

Procurement Plan-North East Rural Livelihoods Project
P102330
Credit 5035-IN

I. General

1. **Bank's approval Date of the procurement Plan** [Original dated August 2009]; Revision 5 dated November 2016; Revision 4 dated April 2016; Revision 3 dated November 2013; Revision 2 dated February 2013; Revision 1 dated December 2012]
2. **Date of General Procurement Notice:** Not published as there are no ICBs, or Consultancies more than US \$ 300,000 envisaged
3. **Period covered by this procurement plan:** The procurement plan covers period January 2017 until project closing [March 2019]
4. **Implementing Agency :** North East Rural Livelihood Promotion Society

II. Goods and Works and non-consulting services.

Thresholds for Method of Procurement for procurement of goods, works and non-consulting services

Procurement of Goods, Works and Non consultancy services:

Method of Procurement	Thresholds for Methods
National Competitive Bidding (NCB)	> USD 100,000 and up to USD 3 million
Comparison of three quotations/Shopping	Up to USD 100,000 (INR 6.5 m)
Direct Contracting	Must meet the requirements as per Para 3.7 of the Procurement Guidelines, and with prior agreement in PP with the Bank
Framework Agreement	Must meet the requirements as per Para 3.6 of the Procurement Guidelines, and with prior agreement in PP with the Bank
Community Participation in Procurement	As per Para 3.17 of the Procurement Guidelines

Prior Review Threshold: The following would be subject to Prior review of the Bank regardless of the Method of selection:

	Procurement Method	Prior Review Threshold US\$
1.	Works [including turnkey, supply and installation of plant and equipment and PPP]	15 Million
2.	Goods, Information Technology and Non-consulting Services	4 Million
3.	Consultant Firms	2 Million
4.	Consultants : Individual	0.4 Million

Note : The Prior Review Thresholds will be reviewed and updated during the implementation of the project, and modified based on the risk assessment.

In the case of contracts subject to prior review, NELPS shall seek the Bank's no objection before granting/agreeing to (a) an extension of the stipulated time for performance of a contract that either

increases the contract price or has an impact on the planned completion of the project; (b) any substantial modification of the scope of works, goods, non-consulting services or consulting services, other significant changes to the terms and conditions of such that the contract; (c) any variation order or amendment (except in cases of extreme urgency) which singly or combined with all variation orders or amendments previously issued, increase the original contract amount by more than 15 percent; or (d) the proposed termination of the contract.

Note:

- (i) the determination of whether a contract meets the prior review threshold is based on the total value of the contract, including all taxes and duties payable under the contract;
- (ii) a contract whose cost estimate was below the Bank's prior review threshold is subject to prior review if the price of the lowest evaluated responsive bid (or, in the case of consulting services, the financial offer of the selected firm) exceeds such threshold at the bid evaluation stage; and
- (iii) in the case of a slice and package arrangement, the prior review threshold is determined based on the aggregate value of individual contracts to be awarded under such arrangement

2. **Prequalification.** Not applicable.

3. **Proposed Procedures for CDD Components (as per paragraph. 3.17 of the Guidelines:** Procurement arrangements for NERLP envisage community-level procurement as well as procurement through RPMU, DPMU, CDGs, Youth Groups, SHGs, SHG village federations, and POs spread across the states. Procurement for the proposed 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 by World Bank Borrowers" dated January 2011 (Procurement Guidelines); and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (Consultant Guidelines) and the provisions stipulated in the Legal Agreement. For Goods and works, the Standard Bidding documents (SBDs) of the Bank as agreed with GoI task force (as amended from time to time) for all procurement under NCB will be used. For international competitive bidding (ICB) contracts, the Bank's latest SBDs will be used. For consultancy services the Bank's Standard Request for Proposal Document will be used as a base for all procurement of consultancy services to be procured under the Project. The Procurement Plan (PP) will be updated at least annually to reflect project implementation needs.

Community Procurement Guidelines as described in the Procurement manual will be followed at the community level, and recommended post review arrangements for CDD projects, based on the World Bank "Guidance Note For Management Of Procurement Responsibilities In Community-Driven Development Projects" dated December 2009 will be followed for fiduciary assurance. Procurement by members of the SHG is expected to be on prudent procurement principles since this will amount to using the proceeds of a loan from the seed fund on which the beneficiary will also pay interest. Thus it is in the SHG member's interest to ensure that procurement is carried out following the most economical and efficient manner and considering value for money. However, to ensure that the SHG members know of the best practices for prudent procurement and procurement is also done efficiently and transparently, a method of Participatory Monitoring and disclosure has been incorporated in the Procurement Manual. This will essentially mean that arrangements for the mandatory formation and prudent functioning of Procurement Sub-Committees for Village, Panchayat or Block level procurement will be ensured and these procedures will be clearly described and meticulously followed. As an ample

safeguard, it will also be ensured that the procurement decisions will be taken on the basis of openly sharing of information at meetings, allowing all access to accounts and procurement documents and for summary display of procurement information, costs etc. at appropriate location(s) in the village, GP and/or block.

The procurement and prior review thresholds for procurements implemented by the Communities is reflected in the Procurement Manual of NERLP.

4. Reference to (if any) Project Operational/Procurement Manual: Procurement Manual of NERLP.

5. Any Other Special Procurement Arrangements:

[a] Bid evaluation will be carried out as per agreed timeline in the procurement activity schedule.

[b] NCB will be conducted in accordance with paragraph 3.3 and 3.4 of the Guidelines and the following provisions:

- 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;
- 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;
- 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;
- The criteria to be used in the evaluation of bids and the award of contracts shall be made known to all bidders and not be applied arbitrarily
- Extension of bid validity shall 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 Bank only in cases of Force Majeure and circumstances beyond the control of the Purchaser/Employer);
- Re-bidding shall not be carried out without the 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;
- 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;
- Two or three envelope system will not be used;

[c] Domestic Preference : No – no ICBs envisaged.

6. Summary of the Procurement Packages cleared recently: Procurement Plan available on Project Website and on Bank's Website

III. Selection of Consultants

Procurement methods of procurement of Consultants' Services (Firms)

Method of Procurement	Thresholds for Methods
Quality and Cost Based Selection (QCBS)	
Quality Based Selection (QBS)	Must meet the requirements as per Para 3.2 to 3.4 of the Consultant Guidelines
Selection based on a Fixed Budget (FBS)	Must meet the requirements as per Para 3.5 of the Consultant Guidelines
Selection Based on Least Cost Basis (LCS)	Must meet the requirements as per Para 3.6 of the Consultant Guidelines
Selection based on Consultant's Qualification (CQ)	Estimated not to exceed USD 300,000, and must meet the requirements as per Para 3.7 of the Consultant Guidelines
Single Source Selection (SSS)	Must meet the requirements as per Para 3.8 to 3.11 of the Consultant Guidelines, and with prior agreement in PP with the Bank
Individual Consultants	As per Consultant Guidelines

Procurement methods for Selection of Individual Consultants (IC)

Method of Procurement	Thresholds for Methods
Competitive Selection	Must meet the requirements of Section V, Para 5.1 to 5.5 of the Consultant Guidelines.
Single Source Selection (SSS)	Must meet the requirements of Section V, Para 5.6 of the Consultant Guidelines and with prior agreement in PP with the Bank

*Shall meet the requirements as stated in Consultant Guidelines

Prior Review Threshold: The following would be subject to Prior review of the Bank regardless of the Method of selection:

1.	Consultant : Firms	2 Million
2.	Consultants : Individual	0.4 Million

Note: The Prior Review Thresholds will be reviewed during the implementation of the project and modified.

1. 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 the Bank's no objection. A copy of all amendments to the contract shall be furnished to the Bank for its record.
2. The Request for Expression of Interest for consultancy services estimated to cost above USD 300,000 equivalent per contract for firms shall be advertised in UNDB online and World Bank external Website and in accordance with other provisions of Para 2.5 of the Consultant Guidelines
3. **Short list comprising entirely of national consultants:** Short list of consultants for services, estimated to cost less than \$ 500,000 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: N.A.***

