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 & Grants” dated January 2011 (revised July 2014); and “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” dated January 2011 (revised 2014); and the provisions stipulated in the Loan Agreement and the POM and GOM. 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.

Procurement arrangements and capacity assessment

2. Considering the complexity of the project and the weak procurement and management capacity at the MoESTD, the risk rating is assessed as “high.” The procurement method and prior review thresholds applicable to the project will be based on the ECA Regional Maximum Procurement Thresholds, effective January 2, 2014 (revised February 10, 2015).

Table 1. Procurement Thresholds

<table>
<thead>
<tr>
<th>PROCUREMENT METHOD THRESHOLDS</th>
<th>PRIOR REVIEW THRESHOLDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICB: =/&gt;EUR 900,000 (Goods); =/&gt;EUR 4.5M (Works)</td>
<td>All</td>
</tr>
<tr>
<td>NCB: &lt;EUR 900,000 (Goods); &lt;EUR 4.5M (Works)</td>
<td>First contract for Goods; First contract for Works, if any</td>
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<tr>
<td>Shopping (SH): &lt;EUR 90,000</td>
<td>First contract for Goods; First contract for Works, if any</td>
</tr>
<tr>
<td>QCBS: =/&gt;EUR 265,000</td>
<td>=/&gt; EUR 450,000</td>
</tr>
<tr>
<td>CQS: &lt;EUR 265,000</td>
<td>First contract</td>
</tr>
<tr>
<td>Single Source Selection – none, in accordance with paras. 3.8-3.11 of the Consultant Guidelines</td>
<td>=/&gt;EUR 2,000</td>
</tr>
<tr>
<td>Direct Contracting – none, in accordance with paras. 3.7 &amp; 3.8 of the Procurement Guidelines</td>
<td>=/&gt;EUR45,000</td>
</tr>
</tbody>
</table>

3. All TORs are subject to prior review irrespective of prior/post review status.

4. A detailed Project Operational Manual (POM) and Grants Operational Manual (GOM) is being prepared. The manuals will include procurement and selection methods to be used in the project along with their step-by-step explanation as well as the standard and sample documents to be used for each method, and service standards, responsibilities and accountability of PMU and CFU staff and management for carrying out the activities.

5. Risk Mitigation: The following measures were agreed to mitigate the risks and maintain the implementing team’s capacity.
<table>
<thead>
<tr>
<th>Risk</th>
<th>Mitigation</th>
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<tbody>
<tr>
<td>Delay in project implementation due to challenges in setting up the CFU and PMU and in selecting qualified consultants.</td>
<td>• Retroacting financing of key consultant positions in the CFU and PMU so that selection can be launched before or immediately after negotiations. These key consultants will complete/revise the procurement plan and prepare the draft bidding documents and TORs for the initial packages.</td>
</tr>
</tbody>
</table>
| Limited procurement capacity of the CFU and lack of knowledge of Bank’s procurement and consultant guidelines may delay selection/bidding process and contract management | • All TORs for consulting services are subject to the Bank’s prior review.  
• The selection process for the 3 CFU positions are subject to the Bank’s prior review.  
• Training will be provided to the procurement specialist especially in regard to the use of System Tracking of Exchanges in Procurement (STEP).  
• Additional procurement and FM training will be provided to the staff.  
• Post review of contracts.  
• CFU staff, especially the procurement expert, will attend procurement training organized by the Bank.  
• CFU will be provided with full set of the relevant, most recent Bank procurement documents, including but not limited to standard and sample bidding documents, proposal formats, evaluation report documents, etc. |
| Unsatisfactory quality of technical designs/ToRs may lead to delays in contract implementation and to contract amendments | • All TORs are subject to the Bank’s prior review.  
• Bank team will provide MoESTD with sample TORs as needed.  
• Preparation of draft technical specifications/terms of reference before project effectiveness, at least for the contracts for which the selection process is to take place in the first 12 months of the project implementation;  
• Technical assistance of Bank technical experts in the review of the TOR/TS and designs. |
### Risk Mitigation

<table>
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<tr>
<th>Risk</th>
<th>Mitigation</th>
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</table>
| The public officials/technical staff who will be involved in project procurement through tender committees may not be familiar with the applicable procurement procedures, slowing down the procurement process | • POM and GOM will detail service standards, responsibilities and accountability of CFU staff, PMU staff, and technical staff management for carrying out the activities.  
• The order for appointment of evaluation committees will specify the timeframe by which the evaluation committee should complete evaluation and recommendation of award. |

<table>
<thead>
<tr>
<th>Risk</th>
<th>Mitigation</th>
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</table>
| Insufficient technical capacity within MoESTD to coordinate and supervise activities may cause contract supervision delays related to implementation and poor quality of goods, works and services. | • A coordinator for each component will be financed under the project.  
• Adequate consulting services and technical assistance, training, knowledge exchange will be financed by the project to supplement the existing capacity.  
• Bank staff will provide intensive and close supervision. |

### Procurement Plan

6. The Borrower, at appraisal, prepared a draft procurement plan for the first 18 months of project implementation (see Table 4), which provides the relevant activities to be procured and forms the basis for procurement methods. It does not yet include the Bank’s review requirements and thresholds as these will be determined based on the costs. The procurement plan will be further reviewed and agreed between the Borrower and the Bank during negotiations. The Procurement Plan will then be updated on a regular basis as needed, in agreement with the Bank, to reflect the actual project implementation needs.

### Table 4. Procurement Plan
## Component 1 - Expanding the supply of preschool services (approximately $34M)

<table>
<thead>
<tr>
<th>Reference No.</th>
<th>Description of Activity</th>
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<tbody>
<tr>
<td>1a</td>
<td>Renovation, Repurposing and Expansion of Buildings for Preschools</td>
</tr>
<tr>
<td>1b</td>
<td>Technical documentation for model kindergartens in form factors 4 to 10 groups</td>
</tr>
<tr>
<td>1c</td>
<td>Construction or renovation of Innovative ECEC Centers</td>
</tr>
<tr>
<td>1d</td>
<td>Design Services and Author Supervision</td>
</tr>
<tr>
<td>1e</td>
<td>Construction Supervision Services</td>
</tr>
<tr>
<td>1f</td>
<td>Furniture and Equipment for Preschools (including toys and playgrounds)</td>
</tr>
<tr>
<td>1g</td>
<td>Training for local architects and engineers</td>
</tr>
</tbody>
</table>

## Component 2 - Ensuring the quality of preschool Services (approximately $5M)

**Sub-component 2.1: Supporting the implementation of the preschool curriculum**

- **2.1a** TA to Evaluate & reform/harmonize the system and curriculum framework for initial education of ECEC teachers
- **2.1b** Teacher training

**Sub-component 2.2: Improving pre- and in-service teacher training**

- **2.2.a** TA to improve the content & forms of teacher professional development
- **2.2.b** Harmonization of current legislation on preschool education

**Sub-component 2.3: Improving the monitoring and evaluation of preschools to improve decision-making**

- **2.3.a** EMIS+ Module for MoLEVA MIS for Subsidies
- **2.3.b** TA Development of in-service training program for implementation of the new curriculum and the development of teaching-learning materials (e.g. guidelines, manuals, etc.) based on the new curriculum
- **2.3.c** TA assessment of the existing quality evaluation instruments and methodology and their improvement
- **2.3.d** TA to develop strategies to expand and regulate the provision of ECEC

## Component 3 - Supporting young children and families (approximately $9M)

**Sub-component 3.1: Communication campaign**

- **3.1a** Preparation of communication strategy
- **3.1b** TV Broadcast over licensed TV stations
- **3.1c** Radio Broadcast over licensed radio stations

**Sub-component 3.2: Outreach to vulnerable families**

- **3.2a** Grants to at least 30 municipalities

**Sub-component 3.3: Subsidies to ensure free preschool participation among the most vulnerable children**

- **3.3a** Annual reimbursement of up to $1M

## Component 4: Project management, technical assistance, and monitoring and evaluation (approximately $2M)

**Sub-component 4.1: Project management and technical assistance**

- **4.1a** Project Director
- **4.1b** Coordinator of Component 1
- **4.1c** Coordinator of Component 2
- **4.1d** Coordinator of Component 3
- **4.1e** Grant Coordinator
- **4.1f** Safeguard Specialist
- **4.1g** CFO Director
- **4.1h** CFO Procurement Specialist
- **4.1i** CFO Financial Management Specialist
- **4.1j** Audit Services
- **4.1k** PMU Office Equipment and Furniture
- **4.1l** Operating Expenses

**Sub-component 4.2: Monitoring and evaluation**

- **4.2a** Monitoring & Evaluation Specialist
- **4.2b** Baseline Survey
- **4.2c** Technical audit of various activities under the project
- **4.2d** Technical evaluation of the first phase of the grant program
- **4.2e** Staff Training
**Procurement of Goods, Works and Non-Consulting Services**

7. The following methods may be used for procurement of goods, works and non-consulting services as agreed in the procurement plan: International Competitive Bidding (ICB), National Competitive Bidding (NCB), Shopping (S), and Direct Contracting (DC).

8. **Procurement of Works.** Civil works include new construction and rehabilitation of preschools. Procurement will be conducted for the most part at the municipal level using NCB as defined in the applicable Guidelines. There is no prequalification anticipated under the project. Works may be packaged into lots depending on the availability of designs, location of schools, and procurement capacity of municipalities involved. In such a case, procurement will be conducted by the CFU. At a minimum, the CFU procurement specialist will be a member of the Evaluation Committee (EC) who will ensure that bid evaluation procedures are observed and bid evaluation report prepared and signed by the EC members.

9. **Procurement of Goods.** Goods to be procured include furniture, equipment and toys for the schools, among others.

**Selection of Consultants**

10. The following methods may be used for the selection of consultants: Quality and Cost-Based Selection (QCBS), Quality-Based Selection (QBS), Least-Cost Selection (LCS), Fixed Budget Selection (FBS), Selection based on Consultants Qualifications (CQS), Individual Consultant Selection (IC), and Single Source Selection (SSS). The World Bank's Standard Request for Proposals will be used. All Terms of Reference, irrespective of prior/post review status, are subject to Bank’s review and no objection.

11. A variety of consulting services are required (e.g. communication campaign, which is anticipated to be launched under QCBS). Other technical assistance activities required are: analysis of and regulatory changes to encourage expansion of preschool services including reforms, analysis and adjustment of Serbia’s ECEC system to improve its economic and organizational efficiency, improve the content and forms of teacher professional development, and harmonization of the current legislation that regulates preschool education

**Post-review Percentages and Frequency**

12. Contracts not subject to Bank’s prior review would be subject to post review by the Bank’s procurement specialist. Post review of contracts will be carried out once per year. At a minimum, one out of five contracts will be randomly selected for post review.

**General Procurement Notice**
13. The General Procurement Notice (GPN) for the Project will be published in the UN Development Business after loan negotiations.
## PROCUREMENT

**Campaign:** CS-19-36

**Country:** Serbia

**Project ID:** P107117

**Project Name:** Inclusive Early Childhood Education and Care

**Loan / Credit No.:** IBRD / 86930

**Executing Agency:** Central Public Works Unit

### WORKS

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### NON CONSULTING SERVICES

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**General Information**

**School:** 2020-08-27

**Request for Proposal:** 2019-09-24

**Loan / Credit No.:** IBRD / 86930

**Executing Agency:** Central Public Works Unit

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**Early Childhood Education and Care**

**Country:** Serbia

**Programme:** 2018-08-27

**Loan / Credit No.:** IBRD / 86930

**Executing Agency:** Central Public Works Unit

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<thead>
<tr>
<th>ID</th>
<th>Project Title</th>
<th>Position</th>
<th>Type</th>
<th>Status</th>
<th>Start Date</th>
<th>End Date</th>
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**Individual Consultants**