

5th Revision dated 27 April 2012

**ASSAM PROJECT ON FOREST AND
BIODIVERSITY CONSERVATION
AFD CIN 1037**

**PROCUREMENT PROCEDURE
MANUAL**

**As agreed up on in joint meeting of Forest Department Officials and the AFD
Mission held on 25 April 2012.**

APFBC Procurement Procedure Manual

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Abbreviations and acronyms

ADB	Asian Development Bank
AFD	French Development Agency
ACA-EAPs	Additional Central Assistance for Externally Aided Projects
ACs	Accounting Centers
APFBC	Assam project on forest and biodiversity Conservation
AACP	Assam Agricultural Competitiveness Project
ARIASP	Assam Rural Infrastructure & Agricultural Services
CAA&A	Comptroller of Aid, Accounts & Audit
CCF	Chief Conservators of Forests
CDM	Clean Development Mechanism
CF	Conservator of Forests
CFA	Credit Facility Agreement
DEA	Department of Economic Affairs
DDO	Drawing and Disbursing officers
DFO	Divisional Forest Officer
DOA	Department of Agriculture
DOEF	Department of Environment and Forests
EDCs	Eco-Development Committees
ESIA	Environmental & Social Impact Assessment
FD	Forest Department
FIU	Field Implementation Units
FMM	Financial Management Manual
FMRs	Financial Monitoring Reports
GIS	Geographical Information System
GOA	Government of Assam
GOI	Government of India
HoFF	Head of Forest Force
I C B	International Competitive Bidding
JFMCs	Joint Forest Management Committees
NTFP	Non Timber Forest Product
M&E	Monitoring and Evaluation
MoEF	Ministry of Environment & Forest
MTR	Mid Term Review
M O U	Memorandum of Understanding
NCB	National Competitive Bidding
NGO	Non Government Organization
O M	Operational Manual
PA	Project Agreement
PCCF	Principal Chief Conservator of Forests
PFS	Project Financial Statements
PD	Project Director
PMU	Project Management Unit
PRI	Panchayati Raj Institutions
RBI	Reserve Bank of India
SBD	Standard Bidding Documents
SHG	Self Help Group
TA	Technical assistance
WB	The World Bank

Executive Summary

Procurement Guidelines and Bidding Documents

With implementation of the AACP project in Assam; some build up in the procurement capacity of various line Departments through procurement training of a pool of staff is evident. In all, 35 officers from various line departments, including Forest Department, have undergone training. As such Government of Assam has created a fairly well trained pool of staff familiar with the World Bank's procurement procedures, which is of high interest for the AFD project.

During course of implementation of the APFBC goods and Works shall be procured in accordance with the provisions made in the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the World Bank in January 2011, hereinafter called as Procurement Guidelines".

Services of Consultants shall be procured in accordance with the provisions made in the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the World Bank in January 2011 hereinafter called as "Consultant Guidelines".

The above two guidelines are available in the web sites of the World Bank (www.worldbank.org)

Standard Bidding Documents/ Request for Proposals documents as finalized by the Government of India Task Force and amended from time to time, will be adopted for the procurement under the project.

Procurement Plan

The process steps in formulating Procurement Plan are suggested as follows:

1. At the commencement of the project, in consultation with the TA Consultants the PMU is to prepare packaging of the activities under each of the five project components based on the cost tables.
2. After validating cost rates at current prices, the Cost Tables are to be placed on websites of the AFD as well as APFBC.
3. According to the Packaging and cost tables, the PMU will prepare the Annual Work Plan (AWP) and submit to the GOA for administrative and financial approval.
4. Approved AWP by the GOA is considered as "Scheme".
5. The Procurement Plan will be prepared for the scheme implementation every year.
6. The PMU will then submit the Procurement Plan to the AFD for its approval.
7. The Procurement Plan will be made available in the PMU and shall also be published on the external web site of the AFD as well as on the website of the project.
8. The procurement plans approved by AFD will be updated annually and modified as needed.

9. AFD is to validate every year the Procurement plan with modifications or amendments if any.
10. The date of submission of Annual Procurement Plan to AFD should be synchronised with the Steering Committee meeting and should take in consideration the deadline of the 15th of January for submission to Assam State Government. AFD will need 15 days to validate the Procurement Plan or modifications made in the already approved plan. Conversely, after 15 days, the PMU will consider submitted Procurement Plan / modification or revisions therein as validated by AFD.

Procurement Methods and envisaged thresholds

- ICB Goods: Contracts above Euro: 500,000 – INR. 335 lakh (Prior Review)
- ICB Works: Contracts above Euro 10,00,000 INR. 670 lakh (Prior Review)
- NCB Goods: Contracts below Euro 500,000 INR 335 lakh (Post Review)
- NCB Works: Contracts above Euro 500,000 (Prior Review): INR. 33.50 lakh
- National Shopping Goods: Contracts less than Euro 50,000 (Post Review) INR 33.50 lakh
- National Shopping Works: Contracts less than Euro 30,000 INR 20.10 lakh (Prior Review)
- Direct Contracting: Goods & Works: Case to case basis with full justification (Prior Review)
- Force Account: Works: With Prior-Concurrence for works below Euro 20,000 each (INR 13.40 lakh)
- Community Participation: Goods, Works & Services- (Post Review)

Selection of Consultants:

Quality and Cost Based Selection [QCBS]; Quality Based Selection [QBS]; Selection under a Fixed Budget [FBS]; Least Cost Selection [LCS]; Selection Based on Consultants Qualifications [CQS]; Single Source Selection [SSS]; and selection of Individual Consultant will be done as per following Guidelines.

- o National/ International Consultants: For contracts below Euro 500,000 (Rs. 335 lakhs), the Short List may comprise entirely of national consultants. For contracts above Euro 500,000 (Rs. 335 lakhs), the Short List may comprise not more than two from an Eligible country and at least one from any developed country.
- o Prior Review: Contracts for Consulting Firms costing more than Euro 200,000; Contracts for Individual Consultants costing more than Euro 50,000; Contracts Amendments with Consulting Firms raising value to Euro 200,000 or above; Contracts Amendments with Individual Consultant raising value to Euro 50,000 or above; Single Source Consultancy assignments costing more than then Euro 10,000; Consultancy assignment not provided/ specifically mentioned in the Feasibility Report or Cost tables; TORs for all consultancy assignments more then € Euro 10,000 and short list of NGOS to be hired as Consultants will required prior review.

- o Post review: All other consultancy contracts will be subject to post review:

In case of Prior Review, the PMU shall furnish to AFD for its comments the following before bids are invited: Invitation for bid; bidding document and its amendments, if any; minutes of pre-bid conference, if any; and after bids have been received and evaluated the following shall be furnished by the PMU to the AFD: bid evaluation report in the prescribed format; and contract agreement with check list. In case of Post Review, a list of all post review contracts are to forward to AFD on an annual basis.

Methods of Procurement for Works and Goods will include:

- International Competitive Bidding [ICB]
- National Competitive Bidding [NCB]
- International/National Shopping
- Direct Contracting [for proprietary items such as software, spare parts, books, periodicals, seeds, saplings etc.]
- Force Account [with the permission of the AFD]
- Community driven procurement [This is expected to be followed for community as well as investments and group investments.]

Methods for Selection of Consultants will include the following, depending on

- appropriateness in each case:
- International Competitive Bidding [ICB]
- Quality and Cost Based Selection [QCBS]
- Quality Based Selection [QBS]
- Selection under a Fixed Budget [FBS]
- Least Cost Selection [LCS]
- Selection Based on Consultants Qualifications [CQS]
- Single Source Selection [SSS]
- Selection of Individual Consultant

Decentralization of Procurement

For expeditious completion and decentralised procurement the PMU will form Committees as per advice the AFD. At least three committees may be assigned to complete the process of procurement with cost of (1) up to Rs. 20.10 lakh, (2) up to 335 lakh and (3) above 335 lakh.

APFBC Procurement Manual

1 Introduction:

Efficient and prompt procurement is a critical element in project implementation to ensure drawing full benefit of the project..

2 Purpose:

The purpose of these guidelines is to inform those associated with APFBC about the policies that govern the procurement of goods, works and services to be strictly followed while implementation of the project.

3 Objective

The Objective of this manual is to ensure transparency, economy, and efficiency in all procurements under APFBC and to make them at the most competitive rate through a just, fair and transparent process without comprising the quality, quantity and time

4. The Project

The Assam Project on Forest and Biodiversity Conservation aims to restore forest ecosystems, in collaboration with the forest dependent communities, to enhance the forest dependent communities' livelihoods and ensure conservation and sustainable use of biodiversity. To achieve this, the project is organized around four main technical components and one component for project management namely first Forest Department Institutional Strengthening, second multi level strategic planning, third sustainable forest management, fourth Value addition and opening market opportunities for forest goods and services and fifth Project Management. The project will be implemented in 33 forest divisions focusing on 200 Joint Forest Management Committees and 28 Eco Development Committees across state of Assam.

The APFBC was appraised by the AFD in the month of September,2010 and legal agreements viz Credit Facility Agreement was signed by the AFD on February 22nd,2012 with the DEA, Government of India and the Project Agreement with the Government of Assam on The project thus, came in effect on

A Special Purpose Vehicle in the form of a Society is to function as the Society is to function as Executive Agency for the Project. The society is registered under Society Act 1860 on The Project Management Unit under the

Society will implement the project through the Field Implementation Units set up at forest division offices.

The total project cost is estimated at Euro 60 million.

The project period is five years beginning financial year 2012 Till end of 2016

The Project Appraisal Document contains detailed description of the project

5 Note on AFD Procurement Policy:

The AFD is promoting the principles of competition and transparency, in accordance with internationally recognized standards recommended by OECD and the United Nations' convention against corruption dated October 31, 2003. Learning from the World Bank financed project Assam Agricultural Competitiveness Project's (AACP) experience in Assam, procurement capacity of various line Departments has been built up through procurement training of a pool of staff. In all, 35 officers from various line departments, including Forest Department, have undergone training. As such Government of Assam has created a fairly well trained pool of staff familiar with the World Bank's procurement procedures, which is of high interest for the AFD project. A procurement manual will be prepared by the PMU within six months of the project launch and will be subject to AFD's approval. This will be helpful for Government staff as well as community as reference and training material.

6 Procurement applicable to APFBC:

The AFD considers is that i) the good performance of the AACP project regarding its procurement system, and ii) a few staff members of Forest Department deputed on the AACP got trained in procurement process and are comfortable with this system, it is assumed at this stage that the procurement modalities of the APFBC will follow the World Bank procurement procedures and Consultant Guidelines already adopted by GoA (which are consistent with internationally recognized principles and AFD procurement guidelines). Indeed, World Bank's standard bidding documents (SBD), which are already acceptable to GoA, are broadly acceptable to the AFD although subject to a few well defined adjustments (to be agreed between PMU and AFD). However, since likely transfer of trained staff outside the project cannot be ruled out. Procurement training must therefore be considered in the initial phase during the implementation of the project. In addition to the procurement to be undertaken by the society, the capacity building program of the community would also have to be incorporated to build up procurement capabilities for community development related activities which form substantial part in this project.

Thus to strengthen the procurement capacity of the PMU and to train other officers as well as community groups a procurement officer shall be recruited through a national tender for initial 24 months of the project.

7. Basic Mandatory Guidelines

AFD adopted the World Bank Guidelines for procurement under APFBC

- a. Goods & Works shall be procured in accordance with the provisions in the "Guidelines for Procurement under IBRD Loans and IDA Credits January 2011" published by the World Bank and is available at web site www.worldbank.org .(Hereinafter referred to as "Procurement Guidelines"
- b. Services of Consultants shall be procured in accordance with the provisions in the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency " published by the World Bank January 2011 It is available at web site www.worldbank.org . (hereinafter referred to as "Consultant Guidelines"
- c. .Standard Bidding Documents / Request for Proposals documents as finalized by the Government of India Task Force and amended from time to time, will be adopted for the procurement under the project.

Mandatory World Bank Guidelines applicable for Procurement under APFBC:

- a. These two documents are legally binding on the GOA / Project. As such if there is a conflict between the Project Agreement or the Project Feasibility and the Borrowers' National procurement regulations, the Project Agreement including the procurement guidelines takes precedence (Section)
- b. All expenditure under the project for procurement, works and consultants' will become eligible for reimbursement by the AFD if they are procured in conformity with the procedures of the World Bank guidelines accepted and adopted by AFD.
- c. AFD may declare mis-procurement if goods, works, consultants' are not procured as per agreed norms, leading to non reimbursement of the expenditures and also deletion of the related amount from the credit. Therefore the concerned Project Management Unit of the APFBC Society will be responsible for proper procurement and timely reimbursement and any lapse will result in financial loss to the state Government.
- d. the provisions in the Procurement Guidelines and Consultant Guidelines shall precede the provisions in this manual to the extent provided in the legal agreements and the procurement plan validated by the AFD;

8. Provisions in the Project Agreement: Schedule Procurement

8.1 Section 1 General

- A. All goods, works and services (other than consultants' services) shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" dated January 2011 (the Procurement Guidelines), and in accordance with the provisions of the Schedule. B. All consultants' services shall be procured in accordance with Sections I and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011 (the Consultant Guidelines), and with the provisions of this Schedule.
- C. The capitalized terms used below in this Schedule to describe particular procurement methods or methods of review by the AFD of particular contracts, have the meanings ascribed to them in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

8.2 Section 2 Particular Methods of Procurement of Goods, Works and Services (other than Consultants' Services)

- A. International Competitive Bidding. Contracts shall be awarded on the basis of International Competitive Bidding except as otherwise provided in Part B of this Section. The provisions of the Procurement Guidelines, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Borrower and works to be carried out by domestic contractors.
- B. Other Procurement Procedures
 - 1. National Competitive Bidding. Goods estimated to cost less than Euro 500,000 and works estimated to cost less than Euro 10 million equivalent per contract may be procured under contracts awarded on the basis of National Competitive Bidding, in accordance with procedures acceptable to IDA.
 - 2. Shopping. Goods estimated to cost less than Euro 50,000 equivalent per contract and works estimated to cost less than Euro 30,000 equivalent per contract, may be procured under contracts awarded on the basis of Shopping.
 - 3. Direct Contracting. Goods and works which the AFD agrees meet the requirements for Direct Contracting may be procured in accordance with the provisions of said procurement method.
 - 4. Force Account. Works which the AFD agrees meet the requirements for Force Account may be carried out in accordance with the provisions of said procurement method.
 - 5. Community Participation. Goods, works and services required for Sub-projects under Part A of the Project consisting of investments in (i)

drainage schemes; (ii) pond, tank and beel fisheries; and (iii) drilling tube-wells; (iv) pumping equipment; (v) tractors; (vi) power tillers, and accessories (vii) piggery, goatery, duckery, dairy, poultry, (viii) weaving, toy making, sewing machines, (ix) small processing and manufacturing units and accessories etc may be procured on the basis of community participation in accordance with the following procedures:

- (a) Shopping procedures for fish, poultry, pig, goat, cow etc and production inputs;
- (b) Direct contracting procedures for irrigation pump-sets and farm machinery; weaving, sewing and processing and manufacturing facilities and
- (c) Direct contracting with NGOs, or soliciting at least three bids from qualified contractors, or by the community on its own for civil works contracts.

8.3 Section III. Particular Methods of Procurement of Consultants' Services

A. **Quality- and Cost-based Selection.** Except as otherwise provided in Part B of this Section, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection. As per Consultant Guidelines, the short list of consultants for services estimated to cost less than Euro 500,000 equivalent per contract may comprise entirely of national consultants.

B. Other Procedures

1. **Quality-based Selection.** Services for assignments which the AFD agrees meet the requirements set forth in Consultant Guidelines may be procured under contracts awarded on the basis of Quality-based Selection in accordance with the Consultant Guidelines.
2. **Selection Under a Fixed Budget.** Services for assignments which the AFD agrees meet the requirements of paragraph 3.5 of the Consultant Guidelines may be procured under contracts awarded on the basis of a Fixed Budget in accordance with the provisions of paragraphs 3.1 and 3.5 of the Consultant Guidelines.
3. **Least-cost Selection.** Services for assignments which the AFD agrees meet the requirements of the Consultant Guidelines may be procured under contracts awarded on the basis of Least-cost Selection in accordance with the provisions of the Consultant Guidelines.
4. **Selection Based on Consultants' Qualifications.** Services estimated to cost less than Euro 100,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of the Consultant Guidelines.
5. **Single Source Selection.** Services for tasks in circumstances which meet the requirements of the Consultant Guidelines for Single Source Selection, may, with the AFD's prior agreement, be procured in accordance with the provisions of the Consultant Guidelines.
6. **Individual Consultants.** Services for assignments that meet the requirements set forth in the Consultant Guidelines may be procured

under contracts awarded to individual consultants in accordance with the provisions of the Consultant Guidelines. Under the circumstances described in the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis subject to prior approval of the AFD.

8.4 Section IV. Review by the AFD of Procurement Decisions

The Procurement Plan shall set forth those contracts, which shall be subject to the AFD's Prior Review. All other contracts shall be subject to Post Review by the AFD.

9. Methods Of Procurement & Related Thresholds for Post / Prior Review contracts

(These provisions are included in the Procurement Plan approved by World Bank) -

The methods of Procurement for Works and Goods will include International Competitive Bidding [ICB], National Competitive Bidding [NCB], International / National Shopping, Direct Contracting [for proprietary items such as software, spare parts, books, periodicals, seeds, saplings etc.] Force Account [with the permission of the AFD] and Community driven procurement [This is expected to be followed for community investments and group investments.]

9.1. GOODS:

- 9.1.1. ICB Prior Review contract packages: Above Euro 500,000 (i.e. above Rs. 335 lakhs); (Bidding Document-E-6);
- 9.1.2. NCB Post Review contract packages: below Euro 500,000 (i.e. below Rs. 335 lakhs); (Bidding Document-E-1/ E4 as applicable);
- 9.1.3. National Shopping Post Review contracts: Contracts below Euro 50,000; (i.e. below Rs. 33.50 lakhs).
- 9.1.4. With Prior Concurrence of the AFD: Direct Contracting for goods and works case by case with full justification.
- 9.1.5. Beneficiary/ Community procurement – goods and works- Post Review:

9.2. WORKS:

- 9.2.1. ICB Prior Review packages above Euro 10,00,000 above INR 670 lakh bidding document No. E-6.
- 9.2.2 NCB Prior Review: Packages Above Euro 500,000 (i.e. above Rs. 335 lakhs); (Bidding Document –No. W2).
- 9.2.3. NCB Post Review: Packages below Euro 500,000; INR 335 lakh) (Bidding Document -W1. For contracts less than Euro 100,000 i.e. less than INR 67 lakh and W2 for contracts above Euro 100,000 – i.e. above INR 67 lakhs).

- 9.2.3. NCB National Shopping Post Review: Packages below Euro 30,000 (i.e. below Rs. 20.10 lakhs). (Bidding Document -W9).
- 9.2.4. Force Account: works with prior concurrence of the AFD for works below Euro 20,000, i.e. INR 13.40 lakh
- 9.2.5. Beneficiary/ Community procurement: Post Review: Direct Contracting:: For procurement of community based Civil Works repair & maintenance of Roads building etc either by the community themselves or through NGOs, as provided in Project Feasibility Report and Project Agreement; (Bidding Document -W6).

Please refer to websites www.arias.in or www.worldbank.org for standard bidding documents.

9.3. CONSULTANTS:

- 9.3.1. Methods of procurement: Quality and Cost Based Selection [QCBS]; Quality Based Selection [QBS]; Selection under a Fixed Budget [FBS]; Least Cost Selection [LCS]; Selection Based on Consultants Qualifications [CQS]; Single Source Selection [SSS]; Selection of Individual Consultant the Guidelines. Details as provided in Project Feasibility & Project Agreement as shown at para 4 /Section-III above.
- 9.3.2. National Consultants: For contracts below Euro 500,000 (INR 335 lakhs), the Short List may comprise entirely of national consultants.
- 9.3.3. International Consultants: For contracts above Euro 500,000 (INR 335 lakhs), the Short List may comprise not more than two from an Eligible country and at least one from any developed country.

9.3.4. Prior Review –

- 9.3.4.1. Contracts for employment of Consulting Firms estimated to cost more than Euro 200,000 (i.e. about INR. 134 lakhs)
- 9.3.4.2. Contracts for employment of Individual Consultants estimated to cost more than Euro 50,000 (i.e. about INR. 33.50 lakhs),
- 9.3.4.3. Amendments to contracts for the employment of Consulting Firms raising the contract value to Euro 200,000 (i.e. about Rs. 134 lakhs) or above and
- 9.3.4.4. Amendments to contracts for employment of Individual Consultant raising contract value to Euro 50,000 (i.e. INR. 33.50 lakhs) or above
- 9.3.4.5. All single Source Consultancy assignment estimated to cost more than then Euro 10,000 i.e. Rs.6.7 lakhs).
- 9.3.4.6. All Consultancy assignment not provided in the Feasibility Report or not specifically mentioned in the Cost table.
- 9.3.4.7. TORs for all consultancy assignments other than for assignment of less then Euro 10,000 (Rs.6.7 lakhs).

9.3.5. Post Review –

- 9.3.5.1. Contracts for employment of Consulting Firms estimated to cost less than Euro 200,000 (i.e about Rs. 134 lakhs)
- 9.3.5.2. Contracts for employment of Individual Consultants estimated to cost less than Euro 50,000 (i.e about Rs. 33.50 lakhs) and.

Notes:

- a) Prior Review: In case of Prior Review contracts, prior concurrence of the AFD will be applicable for - (a) The Invitation for bid (IFB)/ Expression of Interest (EOI); (b) The Bidding Document/ Request for Proposal (RFP) and its amendments, if any; (c) The Bid Evaluation Report (BER) prepared in the prescribed format of the AFD and (d) The Contract Agreement with Check List for obtaining AFD Registration No. Further, In case of prior review contracts, all Variation above 15% of Original Contract Price must have prior approval of the AFD.
- b) Post Review: List of all Post Review Contracts is to be forwarded to the AFD on an Annual Basis. The AFD Staff contracts / AFD's Audit Consultant would review these on a sample basis.
- c) Direct Contracting: Direct Contracting from the manufactures for irrigation pump-sets, farm machinery and associated equipment and other goods and equipment by community may be done. Further, Civil Works to be done by the Beneficiary / community may also be done through Direct Contracting procedure. However, Direct Contracting for proprietary items such as software, spare parts, books, periodicals, seeds and saplings, NGOs etc shall be procured with AFD's prior concurrence in each case. Procurement through Direct Contracting procedure, other than for NGOs, should be restricted to cases when the justification for it is far beyond contention and not as a routine matter.
- d) AFD Registration (AFDR) Number. - AFDR No. is to be obtained for all contracts above Euro 200,000 (i.e. about INR 134 lakhs) and for obtaining the same in case of Post Review contracts - Bidding Document, Bid Evaluation Report (BER), signed contracts with prescribed Check Lists is required to be sent to the AFD. No reimbursement by the AFD if AFDR No., wherever applicable, is not obtained. In case of Post Review, a list of all post review contracts is to be forwarded to AFD on an annual basis.
- e) In case of Prior Review, before bids are invited, the PMU shall furnish to AFD for its comments the following: invitation for bid; bidding document and its amendments, if any; minutes of pre-bid conference, if any; and after bids have been received and evaluated : bid evaluation report in the prescribed format; and contract agreement with check list.

10. Procedures for National Competitive Bidding [NCB] as provided in Project Agreement / Feasibility Report.

Proposed Procedures for National Competitive Bidding [NCB] will include:

- 10.1. Only the model bidding documents for NCB agreed with the GOI Task Force (and as amended for time to time), shall be used for bidding;
- 10.2. Invitations to bid shall be advertised in at least one widely circulated national daily newspaper, at least 30 days prior to the deadline for the submission of bids;
- 10.3. No special preference shall 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;
- 10.4. Except with the prior concurrence of the AFD, there shall be no negotiation of price with the bidders, even with the lowest evaluated bidder;
 - 10.5. Extension of bid validity shall not be allowed without the prior concurrence of the AFD (i)for the first request for extension if it is longer than eight weeks; and (ii)for all subsequent requests for extension irrespective of the period (such concurrence will be considered by AFD only in cases of Force Majeure and circumstances beyond the control of the Purchaser/Employer);
 - 10.6. Re-bidding shall not be carried out without the prior concurrence of the AFD . The system of rejecting bids outside a pre-determined margin or “bracket” of prices shall not be used in the project;
 - 10.7. Rate contracts entered into by Directorate General of Supplies & Disposals will not be acceptable as a substitute for NCB procedures. Such contracts will be acceptable however for any procurement under National Shopping procedures;
 - 10.8. Three envelop system will not be used;

11. Cardinal Principles: Generic Issues:

- 11.1. Bidding period 45 days for ICB, 30 days for NCB, 15 days for National Shopping.
- 11.2. Bid Evaluation Report shall be prepared based on the provisions in the bidding document without any subjective decision.
- 11.3. Decision should be taken in a time bound manner. BERs shall be finalized with 45 days from the date of bid opening in case of NCB Procurement. Award of contract shall be completed within maximum 60 days from the date of bid opening.
- 11.4. If extension of bid validity is required it should be sought from all bidders before stipulated expiration date (only for bids which had the required bid validity at the time of opening), and not from the lowest alone and the PMU/AFD notified.
- 11.5. The system of rejecting bids outside a pre-determined margin or “bracket” of prices shall not be used in the project, i.e. Any procedure under which bids above or below a pre-determined assessment of bid values are automatically disqualified, is not acceptable.
- 11.6. In the case of civil works, if the bid of the successful bidder is seriously unbalanced in relation to the departmental estimate for the work, Performance Security should be increased to a level sufficient to protect the Society against financial loss in the event of subsequent default of the successful bidder under the contract.
- 11.7. Negotiation of price with the bidders is not acceptable even with the lowest evaluated bidder.
- 11.8. Bids should not be rejected solely on account of non-submission of historical information. Bidders should be given one opportunity to furnish

the necessary information by giving adequate time. Where necessary purchaser may also consider verifying the information independently before considering rejection of lower offers for non-submission of historical information.

- 11.9. All bidders are expected to indicate clearly in the bid, if they proposed sub-contracting elements of the works amounting to more than 20 percent of the Bid Price. For each such proposal the qualification and the experience of the identified sub-contractor in the relevant field should be furnished along with the bid to enable the employer to satisfy about their qualifications before agreeing for such sub-contracting and include it in the contract. However, sub-contracting for certain specialized elements of the work is not unusual and acceptable for carrying out the works more effectively; but vertical splitting of the works for sub-contracting is not acceptable
- 11.10. Single Bids: Where only one bid is received, efforts should be made to ascertain the reasons. If it is determined that publicity was not adequate, bid specifications or any of terms were restrictive or unclear, the bid should be cancelled and invited afresh after amending the specifications/terms. If however, it is determined that bid specifications are not restrictive and the prices quoted are reasonable and bid is technically and commercially responsive, the single bid should be considered for award.
- 11.11. Rejection of bids due to submission of collusive (unreasonably high) prices will attract provisions of para 1.14 of Procurement Guidelines (January 2011) & Clause 37.1 of ITB (NCB works). In such cases bidders must be requested to furnish breakdown of unit rates in terms of clause 25.1 of ITB (NCB works) providing justification for higher bid prices. If this justification, after review, is determined rational, contract should be awarded to the lowest evaluated responsive bidder. If not, these bidders must be declared as ineligible from bidding in the re-bid for that contract as specified in Clause 4.8 and 37.1 of ITB (NCB works).
- 11.12. In case of Road & Bridge Works all contract variation proposal shall accompany, inter alia, a statement in the following format. This format shall also be used for all other Civil Work Contract variation proposals, with the exception that the Columns relating to Price Adjustment shall not be used, as it is not applicable for contracts under W1 Bidding Document and also for contracts with completion period less than 18 months.

12 Procurement Plan and Procurement Supervision:

The process steps in formulating Procurement Plan are suggested as follows:

1. At the commencement of the project, in consultation with the TA Consultants the PMU is to prepare packaging of the activities under each of the five project components based on the cost tables.
2. After validating cost rates at current prices, the Cost Tables are to be placed on websites of the AFD as well as APFBC.
3. According to the Packaging and cost tables, the PMU will prepare the Annual Work Plan (AWP) and submit to the GOA for administrative and financial approval.
4. Approved AWP by the GOA is considered as "Scheme".

5. The Procurement Plan will be prepared for the scheme implementation every year.
6. The PMU will then submit the Procurement Plan to the AFD for its approval.
7. The Procurement Plan will be made available in the PMU and shall also be published on the external web site of the AFD as well as on the website of the project.
8. The procurement plans approved by AFD will be updated annually and modified as needed.
9. AFD should validate very year the Procurement plan with modifications, revisions or amendments if any.
10. The date of submission of Annual Procurement Plan to AFD should be synchronised with the Steering Committee meeting and should take in consideration the deadline of the 15th of January for submission to Assam State Government. AFD will need 15 days to validate the Procurement Plan or modifications made in the already approved plan. Conversely, after 15 days, the PMU will consider submitted Procurement Plan / modification therein as validated by AFD.

Frequency of Procurement Supervision: Two field supervisions will be required each year to undertake post reviews of procurement actions.

13.0 Category wise Procurement Arrangement

13.1 Works: Rehabilitation and upgrading of buildings, forest roads and bridges is by far the largest cost item in the civil works category. The roads to be upgraded are small roads, scattered in remote areas. Therefore foreign contractors are not likely to be attracted to these works, which would most of the time be carried out by the local qualified contractors / participating communities. However, foreign bidders would not be precluded from participating in the NCB procedure. The other civil works include renovation of existing buildings/offices, construction of a limited number of buildings (offices or staff homes), cleaning and de-silting of ponds, etc. These are small and scattered works costing, in the main, less than INR 33.5 lakh per contract, and would mostly be carried out by the Society using NCB or the Shopping procedures depending upon the value of the contract, or by the participating community. For community works, procedures could be agreed whereby communities can:

- o undertake the works themselves;
- o implement through direct contracting with NGOs; or,
- o invite a minimum of three quotations from the qualified contractors.

An agreement could be reached on the format to be used for the MOU between implementing agencies and communities to undertake works.

13.2 Goods & Equipment: Procurement under this category includes office equipment, computers and peripherals, computer software, vehicles, demonstration and research inputs, books and periodicals, material for training and demonstrations, and equipment for village development and livelihood activities. Procurement procedures to fulfill needs of goods and equipments of the forest department would be NCB, Shopping or Direct Contracting depending on the nature of supplies. The purchases are usually small and ICB procedures would not be feasible, nor required to generate maximum competition. However, in the event the package size is more than Euro 500.000 then ICB would be adopted. The procedures for community driven procurement for goods and equipment could be as follows:

- o Shopping procedures for production inputs or,
- o Direct Contracting from the manufactures associated with equipment. For this purpose, the project authorities would seek expression of interest from a range of original equipment manufactures.

13.3 Consultancy and Training Services: The important consultancies under the project include :

- o Supervision and contract management for infrastructure upgrading and building
- o Monitoring and Evaluation of project implementation.
- o Financial and technical Audit
- o Short term and long term technical assistance to PMU

In addition to these, there will be large number of smaller consultancy contracts for NGOs who would act as facilitators for community mobilization, environmental consultancies and consultancies related to communities/villages development, livelihood generation, product and process development, marketing, forestry, and research. In addition, contracts expected to cost more than US\$ 200,000 shall be advertised in Market.

This will particularly apply to the staff recruited for short and long term technical assistance to strengthen implementation capacity of the PMU:

o The two international staff (Chief Technical Advisor) and one senior TA, and deputy of officer in charge of component 1) will be recruited through an international tender by the project.

o Other national staff (communication officer, procurement officer, expert in participatory forestry, "Innovations" officer, and auditor(s)/ auditing firm) will be recruited through a national tender.

Methods for Selection of Consultants will include the following, depending on appropriateness in each case:

- International Competitive Bidding [ICB]

- Quality and Cost Based Selection [QCBS]
- Quality Based Selection [QBS]
- Selection under a Fixed Budget [FBS]
- Least Cost Selection [LCS]
- Selection Based on Consultants Qualifications [CQS]
- Single Source Selection [SSS]
- Selection of Individual Consultant

14. National Shopping:

- 14.1. Shopping is intended to be a simple and rapid procurement method. Competition is the basis for economic and efficient procurement. Shopping is one of the least competitive procurement methods and likely to be abused unless it is carried out diligently observing transparent formalities in the process and with appropriate record keeping for verification and audit. .
- 14.2. A detailed guideline for procurement under National Shopping is to be issued by Project Management Unit (PMU). All the Goods & Works shall be procured following the norms for procurement through 'National Shopping' as elaborated in the Procurement Guidelines of the World Bank.
- 14.3. Because of the risk of abuse in procurement under National Shopping and to have transparency, the process of 'collecting three quotations' often applied for National Shopping should be restricted to cases when the justification for it is beyond contention. It is advised not to use National Shopping/ Direct Contracting only as an expedient to by-pass more competitive methods or fraction large procurements into smaller ones solely to allow the use of shopping. When the nature of the specifications is complex or the type of procurement requires an elaborate, detailed evaluation system (i.e., efficiencies, delivery times, etc.) that needs substantial documentation, a minimum formal bidding process instead of collecting three quotations' should be used.

15. Decentralization of Procurement:

The PMU shall on advice of the AFD decide to decentralize procurement process under the APFBC.

15.1. Contracts Below Rs. 20.10 Lakhs

- 15.1.1. For Contracts below Rs. 20.10 Lakhs (Approx. Euro 30,000), the powers to decide on shall rest with the respective
- 15.1.2. Bid Evaluation Reports (BER) / Abstract of CS need not come to the PMU for concurrence; However, a monthly summary statement of such contracts shall be submitted to PMU.
- 15.1.3. Bid Evaluation Committee (BEC) will be headed by Conservator of Forests for contracts below INR 20.10 lakhs) comprising the following –

- a) Circle Conservator– Chairman
- b) Senior most D.F.O. heading a FIU – Member Secretary
- c) Finance and Accounts officer of the Department at HQ – Member
- d) All other DFOs heading FIUs under the Circle – Members
- e) One technical officer as decided by the Chairman.

The Society shall hire on a contract basis one Procurement Specialist with experience in the World Bank procurement procedures for first two years. The contract may be extended based on needs and the performance of the consultant. S/he shall be invitee to the Evaluation Committee to assist in taking decisions and for reference to Procurement and Consultants Guidelines.

15.2. Contracts Above Rs. 20.10 Lakhs

- 15.2.1. For contracts above Euro 30,000 (above INR 20.10 lakhs), BERs are to be drafted at the two levels i.e. technical and financial and is to be forwarded to the PMU directly for concurrence/ No Objection.
- 15.2.2. Two Empowered Committees by the APFBC Society shall take decisions on contracts; one for contracts worth Rs. 335 Lakhs and above Approx. Euro 500,000 and above and the other for contracts estimated below Rs. 335 lakhs. The Member Secretary of the Steering Committee will issue a notification based on the resolution of the Steering Committee on composition, nomination and terms of reference of these two committees. The suggested composition of the Committees are as below-

15.2.3. BEC For contracts above Rs. 335 Lakhs.

The committee shall consist of-

- 1. PCCF HoFFChairman
- 2. Chief Project Director.....Member
- 3. Project Director – Concerned ComponentMember
- 4. Representative of Forest department not
Below rank of Joint SecretaryMember
- 5. Representative of Finance Department not
Below rank of Joint Secretary.....Member
- 6. Finance and Accounts officer PMU Member
- 7. Representative of the PWD not below rank
of Joint Secretary/Senior Official of AMTRON
as and when requiredMember

The Procurement Officer, PMU will be special invitees to assist the Committee in taking decisions and for reference relating to World Bank guidelines. Respective Coordinating Officer, PMU will also assist the committee with records.

15.2.4. BEC For contracts below Rs. 335 Lakhs

The committee shall consist of -

- 1. PCCF (Wild Life).....Chairman
- 2. Chief Project Director.....Member
- 3. Project Director – concerned component Member
- 4. Finance and Accounts Officer PMU Member

5. Representative of Finance Department
Not below rank of Joint Secretary.....Member
6. Representative of PWD not below rank
Rank of joint secretary and senior officer
Of AMTRON as and when requiredMember

Procurement Officer PMU will be special invitee to the meetings to assist the committee in taking decisions and for reference relating to World Bank Guidelines. Project Director of the respective APFBC Project Component of the PMU will be permanent invitee to the meetings to assist the Committee in taking decisions with records;

15.2.5. BERs for all NCB contracts shall be finalized within maximum period of 45 days from the date of opening of bids at all levels.

16. Reporting & other Formats:

- 16.1. Sample Format for preparation of Bid Opening Minutes & Bid Evaluation Report for Civil Work Contracts may be finalized by PMU based on AACP procedures. Please refer to www.arias.in
- 16.2 All post review contracts will be audited by the PMU staff / AFD officials and consultants
- 16.3 Full documentation relating to procurements should be retained safely for audit. Concerned PMU and FIU office bearers would ensure that all the original quotations, bids, other documents leading to the award decision and its rationale is stored safely for easy retrieval for the purpose of audit, inspection and review as and when needed.
- 16.4 PMU and FIUs, and also the purchasers shall maintain a contract register in the following format:

Assam Project On Forest and Biodiversity Conservation												
Level PMU /		FIU.....						Name of FIU Division				
Register of Contracts												
Sr . No.	Cost Table or Procurement plan reference	Name of item with quantity	Contract Type - Works or goods	Method of procurement	Date of IFB / NI Q	Date of opening of bids/ quotations	Date of finalization of BER / CS	Approval authority / date	Contract Supply Order No. date	Name of contract / supplier	Contract Price	Payment made till date

17. Reference Documents

Procurement Procedures and formats used in AACP are available at web sites:

(1) www.arias.in or (2) www.worldbank.org

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