

PROCUREMENT MANUAL

NATIONAL AGRICULTURAL HIGHER EDUCATION PROJECT

(NAHEP)



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EDUCATION DIVISION
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FOREWORD

During the course of project preparation with the World Bank for its credit assistance and to ensure consistent procurement practices to be followed by each implementing agency, need was felt for preparing a Procurement Manual. ICAR has therefore developed this dedicated Procurement Manual for National Agricultural Higher Education Project.

As per Financing Agreement, the procurement under this project shall be done in accordance with the requirements set forth in

- “Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, January 2011, Revised July 2014”
and
- “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, January 2011, Revised July 2014 ”
and
- “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, October 15, 2006”
and
- the Financing Agreement

In case of any discrepancy or ambiguity between the provisions of this Manual and the relevant Bank Guidelines mentioned at 2 above, the provisions of Bank Guidelines shall prevail for all procurements under the project. This manual shall be the reference tool for project implementation by all the partners/ implementing agencies. However, the provisions of this manual are subject to modifications with prior approval of ICAR and clearance of the World Bank, if the situation so warrants. The Manual broadly covers procurement process for procurement of goods, works, non-consulting services, and selection of consultants.

Though every care has been taken in making the Manual simple and useful, feedback from users is welcome which would contribute to its revision and improvements in consultation with the World Bank.

I appreciate Shri Kumar Rajesh, Under Secretary of NAHEP for ably drafting the guidelines in the spirit of NAHEP/ICAR requirements. Contribution of World Bank, New Delhi, is acknowledged in bringing out this Manual.

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16. Sample Form for seeking Expression of Interest
17. Form for seeking World Bank clearance for sole source consultancy
18. Standard Form of RFP
19. Time-Based Contract
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22. Suggested Format for preparation of Evaluation report of Consultancy Proposals
23. Format of Check list to accompany Prior Review Consultant contracts

ACRONYMS / ABBREVIATION

Acronym	Description
BD	Bidding Document
BDS	Bid Data Sheet
BG	Bank Guarantee
BPL	Below Poverty Line
CBOs	Community Based Organizations
CDD	Community Driven Development
CEO	Chief Executive Officer
CER	Combined Evaluation Report
CG/CGI	Consultant Guidelines
CIF	Cost Insurance & Freight (paid)
CIP	Carriage & Insurance Paid
CPT	Carriage Paid To
CQS	Selection Based on Consultant Qualifications
DC	Direct Contracting
DDP	Delivered Duty Paid
DDU	Delivered Duty Unpaid
DGS&D	Directorate General of Supplies and Disposals
DPR	Detailed Project Report
EOI	Expression of Interest
EXW	Ex-works (price)
FA	Force Account/ Framework Agreement
FBS	Selection under a Fixed Budget
FoB	Free on Board
FoE	Floating of Enquiry
FoR	Free on Rail
GCC	General Conditions of Contract
GIS & RS	Geographical Information System & Remote Sensing
GO	Government Order
GOI	Government of India
GPN	General Procurement Notice
GPS	Global Positioning System
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding

Acronym	Description
IDA	International Development Association
IEC	Information, Education and Communication
IFB	Invitation for Bid
ICAR	Indian Council of Agricultural Research
IT	Information Technology
ITB	Instructions to Bidders
ITC	Instructions to Consultants
IWMP	Integrated Watershed Management Programme
LCS	Least Cost Selection
L.D	Liquidated Damages
L.I.B	Limited International Bidding
LOI	Letter of Invitation
M&E	Monitoring and Evaluation
MIS	Management Information System
NCB	National Competitive Bidding
NGO	Non Governmental Organization
NAHEP	National Agricultural Higher Education Project
NOC	No Objection
NS	National Shopping
O&M	Operation and Maintenance
PA	Project Agreement
PAD	Project Appraisal Document
PC	Procurement Cell
PIA	Project Implementing Agency
PIU	Project Implementation Unit
PIP	Project Implementation Plan
PMKSY	Pradhan Mantri Krishi Sinchayi Yojana
PPR	Procurement Post Review
OBS	Quality Based Selection
QCBS	Quality- and Cost Based Selection
REOI	Request for Expressions of Interest
RFP	Request For Proposals
RFO	Request for Quotations
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
SLNA	State Level Nodal Agency
SPN	Specific Procurement Notice
SSS	Single Source Selection
TER	Technical Evaluation Report

Acronym	Description
TOR	Terms of Reference
UCD	Unit Cost Database
UN	United Nations
UNDB	United Nations Development Business
VAT	Value Added Tax
WB	World Bank
WBR	World Bank Reference Number (for Prior review contracts)
WCDC	Watershed Cell cum Data Centre

CHAPTER 1

INTRODUCTION

1.1 Project Background:

1.1.1 The Project:

Indian Council of Agricultural Research (ICAR), Government of India is implementing World Bank supported National Agricultural Higher Education Project. The project has been formulated with a focus to improve and sustain quality of higher agricultural education. It aims to produce a globally competitive agricultural human resource capable of developing newer technologies and skills for scale up and transfer of new technologies to improve the production system and value addition. Overall, the project aims to develop resources and mechanism for supporting infrastructure, faculty and student advancement, and providing means for better governance and management of agricultural universities, so that a holistic model can be developed to raise the standard of current agricultural education system that provides more jobs and is entrepreneurship oriented and on par with the global agricultural education standards. The project is estimated to cost about US\$ 165 million of which the Bank financing would be of the order of US\$ 82.5 million.

There will be significant volume of procurement of Goods & Equipment and related non-consulting services and Consulting Services in the Project. Some amount of procurement of small works is also envisaged. To be eligible for Bank funding *the procurement of Goods, Equipment, Works, and Non-Consulting services in the project will be done in accordance with World Bank Guidelines: "Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, January 2011, Revised July 2014 (hereinafter referred as "Procurement Guidelines")*. The selection of Consultants in the project will be done in accordance with World Bank Guidelines: *"Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, January 2011 Revised July 2014 (hereinafter referred as "Consultant Guidelines")*.

The procurement shall be done only by the participating Agriculture Universities whose sub project has been approved and who have entered into a Grant agreement with ICAR and hence considered eligible to receive funds under NAHEP. The participating AUs shall be selected based on an agreed process. Once Participating AUs are identified, based on procurement risk and capacity assessment, appropriate risk and mitigation measures put in place shall be applicable. The Project Implementation Plan and detailed cost tables are developed for the project, which will provide more details on procurement portfolio in the project.

1.1.2 Project Development Objective:

Key to a successful education programme essentially lies in quality of faculty and necessary laboratory and farm facilities leading to better students and their employment. The project therefore, aims to address majority of these concerns by conceptualizing a number of important reforms under two broad categories, i.e. focusing on the working mechanism of the AUs and raising the standard of campus teaching and learning in more non-conventional ways. This will be achieved through a number of schemes and provisions for up gradation of faculty, students and required infrastructure and partnerships with other institutions and private industry.

1.1.2 **Project Components:** The project will be implemented through following three components.

Component 1: - Support to Agricultural Universities.

This component will have two sub-components:

Sub-component 1A: Investments toward 21st Century Agricultural Universities

Sub-component 1B: Investments in Centers for Advanced Agricultural Science and Technology

Component 2: - Investments in ICAR for Leadership in Agricultural Higher Education

This component will have two sub-components:

Sub-component 2A: Investments in ICAR to support excellence in AUs

Sub-component 2B: ICAR innovation grants to AUs

Component 3: Project Management and Learning

The detailed activities under various components are discussed under the Chapters covering respective components.

1.2 Purpose of the Manual:

- 1.2.1 The World Bank assisted NAHEP is to be implemented by ICAR at National Level with various Participating Agricultural Universities as Implementing Partner (IP) which shall be selected based on the assessment carried out by the ICAR appointed committee.
The national level Project Implementation Unit (PIU) at ICAR New Delhi will provide technical support services and hand holding support to all the Participating AUs regarding applicable and agreed procurement processes and procedures for the project. Accordingly, procurement will be done by the PIU and the Participating AUs.
- This Procurement Manual has been developed in order to ensure compliance with agreed processes and procedures and consistency among all Participating AUs by making them fully aware of the agreed procurement arrangements. It aims at making all IA's conversant with the World Bank procurement policies and procedures, the documentation required, records to be maintained etc...
- 1.2.2 The Project shall adhere to World Bank procurement policies and procedures as specified in the Financing Agreements failing which the Project runs the risk of:
- (a) Delay in implementation of the Project and achievement of the Project objectives due to delay in procurement;
 - (b) Fiduciary non-compliance;
 - (c) Inconsistency in Procurement activities;
 - (d) Fraud and corruption practices;
 - (e) Procurement being declared as 'Misprocurement' and the consequent loss of financial assistance from the Bank.
- 1.2.3 The Purpose of this "Procurement Manual" is to provide a comprehensive handbook of applicable procurement procedures for goods, works¹, non-consulting and consultancy services by explaining the policies and procedures of World Bank as given in the Guidelines, Legal Agreement and SBDs. It makes available all of these at one place. The Manual describes various steps involved in the procurement process, the documentation required, and guidance for preparation of the bidding document, bid evaluation report and other documents along with model formats, formats for submitting various reports to be compiled, maintained, and submitted in compliance of the legal agreement provisions. Checks and controls required to maintain transparency in the process of procurement of goods, works and services have been covered in the Manual. Adequate review procedures and risk mitigation measures have also been mentioned.
- 1.2.4 The Manual is expected to ensure that the procurement process and documentation, is uniform, systematic and consistent. The Manual is expected to help in avoiding procurement delays, improve the quality of procurement, mitigate procurement risks and avoid recurrent objections in the audit reports.
- 1.2.5 In case of any ambiguity or discrepancy between the provisions of this Manual and the relevant Bank Guidelines, the provisions of the Guidelines namely Procurement Guidelines, Consultant Guidelines and Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, shall prevail for all procurements under the Project.

1.3 Modifications to the Manual:

The Manual shall be a reference tool for the project implementation by all the implementing agencies/partners who are engaged in carrying out procurement under the project. Any modification to this Manual is subject to approval of Bank and ICAR...

1.4 References to the World Bank/ IDA:

¹ The works under the Project are very small and minimal. Hence the Manual deals with the procurement of small works through NCBs shopping, force account only.

The terms “World Bank” or “Bank” used in the manual refer to “International Development Association (IDA)” which shall also include: The International Bank for Reconstruction and Development (IBRD) ‘ and wherever any clearance, approval or references are made to IBRD the same would imply to IDA as well and the term “Credit” refers to IDA Credit No. ----.

1.5 General Considerations: (Paragraph 1.2 of the Procurement Guidelines and paragraph 1.4 of Consultant Guidelines)

The responsibility for the implementation of the project and therefore for the award and administration of contracts (goods, works, non-consulting and consulting services) under the project, rests with the project authorities, ICAR and Implementing Agencies. The Bank for its part, is required by its Articles of Agreement to “ensure that the proceeds of any loan are used only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations”, and it has established detailed procedures for this purpose. Four considerations generally guide the Bank’s requirements:

- (a) The need for high-quality consulting services;
- (b) The need for economy and efficiency in the implementation of the project, including the procurement of the goods, works, non-consulting and consulting services involved;
- (c) The Bank’s interest in giving all eligible bidders/consultants from developed and developing countries the same information and equal opportunity to compete in providing goods, works, non-consulting and consulting services financed by the Bank;
- (d) The Bank’s interest in encouraging the development of national consultants, domestic contracting and manufacturing industries in the Borrowing country; and
- (e) The importance of transparency in the procurement process.

1.6 Fraud and Corruption: (Paragraphs 1.16 and 1.17 of the Procurement Guidelines and Paragraphs 1.23 and 1.24 of Consultant Guidelines)

It is the Bank’s policy to require that Borrowers (including beneficiaries of Bank loans), bidders, suppliers, contractors and their agents (whether declared or not), sub-contractors, sub-consultants, service providers or suppliers, and any personnel thereof, observe the highest standard of ethics during the procurement and execution of Bank-financed contracts². In pursuance of this policy, the Bank:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

- (i) “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party³;
- (ii) “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation⁴;
- (iii) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party⁵;

² In this context, any action to influence the procurement process or contract execution for undue advantage is improper.

³ For the purpose of this sub-paragraph, “another party” refers to a public official acting in relation to the procurement process or contract execution. In this context, “public official” includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

⁴ For the purpose of this sub-paragraph, “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

⁵ For the purpose of this sub-paragraph, “parties” refers to participants in the procurement process (including public officials) attempting either themselves, or through another person or entity not participating in the procurement or selection process, to simulate competition or to establish bid prices at artificial, non competitive levels, or are privy to

- (iv) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party⁶;
- (v) “obstructive practice” is
- (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or
 - (bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under paragraph 1.16(e) below.
- (b) will reject a proposal for award if it determines that the bidder recommended for award, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;
- (c) will declare misprocurement and cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive or obstructive practices during the procurement or the implementation of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
- (d) will sanction a firm or individual, at any time, in accordance with prevailing Bank’s sanctions procedures⁷, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; and (ii) to be a nominated⁸ sub-contractor, consultant, supplier or service provider of an otherwise eligible firm being awarded a Bank-financed contract;
- (e) will require that a clause be included in bidding documents/RFP and in contracts financed by a Bank loan, requiring bidders, suppliers and contractors, and their sub-contractors, agents, personnel, consultants, service providers or suppliers as well as consultants and their agents, personnel, sub-consultants, sub-contractors, service providers, or suppliers, to permit the Bank to inspect all accounts, records and other documents relating to the submission of bids/proposals and contract performance, and to have them audited by auditors appointed by the Bank; and
- (f) will require that, when a Borrower procures goods, works or non-consulting services directly from a United Nations (UN) agency in accordance with paragraph 3.10 of the Procurement Guidelines or selects a United Nations (UN) agency to provide technical assistance services in accordance with paragraph 3.15 of Consultant Guidelines under an agreement signed between the Borrower and the UN agency, the above provisions of the paragraph 1.16 of Procurement Guidelines and paragraph 1.23 of Consultant Guidelines regarding sanctions on fraud or corruption shall apply in their entirety to all suppliers,

each other’s bid prices or other conditions.

6 For the purpose of this sub-paragraph, “party” refers to a participant in the procurement process or contract execution.

7 A firm or individual may be declared ineligible to be awarded a Bank financed contract upon: (i) completion of the Bank’s sanctions proceedings as per its sanctions procedures, including inter alia cross-debarment as agreed with other International Financial Institutions, including Multilateral Development Banks, and through the application the World Bank Group corporate administrative procurement sanctions procedures for fraud and corruption; and (ii) as a result of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding. See footnote 14 and paragraph 8 of Appendix 1 of these Guidelines.

8 A nominated sub-contractor, consultant, manufacturer or supplier, or service provider (different names are used depending on the particular bidding document) is one which has either been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

contractors, service providers, consultants, sub-contractors or sub-consultants, and their employees that signed contracts with the UN agency. As an exception to the foregoing, sub-paragraphs 1.16 (d) and (e) of Procurement Guidelines and paragraph 1.23 (d) and (e) of Consultant Guidelines will not apply to the UN agency and its employees, and sub-paragraph 1.16 (e) of Procurement Guidelines and paragraph 1.23 (d) and (e) of Consultant Guidelines will not apply to the contracts between the UN agency and its suppliers and service providers. In such cases the UN agencies will apply their own rules and regulations for investigating allegations of fraud or corruption subject to such terms and conditions as the Bank and the UN agency may agree, including an obligation to periodically inform the Bank of the decisions and actions taken. The Bank retains the right to require the Borrower to invoke remedies such as suspension or termination. UN agencies shall consult the Bank's list of firms and individuals suspended or debarred. In the event a UN agency signs a contract or purchase order with a firm or an individual suspended or debarred by the Bank, the Bank will not finance the related expenditures and will apply other remedies as appropriate.

With the specific agreement of the Bank, a project implementing unit may introduce, into bid forms for contracts financed by the Bank, an undertaking of the bidder to observe, in competing for and executing a contract, the country's laws against fraud and corruption (including bribery), as listed in the bidding documents⁹. The Bank will accept the introduction of such undertaking at the request of the implementing agency, provided the arrangements governing such undertaking are satisfactory to the Bank.

1.7(a) Eligibility Requirement: Paragraphs 1.11 to 1.13 of Consultant Guidelines)

1.11 To foster competition, the Bank permits consultants (firms and individuals) from all countries to offer consulting services for Bank-financed projects. Any conditions for participation shall be limited to those that are essential to ensure the firm's capability to fulfill the contract in question.

1.12 In connection with any contract to be financed in whole or in part from a Bank loan, the Bank does not permit a Borrower to deny participation in a short-listing or selection process or award to a consultant for reasons unrelated to: (i) its capability and resources to successfully perform the contract; or (ii) the conflict of interest situations covered under paragraph 1.8 here under.

1.13 As an exception to the foregoing paragraphs 1.11 and 1.12:

(a) Consultants may be excluded if: (i) as a matter of law or official regulations, the Borrower's country prohibits commercial relations with the consultant's country, provided that the Bank is satisfied that such exclusion does not preclude effective competition for the procurement of the consulting services required; or (ii) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's country prohibits any payments to any country, person, or entity. Where the Borrower's country prohibits payments to a particular firm or for particular goods by such an act of compliance, that firm may be excluded.

(b) Government-owned enterprises or institutions of the Borrower's country may participate in the Borrower's country only if they can establish that they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not dependent agencies of the Borrower or Sub-Borrower¹⁰

⁹ As an example, such an undertaking might read as follows: "We undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in the country of the [Purchaser] [Employer], as such laws have been listed by the [Purchaser] [Employer] in the bidding documents for this contract."

¹⁰ To be eligible, a government-owned enterprise or institution shall establish to the Bank's satisfaction, through all relevant documents, including its Charter and other information the Bank may request, that it: (i) is a legal entity separate from the government; (ii) does not currently receive any subsidies or budget support; (iii) operates like any commercial enterprise, and, inter alia, is not obliged to pass on its surplus to the government, can acquire rights and liabilities, borrow funds and be liable for repayment of its debts, and can be declared bankrupt; and (iv) is not bidding for a contract to be awarded by the department or agency of the government which under their applicable laws or regulations is the reporting or supervisory authority of the enterprise or has the ability to exercise influence or control over the enterprise or institution.

(c) As an exception to (b), when the services of government-owned universities or research centers or other institutions in the Borrower's country are of unique and exceptional nature including because of the absence of a suitable private sector alternative, and their participation is critical to project implementation, the Bank may agree on the hiring of those institutions on a case-by-case basis. On the same basis, university professors or scientists from research institutes can be contracted individually under Bank financing.

(d) Government officials and civil servants of the Borrower's country may only be hired under consulting contracts in the Borrower's country, either as individuals or as members of the team of experts proposed by a consulting firm, provided that such hiring does not conflict with any employment or other laws or regulations, or policies of the Borrower's country and if they (i) are on leave of absence without pay, or have resigned or retired; (ii) are not being hired by the agency they were working for before going on leave of absence without pay, resigning, or retiring¹¹; and (iii) their hiring would not create a conflict of interest (see paragraph 1.9).

(e) A firm or an individual sanctioned by the Bank in accordance with paragraph 1.23(d) of Consultant Guidelines or in accordance with the World Bank Group anti-corruption policies and sanctions procedures¹² shall be ineligible to be awarded a Bank-financed contract, or to benefit from a Bank-financed contract, financially or in any other manner, during such period of time as the Bank shall determine.

1.7 (b) Eligibility Requirement: (Paragraphs 1.8 to 1.10 of Procurement Guidelines)

1.7.1 To foster competition, the Bank permits firms and individuals) from all countries to offer goods, works and non-consulting services for Bank financed projects. Any conditions for participation shall be limited to those that are essential to ensure the firm's capability to fulfil the contract in.

1.7.2 In connection with any contract to be financed in whole or in part from a Bank loan, the Bank does not permit the project authorities to deny participation in a procurement process or award to a firm for reasons unrelated to: (a) its capability and resources to successfully perform the contract; or (ii) the conflict of interest situations covered in paragraph 1.8 here under.

1.7.3 As exceptions to the foregoing paragraphs 1.7.1 and 1.7.2:

- (a) Firms of a country or goods manufactured in a country may be excluded if: (i) as a matter of law or official regulations, the Borrower's country prohibits commercial relations with that country, provided that the Bank is satisfied that such exclusion does not preclude effective competition for the supply of goods or works or non-consulting services required, or (ii) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's country prohibits any payments to any country, person, or entity. Where the Borrower's country prohibits payments to a particular firm or for particular goods by such an act of compliance, that firm may be excluded.
- (b) Government-owned enterprises or institutions of the Borrower's country may participate in the Borrower's country only if they can establish that they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not dependent agencies of the Borrower or Sub-Borrower¹³.

¹¹ In the case of resignation or retirement, for a period of at least 6 (six) months, or the period established by statutory provisions applying to civil servants in the Borrower's country, whichever is longer. Professors or staff and experts in specialized fields from universities, educational institutions, and research institutes can be contracted individually on a part-time basis provided that they have been full-time employees of their institutions for a year or more before being contracted and such hiring is justified for the services required.

¹² For purposes of this paragraph, the relevant World Bank Group Anti-Corruption policies are set forth in the Guidelines On Preventing and Combating Fraud and Corruption in Projects financed by IBRD Loans and IDA Credits and Grants, and in the Anti-Corruption Guidelines for IFC, MIGA, and World Bank Guarantee Transactions. The Bank's sanctions procedures are publicly disclosed on the Bank's external website.

¹³ Other than Force Account units, as permitted under paragraph 3.5.7. To be eligible, a Government-owned enterprise or institution shall establish to the Bank's satisfaction, through all relevant documents, including its Charter and other Bank information the Bank may request, that it: (i) is a legal entity separate from the Government; (ii) does not currently

- (c) As an exception to (b), when the services of government-owned universities or research centers or other institutions in the Borrower's country are of unique and exceptional nature including because of the absence of a suitable private sector alternative, and their participation is critical to project implementation, the Bank may agree on the hiring of those institutions on a case-by-case basis. On the same basis, university professors or scientists from research institutes can be contracted individually under Bank financing.
- (d) Government officials and civil servants of the Borrower's country may only be hired under consulting contracts in the Borrower's country, either as individuals or as members of the team of experts proposed by a consulting firm provided that such hiring does not conflict with any employment or other laws or regulations or policies of the Borrower's country and if they (i) are on leave of absence without pay, or have resigned or retired; (ii) are not being hired by the agency they were working for before going on leave of absence without pay, resigning or retiring¹⁴; and (iii) their hiring would not create a conflict of interest (see paragraph 1.9).
- (c) A firm sanctioned by the Bank in accordance with paragraph 1.16(d) of Procurement Guidelines or sub-paragraph 1.23(d) of the Consultant Guidelines or in accordance with or the World Bank Group anti-corruption policies and sanctions procedures¹⁵ shall be ineligible to be awarded a Bank-financed contract, or to benefit from a Bank-financed contract, financially or in any other manner, during such period of time as determined by the Bank.

1.8 Conflict of Interest:

1.8.1 Goods, Works, and Non-Consulting services:

- 1.8.1.1 Bank policy requires that a firm participating in a procurement process under Bank-financed projects shall not have a conflict of interest. Any firm found to have a conflict of interest shall be ineligible for award of a contract.
- 1.8.1.2 A firm shall be considered to have a conflict of interest in a procurement process if:
 - (a) such firm is providing goods, works, or non-consulting services resulting from or directly related to consulting services for the preparation or implementation of a project that it provided or were provided by any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm. This provision does not apply to the various firms (consultants, contractors, or suppliers) which together are performing the contractor's obligations under a turnkey or design and built contract¹⁶; or
 - (b) such firm submits more than one bid, either individually or as a joint venture partner in another bid, except for permitted alternative bids. This will result in the disqualification of all bids in which the Bidder is involved. However, this does not limit the inclusion of a firm as a subcontractor in more than one bid. Only for-certain types of procurement, the participation of a Bidder as a subcontractor in another bid may be permitted

receive any subsidies or budget support; (iii) operates like any commercial enterprise, and inter alia is not obliged to pass on its surplus to the Government, can acquire rights and liabilities, borrow funds and be liable for repayment of its debts, and can be declared bankrupt; and (iv) is not bidding for a contract to be awarded by the department or agency of the Government which under their applicable laws or regulations is the reporting or supervisory authority of the enterprise or has the ability to exercise influence or control over the enterprise or institution.

14 In the case of resignation or retirement, for a period of at least six months, or the period established by statutory provisions applying to civil servants in the Borrower's country, whichever is longer. Professors or staff and experts in specialized fields from universities, educational institutions, and research institutes can be contracted individually on a part-time basis provided that they have been full-time employees of their institutions for a year or more before being contracted and such hiring is justified for the services required.

15 For purposes of this sub-paragraph, the relevant World Bank Group Anti-Corruption policies are set forth in the Guidelines On Preventing and Combating Fraud and Corruption in Projects financed by IBRD Loans and IDA Credits and Grants, and in the Anti-Corruption Guidelines for IFC, MIGA, and World Bank Guarantee Transactions. The Bank's sanctions procedures are publicly disclosed on the Bank's external website.

16 For details please see paragraph 2.4 of World Bank Procurement Guidelines.

subject to the Banks' no objection and as allowed by the Bank's Standard Bidding Documents applicable to such types of procurement; or

- (c) such firm (including its personnel) has a close business or family relationship with a professional staff of the Borrower (or of the project implementing agency, or of a recipient of a part of the loan) who: (i) are directly or indirectly involved in the preparation of the bidding documents or specifications of the contract, and/or the bid evaluation process of such contract; or (ii) would be involved in the implementation or supervision of such contract unless the conflict stemming from such relationship has been resolved in a manner acceptable to the Bank throughout the procurement process and execution of the contract; or
- (d) such firm does not comply with any other conflict of interest situation as specified in the Bank's Standard Bidding Documents relevant to the specific procurement process.

1.8.2 Consulting services:

1.8.2.1 Bank policy requires that consultants provide professional, objective, and impartial advice and at all times hold the client's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of the Borrower. Without limitation on the generality of the foregoing, consultants shall not be hired under the circumstances set forth below:

- (a) Conflict between consulting activities and procurement of goods, works or non-consulting services (i.e., services other than consulting services covered by Consultant Guidelines¹⁷): A firm that has been engaged by the Borrower to provide goods, works, or non-consulting services for a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be disqualified from providing consulting services resulting from or directly related to those goods, works or non-consulting services. Conversely, a firm hired to provide consulting services for the preparation (before Loan effectiveness) or implementation of a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be disqualified from subsequently providing goods, works or services (other than consulting services covered by Consultant Guidelines) resulting from or directly related to the consulting services for such preparation or implementation. This provision does not apply to the various firms (consultants, contractors, or suppliers) which together are performing the contractor's obligations under a turnkey or design and build contract.
- (b) Conflict among consulting assignments: Neither consultants (including their personnel and sub-consultants), nor any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants. As an example, consultants assisting a client in the privatization of public assets shall neither purchase, nor advise purchasers of, such assets. Similarly, consultants hired to prepare Terms of Reference (TOR) for an assignment shall not be hired for the assignment in question.
- (c) Relationship with Borrower's staff: Consultants (including their experts and other personnel, and sub-consultants) that have a close business or family relationship with a professional staff of the Borrower (or of the project implementing agency, or of a recipient of a part of the loan) who are directly or indirectly involved in any part of: (i) the preparation of the TOR for the assignment, (ii) the selection process for the contract, or (iii) the supervision of such contract may not be awarded a contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Bank throughout the selection process and the execution of the contract.
- (d) A consultant shall submit only one proposal, either individually or as a joint venture partner in another proposal. If a consultant, including a joint venture partner, submits or participates in more than one proposal, all such proposals shall be disqualified. This does not, however, preclude a consulting firm to participate as a sub-consultant, or an individual to participate as a team member, in more than one proposal when circumstances justify and if permitted by the RFP.

1.9 Misprocurement: (Paragraph 1.14 of the Procurement Guidelines and paragraph 1.19 of Consultant Guidelines)

¹⁷ See paragraph 1.7 of the Consultant Guidelines of World Bank.

- (a) The Bank does not finance expenditures under a contract for goods, works, non-consulting services or consulting services if the Bank concludes that such contract: (a) has not been procured/awarded in accordance with the agreed provisions in the Financing Agreement and as further elaborated in the Procurement Plan to which the Bank provided no-objection; (b) could not be awarded to the bidder/consultant otherwise determined successful due to wilful dilatory conduct or other actions of the Client resulting in unjustifiable delays, the successful bid/proposal being no longer available, or wrongful rejection of any bid/proposal; or (c) involves the engagement of a representative of the Client or a recipient of any part of the Loan proceeds, in fraud and corruption as per paragraph 1.16(c) of Procurement Guidelines and paragraph 1.23 of Consultant Guidelines. In such cases, whether under prior or post review, the Bank will declare misprocurement, and it is Bank's policy to cancel that portion of the loan allocated to the goods, works non-consulting services or consulting services that have been misprocured. The Bank may in addition, exercise other remedies provided for under the Financing Agreement. Even once the contract is awarded after obtaining a "no-objection" from the Bank, the Bank may still declare misprocurement and apply in full its policies and remedies regardless of whether the loan has closed or not, if it concludes that the no-objection was issued on the basis of incomplete, inaccurate, or misleading information furnished by the Client or the terms of the contract had been substantially modified without Bank's no-objection.
- (b) All the contracts should be awarded strictly as per procedures outlined in the Guidelines and the Legal Agreements. In the case of prior review contracts, the procurement is reviewed by the Bank at every stage and "no-objections" are issued by the Bank. The Bank issues the no-objection on the basis of the information provided by the Employer/Purchaser/Client. In order to avoid complications at a later stage, the Employer/Purchaser/Client should provide all information and also ensure that they are factually correct. If any complaints have been received, the details of the complaints and the findings of the Employer/Purchaser/Client should be fully brought out in the evaluation report submitted to the Bank. If any another fact(s) comes to the notice of the Employer/Purchaser/Client after the submission of the evaluation report, it should immediately be brought to the notice of the Bank by submission of a supplementary report. In short nothing should be hidden from the Bank.
- (c) In the case of the Post-review contracts the responsibility of the Employer/Purchaser/Client is much more. Even though the cases are not sent to the Bank for review, they shall be prepared with utmost care and decided as though they are to be sent to the Bank. Detailed evaluation reports in the prescribed formats are to be prepared and kept in file. The files should be maintained properly.
- (d) Procurement Post Reviews (PPRs) are normally carried out by the Bank periodically (usually once in a year). All documentation with respect to each contract shall be retained during project implementation and up to two years after the closing date of the project for examination by the Bank or its consultants/ auditors. Non-availability of proper records during PPR is considered to be a serious non-conformity with the agreed procedure. The implementing agencies should therefore give adequate attention to proper maintenance of records, so that any document required during procurement post review is easily retrievable within reasonable time.

CHAPTER 2

PROCUREMENT IMPLEMENTATION STRATEGY AND ARRANGEMENTS

2.1 Procurement provisions in the Legal Agreement of the Project:

(a) **Financing agreement details the** following procurement procedures shall be followed for the Project:

Goods, works and non-consulting services shall be procured in accordance with the requirements set forth or referred to in Section 1 of the “Procurement Guidelines” for Procurement of Goods, Works and Non-Consultant Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the World Bank in January 2011, Revised July 2014 (The Procurement Guidelines) and the provisions of Section III of FA; All consultants’ services shall be procured in accordance with the requirements set forth or referred to in Section I and IV of “Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the World Bank in January 2011, Revised July 2014.

- (i) The purpose of Bank’s Guidelines is to inform those implementing the Project of the applicable arrangements for procurement of goods, works and services under the Project. However: the Guidelines are applicable to procurement of goods, works and services as provided in the Financing Agreement;
 - (ii) The rights and obligations of the Borrower and the providers of goods, works and services for the project are governed by the bidding documents/RFP and the contracts signed by the Borrower with the providers of goods, works and services.
- (b) The responsibility for the execution of the project and therefore for the award and administration of the contracts under the Projects in accordance with agreed processes and procedures for Procurement with due attention to economy and efficiency, without regard to political or other non-economic influences or considerations rests with the ICAR and all/ Implementing Agency agreed under the project.

2.2 Procurement Principles for World Bank funded Projects:

2.2.1 The aim of procurement is to obtain right quality of goods, works, non-consulting and consultancy services at reasonable and competitive prices, giving equal opportunities to all individuals, companies, firms, manufacturers, contractors, who are capable of delivering the goods, works and non-consulting and consultancy services to the laid down specifications, standards and provisions of bid documents. The procurement policy is based on below noted principles:

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

2.2.2 Procurement policies and procedures of the World Bank as outlined in the Procurement Guidelines and Consultant Guidelines shall be applicable and important relevant portions have been described in this Manual. In case of any inconsistency between the contents of this Manual and the Guidelines, the contents of the Guidelines shall prevail.

2.3 **Project Components:** The Project has four main components as described in paragraph 1.1.3 above.

2.4 **Project Implementation and Procurement Arrangements:**

2.4.1 **Institutional and Implementation Arrangements:**

Project implementation arrangements

Governance Structure for National Agricultural Higher Education Project

National Steering Committee (NSC)

Project Management Committee (PMC)

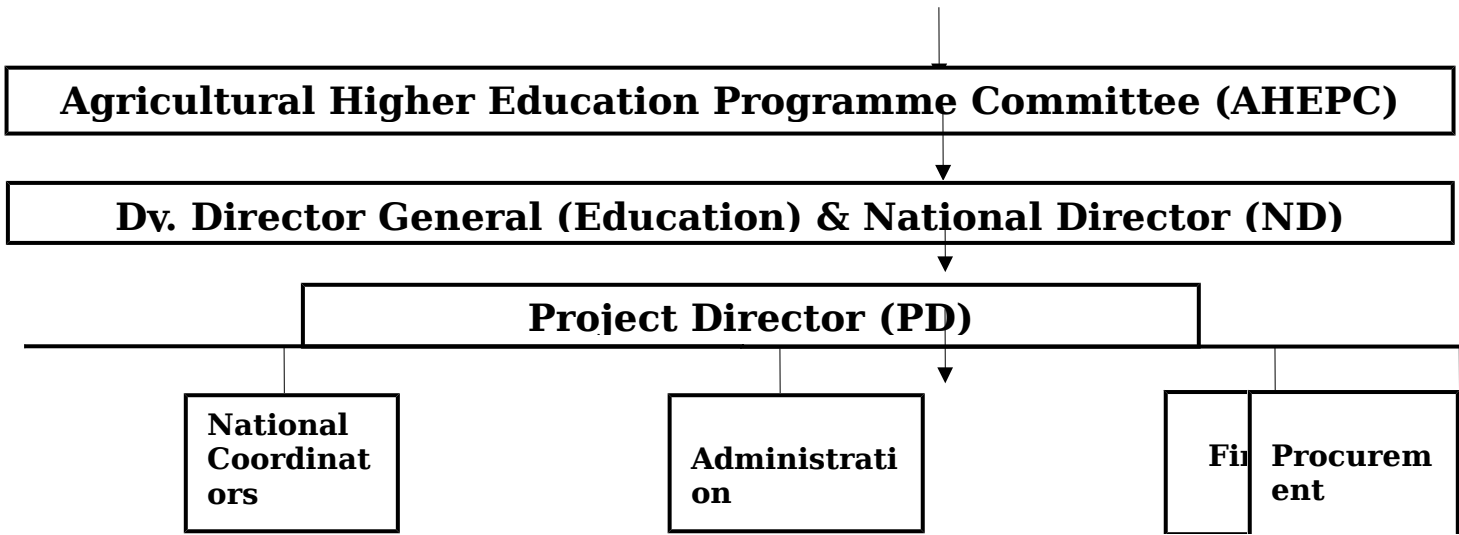


Fig 1.

The Project envisages procurement at national level through ICAR and state level through Participating AUs, of Works, goods & equipment. Further, the Project envisages procurement of a need based consultancy firms as well as individual consultants for various research studies and other technical services required for the project.

It is mandatory that all procurement activities to be carried out under the project by any IA/IP, prior to being procured, are included in the procurement plan which shall be subject to Bank review and prior clearance.

Procurement Cell shall be established at national level at the PIU and comprise of the dedicated senior official, procurement assistant and Procurement consultant who will provide support to ICAR. The procurement officials shall be in place at the Participating AU to ensure that the procurement activities are performed efficiently, consistently and in a timely manner. Role and responsibilities of these two units are detailed as:

2.4.2 Procurement Cell at PIU- NAHEP:

At the National Level the procurement under project will be managed by the Project Implementation Unit (PIU) headed by the National Director / Deputy Director General (Education Division) and Project Director, NAHEP who is overall in-charge of project implementation. A Procurement Cell would be created at the PIU and it will be the Project Nodal Agency responsible for guiding, monitoring and supervising the overall procurement implementation under the project. It would be responsible for all contracting and procurements in the project at national level and supervision of contracting and procurements at Participating AUs. The Project Director is supported by a Deputy Secretary level officer designated by ICAR for overall coordination the procurement activities in the project implementation. The Deputy Secretary will be supported by the Procurement consultants / experts and adequate staff. It will remain responsible for ensuring that all procurement under the project is being carried out as per agreed processes and procedures ;the procurement cell will coordinate with the Participating AUs and provide need based handholding support ,guidance ; it will also collate all the relevant information in regard to contracts management, complaints and any other procurement related issues ;it will provide day to day guidance on the preparation of bidding documents ;will ensure timely and smooth conduct of PPR ;will be the nodal agency for communication with WB.; conduct training of trainers ;develop training modules; share PPR findings; ensure compliance. In addition to overall responsibility of procurement activities, the Procurement Cells will:

- a) Review the Procurement Plan for procurement to be conducted at the respective level;
- b) Ensure that consistent and correct methods of procurement as specified in the Financing Agreement and as per procedures outlined in this Manual are consistently followed by all the procurement entities of the Project;
- c) Finalize technical specifications for goods/civil works and terms of references for consulting services respectively; Evaluation of quotations/ bids for goods & works and proposals for consultancies followed by preparation of evaluation reports;
- d) Develop and maintain Procurement Management Information System of all procurements done in the Project;
- e) Provide complete information on the contracts carried out during each year i.e., from July 1 to June 30.
- f) Maintain records of all procurement related complaints received and their disposal;
- g) Collect, collate all procurement related information for review by Bank and its auditors;
- h) Ensure that all procurement related records and documents required by the Bank Guidelines are properly maintained, kept by the various procurement entities;
- i) Provide complete information to the internal auditor for carrying out procurement review.
- j) Provide complete information and cooperation in conduct of annual procurement post review by the Bank or Bank appointed consultant.

2.4.3 Framework for Procurement at the Decentralized/AU level: There are 75 AUs in the ICAR/AU System and the criteria for selection shall be setup during the initial year in regard to their selection as an Implementing Agency. Procurement risk and capacity assessment has been carried out by the Bank of representative sample of these AUs as per the criteria set up by ICAR. This assessment assessed the capacity of AUs in terms of procurement, staffing, Bidding, budgeting, complaints, record keeping and other related areas.

Based on the assessment, risk mitigation measures have been put in place which may be updated from time to time, as required.

2.4.3.1 Procurement arrangement at AU level:

Procurement Unit at Participating AU level: Procurement under the Grant agreement will be carried out by the Participating AUs. A dedicated Procurement unit will be created by each Participating AU with adequate procurement staffing and capacity. The unit will have full time procurement experts/ officers who preferably have previous experience of handling procurement for World Bank funded projects to handle and/or coordinate all procurements. The selected staff, will attend procurement trainings at ASCI, Hyderabad or as organized by the PIU NAHEP at the initial phase of the project. The procurements under project will be managed by those designated staff deployed to work in the project by the respective Vice-chancellors, who are overall in-charge of implementation of project activities under NAHEP. The Procurement Unit at the AU level will carry out the following responsibilities:

- (a) Work in close association with the PIU NAHEP for carrying out the procurement listed in the project at their level;
- (b) Provide the name of the officials who will undergo STEP training and will be included in STEP system for timely updating of procurement plan and subsequent procurement actions.
- (c) Prepare the Procurement Plan and enter it into STEP system of the Bank enlisting all the items to be procured under the project at their level;
- (a) Ensure that consistent and correct methods of procurement as specified in the Financing Agreement and as per procedures outlined in this Manual are consistently followed;
- (b) Finalize technical specifications for goods/civil works and terms of references for consulting services respectively;
- (c) Ensure that only standard /model bidding documents including contract formats as agreed with World Bank and made available by PIU, ICAR are used.
- (d) Evaluation of quotations/ bids for goods & works and proposals for consultancies followed by preparation of evaluation reports;
- (e) Send quarterly procurement information to the PIU as per the format prescribed by the PIU NAHEP
- (f) Maintain records of all procurement related complaints received and their disposal;
- (g) Ensure that all procurement related records and documents required by the Bank Guidelines are properly maintained; with a system to retrieve the required document within a reasonable time.
- (h) Provide complete information on the contracts carried out during each year i.e., from July 1 to June 30.
- (i) Provide complete information to the internal auditor for completing procurement review.
- (j) Provide complete cooperation in conduct of annual procurement post review by the Bank or Bank-appointed consultant

2.4.3.2 Procurement Committees:

2.4.3.2.1.1 At each level of implementation unit, there will be final Acceptance Authority, Procurement Committee and Bid/Proposal Evaluation Committee. The Competent Authorities as per the delegation of powers at respective levels will be the final Acceptance Authorities.

2.4.3.2.2 The Procurement Committees comprising of three/five members, shall be formed to review the procurement documents and process and evaluation reports prepared by Bid/Proposal Evaluation Committees to accord administrative approvals at the respective levels, and submit recommendations to Acceptance Authority for recommendation for award of Contract.

2.4.3.2.3 The Bid/Proposal Evaluation Committee comprising of suitable Procurement Expert/professional and Financial Expert at respective levels, shall be constituted to evaluate proposals or to compare quotations/ bids, prepare evaluation reports and give recommendation to the Procurement Committee regarding the quality and economic price of goods and services to be procured. In case of large value procurements more related technical experts may be included as per the approval of Procurement Committee and Acceptance Authority.

2.4.3.4 Appropriate order defining delegation of Financial Powers to the Acceptance Authorities shall be issued by the competent authorities.

2.4.3.5 For procurement of all the contracts valued equivalent to or above the review limits specified under Paragraph 5.5, prior clearance of the World Bank will be required.

2.4.3.3 Delegation of Powers in respect of Procurement:

All the Project Implementing Partners will be delegated powers to undertake procurement at their respective levels for each unit. These delegations shall be determined after the Participating AU is identified and agreed between the Participating AUs and the PIU. This shall be provided separately

2.4.3.4 Procurement Plan (Paragraph 1.18 of the Procurement Guidelines and 1.25 of the Consultant Guidelines)

1 Participating AUs will prepare a procurement plan based on the projected activities in the Project Implementation Plan and submit it to PIU for their review and acceptance. Upon vetting by PIU this shall be sent to WB through STEP (tracking system) for Bank review and online clearance. All AUs to designate an official to attend training in STEP to be held at Delhi. The Procurement Plan includes description of goods, works and non-consultant and consultant services to be procured (year-wise over the implementation period) along with their values which are consistent with technically and administratively approved cost estimates and milestones for all procurement activities. List of goods, works and services to be procured under the project year-wise, with estimated cost and method of procurement have been mentioned in the format specified by the Bank. The Procurement Plan including their updates shall set forth at a minimum the following:

- (i) a brief description of goods, works and non-consulting services/ or consulting services required for the project for which procurement action is to take place/ invitation for proposals are to be issued during the period in question
- (ii) the proposed methods of procurement/ selection as permitted under the Financing

Agreement

- (iii) the Bank review requirement and thresholds
)
- (iv) the time schedule for key procurement activities
- (v) any provision for the application of domestic preference in case of goods & works procurement by international competition
- (vi) any other information that the Bank may reasonably require
- 2 During preparation of the procurement plans, packaging shall be done appropriately. Items of similar nature, which can be supplied by same set of firms, should be packaged together to achieve economies of scale. Aggregate value of total package will form the basis for determining the procurement method as well as the review requirement of the World Bank.
- 3 For procurement of goods, works, equipment etc. suitable package shall be framed which shall be determined by below noted factors, namely
- Time limits
 - Geographical location (dispersal of works)
 - Capacity of Contracting Agencies
 - Extent of Plant and equipment required and available
 - Institutional capacity of the implementing agencies
 - Economies of Scale
- The Estimates for Bid packages shall be entered in the specified format.
- 4 Following points should be borne while preparing the Procurement plan
- Procurement plan shall be prepared contract wise.
 - Method of procurement shall be based on the aggregate value of the package/lots, urgency of the demand, type of goods/works/services and availability of different sources of supply/services etc.
 - Limit of aggregate value of package/lots applicable to the particular procurement procedure shall be adhered to.
 - It shall be ensured that the procurement is based strictly on actual need.
- 5 The Project shall update the Procurement Plan at least annually or as needed throughout the duration of the project to reflect the actual project implementation needs and improvements in institutional capacity.
- 6 All Procurement Plans and their updates or modifications shall be subject to the Bank's prior review and no objection before implementation. After providing approval of credit to funded projects, Bank arranges the publication of the agreed initial procurement plan and all subsequent updates on its external website once it has provided a no objection. The initial procurement plan for first 18 months of the project shall also be published on the website of ICAR, once the project becomes effective.
- 7 All procurement activities shall be carried out in accordance with the agreed and cleared procurement plan. The Project shall implement the Procurement Plan in the manner in which it has been approved by the Bank.

2.4.3.5 Procurement review:

The Procurement plan mentions the contracts which are subject to Bank's prior review or post review. The contracts above the agreed threshold limit are prior reviewed by the Bank. All other contracts are subject to post review. Procurement review refers to reviewing and auditing of files and documents relating to the procurement of goods, works and non-

consulting and consultancy services. Procurement review is basically carried out to ascertain whether the agreed procurement procedures were correctly and completely followed both in letter and spirit. It brings out omissions/ commissions and lapses, whether on account of poor or inadequate understanding of the procedures or wilful negligence including likely fraud/corruption evidence during the review. In cases of serious lapse or noncompliance with the agreed procedures (noticed during Procurement Review), the Bank may declare misprocurement and it is the Bank's policy to cancel that portion of the credit allocated to the goods, works, non-consulting services or consulting services that have been misprocured. The report and observations of procurement review also work as a guide for taking corrective measures to streamline and improve the procurement system. The procurement review shall be done by the following:

1. **The World Bank:** In addition to the prior review set out in the procurement plan, the World Bank will have the right to carry out the post review of the contracts either by itself or by auditors appointed by it for the purpose. (Details in Chapter 5)
2. **Procurement Cell of PIU- NAHEP:** The dedicated procurement cell created at the PIU NAHEP will undertake periodical review of the procurements done at project implementing level on a sample basis and take corrective measures as may be necessary. (Details in Chapter 5)

2.4.3.6

In addition to above mentioned actions the following mitigation actions have been put in place for NAHEP to mitigate the procurement risks.

1. **Procurement Manual:** This Procurement Manual has been prepared to provide clarity on procurement process and to ensure consistency. It describes all the steps in procurement procedures, i.e. preparation of bid documents/RFP, evaluation reports, pre-bid minutes, bid opening minutes, contract information, checklists etc.;
2. **Procurement plan:** All the project implementing units will send their annual procurement plans to PIU NAHEP procurement cell thru STEP for review and forwarding to the Bank for concurrence. The plan shall be updated at least once a year. Only procurement approved under the plan by the Bank shall be eligible for Bank funding under the project.
3. **Procurement Trainings:** PIU NAHEP will arrange a series of procurement training programs by the procurement experts. This Training shall cover all the procurement staff & personnel involved in procurement activities at various project implementing units.
4. **Record Keeping:** PIU Procurement cell will provide guidance to all IP's officers, to ensure that all records regarding procurement activities under the project are kept in an indexed and safe manner and shall be readily available for the Bank review. ICAR shall be responsible for coordinating with all Participating AUs to collate the contract information and provide the list of contracts entered into for the period July 1 to June 30 of the previous year on or before December 30 of the current year .(Example : List of contract entered into during July1,2017 to June 30,2018 shall be provided to ICAR for collating on or before December 30,2018) of each year .Provide complete information on the contracts carried out during each year i.e. from July 1 to June 30.
5. **Standard/model bidding documents:** Only standard Bidding document or Model documents, as agreed with Bank for the project shall be used. Standard contract format for Goods, works and services shall be used. Similarly, standard formats for Single source justification, bid evaluation report, Technical evaluation report shall be used. All the standard document shall be provided by ICAR and also uploaded on the website for easy access.
6. **Internal auditor:** Annual financial audit shall include procurement post review of selected percentage of contracts as shall be agreed and specified in the TOR.

7. **Procurement post review:** Annual procurement post review of selected contracts shall be carried out by the Bank or Bank appointed consultant for contracts entered during previous year/s .
8. **In regard to sl no 6 and 7 above** all Participating AUs shall provide complete information in regard to contracts and needful cooperation in its conduct and timely completion. Subsequently the findings shall be disseminated by ICAR to all Participating as lesson learnt and guidance for future.
9. **Disclosure Policy:** Ensure the public disclosure policy as required under the Bank Guidelines;
10. **Grievance Redressal Mechanism:** In order to deal with the complaints from bidders, contractors, suppliers, consultants and general public at large a complaint handling mechanism shall be set up at the project implementing units level. The Complaint handling mechanism will be established in NAHEP/ ICAR website. Immediate action shall be initiated on receipt of complaints to redress the grievances. All complaints shall be registered and 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 shall be thoroughly enquired into and if found correct, appropriate remedial measures shall be taken by the concerned authorities. A register of complaints redressal shall be prepared and maintained. The register shall contain the following information.
 - (i) Serial number of the complaint;
 - (ii) Date on which the complaint was made/received;
 - (iii) Particulars of the person making the complaint;
 - (iv) Name of the complainant;
 - (v) Brief details of the complaint;
 - (vi) Complaint against whom if against a person;
 - (vii) Details of actions taken immediately and during subsequent follow-ups;
 - (viii) Whether the complainant has been satisfied, if not why;
 - (ix) Action taken against the guilty, if warranted;
 - (x) Remarks.

7. Procurement MIS: Subsequently a data base shall be created and incorporated into procurement information MIS, which will be regularly updated and capable of generating reports for monitoring. Develop an online Procurement MIS system to ensure that all contract information and its related details are available from all concerned.

2.9 Procurement Performance Indicators:

The performance of the procurement carried out for the Project by various entities shall be assessed. An analysis of the performance indicators would lead to identify the risks involved and enable action to be taken to mitigate them.

- i) Percentage of contracts awarded against those planned (value & number of contracts).
- ii) Procurement method wise Average number of working days required for completing procurement process, (Advertisement to Award contract).
- iii) Procurement method-wise Percentage of Contracts (Number & Value of Procurement) procured through re-bidding.
- iv) Non-competitive contracts as a percentage of total number of contracts, including those where only one bid was received, direct contracting and single source selection.

2.10 Threshold Values – Goods, Works, & Consultancies

1. Methods and Value thresholds for Civil Works

Expenditure Category	Procurement Method	Method in STEP	Value* (Threshold per contract)	Contracts subjected to Prior Review/Post Review by Bank#
Civil Works	(i) International Competitive Bidding (ICB)	ICB	Civil Works estimated to cost equal to or more than the equivalent of US\$ 40 million per contract	All ICB contracts irrespective of value will be subject to prior review.
	(ii) National Competitive Bidding (NCB)	RFB	Civil Works estimated to cost less than the equivalent of US\$ 40 million per contract	All contracts with estimated cost equivalent of US\$ 10 million and above per contract will be subject to prior review. All other contracts shall be subject to post review provided procurement is in accordance with agreed processes and procedures.
	(iii) Shopping (Minimum 3 quotations)	RFQ	Civil Works estimated to cost less than the equivalent of US\$ 100,000 .	[i] All procurement in accordance with para 3.5 of the procurement guidelines. [ii] All contracts shall be subject to Post review
	(iv) Direct Contracting	DC	All procurement to be carried out in accordance with para 3.7 and 3.8 of the Guidelines.	All procurement to be carried out in accordance with para 3.7 of the Guidelines. Subject to procurement being prior cleared in the procurement plan and carried out in accordance with para 3.7 and 3.8 of the Guideline all contracts with estimated cost equivalent of US\$ 10 million and above per contract will be subject to prior review. All other contracts shall be subject to post review

Expenditure Category	Procurement Method	Method in STEP	Value* (Threshold per contract)	Contracts subjected to Prior Review/Post Review by Bank#
	(v) Force Account	Force account		All procurement under Force Account method shall be prior approved by the Bank provided it is justified in terms of Para 3.9 of the Procurement Guidelines.

2. Methods and Value thresholds for Goods & Equipment, IT Systems and Non-Consulting Services

Expenditure Category	Methods	Value Threshold	Prior or Post Review Arrangements
Goods and Non-Consulting Services	(i) International Competitive Bidding (ICB)	Contracts estimated to cost equal to or more than the equivalent of US\$ 3 million per contract.	All ICB contracts will be subject to Prior review by the Bank irrespective of value.
	(ii) Limited international Bidding	Contracts estimated to cost more than the equivalent of US \$ 100,000 per contract	Wherever agreed by Bank in accordance with para 3.2 of the guidelines. All LIB contracts will be subject to prior review by the Bank irrespective of value.
	(iii) National Competitive Bidding (NCB)	Contracts estimated to cost less than the equivalent of US\$ 3 million	All contracts with estimated cost equivalent of US\$ 2 Million and above will be subject to Bank's prior review. All other contracts are subject to post review.
	(iv) Shopping# (Minimum 3 quotations)	Contracts estimated to cost less than the equivalent of US\$ 100,000 per contract.	All contracts are subject to Post review
	(v) Direct Contracting	Proprietary equipment; software; educational publications; and other learning resources and goods justified in terms of para 3.7 of the Guideline.	Subject to procurement being prior cleared in the procurement plan and being carried out in accordance with the para 3.7 and 3.8 of the Guideline all contracts with estimated cost equivalent of US\$ 2 Million and above will be subject to Bank's prior review. All other contracts are subject to post review

Expenditure Category	Methods	Value Threshold	Prior or Post Review Arrangements
	(vi) Framework Agreement (FA)		Subject to inclusion of "FA" as procurement method for specific items in the procurement plan. As per Para 3.6 of Procurement Guidelines. All FAs are subject to prior review by Bank.

- * If a transaction comprises several contracts, lots or slices, the aggregate estimated value of all contracts, lots or slices will be considered to determine the applicable threshold amount.

1) State Rate Contracts cannot be used at par with Shopping. If state rate contract exists for an item, the same can be considered as one of the 3 quotations to be sought under shopping procedures.

II) GeM is allowed in lieu of shopping up to US\$ 30,000 in catalog mode (By Catalogue mode, mean implementing agency can procure any item available on GeM and pay the price mentioned on GeM (without seeking further price reduction through bidding or reverse auction feature available at GeM), provided price justification (e.g. comparison with last purchase price or market price) is recorded in file.)

III) GeM is allowed in lieu of shopping up to US\$ 100,000, provided there are at least three (3) suppliers for the item on GeM and the purchaser uses RFQ feature (mini competition or bidding among suppliers) on GeM to discover the final price-(If three suppliers for the required item are not available on GeM, implementing agency has either the option to use traditional Shopping (minimum 3 quotations) or seek waiver from the Bank (if minimum two suppliers are available at GeM) on case to case basis. If there is only one supplier of any item on GeM, there is no option but to use traditional Shopping.)

To meet the Bank's requirements for right to audit and F&C, the clauses may be included in the Purchase Orders. All software shall be procured from original suppliers/Developers or their authorized resellers.

- On approval by the Bank seeds, plants, planting material manure and other horticulture inputs shall be procured in decentralized manner as per one of the agreed methods following agreed processes and procedures.
- Books and journals shall be purchased directly from the publishers.
- All Direct procurement shall be disclosed at the UNDB irrespective of value.

3. Methods and Value thresholds for Consultancy Services

Consulting Services	Methods	Value Threshold*	Review Arrangements
Consulting Services (Firms)	i Quality and Cost Based Selection (QCBS)		All contracts valued above US\$ 1 million will be subject to Prior Review by the World Bank. All other contracts will be subject to post review.
	ii Quality Based Selection (QBS)		
	iii Selection based on a Fixed Budget (FBS)		
	iv Selection Based on Least Cost Basis (LCS)		
	v (Selection based on Consultant's Qualification (CQ))	Contracts estimated to cost equivalent of US\$ 300,000 or less per contract	
	vi Single Source Selection (SSS) # provided the conditions stipulated in paragraph 3.8 to 3.11 of Consultant Guidelines are met.		Subject to the prior clearance of the procurement in the procurement plan and being in accordance with para 3.9-3.11 of the Bank guidelines all contracts valued above US\$ 1 million will be subject to Prior Review by the World Bank. All other contracts will be subject to post review.
Individual Consultants	Competitive Selection		All contracts above \$300,000 are subject to prior review. Procurement to be in accordance with Section V of the Bank guidelines.
	ii Single Source Selection (SSS)		Subject to the prior clearance of the procurement in the procurement plan and being in being accordance with Section V of the Bank guidelines all contracts above \$300,000 are subject to prior review All other contracts will be subject to post review

* If a transaction comprises several packages, lots or slices, the aggregate estimated value of contracts will determine the applicable threshold amount.

It is envisaged to hire Govt. Institutions and Research Institutes having unique and exceptional capacities, as consultants for different assignments with prior no objection of the World Bank, on case to case basis.

4. Short list comprising entirely of national consultants: Short list of consultants for services, estimated to cost less than **US\$ 800,000** equivalent per contract, may comprise entirely of national consultants in accordance with the provisions of Para 2.7 the World Bank Consultant Guidelines.

5. Any Other Special Selection Arrangements for Consultancy Services:

- (a) Requests for Expression of Interest (REOI) for assignments expected to cost more than **US\$ 300,000** shall be advertised in *UNDB online* in accordance with Para 2.5 of the Consultant Guidelines. Besides, all REOIs prepared by the PIU/SLNAs/IPs shall be submitted to the World Bank for publishing them on the Bank's external website.
- (b) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of **US \$ 30,000** or more through competitive selection, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Bank for its prior review and No Objection.
- (c) Terms of Reference for all consultant contracts estimated to cost the equivalent of **US \$ 20,000** or more per contract in the case of firms, and in all cases of individuals shall be furnished to the Bank for its prior review and No Objection.
- (d) At least two procurement personnel of NAHEP shall attend one day training program on "Client Connection" conducted by World Bank.

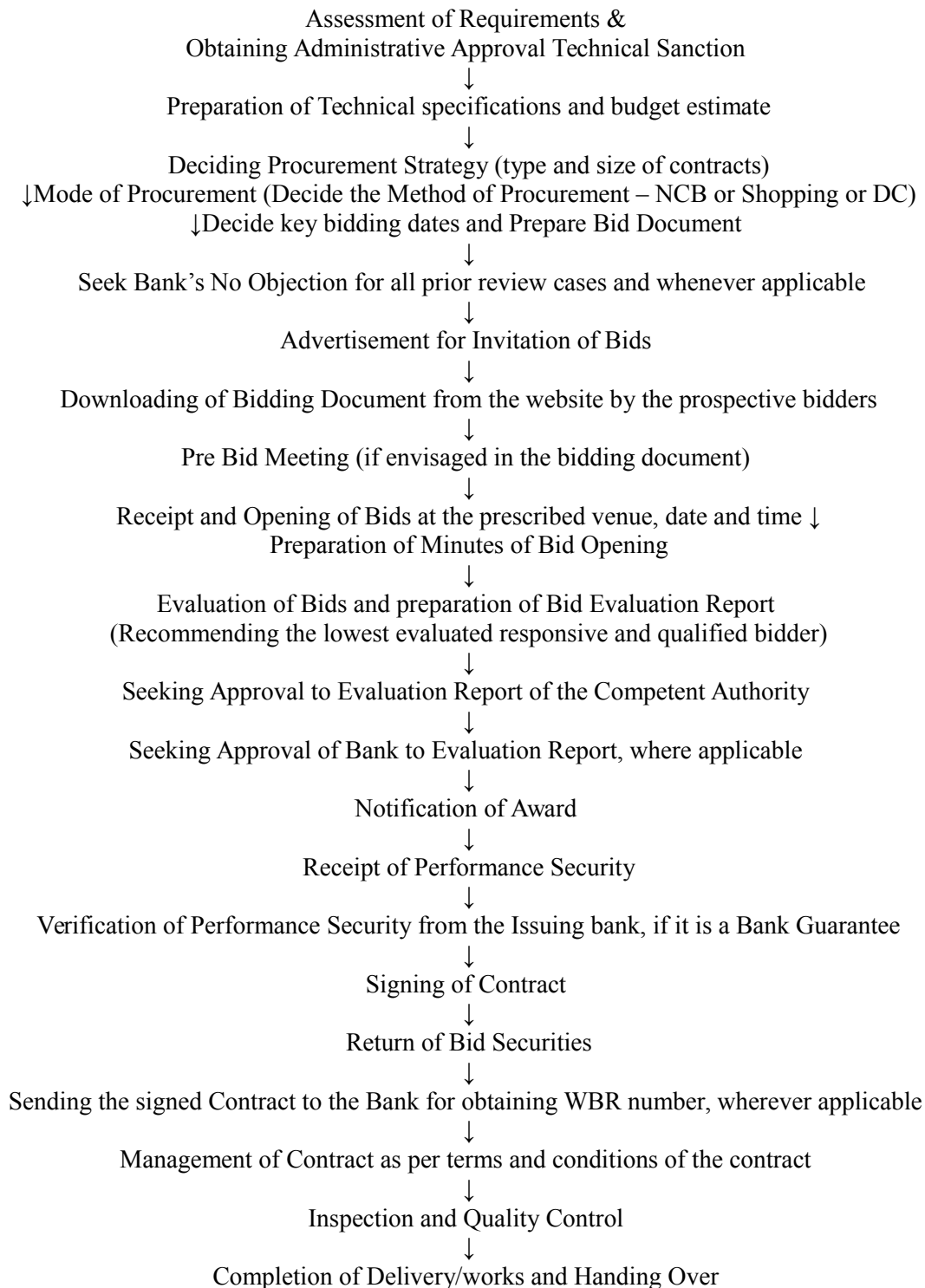
2.11 e-Procurement: Considering the advantages of e-procurement, Central Government and many State Governments in India have encouraged its departments for adopting e-procurement for large value procurements. Though e-procurement is being encouraged, State policies for e-procurement are evolving. Also, the Project Implementing Agencies till date have not handled any such large value procurement. Therefore for NAHEP before adoption of e-procurement, Bank clearance shall be sought by PIU. Upon acceptance customised tender documents for e-procurement adhering to World Bank processes shall be adopted. Efforts shall be made by PIU and all implementing units to adopt e-procurement procedures in the project within first two years of the project.

CHAPTER 3
PROCUREMENT PROCESSES
AND
PROCUREMENT METHODS FOR GOODS AND WORKS

3.1 Procurement Process for Goods & Works:

- (a) Procurement of Works: Works procured under the Project may include small works related to office/ training centre renovation and pilot watershed level civil works, these works will be procured mostly by shopping procedures. NCB shall be followed when the cost increases the threshold for Shopping.
- (b) Procurement for Goods: Goods procured under this Project would include scientific equipment and various other laboratory / office / Farm equipment/ implements and other related equipment and non-consulting services, IT equipment (computers, printers, PDA, network infrastructure, and servers); Office equipment and furniture etc. Some sophisticated R&D equipment and software.
- (c) The Goods, Works and Non-Consulting Services will be procured under project as per the Bank Procurement Guidelines January, 2011. Detailed instructions on procedures to be followed along with the bid documents, suggested formats for preparation of evaluation reports, and other procurement documentation are given in this Manual.
- (d) The procurement process will be adopted as per the strategy and the mode of procurement is as decided and included in the agreed procurement plan.
- (e) The approval of bidding document, invitation of bids, evaluation of bids, award of contracts and management of contracts for goods and works shall be as per delegated technical and financial powers delegated by competent authorities of the project implementing units.
- (f) It is envisaged that procurement of goods and works under the project would generally be procured either by Shopping procedure or National Competitive Bidding procedure, and no International Competitive Bidding is envisaged. As such, the NCB and Shopping Procedures have been explained in this manual. The procurement steps for NCB are explained in the form of a flow chart as under in respect of goods and equipment.

Flow chart of the procurement process in respect of Goods and Equipment (NCB)



3.2. Procurement requirement Assessment:

- 3.2.1 In order to obtain competitive prices, requirement of good/ works/ services of similar nature should be consolidated. This reduces the administrative cost associated with the process of multiple bidding. Thus consolidation of requirements can offer potential savings. Assessment

of procurement requirements for Goods and Works will be spelt out clearly in the procurement plan in accordance with the allocation agreed to in the cost tables.

- 3.2.2 Technical sanction and administrative approvals to the works and purchase of goods shall be obtained in accordance with the delegation of powers by respective competent authorities prior to invitation for bids by any implementing agency.

3.3. Procurement Strategy

- 3.3.1. It is important to agree on the procurement strategy before initiating tendering. The procurement strategy should cover the following elements:

- Key objectives of the procurement for the project.
- Chosen procurement method.
- Key milestones (check that adequate time is allowed).
- Key documents e.g. requirement specifications.
- Key factors influencing the procurement strategy relate to the degree of complexity, innovation and uncertainty about the requirement, together with the time needed to achieve a successful outcome.

- 3.3.2. It should be taken care of while raising indent and preparing tender document, if a project requires items of similar nature which may be supplied by the same suppliers, such items may be bundled together to form a package and rate for slices of items along with the bundle may be called with the same deadline and opened and evaluated simultaneously considering any discount on the package over slice so that best competitive price may be availed.

3.4 Methods of Procurement:

- (a) The mode of procurement emanates from the strategy adopted and will be on the basis of the procurement threshold as accepted by the Bank for the project and this will be reflected in the procurement plan.
- (b) The following are the usual methods of procurement of goods and works to be adopted in the Project as per the thresholds specified by Bank for use of these methods
- 1) International Competitive Bidding (ICB) for goods and works;
 - 2) Limited International Bidding for goods and works;
 - 3) National Competitive Bidding (NCB) for goods and works;
 - 4) Shopping for goods, works and non-consulting services;
 - 5) Framework Agreements for goods and non-consulting services;
 - 6) Direct Contracting for goods, works and non-consulting services;
 - 7) Force Account for works and non-consulting services;
- (c) Open competition is the basis for efficient public procurement. Of the above methods of procurement, the most appropriate method for the specific procurement shall be selected. The methods of procurement, where they are best suited, steps to be followed are discussed here under. The specific contracts to be financed under the project and their methods of procurement consistent with the Financing Agreement are specified in the Procurement Plan. All procurement under the project shall be carried out in accordance with the agreed procurement plan.

3.5 Process Description of Methods of Procurement:

3.5.1 International Competitive Bidding (ICB)

ICB is the most efficient/ economic and preferred method of procurement to be adopted, where import of goods or likely participation of foreign firm is involved. However,

procurement of goods or works through ICB is not envisaged in NAHEP project. However, if required, it shall be done in accordance with World Bank Procurement Guidelines.

3.5.2 Limited International Bidding (LIB)

Procurement of goods or works through LIB is also not envisaged in NAHEP project.

3.5.3 National Competitive Bidding (NCB): (Paragraph 3.3 and 3.4 of the Procurement Guidelines)

(a) Where best suited: National Competitive Bidding (NCB) is the competitive bidding procedure normally used for national level public procurement and may be the most appropriate method of procurement of goods, works and non-consulting services which, by their nature or scope, are unlikely to attract foreign competition. NCB is the most appropriate method of procurement where foreign bidders are not expected to be interested because:

- 1) Of the size and value of contract,
- 2) The goods, works and non-consulting services are available locally at prices below the international market,
- 3) The works are labour intensive and scattered geographically or spread over time.

(b) However foreign bidders are not to be precluded from participation if they wish to bid and are agreeable to accept NCB terms and conditions particularly with respect to bidding in Indian Rupees and payment in Indian Rupees.

(c) NCB Conditions under the Project:

Procurement under NCB method shall be carried out in accordance with paragraphs 3.3 and 3.4 of the Procurement Guidelines and the provisions mentioned hereunder. These provisions are the NCB conditions agreed between the Bank and DEA and shall be applicable for procurement through National Competitive Bidding (NCB) under the project. The provisions are as follows:

- (i) Only the model bidding documents for NCB agreed with the GOI Task Force (and as amended from time to time), shall be used for bidding;
- (ii) Invitations to bid shall be advertised in at least one widely circulated national daily newspaper (or on a widely used website or electronic portal with free national and international access) along with an abridged version of the said advertisement published in a widely circulated national daily inter-alia giving the website/ electronic portal details from which the details of the invitation to bid can be downloaded), at least 30 days prior to the deadline for the submission of bids;
- (iii) No special preference will be accorded to any bidder either for price or for other terms and conditions when competing with foreign bidders, state-owned enterprises, small-scale enterprises or enterprises from any given State;
- (iv) Except with the prior concurrence of the Bank, there shall be no negotiation of price with the bidders, even with the lowest evaluated bidder;
- (v) Extension of bid validity shall not be allowed with reference to contracts subject to prior review without the prior concurrence of the World Bank (i) for the first request for extension if it is longer than four weeks; and (ii) for prior approved packages, all subsequent requests for extension irrespective of the period. (Such concurrence will be considered by the Bank only in cases of Force Majeure and circumstances beyond the control of the Purchaser/Employer);
- (vi) Re-bidding shall not be carried out with reference to Contracts subject to Bank prior review without the prior concurrence of the Bank;
- (vii) The system of rejecting bids outside a pre-determined margin or "bracket" of prices shall not be used in the project;

- (viii) Rate contracts entered into by Directorate General of Supplies and Disposals will not be acceptable as a substitute for NCB procedures **unless agreed with the Bank on case to case basis**. Such contracts will be acceptable however for any procurement under the Shopping procedures;
- (ix) Two or three envelop system will not be used (except when using e-Procurement system assessed and agreed by the Bank);
- (x) As per 1.1(e) of World Bank Procurement Guidelines, the Association's right to inspect accounts and records of the bidders, suppliers and contractors will be included in the bidding document.

(d) Requirements of NCB

No.	Area	Requirement
1	Notification and Advertisement	The complete text of advertisement shall be published in a national newspaper of wide circulation in the national language or English language and/or also on the website of NAHEP/ ICAR or/and on a widely used website or electronic portal with free national and international access. A shorter version of the advertisement text including the minimum relevant information shall be published in the national press provided that the full text is simultaneously published on the widely used website or electronic portal with free national and international access. Notification shall be given to prospective bidders in sufficient time to enable them to obtain relevant documents (at least 30 days from the date of publication). The format for Invitation of Bids is available as Enclosure 3.1 .
2	Bidding document for goods and works	The model bidding document as agreed and cleared with the Bank shall be used. Soft copies of such model bidding documents for procurement of goods and works through NCB shall be available on project web site.
3	Bidding period for goods and works	A period between minimum 30 to 45 days or even more in case of large and complex contracts is considered reasonable.

3.5.4 Shopping: RFQ (Paragraph 3.5 of the Procurement Guidelines)

- (a) Shopping is a procurement method based on comparing price quotations obtained from several suppliers (in the case of goods) or from several contractors (in the case of civil works), or from service providers (in the case of non-consulting services) with a minimum of three, to assure competitive prices. If Purchaser has been unable to obtain at least three quotations, it shall provide the Bank with the reasons and justification why no other competitive method could be considered and obtain a no-objection before proceeding on the basis of the only responses already received.

Requests for quotation shall indicate the description and quantity of goods or specifications of works, as well as desired delivery (or completion), delivery terms, time and place. The evaluation of quotations shall follow the same principles as of open bidding. The terms of the accepted offer shall be incorporated in a purchase order or brief contract. (Detailed guidance on Shopping Procedures is given in **Enclosure 3.2**). The technical specification/ requirement mentioned in the RFQ and those in the final contract shall always remain consistent.

(b) **Where best suited:** It is an appropriate method for procuring urgent requirements of limited quantities of readily available, off-the-shelf items of goods or standard specification commodities of small value (less than the equivalent of US dollars 100,000) or simple civil works or non- consulting services of small value (less than the equivalent of US dollars 100,000) when more competitive methods are not justified on the basis of cost and efficiency.

(c) **Requirements of Shopping: Works:**

- RFQ for works (WB Format is given in **Enclosure 3.3**) shall indicate the items of work to be completed with approximate quantities, specifications to be followed and the time period in which the works are to be completed, the method of evaluation, the date and time by which the quotations should be submitted;
- Rates quoted should be fixed for the duration of the contract and shall not be subject to adjustment on any account;
- The prices shall be quoted in Indian Rupees only;
- Each bidder shall submit only one quotation;
- Quotation shall remain valid for a period of not less than 15 days after the deadline date specified for submission of quotations;
- A reasonable period of say 10 to 15 days is usually provided for the contractors to submit their sealed quotations;
- Minimum three quotations from different contractors to ensure competition;
- Public opening of quotations to ensure transparency;
- Evaluation of quotations in the same way of open bidding and Selection of lowest evaluated responsive bidder;
- Entering into a brief contract with the selected bidder (contractor).

(d) **Purchasing Goods by following Shopping Method:**

- RFQ for goods (WB Format is given in **Enclosure 3.4**) shall indicate the items to be supplied with quantities to be supplied, specifications for the items and the required delivery period, warranty required, the method of evaluation, the date and time by which the quotations should be submitted;
- Rates quoted should be fixed for the duration of the contract and shall not be subject to adjustment on any account;
- The prices shall be quoted in Indian Rupees only;
- Each bidder shall submit only one quotation;
- Quotation shall remain valid for a period not less than 15 days after the deadline date specified for submission of quotations;
- All duties, taxes and other levies payable on the raw materials and components shall be included in the total price;
- Sales tax/other applicable taxes in connection with the sale shall be shown separately;
- If the quotations are called for more than one item, it should also be indicated in the RFQ whether the evaluation would be for each item separately or as a package of all items together;
- A reasonable period of say 10 to 15 days is usually provided for the suppliers to submit the quotations;
- Minimum three quotations from different dealers to ensure competition;
- Public opening of quotations to ensure transparency;
- Evaluation of quotations in the same way of open bidding and Selection of the lowest evaluated responsive bidder;
- Issue of Purchase/ Supply Order to the selected bidder (Supplier). The Purchase order as appropriate, must include:

- Description, specification and quantity along with price;
- Delivery period;
- Terms of delivery free on rail (f.o.r) station of dispatch or free delivery to the consignee;
- Payment terms.

3.5.5 Framework Agreements: (Paragraph 3.6 of the Procurement Guidelines)

- (a) A Framework Agreement (FA) is a long-term agreement with suppliers, contractors and providers of non-consulting services which sets out terms and conditions under which specific procurements (call-offs) can be made through out the term of the agreement. FAs are generally based on prices that are either pre-agreed, or determined at the call-off stage through competition or a process allowing their revision without further competition.
- (b) Where best suited: FA's may be permitted as an alternative to the Shopping and NCB methods, if agreed with the Bank, for: (a) Goods that can be procured off-the-shelf or are of common use with standard specifications; (b) Non-consulting services that are of a simple and non-complex nature and may be required from time to time by the same agency (or multiple agencies) of Project; or (c) Small value contracts for works under emergency operations.
- (c) Requirements
- PIU shall submit to the Bank for its no-objection the circumstances and justification for the use of an FA, the particular approach and model adopted, the procedure for selection and award and the terms and conditions of the contract;
 - FA's shall not restrict foreign competition and should be limited to a maximum duration of 3 (three) years;
 - FA procedures applicable to the project are those of NCB that have been considered acceptable by the Bank and as described in the Financing Agreement;
 - Maximum aggregate amounts for the use of an FA shall be set in the procurement plan in accordance with the risks and in no case higher than the applicable NCB maximum aggregate amounts, and shall be agreed with the Bank;
 - FAs shall follow all guiding principles and procedures of NCB under paragraphs 3.3 and 3.4 of WB Procurement Guidelines including but not limited to the procedures of advertisement, fair and open competition, an effective and independent protest mechanism and transparent bid evaluation and selection criteria.
 - Publication of award shall follow the disclosure policy as given in the World Bank Guidelines and Government of India and respective State Government orders as applicable.

3.5.6 Direct Contracting: (Paragraph 3.7 and 3.8 of the Procurement Guidelines)

- (a) **Where best suited:** Direct contracting is contracting without competition (single-source). It may be an appropriate method under the following circumstances:

- An existing contract for goods, works and non-consulting services awarded with procedures acceptable to the Bank, may be extended for additional goods, works and non-consulting services of a similar nature. The Bank shall be satisfied in such cases that no advantage could be obtained by further competition and that the prices on the extended contract are reasonable. Provision for such an extension, if considered likely in advance, shall be included in the original contract;
- Standardization of equipment or spare parts, to be compatible with existing equipment, may justify additional purchases from the original supplier. For such purchases to be justified, the original equipment shall be suitable, the number of

new items shall generally less than the existing number, the price shall be reasonable, and the advantages of another make or source of equipment shall have been considered and rejected on grounds acceptable to the Bank;

- The required equipment is proprietary and obtainable from one source;
 - The procurement of certain goods from a particular supplier is essential to achieve the required performance or functional guarantee of an equipment or plant or facility;
 - In exceptional cases, such as but not limited to, in response to natural disasters and emergency situations declared by the Project and recognized by the Bank.
- (b) In this Project the following may be procured on Direct contract basis subject to approval from the Bank on a case to case basis with satisfactory justification.
- (i) Seeds, seedlings, plants and other horticultural inputs would be procured as per current practice with approval from competent authorities;
 - (ii) Specific chemicals required for the laboratory
 - (iii) Scientific equipment specifically required for the project and proprietary in nature
 - (iv) Petty consumable items costing less than \$ 400 per contract
 - (v) Topographical maps shall be procured from Survey of India;
 - (vi) State-wide satellite imagery, aerial photography and other allied material shall be procured from National and State Remote Sensing Agencies;
 - (vii) Meteorological data if required shall be procured from India Meteorological Department or appropriate state agencies; Such similar data shall also be procured directly from the custodians of such data at national or state level;
 - (viii) Scientific books and journals shall be procured from Publishers;
 - (ix) Application or other software as may be required for the Project shall be procured from the Producers and/ or Developers or their authorized resellers;
 - (x) The eligibility of the Suppliers shall be as per Bank Procurement Guidelines.
- (c) After the contract signature (irrespective of value), the Employer/ Purchaser shall publish in UNDB online the nature of the contract, price and duration and summary scope of the contract. This publication may be done quarterly and in the format of a summarized table covering the previous period.

3.5.7 Force Account: (Paragraph 3.9 of the Procurement Guidelines)

- (a) Use of Force Account method is subject to prior clearance of World Bank for its usage. It has to be agreed before its inclusion in Procurement Plan.
- (b) Force Account is the execution of certain components or whole of the work such as micro watershed treatment and non-consulting services such as mapping carried out by a government department/agency by use of employer's own personnel, materials and equipment. This may be the only practical method of procurement under specific circumstances. This should be justified on economic grounds.
- (c) The use of force account shall be justified and may only be used under any of the following circumstances:
 - (i) Quantities of construction and installation works that are involved cannot be defined in advance;
 - (ii) Construction and installation works are small and scattered or in remote locations for which qualified construction firms are unlikely to bid at reasonable prices;
 - (iii) Construction and installation works are required to be carried out without disrupting ongoing operations;
 - (iv) Risks of unavoidable work interruption are better borne by the Borrower than by a Contractor;
 - (v) Specialized non-consulting services such as aerial surveys and mapping, as matter of Borrower's law or official regulations for consideration such as national security, can only be carried out by specialized branches of the government; or

- (vi) Urgent repairs to prevent further damages, requiring prompt attention, or works to be carried out in conflict-affected areas where private firms may not be interested.

3.6. Procurement Procedure for National Competitive Bidding

Procurement plan: All procurement activities shall be executed in accordance with the procurement plan cleared by the Bank. The procurement plan shall be regularly updated. Any change/ updating of the procurement plan is subject to Bank clearance.

3.6.1 Notification and Advertising: (Paragraph 2.7 of Procurement Guidelines)

In NAHEP all the competitive bidding contracts for procurement will mostly be under NCB procedures. The bidders shall be notified in a timely manner of the opportunities to bid for specific contracts. To that end, invitations for bid, as the case may be, shall be advertised as Specific Procurement Notices (SPNs) in at least one newspaper of national circulation in India or on a widely used website or electronic portal with free national and international access in English along with an abridged version of the said advertisement published in widely circulated national daily interalia giving the website or electronic portal details from which the details of IFB can be downloaded, at least 30 days prior to the deadline for the submission of bids.

3.6.2 Bidding Documents: (Paragraph 2.11 and 2.12 of Procurement Guidelines)

3.6.2.1 General:

- (a) The bidding documents shall be prepared on the basis of agreed Standard Bidding Documents cleared with the Bank for the Project. No substantial change shall be made without prior clearance from the Bank.
- (b) Guidance on critical components of the bidding document is discussed in the following paragraphs.

3.6.2.2 Sample Bidding Document.

Standard Bid document of model bid documents shall be appropriately customized and cleared by the Bank and shall be used for all procurement under the NAHEP project.

3.6.3 Guideline as regard to Commercial terms of bidding Documents:

3.6.3.1 Validity of the Bids: (Paragraph 2.13 of Procurement Guidelines)

- (i) Normally, in case of NCB/ ICB, the bid validity period shall not exceed 90 days after the date of bid opening.
- (ii) It may be reduced to 60 or 45 days in case of procurement of computers where there is high fluctuation in the rates.
- (iii) However it could be increased to 120 days in respect of complex contracts, where the process of evaluation and the decision to award the contract is likely to take more time. Stipulating a longer period of validity will make the bid out of date when the rates are fixed and not subject to price adjustment.

3.6.3.2 Bid Security: (Paragraph 2.14 of Procurement Guidelines)

- (i) Bid Security (Earnest Money) to be deposited by the bidders along with their bid shall be a specified amount for each package/ schedule/ item as indicated in the bid document.
- (ii) It shall normally be 2% of the estimated cost of the goods or estimated cost of work rounded off to the nearest next higher multiple of hundred rupees. [For small value purchases and in some specific cases, where bid security is considered not essential, for example in vehicles it could be dispensed with]
- (iii) The Bid Security shall be in the form of a demand draft/ banker's cheque/ bank guarantee from a scheduled bank preferably having a branch at the place where

tenders are to be submitted, which should be valid for a period of 4 weeks beyond the validity period of the tender. (Bank guarantees submitted by bidders/ contractors/ suppliers should be unconditional and be in the specified formats. Bid Securities of Joint Ventures should be in the name of all partners in the Joint Venture submitting the bid)

- (iv) Fixed Deposit Receipts endorsed in favour of purchaser shall also be acceptable.
- (v) The Bid Security of unsuccessful bidders shall be returned as promptly as possible upon the successful bidder's signing the contract and furnishing the performance security.
- (vi) The Bid Security shall be forfeited in the event of withdrawal of the bid within the original validity or any extension thereto provided by the bidder. In case of a successful bidder Bid Security shall be forfeited if it fails to provide the performance security and fails to execute necessary agreement within the period specified.

3.6.3.3 Performance Security and Retention Money: (Paragraph 2.39 and 2.40 of Procurement Guidelines)

- (i) Tender documents for goods and works mention that the successful bidder shall be required to furnish performance security in an amount sufficient to protect the implementing agency in case of breach of contract by the contractor/supplier.
- (ii) The amount of performance security shall normally be 5% for goods/ works, of contract price or as stipulated in the bidding document (valid till 28 days after the date of expiry of defect liability period or the guarantee/ warranty period as the case may be), as specified in the bid document.
- (iii) This shall be in the form of a bank guarantee or other instruments as specified in the bid document.
- (iv) The performance security deposit shall be refunded within one month of the completion of supply of goods/ works and after the expiry of defects liability/ guarantee/ warranty period or as mentioned in the bidding document.
- (v) The performance security deposit may 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 work 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.
- (vi) **Retention Money:** in contracts for works, normally 5% of contract price shall be recovered from the running bills of the contractor as retention money. 50% of such retention money shall be repaid to the Contractor on completion of the whole of the works and balance 50% shall be repaid after expiry of the defects liability period on certification by the Engineer that all defects notified to the contractor before the end of the period have been corrected.

3.6.3.4 Liquidated Damages: (Paragraph 2.41 of Procurement Guidelines)

- (i) Provisions for liquidated damages shall be included in the conditions of contract for the delay in the delivery of goods or completion of works.
- (ii) In the case of goods, the liquidated damages shall be generally calculated at the rate of 0.5% per week of delay subject to a maximum of 10% of the contract value.
- (iii) In the case of works, the liquidated damages will be generally calculated at 0.05% of the contract price per day, subject to a ceiling of 10% of the contract price.

3.6.4 Sale of Bid Document, Opening, Evaluation and Award of Contract:

3.6.4.1 Sale of Bidding Documents, Receipt and Opening:

- (a) Bidding documents should be made available for sale till a day prior to the last date of receipt of bids, to all those who intend to participate in the bidding. A period of minimum 30 days shall be ensured from date of sale of bidding documents or from the date of publication of IFB in the press (whichever is later) and deadline for submission of bids.
- (b) Bidders shall be permitted to deposit their bids on any day during the bidding period either by post or in person. Bids shall be received only at one place (i.e. by the authority inviting the bids) and shall be kept in safe custody till the stipulated time of opening.
- (c) Last date of receipt of bids and opening of bids shall be the next day, following the close of sale of bidding documents. If the day happens to be a holiday, the last date of receipt and opening of bids shall be the next working day. Bid documents can be sold from different places but shall be received at one place only. The time of opening of bids shall be a maximum of half an hour after the time of closure of receipt of bids. All bids received shall be opened in presence of bidders or their representatives who choose to attend and shall sign a register evidencing their attendance.
- (d) Envelopes marked "WITHDRAWAL" shall be opened first, and the name of the bidder shall be read out. Bids for which acceptable notice of withdrawal has been submitted shall not be opened. Subsequently all envelopes marked "MODIFICATION" shall be opened and submission therein read out in appropriate detail. The bidder's names, bid prices including any alternative bid Price or deviations, discounts, bid modification and withdrawals and the presence or absence of bid security and such other details as considered appropriate shall be announced during opening of bids in the meeting. All cuttings and over writings observed in the Bid Form and Price Schedules shall be authenticated by the members of Bid Opening Committee by encircling and initialling the cuttings/ over-writings. The minutes of the bid opening should be prepared. A suggested format is given in the NAHEP/ ICAR website No bid shall be rejected at bid opening, except for late bids, which shall be returned unopened to the bidder.
- (e) Bids and modifications that are not opened and read out at bid opening shall not be considered further for evaluation, irrespective of the circumstances.

3.6.4.2 Evaluation of bids:

- (a) 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; whether bidder has quoted for the entire schedule/ package and in the required currency as indicated in the bid document;
 - Application of evaluation criteria;
 - Comparison of bids; and
 - Preparation of evaluation report.
- (b) If the bidder meets the stipulations indicated in the bid document, it is determined as substantially responsive and is considered further for evaluation. Before proceeding for evaluation, it shall be ascertained whether the bids:
 - meet the eligibility requirements;
 - have been properly signed;
 - are accompanied by the required authorization/ undertaking;
 - are accompanied by the required securities;
 - are substantially responsive to the requirements of bidding documents;
 - provides any clarification and or substantiation that the Purchaser has required to determine the responsiveness; and
 - are otherwise generally in order.

- (c) Once bids have been opened, the bidders shall neither be permitted to correct or withdraw material deviations or reservations, nor should the purchaser make a reference to the bidders to get the infirmity in the bid corrected. In order to evaluate if historical data in relation to the bid is required, and not submitted by bidder, the same can be requested from the bidder which should be submitted within a reasonable time span (say 7-10 days). The request for clarification and the response shall be in writing and no change in the price or substance of the bid shall be sought, offered or permitted.
- (d) A substantially responsive bid is one which conforms to all the terms and conditions of bidding document without material deviations. The determination of a bid's responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence.
- (e) If a bid is not substantially responsive, that is, it contains material deviation from or reservation to the terms, conditions and specifications in the bidding documents, it should not be considered further.
- (f) The Purchaser may waive any minor infirmity or nonconformity or irregularity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any bidder. In those cases for the purposes of evaluation, adjustments should be made for the costs to the Purchaser of any quantifiable non-material deviation or reservations.
- (g) No preferential treatment should be given to any bidder or class of bidders either for price or for condition unless specifically cleared with the Bank and stipulated in the Project Agreement. Any procedure under which bids above or below a pre-determined assessment of bid values are automatically disqualified, is not applicable.
- (h) A bidder should not be required as a condition of award to undertake responsibilities not stipulated in the specifications or otherwise to modify his bid.
- (i) The purpose of bid evaluation is to determine the cost to the Borrower of each bid in a manner that permits a comparison on the basis of their evaluated cost. Subject to post-qualification of bidders, the bid with the lowest evaluated cost, but not necessarily the lowest submitted price, shall be selected for award.
- (j) The bid price read out at the bid opening shall be adjusted to correct any arithmetical errors. Also, for the purpose of evaluation, adjustments shall be made for any quantifiable nonmaterial deviations or reservations. Price adjustment provisions applying to the period of implementation of the contract shall not be taken into account in the evaluation.
- (k) The evaluation and comparison of bids for ICB shall be on CIP (place of destination) prices for the supply of imported goods and EXW prices, plus cost of inland transportation and insurance to the place of destination, for goods manufactured within the Borrower's country, together with prices for any required installation, training, commissioning, and other similar non-consulting services. For NCB, the comparison of all bids and award of contract may be based on total cost at destination including all taxes and duties.
- (l) Bidding documents shall also specify the relevant factors in addition to price to be considered in bid evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated bid. For goods and equipment, other factors may be taken into consideration including, among others, payment schedule, delivery time, operating costs, efficiency and compatibility of the equipment, availability of service and spare parts, and related training, safety, and environmental benefits. The factors other than price to be used for determining the lowest evaluated bid shall be, to the extent practicable, expressed in monetary terms in the evaluation provisions in the bidding documents.
- (m) Under works and turnkey contracts, contractors are responsible for all duties, taxes, and other levies, and bidders shall take these factors into account in preparing their bids. The evaluation and comparison of bids shall be on this basis. Bid evaluation for works shall be strictly in monetary terms. Any procedure under which bids above or below a predetermined assessment of bid values are automatically disqualified is not acceptable. If time is a critical factor, the value of early completion to the Borrower may be taken into

account according to criteria presented in the bidding documents, only if the conditions of contract provide for commensurate penalties for noncompliance.

- (n) If bidders have not been prequalified, the PIU/SLNAs/IPs shall determine whether the bidder whose bid has been determined to offer the lowest evaluated cost has the capability and resources to effectively carry out the contract as offered in the bid. The criteria to be met shall be set out in the bidding documents, and if the bidder does not meet them, the bid shall be rejected. In such an event, the Borrower shall make a similar determination for the next-lowest evaluated bidder.
- (o) The Bid Evaluation Report shall be prepared detailing the various steps for evaluation of bids and setting forth the specific reasons on which the recommendation is based for the award of the contract. PIU/ implementing units shall provide as a minimum all information required in the Standard Form of Bid Evaluation Report issued by the Bank in addition to other information the Bank deems relevant. World Bank format for preparation of the evaluation report for goods and works should be used.
- (p) The Standard Bid Evaluation 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 (not applicable under the project) ;
 - technical evaluations, if any;
 - post qualification evaluation;
 - names of bidders rejected and reasons for rejection of bids; and
 - The proposed contract award.

The Suggested Format for Bid Evaluation Report for Goods & Equipment is given in Enclosure 3.5 and the Model Bid Evaluation Report for Civil Works in in Enclosure 3.6.

3.6.4.3 Single Bids:

- (a) Where only one bid is received, efforts should be made to ascertain the reasons. If it is determined that publicity was not adequate, bid specification or any of the terms were restrictive or unclear, the bid shall be cancelled and invited afresh after amending the specifications/ terms.
- (b) If however, it is determined that bids are adequately advertised, and bid specifications are not restrictive and prices quoted are reasonable as compared to the current market values and bid is technically and commercially responsive, the bidding process shall be considered valid.

3.6.4.4 Extension of bid validity:

- (a) The bidders are required to keep their offers valid for a specified period (usually 90 days) to allow the purchasers 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 purchaser as non-responsive.
- (b) Where there is a delay in bid evaluation justified by exceptional circumstances, the purchaser shall request in writing all bidders to extend the period of validity of their bids, well before the expiry of the original bid validity period. The purchasers 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.

- (c) If extension of bid validity is required, it should be sought from all commercially and prima facie technically responsive bidders before stipulated expiration date and not from the lowest alone and the Bank be notified accordingly.
- (d) The extension shall be for the minimum period required to complete the evaluation.
- (e) In the case of fixed price contracts, requests for second and subsequent extensions may be permissible only if the Borrower has provided an appropriate mechanism as provided in the Bank's relevant SBD to adjust the quoted price of the winning bidder to reflect any increase in the cost of inputs for the contract over the period of extension.
- (f) In case of prior review contracts, Banks prior concurrence is required if the extension is longer than 4 weeks beyond the original validity period. When the extension of bid validity is sought, the extension of the validity of the bid security should be appropriately got extended. Second and subsequent extensions of validity of bids shall be asked only after approval of the World Bank.

3.6.4.5 Award of Contract:

- (a) Contract shall be awarded to a bidder, whose bid has been determined to be substantially responsive and who has offered the lowest evaluated price provided further that the bidder is determined to be qualified to perform the contract satisfactorily and meets the qualification criteria specified in bidding document.
- (b) If the lowest evaluated bidder (in the same name) does not meet the qualification criteria, his bid should be rejected and a similar determination should be made for the next lowest evaluated bidder, and the process continued, if necessary.
- (c) 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;
 - notify unsuccessful Bidders as soon as possible after receiving the signed contract and the performance security;
 - not negotiate the award with the successful bidder; and
 - not require the selected bidder to provide performance in excess of that specified in the Bidding Documents.
- (d) 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.
- (e) Bids should not be rejected solely on account of non-submission of historical information. Bidders should be given an opportunity to furnish the necessary information by giving adequate time.
- (f) Where considered necessary verifying the information independently be undertaken before considering rejection of lowest offers for non-submission of some information.

3.6.4.6 Rejection of bids:

- (a) 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.
- (b) 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. All bids shall not be rejected and new bids invited on the same bidding and contract documents solely for the purpose of obtaining lower prices. 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.
- (c) Regardless of value, if all bids are proposed to be rejected and bids are to be re- invited, the Bank shall be consulted before such action. Format for seeking the approval of Bank should be followed.
- (d) The purchaser shall communicate the fact of the rejection to all the bidders.

3.6.4.7 Debriefing: (Paragraph 2.65 of the Procurement Guidelines)

In the publication of contract award referred to in paragraph 3.8, the Purchaser shall specify that any bidder who wishes to ascertain the grounds on which its bid was not selected should request an explanation from the Purchaser. The Purchaser shall promptly provide an explanation of why such bid was not selected, either in writing and/or in a debriefing meeting, at the option of the Purchaser. The requesting bidder shall bear costs of attending such a debriefing.

3.7 Consultation with and Information to be submitted to the Bank

- (a) For all agreements requiring prior review as well as for those which would increase the value of contract to the prior review threshold and above, before agreeing to any material modification or waiving of the terms and conditions, or granting a material extensions of the stipulated time for performance of such contract, or issuing any change order under a contract, which would in aggregate increase the original amount of work by more than 15% of the contract price, Banks clearance shall be obtained. Format for seeking Bank's clearance should be followed.
- (b) Copies of agreements for the Post Review Contracts (disbursement claimed on SOEs) are not to be forwarded to the Bank. However, the information shall be compiled by the Procurement Cell in the Office of PIU/implementing units and sent to the Bank when so required by the Bank. These may also be reviewed selectively by visiting Banks Supervision Mission or otherwise.
- (c) Information on the value of works executed on Force Account shall be compiled at the project implementing unit level and sent to PIU NAHEP for compilation.
- (d) Information on the value of procurement made under shopping procedure shall be compiled by all the respective implementing units for their part of the procurement and sent to the PIU NAHEP for compilation on project basis. This shall be required by the Bank in the prescribed formats.
- (e) Where the disclosure is to be made on UNDB, the required information may be sent by Procurement Cell of PIU to the Bank for publishing in the UNDB.

3.8 Publication of Award of the Contract

- (i) All contracts under NCB including those awarded under Framework Agreements and under Force Account and small value direct contracts (valued less than \$100,000 for goods and equipment and \$200,000 for civil works) should be published on the website of NAHEP/ ICAR.
- (ii) For all contracts under ICB and LIB and large value direct contracts, the PIU shall publish information on UNDB online, in addition to publishing on NAHEP/ ICAR Website.
- (iii) Such publication shall be within two weeks of receiving the Bank's no objection to the award recommendation for contracts subject to the Bank's prior review, and within two weeks of the Borrower's award decision for contracts subject to the Bank's post review.
- (iv) Publications shall include the bid and lot numbers and the following information, as relevant and applicable for each method:
 - (a) the name of each bidder which submitted a bid;
 - (b) bid prices as read out at bid opening;
 - (c) evaluated prices of each bid that was evaluated;
 - (d) the names of bidders whose bids were either rejected as non-responsive or not meeting qualification criteria, or not evaluated, with the reasons thereof; and
 - (e) the name of the winning bidder, the final total contract price, as well as the duration and summary scope of the contract.
- (v) The Bank will arrange the publication of the award of contracts under prior review on its external web-site upon receipt from the Borrower of a conformed copy of the signed contract and the performance security if applicable.

3.9 Disclosure: (Paragraph 2.60 of the Procurement Guidelines)

- (a) The following documents shall be disclosed on the NAHEP/ ICAR and respective implementing units websites:
 - (q) Procurement plan and updates;
 - (i) Invitations for bids for goods and works for all NCB contracts;
 - (ii) Request for expression of interest for selection/hiring of consulting services;
 - (iii) Contract awards for goods and works procured following NCB procedure;
 - (iv) Contract award of all consultancy services; and
 - (v) List of contracts following DC or SSS on a quarterly basis.
- (b) The following details shall be sent to the Bank for publishing in the Bank's external website and UNDB:
 - (i) Invitation for bids for procurement of goods and works using ICB procedures;
 - (ii) Request for expression of interest for consulting services with estimated cost more than \$300,000;
 - (iii) Contract award details for all procurement of goods and works under the project.
 - (iv) Contract award details of all consultancy services with estimated cost more than \$300,000;
 - (v) List of contracts/ purchase orders placed following SSS or DC procedures on a quarterly basis.
- (c) In respect of those contracts for which information is to be sent to Bank, within two weeks of receiving the Bank's no-objection to the recommendations of contract award, PIU shall take action to publish in UNDB online the results identifying the bid and lot numbers and the following information:
 - (i) name of each bidder who submitted a bid;
 - (ii) bid prices as read out at bid opening;

- (iii) name and evaluated prices of each bid that was evaluated;
 - (iv) names of bidders whose bids were rejected and the reasons for their rejection; and
 - (v) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded.
- (d) Further PIU/implementing units may also publish on their websites, any information required under the provisions of suo moto disclosure as specified in the Right to Information Act.

3.10 Indicative Procurement Timeline for Goods & Works

Based on the procurement procedures discussed in the chapter the Procurement Timeline (in general) for Goods & Works would be as given in the table below:

Procurement Timeline for Goods & Woks (Indicative)

Sl No	Procurement Steps	Shopping (Post)	NCB (Post)	NCB (Prior)	ICB (Prior)
1	Assessment of Requirements & Obtaining Administrative Approval Technical Sanction	1 Week	2 Weeks	2 Weeks	2 Weeks
2	Preparation of Bid Documents including Deciding Procurement Strategy, Mode of Procurement	1 Week	1 Week	2 Weeks	2 Weeks
3	Seeking Bank's No Objection, whenever applicable (including transmission of Bid documents/ RFQs to Bank, responding to queries if any, and obtaining Bank's Clearance)	N/A	N/A	2 Weeks	2 Weeks
4	Advertisement for Invitation For Bids	N/A	1 Week	1 Week	1 Week
5	Issue/ Sale of Bid Documents, Conducting Pre Bid Meeting (Wherever Necessary) and Receipt and Opening of Bids/ Quotations	2 Weeks	4 Weeks	4 Weeks	6 Weeks
6	Evaluation of Bids/ Quotations and Seeking Approval to Evaluation Report of the Competent Authority	1 Week	7-12 Weeks	7-12 Weeks	7-12 Weeks
7	Seeking Approval of Bank to Evaluation Report, where applicable	N/A	N/A	2 Weeks	2 Weeks
8	Notification of Award	ASAP	1 Week	1 Week	1 Week
9	Signing of Contract	ASAP	1 Week	2 Weeks	2 Weeks
10	Sending the signed Contract for WBR, whenever applicable	N/A	N/A	ASAP	ASAP
11	Inspection and Quality Control	As per Contract	As per Contract	As per Contract	As per Contract
12	Completion of Delivery/works and Handing Over	As per Contract	As per Contract	As per Contract	As per Contract

CHAPTER 4

EMPLOYMENT OF CONSULTANTS

4.1 **Consultants and need for Consulting Services:**

Consulting Services refers to services of an intellectual and advisory nature provided by consultants using their skills to study, design, organize, and manage projects. An organization which is charged with the responsibility of implementing a project successfully cannot be expected to have on its permanent establishment personnel of each and every skill required for the various specialized services, which are required for the implementation of a complex project. Hence it would be prudent for the organization which is implementing a project to hire the services of specialized consultants as and when required. This will result in cost effective and efficient method of use of the available resources of the organization, since the consultants would be employed for limited period without any obligation of permanent employment.

The term “Consultants” includes a wide variety of private and public entities, including consulting firms, engineering firms, construction managers, management firms, procurement agents, inspection service providers, auditors, UN agencies and other multinational organizations, investment and merchant banks, universities, research institutions, government agencies, non-governmental organizations (NGOs) and individual consultants. Consulting service should normally satisfy the following requirements:

- Meet high standards of quality;
- Be impartial (that is, delivered by a consultant acting independently from any affiliation, economic or otherwise, that may lead to conflicts of interest);
- Be proposed, awarded, administered and performed according to ethical standards.

4.2 **Types of Consulting Services:**

4.2.1 Consultancy services in Bank Projects may be grouped as under:

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

1.3 **Guiding principles for the selection of Consultants:**

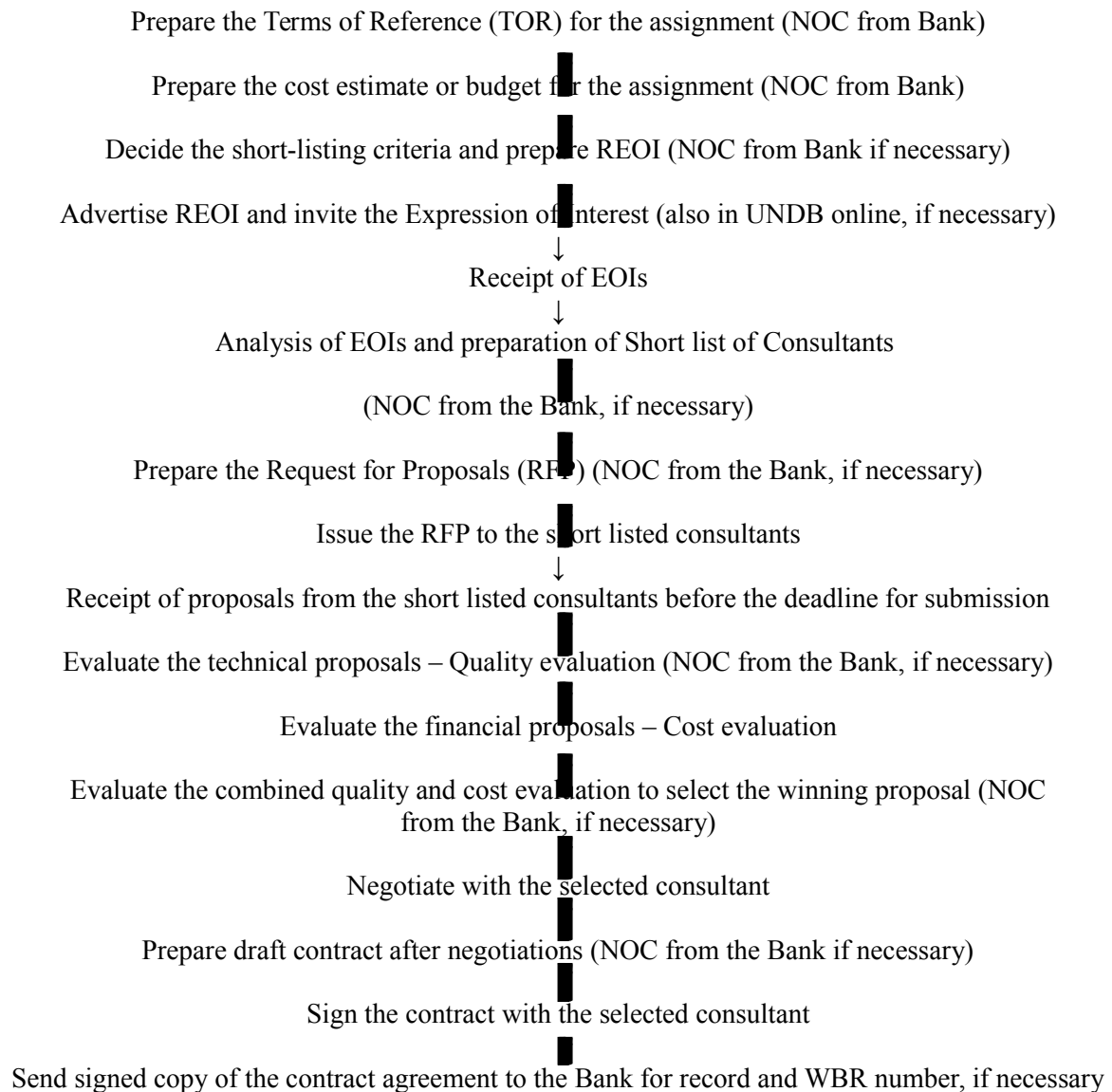
- High quality of services;
- Economy and efficiency;
- Competition among qualified consultants from all eligible countries;
- Participation of national consultants; and
- Transparency in the selection process.

The concerned implementing agency shall be responsible for selecting, evaluating, awarding and supervising the performance of consultant under the assignment.

4.4 Steps involved in the Procurement of Consultants:

Once the assignment has been identified and a decision has been taken to procure the services of a consultant for the assignment, the following steps shall be followed (These steps depend on the method of selection which will be discussed in paragraph 4.5. However, preparations of ToR and cost estimate are the initial two steps before starting the procurement process for selection of consultant. The following flow chart shows the steps for Quality and Cost Based selection QCBS).

Flow Chart for Procurement of Consultant Services (QCBS)



4.5 Methods of Selection of Consultants: (Section II and III of Consultant Guidelines)

The methods of selection have been designed to achieve the objectives of quality, efficiency, and economy, fairness and transparency in selection process and to encourage competition.

A table listing applicable steps in selection process for each method has been given below:

Steps	QCBS	FBS	LCS	QBS	CQS	SSS
Prepare TOR & Cost Estimate	√	√	√	√	√	√
Advertising for EOI	√	√	√	√	√	X
Short list of Consultants (Six Consultants)	√	√	√	√	At least 3 firms compared	X
Prepare & Issue RFP to short listed (normally 6) firms	√	√	√	√	Issue to the Best qualified & experienced firm	Issue to single Firm
Technical Evaluation & rejection of proposals below pass-marks	√	√	√	√	√	X
Combined Evaluation	√ Combined Highest Technically & Financially is selected	Technically Highest within price limit selected	Financial lowest of Technically Qualified selected	Only Technically highest selected Rest returned	X	X
Cost & Units negotiated	X	X	X	√	√	√
Contract Negotiations (Tech & Tax)	√	√	√	√	√	√
Award of Contract	√	√	√	√	√	√

4.5.1 Quality and Cost based Selection (QCBS): (Section II of Consultant Guidelines)

(a) Features: QCBS is a method of selection through competition among qualified short-listed firms based on the quality of the proposals and the cost of the services

provided. It is the most commonly recommended method for selection of consultant for most types of services to ensure proper addressing to main considerations of Bank's Policy in consultant selection process. Under QCBS the technical and financial proposals are submitted simultaneously in separate sealed envelopes (two-cover system). Proposals received after the deadline for submission are rejected. Evaluation of the proposals is done in two stages - first Quality (Technical) and then Cost (Financial). The envelopes containing the technical proposals are opened by a committee of officials of the Client immediately after the closing time for submission. The financial proposal envelopes remain sealed. The evaluation of the technical proposals is done as per criteria set out in the RFP. Technical scores of the technical proposals are notified publicly. The financial envelopes of those consultants who score more than the stipulated minimum qualifying technical score are opened in the presence of the consultants or their representatives wishing to attend. The financial proposals are then evaluated and the technical and financial scores are then combined according to the weights indicated in the RFP. The consultant obtaining the highest combined score is selected for award. He is then invited for negotiations. Because price is a factor of selection, the staff rates and other unit rates are not to be negotiated.

- (b) Where appropriate: This method of selection is appropriate when:
 - (i) The scope of the work of the assignment can be defined with fair clarity and the Terms of Reference are clear and well specified;
 - (ii) Client who hires the consultant as well as the consultant can estimate with reasonable precision the staff time, the assignment duration and the other inputs and costs required of the consultants;
 - (iii) The risks of downstream impacts are quantifiable and manageable;
 - (iv) The capacity building aspect of the assignment can be estimated with regard to duration and staff time effort.
- (c) To ensure receipt of responsive proposals, the RFP under QCBS shall indicate the level of key staff inputs (in staff time) estimated by the Client to carry out the assignment or the estimated cost of the services, but not both. However the 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.
- (d) Type of assignments for which QCBS method of selection is adopted:
 - (i) feasibility studies & designs where the assignment is simple and well defined;
 - (ii) Preparation of bidding documents and detailed designs;
 - (iii) Supervision of the construction of works and installation of equipment;
 - (iv) Technical, financial or administrative services of a noncomplex nature;
 - (v) Procurement and inspection services;
- (e) QCBS may not be appropriate for complex or specialized assignments in which the scope of the assignment is not well defined and staff time are difficult to estimate. Since cost is a factor in selection under QCBS consultants may propose conventional approaches and tested methodologies to keep the costs low. This may ultimately affect the quality of the assignment especially if the downstream impacts are complex, large or unknown.

4.5.2 Quality Based Selection (QBS): (Paragraphs 3.2 to 3.4 of Consultant Guidelines)

- (a) Where appropriate: QBS is based on the evaluation of the proposal quality without any initial consideration of cost. QBS is appropriate for the following type of assignments:
 - (i) complex or highly specialized assignments for which it is difficult to define precise TOR and the required input from the consultants, and for which the client expects the consultants to demonstrate innovation in their proposals (for example, country economic or sector studies, multi-sector feasibility studies, design of a hazardous waste remediation plant or of an urban master plan,

financial sector reforms), i.e. assignments which demand higher degree of flexibility in the TOR because of the novelty or complexity of the assignment, the need to select among innovative solutions, or the particular physical, environmental, or social circumstances of the assignment;

- (ii) assignments that have a high downstream impact and in which the objective is to have the best experts (for example, feasibility and structural engineering design of such major infrastructure as large dams, policy studies of national significance, management studies of large government agencies), i.e. assignments for which the quality of the services is of overriding importance for the success of the project as a whole; and
 - (iii) assignments that can be carried out in substantially different ways, such that proposals will not be comparable (for example, management advice, and sector and policy studies in which the value of the services depends on the quality of the analysis).
- (b) Features: in QBS, the RFP may request submission of a technical proposal only (without the financial proposal), or request submission of both technical and financial proposals at the same time, but in separate envelopes (two-envelope system). The RFP shall provide either the estimated budget or the estimated time of key experts, specifying that this information is given as an indication only and that consultants shall be free to propose their own estimates. Thus, depending on the particular methodology proposed, the Consultants are free to determine their own estimates of required staff inputs and corresponding cost which may differ considerably from Client's estimates. The proposals should not be rejected on this account.
- (c) If technical proposals alone were invited, after evaluating the technical proposals using the same methodology as in QCBS, the Borrower shall ask the consultant with the highest ranked technical proposal to submit a detailed financial proposal. The Borrower and the consultant shall then negotiate the financial proposal (Financial negotiations under QBS includes negotiations of all consultant's remuneration and other expenses) and the contract. All other aspects of the selection process shall be identical to those of QCBS, including the publication of the Award of Contract as described in paragraph 4.18 of this chapter except that only the contract price of the winning firm is published. If consultants were requested to provide financial proposals initially together with the technical proposals, safeguards shall be built in as in QCBS to ensure that the financial proposal of only the selected firm is opened and the rest returned unopened, after the negotiations are successfully concluded.
- (d) Generally in QBS method, the technical and financial proposals are invited in two separate envelopes. The envelopes containing the financial proposal shall be kept in safe custody to maintain integrity of the process, A committee of officials shall open all technical proposals received by the deadline for submission of proposals at the designated place stipulated in the RFP. At the opening of technical proposals in the presence of consultants wishing to attend, the opening officials shall neither reject nor discuss the merits of any proposal. The committee shall read aloud the names of the consultants that submitted proposals, the presence or absence of duly sealed financial envelopes and any other information deemed appropriate. The financial proposals shall remain sealed and shall be deposited with a reputed independent authority until they are to be opened in accordance with the procedure. The implementing agency shall evaluate each technical proposal using an evaluation committee of at least three (3) members and no more than seven (7) members including qualified specialists in the sector of the assignment under consideration. After the technical evaluation report is completed and Bank's no objection is obtained (wherever required) the implementing agency shall take action as explained in sub-para (c) above i.e. the financial proposal of that consultant who has scored the highest technical score (which should of course be more than the stipulated minimum score) shall be opened for evaluation of financial proposals and negotiations of contract thereafter. Type of

assignments where this method of selection is adopted: QBS is adopted for complex assignments such as the following:

- Sector and multidisciplinary studies of a complex nature;
- Important and far reaching strategy studies;
- Master plans, pre-feasibility and feasibility studies, or design of large and complex projects;
- Complex capacity building programs;
- Assignments in which consultant organizations with different cost structures (for example traditional consultants, nongovernmental organizations (NGOs) are required to compete;
- In situations of strong uncertainty or risk for the project;
- Design contests in which consultants present a plan or design based on concept or criteria provided by the Client.

4.5.3. Selection under a Fixed Budget (FBS): (Para 3.5 of the Consultant Guidelines)

- (a) Where appropriate: FBS is appropriate only when the assignment is simple and can be precisely defined (clearly defined objectives and scope of work, simple transfer of knowledge, capacity building inputs, etc.) and when the budget is fixed (by estimating it with reasonable accuracy, by assessing the staff and other inputs required from the consultant with precision).
- (b) Features: In FBS method, the RFP shall indicate the available budget in the RFP and request the consultants to provide their best technical and financial proposals in separate envelopes, within the budget. TOR should be particularly well prepared to make sure that the budget is sufficient for the consultants to perform the expected tasks. The total person months shall not be disclosed in the RFP. The RFP shall clearly indicate whether the budget includes taxes or levies payable in the Borrower country, and the price of any inputs provided by the client. The evaluation of all technical proposals shall be carried out first as in the QCBS method. Then the financial proposals shall be opened publicly by following procedure as stipulated for QCBS method.
- (c) Proposals that exceed the indicated budget shall be rejected. The Consultant who has submitted the highest ranked technical proposal among the rest shall be selected and invited to negotiate a contract.
- (d) Negotiations: Because the budget is fixed, the ToR cannot be substantially changed and technical negotiation cover only minor aspects. 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. Financial negotiations will not include discussions of remuneration rates and of other unit rates, but only of minor rearrangement of activities and staff for compatibility with the work plan and clarification of tax liability.
- (e) The award of the Contract shall be published as per 4.18 of this chapter.
- (f) Type of assignments for which this method of selection is adopted: FBS is likely to result in better quality proposals than under QCBS, because it is easier for consultants to maximize quality under a fixed budget than under simultaneous quality and cost competition. 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 budget.
- (g) Compared to QBS and QCBS, FBS requires the TOR to be consistent with the established budget and to contain a well specified scope of work for consultants to present clear and responsive proposals. The main risk of using FBS is under budgeting in the TOR and in doing so, discourage good consultants from participating and then receiving poor performances from the awarded consultant.

4.5.4 Least Cost Selection (LCS): (Paragraph 3.6 of Consultant Guidelines)

- (a) Where appropriate: This method is generally appropriate for selecting consultants for assignments of a standard or routine nature (audits, engineering design or supervision of noncomplex works, routine inspections, simple surveys and so forth) where well-established practices and standards exist.
- (b) Features: Under LCS method, minimum qualifying marks for evaluating Technical Proposals) are fixed and stated in the RFP. The Short listed Consultants are invited to submit Proposals, (Technical and Financial) in two separate envelopes. Technical proposals are opened first and evaluated. Those securing less than the minimum technical score are rejected, and the financial proposals of the rest (the consultants who have scored more than the minimum technical score) are opened by following procedure as applicable to QCBS method. The firm with the lowest price shall then be selected.
- (c) Under LCS method, a “minimum” qualifying mark for the “quality” shall be established, understanding that all proposals above the minimum compete only on “cost.” Because quality is to be ensured, a higher marks than usual are set (for example 75 or 80 percent) to ensure quality and avoid the risk of selecting low cost proposals of poor or marginally acceptable quality.
- (d) The award of Contract shall be published as per paragraph 4.18 of this chapter.

4.5.5 Selection Based on Consultant’s Qualifications (CQS): (Paragraph 3.7 of Consultant Guidelines)

- (a) When Appropriate: This method may be used for small assignments or emergency situations declared by the PIU/SLNAs/IPs and recognized by the Bank for which the need for issuing an RFP, and preparing and evaluating competitive proposals is not justified. The CQS method can substantially reduce the process cost for the Client as well as for the consultants and the time required for hiring consultant. It is particularly suitable when the qualifications and experience of the consultant are crucial to the choice while the technical proposal itself is not likely to reveal additional or decisive information on the suitability of the consultant for the proposed assignment. It is usually adopted for the following types of assignments:
 - Evaluation studies at critical decision points in the project implementation such as 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.
- (b) Features: In such cases, the PIU/SLNAs/IPs shall prepare the TOR and obtain expressions of interest that include information on Consultants’ experience and qualifications, eventually through a REOI as may be needed, from as many firms as possible, and at least three qualified, firms with relevant experience. Firms having the required experience and competence relevant to the assignment shall be assessed and compared, and the best qualified and experienced firm shall be selected. Only the selected firm shall be asked to submit a combined technical and financial proposal and, if such proposal is responsive and acceptable, be invited to negotiate a contract. Both technical and financial aspects of the proposal may be negotiated. If the negotiations fail with the selected firm, the provisions of paragraph 4.13 (d) of this manual shall apply. The minutes of negotiations shall be prepared and signed by both parties. Awards of Contracts shall be published as per paragraph 4.18 of this chapter.

4.5.6 Single Source Selection (SSS): (Paragraphs 3.8 to 3.11 of Consultant Guidelines)

- (a) Single-source selection of consultants does not provide the benefits of competition in regard to quality and cost, lacks transparency in selection, and could encourage unacceptable practices. Therefore, single-source selection shall be used only in exceptional cases. The justification for single-source selection shall be examined in

the context of the overall interests of the project, and the Bank's responsibility to ensure economy and efficiency and provide equal opportunity to all qualified consultants.

- (b) Single-source selection may be appropriate in the following cases, and only if it presents a clear advantage over competition: (a) for tasks that represent a natural continuation of previous work carried out by the firm (see next paragraph), (b) in exceptional cases, such as, but not limited to, in response to natural disasters and for emergency situations both declared by the PIU/SLNAs/IPs and recognized by the Bank, (c) for very small¹⁸ assignments, or (d) when only one firm is qualified or has experience of exceptional worth for the assignment. In all such cases, the PIU/SLNAs/IPs is not required to issue an RFP and shall submit to the Bank for its review and no objection the TOR of the assignment, a sufficiently detailed justification including the rationale for single source selection instead of a competitive selection process, and the basis for recommending a particular firm, *except for contracts below a threshold defined on the basis of risks and the scope of the project, and set forth in the Procurement Plan*. Suggested format for seeking Bank's prior clearance is given in **Enclosure 4.1**.
- (c) When continuity for downstream work is essential, the initial RFP shall outline this prospect, and, if practical, the factors used for the selection of the consultant shall take the likelihood of continuation into account. Continuity in the technical approach, experience acquired, and continued professional liability of the same consultant may make continuation with the initial consultant preferable to a new competition subject to satisfactory performance in the initial assignment. For such downstream assignments, the PIU/SLNAs/IPs shall ask the initially selected consultant to prepare technical and financial proposals on the basis of TOR furnished by the Borrower, which shall then be negotiated.
- (d) If the initial assignment was not awarded on a competitive basis or was awarded under tied financing or if the downstream assignment is substantially larger in value, a competitive process acceptable to the Bank shall normally be followed in which the consultant carrying out the initial work is not excluded from consideration if it expresses interest. The Bank will consider exceptions to this rule only under special circumstances and only when a new competitive process is not practicable. The award of Contract shall be published as per paragraph 4.18 of this chapter.

4.5.7 Selection of Individual Consultants:

- (a) Individual consultants are employed on assignments for which (a) teams of personnel are not required, (b) no additional outside (home office) professional support is required, and (c) the experience and qualifications of the individual are the paramount requirement. When coordination, administration, or collective responsibility may become difficult because of the number of individuals, it would be advisable to employ a firm. When qualified individual consultants are unavailable or cannot sign a contract directly with a Borrower due to a prior agreement with a firm, the Borrower may invite firms to provide qualified individual consultants for the assignment.
- (b) Individual consultants are selected on the basis of their qualifications for the assignment. Consultants shall be selected through comparison of qualifications of at least three candidates among those who have expressed interest in the assignment in

¹⁸ Dollar thresholds defining "very small" shall be determined in each case, taking into account the nature and complexity of the assignment, but shall not exceed US\$100,000, other than in exceptional cases.

response to advertisement or have been approached directly by the Client. Individuals considered for comparison of the qualifications shall meet the minimum relevant qualifications and those selected to be employed by the Client shall be the best qualified and shall be fully capable of carrying out the assignment. Capability is judged on the basis of academic background, relevant specific experience, and, as appropriate, knowledge of local conditions such as local language, culture, administrative system and government organization.

- (c) From time to time, permanent staff or associates of a consulting firm may be available as individual consultants. In such cases, the conflict of interest provisions described in the Bank's Consultant Guidelines shall apply to the parent firm.
- (d) Individual consultants may be selected on a sole source basis with due justification in exception cases such as:
 - (i) Tasks that are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively;
 - (ii) Assignments with total expected duration of less than six months;
 - (iii) Emergency situations resulting from natural disasters; and
 - (iv) When the individual is the only consultant qualified for the assignment.
- (e) For hiring of consultant job description, qualification and experience required and terms of engagement should be finalized.

4.5.8 Type of Assignments, suggested selection method and type of contracts:

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

Correlation between Type of Assignment, Selection Method, and Type of Contract (for guidance only)

Type of assignments/scope of work	Selection method	Type of contract
Critical studies in the field of policy, strategy, and management of Client's institutions Country economic, sector, or investment studies Master plans Pre-feasibility studies Complex feasibility studies Studies or design of complex projects Studies in new technology or human and social segment	QCBS	Time-based
Simple planning studies Simple feasibility studies Environmental studies Contract and detailed design of infrastructures Preparation of bidding documents Data processing Clearly defined strategy and management studies	QCBS	Lump-sum
Technical assistance for Institutional Development	QCBS	Time-based or indefinite delivery

Technical assistance in investment projects	QCBS	Time-based
Construction supervision	QCBS	Time-based
Procurement/ inspection	QCBS	Percentage
Simple, assignment with fixed budget	FBS	Lump-sum
Standard or routine assignments	LCS	Lump-sum

4.6 **Preparation of the Terms of Reference (TOR): (Paragraph 2.3 of Consultant Guidelines)**

4.6.1. **General considerations:**

- (a) TOR forms an important document of the RFP. It is required for understanding the assignment and its correct execution. It reduces the risk of unnecessary extra work, and additional expenditure for us. It helps reduce the risk of ambiguities during the preparation of the consultant proposals, contract negotiations and execution of the services.
- (b) TOR shall be prepared by experts or by a firm specialized in the area of the assignment. The scope of the services described in the TOR shall be compatible with the available budget. TOR shall define clearly the objectives, goals, and scope of the assignment and provide background information (including a list of existing relevant studies and basic data) to facilitate the consultants' preparation of their proposals. If transfer of knowledge or training is an objective, it should be specifically outlined along with details of number of staff to be trained, and so forth, to enable consultants to estimate the required resources. TOR shall list the services and surveys necessary to carry out the assignment and the expected outputs (for example, reports, data, maps, surveys etc.). However, TOR should not be too detailed and inflexible, so that competing consultants may propose their own methodology and staffing. Consultants shall be encouraged to comment on the TOR in their proposals. The clients and consultants' respective responsibilities should be clearly defined in the TOR. TOR should take into account our (the Client's) readiness, including our staff capabilities, institutional strength and organization. The scope of the work should be consistent with the staff month estimate or the estimated cost of the services.
- (c) The following considerations must guide preparation of the TOR:
 - TOR should contain sufficient background information on the project to enable consultants to present responsive proposals.
 - The scope of work in particular should be consistent with the available budget.
 - TOR should take into account the organization of the Client and its level of technical expertise and institutional strength.

4.6.2 **Contents of TOR:**

TOR should contain sufficient background information on both the assignment and the project to enable invited consultants to prepare responsive proposals. TOR should generally include the following:

No	Broad Contents of ToR	Typically may include details on
i)	Background information on the project and the assignment	<ul style="list-style-type: none"> • name of the Borrower; • project location; • rationale of the project; • project history (works done so far and by whom); • list of relevant studies and basic data; • need for consultants in the project; • issues to be resolved; • activities to be carried out by the consultants; • source of financing for the assignment; and • supervision arrangements.
ii)	Precise statement of the objectives of assignment	<ul style="list-style-type: none"> • preparation of development programs; • determination of project feasibility before an investment is made; • design of projects; • preparation of bidding documents; • supervision of works; • provision of training; • collection and analysis of data; and • evaluation of Borrower assets for sale, such as in privatization projects.
iii)	An outline of the tasks to be carried out (Scope of services) including transfer of knowledge, if any.	<ul style="list-style-type: none"> • The scope of services should be consistent with the staff-month estimate or the estimated cost of the services. • definition, scope, limits, and criteria of acceptance of the assignment; • desired level of detail (level of design, accuracy, composition of cost estimates, and so forth); • span of projections (time horizon, life span of project components, and so forth); • necessary comparison of the assignment with similar projects; • main issues to be addressed; • alternatives to be considered; • necessary surveys, special analyses, and models; • special equipment requirements; • institutional and legal framework of the project; • transfer of knowledge, objectives, and scope; • language requirements; • units of measurement to be used; • need for continuity, such as data gathering; • quality management requirements (if needed); • if applicable, types of training services; training approaches and methods and tools.
iv)	Schedule for completion of tasks	<ul style="list-style-type: none"> • The completion schedule to be consistent with payment terms and consultancy period.

No	Broad Contents of ToR	Typically may include details on
v)	Description of key professionals whose CVs would be evaluated	<ul style="list-style-type: none"> The list of key professionals who's CVs would be evaluated along with the required qualifications and experience for each key professional.
vi)	Outputs and Deliverables (List of reports, schedule of deliveries, period of performance etc.)	<ul style="list-style-type: none"> Inception Report Progress Reports Interim Reports Technical Design & Drawings Data Sets Final Report Number of copies of reports Schedule of deliveries of outputs
vii)	Data, services, personnel, and facilities to be provided by the Client	<ul style="list-style-type: none"> Facilities may include office space, vehicles, survey equipment, office and computer equipment, and telecommunication systems. Personnel may include Counterpart Staff
vii)	Composition of review committee to monitor consultants' work.	<ul style="list-style-type: none"> Institutional setup, Roles and responsibilities, Hierarchy and Authorities of Client's Personnel
viii)	Procedure for review of progress reports, inception, status, final draft and final reports	<ul style="list-style-type: none"> Review Timeline

4.7 Preparation of Cost Estimate and Budget: (Paragraph 2.4 of Consultant Guidelines)

Preparation of a well-thought-through cost estimate is essential if realistic budgetary resources are to be earmarked. The cost estimate shall be based on the client's assessment of the resources needed to carry out the assignment as per the ToR: expert's time, logistical support, and physical inputs (e. g. vehicles, laboratory equipment etc.). The costs shall be divided into two broad categories: (a) fee or remuneration (according to the type of contract used) and (b) reimbursable items and further divided into foreign and local costs. The cost of experts' time inputs shall be estimated based on a realistic assessment of required international and national expertise. The RFP shall indicate either the estimated level of experts' time inputs or the estimated total cost of the contract, but not both. The details of the estimate shall not be indicated. The various cost items to be considered for preparing estimates are as follows:

No	Broad items of Costs	Typically may include details on
i) Remuneration:		
a)	Fee or remuneration of various professional Staff/ Experts and support staff	<ul style="list-style-type: none"> Total Fee (Considering Daily/ Monthly Rates and person-days/ months required); Social Costs; Consultancy Organization overhead.
ii) Reimbursables:		
a)	Mobilization & Demobilization costs, if necessary.	<ul style="list-style-type: none"> Relocation expenses, travel, transport, temporary housing, storage, miscellaneous, etc.
b)	Communication, Surveys and training	<ul style="list-style-type: none"> The costs of these activities.

	programmes	
c)	Office Costs	<ul style="list-style-type: none"> • Office Rent • Office Supplies • Computer's/printers/fax/scanner operational cost • Communication, Telecommunication. Postage • Office Equipment & Furniture costs (usage)
d)	Office visits, Field visits, Survey visits etc.	<ul style="list-style-type: none"> • Air Travel/ Rail Travel/ Local Travels • Vehicles/ motorcycles hiring • Staff allowances, per diem – lodging & boarding • Field equipment costs – for surveys, tests, etc. • Laboratory equipment • Logistics support • Per Diem, staff allowances
e)	Report Preparation and submission	<ul style="list-style-type: none"> • Costs of Data sets/ maps etc. • Cost of data entry & analysis • Typing • Translation • Printing, Photocopying, binding
f)	Financial costs	<ul style="list-style-type: none"> • Insurance • Duties • Taxes
g)	Contingencies	

4.8 Advertising: Request for Expression of Interests: (Paragraph 2.5 of Consultant Guidelines)

- (a) As opposed to open bidding for goods and works, proposals for consultancy are invited from a short list of selected consultants. Open invitation for consultancy proposals, would be time consuming for the Client since it has to evaluate each of the proposals to select a consultant. Similarly open invitation of proposals will mean incurring a lot of expenditure by the consultants in preparing satisfactory and acceptable proposals. The consultancy proposals are invited from a short list of selected consultants (who are assessed to be equally competent and qualified).
- (b) Based on the details of the consultants who have submitted expressions of interest in response to the advertisement (REOI) and from any other sources of reliable information, a short list of six consultants is prepared (in accordance with paragraph 4.9 of this manual) and they are invited to submit the proposals.
- (c) National PIU shall first arrange for publication of a General Procurement Notice (GPN) including a list of expected consulting assignments, which is published by World Bank in the UN Development Business Online and also on the Bank's external website. Later on, for obtaining Expressions of Interest, PIU/SLNAs/IPs shall advertise a Request for Expressions of Interest (REOI) for each contract for consulting firms in at least one widely circulated national newspaper and in a freely accessible electronic portal (such as ICAR and or SAUs website). In addition, Requests for Expressions of Interest (REOI) for assignments expected to cost more than US\$ 300,000 shall be advertised in *UNDB online*¹⁹ and in the Banks's External Website in accordance with Para 2.5 of the Consultant Guidelines. PIU/SLNAs/IPs may also advertise requests for REOIs in a

¹⁹ Exceptionally, when the Bank has agreed to a short list comprising only national consultants, the Bank may agree that the Borrower does not publish in the *UNDB on line* contracts above \$ 300,000. US Dollar thresholds indicated throughout these Guidelines include all taxes and duties, if applicable.

national/international newspaper or in a technical journal or magazine. Also, a copy of the REOs should be sent to all the consultants who have initially responded to the GPN.

- (d) For small consultancy assignments of estimated cost usually less than \$100,000 PIU/SLNAs/IPs can prepare a short list of the consultants out of its own knowledge of reliable and well performing consultants in the area of operation. However, if there are more number of consultants available and the value of the assignment is considerable, the preparation of short list becomes a contentious issue and motives could be attributed. Hence PIU/SLNAs/IPs shall seek expressions of interest by inserting an advertisement in the press. This will provide equal opportunities for all interested consultants to get short listed.
- (e) For all consultancies to be selected through competitive process, PIU/SLNAs/IPs should prepare REOs by giving brief information of the consultancy assignment and requesting the consultant to furnish detailed information adequate enough to compare the firms and prepare the short list. The information requested should be the minimum required to make a judgment on the firm's suitability and not be so elaborate as to discourage consultants from expressing interest. REOs shall at a minimum include the following information applicable to the assignment: required qualifications and experience of the firm but not individual experts' bio data; short listing criteria; and conflict of interest provisions. The format to be used for REOI is attached as **Enclosure 4.2**. A detailed list of the information that should be included in the ITC is provided in the Bank Consultant Guidelines for Selection and Employment of Consultants. The requested information should include the following:
- Details of the Consultancy Organization: Legal status, Nature of core business and years in business;
 - Qualifications and experience of the Consultancy Organization in the field of the assignment along with brochures, description of similar assignments performed with details of clients, experience in similar conditions etc.;
 - Technical and managerial capability of the Consultancy Organization: general qualifications and number of key professional staff.
 - Financial Capability of the Consultancy Organization: Annual Turnover, Goss Income, etc. as per Annual Reports
 - Short listing Criteria
- (f) Not less than clear two weeks from the date of advertisement should be provided for submission of EoIs.

4.9 Short listing: (Paragraphs 2.6 to 2.8 of Consultant Guidelines)

- (a) Based on the detailed information provided by the consultants through their Expressions of Interest in response to the advertisement and after due-diligence, a short list of six consultants is prepared.
- (b) PIU/ implementing units shall prepare a Short list of 6-consultants with a wide geographic spread to ensure adequate competition with (i) no more than two firms from any country unless there are no other qualified firms identified to meet the requirement, and (ii) at least one firm from a developing country unless no qualified firms from developing country could be identified. The short list can comprise of entirely national consultants if the value of the assignment is less than \$ 800,000 equivalent. However, if foreign firms have expressed interest they shall not be excluded from consideration.
- (c) Government owned enterprises or institutions in India may be considered in short list only if they can establish that they are: (i) legally and financially autonomous, (ii) operate under commercial law, and (iii) are not dependent agencies of the Borrower or Sub-Borrower.
- (d) As an exception to (b), when the services of government owned universities or research centres or other institutions in India are of unique and exceptional nature including because of the absence of a suitable private sector alternative, and their participation is critical to project implementation, the Bank may agree on the hiring of those institutions

on case to case basis. On the same basis university professors or scientists from research institutes can be contracted individually under Bank financing.

- (e) The short list shall preferably comprise consultants of the same category, similar capacity and business objectives, corporate capacity, experience and field of expertise and that have undertaken assignments of similar nature and complexity. Consequently, the short list shall normally be composed of firms of similar experience or of not-for-profit organizations (NGOs, Universities, UN Agencies etc.) acting in the same field of expertise. If mixing is used, the selection should be made using Quality Based Selection (QBS) or Selection Based on the Consultant Qualifications (CQS) for small assignments usually less than \$300,000 equivalent. The short list should not include Individual Consultants. If the same firm is considered for inclusion in short lists for concurrent assignments, the Client shall assess the firm's overall capacity to perform multiple contracts before including it in more than one short list.
- (f) These expressions of interest are then objectively evaluated by a committee of officials and a short list is prepared comprising six (6) consultants. Proposals are then invited from the short listed consultants.
- (g) **Due Diligence while preparing short list concerning Bank's Sanctions Policies and Procedures:** When conducting the evaluation of EoIs, the PIU/SLNAs/IPs shall check the eligibility of consultants from the lists of firms and individuals debarred and suspended, pursuant to paragraph 1.23(d) of Consultant Guidelines and/or paragraph 1.16(d) of the Procurement Guidelines, by the Bank that are posted on the Bank's external website.

4.10 Types of Consultancy Contracts commonly used: (Section IV of Consultant Guidelines)

4.10.1 General:

The type of contract to be adopted depends on the nature of assignment, distribution of risks between the Client and Consultant and the level of capacity of the Client in contract management and contract supervision.

- (a) The contract invariably comprises of:
 - The form of agreement to be signed by the Client and the Consultant
 - The (General Conditions of Contract) GCC, which must be kept unchanged
 - The (Special Conditions of Contract) SSC, which are specific to the assignment, and
 - The Appendices
- (b) It needs to be noted that the text of the Form of Agreement and of the General Conditions of Contract (GCC) should not be changed. The Special Conditions of Contract (SSC) enable the Borrower to amend or supplement the clauses of the general conditions to reflect local conditions and characteristics of the assignment.

4.10.2 Lump-Sum Contract: (Paragraph 4.1 of Consultant Guidelines)

- (a) **Where best suited:** This type of contract is used mainly for assignments in which the scope and the duration of the services and the required output of the consultants are clearly defined. It is widely used for simple planning and feasibility studies, environmental studies, detailed design of standard or common structures, preparation of data processing systems, surveys and so forth, wherein external factors are not expected to influence the timeline of outputs/ deliverables of the assignment.
- (b) **Features:** In case of lump-sum contracts, Payments are linked to clearly defined outputs (deliverables) such as reports, drawings, bills of quantities, bidding documents, and software programs. The contract shall include a fixed price for the activities to be carried out by the consultant. Lump-sum contracts shall not generally be subject to automatic price adjustment when their duration is expected to be less than 18 (eighteen) months, except for small-value multi-year contracts (for example with auditors). The price of a lump-sum contract may be exceptionally amended when the scope of the services is extended beyond what was contemplated in the original TOR and contract. Lump-sum contracts are easy to administer because they operate on the principle of fixed price for a

fixed scope, and payments are due on clearly specified outputs and milestones. Under lump-sum contracts the Client agrees to pay to the Consultant a fixed sum of money for the services given such as preparation of study report, project design, tender document etc. to be delivered within a specified period. It is easy to assess the quality of the outputs. The risks of cost overruns are borne by the consultant.

4.10.3 Time-Based Contract: (Paragraph 4.2 of Consultant Guidelines)

- (a) **Where best suited:** This type of contract is appropriate when it is difficult to precisely define or fix the scope and the duration of the services in the TOR (such as management of complex institutions or studies of new approaches); either because they are related to activities carried out by others for which the completion period may vary (e.g. supervision of implementation contracts - the duration and quantity of resources (staff months) depend on variables that are beyond the control of consultants or the services are related to the activities undertaken by third parties); or because the input of the consultants required for attaining the objectives of the assignment is difficult to assess (e.g. technical assistance, organization development, emergency situations in which the Client's requirements can be known as the assignment progresses). It is widely used for complex studies, supervision of construction, advisory services, and most complex capacity building and training assignments.
- (b) **Features:** Payments are based on agreed hourly, daily, weekly, or monthly rates for experts (who are normally named in the contract) and on reimbursable items using actual expenses and/or agreed unit prices. The rates for experts include remuneration, social costs, overhead, profit, and where appropriate, special allowances. The contract shall include a ceiling amount of total payments to be made to the consultants, which is revised by mutual agreement, with a change in scope of the services or the extension of the period of contract. This ceiling amount should include a contingency allowance for unforeseen services and duration and a provision for price adjustment for inflation. To adjust the remuneration rates (the staff month rates and unit rates of reimbursable expenses) in a time-based Contract for foreign and/or local inflation, a price adjustment provision shall be included in the contract if its duration is expected to exceed 18 (eighteen) months. Time-based Contracts of a shorter duration may include a provision for price adjustment when local or foreign inflation is expected to be high and unpredictable. Time-based contracts need to be closely monitored and administered by the client to ensure that the assignment is progressing satisfactorily and that payments claimed by the consultants are appropriate. Time-based contracts transfer cost risk to the Client. The Client shall monitor and control assignment progress and costs because the consulting firm would be keen to deploy staff for more period including senior staff and more number of units of reimbursable expenditures.

4.10.4 Other types of Contract. (Paragraph 4.4 of the Consultant Guidelines)

Besides the lump-sum, and time-based contracts as discussed above, other three types of contracts are Percentage Contracts, Indefinite Delivery Contracts and Retainer and/or Contingency (Success Fee Contracts). It is envisaged that these three types of contracts may not be required under the Project. However, if required the corresponding procedures under the Consultant Guidelines shall apply.

4.11 Request for Proposals (RFP) – Preparation, Issuance, Receipt & Opening: (Paragraphs 2.9 to 2.14 of Consultant Guidelines) {Soft Copy of Draft model RFP is given in CD}

4.11.1 RFP Document:

- (a) The RFP document for procurement of consultants is what a tender document is for procurement for goods and works. RFP provides all the instructions and information

necessary for the short listed consultants to prepare their proposals. RFP includes the following:

- Letter of Invitation (LOI) (providing the information of name of Client, source of fund, names of short listed consultants, name of the consulting assignment, method of selection, dates by which the proposals are to be submitted etc.);
- Instructions to the Consultants (including evaluation process, evaluation criteria and sub-criteria and their relative weights, minimum qualifying marks, estimated staff man months, qualification and experience of key personnel etc.);
- Standard Forms for submission of Technical Proposals;
- Standard Forms for submission of Financial Proposals;
- Terms of Reference (TOR);
- Standard Form of Contract either Lump-Sum or Time-Based (including General Conditions of Contract (GCC), Special Conditions of Contract (SCC) with Appendices).

- (b) PIU/implementing units shall use the applicable standard RFPs issued by the Bank with minimal changes, acceptable to the Bank, as necessary to address project-specific conditions. Any such changes shall be introduced only through the RFP data sheet. Borrowers shall list all the documents included in the RFP. The Borrower may use an electronic system to distribute the RFP, provided that the Bank is satisfied with the adequacy of such system. If the RFP is distributed electronically, the electronic system shall be secure to avoid modifications to the RFP and shall not restrict access of short listed consultants to the RFP. The model RFP documents have been framed by World Bank and are available on the web sites of World Bank. RFP document for selection of Consultant for assignment costing less than US\$ 100,000 is given in **Enclosure 4.3**.

4.11.2 Letter of Invitation:

The LOI shall state the intention of the Borrower to enter into a contract for the provision of consulting services, the source of funds, the details of the client and the date, time, and address for submission of proposals.

4.11.3 Instruction to Consultants & Data Sheet:

- (a) The ITC shall contain all necessary information that would help consultants prepare responsive proposals, and shall bring as much transparency as possible to the selection procedure by providing information on the evaluation process and by indicating the evaluation criteria and factors and their respective weights and the minimum passing quality score.
- (b) The ITC shall indicate either an estimate of the key experts inputs (in person-months) required of the consultants or the estimated budget, but not both. Consultants, however, shall be free to prepare their own estimates of experts' time to carry out the assignment and to offer the corresponding cost in their proposals.
- (c) When, under time-based contracts, the services are of a routine nature or do not require an innovative approach, the Borrower may, subject to the Bank's no objection, require the consultants to include in their proposal the same level of experts' time inputs as indicated in the RFP, failing which their financial proposal shall be adjusted for the purpose of comparison of proposals and decision for award.
- (d) The ITC shall specify the proposal validity period, which should be adequate for the evaluation of proposals, decision on award, the Bank review, and finalization of contract negotiations. A detailed list of the information that should be included in the ITC is provided in Appendix 2 of Consultant Guidelines.

4.11.4 Form of Contract for RFP:

- (a) Paragraph 4.10 of this Manual briefly outlines the most common types of contracts. Borrowers shall use the appropriate Standard Form of Contract issued by the Bank with

minimum changes, acceptable to the Bank, as necessary to address specific country and project issues.

- (b) Any such changes shall be introduced only through Contract Data Sheets or through Special Conditions of Contract and not by introducing changes in the wording of the General Conditions of Contract included in the Bank's Standard Form.
- (c) The standard forms of contract cover needs of the majority of consulting services. When these forms are not appropriate (for example, for pre-shipment inspection, procurement services, training of students in universities, advertising activities in privatization, or twinning) PIU/implementing units shall use other contract forms acceptable to the Bank.

4.11.5 Receipt and Opening of Proposal:

- (a) The PIU/ implementing units shall allow enough time for the consultants to prepare their proposals. The time allowed shall depend on the assignment, but normally shall not be less than four weeks or more than three months (for example, for assignments requiring establishment of a sophisticated methodology, preparation of a multidisciplinary master plan). During this interval, the firms may request clarifications about the information provided in the RFP. The PIU/ implementing units shall provide these clarifications in writing and copy them to all firms on the short list (who intend to submit proposals). If necessary, the PIU/ implementing units shall extend the deadline for submission of proposals.
- (b) The technical and financial proposals shall be submitted at the same time. No amendments to the technical or financial proposal shall be accepted after the deadline, although amended proposals may be submitted before such deadline. To safeguard the integrity of the process, the technical and financial proposals shall be submitted in separate sealed envelopes.
- (c) A committee of officials drawn by the PIU/ implementing units (technical, finance, legal as appropriate), shall open all technical proposals received by the deadline for the submission of proposals at the designated place stipulated in the RFP irrespective of the number of proposals received by such deadline. At the opening of technical proposals, in the presence of consultants wishing to attend, the PIU/ implementing units shall neither reject nor discuss the merits of any proposal. All proposals received after the deadline shall be declared late and rejected and promptly returned unopened. The committee shall read aloud the names of the consultants that submitted proposals, the presence or absence of duly sealed financial envelopes, and any other information deemed appropriate. The financial proposals shall remain sealed and shall be deposited with a reputable authority not involved in selection process until they are opened in accordance with paragraph 4.12.6.
- (d) Except as otherwise provided in RFP as per the CQS/QBS/SSS methods proposed, consultants shall neither be requested nor permitted to alter their proposals in any way after the deadline for the submission of proposals. While evaluating proposals, the Client shall conduct the evaluation solely on the basis of the submitted technical and financial proposals, and shall not ask consultants for clarifications, except for perfunctory queries with the prior no objection of the Bank.

4.12 Evaluation of Proposals: (Paragraphs 2.15 to 2.26 of Consultant Guidelines)

- (a) The evaluation of the proposals shall be carried out in two stages: first the quality, and then the cost.
- (b) Evaluators of technical proposals shall not have access to the financial proposals until the technical evaluation, including any Bank reviews and no objection, is concluded.
- (c) Financial proposals shall be opened only thereafter. The evaluation shall be carried out in full conformity with the provisions of the RFP.

PIU/ implementing units shall use the World Bank's standard format for preparing Evaluation Report which is given in Enclosure 4.4

4.12.1 Evaluation of Technical Proposals:

- (a) Given the need for high quality services, the quality of the evaluation of technical proposals is paramount. The Client shall evaluate each technical proposal using an evaluation committee of at least three, and normally no more than seven, members including qualified specialists in the sector of the assignment under consideration. Each member of the committee shall not be in a conflict of interest situation, and certify to that effect before participating in the evaluation. When the Bank determines that the technical evaluation is inconsistent with the RFP or does not properly evaluate the strengths or weaknesses of the proposals, and the committee fails to address the situation in a timely manner, the Bank may require the Client to form a new evaluation committee, including national/ international experts in the sector of the assignment, if necessary.
- (b) The technical evaluation shall take into account the criteria and the sub-criteria as reflected in the RFP. The RFP shall describe each such criterion and sub-criterion along with their relative maximum scores and disclose the overall minimum technical score below which a proposal will be rejected as non-responsive. The indicative range for the overall minimum technical score is 70 to 85 (seventy to eighty five) on a scale of 1 to 100 (one to one hundred). The maximum score for each criterion and the minimum overall technical score shall be determined based on the nature and complexity of the specific assignment.
- (c) The criteria shall include: (a) the consultant's relevant experience for the assignment, (b) the quality of the methodology proposed, (c) the qualifications of the key experts proposed, (d) transfer of knowledge, if required in the TOR, and (e) the extent of the participation of nationals among key experts in the performance of the assignment. They shall be within the indicative range of scores specified below, except with the no objection of the Bank. The maximum score for the "Participation by national experts" as indicated below shall not exceed 10 (ten).
- (d) Model Points range: Table below shows a range of points that may be allocated to each criterion on a scale of 1 to 100. The weights may be adjusted for specific circumstances.

Point Distribution of Evaluation Criteria for Technical Proposals

Evaluation Criteria	Points (Weights)
Consultant's specific experience	0 to 10
Methodology - Adequacy of the proposed methodology and work	20 to 50
Key Experts - Qualification and competence of key staff	30 to 60
Transfer of knowledge ²⁰ – Suitability of training program – Optional - if training is a proposed activity	0 to 10
Participation by National Experts	0 to 10
Total	100

- (e) The Borrower shall normally divide these criteria into sub-criteria. Each criterion shall then be scored on the basis of the weights assigned to respective sub-criteria. For example, sub-criteria under methodology might be *innovation* and *level of detail*. However, the number of sub-criteria should be kept to the essential. The Bank recommends against the use of exceedingly detailed lists of sub-criteria that may render the evaluation a mechanical exercise more than a professional assessment of the proposals. The weight given to experience can be relatively modest, since this criterion has already been taken into account when short listing the consultant. More

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Transfer of knowledge may be the main objective of some assignments; in such cases, it shall be indicated in the TOR and, with Bank prior no objection, may be given a higher weight to reflect its importance.

weight shall be given to the methodology in the case of more complex assignments (for example, multidisciplinary feasibility or management studies).

- (f) Only the key experts should be evaluated. Since they ultimately determine the quality of performance, more weight shall be assigned to this criterion if the proposed assignment is complex. The Client shall review the qualifications and experience of proposed key experts in their *curricula vitae*, which must be accurate, complete, and signed by an authorized official of the consulting firm and the individual proposed. The individuals shall be rated in the following 3 sub-criteria, as relevant to the task:
- (i) general qualifications: general education and training, length of experience, positions held, previous assignments as team expert, experience in developing countries, and so forth;
 - (ii) adequacy for the assignment: education, training, and experience in the specific sector, field, subject, and so forth, relevant to the particular assignment; and
 - (iii) experience in the region: knowledge of the local language, culture, administrative system, government organization, and so forth.
- (g) For national consultancy assignments, the points allotted to the criterion are generally distributed among the above sub criteria as per percentage given in Table below:

Range of percentage in Point Distribution of Key Staff Qualification and Competence Sub Criteria (for Guidance only)

Sub-criteria	Range of Percentage
<ul style="list-style-type: none"> • General Qualifications: General education and training, length of experience, positions held, time with the consulting firm as staff, experience in developing 	20-30
<ul style="list-style-type: none"> • Adequacy for the assignment: Education, training, and experience in the specific sector, field, subject, and so forth relevant to the particular assignment. 	50-60
<ul style="list-style-type: none"> • Experience in region and language: Knowledge of the local language, culture, administrative system, government organization and so forth. 	10-20
Total	100

- (h) Client shall evaluate each proposal on the basis of its responsiveness to the TOR. A proposal shall be considered unsuitable and shall be rejected at this stage if it fails to comply with important aspects described in the RFP. Technical proposals containing any material financial information shall be declared non-responsive.
- (i) The members of the evaluation committee shall evaluate proposals in accordance with the evaluation criteria specified in the RFP, independently of each other, and without any external influence from any person or entity. A proposal shall be rejected if it fails to achieve the overall minimum technical score specified in the RFP. At the end of the evaluation process, the Client shall prepare a Technical Evaluation Report using the Bank's standard form of evaluation report or another report acceptable to the Bank. The report shall substantiate the results of the evaluation and justify the total technical scores assigned to each proposal by describing the relative strengths and weaknesses of the proposals. Large differences in the individual scores given to a proposal for the same criterion or sub-criterion by different members shall be addressed and a justification be provided in the technical evaluation report. In the case of contracts subject to prior review, the technical evaluation report including the detailed evaluation sheets of each committee member shall be submitted to the Bank for its review and no objection. All records relating to the evaluation, such as

individual score sheets, shall be retained till end of two years after closing date of Financing Agreement.

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

4.12.2 Weightage for Technical and Financial scores:

- (a) The RFP shall indicate the relative weight assigned to the technical and financial proposals. For standard assignments, the weight for quality is normally 80 percent with 20 percent given to cost. More than 20 percent weight to the cost of services is justified only for relatively routine and straight forward assignments, (such as designs of very simple structures, Procurement agents, Inspection agents, Auditors etc.). For assignments in which quality considerations are relatively important, a minimum weight of 10 percent should be given to cost, and when considerations of quality are of primary importance, QBS is preferable to QCBS.
- (b) If cost is a factor of selection, a minimum technical qualifying mark may be provided in RFP to minimize the risk of accepting low-quality proposals at a very low cost. A qualifying mark in the range of 70 to 80 percent is typical. Any technical proposal with a score below this threshold is rejected, and the financial envelope is returned unopened. Setting the threshold too high increases the risk of rejection of a majority of proposals.

4.12.3 Sub-criteria for the evaluation criteria:

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

Evaluation Criteria and Sample Sub-criteria

Evaluation criteria (as defined in the Consultant Guidelines)	Evaluation sub-criteria (select a maximum of three)
Specific experience of the consultants in the field of assignment	Normally no sub criteria is specified.

Adequacy of the proposed methodology and work plan in responding to the TOR	<ul style="list-style-type: none"> - Technical approach and methodology - Work plan - Organization and staffing <p>Note: The number of sub criteria may be increased depending on the characteristic of the assignment</p>
Qualification and competence of key staff proposed for the assignment	<ul style="list-style-type: none"> - General qualifications - Adequacy for the assignment - Experience in the region and knowledge of local language <p>Note: These three sub criteria are defined in the RFP and cannot be changed.</p>
Suitability of the transfer of knowledge program (training)	<ul style="list-style-type: none"> - Relevance of program - Training approach and methodology - Qualifications of training specialists
Participation of nationals amongst the key staff	No sub criteria but only the method ²¹ to

4.12.4 Notification to Consultants:

- (a) On completion of evaluation of Technical Proposal, Technical Evaluation Report (TER) is prepared in the format prescribed by Bank. The evaluation report is sent to the Bank for review and issue of no-objection in respect of prior review cases along with the Checklist. In respect of post review cases approval of competent authority is obtained.
- (b) After the Technical Evaluation Report is completed (and for prior review contracts after the Bank has issued its no objection), the client shall inform consultants whose proposals did not meet the minimum qualifying technical score or were considered nonresponsive to the RFP and TOR that their financial proposals will be returned unopened after the signature of the contract. In addition the Client shall inform each of the above consultants of their overall technical score as well as scores obtained for each criterion and sub-criterion, if any. The Client shall simultaneously notify the consultants that have secured the minimum overall technical score of the date, time, and place set for opening the financial proposals. The opening date shall be set allowing sufficient time (at least a week from the date of notification) for consultants to make arrangements to attend the opening of the financial proposals.

4.12.5 Opening of Financial Proposals and Evaluation of Costs:

- (a) On the date and time set for opening the financial proposal, the Evaluation Committee verifies that the financial proposals have remained sealed and then open them. The financial proposals shall be opened in the presence of representatives of the consultants who choose to attend. The name of the consultant, the technical scores, including the break-down by criterion, and the offered total prices shall be read aloud and recorded when the financial proposals are opened. No modification to financial proposal is permitted. The Client shall also prepare the minutes of the opening and a copy of this record shall be promptly sent to the Bank along with Financial Evaluation Report in case of prior review and to all consultants who submitted proposals.

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As reflected by the participation of nationals among key experts (whether presented by foreign or national firms), and calculated as the ratio of key national experts' time (in person-months) to the total number of key experts' time (in person-months) in the proposal.

- (b) If the Proposals submitted by consultants include quotes for prices in more than one currency, then for the purpose of evaluation, prices shall be converted to a single local currency (Indian National Rupee) using the selling (exchange) rates from the official sources (such as State Bank of India) on the date as stated in the RFP. The RFP shall specify the source of the exchange rate to be used and the date of that exchange rate, provided that the date shall not be earlier than four weeks prior to the deadline for submission of proposals, nor later than the original date of expiration of the period of validity of the proposal. For a time-based contract, any arithmetical errors shall be corrected, and prices shall be adjusted if they fail to reflect all inputs that are included in the respective technical proposals. For a lump-sum contract, the consultant is deemed to have included all prices in its financial proposal, so neither arithmetical corrections nor price adjustments shall be made, and the total price, net of taxes included in the financial proposal shall be considered as the offered price.
- (c) The Evaluation Committee should first review the financial proposals for arithmetical errors and consistency between financial and technical proposals. Arithmetical errors should be corrected, omitted items evaluated, and corresponding adjustments made to the offered prices to obtain final evaluated prices. For purposes of comparing proposals, evaluated prices should be converted to Indian Rupees using exchange rate on date indicated in RFP.
- (d) For the purpose of financial evaluation, the offered prices shall exclude local identifiable indirect taxes (All indirect taxes levied on the contract invoices, at National, State (or Provincial) and Municipal levels, such as sales tax, VAT, excise tax, and similar taxes and levies) on the contract and income tax payable on the remuneration of services rendered. In exceptional circumstances, when indirect taxes cannot be fully identified by the Borrower when evaluating the financial offers, the Bank may agree that prices, for the purpose of evaluation only, include all taxes payable in India. The offered total price shall include all consultants' remuneration and other expenses such as travel, translation, report printing, or secretarial expenses. The proposal with the lowest offered total price may be given a financial score of 100 and other proposals given financial scores that are inversely proportional to their prices. Alternatively, a directly proportional or other methodology may be used in allocating the scores to the financial proposals. The methodology to be used shall be *as described in the RFP*.

4.12.6 Combined Evaluation and Final Score:

If QCBS is the method of selection, the Evaluation Committee weighs and combines the scores of the technical and financial proposals by adding them to obtain a final ranking of the proposals and makes recommendation of award. As discussed earlier in Paragraph 4.12.3, the weight for the "cost" shall be chosen, taking into account the complexity of the assignment and the relative importance of quality. Except complex or simple assignments, the weight for cost shall normally be 20 points out of a total score of 100. The proposed weightings for quality and cost shall be as specified in the RFP. The Final Evaluation Report is submitted to decision making authority for review and forwarding the report to the Bank for its clearance in case of prior review cases. The firm obtaining the highest total score shall be invited for negotiations. The Client invites the selected consultant for negotiations and informs the other consultants that they were unsuccessful and furnishes the name of selected firm. The scope of negotiations is given in para 4.13 below. After technical and financial negotiations are completed, the Client shall furnish to the Bank for all prior review cases, in sufficient time for its review, a copy of initialled negotiated contract. If the negotiated contract results in a substitution of key staff or any changes in TOR and in the originally proposed Contract, the Client shall highlight the changes and provide an explanation as to why these changes are necessary.

4.13 Negotiations: (Paragraphs 2.27 to 2.30 of Consultant Guidelines)

- (a) Negotiations shall include discussions of the TOR, the methodology, Client's inputs, and special conditions of the contract. These discussions shall not substantially alter the original scope of services under the TOR or the terms of the contract, lest the quality of the final product, its price, and the relevance of the initial evaluation be affected. Major reductions in work inputs should not be made solely to meet the estimated cost or available budget. The final TOR and the agreed methodology shall be incorporated in the "Description of Services" which shall form part of the contract.
- (b) During negotiations, the selected firm should not be allowed to substitute key experts, unless both parties agree that undue delays in the selection process make such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key experts were included in the proposal without confirming their availability, the firm may be disqualified and the process continued with the next ranked firm. The key experts proposed for substitution shall have qualifications equal to or better than the key experts initially proposed.
- (c) Financial negotiations shall include clarification of the consultants' tax liability in India and how this tax liability has been or would be reflected in the contract. Payments under lump-sum contracts are based on the delivery of outputs (or products), hence the offered price shall include all costs (experts' time, overhead, travel, hotel, etc.). Consequently, if the selection method for a lump-sum contract included cost as a factor in evaluation, the offered price shall not be negotiated. In the case of time-based contracts, payment is based on inputs (experts' time and reimbursables) and the offered price shall include experts' rates and an estimation of the amount of reimbursables. When the selection method includes cost as a factor in evaluation, negotiations of experts' rates shall not take place, except in special circumstances, like for example, experts' rates offered are much higher than typically charged rates by consultants for similar contracts. Consequently, the prohibition of negotiations does not preclude the right of the client to ask for clarifications, and if the fees are very high, to ask for their change, after due consultation with the Bank. Reimbursables are to be paid on actual expenses incurred at cost upon presentation of receipts and therefore are not subject to negotiations. However, if the client wants to define ceilings for unit prices of certain reimbursables (like travel or hotel rates), they should indicate the maximum levels of those rates in the RFP or define a per diem in the RFP.
- (d) If the negotiations with the highest ranked consultant fail the Borrower shall inform the concerned consultant in writing of all pending issues and disagreements, and provide them a final opportunity to respond in writing. Contract negotiations shall not be terminated only for budget considerations. If there is still disagreement, the Borrower shall inform the consultant in writing of its intention to terminate negotiations. Negotiations may then be terminated after obtaining the Bank's no objection, and the next ranked consultant invited for negotiations. The Borrower shall furnish to the Bank for review the minutes of negotiations and all relevant communications, as well as the reasons for such termination. Once negotiations have commenced with the next ranked firm, the Borrower shall not reopen the earlier negotiations. After negotiations are successfully completed and the Bank has issued its no objection to the initialled negotiated contract, the Borrower shall promptly notify other firms on the short list that they were unsuccessful.

4.14 Evaluation Committee:

- (a) For technical and financial evaluation of consultants' proposals, the PIU/SLNAs/IPs shall appoint a committee of three to five qualified numbers of individuals of comparable hierarchical level who shall undertake the process in the highest ethical standards. After the Committee has agreed upon the criteria and sub criteria definitions, and on rating and scoring methods (earlier to the receipt and opening of proposals), each committee member shall evaluate the proposals received independently. The Evaluation Committee should include one or two members of the team responsible for preparation of the TOR. To ensure transparency and consequent acceptability of the evaluation process and its

results in sensitive case, a truly independent observer is allowed to participate in session of Evaluation Committee.

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

4.15 Rejection of all proposals: (Paragraphs 2.33 and 2.34 of Consultant Guidelines)

- (a) The Client will be justified in rejecting all proposals only if: (i) all proposals are nonresponsive because they fail to respond to important aspects of the TOR or present major deficiencies in complying with the TOR; or (ii) all proposals fail to achieve the minimum technical score specified in the RFP; or (iii) if the offered price of the successful proposal is substantially higher than the available budget or a recently updated cost estimate. In the latter case, as an alternative to re-invitation, the feasibility of increasing the budget, or scaling down the scope of services with the firm should be investigated in consultation with the Bank. However, any substantial reduction in the scope of services will not be acceptable to Bank and will require a re-invitation. If cost is a factor in the evaluation for a time-based contract, the number of person-months proposed by the consultant may be negotiated, provided that it does not compromise quality or adversely affect the assignment. Even in such cases, the experts' rates shall not normally be negotiated.
- (b) Before all the proposals are rejected and new proposals are invited, the Client shall notify the Bank, indicating the reasons for rejection of all proposals, and shall obtain the Bank's no objection before proceeding with the rejection and the new process. The new process may include revising the RFP, including the TOR, the short list and the budget. These revisions shall be agreed upon with the Bank.

4.16 Role of Bank in evaluation process:

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

4.17 Award of contract:

- (a) After negotiations are concluded the contract is prepared which should contain the following:
- Negotiated TOR, including the scope of the work of the services, agreed on methodology, organization chart, and program of activities indicating dates for completion of the various tasks;
 - List of reports indicating format, frequency, content, submission dates and approval procedures;
 - Job description of key personnel and the staffing schedule;

- List of services, facilities to be made available by the Client also the timing for the provision of such services, facilities;
- Estimated contract amount in specified currency indicating staff man month rates and reimbursable expenses;
- Detailed capacity-building program if this is a specified requirement of the TOR.

(b) Signing of the contract completes the contract award process. In case of prior review cases, a copy of the signed contract is forwarded to the Bank for review and record along with the completed checklist.

4.18 Publication of Award of Contract:

- (a) The PIU/ implementing units shall publish information on UNDB online for all contracts when the short list included any foreign firm and all single source selection contracts awarded to foreign firms,
- (b) The PIU/ implementing units shall publish on their respective Websites and NAHEP/ ICAR Website all contracts where the short list comprises only National firms and all single source selection contracts awarded to National firms. Such publication shall be within two weeks after receiving the Bank's no objection for award of the contract in case of Prior Review and within two weeks of successful negotiations for consultancies in case of post review.
- (c) Publications shall include the following information as relevant and applicable for each method: (a) the names of all consultants in the short list, specifying those that submitted proposals; (b) the overall technical scores and scores assigned for each criterion and sub-criterion to each consultant; (c) the prices offered by each consultant as read out and as they have been evaluated; (d) the final combined scores and the final ranking of the consultants; (e) the name of the successful consultant and the total price, duration, and summary scope of the contract. The same information shall be sent to all consultants who have submitted proposals.

4.19 Debriefing

In the publication of contract award referred to in above paragraph the PIU shall specify that any consultant who wishes to ascertain the grounds on which its proposal was not selected, should request an explanation from the PIU. The PIU shall promptly provide the explanation as to why such proposal was not selected, either in writing and/or in a debriefing meeting, at the option of the consultant. The requesting consultant shall bear all the costs of attending such a debriefing.

4.20 Confidentiality

Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the award of contract.

4.21 Contract Performance:

- (a) Monitoring: The Client should closely monitor the performance of the consultant. This could be done by keeping track of the submission of deliverable/outputs. The reports as submitted by the consultants should be reviewed by a specially constituted review committee which should review the outputs and forward the approval/comments (soon after the receipt of the same) to the consultant for compliance and resubmission if need be.
- (b) Amendments: The contract is amended promptly as mutually agreed by modifications in the TOR, or scope of work or contract value.
- (c) Disputes: Sufficient efforts should be made to resolve the disputes amicably. Unresolved disputes shall be treated as per provisions in the contract.
- (d) Poor performance: In case of poor performance by one or more or all of the key staff of the consultant, action as per provisions in the contract shall be taken. Poor performance

should not be allowed to continue beyond a certain point. The consultant should be informed immediately to improve the performance and/or replace the key staff member(s) as per provisions in the contract. If the consultant does not comply or improve his performance adequately, action for termination of the contract shall be taken. Normally there is no provision for levy of penalty or liquidated damages in consultant contracts. Depending on the quality of the performance of the Consultant (depending on the gravity of the case) the Implementing units may decide (in consultation with PIU and World Bank not to include the Consultant in the short list for future assignments under the project and/or make recommendations to Project/ World Bank for debarring the Consultant for a specified period (in cases of serious lapses or indulging in fraudulent practices)

- (e) **Delays:** In case the consultant is not able to complete the assignment within the stipulated period of completion due to any reason whatsoever, the consultant shall requests for extension of time and or increase in cost. Soon after the request we should review the request and if we are satisfied with the request, we shall amend the contract either by increase of the cost or extension of time. Change (increase or decrease) in cost of the consultancy contract may become necessary on account of modification in description of services, extension of time due to change in description of services or where consultant services are dependent upon the performance of the third party etc. Consultant's request shall be examined in terms of the stipulations made in the contract.
- (f) **Completion of Assignment:** The Client shall review the draft deliverables/ outputs as per contract and promptly communicate its approval/ comments to the consultants. The consultants shall promptly comply with the comments without extra cost and submit the final deliverable/ output. After receipt of the same, final payments are made and the contract is closed.

4.22 Use of Non-Governmental Organizations (NGOs): (paragraph 3.16 of Consultant Guidelines)

4.22.1 NGOs are not for profit organizations that may be uniquely qualified to assist in the preparation, management, and implementation of projects, essentially because of their involvement and knowledge of local issues, community needs, and/ or participatory approaches. NGOs may be included in the short list if they express interest and provided that the Borrower and the Bank are satisfied with their qualifications. For assignments that emphasize community participation and considerable local knowledge, the short list may comprise entirely NGOs. If so an appropriate selection method (QCBS, FBS, LCS, or CQS), based on the nature, complexity and size of the assignment, shall be followed, and the evaluation criteria shall reflect the unique qualifications of NGOs, such as local knowledge, scale of operation, and prior relevant experience. Borrowers may select the NGO on a single-source basis, provided the criteria outlined in paragraph 3.9 of WB Consultant Guidelines are fulfilled. Non-governmental organization (NGOs) may be included in the consultant short list if they express interest provided the Project and Bank find their qualification satisfactory. Short lists for assignments that emphasize experience in community participation and in depth local knowledge may entirely comprise NGOs, and QCBS should be followed.

4.22.2 Short listing of NGOs shall be based on below noted criteria:

- **Regulating requirement**
 - NGO should be validly registered under Societies Registration Act of the Govt. or have other corporate status.
 - NGO should be validly registered to work in the particular geographic locality.
 - NGO's Article of Association or Bye laws perm it, operation in the project sector.
 - NGO should be non-political.
 - Should not have been black listed by the Central Social and Welfare Board (CSWB) or Council for the Advancement of Peoples Action & Rural Technology (CAPART) or by Central or any State Govt. in India.

- Human and Physical measures
 - Committed leadership at the top supported by adequate service level leadership.
 - Existence of adequate skilled staff in relation to needs of assignment.
 - NGO should have necessary physical resource base like accessible office space, vehicles, and communication facilities and so on.
- Community Sensitivity
 - NGO should have prior experience of community development activity and mobilization.
 - NGO should have sufficient understanding of local problems and are sensitive to issues concerning women and weaker sections of Society.
 - NGO should have keen understanding and should be sensitive to works related to environment.
 - Should have excellent communication skills.
- Financial Capacity
 - Should have required financial strength and capability (last three years turn over and audited balance sheet should be examined).
 - Should have facility to maintain separate records and accounting of funds allotted for the assignment.
- Relevant Sectional and Operational experience
 - Should have prior experience in related areas.
 - Should have adequate experience in Participatory Rural Appraisal.
 - Must have been functioning for last three years in similar type of assignments.

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

4.23 Indicative Timeline for Procurement of Consultants

The Procurement timeline (in general) for Consultancy Services as per the procedures described in the above paragraphs is as given in the table below.

Procurement Timeline for Consultancy Services (Indicative)

Sl No	Procurement Steps	QCBS with review	QCBS without review	FBS without review	SSS	Individual Consultant
1	Prepare the Terms of Reference (TOR) along with the cost estimate or budget and short-listing criteria for the assignment	3 weeks	3 weeks	3 weeks	3 weeks	3 weeks
2	Bank clearance/ No objection (NOC) of ToR and cost estimate	1 week	NA	NA	1 week	1 week
3	Advertise and invite the Expressions of Interest	4 weeks	4 weeks	4 weeks	NA	4 weeks
4	Prepare the Short list of Consultants	4 weeks	4 weeks	4 weeks	NA	4 weeks
5	Prepare the Request for Proposals (RFP)	1 week	1 week	1 week	1 week	1 week
6	Bank Clearance/ NOC to short list and RFP	2 weeks	NA	NA	2 weeks	2 weeks

7	Issue the RFP to the short listed consultants & receive the proposals from the short listed consultants	5 weeks	5 weeks	5 weeks	5 weeks	NA
8	Opening of proposals (technical) and evaluation of the technical proposals – quality evaluation & preparation of Technical Evaluation Report (TER).	4 weeks	4 weeks	4 weeks	4 weeks	NA
9	Bank Clearance/ NOC to TER	1 week	NA	NA	1 week	NA
10	Opening of Financial Proposals, Evaluate the financial proposals – Cost evaluation and prepare Combined Evaluation Report (CER)	2 weeks	2 weeks	2 weeks	2 weeks	NA
11	Communicating CER to the Bank	1 week	NA	NA	1 week	NA
12	Negotiate with the selected consultant; and prepare draft contract after negotiations	2 weeks	2 weeks	2 weeks	2 weeks	NA
13	Bank Clearance/ NOC to negotiated initialled draft contract	1 week	NA	NA	1 week	NA
14	Sign the contract with the selected consultant	2 weeks	2 weeks	2 weeks	2 weeks	2 weeks
15	Send signed copy of the contract agreement to the Bank for record	ASAP	NA	NA	ASAP	ASAP

CHAPTER 5

PROCEDURES FOR REVIEW OF PROCUREMENT DECISIONS

5.1 General:

- a. The Bank undertakes 'Prior Review' for procurement decisions at all stages for prior review contracts. The threshold limits for prior review are given in paragraph 2.10 of this manual. The Bank also undertakes procurement post review (PPR) of those contracts (on sample basis) which have not been prior reviewed. Procurement review refers to review of files and documents relating to the procurement of goods, works, non-consulting services and consulting services. Procurement review is carried out to ascertain whether the procurement procedures were correctly and completely followed both in letter and spirit as per procurement procedures laid down in World Bank Procurement Guidelines (January 2011, Revised July 2014) and Consultant Guidelines (January 2011, Revised July 2014) applicable to project. The stages for procurement review by World Bank are laid down in Annex 1 of both these Guidelines.
- b. The Bank reviews Procurement Plans and their updates that are prepared by the Borrowers in accordance with the provisions of Bank Guidelines. They shall be consistent with the Project Implementation Plan, the Financing Agreement and the Guidelines.
- c. All documents for prior procurement review are required to be submitted to Task Team Leader of the Project by the National level Project Implementation Unit. Bank undertakes 'prior review' for procurement process at all stages and also undertakes post review to ensure that Guidelines of the Bank are being strictly complied with and proper procedures are being followed at each stage.
- d. For all procurement related documentation written in the National Language, the PIU/SLNAs/IPs has the responsibility to furnish to the Bank for reviews an accurate translation of all the procurement related documents in English. An accurate translation shall also be furnished to the Bank for any subsequent modifications of such contracts.
- e. After reviews, the Bank may declare misprocurement for any of the reasons provided in paragraph 1.14 of the Bank Procurement Guidelines and paragraph 1.19 of the Bank Consultant Guidelines, including if it determines that the goods, works or non-consulting services or consulting services were not procured in accordance with the agreed procedures and methods reflected in the Financing Agreement and further detailed in the Procurement Plan to which the Bank gave its no objection, or that the contract itself is not consistent with such procedures and methods.
- f. For the procurements conducted at State level, the National level Project Implementation Unit is expected to conduct prior/ post review, following the same principles. The applicable thresholds for prior review by World Bank have been given in Chapter on Procurement Arrangements.
- g. Brief details of such review in respect of procurement of goods and consultancy services is given in the following paragraphs.

5.2 Review of Procurement of Goods and Equipment by World Bank:

5.2.1 Prior Review:

For all contract packages above the prior review thresholds as stipulated in the legal agreements and procurement plan, prior review of the Bank will be required at all the procurement stages. The Prior Review of goods, works & equipment, and non-consulting services is conducted to review consistency of procurement actions with the provisions of Financing Agreement, Procurement Guidelines of Bank and terms & conditions used in the Bid document at following stages:

- Procurement plan;
- Bidding documents including invitation for bids;

- Minutes of pre-bid conference;
- Bid Evaluation Report; and
- Final contract(s) with checklists for WBR #
- Contract Amendments;

The documents to be submitted by client for seeking Bank's no objection in prior review contracts at various stages are listed below:

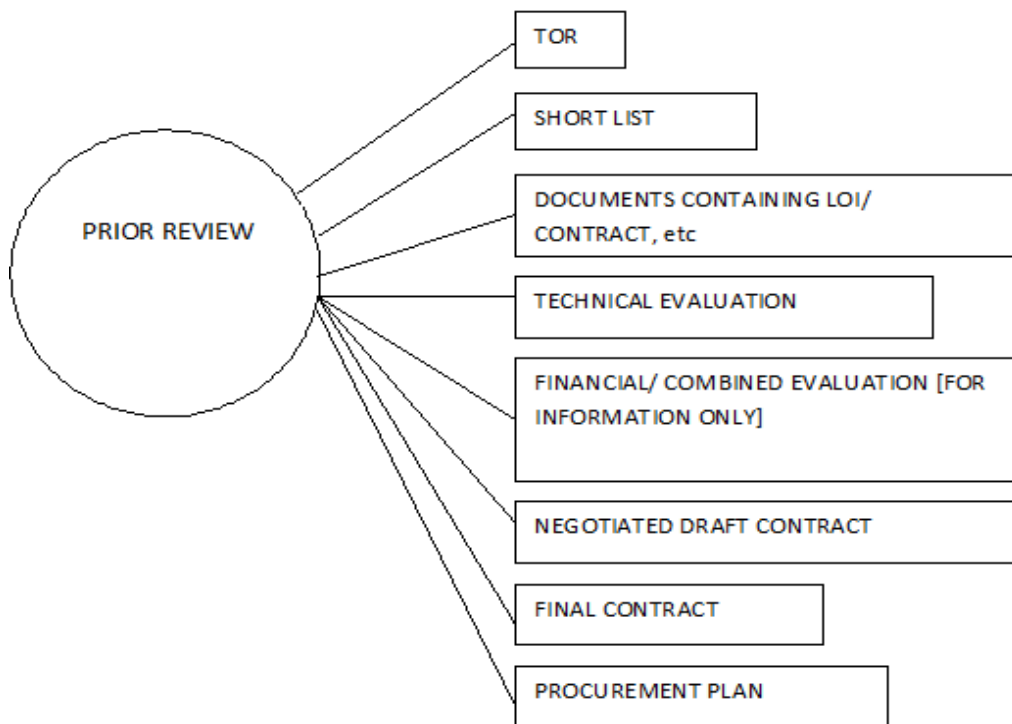
No	Procurement Stage	Documents to be submitted for no objection
1	Before bids are invited	Draft bidding documents, including the invitation to bid; instructions to bidders, including the basis of bid evaluation and contract award; and the conditions of contract and specifications for the civil works, supply of goods, or installation of equipment, etc., as the case may be, together with a description of the advertising procedures to be followed for the bidding
2	After bids have been received and evaluated, and before a final decision on the award is made	A detailed evaluation report on the evaluation and comparison of the bids received (for each stage in case of two stage bidding and framework agreements) together with the recommendations for award and a summary of the procurement with the description and amount of the contract, together with the name and address of the successful bidder for public disclosure. All evaluation reports shall be accompanied by a summary of procurement on the check-list for prior review (Checklist at the end of Chapter)
3	Before issuing a request to the bidders for an extension of bid validity, for the first request for extension, if it is longer than four weeks, and for all subsequent requests for extension, irrespective of the period	Proposal for issuing extension of bid validity with justification
4	If after publication of the award, receives protests or complaints from bidders	A copy of the complaint, the Borrower's comments on each issue raised in the complaint, and a copy of the Borrower's draft response
5	If as result of analysis of a protest, changes its contract award recommendation,	The reasons for such decision and a revised evaluation report
6	Modifications to the terms and conditions of a contract shall not materially differ from those on which bids were asked	In exceptional cases, the bank may agree to revised terms and conditions of contract if strong and proper justification exists and the circumstances of the case merit it.
7	After signing contract and prior to the submission of the first application for withdrawal of funds from the Loan Account in respect of such contract	One conformed copy of the contract, and of the advance payment security and the performance security

No	Procurement Stage	Documents to be submitted for no objection
8	Before agreeing to Modifications of the signed contract	Proposal for modification to Contract with (a) a material extension of the stipulated time for performance of a contract; or (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; or (c) any variation order or amendment, singly or combined with all variation orders or amendments previously issued, increase the original contract amount by more than 15 percent; or (d) the proposed termination of the contract
9	Extension of contract	Whenever contract value exceeds the original contract value beyond 15% as well as granting extension in stipulated time period for performance of the contract. If as a result of increase in value the original contract amount of a post review contract exceeds the threshold limit of prior review, no objection of the Bank shall be obtained.

The concerned implementing agency shall retain all documentation with respect to each contract during project implementation and until two years after the closing date of the project.

The Bank may declare misprocurement if it determines that the goods, works or non-consulting services were not procured in accordance with the agreed procedures and methods contained in the legal agreement and further detailed in procurement plan to which the Bank had provided no objection.

5.3 Review of Procurement of Consultancy Services by World Bank:



5.3.1 Prior Review:

Prior review of Procurement of Consultancy Services to review consistency of procurement actions with the provisions of Financing Agreement, Procurement Guidelines of Bank and terms & conditions used in the Bid document would be at the stages as follows:

- Procurement Plan;
- Terms of Reference (technical review) and budget estimate;
- Short list of Consultant;
- Request for Proposals (RFP) document containing Letter of Invitation, Information to Consultants, Formats for submission of Information, Conditions of Contract and cost estimate;
- Minutes of pre-proposal conference (no objection not required but to be sent to Bank for information and Bank may provide suggestions);
- Amendments to RFP if any;
- Technical Evaluation Report (Evaluation of the Technical Proposals);
- Combined (Technical and Financial) Evaluation Report (for QCBS) for information (only for information and record);
- Final Minutes of Negotiation and Negotiated Draft Contract with all appendices; and
- Final signed contract for information and record and issue of World Bank Reference Numbers for Contracts awarded with prior review (WBR)

The documents required to be submitted by client for seeking Bank's no objection are listed in the table below

5.4

No	Procurement Stage	Documents to be submitted for no objection
1	Before inviting proposals	<ul style="list-style-type: none"> • The Terms of Reference and the cost estimate. • Draft RFP complete with short list and approved TOR
		<ul style="list-style-type: none"> • Any Addendum/ Corrigendum to RFP • Minutes of pre proposal conference (for information and record)
2	Before extending the validity of the proposals, for the first request of extension if such is for a period longer than four weeks, and for all subsequent requests for extension, irrespective of the duration of the period	Justification for extending the validity of the proposals along with letters of acceptance of such extension by consultants who had submitted proposals without any modifications to proposals
3	After the technical proposals have been evaluated and before opening of financial proposals	A technical evaluation report prepared by experts and a copy of the proposals, if requested
4	Before proceeding for negotiations with the successful consultant	The final combined evaluation report along with its recommendation of the successful consultant
5	If receives complaints from consultants (client shall promptly send to the complainant an acknowledgment)	A copy of the complaint, the clients comments on each issue raised in the complaint, and a copy of the proposed response to the complainant
6	If as a result of the analysis of a complaint, or any other reason, the client changes its contract award recommendation	The reasons for such decision and a revised evaluation report
7	Before terminating the negotiations, and inviting the next ranked firm for negotiation, if the negotiations fail with the successful consultant.	The minutes of negotiations and reasons for failure
8	Before signing contract after completion of negotiations, or in the case of single source selection	A copy of the negotiated contract proposed to be signed by the Borrower which has been initialled by the successful consultant. If the negotiated contract resulted in substitution of key experts or any changes in the TOR and original proposed contract, the Borrower shall highlight the changes and provide an explanation of why these changes are necessary and acceptable (Checklist at the end of Chapter)
9	After signing contract and prior to the submission of the first application for withdrawal of funds from the Loan Account in respect of such contract	One conformed copy of the signed contract
10	Modification of the Signed Contract. Before agreeing to: (a) an extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services, substitutions of key experts, or other significant changes to the terms and conditions of the contract; or (c) the proposed termination of the contract.	Justifications for proposed modifications and proposed Addendum to Contract (for signing) containing Amendments
11	After signing Amendments to contract	A copy of amendment to the contract shall be furnished for its record

Procurement Post Review (PPR):

5.4.1 Coverage of Post Review

In all other cases which have not been prior reviewed by the Bank, post review shall cover the final contract along with appendices and copy of evaluation note/ award recommendations and all documentation, which should be submitted at the time of Prior review

Internal auditor: Financial audit shall include procurement post review of selected percentage of contracts as shall be agreed and specified in the TOR .

Procurement post review: Annual procurement post review of selected contracts shall be carried out by the Bank or Bank appointed consultant for contracts entered during previous year/s .

All Participating AUs shall provide complete information in regard to contracts and needful cooperation in its conduct and timely completion. Subsequently the findings shall be disseminated by ICAR to all Participating AUs as lesson learnt and guidance for future .

ICAR shall be responsible for coordinating with all Participating AUs to collate the contract information and provide the list of contracts entered into for the period July 1 to June 30 of the previous year on or before December 30 of the current year. (*Example: List of contract entered into during July1, 2017 to June 30, 2018 shall be provided to ICAR for collating on or before December 30, 2018*) of each year.

Once the sample is finalized the Participating AUs will be communicated to make available all the records and information in regard to contracts for review.

5.4.2 Frequency of Post Reviews

Procurement Post Review (PPRs) are generally a part of the Bank's periodic supervision/ review missions. However missions for conducting post review are generally conducted annually or as may be required by Bank team or Consultants appointed by World Bank. In such reviews all project implementing agencies shall provide complete documents related to procurements carried out for sample procurement cases selected or reviews during such missions.

5.4.3 Policy for Retaining Documents for Procurement Post Reviews and Audits

The PIU/ implementing units shall retain all documentation with respect to each contract during Project implementation until two years after the closing date of the Financing Agreement. This documentation would include, but not be limited to: (i) the signed original of each contract and all subsequent amendments or addenda; (ii) original bids/ proposals, all documents and correspondence related to the selection of and implementation of the contract, including those in support of the evaluation of the bids/ proposals (including individual score sheets), and the recommendation for award made to the Bank; and (iii) payment invoices or certificates as well as the certificates for the inspection, delivery, completion and acceptance of goods, works, and non-consulting services. For goods & works contracts awarded on the basis of direct contracting, the documentation shall include the justification for using the method, the technical and financial capacity of the firm, and the signed original of the contract. For consultancy contracts awarded on the basis of a SSS method, the documentation shall include the justification for using the method, the qualifications and experience of the selected consultant, and the signed original of the contract. The PIU/ implementing units shall furnish such documentation to the Bank upon request for examination by the Bank or by its consultants/ auditors.

5.5 Review by the National level Project Implementation Unit (PIU)

5.5.1 Following the same procurement principles as discussed for World Bank Procurement review, Procurement Cell at National level will undertake prior review of selection and award process of all contracts by Implementing Partners as per thresholds mentioned below:

(Figures in INR are indicated considering 1 US \$ = INR 60)

Sl No	Description *	Limits for Prior Review assigned by World Bank for the Project (in US\$ Million)	Limits for Prior Review by PIU NAHEP of Procurement at SAU level
1	Procurement of Consultancy Services from firms	> \$ 1 million	> Rs 75 Lakh
2	Consultancy Services from Individual Consultants	> \$ 0.3 million	> Rs 45 Lakh
3	Procurement of Consultant by Direct contracting /Single Source Selection Methods	> Refer to chapter 2, sl no 2.10 of this Manual	> Rs 4.5 lakh
4	Procurement of goods & equipment	>= \$ 2 million	> Rs 2.10 crore
5	Procurement of IT & Non-consulting Services	>= \$2 million	> Rs 2.10 crore
6	Procurement of works	>= \$ 10 million	> Rs 1.20 crore
7	Procurement of goods & works by Direct Contract method	Refer to chapter 2, sl no 2.10 of this Manual	> Rs 4.5 lakh

5.5.2 The Prior review by PIU will be done at following procurement stages

5.5.2.1 Goods & Equipment, Works and Non-consulting Services

- (i) Finalization of Bid Document and Advertisement for Inviting Bids
- (ii) Recommendation of Contract Award after Finalization of Bid Evaluation Report
- (iii) On Award and signing of Contract, a copy of signed contract shall be provided to NIPU for information

5.5.2.2 Consultancy Services

- (i) ToR Finalization Stage
- (ii) Finalization of Short list and Request for Proposal
- (iii) Finalization of Combined Evaluation Report with recommendations for Award
- (iv) Finalization of draft Contract
- (v) On Award and signing of Contract, a copy of signed contract shall be provided to PIU for information

5.5.3 Post Procurement Review by PIU

PIU at national level will conduct post procurement review of 10 percent of all post review (other than prior review by Bank & PIU) contracts through third party independent procurement consultant appointed by PIU.

5.6 Change from Post Review to Prior Review

- (a) A contract whose cost estimate was below the Bank's prior review threshold indicated in the Procurement Plan shall fall under prior review rather than post review if the contract value exceeds such threshold. All related procurement documentation already processed, including the evaluation report and recommendation for award, shall be submitted to the Bank for its prior review and no objection before award of the contract.
- (b) When, to the contrary, the financial offer of the selected firm falls below the prior review threshold, the prior review process shall continue.
- (c) Under certain circumstances, the Bank may require the Borrower to follow a prior review process for a contract which falls below the prior review threshold set in the Procurement Plan, for example in the case of a complaint that the Bank has determined to be of a serious nature. Also, when the selection method requires change due to higher or lower cost estimates than previously assessed, the procurement plan shall be modified by the Borrower and submitted to the Bank for review and no objection.

5.7 Publication of Awards of Contracts

- (a) The PIU/ implementing units shall publish information on *UNDB online* for all contracts when the short list included any foreign firm and all single source selection contracts awarded to foreign firms,
- (b) The PIU/ implementing units shall publish on their respective Websites and NAHEP/ ICAR Website all contracts where the short list comprises only National firms and all single source selection contracts awarded to National firms or for all contracts under NCB, including those awarded under Framework Agreements and under Force Account, and small value direct contracts. Such publication shall be within two weeks after receiving the Bank's no objection for award of the contract in case of Prior Review and within two weeks of successful negotiations for consultancies/ award decisions for goods & works in case of post review. In case of consultancy contracts, Publications shall include the following information as relevant and applicable for each method: (a) the names of all consultants in the short list, specifying those that submitted proposals; (b) the overall technical scores and scores assigned for each criterion and sub-criterion to each consultant; (c) the prices offered by each consultant as read out and as they have been evaluated; (d) the final combined scores and the final ranking of the consultants; and (e) the name of the successful consultant and the total price, duration, and summary scope of the contract. The same information shall be sent to all consultants who have submitted proposals. In case of goods & work contracts, Publications shall include the bid and lot numbers and the following information, as relevant and applicable for each method: (a) the name of each bidder which submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were either rejected as non-responsive or not meeting qualification criteria, or not evaluated, with the reasons thereof; and (e) the name of the winning bidder, the final total contract price, as well as the duration and summary scope of the contract. The Bank will arrange the publication of the award of contracts under prior review on its external website upon receipt of a conformed copy of the signed contract.

5.8 Due Diligence concerning Bank's Sanctions Policies and Procedures

- (a) When conducting the evaluation of proposals, the PIU/ implementing units shall check the eligibility of bidders/ consultants from the lists of firms and individuals debarred and suspended, pursuant to paragraph 1.23(d) of Consultant Guidelines and/ or paragraph 1.16(d) of the Procurement Guidelines, by the Bank that are posted on the Bank's external website.
- (b) The Borrower shall apply additional due diligence by closely supervising and monitoring any on-going contract (whether under prior or post review) executed by a firm or individual which has been sanctioned by the Bank after such contract was signed. The PIU/ implementing units shall neither sign any new contracts nor sign an amendment,

including any extension of time for completion, to an on-going contract with a suspended or debarred firm or individual after the effective date of the suspension or debarment without the Bank's prior review and no objection.

- (c) The Bank will only finance additional expenditures if they were incurred before the completion date of the original contract or the completion date as revised: (i) for prior review contracts, in an amendment to which the Bank has given its no objection; and (ii) for post review contracts, in an amendment signed before the effective date of suspension or debarment. The Bank will not finance any new contract, or any amendment or addendum introducing a material modification to any existing contract that was signed with a suspended or debarred firm or individual on or after the effective date of suspension or debarment.

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APPENDICES

E-5

PROCUREMENT OF GOODS
UNDER
NATIONAL SHOPPING PROCEDURES

*(For Contracts valued less than the
equivalent of US \$ 100,000 each)*

**INVITATION FOR QUOTATIONS FOR SUPPLY OF
GOODS UNDER NATIONAL SHOPPING PROCEDURES**

To

Dear Sirs,

Sub : INVITATION FOR QUOTATIONS FOR SUPPLY OF

1. You are invited to submit your most competitive quotation for the following goods:-

Brief Description of the Goods	Specifications*	Quantity	Delivery Period	Place of Delivery	Installation Requirement if any
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** Where ISI certification marked goods are available in market, procurement should generally be limited to goods with those or equivalent marking only.*

2. Government of India has received a financing from the International Bank for Reconstruction and Development (IBRD) in various currencies towards the cost of the National Agricultural Higher Education Project (NAHEP) and intends to apply part of the proceeds of this Loan to eligible payments under the contract for which this invitation for quotations is issued.

3. **Bid Price**

- a) The contract shall be for the full quantity as described above. Corrections, if any, shall be made by crossing out, initialing, dating and re writing.
- b) All duties, taxes and other levies payable on the raw materials and components shall be included in the total price.
- c) Sales tax in connection with the sale shall be shown separately.
- d) The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.
- e) The Prices shall be quoted in Indian Rupees only.

4. Each bidder shall submit only one quotation.

5. **Validity of Quotation**

Quotation shall remain valid for a period not less than 15 days after the deadline date specified for submission.

6. **Evaluation of Quotations**

The Purchaser will evaluate and compare the quotations determined to be substantially responsive i.e. which

- (a) are properly signed ; and
- (b) conform to the terms and conditions, and specifications.

The Quotations would be evaluated for all the item together/would be evaluated separately for each item. *[Select one of the options]*.

Sales tax in connection with sale of goods shall not be taken into account in evaluation.

7. **Award of contract**

The Purchaser will award the contract to the bidder whose quotation has been determined to be substantially responsive and who has offered the lowest evaluated quotation price.

- 7.1 Notwithstanding the above, the Purchaser reserves the right to accept or reject any quotations and to cancel the bidding process and reject all quotations at any time prior to the award of contract.
- 7.2 The bidder whose bid is accepted will be notified of the award of contract by the Purchaser prior to expiration of the quotation validity period. The terms of the accepted offer shall be incorporated in the purchase order.

- 8. Payment shall be made immediately after delivery of the goods.
- 9. Normal commercial warranty/ guarantee shall be applicable to the supplied goods.
- 10. You are requested to provide your offer latest byhours on(date).
- 11. We look forward to receiving your quotations and thank you for your interest in this project.

(Purchaser)

Name:

Address:

.....

Tel. No.

Fax No.

FORMAT OF QUOTATION *

Sl. No.	Description Goods	Specifications	Qty.	Unit	Quoted Unit Rate in Rs.	Total Amount	
						In Figures	In Words
	TOTAL						
	Sales Tax						

Gross Total Cost : Rs.

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

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

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

Signature of Supplier

* *Applicable while the bids are being invited for more than one item and would be evaluated for all the items together. Modify where evaluation would be made for each item separately.*



PROCUREMENT OF CIVIL WORKS
UNDER
NATIONAL SHOPPING PROCEDURES

(For Works valued less than equivalent of \$ 100,000 each)

**INVITATION FOR QUOTATIONS FOR CONSTRUCTION OF
CIVIL WORKS UNDER SHOPPING PROCEDURES**

To

Dear Sirs,

Sub : INVITATION FOR QUOTATIONS FOR CONSTRUCTION OF

1. You are invited to submit your most competitive quotation for the following works:-

Brief Description of the Works	Approximate value of Works (Rs.)	Period of Completion
-----------------------------------	-------------------------------------	-------------------------

2. Government of India has received a financing from the International Bank of Reconstruction and Development (IBRD) towards the cost of the National Agricultural Higher Education Project (NAHEP) and intends to apply part of the proceeds of this Loan to eligible payments under the contract for which this invitation for quotations is issued.

3²². The NAHEP Project is being implemented by Indian Council of Agricultural Research (ICAR), which is an autonomous society registered under the Societies Registration Act.

4. To assist you in the preparation of your quotation, we are enclosing the following :

- i. Layout Drawings of the works;
- ii. Structural Details;
- iii. Detailed Bill of Quantities, with estimated rates and prices;
- iv. Technical Specifications;
- v. Instructions to Bidders (in two sections).
- vi. Draft Contract Agreement format which will be used for finalizing the agreement for this Contract.

- 5. You are requested to provide your offer latest by hrs.
on
- 6. Quotations will be opened in the presence of Bidders or their representatives who
choose to attend at _____ AM/PM on _____ in
the office of _____.
- 7. We look forward to receiving your quotations and thank you for your interest in this
project.

(Employer)

Name: _____

Address: _____

Tel. No: _____

Fax No. _____

Instructions to Bidders

SECTION - A

1. Scope of Works

The _____ (Employer) invites quotations for the construction of works as detailed in the table given below

Brief Description of the Works	Approximate value of Works (Rs.)	Period of Completion
-----------------------------------	-------------------------------------	-------------------------

The successful bidder will be expected to complete the works by the intended completion date specified above.

2. **Qualification of the bidder** : The bidder shall provide qualification information which shall include :-

- (a) total monetary value of construction works performed for each year of the last 3 years :
- (b) Income tax clearance certificate from the concerned IT circle;
- (c) Report on his financial standing; and
- (d) Details of any litigation, current or during the last 3 years in which the bidder is involved, the parties concerned and disputed amount in each case.

3. To qualify for award of the contract the bidder:-

- (a) should have satisfactorily completed as a prime contractor at least one similar work of value not less than Rs. 500,000 in the last three years;
- (b) should possess valid electrical license for executing building electrification works (in the event of the works being sub - contracted, the sub-contractor should have the necessary license);

- (c) should possess required valid license for executing the water supply/sanitary works (in the event of the works being sub-contracted, the sub-contractor should have the necessary license);

4. Bid Price

- a) The contract shall be for the whole works as described in the Bill of quantities, drawings and technical specifications. Corrections, if any, shall be made by crossing out, initialling, dating and re writing.
- b) All duties, taxes and other levies payable by the contractor under the contract shall be included in the total price.
- c) The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.
- d) The rates should be quoted in Indian Rupees only.

5. Submission of Quotations

5.1 The bidder is advised to visit the site of works at his own expense and obtain all information that may be necessary for preparing the quotation.

5.2 Each bidder shall submit only one quotation.

5.3 The quotation submitted by the bidder shall comprise the following :-

- (a) Quotation in the format given in Section B.
- (b) Signed Bill of Quantities ; and
- (c) Qualification information form given in Section B duly completed.

5.4 The bidder shall seal the quotation in an envelope addressed to the (Purchaser). The envelope will also bear the following identification :-

- Quotation for _____ (Name of the Contract)
- Do not open before _____ (time and date of quotation opening).

5.5 Quotations must be received in the office of the ----- (Employer) not later than the time and date given in the letter of invitation . If the specified date is declared a holiday, quotations shall be received upto the appointed time on the next working day.

- 5.6** Any quotation received by the (Employer) after the deadline for submission of quotations will be rejected and returned unopened to the bidder.

6. Validity of Quotation

Quotation shall remain valid for a period not less than 45 days after the deadline date specified for submission.

7. Opening of Quotations

Quotations will be opened in the presence of bidders or their representatives who choose to attend on the date and time and at the place specified in the letter of invitation.

- 8.** Information relating to evaluation of quotations and recommendations for the award of contract shall not be disclosed to bidders or any other persons not officially concerned with the process until the award to the successful bidder is announced.

9. Evaluation of Quotations

The Employer will evaluate and compare the quotations determined to be substantially responsive i.e. which

- (a) meet the qualification criteria specified in clause 3 above;
- (b) are properly signed ; and
- (c) conform to the terms and conditions, specifications and drawings without material deviations.

10. Award of contract

The Employer will award the contract to the bidder whose quotation has been determined to be substantially responsive and who has offered the lowest evaluated quotation price and who meets the specified qualification criteria.

- 10.1** Notwithstanding the above, the Employer reserves the right to accept or reject any quotations and to cancel the bidding process and reject all quotations at any time prior to the award of contract.

- 10.2** The bidder whose bid is accepted will be notified of the award of contract by the Employer prior to expiration of the quotation validity period.

11. Performance Security

Within 15 days of receiving letter of acceptance, the successful bidder shall deliver to the (Employer) the performance security (either a bank guarantee or a bank draft in favour of the Employer) for an amount equivalent of 3 % of the contract price. The Performance Security shall be valid till the expiry of the period of maintenance of the work, specified in clause 12.

12. Period of Maintenance :

The “Period of Maintenance” for the work is six months from the date of taking over possession or one full monsoon season whichever occurs later. During the period of maintenance, the contractor will be responsible for rectifying any defects in construction free of cost to the Employer.

13. Purchase of all construction materials including cement and steel as per the specifications (ISI certification marked goods wherever available) shall be the responsibility of the contractor.

.....

SECTION - B

- 1. Format for Qualification Information.**
- 1. Format for Submission of Quotation.**
- 1. Format of Letter of Acceptance.**

QUALIFICATION INFORMATION

1 For Individual Bidders

1.1 Principal place of business: _____

Power of attorney of signatory of Quotation.

[Attach copy]

1.2 Total value of Civil Engineering construction work performed in the last three years (in Rs. Lakhs)

	19	
	19	
	19	

1.3 Work performed as prime contractor (in the same name) on works of a similar nature over the last three years.

<u>Project Name</u>	<u>Name of Employer</u>	<u>Description of work</u>	<u>Contract No.</u>	<u>Value of contract (Rs.Lakhs)</u>	<u>Date of issue of work order</u>	<u>Stipulated period of completion</u>	<u>Actual date of completion</u>	<u>Remarks explaining reasons for delay and work completed</u>
---------------------	-------------------------	----------------------------	---------------------	-------------------------------------	------------------------------------	--	----------------------------------	--

Existing commitments and on-going works:

<u>Description of Work</u>	<u>Place & State</u>	<u>Contract No. & Date</u>	<u>Value of Contract (Rs. Lakh)</u>	<u>Stipulated period of completion</u>	<u>Value of works* remaining to be completed (Rs. Lakhs)</u>	<u>Anticipated date of completion</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)

* Enclose a certificate from Engineer concerned.**1.4** Proposed subcontracts and firms involved.

Sections of the works	Value of Sub-contract	Sub-contractor (name & address)	Experience in similar work
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*

1.5 Evidence of access to financial resources to meet the requirements of working capital : cash in hand, lines of credit, etc. List them below and attach copies of support documents.

1.6 Name, address, and telephone, telex, and fax numbers of the Bidders' bankers who may provide references if contacted by the Employer.

1.7 Information on litigation history in which the Bidder is involved.

Other party(ies)	Employer	Cause of dispute	Amount involved	Remarks showing present status

QUOTATION

*

Description of the Works :

To:

Subject : Construction of

Reference : Letter No.....dated.....from.....

Sir,

We offer to execute the Works described in your letter referred to above in accordance with the Conditions of Contract enclosed therewith at percentage above / below the estimated rates, i.e., for a total Contract Price of -

Rs.** _____ [in figures]

Rs. _____ [in words].

This quotation and your written acceptance of it shall constitute a binding contract between us. We understand that you are not bound to accept the lowest or any quotation you receive.

We hereby confirm that this quotation is valid for 45 days as required in Clause 6 of the Instructions to Bidders.

Yours faithfully,

Authorized Signature : Date: _____

Name & Title of Signatory : _____

Name of Bidder : _____

Address : _____

* To be filled in by the Employer before issue of the Letter of Invitation.

** To be filled in by the Bidder, together with his particulars and date of submission at the bottom of this Form.

**LETTER OF ACCEPTANCE
CUM NOTICE TO PROCEED WITH THE WORK**

(LETTERHEAD OF THE EMPLOYER)

Dated : _____

To : _____ [Name and address of the Contractor]

Dear Sirs,

This is to notify you that your Quotation dated _____ for execution of the _____ for the contract price of Rupees _____ [amount in words and figures], is hereby accepted by us.

You are hereby requested to furnish performance security for an amount of Rs. _____ (equivalent to 3% of the contract price) within 15 days of the receipt of the letter. The Performance Security in the form of Bank guarantee or a Bank draft in favour of(Employer) shall be valid till the expiry of the period of maintenance i.e. upto _____. Failure to furnish the Performance Security will entail cancellation of the award of contract.

You are also requested to sign the agreement form and proceed with the work not later than _____ under the instructions of the Engineer, _____ and ensure its completion within the contract period.

With the issuance of this acceptance letter and your furnishing the Performance Security, contract for the above said work stands concluded.

Yours faithfully,

**Authorized Signature
Name and title of Signatory**

Draft Agreement form for Construction through National Shopping

ARTICLES OF AGREEMENT

This deed of agreement is made in the form of agreement on _____ day
_____ month _____ 199 __, between the
_____ (Employer) or his authorized representative (hereinafter
referred to as the first party) and _____ (Name of the Contractor), S/O
_____ resident of _____ (hereinafter referred to as the second party),
to execute the work of construction of _____ (hereinafter referred
to as works) on the following terms and conditions.

2. Cost of the Contract

The total cost of the works (hereinafter referred to as the “total cost”) is Rs. ____ as reflected in Annexure - 1.

3.1 Payments under its contract:

Payments to the second party for the construction work will be released by the first party in the following manner :-

On signing of agreement	:	25% of total cost
On reaching plinth level (first stage)	:	25% of the total cost
On reaching lintel level (second stage)	:	25% of the total cost
On reaching roof level (third stage)	:	15% of the total cost
Plastering and completion of whole work (fourth stage)	:	10% of the total cost

(The above has been drafted for construction of school buildings; modify this suitably for other works)

3.2 Payments at each stage will be made by the first party :

- (a) on the second party submitting an invoice for an equivalent amount ;
- (b) on certification of the invoice (except for the first installment) by the engineer nominated by the first party with respect to quality of works in the format in Annexure - 2; and
- (c) upon proper and justified utilization of at least 50 % of the previous installment and 100 % of any prior installment.

4. Notice by Contractor to Engineer

The second party, on the works reaching each stage of construction, issue a notice to the first party or the Engineer nominated by the first party (who is responsible for supervising the contractor, administering the contract, certifying the payments due to the contractor, issuing and valuing variations to the contract, awarding extensions of time etc.), to visit the site for certification of stage completion. Within 15 days of the receipt of such notice, the first party or the engineer nominated by it, will ensure issue of stage completion certificate after due verification.

5. Completion time

The works should be completed in _____ (months/weeks/days) from the date of this Agreement. In exceptional circumstances, the time period stated in this clause may be extended in writing by mutual consent of both the parties.

6. If any of the compensation events mentioned below would prevent the work being completed by the intended completion date, the first party will decide on the intended completion date being extended by a suitable period :

- a) The first party does not give access to the site or a part thereof by the agreed period.
- b) The first party orders a delay or does not issue completed drawings, specifications or instructions for execution of the work on time.
- c) Ground conditions are substantially more adverse than could reasonably have been assumed before issue of letter of acceptance and from information provided to second party or from visual inspection of the site.
- d) Payments due to the second party are delayed without reason.
- e) Certification for stage completion of the work is delayed unreasonably.

7. Any willful delay on the part of the second party in completing the construction within the stipulated period will render him liable to pay liquidated damages. @ Rs. * _____ per day which will be deducted from payments due to him. The first party may cancel the contract and take recourse to such other action as deemed appropriate once the total amount of liquidated damages exceeds 2 % of the contract amount.

(Note : The amount of liquidated damages per day should be determined at 0.05 % of the contract value of the works and indicated here).

8. Duties and responsibilities of the first party

- 8.1** The first party shall be responsible for providing regular and frequent supervision and guidance to the second party for carrying out the works as per specifications. This will include written guidelines and regular site visit of the authorized personnel of the first party, for checking quality of material and construction to ensure that it is as per the norms.
- 8.2** The first party shall supply 3 sets of drawings, specifications and guidelines to the second party for the proposed works.
- 8.3** Possession of the site will be handed over to the second party within 10 days of signing of the agreement.
- 8.4** The Engineer or such other person as may be authorized by the first party shall hold meeting once in a month where the second party or his representative at site will submit the latest information including progress report and difficulties if any, in the execution of the work. The whole team may jointly inspect the site on a particular day to take stock of activities.
- 8.5** The Engineer shall record his observations/instructions at the time of his site visit in a site register maintained by the second party. The second party will carry out the instructions and promptly rectify any deviations pointed out by the engineer. If the deviations are not rectified, within the time specified in the Engineer's notice, the first party as well as the engineer nominated by it, may instruct stoppage or suspension of the construction. It shall thereupon be open to the first party or the engineer to have the deviations rectified at the cost of the second party.

9. Duties and responsibilities of the second party

- 9.1** The second party shall :
- a) take up the works and arrange for its completion within the time period stipulated in clause 5;
 - b) employ suitable skilled persons to carry out the works ;
 - c) regularly supervise and monitor the progress of work ;
 - d) abide by the technical suggestions / direction of supervisory personnel including engineers etc. regarding building construction ;

- e) be responsible for bringing any discrepancy to the notice of the representative of the first party and seek necessary clarification ;
 - f) ensure that the work is carried out in accordance with specifications, drawings and within the total of the contract amount without any cost escalation ;
 - g) keep the first party informed about the progress of work ;
 - h) be responsible for all security and watch and ward arrangements at site till handing over of the building to the first party ; and
 - i) maintain necessary insurance against loss of materials/cash, etc. or workman disability compensation claims of the personnel deployed on the works as well as third party claims.
- f) Pay all duties, taxes and other levies payable by construction agencies as per law under the contract (First party will effect deduction from running bills in respect of such taxes as may be imposed under the law).

10. Variations / Extra Items

The works shall be carried out by the second party in accordance with the approved drawings and specifications. However, if, on account of site conditions or any other factors, variations are considered necessary, the following procedure shall be followed:-

- a) The second party shall provide the Engineer with a quotation for carrying out the Variation when requested to do so by the Engineer. The Engineer shall assess the quotation, which shall be given within seven days of the request before the Variation is ordered.
- b) If the quotation given by the second party is unreasonable, the Engineer may order the Variation and make a change to the Contract Price which shall be based on Engineer's own forecast of the effects of the Variation on the Contractor's costs.
- c) The second party shall not be entitled to additional payment for costs which could have been avoided by giving early warning.

11. Securities

The Performance Security shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount and form and by a bank or surety acceptable to the Employer. The Performance Security shall be valid until a date 28 days from the date of issue of the Certificate of Completion in the case of a Bank Guarantee.

12. Termination

12.1 The Employer may terminate the Contract if the other party causes a fundamental breach of the Contract.

12.2 Fundamental breaches of Contract include, but shall not be limited to the following:

- (a) the contractor stops work for 28 days and the stoppage has not been authorized by the Engineer;
- (b) the Contractor has become bankrupt or goes into liquidation other than for a reconstruction or amalgamation;
- (c) the Engineer gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Engineer;
- (d) the Contractor does not maintain a security which is required;

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

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

13. Payment upon Termination

13.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Engineer shall issue a certificate for the value of the work done less advance payments received up to the date of the issue of the certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law.

13.2 If the Contract is terminated at the Employer's convenience, the Engineer shall issue a certificate for the value of the work done, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works and less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract and less taxes due to be deducted at source as per applicable law.

14. Dispute settlement

If over the works, any dispute arises between the two parties, relating to any aspects of this Agreement, the parties shall first attempt to settle the dispute through mutual and amicable consultation.

In the event of agreement not being reached, the matter will be referred for arbitration by a Sole Arbitrator not below the level of retired Superintending Engineer, PWD to be appointed by the first party. The Arbitration will be conducted in accordance with the Arbitration and Conciliation Act, 1996. The decision of the Arbitrator shall be final and binding on both the parties.

BILL OF QUANTITIES

Sl.No.	Description of Work	Qty.	Unit	Estimated Cost		Amount
				In figure (Rs.)	In Words	

Gross Total Cost : Rs.

We agree to execute the works in accordance with the approved drawings and technical specifications at percentage above/below the estimated rates, i.e., for a total contract price of Rs.(amount in figures) (Rs. amount in words).

Signature of Contractor

Format of certificate

Certified that the works upto ----- level in
respect of construction of ----- at -----
have been executed in accordance with the approved drawing and technical specifications.

Signature
Name & Designation
(Official address)

Place :
Date :

Office seal