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REGIONAL ROADS DEVELOPMENT PROJECT (P146334)

Procurement Overview

1. 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 & Grants by World Bank Borrowers" dated January 2011 and revised July 2014 (Procurement Guidelines) and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011 and revised July 2014 (Consultant Guidelines) and the provisions stipulated in the Financing Agreement. For each contract to be financed by the Bank, the different procurement methods or consultant selection methods, the need for prequalification, estimated costs, prior review requirements, and time frame are agreed between the Recipient and the Bank project team in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. If there is conflict between the Government decrees, rules and regulations and the Bank Procurement and Consultant Guidelines, then Bank Guidelines shall prevail. In addition, the project will also follow "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants dated October 15, 2006 and revised in January 2011."

2. A Country Procurement Assessment was conducted in 2003 (by the World Bank and ADB) and it identified certain weaknesses in the public procurement system in Uzbekistan. The recent assessments under the Country Integrated Fiduciary Assessment(CIFA) and Public Expenditures Financial Accountability Assessment(PEFA) studies indicate that there is still ample room for changes and improvement in the public procurement environment and the same weaknesses largely remain today: (i) absence of a unified legislative framework; (ii) inefficient and non-transparent procurement practices; (iii) absence of a single institution with oversight or regulatory function for public procurement; (iv) weak capacity for reviewing bidders' complaints; (v) complicated internal review/approval of bid evaluation reports which leads to lack of accountability and delays; (vi) no comprehensive anti-corruption measures; and low skills/capacity of the staff handling public procurement at various administrative level. Private sector suppliers and contractors remain unsatisfied with the rules governing public procurement and have little confidence in the system's fairness. Though the Government has started extensive reforms of its public procurement system including drafting a Public Procurement Law based on UNCITRAL Model law, at present, the procurement environment is considered as high risk.

3. An assessment of the implementing agency's (RRF) to procure was carried out by the Bank team using PRAMS, and the following additional risks were identified: (i) the government decrees and rules and regulations have internal conflict in major provisions such as price verification which leads to considerable delays in project procurement and implementation; (ii) The requirement to clear at each stage of procurement with eleven member Inter Ministerial Bidding Committee (IMBC) leads to tremendous delays and lack of accountability of the implementing agency in procurement and project implementation (iii) the difficulty in obtaining bank guarantee for bid security and performance security by the local bidders and non-availability of alternative instruments for such purpose in the country banking system in particular Joint Ventures; (iv) there are number bid evaluation committees/stages and the interdepartmental tender committee consists of eleven members and the minutes signing takes 2 months or more; (v) from bid opening to the start of contract implementation takes minimum of 6 to 12 months and (vi) considerable procurement delays due to registration of contracts with International Contractors/Suppliers/Consultants and price verification (this procedure is not in line with the Bank Procurement Guidelines) by MFERIT. After risk mitigation, the procurement capacity and arrangements at the Project level are considered acceptable. Procurement training will be provided to the PIU procurement specialists throughout the project implementation.

4. **Procurement Arrangement and Staffing**: The PIU under the Republican Road Fund is responsible for the day-to-day implementation of the project and has to be established yet. Further hiring

of experienced international and national procurement specialists in the PIU may be required by the project effectiveness. Procurement training will be provided to the procurement specialists of the PIU and Road Fund staff throughout the project implementation. It would be strongly suggested that the Evaluation Committee members shall be also trained in the Bank procurement and evaluation procedures. The PMM shall be developed by the RRF and that shall reflect the detailed internal approval stages and the approval process and stages, timeline. The price verification and reasonableness of recommended contract value will be carried out as part of bid evaluation and the contracts will be awarded and signed as soon as Bank's no-objection is issued and signed contract and Performance Security (whenever required) is submitted to the Bank within 6 weeks of Bank's no-objection to the BER. The PMM will also indicate the timeline and procedures for complaint handling. Any complaints concerning the procurement or other aspects of the Project implementation have to be registered and dealt within a time frame agreed in the PMM.

5. Following the Memorandum of Understanding (MoU) signed on January 8, 2014 between the Bank and the Government the project will initiate advance procurement as soon as possible. The procurement of civil works contract for road works of Tashkent Region and selection of consultant for Design (including feasibility study for Namangan, Andijan and Fergana) and Construction Supervision Consultant should be initiated immediately, at least by negotiations.

6. The project will need retroactive financing to finance the above consultancy contract, PIU staff, civil works (Tashkent Oblast) and any other procurements as agreed in the procurement plan.

7. **Record Keeping**: The procurement specialist of the PIU would be responsible for maintaining of the procurement files/records. Separate files should be maintained for each contract (including both hard copy and electronic copy). All the procurement documents (including bids, technical and financial proposals of consulting services) should be kept to the end of the project and then transferred to the Government Archives. The originals of various valuable documents (such as bid security, performance guarantee, advance guarantee) are being kept in the safe by the PIU's accountant.

8. **Procurement Supervision and Procurement Post Review**: Routine procurement reviews and supervision support will be provided by the procurement specialist based in the region/country office. In addition, two supervision missions are expected to take place per year during which ex-post reviews will be conducted for the contracts that are not subject to Bank prior review on a sample basis (e.g., 20 percent in terms of number of contracts). One ex-post review report will be prepared per fiscal year, including findings of physical inspections for not less than 10 percent of the contracts awarded during the review period.

(vii) **Disclosure**: The following documents shall be disclosed in the RRF website: (i) procurement plan with estimated cost and updates, (ii) invitation for bids for goods and works for all ICB and NCB contracts, (iii) request for expression of interest for selection/hiring of consulting services, (iv) contract awards of goods and works procured following ICB/NCB procedures, (v) list of contracts/purchase orders placed following shopping procedure on quarterly basis, (vi) short list of consultants, (vii) contract award of all consultancy services, list of contracts following DC or CQS or SSS on a quarterly basis, (ix) Monthly physical and financial progress of all contracts and (x) action taken report on the complaints received on a quarterly basis. The works bidding documents shall include a clause to put up a notice board in the construction site disclosing the contract details (description, contractor name and contract amount, starting date, completion date, physical progress and financial progress).

9. The following details shall be sent to the Bank for publishing in the Bank's external website and UNDB: (a) invitation for bids for procurement of goods and works using ICB procedures, (b) request for expression of interest for consulting services with estimated cost more than $ 300,000, (c) contract award details of all procurement of goods and works using ICB procedure, (d) contract award details of all

consultancy services with estimated cost more than $300,000, and (e) list of contracts/purchase orders placed following SSS or CQS or DC procedures on a quarterly basis.

10. **Procurement Planning**: RRF has developed the Procurement Plan (see the summary below) covering procurement activities for the entire period of project implementation. This Procurement Plan will be continuously updated as the Project progresses and will be reviewed and approved by the Bank accordingly. The Procurement Plan will be published on the Bank's external website and Road Fund website by the time of Project negotiations. The General Procurement Notice (GPN) and advertisement of procurement opportunities will be published on the PIU's website and Uzbek media. The ICBs and major consultancy services will also be published in the Bank's external website and UN development business. The Recipient has the option of not disclosing the cost estimates while disclosing the procurement plan.

11. The items to be procured would include the followings:

(i) Procurement of Works: There will be two packages for (i) Rehabilitation of the Regional Roads in Tashkent Oblast and (ii) Rehabilitation of the Regional Roads in Andijan, Ferghana and Namangan Oblasts with up to five lots following the pre-qualification (PQ) process. There will two PQ process, one for Tashkent and another for Andijan, Ferghana and Namangan Oblasts.

(ii) Procurement of Goods: Goods procured under the project would include (a) road safety equipment; (b) equipment for traffic surveys, road inventory. These goods will be procured following ICB procedures. Small value equipment like vehicles, office equipment, etc. would be purchased through Shopping.

(iii) The Bank's latest Standard Bidding Documents (SBDs) for Goods and works including Standard PQD for works shall be used for procurement of goods and works following ICB procedure. Domestic preference according to the Procurement Guidelines will apply to goods contracts only.

(iv) Consulting Services: The major consulting services would include: (a) Construction Supervision Consultant; (b) TA to the Road Fund: (c) Road Sector Financing and Governance Review; (d) Road Safety Improvement and (e) Road Asset Management System and (f) financial audit. The Standards RFP will be used.

Procurement Plan: Major Works and Goods

Description of Procurement	Estimated Cost (US$ equivalent) [24]	Procurement Method	WB Review (Prior/Post)	Date Draft BD to WB	Date of Contract Signature
1. Rehabilitation and maintenance of regional roads in Tashkent oblast (90 km)	37,500,000	ICB following PQ	Prior	September 1, 2015	April 25, 2016
2. Rehabilitation and maintenance of regional roads in Andijan, Ferghana and Namangan oblasts (around 300 km)	127,080,000	ICB following PQ	Prior	September 10, 2016	May 5, 2017

3. Road Rehabilitation and Maintenance Programing Tools (Supply & Install) Equipment for traffic surveys, road inventory, road inspections, laboratory quality control and testing.	3,250,000	ICB	Prior	March 16, 2016	November 16, 2015

Procurement Plan: Major Consultancy Services

Description	Est. Cost (US$ equivalent)	Procurement Method	WB Review (Prior/ Post)	Draft RFP (incl. ToR, Short List) to WB	Date of Contract Completion
Construction Supervision	7,000,000	QCBS	Prior	September 2015	September 30, 2021
Review road asset management, develop regional roads rehabilitation program, review road sector governance, support road construction industry, strengthen RRF capacity.	1,750,000	QCBS	Prior	September 2015	September 30, 2021
Core Team Consultants	500,000	QCBS	Prior	September 2015	September 30, 2021
Financial Audits	200,000	LCS	Prior	December, 2015	September 30, 2021

Thresholds for procurement methods and Bank's prior review:

Expenditure Category	Contract Value Threshold (US$)	Procurement Method	Contracts Subjects to Prior Review (US$)
Goods (including technical services)	>=1,000,000	ICB	All ICB contracts
	< 1,000,000	NCB	First 2 NCB contracts
	<100,000	Shopping	First 1 contract
	NA	DC*	SSS contracts >=20,000
Works	>=5,000,000	ICB	All ICB contracts
	<5,000,000	NCB	First 2 contracts and contracts estimated to cost>=1,000,000
	<500,000	Shopping	First 1 contract

	NA	DC/SSS**	SSS contracts >=30,000
Consultant Services (including training)	Irrespective of Value	QCBS, QBS, FBS, LCS, CQS*	All contracts above >=300,000 for firms plus the first CQS contract regardless of value; and all contracts >=50,000 for individuals; and all SSS contracts.
	NA	SSS	
	NA	IC	

Notes:

(a) Shortlist may consist of only national consultants for assignments of less than US$300,000 equivalent per contract.

(b) *As appropriate, CQS may be adopted for assignments costing less than $300,000.

All negotiations with lowest bidder, cancellation of procurement, selection process and/or re-bidding shall be subject to prior review. ** - to be reflected and agreed in the procurement plan in advance.

ICB - International Competitive Bidding

NCB - National Competitive Bidding

DC - Direct Contracting

QCBS - Quality and Cost Based Selection

QBS - Quality Based Selection

LCS - Least Cost Selection FBS – Fixed Budget Selection

CQS - Selection Based on Consultants' Qualifications

SSS - Single Source Selection

12. It has been agreed that if a particular invitation for bid comprises several packages, lots or slices, that are included in the same invitation for bid, then the aggregate value of the whole package determines the applicable threshold amount for procurement and also for the review by the Bank. The NCB conditions will be part of Credit Agreement as an Annex 1 to the Schedule.

PROCUREMENT PLAN **Uzbekistan : Regional Roads Development Project**

General Information

Country: Uzbekistan
Bank Approval Date of the Original Procurement Plan: 2018-03-30
Revised Plan Date(s): (comma delineated, leave blank if none) 2018-05-31
Project ID: P146334
GPN Date:
Project Name: Regional Roads Development Projec
Loan / Credit No: TF / 18007, IDA / 56790
Executing Agency(ies): Republican Road Fund under the Ministry of Finance, Republican Road Fund under the Cabinet of Ministers

WORKS

Activity Reference No. / Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Procurement Process	Prequalification (Y/N)	Estimated Amount (US$)	Actual Amount (US$)	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
UZ-RRFCM-61786-CW-RFB / Rehabilitation of Regional Roads in Tashkent Region	IDA / 56790	Rehabilitation of Regional Roads	Prior	Request for Bids	Open - International	Single Stage - One Envelope		13,670,000.00	0.00	Pending Implementation					2018-07-17		2018-08-03				2018-10-02		2018-11-01		2018-12-31		2020-07-01	
UZ-RRFCM-61810-CW-RFB / Rehabilitation of Regional Roads in Andijan Region	IDA / 56790	Rehabilitation of Regional Roads	Prior	Request for Bids	Open - International	Single Stage - One Envelope		20,600,000.00	0.00	Pending Implementation					2018-09-30		2018-10-18				2018-12-17		2019-01-16		2019-03-17		2020-09-15	
UZ-RRFCM-61901-CW-RFB / Rehabilitation of Regional Roads in ferghana Regions	IDA / 56790	Rehabilitation of Regional Roads	Prior	Request for Bids	Open - International	Single Stage - One Envelope		9,000,000.00	0.00	Pending Implementation					2018-09-30		2018-10-18				2018-12-17		2019-01-16		2019-03-17		2020-09-15	
UZ-RRFCM-61905-CW-RFB / Rehabilitation of Reginal Roads in Namangan Region	IDA / 56790	Rehabilitation of Regional Roads	Prior	Request for Bids	Open - International	Single Stage - One Envelope		60,500,000.00	0.00	Pending Implementation					2019-02-15		2019-03-03				2019-05-02		2019-06-01		2019-07-31		2021-01-29	

GOODS

Activity Reference No. / Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Procurement Process	Prequalification (Y/N)	Estimated Amount (US$)	Actual Amount (US$)	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
RRDP/SH-3 / procurement of 1C Accounting Software	TF / 18007	Rehabilitation of Regional Roads Project Management Road Sector Institutional Strengthening	Prior	Request for Quotations	Open - International		N	0.00	30,000.00	Signed																2016-05-05		
UZ-RRFCM-61912-GO-RFB / Supply of equipment for the Scientific Research Institute on Automobile Roads and RRF. Automatic traffic counters, road condition surveys and inventory, works quility control equipment	IDA / 56790	Road Sector Institutional Strengthening	Prior	Request for Bids	Open - International	Single Stage - One Envelope		3,300,000.00	0.00	Pending Implementation					2019-01-31		2019-03-17				2019-05-16		2019-06-15		2019-08-14		2021-02-12	

NON CONSULTING SERVICES

Activity Reference No. / Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Procurement Process	Prequalification (Y/N)	Estimated Amount (US$)	Actual Amount (US$)	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

CONSULTING FIRMS

Activity Reference No. / Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Contract Type	Estimated Amount (US$)	Actual Amount (US$)	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
UZ-RRFCM-57295-CS-LCS / Consultant Services for project Audit. (Total budget as per RFP - 30 000 dollars)	IDA / 56790	Project Management	Prior	Least Cost Selection	Open - National		30,000.00	10,880.00	Under Implementation	2017-10-24	2018-04-24	2017-11-22		2018-01-23				2018-03-04		2018-03-08	2018-05-01	2018-03-30	2018-05-01	2018-04-04		2020-06-30	
UZ-RRFCM-61708-CS-QCBS / Supervision Consultants: Supervision of civil work in Fergana Valley	IDA / 56790	Rehabilitation of Regional Roads	Prior	Quality And Cost-Based Selection	Open - International		5,000,000.00	0.00	Pending Implementation	2018-08-01		2018-08-01		2018-09-30				2018-10-30		2018-11-29		2018-12-29		2019-01-27		2021-01-26	
UZ-RRFCM-61773-CS-QCBS / Supervision consultants: supervision of civil works in Tashkent region	IDA / 56790	Project Management	Prior	Quality And Cost-Based Selection	Open - International		2,000,000.00	0.00	Pending Implementation	2016-03-06		2016-03-06		2016-09-20				2016-11-03		2017-01-11		2017-04-04		2018-05-31		2020-05-30	
UZ-RRFCM-61971-CS-QCBS / Consulting Service: Road sector governance review. Support to road construction industry, including development of regulatory framework and design standards in the road sector, improvement of technical capacity of scietific research.	IDA / 56790	Road Sector Institutional Strengthening	Prior	Quality And Cost-Based Selection	Open - International		1,750,000.00	0.00	Pending Implementation	2019-01-31		2019-01-31		2019-04-01				2019-05-01		2019-06-15		2019-06-30		2019-07-29		2021-05-29	

INDIVIDUAL CONSULTANTS

Activity Reference No. / Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Contract Type	Estimated Amount (US$)	Actual Amount (US$)	Process Status	Terms of Reference		Invitation to Identified/Selected Consultant		Draft Negotiated Contract		Signed Contract		Contract Completion	
										Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
UZ-RRFCM-56661-CS-INDV / Consultancy Service for position Project Manager (PIU Director)	IDA / 56790	Project Management	Prior	Individual Consultant Selection	Open		50,400.00	50,400.00	Under Implementation	2017-09-09		2018-03-18		2018-03-26	2018-05-03	2018-04-02		2021-09-14	

UZ-RRFCM-56664-CS-INDV / Consultancy Service for Position Procurement Specialist	IDA / 56790	Project Management	Prior	Individual Consultant Selection	Open		48,300.00	0.00	Under Implementation	2017-09-09		2018-03-18		2018-03-26	2018-05-10	2018-04-02		2021-09-14	
UZ-RRFCM-61683-CS-INDV / FM Specialist for Project	IDA / 56790	Project Management	Prior	Individual Consultant Selection	Open		44,850.00	0.00	Pending Implementation	2018-05-15		2018-07-12		2018-07-13		2018-07-13		2021-09-30	
UZ-RRFCM-61686-CS-INDV / Monitoring and evaluation Specialist	IDA / 56790	Project Management	Post	Individual Consultant Selection	Open		44,850.00	0.00	Pending Implementation	2018-05-15		2018-07-12		2018-07-13		2018-07-13		2021-09-30	
UZ-RRFCM-61688-CS-INDV / Bridge engineer for Project	IDA / 56790	Project Management	Post	Individual Consultant Selection	Open		39,000.00	0.00	Pending Implementation	2018-05-15		2018-07-12		2018-07-13		2018-07-13		2021-09-30	
UZ-RRFCM-61693-CS-INDV / CTC-Social Safeguards Specialist	IDA / 56790	Project Management	Post	Individual Consultant Selection	Open		46,800.00	0.00	Pending Implementation	2018-05-31		2018-07-31		2018-08-01		2018-08-01		2021-09-30	
UZ-RRFCM-61700-CS-INDV / Environmental safeguards Specialist	IDA / 56790	Project Management	Post	Individual Consultant Selection	Open		45,600.00	0.00	Pending Implementation	2018-06-30		2018-08-30		2018-08-31		2018-08-31		2021-09-25	
UZ-RRFCM-61937-CS-INDV / Road Engineer for PIU	IDA / 56790	Project Management	Post	Individual Consultant Selection	Open		58,650.00	0.00	Pending Implementation	2017-09-09		2018-02-28		2018-02-28		2018-02-28		2021-09-30	
UZ-RRFCM-61969-CS-INDV / Accounting Specialist for PIU	IDA / 56790	Project Management	Post	Individual Consultant Selection	Open		52,900.00	0.00	Pending Implementation	2017-09-09		2018-02-28		2018-02-28		2018-02-28		2021-09-30	