

Procurement Plan

for
National Rural Economic Transformation
Project (NRETP)

P166745

**[Period:First 18 months of the Project]
Covering the Period : July 2018 to December
2019**

National Rural Livelihoods Promotions
Society
Ministry of Rural Development
Government of India

PROCUREMENT PLAN

Country : INDIA

Borrower : Government of India

Project Name : National Rural Economic Transformation Project
[P166745]

Project Implementation Agency: National Rural Livelihoods Promotions Society (NRLPS) and Thirteen State Mission Management Units

Date of General Procurement Notice :

Bank's Approval Date of the Procurement Plan:
Original ...
Revision 1:

Date of the Procurement Plan: March 2018

Period covered by this Procurement Plan: July 2018 – December 2019

Preamble

1. Procurement would be carried out in accordance with the World Bank's Procurement Framework and "Procurement Regulations for Borrowers, July 2016, Revised November 2017", hereinafter referred to as "Regulations", will be applicable for all procurement under the project.
2. In accordance with paragraph 5.9 of the "World Bank Procurement Regulations for IPF Borrowers" [July 2016, Revised November 2017] ["Procurement Regulations"] the Bank's Systematic Tracking and Exchanges in Procurement [STEP] system will be used to prepare, clear and update Procurement Plan and conduct all procurement transactions for the Project.
3. This textual part along with the Procurement Plan tables in STEP constitute the Procurement Plan for the Project. The following conditions apply to all procurement activities in the Procurement Plan. The other elements of the Procurement Plan as required under paragraph 4.4 of the Procurement Regulations are set forth in STEP.
4. **Advance Contracting with Retroactive Financing:** For effective project implementation and effective start-up, the project has initiated advance contracting.

5. **The Bank's Standard Procurement Documents:** shall be used for all contracts subject to international competitive procurement and those contracts as specified in the Procurement Plan tables in STEP.

6. **Procurement Management:**

The project is to be implemented by National Rural Livelihood Society under MoRD, to be known as National Mission Management Unit under the project; 13 participating states which are: Assam, Bihar, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Maharashtra, Madhya Pradesh, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal; also known as State Rural Livelihood Missions under the Pan India NRLM. Each SRLM has a society with established institutional and governance systems, under the project these will also be referred as State Mission Management Units (SMMU). The Procurement will also be undertaken at the District level. No procurement is envisaged at Block level, however districts and block level authorities will facilitate community procurement by helping beneficiaries in drafting the specifications, drawing up framework agreements and Rate Banks in supervision of respective State Mission Management Units.

Each SMMU will prepare an annual procurement plan and submit the same to NMMU for collation to be submitted for Bank's No Objection.

NMMU will also prepare a Procurement Manual which will be used by the State and District level implementing agencies under the project. This will have separate section for Community Procurement detailing the methods and thresholds applicable to the communities. The manual will be approved by MoRD and World Bank.

Use of GeM will be allowed in lieu of shopping up to US\$ 30,000 in catalog mode [viz. any available item could be selected]. The GeM will also be allowed in lieu of shopping up to US\$ 100,000, provided there are at least 3 suppliers for the item on GeM and the entity uses RFQ [mini competition or bidding among suppliers] feature on GeM to discover the final price.

Systematic Tracking of Exchanges in Procurement [STEP]. The project will implement STEP, a World Bank procurement planning and tracking system, which would provide data on procurement activities, establish meaningful and measurable benchmarks.

7. **E-Procurement:** States which have already been using e-procurement that have been assessed by the World Bank will continue to use the respective platforms.
8. **Record Keeping:** All records pertaining to the award of tenders, including bid notification, register pertaining to sale and receipt of bids, bid opening

minutes, Bid Evaluation Reports; and all correspondence pertaining to bid evaluation, communication sent to/with the World Bank in the process, bid securities, approval of invitation/evaluation of bids by the State/District/Block and Village levels would be retained by the respective Implementing Agencies.

9. **Disclosure of Procurement Plan:** The project will use the Bank's online procurement planning, tracking and monitoring tool, Systematic Tracking of Exchanges in Procurement. The Procurement Plan and its updates, as approved by the Bank in STEP will be disclosed on the Bank's external website, the project website and shared with District and sub-district level implementing agencies.
10. **Disclosure of Procurement Information:**
 - a. The following documents shall be disclosed on the Project website: [i] procurement plan and updates, [ii] Specific Procurement Notice for procurement of goods, non-consulting services and works for open competitive procurement [iii] Request for Expressions of Interest for selection/hiring of consulting services, [iv] list of contracts awarded, [v] shortlist of consultants.
 - b. For all prior review procurement, following details shall be sent to the Bank through STEP for publishing in the UNDB and World Bank external website: [i] Procurement Notices for procurement of goods, non-consulting services and works using international/national open market approach [ii] request for Expressions of Interest for consulting services (iii) contract award details of all procurement of goods and works using international/national open competitive procurement, [iv] contract award details of all consultancy services and [v] list of contracts/purchase orders placed following Direct Selection or CQS procedures on a quarterly basis. In addition, implementing agency will also publish on its website any information required under the provisions of "*suomotu*" disclosure as specified by India's Right to Information Act.
11. **Complaint Handling Mechanism:** A complaint handling mechanism to address any procurement related complaints received by the project, will be developed and implemented by the NMMU to the satisfaction of the Bank. Upon receipt of complaints, immediate action would be initiated to acknowledge the complaint and to redress it within a reasonable timeframe. All complaints will be addressed at levels higher than the level at which the procurement process was undertaken or the decision was taken. Any complaint received will also be forwarded to the Bank for information, and the Bank would be kept informed after the complaint is redressed.

12. **Contract Management:** Procurement unit under the NMMU will be responsible for overall procurement and contract management. The Procurement unit will be ably assisted by a multi-skilled Project management team, engaged to provide overall implementation support and monitor all Goods, Non-consulting services and Consultancy contracts.

13. **Leased Assets:** Not Applicable

14. **Procurement of Second Hand Goods:** Not Applicable

15. **Domestic Preference:**

Goods: is not applicable for those contracts identified in the Procurement Plan tables

Works: is not applicable for those contracts identified in the Procurement Plan tables

16. **National Procurement Procedures - Request for Bids :** In accordance with paragraph 5.3 of the Procurement Regulations, when approaching the national market [as specified in the Procurement Plan tables in STEP], the country's own procurement procedures updated from time to time may be used, as elaborated below:

- a. Only the model procurement documents agreed with The World Bank [and as amended for time to time], shall be used for bidding;
- b. 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;
- c. No special preferences 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;
- d. Extension of bid validity shall not be allowed with reference to Contracts subject to Bank prior review without the prior concurrence of the 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 Bank only in cases

of Force Majeure and circumstances beyond the control of the Purchaser/Employer]’;

- e. Re-bidding shall not be carried out with reference to contracts subject to Bank’s prior review without prior concurrence of the Bank. The system of rejecting bids outside a pre-determined margin or “bracket” of prices shall not be used in the project;
- f. Rate contracts entered into by the Directorate General of Supplies and Disposals [DGS&D] will not be acceptable as a substitute for national competition procedures unless incorporation of right to audit and fraud corruption clauses. DGS&D contracts and its new version will be acceptable, however, for any procurement under the shopping procedures, Bank has allowed use of Government of India’s Government e-Marketplace [GeM][www.gem.gov.in] in lieu of Shopping/RFQ as per following details:
 - Use of GeM will be allowed in lieu of shopping up to US\$ 30,000 in catalog mode [viz. any available item could be selected by borrowers].
 - Use of GeM will be allowed in lieu of shopping up to US \$100,000, provided there are at least 3 suppliers for the item on GeM and the Purchaser uses RFQ [mini competition or bidding among suppliers] feature on GeM to discover the final price. In both above cases Borrowers will record their assessment on reasonableness of price. Also, GeM is not to be used in lieu of National Competitive Procurement [NCP].
- g. No negotiations are conducted even with the lowest evaluated responsive bidders.
- h. Two or three envelope system will not be used [except when using e-Procurement system assessed and agreed by the Bank].

When other national procurement arrangements other than national open competitive procurement arrangements are applied by the Borrower, such arrangements shall be subject to paragraph 5.5 of the Procurement Regulations.

17. Procurement Methods/Market Approaches and related World Bank’s review thresholds for Goods, Works, Non-Consulting Services and Consulting Services

Applicable Regulations of the World Bank: Procurement for the proposed project will be carried out in accordance with the Bank’s Procurement Regulations for Borrowers for Goods, Works, Non-Consulting

and Consulting Services dated July 1, 2016, Revised November 2017 and applicable to Investment Project Financing (IPF) here in after referred to as “Regulations”. The project will be subject to the Bank’s Anticorruption Guidelines as of July 1, 2016, Revised November 2017. All procurement will also be in accordance with the provisions stipulated in the Loan Agreement.

Procurement Plan will list review requirements for each of the packages. Prior review and procurement method thresholds agreed with the World Bank for the Project based on the risk assessed are detailed below. These thresholds shall be reviewed and revised, if necessary, during the life of the proposed Project so that these are consistent with the risk assessments made periodically [Note: Any amendments to post-review contracts, raising the contract value to prior review threshold, will also be subject to prior review by the World Bank].

Type of Procurement	Method threshold (Million US\$)	Prior Review Thresholds (million US\$) for Moderate Procurement Risk Rating
Works	International Open Procurement > / = 40 National Open Procurement <40 National Request for Quotation <0.1	15
Goods, IT and Non-Consulting Services	International Open Procurement > / = 3 National Open Procurement <3 National Request for Quotation <0.1	4.0
Consultant Firms	CQS <0.3 LCS, FBS - in justified cases QCBS, QBS - in all other packages	2.0
Consultant Individual	As per section 7.34 - 7.39 of Regulations	0.4
Direct Selection	With prior agreement based on justification	0.1
Framework Agreement	For Goods/Works/Non Consulting Services: As per paragraphs 6.57-6.59 of Regulation. For Consultants: As per paragraph 7.33 of Regulation.	All irrespective of Value

Shortlist of National Consultants	Up to 800,000
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Procurement Post Review: All contracts not covered under prior review by the Bank will be subject to post review during implementation support missions and/or special post review missions, including missions by consultants hired by the Bank.

Even in post review cases, the inputs of Bank on Technical Specifications/TORs will be obtained by the Project.

Independent Procurement Review :The Bank may conduct at any time, Independent Procurement Review of all contracts financed under the Loan.

18. **Prior Review Arrangements: Goods, Non Consulting Services and Civil Works :** In the case of contracts for procurement of goods, non-consulting services and civil works, subject to prior review, before granting/agreeing to [i] a material extension of the stipulated time for performance of a contract; or [ii] any substantial modification or waiver of the scope of services or other significant changes to the terms and conditions of such that the contract, including issuing; or [iii] any change variation order or orders under such contract amendment [except in cases of extreme urgency] which would in aggregate, singly or combined with all variation orders or amendments previously issued, increase the original contract amount of the contract by more than 15% [fifteen percent]; or [iii] the proposed termination of the original price contract, the Borrower shall seek Bank's no objection to the proposed extension, modification, or change order. A copy of all amendments to the contract shall be furnished to the World Bank for its record.

In case of Prior Review of Goods/Non-Consulting Services/Works contracts, prior concurrence of the Bank will be applicable for :justificaiton for Direct Selection;Request for Bids[RFB]/Request for Proposals [RFP] documents and subsequent amendments [if any]; minutes of pre-bid/proposal conferenceif it leads to issuance of corrigendum; bid/proposal evaluation report prepared in the prescribed format of the Bank; signed contract agreement.

19. **Prior ReviewArrangements : Consultancy Services**

- **Terms of Reference [ToR]** :All ToR for consultancy assignments will be subject to prior technical concurrence by Task Team Leader of the World Bank.
 - In the case of contracts subject to prior review, 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, the Borrower shall seek Bank's no objection. A copy of all amendments to the contract shall be furnished to the Bank for its record.
 - In case of Prior Review Consultancy contracts, prior concurrence of the Bank will be applicable for the following: justification for Direct Selection; Expression of Interest [EOI]; Short List; Request for proposal [RFP] and its amendments, if any; Minutes of pre-proposal conference, if any and if they lead to amendment to the RFP; Technical Evaluation Report prepared in the prescribed format of the Bank; Draft Contract Agreement along with Combined Evaluation report and Minutes of Negotiations; Final Signed Contract.
20. **Short List:**The shortlist shall include not fewer than five and not more than eight eligible firms with further reference to section 7.16 to 7.20 of Procurement Regulations.
21. **Advertisement:**The Request for Expression of Interest for consultancy services shall be advertised in regional and at least one national leading newspaper and project website.
22. **Other Special Selection Arrangements/Requirement**
- Consultancy assignment with NGOs, may be procured through appropriate selection procedure, as per para 7.29 of the Procurement Regulations.
 - Procurement by communities will be in accordance with Paras 6.52 and 6.53 of Section VI of the Regulations.
 - NMMU will establish internal prior review thresholds that will be reflected in the Procurement Manual for the Project and the Procurement chapter of the Community Operations Manual prepared by NMMU. Additionally, the terms of reference for internal auditors [Individual Consultants] hired by the NMMU for conducting the financial audit will include adequate requirement to cover review of compliance of agreed procurement procedures during project implementation.
23. **Reference to various Manuals**

- *Community Operations Manual*: The Project Operational Manual as disclosed on the project website prepared under NRLP would be used as guidance to the communities.
- *Procurement Manual*: A Procurement Manual will be prepared for guidance to the States, district and sub-district level procuring entities and will be disclosed on the project website.

24. **Implementing Agency Capacity Building Activities with Time Schedule**

Training and Capacity building activities would be organized through NMMU and SMMUs.

- a. Trainings and capacity building workshops for officials as well as field staff will help in building and maintaining the necessary and adequate procurement capacity, support transition to new ways-of-working; and provide on-the-job handholding support to improve service delivery at the frontline
- b. Key staff may be sent for trainings at IIM Lucknow. Additionally, relevant project staff may also avail of the free Massive Open Online Course on public procurement [www.procurementlearning.org] offered by the Bank as well as the paid Professional Diploma in Public Procurement course delivered through the Charter of Public Procurement Studies.
- c. The allocation for the capacity building activities such as trainings and workshops is included under the operating expenses.

Annexure - 1

**National Rural Economic Transformation Project (NRETP)
PROCUREMENT PLAN
FOR GOODS, WORKS AND NON-CONSULTING SERVICES
(Period: Within first 18 months of the Project)**

1	2	3	4	5	6	7	8	9	10	11	12	13
S L	Pkg. No	Description of Works/ Goods/ Non- Consulting Services	Estt. Cost. (Rs.)	Estt. Cost. (US\$)	Review	Method of Procur ement	Estima te Prepar ation (Mont h/ Yr)	Prepar ation of Bid Docum ent (Mont h/ Yr)	Bid Invit ation (Mon th/ Yr)	Bid Ope n (Mon th/ Yr)	Contract Sign	Comments
					by Ban k						(Month/ Yr)	
					(Pri or / Pos t)							
A	GOODS											
1	G - 1	ICT Equipment for NMMU	10,00,00,000	15,62,500	Post	Open National	Dec-18	Dec-18	Jan-19	Feb- 19	Mar-19	Single Stage Single Envelope
		Sub Total	10,00,00,000	15,62,500								
		Total	10,00,00,000	15,62,500								

National Rural Economic Transformation Project (NRETP)
PROCUREMENT PLAN
FOR CONSULTING SERVICES
(Period: Within first 18 months of the Project)

1	2	3	4	6	7	8	9	10	11	12	13	14	15	
S	I	Pkg. No	Description of consultancy	Estt. Cost. (Rs.)	Estt. Cost. (US\$)	Review by Bank (Prior/Post)	Method of Procurement	Finalization of TOR (Month/Yr)	Issue REOI (Month/ Yr)	Prepare Short List (Month/ Yr)	Issue RFP Doc. (Month/ Yr)	Evaluate Proposals (Month/ Yr)	Award of Contract (Month/ Yr)	Comments
1		Cons-1	TSA for Development of Protocols for Enterprise Promotion to take up higher order economic activities	10,00,00,000.00	15,62,500.00	Post	Open National /QCBS							Contract Period of 5 years. TOR to be prepared. SRFP will be used.
2		Cons-2	TSA for providing implemetation support to SRLM in the Enterprise Promotion to take up higher order economic activities	15,00,00,000.00	23,43,750.00	Prior	Open National /QCBS							Contract Period of 5 years. TOR to be prepared. SRFP will be used.
3		Cons-3	Empanellment of TSAs for Human Resources Recruitment for SRLMs		-	Prior	Open National /QCBS							Contract Period of 3 years for each agency. TOR to be prepared.

National Rural Economic Transformation Project (NRETP)
PROCUREMENT PLAN
FOR CONSULTING SERVICES
(Period: Within first 18 months of the Project)

1	2	3	4	6	7	8	9	10	11	12	13	14	15
S	Pkg. No	Description of consultancy	Estt. Cost. (Rs.)	Estt. Cost. (US\$)	Review by Bank (Prior/Post)	Method of Procurement	Finalization of TOR (Month/Yr)	Issue REOI (Month/ Yr)	Prepare Short List (Month/ Yr)	Issue RFP Doc. (Month/ Yr)	Evaluate Proposals (Month/ Yr)	Award of Contract (Month/ Yr)	Comments
4	Cons-4	TSA for Process Monitoring of Enterprises Promotion, Fucntiong, Governance and Business Models	8,00,00,000.00	12,50,000.00	Post	Open National /QCBS							Contract Period of 3 years.
5	Cons-5	Enterprise Incubator for 13 SRLMs (one each per SRLM)	65,00,00,000.00	1,01,56,250.00	Post	Open National /QBS							Contract Period of 3 years for each SRLM
6	Cons-6	Rural Enterprise Development Center at the National Level	10,00,00,000.00	15,62,500.00	Post	Open National /QCBS							Contract period for 3 years
7	Cons-7	KMC Management Agency	5,00,00,000.00	7,81,250.00	Post	Open National /QCBS							Contract Period of 3 years. TOR.
8	Cons-8	HR Call Down for Recruitment of Human Resource for SRLM	-	-	Prior	Open National /LCS							3 years contract period
9	Cons-9	Empanelment of Capacity Building Agenceis for SRLM	-	-	Prior	Open National /LCS							3 years contract period

National Rural Economic Transformation Project (NRETP)
PROCUREMENT PLAN
FOR CONSULTING SERVICES
(Period: Within first 18 months of the Project)

1	2	3	4	6	7	8	9	10	11	12	13	14	15
S	Pkg. No	Description of consultancy	Estt. Cost. (Rs.)	Estt. Cost. (US\$)	Review by Bank (Prior/Post)	Method of Procurement	Finalization of TOR (Month/Yr)	Issue REOI (Month/ Yr)	Prepare Short List (Month/ Yr)	Issue RFP Doc. (Month/ Yr)	Evaluate Proposals (Month/ Yr)	Award of Contract (Month/ Yr)	Comments
10	Cons-10	Empanelment of Agencies for undertaking Knowledge Assessment and Certification	-	-	Prior	Open National /LCS							3 years contract period
11	Cons-11	TSA for MIS analyticals	2,00,00,000.00	3,12,500.00	Post	Open National /QCBS							5 years contract period
12	Cons-12	Technical Development Agency for setting up of ICT-PMU	20,00,00,000.00	31,25,000.00	Prior	Open National /QCBS							3 years contract period
13	Cons-13	TSA for Promotion of Digital Financial Inclusion	8,00,00,000.00	12,50,000.00	Post	Open National /QCBS							3 years contract period
14	Cons-14	Empanelment of TSA for implementation of various alternate channels for delivery of Financial services to CBOs	7,50,00,000.00	11,71,875.00	Post	Open National /QCBS							3 years contract period

National Rural Economic Transformation Project (NRETP)
PROCUREMENT PLAN
FOR CONSULTING SERVICES
(Period: Within first 18 months of the Project)

1	2	3	4	6	7	8	9	10	11	12	13	14	15	
S	I	Pkg. No	Description of consultancy	Estt. Cost. (Rs.)	Estt. Cost. (US\$)	Review by Bank (Prior/Post)	Method of Procurement	Finalization of TOR (Month/Yr)	Issue REOI (Month/ Yr)	Prepare Short List (Month/ Yr)	Issue RFP Doc. (Month/ Yr)	Evaluate Proposals (Month/ Yr)	Award of Contract (Month/ Yr)	Comments
1	5	Con s-15	Hiring of TSA for implementation of Micro Insurance products	3,50,00,000.00	5,46,875.00	Post	Open National /QCBS							3 years contract period
1	6	Con s-16	Hiring an agency for desing and development of ICT based application for monitoring Credit from formal institutions (both SHG and enterprise financing)	12,00,00,000.00	18,75,000.00	Post	Open National /QCBS							3 years contract period
			Total	1,66,00,00,000.00	2,59,37,500.00									

