

**Government of Nepal
Ministry of Local Development
Department of Local Infrastructure Development and Agricultural Roads
(DoLIDAR)**

**RURAL RECONSTRUCTION AND REHABILITATION SECTOR DEVELOPMENT
PROGRAM (RRRSDP)**

Procurement Manual

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**Submitted to:
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Executive Summary

The outcome of the Rural Reconstruction and Rehabilitation Sector Development Program (RRRSDP) will be improved connectivity, enhanced economic and employment opportunities, and increased access to market and social services of rural communities. The implementing agency is Department of Local Infrastructure Development and Agricultural Roads (DoLIDAR) at Central level and District Development Committees with District Project Offices (DPO) at District level.

There are mainly three types of Procurement: Procurement of Services, Procurement of Goods and Procurement of Works.

Procurement of Services: Consultant's Selection Methods such as Quality and Cost Based Selection (QCBS) for CISC procurement, Consultants Qualifications Selection (CQS) for DIST procurement and Individual Consultant Selection (ICS) are used in accordance with the Government's procurement procedures and ADB's *Procurement Guidelines* in RRRSDP. QCBS is based on the quality of the technical proposal and the cost of the services to be provided whereas CQS method is fully based on technical qualification of the consulting firms. The stepwise procedures to be followed for these methods are described in this Manual and the documents required for these methods have been given in the Annexes.

Procurement of Goods: There are three procurement methods to be used in accordance with ADB's *Procurement Guidelines* and the Government's procurement procedures in RRRSDP such as International Competitive Bidding (ICB), National Competitive Bidding (NCB) and Shopping. The bidding procedure to be followed is the Single-Stage: One-Envelope. The stepwise procedures to be followed for Procurement of Goods are described in this Manual and the documents required for the same have been given in the Annexes.

Procurement of Work: There are three procurement methods to be used in RRRSDP such as National Competitive Bidding (NCB), Shopping and Community participation. In this project, for bridge construction, drainage works, road pavement, high retaining walls, hard rock cutting etc., civil work contracts will be required and procured by DDC/DPO on the basis of national competitive bidding in accordance with ADB's *Procurement Guidelines* and the Government's procurement procedures. The bidding procedure to be followed is the Single-Stage: One-Envelope and Prequalification is discouraged following NCB in this project and Post-qualification process is to be used. For all small and widely dispersed Civil Works community participation procurement method shall be used. The stepwise procedures to be followed for Procurement of Works are described in this Manual and the documents required for the same have been given in the Annexes.

Procurement Planning and Preparation of Procurement documents for different types & stages of procurement are very important aspects for procurement procedures and the Purchaser (Client) is responsible for preparing and issuing these documents to the service providers or bidders.

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List of Abbreviations

ADB	: Asian Development Bank
BDS	: Bid Data Sheet
BTP	: Bio-data Technical Proposal
CISC	: Central Implementation Support Consultant
CQS	: Consultants' Qualifications Selection
DoLIDAR	: Department of Local Infrastructure Development and Agricultural Roads
DFID	: UK's Department for International Development
DRILP	: Decentralized Rural Infrastructure and Livelihood Project
DTO	: District Technical Office
DPO	: District Development Committees with District Project Offices
DIST	: District Implementation Support Team
EOI	: Expression of Interest
FBS	: Fixed budget selection
FTP	: Full Technical Proposal
GCC	: General Conditions of Contract
ICB	: International Competitive Bidding
ITB	: Instructions to Bidders
LBFAR	: Local Body Financial Administration Regulations
LCS	: Least-Cost Selection
MLD	: Ministry of Local Development
NCB	: National Competitive Bidding
OFID	: OPEC Fund for International Development
PAM	: Program Administration Memorandum
PCC	: Particular Conditions of Contract
PCU	: Project Coordination Unit
QBS	: Quality-based selection
QCBS	: Quality-and Cost-based Selection
RRRSDP	: Rural Reconstruction and Rehabilitation Sector Development Program
RRP	: Recommendation of the President to the Board of Directors (ADB)
RFP	: Request for Proposal
SDC	: Swiss Development Cooperation
SSS	: Single-source selection
STP	: Simplified Technical Proposal
ToR	: Terms of Reference
VICCC	: Village Infrastructure Construction Coordination Committee
VDC	: Village Development Committee

CHAPTER ONE - INTRODUCTION

1. Project Background

Rural Reconstruction and Rehabilitation Sector Development Program (RRRSDP) is being implemented by Government of Nepal, Department of Local Infrastructure Development and Agricultural Roads (DoLIDAR) with grant assistance from Asian Development Bank (ADB, Grant No: 0093-NEP), loan from the OPEC Fund for International Development (OFID), Grant Assistance from Department for International Development (DFID, UK) and Technical Assistance for four districts from Swiss Development Cooperation (SDC). The implementing agency is Department of Local Infrastructure Development and Agricultural Roads (DoLIDAR) at Central level and District Development Committees with District Project Offices (DPO) at District level. The program Grant Agreement was signed on 14 January 2008.

The Project covers 20 districts as mentioned in the following table:

Table 1.1: Project Districts

Development Region	Name of the Districts	Remarks
Eastern	Panchthar, Ilam, Jhapa, Morang, Sunsari, and Dhankuta	
Central	Sindhuli, Dolakha, Sindhupalchowk, Kabhrepalanchok, Lalitpur, Bhaktapur, Kathmandu, and Chitawan	
Western	Manang, Mustang, and Parbat	
Mid Western	Rolpa and Rukum	
Far Western	Dadeldhura	

In addition, the Project will provide complementary support to the existing 18 Decentralized Rural Infrastructure and Livelihood Project (DRILP) districts, which are Baitadi, Bajhang, Bajura, Darchula, Dolpa, Jumla, Jajarkot, Kalikot, Mugu, Humla., Baglung, Gorkha, Lamjung, Myagdi, Okhaldhunga, Ramechhap, Solukhumbu, and Taplejung.

1.1 Impact and Outcome of the Project

Rural Reconstruction and Rehabilitation Sector Development Program (RRRSDP) will reduce rural poverty in hill, mountain and Terai districts where isolation and hardship are common. It will focus on immediate post conflict development priorities for accelerated poverty reduction and inclusive development, thereby enhancing the effectiveness and efficiency of the delivery of public services, and improving access of rural people to economic opportunities and social services. The target of the Program will be proportion of rural population below poverty line dropped from current 34.6% to 25% by 2020. *The change in project scope/targets will occur after SDC's and DFID's formal participation in the project.*

The project outcome will be improved connectivity, enhanced economic and employment opportunities, and increased access to market and social services of rural communities. The key indicators for the outcome for the project period are (i) reduction in proportion of population in project districts that have to walk 4 hours in hill and 2 hours in Terai to reach the road head from about 36% to less than 25%, (ii) average household travel time to market centres in road-influence area reduced by 50%,(iii) traffic counts and/or passenger movements increased by at least 30%,(iv) improved access to assured supply of drinking water for about 30,000 households,

(v) employment of 15.8 million person-days in civil works provided, and (vi) increased social capital at village level.

1.2 Outputs of the Project

The Project outputs include (i) improved rural roads; (ii) developed and improved community-based supplementary rural infrastructure; (iii) enhanced equity, employment, and income opportunities for the poor and disadvantaged;¹ (iv) strengthened institutional capacity of Ministry of Local Development (MLD), Department of Local Infrastructure Development and Agricultural Roads (DoLIDAR), district development committees (DDCs), and communities; and (v) improved project management.

1.3 Project Components

1.3.1 Rural Roads

The Project will improve and upgrade approximately 859 kilometers of rural roads in 20 non-DRILP districts included in the District Transport Master Plans (DTMP). The civil works will be for continuous roads only (not partial sections) that connect rural population to market centers, towns, and the higher road network. Qualifying civil works include: (i) reconstruction of damaged rural roads due to conflict; (ii) rehabilitation and preservation of rural roads which fell into disrepair during conflict, and (iii) rural roads which were planned but could not be completed due to conflict. The road construction will include an estimated 1,319 meters bridges (a total of about 42 bridges). The roads will be built to DOLIDAR standards, adopting LEP approach to the extent possible. To the extent possible, building groups (BGs) will undertake most subproject works. Only in cases where the road works are more technical and complex (i.e. bridge construction, structures, drainage works and road pavement works) contractors be engaged in the consent of District Coordination Committee and Village Infrastructure Coordination Committee. The Project will also support DDCs to implement Operation and Maintenance (O & M) plan as per the district's O & M strategy. Based on the DOLIDAR's O & M guideline, each participating districts should prepare and adopt O & M plan.

1.3.2 Supplementary Infrastructure

This component will complement the rural road improvement by constructing and rehabilitating 485 community, demand-driven supplementary infrastructure such as social and market facilities, school infrastructure, micro-irrigation, link trails, trail bridges,² and 390 rural water supply and sanitation (WSS).³ The investments will typically generate additional linkages and benefits in proximity to the rural road subprojects. Supplementary infrastructure will be implemented using LEP approach. O & M of supplementary infrastructure varies with the capture of benefits. In a typical WSS subproject, O & M costs will be borne fully by the users committee with an O & M fund established with up-front community contribution and water tariff to meet regular O & M costs of the built WSS scheme.

¹ For the purpose of the Project, disadvantaged groups are, as commonly understood, socially excluded castes (Dalits), ethnic groups, Madhesi middle caste group, minority Muslims, poor female headed households, and the isolated population from remote areas.

² SDC, through an existing presence and capacity in the trail bridge subsector, will provide technical assistance, bull dog grips and cables to support this initiative under RRRSDP.

³ Unlike the other supplementary infrastructure, WSS schemes are not tied to the proximity of the rural roads. A typical scheme will consist of an intake structure at an existing natural water source (such as a spring or a stream), a transmission pipeline, and a distribution network, with each supply point serving a group of 5 to 10 rural households.

1.3.3 Community Empowerment

In line with government policies toward inclusion, the Project will strengthen the capacities of communities, beneficiary participation, and social cohesion to integrate the poor and disadvantaged into the mainstream of development activities. This goal will be achieved through activities that (i) raise awareness of the Project and opportunities (employment, training and access to subprojects) among all social groups; (ii) organize and train BGs for construction, using and building on existing socially mobilized groups; (iii) assist communities in identification of supplementary infrastructure and preparing proposals; (iv) facilitate beneficiary participation in implementing and maintaining subprojects through pro-poor delivery mechanisms including public hearing and annual social auditing; and (v) ensure capacity in maintenance of supplementary infrastructure. The Project will target minorities and the disadvantaged for proportional representation in BGs, and promote female membership of at least 50% and women as BG leaders. Further, through this component the Project will ensure that members of building groups receive full wages within 30 days of completed works, they are all insured and both men and women receive equal wage for work of equal value. In addition to rural infrastructure activities, the Project will support demand-driven skills training by the social development officer, social mobilizers/facilitators in District Implementation Support Team (DIST)⁴ who will identify the group-specific training needs first. The training will cover areas such as agriculture and livestock, forestry and soil conservation, micro-enterprise and skills development, and social (health and literacy) awareness and legal rights.

1.3.4 Institutional Capacity Development

The assessment of capacity both at the central and DDC level, as well as experience from other rural infrastructure projects, has shown that institutional capacity needs strengthening. Therefore, in order to enhance existing technical and administrative capabilities at MLD, DOLIDAR and at districts, this component specifically targets building institutional capacities and will support following subcomponents.

a) Strengthening Implementation and O&M

This subcomponent will support (i) implementation of the Institutional Strengthening Action Plan, which is a long-term road map (supported by the donors working in rural infrastructure) for building capacity in MLD, DOLIDAR, and DDCs; (ii) update and disseminate DRILP manuals and procedures in coordination with DRILP project; (iii) supply laboratory testing equipments to districts, and district staff will be trained on the use and application of lab testing for rural roads as quality control and O&M are keys to maximizing the life of rural infrastructure investments; and (iv) workshops for the districts on strengthening O&M procedures and programs will be provided at the local level.

b) Enhancing Fiduciary Management and Social Safeguard Compliance

This subcomponent will (i) update DRILP procedures manuals for procurement, resettlement and environment in both English and Nepali; (ii) develop and deliver a related training program through central and regional workshops; (iii) provide individual support in these areas to districts on a need basis; and (iv).provide financial management support to develop an accounting manual, in both English and Nepali, and to develop and deliver a related training program in conjunction with procurement matters to facilitate accounting procedures and internal controls across districts

⁴ DIST includes engineering, safeguard, and social mobilization staff, of which a minimum of 33% should be women.

c) Donor Harmonization

The Project will provide consulting services of nine person months from an International Individual Consultant to the Government to develop an integrated framework to harmonize donor aid and move rural development towards a program-based approach/SWAp, and interim measures to coordinate donor projects. This will be done within the project period.

1.3.5 Project Management Services

A project coordination unit (PCU) has been established in DOLIDAR,⁵ and a district project office (DPO)⁶ will be established in each of the twenty core project districts. The Project will work with the existing DPOs in the 18 DRILP districts and supplement each DRILP DPO with one water supply engineer, a junior engineer, and a sub-overseer to implement rural water supply and sanitation subprojects. PCU, assisted by Central Implementation Support Consultants (CISC) will provide coordination and guidance for all facets of Project implementation, including engineering, safeguards (environment, social, and resettlement), financial management, and procurement. DPO, assisted by DIST will (a) prepare annual work programs; (b) finalize detailed subproject designs; (c) ensure all safeguard measures are complied with; (d) supervise all construction activities; (e) organize community level training; and (f) arrange procurement. Both PCU and DPOs will be supplied with computers, equipment, and vehicles to support project supervision, management, technology, and quality control. *It is recommended that the PCU is active in monitoring district activities, makes field visit every month and submits report.*

1.4 Project Implementation Arrangements

1.4.1 Project Coordination Unit (PCU)

Project Coordination Unit (PCU) has been established in DoLIDAR. The PCU at all times during Project implementation will be headed by a full-time Project Coordinator of class one officer. The PCU will include at least the following full-time staff: two senior divisional engineers, five engineers, one environmental engineer, one senior resettlement officer, one sociologist, one account officer, two accountants, one computer operator and sufficient support staff. The PCU staff will be supported by Central Implementation Support Consultant (CISC) team of whom the expertise and duration of assignment will be as agreed between MLD and ADB. The Project Coordinator will report to the Secretary of the MLD through the Director General of DOLIDAR.

1.4.2 Role of PCU for Procurement

PCU will coordinate DDC/DPO for all project activities actively including procurement. PCU will provide guidance to DDC/DPO for procurement procedures with support from Procurement Specialist (Individual Consultant) and CISC at central level. PCU will also arrange for getting concurrence and prior approval promptly from ADB for all procurement related matters.

⁵ PCU will have one project coordinator, two senior divisional engineers, five engineers, one sociologist, one environmental engineer, one resettlement officer, one senior accountant, two accountants, one computer operator, one assistant, two administrative assistants, four drivers, and three messengers.

⁶ Headed by the DTO chief, DPO will have one rural infrastructure engineer, one sub-engineer, two assistant sub-engineers, one accountant, one administrative staff, one computer operator, one driver, and two messengers.

1.4.3 Project Implementing Agencies:

The implementing agency is Department of Local Infrastructure Development and Agricultural Roads (DoLIDAR) at Central level and the DDCs will be the Project Implementing Agencies at the district level. The DTO/DPO of each respective DDC shall be responsible for technical and Project management matters. Each DDC shall establish and chair a District Project Coordination Committee to (i) coordinate with all relevant line agencies; (ii) issue District policy guidelines; (iii) resolve District implementation issues; and (iv) hear complaints against the Project, if any.

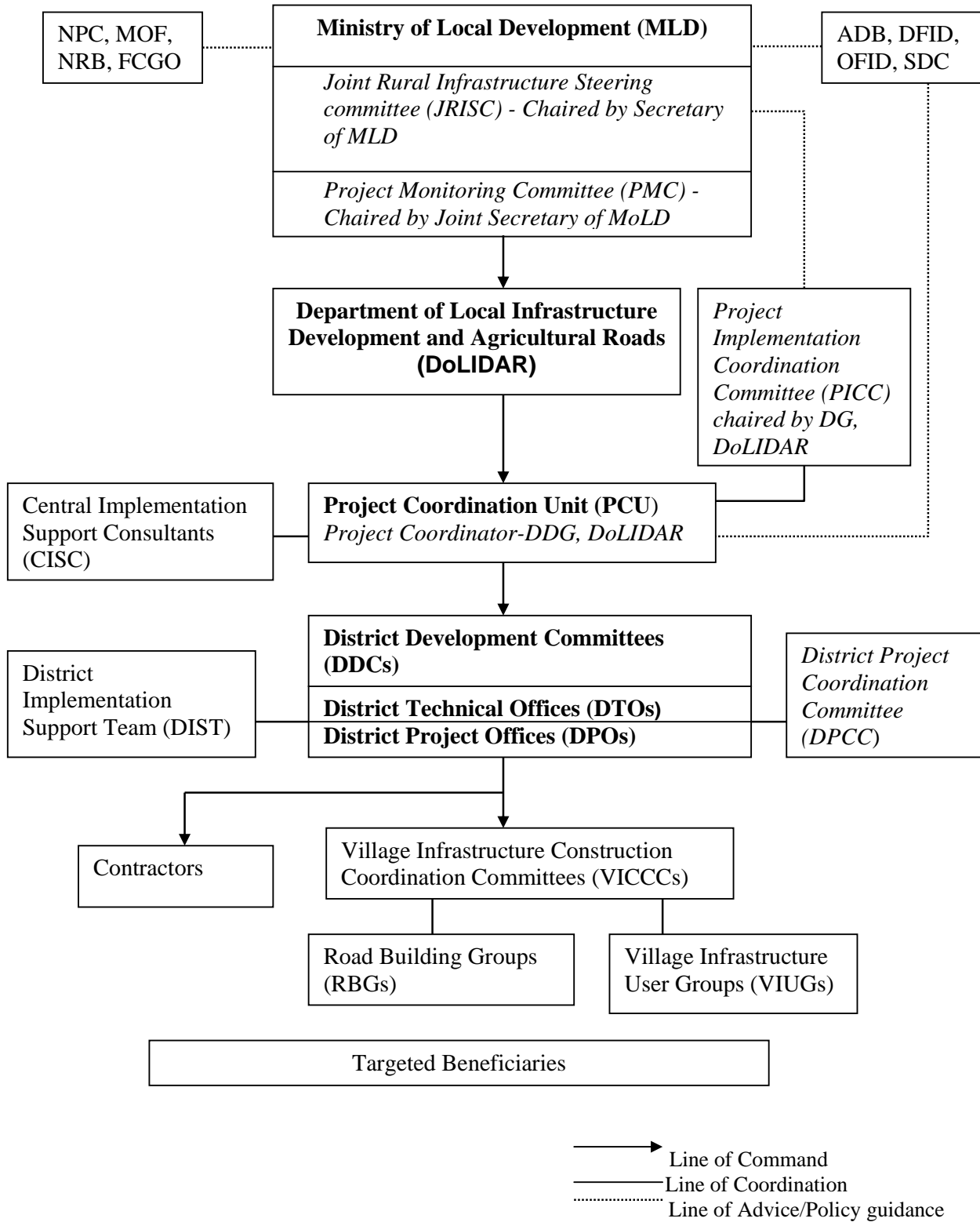
1.4.4 District Project Office (DPO):

All DDCs have established DPO which is yet to be fully staffed. The head of the district technical office (DTO) of each participating DDC is also a head of DPO in the District. In addition, each DPO will comprise the following full-time DTO staff: one rural infrastructure engineer, one sub-engineer, two assistant sub-engineers, one accountant, one administrative staff, one computer operator, and sufficient support staff. The DPO will be supported by the District Implementation Support Team (DIST), which will be engaged as a firm and will include engineering, safeguards, and social mobilization staff. DOLIDAR will ensure that DISTs engage equally qualified local engineers and other staff on a priority basis, provided such engineers and local staff are equally qualified as candidates from outside the District. DDC/DPO is responsible for Project Management from sub-project selection phase to project implementation. DPO shall prepare the **annual procurement plan** with the support from DIST and submit it to PCU.

1.4.5 Village Level Implementation:

At the village level, Village Infrastructure Construction Coordination Committees (VICCCs) will be constituted in each VDC where sub-projects will be implemented. VICCC will be formed prior to the commencement of any Project activities and will include representatives of political parties, non-government organizations active in the VDC area, women, dalits and other disadvantaged groups. All efforts must be made to ensure participation of 33% women as well as a due representation of various ethnic groups and castes in VICCC.

Figure 1.1: Organization Chart of RRRSDP



CHAPTER TWO - PROCUREMENT

2. Introduction

2.1 What is procurement?

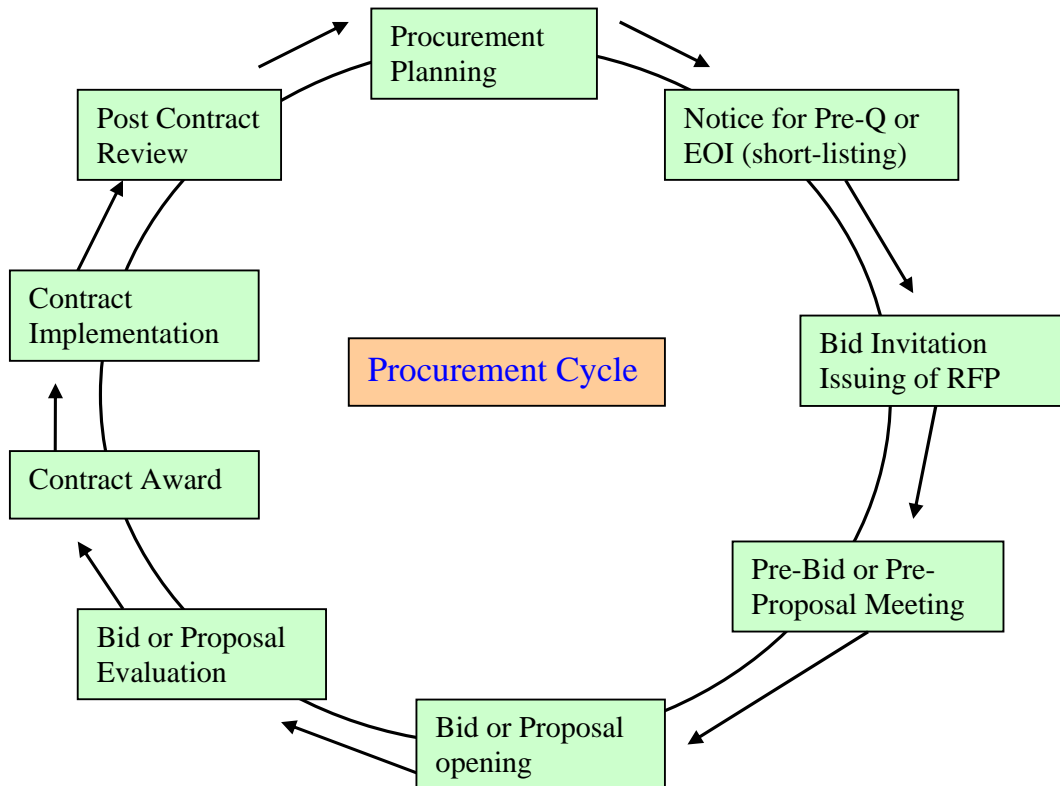
Procurement is the acquisition of goods and/or services at the best possible **total cost of ownership**, in the right quantity and quality, at the right time, in the right place for the direct benefit or use of governments, corporations, or individuals, generally via a contract. Simple procurement may involve nothing more than repeat purchasing. Complex procurement could involve finding long term partners even 'co-destiny' suppliers that might fundamentally commit one organization to another.

2.2 Procurement steps in general:

Procurement life cycle in modern businesses usually consists of six steps broadly:

- **Information Gathering:** If the potential customer does not already have an established relationship with sales/ marketing functions of suppliers of needed products and services (P/S), it is necessary to search for suppliers **who can satisfy the requirements**.
- **Supplier / Service provider Contact:** When one or more suitable suppliers or service providers have been identified, [Requests for Quotation](#) (RFQ), [Request for Expression of Interest](#) (EOI), [Requests for Proposals](#) (RFP), [Requests for Information](#) (RFI) or [Requests for Tender](#) (RFT) may be advertised, or direct contact may be made with the suppliers.
- **Background Review/Evaluation:** References for product/service quality are consulted, and any requirements for follow-up services including installation, maintenance, and [warranty](#) are investigated. Samples of the P/S being considered may be examined or trials undertaken.
- **Negotiation and Contract:** [Negotiations](#) are undertaken, and price, availability, and customization possibilities are established. Delivery schedules are negotiated, and a contract to acquire the P/S is completed.
- **Fulfillment:** Supplier preparation, execution of services, shipment, delivery, and payment for the P/S are completed, based on contract terms. Installation and training may also be included.
- **Warranty / Defect Liability Period (Consumption, Maintenance and Disposal):** During this phase the company evaluates the performance of the P/S and any accompanying service support, as they are consumed. Any defects found in P/S are corrected / remedied the defects by P/S provider.

2.3 Procurement Cycle



2.4 Procurement Plan

Procurement Plan for procurement of services, goods and works needs to be prepared before starting any procurement activities. It should be prepared based on the available budget, type & methods of procurement, time required for the selected method etc. It needs to be prepared for the overall project and for each year (yearly procurement plan).

2.5 Types of Procurement

There are mainly three types of procurement:

2.5.1 Procurement of Goods such as equipments (computers, copiers, etc.), vehicles, motorcycles, construction materials etc.

2.5.2 Procurement of Works such as construction of roads, construction of bridges etc.

2.5.3 Procurement of Services such as recruiting of consultants, DIST.

2.6 Procurement Methods (Goods and Works)

There are mainly three and four types of procurement methods commonly used for goods and works respectively:

2.6.1 International Competitive Bidding (ICB)

Work volume >1,000,000 US \$ (NRs 6,30,00,000)

Normally the Employer and the Donor Agency jointly decide which works of the project has to be under ICB and which has to be under national or local competitive bidding (NCB/LCB) depending upon on the size and complexity of the works and the capacity of the domestic contractors. When the Work is more complex nature or needs higher level of technology & resources and of bigger size then ICB method is used. Under ICB, prospective bidders from eligible countries shall be given timely and adequate notification of a project's requirements and equal opportunity to bid for the required works. It is in Nepal's economic interests to encourage joint ventures (JVs) between international and domestic contractors and the bidding procedures provide a domestic preference for international-Nepali JVs. In RRRSDP, ICB method is to be used only for procuring the vehicles. There is no provision for procuring the Works by ICB method and NCB & Community participation methods will be used for Works.

2.6.2 Limited International Bidding

LIB is international competitive bidding by direct invitation without open advertisement. This method of procurement may be appropriate in cases where:

- There are only a few well known contractors/suppliers, e.g. for complex industrial plants or highly specialized equipment or works.
- Small quantities are involved, e.g. procurement and installation of special items such as telecommunication facilities and airfield lighting.
- Other exceptional reasons, e.g. emergency actions required in a major natural disaster which justify waiving the advertisement for competitive bids.

2.6.3 National Competitive Bidding (NCB)

Work volume >100,000 and <= 1,000,000 US \$ (>63,00,000 and <= 6,30,00,000 NRs)

NCB procedures used by the PCU/DPO under the laws and regulations of the recipient DMC must provide adequate competition to ensure reasonable prices and must not conflict with the basic principles underlying ADB's *Procurement Guidelines*. Evaluation of bids and contract awards must be fair, and evaluation criteria must be made known to all bidders. In this project, for bridge construction, drainage works, road pavement, high retaining walls, hard rock cutting etc., civil work contracts will be required and procured by DDC/DPO on the basis of national competitive bidding in accordance with the Government's procurement procedures and ADB's *Procurement Guidelines*.

2.6.4 Shopping

Work volume <= 100,000 US \$ (NRs 63,00,000) (quotation) (GoN's sealing for quotation is NRs 10,00,000)

Shopping is a simplified procedure used for procuring readily available **off-the-shelf goods** or standard specification commodities of small value, or simple civil works of small value. This is based on comparing price quotations obtained from several suppliers (in the case of goods) or from several contractors (in the case of civil works), with a minimum of three, to assure competitive prices.

2.6.5 Community participation

Work volume <=30,000 US \$ (NRs 18,90,000)

This fourth method of procurement is used only for Works which will be used in this project in accordance with ADB's *Procurement Guidelines* (February 2007).

This mode is used for executing small labour-intensive works where the objective is to:

- Provide employment and income directly to persons living in the project area.
- Increase the utilisation of local know-how, appropriate technologies and materials
- Hand over the completed works for operation and maintenance directly by persons living in the project area.

Table 2.1: Procurement Thresholds for Goods & Related Services, Works and Supply

Procurement Method	Threshold (US\$)
Goods	
International Competitive Bidding (ICB)	>1,000,000
National Competitive Bidding (NCB)	>100,000 and <= 1,000,000 Usage subject to the provisions of NCB annex
Shopping	<= 100,000
Works	
ICB	>1,000,000
NCB	>100,000 and <= 1,000,000 Usage subject to the provisions of NCB annex
Shopping	>30,000 and <=100,000
Community participation	<=30,000, in accordance with <i>Procurement Guidelines</i> (2007) para. 3.17, and PAI 3.05H and PAI 5.12

2.7 Main Procurement Methods in RRRSDP

2.7.1 National Competitive Bidding (NCB)

In this project, for bridge construction, drainage works, road pavement, high retaining walls, hard rock cutting etc., civil work contracts will be required and procured by DDC/DPO on the basis of national competitive bidding in accordance with the Government's procurement procedures and ADB's *Procurement Guidelines*.

a) Treatment of Foreign Bidders under NCB

Contractors from all member countries are entitled to apply for prequalification or to bid for contracts under NCB. ADB requires the borrowing DMC to permit participation, but foreign bidders must adhere to local procedures acceptable to ADB, including using the local language and paying in local currency, if required by the bidding documents.

b) Prequalification

Prequalification is discouraged for contracts bid following NCB. Where used, an individual prequalification exercise is acceptable for each contract as is the use of a registration system (or approved standing list) of contractors based on criteria such as experience, financial capacity, and technical capacity.

c) Bidding

Bids can be made in the local language, restricted to local banks for bid and performance security (where used), and limited to local currency for bidding and payment. Specifications are to be unambiguous; international standards are not required. A copy of the bidding documents must be made available in English to ADB for review. The use of standard bidding documents is encouraged. Once ADB accepts the documents they must be used for all subsequent ADB-funded NCB.

Other features:

- Public bid opening and recording of bids is mandatory.
- Bracketing and lottery systems are not acceptable to ADB, nor are publishing the detailed estimated values of the contracts.
- The use of multiple-delivery places for bids and bid opening is unacceptable.
- Bids should not be invited on the basis of a percentage premium or discount over the estimated cost.
- Bids should not be rejected only on the basis of a comparison with the PCU/DPO's estimate.
- Extension of bid validity may be sought only under exceptional circumstances.
- Factors, evaluation methodology, and evaluation criteria must be explicitly stated in bidding documents and applied consistently, and the contract award must be to the bidder who submitted the *lowest evaluated substantially responsive bid*.
- Price negotiations with bidders before signing contract is not acceptable, except when all bids received are substantially higher than the estimate and ADB gives prior approval to negotiate with the bidder who submitted the lowest evaluated substantially responsive bid for a price reduction, before resorting to re-bidding.
- When foreign bidders participate, comparison will be on the delivered price including import duties and taxes.

2.7.2 Shopping

Some key features of Shopping are as follows:

- The PCU/DPO issues written invitations to bid to at least three bidders. Requests for quotations shall indicate the description and quantity of the goods or specifications of works, the terms and conditions of procurement as well as desired delivery (or completion) time and place (quotations may be solicited from authorized local agents of foreign manufacturers).
- Quotations may be submitted by letter, facsimile or by electronic means.
- The evaluation of quotations shall follow the same principles as of open bidding.
- The terms of the accepted offer shall be incorporated in a purchase order or brief contract.

2.7.3 Community participation

The borrower shall ensure to use community participation in procurement for all small and widely dispersed Civil Works. Normally local procurement procedures and guidelines should be followed for community participation, and these procedures are not in contravention of ADB's *Guidelines for Procurement* and are **transparent** and **fair**. The Village Infrastructure Construction Coordination Committee (VICCC) will normally be responsible for procurement. To the extent possible, the VICCC should purchase the construction materials such as cement, steel, stone aggregate, sand and tools in bulk through purchase procedures by inviting at least

three quotations, preferably from local suppliers. Labor component of the subprojects can be extended by the members of the community, provided adequate expertise exists, who should be reimbursed adequately for the services rendered. It should be ensured that children are not employed for the subprojects.

In case the VICCC cannot identify adequate skilled labor within the community, the work can be let out by inviting quotations from three local contractors. To the extent possible, members of the local community should be employed by the contractors as labor. The contract should be in the local language and simple, adequately addressing the main issues such as scope of work, date of start, completion period, payment terms, progress and quality review, direct-liability period, responsibilities of the VICCC and contractor, including review, inspection, payment procedures and contract termination.

CHAPTER THREE – PROCUREMENT OF SERVICES

3.1 Consultant Selection Methods

As per ADB guidelines, there are mainly six types of Consultant selection methods:

3.1.1 Quality- and Cost-Based Selection (QCBS)

QCBS is based on the quality of the technical proposal and the cost of the services to be provided. Since under QCBS the cost of the proposed services is a factor in the selection, this method is appropriate when, (i) the scope of work can be precisely defined, (ii) the TOR are well specified and clear, and (iii) ADB or the borrower and the consultants can estimate with reasonable precision the personnel time as well as the other inputs required of the consultants.

3.1.2 Quality-Based Selection (QBS)

Quality-based selection (QBS) is a method based on evaluating only the quality of the technical proposals and the subsequent negotiation of the financial proposal and the contract with the consultant who submitted the highest ranked technical proposal. QBS is appropriate when (i) assignments are complex or highly specialised making it difficult to define precise TOR and the required input from the consultants, (ii) assignments where the downstream impact is so large that the quality of the services is of overriding importance for the outcome of the project, and (iii) assignments that can be carried out in substantially different ways such that financial proposals may be difficult to compare.

3.1.3 Fixed Budget Selection (FBS)

Fixed budget selection (FBS) is appropriate only when (i) the TOR are precisely defined, (ii) the time and personnel inputs can be accurately assessed, and (iii) the budget is fixed and cannot be exceeded. To reduce the financial risk for consultants and avoid receiving unacceptable technical proposals or no proposals at all, this method can only be used for well-defined TA projects or projects where it is expected there will be no changes during implementation.

3.1.4 Least-Cost Selection (LCS)

Least-cost selection is only appropriate for selecting consultants for very small assignments, generally less than \$100,000, of a standard or routine nature (audits, engineering design/supervision of simple projects, and simple surveys) where well-established practices and standards exist. Shortlists for LCS will normally comprise three firms with a reasonable geographic spread. The RFP shall define the “minimum” qualifying mark for the “quality” as 750 points out of a possible 1,000 points, and request the firms to submit at the same time technical and financial proposals in separate envelopes. Technical proposals will be opened first and evaluated. Those securing less than the minimum qualifying mark will be rejected, and the financial proposals of the rest will be opened in public. The firm with the lowest price shall then be selected and invited to finalize the contract.

3.1.5 Consultants’ Qualifications Selection (CQS)

This method may be used for small assignments where (i) highly specialized expertise is required for the assignment and recruitment of “boutique” consulting firms that provide depth of expertise in specific areas is contemplated; (ii) recruitment time is critical and the assignment is, typically,

short-term; (iii) few consultants are qualified; and (iv) the preparation and evaluation of competitive proposals is not justified. The borrower or ADB shall (i) prepare the TOR, (ii) request amplified EOIs and information on the consultants' experience and competence relevant to the assignment, (iii) establish a shortlist of at least three firms, and (iv) select the firm with the most appropriate qualifications and references based on the EOIs. The selected firm shall be asked to submit a combined technical-financial proposal and then be invited to negotiate the contract. Should negotiations fail, the borrower or ADB shall start negotiations with the next ranked firm until an agreement is reached.

3.1.6 Single Source Selection (SSS)

Single-source selection (SSS) of consultants does not provide the benefits of competition in regard to quality and cost, lacks transparency in selection, and could encourage unacceptable practices. Therefore, single-source selection shall be used only in exceptional cases. The justification for SSS shall be examined in the context of the overall interests of the client and the project, and ADB's responsibility to ensure economy and efficiency and provide equal opportunity to all qualified consultants.

3.2 Individual Consultant Selection

For some assignments, individual consultants are more appropriate and cost-effective than firms. Individual consultants may be recruited directly (independent individual) or through an organization, such as a consulting firm, an academic institution, a government, or an international agency by a borrower or ADB. The procedures for selection are simpler than those for selecting international and national consulting firms. Individual consultants are recruited on the basis of their qualifications for the assignment. When the borrower recruits individual international and national consultants for loan projects, agreements are reached as early as possible and in any case before loan negotiations on (i) the type of consultant best suited for the assignment, (ii) the applicable procedure. Typically, the borrower will recruit them in accordance with government procedures acceptable to ADB.

Table.3.1: Procurement Thresholds for Consulting Services

Procurement Method	Threshold (US\$)
Quality and Cost Based Selection (QCBS)	>200,000
Consultants Qualifications Selection (CQS)	</=200,000
Least Cost Selection (LCS)	</=100,000
Single Source Selection (SSS)	Applied in accordance with Para. 2.29-2.31, <i>Guidelines on the Use of Consultants</i> (2007)
Individual Consultant Selection (ICS)	Applied in accordance with Para. 2.34, <i>Guidelines on the Use of Consultants</i> (2007)

Quality and Cost Based Selection (QCBS), Consultants Qualifications Selection (CQS) and Individual Consultant Selection (ICS) are main methods to be used in RRRSDP. The stepwise procedures to be followed for these methods are described in the following sections.

3.3 Types of Technical Proposal

Based on the complexity and budget of the consulting assignment, the consulting firms will be requested to submit one of the following three types of technical proposals.

3.3.1 Full Technical Proposal (FTP)

FTPs are the most detailed technical proposal format and are commonly used for complex assignments. The FTP is the default type of proposal for contract budgets exceeding \$1 million. Forty-five (45) days are allowed for the preparation and submission of the proposal.

3.3.2 Simplified Technical Proposal (STP)

STPs are the default type of proposal format when the contract budget is more than \$500,000 and equal to or less than \$1,000,000. The STP may also be used on a case-by-case basis when the budget is over \$1,000,000. Thirty five (35) days are allowed for the preparation and submission of the proposal.

3.3.3 Bio-data Technical Proposal (BTP)

BTPs are the default type of proposal when the contract budget amount is \$500,000 or less, and when consulting firms are directly selected. Twenty one (21) days are allowed for the preparation and submission of the proposal.

3.4 Quality and Cost Based Selection (QCBS) method

3.4.1 Notification of Expression of Interest (EOI)

After preparing EOI documents (guidelines, formats, short-listing criteria etc) EOI has to be published for 30 days in national, local papers, DOLIDAR's website as well as ADB's Business opportunities. The standard format approved by ADB is to be used.

3.4.2 Preparation of documents for Request for Proposal (RFP) and Evaluation of EOI

- Evaluation of EOI (by PCU) based on already approved short-listing criteria
- Short-listing of Consultants at least six firms
- Short-listed firms asked for submitting Full Technical and Financial Proposals in separate envelope.
- Preparation of evaluation criteria
- Preparation of RFP
- The RFP includes the following documents which can be down loaded from ADB's web site: www.adb.org/Consulting/documents.asp.

Section 1 - Letter of Invitation

Section 2 - **Instructions to Consultants** (including Data Sheet)

Section 3 - Technical Proposal - Standard Forms

Section 4 - Financial Proposal - Standard Forms

Section 5 - Terms of Reference

Section 6 - Standard Forms of Contract (Form of Contract, **The General Conditions of Contract**, The Special Conditions of Contract)

Section 7 - List of ADB Member Countries

Instruction to Consultants and *The General Conditions of Contract* shall be used without modifications. Required modifications can be made in Data Sheet and Special Conditions of Contract with respect to the respective Clauses of Instructions to Consultants and The General Conditions of Contract respectively.

3.4.3 Invitation for Technical and Financial Proposals

The invitation to submit technical and financial proposals (the Request for Proposals or RFP) and all related documents shall be approved by the Bank before they are issued. For this purpose, three copies of the draft RFP, the names of short-listed consultants, the evaluation report of short-listing, the proposed criteria for evaluation of proposals, a draft consultancy contract, and other related documents shall be submitted to ADB. A period of at least 45 days shall be allowed for submission of both proposals. A copy of the RFP to be issued, together with all related documents, shall be furnished to ADB for the concurrence. The validity period for the technical and financial proposals shall be as provided in the RFP. The approval of ADB shall be obtained for any request to extend the validity period. If the contract is not signed within the validity period in accordance with the *ADB's Guidelines on the Use of Consultants*, the selection shall be invalid and the selection and engagement process as provided in this paragraph shall be followed again.

3.4.4 Evaluation and scoring of Technical Proposals

Immediately after the technical proposals have been evaluated and scored, approval of the ADB shall be obtained to the evaluation and scoring of the technical proposals. For this purpose, the ADB shall be furnished with one copy of the technical proposals.

3.4.5 Public opening of Financial Proposals

The financial proposals of the firms whose technical proposals meet the minimum qualifying technical score (750 out of 1000) shall be opened publicly after adequate notice is given to such firms or their representatives to attend the opening of the financial proposals.

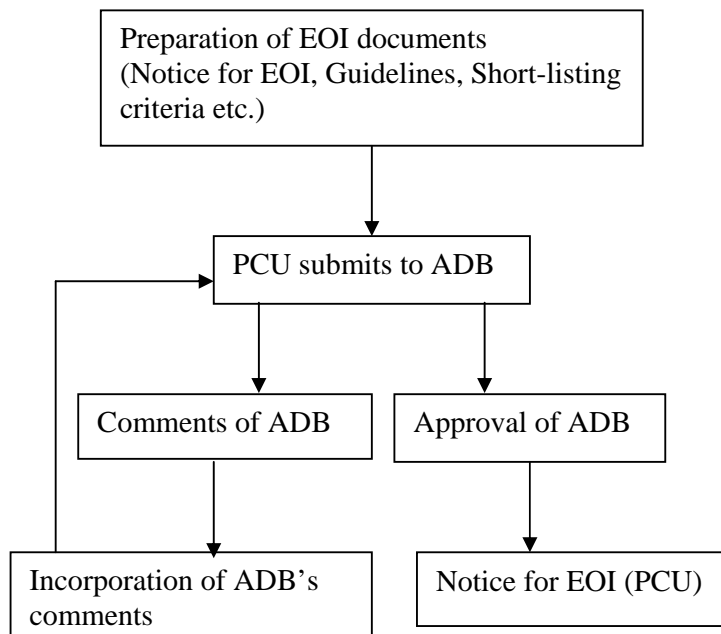
3.4.6 Evaluation and scoring of Financial Proposals and ranking of Technical and Financial Proposals

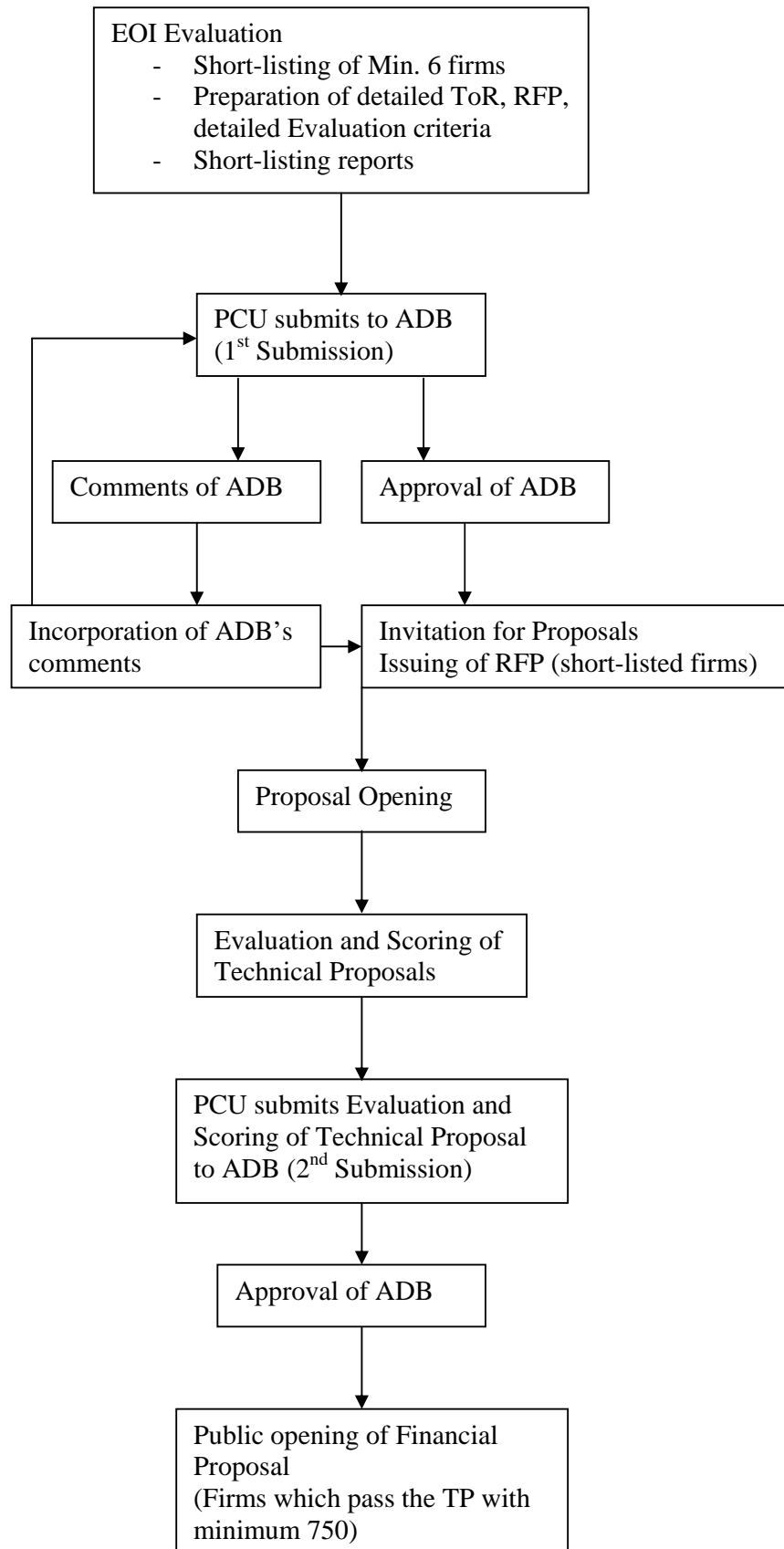
After the financial proposals have been evaluated and scored, the ranking of the technical and financial proposals shall be made, before negotiations are started with the first-ranked consultants, approval of the Bank shall be obtained to the evaluation and scoring of the financial proposals and the ranking of the technical and financial proposals. For this purpose, ADB shall be provided with three copies of (i) the evaluation and scoring of the financial proposals and (ii) the ranking of the technical and financial proposals.

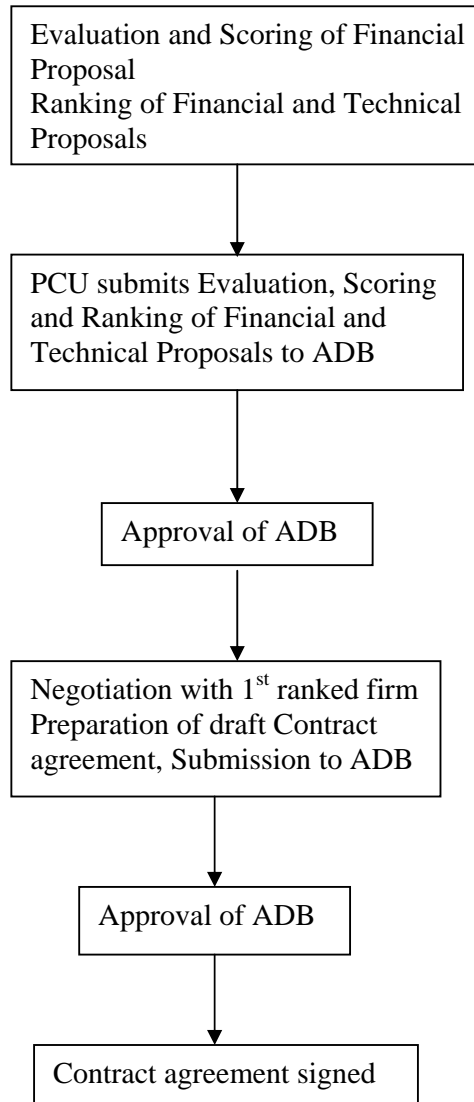
3.4.7 Execution of the Contract

After the conclusion of negotiations but before the signing of the contract, ADB shall be furnished with the contract as negotiated for approval. Promptly after the contract is signed, ADB shall be furnished with three copies of the signed contract. If any substantial amendment of the contract is proposed after its execution, the proposed changes shall be submitted to ADB for prior approval.

3.5 Procurement Steps for Services: QCBS method (Work Flow Chart)







3.6 Consultants' Qualifications Selection (CQS) method

3.6.1 Preparation of documents for Expression of Interest

- i. Terms of Reference (ToR) preparation (detail for firm and for professional experts / personnel)
- ii. Preparation of Guidelines for detail and amplified EOI based on ToR and ADB Guidelines (refer annex for format for CQS)

Guidelines / formats shall be prepared to get the following information of the firms:

- Background / firm's resources
- Technical and managerial professional staffs (short CV)
- Management competence (Quality control system, standard policy and procedures etc)
- Technical competence (Resources, Relevant experience, Methodology to be used, Work program etc)
- Financial competence (Turn over for last 5 years and Working capital / credit facilities)
- Geographical competence

iii. Preparation of short-listing criteria based on ToR and Guidelines

EOI invitation notice shall be prepared mentioning scope of services in brief, required professional staffs, tentative start & completion dates of the service and disclosing the method of selection.

3.6.2 Preparation of Terms of Reference (ToR)

Terms of Reference (ToR) shall be prepared based on the followings:

- Project background
- Objectives of the Consulting Services
- Scope of the Consulting Services
- Detailed Tasks to be performed by the Consulting firm
- Personnel Requirements (Qualifications) and their detail Tasks
- Reporting Requirements
- Logistics support to be provided by the Client
- Input Time/period
- Tentative Commencing and Completion date of the assignment
- Taxation requirement

3.6.3 Preparation of documents for Request for Proposal and Evaluation of EOI

- Evaluation of EOI (by DDC/DPO) based on already approved short-listing criteria
- Short-listing of Consultants at least three firms
- First ranked firm asked for submitting combined Technical and Financial Proposals
- Preparation of evaluation criteria
- Preparation of RFP
- The RFP includes the following documents which can be down loaded from ADB's web site: www.adb.org/Consulting/documents.asp.

Section 1 - Letter of Invitation

Section 2 - **Instructions to Consultants** (including Data Sheet)

Section 3 - Technical Proposal - Standard Forms

Section 4 - Financial Proposal - Standard Forms

Section 5 - Terms of Reference

Section 6 - Standard Forms of Contract (Form of Contract, **The General Conditions of Contract**, The Special Conditions of Contract, For CQS method - Small Assignments/Time-Based)

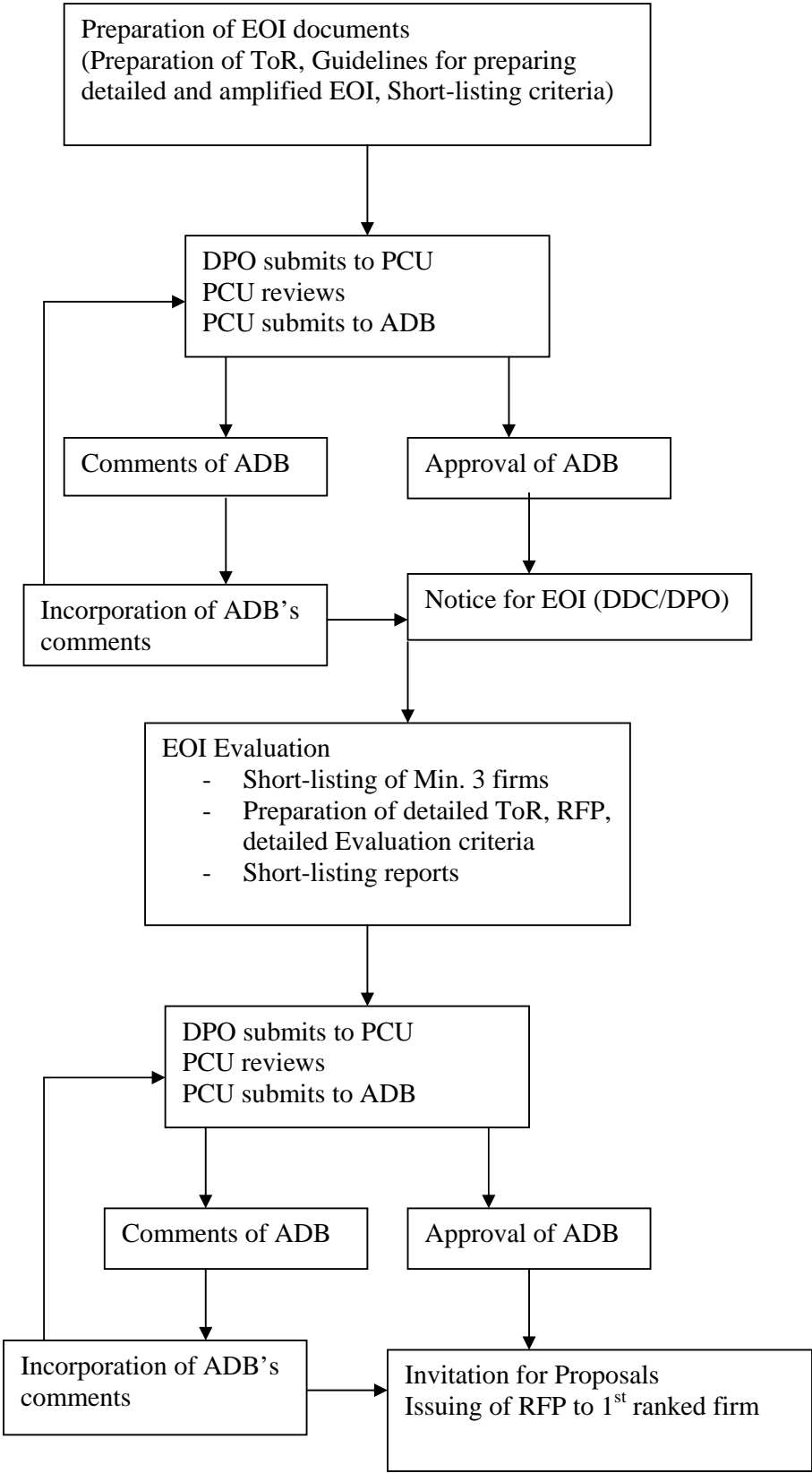
Section 7 - List of ADB Member Countries

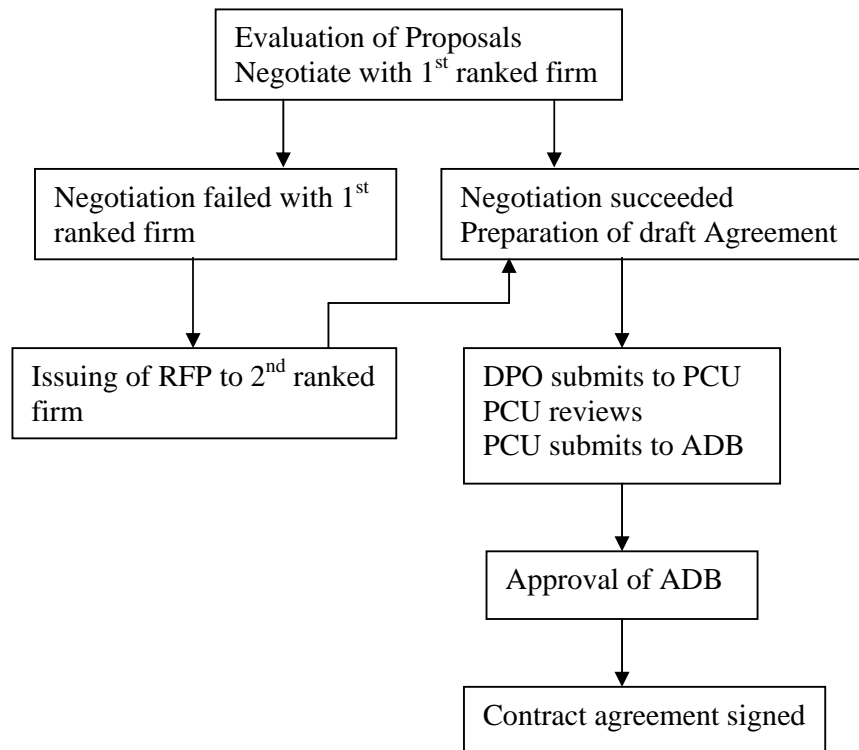
Instruction to Consultants and *The General Conditions of Contract* shall be used without modifications. Required modifications can be made in Data Sheet and Special Conditions of Contract with respect to the respective Clauses of Instructions to Consultants and The General Conditions of Contract respectively.

3.6.4 Evaluation of Proposals

- If technical proposal of 1st ranked firm is ok as assessed in EOI, then negotiate with 1st ranked firm
- If negotiation is failed, asked 2nd ranked firm to submit combined proposal
- Evaluate and negotiate with it
- If succeeded forward the documents to PCU

3.7 Procurement Steps for Services: CQS method (Work Flow Chart)





3.8 Individual Consultants Selection

Individual consultants may be engaged directly or through an organization, such as a consulting firm, an academic institution, a government, or international agency. PCU/DPO recruiting individual consultants for ADB-financed projects must follow ADB's requirements and the following procedures:

- a) After finalizing the TOR and short-listing/evaluation criteria, these EOI documents shall be sent to ADB for concurrence. Then EOI is to be published.
- b) Then a list of at least 3 qualified candidates is to be short-listed.
- c) Then ranking of the candidates need to be done and their names and qualifications should be submitted to ADB for approval, together with the draft contract that will be used for the negotiation.
- d) ADB approves (i) shortlist and evaluation criteria, (ii) evaluation report and ranking, and (iii) draft contract.
- e) Then negotiation with the first-ranked candidate is to be done. If the negotiations fail, the PCU obtain ADB's approval to negotiate in turn with the next-ranked candidate until agreement is reached. The PCU then sends a copy of the draft negotiated contract to ADB for approval.
- f) After ADB approves the draft negotiated contract, the PCU concludes the negotiations, signs the contract, and submits 3 copies to ADB for its records.

CHAPTER FOUR – PROCUREMENT OF GOODS AND WORKS

4. Procurement of Goods and Works

4.1 Bidding Procedures

ADB has adopted four bidding procedures from which the Purchaser may select one to suit the nature of the particular procurement. The bidding procedures are:

- (a) **Single-Stage: One-Envelope**
- (b) **Single-Stage: Two-Envelope**
- (c) **Two-Stage: Two-Envelope**
- (d) **Two-Stage**

The Single-Stage: One-Envelope bidding procedure is the main bidding procedure used for most of the procurement financed by the ADB. The Single-Stage: Two-Envelope bidding procedure allows bids to be evaluated on purely technical and administrative grounds without reference to price. The Two-Stage: Two-Envelope bidding procedure should be used for procurement where alternative technical proposals are possible, such as certain types of machinery or equipment or manufacturing plant. The Two-Stage bidding procedure may be adopted in large and complex contracts where technically unequal proposals are likely to be encountered or where the Purchaser is aware of its options in the market but, for a given set of performance requirements, there are two or more equally acceptable technical solutions available to the Purchaser.

4.1.1 Single-Stage: One-Envelope Bidding Procedure

In the Single-Stage: One-Envelope bidding procedure, Bidders submit Bids in one envelope containing both the Price Proposal and the Technical Proposal. The envelopes are opened in public at the date and time advised in the Bidding Document. The Bids are evaluated, and following approval by the ADB, the Contract is awarded to the Bidder whose Bid has been determined to be *the lowest evaluated substantially responsive Bid*. This procurement procedure is commonly used in the procurement of both goods and works.

4.1.2 Single-Stage: Two-Envelope Bidding Procedure

In the Single-Stage: Two-Envelope bidding procedure, Bidders submit two sealed envelopes simultaneously, one containing the Technical Proposal and the other the Price Proposal, enclosed together in an outer single envelope. Initially, only the Technical Proposals are opened at the date and time advised in the Bidding Document. The Price Proposals remain sealed and are held in custody by the Purchaser. The Technical Proposals are evaluated by the Purchaser. No amendments or changes to the Technical Proposals are permitted. The objective of the exercise is to allow the Purchaser to evaluate the Technical Proposals without reference to price. Bids of Bidders which do not conform to the specified requirements may be rejected as deficient Bids, with the approval of the ADB. Following ADB approval of the technical evaluation and at an address, date and time advised by the Purchaser, the Price Proposals are opened in public. The Price Proposals are evaluated and, following approval by the ADB of the price evaluation, the Contract is awarded to the Bidder whose Bid has been determined to be *the lowest evaluated substantially responsive Bid*. This procurement procedure is mostly used in the procurement of works.

4.2 Prequalification and Post-qualification

The qualification assessment of the bidders by the Employer can be done before inviting them to bid or together with the bids i.e. during the evaluation of bids.

Prequalification - An assessment made by the Employer of the appropriate level of experience and capacity of firms expressing interest in undertaking a particular contract before inviting them to bid.

Post-qualification - An assessment of the appropriate level of experience and capacity of firms made by the Employer during the evaluation of bids to ensure that the lowest-evaluated, responsive, eligible bidder is qualified to perform the contract.

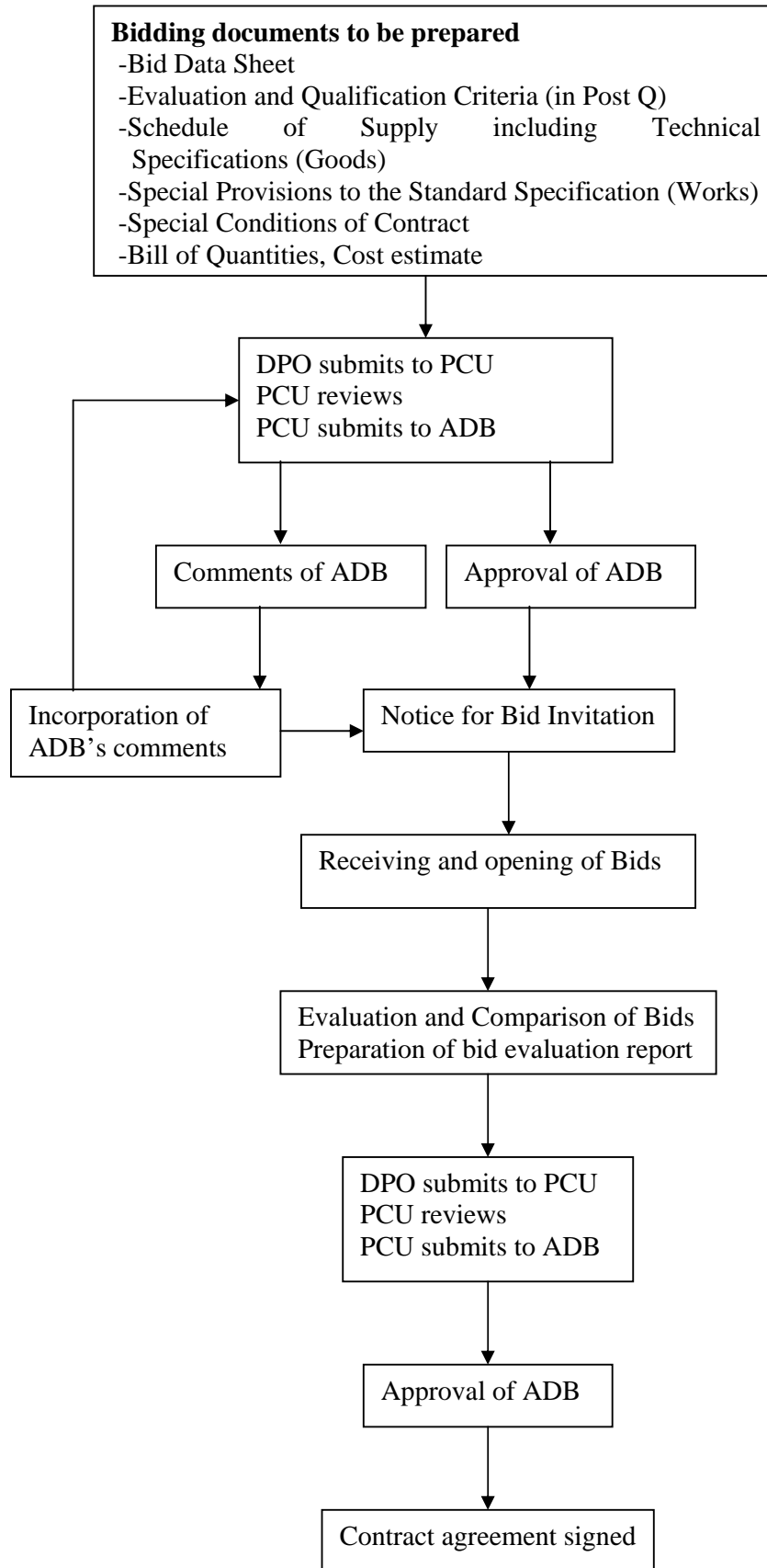
4.2.1 Bidding following Prequalification

ADB's Procurement Guidelines require prequalification for large or complex works contracts, or in any other circumstances in which the high costs of preparing detailed bids could discourage competition, such as custom-designed equipment, industrial plant, specialized services, some complex information and technology contracts and contracts to be let under turnkey, design and build, or management contracting. Prequalification is followed by a closed competitive bidding procedure in which only those firms meeting specified prequalification criteria are invited to submit a bid. Prequalification should not be used for limiting competition to a predetermined number of potential bidders. All applicants meeting the specified criteria shall be allowed to bid. The process of prequalification shall follow the procedure indicated in ADB's Standard Procurement Document for the Prequalification of Bidders. Prequalification shall be applied for all large and complex works contracts. *Prequalification is discouraged following NCB in this project (RRRSDP).*

4.2.2 Bidding without Prequalification

For the procurement of simple and unsophisticated works contracts the Employer may apply post-qualification by requiring bidders to submit the information pertaining to their qualification together with their bids. In this event, it will be necessary to ensure that a bidder's risk of having its bid rejected on grounds of qualification is remote if due diligence is exercised by the bidder during bid preparation. For that purpose, clear-cut, fail-pass qualification criteria need to be specified by the Executing Agency in both the Invitation for Bids as well as the Bidding Document in order to enable bidders to make an informed decision whether to pursue a specific contract and, if so, either as a single entity or in joint venture. Post-qualification criteria and procedures are covered in Section 3 (Evaluation and Qualification Criteria) and Section 4 (Bidding Forms). The SBD Works make use of the Conditions of Contract for Construction for Building and Engineering Works Designed by the Employer, Multilateral Development Bank Harmonized Edition, prepared by the Fédération Internationale des Ingénieurs-Conseil, or FIDIC (MDB Harmonized Construction Contract) available at <http://www1.fidic.org/resources/mdb/>. These Conditions are subject to the variations and additions set out in Section 8 (Particular Conditions of Contract), Part A (Contract Data) and Part B (Special Provisions). The provisions in Section 1 (Instructions to Bidders) and Section 7 (General Conditions of Contract), must be used with their text unchanged. Any data and provisions that these sections require for a specific procurement and contract shall be included respectively in Section 2 (Bid Data Sheet) and Section 8 (Particular Conditions of Contract). These bidding documents are not suitable for lump sum contracts.

4.3 Procurement Steps for Goods and Works in RRRSDP (Work Flow Chart)



4.4 The Bidding Process for Goods and Works

The International Competitive Bidding (ICB) and National Competitive Bidding (NCB) process includes six main phases:

- i. Advertisement and Notification
- ii. Preparation and Issuing of the Bidding Document
- iii. Bid Preparation and Submission
- iv. Bid Opening
- v. Bid Evaluation
- vi. Contract Award

4.4.1 Advertisement and Notification

Invitation for Bids (IFB) shall be advertised in the ADB’s “ADB Business Opportunities” as well as in a newspaper of general circulation in the borrower’s country (at least one English language newspaper if available). A copy of the IFB shall be submitted to ADB for approval and for publication in the “ADB Business Opportunities” in accordance with the provisions of the Loan Agreement. For large or specialized contracts, ADB may additionally require that the IFB be advertised in well-known technical magazines or trade publications, or in newspapers of wide international circulation, in sufficient time to enable prospective Bidders to prepare and submit Bids.

4.4.2 Preparing and Issuing a Bidding Document

The Purchaser and Bidder should keep in mind that:

- (a) The Purchaser is responsible for preparing and issuing the Bidding Document (BD).
- (b) The Purchaser shall use the SBD issued by ADB, as this is a mandatory requirement for contracts to be financed by ADB, which can be downloaded from ADB’s web site: www.adb.org/procurement/prequalification-bid-documents.asp.
- (c) The Purchaser shall prepare the BD using the published version of the SBD without suppressing or adding text to the sections of the document that must be used without modification, which are Section I, Instructions to Bidders (ITB) and Section VII, General Conditions of Contract (GCC). All information and data particular to each individual bidding process must be provided by the Purchaser in the following sections of the BD for Goods:

- Section I: **Instructions to Bidder (ITB)**
- Section II: Bid Data Sheet
- Section III: Evaluation and Qualification Criteria
- Section IV: Bidding Forms
- Section V: Eligible Countries
- Section VI: Employer’s Requirements (Schedule of Supply including Technical Specifications, Bill of Quantities (BoQ) and Drawings)
- Section VII: **General Conditions of Contract**
- Section VIII: Special Conditions of Contract
- Section IX: Contract Forms

- (d) The Purchaser shall allow Bidders sufficient time to study the BD, prepare complete and responsive Bids, and submit their Bids.

The bidding documents for procurement of Works are as follows:

- Section I: **Instructions to Bidder (ITB)**
- Section II: Bid Data Sheet
- Section III: Evaluation and Qualification Criteria
- Section IV: Bidding Forms including Bill of Quantities (BoQ)
- Section V: Eligible Countries
- Section VI: Employer's Requirements (Standard Specification including [Special Provisions to the Standard Specification, Drawings](#))
- Section VII: **General Conditions of Contract**
- Section VIII: Special Conditions of Contract
- Section IX: Contract Forms

Section I - Instructions to Bidders (ITB)

This section specifies the procedures to be followed by Bidders in the preparation and submission of their Bids. Information is also provided on the submission, opening, and evaluation of bids and on the award of contract.

Section II - Bid Data Sheet (BDS)

This section consists of provisions that are specific to each procurement and supplement the information or requirements included in Section 1 - Instructions to Bidders.

Section III - Evaluation and Qualification Criteria (EQC)

This Section contains the criteria to determine the lowest evaluated bid and the qualifications of the Bidder to perform the contract if the bidding was not preceded by a prequalification process and post-qualification is applied.

Section IV - Bidding Forms (BDF)

This Section contains the forms, which are to be completed by the Bidder and submitted as part of his Bid if the bidding was not preceded by a prequalification process.

Section V - Eligible Countries (ELC)

This section contains the list of eligible countries.

Section VI - Employer's Requirements (ERQ)

This Section contains the Specification, the Drawings, and supplementary information that describe the Works to be procured.

Section VII - General Conditions of Contract (GCC)

This Section contains the general clauses to be applied on all contracts. These General Conditions shall be the Conditions of Contract for Construction, Multilateral Development Bank Harmonized Edition, prepared by the Fédération Internationale des Ingénieurs-Conseil (FIDIC 2005 MBD version). These Conditions are subject to the variations and additions set out in Section 8 (Particular Conditions of Contract).

Section VIII - Particular Conditions of Contract (PCC)

This Section contains provisions which are specific to each contract and which modify or supplement the GCC. Whenever there is a conflict, the provisions herein shall prevail over those in the GCC.

Section IX - Contract Forms (COF)

This Section contains forms, which, once completed, will form part of the Contract. The forms for Performance Security and Advance Payment Security, when required, shall only be completed by the successful Bidder after contract award.

4.4.3 Bid Preparation and Submission

The Bidder is solely responsible for the preparation and submission of its Bid. During this stage, the Purchaser shall:

- (a) Promptly respond to requests for clarifications from Bidders and amend, as needed, the BD.
- (b) Amend the BD only with prior approval of ADB.

4.4.4 Bid Opening

The Purchaser is responsible for the Bid Opening, which is a critical event in the bidding process. The Purchaser shall appoint experienced staff to conduct the Bid Opening, as inappropriate procedures at Bid Opening are usually irreversible and may require cancellation of the bidding process with consequent delays and waste of resources.

The Employer, in observance of best practices, shall:

- Conduct the Bid Opening strictly following the procedures as specified in the Instructions to Bidders for all Bids received not later than the date and time of the bid submission deadline. A Bid for which a Bid Withdrawal or Bid Substitution notice was received on time shall not be opened, but returned unopened to the Bidder. The sequence in which Bids are handled, opened, and recorded is crucial.
- Ensure that all Bids that were received on time are accounted for, before starting the Bid Opening, as Bids that are not opened and read out at Bid Opening shall not be considered further.
- Not reject any Bid at Bid Opening, except for late bids received after the date and time of the bid submission deadline.
- Examine the Bids at Bid Opening in accordance with the provisions of the Instructions to Bidders.

The Employer shall, however, verify at Bid Opening the validity of the documentation such as Power of Attorney or other acceptable equivalent document as specified in the Instructions to Bidders confirming the validity of a bid modification, bid withdrawal, or bid substitution. Similarly, a bid modification shall be opened, read out, and recorded to modify a bid that was received on time.

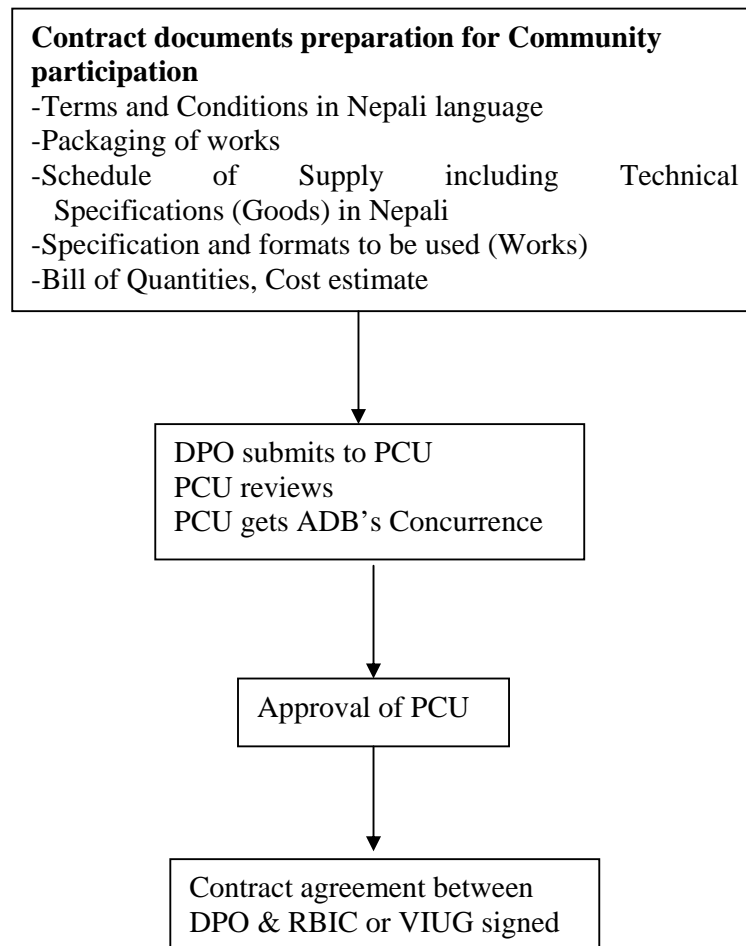
4.4.5 Bid Evaluation and Contract Award

The Purchaser is responsible for bid evaluation and Contract award. The Purchaser shall appoint experienced staff to conduct the evaluation of the Bids. Mistakes committed at bid evaluation may later prompt complaints from Bidders, requiring reevaluation of the Bids, with consequent delays and waste of resources.

The Purchaser, in observance of best practices, shall:

- (a) Maintain the bid evaluation process strictly confidential.
- (b) Reject any attempts or pressures to distort the outcome of the evaluation, including fraud and corruption.
- (c) Strictly apply only and all of the evaluation and qualification criteria specified in the BD.

4.5 Procurement Steps for Community Participation for Goods and Works in RRRSDP (Work Flow Chart)



CHAPTER FIVE – CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions an Recommendations

- This Volume-I of Procurement Manual provides the stepwise procurement procedures to be followed in RRRSDP for procurement of Services, Goods and Works.
- In this Manual, various methods of consultant selection and different methods of bidding for Goods and Works have been described in detail.
- The references for relevant documents have been provided.
- Procurement Planning and Preparation of Procurement documents for different types & stages of procurement are very important aspects for procurement procedures.
- The Purchaser (Client) is responsible for preparing and issuing these documents to the service providers or bidders.
- The procurement should always be done using competitive method.
- As far as possible the competitive methods such as QCBS method for Consultant selection and NCB method for Goods and Works procurement should be followed.
- Only specified approved evaluation and qualification criteria shall be applied for evaluating bids or proposals and the contract shall be awarded to the lowest evaluated responsive bidder.
- The DTO staffs of many districts have very much low knowledge of procurement.
- Therefore, the DTO/DPO staffs need to be capacitated by providing training and arranging workshops on procurement as their capacity in procurement assessed to be insufficient/very low.
- One DPO Engineer and an Accountant should be trained on Procurement Procedures for the effective implementation of the project in the districts.
- In PCU (at central level), there should be at least one Engineer trained on Procurement Procedures as a focal person to look into procurement matters.

References

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GoN, Public Procurement Act, 2063 (सार्वजनिक खरिद ऐन, २०६३)

ADB's web site: www.adb.org/Consulting/documents.asp and www.adb.org/procurement/prequalification-bid-documents.asp

Annexes

(Annexes have been given in separate volumes)
The following will be the content of Annexes:

Volume – II: Procurement of Services

Documents for CQS Method (DIST selection)
Documents for QCBS Method (CISC selection)
Documents for Individual Consultant Selection
Documents for LCS Method

Volume – III: Procurement of Goods

Documents for National Competitive Bidding (NCB)
Documents for Shopping

Volume – IV: Procurement of Works

Documents for National Competitive Bidding (NCB)
Documents for Shopping
Documents for Community Participation (for VICCC & RBIC)