

Tamil Nadu Sustainable Urban Development Program (TNSUDP)

PROCUREMENT PLAN

I. General

1. Project information:

- Project: Tamil Nadu Sustainable Urban Development Program (TNSUDP)
- Country: India
- Project Code: P150395

2. **Bank's approval Date of the procurement Plan** Draft Procurement Plan dated **February 19, 2015** Revision 0 agreed by the Bank on February 19, 2015

3. **Implementing Agencies:** TNUIFSL, DMA, CMWSSB, TWADB, Chennai Corporation and other ULBs

4. **Period covered by this procurement plan:** 18 months

5. **Risk Rating for the Implementing Agency:** Substantial

6. **Original Procurement Risk Rating for the Project:** Substantial

7. **Current Procurement Risk Rating for the Project:** Substantial

II. Works, Non-consulting services and Goods.

1 a) Procurement Methods and Thresholds

Category	Method of Procurement	Threshold (US\$ Equivalent)
Works	International Competitive Bidding (ICB)	> 40,000,000
	National Competitive Bidding (NCB)	Up to 40,000,000 (with NCB conditions)
	Shopping	Up to 100,000
	Direct Contracting (DC)	As per paragraph 3.7 of Guidelines
	Public-Private Partnership (PPP) for Works	As per paragraph 3.14 of Guidelines
	Force Account	As per paragraph 3.9 of Guidelines
	Framework Agreement (FA)	As per paragraph 3.6 of Guidelines
Goods and non-consultant services (NCS)	International Competitive Bidding (ICB)	> 3,000,000
	Limited International Bidding (LIB)	wherever agreed by Bank
	National Competitive Bidding (NCB)	Up to 3,000,000 (with NCB conditions)
	Shopping	Up to 100,000
	Direct Contracting (DC)	As per paragraph 3.7 of Guidelines
	Public-Private Partnership (PPP) Services	As per paragraph 3.14 of Guidelines
	Force Account (only for NCS)	As per paragraph 3.9 of Guidelines

	Framework Agreement (FA)	As per paragraph 3.6 of Guidelines
	Procurement from United Nations (UN) Agencies	As per paragraph 3.10 of Guidelines

1 b) Prior Review Threshold

Works: All contracts more than USD 10 million equivalent

Goods: All contracts more than USD 2 million equivalent

Non-Consultant Services and IT systems: All contracts more than USD 2 million equivalent

In addition, the justifications for all contracts to be issued using LIB or direct contracting shall be subject to prior review. First framework agreement will be subject to prior review irrespective of value. For prior review contracts, the amendments for increasing the cost or extension of time beyond 15% of original value shall also be subject to Bank's prior review.

2. **Pre-qualification** - Not envisaged

3. **Applicable Guidelines:** All the contracts issued under the project will follow the World Bank's "Guidelines: Procurement of goods, works and non-consulting services under IBRD loans and IDA credits & grants by World Bank borrowers" dated January 2011 (as updated in July 2014).

4. **Any Other Special Procurement Arrangements:** NCB will be conducted in accordance with paragraph 3.3 and 3.4 of the Guidelines and the following provisions:

- i. 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;
- 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 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)

- 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. Such contracts will be acceptable however for any procurement under the Shopping procedures;
- ix. Two or three envelope system will not be used (except when using e-Procurement system assessed and agreed by the Bank)

Other agreed provisions are:

- Any discount received from the bidders after bid submission deadline will not be considered either during the bid evaluation or the contract award.
- Domestic preference will be applicable for ICB procurement of Goods as per Appendix 2 of the Procurement Guidelines.
- Bids received from foreign bidders will not be rejected under NCB.
- DGS&D rate contracts may be used as framework agreement (FA) provided:
 - i. Use of DGS&D rate contracts as FA must be reflected on the procurement plan agreed by the Bank for particular goods.
 - ii. Before issuing the purchasing order, the implementing agency will carry out a price analysis on the specific good that is intended to be purchased. If after this due diligence the implementing agency concludes (and Bank agrees) that the DGS&D rate contracts are more advantageous, DGS&D rate contracts may be used as FA.
 - iii. To meet the Bank's requirements for right to audit and F&C, these clauses may be included in the Purchase Orders (in case the purchasers are directly placing the purchase orders to DGS&D rate contract holders). On the other hand, if indent is placed through DGS&D, the Purchaser has the option to sign a separate undertaking with DGS&D rate contract holder, where Bank's right to audit and F&C clauses could be mentioned.

5. Procurement Packages with Methods and Time Schedule - As per plan in STEP

III. Selection of Consultants

1 a) Selection Methods and Thresholds

Method of Procurement	Threshold (US\$ Equivalent)
Selection Based on Consultants' Qualifications (CQS)/Least-Cost Selection (LCS)	Up to 300,000
Single-Source Selection (SSS)	As per paragraphs 3.9-3.11 of Guidelines
Individuals	As per Section V of Guidelines
Particular Types of Consultants	As per paragraphs 3.15-3.21 of Guidelines

Quality- and Cost-Based Selection (QCBS)/ Quality-Based Selection (QBS)/ Selection under a Fixed Budget (FBS)	for all other cases
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1 b) Prior Review Threshold

Consultancy Services: > US\$ 1,000,000 for **firms**; and
> US\$ 300,000 for **individuals**

In addition, the justifications for all contracts to be issued on the basis of single-source selection will be subject to prior review. For prior review contracts, the amendments for increasing the cost or extension of time beyond 15% of original value shall also be subject to Bank's prior review.

2. **Short list comprising entirely of national consultants:** Short list of consultants for services, estimated to cost less than \$ 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:** None.
4. **Applicable Guidelines:** All the contracts issued under the project will follow the World Bank's "Guidelines: Selection and employment of consultants under IBRD loans and IDA credits & grants by World Bank borrowers" dated January 2011 (as updated in July 2014).
5. **Consultancy Assignments with Selection Methods and Time Schedule -**
As per plan in STEP

