

PROCUREMENT PLAN

Basic Data

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| Project Name: Information and Communication Technology Development Project | |
| Country: Nepal | Executing Agency: Office of the Prime Minister and Council of Ministers (OPMCM) |
| Loan Amount (Grant): \$25 Million | Loan (Grant) Number: 0106-NEP |
| Date of First Procurement Plan: 27 December 2007 | Date of this Procurement Plan: 06 September 2010 |

A. Process Thresholds, Review and 18-Month Procurement Plan

1. Project Procurement Thresholds

1. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

| Procurement of Goods and Works | |
|---|---------------------------------------|
| Method | Threshold |
| International Competitive Bidding (ICB) for Works | Between \$1,000,000 and \$10,000,000, |
| International Competitive Bidding for Goods | Between \$500,000 and \$1,000,000 |
| National Competitive Bidding (NCB) for Works | Beneath that stated for ICB, Works |
| National Competitive Bidding for Goods | Beneath that stated for ICB, Goods |
| Shopping for Works | Below \$100,000 |
| Shopping for Goods | Below \$100,000 |
| Direct Purchasing | Below \$10,000 |

2. ADB Prior or Post Review

2. Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the project.

| Procurement Method | Prior or Post | Comments |
|--|---------------|---|
| Procurement of Goods and Works | | |
| ICB Works | Prior | Subject to ADB's " <i>Procurement Guidelines</i> " (2010, as amended from time to time) and Project Administration Instruction (PAI) 3.03 |
| ICB Goods | Prior | Subject to ADB's <i>Procurement Guidelines</i> and PAI 3.03. |
| NCB Works/Goods | Prior | Subject to the provisions of NCB Annex, ^a <i>Procurement Guidelines</i> (para. 3.3/3.4), and PAI 3.04. |
| Shopping for Works/Goods | Post | Usage subject to ADB's <i>Procurement Guidelines</i> (para. 3.5) and PAI 3.04 C. |
| Recruitment of Consulting Firms | | |
| Quality- and Cost-Based Selection (QCBS) | Prior | Threshold: >\$200,000 |
| Individual Consultant | Prior | |

3. Goods and Works Contracts Estimated to Cost More Than \$1 Million

3. The following table lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

| General Description | Contract Value (\$'000) | Procurement Method | Prequalification of Bidders (y/n) | Advertisement Date (quarter/year) | Comments |
|---|-------------------------|--------------------|-----------------------------------|-----------------------------------|--|
| (Part-1) Rural E-Community | | | | | |
| Rural E-Community) Wireless Broadband Network | 5,600 | ICB | no | Q4/2010 | Single bid following ADB's Procurement Guidelines, IA is MOIC |
| (ii) Village Portal Network and Telecenter | 2,300 | ICB | No | Q4/2010 | Single bid following ADB's Procurement Guidelines, IA is HLCIT |
| (iii) National Identification System | 3,400 | ICB | No | Q4/2010 | Single bid following ADB's Procurement Guidelines, IA is MOHA |
| (iv) Public Service Commission | 1,300 | ICB | No | Q4/2010 | Single bid following ADB's Procurement Guidelines, IA is PSC |
| (v) Land Records Mgmt. | 1,400 | ICB | No | Q4/2010 | Single bid following ADB's Procurement Guidelines, IA is DOLRM |
| (vi) Vehicle Registration and Driver's Licenses | 2,400 | ICB | No | Q4/2010 | Single bid following ADB's Procurement Guidelines, IA is DOTRM |

4. Consulting Services

4. The following table lists consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

| General Description | Contract Value (\$'000) | Recruitment Method | Advertisement Date (quarter/year) | International or National Assignment | Comments |
|----------------------------------|-------------------------|--------------------|-----------------------------------|--------------------------------------|-------------------------------------|
| Individual IT Specialist for NID | 200,000 | IC | September 2010 | International | EA selects, negotiate, and contract |

B. National Competitive Bidding (NCB Annex)

National competitive bidding (NCB) shall be in accordance with that described as "by inviting bids and a national level" as set forth in "The Public Procurement Act, 2007" (PPA) and "The Public Procurement Regulations, 2007" (PPR) and subject to the following:

1. The first NCB document for both goods and works procurement shall be reviewed and approved by ADB prior to issue. These will be used for all NCB procurement under the project. The document shall include qualification and evaluation criteria and ADB's right to audit and inspect in accordance with para 1.14 of ADB's Procurement Guidelines. No other criteria other than that described in the bidding document may be used to determine the lowest evaluated responsive bidder and no form of domestic preference may be employed. A positive assessment of a bidder's qualifications to perform a contract will be a pre-requisite to an award.

2. All qualified ADB member bidders and ADB member produced goods, services and works shall be eligible. Registration and licensing shall be permitted only as a condition of contract award and not participation in bidding. No award may be withdrawn for failure to obtain tax registration; license or fulfill any similar requirement without ADB's prior concurrence. No bidder will be held ineligible based on provision 63 of the PPA without ADB prior concurrence.

3. Invitations to bid shall be advertised in at least one widely circulated national daily newspaper or freely accessible, nationally-known website allowing a minimum of twenty-eight (28) days for the preparation and submission of bids. Invitations for bids for contracts estimated at \$500,000 or more for goods and \$1,000,000 or more for civil works shall be advertised on ADB's website. No restriction will be placed on the sale of bidding documents.

4. The approved Standing List of a Procuring Entity prepared in accordance with the law shall only be accepted to supplement an advertised open pre-qualification exercise for the specific contract provided that those on the standing list meet the qualification criteria.

5. Bids shall be opened at a single location immediately after the deadline for submission. Multiple locations for submission and opening are not acceptable.

6. Government-owned enterprises in Nepal shall be eligible to participate only if they meet the conditions of para 1.8 (c) of the Procurement Guidelines.

7. Extension of bid validity of more than 4 weeks beyond the original validity shall not be allowed without the prior concurrence of ADB.

8. Cancellation of bidding and re-bidding shall not be carried out without the prior concurrence of ADB.

9. Percentage variations from rates fixed by a district rate fixation committee shall not be used for the purpose of evaluating bids.

In the event of a conflict between these provisions and the law, these provisions shall prevail.