



PROCUREMENT FAQs

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1. What is the IDB’s role in procurement?

The IDB’s role is to supervise the procurement process ex-ante or ex-post, depending on the institutional capacity of the Executing Agency involved and on the size of the contracts under consideration. In doing so, the IDB makes sure that its procurement policies are being adhered to.



2. How can the IDB help a company that is interested in participating in a procurement process in an IDB-financed project?

The IDB can do so by providing timely information on its projects, its policies, and existing and future business opportunities. All this information is available on the [procurement webpage](#). Additionally, the IDB has an [RSS](#) (Really Simple Syndication) service that allows companies to register and thereby easily stay automatically updated with relevant information from specific websites.



3. What are the main sources of information for procurement opportunities on IDB-financed projects?

These are the [IDB’s procurement webpage](#), which is free, a UN publication titled [United Nations Development Business](#) (UNDB), and the RSS channel (see above, answer 2). In addition, the IDB provides business briefings geared for specific audiences.



4. What resources are available to help potential bidders and bidders learn about IDB’s procurement policies?

Potential bidders and bidders can read the policies available at the [website](#). They can also attend specific business briefings. Other good sources of information on how policies are applied and interpreted are the summaries of the [Procurement Committee’s](#) decisions.



5. How do I find the name of the Executing Agency of an IDB project?

The name of the Executing Agency is available in the Loan Proposal document (LP), in the General Procurement Notice published in [UNDB](#) and on the [IDB’s webpage](#). It is also available in each Specific Procurement Notice and in the Requests for Expression of Interest (REOIs).



6. How do I find out who the IDB Task Team Leader in a project is?

The names of the Project Team Leaders are stated in the Project Profiles (PPs).



7. Where are procurement notices for IDB-financed projects published?

For International Competitive Bidding (ICB), they are published on the Bank's website and in [UNDB Online](#). For National Competitive Bidding (NCB), they are published in a newspaper of wide circulation in the Borrower's country, or on the Borrower's free website for procurement opportunities.



8. Where and how do Executing Agencies publish contracting opportunities?

Under Bank-financed projects, Executing Agencies have to publish General Procurement Notices in [UNDB](#) within thirty (30) days of a project's approval by the Bank's Board of Executive Directors. For Specific Procurement Notices and REOIs, if it is estimated that the ensuing contract will cost more than USD 200,000, they are published in UNDB and on the Bank's website.



9. How can a bidder learn the results of a bidding/selection process in which the bidder participated?

Participating bidders or consulting firms on a short list are notified of the results of the bidding/selection process. Results are also published in [UNDB](#).



10. In only about 5% of cases, the IDB acts as an Executing Agency. In these cases, how can a company find out about procurement opportunities?

Contracts estimated to cost USD 50,000 will be advertised in [UNDB Online](#) and on the Bank's website.



11. Which procurement policies apply to a given project: Bank policies or the policies of the country in which the project is executed?

The [procurement policies](#) that apply are Bank policies (Document GN 2349-7 and Document GN-2350-7).



12. To which nationalities is eligibility restricted for participation in a bidding/selection process and for contract award?

Participation and contract awards are restricted to firms and individuals from the [IDB's member countries](#).



13. Do IDB Procurement Policies give special preferences to companies from certain countries?

Companies from all IDB member countries are eligible to compete for contracts. IDB Policies for the Procurement of Goods and Works, however, provide for a domestic margin of preference in the procurement of goods in international competitive bidding processes. The conditions of application of such a margin are set forth in the Policies for the Procurement of Goods and Works, paragraphs 2.55 and 2.56 and Appendix 2.



14. Does a company have to visit the developing country and meet with an Executing Agency to win an IDB-financed contract?

It is not mandatory to do so but it can be useful to meet with the Executing Agency prior to the issuance of a Specific Procurement Notice or a Request for Proposals (RFP), to better understand the needs of a project.



15. Is it mandatory to have a local partner or subsidiary win an IDB-financed contract?

No, it is not, and Executing Agencies in borrowing countries cannot force companies to associate or have local partners. Companies are free to choose their partners as long as they are from an IDB member country.



16. Can companies or consultants that have worked on a project during project preparation subsequently provide consulting services during the project's implementation phase?

In order to ensure that consultants provide professional, objective, and impartial advice and at all times hold the client's interests paramount, without any consideration for future work, the IDB has certain rules concerning conflict of interest. They can be found in clause 1.17 of the Policies for the Selection and Contracting of Consultants. The IDB's "Conflict of Interest" clause prevents a consultant, and any of the consultant's affiliates, from providing services during project implementation that are related to an initial assignment during project preparation.



17. Can a foreign firm participate in a National Competitive Bidding (NCB) process?

Yes, foreign firms cannot be prevented from participating in NCB processes. The term “National Competitive Bidding” does not imply a restriction on participation; it only refers to the level of publication of the process which, in this case, is local.



18. What do the thresholds applicable to a given country correspond to?

Based on market conditions and the institutional capacity in the area of procurement, a list of thresholds has been established for each borrowing member country to determine which procurement method should be applied. These thresholds are published on the [Bank's Procurement website](#).



19. Who should bidders contact if they need assistance or advice at some point during the process?

Bidders should make written contact with the Executing Agency, as it is the entity responsible for the procurement process.



20. Can bidders correct mistakes in their bid or proposal after submission to the Executing Agency?

Bidders can substitute a bid/proposal with another one, as long as they do so before the deadline for submission and in accordance with the provisions set out in the bidding documents or RFP. Once the deadline for the submission of bids or proposals has passed, the Executing Agency may only correct clear, unequivocal arithmetical errors. Alteration of any other elements of a bid or proposal, by an Executing Agency, bidder, or consulting firm is not permitted.



21. How do I raise questions or issues about a particular bid or request for proposal?

Firms can raise questions or issues before the Executing Agency in writing. If the Executing Agency does not respond promptly, the firm has the option to notify the Project Team Leader and the IDB's corresponding Country Office.



22. Can a company protest a procurement decision by the Executing Agency?

Yes, companies have a right to protest throughout the procurement process. For specific guidance on how to submit a complaint, companies should refer to Appendix 3 of the IDB's [Policies for the Procurement of Goods and Works](#) and to the [Policies for the Selection and Contracting of Consultants](#).



23. What happens if an Executing Agency does not procure goods and services pursuant to IDB's Procurement Policies?

Depending on the circumstances of the incident, a number of things can happen. The IDB can declare "misprocurement" and cancel the equivalent portion of the loan, or decide not to finance the contract but without canceling any funds, or request that the Executing Agency rebid the contract.



24. What happens if the Executing Agency does not comply with the payment conditions set forth in the contract?

The contract usually contains a clause for amicable settlement between the parties and if this procedure fails, the parties can go to arbitration as per the provisions of the contract.



25. How does the IDB combat fraud and corruption in its projects?

As per paragraph 1.14 of the Policies for the Procurement of Goods and Works and paragraph 1.21 of the Policies for the Selection and Contracting of Consultants, the IDB requires that all borrowers, bidders, consultants, suppliers, service providers, and others observe the highest standards of ethics during the procurement process. Companies can report allegations of fraud and corruption to IDB's [Office of Institutional Integrity](#) (OII). If upon conducting the appropriate investigation the IDB deems that a company has engaged in Prohibited Practices, it may debar the company from competing for future IDB-financed contracts. The list of debarred companies and individuals can be found at the [OII webpage](#).



26. What disqualifies a bid or a proposal?

Late submission automatically disqualifies bids or proposals. Bids for goods and works are also disqualified when they are not substantially compliant. For consulting service proposals, bidders are disqualified when they do not reach the minimum technical score indicated in the RFP – this can also be due to substantial non-compliance. Examples of what could amount to disqualification include the following:

- lateness;
- submission of photocopies instead of originals;
- missing information or signatures;
- non-completion of required forms.

Please note that these are examples and they do not constitute an exhaustive list.



27. Where and before whom are bids opened? Is there a difference in the way bids for goods and works are opened and the way proposals for consulting services are opened?

For goods and works, bids are opened in public in the presence of representatives of the Executing Agency, and bidders or their representatives wishing to attend. For consulting services proposals, only financial proposals are opened in public, also in the presence of representatives of the Executing Agency and of the qualified consultants wishing to attend.



28. How can a company or an individual register as a supplier or consultant in the IDB database?

For project procurement, the IDB does not keep a database of suppliers, individual consultants, consulting firms, service providers, or construction firms.



29. Can the IDB tell companies who their potential competitors or partners are?

It is up to each company to identify their potential competitors and partners. Consulting firms short-listed for an assignment will be given the names of the other short-listed firms by the Executing Agency. Additionally, to find out about potential competitors, companies can query the IDB [database of signed contracts](#).



30. Do bidders need to pay for bidding documents?

Yes, bidders may need to pay for bidding documents. This cost, however, shall not reflect the cost of producing such documents; it can only reflect their cost of reproduction. In the case of RFPs, the bidding documents are sent free of charge to the firms included in the short list.

31. What is the time period for the submission of EOIs, proposals, bids, and prequalification applications?

- EOIs submission: 14 calendar days;
- Proposals submission: 30 calendar days;
- Bid submission for goods: 45 calendar days;
- Bid submission for works: 45 calendar days;
- Bid submission for complex works: 90 calendar days;
- Prequalification applications: 45 calendar days.



32. What is the normal proposal processing time, from the date of the request for proposals through selection and announcement of the contract award? Same question for bids?

There is no normal processing time as such. There is, however, a validity period for proposals and for bids. This time period, which is set by the Executing Agency, is supposed to give sufficient time between the receipt of proposals or bids, their evaluation, and the awarding of contracts.



33. What happens if a bidder decides not to proceed with the bidding process after submitting a bid or proposal?

They can withdraw their bid or proposal before the deadline for submission and before bid or proposal opening by means of a written communication. Once the deadline for submission has passed, they can no longer withdraw from the process and they are held to their bid or proposal. As such, refusal to sign the contract if they are awarded it can result in their bid security being executed if such a security was required.



34. How are payments made?

Payment conditions are specified in the special conditions of contracts.



35. When is direct contracting or sole-source selection appropriate? Do direct contracting or sole-source selection have to be announced?

Direct contracting or sole-source selection might be appropriate in certain circumstances. Paragraph 3.6 of the [Policies for the Procurement of Goods and Works](#) and paragraphs 3.9 to 3.13 of the [Policies for the Selection and Contracting of Consultants](#) explain what these conditions are. Direct contracts and sole-source contracts need to be authorized by the IDB and they need to be listed in the project's procurement plan, as with any contract included in the project. Direct contracts also need to be published in [UNDB](#).



36. In which cases do Executing Agencies invite specific companies to participate in a procurement process?

This is done in the case of Limited International Bidding (LIB) and shopping (price comparison). For consulting services, Executing Agencies always have the option to contact firms to ask them whether they are interested in submitting an EOI.



37. What is the status of the use of country systems in procurement?

The IDB has adopted a strategy for the strengthening and use of country systems (Document GN-2538-6). The document explains that the use is gradual over time and that the decision will be based on an in-depth analysis of the system of a given country, using indicators based on internationally accepted best practices. The results of the analysis will determine whether the system can be used or not and, if so, to what extent.

