The Knowledge Lab Report

Estimated Value of Procurement

Session 6-October 2026

This activity is implemented in collaboration with Expertise France under the EU funded Project "Supporting progress in key areas of public administration reform in Lebanon" (2023-2027).

"The Knowledge Lab" in Public Procurement (KLPP) *is a collaborative initiative by the Institut des Finances Basil Fuleihan (IOF) designed to develop specialized learning content and reform-driven expertise in public procurement. The ultimate objective is to empower a national network of experts and bridge the gap between evolving procurement laws and real-world professional application.*

Objectives

1. Develop an aligned understanding of technical concepts, standards, and international good practices through collaborative learning and dialogue.
2. Generate Practical Knowledge: Transform individual experiences into shared knowledge by jointly developing practical guidance, learning resources, and actionable recommendations.
3. Strengthen Professional Practices: Equip practitioners with analytical frameworks and practical tools to make informed decisions and address real implementation challenges.
4. Policy Impact: Generate collective insights and policy recommendations that promote innovation, institutional learning, and evidence-informed public sector reform.

Methodology

It is based on a practical four-phase collaborative process; the first three phases are implemented in the framework of this current project:

1. Prioritization: identify high-priority technical topics based on emerging reforms, institutional needs, and implementation challenges.
2. Co-Preparation and design: engage a subject-matter expert (s) to work closely with the IOF team in designing the learning journey, defining key questions, selecting case studies, and preparing practical learning materials.
3. Implementation: facilitate interactive sessions that combine expert input, peer learning, case analysis, simulations, and structured dialogue to generate shared understanding and practical solutions.
4. Dissemination and knowledge transfer: transform outputs into practical tools, guidance notes, case studies, learning resources and policy recommendations that strengthen and support continuous learning across public sector and contribute to evidence-informed decision-making and policy development.

Overview

The sixth session of the KLPP series tackled the **"Estimated Value of Procurement"**, a step that shapes almost every later decision in the procurement cycle. In Lebanon, Article 13 of the Public Procurement Law 244/2021 requires the procuring entity to prepare the estimated value on the basis of actual market prices and inquiries with other administrations. The session aimed to give the national network of trainers and practitioners a shared understanding of what a sound estimated value is, how it is built, how it is used and protected across the procurement cycle, and what international practices offer Lebanon in this area.

18 participants including expert-trainers and key resource people and practitioners from the Public Procurement Authority, the Institute of Finance, and several institutions and public administrations such as the Court of Accounts, Ministry of Energy and Water, General Security, and others took part in this Knowledge Lab.

Session Structure and Key Discussions

The session was organized in three main parts, preceded by a preparatory exercise: before the session, participants studied a short scenario and answered questions on their decisions as procurement officers. The results were used as the starting point for discussions during the session.

Part One: What Should Be Known About the Estimated Value Before: The session began by establishing a shared understanding of the fundamental purpose of an estimated value of procurement. The session's facilitator emphasized that the estimated value is a critical tool that must be based on market realities. Key discussions focused on:

- **Definition and Purpose:** The estimated value is a pre-tender calculation of the likely cost of a procurement, based on market research and verifiable data.
- **Legal and Practical Imperative:** The session highlighted Article 13 of Law 244/2021, which requires procuring entities to update the estimated value before announcing a tender and base it on actual market prices.
- **The Five-Step Methodology:** Participants were introduced to a practical, five-step process for building a sound estimated value:
    1. Define the need precisely (quantities, specs, duration).
    2. Conduct market research (supplier prices, past contracts, other agencies).
    3. Compare data from multiple sources.
    4. Update the value if market conditions have changed.
    5. Document the process for a clear audit trail.
- **Preparatory survey results and decision Gallery walk** Each participant worked through a scenario requiring multiple justified decisions, followed by a 'Decision Gallery' to explore their underlying logic and discuss differing approaches**.**
- Before the session, 100% of participants agreed on the necessity of an estimated value, their proposed values varied significantly. This discrepancy fueled a rich discussion about what constitutes a defensible estimate. Participants debated the merits of relying on previous purchases versus current market quotes, and the need to include all associated costs (spare parts, training, warranty).

Part Two: Simulation in Four Stations

Four groups worked on a single scenario that evolves progressively through four 30-minute stations starting with an event card, producing a practical tool at the end of each station:

Each station started with an event card and ended with a practical tool:

1. **Station 1: How do we build the estimated value?**
   Participants evaluate key pricing factors, such as historical versus current market quotes, scope, and interconnected purchases, to determine how an estimate should be constructed. By the end of the session, groups produced a structured calculation template detailing their data sources, methodology, assumptions, and documentation.
2. **Station 2: How is the estimated value used across the procurement cycle?**
   Groups analyzed the strategic role of the estimated value throughout the procurement lifecycle, focusing on how it dictates the procurement method and when it should be disclosed. This culminates in a Decision Map that outlines when to apply, update, and reveal the value.
3. **Station 3: How do we justify the decision and manage its risks?**
   Participants focused on compliance and accountability by aligning their use of the estimated value with core procurement principles, legal frameworks, and evidentiary standards. The output is an Argument Map designed to formally justify and document their decision.

4. **Station 4: What if circumstances change?** Groups assessed how shifting needs, price fluctuations, and calculation errors could disrupt the chosen procurement method. They concluded by building a Risk Matrix that evaluates risk likelihood and impact alongside mitigation measures and triggers for re-estimation. Participants agreed that the estimated value must be based on market evidence, cover all costs, be documented, and be updated when conditions change.

A discussion emerged on whether VAT is included in the calculation of the estimated value, and was concluded that the VAT should be excluded. Including it would affect the equal treatment of bidders when some are VAT-exempt, and bids must be compared on an equal basis.

Part Three: How Can We Improve the Preparation of the Estimated Value in Lebanon?

This part moved from practice to root causes and good practices:

› **Root cause analysis (Ishikawa/fishbone):** participants identified the main causes behind recurring weaknesses: lack of qualified personnel, lack of documentation and justification, and lack of technical expertise.

› **International experiences:** the session compared the EU Directives (2014), the UNCITRAL Model Law (Article 12), OECD-SIGMA guidance, and the UK framework. The main difference is VAT, which is excluded in the EU and SIGMA but included under the UK's new Procurement Act 2023.

› **Recommendations:** the findings fed into the recommendations and key messages presented in the Outcomes section.

Outcomes

Recommendations

The recommendations that emerged from the participants' discussions during the KLPP session are the following:

1. Define conflicts of interest in relation to the estimated value of the procurement.
2. If the price is excessively high, the estimated value must be reassessed or the tender rejected.
3. Clearly define the scope of work of the Procurement Committee in relation to the estimated value. The Committee provides its opinion and makes recommendations only.
4. Technical requirements cannot be considered separately from the estimated value.
5. Provide a clearer definition of the estimated value in legal texts.

Learning & Knowledge Generation Methodology

The session adopted an **interactive, progressive methodology** that guided participants from foundational concepts to practical application and systemic reform. It began with conceptual alignment and a visual **Decision Gallery Walk**, where participants use color-coded peer feedback to map areas of consensus and differing decision-making logic. Participants engaged in a **four-station scenario simulation**, working in groups to respond to evolving event cards and produce tangible procurement tools including a calculation template, decision map, argument map, and risk matrix. Finally, the session concluded with a **systemic diagnostic exercise** using an Ishikawa root-cause analysis and international benchmarking to generate actionable recommendations for improving national practices.

Main output

Beyond practical exercises, the session sought to **explore the current institutional reality** surrounding how estimated values are determined and examine their **direct impact on procurement outcomes.**

Addressing existing gaps requires more than individual skill-building; it highlights the critical need for **clear policy-level guidelines** alongside **standardized calculation templates**. Together, these policy and operational tools aim to unify practices, strengthen accountability, and ensure more consistent, defensible procurement decisions across institutions.

Evaluation Results

The evaluation shows that this Knowledge Lab session was **highly relevant, well facilitated, and strongly engaging**, with participants demonstrating a strong willingness to remain involved in the emerging community of practice. Its greatest strength lies in creating a collaborative environment for exchanging professional experience. The main opportunity for improvement is to strengthen the transition from discussion to actionable knowledge by extracting tacit expertise more systematically, building consensus around key messages, and producing concrete outputs rapidly applied. These enhancements would increase the Lab's impact on harmonizing procurement practices and supporting the implementation of public procurement reforms.

Knowledge Lab Session Evaluation

By the end of the session, an evaluation exercise took place using a new evaluation form developed by the Institute Learning Team, where participants were asked to express their opinions and provide their feedback at various levels. The results are shown below:

1. Please indicate your level of agreement with the following statements.

Scope	Question	Strongly agree	Agree	Neutral	Don't agree	Don't agree at all
Relevance and importance	The session addressed a topic that is relevant to the implementation of public procurement reforms and actual needs.	82%	18%			
	The session addressed a topic that is relevant to my work.	73%	27%			
Building a Shared Understanding and Common Standards	The session improved my understanding of the topic.	36%	55%	9%		
	The session contributed to building a shared understanding of the standards and principles that should be applied.	36%	55%	9%		
	The session provided practical information to support professionals in making better-informed procurement decisions.	18%	82%			
	The session helped reduce differences in participants' interpretation of procedures and concepts.	9%	64%	27%		
	The discussions highlighted gaps between established procedures and actual practice, and helped clarify and address them.	55%	36%	9%		

Collaborative Knowledge Generation	The session contributed to developing new knowledge that can be further built upon.	27%	64%	9%		
	The discussions generated practical, usable solutions.		82%	18%		
	I benefited from the experiences of other participants and the solutions they have applied in real-life situations.	45%	55%			
	The discussions brought forward unvoiced knowledge and practices that are difficult to find in official texts or guidance documents.	45%	27%	27%		
Practical Application and Professional Confidence	I felt that my practical experience was valued and contributed to enriching the session.	18%	82%			
	The session increased my confidence in applying public procurement rules and principles.	27%	73%			
	The session helped me better understand practical challenges and identify workable solutions.	18%	82%			
Session Design & Management	The session was effectively facilitated and well managed.	27%	73%			
	The session provided sufficient opportunities for collaboration and knowledge exchange among participants.	18%	82%			
	The group activities encouraged participation and interaction.	45%	55%			
	The questions raised stimulated critical thinking and discussion.	73%	18%	9%		
	The duration of the session was appropriate.	9%	27%	27%	36%	
Overall Value of the Knowledge Lab	I am generally satisfied with the session.	55%	45%			
	I gained a valuable new idea or practice.	27%	73%			
	I left the session with ideas or tools that I can apply in the future.	18%	82%			
	I expect to share what I learned from this session.	18%	82%			

2. **To what extent did you personally contribute during the session by sharing your professional experience or practical examples?**

- To a very great extent **(9%)**
- To a great extent **(64%)**
- To a moderate extent **(27%)**
- To a limited extent
- I did not participate

3. **To what extent did this session motivate you to continue participating in the community of experts and trainers, and to contribute to the exchange and dissemination of the knowledge and practices being developed?**

- To a very great extent **(82%)**
- To a great extent **(18%)**
- To a moderate extent
- To a limited extent
- It did not motivate me at all

4. **What was the most important topic or idea shared during the session that you believe should be documented or developed into a "Knowledge Lab"?**

- Preparing the estimated value and why it matters
- Using the estimated value in bid evaluation
- VAT in the estimated value and in financial evaluation
- Single bid

5. **What was the most valuable experience shared during the session that you believe should be replicated or disseminated more broadly?**

- Proceeding with a single acceptable bid
- VAT-exempt bidders
- Combining and separating procurement files at the Ministry of Justice
- Peer exchange on estimating costs for similar procurements
- Handling unjustifiably high bids
- The Ishikawa method and international experiences
- Conflicts of interest when the cost estimator also serves on or chairs the tender committee
- Addressing incorrect cost estimates prepared by the procuring entity

6. **Did the session reveal a need for any of the following?**

- Practical Guide **(73%)**
- Explanatory Note **(64%)**
- Specialized Training **(73%)**
- Policy Recommendation **(18%)**
- Practical Tool or Template **(27%)**

Percentages exceed 100% because respondents could select multiple options.

7. **Would you like to contribute to the development of knowledge content and tools related to the session topic?**

- Yes **(100%)**
- No

8. **What topic or challenge would you suggest for future Knowledge Lab sessions?**

- Handling single bids and excessively high bids
- Resolving disputes during contract execution
- Detailed procedures for accepting bids or retendering
- Splitting purchases and applicable controls
- Practical application of the law
- Liability for negligence in determining estimated costs
- Contract award, supervision, and acceptance
- Increasing contracts awarded by mutual agreement by more than 20%

Overall, the results indicated a high level of engagement among experts, improved conceptual understanding, and strong potential for knowledge transfer within institutional contexts.

Appendices

Appendix 1: List of Participants

ID	Name	Institution	Position
1	Suzanne Abou Chakra	Institute of Finance	Training Specialist
2	Shakib Amin	State Security	Secretary of the Procurement Committee
3	Rana Ahmadi	Ministry of Water and Energy	Engineer
4	Basma Abdul Khalek	Institute of Finance	Senior Economist
5	Antoine Bakhos	Electricite du Liban (EDL)	Head of Training Department
6	Manal Bilal	Ministry of Finance	Contracts Supervisor
7	Hikmat Daou	Green Plan	Head of the Roads and Water Department
8	Jean Ellieh	Public Procurement Authority	President
9	Elias El Namroud	Green Plan	Agriculture Engineer
10	Elie Maalouf	Court of Accounts	Judge
11	Wassim Monzer	Lebanese General Security	Colonel
12	Daad Najjar	Akl Sheikhdom of the Druze Unitarian Community	Head of Finance Department
13	Andy Rahme	Institute of Finance	Research Assistant
14	Rana Rizkallah	Public Procurement Authority	Board Member
15	Sylva Salameh	Internal Security Forces	Chief Pharmacist
16	Mhammad Saif Eldine	Institute of Finance	Procurement Expert
17	Rana Tauk	Court of Accounts	Senior Controller
18	Rayan Wehbe	Internal Security Forces	Captain

Appendix 2: Knowledge Lab Agenda

Title: Estimated Value of Procurement
Location: Institut des Finances Basil Fuleihan
Date: October 19, 2026

8:30-9:00	**Reception of participants** **Reminder of the Objectives of the Knowledge Lab and the Work Program of the Session**
9:00–10:00	**First Session: What to know about the Estimated Value before making a decision** • Presentation • Decision Gallery Walk • Group Discussion
10:00-10:15	**Break**
10:15-12:15	**Second Session**: **Decision-Making Simulation in Four Stations** • **Station 1: How do we build the estimated value? (30min)** Output: Estimated Value Calculation Form • **Station 2: How is the estimated value used across the procurement cycle? (30min)** Output: Decision Map • **Station 3: How do we justify the decision and manage its risks? (30min)** Output: Argument Map • **Station 4: What if circumstances change? (30min)** Output: Risk Matrix
12:15-12:30	**Break**
12:30-14:00	**Third Session: How Can We Improve the Preparation of the Estimated Value in Lebanon?** • Understanding the root causes of the challenges to preparing the appraisal value (20min) Root Cause Analysis Using Ishikawa • International Experiences (20min) Demonstration of International Experiences Recommendations Session Evaluation