Procurement Guide & Checklist
Agenda

• Opening Remarks

• Procurement Guide & Checklist

• Questions & Answers
  • Submit questions via the chat function and select “Everyone”
Vendor and technology neutral ID systems

Standards

Procurement
Catalog of Technical Standards for Digital Identification Systems
Standards

https://id4d.worldbank.org/technical-standards
Decision Tree for ID system design
Country Use Cases

Estonia  
India  
Malawi  
Pakistan  
Peru
Procurement Guide & Checklist for Digital Identification Systems

[Link: id4d.worldbank.org/procurement_guide]
ID system canvas is vast and complex

01. Multiple Processes
- Enrolment Process
- Logistics Process
- Central System Process
- Authentication Process
- Security and Privacy Process

02. Large Number of Users Accessing
- Residents
- Public Entities
- Private Entities

03. Multiple Vendors
- System Integrators
- Biometric Service Providers
- Card personalisation
- Devices
- Telecom
- Data center

04. Diverse Technology
- Storage
- Biometric
- Network
- Security
- Servers
- Devices
Objective

Provide a checklist for funding and supervising agencies to assess if appropriate design consideration have been factored.

Checklist for funding and supervising agencies

Assist ID authority and their consultants

- To develop Procurement Strategy
- To guard against Vendor / Technology Lock-in
- In program Decisions and Considerations to Develop RFP
- In Bid process Management to select service provider
Enabling Tenets

Legal Framework

Principles that govern ID system Design

Resident Charter

Governance Framework
Digital ID Lifecycle

Phases of Digital Identity System

- Plan & Design
  - Program elements
    - Core Identity functions
    - Ancillary Identity functions
    - Architectural governance
    - Business Model
    - Operating Model
    - Institutional Structure
    - Transition Strategy
  - Technology design strategy
    - Application Ecosystem
    - Biometrics strategy
    - Information Security
    - Infrastructure ecosystem

- Procurement
  - Procurement components
    - Services
    - Infra
  - Vendor procurement
    - Bidding Process

- Implement
  - Monitoring & compliance to requirements

- Steady state
  - Monitoring & Evaluation
  - Audit & Compliance
  - Innovation
  - Transition
Plan & Design – Program Elements

- Operating Model
- Core Identity Functions
- Ancillary Identity Functions
- Architectural Governance
- Institutional Structure
- Business Model
- Transition Strategy
- Enrolment and Update
- Authentication
- Service Ecosystem
- Training, Testing and Certification
- IEC Campaigns
- Customer Relation Management
Plan & Design – Technology Design Strategy

- Application Sub System
- Biometric System Design
- Technology Strategy
- Information Security
- Technology Infrastructure
Plan & Design – Operating Model

Operating Model

Types of Model

Build own operate transfer (BOOT)
Build lease transfer (BLT)
Build operate transfer (BOT)
Government owned

Policy Implications

Evaluation Framework

Associated risks
Procurement Phases

Development of Appropriate Procurement Strategy
- Existing ID System
- In house Capability
- Technology Landscape
- Market Analysis and Vendor Consultation (National & International)
- International Best Practices
- Learning from Mistakes

Procurement Process
- Development of RFP
  - Instruction to bidder
  - Scope of work
  - Evaluation criteria
  - Service Level Agreements
  - Conditions of Contract
- Publishing of RFP
- Selection of Vendor (s)
- Contracting
Good Procurement Practices

- Development of in-house technical expertise
- Ownership of key technology components
- Architectural isolation of niche technology solution
- Open competitive bidding
- Encourage ‘domestic participation’
- Clear Articulation of roles and responsibilities
- Avoidance of vendor and technology lock-in
- Specifying the right service level agreements
- Appropriateness of bill of materials
- Ensure interoperability and use of open standards
- Consultation with the potential Vendors
- Well defined terms of licensing model
Steps of a Procurement Lifecycle

The following steps should be followed by ID authorities during the procurement lifecycle of the ID system.

Step 1: Define and Design each Procurement Component
- ✓ Procurement of Services, Procurement of Infrastructure Components

Step 2: Decide on the Number of RFPs for Vendor Procurement
- ✓ Single RFP Option, Multiple RFP Option

Step 3: Define the Procurement Method

Step 4: Define the Bidding Procedures
- ✓ Single-stage process, Two-stage process
## Procurement Risks

<table>
<thead>
<tr>
<th>S.No</th>
<th>Risks</th>
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<tbody>
<tr>
<td>1</td>
<td>Non-competitive bidding process</td>
</tr>
<tr>
<td>2</td>
<td>Procurement process does not meet international standards</td>
</tr>
<tr>
<td>3</td>
<td>Poor procurement planning and inadequate information in terms of technical specifications, contracting strategy, etc</td>
</tr>
<tr>
<td>4</td>
<td>Deficient contract management</td>
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<tr>
<td>5</td>
<td>Limited oversight of procurement and fraudulent practices</td>
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<tr>
<td>6</td>
<td>Variation in scope or costing after contract award</td>
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<tr>
<td>7</td>
<td>Abnormally low or high bids</td>
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<td>8</td>
<td>Evaluation period takes too long</td>
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</table>
## Vendor Lock-In

<table>
<thead>
<tr>
<th>Issues</th>
<th>Mitigation</th>
</tr>
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<tbody>
<tr>
<td>Knowledge transfer</td>
<td>Systematic knowledge transfer</td>
</tr>
<tr>
<td>Poor documentation</td>
<td>Timely documentation</td>
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<tr>
<td>IP ownership</td>
<td>Ownership with government</td>
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<tr>
<td>Data storage with vendor</td>
<td>Data residency</td>
</tr>
<tr>
<td>Exit management</td>
<td>Standard transition and exit management</td>
</tr>
<tr>
<td>Systems control</td>
<td>Admin rights with government</td>
</tr>
<tr>
<td>Vendor staff dependency</td>
<td>In-house capacity building</td>
</tr>
<tr>
<td>Source code control</td>
<td>Escrow account</td>
</tr>
</tbody>
</table>
## Technology Lock-In

<table>
<thead>
<tr>
<th>Issues</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proprietary software</td>
<td>Open software &amp; open API solutions</td>
</tr>
<tr>
<td>Proprietary data formats</td>
<td>Open storage standards</td>
</tr>
<tr>
<td>Proprietary hardware</td>
<td>Commodity hardware</td>
</tr>
<tr>
<td>Closed data exchange</td>
<td>Open exchange formats</td>
</tr>
<tr>
<td>Proprietary standards</td>
<td>Open standards</td>
</tr>
<tr>
<td>Non-standard devices</td>
<td>Multi-sourceable devices</td>
</tr>
<tr>
<td>Non standard encryption</td>
<td>Standard encryption ownership of keys</td>
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</tbody>
</table>
## Sample Checklist – Master Service Agreement Checklist

### Phase: Procurement  
Component: Vendor Procurement  
Area: Conditions of Contract  
Master Services Agreement

<table>
<thead>
<tr>
<th>#</th>
<th>Checklist Item</th>
<th>Y/N/NA</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Have the definitions and the interpretations for the MSA been clearly specified?</td>
<td></td>
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<tr>
<td>2.</td>
<td>Has the scope of the project been well defined?</td>
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<td>3.</td>
<td>Have the terms and duration of the project been defined?</td>
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<td>4.</td>
<td>Have the obligations of the ID implementing authority and bidder been defined in the MSA?</td>
<td></td>
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<tr>
<td>5.</td>
<td>Are conditions pertaining to financial matters been specified in the MSA, e.g., payment terms, invoicing, tax, etc?</td>
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<tr>
<td>6.</td>
<td>Is there any form of performance guarantee mechanism to be used in case of default on part of the bidder?</td>
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<tr>
<td>7.</td>
<td>Has the governing law(s) been defined?</td>
<td></td>
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<tr>
<td>8.</td>
<td>Have the clauses for dispute resolution been specified?</td>
<td></td>
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<tr>
<td>9.</td>
<td>Have the reasons and consequences of an event of default been defined (i.e., when there is any kind of failure to comply by the bidder)?</td>
<td></td>
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<tr>
<td>10.</td>
<td>Have the clauses for termination of contract and its effect been defined?</td>
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</tr>
</tbody>
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## Sample Checklist – Special Conditions Checklist

### Phase: Procurement
### Component: Vendor Procurement
### Area: Conditions of Contract

<table>
<thead>
<tr>
<th>#</th>
<th>Checklist Item</th>
<th>Y/N/NA</th>
<th>Remarks</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Have the intellectual property rights (IPR) for existing and new assets been defined?</td>
<td></td>
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<tr>
<td>2.</td>
<td>Has insurance cover been defined?</td>
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<tr>
<td>3.</td>
<td>Does the source code belong in an escrow account to maintain the software?</td>
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<tr>
<td>4.</td>
<td>Does the contractor have ownership of annual maintenance contracts (AMCs), warranties and maintenance of the products and solutions?</td>
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<tr>
<td>5.</td>
<td>Has the limitation of liability been defined?</td>
<td></td>
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<tr>
<td>6.</td>
<td>Has the cap on liquated damages been defined?</td>
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<tr>
<td>7.</td>
<td>Is data ownership defined?</td>
<td></td>
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<tr>
<td>8.</td>
<td>Is data residency defined?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Is purchaser obligation defined?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Are bidders’ obligations defined?</td>
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Implementation

Implementation phase include periodic monitoring activities to ensure compliance with requirements specified in the RFP(s). The key decisions and considerations of this phase are:

<table>
<thead>
<tr>
<th>Monitoring and Compliance to requirements</th>
<th>Key Decisions</th>
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</thead>
</table>
| • Monitoring and Evaluation framework to be defined for the services procured including but not limited to Biometric services, Infrastructure services, Application development and maintenance, Logistics, CRM etc. | ✓ Monitoring the RFP project deliverables
✓ Conformance to project timelines
✓ Adherence to process and technical specifications
✓ Monitor the Service level agreements
✓ Processes to ensure the BOM deliverables as per the plan defined in RFP
✓ Conformance to contractual conditions |


Steady State

- Monitoring & Evaluation
- Audit & Compliance
- Technology Refresh & Innovation
- Transition
Next Steps

• Living document

• Welcome feedback
  • Provide comments via email (id4d@worldbank.org) by June 30, 2020

id4d.worldbank.org/procurement_guide