Embedding ES/OHS in Procurement, Contracts and Contractor Systems

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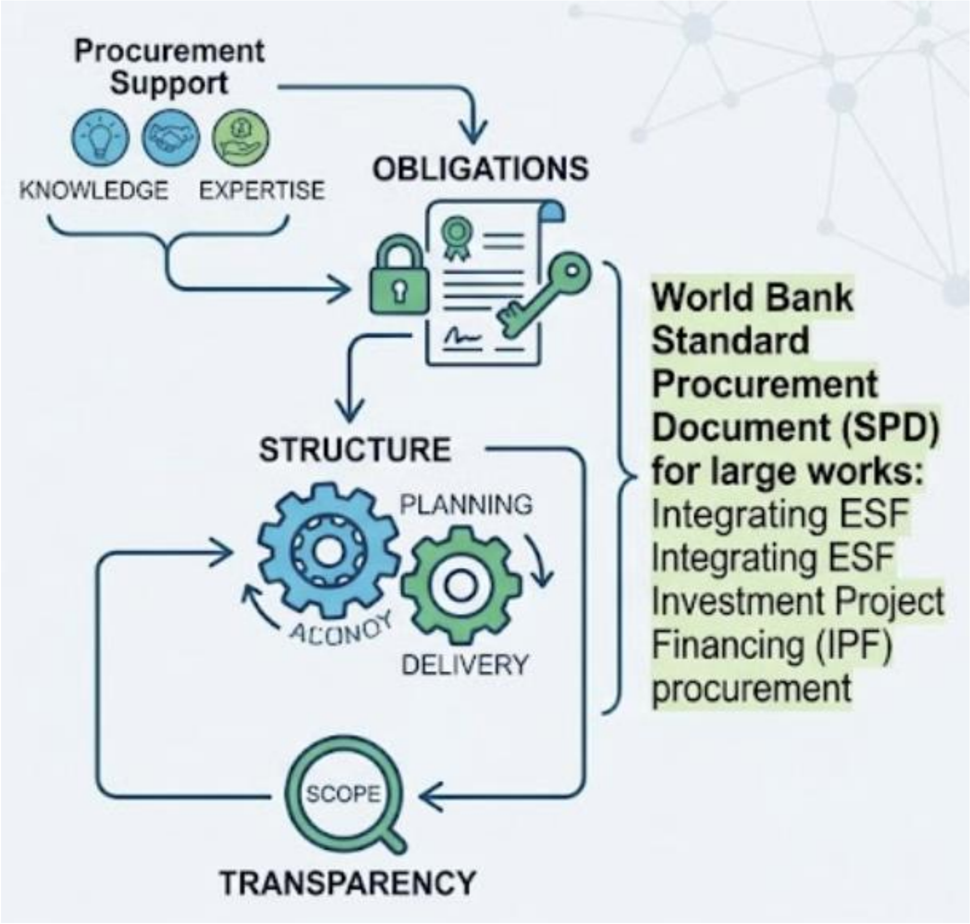
Why is procurement important?

- Procurement supports a project by providing procurement knowledge, expertise and / or resource to get a project delivered
- Procurement provides a **legal framework** to formalise the E&S/OHS requirements, specify how they will be delivered and lock E&S/OHS **obligations** into the contract
- Procurement provides a **structure** that allows the integration of E&S/OHS aspects, throughout **project planning and delivery**
- World Bank's Standard Procurement Document (SPD) large works now reflect commitments made to the WB Board of Directors on **integrating** the ESF into *Investment Project Financing* (IPF) procurement
- Provides cost/price **transparency** to maximise the use of budgets and demonstrate value- for-money



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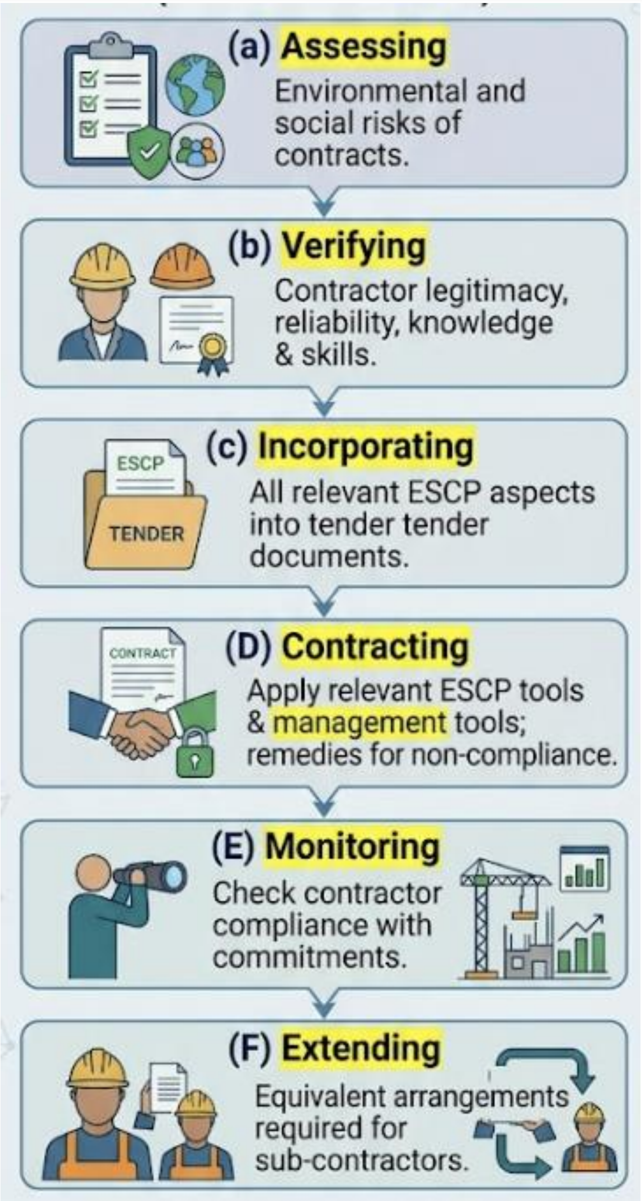
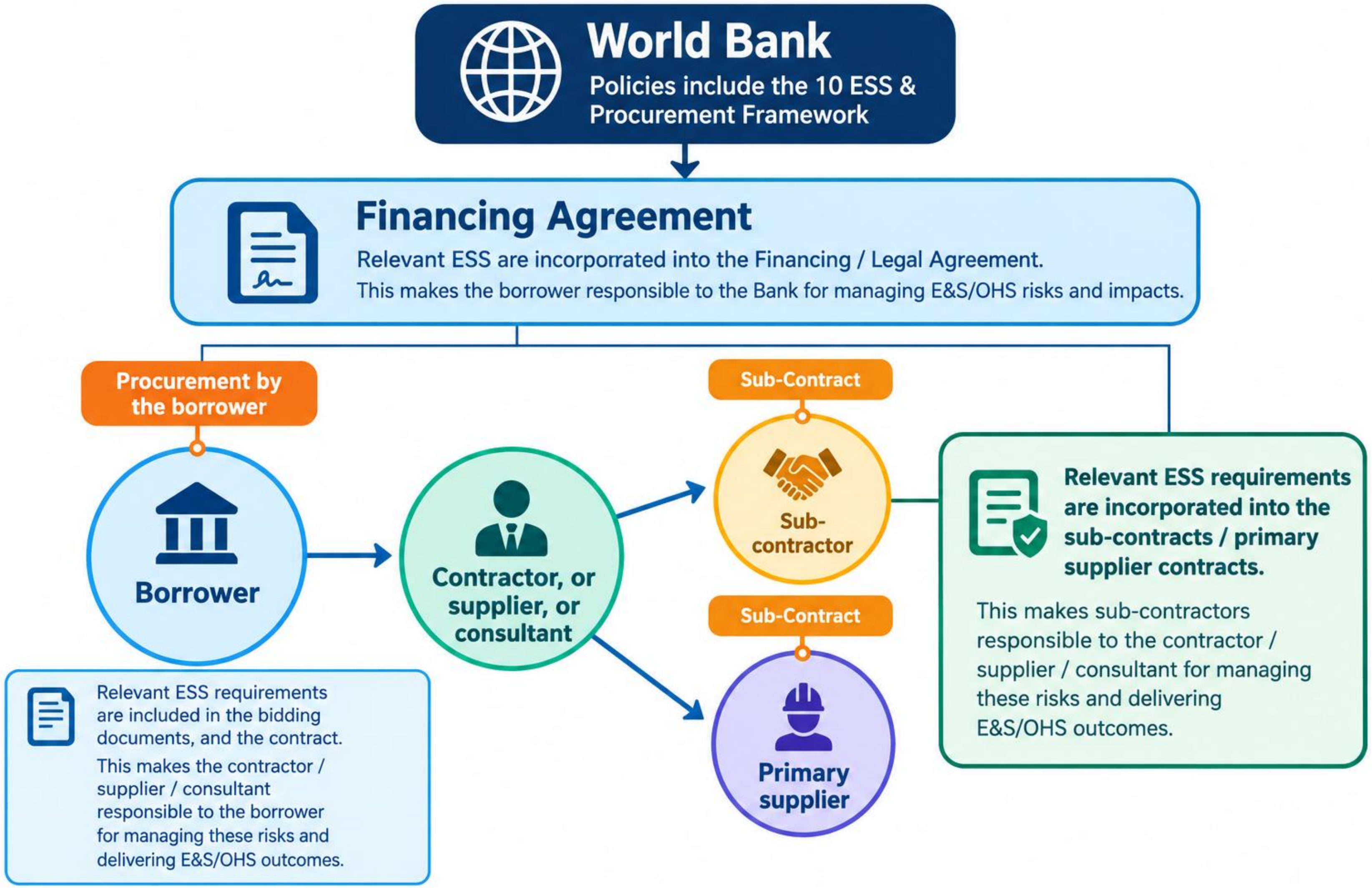
ESS1 Annex 3 Mgmt of Contractors-Borrower's Responsibility



Cascading the ESF/OHS



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Key message

PROCUREMENT

LEGAL OBLIGATIONS

Creates the contractor's legal obliations to manage specified ESF/OHS risks

BORROWER REMEDIES

Gives the borrwer remedies if the contractor dot ts not meet its obligations

Procurement embeds ESF/OHS requirements into contracts – creating accounaiblity from borrwer to contractor

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World Bank Task Team E&S/OHS Roles

TASK TEAM LEADER

Overall leadership & policy compliance

- Overall project responsibility
- Interlocutor: Bank, specialists & borrwer
- Ensures policy compliance

E&S SPECIALISTS

Technical E&S support & due dillenge

- Set criteria on mitiating E&S riks & performance
- Review bidding for E&S requirements
- Supervive contractor E&S delivery

PROCUREMENT SPECICAIST

Technical procurment support

- Ensure correct bidding document used
- Liaify Bank E&S Specialist on content
- Supervive contractor general delivery

Collaborative to supervise contractor performance

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Procurement stages and E&S/OHS links

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Project Procurement Strategy for Development

1. Does the contractor have sufficient E&S capacity?

Assess each bidder for:
- ✓ Understanding of project E&S risks
- ✓ Experience managing E&S risks
- ✓ Capacity to meet required standards
- ✓ Ability to innovate

2. Is the contractor legally bound to mange E&S risks?

Ensure E&S risks and obligations are:
- ✓ Clearly described in the contract
- ✓ Included as specification requirements
- ✓ Legally enforvable

3. Are there legal remedies if the contractor fails?

Proatıtively manage E&S risks by ensuring:
- ✓ E&S obligations are legally enforeable
- ✓ Remedies are applied when needed
- ✓ Active monitoring during implementation

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The Structure of Bank SPDs

Part 1
BIDDING PROCEDURES

Part 2
REQUIREMENTS

Part 3
CONTRACT

Rules

- Instructions to bidders on how to prepare and submit a bid
- Expected bidder qualifications
- Details of how bids will be evaluated
- Bidder declarations
- Draft E&S Plans

Deliverables

- Description of everything the contractor will be required to deliver
- Scope, specification, drawings etc.
- Specifications must include E&S/OHS project specific requirements

Legal conditions

- Legal terms and conditions of the contract, comprising:
  - FIDIC *General Conditions (p142)*
  - Bank *Particular Conditions (p152)*

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Integrating E&S into the Bidding Process

Managing E&S risks through the contract

Bank's special contract provisions to address key Bank priorities such as standard E&S requirements that normally apply to all projects

Bank's *Particular Conditions* of Contract

International construction industry standard contract provisions

FIDIC Conditions of Contract for Construction (*General Conditions*)
The *Red Book*

Works' Requirements which includes the E&S requirements

Defines what the contractor must deliver, including any E&S requirements additional to industry or Bank standard

Contractor's agreement to the SPD and how they propose to deliver the contract

Bid documents incorporated into contract

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Thank You

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