

INDIAN HYDROLOGY PROJECT-PHASE-II

Procurement Manual

Table of Contents

1.0 GENERAL

- 1.1 Introduction
- 1.2 Purpose of Procurement manual

2.0 PROCUREMENT PLAN

- 2.1 Procurement Cycle
- 2.2 Procurement Plan

METHODS OF PROCUREMENT-GOODS/WORKS

3.0 PROCUREMENT OF GOODS & WORKS

- 3.1 Open Tender (NCB)
- 3.2 Shopping Method
- 3.3 Single Source [Proprietary] Procurement

4.0 PROCEDURES OF PROCUREMENT FOR GOODS & WORKS

- 4.1 Bid Announcement
- 4.2 Bidding Documents (SBDs)
- 4.3 Pre-bid Meeting
- 4.4 Receipt of Bids
- 4.5 Public Opening of Bids
- 4.6 Examination of Bids
- 4.7 Bid Evaluation Report
- 4.8 Extension of Validity of Bids
- 4.9 Post Qualification of Bidders
- 4.10 Rejection of all Bids
- 4.11 Contract Award
- 4.12 Contract Management

SELECTION OF CONSULTANTS

5.0 PROCEDURES FOR SELECTION OF CONSULTANTS

- 5.1 Fields of Operation
- 5.2 Methods of Selection
 - 5.2.1 Quality Cost Based Selection [QCBS]
 - 5.2.2 Cost Based Selection [CBS]
 - 5.2.3 Fixed Budget Selection
 - 5.2.4 Least Cost Selection
 - 5.2.5 Consultant Qualification Selection
 - 5.2.6 Single Source selection [SSS]

6.0 STEPS IN CONSULTANT SELECTION

- 6.1 Preparation of Terms of Reference {TOR}
- 6.2 Expression of Interest {EOI}
- 6.3 Shortlist of Consultants
- 6.4 Cost Estimates/Budget

- 6.5 Requests for Proposal {REP}
- 6.6 Clarifications of RFP
- 6.7 Pro-proposal Conference
- 6.8 Amendments to RFB

- 6.9 Receipt of Proposals
- 6.10 Technical Proposal Evaluation
- 6.11 Opening of Financial Proposal
- 6.12 Financial Proposal Evaluation
- 6.13 Combined Evaluation [Quality & Cost]
- 6.14 Contract Negotiations
- 6.15 Contract Approval
- 6.16 Consultants Responsibilities
- 6.17 Completion of Assignment

7.0 FRAUD AND CORRUPTION

8.0 MISPROCUREMENT

9.0 POST PROCUREMENT AUDIT

- 9.1 Audit Requirements
- 9.2 Record Keeping

ABBREVIATIONS AND ACRONYMS

DGS&D	Directorate General of Supplies & Disposals
dgMarket	Development Gateway market
GOI	Government Of India
GPN	General Procurement Notice

IA	Implementing Agency
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
IDA	International Development Agency
IHP	Indian Hydrology Project
MoWR	Ministry of Water Resources
NCB	National Competitive Bidding
PAS	Procurement Accredited Staff
PS	Procurement Specialist
QCBS	Quality & Cost Based Selection
RFP	Request for Proposal
SPN	Specific Procurement Notice
UNDB	United Nations Development Bulletin
WB	World Bank

The Project Loan Agreement and the Bank Procurement Guidelines constitute the Bank's policies on procurement. This Manual is intended to give additional advice and assistance to Procurement Accredited Staff of the IAs to help them carry out their own procurement responsibilities and to help them advise on how to handle their own responsibilities when carrying out procurement using Bank financing. The Manual does not contain any new policies. Rather, it explains in more detail how specific aspects of procurement should be handled consistent with the Guidelines and the LA. It is a source of "how-to" information about the tasks and elements that comprise the procurement process.

The Manual deals with specific procurement topics, taking them generally in the chronological order in which they occur, from the initial analysis of a Borrower's procurement systems, through the procurement planning stages and into project implementation and contract administration.

The aim of the Manual is to enable a clearer understanding of the topics in issue.

Views in this regard from the PAS of the IAs are welcome to improve the Manual with a view to keeping it relevant and useful to the PAS.

1.0 GENERAL

1.1 Introduction

The Government of India with the assistance of World Bank has initiated Indian Hydrology Project-Phase-II with a view to extend and promote the sustained and effective use of the Hydrological Information System(HIS), established under the first phase of the Hydrology Project(1996-2003), by all potential users concerned with water resources planning and management., both public and private. The aim is to improved productivity and cost-effectiveness of water related investments in the areas covered. The second phase, supported by the World Bank loan, will expand coverage to four more states and two more central agencies for a total of thirteen states and eight central agencies.13 States and 8 central have been identified as vulnerable to water related risks in the country.

The project has three main components:

- 1) Institutional strengthening consisting of consolidation of the activities of first phase of the Hydrology Project in the existing nine states and six central agencies; awareness raising, dissemination and knowledge sharing, and implementation support;
- 2) Vertical Extension comprising development of Hydrological Design Aids: development of Decision Support Systems; and implementation of Purpose Driven Studies;
- 3) Horizontal Expansion supporting upgrading / establishment of data collection network; establishment of data processing and data management systems; Purpose Driven Studies and training.

The project's main components are thus to strengthen the capacity of the hydrology departments, improving the capabilities of implementing agencies: establishing and enhancing user-friendly, demand driven and easily accessible HIS; and improving access to the HIS by public agencies, civil society organizations and private sector through outreach services.

The Implementing States/Central Agencies have will coordinate with line departments of State and Central agencies to carry out the objectives of the project. To accomplish successful completion of various components of IHP (Phase-II), the Project Implementing Agencies(IAs) would invariably require the procurement of goods, works, service and the employment of Consultants. These procurements by participating IAs shall follow a set of standard guidelines rules & procedures specified for this project. Strong procurement and logistics management is of high priority in IHP (Phase-II). It is emphasized that the guidelines meet the global standards in accountability, transparency and value for money irrespective of the sources of funds.

World Bank procurement policy and procedures are based on principles of good public procurement. The loan agreement had specified the various procurement methods to be followed by the Implementing Agencies. The individual threshold limits for the procurement methods had also been specified in the Loan Agreement

PROCUREMENT CATEGORY	CONTRACT THRESHOLD VALUE	PROCUREMENT METHOD	WORLD BANK REVIEW
WORKS		ICB	All contracts above US\$500,000/
	(i)Contract of value more than US\$ 30,000/-	NCB	First contract of each IA & all contracts above US\$ 200,000/-

	(ii) Contract Value <=US\$ 30,000/- equivalent	Shopping with public bid opening	All Contracts Post Review
GOODS	(i) Contract of value >= US\$ 200,000/- equivalent	ICB	All contracts above US\$ 200,000/-
	(ii) Contract Value >=US\$ 30,000/- equivalent and < US\$ 200,000/- equivalent	NCB	First contract of each IA & all contracts above US\$ 30,000/-
	(iii) Contract Value <=US\$ 30,000/- equivalent	Shopping	All Contracts Post Review
	(iv) Contract Value <=US\$ 10,000/- equivalent and Data	Direct Contracting	All Contracts Post Review
CONSULTING SERVICES	A.FIRMS:	Quality and Cost Based Selection[QCBS]	All Contracts
	(i) Contract Value >=US\$ 100,000/- equivalent	QCBS, SBCQ, Fixed Budget Selection & Least Cost Selection	TOR & Shortlist to be Prior Reviewed
	(ii) Contract Value <=US\$ 100,000/- equivalent	In accordance with Section V of the Consultants Guidelines	All Contracts
	B.INDIVIDUAL CONSULTANTS	In accordance with Section V of the Consultants Guidelines	TOR to be Prior Reviewed
	(i) Contract Value >=US\$ 50,000/- equivalent		
	(ii) Contract Value < US\$ 50,000/- equivalent		

1.2 Purpose of the Manual

This Procurement Manual provides the essential information and step by step procurement guidelines in brief to achieve the objectives of carrying out the procurement of the project components under IHP-II. The Manual offers a simplified explanation of competitive bidding and contracting procedures for procuring various components under NCRMP. It is intended for prospective State Agencies to familiarize with the World Bank bidding documents and procedures.

The World Bank has published set of guidelines for “Procurement under IBRD Loans & IDA Credits, May 2004” and “Selection and employment of consultants by World Bank Borrowers, May 2004”. These guidelines have been taken in to account for preparation of this manual. These guidelines are further complemented by detailed provisions for their application in this manual. All IAs are invariably need to follow the various procedures contemplated in this manual in order to enable them to procure ‘Works’, ‘Goods’ and ‘Consultant Services’ in conformity with these guidelines. Adoption of these procedures will ultimately result in efficient procurement.

The Procurement Manual is divided into two main parts: one for procurement of goods and works and the other for procurement of consultant services. (Services). Each main part is divided into sections that roughly follow the contracting sequence, beginning with the preparation of bidding documents and concluding with delivery of the goods or services to the Implementing Agencies. Each part explains how to prepare bids or proposals and describes procedures for awards and financial arrangements. The Preface, Introduction, and Glossary apply to both Goods and Services. The Acronyms List and Glossary define terms and phrases that have special meaning in the context of procurement of goods and works and consulting contracts

2.0 PROCUREMENT PLANNING

2.1 Procurement Cycle

By Procurement procedure/ guidelines, it is meant as a set of general steps in which procurement transaction is carried through from its inception to its conclusion. These steps together form the purchase policy of an organization. The Flow Chart enclosed indicates all the steps in the Procurement Process.

2.2 Procurement Plan

Procurement plan is essentially planning of the procurement of goods, works and services at a specified time frame of the project schedule. Preparation of a procurement plan is a legal requirement in all World Bank financed projects. Procurement plan covering civil works, supply of equipment, goods and consultant services shall be prepared on a firm basis during the first year of the Project and reviewed on a continuous basis during the subsequent years.

- Procurement plan shall be reviewed and updated every year. It is a tool for proper monitoring and execution of procurement activities.
- Procurement plan shall be prepared contract wise - one for works, one for goods and one for consultant services.
- Method of purchase shall be based on the value of the contract, urgency of the demand, type of works/goods/ services and availability of different sources of supply etc.

- Threshold limit per contract applicable to a particular procurement method shall be strictly adhered to.

The factors to be considered for determining the size of packages will include:

- Timeliness for procurement
- Economies of Scale
- Geographical Locations (dispersal of work)
- Institutional capacity of the Employer
- capacity of likely qualified bidders
- Plant & equipment required

During project execution the original procurement plan shall be regularly monitored and updated, the purpose being to see how actual performance compares with the planned activities and to make changes in the plan if necessary. If a slippage occurs in the award or execution of one major contract, it may require rescheduling of other related contract awards and deliveries of products. The purpose of monitoring is to complete the details of what has actually been completed, to note whether there are major discrepancies with what was anticipated, and to make adjustments in procedures and expectations if appropriate. The object is to gain better understandings of what causes delays or changes in plans and maintain efficiency in procurement operations. The Procurement monitoring is with regard to identification of how the procurement plan is carried out with regard to timing, packaging and suitability of methods. Any deviation or modification in the procurement plan shall be reported to and got approved by the Bank. A register containing details of all procurement activities shall be maintained each Implementing Agencies.

All IAs need to ensure:

- *All procurements are as per the Bank approved procurement plan.
- *Any change in the procurement plan is forwarded for approval of the Bank.
- *Procurement plan is updated on an annual basis or as needed.

3.0 PROCUREMENT OF WORKS / GOODS

3.1 Methods of Procurement

The most commonly used procurement method normally followed under IHP-II are:

- i) International Competitive Bidding (ICB)
- ii) National Competitive Bidding (NCB)
- iii) Shopping
- iv) Single Tender/ Direct Contracting
- v) Force account

3.2 International Competitive Bidding- (ICB)

The purpose of International Competitive Bidding (ICB) is to provide all eligible prospective foreign bidders with timely and adequate notification about and an equal opportunity to bid for the required works or goods. Bidding opportunities must therefore be advertised internationally and all eligible bidders given reasonable possibilities to participate. These notification requirements distinguish ICB from other methods of procurement. ICB requires formal bidding documents which are fair, non-

restrictive, clear and comprehensive. The bidding documents and technical specifications relating to the project should clearly describe the criteria and methodology for evaluation of bids and selection of the successful bidder. The Bank requires the Borrower to use Bank Standard Bidding Documents (SBD) whenever these have been prepared for procurement of particular types of goods and services. All quotations by bidders for imported goods should be on INCOTERMS. A margin of preference may be allowed for domestic bidders offering bona-fide domestic manufactured goods subject to the conditions stated in the Loan Agreement. Under ICB, the Borrower should award the contract within the period of validity of the bids to the bidder whose bid has been determined to be the lowest evaluated responsive bid. Such a bidder must also meet the appropriate standards of capability and financial resources. A bidder should not be required, as a condition of award, to undertake responsibilities for work not stipulated in the specifications or to modify the offered bid.

Steps to be followed are:

-Preparation of a draft General Procurement Notice (GPN) to the Bank for publication in UN Development Business (UNDB) online, dgMarket. Simultaneously GPN shall be published in website of the Project.

-Sale of bid documents shall start only after publication of Invitation For Bids (IFB) in newspapers and UNDB/dgMarket

-All other procedures for global tender/ICB shall broadly be the same as of open advertised tender in respect of bid opening, bid evaluation, notification of award, complaint redressal etc.

3.3 National Competitive Bidding- (NCB)

National Competitive Bidding procedure is normally mode for public procurement in the country and one of the most efficient and economic way of procuring goods or works, by their nature and scope. The procedures shall provide for adequate competition in order to ensure reasonable prices. National Competitive Bidding (NCB) is acceptable when:

- the nature or scope of the goods or works being procured are small;
- the costs involved in implementing ICB are clearly and disproportionately high;
- works are geographically scattered ; or
- the goods or works are available locally at prices below the international market.

An acceptable NCB system generally incorporates the basic principles of ICB including **inter alia**, timely notification through advertising in local newspapers, adequate competition, clarity of procedures, fair treatment for all bidders and award to the lowest evaluated bidder in accordance with the criteria set out in the bidding documents. Eligible foreign firms are also allowed to participate in procurement under NCB procedures but they are also paid in local currency. Domestic preference is not applicable. The essential differences include the use of national advertising for publication of IFB, atleast 30 days prior to deadline for submission of bids. The currency of the bid and payment are also in the local currency.

For all procurement of goods/works under NCB, Standard Bidding Documents (SBDs) shall be used. For all cases of prior review by the Bank as per Loan Agreement/Procurement Plan, bidding documents and evaluation reports are to be cleared with the Bank. The signed contracts are to be sent to the Bank for record and obtaining World Bank Reference (WBR) No.

3.4 Shopping method

Shopping is intended to be a simple and rapid procurement method and is one of the least competitive procurement methods and may be abused unless it is carried out in compliance with the legal agreements, and observing a minimum of formality in the process, and with appropriate record keeping for verification and audit. Borrowers may not use shopping only as an expedient to by-pass

more competitive methods or fraction large procurements into smaller ones solely to allow the use of shopping. Goods and equipment and civil works estimated to cost a maximum of US\$ 30,000 equivalent or less per contract, may be procured under Shopping.

The purchaser requests quotations by letter, fax, telex, electronic messaging, etc., (with proof of receipt and record keeping). The purchaser exercises due diligence to satisfy himself that the firms invited to quote are reputable, well established, and are suppliers of the goods or services being purchased as part of their normal business. No bid or performance securities are required. The purchaser documents the award decision and its rationale and keeps it for review and audit by the Bank, as needed. The record contains also the list of firms invited and the list and value of the quotations received and documents clearly that the award is based on sound economic criteria.

The following considerations shall be kept in view for adopting this procedure:

- a) In emergency projects or for urgent relief-type operations including re-establishment of vital services like utilities, communications, shelter, and vital supplies which stem from disasters or conflict. These emergency contracts may involve one or several activities in supply of goods, installation and commissioning, and very urgent minor civil works.
- b) Shopping is a procurement method based on comparing price quotations obtained from several national suppliers/ contractors, usually at least three to ensure competitive prices.
- c) It is an appropriate method for procuring readily available off-the-shelf goods or goods of standard specifications, commodities and works that are small in value and are ordinarily available from more than one source.
- d) Approval of competent authority may be obtained for items of goods to be purchased along with specifications or civil works to be constructed / renovated/ repaired along with specifications, estimated costs and agencies from whom quotations should be invited.
- e) The requests for quotations shall be made indicating the description, specification, quantity of the goods, terms of delivery or specifications of works as well as desired delivery time and place. If the quotations are called for more than one good/ works, it should also be indicated whether the evaluation would be for each item or for each civil work or as a package.
- f) Quotations could also be obtained by telex or facsimile. The terms of the accepted offer shall be incorporated in a purchase order or brief contract.
- g) Rate contracts finalized by the Directorate General of Supplies & Disposals (DGS&D) will be acceptable for any procurement under Shopping. State Government rate contracts shall be treated as one of the quotations and compared with those obtained from other suppliers.

3.5 Single Source Procurement

Direct contracting (single source) without competition is another method of procurement open to Borrowers in a limited number of circumstances, like case of articles which are specifically certified as of proprietary in nature, and there is only one source and no alternative equipment or products with equivalent performance characteristics are available. Direct contracting is also used where, in exceptional cases, early delivery of essential goods is needed in emergency operations. The contractors or suppliers hired by direct contracting must be qualified to perform the works or supply of goods on time, meeting specifications and fulfilling the special requirements of the sole source contract.

The single tender system without competition shall be an appropriate method under the following circumstances:

- i) Extension of existing contracts for goods or works awarded with the prescribed procedures, justifiable on economic grounds;
- ii) Standardization of equipment or spare parts to be compatible with existing equipment may justify additional purchases from the original supplier;
- iii) Need for early delivery to avoid costly delays;

Procurement under Direct Contract needs Prior approval of the Bank
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3.6 Force Account

Force account is construction by the use of the Borrower's own personnel and equipment. Force account should be used only under the following circumstances:

- (a) quantities of work involved cannot be defined in advance;
- (b) works are small and scattered or in remote locations for which qualified construction firms are unlikely to bid at reasonable prices;
- (c) work is required to be carried out without disrupting ongoing operations;
- (d) risks of unavoidable work interruption are better borne by the Borrower than by a Contractor;
- (e) there are emergencies needing prompt attention.

The Borrower and the Bank should agree on appropriate production standards for the works items Involved.

All cases of Force Account shall be cleared by the Bank before hand

4.0 PROCEDURES OF PROCUREMENT FOR GOODS / WORKS

4.1 Bid Notification

Timely notification of bidding opportunity is essential in all competitive bidding process. The Invitation For Bid shall be published in at least one national news paper of wide publicity all over India as well in the website of the project. Invitation For Bids (IFB) shall contains information concerning:

- the name of the Borrower;
- the name of the project and the title of the contract;
- the Borrower's agency in charge of procurement;
- items to be procured;
- contact information for obtaining bidding documents;
- cost of the bidding documents;
- place and deadline for bid delivery;
- required bid security amount and form;
- the place, date and time of bid opening;
- whether domestic preference margins will be applied in the evaluation of bids; and
- the minimum qualifications that bidders must meet.

Bidding period shall be 45-90 days in case of ICB and 30-60 days in case of NCB from the date of start of sale of bidding documents. The day for receipt of bid shall be the day following the date of closure of sale of documents.

4.2 Bidding Documents (SBDs)

Under Bank financed procurement the Standard Bidding Documents developed by the Bank are to be used by the Borrowers. All Standard Bidding Documents are usually divided into eight or nine sections. Standard Bidding Documents for each proposed procurement involving international and national competitive bidding, permit bidders to submit responsive bids. Bid documents clearly define the scope of works, goods or services to be supplied, the rights and obligations of the Borrower/Purchaser and of suppliers and contractors, and the conditions to be met in order for a bid to be declared valid and responsive. Bidding documents shall be sold to any person who makes a request in writing and deposits the required money. Sale of bidding documents shall not be restricted on any account. Bidding documents shall be sold till one day prior to the opening of the tenders. They should also set out fair and non - discriminatory criteria for selecting the winning bid. Bidding documents should thus;

- encourage eligible potentially qualified firms to bid, by making reasonable demands for information and form-filling;
- not discriminate against any potential bidder; and
- provide a clear, objective means of evaluating the bidders.

The detail and complexity of bidding documents vary according to the nature and size of the contract but they generally include the following:

4.2.1 Invitation For Bid: IFB is normally used by the Borrower to invite potential bidders to present their bids for the project at hand, and it describes the Borrower and source of financing and indicates the goods, works or services to be procured. An IFB is issued prior to the preparation of the bidding documents.

4.2.2 Instructions to Bidders (ITB)

Instructions to Bidders (ITB) provide information to bidders preparation and submission of bids, bid opening, evaluation, and award of contract. They are reproduced in each set of bidding documents exactly as they appear in the World Bank's standard bidding documents, with no changes whatsoever.

4.2.3 Bid Data Sheet (BDS)

The Bid Data Sheet (BDS) specifies the parameters of the Instructions to Bidders for particular procurement including the source of funds, eligibility requirements, procedures for clarification, bid preparation form, number of copies to be submitted, language of the bids, pricing and currencies and currency conversion mechanism, instructions on modification and withdrawal of bids, bid submission procedures, closing date, bid validity period, evaluation and award of contract procedures, procedure for correction of mathematical discrepancies in bids, purchaser's right to accept any bid and reject any or all bids; award criteria; notification of award and procedures for signing of contract. Bidders must read the ITB and the BDS clauses together in order to correctly understand the procedures for bidding, what needs to be included in a bid, and how the winning bid will be selected.

4.2.4 General Conditions of Contract (GCC)

General Conditions of Contract (GCC) set out the general provisions of the contract between the Borrower and the bidder being awarded the contract for issues such as payments, obligations, risks, rights, and performance. They are reproduced in each set of bidding documents exactly as they appear in the Bank's standard bidding documents, with no changes whatsoever.

4.2.5 Special Conditions of Contract (SCC)

Special Conditions of Contract (SCC) which modify the General Conditions of Contract for the particular procurement. They are requirements specific to the contract package. Bidders must read the GCC and the SCC clauses together in order to correctly understand what terms and conditions will

apply to the specific contract.

4.2.6 Technical Specifications

Precise and clear specifications are prerequisite for bidders to respond realistically and competitively to the requirements of the Purchaser/Employer without qualifying or conditioning their bids. The specification must be drafted to permit the widest possible competition, and at the same time make a clear statement of the required standards of workmanship to be provided, standards of plant and other supplies and performance of the goods and services to be procured.

Unbiased technical specifications shall be prepared with no mention of brand names and catalogue numbers. The specifications shall be generic and should not appear to favour a particular brand or supplier. No deviations from the specifications after opening of the tender should be allowed. The two objectives of the specifications are-one to let the bidders understand exactly the features required in the item under procurement and the second to permit the Purchaser an easier, quicker and accurate verification of items after procurement.

4.2.7 Schedule of Supply

Schedule of supply specifies the quantities, delivery locations and dates of completion of the procurement and any special information or requirements pertaining to deliveries.

4.2.8 Sample Forms

The Bank has provided sample forms for bidders and purchasers to use during various stages of procurement. They include:

- Bid Form and Price Schedule(s)
- Sample Bid Security Form
- Sample Form of Contract Agreement
- Sample Performance Security
- Sample Bank Guarantee Form
- Sample Manufacturer's Authorization Form
- Sample Test Certificate of the Product (as appropriate)

4.3 Validity of Bid

Bids submitted by the bidders shall be valid for a period of 90 days beyond the date of bid opening. This period is to enable the Borrower to complete the comparison and evaluation of bids, review the recommendation of award with the Bank (required in Prior review case) and obtain all the necessary approvals so that the contract can be awarded within that period. In exceptional circumstances, the purchaser might request that bidders extend the bid validity period, but cannot require nor permit bidders to modify their bids in any other way. Both the request and the responses must be in writing. A bidder may refuse the request without forfeiting its bid security..

4.4 Bid Security

A fixed amount usually 2-5% for goods and 1-3% for works is to be deposited by all the bidders. The bid security shall be in the form of a demand draft/ banker's cheque/ bank guarantee from a scheduled bank which shall be valid up-to 45 days beyond the validity period of the bid to allow time for contract award and contract formalities. Fixed Deposit Receipts endorsed in favour of purchaser shall also be acceptable. A bidder granting the request for bid validity extension would also have to amend its bid security to cover the extended bid validity period. The bid security of bidders of unsuccessful bidders shall be refunded soon after receipt of the successful bidder's signed contract and performance security. Bid security of successful bidder may be credited to the performance security. The bid security shall be forfeited in the event of withdrawal of the bid within the original validity, once submitted or in case a successful bidder fails to execute necessary agreement within the period specified or for submitting false, incorrect or misleading information in the bid documents.

4.5 Pre-bid meeting

After the issue of the bidding documents, bidders may request clarifications on one or more of the following points:

- Any ambiguity, omission, or internal contradiction.
- Any feature of specifications or other conditions is unclear or appears discriminatory or restrictive.
- The criteria or methodology for selection of the successful bidder are not clear.

The pre-bid conference (date/ venue to be indicated in the IFB published in newspapers and bid document) may be arranged wherein potential bidders may meet with the representatives of the implementing authority to seek clarifications on the bid documents. It is a two-way communication process. Copy of minutes of the pre-bid conference shall be furnished to the bidders who had already purchased the bid documents and shall also form part of the bid document sold to the bidders purchasing the document subsequent to the pre-bid conference, with a copy to the Bank (in case of prior review cases) Any additional information, clarification, correction of errors, or modifications of bidding documents shall be sent to all bidders in sufficient time before the deadline for receipt of bids to enable bidders to take appropriate actions. If necessary, the deadline for bid submission shall be extended.

4.6 Amendment of Bidding Documents

Bidding documents are sometimes amended after they have been issued (but before bid opening), particularly if something is discovered that would affect interpretation of the bid. In this case, the purchaser informs all bidders who have purchased the bid documents and the bid submission deadline might be extended as well. Most amendments are the result of:

- Questions from prospective bidders at the pre-bid conference.
- Mistakes detected in the original documents.
- Modifications to the purchaser's original plan—for example, a change in delivery date or quantity.

The purchaser must provide additional information, clarification, correction of errors, and modification of the bidding documents in sufficient time for bidders to take action before the deadline for bid submission. The amendments of the bidding documents shall be forwarded to the Bank for their approval, before sending to the bidders.

4.7 Bid

Following documents form part of the bid:

4.7.1 Bid Form

The Bid Form, properly filled out and signed, is the bidder's formal offer for the procurement of works/goods at a stipulated cost, in full conformity with the bidding documents, and it is the bidder's commitment—if his bid is accepted—to deliver the works/goods in accordance with the schedule indicated in the bidding documents.

4.7.2 Price Schedule

The Price Schedule is part of the Bid Form. The bidder enters unit prices and the total bid price of the works/goods it proposes to supply on the Price Schedule and signs the schedule.

4.7.3 Documentary Evidence of Bidder's Qualification

Bidding documents specify what evidence bidders must provide in order to establish their eligibility to bid and qualification to perform the contract.

4.7.4 Manufacturer's Authorization Form

If the bidder is not the manufacturer of the goods being offered, the bidder must provide the manufacturer's signed authorization to provide the goods. The authorization must also confer the manufacturer's *full guarantee and warranty for the specified goods*.

4.8 Public opening of bids

The time, date and venue for the bid opening shall be mentioned in the IFB and bid document. Bid opening time shall be at least 15-30 minutes after the deadline for submission of bids. Bids shall be opened in public. The bidders or their representatives shall be allowed to be present at the time of opening of the bids. All bids received in time shall be opened. No bid shall be rejected at the time of bid opening except for bids submitted later than the submission time. Late bids shall be returned to the bidders unopened. Withdrawn notices and modifications shall be read out first followed by offer of other bidders. The name of the bidder and the total amount of each bid along with important conditions like discounts, if any, shall be read out at the time of bid opening. Bid security (presence or absence) shall be read out. The winning bid is not identified at the bid opening. Bidders and representatives who attend bid opening must sign a register and the bid opening minutes. Minutes of bid opening shall be recorded in the format and signed by the members of committee formed for bid opening. All bids are final after the public opening. There may be no further discussions or negotiations. Bidders may not change the price or substance of a bid, nor will they be asked to do so.

4.9 Examination of Bids

4.9.2 Preliminary Examination

Within a few days time after bid opening each bid goes through a detailed examination to determine if it is “substantially responsive” to the bidding documents. Only bids that successfully pass the preliminary examination phase (that is, only substantially responsive bids) can go on for detailed evaluation and comparison.

The implementing agency shall ascertain whether the bids

- Meet the eligibility requirements specified;
- Have been properly signed by authorised signatory;
- Have the bid validity as specified in the bid/ tender documents;
- Are accompanied by the required bid security valid for the period specified in the bidding document;
- Responsive to technical specifications of bidding documents;
- Have the necessary technical, production and financial capability to successfully execute the contract; and
- Are otherwise generally in order.

The purpose of this examination is to eliminate any bids from further and more detailed evaluation if they do not meet the minimum standards of acceptability as set out in the bidding documents and are therefore not substantially responsive. However, the Borrower should exercise reasonable judgment in applying these tests and should avoid rejecting bids on trivial procedural grounds. For example, if the bidding documents stipulate that each page of the bid should be signed or initialed and a bidder failed to initial one or more pages of supporting information, this should not be a ground for bid disqualification. Furnishing one more or one less than the required number of bid copies, or not using the form supplied in the bid document, but providing bid prices on a similar form on the bidder's own letterhead would also be minor discrepancies. These can be rectified through the clarification process without giving any benefit to the bidder and without prejudice to the interests of other bidders and need not be causes for rejection. Such discrepancies should be noted, however, and decisions about their acceptance or rejection should be recorded in the bid evaluation report. Any historic data in relation to the bid, if not submitted, can be requested from the bidder which shall be submitted within a reasonable time span (say 7-10 days). The bidder shall neither be permitted to correct or withdraw

material derivations or reservations once tenders have been opened nor the purchaser should make a reference to the bidders to get the infirmity in the tender corrected.

4.9.2 Correction of Arithmetic Errors

Bids should be checked carefully for arithmetic errors in the price schedule to ensure that stated quantities and prices are consistent. The quantities should be the same as stated in the bidding document. The total bid price for each item should be the product of the quantity and the quoted unit price. If there is a discrepancy, the quoted unit price shall govern in the recalculation. Prices spelled out in words shall take precedence over numeric quotations in case of differences. The Borrower should correct all arithmetic errors and notify each bidder of the detailed changes. The Bidder must accept such arithmetic corrections or its bid will be rejected and the bid security shall be forfeited.

4.9.3 Deviations from Requirements of Bidding Documents

Bidding documents generally outline numerous procedures, conditions and requirements some of which are mandatory and some which are not. In some instances, bidders submit bids that deviate from the specifications required by the Borrower. Deviations include exceptions, exclusions, qualifications, conditions, stated assumptions, alternative proposals and changes to stated requirements. Deviations may either be material or non-material. Material deviations are:

- those which affect the scope and quality or performance of a contract;
- limits the purchaser's/employer's rights or bidders obligations; and
- affects unfairly the competitive position of other bidders.

A bid which has complied with all the mandatory requirements of the bidding documents, but has minor or insubstantial deviations in respect of terms or conditions on the technical specifications, should be retained for more detailed evaluation and should not be rejected. On the other hand, one which is not substantially responsive because as it contains material deviations or reservations to the terms, conditions and specifications in the bidding documents should not be considered further. In determining whether a bid is substantially responsive the Borrower, apart from taking into consideration the general procedural issues, also considers the bidder's compliance with the required technical specifications and the commercial aspects of the bid. Deviations may be clarified by bidders but not withdrawn.

4.10 Bid Evaluation

The preliminary examination stage of bid evaluation described above is aimed at making sure that the bids received are substantially responsive. A substantially responsive bid is one that conforms to all the terms, conditions and specifications in the bidding documents without material deviations, reservation or omission. After the preliminary bid evaluation stage, the bids are taken through a detailed evaluation in order to select the bidder whose bid not only complies with the technical requirements of bidding documents, but also offers the Borrower the lowest price for the goods/works to be procured. During the bid evaluation period, the following principles shall be adhered to:

- Ensure that the bid evaluation process is strictly confidential;
- Apply only the evaluation and qualification criteria specified in the bidding documents.
- Conditional discounts offered by bidders shall not be taken into account for evaluation.
- The past performance of the suppliers/contractors should also be taken into account while evaluating the bids.

4.11 Evaluation and Comparison of Bids

The basic sequence for bid evaluation is the same for procurement of goods and works, and consists of the following steps:

- Preliminary examination;
- Determination of bid responsiveness;
- Quantification of omissions and deviations;

- Correction of arithmetic errors; Are quoted for the entire schedule/ package and are in the required currency as indicated in the bid document ;
- Application of evaluation criteria;
- Comparison of bids; and
- Preparation of evaluation report

If the bidder meets the above stipulations indicated in the bid document, it is determined as substantially responsive and is considered further for evaluation. If a bid is not substantially responsive, that is, it contains material deviations from or reservations to the terms, conditions and specifications in the bid documents, it shall be considered as non-responsive and shall not be considered further. The bidder shall neither be permitted to correct or withdraw material derivations or reservations once bids have been opened nor the purchaser should make a reference to the bidders to get the infirmity in the bid corrected. Historical data in relation to the tender, if not submitted, can be requested from the bidder which should be submitted within a reasonable time span (say 7-10 days) An “evaluated bid price” for each bid that survives preliminary examination is computed. The evaluated price is not always the price that was read aloud at the bid opening—it takes other factors into consideration like mathematical errors and discounts(if any) etc., The implementing agency shall determine whether the bidder whose bid has been determined as lowest evaluated substantially responsive, has the technical and production capabilities and financial resources to effectively carry out the contract as offered in the bid. The criteria to be met shall be set out in the bid documents, and if the bidder does not meet them, the bid shall be rejected. . If there is sufficient reason to believe the lowest evaluated bidder does not have the capability and resources to effectively carry out the contract or if the bidder has a history of poor performance, the bid is rejected and the purchaser examines the qualifications of the next lowest bidder. In such an event, the implementing agency shall make a similar determination for the next lowest evaluated substantially responsive bidder and so on. Bids are ranked from lowest to highest using the evaluated bid prices. Single bid shall also be eligible for award, if it is determined that the publicity for bid was wide and adequate, technical specifications / conditions were not restrictive or unclear and bid was otherwise a “substantially responsive bid”.

.4.12 Bid Evaluation Report

Bid Evaluation Report (BER) setting out the process by which the bids received have been evaluated in response to the procurement process is prepared. The Standard Bid Evaluation Report format of the Bank is available for use. This report covers among other things:

- key dates and steps in the bidding process;
- bid prices, corrections, discounts and currency conversions (if any);
- additions, adjustments and price deviations;
- domestic preference if any;
- technical evaluations if any;
- post qualification evaluation;
- names of bidders rejected and reasons for rejection of bids; and
- the proposed contract award.

4.13 Extension of Validity of Bids

The bidders are required to keep their offers valid for a specified period (usually 90 days) to allow the borrower to examine and evaluate offers, select the lowest evaluated bid, obtain the necessary approvals from the competent authorities and obtain a no objection from the World Bank(if necessary), for the proposed award of the contract. Bids should thus remain valid for the period stated in bidding documents, usually until the final award of the contract to the lowest evaluated bidder is made. A bid that is valid for a shorter period than required by the bidding documents should be rejected by the Borrower as non-responsive. Where there is a delay in bid evaluation, the Borrower shall request bidders to extend the period of validity of their bids, well before the expiry of the original bid validity period. Borrowers shall avoid chronic delays in bid evaluation and award as competition may suffer since bidders may include a speculative cushion in their bid prices to absorb potential costs

of delay. Bidders shall have the right to refuse to grant such an extension without forfeiting their bid money, but those who are willing to extend the validity of their bid shall also be required to provide an extension of bid security as specified in the bidding documents. Second and subsequent extensions of bids shall be asked only after approval of the World Bank.

4.14 Award of and Signing of Contract

Once the lowest evaluated responsive bid has been selected and approval from competent authorities has been obtained about the award, the Borrower should:

- send letter of acceptance, a contract form, and a performance security form (indicating the amount of security) to the successful Bidder in a manner and within the time specified in the bidding documents;
- request the bidder to return the signed contract together with the required performance security within the time specified in the bidding documents; and
- notify unsuccessful Bidders as soon as possible after receiving the signed contract and the performance security.
- **not** negotiate the award with the successful bidder;
- **not** require the selected bidder to provide performance in excess of that specified in the Bidding Documents;

If the successful Bidder fails to return the signed contract or provide the required performance security, the Borrower may:

- require forfeiture of the Bidder's Bid Security; and
- proceed to offer the contract to the second lowest evaluated Bidder, provided that he is capable of performing satisfactorily.

4.15 Rejection of all Bids

In some situations the Borrower is permitted by the Bank to reject all bids submitted in response to an invitation for bids. The Borrower may reject all bids under the following circumstances:

- Where the price in the lowest evaluated bid exceeds the Borrower's bid cost estimates by a substantial margin;
- When all the bids received are not responsive to the requirements in the bid documents; and
- Where the Borrower after receiving bids reasonably concludes that there is lack of competition. Lack of competition shall not be determined solely on the basis of the number of bids received.

Where all the bids are rejected, the Borrower should review the causes justifying the rejection and make any appropriate revisions to the conditions of contract, design and specifications, scope of the contract, or a combination of these, before inviting new bids. If the rejection of all bids is due to lack of competition, wider advertising shall be considered. If the rejection is due to most or all of the bids being non-responsive, new bids may be invited, with the agreement of the Bank from only those who submitted bids in the first instance. Rejection of all bids and re-inviting new bids, irrespective of value shall be referred to the Bank for approval.

4.16 Contract Securities

Contract securities are used to ensure that suppliers/contractors will perform their contractual obligations when an award is made after the procurement process is carried out. Securities include: performance securities, retention money and advance payment securities. These may be provided in the form of a bank guarantee or irrevocable Letter of Credit, cash, cashier's check or certified check or an insurance certificate.

Retention money on the other hand is a portion of the payments due under the contract, which is retained to ensure performance by the supplier/contractor. When used as a guarantee, it should not exceed 5% of the contract value. Instead of the Borrower retaining part of the due payments, the supplier/contractor may also provide a money retention bond in form of a bank guarantee or irrevocable Letter of Credit.

4.16.1 Performance Security

Performance securities are required as a condition of contract validity. They guarantee the bidder's obligations under the contract and should always be required to protect the Borrower in case of breach of contract by the Contractor. The successful bidder has a deadline (usually 21 days) within which he must furnish the required performance security and sign the contract provided by the purchaser. The amount of the security should not exceed 5% of the contract price in case of works and 10% in case of goods. The contract should define clearly the conditions that would lead to the surrender of the performance security. Where there is no default, the performance security must be discharged after completion of the contract and 28 days beyond expiration of the defect liability period / warranty period. Securities must be denominated in the currency of the bid. The performance security deposit shall be forfeited in case any terms and conditions of the contract are infringed or the bidder fails to make complete supply satisfactorily or complete the works, including any defects within the delivery / completion period agreed in the contract without prejudice to the purchaser's right to take further remedial actions in terms of the contract and bidding documents which formed part of the contract.

4.16.2 Retention Money

In case of contracts for works, normally 6% of the contract price shall be deducted from each (monthly) running bills towards retention money,, subject to a maximum of 5% of final contract price. 50% of such retention money shall be returned on completion of the whole of the works and 50% shall be retained till the end of the defects liability period.

4.16.3 Liquidated Damages

Provisions for liquidated damages shall be included in the conditions of contract for the delay for whole of works or the milestones defined in the bid documents in the delivery of goods/ completion of works. This shall be calculated at the rate of 0.05% per day (for works) /0.05% per week (for goods) of delay or part thereof, subject to a ceiling of 10% of the contract price .Payment of liquidated damages does not affect the contractor's/supplier's liabilities.

4.16.4 Resolution of Disputes

The dispute resolution methodology should be very clearly indicated in the contract document. As far as possible, disputes may be resolved with mutual agreement between the purchaser and supplier/ contractor through alternate dispute resolution methods to avoid going through arbitration and litigation stage. There are a number of causes of disputes during the execution of contract, as illustrated below:

- Interpretation of the terms and conditions of the contract
- Delay in delivery / completion of the works
- Delay in release of payments
- Independent laboratory test results
- Condition of the item on arrival at consignee and after delivery
- Rate of the items, variation in quantity in civil works contract etc.
- Design/ specification issues

4.16.5 Laws governing Contract

1. The contract shall be governed by the laws of India in force.
2. The courts of the place from where the acceptance of bids has been issued shall alone have jurisdiction to decide any dispute arising out of or in respect of the contract.

3. Irrespective of the place of delivery, the place of performance or place of payment under the contract or the place of issue of advance intimation of acceptance of bid, the contract shall be deemed to have been made at the place from where the acceptance of the tenders have been issued.

4.14.6 Force Majeure

There could be circumstances/ events where the supplier/ contractor might not be in a position, in spite of his best efforts, to meet the delivery/ completion schedule due to events beyond their control and not foreseeable such as wars, or revolutions, fires, floods, epidemics, natural calamities, quarantine restrictions and freight embargo etc. In such cases suitable contract extension based on merit of the case may be granted for completing the delivery of goods/ completion of works. Also the supplier shall not be made liable for forfeiture of performance security, liquidated damages or termination of contract as per provisions made in the contract elsewhere. A suitable clause may be provided in the contract to this effect.

4.14.7 Complaint Redressal Mechanism

Procurement related inquiries and complaints from suppliers, contractors or consultants occur from time to time. Complaints require prompt, careful and consistent responses from the Borrower concerned. In order to deal with the complaints received from the contractors/ suppliers effectively, a complaint handling mechanism shall be available at the Borrower level and immediate action should be initiated on receipt of complaints to redress the grievances. All complaints should be handled at a level higher than that of the level at which the procurement process is being undertaken and the allegations made in the complaints should be enquired into. If found correct, appropriate remedial measure should be taken by the higher administrative authorities. In case any individual staff is found responsible, suitable disciplinary proceedings shall be initiated against such staff under the applicable government conduct rules. The existing provisions under the Indian law including the instructions of Central Vigilance Commission (CVC) shall be followed in this regard.

4.15 Procurement under Shopping Method

Shopping is a Procurement method based on comparing price quotations obtained from several National proven suppliers, usually at least three, to ensure competitive prices. In the case of civil works or supply involving substantial installation, the term shopping is not used but referred commonly as “price comparison”. The requests for quotations shall indicate the description and quantity of the goods as well as desired delivery time and place. Quotations could be obtained by telex or facsimile. The evaluation shall follow the same principles of national competitive bidding method. The terms of the accepted offers shall be incorporated in a purchase order. Rate Contracts of Directorate General of Supplies and Disposals (DGS&D) are acceptable under National shopping , while Rate Contracts of State Governments are not acceptable, but they can be considered as one quotation and compared with those obtained from other suppliers.

4.15 Transparency and Anti-corruption Measures

The Bank is strongly committed to helping its members operate policies of good governance, transparency and fairness in the procurement process and beyond. The borrowers (including beneficiaries of Bank loans), as well as Bidders, Suppliers, Contractors, and Consultants under Bank-financed contracts shall observe the highest standard of ethics during the procurement and execution of such contracts. Fraud or corruption can manifest itself in many varied ways. The Bank is committed to vigorously addressing instances of fraud or corruption in Bank-financed contracts and to taking appropriate action whenever any contractor/supplier, borrower is found to have engaged in a fraudulent or corrupt practice. Corrupt and fraudulent practices are defined in paragraph 1.15 of the

Procurement Guidelines. Building transparency in project procurement design shall be paramount.
Fraud or corruption can manifest itself in many varied ways

6.0 CONSULTANT SELECTION

6.1 Field of Operation

Procurement of intellectual and professional services involves temporary engagement of the services of Consultants. The following considerations are kept in view before deciding on services of consultant be it a firm or individual.

- High-quality services;
- Economy and efficiency;
- Give qualified consultants an opportunity to compete;
- Encouraging the development and use of national consultants;
- The importance of transparency in the selection process.

Under Hydrology Project Phase II major Consultancies are envisaged. Their description is given below:

Sl No	Consultancy Type
1	Hydraulic Design Aides-Surface Water
2	Hydraulic Design Aides-Ground Water
3	Hydraulic Design Aides-Surface water Quality
4	Decision Support System-(Planning)
5	Decision Support System (Real Time)-BBMB
6	Management Support
7	Implementation (Technical Support)

For procurement of the services of the Consultants, the Implementing Agency is responsible for selecting consultants. The selection of consultants must take into account the experience of the candidates and the quality of the services they offer, rather than the price of their services.

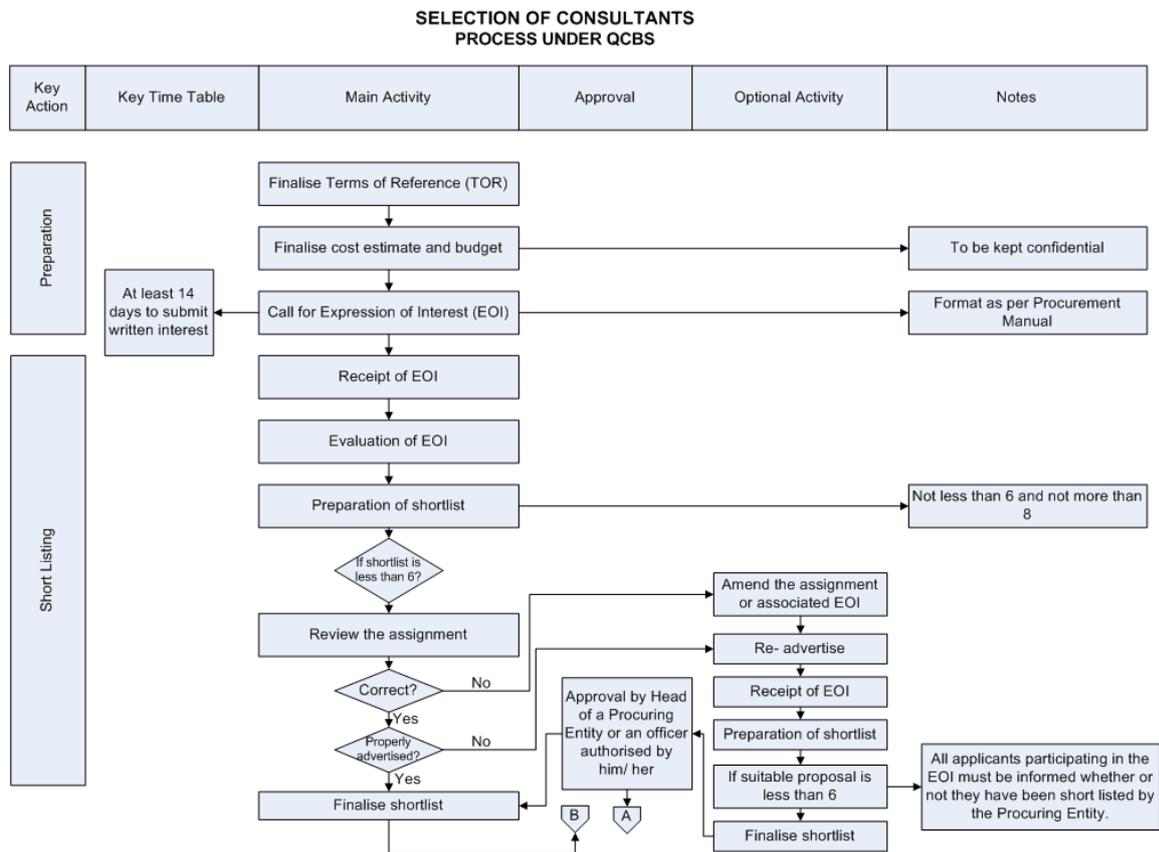
6.2 Selection Methods

Quality consideration shall be the over-riding factor in the consultant's selection in Bank-financed projects. Depending on the nature and complexity of assignments, different methods of selection of consultants services are provided under the Bank's *Consultant Guidelines*. They include the following methods:

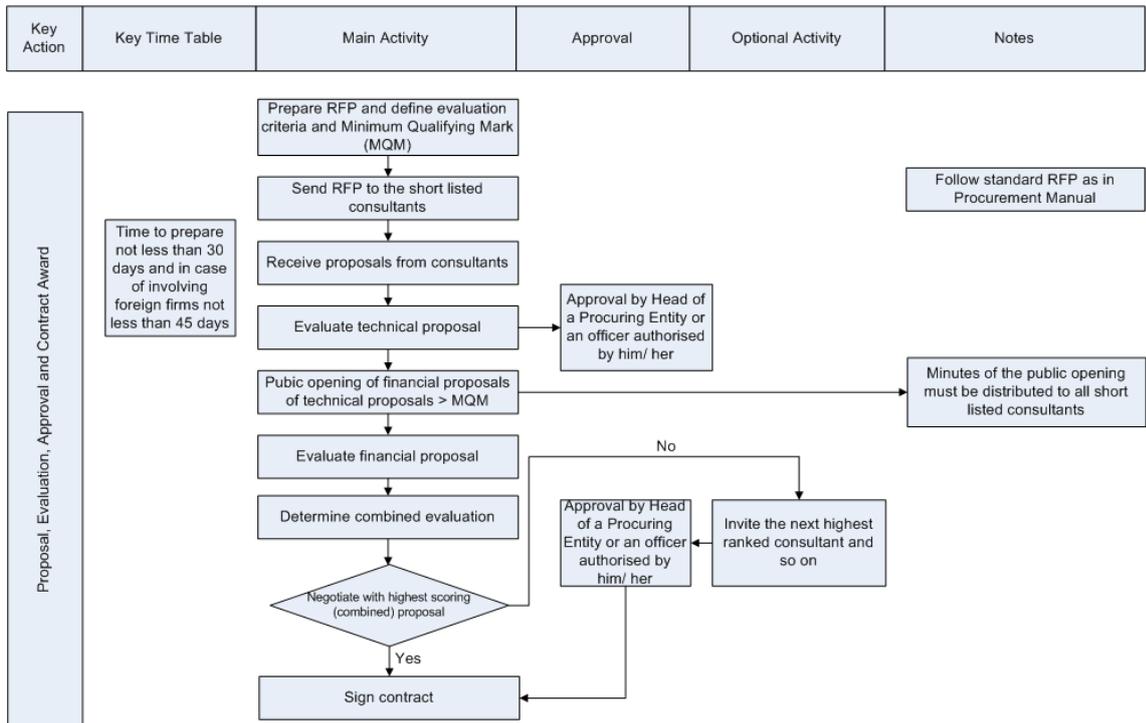
- Quality and Cost Based Selection (QCBS);
- Quality Based Selection(QBS)
- Selection under a Fixed Budget (FBS);
- Least Cost Selection (LCS);
- Selection based on Consultant’s Qualifications(CQS); and
- Single Source Selection (SSS);

The choice of the appropriate method will depend on the nature, size, and complexity of the assignment; the likely downstream impact of the assignment; and technical and financial considerations. In addition, the particular circumstances or preferences of the Borrower, such as its own degree of quality risk aversion, should be considered. Borrowers with quality risk aversion tend to adopt selection methods that promote quality (for example, QBS over QCBS, and QCBS over LCS). As per World Bank guidelines, all the assignments estimated to cost more than US\$ 200,000/- shall be procured following QCBS or QBS appropriately as applicable. All other consultancies are estimated to cost less than the equivalent of US \$100,000 and would be selected either on Least Cost, Quality Based, and Sole Source or on the basis of Consultant’s Qualification

6.3 Quality- and Cost-Based Selection-(QCBS)



SELECTION OF CONSULTANTS (continued...)



Quality- and Cost-Based Selection (QCBS) is a method based on the quality of the proposals and the cost of the services offered. It is the method most frequently used to select consultants under Bank-funded assignments. Because under QCBS the cost of the proposed services is a factor of selection, this method is appropriate when:

- the type of service required is common and not too complex;
- the scope of work of the assignment can be precisely defined and the TOR are clear and well specified;
- the Borrower and the consultants can estimate with reasonable precision the staff time, the assignment, duration, and the other inputs and costs required of the consultants;
- the risk of undesired downstream impacts is quantifiable and manageable; and
- the capacity-building program is not too ambitious and easy to estimate in duration and staff time effort.

QCBS is appropriate for assignments such as the following:

- Feasibility studies and designs wherein the project is simple and well defined, known technical solutions are being considered, and the evaluation of the impacts from the services or from design mistakes are not substantial and not difficult to estimate
- Preparation of bidding documents and detailed designs
- Supervision of the construction of works and installation of equipment
- Technical, financial, or administrative services of a noncomplex nature to Borrower agencies
- Procurement and inspection services

To increase the likelihood of receiving responsive proposals, the RFP under QCBS shall indicate the level of key staff inputs (in staff time) estimated by the Borrower to carry out the assignment or the estimated cost of the services, but not both. However, consultants shall be free to determine their own estimates of staff time to carry out the assignment and to offer the corresponding cost in their proposals. Under QCBS, the technical and financial proposals are submitted simultaneously in

separate, sealed envelopes (two-envelope system). Proposals received after the submission deadline should be rejected.

Evaluation of proposals is carried out in two stages: quality and cost. The technical envelopes are opened by a committee of officials of the Borrower immediately after the closing time for submission; the financial proposal envelopes remain sealed and are deposited in a closed box until the technical evaluation and the evaluation report are completed (and cleared by the Bank) and the technical scores are disclosed publicly. The financial envelopes of those consultants who submitted responsive technical proposals over the minimum qualifying mark are opened in the presence of the consultants or their representatives. Following the evaluation of the financial proposals, the scores of the technical and financial proposals are combined according to the weights indicated in the Data Sheet. The consultant obtaining the highest combined score is proposed for award and invited for negotiations. Because price is a factor of selection, staff rates and other unit rates shall not be negotiated. QCBS allows the Borrower to select a preferred trade-off between cost and quality and to benefit from price competition, even if only to a limited extent.

6.4 Quality-Based Selection

Quality-Based Selection (QBS) is based on the evaluation of the quality of proposal without any initial consideration for cost. The consultant that submitted the highest-ranked technical proposal is then invited to negotiate its financial proposal and the contract.

QBS is appropriate when:

- the downstream impact of the assignment can be so large that the quality of the services is of overriding importance for the success of the project as a whole;
- the scope of work, the duration of the assignment, and the TOR require a degree of flexibility because of the novelty or complexity of the assignment, the need to select among innovative solutions, or the particular physical, environmental, social, or political circumstances of the project and of the Borrower;
- the assignment itself can be carried out in substantially different ways such that cost proposals may not be easily or necessarily comparable;
- the introduction of cost as a factor of selection makes competition unfair; or
- the need exists for an extensive and complex capacity building program.

QBS should be adopted for assignments such as the following:

- Complex sector and multidisciplinary studies of a complex nature
- Important and far-reaching strategy studies
- Complex master plans, prefeasibility and feasibility studies, or design of large and complex projects
- Assignments in which consultant organizations with different cost structures (for example, traditional consultants, nongovernmental organizations) are required to compete.

In some cases, the choice between QBS and QCBS may be difficult. In situations of strong uncertainty or risk for the project, QBS should be adopted, because quality is the key element.

6.5 Fixed Budget Selection

Selection under a Fixed Budget (FBS) is based on the disclosure in the RFP of the available budget to invited consultants and selecting the consultant with the highest-ranking technical proposal within that budget. Because consultants are subject to a cost constraint, they must adapt the scope and quality of their services to that budget. The Borrower must therefore ensure that the budget is (as much as possible) compatible with the TOR and that consultants will be able to perform the tasks within the budget.

FBS is appropriate only when:

- the budget cannot be exceeded;
- the objective and the TOR, including the scope of work, are very precisely defined;
- the time and staff-month effort required from the consultants can be assessed with precision; and
- capacity building is limited to a simple transfer of knowledge that can be very easily estimated.

To reduce the financial risk for consultants and avoid receiving unacceptable technical proposals, FBS must be used only for well-defined and simple assignments. FBS is frequently used by the Borrowers

when there is a lack of flexibility in the allocation of funds, and by the Bank itself when funding is available only in fixed amounts from pre-established allocations such as trust funds.

Typical assignments awarded under FBS include the following:

- Studies and surveys of limited scope
- Not-too-complex prefeasibility studies and reviews of existing feasibility studies
- Reviews of existing technical designs and bidding documents
- Project identification activities for which the level of detail can be matched with the available funds

Under FBS, consultants are requested to submit their technical and financial proposals in separate envelopes. Technical proposals are evaluated first, using the same procedures followed for both QCBS and QBS, and then the financial envelopes are opened in public. Proposals that exceed the indicated budget are discarded. The consultant who has submitted the highest- ranked technical proposal among the remaining proposals is selected. Because the budget is fixed, the consultant's TOR cannot change substantially, and technical negotiations cover only minor aspects. Financial negotiations will not include discussion of remuneration rates and of other unit rates, but only of minor rearrangements of activities and staff for compatibility with the work plan and clarification of any tax liability.

FBS also requires a shorter time than QBS for negotiations. FBS is convenient for consultants because the pre-established budget allows them to determine in advance whether they are interested in competing for the proposed assignment and to develop the best proposal consistent with that budget. The main risk of using the FBS is under budgeting the TOR and, in doing so, discourage good consultants from participating, and then receiving poor performances from the awarded consultant.

6.6 Least-Cost Selection

Under Least-Cost Selection (LCS), a minimum qualifying mark for quality is established and indicated in RFP. Short listed consultants must submit their proposals in two envelopes. The technical proposals are opened first and evaluated. Proposals scoring less than the minimum technical qualifying mark are rejected, and the financial envelopes of the rest are opened in public. Activities and items described in the technical proposals but not priced, or quantified differently in the financial proposal from the technical proposal, shall be assumed to be included in the prices of other activities or items. The consultant with the lowest price is selected.

The LCS method is appropriate only for small assignments of a standard or routine nature wherein the intellectual component is minor, well-established practices and standards exist, and from which a well-defined outcome that can be executed at different costs is expected, as in the following examples:

- Standard accounting or simple audits
- Engineering designs or supervision of very simple projects
- Repetitive operations, maintenance work, and routine inspections
- Simple surveys

LCS shall not be used as a substitute for QCBS. Borrowers may adopt this selection method when they wish to capture cost reductions from simple technologies or new methods for which quality risks for the final output are negligible. For example, modern broadband telecommunications and the Internet allow accountants in geographically remote locations to compete for standard accounting services to be produced at low cost. Because quality is set as the minimum qualifying mark, the Borrower should set a mark that is higher than usual (for example, 75 or 80 percent) to ensure quality and avoid the risk of selecting low-cost proposals of poor or marginally acceptable quality. This method may be abused by tampering with the technical evaluation to select a specific consultant by pushing its proposal above the minimum mark and by actually selecting based on its cost only.

6.7 Selection Based on Consultant's Qualifications

The Selection Based on Consultant's Qualifications (CQS) method applies to small assignments for which the cost of a full-fledged selection process would not be justified. Under CQS, the Borrower first requests expressions of interest and qualified information relating to the experience and competence of the consultants relevant to the assignment. The Borrower evaluates the information, establishes a short list, and then selects the firm with the best qualifications and references among those who confirm to be willing to submit a proposal if selected. The selected firm is sent the RFP (including the TOR), asked to submit technical and financial proposals, and invited to negotiate the

contract if the technical proposal proves acceptable. The CQS method can substantially reduce the process cost for the Borrower and the consultants, as well as the time needed to hire a consultant. This selection method is particularly suitable when the past qualifications and experience of the consultant are crucial to the choice while the technical proposal itself is not likely to reveal much additional or decisive information on the suitability of the consultant for the proposed assignment.

CQS may be considered for assignments such as the following:

- Evaluation studies at critical decision points in the project cycle (review of alternative solutions with large downstream effects)
- Executive assessments of strategies and programs
- High level, short-term, expert advice
- Participation in project review panels

6.8 Single source selection (SSS)

Single-Source Selection (SSS) is to be considered when competition appears unlikely to add significant value to the choice of the consultant. Under this election method, the Borrower requests that an already identified supplier prepare technical and financial proposals, which are then negotiated. Because there is no competition, this method is acceptable to the Bank only in exceptional cases and should be adopted only when it offers obvious advantages over a competitive method.

This is the case when:

- the assignment represents a natural or direct continuation of a previous one awarded competitively and the performance of the incumbent consultant has been good or excellent;
- the consultant's prompt availability is essential (for instance, in emergency operations following a natural disaster, a financial crisis, and so forth);
- the contract is very small in value; or
- only one consulting organization has the qualifications or experience required to carry out the assignment. (proprietary type)
- assignments where rapid selection is essential (emergencies).

If continuity of work by the incumbent for a downstream assignment is essential to the project and is in the interest of the Borrower, the RFP for the original assignment shall indicate this possibility. Good or excellent performance in the first assignment has to be a precondition for contract continuation. In these cases, the Borrower shall weigh the importance of continuing with the same technical approach, the experience acquired, and the continued professional liability of the incumbent against the benefits of competition, such as fresh technical approaches and competitive remuneration rates. In these cases, consideration of the time and cost of a competitive round has to be fully accounted for, because it may weigh considerably on the Borrower's decision. Once the Bank agrees to an SSS for a continuation, the Borrower should ask the consultant to prepare technical and financial proposals based on the TOR prepared by the Borrower or by an independent expert with no relation to the incumbent. This is the basis for negotiating a continuation contract. Normally, the Bank will not agree to award a continuation contract on an SSS basis if the initial assignment was not awarded competitively, it was awarded under tied financing or reserved procurement, or the downstream assignment is substantially larger in value than the initial one. In these cases, a competitive process acceptable to the Bank should be adopted, and normally the incumbent consultant should not be excluded from consideration if it expresses interest, unless its previous performance has been unsatisfactory. The Bank makes exceptions to this rule only in special cases and if a new competitive process is not practical.

7.0 Steps in Consultant Selection

7.1 Preparation of Terms of Reference (TOR)

The Terms of Reference shall include:

- A precise statement of objectives.
- An outline of the tasks to be carried out.

- A schedule for completion of tasks.
- The support/ inputs provided by the client.
- The final outputs that will be required of the Consultant.
- Composition of Review Committee (not more than three members) to monitor the Consultant's works.
- Review of the Progress Reports required from Consultant.
- Review of the final draft report.
- List of key positions whose CV and experience would be evaluated.

Approval of draft TOR is required to be taken from the bank irrespective of value of the assignment

7.2 Expression of Interest (EOI)

The purpose of the request for Expression of Interest (EOI) is to allow the "Client" to establish a short list of consultants it considers qualified to provide the services requested. Consultants shall carefully review the EOI to assess whether they have the expertise and resources needed to perform the assignment. Consultants responding to an EOI demonstrate their ability to complete the assignment by submitting relevant information on their personnel, experience, and organization. The response shall address the general requirements of the assignment, but it shall not be over-specific or lengthy given the large number of submissions the client must review. Expression of Interest shall provide abridged CVs of the proposed team members, their previous experience in similar type of assignment and the financial statement of the organization through last 3 years balance sheets.

6.3 Shortlist of Consultant

The expression of interest received shall be evaluated to arrive at shortlist of the consultants. The client uses the following World Bank standard criteria to select consultants for the short list:

- Eligibility—Consultants must be from an eligible source country.
- Qualifications—Consultants must have the expertise, personnel, and infrastructure needed to complete the assignment.
- Geographic diversity—No more than two consultants from the same region of the country are short-listed.

In preparation of the shortlist first consideration shall be given to those firms expressing interest which possess the relevant qualifications. The shortlists shall comprise of at least six firms. Government owned enterprises can be considered for award of consultancy assignment. However, such enterprises directly under the administrative control of the Purchasing Department/ Organisation shall not generally be considered for such assignment.

6.4 Cost Estimates/Budget

The Cost Estimates or Budget shall be based on the assessment of the resources needed to carry out the assignment, staff time, logistical support, and physical inputs (for example, vehicles, office space and equipment). Costs shall be divided into three broad categories;

- Fee or remuneration;
- Reimbursable costs; and
- Miscellaneous expenses.

6.5 Request for Proposal (RFP)

Short-listed Consultants receive a Request for Proposal (RFP). The client must use the World Bank's standard RFP document—*Standard Request for Proposals—Selection of Consultants*, when the contract will be Bank-financed. The client may modify the World Bank document to suit the requirements of assignment and add Terms of Reference identifying the specific services required.

The RFP should include all information that short-listed consultants need to prepare and submit responsive proposals. The RFP typically includes:

- Services required (Terms of Reference)
- Names of short-listed consultants
- Consultant-selection method to be used
- Information on how to submit proposals
- Information on how and when proposals will be opened
- Criteria for evaluation of proposals
- Procedures for contract negotiation
- Terms and conditions of the future contract

The World Bank's standard RFP is designed to facilitate a fair and transparent public-sector procurement process. It contains the information, instructions, forms, and contract conditions for ensuring an equitable and effective selection process.

There are six main sections in the World Bank's standard RFP:

6.5.1 Letter of Invitation

The Letter of Invitation invites consultants to participate in the selection process, reveals the names of all short-listed consultants, provides a brief description of the assignment, identifies the method of selection, and provides the list of documents included in the RFP.

6.5.2 Information to Consultants (ITC)

Information to Consultants (ITC) gives instructions for submitting proposals and information on proposal opening and evaluation. The ITC consists of two parts:

- The ITC standard clauses identify standard requirements for proposal submission, opening, evaluation, and award of contract. They contain World Bank wording that cannot be changed under any circumstances.
- The Data Sheet is where the client inserts information specific to the RFP. The Data Sheet modifies and expands on the ITC standard clauses, so consultants must study the two sections together to clearly understand the rules and procedures for submitting proposals, what needs to be included in a proposal, and how a winning proposal will be selected.

6.5.3 Technical Proposal—Standard Forms

These forms must be completed by the consultant and submitted for the technical proposal.

6.5.4 Financial Proposal—Standard Forms

These forms must be completed by the consultant and submitted for the financial proposal.

6.5.5 Terms of Reference (TOR)

The Terms of Reference provide a complete description of the services required to fulfil the assignment. This part of the RFP traditionally includes:

- Background information that will help a consultant prepare a realistic proposal.
- Objectives of the assignment.
- Scope of services describing the tasks to be performed.
- Training requirements (when needed).
- Reports and time schedule.
- Any data, local service, personnel, or facilities that the client will provide.

6.5.6 Standard Form of Contract

This form is a sample document that becomes the contract between the client and the consultant. It consists of two parts:

- The General Conditions of Contract (GCC) are clauses pertaining to payments, obligations, risks, rights, and performance. The World Bank establishes these clauses, and the client inserts them into the proposal document without making any changes.
- Special Conditions of Contract (SCC) are clauses that work like the Data Sheet in that they modify or add to the Bank's standard clauses—in this case the GCC clauses. Consultants should read the two sections together to understand the applicable contract terms and conditions.

The Standard Form of Contract will also include appendices and annexes, which will vary with each RFP, depending upon the type and estimated value of the contract. After negotiations with the selected consultant, the completed appendices and annexes become part of the contract. The purchaser includes standard contract appendices and annex forms with the RFP. The appendices and annexes included in the RFP depend upon the type of contract proposed and the estimated value of the contract. The

relevant appendices and annexes are finalized during negotiations with the selected consultant and become part of the contract between the two parties.

6.6 Clarifications of RFP

After studying the RFP, the consultants may request in writing clarification from the client if they find:

- Any ambiguity, omission, or internal contradiction.
- Any feature of the Terms of Reference or other conditions is unclear.
- Any feature of the Terms of Reference or other conditions appears discriminatory or restrictive.
- The criteria and method for selecting the winning consultant are not clear.

The client will respond in writing to a request for clarification it receives not later than 30 days before the deadline for submission of proposals. The client sends written copies of the response (including an explanation of the inquiry that does not identify the inquirer) to all short-listed consultants.

6.7 Pre-proposal Conference

The client may arrange a pre-proposal conference at which short-listed consultants meet to seek clarifications on the RFP and procedures. The client will send minutes of the conference and any information, clarification, correction of errors, or modifications of the RFP generated during the conference to those who attend and to any short-listed consultant not attending the conference. The client must send the information in time for consultants to modify and submit their proposals before the deadline for receipt of proposals.

6.8 Amendment of RFP

The RFP may need to be amended after being issued (but before proposal opening). Most amendments are the result of:

- Questions from short-listed consultants that indicate a general misunderstanding on a topic.
- Mistakes discovered in the original documents, such as inconsistency between sections of the RFP.
- Revisions to an original plan—for example, a modification to the Terms of Reference.

6.9 Receipt of Proposal

At the time and place designated in the RFP, the client opens the outer envelopes submitted by the short-listed consultants. Each envelope contains separate, sealed technical and financial proposals. The opening committee

records the submissions and confirms that both technical and financial proposals are present. Next, it arranges for the financial proposals to be stored in a secure location for a later public opening. A technical evaluation committee proceeds to evaluate the technical proposals. From the time of proposal opening to the time of contract negotiation, any consultant that wishes to contact the client on any matter related to its proposal shall do so in writing. Any effort by a consultant to influence the proposal evaluation or contract award decisions may result in the rejection of the consultant's proposal. During the technical and financial evaluation period, the client may ask the consultant for a clarification of its proposal. Both the request and the response must be in writing. No change in price or substance of the proposal will be sought, nor can it be offered or permitted, except to address arithmetic errors identified by the client

6.10 Evaluation of Technical Proposal

The technical proposals are to be opened in presence of the applicants and evaluated based on the evaluation criteria given in the RFP document. The technical evaluation committee evaluates the technical proposals without access to corresponding financial proposals. The committee is appointed by the Client and includes members with expertise in the service being requested. In compliance with World Bank requirements, technical proposals are evaluated against the following criteria:

- Consultant's experience
- Quality of the work plan
- Qualifications of key staff
- Training of local staff (when required)
- Participation by nationals in the assignment

The World Bank has established a scoring system for proposals in which the client allocates 100 points among each of the above criteria based on the criteria's importance to the successful outcome of the assignment. Evaluation

criteria and allocated points are identified in the RFP Data Sheet. The Datasheet also identifies the minimum number of points required to pass the technical evaluation.

The technical evaluation process consists of each committee member separately evaluating technical proposals and assigning points based on how well he thinks the proposal meets the criteria established in the RFP. A final Technical

score for each proposal is established by averaging the scores from the reviewers. The committee rejects any technical proposal that fails to meet the minimum qualifying technical score identified in the Data Sheet. It also rejects any proposal considered to be non-responsive to the important aspects and requirements of the Terms of Reference.

After completing the technical evaluation, the committee prepares a technical evaluation report that ranks the technical proposals and summarizes the selection process. The report is submitted to the World Bank for review . If the Bank finds that the technical evaluation report is satisfactory, it provides its "no objection." Following this, the client arranges a public opening of financial proposals from consultants whose technical proposals met the minimum qualifying technical score.

6.11 Opening of Financial proposal

The client notifies consultants whose technical proposals received qualifying scores of the date, time, and place for the public opening of their financial proposals. Those consultants not receiving a qualifying technical score are informed that their financial proposals will be returned, unopened, upon completion of the selection process. The Client appoints a committee to open and evaluate the financial proposals. At the public opening, a committee member reads aloud the name of the consultant, the consultant's technical score, and the proposed price. This information is recorded in the meeting minutes, which are signed by committee members and any consultants present. The commercial proposals of only those bidders who secure more than minimum qualifying marks shall be opened.

6.12 Financial Proposal Evaluation

The financial evaluation committee calculates an "evaluated cost" for each proposal. The "evaluated cost" is not necessarily the submitted price; other factors are considered and assigned a value, if necessary. The committee corrects any mathematical errors, estimates the cost of items that were omitted, and converts the price to a common currency, if necessary. Once evaluated costs are established, the committee calculates a financial score for each proposal using the formula identified in the Data Sheet section of the RFP. Most often, the proposal with lowest evaluated financial cost receives the highest numerical score for the financial evaluation. The proposal with the next lowest evaluated cost receives the second highest score, and so forth.

6.13 Combined Evaluation (Quality & Cost)

The client adjusts, or "weights," technical and financial scores based on the technical complexity of the assignment and the importance of quality in performing the assignment. The relative weights assigned to the technical and financial proposals are identified in the Data Sheet. The financial evaluation committee combines the weighted technical and financial evaluation scores to determine the total weighted score for each proposal. The proposal receiving the highest weighted combined

score is recommended for the contract award. The Committee prepares a report recommending a contract award and submits it to the Bank for according its "no objection". Both the first- and second-ranked consultants are also usually approved in case negotiations with the first-ranked consultant fail to reach agreement during contract negotiations. When the estimated contract price is over the Bank's prior review threshold, the final evaluation and award recommendation report is also submitted to the World Bank for its "no objection."

6.14 Contract Negotiations

The firm obtaining the highest total score should be invited for negotiations and discussions held with them in accordance with Bank's Consultancy Guidelines. During negotiations, the Bank recommends that discussion of the work plan, staffing, input of the Client and form of the proposed contract shall be completed prior to the financial negotiations. Normally no penalties are imposed on the consultants, be it a firm or individual, for unsatisfactory performance or delay in completion of the assignment/ services in the agreed time frame. It is hence suggested to do the performance evaluation of the consultant on completion of each assignment and keep the same in view while short-listing them for any future assignment. The client invites the consultant recommended by the evaluation committee to participate in contract negotiations. During negotiations, the parties discuss and clarify Terms of Reference, methodology and proposed staffing, and terms and conditions of the contract. The Terms of Reference are often revised during negotiations, although substantial revisions are not allowed because they could affect the quality of the final product, the cost of the assignment, and the relevance of the evaluation process. When both parties agree to the Terms of Reference, methodology, and staffing, the agreements are incorporated into a Description of Services, which becomes part of the contract. Negotiation of financial matters depends upon the consultant selection method and proposed contract type. For example, when price is a factor in the selection process, as it is in the Quality- and Cost-Based Selection (QCBS) methods, there may be no negotiation of unit rates. If negotiations with the selected consultant fail, the client notifies the Bank of the situation and of its intention to begin negotiating with the second-ranked consultant. The Client and consultant agree on financial terms during negotiations. Depending upon the scope of work, the level of complexity of the assignment, and the proposed contract type, payments to consultants can be made at regular intervals or upon receipt of agreed outputs. The client and consultant agree on payment terms and amounts, schedule of payments, and procedures during negotiations. For an advance payment, the consultant must usually provide the client with a bank guarantee for an amount equal to or slightly greater than the advance.

6.15 Contract Approval

The appropriate Selection Committee shall review and approve negotiated contracts, and obtain the World Bank's "no objection." After the World Bank gives its no objection, the authorized representatives of the Client and the consultant jointly sign the contract. The contract binds both parties to the activities in the negotiated Terms of Reference and the contract terms and conditions. Following contract signature, the client notifies the other consultants who submitted proposals in writing that they were unsuccessful and returns their financial proposals unopened..

6.16 Consultant Responsibilities

The consultant implements the assignment according to the work plan, timeline, and other requirements agreed to in the contract. The client monitors the progress of work and the schedule for deliverables. The client also monitors performance to determine when changes to the scope of work, permitted within the contract, might be needed. Consultants must strive to meet scheduled milestones or other contract requirements for performance. When a consultant does not meet contract requirements, the client notifies the consultant and requests corrective measures in writing. The consultant must respond in writing, providing the reason for its failure to perform and the steps it will take to comply with the request. A consultant that does not respond may be subject to disciplinary measures by the client. For example, the client can withhold payment until the deficiencies are corrected, start legal proceedings against the consultant, place the consultant on probationary status, or exclude it from consideration for future service contracts. Mistakes or incomplete work on the

consultant's part must be remedied at no cost to the client according to the terms and conditions of the contract.

6.17 Completion of Assignment

Upon completing the assignment, the consultant prepares a draft final report identifying its conclusions and recommendations. The consultant is responsible for the technical integrity and objectivity of its recommendations. The draft report is submitted to relevant parties for comment, including the Bank. The consultant collects and addresses these comments in the final report. When the consultant has completed the assignment and provided all deliverables, and the client has acknowledged completion and receipt and approval of deliverables, the client releases final payment to the consultant.

8.0 Mis-procurement:

The Bank does not finance expenditures for goods and works or consultants services which have not been procured in accordance with the agreed procedures out in the Loan Agreement and further elaborated in the Procurement Plan approved by the Bank. For example, the consultants may have insufficient qualifications, or the terms of the contract to be signed or already signed are not satisfactory to the Bank. If, however, the Borrower has already awarded a contract after obtaining the Bank's "no objection," the Bank generally will declare mis-procurement only if the "no objection" was issued on the basis of incomplete, inaccurate, or misleading information furnished by the Borrower. In all these cases, the Bank will bring this to the attention of the Borrower. The Bank will withhold or withdraw its "no objection" and request the Borrower to amend the situation. If the Borrower fails to do so, the Bank will declare misprocurement. The Bank does not finance these expenditures for goods, works and consultant services. It is the policy of the Bank to cancel that portion of the loan allocated to the goods, works and consultant services that have been mis-procured. The Bank may, in addition, exercise other remedies provided for under the Loan Agreement.

9.0 Procurement Audits

9.1 Audit requirements

Bank staff's fiduciary responsibilities involve prior review and post review of procurement documentation as the procurement process is carried out. The Bank's review process ensures that Bank funds are used for the purposes intended and that procurement procedures outlined in the Loan Agreement are followed in letter and spirit before the Bank commits funds for the relevant goods, works or services. The Bank's review of procurement documentation is an integral process of the procurement process. The prior review process protects the Borrower at each stage of the procurement transaction and also provides advice and suggestions to the Borrower for enhancing the quality of the documents and procedures. Prior review involves review of proposed procurement documentation and decisions by Borrowers by the Bank before final approval and implementation. Post review is similar in scope but is related generally to smaller value items. Post review is carried out by the Bank only on a sample basis after procurement activities have been undertaken by the Borrower. Post review is similar in scope to prior review, but is carried out only on a preselected proportionate sampling basis, either on procurement documentation submitted to the Bank or retained by the Borrower in the field. Since post review involves smaller procurements below the prior review threshold level and may include, *inter alia* shopping and NCB contracts, the related procurement documentation is relatively simple. Provision exists in bidding documents and in contracts financed by the Bank loan, 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 auditors appointed by the Bank.

9.2 Post-Procurement Audit.

An annual post-procurement audit of the Project activities shall be carried out on a random sample of procurement in all IAs by the auditing staff or consultant appointed by the Bank. The review usually covers the following documents:

- Invitation for Bids;
- Bidding Documents;
- Public bid opening record;
- Bid evaluation report;
- Final contracts;
- Other documents as appropriate to check if the agreed procedures were correctly followed, whether the documents are consistent with Bank procurement rules; and
- Whether the lowest evaluated bidder was indeed awarded the contract.

Procurement audits are also used to examine the Borrower's capacity to maintain adequate accounting records, systems for control and auditing arrangements. This involves the review of Statements of Expenditure (SOEs). The Borrower shall retain all documentation with respect to each contract (excluding contracts subject to prior review by the Bank) during project implementation and up to two years after the closing date of the Loan Agreement. After conducting the analysis, the audit team prepares a report of its findings and conclusions and submits it to the Bank. The report is reviewed in consultation with the Borrower. If the audit reports are not satisfactory, corrective actions are introduced in subsequent operations which may include, lowering of prior review thresholds, training of implementing agency staff and hiring of procurement agents.

10.0 Record Keeping

Monitoring of procurement activities is the continuous assessment of project implementation in relation to agreed procurement schedules and the use of the procured goods, works and services by the IAs. It is an integral part of good management by the Project Implementing Agency. Its main objectives are to provide continuous feedback on implementation and to identify actual or potential successes and problems as early as possible to facilitate timely adjustments to the project in general and the procurement process in particular.

The Bank requires Borrowers to maintain records on each of the steps taken during the procurement process. Where contracts are to be awarded on the basis of competitive bidding, the procuring entity shall maintain a complete record of the process and documentation, i.e.,

- copies of public advertising;
- bid documents and addenda;
- records of any pre-bid meetings;
- bid opening minutes;
- bid evaluation results including summary rating sheets;
- appeals against procedures or award recommendations;
- a signed copy of contract and performance securities; and

Ideally, for small contracts or goods purchased using shopping procedures, a database shall be maintained showing:

- the current market price for commonly needed items;
- names of suppliers invited to submit written price quotations for each lot, and their prices;
- names of selected suppliers, quantity and value of orders; and
- a copy of the purchase order.

This shall also be done for the contract administration process. These would include:

- keeping records of contractual notices issued by the supplier, contractor, purchaser or employer;
- maintaining a detailed record of all changes or variation orders issued affecting the scope, quantities, timing or price of the contract;
- records of invoices payments;
- certificates of inspection, acceptance; and

- completion records of claims and disputes and their outcome etc. These records shall be available for review and examination during procurement audits.

All IAs shall retain all documentation in respect of all Procurement activities up to two years after closure of the Loan Agreement

11.0 Procurement Wing

Each Implementing Agency under India Hydrology Project -II is to set up a Procurement Wing for all the procurement activities envisaged under the project. It is desired that staff deployed in the wing shall have a sound and sufficient experience of procurement of goods, works and consultant services. Procurement wing shall

ensure that all procurement activities of the right quality and quantity are delivered and installed at the right place at the right time. The main activities of the Procurement Wing are:

- 1) Identification of the procurement norms, limits, conditions, timings etc.
- 2) Drawing up of specification in consultation with the Bank and expert.
- 3) Assessing the total requirements and forming suitable packages.
- 4) Preparation of procurement plans.
- 5) Getting approval for the procurement plans.
- 6) Initiation of procurement process – following the procurement norms of the Bank.
- 7) Obtaining the approval for procurement from competent authority.
- 8) Drafting of bid documents and obtaining approval of Bid document.
- 9) Notification / advertising in National Dailies and calling for tenders / quotations etc.
- 10) Sale of bid documents
- 11) Opening of bids and its evaluation
- 12) Collection of Bid Security amount, statement of financial position of vendors
- 13) Prepare a statement of comparative rates and specifications.
- 14) Get the bids / tenders / quotations evaluated by tender committee
- 15) Approval of the award of work / goods/consultant services
- 16) Award of contract and place purchase order on bidders
- 17) Arrange for pre-dispatch inspection, insurance, warranty
- 18) Payment of advances and obtaining bank guarantee etc.
- 19) Procurement of goods/works/services
- 20) Record keeping of all activities.

12.0 Bibliography:

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Bank Financed Procurement Manual-2000
Consulting Services Manual- 2006
Hiring of Consultants in Bank Financed Projects- 2000
Bank's RFPs and Contract Forms of Consultant Services
MOWR Documents-2007
-Procurement Note
-Financial Management Manual-HP Phase-II

Appendices and Annexes Included with RFPs

The purchaser includes standard contract appendices and annex forms with the RFP. The appendices and annexes included in the RFP depend upon the type of contract proposed and the estimated value of the contract. As required, the consultant provides the information requested in these forms. The relevant appendices and annexes are finalized during negotiations with the selected consultant and become part of the contract between the two parties. The list below identifies appendices and annexes required according to contract type and value.

Standard Contract Forms-Time-Based Assignments

- Appendix A: Description of Services
- Appendix B: Reporting Requirements
- Appendix C: Key Personnel and Sub-consultants
- Appendix D: Medical Certificate
- Appendix E: Hours of Work for Key Personnel

Appendix F: Duties of the Client
Appendix G: Cost Estimates in Foreign Currency
Appendix H: Cost Estimates in Local Currency
Appendix I: Form of Bank Guarantee for Advance Payments

Standard Contract Form-Lump Sum Cost

Appendix A: Description of Services
Appendix B: Reporting Requirements
Appendix C: Key Personnel and Sub-consultants
Appendix D: Breakdown of Contract Price in Foreign Currency
Appendix E: Breakdown of Contract Price in Local Currency
Appendix F: Services and Facilities Provided by the Client

Standard Contract Form-Small Assignments [Lump Payments]

Annex A: Terms of Reference and Scope of Services
Annex B: Consultant's Reporting Obligations
Annex C: Cost Estimate of Services, List of Personnel and Schedule of Rates

Standard Contract Form-Small Assignments [Time-Based Payments]

Annex A: Terms of Reference and Scope of Services
Annex B: Consultant's Personnel
Annex C: Consultant's Reporting Obligations

