

Himachal Pradesh Horticulture Development Project
Project ID : P151744
Procurement Plan

I. General

1. **Bank's approval Date of the procurement Plan** : Original: March 22, 2016
2. **Date of General Procurement Notice**: May 19, 2015
3. **Period covered by this procurement plan**: 18 months

II. Goods and Works and non-consulting services.

1. **Prior Review Threshold**: Procurement Decisions subject to Prior Review by the Bank as stated in Appendix 1 to the Guidelines for Procurement:

Table 1: Procurement Methods

Category	Method of Procurement	Threshold (US\$ Equivalent)
Goods and non-consulting services (including IT contracts)	ICB	≥3,000,000
	LIB	Wherever agreed by the World Bank
	NCB	Up to 3,000,000 (with NCB conditions)
	Shopping	Up to 100,000
	From UN Agencies	As per para 3.10 of Guidelines
	DC	As per para 3.7 of Guidelines
	Force Account	As per para 3.9 of Guidelines
	Framework Agreements	As per para 3.6 of Guidelines
Works	ICB	≥40,000,000
	NCB	Up to 40,000,000 (with NCB conditions)
	Shopping	Up to 100,000
	DC	As per para 3.7 of Guidelines
	Force Account	As per para 3.9 of Guidelines

Prior Review by the Bank : The World Bank will prior review all Terms of Reference and the following contracts:

- Works: All contracts more than US\$15.0 million equivalent;
- Goods: All contracts more than US\$3.0 million equivalent;
- Non-Consulting Services: All contracts more than US\$3.0 million equivalent;

The HPHDS will prior review the first contract issued by each implementing entity, if the estimates of those contracts are below the prior review threshold value. The Bank will conduct March 22, 2015

prior review for only those contracts whose estimates fall in the prior review threshold value. In addition, justifications for all contracts to be issued on Limited International Bidding (LIB), direct contracting or single sourcing (>US\$100,000) basis will be subject to prior review by the World Bank. These thresholds are set for the initial 18 months of project implementation and are based on the procurement performance of the project, and may be modified. In addition, the Bank will carry out an annual ex post procurement review of the procurement falling below the prior review threshold mentioned above.

All contracts below the specified prior review threshold value will be subject to Post Procurement Review (PPR). The implementing agency will prepare a list of contracts and submit it to the World Bank for this purpose. The PPR will be conducted on an annual basis.

2. **Prequalification.** Not applicable
3. **Proposed Procedures for CDD Components (as per paragraph. 3.17 of the Guidelines:** [*Refer to the relevant CDD project implementation document approved by the Bank or delete if not applicable*]
4. **Reference to (if any) Project Operational/Procurement Manual:** *Project Implementation Manual for World Bank Loan Project XYZ 04/01/2010 issued by <mention name of PIU>*
5. **Any Other Special Procurement Arrangements:**

International Competitive Bidding (ICB) is the preferred method for procurement of goods, works and non-consulting services using the World Bank's standard bidding document. In addition, the following methods may be adopted depending upon size and complexity of subprojects in accordance with Procurement Guidelines, and as agreed in the Procurement Plan: (a) Limited International Bidding (LIB), (b) National Competitive Bidding (NCB), (c) Shopping, (d) Framework Agreements, (e) Direct Contracting, (f) Force Account, and (g) Procurement of UN agencies. Limited International Bidding is essentially ICB by direct invitation, is used only under exceptional circumstances, and will be adopted only for packages that are specifically agreed by the World Bank to be procured following LIB.

National Competitive Bidding (NCB) for procurement of goods and works will be conducted in accordance with paragraphs 3.3 and 3.4 of the Procurement Guidelines and the following provisions:

- (i) Only the model bidding documents for NCB as agreed with the GoI Task Force (and as amended from time to time), will be used for bidding.
- (ii) Invitation to bid will 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 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, government-owned enterprises, small-scale enterprises or enterprise from any given regional government;
- (iv) Except with the prior concurrence of the World Bank, there will be no negotiation of price with the bidders, even with the lowest evaluated bidder;
- (v) For prior review contracts, extension of bid validity will not be allowed 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 all subsequent requests for extension irrespective of the period (such concurrence will be considered by the World Bank only in cases of Force Majeure and circumstance beyond the control of the Purchaser/Employer);
- (vi) For prior review contracts, re-bidding will not be carried out without the prior concurrence of the World Bank;
- (vii) The system of rejecting bids outside a pre-determined margin or “bracket” of prices will not be used in the Project;
- (viii) Rates contracts entered into by the Directorate General of Supplies and Disposal (DGS & D) will not be acceptable as a substitute for NCB procedures unless agreed with the World Bank on a case-by-case basis. Such contracts will be acceptable however, for any procurement under the shopping procedure;
- (ix) The two or three envelop system will not be used (except when using the e-procurement system assessed and agreed by the World Bank).

Shopping. Procurement of goods, works and non-consulting services may be carried out using the shopping method (paragraph 3.5 of the Procurement Guidelines) for readily available, off-the-shelf products, or simple civil works valued at less than US\$100,000 and which do not require tailor made designs as agreed with the World Bank or concerned expert agencies. Such method, if any, will be agreed in the Procurement Plan. The implementing agency and entities will solicit at least three price quotations for the purchase of goods, materials, small works, or services (non-consulting), to formulate a cost comparison report. If agreed by the World Bank, under exceptional circumstances, (such as design sensitivity due to location near a monument or appropriate technology), International Shopping may be used wherein quotations will be solicited from at least three suppliers in two different countries. Goods that otherwise qualify for shopping could be procured directly from UN agencies. In specific cases agreed with the World Bank, procurement may be made from UN agencies as per paragraph 3.10 of the Procurement Guidelines.

Direct Contracting. Direct contracting for the procurement of civil works and goods (paragraph 3.7 of the Procurement Guidelines) may be used to extend an existing contract or award a new contract. For such contracting to be justified, the World Bank must agree that the price is reasonable and that no advantage could be obtained by further competition. Direct contracting can be used to procure from the private sector, UN agencies/programs

(for goods), or contractors or NGOs that are already mobilized and working in the target areas.

Force Account. When contractors/suppliers are unlikely to bid at reasonable prices because of the location and risk associated with the subproject or a certain government agency has exclusive rights to a certain type of works/supply, the borrower may use its own department’s personnel and equipment or government owned construction units, provided that the borrower has sufficient managerial capacity and possesses the required technical and financial controls to report to the World Bank on expenditure, as per paragraph 3.9 of the Procurement Guidelines.

Framework Agreements. Directorate General of Supplies and Disposal rate contracts will be acceptable as framework agreements for the procurement of goods. Regional government level rate contracts will be examined by the World Bank and if agreed upon, may also be used as framework agreements. Implementing entities also have the option to set up new framework agreements as per paragraph 3.6 of the Procurement Guidelines.

Use of government institutions and enterprise. Government owned enterprise or institutions in India may be hired based on their unique and exceptional nature if their participation is considered critical to the Project implementation. In such cases, the conditions given in clauses 1.13 of the Consultant Guidelines will be satisfied and each case will be subject to prior review by the World Bank.

6. Summary of the Procurement Packages planned during the first 18 months after project effectiveness : Available in separate Excel file

III. Selection of Consultants

- Prior Review Threshold:** Selection decisions subject to Prior Review by Bank as stated in Appendix 1 to the Guidelines Selection and Employment of Consultants:

Table 2: Procurement Methods

Category	Method of Procurement	Threshold (US\$ Equivalent)
Consultants’ services	QCBS	As per Section II of Guidelines
	CQS	Up to 300,000
	SSS	As per para 3.8-3.11 of Guidelines
	Individuals	As per Section V of Guidelines
	LCS	As per para 3.6 of Guidelines
	QBS	As per para 3.2 of Guidelines
	FBS	As per para 3.5 of Guidelines
	(i) International shortlist (ii) Shortlist may comprise national consultants only	>800,000 Up to 800,000

The World Bank will prior review all Terms of Reference and the following contracts:

- All contracts more than US\$1.0 million equivalent for firm; and
- All contracts more US\$300,000 equivalent for individuals.

The HPHDS will prior review the first contract issued by each implementing entity, if the estimates of those contracts are below the prior review threshold value. The Bank will conduct prior review for only those contracts whose estimates fall in the prior review threshold value. In addition, justifications for all contracts to be issued on direct contracting or single sourcing (>US\$100,000) basis will be subject to prior review by the World Bank. These thresholds are set for the initial 18 months of project implementation and are based on the procurement performance of the project, and may be modified. In addition, the Bank will carry out an annual ex post procurement review of the procurement falling below the prior review threshold mentioned above. All contracts below the specified prior review threshold value will be subject to Post Procurement Review (PPR). The implementing agency will prepare a list of contracts and submit it to the World Bank for this purpose. The PPR will be conducted on an annual basis.

- 2. 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 paragraph 2.7 of the Consultant Guidelines.

- 3. Any Other Special Selection Arrangements:**

Selection of Consultants—Quality and Cost Based Selection: Consultant Services may be procured under contracts awarded on the basis of Quality- and Cost-based Selection in accordance with the provisions of Section II of Consultant Guidelines using the World Bank's Standard RFP. In addition, the following selection methods may be adopted depending upon size and complexity of tasks and as agreed in the Procurement Plan:

- Quality Based Selection (QBS)
- Selection under Fixed Budget (FBS)
- Least Cost Selection (LCS)
- Single Source Selection (SSS)
- Individual Consultant (IC)

Single-Source Selection of consulting firms or individual experts may be used only if it presents a clear advantage over competition for the required consulting services in accordance with paragraph 3.8 of the World Bank's Consultant Guidelines. Selection of consulting firms based on Consultants' Qualifications (CQS) may be appropriate for assignments estimated to cost up to US\$300,000 or equivalent in accordance with paragraph 3.7 of the Consultant Guidelines. Advertisement for expression of interest may be limited to the regional level for assignments estimated to cost less than US\$100,000.

For assignments that are estimated to cost less than US\$50,000, advertisement is not mandatory as long as a shortlist of at least three proven qualified firms is established. Shortlists of consultants for services estimated to cost less than US\$800,000 or the equivalent per contract may be composed entirely of national consultants (paragraph 2.7 of Consultant Guidelines). Services for assignments that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.2 to 5.5 of the Consultant Guidelines. Under the circumstances described in paragraph 5.6 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole source basis.

4. **Consultancy Assignments with Selection Methods and Time Schedule:** Available in separate Excel file.

