

# Andhra Pradesh Community Based Tank Management Project

## OPERATIONAL MANUAL

Volume – IV of VI  
Procurement Manual



28<sup>th</sup> February, 2007

---

**Irrigation & CAD Department**  
Government of Andhra Pradesh

# **OPERATIONAL MANUALS**

<b>VOLUME</b>	<b>I</b>	<b>WUA MANUAL</b>
	<b>II</b>	<b>SUPPORT ORGANIZATION MANUAL</b>
	<b>III</b>	<b>FINANCIAL MANUAL</b>
	<b>IV</b>	<b>PROCUREMENT MANUAL</b>
	<b>V</b>	<b>TECHNICAL MANUAL</b>
	<b>VI</b>	<b>QUALITY CONTROL MANUAL</b>

## Foreword

The Government of Andhra Pradesh has initiated the process of providing substantive and enabling role to farmers benefiting from irrigation projects for management, operation and maintenance of the irrigation infrastructure by enacting the APFMIS Act, 1997. Following this, I&CAD Department has carried out minimum rehabilitation of the M.I tanks through Water User Associations. Performance evaluation of the WUAs highlighted the need for investment in institution building to enable WUAs to take up irrigation system management responsibilities. This has now been initiated in the I&CAD Department as part of the ongoing sector reforms process under the flagship of “Jalayagnam” programme of Government of Andhra Pradesh in tune with the Mid-Term Appraisal of the X Plan and observation of the Sub-Group on Agriculture and Irrigation of the National Development Council.

I&CAD Department is already implementing a project on “Repair, Renovation and Restoration of water bodies directly linked to Agriculture” with assistance from Government of India in the districts of Ananthapur and Mahaboobnagar. I&CAD Department has developed a step-by-step process guideline towards scaling up of the above programme to benefit 2.5 lakh ha under 3000 tanks at an estimated cost of Rs. 1000 crores with financial assistance from the World Bank and the Government of India under the **AP Community Based Tank Management Project**. This restoration work is proposed to be undertaken in three batches over a period of next five years.

The Project Implementation Plan has been prepared to act as a guiding document, describing the activities of the project on spatial and temporal scale. In addition, a set of six Operational Manuals on various components has also been prepared to steer the project stakeholders in effective implementation of the project. Present volume is one of the series of these six manuals. Though sufficient care is taken to avoid any contradiction with the existing provisions, however in cases of any ambiguity or contradiction, the existing statutes and government orders would prevail. We welcome any suggestions for further modifications and improvement.

**Commissioner,**  
Irrigation & CAD Department  
Government of Andhra Pradesh

## CONTENTS

Sl.No/ Chapter	Description	Page No
	<b>ACRONYM</b>	
	<b>DEFINITIONS</b>	
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	
1.1	General	1
1.2	Project Objectives	1
1.3	Objectives of the Manual	2
1.4	Scope of the Manual	2
1.5	Modification to the Manual	2
1.6	Reference to the World Bank /IDA	2
<b>CHAPTER II</b>	<b>PROCUREMENT POLICY, PLANS AND STRATEGY</b>	
2.1	Procurement Policy	3
2.2	Procurement Plan	3
2.3	Project Implementation Strategy	4
2.4	Project Implementation Arrangement	4
2.5	Methods Of Procurement	11
2.6	Financial Delegation	12
2.7	Procurement Review	13
2.8	Procurement –Risk Mitigation Action Plan	14
2.9	Fraud And Corruption	15
2.10	Misprocurement	16
<b>CHAPTER III</b>	<b>PROCUREMENT PROCESS &amp; MODES</b>	
3.1	General	17
3.2	Scope of work & options	17
3.3	Procurement Process	18
3.4	Procurement Schedule	20
3.5	Modes of Procurement	20
3.6	Bidding Documents	27
3.7	Sale of Bidding Documents, Receipt and Opening	32
3.8	Prebid Meeting	32
3.9	Price Adjustment	33
3.10	Evaluation of Bids	34
3.11	Single Bids	36
3.12	Award of Contract	36
3.13	Rejection of Bids	36
3.14	Subcontracting in Civil Works	37
3.15	Resolution of Disputes	37
3.16	Law Governing the Contract	38
3.17	Extension of the Contract	38

3.18	Bill of Quantities (BoQ)	38
3.19	Taxes & Duties	38
	Complaint redressal Mechanism	38
3.21	Consultation with and Information to the Bank	39
<b>CHAPTER IV</b>	<b>COMMUNITY PROCUREMENT</b>	
4.1	CONCEPT	40
4.2	Benefits of Community Procurement	40
4.3	Key Rules of Community Procurement	40
4.4	Requirements of Procurement	40
4.5	Procurement of Works by Community (WUA)	41
4.6	Quality Control at DPU Level	41
4.7	Social Audit	41
<b>CHAPTER V</b>	<b>SELECTION OF CONSULTANCY SERVICES</b>	
5.1	General	42
5.2	Procedure	43
5.3	Selection Methods	44
5.4	Scope Of Work	46
5.5	Estimating Cost & Budget	47
5.6	Evaluation	47
5.7	Negotiations	50
5.8	Evaluation Committee	50
5.9	Rejection Of All Proposals	51
5.10	Role Of Bank In Evaluation Process	51
5.11	Types Of Consultant's Contracts	51
5.12	Selection Of Appropriate Contract Form	52
5.13	Contracts	53
5.14	Procurement Of Services Of Individual Consultant	54
5.15	Non Government Organizations (NGOs)	54
5.16	Misprocurement	55
<b>CHAPTER VI</b>	<b>REVIEW BY BANK</b>	
6.1	General	56
6.2	Procurement Of Consultancy Services	56
6.3	Procurement Of Civil Works, Goods	57
6.4	Review Requirements By The Bank	57

## LIST OF ANNEXES AND ENCLOSURES

Sl. No. of Annexes/Enclosures	Name of the Annex/Enclosure
Annex P-I	List of works to be Procured
Annex P-II	List of Goods, Equipments to be Procured
Annex P-III	List of Consultancy Services to be Procured
Annex P-IV	Estimate of Bid Packages
Annex P-V	Procurement Plan for Works/Goods
Annex P-VI	Procurement Plan for Consultants
Enclosure – I	Invitation for Bids (IFB) National competitive Bidding
Enclosure – II	Price Adjustment Formula ( Application in respect of contracts of Rs. 45 lakhs and above)
Enclosure – III	Format for Bid Evaluation Report for Civil Works ( NCB)
Enclosure – IV	Format for Bid Evaluation Report for Goods and Equipment (NCB)
Enclosure – V	Procurement Checklist for Contracts Above Prior Review Threshold for Civil Works
Enclosure – VI	Procurement Checklist for Contracts Above Prior review for Goods and Equipments
Enclosure – VII	Procurement Checklist for Post Award Review of Contracts for Civil Works
Enclosure – VIII	Procurement Checklist for Post Award Review of Contracts for Goods and Equipments
Enclosure – IX	Format for Seeking Banks Clearance for Increase in Contract Value beyond 15% of the original contract value and Extension of Time
Enclosure – X	Progress Report on Field Review Contracts
Enclosure – XI	Information on Value of Procurement made under Shopping Procedure
Enclosure – XII	Suggested Draft of the letter of Appointment of Adjudicators in Civil Works Contracts
Enclosure – XIII	Minutes of Bid Opening (NCB Goods/Works)
Enclosure – XIV	Format of Quotation
Enclosure -XV	Procurement Schedule for civil work
Enclosure-XVI	Procurement Schedule for Goods & Equipments

## ACRONYMS

1.	APCBTMP	Andhra Pradesh Community Based Tank Management Project
2.	APFMIS	Andhra Pradesh Farmers Management of Irrigation System
3.	AE	Assistant Engineer
4.	AEE	Assistant Executive Engineer
5.	AP I & CAD	Andhra Pradesh, Irrigation and Command Area Development
6.	CC	Community Contracting
7.	CE	Chief Engineer
8.	CoT	Commissioner of Tenders
9.	CQ	Consultant Qualification
10.	DLIC	District Level Implementation Committee
11.	DPU	District Project Unit
12.	EE	Executive Engineer
13.	GB	General Body
14.	GMIS	Geographic Management Information System
15.	GOAP	Government of Andhra Pradesh
16.	GW	Ground Water
17.	MC	Managing Committee
18.	M & E	Monitoring and Evaluation
19.	MI	Minor Irrigation
20.	MIS	Management and information system
21.	NCB	National Competitive Bidding
22.	NSP	National Shopping Procedure
23.	PD	Project Director
24.	PMU	Project Management Unit
25.	PRU	Participatory Rural Appraisal
26.	SE	Superintendent Engineer
27.	SO	Support Organization
28.	SSS	Single Source Selection
29.	TIMP	Tank Improvement and Management Plan
30.	UNDB	United Nations Development Business
31.	QCBS	Quality & Cost Based Selection
32.	QBS	Quality Based Selection
33.	WSC	Works Sub Committee
34.	WUA	Water User Association

## DEFINITIONS

1. **District Collector:** Means the Collector of the District in which the Irrigation system is situated and includes any Officer specially notified by the Government to perform all or any of the functions of the District Collector.
2. **District Project Unit (DPU):** A Committee set up by the State for all project related administrative, financial and technical approvals at the District level.
3. **Finance and Resources Sub-Committee:** A committee set up by WUA to mobilize and collect resources for operation and Maintenance of Tank system under APFMIS Act, 1997.
4. **Maintenance:** It means regular upkeep of the irrigation System as necessary to ensure that the physical system designed to the standards operates for proper distribution of water to the land holders in the area of operation.
5. **Monitoring-Evaluation and Training Sub-Committee:** It is a committee set up by WUA to identify training needs and organize trainings to the members of WUA under APFMIS Act 1997.
6. **Managing Committee:** It is a Committee which is elected through secret ballot as prescribed in the APFMIS Act 1997 which will meet at least once in a month and exercise the powers and perform the functions of the Water Users Association.
7. **Operational Plan:** It is a plan with schedule of irrigation deliveries with details of the mode and duration of supplies drawn up for regulation of the irrigation in the Command Area of an Irrigation System.
8. **Project:** Andhra Pradesh Community Based Tank Management Project.
9. **Project Management Unit (PMU):** It is a special purpose Vehicle set up by the State for the implementation of the Project at the State level.
10. **S.O:** The support organization means non-Governmental organization or any such organization fulfilling the eligibility criteria set forth by the PMU and engaged for supporting the community to implement the Project.
11. **Sub- Committee:** The General Body of WUA will constitute a Sub-Committee under section 11 of the APFMIS Act 1997 to carryout specific functions as assigned by the General Body. The Convener of the Sub-Committee shall be a member of the Managing Committee excluding President. Four members having voting rights are drawn from out of members for each sub-committee.
12. **Water Users Association (WUA):** It is a Body established under the APFIMS Act, 1997 as applicable to the State of A.P., consisting of persons owning land in the command area of a given Tank- in a village or villages as the case may be.
13. **Water Management Sub-Committee:** It is a committee set up by the WUA to carry out the decisions of the Managing Committee and of the General Body on water regulation, schedule of water release under APFMIS Act 1997.
14. **Works Sub-Committee:** It is a committee set up by the WUA to recommend estimates of Works for administrative approval; to supervise Works and oversee Quality Control; and to approve payments for the Works under APFMIS Act 1997.
15. **Groundwater Department:** Groundwater Department is a nodal agency looking after the estimation, exploration, development and management of the groundwater resources in the state. This department forms a part of Irrigation Department of Government of Andhra Pradesh.



# CHAPTER 1

## INTRODUCTION

### 1.1 General

Andhra Pradesh is known for its immense potential of minor irrigation that has been “LIFE LINE” for millions of rural communities over centuries. There are about 12,000 MI sources having individual area more than 40 ha. in the state and few of them still stand firm as sentinels of history. Institutions and traditional practices responsible for managing the tanks are still in vogue in good number of cases. GO AP realizing the importance of community involvement in water resource management has passed APFMIS Act in 1997 forming WUAs for the MI sources also along with major and medium irrigation projects. The present status of tanks varies widely depending on the rainfall, inflows, water utilization/ distribution operation and maintenance across the state. An increasing gap between area irrigated and potential created of the M.I. sources has been recorded over the past few decades due to various reasons and has become major concern. It is felt necessary to restore the storage capacity of the water bodies and develop capacities of the local institutions for recovering their lost irrigation potential. Government of Andhra Pradesh envisages to rehabilitate minor irrigation sources in a big way using successful efforts of government and non- government agencies in the state as well as out side the state in effectively rehabilitating the tanks for improvement of livelihood of rural communities dependent on the tanks. The government of Andhra Pradesh in partnership with GOI proposed to repair , rehabilitate and restore 3000 M I tanks having command area of more than 40 ha with funding from World Bank by and through the local level institutions. In the process, due importance will be given to the institutional reforms required at different levels for enhancing the efficiency of the tank systems and production systems and efficacy of the community based institutions to takeover operation and maintenance of the system.

### 1.2 Project Objectives

Selected tank based producers improve agricultural productivity and water user associations manage tank system effectively.

The four components of the project are:

*1. Strengthening community based institutions to assume responsibility for tank system improvement and management* – including development of human resources, formation and / or strengthening of local institutions for tank improvement and management and development

of mechanisms whereby the needs of traditionally vulnerable stakeholders can be addressed.

*2. Tank systems improvement* – including physical investments in tank systems with command area of 40 ha and above. The actual rehabilitation work required would be determined for each system individually with an upfront Tank Improvement and Management Plan (TIMP) prepared in consultation with tank users prior to undertaking any investments. In general, investments are likely to address deficiencies in feeder channels, tank bed and structures and the water distribution and drainage systems.

*3. Agricultural livelihoods support services* – including promotion of farmer interest groups, agricultural research and extension, support through public agencies and private service providers as appropriate and facilitation of credit and market linkages for agricultural producers / growers (including fisheries and livestock products).

*4. Project Management* – activities under this component would help ensure effective project management at the state and district levels, information and logistic support, communications,

project related consultancies and concurrent monitoring and evaluation.

The performance of the project is intimately related to the effective procurement system in obtaining appropriate goods and services and effective steps to implement the project.

Implementation of project activities will require procurement of goods works and services at different levels of project implementation. The quantity and phasing of these procurements would be according to project cycle and implementation schedule. Procurement at different levels would be resorted to by various project functionaries as per the delegation of powers and the existing government norms. It is therefore essential to set up rules/ procedures for procurement for achieving transparency and value for money spent.

### **1.3 Objective of the Manual**

In view of aforesaid background, the Procurement Manual has been framed setting forth the procedures and guidelines for procurement of goods, works and consultancy services by the project authorities and to follow one common set of procedures.

### **1.4 Scope of the Manual**

Procurement Manual is based on the World Bank Guidelines for procurement of goods, works and consultancy services and will be applicable to the stakeholders in the implementation of APCBTMP project, namely, Project management Unit (PMU), District Project Unit (DPU) and WUA.

The Manual includes draft of Invitation of Bids; briefs of Contract data pre-bid conference; procurement process, evaluation of bids, award of contract and requirement of consultation with Bank at appropriate stages for works, goods, services and *community procurement*.

Checks and Controls required to maintain transparency in the procurement process of goods, works and services have been covered *and as far as possible*, the existing clauses for exercising in-built checks and controls have been provided by fixing threshold value of tenders at different levels by constitution of committees and delegation of financial powers at various levels. Appropriate Standard Bidding Documents of Bank (as agreed by the GOI Task force with the World Bank and as amended from time to time) shall be followed for procurement of goods, works and services for individual projects as per approved Procurement Plan, and for changes, if any, prior clearance of the Bank shall be obtained. The Department Financial Rules/ Code, PWD Code, Manual of Orders and Accounts Code relating to procurement of goods, works and services have been kept in view in the preparation of this Manual to the extent they are consistent with the Bank guidelines . In case of conflict the provision under this manual which is based on Bank guideline will prevail for all procurements.

### **1.5 Modification to Manual**

The Manual shall be a reference tool for the project implementation by the stakeholders, project authorities, related agencies, Contractors and Suppliers for procurement of goods, works and services. The guidelines and procedures for procurement of goods, works and services are however, subject to modification with the approval of Bank and Govt. of Andhra Pradesh in case of any peculiar circumstances and where situation so warrants.

### **1.6 Reference to the World Bank / IDA**

The terms “World Bank” or “Bank” used in the manual refer to “The International Bank for Reconstruction and Development (IBRD)” which shall also include “International Development Association (IDA)” and where any clearance or approval requirements or other references have been made, the same would imply to the IDA as well.

## CHAPTER II

### PROCUREMENT POLICY, PLAN & STRATEGY

#### 2.1 Procurement Policy

The aim of procurement is to obtain right quality of works, goods and services at reasonable and competitive prices, giving equal opportunities to all individuals, companies, firms, manufacturers, contractors, who are capable of delivering the goods, works and services to the laid down specifications, standards and provisions of bid documents. Procurement policy is also to provide incentive and encouragement for development of national manufacturers, contractors, firms, institutions and consultancy firms etc. The procurement policy is based on below noted principles:

- Economy and efficiency in the implementation of project.
- Economy and efficiency in the procurement of goods, works and services involved.
- Equal opportunity to all eligible bidders in providing goods and works by providing timely and adequate notification of bid documents.
- To encourage development of domestic contracting and manufacture industries and consulting firms.
- Importance of transparency in the procurement process.

#### 2.2 Procurement Plan

2.2.1 Procurement Plan shall include description of contracts for the goods, works and for services required to carry out the project, consistent with project principles, the estimates after technical and administrative approval and proposed methods for procurement over the total agreed implementation period under loan/ credit agreement. The procurement shall be consistent with budgetary allocations. The Procurement Plan shall be updated annually or as needed throughout the duration of the project. The Procurement Plan is critical for:

- Ensuring satisfactory implementation of project;
- Ensuring speedy transfer of resources by way of disbursement;
- Achieving economy and efficiency; and
- Ensuring success of the project.

A sound procurement plan and public procurement is a vital arm for promoting good governance and better fiscal management of the project.

2.2.2 Under Procurement Plan, works, goods and services to be procured are identified year-wise over the implementation period. List of works to be procured under the project, year-wise with estimated cost and method of procurement shall be detailed in format at Annex P-I/1. The details shall be worked out in terms of number of tanks to be covered under tank improvement project, estimated cost thereof and availability of contractors meeting the criteria to undertake the works, year-wise over the project period including procurement method best suited for the items and shall be entered in format at Annex P-I/1. Similarly, the details for procurement of goods, equipment, vehicles, furniture etc. year-wise over the project period shall be entered in format at Annex P-I/2. The details of consultancy services to be hired in terms of estimation of man months, estimated cost, method of **selection of** consultant, year-wise over the project period shall be projected in format at Annex P-I/3.

2.2.3 For procurement of works, goods, equipment etc. suitable package shall be framed which shall be determined by below noted factors, namely

- Time limits
- Economies of scale
- Nature of goods and works required
- Geographical location (dispersal of works)
- Capacity of Contracting Agencies

However the packages would not be split to resort to procurement under less competitive method

The Estimates for Bid packages shall be entered in format at Annex. P-I/4.

- 2.2.4 The Procurement Plan for the project shall be furnished to the Bank for its review and approval. The Procurement Plan, method of procurement, categories of goods works and consultancy services. to which they apply are specified in loan/ credit agreement which shall govern the legal relationship between the Bank and Borrower (Govt. of Andhra Pradesh through Govt. of India) and shall be updated once in six month.
- 2.2.5 The Bank will disclose the initial Procurement Plan to the public after the related loan / credit has been approved including disclosing of additional updates after the Bank has approved them.

### **2.3 Project Implementation Strategy**

Refer the Project Implementation Plan (PIP) for any details on project implementation strategy.

### **2.4 Project Implementation Arrangement**

#### **2.4.1. State Level Implementation Arrangement**

The project at the state level will be reviewed by a Project Steering Committee with the Chief Secretary as the Chairperson. The Project Co-coordinator (Commissioner CADA and Principal Secretary, I&CAD Department) will be the Convener of the Project Steering Committee. The other members of the Project Steering Committee will be:

- Secretary, Institutional Finance
- Principal Secretary, Agriculture
- Principal Secretary, Rural Development
- Principal Secretary, Animal Husbandry
- Principal Secretary, Fisheries
- Secretaries of Irrigation Department
- Special Commissioner, CADA and State Project Director
- Chief Engineer, Minor Irrigation
- Director, Groundwater

The state level agency responsible for implementation of the project will be the Command Area Development Authority in the Irrigation & Command Area Development Department, Government of Andhra Pradesh. The Commissioner CAD and Principal Secretary, I&CAD Department will be the Project Co-ordinator. The CAD will form a **Project Management Unit (PMU)**, which will be headed by the State Project Director with a rank of a Special Commissioner, CADA to implement the Andhra Pradesh Community Based Tank Management Project as a Special Purpose Vehicle.

The PMU will consist of five subject specific units and two administrative units as given below:

Sl. No.	Unit Name	Staff Position	No. of Staff
1	Technical Unit	Superintendent Engineer (R / R)	1
		Executive Engineer	2
		Deputy Executive Engineer	4
		Deputy / Astd. Director (Ground Water)	1
		Assistant Executive Engineer / Assistant Engineer	12
2	Institutional Development Unit	Institution Development Expert	1
		NGO Co-ordinator	1
		Capacity Building Expert	1
3	Agri-Business Unit	Agri-Business Expert	1
		Agri-Extension Expert (Agriculture / Horticulture)	1
		Live stock and Fishery Expert	1
4	Monitoring & Learning Unit	Monitoring & Evaluation Expert	1
		Research & Documentation Expert	1
5	Andhra Pradesh Information & Resource Centre	MIS Manager	1
		GMIS Manager	1
6	Co-ordination Unit	Deputy Project Director	1
7	Finance & Procurement Unit	Finance Manager	1
		Procurement Manger	1

The existing Chief Engineer, Minor Irrigation will be in charge of Technical Unit of the PMU. A Technical Unit will be established with a Superintendent Engineer, 2 Executive Engineers, 4 Deputy Executive Engineers Deputy / Assistant Director (Ground Water) and 12 Assistant Executive Engineers / Assistant Engineers. The engineering staff of the Technical Unit will be earmarked from the Irrigation Department exclusively for implementation of the Andhra Pradesh Community Based Tank Management Project. Finance manager and procurement manager will be filled by the regular government employees. The staff of the remaining 5 units of the PMU will be hired on contract from the open market.

The Technical Unit, headed by CE (MI), will be responsible for implementation of civil works related to Tank Systems improvement component of the project. The Institutional Development Unit will be responsible for strengthening the Community-based Institution of Tank System for developing a sustainable institutional arrangement at the tank level involving local level Institutions with appropriate arrangements. Agri-Business Unit will be responsible for the implementation of agricultural production systems and related activities for improving economics & efficiency. The Monitoring & Learning Unit will be responsible for evaluation of the processes and outcomes of the project on time scale and identify learning's to incorporate into the running project for improving performance. The MIS and GMIS unit will be responsible for developing techniques to create data base of the project at different levels and develop analytical tools for dissemination to different agencies. The Co-ordination

Management Unit will be responsible for co-ordinating the overall activities under the project and organize, special and thematic studies in different areas as and when required, workshops and seminars for knowledge sharing. The Finance and Procurement Unit will be responsible for finance and procurement arrangements as approved under the project.

The PMU will be supported by general administrative and accounting staff including clerks, computer operators, attendants, etc. Professional consulting firms and/ or individuals will be deployed for providing management support to PMU in steering the project as it will take time in building the non-engineering skills required internally.

#### **2.4.2 District Level Implementation Arrangement**

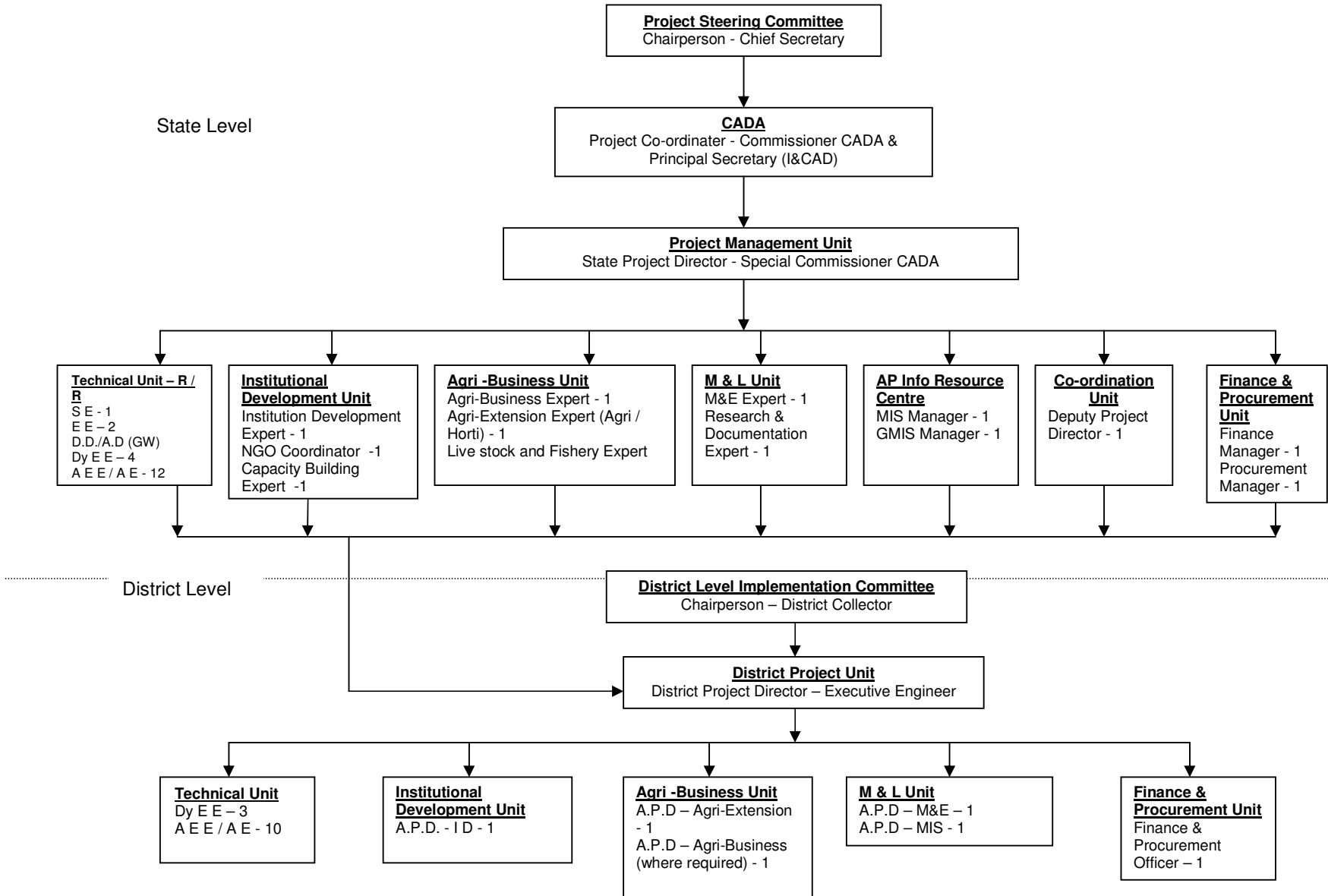
The project at the district level will be reviewed by a **District Level Implementation Committee** with the District Collector as the Chairperson. The Vice Chairperson of the DLIC will be nominated from among the Support Organizations assisting project implementation in the district. The District Project Director (Executive Engineer) will be the Member Secretary of the DLIC. The other members of the DLIC will be:

- Chief Executive Officer, Zilla Parishad
- Joint Director Agriculture
- Joint Director Animal Husbandry
- Joint Director Horticulture
- Project Director District Water Management Agency
- Project Director District Rural Development Agency
- Assistant Director, Fisheries
- District Public Relations officer
- Deputy Director, Groundwater
- Two representatives from Water Users Associations (To be nominated by District Collector on annual rotation basis)

In each project district, CADA will establish a **District Project Unit (DPU)**. The DPU will be headed by a District Project Director of the rank of an Executive Engineer. The DPU will be supported by four Subjects specific units and a finance and procurement unit. These will be as follows:

<b>Sl. No.</b>	<b>Unit Name</b>	<b>Staff Position</b>	<b>No. of Staff</b>
1	Technical Unit (Regular Division setup)	Deputy Executive Engineer	3
		Assistant Executive Engineer / Assistant Engineer	10
2	Institutional Development Unit	Assistant Project Director (Social Mobilization)	1
3	Agri-Business Unit	Assistant Project Director (Agriculture Extension)	1
		Assistant Project Director (Agri-Business)	1 (where required)
4	Monitoring & Learning Unit	Assistant Project Director (Monitoring & Learning)	1
		Assistant Project Director – MIS	1
5	Finance & Procurement Unit	Finance & Procurement Officer	1
		(Supported by Procurement and finance staff separately)	1

The Technical Unit of the DPU will be established by earmarking one Irrigation Division of the district, with its entire staff, to the DPU. This unit will be solely dedicated to implementation of the Andhra Pradesh Community Based Tank Management Project. In districts where only one Irrigation Division exists, a new Division will be established for the purpose of DPU. The PMU will have the facility to hire technical staff on contract to augment the strength of the DPU Technical Unit whenever required in case of non availability of required government staff. The post of Finance and Procurement Officer will be filled with regular government employee will be supported by the other government staff. The staff of the remaining three units of the DPU will be hired on contract from the open market.



(R/R – Revival and Restoration)



### **2.4.3 Water Users Association:**

The objective of Water Users Associations is to ensure equitable distribution of water among its users and take active part in the continuous maintenance of the irrigation system by involving all stakeholders to inculcate a sense of ownership of the irrigation system. The farmer's organization ensures efficient and economical use of water to optimize agricultural production adopting improved farming technologies so as to protect environment through proper water budgeting and operational plans.

#### **Functions of the Water Users Association:**

Important functions of Water Users Association among others are:

- to prepare and ensure distribution of water to all stakeholders consistent with the approved operational plan for each irrigation season,
- to be responsible for procurement of small civil works with the technical help of the DPU
- to identify the problems and prepare a plan for the maintenance of Tank system ( feeder channels, foreshore, tank bed, tank bund, waste weir, sluices, distributory system and field drains) in its area of operation with prioritization,
- to prepare and maintain an inventory of the Tank system and landholders using the resource and collection of water taxes as required,
- to raise financial resources and maintain proper accounts and records as prescribed, and
- to under take plantation in the foreshore area, channel banks & turfing on the tank bund and leasing of the same for augmenting financial resources.

#### **Constitution of Water Users Association:**

Water Users Association consists of farmers in its area of operation. All the farmers are members in the General Body. Each water user area is divided into Six Territorial Constituencies(TC), one TC member gets elected from each Territorial Constituency. All the TC members will be the members of the Managing Committee. President and Vice President will be elected from among the TC members.

The government has issued G.O.Ms.No.60, dated 08-05-2003 to co-opt fisherman and other customary right holders to WUA. These members shall be co-opted as per the procedure laid down before initiating the exercise laid down below.

#### **Sub-Committees**

The General Body of a farmer's organization may constitute specific Sub-Committees under section 11 of the Act, to carryout specific functions (Para 18 of Act) as assigned by the General Body; there are four sub committees in each WUA. The Convener of a Sub-Committee shall be a member of the Managing Committee other than the Chairman/President. Members not exceeding four shall be drawn from out of GB members with voting rights. The sub-committees should function under the overall control of M.C.

The following Committees are to be constituted by a farmer's organization:-

- (i) Water Management Sub-Committee;
- (ii) Works Sub-Committee;
- (iii) Finance and Resources Sub-Committee;
- (iv) Monitoring-Evaluation and Training Sub-Committee;

#### **Functions of the Works Sub-Committee**

The major functions of the Works Sub-Committee are to :

- (a) Recommend estimates of works for administrative approval;
- (b) Recommend civil works to be carried out by the WUA
- (c) Oversee progress of works and other related aspects
- (d) Recommend abstracts of work estimates and release of payments for the works;

**Procedure for taking up works by the works sub- committee:**

**Decision by General Body:**

General Body meeting of the Water Users Association will be convened. A resolution will be adopted to restore the tank system as per the guidelines issued in this regard and the different sub-committees will be authorized to carry the Project as per the guidelines.

**Preparation of Tank Improvement and Management Plan (TIMP)**

PRA will be organized as per the guidelines provided. The works sub-committee shall conduct a walk through survey involving Competent Authority (Engg. Dept. Officials), Management Committee members and few catchment farmers. They will inspect feeder channels, tank bed, tank bund and civil structures, distribution system and record the status and repair requirements for restoring to its original status. The interventions required under each component will be recorded and discussed in the General Body meeting (including the Grama Panchayat co-opted members) for approval of the interventions and incorporated in the TIMP and a resolution to that effect will be passed. The TIMP will be submitted to the DLIC for administrative approval.

**Preparation of Estimates:**

The AEE/AE of the DPU in association with Works Sub-Committee will prepare estimates for the works as per the TIMP so prioritized under each component to the hydraulic particulars maintained by the irrigation department at the prevailing Schedule of Rates. The estimates will be approved by M.C and recommended to Project Director (Executive Engineer, DPU). The Project Director after obtaining administrative approval from DLIC will ensure that technical sanctions are issued by the competent authority.

**Works Distribution:**

Subsequent to the above a schedule for implementing various works in relation to the available time for implementation and the seasonal conditions will be drawn for different works under each component. The works under each component will be prioritized by the sub-committee in association with the competent authority. Subject to the financial limits set by the government, the Works Sub-Committee can identify works to be implemented by WUA out of works of repairs to feeder channels, jungle clearance, revetments and distribution channels, if they so desire and have the requisite capacity. The remaining works will be listed separately for implementing through tender process. In this process the General Body of WUA can identify works that can be executed with NREG funds through Gram Panchayat.

**Works execution, check measurement and Payment for works taken up by WUA.**

The Managing Committee will Co-opt AE/AEE into the Works Sub-Committee for technical guidance and capacity building of the members during execution of works. The committee will obtain technical sanction for all the works as per the departmental norms and entrust works that can be handled by WUA to WUA.

An advance up to 40 % of the cost of the work can be provided if required in installments to WUA to be deposited in the works account by the P.D for facilitating WUA to start the work. The measurement/check measurement for various works/items will be done by the concerned AEE/DEE/EE with Works Sub Committee following departmental norms. The progress of the work, quality and quantity of work done will be closely monitored by the Sub-Committee facilitated by AEE and approved jointly by the Sub-Committee and departmental staff. Regular

bills may be made at different stages of completion of work. The payment to the bills will be made by the Executive Committee receiving authorization from Works Sub-Committee along with departmental staff.

**Works Execution, check measurement and payment for works taken up by Tender Process.**

The EE/SE will call tenders as per the procurement norms prescribed under the project for the works, authorized by the Works Sub-Committee to be done through the tender process. A tripartite agreement will be signed between the Project Director (EE), the Contractor and the WUA. Measurements and check measurements shall be recorded by the concerned AE/DEE/EE in the presence of work Sub-Committee member as per the departmental norms. The quality and quantity of the works will be monitored by the works Sub-Committee and departmental officials. Before release of payment a resolution will be passed by the Works Sub-Committee after ensuring quality authorizing Managing Committee of WUA to recommend for release of payments to the Contractor by Project Director. The roles and responsibilities of different institutions involved in the project are given below:

Table: Roles and responsibilities of different institutions in the project implementation

SNo	Activity	Primary	Secondary
1	Selection of S.O.s	DLIC	D.P.U
2	Community Mobilization	SO	DPU
3	Conducting PRA	SO	DPU
4	Preparation of TIMP	WUA	DPU
5	Signing of MOU	DLIC	DPU
6	Approval of TIMP	DLIC	DPU
7	Trainings	Agencies/SO	DPU/PMU
8	Preparation of Bid documents	DPU/PMU	PMU
9	Approval of Tenders	DPU/PMU	PMU
10	Signing of agreements	DPU	DLIC
11	Measurement & preparation of bills	DPU	DLIC
12	Check Measurement of bills and certify for payment	DPU/WUA	DPU
13	Third party Quality check	DPU	PMU

**2.5 Methods of Procurement**

Method of procurement includes:

(a) **Goods, works and services (other than consultancy services)**

- International Competitive Bidding (ICB)
- National Competitive Bidding (NCB)
- Shopping
- Community driven Procurement
- Direct Contracting
- Force account

(b) **Consultancy Services**

- Quality and Cost Based Selection (QCBS)
- Quality Based Selection (QBS)
- Selection under a Fixed Budget (FBS)
- Least Cost Selection (LCS)
- Selection Based on Consultants Qualification (CQ)
- Single Source Selection (SSS)

- Individual Consultant (IC)

**(c) Community Driven Procurement**

It is an effective tool of community empowerment, but is apparently not cost effective because of inexperience of the community in order to make the system efficient cost sharing to the extent of 10% (5% in cash and 5% through kind) is introduced in the project. It is proposed that non-technical works such as rectification of feeder channels, removal of weeds, foreshore plantation, silt clearance in main distributaries etc., will be undertaken by WUA under the supervision of AE/AEE of DPU through community contracting.

**The various institutions at different level involved in procurement of works, goods and services for the project are as follows:**

**Civil Works:**

- Civil works contracts pertaining to Tanks above Rs 5 lakhs shall be carried out by the DPU.
- Small civil works less than Rs 5 Lakhs shall be carried out by the WUA if they are willing and have the capacity to do so.
- Civil work under the Ground water component will be procured by the GW department.

**Goods ;**

- Goods, equipments vehicles required for the PMU shall be procured by the PMU.
- Procurement of vehicles, computers and other goods required at the district level shall be done by DPU following the departmental delegation of powers.
- Small procurement under the livelihood component shall be undertaken by respective line departments/ DPU.
- Goods pertaining to GW component under the project will be procured by the GW department.

**Consultancy Services/Trainings**

- All international and major consultancies shall be procured by PMU. TOR for the consultancies under the project to be procured will be cleared by the PMU.
- Procurement of Chartered accountant, Support Organization and Resource Persons for training required at the district level shall be done by the DPU.

**2.6 Financial Delegation**

2.6.1 For implementation of project in a time-bound manner, the financial delegation of various authorities shall be as per the government norms which at present is as under:

**Table 1 – Delegated powers for administrative approval and technical sanction of schemes**

Sl. No.	Description	Approving authority
1.	Administrative approval for rehabilitation of a tank	<ul style="list-style-type: none"> <li>• CE MI up to Rs. 10 lakhs</li> <li>• Government (project specific) beyond 10 lakhs full powers</li> </ul>
2.	Technical sanction of Detailed estimates	<ul style="list-style-type: none"> <li>• Executive Engineer up to Rs. 10 Lakhs*</li> <li>• Superintending Engineer above Rs. 10 Lakhs and up to Rs. 50 Lakhs*</li> <li>• Chief Engineers full powers to the extent of administrative approval</li> </ul>

3	Contingent expenditure	<ul style="list-style-type: none"> <li>• State Project Director (PMU) / Project Director (DPU)</li> </ul>
4.	Tender Acceptance (works)	<ul style="list-style-type: none"> <li>• EE up to Rs. 10 lakhs</li> <li>• S.E up to Rs. 50 lakhs</li> <li>• C.E above Rs. 50 and up to Rs. 200 lakhs</li> <li>• Commissionerate of Tenders beyond Rs. 200 lakhs</li> </ul>

\* EE/SE of MI department from the districts

- 2.6.2 **Invitation of bids:** Bids for all tank civil works will be invited by Project Director, DPU (Executive Engineer) in the office of DPU, / SE in the office of the SE following the departmental norms.
- 2.6.3 **Opening of Bids:** All the bids will be opened at the specified place and date by the EE/SE as per the departmental norms.
- 2.6.4 **Evaluation of Bids:** All the Bids will be evaluated by the EE/SE of the department who is entitled for calling tenders.
- 2.6.5 **Tender Acceptance:-**The acceptance of the tenders will be done by EE/SE/CE/CoT as per the financial powers of acceptance.
- 2.6.6 In case of consultancy a three member committee constituting of SE (PMU), Subject Matter Specialist and Accounts Manager for opening and evaluation of bids shall be formed for each consultancy which would be headed by the State Project Director. The State Project Director, PMU will have the full power to allot the consultancies.
- 2.6.7 In case of purchase of Goods at PMU, for each procurement, a three member bid opening and evaluation committee consisting of SE (PMU), Deputy Project Director and Accounts Manager shall be formed which would be headed by the State Project Director or his nominee. The State Project Director will have full power to accept the tender and its approval. All powers for procurement of Goods are vested with State Project Director, PMU. The procurement of goods at the district shall be carried out following the departmental financial delegation of power.
- 2.6.8 In case of works, tenders will be called by EE or SE depending on the value of works using appropriate bid document in relation to cost and the terms and conditions thereof. Tenders are evaluated by works up to 10 lakhs by EE, up to 50 lakhs by SE and beyond by CE and works awarded to the qualified bidder.

## 2.7 Procurement Review

Procurement review refers to auditing of files and documents relating to the procurement of Goods, works and consultancy services. Procurement review is basically carried out to ascertain whether the procurement procedures were correctly and completely followed, both in letter and spirit. It brings out omissions/commissions and lapses, whether on account of poor or inadequate understanding of the procedures or willful negligence including likely fraud/corruption evidence during the review. The report and observation of procurement review therefore, also serve as a guide for taking remedial measures to streamline and improve the procurement system. The procurement review covers the following aspects:-

- a. Whether the procurement plan was prepared?
- b. Whether the procurement was made as per the procurement plan?

- c. Whether the method adopted for procurement was as per the threshold limits given in the procurement manual?
- d. Whether the procurement sub-committee and involved in the procurement procedure?
- e. Whether the overall procurement was done within a reasonable time?
- f. Whether there was any avoidable delay at any stage/ stages of the procurement process?
- g. Whether the necessary approval was taken from appropriate authority wherever required?
- h. Whether proper and adequate documents relating to procurement were maintained?
- i. Whether the technical and financial evaluation was done properly and in affair manner?
- j. Whether the contracted firm, supplied the goods or executed the work as per the quality, quantity and price agreed upon?
- k. Whether the goods were supplied or works executed in time and properly recorded in stock books/works registers after inspection?
- l. Whether the payment was made to the supplier/ contractor in time? If not, reasons for delay.

The procurement review shall be done by the following

- a. **External Firm for Post review of the procurement** :- An agency will be appointed by the PMU for an annual review of sample of all the procurement carried out during the previous year. The TOR of the firm shall be approved by the bank before appointing an agency. The procurement review shall be done for both the PMU, DPUs and WUAs and the Bank shall review the report of the agencies.
- b. **Statutory Auditors** :-The statutory audit of the Program will be conducted by the Comptroller and Auditor General of India, who will also review the procurement procedures adopted and give a report accordingly .The review shall be done both at the Department level (PMU/DPU).
- c. **Internal and Concurrent Audit:** The Internal auditor's (Firm of chartered accountants) will be appointed by PMU for conducting the Financial Audit at the department level. Internal Audit will be conducted every Year at PMU/DPU and WUA level. The TOR of financial audit will include adequate requirement to cover issues on procurement. The auditor will carry out the review of procurement procedures adopted for civil works, goods and consultancy services.
- d. **By The World Bank:**-The In addition, the World Bank will have the right to carry out the prior and post review of the contracts by PMU, DPU and WUA. The bank staff would conduct post award review during supervision missions.

## 2.8 Procurement – Risk Mitigation Action Plan

An action Plan to mitigate the Risks associated with Poor Procurement Performance is given below:

- a. To set up a strong monitoring mechanism including social audit to considerably reduce the possibility of things going wrong. Social oversight would be in the nature of requirement of approval of all schemes by the WUA and suo moto disclosure by DPU of contract award data and material procurement data, including cost of procurement, and labor employment at the place of work.
- b. To address deficiency in Planning, Monitoring, Evaluation and Reporting with respect to Project PMU will provide structured training to the project officials through reputed

Institutions and improve monitoring and reporting of the project for stricter and proper coordination of issues related to procurement

- c. To overcome weak implementation PMU will provide structured training to strengthen the departmental expertise on implementation aspects and develop procedures and formats for pre-audit by the supervising officials to obviate slippages on contractual matters and weak implementation.
- d. To bring about transparency in decision making PMU will develop systems and procurement procedures consistent with international best practices, engaging renowned experts. Ensure oversight of independent observers during bid evaluation process and civil society during implementation phase of the projects as confidence building measures, in addition to an elaborate disclosure policy and compliance to RTI Act, 2005 to remove non- transparency in decision making.
- e. To address inadequate record keeping PMU and DPU will maintain all records duly catalogued and indexed in a manner and the form which facilitates the Right to Information under the RTI Act, 2005 and ensure that all records that are appropriate to be computerized are, within a reasonable time and subject to availability of resources, computerized and connected through a network all over the state on different systems so that access to such records is facilitate
- f. Training of staff dealing with procurement in WUAs by DPU, either directly or by hiring support organizations like NGOs/consultants.
- g. Training of the Executing Engineers in State Procurement Procedures in general and World Bank Procurement procedures in particular will go a long way in strengthening and improving the procurement process and reduced risks.

## **2.9 Fraud and Corruption**

- a. It is the Bank's policy to require that Borrowers (including beneficiaries of Bank Credit/ loans), as well as bidders, suppliers, and contractors under Bank-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the Bank defines, for the purposes of this provision, the terms set forth below as follows:
- b. "corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, of any thing of value to influence the action of a public official in the procurement process or in contract execution;
- c. "fraudulent practice" means a misrepresentation or omission of facts in order to influence a procurement process or the execution of a contract;
- d. "collusive practices" means a scheme or arrangement between two or more bidders, with or without the knowledge of the Borrower, designed to establish bid prices at artificial, non-competitive levels;
- e. "Coercive practices" means harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract.
  - i. Bank will reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.
  - ii. Bank will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive, or coercive practices during the

procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation.

- iii. Bank will sanction a firm or individual, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that the firm has directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, a Bank-financed contract.
- iv. The bank will have the right to require that a provision be included in the bidding documents and in the contracts financed by a bank loan , a provision be included requiring bidders , suppliers and contractors to permit the bank to inspect their accounts and records and other documents relating to the bid submission and contract performance and to have them audited by the auditor's appointed by the bank.

## **2.10 Misprocurement**

The Bank does not finance expenditures for goods, works and consultancy services, which have not been procured/ contracted in accordance with the agreed provisions of the financing agreement and as further elaborated in Procurement Plan agreed with the Bank. In such cases, the Bank will declare misprocurement, and it is the policy of the Bank to cancel that portion of credit/ loan allocated to the goods, works, and consultancy services that have been misprocured. The Bank may, in addition, exercise other remedies provided for under the Financing Agreement. Even when the contract is awarded after obtaining "no objection" from the Bank, the Bank may still declare misprocurement, if it concludes that the "no objection" was issued on the basis of incomplete, inaccurate, or misleading information furnished by the Borrower or the terms and conditions of the contract had been modified without Bank's prior approval.



## **CHAPTER III**

### **PROCUREMENT PROCESS AND MODES**

#### **3.1 General**

- 3.1.1 Before undertaking procurement of goods, works and services as per approved Procurement Plan it needs to be ensured that Budget allocations are made available under State Budget under appropriate heads for meeting expenditure during the financial year for implementation and accomplishment of the project.
- 3.1.2 The procurement plan for the financial year along with method of procurement shall be finalized depending upon the type of goods, work and services to be procured, availability of competent agencies for the supply of goods, execution of works and services
- 3.1.3 In the implementation of Civil works PMU shall act, as 'facilitator' and responsibility for execution of works shall be mainly that of DPU.
- 3.1.4 The technical and professional support shall be provided to the DPU by PMU and WUA by PMU and DPU at all stages including preparing of bid documents, specifications, evaluation of bids, inspection of equipment, implementation of works, financial and technical audit.

#### **3.2 Scope of work & Options**

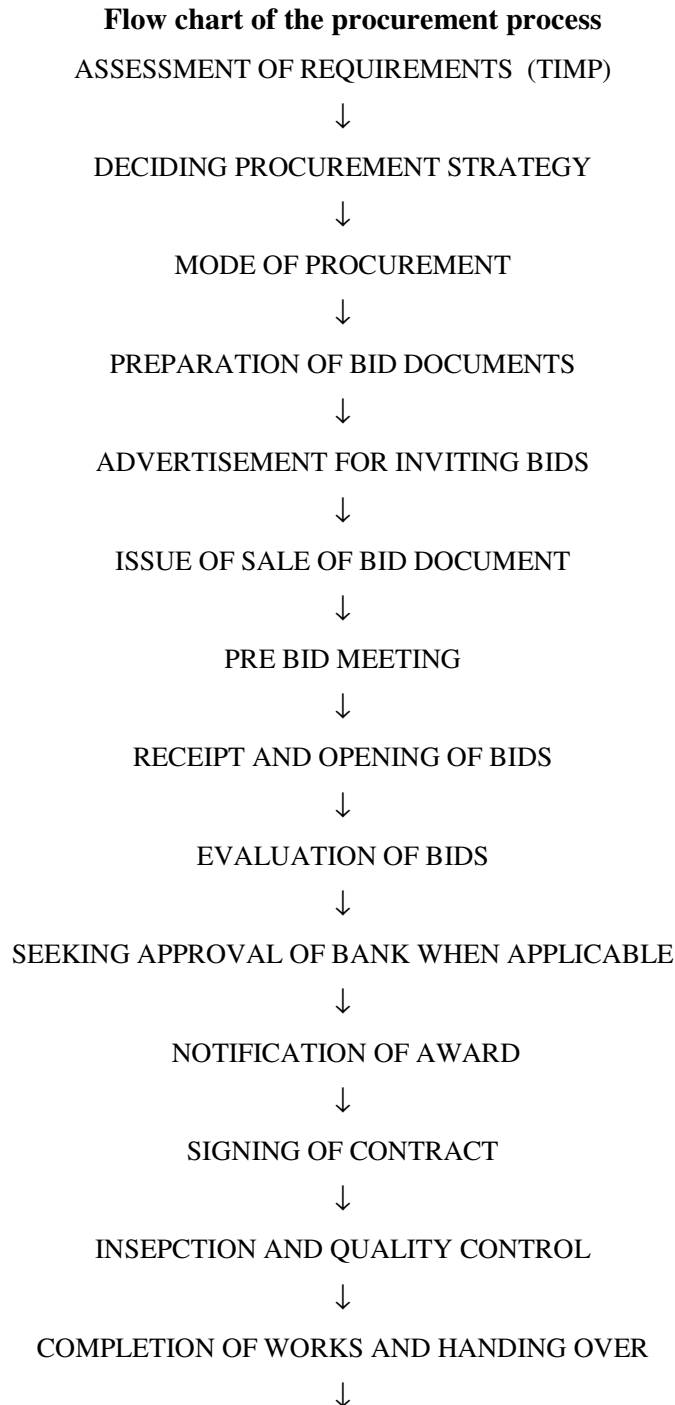
- 3.2.1 The procurement of goods, works and services under APCBTMP mainly includes below :
  - (a) Works
    - Tank Civil Works
    - Instillation of measurement devices
    - Water distribution pipe system
    - Foreshore plantation
  - (b) Goods:
    - Engineering survey equipments
    - Vehicles
    - Computers, Xerox and Furnitures (office establishment)
    - Quality control labs
    - Upgradation of data centers
    - Groundwater related equipments
    - Livelihood marketing infrastructure
    - Stationary for training, Guidelines preparation and dissemination cost
  - (c) Services and consultancies
    - S.O Consultancy
    - Training for S.Os, project Staff and WUAs
    - Hydrological assessment for individual tanks and continuous monitoring of assessment units for groundwater
    - Demonstrations for productivity increase in agriculture and horticulture, Breed improvement, Sheep development, and Fisheries
    - Capacity Building Consultancy for agriculture, horticulture, Breed improvement, Sheep development, Fisheries
    - Promotion of business opportunities studies at state and district level
    - M & L Consultancy
    - Action research and thematic studies

- 3.2.2 The following principles shall be followed for procurement under the project:
- i **In case of PMU at the State level and DPU at the District level**
    - All goods and services required at PMU as well as DPU level common to project districts will be procured as per the bidding procedure using Bidding Document as per Bank Guidelines and as briefed in the Manual.
    - For procurement of works by DPU under APCBTMP separate contracts for individual components will be prepared and awarded, in case a single contracting agency is not available for all components of works. However this procedure will be reviewed after the experience of the pilot schemes for any changes.
    - In case of WUA undertaking the works, community contracting will be followed for the works agreed to be carried under the TIMP.
  - ii The supply of cement, steel, construction materials shall be the responsibility of the contractor.
  - iii All such options for procurement of goods, works and services shall be explained by DPU to the community at planning stage to facilitate decision of option by WUA. However, the technical and professional support shall be provided to the WUA by DPU at all stages including preparation of bid document, specifications, evaluation of bids, inspection of equipment and / or implementation of works.

### **3.3 Procurement Process**

- 3.3.1 The procurement process shall comprise of following:-
- Assessment of procurement requirements for works will be spelt out clearly in the TIMP document at the pre-planning and planning phase of each tank cycle. This will be in accordance with requirement of WUA and with the technical assistance of the engineers in DPU. The component of Community Contracting will form a part of the total estimate prepared for the tank rehabilitation work. The strategy for procurement will be decided keeping the nature of works, economies of scale, capacity of the contractor and time limit with other parameters. The mode of procurement emanates from the strategy adopted and will on the basis of the procurement threshold as accepted by the Bank for the project. The similar process will be adopted for the procurement of goods and services at the state as well as in the district level and will be in line with the procurement plan. The following procurement process will be adopted once the strategy and the mode of procurement get decided:
- i. Finalization of Bidding Document and specifications by tender calling authority as per site condition, specification, source of supply and designed detail.
  - ii. For the Civil works the tenders will be invited by EE/SE. In all the cases a minimum period of 30 Days from the date of publication of the notice will be allowed giving the bidder a minimum period of 30 days for the submission of the bids. The notice shall also be publicized in DPU notice board as well as SE office notice board. Instead of following procurement method of NCB , National Shopping can also be adopted by the DPU for civil works, provided the estimate cost is with in the threshold limit i.e 50,000 US\$.
  - iii. Tenders to be opened after the deadline of receipt of bid on same day at an interval not exceeding half and hour.
  - iv. Comparative evaluation of bids by Competent Technical Authority as given under 2.6.1 of the Department.
  - v. Bids of lowest responsive bidder after evaluation to be put up to the EE/SE/CE/CoT of the Department for acceptance as per delegation of powers given under 2.6.1.
  - vi. Letter of acceptance issued to lowest successful bidder.
  - vii. Agreement will incorporate all agreements between the Employer and Successful bidder. It will be signed by the Employer and kept ready for signatures of the Bidder in the office of the Employer with in 28 days following notification of award and letter of acceptance. Within 21 days of receipt, successful bidder will sign the Agreement and deliver to Employer.

- 3.3.2 During the execution of works, the delegation shall be as under:
- i. Measurements by AEE concerned of DPU.
  - ii. Quality checking both in house by DPU and through third party appointed by PMU.
  - iii. Bills to be checked and certified by the Engineer of DPU and along with completion certificate from works sub-committee before the release of for payment.
  - iv. Payments to be released by EE from the head account for which LOC has been granted to the respective DPUs.
- 3.3.3 Procurement steps are explained in the form of a flow chart as under



### **3.4 Procurement Schedule**

The size and scope of individual packages under Procurement Plan shall be decided based on the magnitude, nature and location of works; quantity/ number and nature of goods and services, keeping in view that works and goods are to be procured economically and efficiently consistent with the quality. Procurement schedule in the prescribed formats (Annex Formats) indicating details of each package shall be compiled and forwarded to the Bank for review and clearance before initiating action. The first 18 month procurement plan has already been submitted to the Bank. The above formats should be used for preparing subsequent annual plan.

### **3.5 Modes of Procurement**

The aggregate value of all the slices in a package or the entire package for which the bids are to be invited in the same IFB shall form basis to determine the mode of procurement and threshold for review of Bank.

The mode of procurement that may be followed includes:

- i International Competitive Bidding (ICB).
- ii National Competitive Bidding (NCB).
- iii Shopping.
- iv Single tender/ Community Contracting.
- v Procurement at the community level

Slice/ packaging/lots shall be appropriately framed to meet with requirement of efficient and economical procuring consistent with the specifications and provision of bid documents. However the package slice will not be split to resort to procurement under less competitive method. The procurement method to be adopted under project under various components is presented in table below:

**Procurement Procedures to be adopted for various items under different components**

<b>Sl. No</b>	<b>Project Component</b>	<b>Contract items</b>	<b>Agency</b>	<b>Procurement Method</b>	<b>Category</b>
1	Institutional Strengthening	SO Selection	DPU	Consultant Qualification (CQ)	Services
		WUA Stationery	DPU	Shopping	Goods
		PRA Stationery	DPU	Shopping	Goods
		TIMP Document	DPU	Shopping	Goods
		Training for SOs, WUAs, Project Staff	PMU/DPU	Direct Contracting/CQ	Services (training)
2	Tank System Improvement	Civil Works	DPU	NCB/Shopping	Civil Works
		Civil Works	WUA	CC	Civil Works
		Piezometer	GWD	NCB	Civil Works
		Creation of MI Database	PMU	CQ	Services
		Surface Water Assessment of Tanks	PMU	SS	Services
		Third party Quality Control	PMU	SS	Services
		District Level Engineering Support Consultancy	DPU	Individual	Services
		Engineering Staff at DPU (Wherever Vacancy Exists)	DPU	Individual	Services
		Training for groundwater users and GWD staff	DPU	Direct Contracting/CQ	Services (training)
		District level QC labs	DPU	Shopping	Goods
		Engineering Survey Equipment	DPU	Shopping	Goods
		GMIS software	PMU/DPU	Shopping	Goods
		AWLR	GWD	ICB	Goods
		Upgradation of State GW Data Centre	GWD	NCB	Goods
		Upgradation of District GW Data Centre	GWD	NCB	Goods
	Upgradation of 6 labs	GWD	Shopping	Goods	
	Measuring devices, water level indicators etc.	GWD	Shopping	Goods	
3	Production and Livelihood	NADEP PITS	WUA	CC	Civil Works

	Enhancement				
		Vermi compost Pits	WUA	CC	Civil Works
		Site Preparation and Nursery Raising	WUA	CC	Civil Works
		Promotion of New Business Opportunities Studies at State and District level	PMU	CQ	Services
		Consultant for strategic guidance	PMU	Individual	Services
		Consortium activities /innovative pilots	PMU	SS	Services
		Capacity Building training for the entire Component	DPU	Direct Contracting/CQ	Services (training)
		SRI Equipments	DPU	Shopping	Goods
		WUA Level Equipments	DPU	Shopping	Goods
		Ram Lamb Units	DPU	Direct Contracting	Goods
		Breed Improvement equipments	DPU	Shopping	Goods
		Venture capital for milk route expansion	DPU	Shopping	Goods
		Computers	DPU	Shopping	Goods
		Printing stationary for computers	DPU	Shopping	Goods
		Village collection center equipment	DPU	Shopping	Goods
		Cluster level collection center equipment	DPU	Shopping	Goods
		Fingerlings to FCS	DPU	Direct Contracting	Goods
		Ice boxes to fisherwomen		Shopping	Goods
4	Project Management	WUA Audit	PMU/DPU	CQ	Services
		M & E external Consultancy	PMU	QCBS	Services
		MIS design	PMU	QCBS	Services
		Contractual Project Staff (PMU)	PMU	Individual	Services
		Contractual Project Staff (DPU)	PMU	Individual	Services
		Special studies and action research	PMU	QCBS	Services
		Capacity Building for M & E staff	PMU	CQ	Services (training)
		Staff training (including international)	PMU	SS	Services (training)
		Vehicles	PMU/DPU	Rate Contract	Goods
		Office Establishment (Computer, Xerox, Furnitures etc.)	PMU/DPU	Rate Contract	Goods

**Procurement process and threshold limits**

<b>Item of procurement</b>	<b>Documents to be used</b>	<b>Threshold</b>	<b>Method of procurement</b>
Works	W1	Contracts beyond US\$ 50,000 and less than US\$ 100,000 per contract	NCB
	W2	Contracts beyond US\$ 1,00,000 and up to US\$ 10 million	NCB
	W6	Contracts upto US\$ 15000	CommunityDriven Procurement
	W5	Contracts up to US\$ 50,000	SHOPPING
	W9	Contracts up to US\$ 50,000	Local Competitive Bidding
Goods	E1	Contracts beyond US\$ 50,000/ and less than US\$ 2,00,000/	NCB
	E5	Contracts less than US\$ 50,000	DGSD/ SHOPPING
	E6	Beyond US\$ 500,000	ICB
Consultancy		Contracts up to US\$ 50,000	CQ/SS
		Contracts more than \$50,000 and upto \$200,000	CQ
		Contracts beyond US\$ 200,000	QCBS/QBS/FBS
Training and workshops		Contracts up to US\$ 50,000	Direct contracting

### **3.5.1 International Competitive Bidding (ICB).**

- This method of procurement of goods, works and services is generally adopted where supplies need import and foreign (international) firms are expected to participate irrespective of the value.
- This requires adequate notification of client requirements to provide equal opportunity to bid for the required goods and works. The size and scope of individual contracts will depend on the magnitude, nature and volume of projects. For projects requiring similar but separate item of equipment or works, bids may be invited under alternative contract option that would attract the interest of both small and large firms, which could be allowed at their option, to bid for individual contracts (slices) or for a group of similar contracts (package). All bids and combination of bids shall be received by the same deadline and opened and evaluated simultaneously so as to determine the bid or combination of bids offering the lowest evaluated cost to the client.
- For procurement of AWLR under ICB the GW department is required to prepare and submit to the Bank a General Procurement Notice and Bank shall arrange for its publication in UN Development Business online (UNDB online) and the Development Gateway dg Market. Simultaneously it shall be published in at least one newspaper of national circulation and web site of the Project.
- The related prequalification or bidding documents, as the case may be, shall not be released to the public earlier than the date of publication of the General Procurement Notice.
- The prequalification is usually necessary for large or complex works or in any other circumstances in which the high cost of preparing detailed bids could discourage competition
- Bidding preparation period shall be 45 to 90 days from date of start of sale of bidding document or invitation of bid whichever ever is later.
- The bidding documents shall include the details as is described in various paras that follow.
- Within two weeks of receiving the Bank's "no objection" to the recommendation of contract award, the PMU department shall publish in UNDB online and in dg market and the Project web site in case of requirement the results identifying the bids and lot numbers and the following information:
  - (a) name of each bidder who submitted a bid;
  - (b) bid prices as read out at bid opening;
  - (c) name and evaluated prices of each bid that was evaluated;
  - (d) name of bidder whose bids were rejected and the reasons for their rejection; and
  - (e) name of the winning bidder, and price it offered, as well as the duration and summary scope of the contract awarded.
- GWD will also advise the bidder that if a bidder wishes to ascertain the grounds on which its bid was not selected , it shall address its request to GWD.
- If after publication of results of evaluation GWD receives protests /complaints from the bidders, and if as a result of analysis of such protests PMU/DPU changes its contract award recommendation and the Bank accepts such changes, then the revised contract recommendations containing all the above details shall be published with in 2 weeks in UNDB online and in dg market and the Project web site

### **3.5.2 National Competitive Bidding (NCB)**

All NCB contracts (Works and Goods) shall be awarded in accordance with the provisions of Paragraphs 3.3 and 3.4 of the Guidelines for Procurement under IBRD Loans and IDA Credits May 2004.

- National competitive bidding for procurement of goods, works and services is most appropriate way of procurement when nature or scope of goods or works are unlikely to attract foreign competition because:
  - (a) The contract values are small;
  - (b) The works are scattered geographically or spread over time;
  - (c) Works are labour intensive; or
  - (d) The goods or work are available locally at prices below the international market.



However foreign bidders are not to be precluded from participation if they wish to bid

- To have competitive bids, the advertising of bids shall be in at least one English newspaper with nation wide circulation and one regional language newspaper and web site of PMU/DPU. Tendering period shall be minimum 30 days from date of publication. Tender document can be sold from different places but shall be received at one place only. Tenders shall be opened half an hour after the deadline of submission.
- No special preference will be accorded to any bidder, either for price or for any other terms and conditions, when competing with foreign bidders, state owned enterprises, small scale enterprises or enterprises from any given state;
- Except with the prior concurrence of Bank, there shall be no negotiations of price with the bidders, even with the lowest evaluated bidder;
- Extension of bid validity shall not be allowed without the prior concurrence of Bank (i) for the first request for extension if it is longer than four weeks; and (ii) for all subsequent requests for extension irrespective of the period (such concurrence will be considered by Bank only in cases of *force majeure* and circumstances beyond the control of the Purchaser or Employer);
- Rebidding shall not be carried out without the prior concurrence of Bank. The system of rejecting tenders outside a pre-determined margin or 'bracket' of prices shall not be used;
- Rate contracts entered into by DGS&D will not be acceptable as a substitute for NCB procedures. Such contracts will be acceptable for any procurement under national Shopping procedures;
- The two-or-three envelope system will not be used.
- The bidding documents shall provide clear instruction on how bids should be submitted, how prices should be offered, and the place and time of submission of bids. Adequate response time for preparation and submission of bids shall be provided. The procedures shall provide for adequate competitions in order to ensure reasonable prices, and methods used in the evaluation of bids and the award of contracts shall be objective and made known to all the bidders in bidding documents and not be applied arbitrarily
- The procedure shall also include public opening of bids, evaluation of bids, publication of results of bid, award of contract and provision of bidder to protest.
- **First NCB documents** at the stage of award of contract will be sent to World Bank for prior review for clearance for concurrence.
- Within two weeks of receiving the Bank's "no objection" to the recommendation of contract award, the client shall publish in the Project web site the results identifying the bids and lot numbers and the following information:
  - (a) name of each bidder who submitted a bid;
  - (b) bid prices as read out at bid opening;
  - (c) name and evaluated prices of each bid that was evaluated;
  - (d) name of bidder whose bids were rejected and the reasons for their rejection; and
  - (e) name of the winning bidder, and price it offered, as well as the duration and summary scope of the contract awarded.
- PMU/DPU will also advise the bidder that if a bidder wishes to ascertain the grounds on which its bid was not selected, it shall address its request to PMU/DPU.
- If after publication of results of evaluation PMU/DPU receives protests /complaints from the bidders, and if as a result of analysis of such protests PMU/DPU changes its contract award recommendation and the Bank accepts such changes, then the revised contract recommendations containing all the above details shall be published within 2 weeks in the Project web site

### 3.5.3 Shopping

Shopping is a procurement method based on comparing price quotations obtained from several suppliers (in case of goods) or from several contractors (in case of civil works), with a minimum of three, to assure competitive prices, and is an appropriate method for providing readily available off-the-shelf goods or standard specification commodities of small value or simple civil works of small value.

- i Requests for quotation shall indicate the description and quantity of the goods, specification of works and desired delivery (or completion) time and place.

- ii Quotations may be submitted by letter, facsimile or by electronic means.
- iii The evaluation of quotations shall follow the same principles as of open bidding. If quotations are called for more than one item, it shall also be indicated whether the evaluation would be item wise or as a package.
- iv The terms of accepted offer shall be incorporated in a purchase order or brief contract.
- v Prior approval of competent authority shall be arranged for items to be purchased or works to be undertaken with brief description, specification and estimated costs and agencies from whom quotations shall be invited.

### **3.5.4 Community Driven Procurement**

Community driven procurement is contracting without competition (single source) and may be an appropriate method for entrusting works to WUA.

The WUA can carry out the work by the labour contributed by the community or through the labour contribution and separate labour contract.

### **3.5.5 Procurement at the Community Level**

As detailed earlier the community through WUA will have an option to directly contract the works they intend to undertake as agreed in the TIMP

### **3.5.6 e-Procurement**

It is doing procurement electronically over internet with vendors or suppliers.

The Government of Andhra Pradesh has introduced e-procurement for goods and works with the following objectives:

- Better value for money
- Reducing cost and time of doing business
- Level playing field, fair competitive platform and single registration for suppliers
- Increased transparency, monitoring and control of procurement process

The e-procurement has advantages such as automatic workflows, reduction in lead time and cost, remote bidding, paperless, transparency and secured single stop shopping.

At present nine government departments including irrigation, fifteen public sector units and fifty six municipalities and four universities in A.P are using e-procurement for procuring goods and works in different programmes.

The government of AP has entered a contract with C1 India Ltd. to manage the e-procurement website ([www.eprocurement.gov.in](http://www.eprocurement.gov.in)) for the government. The information starting from notification to evaluation for a given work is placed in the website. The registered contractors will have specific key for entering their bids and uploading. The details of the e-procurement procedures are presented in Annexure-4. The front page of the e-procurement site is depicted below. **However E-procurement will be resorted to only after getting the World Banks permission for this procedure for procurement for the project.**



### 3.6 Bidding Documents

3.6.1 Bidding documents shall have to be prepared on the basis of the standard Bidding Documents cleared with the Bank for the Project. Deviation shall not be made without prior clearance from the Bank.

3.6.2 Bidding document shall include the following:

- The set of bidding documents comprises the documents listed in the table below and addenda issued in accordance with Clause 10:
- Invitation for Bids (Enclosure-I)
- Section 1-Instructions to Bidders
- Forms of contract
- Forms of Bid and Qualification Information
- Conditions of Contract
- Contract Data
- Specifications
- Drawings
- Bill of Quantities
- Forms of Securities
- Of the three sets of the bidding documents supplied, two sets should be completed and returned with the bid.
- Clarification of Bidding Documents
- A prospective bidder requiring any clarification of the bidding documents may notify the Employer in writing or by cable (hereinafter "cable" includes telex and facsimile) at the Employer's address indicated in the invitation to bid. The Employer will respond to any request for clarification which he received earlier than 15 days prior to the deadline for submission of bids. Copies of the Employer's response will be forwarded to all purchasers of the bidding documents, including a description of the enquiry but without identifying its source.

- Pre-bid meeting
- The bidder or his official representative is invited to attend a pre-bid meeting which will take place at \_\_\_\_\_ (address of venue) on \_\_\_\_\_ (time and date).
- The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.
- The bidder is requested to submit any questions in writing or by cable to reach the Employer not later than one week before the meeting.
- Minutes of the meeting, including the text of the questions raised (without identifying the source of enquiry) and the responses given will be transmitted without delay to all purchasers of the bidding documents. Any modification of the bidding documents listed in Sub-Clause 8.1 which may become necessary as a result of the pre-bid meeting shall be made by the Employer exclusively through the issue of an Addendum pursuant to Clause 10 and not through the minutes of the pre-bid meeting.
- Non-attendance at the pre-bid meeting will not be a cause for disqualification of a bidder.
- Amendment of Bidding Documents
- Before the deadline for submission of bids, the Employer may modify the bidding documents by issuing addenda.
- Any addendum thus issued shall be part of the bidding documents and shall be communicated in writing to all the purchasers of the bidding documents. Prospective bidders shall acknowledge receipt of each addendum in writing to the Employer.
- To give prospective bidders reasonable time in which to take an addendum into account in preparing their bids, the Employer shall extend as necessary the deadline for submission of bids, with rights and obligation of the employer and bidders will then be subject to the new deadline.

3.6.3 The following formats of Bidding Documents of World Bank shall be used for the implementation of the project :

Contracts for goods following ICB procedures	<b>E6 with SBD for goods</b>
Contracts for works valued upto US\$ 50,000/- under local competitive bidding under NCB procedures	<b>W9</b>
Contracts for works valued upto US \$ 50,000 each under NS procedures	<b>W5</b>
Contracts for works valued upto US \$ 15,000 each under community driven procurement procedures	<b>W6</b>
Contracts for works beyond US \$ 50,000/- and up to US \$ 1,00,000/-) under NCB procedures.	<b>W1</b>
Contracts for works beyond US\$ 1,00,000/- and up to US\$ 10 million -under NCB procedures	<b>W2</b>
Contracts for goods valued less than equivalent of US\$ 50,000/- following NS Procedures	<b>E5</b>
Contracts for goods beyond US\$ 50,000/- and up to US\$ 5,00,000/- following NCB procedures	<b>E1</b>
Contracts for goods beyond \$500000 following ICB procedures	<b>E6</b>
Contracts for Consultancy upto \$50000	<b>CQ/SS</b>
Contracts for Consultancy beyond \$200000	<b>QCBS/QBS/FBS/SS</b>

- 3.6.4 The below noted aspects shall be complied with while inviting the bids and their evaluation:
- (i) No special preference will be given to any bidder either for price or for any other terms and conditions when competing with state owned enterprises, small scale enterprises etc.
  - (ii) Except with prior concurrence of World Bank there will be no negotiations of price with the bidders even with the lowest evaluated bidder.
  - (iii) Extension of bid validity will not be allowed without prior concurrence of World Bank
    - (a) For the request for extension of it is longer than 4 weeks and
    - (b) For all subsequent requests for extension irrespective of the period.
  - (iv) Re-bidding will not be carried out without prior concurrence of World Bank
  - (v) DGS&D rate contract or State Controller of Stores contracts will not be acceptable as a substitute for NCB procedure. However DGS &D rates will be acceptable as a substitute for shopping.
  - (vi) The two or three envelope system will not be used.

3.6.5 Guidelines as regard commercial terms of Bidding Document shall **be as under:**

**(a) Validity of Tenders:**

Bids shall remain valid for a period not less than ninety days in case of ICB/ NCB however the validity may be shorter for shopping and other simpler procedures after the deadline date for bid submission specified in Clause 20. A bid valid for a shorter period shall be rejected by the Employer as non-responsive.

In exceptional circumstances, prior to expiry of the original time limit, the Employer may request that the bidders may extend the period of validity for a specified additional period. The request and the bidders' responses shall be made in writing or by cable. A bidder may refuse the request without forfeiting his bid security. A bidder agreeing to the request will not be required or permitted to modify his bid except as provided in 15.3 hereinafter, but will be required to extend the validity of his bid security for a period of the extension, and in compliance with Clause 16 in all respects.

In the case of contracts in which the Contract Price is fixed (not subject to price adjustment), in the event of request from purchaser and acceptance of the Bidder for extension of validity period, the bid price of the successful Bidder shall be corrected as follows:

The price shall be increased by the factor  $B^1$  for each week or part of a week that has elapsed from the date of expiry of the initial bid validity to the date of issue of letter of acceptance to the successful Bidder.

**(b) Liability on termination:**

1. The Employer or the Contractor may terminate the Contract if the other party causes a fundamental breach of the Contract.
2. Fundamental breaches of Contract include, but shall not be limited to the following:
  - (a) the Contractor stops work for 28 days when no stoppage of work is shown on the current Program and the stoppage has not been authorized by the Engineer;
  - (b) the Engineer instructs the Contractor to delay the progress of the Works and the instruction is not withdrawn within 28 days;

---

<sup>1</sup> The value of 'B' is based on the country's projected inflation for the period in question. The employer inserts the value in the bid document prior to issue.

- (c) the Employer or the Contractor is made bankrupt or goes into liquidation other than for a reconstruction or amalgamation;
- (d) a payment certified by the Engineer is not paid by the Employer to the Contractor within 56 days of the date of the Engineer's certificate;
- (e) the Engineer gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Engineer;
- (f) the Contractor does not maintain a security which is required;
- (g) the Contractor has delayed the completion of works by the number of days for which the maximum amount of liquidated damages can be paid as defined in the Contract data; and
- (h) if the contractor, in the judgment of the Purchaser has engaged in fraud and corruption, as defined in GCC Clause 64, in competing for or in executing the Contract.

3. When either party to the Contract gives notice of a breach of contract to the Engineer for a cause other than those listed under Sub Clause 2 of liability of termination above, the Engineer shall decide whether the breach is fundamental or not.

4. Notwithstanding the above, the Employer may terminate the Contract for convenience.

5. If the Contract is terminated the Contractor shall stop work immediately, make the Site safe and secure and leave the Site as soon as reasonably possible.

**(C) Payment upon Termination**

1. If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Engineer shall issue a certificate for the value of the work done less advance payments received up to the date of the issue of the certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law and less the percentage to apply to the work not completed as indicated in the Contract Data. Additional Liquidated Damages shall not apply. If the total amount due to the Employer exceeds any payment due to the Contractor the difference shall be a debt payable to the Employer.
2. If the Contract is terminated at the Employer's convenience or because of a fundamental breach of Contract by the Employer, the Engineer shall issue a certificate for the value of the work done, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works and less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract and less taxes due to be deducted at source as per applicable law. In the event of termination because of fundamental breach of contract by contractor, the provision for additional cost for completion of works shall be 20% of unexecuted works to be adjusted from the final payment of the contractor.

Bid evaluation will be based on the bid prices without taking into consideration the above correction.

(d) **Bid Security:** shall be 2.0% of the estimated amount of goods, works or a specific amount is indicated.

1. This bid security shall be in favour of .....(fill up as appropriate)..... and may be in one of the following forms:

- a bank guarantee issued by a nationalized / scheduled bank located in India or a reputable bank located abroad in the form given in Section 8 of the bid document; or
- Certified cheque, Bank draft or Letter of Credit in favour of ..... payable at (fill up as appropriate).....
- .....
- .....
- .....

2. Bank guarantees issued as surety for the bid shall be valid for 45 days beyond the validity of the bid in favour of Employer who invites the bid.

3. Any bid not accompanied by an acceptable Bid Security as indicated above shall be rejected by the Employer as non-responsive.

4. The Bid Security of unsuccessful bidders will be returned within 28 days of the end of the bid validity period.

5. The Bid Security of the successful bidder will be discharged when the bidder has signed the Agreement and furnished the required Performance Security.

6. The Bid Security shall be forfeited

- a) if the Bidder withdraws the Bid after Bid opening during the period of Bid validity;
- (b) if the Bidder does not accept the correction of the Bid Price by the employer, with respect to arithmetic calculation
- (c) in the case of a successful Bidder, if the Bidder fails within the specified time limit to
- (d) Sign the Agreement within specified period; or
- (e) Furnish the required Performance Security within specified time limit.
- (f) **Performance Security Deposit:** for all NCB tenders for civil works

7. Within 21 days of receipt of the Letter of Acceptance, the successful Bidder shall deliver to the Employer a Performance Security in any of the forms given below for an amount equivalent to 5% of the Contract price plus additional security for unbalanced Bids in accordance with Clause 29.5 of ITB and Clause 52 of Conditions of Contract:

- a bank guarantee in the form given in Section 8; or
- Certified cheque/Bank draft, in favour of ..... payable at .....
- \_\_\_\_\_

8. If the performance security is provided by the successful Bidder in the form of a Bank Guarantee, it shall be issued either (a) at the Bidder's option, by a Nationalized/Scheduled Indian bank or (b) by a foreign bank located in India and acceptable to the Employer or (c) by a foreign bank through a correspondent Bank in India [scheduled or nationalized].

9. Failure of the successful bidder to comply with the requirements of sub-clause 34.1 shall constitute a breach of contract, cause for annulment of the award, forfeiture of the bid security, and any such other remedy the Employer may take under the contract, and the Employer may resort to awarding the contract to the next ranked bidder..

(e) **Retention Money:** shall be deducted @ 6.0% from each bill subject to a maximum of 5% of final contract price. 50% of the amount retained shall be paid to the Contractor on completion of whole of

work and balance 50% on expiry of defect liability period provided the Engineer has certified that all defects notified by the Engineer to the Contractor before the end of this period have been corrected. On completion of the whole work the contractor shall have the option to substitute retention money (balance 50%) by a Bank Guarantee from a Scheduled Bank of similar amount.

- (f) **Defect Liability Period:** 24 months from the date of certification of completion of work.
- (g) **Liquidated damages :** Liquidated damages @ 0.10% (percent) per day (for goods) *and 0.05 % (percent)* per day (for works) of the value of goods / works for which the delay in supply of goods/ completion of works was incurred subject to a maximum of 10 (ten) percent of final contract price.
- (h) **Mobilization Advance:** In respect of contracts above Rs. 50.0 lakhs, provision of mobilization advance for equipment and materials may be incorporated for civil works @ 5% of contract price against Bank Guarantee from Scheduled Bank of similar amount. The recovery is applicable as per contract data sheet.

### **3.7 Sale of Bidding Documents, Receipt and Opening**

- 3.7.1 Bidding documents should be made available for sale till a day prior to the last date of receipt of bids, to all those who intend to participate in the bidding. A period of minimum 30 days shall be ensured from date of sale of bidding documents and receipt of bids.
- 3.7.2 Bidders shall be permitted to deposit their bids on any day during the bidding period either by post or in person. Bids shall be received only at one place (i.e. by the authority inviting the Bids) and shall be kept in safe custody till the stipulated time of opening.
- 3.7.3 Last date of receipt of bids and opening of Bids shall be the next day, following the close of sale of Bidding Documents. If the day happens to be a holiday, the last date of receipt and opening of bids shall be the next working day. The bids will be opened at scheduled time of closure of receipt of bids. All bids received shall be opened in presence of bidder's representatives who choose to attend and shall sign a register evidencing their attendance.
- 3.7.4 Envelopes marked "WITHDRAWAL" shall be opened first, and the name of the bidder shall be read out. Bids for which acceptable notice of withdrawal has been submitted shall not be opened. Subsequently all envelopes marked "MODIFICATION" shall be opened and submission therein read out in appropriate detail. The bidder's names, bid prices including any alternative Bid Price or deviations, discounts, bid modification and withdrawals and the presence or absence of bid security and such other details as considered appropriate shall be announced during opening of bids in the meeting. All cuttings and /over writings observed in the Bid Form and Price schedules shall be authenticated by the members of Bid Opening Committee by encircling and initialing the cuttings/ over –writings. The minutes of the bid opening should be prepared in the specified format (Enclosure XIII). No bid shall be rejected at bid opening, except for late bids, which shall be returned unopened to the bidder.
- 3.7.5 Bids and modifications that are not opened and read out at bid opening shall not be considered further for evaluation, irrespective of the circumstances.

### **3.8 Prebid Meeting**

- 3.8.1 Pre bid conference should be provided where necessary and should be convened early in the bidding process (midway), but should allow sufficient time for bidders to study the bidding documents and prepare queries/ clarifications.
- 3.8.2 The meeting should be scheduled at about midpoint of bidding time. The purpose of meeting will be to clarify issues and bidder's queries/questions on any matter that may be raised at this stage.. Minimum post qualification criteria to be met, important provisions of the bidding document, schedule of requirements, special conditions of contract and special features of the specifications shall be explained to the prospective bidders.



- 3.8.3 Minutes of meeting indicating the responses given in the meeting (including an explanation of query but without identifying the source of inquiry) shall be furnished expeditiously to all those attending the meeting and subsequently to all the purchasers of bidding documents, after getting the same cleared with the Bank.
- 3.8.4 Any modification of the bidding documents which may become necessary as a result of the prebid meeting shall be made exclusively through issuance of corrigendum (after getting the same cleared with the Bank) and not through the minutes of the prebid meeting.

### **3.9 Price Adjustment**

- 3.9.1 Contract price shall be adjusted for increase or decrease in rates and price of labour, materials, fuels and lubricants in accordance with the following principles and procedures and as per formula given in the contract data:
- a. The price adjustment shall apply for the work done from the start date given in the contract data up to end of the initial intended completion date or extensions granted by the Engineer and shall not apply to the work carried out beyond the stipulated time for reasons attributable to the contractor.
  - b. The price adjustment shall be determined during each quarter from the formula given in the contract data.
  - c. Following expressions and meanings are assigned to the work done during each quarter:

R = Total value of work done during the quarter. It would include the amount of secured advance for materials paid for (if any) during the quarter, less the amount of the secured advance recovered, during the quarter. It will exclude value for works executed under variations for which price adjustment will be worked separately based on the terms mutually agreed.

To the extent that full compensation for any rise or fall in costs to the contractor is not covered by the provisions of this or other clauses in the contract, the rates and prices included in the contract shall be deemed to include amounts to cover the contingency of such other rise or fall in costs.

- 3.9.2 Bid adjustment clause shall be provided when the estimated value of work exceeds Rs. 50.00 lakhs and period of completion of works or supply of goods is more than 12 months. The total percentage of materials, labour, POL (fuel & lubricants), plant and machinery spares .components should be equal to “100”, in the formula.
- 3.9.3 When the total estimated value of contract does not exceed Rs. 50.00 lakhs and stipulated period of completion of works or supply of goods is less than 12 months, prices quoted by the bidder shall be fixed during the bidders performance of the contract and not subject to variation on any account. In such cases, a bid submitted with an adjustable price quotation will be treated as non –responsive and rejected.
- 3.9.4 Price adjustment clause shall be provided when total value of contract exceeds Rs. 50.00 lakhs and stipulated period of completion of works or supply of goods is more than 12 months. The total percentage of labour, materials and POL components shall be 100 in formula detailed in Enclosure II, if ‘R’ in the formula represents the work done. In such cases a bid submitted with a fixed price quotation will not be rejected, but price adjustment shall be treated as zero.
- 3.9.5 To the extent that full compensation for any rise or fall in costs to the contractor is not covered by the provision of formula vide Enclosure II or other clauses of the contract, the unit rates and prices included in the contract shall be deemed to include amounts to cover the contingency of such other rise or fall in costs.

### 3.10 Evaluation of Bids

3.10.1 Before proceeding for evaluation, it shall be ascertained whether the bids:

- (i) meet the eligibility requirements
- (ii) have been properly signed
- (iii) are accompanied by the required authorization/ undertaking
- (iv) are accompanied by the required securities.
- (v) are substantially responsive to the requirements of bidding documents.
- (vi) provides any clarification and or substantiation that the Employer is required to determine the responsiveness; and
- (vii) are otherwise generally in order.

If a bid is not substantially responsive, that is, it contains material deviation from or reservation to the terms, conditions and specifications in the bidding documents, it should not be considered further. The bidder must not be permitted to correct or withdraw material deviations or reservations once bids have been opened.

3.10.2 The Employer may waive any minor informality or unconformity or irregularity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any bidder. In those cases for the purposes of evaluation, adjustments should be made for the costs to the Employer of any quantifiable non-material deviation or reservations.

3.10.3 A substantially responsive bid is one which conforms to all the terms and conditions of bidding document without material deviations. The determination of a bid's responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence.

A substantially responsive bid for works refers to :

*“A substantially responsive bid is one which conforms to all the terms, conditions and specifications of the bidding documents, without material deviation or reservation. A material deviation or reservation is one (i) which affects in any substantial way the scope, quality or performance of the works; (ii) which limits in any substantial way, inconsistent with the bidding documents, the Employer's rights or the bidder's obligations under the contract; or (iii) whose rectification would affect unfairly the competitive position of other bidders presenting substantially responsive bids.”*

A substantially responsive bid for goods shall refer to:

*“Deviations from or objections or reservations to critical provision such as those concerning performance security (GCC Clause 7), warranty (GCC Clause 15), Force majeure (GCC Clause 25), Limitation of liability (GCC Clause 29), Applicable laws (GCC Clause 30), and taxes and duties (GCC Clause 32) will be deemed to be a material deviation.”*

(The above clauses refers to Standards Bidding Documents of the World Bank )

3.10.4 No bidder should be requested or permitted to alter his bid after the bid has been opened. In order to evaluate his bid, if any, clarification is required, the same can be called. The request for clarification and the response shall be in writing and no change in the price or substance of the bid shall be sought, offered or permitted.

3.10.5 No preferential treatment should be given to any bidder or class of bidders either for price or for condition unless specifically cleared with the Bank and stipulated in the Project Agreement. Any procedure under which bids above or below a pre-determined assessment of bid values are automatically disqualified, is not applicable. Bidder should not be required as

condition of award who undertakes responsibility of work not stipulated in specification or otherwise to modify his bid.

### 3.10.6 Evaluation of bids for Civil Works:

All substantially responsive bids should be evaluated in detail as per procedure stipulated in bidding documents.

In evaluating the bids, the Employer will determine for each Bid the evaluated Bid price by adjusting the Bid price as under:

- (a) Making any correction for arithmetical errors;
- (b) Excluding provisional sums and the provision, if any, for contingencies in the Bill of Quantities, but including day work, where priced competitively;
- (c) Making an appropriate adjustment for any other acceptable variations, deviations, or alternative offers; and
- (d) Making appropriate adjustments to reflect discounts or other price modifications offered:
  - The Employer reserves the right to accept or reject any variations, deviation, or alternate offer. Variations, deviations, and alternative offers and other factors which are in excess of the requirement of the bidding documents or otherwise result in unsolicited benefits for the Employer will not be taken into account in Bid evaluation.
  - The estimated effect of any price adjustment conditions during the period of implementation of the Contract will not be taken into account in Bid evaluation.

Suggested format for preparation of the bid evaluation report for civil works is enclosed at Enclosure III (with relevant Annexures).

### 3.10.7 Evaluation of bids for Goods

- (a) Comparison of bids shall be ex-factory/ ex-warehouse/off-the-shelf price of goods such price to include all costs as well as duties and taxed paid or payable on components and raw materials incorporated in the goods.
- (b) The taxes, duties and other levies payable by the contractor under the contract or for any other cause shall be deemed to be included in the rates, prices and total bid price submitted by the bidder
- (c) Evaluation of the bids should take into account, in addition to the bid price and the price of incidental services, the following factors in a manner and to the extent indicated in the documents:
  - Cost of inland transportation, insurance and other costs, incidental to delivery of the goods to their final destination;
  - delivery schedule offered in the bid;
  - deviation in payment schedule from that specified;
  - cost of components, mandatory spare parts and service;
  - the availability of spare parts and alter sales service for the equipment offered.
  - projected operating and maintenance costs during life of the equipment;
  - performance and productivity of the equipment offered; and
  - other specific criteria indicated in the bidding document.

Bids shall be loaded appropriately as per bidding documents for any deviation with reference to the requirements.

- (d) Bonus or additional credits for bid evaluation should not be given for offered features that exceed the required standards or specifications viz. additional horse power or capacity unless there is a specific provision for this in the bidding document.
- (e) Bids often omit a particular component or options or accessories or a minor attachment. If the item offered for supply is otherwise functional and if the omissions are minor and these parts can be procured separately, the bid may be loaded for the parts not included in the scope of supply and evaluated. In other cases the bid should be treated as non-responsive. Pricing of components or features which are omitted shall be based on prices for corresponding components item etc. in other responsive bids; if not available from external sources as such as printed parts list, price list etc.
- (f) All substantially responsive bids should be evaluated in detail as per procedure stipulated in bidding documents.

Suggested format for preparation of the bid evaluation report for good is enclosed at Enclosure IV (with relevant Annexures).

- 3.10.8 The evaluation will exclude and not take into account any allowance for price adjustment during the period of execution of the contract.
- 3.10.9 A bidder should not be required as a condition of award to undertake responsibilities for work not stipulated in the specifications or otherwise to modify his bid.

### **3.11 Single Bids**

Where only one bid is received, efforts should be made to ascertain the reasons. If it is determined that publicity was not adequate, bid specification or any of the terms were restrictive or unclear, the bid shall be cancelled and invited afresh after amending the specifications/ terms.

If however, it is determined that bid specifications are not restrictive and prices quoted are reasonable and bid is technically and commercially responsive, the single bid shall be considered for award.

### **3.12. Award of Contract**

- 3.12.1 Contract shall be awarded to a bidder, whose bid has been determined to be substantially responsive and who has offered the lowest evaluated price provided further that the bidder is determined to be qualified to perform the contract satisfactorily and meets the qualification criteria specified in bidding document.
- 3.12.2 If the lowest evaluated bidder (in the same name and style) does not meet the qualification criteria, his bid should be rejected and a similar determination should be made for the next lowest evaluated bidder, the process continued, if necessary.
- 3.12.3 Where considered necessary verifying the information independently be undertaken before considering rejection of lowest offers for non-submission of some information.
- 3.12.4 To qualify for a package of contracts made of other contracts for which bids are invited, the bidder must demonstrate having experience and resources sufficient to meet the aggregate of the qualifying criteria for the individual contracts.

### **3.13 Rejection of Bids**

- 3.13.1 Regardless of value, if all bids are proposed to be rejected and bids are to be re-invited, the Bank shall be consulted before such action.
  - 3.13.2 (a) In case of civil works, the system of rejecting bids outside a pre-determined margin or "bracket" of prices shall not be used.
  - (b) In the case of receipt of unreasonably high prices, the bidders shall be requested to furnish breakdown of unit rates providing justification for higher bid prices. If the justification, after review, is determined rational, contract should be awarded to the lowest evaluated responsive

bidder. If not, these bidders shall be declared as ineligible from bidding in the re-bid for that contract.

- 3.13.3 After Bank's prior approval to reject all bids and before initiating action for reinitiation of bids, the borrower shall investigate and review causes justifying rejection of bids. Fresh bids shall not be invited on the same bidding and contract document.

### **3.14 Subcontracting in Civil Works**

- 3.14.1 The Contractor may subcontract with the approval of the Engineer but may not assign the Contract without the approval of the Employer in writing. Subcontracting does not alter the Contractor's obligations.

- 3.14.2 All bidders are required to indicate clearly in the bids, if they propose sub contracting elements of works amounting to more than 20 (twenty) percent of the Bid Price. For each such proposal the qualification and experience of the identified sub –contractor in relevant field shall be furnished along with the bid to enable the Employer to satisfy himself about their qualification before agreeing for such sub contracting and inclusion in the contract.

- 3.14.3 The contractor shall not be required to obtain any consent of the Employer in respect of following in the event of having furnished information under Para 4.17.1 above:

- (a) The sub contracting any part of works for which the Sub Contractor is named in the contract;
- (b) The provision of labour; and
- (c) The purchase of materials which are made in accordance with the standards specified in the contract.

#### **3.14.4 Other Contractors**

The Contractor shall cooperate and share the Site with other contractors, public authorities, utilities, and the Employer between the dates given in the Schedule of Other Contractors. The Contractor shall as referred to in the Contract Data, also provide facilities and services for them as described in the Schedule. The employer may modify the schedule of other contractors and shall notify the contractor of any such modification.

### **3.15 Resolution of Disputes**

- 3.15.1 There can be a number of possible causes of dispute during the execution of contract and may involve:

- i Interpretation of the terms and conditions of the contract.
- ii Delay in delivery/ completion of work.
- iii Delay in handing over possession of site.
- iv Delay in release of payment
- v Rates of the items, variation in civil works construct
- vi Condition of the items on arrival at consignee site and after delivery.
- vii Design and specification issues.

As far as possible, dispute may be resolved with mutual agreement between the Employer and contractor to avoid going through arbitration and litigation stages.

#### **3.15.2 Adjudicator:**

In case of contracts above value of Rs.50.00 lakhs, the provision of an Adjudicator shall be included.

Draft letter of appointment of Adjudicator for civil work contracts is appended at Enclosure XII.

The Adjudicator shall give a decision in writing within 28 days of receipt of a notification of a dispute.

The Adjudicator shall be paid daily at the rate specified in the Contract Data which should not be less than Rs. 3000/ per day together with reimbursable expenses of the types specified in the Contract Data and the cost shall be divided equally between the Employer and the Contractor, whatever decision is reached by the Adjudicator. Either party may refer a decision of the Adjudicator to an Arbitrator within 28 days of the Adjudicator's written decision. If neither party refers the dispute to arbitration within the above 28 days, the Adjudicator's decision will be final and binding.

The arbitration shall be conducted in accordance with the arbitration procedure stated in the Special Conditions of Contract.

### **3.16 Law Governing the Contract**

3.16.1 The contract shall be governed by the laws of India in force.

### **3.17 Extension of Contract**

Normally contract once awarded should not be extended. Under exceptional circumstances, extension of existing contracts up to 15 percent of the original contract value may be considered; it is justifiable on grounds, subject to approval of the competent authority as per delegation of powers and with the prior approval of the Bank.

### **3.18 Bill of Quantities (BOQ)**

3.18.1 Bill of quantities format shall include description of items (with brief specification and reference to Book of Specification where applicable), quantity, unit, rate (both in figures and words) and amount.

3.18.2 Unit rates and prices shall be quoted by the Bidder in Indian Rupees. Amount shall be worked out for the specified quantity at quoted unit rate and price.

Where there is a discrepancy between the rates in figures and words, the rates in words will govern. Where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by quantity, the unit rate quoted shall govern.

3.18.3 Item for which no rate or price has been entered into by the Bidder will not be paid for by the Employer when executed and shall be deemed covered by the other rates and prices in the bill of quantities.

3.18.4 Bidders may quote speculative/ non-competitive prices for items with zero quantity in BOQ as this will not affect the bid evaluation. Hence no item with nil quantity shall be entered in the BOQ.

### **3.19 Taxes & Duties**

The rates quoted by the Contractor shall be deemed to be inclusive of all taxes, duties, levies and all other taxes that the Contractor shall have to pay for the performance of the Contract. The Employer will perform such duties in regard to the deduction of such taxes etc. at source as per applicable law.

### **3.20 Complaint Redressal Mechanism (Also Application to Procurement of Services) In**

order to deal with the complaints from the contractors / suppliers and public effectively, a complaint handling mechanism shall be set up at the State level as well as at district level, and immediate action shall be initiated on receipt of complaints to redress the grievances. All complaints shall be handled at a level higher than that of the level at which the procurement process is being undertaken and the allegation made in the complaints should be thoroughly enquired into, and if found correct, appropriate remedial measures shall be taken by the appropriate authorities. A register of the complaint redressal shall be prepared at each level and shall contain the following information

- S. no of the complaints
- Date on which the complaint was made
- Particular of the person making the complaint
- Nature of the complaint
- Complaint against whom if against a person
- Detail of action taken and subsequent follow ups specifying on which date the action was taken
- Whether the complaint has been satisfied if not why.
- Action taken against the guilty
- General remarks

Subsequently an on line data base will be created which will be regularly updated and which would be capable of creating on line reports for the purpose of the monitoring. PMU will announce on its web site about having in place a complaint redressal mechanism

In case any individual officer/staff is found responsible, suitable disciplinary proceedings shall be initiated against such officer/staff .This register shall also be subject to concurrent audit by the chartered accountants engaged as concurrent auditors.

### **3.21 Consultation with and Information to the Bank**

- 3.21.1 For all agreements requiring prior review as well as for those which would increase the value of contract to the prior review threshold and above, before agreeing to any material modification or waiving of the terms and conditions, or granting a material extensions of the stipulated time for performance of such contract, or issuing any change order under a contract, which would in aggregate increase the original amount of work by more than 15% of the contract price, Banks clearance shall have to be obtained. Format for seeking Bank's clearance is Enclosure IX.
- 3.21.2 Copies of agreements for the Post Review Contracts (disbursement claimed on SOEs) are not to be forwarded to the Bank. However, the information shall be compiled at the District level in form 1-A (Enclosure X) by Executive Engineer for the district under their jurisdiction and sent to the Bank through the State Project Director when so required by the Bank. These may also be reviewed selectively by visiting Banks Supervision Mission or other wise
- 3.21.3 Information on the value of procurement made under shopping procedure shall be compiled at District level in Form I-C (Enclosure XI) by Executive Engineer for the districts under their jurisdiction and sent to the Bank through the State Project Director.
- 3.21.4 Where the disclosure is to be made on UNDB and dg market, the required information may be sent by State Project Director to the bank for publishing in the UNDB and dg market.

## CHAPTER IV

### COMMUNITY PROCUREMENT

#### 4.1 Concept

Growing awareness of community participation in the works from planning to implementation and post implementation can help in smooth operation and maintenance and successful implementation of the project. However, to begin with, the WUA lack knowledge and skill in the area. Institutional capacity of WUA plays a major role for effective community participation in procurement, implementation, operation and maintenance of tank improvement and management project. Capacity building activities need to be undertaken in order to build and sharpen their existing skills for management and for sustaining all activities related to project implementation completion, operation and maintenance.

#### 4.2 Benefits of Community Procurement

The benefits of involving community in procurement include:

- Enhancing community ownership
- Increasing capacity of the community
- Generating employment and economic opportunities within the community .

The merits of community procurement refer to :

- Ownership by the community
- Command over the entire process
- Simplicity
- Useful in operation and maintenance

It needs to be noted that community involved procurement, must not compromise with the principles of competitiveness and transparency of the process. It is planned to suit the capacity of the community in rural environment.

#### 4.3 Key rules of Community Procurement

Following rules shall be observed and complied with during the procurement of works as applicable :

- **Transparency:** All procurement procedures must be carried in an open and transparent manner displaying all the details of procurement at prominent places in the villages.
- **Equal opportunity to all:** Equal opportunity must be given to all interested in supplying works and uniform evaluation procedures must be adopted.
- **Accountability :** Any office bearer or committee member undertaking procurement function remains accountable for all decisions and actions taken.
- **Ensuring value of money :** Works procured should meet the required technical specifications and the quality standards, and must be arranged at reasonable prices.
- **Avoid procurement of item from Friends and Relatives:** Procuring items from close relatives and friends of any of the office bearers must be avoided.
- **No undue benefits for anyone:** No members shall accept directly or indirectly any undue benefits or advantages on account of a procurement action.
- **Equal Pay for Equal work :** There should not be any distinction of wages between male and female workers and other benefits.

#### 4.4 Requirements of Procurement

- **Quality Assurance :** Procurement of goods and materials having ISI certification from authorized vendors of manufacture's shall be the first step in obtaining prescribed quality of goods/ materials.
- **Quantity Assurance :** Quantities strictly required to execute the work satisfactorily shall always be worked out prior to scheduling the procurement. Purchase of excess goods/ materials always results in loss and wastage.



- **Timing :** Appropriate timing of delivery of materials matching with commencement and completion of work shall always be adhered to. Any gap might lead to either excess holding of material or to delay the completion of work, which may result in cost over-run, adversely affecting the financial viability of the project.
- **Rates :** The rates for work to be carried out by WUA shall commensurate with current SSR and compares well with purchases being affected for similar projects.

#### **4.5 Procurement of Works by Community (WUA)**

- 4.5.1 In the implementation of civil works carried out by WUA, DPU shall act, as 'facilitator' by providing technical and professional support and responsibility for execution of works shall be mainly that of WUA.
- 4.5.2 The technical and professional support shall be provided to the WUA by DPU at all stages
- 4.5.3 Works like repairs to the distribution channels and its desiltation, foreshore plantation, wood clearance may be executed by engaging skilled and unskilled labour as well as support persons on daily wages on muster roll at approved rates as as per procedure prescribed in PWD Code. The Community shall carry out the work directly by local technician like mason, plumber, blacksmith etc. and procuring materials as per procedure described in foregoing paras and supervise the construction work and ensure its quality and quantity with the assistance of Engineer of DPU.

#### **4.6 Quality Control at DPU Level**

Simple methods for exercising tests and checks for different goods/ materials like bricks, sand, aggregates, cement, steel, pipes etc. required for works at community level shall be explained and demonstrated by Engineer of DPU and later shall be implemented by the WUA to ensure that all the materials supplied conform to specification and works as executed conform to the prescribed specification.

#### **4.7 Social Audit**

The WUA shall directly conduct Social Audit to:

- Ensure that all the Committee's follow provisions of Procurement Manual.
- Record violation or deviation of rules to WUA
- Monitor the adherence of project principles and rules in the selection of beneficiaries, and implementation of sub projects.
- Ensure that the capital share has been provided by the beneficiaries including user charges.

The disclosure requirement for NCB/shopping will be same as discussed in chapter 4 under NCB & Shopping procedures in addition to that the Social Audit shall ensure the display of the following information on the notice board of the village in case of NCB

- Name of each bidders who submitted the bid
- bid prices as read out at bid opening
- name and evaluated prices of each bid that was evaluated
- name of bidders whose bids were rejected and the reasons for their rejection; and
- name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded

- 4.8 Similarly in case of Shopping it should be disclosed in the notice board of the village the persons from whom the quotation were invited, the rates offered and the person who was allotted the work

## CHAPTER V

### SELECTION OF CONSULTANCY SERVICES

#### 5.1 General

The expression “consulting services” defines services of an intellectual and advisory nature provided by the Consultants using their professional skills to study, design and organize specific projects, advice clients, conduct training and transfer knowledge. Consultants are engaged for the following reasons:

- (i) Consultant offer more efficient allocation of resources by providing specialized services for limited amounts of time without any obligation of permanent employment on the part of Client.
- (ii) Consultant, engaged for their superior knowledge, transfer skills and upgrade the knowledge base of their clients while executing the assignment. Knowledge transfer from Consultants to Client forms an important part of the assignment.
- (iii) Consultants can offer independent advice to their client on the most suitable approaches, methodologies, and solution for their projects.

Consultant services in Bank funded projects should satisfy the following requirements :

- Meet the highest standards of quality and efficiency and
- Be unbiased, that is, delivered by a consultant acting independently from any affiliation, economic or otherwise, which may cause conflicts between the consultant’s interest and those of the client;

Independence may be the most important asset offered by Consultants. It allows consultants to choose technologies and products from a range of contractors and suppliers to satisfy the needs of the Clients and to protect its interests:

Consultancy services in Bank Projects :For procurement of all consultancy services the Bank’s standard Request for Proposal (RFP) as agreed will be used as a basis and will follow the Bank’s Consultant Guidelines, May 2004, Revised October 2006. The service contracts may be grouped as under:

<b>Preparation Services</b>	<b>Implementation Services</b>	<b>Advisory services</b>
Sector studies	Procurement assistance	Policy and Strategy
Master plans	Construction supervision	Re-organization
Feasibility studies	Project management	Institutional building
Design studies	Quality management	Training/ Knowledge transfer
	Commissioning	Management Advice
		Technical / Operating Advice

The Selection of consultants is guided by the following principles:

- High quality of services;
- Economy and efficiency;
- Competition among qualified consultants from all eligible countries;
- Participation of national consultants; and
- Transparency in the selection process

The PMU **shall** be responsible for selecting, evaluating, awarding and supervising the performance of consultant however hiring of SO,CA and Training resource person will be done by the DPU under a given assignment

## 5.2 Procedure

5.2.1 The steps involved in the selection of a Consultant for any consultancy services refer to:

- Preparation of Terms of References (TOR)
- Preparation of cost Estimate and Budget of the assignment
- Advertising for wide publicity **for seeking expression of interest (EOI)**
- Preparation of short listing of Consultants for the assignment
- Preparation and issue of the Request for Proposal (RFP) containing Letter of Invitation, Information to Consultants and Proposed Contract
- Receipt of Proposal from Consultants
- Evaluation of technical proposal: consideration of quality
- Evaluation of financial proposal: cost evaluation
- Final evaluation of quality and cost; and
- Negotiation and award of the contract to the selected firms;
- Publication of award on website and debriefing of unsuccessful consultants.

5.2.2 The Terms of Reference (TOR) should include:

- A precise statement of objectives;
- An outline of the task to be carried out;
- A schedule for completion of tasks;
- The support / inputs provided by the client i.e. PMU/DPU
- The final outputs that will be required of the consultant;
- Composition of Review Committee (not more than three numbers) to monitor the consultant's works and procedure for; and
- Mid term review and reports required from consultants;
- Review of the Final Draft Report.
- List of key professionals whose CV and experience would be evaluated.

5.2.3 The Cost Estimates or Budget should be based on PMU/DPU assessment of the resources needed to carry out the assignment; staff time; logistic support; and physical inputs e.g. vehicles and laboratory equipment. Cost shall be divided into two broad categories; (a) fee or remuneration and (b) reimbursables; and further divided into local and foreign currency.

5.2.4 Advertising seeking Expression of Interest (EOI)] for short listing shall be published in :

- UNDB (UNDB online dg Market)- for all contracts estimated to cost US\$ 200,000 or more.
- National Newspapers
- International Newspapers and Technical Magazines where ever necessary .

### 5.2.5 Short Listing

PMU/DPUs are responsible for preparation of the short list and give first consideration to those firms expressing interest which possess the relevant qualification.

The short list shall comprise of six firms with a wide geographic spread, with not more than two firms from any one country and atleast one firm from a developing country, unless qualified firms from developing countries are not identifiable. The short list can comprise of entirely national consultants, if the value of assignment is less than US \$ 5,00,000 however, if foreign firms have expressed interest, they shall not be excluded from consideration.

5.2.6 Government owned enterprises in India may participate only if they can establish that they:

- are legally and financially autonomous; and
- operate under commercial law

### 5.3 Selection Methods

5.3.1 The methods for selection of Consultants include:

- Quality and Cost Based Selection (QCBS);
- Quality Based Selection (QBS);
- Least Cost Selection (LCS);
- Selection Based on Consultants Qualification (CQ);
- Single Source Selection (SSS); and
- Individual Consultant (IC)

The choice of the appropriate method of selection is related to the nature, size, complexity, likely impact of the assignment, technical and financial considerations, and particular circumstances. It is therefore necessary to carefully define the assignment, particularly the objectives and scope of the services, before deciding on the selection method.

#### 5.3.2 Quality and Cost Based Selection (QCBS)

(I) Quality and Cost Based Selection (QCBS) is method based on the quality of the proposals and cost of services to be provided. This method is appropriate when:

- the scope of work assignment is precisely defined and the TOR are well specified and clear; and
- an estimate with reasonable precision for the staff time as well as the other inputs and cost required of the Consultants can be assessed.

(II)The QCBS is appropriate for assignments such as:

- Feasibility studies and designs;
- Preparation of bidding documents and detailed designs;
- Supervision of construction of works and installation of equipment;
- Technical assistance services and institutional development of Client agencies; and
- Procurement and inspection services.

(III) Under QCBS the technical and financial proposals are submitted simultaneously in separate sealed envelopes (two-envelope systems). Evaluation of proposals is carried out in two stages: (1) quality; and (2) cost. The technical envelopes are opened by a Committee of officials of Client immediately after closing time for submission of proposal; the financial proposals remain sealed and shall be deposited with senior officer until the technical evaluation and the evaluation report are completed and approved by the Bank and technical scores are disclosed publicly.

The financial envelopes of those consultants who submitted responsive technical proposals meeting the minimum qualifying mark are opened in the presence of the Consultants or their representatives. The combined evaluation is carried out by weighing and adding the quality and the cost scores, and the Consultant having the highest comprised score is invited for negotiations. Since price is a factor of selection, staff rates and other unit rates shall not be negotiated.

(IV) QCBS permits the Client to select a preferred trade-off between cost and quality and the benefit from prices competition, even if only to a limited extent. Transparency is increased under QCBS with public opening of the financial proposals. The contract negotiations will be easier because of the limited scope of financial negotiations.

#### 5.3.3. Quality Based Selection (QBS)

(I) Quality Based Selection (QBS) is based on an evaluation of the quality of the proposals and the subsequent negotiation of the financial proposal and contract with the consultant who submitted the highest ranked technical proposal. QBS is appropriate if:

- the downstream impact of the assignment is so large that the quality of services becomes of overriding importance for the outcome of the project;
  - the scope of work of the assignment and TOR are difficult to define and there is need to select among innovative solutions;
  - the assignment can be carried out in substantially different ways such that cost proposal may not easily be comparable; and
  - the introduction of cost as a factor of selection renders competition unfair.
- (II) **QBS should be adopted for assignment such as:**
- Complex country sector and multi disciplinary investment studies.
  - Strategic studies in new fields of policy and reforms
  - Master plans, complex pre-feasibility and feasibility studies and design of complex projects.
  - Assignments in which traditional consultants, non government organization (NGO) and /or a U.N. agencies compete
- (III) Under QBS the Client may request submission of technical proposals only. After receiving the Bank no objection for the technical evaluation report, the Consultant with highest rendering technical proposal is invited to present its financial proposal. However, the Client may wish the financial proposals to be submitted at the same time as the technical proposals but in separate envelope (two-envelope system). In that case, financial proposals should be kept safely until the Bank's no-objection to the technical evaluation is received. Only the financial proposal of winning consultant is opened; the others returned un-opened after negotiations with the winning firm are successfully concluded.
- (IV) The staff effort indicated by the consultant may differ considerably from the Client's estimate depending on the particular methodology adopted by the consultant. Since TOR of assignments under QBS are generally less defined and relatively more complex than QCBS. Contract negotiations with the winning consultant may be lengthy and complicated.

#### 5.3.4 **Least Cost Selection (LCS)**

- (I) Under Least Cost Selection (LCS) a minimum qualifying mark for quality is established and indicated in the RFP, short-listed consultants have to submit their proposals in two envelopes. The technical proposals are opened first and evaluated. Proposals scoring less than minimum qualifying mark are rejected, and the financial envelopes of the rest are opened in public. The consultant with the lowest evaluated price is selected.
- (II) The LCS method is more appropriate for small assignments of a standard or routine nature where well established practices and standards exist from which a specific and well defined outcome is expected, which can be executed at different costs, eg.
- Standard accounting audits
  - Engineering designs and/ or supervision of simple projects.
  - Repetitive operations and maintenance work and routine inspection, and
  - Simple surveys
- (III) Since quality is set as the minimum qualifying mark, the Client should not set such a mark higher than the usual (say at 75 to 80 per cent) to ensure quality and avoid the risk of selecting low-cost proposals of poor or marginally acceptable quality.

#### 5.3.5 **Selection Based on Consultant's Qualification (CQ)**

- (I) The Selection Based on Consultant's Qualification (CQ) method applies to very small assignments for which the full –fledged selection process would not be justified. CQ is considered for assignments such as:
- brief evaluation studies at critical decision points of projects;
  - executive assessment of strategic plans;
  - high level, short term, legal –expertise; and
  - participation in project review expert panel.

- (II) Under CQ the Clients first prepare the TOR, then requests for Expression of Interest and qualification information on the consultant's experience and competence relevant to the assignment. The Client establishes a short list and selects the firm with the best qualifications and references. The selected firm is asked to submit a combined technical and financial proposal and is then invited to negotiate the contract if the technical proposal proves acceptable.
- (IV) The CQ method aims at reducing the cost and time needed to hire a Consultant.

#### 5.3.6 Single Source Selection (SSS)

- (I) Under Single Source Selection (SSS) the Client asks a specific consultant to prepare technical and financial proposals, which are then negotiated. Since there is no competition, this method is acceptable to the Bank only in exceptional cases and made on the basis of strong and convincing justification where it offers clear advantages over the competition. This is because:
- the assignment represents a natural or direct continuation of a previous one awarded competitively, and performance of the incumbent consultant has been satisfactory.
  - a quick selection of consultant is essential e.g. in emergency operation and financial crisis ; or
  - the contract is very small in value; or
  - only one consulting organization has the qualification or experience of exceptional worth to carry out the assignment.
- (II) If continuity of downstream work by retaining an incumbent consultant for a downstream assignment is essential to the project and is in the interest of the Client, the RFP for the original assignment should indicate this likelihood. Satisfactory performance in the first assignment has to be a pre-condition for continuation. In these cases, the client should balance the importance of continuing with the same technical approach, the experience acquired and the continued professional liability of the incumbent against the benefits of renewed competition such as fresh technical approaches and competitive remuneration rates.
- (III) Once the Bank agrees to an SSS on a combination, the Client should ask the consultant to prepare technical and financial proposals on the basis of TOR prepared by the Client or by an independent advisor with no relation to the incumbent. This is the basis for negotiating a continuation contract.

### 5.4 Scope of Work

5.4.1 In a TOR, scope of work of the assignment is usually defined by addressing the following issues:

- definition, scope, limits, and criteria of acceptance of assignment;
- desired level of detail (level of design, accuracy, composition of cost estimate etc.)
- span of projections (time horizon, life span of project components, and so forth);
- necessary comparison of the assignment with similar projects;
- main issues to be addressed;
- alternatives to be considered;
- necessary surveys, special analysis, and models;
- special equipment requirement;
- institutional and legal framework of the project;
- transfer of knowledge, objectives and scope;
- language requirement;
- need of continuity, such as data gathering, and
- quality management requirements.

5.4.2 Phased assignments are likely to require that the scope of work be modified depending on intermediate results. For instance, the scope of work for a feasibility study originally covering a number of alternatives will be reduced if, during

execution of the assignment, some alternatives prove more viable. Similarly, the scope of work can be expanded if more accurate studies than initially anticipated become necessary. In such cases, the TOR should clearly indicate the circumstances under which a decision will be made by the Client to modify the scope of work.

## 5.5 Estimating Cost & Budget

5.5.1 In preparation of cost estimate, the following expenses are added :

- Consultant staff remuneration;
- Travel and transport;
- Mobilization and demobilizations;
- Staff allowances;
- Communication;
- Office rent, supplies, equipment and insurance;
- Surveys and training programs;
- Report printing;
- Taxes and duties; and
- Contingencies.

5.5.2 The cost estimate is based on an estimate of the personnel (expert per month) required for carrying out the services, taking into account the time required by each expert needed, and then making estimate for each of the related cost components. It is important to define these inputs as accurately as possible.

## 5.6 Evaluation

5.6.1 The evaluation of the technical proposals should be done as per criteria specified in the Letter of Invitation/RFP. The following criteria are used as a basis for evaluation of technical proposals:

- Specific experience of the consultant relevant to the assignment;
- Adequacy of the proposed methodology and work plan in responding to the TOR; and
- Key staff's qualification and competence for the assignment.

Depending on the particular objectives of the assignment, two additional criteria may be required:

- Suitability of the transfer of knowledge program (training); and
- Participation of nationals among proposed key staff.

5.6.2 Table below shows a range of points that may be allocated to each criterion on a scale of 1 to 100. The weights may be adjusted for specific circumstances.

**Table: Point Distribution of Evaluation Criteria for Technical Proposals**

<b>Evaluation Criteria</b>	<b>Points (Weights)</b>
• Specific experience of Consultants	0 to 10
• Adequacy of the proposed methodology and work plan	20 to 50
• Qualification and competence of key staff	30 to 60
• Suitability of the transfer of knowledge program (training) – optional	Normally not to exceed 10
• National participation (nationals among key staff) – optional	Not to exceed 10
• Total	100

5.6.3 The criterion qualifications and competence of key staff is divided into following sub criteria:

- general qualification;
- adequacy for the assignment; and
- experience of region.

The evaluation is carried out using the pre-qualification and experience shown in their curriculum vitae (CV). The points allotted to the criterion are distributed among the above sub criteria as per percentage given in Table below :

**Table : Range of percentage in Point Distribution of Key Staff Qualification and Competence Sub Criteria**

Sub-criteria	Range of Percentage
• General Qualifications	20-30
• Adequacy for the assignment	50-60
• Experience in region and language	10-20
Total	100

5.6.4 **Methodology & Work Plan:**

The methodology and work plan is a key component of the technical proposal and should be evaluated carefully. Sub-criteria for evaluating this component of the proposal should include the following:

- (i) **Technical Approach & Methodology:** Here consultants explain their understanding of the objective of the assignment, highlights the issues and their importance, and explain technical approach they would adopt to address them. They should then explain the methodology they propose to adopt, demonstrate the compatibility of these methodologies with the proposed approach.
- (ii) **Work Plan:** Here consultants propose the main activities of the assignment, their content and duration, phasing and inter relations, milestones and delivery dates of the most important reports. The consistency of the technical approach and methodology with the proposed work plan is a good indication that consultants have understood the TOR and are able to translate them into a feasible working plan.
- (iii) **Organization and staffing:** In this section the Consultants propose the structure and composition of their team. It will list the main disciplines involved, the key expert responsible and proposed technical and support staff. The roles and responsibilities of key experts should be set out in job description.

The methodology, work plan and organization are all integrated. The work plan depends on the technical approach and methodology adopted, and these in turn determine the required organization.

5.6.5 The RFP has to indicate the relative weight assigned to the technical and financial proposals. For standard arrangement, the weight for quality is normally 80 percent with 20 percent given to cost. More than 20 percent weight to the cost of services is justified only relative routine and straight forwarded assignments, (such as designs of very simple structures), whereas in no case should it exceed 30 percent. For assignments in which quality considerations are relatively important, a minimum



weight of 10 percent should be given to cost, and when considerations of quality are of primary importance, QBS is preferable to QCBS.

If cost is a factor of selection, a minimum technical qualifying mark may be provided in RFP to minimize the risk of accepting low-quality proposals at a very low cost. A qualifying mark in the range of 70 to 80 percent is typical. Any technical proposal with a score below this threshold is rejected, and the financial envelope is returned unopened. Setting the threshold too high increases the risk of rejection of a majority of proposals.

- 5.6.6 Table below summarizes the five evaluation criteria provided in the Standard Request for Proposals and gives examples of sub-criteria that could be adopted by the Client when preparing the RFP.

**Table: Evaluation Criteria and Sample Sub-criteria**

Evaluation criteria (as defined in the Consultant Guidelines)	Evaluation sub-criteria (select a maximum of three)
Specific experience of the consultants in the field of assignment	Normally no sub criteria is specified
Adequacy of the proposed methodology and work plan in responding to the TOR	<ul style="list-style-type: none"> <li>- Technical approach and methodology</li> <li>- Work plan</li> <li>- Organization and staffing</li> </ul> Note: The number of sub criteria may be increased depending on the characteristic of the assignment
Qualification and competence of key staff proposed for the assignment	<ul style="list-style-type: none"> <li>- General qualifications</li> <li>- Adequacy for the assignment</li> <li>- Experience in the region and language</li> </ul> Note : These three sub criteria are defined by the RFP and cannot be changed.
Suitability of the transfer of knowledge program (training)	<ul style="list-style-type: none"> <li>- Relevance of program</li> <li>- Training approach and methodology</li> <li>- Qualifications of training specialists</li> </ul>
National participation (nationals among key staff)	No sub criteria but only the method to apply this specified

- 5.6.7 **Notification to Consultants:** On completion of evaluation of Technical Proposal, Bank's no objection is received to the Technical Evaluation Report. On receipt of Bank's no objection for all prior review cases, Client notifies consultants whose proposal did not meet the minimum technical qualifying marks specified in the RFP, or were found to be non responsive, indicating that the consultant's financial proposal will be returned unopened at the end of selection process. The Client simultaneously notifies consultants whose technical proposals were above minimum technical qualifying mark, and inform them of the date and time set for opening of financial envelopes. The opening date should be at least two weeks after the notification date, to allow enough time for consultants to make arrangements to attend the opening.

- 5.6.8 **Evaluation of Financial Proposals:** On the date and time set for opening the financial proposal, the Evaluation Committee verifies that the financial proposals have remained sealed and then open them. The name of consultants, the qualifying scores, and proposed prices are read aloud and recorded as each financial proposal is opened. No modification to financial proposal is permitted. The Client prepares the minutes of the public opening, which should be attached to the Financial Evaluation Report.

The Evaluation Committee should first review the financial proposals for arithmetical errors and consistency between financial and technical proposals. Arithmetical errors should be corrected, omitted items evaluated, and corresponding adjustments made to the offered prices to obtain final evaluated prices. For purposes of comparing proposals, evaluated prices should be converted to Indian Rupees using exchange rate on date indicated in RFP.

- 5.6.9 **Combined Evaluation and Final Score:** If QCBS is the method of selection, the Evaluation Committee weighs and combines the scores of the technical and financial proposals to obtain a final ranking of the proposals and recommendation of award. The Final Evaluation Report is submitted to decision making authority for review and forward the report to the Bank for its information. The Client invites the selected consultant for negotiations and informs the other consultants that they were unsuccessful and furnishes the name of selected firm. The scope of negotiation is given in Para 3.7 below. After technical and financial negotiations are completed, the Client shall furnish to the Bank, in sufficient time for its review, a copy of initialled negotiated contract. If the negotiated contract results in a substitution of key staff or any changes in TOR and in the originally proposed Contract, the Client shall highlight the changes and provide an explanation of why these changes are necessary.

## 5.7 Negotiations

- 5.7.1 Negotiations shall include discussions of TOR, the methodology, staffing, Clients input and special conditions of the Contract.
- 5.7.2. The selected firm should not be allowed to substitute Key Staff, unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives to the assignment.
- 5.7.3 Financial negotiation shall include clarification of the Consultants tax liability in the Clients own country and now this tax liability has been or would be regulated in the contract.
- 5.7.4 Where QCBS procedure is followed, in the case of lump sum, contract price should not be negotiated. In the Time Based Contracts, proposed unit rates for staff months and reimbursable shall not be negotiated (since there have already been a factor of selection) unless there are exceptional reasons. Reimbursable are paid on actuals upon presentation of receipts and hence not subject to negotiations. If client wants to fix a ceiling he should do so by indicating in RFP.

## 5.8 Evaluation Committee

For technical and financial evaluation of consultants' proposals, the Client shall appoint a committee of three to five qualified numbers of individuals of comparable hierarchical level who shall undertake the process in the highest ethical standards. After the Committee has agreed upon the criteria and sub criteria definitions, and on rating and scoring methods, each committee member shall evaluate the proposals received independently. The Evaluation Committee should include one or two members of the team responsible for preparation of the TOR. To ensure transparency and consequent acceptability of the evaluation process and its results in sensitive case, a truly independent observer is allowed to participate in session of Evaluation Committee.

The Evaluation Committee submits its report and recommendation to the designated decision making authority for review and transmission to the Bank for no objection if the contract is subject to the prior review, or for review and award for contracts for post-review.

## **5.9 Rejection of All Proposals**

Cases of rejection of all proposals received need to be referred to Bank for no objection and clearance. The grounds for rejecting all proposals can be as under:

- The proposals present major deficiencies in responding to RFP.
- The cost proposals are substantially higher than the Client's estimated budget.

## **5.10 Role of Bank in Evaluation Process**

- 5.10.1 Selection of Consultants is the Client's responsibility and Bank does not participate in the evaluation of proposals but, upon request of the Client, may provide advice in methodology and selection procedures before the actual evaluation takes place.
- 5.10.2 In assignments in which prior review is required, the Bank reviews the Technical Evaluation Report, if satisfied, sends it's no objection to the Client. The Bank may request additional explanation or information about the report contents from the Client when necessary. In exceptional cases, the Bank may ask the Client to submit one or more proposals for its review.
- 5.10.3 Under QCBS, if the Bank determines that the final evaluation report, recommendations for award and / or negotiated contract are inconsistent with the provision of RFP, it shall promptly inform the Client and state the reason for its determination, otherwise, the Bank shall provide the final "no objection" to the contract award. The Client shall confirm the award of the contract. The description and amount of the contract, together with the name and address of the firm, shall be subjected to public disclosure by the Bank upon the Clients confirmation of contract award.

## **5.11 Types of Consultant's Contracts**

5.11.1 The type of contract with Consultant can be:

- Lump Sum;
- Time – based;
- Retainer and / or success fee
- Percentage; and
- Indefinite delivery

### **5.11.2 Lump sum Contracts**

Lump sum contracts are used mainly for assignment in which the content and length of the services and duration of services is clearly defined. Remuneration is fixed for the life of the contract, and no physical or price contingencies are normally provided. Lump sum contracts are often used in relatively simple and clearly defined assignments such as:

- Planning and Feasibility studies
- Environmental studies
- Detailed design of infrastructures
- Preparation of Data Base

Payments are made in accordance with a contractually agreed upon schedule of delivery or against schedule of percentage of work completed.

A lump sum contract is easy for the Clients to administer and requires little technical supervision.

#### 5.11.3 Time –Based Contracts

Under time based contract, the consultant provides services on a time basis according to quality specification and consultant’s remuneration as based on agreed upon unit rate for consultant staff multiplied by actual time spent by staff on assignment and reimbursable expenses as per actual and/or agreed unit rates. Such contracts are recommended for:

- Complex studies or studies of new approach
- Supervision of Implementation assignment
- Training Assignments
- Advisory services

Time based contracts transfer cost risks to the Client

#### 5.11.4 Retainer and/ or Success Fee Contracts

The type of contract is often adopted to remunerate financial and management advisers who assist bank’s clients in the sale of assets, such as privatization operation. In these cases the QCBS method, in which consultants are asked to quote a retainer fee and/ or a success fee, is generally recommended for selection of Consultants. The proportion of retainer and success fee is often fixed in advance and is not subject to negotiation by the winning consultant. The retainer fee proportion is higher if the Consultant’s role constitutes more to planning and design of privatizations reforms. Success fees are appropriate when success is related to the efforts of the firms involved and is relatively easy to quantify.

#### 5.11.5 Percentage Contracts

In a percentage contract consultants receive an agreed upon percentage of the actual project cost. Sample of percentage contract includes:

- Architectural services
- Engineering services
- Procurement services
- Inspection Agents

#### 5.11.6 Indefinite Delivery Contracts

Indefinite delivery contracts are used for on-call specified services. The Client and the firm agree upon the unit rates to be paid to the experts and payments are made on the basis of the time actually used. Such contracts include:

- Advisory for complex projects i.e. Dam panel
- Expert Adjudicator
- Technical Trouble shooting

### 5.12 Selection of Appropriate Contract Form

Table below indicates the correlation between type of assignment, selection method and type of contract. They should be considered with some degree of flexibility, depending on the size and characteristics of the assignment.

**Table: Correlation between Type of Assignment, Selection Method, and Type of Contract**

Type of assignments/scope of work	Selection method	Type of contract
Critical studies in the field of policy, strategy, and management of Client's institutions Country economic, section, or investment studies Master plans Pre feasibility studies Complex feasibility studies Studies or design of complex projects Studies in new technology or human and social	QBS	Time –based
Simple planning studies Simple feasibility studies Environmental studies Contract and detailed design of infrastructures Preparation of bidding documents Data processing Clearly defined strategy and management studies	QCBS	Lump sum
Technical assistance for institutional development	QBS or	Time-based or indefinite delivery
Technical assistance in investment projects Construction supervision Procurement/ inspection Simple, precisely defined assignment with fixed budget Standard or routine assignments costing less than Rs.90.00 lakhs (US \$ 200,000)	QCBS QBS QCBS FBS LCS	Time-Based Time-Based Percentage Lump sum Lump sum

### 5.13 Contracts

The contract invariably comprises of:

- The form of contract to be signed by the Client and the Consultant
- The (General Conditions of Contract) GCC, which must be kept unchanged
- The (Special Conditions of Contract) SSC, which are specific to the assignment, and
- The Appendices

It needs to be noted the text of the Form of Contract and of the General Conditions of Contract (GCC) cannot be changed. The Special Conditions of Contract( SSC) enables the Borrower to amend or supplement the clauses of the general condition to reflect local conditions and characteristics of the assignment.

## **5.14 Procurement of Services of Individual Consultant**

- 5.14.1 Individual consultants are employed on assignments for which (a) teams of personnel are not required, (b) no additional outside (home office) professional support is required, and (c) the experience and qualifications of the individual are the paramount requirement. When coordination, administration, or collective responsibility may become difficult because of the number of individuals, it would be advisable to employ a firm.
- 5.14.2 Individual consultants are selected on the basis of their qualifications for the assignment. Consultants shall be selected through comparison of qualifications of at least three candidates among those who have expressed interest in the assignment or have been approached directly by the Client. Individuals considered for comparison of the qualifications shall meet the minimum relevant qualifications and those selected to be employed by the Client shall be the best qualified and shall be fully capable of carrying out the assignment. Capability is judged on the basis of academic background, experience, and, as appropriate, knowledge of local conditions such as local language, culture, administrative system and government organization.
- 5.14.3 From time to time, permanent staff or associates of a consulting firm may be available as individual consultants. In such cases, the conflict of interest provisions described in the Bank's guidelines shall apply to the parent firm.
- 5.14.4 Individual consultants may be selected on a sole source basis with due justification in exception cases such as:
- (a) Tasks that are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively;
  - (b) Assignments with total expected duration of less than six months;
  - (c) Emergency situations resulting from natural disasters; and
  - (d) When the individual is the only consultant qualified for the assignment.
- 5.14.5 For hiring of consultant job description, qualification and experience required and terms of engagement should be finalized. The consultants for the assignments must be called through advertisement in the newspaper. Individual should meet all relevant qualifications and should be fully capable of carrying out the assignment. The qualified individuals will be called for interview/ discussions prior to offering the assignment. Based on the above, a list of candidates shall be prepared for each assignment separately and the top listed candidate shall be offered the job.

## **5.15 Non Government Organisations (NGOs)**

- 5.15.1 Non-governmental organization (NGOs) may be included in the consultant shortlist if they express interest provided the Client and Bank find their qualification satisfactory. Short lists for assignments that emphasize experience in community participation and in depth local knowledge may entirely comprise NGOs, and QCBS should be followed.
- 5.15.2 Short listing of NGOs shall be based on below noted criteria:
- **Regulating requirement**
    - NGO should be validly registered under Societies Registration Act of the Govt. or have other corporate status
    - NGO should be validly registered to work in the particular geographic locality.
    - NGO's Article of Association or Bye laws permit, operation in the project sector
    - NGO should be non political

- Should not have been black listed by the Central Social and Welfare Board (CSWB) or Council for the Advancement of Peoples Action & Rural Technology (CAPART) or by Central or any State Govt. in India.
- **Human and Physical measures**
  - Committed leadership at the top supported by adequate service level leadership.
  - Existence of adequate skilled staff in relation to needs of assignment
  - NGO should have necessary physical resource base like accessible office space, vehicles, and communication facilities and so on.
- **Community Sensitivity**
  - NGO should have prior experience of community development activity and mobilization.
  - NGO should have sufficient understanding of local problems and are sensitive to issues concerning women and weaker sections of Society.
  - NGO should have keen understanding and should be sensitive to works related to environment.
  - Should have excellent communication skills.
- **Financial Capacity**
  - Should have required financial strength (last three years turn over and audited balance sheet should be examined).
  - Should have facility to maintain separate records and accounting of funds allotted for the assignment.
- **Relevant Sectional and Operational experience**
  - Should have prior experience in related areas.
  - Should have adequate experience in Participatory Rural Appraisal.
  - Must have been functioning for last three years in similar type of assignments.

5.15.3 RFP should be issued to short listed NGO's and their bids are obtained for the concerned services. Technical and Financial Proposals are evaluated and contract agreement signed after following the same procedure as for other consultants. Where large areas are involved for conducting IEC and community mobilization, the requirement of number of NGO may fall short of their availability. In such cases single Source Selection (SSS) method may be used with prior approval of the Bank.

## **5.16 Misprocurement**

The Bank does not finance expenditures for consultancy services, which have not been procured/ contracted in accordance with the agreed provisions of the financing agreement and as further elaborated in Procurement Plan agreed with the Bank. In such cases, the Bank will declare misprocurement, and it is the policy of the Bank to cancel that portion of credit/ loan allocated to the goods, works, and consultancy services that have been misprocured. The Bank may, in addition, exercise other remedies provided for under the Financing Agreement. Even when the contract is awarded after obtaining "no objection" from the Bank, the Bank may still declare misprocurement, if it concludes that the "no objection" was issued on the basis of incomplete, inaccurate, or misleading information furnished by the Borrower or the terms and conditions of the contract had been modified without Bank's prior approval.

## CHAPTER VI REVIEW BY BANK

### 6.1 General

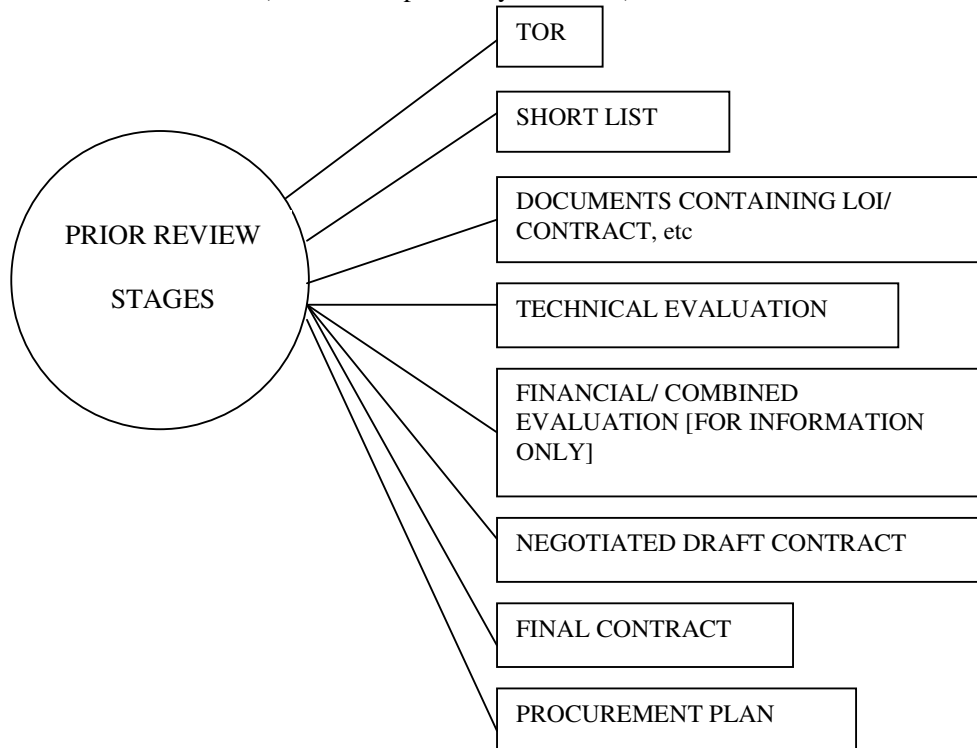
Bank undertakes 'Prior Review for procurement process at all stages and also the post review to ensure that guidelines of Bank are being strictly complied with and that proper procedure is being followed at each stage. Brief detail of such review in respect of procurement of goods, works and services is given in paras below.

### 6.2 Procurement of Consultancy Services

#### 6.2.1 Prior Review

Prior review would be at every stage as follows:

- Procurement plan
- Terms of Reference;
- Short Listing;
- RFP document containing letter of Invitation, Information to Consultant and Conditions of Contract;
- Evaluation report of the technical proposals;
- Negotiated Draft Contract; and
- Final contract (to be accompanied by check list)





### **6.2.2 Post Review**

All other cases : Post review shall cover the final contract alongwith appendices and copy of evaluation note/award recommendations which should be submitted alongwith the checklist. However, Terms of Reference and Consultants contracts for assignments of critical nature will be reviewed in all cases, regardless of values:

## **6.3 Procurement of Works and Goods**

### **6.3.1 Prior Review**

It consists of review of :

- Procurement plan
- Invitation of bids
- Bidding documents
- Bid Evaluation Report (suggested form enclosure at Enclosure III for Civil Works and Enclosure IV for goods and Equipment); and
- Final contract (s) with check list (format of check list at Enclosure V for Civil works and Enclosure VI for Goods and Equipment)

### **6.3.2 Post Review**

Review of final concluded contract (s) with check list and supporting documents for all other cases (Enclosure VII for Civil works and Enclosure VIII for Goods and Equipments).

## **6.4 Review Requirements by the Bank**

- 6.4.1 The prior review thresholds are stipulated in the legal Agreements and procurement plan .For all such packages , prior review of the bank will be required at the stages mentioned in the prior review paragraphs
- 6.4.2 Banks prior clearance shall be obtained in all contracts where contract value exceeds the original contract value beyond 15% as well as for granting extension in stipulated time period for performance of the Contract (Format to be used is at Enclosure IX)
- 6.4.3 Copies of agreements of the Contracts subject to post review (disbursement claimed as SOEs) are not to be forwarded to the Bank. However, the information shall be compiled at the Division level in Form I-A. (Enclosure X) by the DPU for the district under their jurisdiction and Bank will seek whenever information is required for post review as per the guidelines. These will be reviewed selectively by visiting Bank's Supervision Mission.
- 6.4.4 Information on the value of procurement mode under shopping procedure shall be compiled at DPU level in Form I-C (Enclosure –XII) and consolidated by the Project Director under their jurisdiction and sent to the Bank through PMU.

\*\*\*\*\*

**LIST  
OF  
ANNEXE'S**

**LIST OF WORKS TO BE PROCURED**

**Department of I & CAD,  
Govt. of AP, Hyderabad**

S. No.	Description of Work	Est. Cost (Rs. in millions)	Year-wise Procurement					Remarks on proposed Method of Procurement [ICB, NCB, Three Quotations, C.C.]
			I	II	III	IV	V	
1.	Civil Works							
2.								
3.								
4.								
5.								

**LIST OF GOODS /EQUIPMENT /VEHICLES /FURNITURE ETC. TO BE PROCURED**

**Department of I & CAD,  
Govt. of AP, Hyderabad**

<b><u>Item Description</u></b>	<b><u>Number</u></b>	<b><u>Mode of Tendering*</u></b>	<b><u>Est.Cost (Rs. M)</u></b>	<b><u>Year Wise Procurement</u></b>					<b><u>Remarks on Proposed Methods of Procurement (ICB//NCB/ Shopping /D.C.)</u></b>
				<b><u>I</u></b>	<b><u>II</u></b>	<b><u>III</u></b>	<b><u>IV</u></b>	<b><u>V</u></b>	
Goods:									
1.									
2.									
3.									
4.									
5.									
Equipment:									
1.									
2.									
3.									
4.									
5.									
Vehicles:									
1.									
2.									
3.									
4.									
5.									
Furniture:									
1.									
2.									
3.									
4.									
5.									

\* State whether it is Supply, Supply supervision of erection, Supply/Erection/Commissioning or Turnkey.

**LIST OF CONSULTANCY SERVICES TO BE HIRED**

**Department of I & CAD,  
Govt. of AP, Hyderabad**

Name of Consultancy (Brief Description)	Estimated Man months	Estimated Cost	Year wise Procurement				Remarks on Proposed Method of Procurement [QCBS/QBS/CQ/SS Qualifications/Single Source etc.]
			I	II	III	IV	
International :							
1.							
2.							
3.							
4.							
5.							
National :							
1.							
2.							
3.							
4.							
5.							
Individual or Sole Source :							
1.							
2.							
3.							
4.							

**ESTIMATE OF BID PACKAGES**

Project Element		Packages Exceeding Rs. 40.00 lakhs		Packages Between Rs. 22.50 lakhs and Rs. 40.00 lakhs		Packages Below Rs. 22.50 lakhs	
		No.	Total Value	No.	Total Value	No.	Total Value
<b>1.0</b>	<b>Works</b>						
	1.1 Civil Works						
	1.2						
	1.3						
	1.4 .....						
	1.5 .....						

		Packages Exceeding Rs. 90.00 lakhs		Packages equivalent of Rs. 45.00 lakhs or less but more than Rs. 22.50 lakhs		Packages equivalent of Rs. 22.50 lakhs or less	
		No.	Total Value	No.	Total Value	No.	Total Value
<b>2.0</b>	<b>Goods</b>						
	2.1 Equipment and Instruments						
	2.2 Vehicles						
	2.3 Computer Hardware / Software						
	2.4 Furniture						
	2.5 .....						

3.0		Packages Between Rs. 45.00 lakhs and Rs. 90.00 lakhs		Packages Between Rs. 22.50 lakhs and Rs. 45.00 lakhs		Packages Equivalent of Rs. 22.50 or Less	
3.1	.....						
3.2	.....						
3.3	.....						
4.0	<b>Training and Workshop</b>						
5.0	<b>Professional Services Fee</b>						
6.0	<b>Operating Expenses and Maintenance</b>						
	6.1 Hiring of Vehicles						
	6.2 Maintenance of Vehicles and Equipment						
	6.3 Office Supplies (Consumables)						

**PROCUREMENT PLAN FOR WORKS/ GOODS**

**PROCUREMENT PLAN FOR CONSULTANCY**

**Annex P-I/6**



**LIST  
OF  
ENCLOSURES**

GOVERNMENT OF .....  
.....PROJECT

INVITATIONS FOR BIDS (IFB)

**NATIONAL COMPETITIVE BIDDING**

Date:  
Bid No.:

1. The Government of India has received a credit from the International Development Association / loan from the International Bank for Reconstruction & Development towards the cost of .....Project and intends to apply a part of the funds to cover eligible payments under the contracts for construction of works as detailed below. Bidding is open to all bidders from eligible source countries as defined in the *IBRD Guidelines for Procurement*. Bidders from India should, however, be registered with the Government of ..... or other State Governments/Government of India, or State/Central Government Undertakings. **Bidders are advised to note the minimum qualification criteria specified in Clause 4 of the Instructions to Bidders to qualify for the award of the contract.**

2. The ..... invites bids for the construction of works detailed in the table. The bidders may submit bids for any or all of the following works.

3. Bidding documents (and additional copies) may be purchased from the office of..... from .....to....., for a non-refundable fee (three sets) as indicated, in the form of cash or Demand Draft on any Scheduled bank payable at..... in favour of..... Interested bidders may obtain further information at the same address. Bidding documents requested by mail will be despatched by registered/speed post on payment of an extra amount of Rs..... The ..... will not be held responsible for the postal delay if any, in the delivery of the documents or non-receipt of the same.

4. Bids must be accompanied by security of the amount specified for the work in the table below, payable at..... and drawn in favour of..... Bid security will have to be in any one of the forms as specified in the bidding document and shall have to be valid for 45 days beyond the validity of the bid.

5. Bids must be delivered to..... on or before.....hours on ..... (date) and will be opened on the same day at.....hours, in the presence of the bidders who wish to attend. If the office happens to be closed on the date of receipt of the bids as specified, the bids will be received and opened on the next working day at the same time and venue.

6. A prebid meeting will be held on .....at.....hrs. at the office of .....to clarify the issues and to answer questions on any matter that may be raised at that stage as stated in Clause 9.2 of 'Instructions to Bidders' of the bidding document.

7. Other details can be seen in the bidding documents.

**TABLE**

---

<u>Package No.</u>	<u>Name of work</u>	<u>Approximate value of work (Rs.)</u>	<u>Bid security (Rs.)</u>	<u>Cost of document (Rs.)</u>	<u>Period of completion</u>
1	2	3	4	5	

---

Seal of office

**PRICE ADJUSTMENT FORUMULA**

The formula (e) for adjustment of prices are :

**R** = Value of work

**Adjustment for Labour component**

- (i) Price adjustment for increase or decrease in the cost due to Labour shall be paid in accordance with the following formula:

$$V_L = 0.85 \times P_1/100 \times R (L_1 - L_0)/L_0$$

$V_L$  = increase or decrease in the cost of work during the quarter under consideration due to changes in rates for local labour.

$L_0$  = the average consumer price index for industrial workers for the Andhra Pradesh State for the quarter preceding the date of opening of Bids as published by Labour Bureau, Ministry of Labour, Government of India.

$L_1$  = the consumer price index for industrial workers for the Andhra Pradesh State for the quarter under consideration as published by Labour Bureau, Ministry of Labour, Government of India.

$P_1$  = Percentage of Labour component of the work.

**Adjustment for cement component**

- (ii) Price adjustment for increase or decrease in the cost of cement procured by the contractor shall be paid in accordance with the following formula:

$$V_c = 0.85 \times P_c /100 \times R \times (C_1 - C_0)/C_0$$

$V_c$  = increase or decrease in the cost of work during the quarter under consideration due to change in rates for cement.

$C_0$  = The all India average wholesale price index for cement for the quarter preceding the date of opening of Bids as published by the Ministry of Industrial Development, Government of India, New Delhi.

$C_1$  = The all India average wholesale price index for cement for the quarter under consideration as published by Ministry of Industrial Development, Government of India, New Delhi.

$P_c$  = Percentage of cement component of the work.

**Adjustment for steel component**

- (iii) Price adjustment for increase in the cost of steel procured by the Contractor shall be paid in accordance with the following formula.

$$V_S = 0.85 \times P_S/100 \times R \times (S_1-S_0)/S_0$$

$V_S$  = Increase or decrease in the cost of work during the quarter under consideration due to changes in the rates for steel.

$S_0$  = The all India average wholesale price index for steel (Bars and Rods) for the quarter preceding the date of opening of Bids as published by the Ministry of Industrial Development, Government of India, New Delhi.

$S_1$  = The all India average wholesale price index for steel (Bars and Rods) for the quarter under consideration as published by the Ministry of Industrial Development, New Delhi.

$P_s$  = Percentage of steel component of the work.

**Note:** For the application of this clause, index of Bars and Rods has been chosen to represent steel group.

#### **Adjustment of POL (fuel and lubricant) component**

(iv) Price adjustment for increase or decrease in the cost of POL (fuel and lubricant) shall be paid in accordance with the following formula:

$$V_f = 0.85 \times P_f / 100 \times R \times (F_i - F_o) / F_o$$

$V_f$  = Increase or decrease in the cost of work during the quarter under consideration due to changes in rates for fuel and lubricants.

$F_o$  = The average official retail price of High Speed Diesel (HSD) at the existing consumer pumps of IOC at nearest center on the day 30 days prior to the date of opening of Bids.

$F_1$  = The average official retail price of HSD at the existing consumer pumps of IOC at nearest center for the 15<sup>th</sup> day of middle calendar month of the quarter under consideration.

$P_f$  = Percentage of fuel and lubricants component of the work.

**Note :** For the application of this clause, the price of High Speed Diesel oil has been chosen to represent fuel and lubricants group.

#### **Adjustment of Local materials Component**

(vii) Price adjustment for increase or decrease in cost of local materials other than cement, steel, bitumen and POL procured by the Contractor shall be paid in accordance with the following formula :

$$V_m = 0.85 \times P_m / 100 \times R \times (M_i - M_o) / M_o$$

$V_m$  = Increase or decrease in the cost of work during the quarter under consideration due to changes in rates for local materials other than cement, steel and POL.

$M_o$  = The all India average wholesale price index (all commodities) for the quarter preceding the date of opening of Bids, as published by the Ministry of Industrial Development, Govt. of India, New Delhi.

$M_i$  = The all India average wholesale price index (all commodities) for the quarter under consideration as published by Ministry of Industrial Development, Govt. of India, New Delhi.

$P_m$  = Percentage of local material component (other than cement, Steel and POL) of the work.

The following percentage will govern the price adjustment for the entire contract:

1.	Labour- $P_1$	___%
2.	Cement- $P_e$	___%
3.	Steel- $P_s$	___%
4.	POL- $P_1$	___%

5.	Plant & Machinery Spares-P <sub>p</sub>	___%
6.	Other Materials-P <sub>m</sub>	___%
	<b>Total :</b>	<b>100%</b>

*Note : [ The percentage of various components shall be determined for each work based upon its scope of work]*

## ENCLOSURE – III

### SUGGESTED FORMAT FOR BID EVALUATION REPORT FOR CIVIL WORKS (NCB)

1. Scope of contract and approximate cost:
  - Outline brief description of works covered by invitation.
  - Furnish estimated cost at the time of appraisal and the actual cost for the proposal contract.

2. **Bidding Document :**

Furnish the following details and discuss:

- Approval by World Bank/ Govt.
- Variations from the approved document, if any.
- Specifications and drawings (approval)
- Implementation schedule and stipulated time for completion.
- Important bidding conditions, such as, price adjustment, if any etc.

(Enclose copy of bidding document with amendments if any, if not sent earlier, Annexure I).

3. **Bid Invitation Process:**

Furnish the following details and discuss:

- Bid invitation advertisement in national press, name of news papers and dates of publication.
- Dates the bidding document was available for sale.
- Number of bidders who purchased the bidding documents and their nationality.
- Prebid conference, minutes of meeting and resulting amendments, if any.
- Date and time of public bid opening, attendance, highlights of the bid opening meeting, etc.

(Enclose copies of Bid Invitation, Prebid minutes, minutes of bid opening – Annexure II, III & IV).

4. **Bid Response :**

- State number of offers received and the nationality.

- Furnish details of offers received:
  - (i) In time :
  - (ii) Late :  
 -----  
 Total :
- Furnish table of bid prices as read out at the bid opening meeting and as converted (in increasing order of bid value):

Sl. No.	Name of bidder	Nationality	Bid price as read out	Remarks
.....	.....	.....	.....	
.....	.....	.....	.....	
.....	.....	.....	.....	
.....	.....	.....	.....	

5. Clarifications obtained, if any:

6. **Preliminary Examination of Bids:**

- Discuss preliminary examination for eligibility (ITB Clause 3), arithmetical errors, completeness, legal validity (has been properly signed and has submitted power of attorney etc.), bid validity, bid security and substantial responsiveness to commercial and technical aspect of bidding documents.
- Furnish details of all bids in Annexure – V.
- List the bids rejected as non-responsive.

Sl. No.	Name of bidder	Bid price	Brief reasons for rejection
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

7. **Evaluation of Substantially Responsive Bidders:**

- State evaluation criteria and methodology cross-referencing to bid documents.
- Discuss conditions, if any and loading of bid prices.
- Prepare evaluation table showing the rankings as under:



Rank	Bidder	Bid Price
1	.....	.....
2.	.....	.....
3	.....	.....

(Furnish details as in Annexure VI)

- Discussion of offers:
- Determination of lowest evaluated responsive bid.
- Comments on unbalanced item bids, if any.

8. **Subcontracting**

- Comment on sub-contracting proposed and discuss qualifications/experience of sub-contractors determining whether it is acceptable.

9. **Post –qualification/ Verification for prequalified bidders:**

- Furnish actual qualification of selected bidder and determine whether the selected lowest evaluated responsive bidder is qualified to satisfactorily perform the contract. (Annexure VII) *[To qualify for a package of contracts made up of this and other contracts for which bids are invited, the bidder must demonstrate having experience and resources sufficient to meet the aggregate of the qualifying criteria for the individual contracts.]*
- If the determination is negative, bid of the lowest bidder will have to be rejected and the next lowest evaluated bid considered to make a similar determination of bidder’s capability to perform satisfactorily.
- Discuss bid capacity – Attach calculations sheet to show how they possess the capacity.

10. **Construction Methodology**

- Discuss the proposed construction methodology and other details of the selected bidder [ submitted by him in terms of Clause 4.3 (k) of ITB] and comment on its acceptability.

11. **Recommendations:**

- Furnish important features of bid recommended for award such as:
- Advances
- Price adjustments, if any
- Performance security
- Additional security proposed for unbalanced bids, if any
- Bid validity
- Stipulated period of completion
- Other important terms and conditions

12. **Value of contract proposed for approval:**

Signature of Evaluating Officer

**(Enclose checklist duly filled)**

Enclosures (enclose only those which were not forwarded earlier):

1. Copy of bidding document (Annex I)
2. Copy of bid invitation and press advertisement (Annex II)
3. Prebid minutes and Copies of Amendments, if issued (Annex III)
4. Minutes of Bid Opening (Annex IV)
5. Assessment of Bids (Annex V)
6. Comparative statement of Offers (Annex VI)
7. Details of post-qualification / verification of prequalified bidders (Annex VII)
8. Details of Recommended Bidder (Annex VIII)

**Annexure-III/ 1  
(to Enclosure III)**

**Assessment of Bids**

S1. No.	Particulars	Bidder 1 .....	Bidder 2 .....	Bidder 3 .....	Bidder 4 .....	Bidder 5 .....
1.	Name of Bidder					
2.	Country of Origin					
3.	Bid Price					
4.	Credentials Letter of Authorisation					
5.	Commercial Assessment *					
6.	Technical Assessment *					
7.	Decision on Responsiveness					
8.	Capacity cum Capability* Assessment (Post/ Prequalification)					

\*For details see attachment

**EVALUATION OF THE BIDS**

**Analysis for Responsiveness of Bid:**

<u>S1. No.</u>	<u>Particulars and Clause Reference</u>			<u>Name of Bidder 1</u> .....	<u>Name of Bidder 2</u> .....	<u>Name of Bidder 3</u> .....
1.	Validity of Bid	ITB	15			
2.	Bid Security *  5.1 Form of Bid Security  5.2 Bank and Branch  5.3 Expiry Date 5.4 Amount	ITB	16			
3.	Letter of Authorization	ITB	18.2			
4.	Bid Form	ITB	12.1			
5.	Exceptions to Clauses, if any:					
6.	Unbalanced Bids	ITB	29.5			
7.	Price Adjustment, if suggested	ITB	13.4			
8.	Technical Deviations, if any					
9.	Decision on Commercial Responsiveness					

*Note: [a] Add parameters as required to suit the item under procurement & as specified in your bidding document*



**POST QUALIFICATION**

<u>Criteria as specified in the bidding document</u> *	<u>Bidder 1</u>	<u>Bidder 2</u>	<u>Bidder 3</u>
1.			
2.			
3.			
4.			

- Note: 1(\*). List all criteria specified in the bidding document and give comments on how bidder meets or fails in criteria.*
- 2. Give details for the recommended bidder and other lower bidders whose offer is evaluated as non-responsive / who have been determined as not meeting with this criteria.*

**DETAILS OF RECOMMENDED OFFER**

1. Total Value of Bid in Rupees :
2. Advances: Mobilization / Equipment :
3. Performance Security :
4. Additional Performance Security for  
Unbalanced Bids, if any :
5. Retention Money :
6. Milestones to be Achieved :
7. Liquidated Damages for different milestones :

**SUGGESTED FORMAT OF BID EVALUATION REPORT FOR  
GOODS & EQUIPMENT (NCB)**

1. **Scope of contract and approximate cost:**

- Outline brief description of goods and services covered by invitation.
- Furnish estimated cost at the time of appraisal and the actual cost for the proposal contract.

2. **Bidding Document:**

Briefly discuss and indicate:

- Details of approval by World Bank/ Govt.
- Variations from the approved document, if any.
- Specifications (approval reference, if any)
- Requirement of accessories/spares, if any
- Delivery requirements.
- Important bidding conditions, such as:.
- price adjustment
- load for

- (a) delivery schedule
- (b) payment schedule
- (c) performance and productivity
- (d) operating and maintenance costs

(Enclose copy of bidding document and amendments if any, if not sent earlier, Annexure I).

3. **Bid Invitation Process:** Furnish the following details:

- Date of publication of general procurement notice
- Bid invitation advertisement in national press, News papers and dates of publication.
- Period in which the bidding documents were made available for sale.
- Number of firms who purchased the bidding documents and their nationality.
- Date of closing and extensions, if any
- Prebid conference, minutes of meeting and resulting amendments, if any.
- Date and time of public bid opening, attendance, highlights of the bid opening meeting, etc.

[Enclose copies of Bid Invitation, Prebid minutes (Annex II) and minutes of bid opening (Annexure III)].

4. **Bid Response :**

- State number of offers received and the nationality.
- Furnish details of offers received:



(iii)	In time	=
(iv)	Late	=
		-----
	Total	=

- Furnish Table of bid prices as read out at the bid opening (in ascending order):

Sl. No.	Name of bidder	Nationality	Bid price as read out	Remarks
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

5. Clarifications obtained, if any:

6. **Preliminary Examination of Bids:**

- Discuss preliminary examination for eligibility (ITB Clause 3), arithmetical errors, completeness, legal validity (has been properly signed and has submitted power of attorney etc.), bid validity, bid security and substantial responsiveness to commercial and technical aspects of bidding documents.
- List arithmetical errors and corrected bid price.
- Furnish details of all bids in Annexure – IV.
- List the bids rejected as non-responsive.

Sl. No.	Name of bidder	Bid price	Brief reasons for rejection
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

7. **Evaluation of substantially Responsive Bidders:**

- State evaluation criteria, methodology cross-referencing to bid documents, assumptions, if any, made in evaluation (Annexure V).
- Discuss briefly offers and adjustment, if any for.
- Commercial aspects:
  - o omissions

- O inland transportation
- O delivery
- O deviation in payment schedule
- O spare parts
- O operation and maintenance
- O performance and productivity etc.
- Technical criteria :
  - O efficiency
  - O productivity
  - O training etc.
- Prepare evaluation table showing the rankings as under:

Rank	Name of bidder/ Manufacturer/ Agent	Evaluated CIP destination price
1	.....	.....
2	.....	.....
3	.....	.....

(Details in Annexure VI)

- Brief discussion of offers:
- Determination of lowest evaluated responsive bidder.

**8. Post –qualification:**

- State criteria, if any, outlined in the bid document.
- Discuss actual qualification of selected bidder and determine whether the selected lowest evaluated responsive bidder is qualified to satisfactorily perform the contract.

*[ If the determination is negative, lowest bid will have to be rejected and the next lowest evaluated bid considered for similar determination of bidder’s capability to perform satisfactorily. To qualify for a package of contracts made up of this and other contracts for which bids are invited, the bidder must demonstrate having experience and resources sufficient to meet the aggregate of the qualifying criteria for the individual contracts.]*

(Details in Annexure VII)

**9. Recommendations:**

- Furnish important features of bid recommended such as:
  - o Bidders name
  - o Model, quantity and total bid price for :
    - basic machine
    - list of tools
    - list of special accessories
    - list of 2 years maintenance spares
- Other Services

Total Rs. \_\_\_\_\_

- o Source of origin
- o Payment terms
  - o Agency commission
  - o Delivery
  - o Inspection
  - o Insurance
  - o Freight
  - o Performance security
  - o Specifications
  - o Other important terms and conditions
- Date of expiry of validity of the selected bid  
(Enclose contract information sheet of selected bidder, Annexure VIII)

Signature of Evaluating Officer

Signature of Competent Authority

Enclosures (enclose only those which were not forwarded earlier):

- 1 Copy of bidding document (Annex I)
- 2 Prebid minutes (Annex II)
- 3 Minutes of bid opening (Annex III)
- 4 Details of assessment of bids (Annex IV)
- 5 Assessment made in evaluation (Annex V)
- 6 Evaluated bid prices of offers (Annex VI)
- 7 Details of post-qualification (Annex VII)
- 8 Contract information and selected bidder (Annex VIII)

**Annexure IV/I  
(to Enclosure IV)**

**Assessment of Bids**

Sl. No.	Particulars	Name of Bidder 1 .....	Name of Bidder 2 .....	Name of Bidder 3 .....	Name of Bidder 4 .....	Name of Bidder 5 .....
1.	Manufactured by					
2.	Country of Origin					
3.	Agent					
4.	Classification					
5.	Model Offered					
6.	Model Number					
7.	Total Bid Price					
8.	Total Cost per unit as per Bid document in Indian Rupees					
9.	Credentials ..... Letter of Authorization					
10.	Commercial Assessment*					
11.	Technical Assessment*					
12.	Decision on Responsiveness					

\* For details see attachment.

## EVALUATION OF THE BIDS

Commercial Analysis for Responsiveness of Bid:

Sl. No.	Particulars			Name of Bidder 1 .....	Name of Bidder 2 .....	Name of Bidder 3 .....
1.	Model Offered					
2.	Model No.					
3.	Manufd. By					
4.	Country of Origin	ITB	2			
5.	Bid Security	IRB	15			
	5.1 Form of Bid Security					
	5.2 Bank and Branch					
	5.3 Expiry Date					
	5.4 Amount					
6.	Validity of Bid	ITB	16			
7.	Letter of Authorisation	ITB	13.3 (a)			
8.	Bid Form	ITB	9.1			
9.	Exception to : Delivery:	ITB	26.5(b)			
	Payment Terms; and	ITB	26.5(c)			
	Others					
10.	Bid Currency	ITB	12			
11	Performance Statement	ITB	13.3 (b)			
12.	Decision on Commercial Responsiveness					

**Note [a] Add parameters as required to suit the item under procurement and as specified in your bidding document.**

*[b] Bid security of Joint Venture must be in the name of all the partners in the Joint Venture submitted the bid.*

**Annexure IV/3  
(to Enclosure IV)**

**Technical Evaluation of the Bids:**

Sl. No.	Particulars	Technical Specifications Clause Reference	Name of Bidder 1 .....	Name of Bidder 2 .....	Name of Bidder 3 .....
1.	Model No.				
2.	Mfd. By*				
3.	Model Type				
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.	Decision on Commercial Responsiveness				

- a) *List the mandatory and optional features which are checked and compared as detailed in technical specifications to determine on conformity to technical specifications.*
- b) *This should also cover all deviations listed by bidder in response to Clause 14.3 (c) of ITB*

Brief details of Assumptions made in Evaluation

a)

b)

c)

d)

**Annexure VI  
(to Enclosure IV)**

**Comparative Statement of Responsive Offers**

Items		Price		
(Groups A and B separately)		Bidder's Name	Bidder's Name	Bidder's Name
Cost per unit (in Rs.)		.....	.....	.....
1.	Ex-factory/ex-showroom/ ex-warehouse or Off – the Shelf prices			
2.	Excise duty (if quoted separately)			
3.	Packing & forwarding charges			
4.	Inland freight			
5.	Insurance			
6.	Other charges, if any			
	<b>TOTAL</b>			
7.	Discounts, if any			
8.	Total unit cost as quoted			
9.	No. to be supplied			
10.	Total cost as quoted			
11.	Delivery period offered			
12.	Delivery period loading			
13.	Payment terms loading			
14.	Other loadings			
15.	Total evaluated price with loading			
16.	<b>Ranking</b>			



**Annexure VII  
(to Enclosure IV)**

**POST QUALIFICATION**

Criteria as specified in the bidding document *	Bidder 1	Bidder 2	Bidder 3
1.			
2.			
3.			
4.			

*Note 1 (\*) List all criteria specified in the bidding document and give comments on how bidder meets or fails in criteria.*

*2. Give details for the recommended bidder and other lower bidders whose offer is evaluated as non-responsive / who have been determined as not meeting with this criteria.*

**Annexure VIII  
(to Enclosure IV)**

**Details of Recommended Offer**

Name of Bidder \_\_\_\_\_

Sl. No.	Name of Item	Specification or Part No.	Unit	Qty.	Rate	Value
1.						
2.						
3.						
4.						
5.						
	<u>Total Cost</u>					

**PROCUREMENT  
CHECKLIST FOR CONTRACTS ABOVE PRIOR REVIEW THRESHOLD  
FOR CIVIL WORKS**

1. Name of the Project : .....
2. Procurement Package Number and Procurement Plan reference : .....
3. Description of works : .....
4. Estimated cost of works : .....
5. Stipulated time of completion (including non-working season) : .....(in months)
6. Type of contract : ICB/NCB
7. Whether the bidders were prequalified and, if so, attach details as per Annexure- I. : Yes/No
8. Date of clearance of bidding document by Bank : .....
10. <sup>2</sup>When the bid notice was published in UNDB? : .....
11. Publicity (National Press – Name and Date of Publication) : 1. ....  
: 2. ....  
: 3. ....
12. Dates when the bidding documents were made available for sale : From.....to.....
13. Number of bidding documents purchased by prospective bidders : .....  
a) Domestic : .....  
b) Foreign : .....
14. Prebid conference held on (Scheduled it at about mid of bidding time) : .....
15. Date of clearance of prebid conference minutes by the Bank : .....

---

1 Not applicable for NCB

16. Last date of receipt and date of opening of bids (both should be the same) : .....
17. Number of bids received  
a) Domestic : .....  
b) Foreign : .....
18. Date of clearance of award by the Bank (No Objection cable) : .....
19. Award amount as cleared by the Bank : Currency Amount  
.....
20. Amount of contract\* Currency Amount  
.....
21. Date of signing of the Contract : .....
22. Contract Number : .....
23. Name and nationality of the contractor : .....
24. Whether the contract includes price adjustment Clause ? : Yes/ No
25. Date of start of work : .....
26. Stipulated period of completion : .....
27. Performance Security : Percentage Deduction Total not  
Initial (%) from bills (%) exceeding
- a) Amount and currencies in proportion to the currencies of payment : ..... months
- b) Additional Security for unbalanced bids, if any : ..... months
- c) Defects liability period : ..... months
- d) Validity as required : ..... months
- e) Has the successful bidder furnished the performance security in various currencies in an acceptable form with validity in accordance with the conditions of contract: If so, indicate

---

\* Clarify reasons for variation if any from the value as cleared by the Bank vide S. No. 20

- i) Form : .....
- ii) Amount : .....
- iii) Validity : .....
- (Attach copy of Instrument)
  
- 28. Reasons for delay, if any, in forwarding : .....  
the confirmed copy of the contract. : .....  
(Contracts along with the checklist, : .....  
should be forwarded to the Bank within : .....  
ten days of signing of agreement) : .....
  
- 29. Any other remarks (attach sheet, if : .....  
necessary) : .....  
: .....  
: .....
  
- 30. Has the letter of appointment of : Yes/ No  
Adjudicator been issued following the : .....  
suggested format : .....  
: .....

Signature : .....

Name: .....

Designation : .....

Dated: .....

**PROCUREMENT  
CHECKLIST FOR CONTRACTS ABOVE PRIOR REVIEW THRESHOLD  
FOR GOODS AND EQUIPMENT**

1. Name of the Project : .....
2. Procurement Package Number : .....
3. Procurement Plan Reference: : .....
4. Description of Goods : .....
5. Estimated cost of Goods : Rs.....lakhs
6. Stipulated time of completion : .....(in months)
7. Type of contract : ICB/NCB
8. Whether the Bidding Document was cleared by the Bank? If yes, when ? Give reference. : Yes/No
9. Date of invitation of bids : .....
10. <sup>1</sup>When the bid notice was published in UNDB? : .....
11. Publicity : 1. ....  
(National Press – Name and Date of : 2. ....  
Publication) : 3. ....
12. Dates when the bidding documents were :  
made available for sale (ICB – 45 to 90 : From.....to.....  
days/ LCB – 30 to 90 days)
13. Number of bidding documents :  
purchased by prospective bidders :  
a) Domestic : .....  
b) Foreign : .....
14. Prebid conference held on :  
(Scheduled it at about mid of bidding :  
time)
15. Date of clearance of Prebid Conference :  
minutes by the Bank

16. Last date of receipt and date of opening of bids (both should be the same) : .....
17. Number of bids received  
a) Domestic : .....  
b) Foreign : .....
18. Date of clearance of award by the Bank (No Objection cable) : .....
19. Award amount as cleared by the Bank : Currency Amount  
.....
20. Amount of contract\* Currency Amount  
.....
21. Date of signing of the agreement : .....
22. Contract Number : .....
23. Name and nationality of the Supplier : .....
24. Whether the contract includes price adjustment clause ? : Yes/ No
25. Date of start : .....
26. Stipulated time of completion : .....
27. Performance Security : .....%
- a) Amount in the currency of contract : .....
- b) Warranty period : .....months
- c) Stipulation time of completion plus warranty period : .....
- d) Has the successful bidder furnished the performance security in various currencies in an acceptable form with validity in accordance with the conditions of contract: If so, indicate
- i) Form : .....
- ii) Amount : .....
- iii) Validity : .....

---

\* Clarify reasons for variation if any from the value as cleared by the Bank vide S. No. 20

(Attach copy of Instrument)

28. Reasons for delay, if any, in forwarding : .....  
the confirmed copy of the contract. : .....  
(Contracts along with the checklist, : .....  
should be forwarded to the Bank within : .....  
ten days of signing of agreement) : .....

29. Any other remarks (attach sheet, if : .....  
necessary) : .....  
: .....  
: .....

Signature : .....  
Name: .....  
Designation : .....

Date: .....



**PROCUREMENT  
CHECKLIST FOR POST-AWARD REVIEW OF CONTRACTS  
FOR CIVIL WORKS**

- 1. GENERAL :** .....
- 1.1 Name of the Project : .....
- 1.2 Procurement Package Number and Procurement Plan Reference : .....
- 1.3 Description of works : .....
- 1.4 Estimated cost of works : .....
- 1.5 Stipulated period of completion : .....(in months)  
(including non-working season from the date of award)
- 1.6 Whether the method of procurement adopted is in accordance with the Procurement Plan : i) Yes /No                      ii) ICB/NCB

**2. BIDDING DOCUMENT**

- 2.1 Whether the bidding document used for this work is according to the standard model document cleared with the Bank ? : Yes/No
- 2.2 If no, list the deviation from standards: : 1. ....  
2. ....  
3. ....
- 2.3 Whether Package and Slices procedure has been adopted? If so, have you suitably modified the clause for submission and evaluation of bids : Yes/No
- 2.4 Whether price adjustment clause provided:? : Yes/ No  
(Provide when period of completion is more than 18 months)

Ensure that total percentage of labour contractor's materials and POL equals 100, if 'R' in the formula represents : Percentages  
Labour                      Materials                      POL

net value of work done. ....

2.5 Whether bill of quantities and specifications properly checked ? : Yes/No  
(Provide schedule of quantity for each slice separately and also one schedule for the combined work. i.e. for the package group in the same bidding document).

2.6 Bid Security :

a) Whether the guidelines have been followed in fixing the Bid Security? If not, give reasons : Yes/ No

b) What is the percentage/ amount? : .....%  
(No exemption should be permitted to any bidder or any class of bidders) Rupees.....

2.7 Whether any preference on price or other conditions allowed in the bidding document/ award for any bidder or class of bidders? If yes, list the preferences. (No preferential treatment should be given to any bidder or class of bidders either for price or for conditions unless specifically cleared with the Bank and stipulated in the Project Agreement.) : Yes/ No

2.8 Does the bidding document provide for advances? : Yes/No

If so, give details .....

What is the interest rate of advances ? .....

2.9 a) What is the performance security specified in the bidding document :

Initial : Percentage Deduction (Value M) Total Not from bills exceeding (%)

2.10 Cost of bidding documents : Rs.....

**3.0 BID INVITATION AND ISSUE OF BIDDING DOCUMENTS:**

3.1 Whether the bids for this work were rejected previously and are being reinvited? If yes, whether Bank's clearance was obtained? Give reference (Bids should not be rejected without Bank's prior consultation) : Yes/No

3.2 Date of invitation of bids : .....

3.3 Publication of NIT : 1.....  
(give names of national newspapers and date of publication) 2. ....  
3.....

3.4 (a) Dates when bidding documents were made available for sale; : from.....to.....  
(b) Sale period should generally be 30 to 90 days; if not, specify reasons)

**4.0 PRE BID CONFERENCE**

4.1 Date of pre-bid conference : .....  
(Schedule it at about mid of bidding time)

4.2 Whether pre-bid minutes were cleared with the Bank? When? : Yes/No.....

4.3 Was any amendment issued after pre-bid conference? : Yes/No

**5.0 SALE AND RECEIPT OF BIDDING DOCUMENTS:**

5.1 Last date of receipt of bids and the date of opening of bids. (Both should be the same) : .....

5.2 No. of documents purchased by prospective bidders : .....

5.3 No. of bids received : .....

**6.0 EVALUATION :**

- 6.1 Has award been made to the lowest responsive bidder? (Give rank lowest, or second lowest or third lowest, etc. Award should be made to the lowest responsive bidder.) : Yes/No
- 6.2 Give reasons for ignoring lower offers if the lowest bidder is not awarded : .....
- 6.3 a) Has the bidder who has been awarded the contract furnished information about his capability and financial resources in response to stipulations made in IFB? : Yes/No
- b) Are you satisfied that he has the appropriate standards of capability and financial resources to execute the work satisfactorily? : .....  
Comment briefly. ....
- c) Does he meet the minimum criteria for qualification, if any, specified in the bidding document? : Yes/No
- 6.4 Does the recommendation for award confirm that minutes of pre-bid conference were circulated to all prospective bidders? : Yes/No
- 6.5 Is the award to the lowest responsive bidder conditional? : Yes/No
- 6.6 Where any negotiations held with the bidders after opening of bids? If yes, whether Bank's clearance was obtained before holding negotiations and when? If Bank's clearance was not obtained why ? : Yes/No  
(Bank does not favour any negotiations.)
- 6.7 Whether the award was made within the original bid validity? : Yes/No
- i) if no, list the reasons for delay : .....  
a) date of opening : .....  
b) date of award : .....
- ii) if extension of bid validity was : Yes/No

sought, from all bidders and not from the lowest alone?

iii) Was the period of extension exceeded 4 weeks? : Yes/No

iv) If affirmative, was Bank's clearance obtained? : Yes/No

v) If yes, indicate date of clearance : .....

**7.0 AWARD OF CONTRACT**

7.1 Name of contractor : .....

7.2 Date of award of contract : .....

7.3 Date of signing of contract : .....

7.4 Contract value as awarded : .....

7.5 Contract number and date : .....

7.6 Date of start of work : .....

7.7 Stipulated time of completion of work : .....

**8.0 PERFORMANCE SECURITY :**

8.1 Defects liability period : .....months

8.2 Validity as required : .....months

8.2 Validity as provided : .....months

8.3 Has the successful bidder furnished performance: security in various currencies in an acceptable form with validity in accordance with the conditions of contract? If so, indicate: : Yes/No

a) Amount and currencies in proportion to the currencies of payment : Rs.....  
.....  
.....

b) Form

c) Validity

(Attach copy of Instrument)

**9.0 ENCLOSURES :**

9.1 Have the following been enclosed? : Yes/No

i) Minutes of pre bid meeting

ii) Complete item rate comparative statement : Yes/No

iii) Note leading to recommendations for the award (evaluation report) : Yes/No

iv) One conformed copy of agreement : Yes/No

**10.** Reasons for delay, if any, in forwarding the contract agreement. (The agreement should be forwarded for post review by the Bank within ten days of signing of the agreement with all the enclosures.) : .....

**11. GENERAL :** .....

**12.** Has the letter of appointment of Adjudicator been issued following the suggested format. : Yes/No .....

Signature : .....  
Name: .....  
Designation : .....

Date: .....

**PROCUREMENT  
CHECKLIST FOR POST-AWARD REVIEW OF CONTRACTS  
FOR GOODS AND EQUIPMENT**

- 1. GENERAL** : .....
- 1.1 Name of the Project : .....
- 1.2 Procurement Package Number : .....
- 1.3 Procurement Plan Reference : .....
- 1.4 Description of Goods : .....
- 1.5 Estimated cost of Goods : Rs..... lakhs
- 1.6 Stipulated period of completion : .....(in months)  
(including non-working season from the date of award)
- 1.7 Whether the method of procurement adopted is in accordance with the Procurement Plan : i) Yes /No                      ii) ICB/NCB
- 2. BIDDING DOCUMENT**
- 2.1 Whether the bidding document used for this work is according to the standard model document cleared with the Bank? : Yes/No
- 2.2 If no, list the deviation from standards: : 1. ....  
2. ....  
3. ....
- 2.3 Whether price adjustment clause provided? : Yes/No
- 2.4 Bid Security : Yes/ No
- a) Whether the guidelines have been followed in fixing the Bid Security? If no, give reasons.
- b) What is the percentage/ amount? (No exemption should be permitted to any bidder or any class of bidders) : .....%
- 2.5 Whether any preference on price or other conditions allowed in the bidding : Yes/No

document/ award to any bidder or class of bidders? If yes, list the preferences. (No preferential treatment should be given to any bidder or class of bidders either for price or for conditions unless specifically cleared with the Bank and stipulated in the Project Agreement)

- 2.6 Does the bidding document provide for advances? : Yes/No  
 If so, give details .....
- What is the interest rate on advances? .....%
- 2.7 Specified performance security in the bidding document – Percentage/ or amount : .....%
- 2.8 Cost of bidding documents : Rs.....

**3.0 BID INVITATION AND ISSUE OF BIDDING DOCUMENTS:**

- 3.1 Whether the bids for this item(s) were previously rejected and are being reinvited? If yes, whether Bank’s clearance was obtained? Give reference (Bids should not be rejected without Bank’s prior consultation) : Yes/No
- 3.2 Date of invitation of bids : .....
- 3.3 Publication of NIT (give names of national newspapers and date of publication) : 1.....  
 2.....  
 3.....
- 3.4 Dates when bidding documents were made available for sale: (should generally be 30 to 60 days; if not, specify reasons?) : From.....to.....

**4 PRE BID CONFERENCE**

- 4.1 Date of pre-bid conference (Schedule it at about mid of bidding time) : .....
- 4.2 Whether pre-bid minutes were cleared : Yes/No.....



with the Bank? When?

4.3 Was any amendment issued after pre-bid conference? : Yes/No

4.4 Whether minutes of prebid conference and amendment transmitted to all the prospective bidders Yes/No

**5.0 SALE AND RECEIPT OF BIDDING DOCUMENTS:**

5.1 Last date of receipt of bids and the date of opening of bids. (Both should be the same) : .....

5.2 No. of documents purchased by prospective bidders : .....

5.3 No. of bids received : .....

**6.0 EVALUATION :**

6.1 Has award been made to the lowest responsive bidder who satisfies the minimum qualification criteria specified in the bidding document. (Give rank lowest, or second lowest or third lowest, etc.) : Yes/No

6.2 Give reasons for ignoring lower offers if the lowest bidder is not awarded the contract : .....

6.3 Are you satisfied that the bidder who has been awarded the contract has the appropriate standards of capability and financial resources to execute the supply as required on the basis of information furnished? Comment briefly : .....

6.4 Is the award to the lowest responsive bidder conditional? : Yes/No

6.5 Where any negotiations held with the bidders after opening of bids? If yes, was Bank's clearance was obtained before holding negotiations and when? If Bank's clearance was not obtained : Yes/No

why ?  
(Bank does not favour any negotiations.)

- 6.6 Whether the award was made within the original bid validity? : Yes/No
- i) If no, list the reasons for delay : .....
- a) date of opening : .....
- b) date of award : .....
- ii) If extension of bid validity was sought, was that from all bidders and not from the lowest alone? : Yes/No
- iii) Was the period of extension exceeded 4 weeks? : Yes/No
- iv) If affirmative, was Bank's clearance obtained? : Yes/No
- iv) If yes, indicate date of clearance : .....

**7.0 AWARD OF CONTRACT**

- 7.1 Name of Supplier : .....
- 7.2 Date of award of contract : .....
- 7.3 Date of signing of contract : .....
- 7.4 Contract value as awarded : .....
- 7.5 Contract number and date : .....
- 7.6 Date of start : .....
- 7.7 Stipulated time of completion of work : .....

**8.0 PERFORMANCE SECURITY :**

- 8.1 Specified warranty period : .....months
- 8.2 Validity as required : .....months
- 8.3 Has the successful bidder furnished performance security in various currencies in an acceptable form with validity in accordance with the conditions of contract? If so, indicate:
- a) Amount in currency of the : Rs.....

contract .....  
 b) Form .....  
 c) Validity .....  
 (Attach copy of Instrument)

**9.0 ENCLOSURES :**

- 9.1 Have the following been enclosed?  
 i) Minutes of pre bid meeting : Yes/No  
 ii) Complete item rate comparative statement : Yes/No  
 iii) Note leading to recommendations for the award (Evaluation Report) : Yes/No  
 iv) One confirmed copy of agreement : Yes/No

**10.** Reasons for delay, if any, in forwarding the contract agreement. : .....  
 (The agreement should be forwarded for post review by the Bank within ten days of signing of the agreement with all the enclosures.)

**11. GENERAL :**  
 (Any other relevant information concerning the above procurement) : .....  
 .....

Signature : .....  
 Name: .....  
 Designation : .....

Date: .....

**ENCLOSURE-IX**

**FORMAT FOR SEEKING BANK'S CLEARANCE FOR INCREASE IN  
CONTRACT VALUE BEYOND 15% OF THE ORIGINAL CONTRACT VALUE AS  
WELL AS FOR GRANTING EXTENSION OF THE STIPULATED TIME FOR  
PERFORMANCE OF THE CONTRACT  
(For all Agreements Valued Rs. 45.00 lakhs and above)**

Credit/ Loan No. ....  
Name of the Project .....  
Sub Project .....

1. WBR No. : .....
2. Contract No. (Agreement) : .....and  
: date .....
3. Name of Contractor : .....
4. Description of work : .....
5. a) Original Contract Value : .....  
b) Anticipated increased contract  
value as of date : .....
6. Bank's no objection to the contract  
communicated on : .....
7. a) Completion date as per contract : .....  
b) Completion date as revised now : .....  
c) Expected date of completion : .....
8. Amount of increase in contract value : .....  
anticipated  
% w.r.t. original contract value : .....
9. Breakup for the increase in value of contract due to :
  - a) Price adjustment : .....
  - b) Extra Items : .....
  - c) Variation in Quantities : .....
  - d) Contract or Claims : .....
    - 1) Arbitration : .....

2) Other reasons : .....

e) Exchange Variation : .....

Total : .....

- 10. Comments on reasons for the increase in contract value as \* well as reasons for extension of the stipulated time for performance  
\* (use additional sheet where necessary)

.....

Chief Engineer, MI

.....

Superintending Engineer .....Circle

.....

**ENCLOSURE-X**  
**(FORM 1-A)**  
**Quarter I II III IV**

WB CREDIT NO.....  
**PROGRESS REPORT ON FIELD REVIEW CONTRACTS**  
(Contract Value below Rs. 45.00 lakhs)

Sl. No.	Description of Goods/Works/ Equipment/ Banks. Etc.	Type of Contract (NCB/ Direct Contracting/ National or International Shopping/ * Force Account)	Value of Goods/Works/ Equipments/ Books / etc.		Bid Invitation dates		No. of Bid documents Sold/ Issued	No. of Bids Received	Evaluation of Bids Received		Name of contract or/ Supplier in whom Contract has been awarded	Contract No. & Date	Remarks regarding rejection/ negotiation/ preferences, if any
			Estimated	Awarded	Invitation	Opening			Rank of Bidder	Reasons for ignoring Lower Officers			
1	2	3	4	5	6	7	8	9	10	11	12	13	14

\* Force Account means civil works carried out departmentally.  
 Note: a) For contracts of items (goods/equipments/books etc.) and works individually valued less than Rs. 2.00 lakhs a lumpsum value may be given indicating the total along with number of cases for the reporting period.  
 b) For works carried out under Direct Contracting / National Shopping / Force Account/ Community Participation, the expenditure incurred in the quarter should be given as a lumpsum in Form 1-B/1, 1-B/II, I-B/III and 1-B/IV.  
 c) For items (goods/equipments/books etc.) procured following shopping (national & international) procedure, the details should be included in this statement and summary in Form 1C.

**ENCLOSURE-XI**

**(Form 1-C)**

**NATIONAL SHOPPING**

Name of Project : Year :

Credit Loan/No. : Month :

Value permissible under National Shopping as per Project Agreement: Rs.....lakhs

**VALUE OF ITEMS PROCURED UNDER NATIONAL OR INTERNATIONAL SHOPPING**

Name of Sub Project	From the beginning of Credit upto the end of previous	During the month under reporting	Total to be end of month under reporting month (Col 2 + 3)
	(Rs.)	(Rs.)	(Rs.)
(1)	(2)	(3)	(4)
1.			
2.			
3.			
4.			
5.			
6.			
<b>TOTAL FOR PROJECT</b>			

Signature .....

Date: .....

Name and Designation.....

*Note: Item-wise details should be included in Form 1A only.*

**Suggested Draft of the Letter of Appointment of Adjudicators  
in Civil Works Contracts**

Sub: \_\_\_\_\_ (*Name of the Contract*)  
To

Name and address of the Adjudicator

We hereby confirm your appointment as adjudicator for the above contract to carry out the assignment specified in this Letter of Appointment.

For administrative purposes \_\_\_\_\_ (*name of the officer representing the Employer*) has been assigned to administer the assignment and to provide the Adjudicator with all relevant information needed to carry out the assignment on behalf of both the Employer and the Contractor. The services will be required during the period of contract for the work of \_\_\_\_\_ (*Name of the Contract*)

The Adjudicator shall visit the worksite once in 3 (three) months till the completion of the work indicated above or as specifically requested by Employer/ Contractor for the period upto the end of defects liability period with prior intimation to the Employer and the Contractor. The duration of each visit shall ordinarily be for one day only. These durations are approximate and (*Name of the Employer and Name of the Contractor*) may find it necessary to postpone or cancel the assignment and/or shorten or extend the duration.

The appointment will become effective upon confirmation of this letter by you. The appointment of Adjudicator shall be liable for termination under a 30 (thirty) days written notice from the date of issue of the notice, if both Employer and the Contractor so desire. Also the appointment shall automatically stand terminated 14 days after the defect notice/ correction period as stated in Clauses 35 and 36 of the Conditions of Contract is over.

The Adjudicator will be paid a fee of Rs.3000/- (Rupees : three thousand only) per each day of visit at the worksite. The actual expenses for boarding and traveling in connection with the assignment will be reimbursed to the Adjudicator. The Adjudicator will submit a pre-receipted bill in triplicate to the Employer indicating the date of the visit, fees for the visit and a proof in support of the actual expenditure incurred by him against boarding, lodging and traveling expenses after performing the visit on each occasion. The Employer will make the admissible payment (*both the Employer's and the Contractor's share*) to the Adjudicator within 30 days of the receipt of the bill. The Contractor's share on this account (*half the paid amount*) will be recovered by the Employer from the Contractor's bills against the work.

In accepting this assignment, the Adjudicator should understand and agree that he is responsible for any liabilities and costs arising out of risks associated with travel to and from the place of emergency repatriation, loss or damage to personal/ professional effects and property. The Adjudicator is advised to effect personal insurance cover in respect of such risks if he does not already have such cover in place. In this regard, the Adjudicator shall maintain appropriate medical, travel, accident and third-party liability insurance. The obligation under this paragraph will survive till termination of this appointment.



Procedures for resolution of disputes by the Adjudicator is described in the contract of \_\_\_\_\_ (*name of the Contract*) between the employer and the contractor vide Clauses No. 24, 25 and 26 of the Conditions of Contract and Contract Data. Your recommendation should be given in the format attached.

The Adjudicator will carry out the assignment in accordance with the highest standard of professional and ethical competence and integrity, having due regard to the nature and purpose of the assignment and will conduct himself in a manner consistent herewith. After visiting the worksite, the Adjudicator will discuss the matter with the Employer and if necessary with the Contractor before arriving at any decision.

The Adjudicator will agree that all knowledge and information not within the public domain, which may be acquired while carrying out this service shall be for all time and for all purpose, regarded as strictly confidential and held in confidence, and shall not be directly or indirectly disclosed to any party whatsoever, except with the permission of the Employer and the Contractor. The Adjudicator's decision should be communicated in the form of a speaking order specifying the reasons.

The Adjudicator will agree that any manufacturing or construction firm with which he might be associated with, will not be eligible to participate in bidding for any goods or works resulting from or associated with the project of which this consulting assignments forms a part.

Read and Agreed

Name of Adjudicator  
Signature

Place:

Date:

Name of Employer

Signature of authorized representative of Employer

Name of Contractor

Signature of authorized representative of Contractor

Attachment: Copy of contract document between the employer and contractor and format for recommendation.

## **SUMMARY OF ADJUDICATOR'S RESPONSIBILITIES**

The Adjudicator has the following principal responsibilities :

1. Visit the site periodically
2. Keep abreast of job activities and developments
3. Encourage the resolution of disputes by the parties
4. When a dispute is referred to it, conduct a hearing, complete its deliberations, and prepare a recommendation in a professional and timely manner (as per sample format)

**Sample Format of Adjudicators' Recommendation**

**[ Project Name)  
RECOMMENDATION OF ADJUDICATOR**

Dispute No. \_\_\_\_\_ [ NAME OF DISPUTE]

Hearing Date :.....

**Dispute**

Description of dispute. A one or two sentence summation of dispute.

**Contractor's Position**

A short summation of the Contractor's position as understood by the Adjudicator.

**Employer's Position**

A short summation of the Employer's position as understood by the Adjudicator

**Recommendation**

The Adjudicator's specific recommendation for settlement of the dispute. (the recommended course is consistent with explanation).

**Explanation**

(This section could also be called Considerations, Rationale, Findings, Discussion, and so on)  
The Adjudicator's description of how each recommendation was reached.

Respectfully submitted.

Date : \_\_\_\_\_

**MINUTES OF BID OPENING – (NCB Goods/Works)**

\_\_\_\_\_ **Project**

**Loan No./Credit No. :** \_\_\_\_\_

**Basic Data Sheet**

1. Package Number :
2. Item/Work Description :
3. Estimated Value :
4. Date of issue of IFB :
5. Mode of Procurement :
6. (a) Deadline for submission of bids : \_\_\_\_\_ at \_\_\_\_\_ hours  
(date and time)
- (b) Bid opening date and time : \_\_\_\_\_ at \_\_\_\_\_ hours
7. No. of Bidding Documents Sold :
8. Number of bids received :
9. Bid Validity expires on :

Signature of the bid opening officer: \_\_\_\_\_

(Bid Opening Committee)

Name of bid opening officer: \_\_\_\_\_

(Bid Opening Committee)

Title of the bid opening officer:: \_\_\_\_\_

(Name of the Project)

**RECORD OF BID OPENING (NCB)**

Loan Number : \_\_\_\_\_

Credit Number: \_\_\_\_\_

**Package Number :** \_\_\_\_\_

**Description of Item / Work:** \_\_\_\_\_

1. The following bids received by closing date and time i.e. \_\_\_\_\_ hours on \_\_\_\_\_, were publicly opened in the presence of the bidders representatives listed below at \_\_\_\_\_ hours on \_\_\_\_\_ (date)

S. No.	Number of Bidder	Group	Bid Security in Rupees		Bid Amount * (CIP Destination/ In Rupees)	Discount offered, if any (modifications or withdrawals)	Alternative offer, if any
			Amount	Validity			
1.							
2.							
3.							
4.							
5.							

2. The following representatives of bidders are present during the bid opening :

S. No.	Name of Representative	Signature	Name of Bidder/	Name* of Manufacturer if different from bidder

3. Complaints, if any:

Signature, Name and Designation of the Bid Opening Officer's (Bid Opening Committee) :

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_

\*Modify as required for each case

## FORMAT OF QUOTATION\*

Sl. No.	Description Goods	Specifications	Qty.	Unit	Quoted Unit Rate in Rs.	Total amount	
						In Figures	In words

**Total Cost : Rs.....**  
**Add Sales Tax/ VAT : Rs .....**  
**Grand Total .....**

We agree to supply the above goods in accordance with the technical specifications for a total contract price of Rs.....(amount in figures) (Rs.....(in words) within the period specified in the Invitation for Quotations.

We also confirm that the normal commercial warrantee/ guarantee of .....months shall supply to the offered goods.

We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf will engage in bribery

**Signature of Supplier**