

Procurement Streams

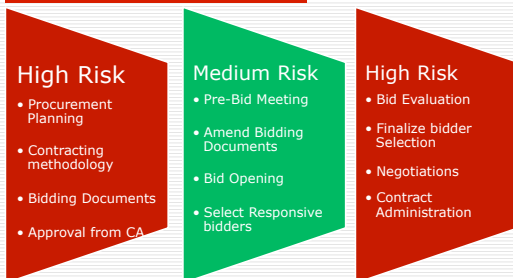
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Procurement Life Cycle (Scope of Today's Discussion)

- Procurement Risk Areas
- Procurement Streams
- Q & A

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Procurement Cycle



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Two Procurement Streams

Goods & Works **Consulting Services**

Product Based Knowledge based

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Two Procurement Streams

Goods & Works **Consulting Services**

Pre-Qualification Short-listing

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Two Procurement Streams

Goods & Works **Consulting Services**

Open Competition Open Competition

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Two Procurement Streams

Goods & Works **Consulting Services**

Price as **major** criterion Price playing **minor** role

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Two Procurement Streams

Goods & Works **Consulting Services**

Public openings of Financial Bids **Public opening** of Financial Proposal

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Two Procurement Streams (Cont...)

Goods & Services **Consulting Services**

Detailed Specifications Terms of Reference (TORs)

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Two Procurement Streams (Cont...)

Goods & Services **Consulting Services**

Single Stage Procedures Two-Stage Procedures

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Two Procurement Streams (Cont...)

Goods & Services **Consulting Services**

Negotiations very exceptional Negotiations normal

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Two Procurement Streams (Cont...)

Goods & Services **Consulting Services**

IFB (Invitation For Bid) REoI (Request For Expression of interest)

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Two Procurement Streams (Cont...)

Goods & Services	Consulting Services
<input type="checkbox"/> RFQ (Request For Quotations)	<input type="checkbox"/> EOI (Expression of Interest)
	<input type="checkbox"/> RFP (Request For Proposals)

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Two Procurement Streams (Cont...)

Goods & Services	Consulting Services
<input type="checkbox"/> Bill Of Quantity (BOQs) For Works	<input type="checkbox"/> Deliverables
<input type="checkbox"/> Supply Schedule (for Goods)	<ul style="list-style-type: none">▪ Reports▪ Trainings▪ Software▪ Business Processes▪ Simulation Models

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Procurement related definitions

- Works:** Relates to construction, Interior Development & Refurbishment activities
- Goods:** Relates to supply of materials, raw materials and semi-finished / finished products

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Procurement related definitions

- **Physical Services:** Relates to provision of facilities & external services e.g., maintenance, utilities, in Works & Goods

- **Intellectual Services:** Relates to intellectual & conceptual work, R&D, mostly in consultancy Services

Procurement related definitions

Bid: An offer in response to an Invitation For Bids (IFB). Also called Tender or Quote.

Bidding Documents: Documents which a seller submits with his price for commodity wanted by the Buyer. Also known as Tender documents.

Procurement related definitions

□ **Responsiveness:**

Client requires some basic pre-conditions from the prospective bidders in the IFB:

- Readily Encashable Financial Instrument
- Bid Validity Period
- Signed Bid Form
- Timely Submission of Bid

Non-Responsiveness

- ❑ Bidder who does not respond to IFB's basic pre- conditions, becomes

non-responsive

Procurement related definitions

Works & Goods

Bidding Documents for Works & Goods include:

- **Invitation For Bid (IFB):** An advertisement published in a newspaper inviting suppliers / contractors to meet Client' s/Buyer' s needs

Procurement related definitions

Works & Goods

- **Request For Quotation (RFQ):** A Legal document consisting of several pages with information on what to procure, with Terms & Conditions (T&Cs) for Buyer & Seller

Procurement related definitions

Works & Goods

▪ **Bill of Quantities (BOQs):**

A descriptive & quantitative listing / table of construction materials / semi-finished or finished parts to produce an end-item.

Procurement related definitions

Consulting Services

Bidding Documents for consultancy services include:

□ **Request For Expression of Interest (REoI):**

A formal advertisement in a newspaper requesting consultants to submit

- general or specific information
- concerning potential future purchase of
 - goods, services or both.

Procurement related definitions

□ **Expression of Interest (EoI):**

- Consultant's response to Buyer's REoI
- Consultant's interest in participating for the activity.
- a short document

Procurement related definitions

Request For Proposals (RFP)

- Legal Document with information for Consultants & Suppliers
- Customers issue RFPs when their needs cannot be met with generally available products or services

What is a "P" in an RFP?

- **P** stands for Proposals
- **Proposals** are ideas, conceptual frameworks and Work Programs given by a consulting firm to design an intangible deliverable required by the Client

Procurement-related Definitions

- **Terms of Reference (TORs):** TORs contain Project's
 - background information
 - scope of work,
 - Buyer's technical expertise
 - institutional strength,
 - contract selection method
 - Seller's expected technical expertise, and
 - expected deliverables.

Procurement related definitions

- **Buyer:** Borrower
Bank
Bahria University **Client**
Employer
Customer

- **Seller:** Manufacturer
Importer
Contractor **Bidder**
Supplier/Firm
Vendor

Thankyou

Q&A
