

FIDIC Business Days

**Georgian Infrastructure
with FIDIC Knowledge**

**Tbilisi, Georgia
29 - 30 June 2017**

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ACEG
ASSOCIATION OF CONSULTING ENGINEERS GEORGIA



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Good Procurement Practices - SOE's

What is an SOE?

What are good procurement practices?



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State Owned Enterprises

- Ownership - public
- Operation – business-like
- Interim strategy – transition to private
- 6% GDP – influential
- Competitive or not?
- TI study: transparency & business



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Good Procurement Practices

- Government – governance, strategies, social policy
- Private sector – Business of business
 - Competitive, open market, may fail
- SOE – semi business, but with certain advantages



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Good Procurement Practices

- Transparency important
- Level playing field
- LCC – sustainability and quality
- IFIs & other funding agencies, EU etc all support and promote a competitive market
- => outsource as much as possible
- Predictability



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State Owned Enterprises

- TI study: transparency & business
- FIDIC interest and support with best practices
 - Integrity
 - Sustainability
 - Quality
 - Business practices
 - Outsourcing



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Global Procurement Reforms – Major Focus

- EU Directives – EFCA
- World Bank – global leader
- FIDIC – global voice – best practice
- Impact on global procurement
- Borrower development
- Alternative Procurement Applications

Best Practice Principles

- Green procurement
- Integrity
- Sustainability
- Capacity building
- Standard bidding documents – FIDIC?





FIDIC Procurement Procedures Guide, 2011

- Covers the path from identifying a need to appointing a contractor
 - Establishing what is to be procured
 - Deciding on a procurement strategy
 - Soliciting and evaluating tenders
 - Consultant
 - Contractor
 - Awarding contracts
- Takes a multi-disciplined approach to best practice procurement of engineering projects
 - Not confined to procurement of civil engineering projects
- Focuses on pre-tendering process
 - Focus on establishing a 'procurement strategy' upfront



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BEST PRACTICE PRINCIPLES

- Irrespective of the size of the project, the employer will look for a procurement strategy that results in contractual arrangements that will provide a defect-free project, that is fit for purpose and completed in a timely fashion and within budget.
 - The strategy should take into account the need for economic whole-life operating and maintenance costs
- This requires:

A procurement package that is properly and fully prepared by experienced staff, and includes the correct standard form of FIDIC's conditions of contract





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SHARING PRACTICES

- Collaboration
- Private and public sector
- Continuous education to build capacity





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