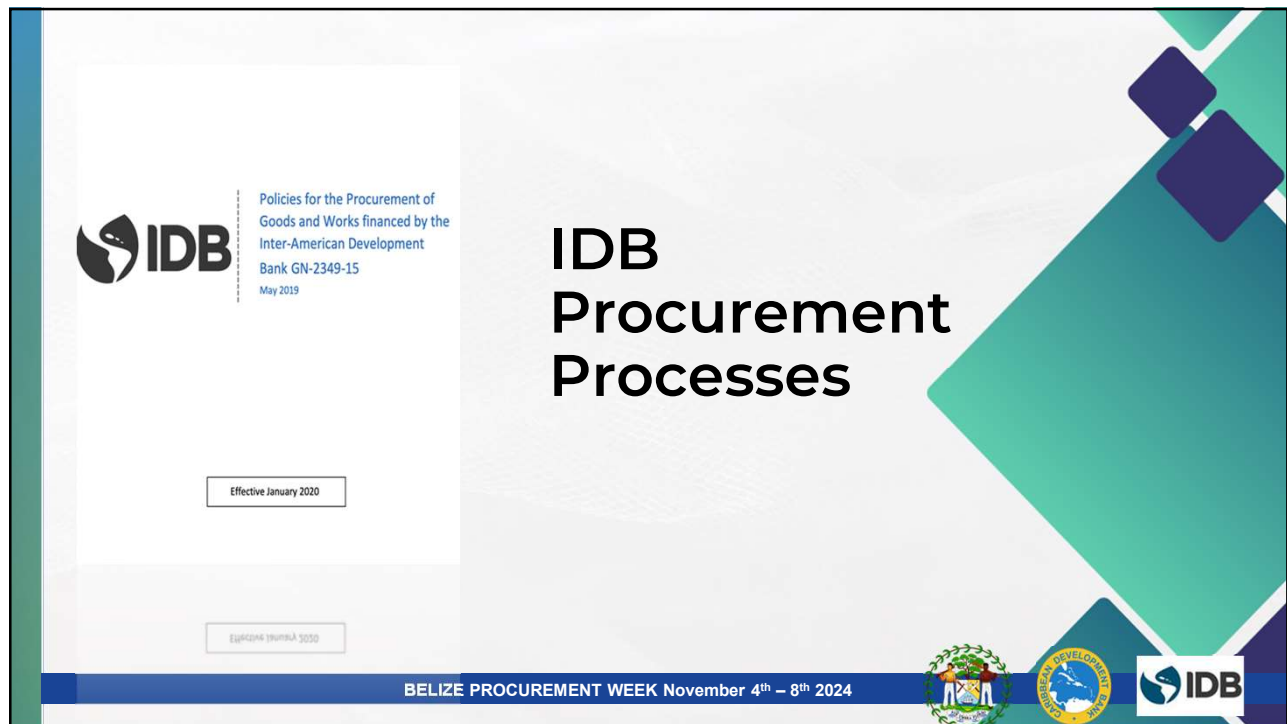
Overview of the Procurement Processes

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4



IDB

Policies for the Procurement of Goods and Works financed by the Inter-American Development Bank GN-2349-15 May 2019

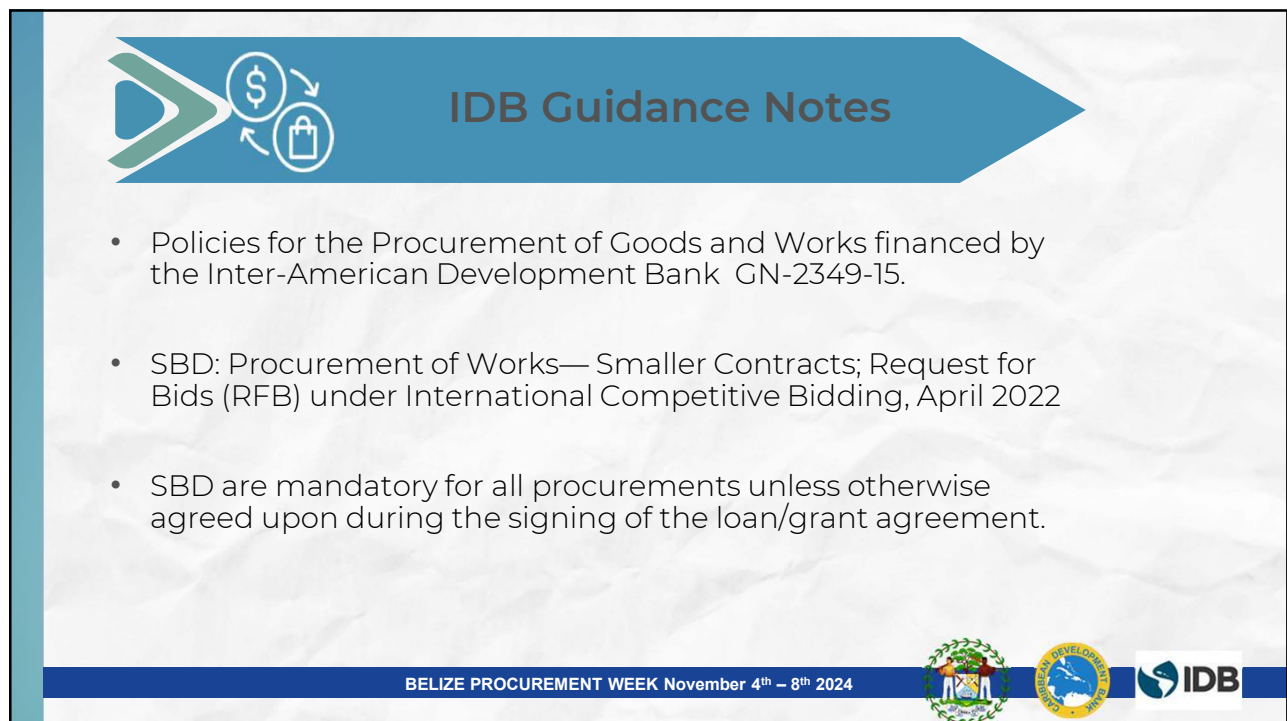
Effective January 2020

IDB Procurement Processes

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Logos: Belize Coat of Arms, IDB, and Inter-American Development Bank.

5



IDB Guidance Notes

- Policies for the Procurement of Goods and Works financed by the Inter-American Development Bank GN-2349-15.
- SBD: Procurement of Works— Smaller Contracts; Request for Bids (RFB) under International Competitive Bidding, April 2022
- SBD are mandatory for all procurements unless otherwise agreed upon during the signing of the loan/grant agreement.

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6



CDB Procurement Processes

Underpinned by guidance notes and SBDs at <https://www.caribank.org/work-with-us/procurement/resources>

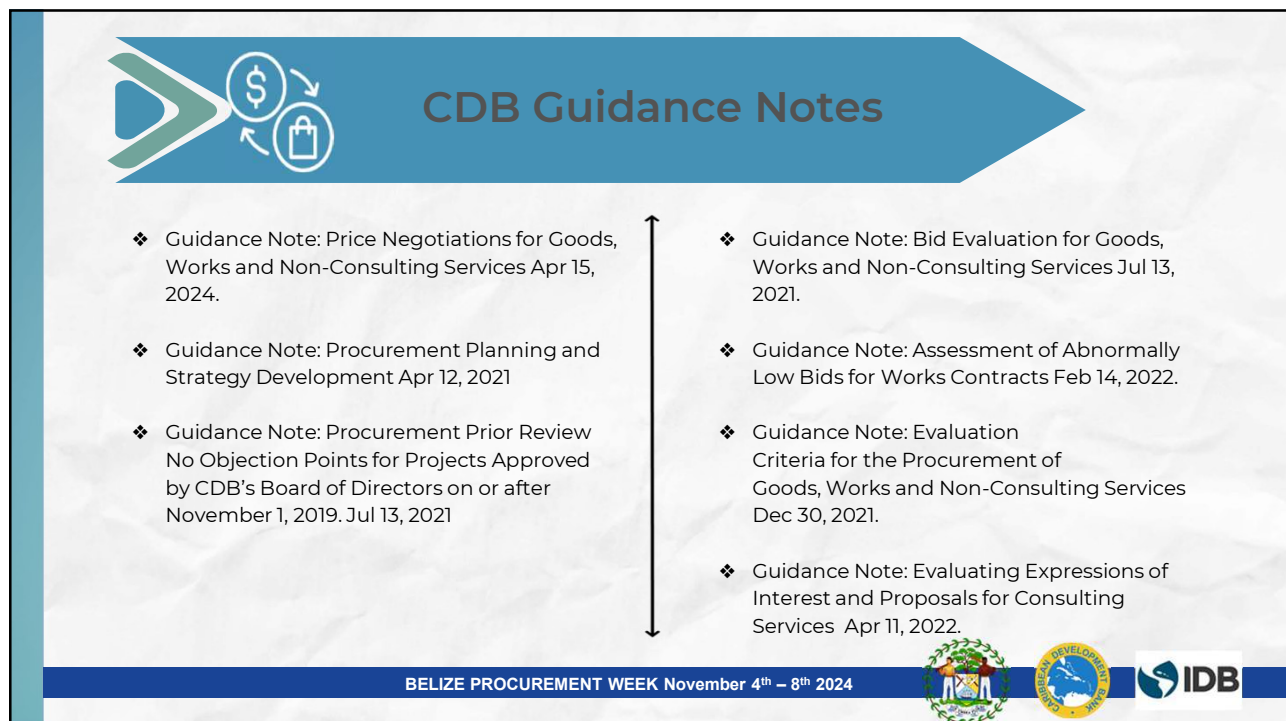
Board

Mgmt

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7



CDB Guidance Notes

- ❖ Guidance Note: Price Negotiations for Goods, Works and Non-Consulting Services Apr 15, 2024.
- ❖ Guidance Note: Procurement Planning and Strategy Development Apr 12, 2021
- ❖ Guidance Note: Procurement Prior Review No Objection Points for Projects Approved by CDB's Board of Directors on or after November 1, 2019. Jul 13, 2021
- ❖ Guidance Note: Bid Evaluation for Goods, Works and Non-Consulting Services Jul 13, 2021.
- ❖ Guidance Note: Assessment of Abnormally Low Bids for Works Contracts Feb 14, 2022.
- ❖ Guidance Note: Evaluation Criteria for the Procurement of Goods, Works and Non-Consulting Services Dec 30, 2021.
- ❖ Guidance Note: Evaluating Expressions of Interest and Proposals for Consulting Services Apr 11, 2022.

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8



Core Procurement Principles

Suppliers Focus

- **Value for Money (VfM):** the principle of VfM means the effective, efficient, and economic use of resources, which requires the evaluation of relevant costs and benefits, along with an assessment of risks and of non-price attributes, as appropriate.
- **Integrity:** the principle of integrity refers to the Bank's financing being used for its intended purposes and good governance practices

- **Economy:** the principle of economy refers to buying inputs of the appropriate quality at the right price.
- **Efficiency:** the principle of efficiency requires that procurement processes are proportional to the value and risks of the underlying project activities.
- **Equality:** the principle of equality consists in giving all eligible bidders from developed and developing countries the same information.
- **Transparency:** the principle of transparency requires that relevant procurement information be made publicly available to all interested parties, consistently and in a timely manner, through readily accessible and widely available sources at reasonable or no cost and appropriate reporting of procurement activities, including contract awards.

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9

Alternative Procurement Arrangements

At the borrower's request, the Bank may agree, subject to Bank's policies, rules, and applicable operational requirements, to rely on and apply the procurement rules and procedures of another multilateral or bilateral organization or international agency and may agree to such a party taking a leading role in providing the implementation support and monitoring of procurement activities through mutual reliance agreements.

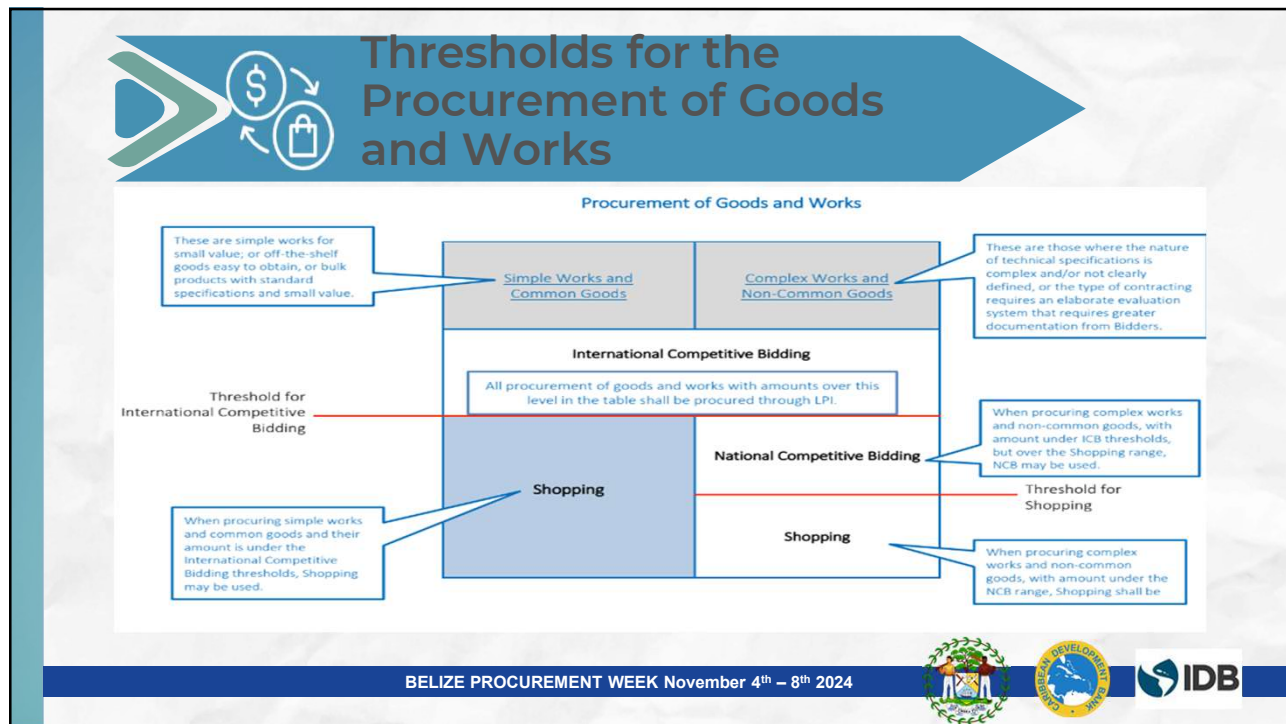
Important note: CDB and IDB have a mutual reliance agreement that was signed in 2020 that allows us to use the lead financier their procurement framework when joint co financing is involved. Resulting in lower transaction costs for clients and the private sector.

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10



11

Thresholds for the Procurement of Works

At the Caribbean Development Bank (CDB), we prefer to use a method called "limited bidding - national" instead of "shopping."

What is Limited Bidding (Shopping)- National?

- This method involves inviting a select number of suppliers to submit bids for a project. It's a more controlled and focused approach compared to open bidding, ensuring that only qualified suppliers participate.

Why Not Shopping?

- Although "shopping" also involves soliciting bids, it typically refers to a more informal process. Our approach, "limited bidding - national," is more structured and formal, aligning better with our procurement standards.

Thresholds and Flexibility

- It's important to understand that our financial thresholds for procurement are not rigid. They serve as guidelines, but we always consider the specific context of each project. This flexibility allows us to make more informed and effective decisions.

Ongoing Review

- CDB is currently in the process of reviewing all their procurement thresholds.

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12

Thresholds for the Procurement of Goods and Works

IDB Procuring Method	Threshold in USD\$	CDB Procuring Method	Threshold in USD\$
Shopping	<100,000	Limited Bidding (shopping) for National Market	<100,000
National Competitive Bidding	100,000 – 1,000,00	Regional Bidding/ National Competitive Bidding	100,000 – 1,000,00
International Competitive Bidding	>1,000,000	International Competitive Bidding	>1,000,000

Note : Any works contracts above USD\$ 10 million typically use the FIDIC form of contract.

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13

Document Review

Bank Review

- The Bank reviews the Borrower's procurement procedures, documents, bid evaluations, award recommendations, and contracts to ensure that the procurement process is carried out in accordance with the agreed procedures.
- The Procurement Plan approved by the Bank shall specify the extent to which these review procedures shall apply in respect of the different categories of goods and works to be financed, in whole or in part, from the Bank loan.

Ex-ante Review Vs. Ex-Post Review

Ex- Post and **Ex- Ante** is terms of Latin origin that mean "**after the event**" and "**before the event**," respectively.



Misprocurement

- The Bank does not finance expenditures for goods and works which have not been procured in accordance with the agreed provisions in the Loan Contract and as further elaborated in the Procurement Plan.
- In such cases, the Bank may exercise other remedies provided for under the Loan Contract, and take appropriate actions, including declaring misprocurement

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14

Letter of Acceptance of the Inter-American Development Bank's Integrity Provisions.

Date: _____
Invitation of Bids/Proposals No. _____

We acknowledge that the "Contract" is financed by the Inter-American Development Bank (the "IDB").

We declare that we are not a firm, individual, parent company, subsidiary, or previous form of organization constituted by or with any of the same individual(s) as principal(s), suspended or declared ineligible by the IDB, or declared ineligible by another International Financial Institution and subject to agreements that the IDB has for the mutual enforcement of debarment decisions, and neither is any of our sub-contractors, sub-consultants, service providers, suppliers, agents (whether declared or not), consultants and personnel.

We acknowledge and accept that the IDB requires that all firms, entities, and individuals bidding for or participating in an IDB-financed activity including, inter alia, personnel, sub-contractors, sub-consultants, service providers or suppliers and their respective officers, employees and agents (whether declared or not) adhere to the highest ethical standards and do not engage in Prohibited Practices, and report to the Bank any act suspected of constituting a Prohibited Practice of which we have knowledge or which we become aware during the selection process or throughout the negotiation or execution of the contract. Prohibited Practices include acts of (i) corrupt practices, (ii) fraudulent practices, (iii) coercive practices, (iv) collusive practices, (v) obstructive practices, and (vi) misappropriation.²

We acknowledge and accept, without any restriction, that the violation of this requirement constitutes a breach of the IDB's policies and procedures and that it could lead to an investigation by the IDB. If, the

¹ The IDB's provisions of Prohibited Practices and Sanctions Procedures are available at the website: www.idb.org/contract.

² The Bank defines the following terms:

(i) a "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;

(ii) a "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(iii) A "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(iv) A "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party; and

(v) An "obstructive practice" is:

(i) destroying, falsifying, altering or concealing of evidence material to an IDB Group investigation, or making false statements to investigators with the intent to impede an IDB Group investigation;

(ii) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to an IDB Group investigation or from pursuing the investigation; or

(iii) acts intended to impede the exercise of the IDB Group's contractual rights of audit or inspection or access to information.

(vi) A "misappropriation" is the use of IDB Group financing or resources for an improper or unauthorized purpose, committed either intentionally or through reckless disregard.

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15

Prohibited Practices and Other Integrity Related Matters "CDB Specific"

- i. **"corrupt practice"** is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the action of another party;
- i. **"fraudulent practice"** is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- i. **"collusive practice"** is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
- i. **"coercive practice"** is impairing or harming, or threatening to impair or harm, directly or indirectly, any party, or the property of the party, to influence improperly the actions of a party; and

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16

Prohibited Practices and Other Integrity Related Matters "CDB Specific"

v. "obstructive practice" is:

- a. deliberately destroying, falsifying, altering, or concealing of evidence related to an investigation or making false statements or false allegation to CDB in order to impede a CDB investigation into allegations of an integrity violation particularly Prohibited Practices; and/or threatening, harassing, or intimidating any party to delay or prevent it from sharing evidence or disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
- b. acts which impede the exercise of CDB's access, inspection and audit rights provided for under Paragraph 1(f) below.

More detailed information can be found in Section VI – Prohibited Practices and Other Integrity Related Matters in any Standard Bidding Document for Work of the CDB.

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17



Applicable Contract Types (Sec. II, 2.2)

Framework Agreements: Long-term agreements allowing quick contracting as needs arise over time.

Management Services: Contractor manages and oversees operations or project phases.

Turnkey: A turnkey project is a one-stop solution for a client who wants a ready-to-use facility or business

Design and Build: Contractor responsible for both design and construction, often streamlining project timeline

Build-Own-Operate: Contractor builds, owns, and operates the asset, recovering costs over time.

Build-Operate-Transfer: Contractor builds, operates, and eventually transfers the asset ownership

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18



Applicable Contract Types (CDB Specific)

Works
(pre-qualification/ post-qualification)

	Small Works		CDB standard form of contract
	Large Works		FIDIC 1999 Redbook and CDB Particular Conditions IDB > USD10,000,000 for FIDIC
	Design & Build (1 stage/ 2stage)		FIDIC 1999 yellow Book and CDB Particular Conditions

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19



Supplier Excellence Comparing Vendor & Supplier Qualification

Pre-Qualification VS. Post Qualification

*** Note that CDB does not use the terms "RFB" or "RFP" for Works. CDB uses the term Bidding documents for work

Prequalification is usually necessary for innovative, large or complex works, or in any other circumstances in which the high costs of preparing detailed bids could discourage competition, such as custom-designed equipment, industrial plant, specialized services, some complex information technology or systems hosting sensitive information, innovative solutions and contracts to be let under turnkey, design and build, or management contracting, generally through a RFP and in certain cases, through a RFB.

(Clause 2.67) If bidders have not been prequalified, or where the qualifications of the bidders were not assessed before undertaking the technical evaluation, as the case may be, the Borrower shall determine whether the bidder whose bid has been determined to offer the most advantageous bid, has the capability and resources to effectively carry out the contract as offered in the bid.

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20



Bidding Procedures

Single Stage One-Envelope

2.11 Single-stage, one-envelope procurement is most appropriate when the specifications and requirements are enough to enable submissions of complete bids as in an RFB. Single stage-one envelope procurement requires submission of both technical and financial bids in one envelope.

Single Stage Two-Envelope

2.12 If appropriate, two-envelope process may be used in single-stage procurement. The first envelope contains the qualifications and technical proposal and the second envelope the financial (price) proposal; the two envelopes are opened and evaluated sequentially.

Multistage Procurement

2.13 It may often be impractical to prepare complete technical specifications in advance for the procurement of:

- (a) large complex facilities for which a turnkey contract will be awarded for the design and build of a Plant;
- (b) works, goods or services of a complex and special nature; or
- (c) innovative solutions, complex information and communication or cybersecurity technology that are subject to rapid technological advances.

Competitive Dialogue Innovative Partnership

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21

Understanding the Policy

- ❖ 2.20 Validity of Bids and Bid Security
- ❖ 2.31 Price Adjustment
- ❖ 2.44 Alternative Bids
- ❖ 2.45 Evaluation and Comparison of Bids
- ❖ 2.50 Applicable Law and Settlement of Disputes

- ❖ 2.53 Clarifications or Alterations of Bids. The Borrower shall ask bidders for clarification needed to evaluate their bids but shall not ask or permit bidders to change the substance or price of their bids after the bid opening. Requests for clarification and the bidders' responses shall be made in writing, in hard copy or by an electronic system satisfactory to the Bank.
- ❖ 2.54 Confidentiality
- ❖ 2.62 Abnormally low bids
- ❖ 2.64 Domestic Preferences
- ❖ 2.68 Best and Final Offer
- ❖ 2.77 Standstill Period
- ❖ 2.82 Debriefing by the Borrower

ITB 45.1 Technical Adjudicator	The Technical Adjudicator proposed by the Employer is: Ms. Ramy Chia - Director of Chia's Engineering Company Limited - BSc Civil Engineering, MSc in Geotechnical Engineering - Registered Professional Engineer in Belize The hourly fee for this proposed Technical Adjudicator shall be BZ\$ 250.00 The Appointing Authority is: Association of Professional Engineers of Belize (APEB) Lot 269, 8 Mile George Price Highway Belize District, Belize C.A.
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22



Evaluation Criteria



Applying Evaluation Criteria Thoughtfully

- Evaluation criteria shall be designed to enable the Borrower to achieve VfM in procurement activities financed by the Bank and shall suit the nature of the procurement.
- They may be based on price or a combination of price and non-price attributes such as, quality, sustainability, innovation, and life-cycle costs, amongst others. Such attributes should be expressed in monetary terms, whenever possible.
- When this is not possible, non-price attributes must be measurable and comparable among bids. Based on the evaluation criteria, the award criteria could be only price or, a combination of price and non-price attributes. In both cases, the contract award shall reflect the "most advantageous bid."

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23



Let us talk!!!

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24

CDB, for more resources see:

CDB: www.caribank.org/work-with-us/procurement
 CDB SBDSW (Post qualification) Template

IDB, for more resources see:

[Procurehttps://projectprocurement.iadb.org/enment](https://projectprocurement.iadb.org/enment)
<https://projectprocurement.iadb.org/en/policies>

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25

Marlon M. Martin
Procurement Consultant



marlon.martinam@gmail.com

www.linkedin.com/in/marlon-martin

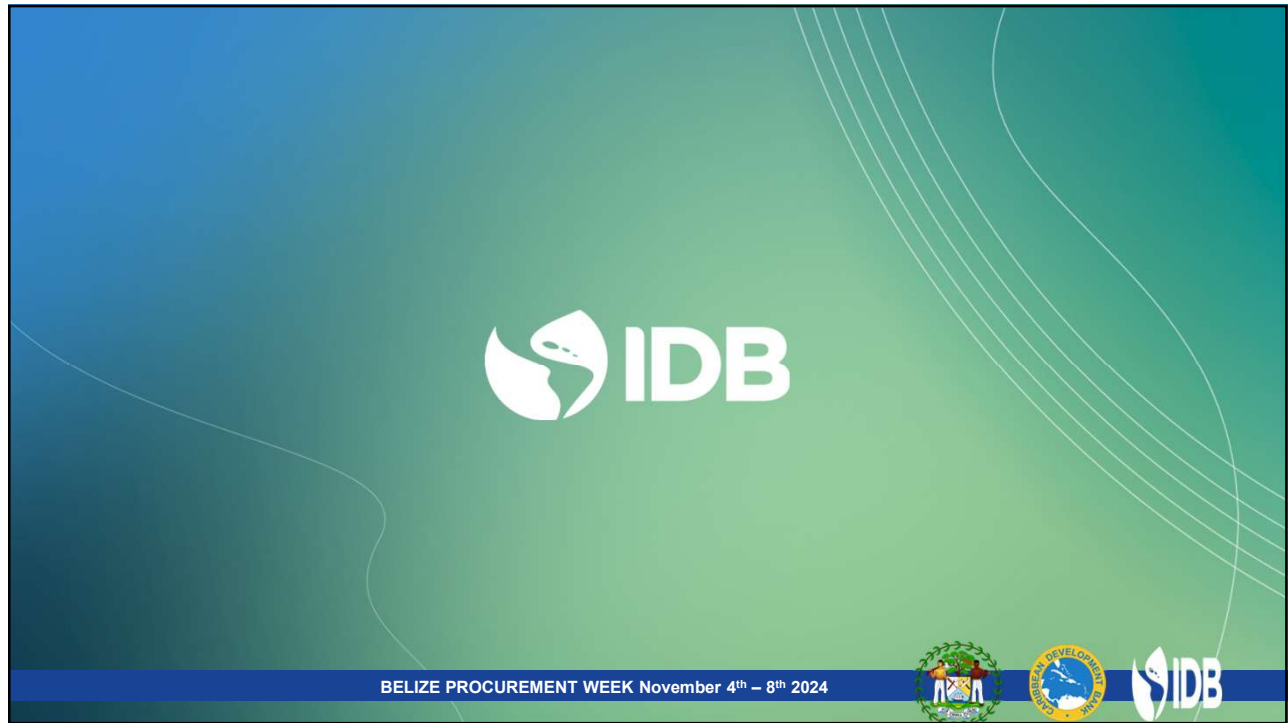
Mobile: +1 (876) 892-1312

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26



27