

OPERATIONS MANUAL-2016

འབྲུག་རང་བཞིན་གནས་སྟངས་
ཉམས་སྲུང་གྲོ་གཏང་མ་དངུལ།



Bhutan Trust Fund
for Environmental Conservation

May 2016

ACRONYMS

AFS	Annual Financial Statements
AMC	Asset Management Committee
AO	Administrative Officer
BLS	Bureau of Labor Statistics (US)
BT FEC	Bhutan Trust Fund for Environmental Conservation
CFO	Chief Financial Officer
CoA	Chart of Accounts
CPI	Consumer Price Index
CPO	Chief Program Officer
CRC	Conduct Review Committee
CV	Curriculum Vitae
DSA	Daily Subsistence Allowance
EOI	Expressions of Interest
EOL	Extra-Ordinary Leave
FAR	Fixed Asset Register
FD	Finance Division
FM	Financial Management
FP	Financing Plan
FY	Financial Year
GEF	Global Environment Fund
GI	Grantee Institution
ICB	International Competitive Bidding
ICR	Implementation Completion Report
ITQ	Invitation to Quote
JDWNRH	Jigme Dorji Wangchuck National Referral Hospital
LCS	Least Cost Selection
LTC	Leave Travel Concession
NoL	No Objection Letter
MoF	Ministry of Finance
OM	Operations Manual
NCB	National Competitive Bidding
PD	Program Division
PEMA	Public Expenditure Management System
PFS	Project Financial Statement
PIT	Personal Income Tax
PO	Program Officer
PP	Procurement Plan
PPA	Personnel Performance Appraisal
QCBS	Quality and Cost Based Selection
RAA	Royal Audit Authority
REOI	Request for Expressions of Interest
RFP	Request for Proposals
RGoB	Royal Government of Bhutan
SBD	Standard Bidding Documents
SSS	Single Source Selection
TA	Travel Allowance
TAP	Technical Advisory Panel
TOR	Terms of Reference
UNDP	United Nations Development Program

TABLE OF CONTENTS

CHAPTER XVI: PROCUREMENT MANAGEMENT5

16.1	Introduction	5
16.2	Core Funding – Introduction	5
16.3	Core Funding – Secretariat	5
16.4	Core Funding – Grantees	6
16.5	Non-core Funding – Introduction	6
16.6	Non-core Funding – Secretariat	9
16.6.4	Specific Procurement Procedures	9
16.7	Non-core Funding – Grantees	1

5

ANNEXURE 16.3.5:	SIMPLIFIED SBD FOR PROCUREMENT OF GOODS, WORKS AND NON-CONSULTANTS SERVICES UNDER CORE FUNDING FOR THE SECRETARIAT.....	18
ANNEXURE 16.5.6:	SAMPLE PROCUREMENT PLAN	36
ANNEXURE 16.6.4.4:	CHECKLIST FOR PROCUREMENT OF GOODS, WORKS AND NON-CONSULTANT SERVICES UNDER ICB AND NCB UNDER NON-CORE FUNDING.....	38
ANNEXURE 16.6.4.11:	CHECKLIST FOR PROCUREMENT OF GOODS, WORKS AND NON-CONSULTANT SERVICES UNDER SHOPPING UNDER NON-CORE FUNDING.....	39
ANNEXURE 16.6.4.26:	CHECKLIST FOR PROCUREMENT OF INDIVIDUAL CONSULTANTS UNDER NON-CORE FUNDING.....	40
ANNEXURE 17.2.4a:	GRANT APPLICATION FORMAT Error! Bookmark not defined.	
ANNEXURE 17.2.4b:	PROFILE OF INSTITUTIONAL GRANT SEEKER Error! Bookmark not defined.	
ANNEXURE 17.2.4c:	PROFILE OF INDIVIDUAL GRANT SEEKER Error! Bookmark not defined.	
ANNEXURE 17.2.4d:	CHECKLIST FOR SOCIAL AND ENVIRONMENTAL RISK IDENTIFICATION AND ANALYSIS..... Error! Bookmark not defined.	
ANNEXURE 17.2.8:	TECHNICAL ADVISORY PANEL TERMS OF REFERENCE Error! Bookmark not defined.	
ANNEXURE 17.2.18:	MODEL GRANT AGREEMENT Error! Bookmark not defined.	
ANNEXURE 17.3.6:	SMALL GRANT APPLICATION Error! Bookmark not defined.	
ANNEXURE 17.6.2:	QUARTERLY/SEMI-ANNUAL TECHNICAL REPORT . Error! Bookmark not defined.	
ANNEXURE 17.6.3a:	QUARTERLY/SEMI-ANNUAL STATEMENT OF SOURCES AND USES OF FUNDS Error! Bookmark not defined.	
ANNEXURE 17.6.3b:	QUARTERLY/SEMI-ANNUAL STATEMENT OF DISBURSEMENT & FUND BALANCE . Error! Bookmark not defined.	

ANNEXURE 17.6.3c:	QUARTERLY/SEMI-ANNUAL STATEMENT OF EXPENDITURE Error! Bookmark not defined.
ANNEXURE 17.6.3d:	STATEMENT OF MONTHLY BANK RECONCILIATION Error! Bookmark not defined.
ANNEXURE 17.6.3e:	LIST OF ADVANCES..... Error! Bookmark not defined.
ANNEXURE 17.6.3f:	LIST OF DURABLE ITEMS (Fixed Assets) ... Error! Bookmark not defined.
ANNEXURE 17.6.12:	IMPLEMENTATION COMPLETION REPORT FORMAT Error! Bookmark not defined.

CHAPTER XVI: PROCUREMENT MANAGEMENT

Acquisition of goods, works and services require the implementation of sound procurement procedures to ensure that an open, fair and transparent process has taken place, a competitive process that provides the opportunity for all qualified bidders to participate, and resulting in the best value for money for BT FEC.

16.1 Introduction

16.1.1 This Chapter of the OM covers the Procurement policies, systems and procedures for both the Secretariat and the Grantees of the BT FEC.¹

16.1.2 This Chapter covers the Procurement policies, systems and procedures for both the “Core” Funding and the “Non-core” Funding of the BT FEC.²

16.2 Core Funding – Introduction

16.2.1 The procurement under the Core Funding will follow the principles of procurement under the Non-core Funding, to make the BT FEC procurement as standardized as possible.

16.3 Core Funding – Secretariat

16.3.1 This will follow the procedures for the Secretariat under Non-core Funding, except as per the paragraphs below.

16.3.2 For procurement of goods, works and non-consulting services, direct contracting may be undertaken where the estimated cost is below the equivalent of Nu 50,000, for cases agreed by the Procurement Committee.

16.3.3 For recruitment of national consultants for assignments where the estimated cost is below the equivalent of Nu 250,000, SSS may be applied for cases agreed by the Procurement Committee.

16.3.4 For procurement of goods, works and non-consulting services under NCB, a simplified NCB process will be applied, providing for open competition (through advertising), but providing a simpler form of bidding documents (including contract).

The process for the simplified NCB will be as follows:

- (i) Specifications/quantities are prepared and agreed in the first instance by BT FEC.
- (ii) The request for bids will be advertised nationally in a well-read newspaper with nationwide coverage. The advertisement will advise how the simplified SBD (with details of specifications/quantities) may be accessed.
- (iii) The process for evaluation, award and contracting will be the same as for the ITQ process.

¹ The detailed definitions of Secretariat and Grantees are included in the first part of the OM Chapter XIV “Financial Management”.

² The detailed definitions of Core Funding and Non-core Funding are included in the first part of the OM Chapter XIV “Financial Management”.

16.3.5 The simplified SBD will be used (*Annexure 16.3.5*), and the following thresholds will apply:

- (i) More than Nu. 250,000 (for goods and non-consulting services).
- (ii) More than Nu. 500,000 (for works).

16.3.6 The following periods will be observed for bidders to respond to invitations:

- (i) ITQ – 7 days.
- (ii) NCB – 21 days.
- (iii) REOI – 21 days.
- (iv) RFP – 21 days.

16.4 Core Funding – Grantees

16.4.1 This will follow the procedures for Grantees under Non-core Funding, except as per the paragraphs below.

16.4.2 On a case-by-case basis, for RGoB Grantees - for example for procurement exceeding a value where the Secretariat considers it better for Secretariat to undertake the procurement, or where the Secretariat may be able to consolidate procurement – the procurement for goods, works and non-consulting services may be undertaken by the Secretariat.

16.4.3 For procurement of goods, works and non-consulting services which does not fall under the above paragraph:

- (i) For RGoB Grantees, the procedures for procurement will be as per the RGoB procedures.
- (ii) For non-RGoB Grantees:
 - Direct Contracting may be undertaken where the estimated cost is below Nu. 50,000.
 - Request for Quotation process (as for Shopping under the Non-core Funding) where the estimated cost is more than Nu. 50,000 and below Nu. 100,000.
 - ITQ process (as for Shopping under the Non-core Funding) where the estimated cost is:
 - More than Nu. 100,000 and below 250,000 (for goods and non-consulting services).
 - More than Nu. 250,000 and below Nu. 500,000 (for works).
 - NCB process (as for the Non-core Funding), where the estimated cost is above the limit for the ITQ process, using the simplified SBD.
 - The evaluation and contracting process will be the same as for the Non-core Funding.

16.5 Non-core Funding – Introduction

16.5.1 Given that the Non-core Funding covers the project activities agreed specifically under Financing Agreements, procurement procedures will follow the respective donor requirements as per the respective Financing Agreement; typically, this will mean that the procurement procedures will follow the respective donor's Procurement Guidelines.³

³For WB, these are the guidelines dated January 2011 (Revised July 2014); for ADB, these are the guidelines issued March 2013. These guidelines may be updated from time to time. Other donors will have their respective guidelines.

- 16.5.2 The donor Procurement Guidelines mentioned are split into two parts – one part relates to procurement of Goods, Works and Non-consulting Services, while the other part relates to Consultants’ Services. Consultants’ Services relate to Firms and Individuals; they relate to the provision of advisory services, to differentiate from Non-consulting Services.
- 16.5.3 **Consultant Services - Firms.** This will need to meet the respective donor’s definition, but in general a Firm will be recruited for an assignment for which a team of experts is required and where the experience and qualifications of the firm in managing such teams and assignments are important.
- 16.5.4 **Consultant Services - Individuals.** This will need to meet the respective donor’s definition, but in general an Individual will be recruited for an assignment for which team of experts is not required and where the experience and qualifications of the individual are of paramount importance.
- 16.5.5 The procurement procedures to be followed will depend on the type of procurement being undertaken (e.g. Goods, Consultant Services etc.).
- 16.5.6 The framework for managing procurement is through a Procurement Plan (PP); the format for the PP is as per the donor (*Annexure 16.5.6*)⁴. The PP will provide the following key information, for each of (i) Goods; (ii) Works; (iii) Non-consulting Services; and (iv) Consultant Services:
- (i) The procurement methods, and their respective thresholds; the thresholds will determine the maximum value for a procurement package that may be procured using that particular procurement method. In general, the higher the value of a procurement package, the more rigorous the method of procurement.
 - (ii) The thresholds for prior review by the donor.
 - (iii) The actual procurement packages to be actioned during the period of the PP. The procurement packages will be developed in order that similar procurement may be consolidated under one package.
- 16.5.7 **Prior Review and Post Review.** The framework for prior review ‘events’ (the stage in the procurement process where the donor’s review and agreement is required - for example, the TOR and Cost Estimate for engaging an Individual Consultant, or the selection of an Individual Consultant) is laid out in the donor’s Procurement Guidelines (Appendix 1, for WB). The actual requirements, including prior review thresholds, will be as per the Financing Agreement and other framework documents, as may be updated in the latest PP.
- 16.5.8 The donor’s⁵ agreement to a prior review event is through a No Objection Letter (NoL); in practice, this may be given through email.
- 16.5.9 For procurement subject to post review, this will be carried out through a periodic on-site review of procurement procedures and records by the donor.

⁴Under the WB procurement guidelines.

⁵ For WB and ADB

- 16.5.10 Prior review contracts may need to be registered in the donor's system, so that any claims relating to prior review contracts (paid through the local accounts or through Direct Payments or Reimbursement)⁶ may be accepted by the donor.
- 16.5.11 The procurement capacity of BTFEC Secretariat will be a consideration in the donor applying thresholds for prior review.
- 16.5.12 **Procurement Planning.** In general, the more rigorous the method of procurement, the longer the procurement process. BTFEC (and its Grantees, as appropriate) will need to undertake effective procurement planning, so that the last part of the procurement process (the issuing of a contract, for goods, works, consultants services etc.) fits with the required timeline for the delivery of those goods, works and services etc.
- 16.5.13 **Procurement Records Management.** The BTFEC Secretariat will establish and implement a procurement records management system that will enable efficient procurement monitoring (by the Secretariat) and review/audit (by donor review teams and auditors). The procurement records will be organised by procurement method, then under each procurement reference as per the PP. The records will include all TOR and Cost Estimates, Requests for Expressions of Interest (REOI)/Requests for Proposals (RFPs)/Requests for Quotations, all EOIs, proposals and quotations received, all evaluations, all donor NoLs, all contracts and all pertinent communications.
- 16.5.14 BTFEC will establish a system for storing all procurement records in soft copy, organised as above, and with off-site back up.
- 16.5.15 The PP may cover the whole period of the project, or cover a shorter (more immediate) period, as per the requirements of the respective donor. Notwithstanding this, the PP for a particular project must fit within an overall (lifetime) Financing Plan (FP)⁷ for the project, to ensure that all the proposed procurement for all the proposed activities for a particular project can fit within the available project financing. If there is more than one source of funding for a particular project, the PP and FP will show which source of funding will fund which activities and items of procurement.
- 16.5.16 There should be prior internal approval to undertake the procurement, in line with BTFEC's internal procedures.
- 16.5.17 Small operational costs may be included as lump sums in the PP/FP; there is no need to itemize such small costs.
- 16.5.18 The particular procurement methods, with the specific procurement procedures, are described below.
- 16.5.19 The provisions in this Chapter will need to be adapted to the requirements of the donor funding the particular project. Further details may also be found in the respective donor procurement guidelines.
- 16.5.20 **Co-financing.** Where the co-financing is in kind, this will have no effect on procurement. Where the co-financing is in cash:

⁶ See OM Chapter 14 "Financial Management".

⁷ Or "Budget".

- (i) If the co-financing is for specific activities/costs, this will not have to follow the donor's procurement guidelines.
 - (ii) If the co-financing is for a percentage of costs otherwise financed by the donor, the procurement will have to follow the donor's procurement guidelines.
- 16.5.21 **BT FEC Procurement Committee.** The BT FEC Procurement Committee will be responsible for opening and evaluation of tenders. Normally, there will be three members – head of Administration Unit (Chair), head of Finance Division, and one representative from the Program Division.
- 16.5.22 For procurement under ICB or NCB, or recruitment of international consultants, the Chair will be the BT FEC Director.
- 16.5.23 The designated Procurement Officer will act as Secretary to the Procurement Committee, organising the tenders and preparing the evaluation forms etc.
- 16.5.24 Additional member(s) may be added to the Procurement Committee in cases where specific technical skills are required to assist in the evaluation; where these skills are not available within BT FEC, these skills will be recruited from external sources.
- 16.6 Non-core Funding – Secretariat**
- 16.6.1 The Secretariat is the unit that manages the day-to-day implementation of the Fund's activities, including procurement. The Secretariat will coordinate and oversee all of the procurement and will directly undertake most of the procurement; however, some of the procurement – that undertaken for grant financed projects/activities – may be delegated to, and undertaken by, Grantees. The procedures for procurement carried out by Grantees are as per the paragraphs in Section 17.4 of this Chapter.
- 16.6.2 Certain procurement under the grant financed projects/activities may be undertaken directly by the Secretariat, for example large goods or works procurement (i.e. the procurement that exceeds the "Shopping" threshold), and/or where it is better to consolidate similar procurement for a number of grants under one, or a few, procurement packages. For works carried out for grant financed projects/activities that are spread over a wide geographical area, it may not be appropriate to consolidate the procurement. This will be agreed in the respective Grant Agreement; the costs are still included within the budget for the respective grant [as payments will be settled by the Grantees].
- 16.6.3 The method and procedures for selection of projects and activities to be financed by grants and of the Grantees to implement those projects/activities is covered in OM Chapter 18 "Program Management".
- 16.6.4 **Specific Procurement Procedures⁸**
- 16.6.4.1 **Goods, Works and Non-consulting Services.** Procurement of goods, works and non-consulting services will be under one of the following three methods:

⁸ These procedures are specific to WB and ADB Procurement Guidelines, and may need to be adapted for other donors.

- (i) International Competitive Bidding (ICB) – normally for higher value contracts and for goods/works/non-consultant services that may not be available locally.
- (ii) National Competitive Bidding (NCB) – normally for procurement of goods/works/non-consultant services that are unlikely to attract foreign competition; where foreign bidders are not expected to be interested and where the advantages of ICB are clearly outweighed by the administrative or financial burden involved.
- (iii) Shopping – normally for lower value contracts for standard specification goods, simple civil works or non-consultant services, when more competitive methods are not justified on the basis of cost and efficiency.

16.6.4.2 ICB and NCB. The following steps are undertaken:

- (i) Define the specifications.
- (ii) Prepare the Standard Bidding Documents (SBD)⁹ and issue (advertise) the Tender Notice. The SBD includes: Invitation to bid
 - Instructions to bidders and bid data sheet
 - Letter of bid
 - Form of contract
 - Conditions of contract
 - Specifications and drawings
 - Relevant technical data
 - List of goods and bill of quantities
 - Delivery time or schedule of completion
- (iii) Receive the bids; public opening of bids and record of opening – to be sent to all bidders
- (iv) Evaluation of bids, using the standard form of evaluation report
- (v) Make the award
- (vi) Finalise the contract, and publish the award – within two weeks of receiving NoL, in the United Nations Development Business (UNDB) website for ICB and in the national newspaper for NCB.

16.6.4.3 Advertisement. For ICB, a general procurement notice should be submitted to the donor, who will arrange for its online publication in the UNDP website. Invitations to bid have to be advertised as a specific procurement notice in at least one newspaper of national circulation in Bhutan. For NCB, advertise the specific procurement notice in at least one national newspaper of wide circulation in the national language.¹⁰

16.6.4.4 The checklist for procurement of goods, works and non-consultant services under ICB and NCB provides a summary of the steps. (*Annexure 16.6.4.4*).

16.6.4.5 Limited International Bidding. This is ICB by direct invitation without open advertisement, and is an appropriate method of procurement where:

- (i) There is only a limited number of suppliers, or

⁹ Use SBD for Goods and SBD for Small Works

¹⁰ This is the language used nationwide for commercial transactions; in Bhutan, this will normally be English, but in certain cases may be Dzongkha

- (ii) Other exceptional reasons may justify departure from full ICB procedures.
- 16.6.4.6 Bids are sought from a list of potential suppliers broad enough to assure competitive prices, such list to include all suppliers when there are only a limited number. Domestic preferences are not applicable in the evaluation of bids. In all respects other than advertisement and preferences, ICB procedures shall apply, including the publication of the award of contract.
- 16.6.4.7 **Shopping.**¹¹ There will be three types of procurement under Shopping, as follows:
- (i) One quote, where the cost is under Nu.50,000. No formal contract is required.
 - (ii) Simplified Shopping where the estimated cost is between Nu. 50,001 and Nu. 500,000. A minimum of three quotations is collected by BTFEC (Request for Quotation process), an evaluation made and the procurement proceeds based on the evaluation. Award is through a simplified BTFEC contract (Purchase Order/Service Order).
 - (iii) Standard Shopping for Goods, Works and Non-consultant Services where the estimated cost is more than the equivalent of Nu. 500,000.
- 16.6.4.8 **Standard Shopping for Goods and Non-consultant Services,** where the estimated cost is more than the equivalent of Nu. 500,000. This requires the following:
- (i) Invitation to Quote (ITQ) letter and form, for the supplier to respond to BTFEC, including specifications and bidder information.
 - (ii) An evaluation is made, through the standard evaluation report for Shopping, including a table for verification of specifications and a table for price comparison.
 - (iii) The contract is awarded through a standard BTFEC form of contract, including conditions of supply and specifications.
- 16.6.4.9 **Standard Shopping for Works,** where the estimated cost is more than Nu. 500,000. This requires the following:
- (i) ITQ letter and form, for the supplier to respond to BTFEC, including specifications (including bill of quantities, drawings etc., as applicable), bidder information, General and Special Conditions of Contract and Forms, as applicable: Performance security (Bank Guarantee), Advance payment security (Bank Guarantee), Contract Agreement, Practical Completion Certificate, Defects Liability Certificate.
 - (ii) An evaluation is made, through the standard evaluation report for Shopping, including a table for verification of specifications and a table for price comparison.
 - (iii) The contract is awarded through a standard BTFEC form of contract, including conditions of supply and specifications.
- 16.6.4.10 Quotations may be submitted by letter, facsimile, or by electronic means.
- 16.6.4.11 The checklist for procurement of goods, works and non-consultant services under Shopping provides a summary of the steps. (*Annexure 16.6.4.11*).

¹¹ Shopping is generally post reviewed, but there may be cases where the donor requires a level of prior review. The Shopping thresholds in this section assume that the donor has agreed Shopping procedures for procurement in excess of Nu. 100,000.

- 16.6.4.12 **Direct Contracting.** This is contracting without competition (single-source), and may be justified under the following conditions:
- (i) For the extension of an existing contract for goods, works, and non-consulting services of a similar nature, where no advantage could be obtained by further competition and that the prices on the extended contract are reasonable.
 - (ii) Standardization of equipment or spare parts, to be compatible with existing equipment, may justify additional purchases from the original Supplier.
 - (iii) The required equipment is proprietary and obtainable only from one source.
 - (iv) The procurement of certain goods from a particular supplier is essential to achieve the required performance or functional guarantee of equipment or facility.
 - (v) In exceptional and emergency situations.
- 16.6.4.13 Direct contracting normally requires prior approval; however, procurement of minor value may not require prior approval if agreed in the Financing Agreement (as updated in the PP).
- 16.6.4.14 **Force Account.** This relates to works such as construction and installation of equipment and non-consulting services carried out by a government department using its own personnel and equipment. It is not expected that this will apply to BT FEC; however, the detailed requirements may be found in the donor procurement guidelines.
- 16.6.4.15 **Consultants' Services – Firms.** The standard procurement method is Quality and Cost-Based Selection (QCBS).
- 16.6.4.16 QCBS. This procurement method is based on the quality of the technical proposal and the cost of the services to be provided, and is appropriate when (i) the scope of work can be precisely defined, (ii) the TOR are well specified and clear, and (iii) the personnel time as well as the other inputs required of the consultants is able to be estimated with reasonable precision.
- 16.6.4.17 The step by step process is as follows:
- (i) Develop ToR, cost estimate and short listing criteria. The objective and scope of the proposed work, and the functions and duties to be assigned to the consultants should be clearly and adequately defined in the ToR.
 - (ii) Develop the REOI.
 - (iii) Advertise. The consulting services should be listed on the donor's website, and in an appropriate national journal, newspaper, or website, in order to attract EOIs from consulting firms.
 - (iv) Prepare shortlist of consultants. Firstly prepare a long list of technically qualified firms based on EOIs submitted, and then prepare the shortlist – these shall be based on the following criteria:
 - First consideration shall be given to those firms expressing interest that possess the relevant qualifications. Detailed criteria for this shall be drawn up beforehand; and
 - Shortlists shall comprise six firms with a wide geographic spread, with no more than two firms from any one country and at least one firm from

a developing country, unless qualified firms from developing countries are not identified.

- Should there be a low number of EOIs received, the donor will determine if the recruitment may proceed based on the EOIs received, or if the recruitment will be re-advertised, or if another recruitment method shall be initiated.

(v) Prepare and issue Requests for Proposal (RFP). The RFP will be prepared using the donor's standard template, including:

- Letter of invitation;
- Instructions to consultants, including a data sheet and evaluation criteria;
- Technical proposal standard forms;
- Financial proposal standard forms;
- ToR;
- Standard form of contract; and
- List of eligible member countries (where applicable).

(vi) Receipt of proposals and evaluation of technical proposals:

- Firms shall be required to submit technical and financial proposals in separate sealed envelopes at the same time. Any proposal received after the closing time for submission of proposals will be returned unopened, and no amendments to the technical or financial proposals will be accepted after the deadline.
- The evaluation shall be based on the evaluation criteria defined in the instructions to consultants.
- Preparation of technical evaluation report.

(vii) Opening and evaluation of financial proposals:

- The firms whose technical proposals have qualified will be informed of the time and place where their financial proposals will be publicly opened. The name of the firms, the technical quality scores, and the proposed prices shall be announced, and recorded when the financial proposals are opened.
- The congruency (consistency or compatibility) of the technical and financial proposals shall then be reviewed, making adjustments as appropriate, and correcting arithmetical or computational errors.

(viii) Financial evaluation report, with ranking/selection. The total score shall be obtained by weighting and adding the technical and financial scores; this will determine the overall ranking of the consultants' proposals.

(ix) Negotiation and contracting. A contract shall then be negotiated with the first ranked firm. Successful negotiations conclude with signing of the contract.

(x) Publication of contract award.

16.6.4.18 Normally, the donors prior review is required for (i) the REOI (with TOR, cost estimate and short listing criteria); (ii) short listing, with the RFP; (iii) the technical evaluation report; (iv) financial evaluation report; and (v) the contract.

16.6.4.19 Other methods of recruiting consulting firms, to be applied and agreed with the donor through the Financing Agreement (as may be updated in the PP) are:

- (i) **Quality-Based Selection (QBS)** – for complex or highly specialized assignments for which it is difficult to define precise TOR.
- (ii) Selection under a **Fixed Budget (FBS)** – this method is appropriate only when the assignment is simple and can be precisely defined and when the budget is fixed.
- (iii) **Least-Cost Selection (LCS)** – this method is generally appropriate for selecting consultants for assignments of a standard or routine nature (audits, engineering design of noncomplex works, and so forth) where well-established practices and standards exist.
- (iv) Selection Based on the **Consultants' Qualifications (CQS)** – this method may be used for small assignments or emergency situations, for which the need for issuing an RFP, and preparing and evaluating competitive proposals is not justified.
- (v) **Single-source selection (SSS)** - this does not provide the benefits of competition in regard to quality and cost, and always requires the prior review agreement of the donor.

16.6.4.20 **Consultants' Services – Individuals.** The procurement steps are as follows:

- (i) A Terms of Reference (TOR) and cost estimate is prepared. The cost estimate should be in line with the PP, otherwise an updated PP may need to be prepared.
- (ii) A Request for Expressions of Interest (REOI) will be advertised, either nationally or internationally depending on whether the Consultant is international or national.
- (iii) The EOIs will be evaluated based on pre-determined criteria based on qualifications of the candidates in relation to the TOR. The Procurement Committee (minimum of three members) should be persons qualified for the evaluation task.
- (iv) A short list (minimum of three qualified candidates) will be made, and will be ranked – the Procurement Committee will agree on the first-ranked candidate.
- (v) If less than three qualified candidates for evaluation, the position will be re-advertised - unless the Procurement Committee consider that a re-advertisement would not result in attracting further qualified candidates and with agreement of the donor.
- (vi) The Procurement Committee will conduct an interview with the first-ranked candidate in order to confirm his/her suitability, and take up references; otherwise go to the next-ranked candidate.
- (vii) A contract will be negotiated with the selected candidate; should the negotiations fail, the negotiations will move to the next-ranked candidate who satisfies the requirements for interview etc.
- (viii) Should the recruitment exercise fail, the position will be re-advertised, or the donor requested to approve the Single Source Selection (SSS) method.

16.6.4.21 Under certain conditions, the donor may be requested to approve SSS –for example, for a continuation of previous work, or where there is only one candidate qualified for the assignment.

16.6.4.22 If agreed in the PP, assignments below a set threshold will not require competition.

- 16.6.4.23 In cases where prior review is required by the donor (as per the Financing Agreement/PP), the prior review will apply to (i) TOR and cost estimate; (ii) the selection report; and (iii) the contract.
- 16.6.4.24 The contract will be as per the donor's format. The contract may be lump sum or time-based, depending on the assignment. Most contracts for Individuals will be time-based, with payment based on agreed deliverables as per the contract.
- 16.6.4.25 Any amendments to a prior review contract, for example a no-cost time extension, will require agreement with the donor.
- 16.6.4.26 The checklist for procurement (recruitment) of individual consultants provides a summary of the steps. (*Annexure 16.6.4.26*).
- 16.7 Non-core Funding – Grantees**
- 16.7.1 As noted above, procurement of goods, works and non-consulting services above the threshold for Shopping (i.e. procurement under ICB or NCB) may be undertaken by the Secretariat. The Secretariat will weigh up the difficulties that the Grantee may face when taking up the more rigorous ICB or NCB procedures versus the longer-term capacity building of the Grantees. For procurement undertaken by RGoB Grantees, the procurement will in any case follow the RGoB procedures;¹² for non-RGoB Grantees, the ICB and NCB procedures will be as per the Non-core Funding for the Secretariat, above.
- 16.7.2 Procurement of goods, works and non-consulting services, which fall within the Shopping threshold, will all be undertaken by the Grantee. For RGoB Grantees, the procedures for procurement below the Shopping threshold will be as per the RGoB procedures; for non-RGoB Grantees, the Shopping procedures will be as per the Non-core Funding for the Secretariat, above.
- 16.7.3 Direct contracting is permissible, in accordance with the procedures for the Non-core Funding for the Secretariat, above.
- 16.7.4 Costs of national staffing (normally for non-RGoB Grantees only) will be included in the grant budget, and agreed between the Grantee and BTFEC as part of the Grant Agreement. In case there are any international individual consultants that are included as part of a grant financed project/activities, the recruitment will be carried out by the Secretariat.
- 16.7.5 As part of the grant application, a simplified PP will be agreed, where applicable. This PP will include procurement undertaken by the Grantee as well as any procurement undertaken by the Secretariat for the respective grant. The PP will be simplified as much as possible; as with the Secretariat, small operational procurement will be taken up as a lump sum rather than being itemized.
- 16.7.6 BTFEC will provide guidance to the Grantees on the required procurement procedures, and will monitor the implementation of these procedures.
- 16.7.7 Where the non-RGoB Grantee is an organization with well-established procurement systems and procedures that broadly meet the above requirements, BTFEC may agree for the Grantee to follow its own procedures for procurement undertaken by the Grantee.

¹²Procurement Rules and Regulations 2009.

ANNEXES

**ANNEXURE 16.3.5: SIMPLIFIED SBD FOR PROCUREMENT OF GOODS,
WORKS AND NON-CONSULTANTS SERVICES UNDER
CORE FUNDING FOR THE SECRETARIAT**

1. Goods

A. Invitation To Bid (Goods)

Project Title: _____

Date: _____

Source of Funding: _____

Contract Ref: _____

To: _____

Dear Supplier,

1. You are invited to submit your bid(s) for the supply of the following items:

- i. _____
- ii. _____
- iii. _____
- iv. _____

Information on technical specifications and required quantities are attached.

2. You may bid for;

- i. any or more items under this invitation. Each item shall be evaluated and contract awarded separately to the firm(s) offering the lowest evaluated price for each item
or
- ii. you must bid for all the items under this Invitation. Price Bids will be evaluated for all the items together and contract awarded to the firm offering the lowest evaluated total cost of all the items.

(Note: The Purchaser must select one of the two options and delete the non-applicable option)

3. Your price Bid in the form attached may be submitted by hand delivery, surface mail, courier service and facsimile or electronically at the following address:

(Purchaser's Address)

Telephone: _____

Fax:

e-mail address: _____

4. The deadline for receipt of your Bid (s) by the Purchaser at the addresses indicated in above Paragraph 3 is:..... (*insert the date of submission deadline*)
5. Your Bid in duplicate and in (*insert language*) language, should be accompanied by adequate technical documentation and catalogue(s) and other printed material or pertinent information (in language if available otherwise in English) for each item quoted, including names and addresses of firms providing service facilities in (*insert country*)
6. Your Bid(s) should be submitted as per the following instructions and in accordance with the attached Contract. The attached Terms and Conditions of Supply is an integral part of the Contract.
- (i) **PRICES:** The prices should be quoted in Prices can be quoted in any Bank member country currency, including Euro, but no more than three currencies, for the total cost at final destination (insert place of destination which includes all taxes, VAT, custom duties and taxes, inland transportation, insurance, loading and unloading domestically supplied goods plus the price of delivery to the place of destination,
- (ii) **EVALUATION OF BIDS:** Offers determined to be substantially responsive to the technical specifications will be evaluated by comparison of the total price at final destination as para . 2 above.

In evaluating the Bids, the Purchaser will determine for each bid the evaluated price by adjusting the price Bid by making any correction for any arithmetical errors as follows:

- a) where there is a discrepancy between amounts in figures and in words, the amount in words will govern;
- b) where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern;
- c) if a Supplier refuses to accept the correction, his Bid will be rejected.
- (iii) **AWARD OF CONTRACT/PURCHASE ORDER:** The award will be made to the bidder offering the lowest evaluated price and that substantially meets the required standards of technical and financial capabilities. The successful bidder will sign a Contract as per attached form of contract and terms and conditions of supply.
- (iv) **VALIDITY OF THE OFFER:** Your Bid(s) should be valid for a period of forty five (45) days from the deadline for receipt of Bid(s) indicated in Paragraph 4 of this Invitation to Bid.

7. Further information can be obtained from:
_(*insert the full address of the Purchaser*)_____

Name of contact person:
Telephone: _____
Fax: _____
E-mail: _____

8. Inspections and Audits

- 8.1 The Supplier shall carry out all instructions of the Purchaser, which comply with the applicable laws where the destination is located.
- 8.2 The Supplier shall permit, and shall cause its Subcontractors and consultants to permit, the Bank and/or persons appointed by the Bank to inspect the Supplier's offices and all accounts and records relating to the performance of the Contract and the submission of the bid, and to have such accounts and records audited by auditors appointed by the Bank if requested by the Bank. The Supplier's and its Subcontractors and consultants' attention is drawn to Clause 5 Fraud and Corruption of the Form of Contract, which provides, inter alia, that acts intended to materially impede the exercise of the Bank's inspection and audit rights constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the Bank's prevailing sanctions procedures).
9. Please confirm by fax/e-mail the receipt of this invitation and whether or not you will submit the price Bid(s).

Sincerely,

Name and title of the Purchaser's authorized person

B. Contract Template – Goods

THIS AGREEMENT number _____ made on __ (day) __, __ (month) __, __ (year) __ between _____ (hereinafter called “the Purchaser”) on the one part and _____ (hereinafter called “the Supplier”) on the other part.

WHEREAS the Purchaser has invited Bids for _____ (description of goods) to be supplied by Supplier, viz. Contract _____, (hereinafter called “Contract”) and has accepted the Bid by the Supplier for the supply of goods under Contract at the sum of _____ (_____) hereinafter called “the Contract Price”.

NOW THIS AGREEMENT WITNESSETH as follows:

1. The following documents shall be deemed to form and be read and construed as part of this agreement, viz:
 - (i) Invitation to Bid; Term and Conditions of Supply, Technical Specification;
 - (ii) Addendum (if applicable);
2. Taking into account payments to be made by the Purchaser to the Supplier as hereinafter mentioned, the Supplier hereby concludes an Agreement with the Purchaser to execute and complete the supply of Contract and remedy any defects therein in conformity with the provisions of Contract.
3. The Purchaser hereby covenants to pay in consideration of the goods supply and acceptance of Contract and remedying of defects therein, the Contract Price in accordance with Payment Conditions prescribed by Contract.

4. Termination

4.1 Termination for Default

- (i) The Purchaser, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier, may terminate the Contract in whole or in part:
 - (a) if the Supplier fails to deliver any or all of the Goods within the period specified in the Contract, or within any extension thereof granted.
 - (b) if the Supplier fails to perform any other obligation under the Contract; or
 - (c) if the Supplier, in the judgment of the Purchaser has engaged in fraud and corruption, as defined in Clause 5 below, in competing for or in executing the Contract.
- (ii) In the event the Purchaser terminates the Contract in whole or in part, the Purchaser may procure, upon such terms and in such manner as it deems appropriate, Goods or Related Services similar to those undelivered or not performed and the Supplier shall be liable to the Purchaser for any additional costs for such similar Goods or Related Services. However, the Supplier shall continue performance of the Contract to the extent not terminated.

4.2 Termination for Insolvency.

- (i) The Purchaser may at any time terminate the Contract by giving notice to the Supplier if the Supplier becomes bankrupt or otherwise insolvent. In such event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy that has accrued or will accrue thereafter to the Purchaser.

4.3 Termination for Convenience.

- (i) The Purchaser, by notice sent to the Supplier, may terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the Purchaser's convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon which such termination becomes effective.
- (ii) The Goods that are complete and ready for shipment within twenty-eight (28) days after the Supplier's receipt of notice of termination shall be accepted by the Purchaser at the Contract terms and prices. For the remaining Goods, the Purchaser may elect:
 - (a) to have any portion completed and delivered at the Contract terms and prices; and/or
 - (b) to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and Related Services and for materials and parts previously procured by the Supplier

Fraud and Corruption

5. If the Purchaser determines that the Supplier and/or any of its personnel, or its agents, or its Subcontractors, consultants, service providers, suppliers and/or their employees has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices (as defined in the prevailing Bank's sanctions procedures), in competing for or in executing the Contract, then the Purchaser may, after giving 14 days notice to the Supplier, terminate the Supplier's employment under the Contract and cancel the contract, and the provisions of Clause 4 shall apply as if such expulsion had been made under Sub-Clause 4.1.

6. Inspections and Audits

- 6.1 The Supplier shall carry out all instructions of the Purchaser which comply with the applicable laws where the destination is located

The Supplier shall permit, and shall cause its Subcontractors and consultants to permit, the Bank and/or persons appointed by the Bank to inspect the Supplier's offices and all accounts and records relating to the performance of the Contract and the submission of the bid, and to have such accounts and records audited by auditors appointed by the Bank if requested by the Bank. The Supplier's and its Subcontractors and consultants' attention is drawn to Clause 5 Fraud and Corruption, which provides, inter alia, that acts intended to materially impede the exercise of the Bank's inspection and audit rights constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the Bank's prevailing sanctions procedures).

Signature and seal of the Purchaser:

FOR AND ON BEHALF OF

Name of Authorized Representative

Signature and seal of the Supplier:

FOR AND ON BEHALF OF

Name of Authorized Representative

C. Terms And Conditions Of Supply (Goods)

Project Name: _____ Purchaser: _____

Consignee: _____ Package No. _____

1. Prices and Schedules for Supply

Sl.No.	Item No	Description of Goods	Quantity	Unit Price	Total Price at final destination (includes all taxes, VAT, customs, duties, inland transportation and insurance)	Delivery Date

(Note: In case of discrepancy between unit price and total derived from unit price, the unit price shall prevail)

- 2. Fixed Price:** The prices indicated above are firm and fixed and not subject to any adjustment during contract performance.
- 3.** The Purchaser reserves the right at the time of contract finalization to increase by up to 15% the quantity of goods and services originally specified without any change in unit prices as well as other terms and conditions.
- 4. Delivery Schedule:** The delivery should be completed as per above schedule but not exceeding _____ calendar days from contract signature.
- 5. Insurance:** The supplier is responsible for all kinds of insurance until the goods delivered and installed (if applicable) to the address of the Purchaser. For the readily available goods in the country of Purchase, the Purchaser will not assume any responsibility until goods are delivered and installed to the final place of destination. In case of goods supplied from abroad specifically for this Contract; the Goods supplied shall be fully insured in a freely convertible currency against loss of damage incidental to manufacture or acquisition, transportation, storage and delivery. The insurance shall be in an amount equal to 110 percent of the total value of the Goods from «Warehouse» to «Warehouse» on «All risks» basis, including «War Risks». The Supplier shall arrange and pay for cargo insurance, naming the Purchaser as the beneficiary.

6. Applicable Law: The Contract shall be interpreted in accordance with the laws of the (*insert country*)
7. Resolution of Disputes: The Purchaser and the Supplier shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute between them under or in connection with the Contract. In the case of a dispute between the Purchaser and the Supplier, the dispute shall be settled in accordance with the country procedures of the Purchasers country. The dispute shall be referred to jurisdiction at the Courts of (*insert the name of the city where the implementing agency prefers the location of the authorized courts*)
8. Delivery and Documents: Upon shipment, the Supplier shall notify the Purchaser and the Insurance Company by cable or fax the full details of shipment, including purchase order number, description of goods, quantity, the vessel, the Shipping and Forwarding Receipt from freight Company showing full details, port of loading, date of shipment, port of discharge, etc. The Supplier shall mail the following documents to the Purchaser, with a copy to the Insurance Company:
- (i) Copies of the Supplier's invoice showing goods' description, quantity, unit price, and total amount;
 - (ii) Duplicate air/ truck transport document and/ or duplicate of railway transport document, and/or duplicate FCR (Forwarders Certificate of Receipt) in 1 Original and 2 Copies marked «freight prepaid»;
 - (iii) Copies of the packing list identifying contents of each package;
 - (iv) Manufacturer's or supplier's warranty certificate;
 - (v) Certificate of origin;
 - (vi) Certificate of quality.
- The above documents shall be received by the Purchaser at least one week before arrival of the goods at the port of place of arrival and, if not received, the Supplier shall be responsible for any consequent expenses.
9. Payment for your invoice will be made as follows:
- (i) If goods are provided from a readily available market in (*insert country*): 100% against receipt of goods and issue of Acceptance Certificate for respective delivery by the Purchaser. Payment shall be made by bank transfer to the account of the supplier. In case of very small amounts and non-availability of Bank facilities in remote areas, payment may be made in cash to the purchaser against a receipt.
 - (ii) If goods supplied from abroad specifically for this Contract: [100% against delivery of shipping documents, through an irrevocable and Confirmed Letter of Credit, opened by _____ (name of the Bank in Purchaser's country) in favor of the _____ (Supplier's Bank)], **or** [payment will be made 100% on acceptance of the goods] **or** [Advance payment of 10% of the Contract price paid within thirty (30) days of signing the contract against a simple receipt and a bank guarantee for the equivalent amount; 80% of the contract price on Shipment of goods and the remaining 10% of the contract price paid within thirty (30) days after the date of the Acceptance Certificate for the respective delivery issued by the Purchaser **[chose one option and delete the others]**].

10. Warranty: Goods offered should be covered by manufacturer's warranty for at least 12 months from the date of delivery to the Purchaser. Please specify warranty period and terms in detail.
11. Packaging and Marking Instructions: The Supplier shall provide standard packing of the Goods as required to prevent their damage or deterioration during transit to their final destination, as indicated in the Contract.
12. Defects: All defects will be corrected by the Supplier without any cost to the Purchaser within 30 day from the date of notice by Purchaser. Name and address of service facility which the defects are to be corrected by the supplier within the warranty period:
Address _____

13. Force-Majeure: The supplier shall not be liable for penalties or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force-Majeure.
For purposes of this clause, "Force-Majeure" means an events beyond the control of the Supplier and not involving the Supplier's fault or negligence and not foreseeable. Such events may include, but not restricted to, act of Purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes. If a Force-Majeure situation arises, the Supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by Force-Majeure event.
14. Required Technical Specifications
(i) General Description
(ii) Specific details and technical standards
(iii) Performance Parameters
Supplier confirms compliance with above specifications **(In case of deviations supplier to list all such deviations).**
15. Failure to Perform: The Purchaser may cancel the Agreement if the Supplier fails to deliver the Goods, in accordance with the above terms and conditions, in spite of a 21 day notice given by the Purchaser, without incurring any liability to the Supplier.

NAME OF SUPPLIER _____

Authorized Signature _____

Place:

Date:

D. Form Of Bid (Goods)

_____(Date)

To: _____ (Purchaser's Name)

_____ (Purchaser's Address)

We offer to execute the _____ (Purchaser to fill name and number of Contract) in accordance with the Conditions of Contract accompanying this Bid for the Contract Price of _____ (amount in words and numbers) (_____) (name of currency). We propose to complete the delivery of Goods described in the Contract within a period of _____ calendar days from the Date of Signing of the Contract.

This Bid and your written acceptance will constitute a binding Contract between us. We understand that you are not bound to accept the lowest or any Bid you receive.

We hereby confirm that this Bid complies with the Validity of the Bid required by the proposal documents.

Authorized Signature: _____

Name and Title of Signatory _____

Name of Supplier: _____

Address: _____

Phone Number _____

Fax Number, if any _____

e-mail address: -----

2. Works

A. Invitation To Bid (Works)

Project Title: _____

Source of Funding:

Contract Ref: _____

Date of Issue of Invitation: _____

To: _____

Dear Contractor,

1. The _____ (Employer) hereby invites you to submit a bid for the following works:

.....
.....

(Brief description of works)

2. To assist you in the preparation of your price bid we enclose the necessary specifications, bill of quantities and drawings, form for submitting the bid and a draft contract form.

You may submit the Price Bid with the Form of Bid by facsimile or electronically at the following address:

(Employer's Address)

3. You must have experience as a prime contractor in the construction of at least one work of the nature and complexity equivalent to the works included in this Invitation, over the last three years and provide evidence of financial resources to successfully complete the works.
4. Each bidder shall submit only one bid, either individually, or as a partner in a joint venture. All bids submitted in violation of this rule shall be rejected. Partners in a joint venture shall be jointly and severally liable for the execution of the contract. In the case of a joint venture the lead partner should demonstrate work experience under paragraph 3 above. Financial resources of all the partners in the joint venture will be combined to determine adequacy of resources.

5. In evaluating the bids, the Employer will determine for each proposal the evaluated price by adjusting the price bid by making any correction for any arithmetical errors as follows:
 - (i) where there is a discrepancy between amounts in figures and in words, the amount in words will govern;
 - (ii) where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern;
 - (iii) if a Contractor refuses to accept the correction, his bid will be rejected.
6. Your bid shall be valid for a period of forty five (45) days from _____ (deadline for submission of the bid).
7. Your bid in _____ language shall be for the whole works and based on the unit and total price indicated in the Bill of Quantities for a fixed unit rate contract. Currency of quoted prices and payment shall be _____ (specify National Currency). The bid shall include all duties, local taxes and other levies payable by the contractor in accordance with the local laws.
8. The Employer will award the contract to the Bidder whose bid has been determined to be substantially responsive to this invitation to bid and who has offered the lowest evaluated price bid and is qualified to do the work.
9. The contract will be governed by the terms and conditions of the attached draft Contract.
10. Inspections and Audits
 - 10.1 The Contractor shall carry out all instructions of the Project Manager, which comply with the applicable laws where the Site is located.
 - 10.2 The Contractor shall permit, and shall cause its Sub-Contractor to permit, the Bank and/or persons or auditors appointed by the Bank to inspect and/or audit its accounts and records and other documents relating to the submission of the Bid to provide the Services and performance of the Contract. Any failure to comply with this obligation may constitute a prohibited practice subject to contract termination and/or the imposition of sanctions by the Bank (including without limitations determination of ineligibility) in accordance with prevailing Bank's sanctions procedures.
11. Your bid should be submitted by _____ (date and time).

Sincerely,

(Employer)

Section 1 - Specifications

(Technical specifications shall be incorporated to this section)

Section 2 –Bill Of Quantities/Priced Activity Schedule

SUMMARY BILL OF QUANTITIES					
No.	Description of Works items	Unit (m2,m3,kg, ton, piece, etc (where appropriate)	Quantity	Unit Price	Total Price
01					
02					
03					
04					
--					
--					
--					
Total Price					
VAT %					
Grand Total including VAT					

Section 3 – Drawings

The Works are to be performed in accordance with the following attached Technical Specifications and Drawings:

- 1.
- 2.
- 3.
- 4.

B. Contract Template - Works

Name of Country:

Project Name:

Name of Contract: _____

Contract Number _____

This Contract is made this _____ day of (insert month in words) _____ (insert year) _____ between (insert the legal name of the purchaser) _____ on the one part (hereinafter called the Employer) and (insert the legal name of the bidder) _____ (hereinafter called the Contractor) on the other part.

Whereas the Employer has called for Bids for (name and identification number of the contract) and the Contractor has submitted a Bid for the above work and the Employer has accepted the Contractor's Bid dated Day/Month/ Year _____ for the execution and completion of such works and the remedying of any defects therein.

Now this Contract witnesses as follows:

1. The Contractor hereby covenants to execute the works fully detailed in the Bill of Quantities included in the Contractor's Bid which constitute an integral part of this Contract (Annex 1) in a professional and workmanship like manner in accordance with the following Conditions of Contract:
 - (i) Remedy all defects within 30 days of notification by the Engineer in charge during the period of execution of the contract and thereafter defects notified within the defect liability period.
 - (ii) The Employer reserves the right to terminate the contract due to unsatisfactory performance 10 days after giving a written notice. If the Contract is frustrated by the outbreak of war or by any other event entirely outside the control of either the Employer or the Contractor, the Engineer in charge shall certify that the contract has been frustrated. In such an event, both the Employer and Contractor will have a right to terminate the contract by giving 10 days notice to the other party without any financial repercussions on either side.
 - (iii) All material and construction equipment on site, temporary works, and Works shall be deemed to be the property of the Employer if the contract is terminated due to fault of the Contractor.
 - (iv) The Contractor will in all cases abide by the directions of the Engineer in charge.

- (v) The Contractor shall submit to the Engineer in charge, a program within 7 days after signing the contract describing general methods and schedule to complete the works.
- (vi) Contract completion period [purchaser to insert period] (calendar days) after signing of the contract.
- (vii) In case of variations in quantities, unit rates under the contract will be used to support the variation order. New items of work performed as ordered by the Engineer in charge will be paid at the mutually agreed rate and in case of any disagreement between the Contractor and the Engineer in charge the latter will fix the unit rates that will be binding on the Contractor.
- (viii) The Law governing the contract shall be applicable laws of (*insert country*)
- (ix) The Contractor shall be responsible for the safety of all the activities on the Site.
- (x) During execution of works the Engineer in charge _____ (name) will carry out inspection of works at site to verify that works are executed by the Contractor in accordance with the specifications and required quality as per specifications. Engineer in charge will reject works not performed to the required specifications and the Contractor shall take immediate actions to rectify all defects in accordance with subparagraph (a) above.
- (xi) Either party may terminate the Contract by giving a 30 days notice to the other for unforeseen events such as wars and acts of Gods such as earthquake, floods, fires etc. In such case the payments will be made to the date of termination of contract.
- (xii) The Contractor is responsible for all taxes, duties, levies, customs, etc. in accordance with the laws of (*insert country*)
- (xiii) The disputes between the Employer and the Contractor arising between them under or in connection the Contract shall be resolved amicably. In the event the dispute remains unresolved either party may refer the dispute to arbitration in accordance with (*insert country*) Law No: _____ or jurisdiction at the Courts (*insert the name of the city where the implementing agency prefers the location of the authorized courts*)
- (xiv) In consideration thereof the Employer covenants to pay the Contractor the contract price of _____ (in words and figures) in the following manner and instalments:
 - (a) An advance payment of 15 percent of the Contract sum will be paid upon the submission of a Advance Payment Bank Guarantee in the same amount and currency. As an alternative to Bank Guarantee the payment of 15 percent of the Contract sum will be paid upon the Contractor bringing at the work site the following items and Engineer in charge certifying it: 1/ at least one half of all materials to be incorporated in the works or all materials to be consumed within three months whichever is less, and 2/ all equipment required for the construction.
 - (b) All four subsequent instalment payments will be made at the rate of 20 percent of the contract amount. Each instalment payment will be due for payment within 21 days of submission of invoice when the value of the work actually performed during the period of the required payment, calculated on the basis of unit prices and quantities, reaches 25 percent of the contract amount.
 - (c) The final payment of remaining 5 percent of the contract amount shall be made at the end of the liability period. Advance payment Bank Guarantee shall be released when the total payments due to the contractor reach 95% of the contract amount.
 - (d) Final contract value will be based on the actual quantities completed.
 - (e) The defect liability period will be 12 months after taking over of completed works by the Employer.

3. **Inspections and Audits**

- 3.1 The Contractor shall carry out all instructions of the Project Manager which comply with the applicable laws where the Site is located.
- 3.2 The Contractor shall permit, and shall cause its Sub-Contractor to permit, the Bank and/or persons or auditors appointed by the Bank to inspect and/or audit its accounts and records and other documents relating to the submission of the Bid to provide the Services and performance of the Contract. Any failure to comply with this obligation may constitute a prohibited practice subject to contract termination and/or the imposition of sanctions by the Bank (including without limitation s determination of ineligibility) in accordance with prevailing Bank's sanctions procedures.

4. **Termination.**

The Employer may terminate this Contract with at least ten (10) working days prior written notice to the Contractor after the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause:

- (i) If the Contractor does not remedy a failure in the performance of its obligations under the Contract within seven (7) working days after being notified, or within any further period as the Employer may have subsequently approved in writing;
- (ii) If the Contractor becomes insolvent or bankrupt;
- (iii) If the Contractor, in the judgment of the Employer or the Bank, has engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices (as defined in the prevailing Bank's sanctions procedures) in competing for or in performing the Contract.
- (iv) If the Employer, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

In witness whereof the parties thereto have caused this Contract to be executed the day and year first before written.

<hr/>	Name of the Contractor.
Signature (on behalf of the Employer)	<hr/> Signature on behalf of Contractor
In the presence of:	In the presence of:
<hr/>	<hr/>
(Signature) Name and designation (Witness)	(Signature) Name and Address (Witness)

C. Form Of Bid (Works)

_____(Date)

To: _____ (Employer's Name)

_____ (Employer's Address)

We offer to execute the _____ (name and number of Contract) in accordance with the Conditions of Contract accompanying this Bid for the Contract Price of _____ (amount in words and numbers) (_____) (name of currency) _____. We propose to complete the Works described in the Contract within a period of [purchaser to insert period] calendar days from the Date of Signing of the Contract. .

This Bid and your written acceptance will constitute a binding Contract between us. We understand that you are not bound to accept the lowest or any Bid you receive.

We hereby confirm that this Bid complies with the Validity of the Bid required by the Request for Bid.

Authorized Signature: _____

Name and Title of Signatory _____

Name of Contractor: _____

Address: _____

Phone Number _____

Fax Number, if any _____

ANNEXURE 16.5.6: SAMPLE PROCUREMENT PLAN

Sample Procurement Plan

(This is only a sample with the minimum content that is required to be included in the PAD. The detailed procurement plan is still mandatory for disclosure on the Bank's website in accordance with the guidelines. The initial procurement plan will cover the first 18 months of the project and then updated annually or earlier as necessary).

General

1. Bank's approval date of the Procurement Plan
2. Date of General Procurement Notice:
3. Period covered by this procurement plan:

Goods and Works and non-consulting services.

1. Prior Review Threshold:

	Procurement Method	Prior Review Threshold US\$	Comments
1.	ICB and LIB (Goods)		
2.	NCB (Goods)		
3.	ICB (Works)		
4.	NCB (Works)		
5.	(Non-Consultant Services)		
	[Add other methods if necessary]		

2. **Prequalification.** Bidders for (xxxx or Not applicable) shall be prequalified in accordance with the provisions of paragraphs 2.9 and 2.10 of the Guidelines.
3. **Proposed Procedures for CDD Components (as per paragraph. 3.17 of the Guidelines:**
[Refer to the relevant CDD project implementation document approved by the Bank or delete if not applicable]
4. **Reference to (if any) Project Operational/Procurement Manual:**
5. **Any Other Special Procurement Arrangements:** [including advance procurement and retroactive financing, if applicable]
6. Summary of the Procurement Packages planned during the first 18 months after project effectiveness (including those that are subject to retroactive financing and advanced procurement)

[List the Packages which require Bank's prior review first and then the other packages]

1	2	3	4	5	6	7
Ref. No.	Description	Estimated Cost US\$ million	Packages	Domestic Preference (yes/no)	Review by Bank (Prior / Post)	Comments
	Summary of the ICB (Works)					
	Summary of the ICB (Goods)					
	Summary of the NCB (Works)					
	Summary of the NCB (Goods)					
	Summary of the ICB (Non-Consultant Services)					

I. Selection of Consultants:

1. Prior Review Threshold:

	Selection Method	Prior Review Threshold	Comments
1.	Competitive Methods (Firms)		
2.	Single Source (Firms)		
3.	Individuals		

2. Short list comprising entirely of national consultants:

3. *Any Other Special Selection Arrangements: [including advance procurement and retroactive financing, if applicable or delete if not applicable]*

4. Consultancy Assignments with Selection Methods and Time Schedule

1	2	3	4	5	6
Ref. No.	Description of Assignment	Estimated Cost US\$ million	Packages	Review by Bank (Prior /Post)	Comments
	Summary of number of contracts that will be let under QCBS				
	Summary of number of contracts that will be let under other methods				

ANNEXURE 16.6.4.4: CHECKLIST FOR PROCUREMENT OF GOODS, WORKS AND NON-CONSULTANT SERVICES UNDER ICB AND NCB UNDER NON-CORE FUNDING

Project Name PROCUREMENT CHECKLIST

International Competitive Bidding (ICB) & National Competitive Bidding (NCB)

Project Component:

Procurement Plan Ref:

Contract Number.:

Responsible Officer:

Bidding Documentation

Prepared by: Date: Approved by XX on: Copy on File

1	Specifications				
		Prepared by:	Date:	Approved by XX on:	Copy
2	Bidding Documents				
		Date sent:	Date received:	Signed by:	Copy
3	No Objection Letter				

Bidding Process

Date: Copy

4	Advertise in Appropriate Media	UNDB (for ICB)			
		Local Newspaper (ICB/NCB)			
		Other:			
		Location:	Date:	Report done by:	Copy
5	Public Opening of Bids				
		Prepared by:	Sent to WB on:	Sent to bidders on:	Copy
	Record of Opening				
		Name companies:	Date received:	Price:	Copy
	Bids Received				

Evaluation of Bids

Names members: Position: Date meeting: Copy

Evaluation of bids		Names members:	Position:	Date meeting:	Copy
6	Evaluation Committee				All bids signed, stamped and dated
		Written by:	Date:	Approved by XX on:	Copy
Evaluation Report					
	Record all complaints received and written responses				
		Date sent:	Date received:	Signed by:	Copy
7	No Objection Letter				

Make Award

Prepared by: Date: Approved by XX on: Copy

8	Final Contract				
		Date sent:	Date received:	Signed by:	Copy
9	No Objection Letter				
		Date signed:	Sent to supplier on:	Sent to Donor on:	Copy
10	Sign Contract				
		Date:			Copy
11	Publish Award of Contract	UNDB (for ICB)			
		Local Newspaper (ICB/NCB)			
		Other:			
12	Entered into Contract Monitoring	Date		Contract Number	

ANNEXURE 16.6.4.11: CHECKLIST FOR PROCUREMENT OF GOODS, WORKS AND NON-CONSULTANT SERVICES UNDER SHOPPING UNDER NON-CORE FUNDING

Project Name:**PROCUREMENT CHECKLIST****SHOPPING**

Project Component::

Procurement Plan Ref:

Contract Number (if applicable):

Responsible Officer:

Request for Quotation

Prepared by:

Date:

Approved by XX on:

Copy on
File

1	Specifications	Prepared by:	Date:	Approved by XX on:	Copy on File
---	----------------	--------------	-------	--------------------	--------------

Names:

2	Reputable Suppliers Identified (minimum 3)				

When Prior Review is required

Date sent:

Date received:

Signed by:

Copy

3	No Objection Letter	Date sent:	Date received:	Signed by:	Copy
---	---------------------	------------	----------------	------------	------

Quotation (ITQ) Process

Date:

4	Send Invitation To Quote (ITQ) to Identified Suppliers				
---	--	--	--	--	--

Name

Date received:

Copy

5	Quotations Received (at least 3)				

If less than 3 quotations received, Request for No Objection

Date sent:

Date received:

Signed by:

Copy

6	No Objection Letter	Date sent:	Date received:	Signed by:	Copy
---	---------------------	------------	----------------	------------	------

Evaluation of Quotations

Names members:

Position:

Date meeting:

Copy

7	Evaluation Committee				All bids signed, stamped and dated
	Evaluation Report	Written by:	Date:	Approved by XX on:	Copy

Recors all complaints and written responses

If Prior Review required

Date sent:

Date received:

Signed by:

Copy

8	No Objection Letter	Date sent:	Date received:	Signed by:	Copy
---	---------------------	------------	----------------	------------	------

Contract

Prepared by:

Date:

Signed by XX on:

Copy

9	Purchase Order or Brief Contract	Prepared by:	Date:	Signed by XX on:	Copy
---	----------------------------------	--------------	-------	------------------	------

If Prior Review required

Date sent:

Date received:

Signed by:

Copy

10	No Objection Letter	Date sent:	Date received:	Signed by:	Copy
----	---------------------	------------	----------------	------------	------

Date:

11	Notification to other Selected Suppliers				
----	--	--	--	--	--

ANNEXURE 16.6.4.26: CHECKLIST FOR PROCUREMENT OF INDIVIDUAL CONSULTANTS UNDER NON-CORE FUNDING

Project Name PROCUREMENT CHECKLIST INDIVIDUAL CONSULTANT SELECTION (ICS)

Project Component:

Procurement Plan Ref:

Contract Number:

Responsible Officer:

1. Terms of Reference		Prepared by:	Date:	Approved by XX on:	Copy
1.1	Terms of Reference				
	Cost Estimate				
	Selection Criteria				

Prior Review is required for all ToRs

	Date sent:	Date received:	Signed by:	Copy
1.2	No Objection			

2. REOI		Prepared by:	Date:	Approved by XX on:	Copy
2.1	Request for Expressions of Interest				
	Location:	Date:		Copy	
2.2	Request for Expressions of Interest Advertised				

3. EOI		Name	Date received:	Stamped and signed:	Copy
3.1	Expressions of Interest Received				

4. Evaluations		Names members:	Position:	Date of meeting:	Copy
4.1	Evaluation Committee				
	Prepare shortlist and ranking	Short list report drafted by:	Date:	Initialled by all:	Copy

If less than 3 EOIs received from qualified candidates, Request for NoL from WB to proceed

	Date sent:	Date received:	Signed by:	Copy
4.2	No Objection Letter			

		Names panel:	Position:	Date of interviews:	Copy
4.3	Interview top ranked candidate and obtain references				
	Prepare evaluation report	Evaluation report drafted by:	Date:	Initialled by all:	Copy

	Date sent:	Date received:	Signed by:	Copy
4.4	No Objection Letter			

5. Negotiate Contract		Prepared by:	Date:	Approved by XX on:	Copy
5.1	Records of negotiation				
5.2	Draft negotiated Contract				
If Prior Review		Date sent:	Date received:	Signed by:	Copy
5.3	No Objection Letter				

6. Contract		Date sent:	Date received:	Signed by:	Copy
6.1	Funds available determined				
6.2	Contract executed				
	Date	Contract Number			
6.3	Entered into Contract Monitoring				

7. Notices		Date:	Copy
7	Notification to other candidates		
	Public Notification and Client Connection		