

Procurement

1. Procurement for the Project will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non-consulting Services Under IBRD Loans and IDA Credits and Grants" dated January 2011 and revised as of July, 2014 (Procurement Guidelines); and "Guidelines: Selection and Employment of Consultants Under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised as of July 2014 (Consultant Guidelines) and the provisions stipulated in the Legal Agreement (LA) and POM. The World Bank Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credit and Grants dated October 15, 2006 and revised on January 2011, would also apply.

Thresholds for Procurement Methods

2. **Goods:** Goods and equipment estimated to cost US\$1,000,000 or more would be procured through International Competitive Bidding (ICB). Goods estimated to cost less than US\$1,000,000 and more than US\$100,000 would be procured through National Competitive Bidding (NCB). Readily available off-the-shelf goods estimated to cost equal to or less than US\$100,000 each would be procured through Shopping (SH) on the basis of at least three written quotations obtained from qualified suppliers. Direct Contracting (DC) may be used in accordance with the requirements outlined in para. 3.7 of the Procurement Guidelines.

3. **Works:** Works estimated to cost equal to US\$5,000,000 or more would be procured through ICB. Works estimated to cost less than US\$5,000,000 and equal to or more than US\$200,000 would be procured through NCB. Contracts estimated to cost less than US\$200,000 each would be procured through Shopping (SH) procedures on the basis of at least three written quotations obtained from qualified contractors. Direct Contracting (DC) for works may be used in accordance with the requirements outlined in para. 3.7 of the Procurement Guidelines.

4. **Consultant Services:** Consultancy services to be provided by consulting firms estimated to cost more than US\$300,000 would be procured through Quality and Cost Based Selection (QCBS) method. Consultancy services to be provided by consulting firms estimated to cost equal to or less than US\$300,000 may be procured through Consultants' Qualifications Selection (CQS) method. Other methods such as Fixed Budget Selection (FBS), Quality Based Selection (QBS), and Least Cost Selection (LCS) shall be made available through the Legal Agreement irrespective of the amount. Individual Consultants (IC) will be selected in accordance with Section V of the Consultant Guidelines. Single Source Selection (SSS) method for firms and individuals will also be specified in the Legal Agreement. For assignments estimated to cost equal to or less than US\$300,000, the shortlist may comprise only of national firms according to the paragraph 2.7 of the Consultant Guidelines. However, if foreign firms express interest, they shall be considered.

5. NCB of the Borrower may be used for procurement of goods, works and non-consulting services for the project, provided that the following provisions are complied with:

(a) Entities in which the Republic of Armenia owns a majority shareholding shall not be invited to participate in tenders for the government unless they are and can be

shown to be legally and financially autonomous and operate under commercial law.

- (b) Post-qualification criteria shall only pertain to past contract performance, financial, managerial, and technical capabilities of bidders.
- (c) Joint venture partners shall be jointly and severally liable for their obligations.
- (d) Estimated contract prices shall not be advertised.
- (e) Except for late bids, no bids shall be rejected at the bid opening. The opening procedures shall comply with conditions of paragraph 2.45 of the Procurement Guidelines.
- (f) No bids shall be rejected solely because they exceed the estimated price. Bids can be cancelled and new bids invited, only if the conditions of paragraphs 2.61–2.64 of the Procurement Guidelines are met.
- (g) All bid evaluation criteria shall be quantifiable in monetary terms or expressed as pass/fail criteria.
- (h) Without limitation to paragraph 3 of Appendix 1 to the Procurement Guidelines, advance Bank approval is required for any modifications in the contract scope/conditions during implementation.

Prior Review Thresholds

<i>Type of Procurement</i>	<i>Prior Review Threshold</i>
Goods	\$1,000,000
Works	First ICB regardless of value and contracts equal to or above \$10,000,000 and first NCB
IT System & Non-Consulting Services	\$1,000,000
Direct Contracting*	\$60,000
Consulting Services (Firm)	First QCBS regardless of value and contracts equal to or above \$500,000 and first CQS
Consulting Services (Individual)	\$200,000
Single Source Selection**	\$5,000

*Must comply with the requirements of para. 3.7 of the Procurement Guidelines.

** Must comply with the requirements of paras. 3.8-3.11 of the Consultant Guidelines.

6. All TORs are subject to the Bank’s prior review irrespective of the prior or post review status of the consulting assignment in the procurement plan.

Post Review Ratio

7. Contracts not subject to Bank's prior review will be post reviewed by Bank's supervision missions.

Procurement Plan

8. All contracts to be financed under the project, the various procurement or consultant selection methods, the estimated costs, prior review requirements, and time frame have been agreed between the Borrower and the Bank and presented in the Procurement Plan (see below). The Procurement Plan will be updated as required to reflect the actual Project implementation needs and improvements in institutional capacity. The Procurement Plan its updates or modifications, shall be subject to the Bank's prior review and no objection before implementation. The final version of the Procurement Plan will be disclosed (without cost estimates) and posted in the Bank's external website in accordance with paragraph 1.18 of Procurement Guidelines and paragraph 1.25 of the Consultants Guidelines, ATDF's database, and www.procurement.am.

32. Works contracts to be procured under the project include rehabilitation of heritage hubs, construction of tourism facilities and improvement of access roads and parking areas. There is no prequalification anticipated under the project and works are to be procured using NCB procedure.

33. Consultants to be selected under the project include services for preliminary assessment of buildings to undergo rehabilitation, preparation of detailed designs for the rehabilitation of heritage hubs and author's supervision, technical supervision of works, destination management, marketing and promotion, audit services, monitoring and evaluation, training and site management plan. UNESCO will be contracted under Single Source Selection for advisory services for cultural heritage.

34. Goods to be procured under the project include vehicles, furniture, and equipment for the rehabilitated sites and tourism facilities.

35. A General Procurement Notice (GPN) will be published in UNDB on-line and in its printed version after negotiations. Specific Procurement Notices (SPN) for all ICB packages and consulting contracts each with cost estimate above US\$300,000 will also be published in the UNDB. In addition, the SPNs for civil works contracts will be provided to the Union of Builders of Armenia.

Filing and Record Keeping

36. ATDF will keep complete files of all procurement packages under the project to facilitate post review and Project audit.

37. The procurement related risks are summarized in Table 3.1 below.

Procurement Plan

ARMENIA LOCAL ECONOMY & INFRASTRUCTURE DEVELOPMENT PROJECT							
Package No.	Description of Contract Packages	No. of Packages	Estimated Cost (US\$) (including local taxes)	Estimated Cost (US\$) (Loan proceeds)	Procurement Method	Review By Bank (Prior/ Post)	Contract Signing
1	2	3	4	5	6	7	8
WORKS							
Component 1 - Urban Regeneration and Tourism Circuit Development			57,132,000.00	47,610,000.00			
Subcomponent 1.1 Heritage Hub Regeneration			25,284,000.00	21,070,000.00			
1.1.1	Heritage Hub Regeneration in Areni		6,600,000.00	5,500,000.00			
<i>1.1.1 a</i>	<i>Areni UR (houses restoration, upgrading of access road to Areni village, village square, street lighting, pedestrian trails, vehicular and pedestrian access to Momik church, multifunctional green areas, water, drainage, etc. tbd)</i>	tbd	3,600,000.00	3,000,000.00	NCB	Post	15 February 2017
<i>1.1.1 b</i>	<i>Areni Discovery Complex (Areni market place, show cave visitor center, ampha theater and urban landscape)</i>	tbd	3,000,000.00	2,500,000.00	NCB	Post	30 June 2017
1.1.2	Heritage Hub Regeneration in Goris		10,884,000.00	9,070,000.00			
<i>1.1.2 a</i>	<i>Goris Parks Rehabilitation and river-front linear park</i>	tbd	1,680,000.00	1,400,000.00	NCB*	Prior	30 June 2016
<i>1.1.2 b</i>	<i>Restoration of Historical Bath under PPP</i>	1	2,640,000.00	2,200,000.00	NCB	Post	30 September 2017
<i>1.1.2 c</i>	<i>Goris UR houses restoration, municipal infrastructure, Road/sidewalks, street lighting, water, drainage)</i>	tbd	4,644,000.00	3,870,000.00	NCB	Post	30 July 2016
<i>1.1.2 d</i>	<i>Refurbishment of Goris Theater</i>	1	960,000.00	800,000.00	NCB	Post	30 September 2017
<i>1.1.2 e</i>	<i>Refurbishment of Goris ICT Youth Center with PPP</i>	1	960,000.00	800,000.00	NCB	Post	30 September 2017
1.1.3	Heritage Hub Regeneration in Meghri	1	4,200,000.00	3,500,000.00			
<i>1.1.3 a</i>	<i>Restoration of old houses</i>	tbd	1,800,000.00	1,500,000.00	NCB	Post	30 March 2017
<i>1.1.3 b</i>	<i>Meghri UR (Municipal infrastructure projects, road/sidewalks, street lighting, water, drainage)</i>	tbd	2,400,000.00	2,000,000.00	NCB	Post	30 March 2017
1.1.4	Village Heritage Restoration in Tatev and neighboring villages		3,600,000.00	3,000,000.00			
<i>1.1.4 a</i>	<i>Revitalization of Tandzatap heritage village with PPP</i>	1	1,800,000.00	1,500,000.00	NCB	Post	20 February 2018
<i>1.1.4 b</i>	<i>Revitalization of Tatev heritage village with PPP</i>	1	1,800,000.00	1,500,000.00	NCB	Post	20 February 2018

Subcomponent 1.2 Infrastructure for Tourism Circuit Development			20,160,000.00	16,800,000.00			
1.2.1	Integrated Revitalization of Cultural Heritage Sites		13,800,000.00	11,500,000.00			
1.2.1 a	Construction of archeological observatory, parking and access in Khor Virap	1	1,200,000.00	1,000,000.00	NCB	Post	30 August 2016
1.2.1 b	Construction of tourism facilities in Garni	1	1,200,000.00	1,000,000.00	NCB	Post	30 June 2017
1.2.1 c	Construction of tourism facility in Gehard	1	1,200,000.00	1,000,000.00	NCB	Post	30 June 2017
1.2.1 d	Construction of Discovery Centers and access/parking improvement in Sanahin and Haghpat	1	3,600,000.00	3,000,000.00	NCB	Post	20 February 2018
1.2.1 e	Conservation works in Haghpat and Sanahin	tbd	1,800,000.00	1,500,000.00	NCB	Post	20 February 2018
1.2.1 f	Construction of tourism facilities and Cave restoration for Mozrov Cave	1	2,640,000.00	2,200,000.00	NCB	Post	15 March 2018
1.2.1 g	Construction of tourism facilities, access and parking improvement in Karahunge (Shonehenge)	1	960,000.00	800,000.00	NCB	Post	30 May 2017
1.2.1 j	Construction of Divin museum	1	1,200,000.00	1,000,000.00	NCB	Post	30 May 2017

1.2.2	Improvement of Access Roads and Parking		6,360,000.00	5,300,000.00			
1.2.2 a	Rehabilitation of access road to Garni/Gehard	1	1,800,000.00	1,500,000.00	NCB	Post	15 July 2016
1.2.2 b	Improvement of on-road parking and safety along Areni winery section of H40 highway	1	720,000.00	600,000.00	NCB	Post	30 January 2017
1.2.2 c	Rehabilitation of access road and parking to Garni Stone Symphony park	1	1,440,000.00	1,200,000.00	NCB	Post	20 August 2016
1.2.2 d	Rehabilitation of access road to Stephanavans Botanical garden	1	960,000.00	800,000.00	NCB	Post	20 August 2016
1.2.2 e	Rehabilitation of access road to Khndzoresk	1	1,440,000.00	1,200,000.00	NCB	Post	30 March 2017

Subcomponent 1.3 Public-Private Infrastructure (PPI)			6,000,000.00	5,000,000.00			
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1.3.1	Public Infrastructure for PPI Dev (8-10 packages)	mult	6,000,000.00	5,000,000.00	NCB	Post	
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Subcomponent 1.4			5,688,000.00	4,740,000.00			
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1.4.1	Consultant services for HHR		2,028,000.00	1,690,000.00			
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1.4.1 a	Detailed design and construction Author's supervision	mult	1,200,000.00	1,000,000.00	QCBS/CQS	tbd	20 June 2016
1.4.1 b	Expertise of buildings stability, ventilation, power and water supplies and drainage systems	1	144,000.00	120,000.00	CQS	Prior	20 June 2016
1.4.1 c	Technical Supervision for Construction/Regeneration	mult	540,000.00	450,000.00	CQS	Post	20 June 2016
1.4.1 d	Expertise of Architectural Design	1	144,000.00	120,000.00	CQS	Post	20 June 2016

1.4.2	Consultant services for TDC		1,500,000.00	1,250,000.00			
1.4.2 a	Detailed design and construction Author's supervision	mult	900,000.00	750,000.00	QCBS/CQS	tbd	20 June 2018
1.4.2 b	Expertise of buildings stability, ventilation, power and water supplies and drainage systems	1	90,000.00	75,000.00	CQS	Post	20 June 2018
1.4.2 c	Technical Supervision for Construction/Regeneration	mult	420,000.00	350,000.00	CQS	Post	20 June 2018
1.4.2 d	Expertise of Architectural Design	1	90,000.00	75,000.00	CQS	Post	20 June 2018
1.4.3	Consultant services for PPI		450,000.00	375,000.00			
1.4.3 a	Detailed design and construction Author's supervision	mult	270,000.00	225,000.00	CQS	Post	30 January 2017
1.4.3 b	Expertise of buildings stability, ventilation, power and water supplies and drainage systems	1	30,000.00	25,000.00	CQS	Post	30 January 2017
1.4.3 c	Technical Supervision for Construction/Regeneration	mult	120,000.00	100,000.00	CQS	Post	30 January 2017
1.4.3 d	Expertise of Architectural Design	1	30,000.00	25,000.00	CQS	Post	30 January 2017
1.4.4	Project Audit	5	90,000.00	75,000.00	CQS	Post	
1.4.5	Furniture	1	36,000.00	30,000.00	Shopping	Post	
1.4.6	Vehicles	1	84,000.00	70,000.00	Shopping	Post	
1.4.7	Operating Costs		1,500,000.00	1,250,000.00			

Component 2 - Institutional Development			5,340,000.00	4,450,000.00			
Subcomponent 2.1 Capacity Building for the Tourism and Culture Sector			4,380,000.00	3,650,000.00			
2.1.1	Destination Management, Marketing, Promotion and Mobile Application	1	1,200,000.00	1,000,000.00	QCBS	Prior	20 August 2016
2.1.2	Training (workforce development)	mult	480,000.00	400,000.00	CQS	Post	20 September 2016
2.1.3	Cultural Heritage Advisory Service (UNESCO)	1	420,000.00	350,000.00	SSS	Prior	20 July 2016
2.1.4	Site management plan	mult	960,000.00	800,000.00	QCBS/CQS	tbd	20 July 2016
2.1.5	Organizing Tourism Promotion Workshops	1	720,000.00	600,000.00	NCB	Post	
2.1.5	Monitoring and Evaluation	1	600,000.00	500,000.00	QCBS	Prior	
2.1.6	Capacity Building Consultancy Services for ADF	tbd	240,000.00	200,000.00			

Subcomponent 2.2 Business Advisory Services for SME Development			960,000.00	800,000.00			
2.2.1	Advisory Services to SME Development	mult	960,000.00	800,000.00	QCBS/CQS	tbd	20 August 2016
	GOODS		1,128,000.00	940,000.00			
	Total		63,600,000.00	53,000,000.00			
	Price and Work Contengencies		2,400,000.00	2,000,000.00			
	Grand Total		66,000,000.00	55,000,000.00			

Table 3.1: Summary Risk Assessment

Description of Risk	Rating of Risk	Mitigation Measures	Rating of Residual Risk
Current procurement staff is not able to cope with the increased workload under LEIDP.	Substantial	ATDF will hire additional qualified procurement staff or procurement consultant.	Moderate
High turnover of procurement staff due to low salary.	High	ATDF will hire additional qualified procurement staff or procurement consultant.	Substantial
Newly procurement staff may not have sufficient knowledge and experience in Bank procurement.	Substantial	ATDF's procurement staff should continuously improve their knowledge of Bank's procurement procedures by attending training/workshops offered by the World Bank, familiarizing themselves with the Procurement and Consultant Guidelines and on-the-job training.	Moderate
Given the multi-stakeholder environment, possibility of unnecessary intervention and pressures resulting in implementation delays	Substantial	(a) Educate stakeholders about the POM through ATDF's Institutional Support Department. (b) Ensure transparent decision making based on evaluation criteria disclosed in bidding documents and proposal documents.	Moderate
Inadequate capacity in the DFA to prepare TORs and technical specifications and implement Bank-financed Project.	Substantial	(a) DFA will apply additional efforts to improve the technical parts of procurement documents and quality of TORs for consulting services. (b) Project to finance consulting services to build capacity in the DFA.	Moderate

PROCUREMENT PLAN Armenia : Local Economy and Infrastructure Development Project

General Information
Country: Armenia **Banks Approval Date of the Original Procurement Plan:** 2017-03-23
Revised Plan Date(s): (comma delineated, leave blank if none) 2018-07-26
Project ID: P150327 **GPN Data:**
Project Name: Local Economy and Infrastructure Development Project
Loan / Credit No: TF / A1063, IBRD / 85720
Executing Agency(ies): Armenian Territorial Development Fund

Activity Reference No. / Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Procurement Process	Prequalification (Y/N)	Actual Amount (US\$)	Process Status	Draft Pre-qualification Documents		Prequalification Evaluation Report		Draft Bidding Document / Justification		Specific Procurement Notice / Invitation		Bidding Documents as Issued		Proposal Submission / Opening / Minutes		Bid Evaluation Report and Recommendation for Award		Signed Contract		Contract Completion			
										Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
TUR-01 / Rehabilitation of road leading to Garni Stone Symphony	IBRD / 85720	Heritage Hub and Tourism Circuit Development	Post	Request for Bids	Open - National	Single Stage - One Envelope		0.00	Canceled					2017-10-11		2017-10-16	2017-11-03					2017-11-13	2017-12-01	2017-12-13	2017-12-29	2018-01-10		2019-05-05	
TUR-01-01-1 / Rehabilitation of road leading to Garni Stone Symphony	IBRD / 85720	Heritage Hub and Tourism Circuit Development	Post	Request for Bids	Open - National	Single Stage - One Envelope		1,374,918.62	Signed					2018-02-22	2018-03-05	2018-02-27	2018-03-19					2018-03-27	2018-04-16	2018-04-26	2018-05-07	2018-06-07	2018-06-19	2019-09-30	
TUR-06 / Rehabilitation of Road Segment Leading to Tatev Monastery	IBRD / 85720	Heritage Hub and Tourism Circuit Development	Post	Request for Bids	Open - National	Single Stage - One Envelope		0.00	Under Implementation					2018-05-11	2018-05-20	2018-05-16	2018-05-24					2018-06-13	2018-06-21	2018-07-13	2018-07-11	2018-08-24		2019-04-21	
TUR-07 / Streets Rehabilitation of Kumayri Historical Center in Gyumri (consist of 2 Lots)	IBRD / 85720	Heritage Hub and Tourism Circuit Development	Post	Request for Bids	Open - National	Single Stage - One Envelope		0.00	Under Implementation					2018-07-16	2018-07-12	2018-07-19	2018-07-12					2018-08-16		2018-09-15		2018-10-27		2019-03-26	

Activity Reference No. / Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Procurement Process	Prequalification (Y/N)	Actual Amount (US\$)	Process Status	Draft Pre-qualification Documents		Prequalification Evaluation Report		Draft Bidding Document / Justification		Specific Procurement Notice / Invitation		Bidding Documents as Issued		Proposal Submission / Opening / Minutes		Bid Evaluation Report and Recommendation for Award		Signed Contract		Contract Completion	
										Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual

Activity Reference No. / Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Procurement Process	Prequalification (Y/N)	Actual Amount (US\$)	Process Status	Draft Pre-qualification Documents		Prequalification Evaluation Report		Draft Bidding Document / Justification		Specific Procurement Notice / Invitation		Bidding Documents as Issued		Proposal Submission / Opening / Minutes		Bid Evaluation Report and Recommendation for Award		Signed Contract		Contract Completion	
										Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual

Activity Reference No. / Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Contract Type	Actual Amount (US\$)	Process Status	Terms of Reference	Expression of Interest Notice		Short List and Draft Request for Proposals		Request for Proposals as Issued		Opening of Technical Proposals / Minutes		Evaluation of Technical Proposal		Combined Evaluation Report and Draft Negotiated Contract		Signed Contract		Contract Completion			
										Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
FLED C-2.2 / Rehabilitation of Goris Central Parks redevelopment of the Right Bank of Goris River restoration of Historical and Architectural Environment of the Central Part of Goris and development a Management Model for upgraded infrastructures	TF / A1063	Heritage Hub and Tourism Circuit Development Contingent Emergency Response Institutional Development	Prior	Consultant Qualification Selection	Open - International	N	142,629.48	Signed														2016-10-21		2016-10-14			
LPD-01 / Development of Project Design and Author's Supervision for the Rehabilitation of Road Segment Leading to Tatev Monastery Sub-project	IBRD / 85720	Heritage Hub and Tourism Circuit Development	Post	Consultant Qualification Selection	Open - National		44,049.21	Signed	2017-11-22	2017-12-06	2017-12-06	2017-12-08	2018-01-10	2017-12-28								2018-01-17	2018-01-13	2018-02-07	2018-01-12	2019-06-22	
LV-01 / Detailed Measurement, Assets Inventory and Valuation	IBRD / 85720	Heritage Hub and Tourism Circuit Development	Post	Consultant Qualification Selection	Open - National		686.43	Signed	2018-01-09	2018-01-09	2018-01-19	2018-01-17	2018-02-16	2018-02-16								2018-02-23	2018-02-20	2018-03-16	2018-02-23	2018-05-15	
LTS-01 / Technical supervision of construction for Rehabilitation of road leading to Garni Stone Symphony	IBRD / 85720	Heritage Hub and Tourism Circuit Development	Post	Consultant Qualification Selection	Open - National		18,385.06	Signed	2018-04-13	2018-04-09	2018-04-27	2018-04-09	2018-05-25	2018-05-04								2018-06-15	2018-05-18	2018-07-06	2018-05-18	2019-10-29	
LTS-02 / Technical supervision of construction for Rehabilitation of Road Segment Leading to Tatev Monastery	IBRD / 85720	Heritage Hub and Tourism Circuit Development	Post	Consultant Qualification Selection	Open - National		24,136.16	Signed	2018-05-17	2018-05-23	2018-05-24	2018-05-30	2018-06-21	2018-06-19								2018-07-12	2018-07-06	2018-08-02	2018-07-06	2019-03-30	
LTS-03 / Technical Supervision of construction for "Streets Rehabilitation of Kumayri Historical Center in Gyumri	IBRD / 85720	Heritage Hub and Tourism Circuit Development	Post	Consultant Qualification Selection	Open - National		0.00	Pending Implementation	2018-08-02		2018-08-16		2018-09-13									2018-10-04		2018-10-25		2019-03-24	

INDIVIDUAL CONSULTANTS