

Selection and Engagement of Consultants and the Adoption of Best Practice:

EBRD Experience

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The Presentation

- The importance of engineering consultants
- How are professional services acquired?
- Obtaining and measuring quality in performance



The Project Delivery Strategy (PDS)

- The role of the consultant must be considered in the framework within which the capital investment of an operation is to be delivered



Factors and Influences

EXTERNAL FACTORS

- EBRD's PPR
- Local regulations
- Industry practices
- Market conditions
- Local commercial practices
- Ethics and corruption

PROJECT

INTERNAL FACTORS

- Objectives
- Requirements
- Characteristics
- In-house capability



The Importance and Necessity of the Engineering Consultancy Services

Assist the Client with:

- Strategies, policy dialogue, reform and restructuring initiatives, e.g. corporate development plans;
- Project Preparation e.g. development, feasibility studies, design, environmental impact assessments;
- Project Implementation:
 - capacity building, institutional and sustainable development – role of a partner
 - project supervision: Independent Engineer – very clearly defined contractual role



Consultant Selection Methods

Consultants Selection:

- Open international competition
- “Quality” paramount
- Quality Based Selection (QBS)
 - Most important criteria technical qualification/
relevant experience
 - Innovation, methodology, local participation



Evaluation Criteria in Consultants Selection

	Range
<ul style="list-style-type: none">• Relevant experience of Consultant Firm	0 – 10%
<ul style="list-style-type: none">• Innovation<ul style="list-style-type: none">MethodologySustainabilityCapacity Building; training; transfer of know how; quality assurance; back up capacity	25 – 35%
<ul style="list-style-type: none">• Team Composition<ul style="list-style-type: none">Qualifications, Experience	50 – 55%
<ul style="list-style-type: none">• Local Factors<ul style="list-style-type: none">Local ParticipationPresence	15 – 20%



Price

Price can be used as a factor:

- Quality Cost Based Selection (QCBS)
 - 2 envelope system. The norms are:
 - Technical proposals: weight of 80% and only when technical thresholds are met
 - Financial proposal: weight 20% (similar to the EU)



Consultant Selection Methods...contd

- If cost is more than 20% in weight, this can become cost based selection
- Cost Based Selection: only applied when the ToRs are “routine”
 - not suitable for technical/engineering consultancy
 - not used at the EBRD



eSelection for Consultants

This is a web based application intended to provide:

- More transparency
- Wider participation in competition
- Level playing field
- Less time spent on monitoring EBRD's website and therefore, more effective business development



Benefits of eSelection for Consultants

- Subscription for electronic notification of consultants about new opportunities by sector and country to increase competition
- Maintain their own information
- Electronic expression of interest and submission of proposals (including financial proposals) by consultants
- Consultants can search for opportunities; view status of an assignment and use it as workspace



EBRD's Initiatives to Simplify and Modernise Consultants Selection & Engagement

- Balance between trust and confidence vs. detecting fraud and corruption
- Relying on experience and expertise of members of the evaluation panels (know how). Centralised controls
- Provision of advice/administrative assistance: know the client
- Transparency of decision making - audit trail



Fighting Fraud and Corruption

- 17 September 2006: the Heads of MDBs / IFIs agreed on a framework for preventing and combating fraud and corruption in the activities and operations of their institutions.

The institutions recognise that corruption undermines sustainable economic growth and is a major obstacle to the reduction of poverty.



Joint Actions to Combat Fraud and Corruption

- Agreement in principle on standardised definitions of fraudulent and corrupt practices in activities financed by the member institutions;
- Agreement on common principles and guidelines for investigations;
- Agreement to strengthen the exchange of information, as appropriate and with due attention to confidentiality, in connection with investigations into fraudulent and corrupt practices;
- Agreement on general integrity due diligence principles relating to private sector lending and investment decisions;
- Agreement to explore further how compliance and enforcement actions taken by one institution can be supported by the others.



The Scope of the Consultancy Services

- Role of the consultant: e.g. as a partner or independent engineer
- Terms of reference – clear
- Use internationally recognised forms of contracts
- Appropriate remuneration
- Risk sharing - professional liability insurance
- Duty of care – loyalty to whom: client or contractor, avoid conflict of interests
- Monitor quality of services



Obtaining Quality in Performance

- Design of the Assignment: Terms of Reference
 - Input vs. output
 - Sometimes are too prescriptive
 - Little room for interpretation / innovation
- Quality in delivery of services
- Clients role
 - Selecting and contracting consultants
 - Ownership
 - Collaborator or mere recipient of advice



Measuring quality / success

Important Factors

- Design of the Assignment includes success indicators
 - For the investment / loan
 - For the consultancy assignment
- Measure of success based on defined success indicators
 - Transition impact – in line with EBRD mandate
 - Sustainable development
 - Capacity building
 - Transfer of know how
 - Measurable deliverables



Evaluation of Consultants

- Consultants Appraisal Reports
- EU funded assignments: spot audits at clients level
- Evaluation of transactions including any consultancy assignments by Project Evaluation Department



End of Presentation

Thank you.

