

PROJECT PROCUREMENT CAPACITY ASSESSMENT

I. EXECUTIVE SUMMARY

A. OVERALL RISK ASSESSMENT

1. The overall assessment for project procurement risk is low to moderate. The executing agency of the proposed project, China Railway Corporation (CRC), has engaged a tendering agency with the procurement agent, CIM International Tendering Corporation Ltd (CITC), which is adequately staffed with well-trained personnel, and has rich experience in procurement for foreign-funded projects. The implementing agency, Chengdu–Kunming Railway Company Limited (CKRC), has limited experience in procurement, but adequate capacity development programs are included in the project.

B. WEAKNESSES AND RISKS

2. The CKRC has limited experience in procurement and hasn't performed procurement for foreign-funded projects before.

C. SUMMARY OF MITIGATION/MANAGEMENT MEASURES TO BE ADOPTED

3. The procurement agent CITC will help implementing agency in conducting all procurement transactions for the proposed project per tendering agreement with CRC. Meanwhile, the CKRC will receive training both from the procurement agent and the Asian Development Bank (ADB) which will be provided through capacity building under the project budget.

II. INTRODUCTION

4. This report was prepared in accordance with the ADB Guidelines on Assessing Country, Sector and Project Procurement Risks. This assessment took place separately for the procurement agent CITC and the CKRC in November 2016 (Appendixes 1 and 2). The procurement primarily consists of railway equipment and materials for the E'mei–Miyi Railway section of Chengdu–Kunming Railway line (CKR). Technically, the procurement requires understanding of the government's regulations and ADB's relevant guidelines, the regional environment, market conditions, international-level equipment and skills and capacity.

III. PROJECT PROCUREMENT RISK ASSESSMENT

A. OVERVIEW

5. Legal and institutional systems in the PRC are well established. The National Procurement Manual has been released with specific procedures and requirements.

6. In the PRC, procurement is governed through various laws and decrees that are consistent with internationally accepted principles and practices. The implementing rules and regulations that are regularly updated are clear, comprehensive, and easy to follow and implement.

7. The law covers drafting and use of standard bidding documents, evaluation, contracting through to the management of contracts, including payment, warranty, and defects liability periods. It also contains provisions for dealing with misconduct, such as fraud and corruption.

8. There is a regulatory body at various levels of government, and financing is secured within the legal framework. Procurement training is regularly implemented nationwide and needs are frequently assessed. There is an integrated nationwide system for collecting and disseminating procurement information, including tender invitations, requests for proposals, and contract award.

1. Organization and Staff Capacity

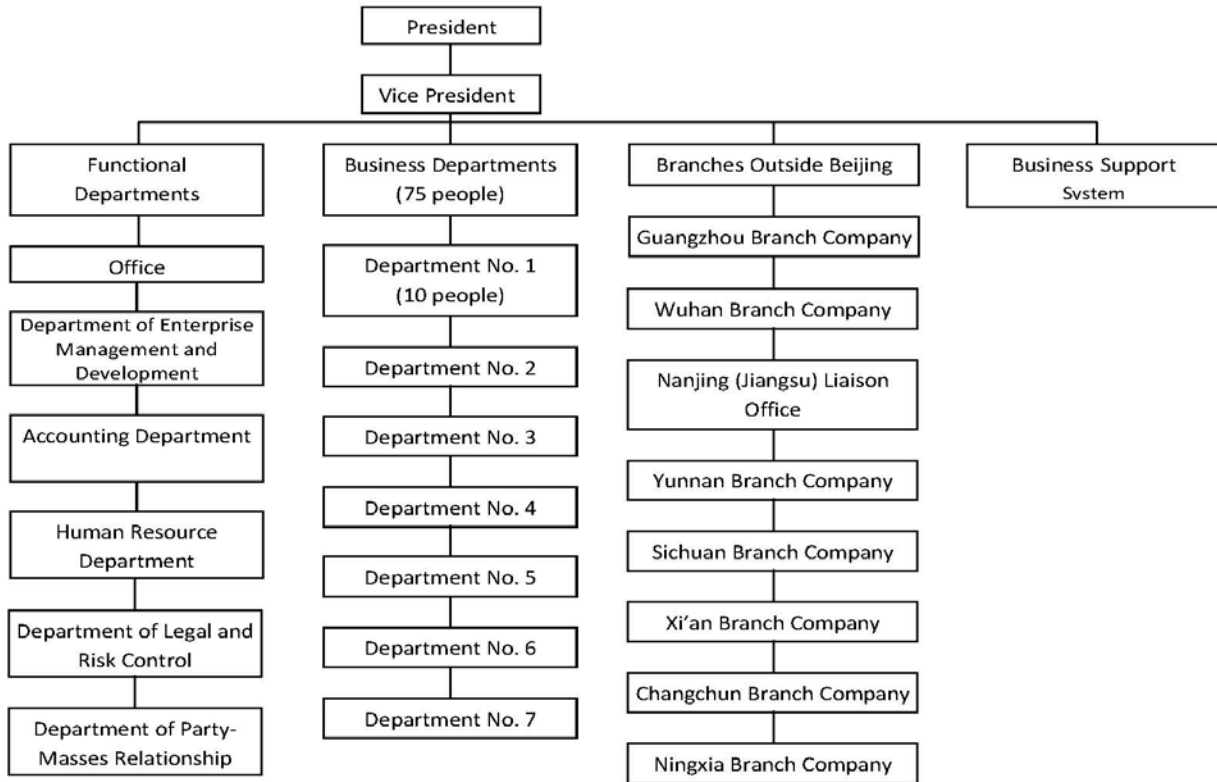
9. The CKRC is a joint venture established by the CRC (76.33%), Sichuan Provincial Government (18.49%), and CRC's Chengdu Railway Bureau (5.18%). CKRC is a recently established entity which is the legal owner of Chengdu–Kunming Railway (ChengKun) assets with responsibility for arranging construction and operation of the ChengKun, which includes the E'mei–Miyi Section under which the proposed project is included.

10. CKRC's procurement department consists of 7 individuals, 6 of whom are full-time permanent positions and the seventh a contract position. This department has worked in procurement for the following projects: Chengdu–Dujiangyan Railway and branch line, Chengdu–Pengzhou Railway, Chengdu Outside Circuit for Wagons, Chengdu West–Pujiang Railway, Chengdu–Ya'an Railway, Chengdu–E'Mei section, and Miyi–Panzhihua section.

11. CKRC's experience and staff are limited in procurement under International Competitive Bidding (ICB), National Competitive Bidding (NCB), International Shopping (IS), and other procurement procedures of ADB. Therefore, CRC contracted with CMC International Tendering Corporation Ltd. (CITC) to support CKRC in all procurement actions under the RSE Project funded by ADB. Since procurement actions will be conducted by CITC, the Procurement Capacity Assessment included in this report also cover CITC experience and qualifications.

12. Figure 1 is Organization Chart of CITC. The "Business Departments" (Department 1 to 7) are exclusively focused on procurement actions with total professional staff of 75 individuals. Department No. 1 with 10 individuals is responsible in supporting CKRC under the RSE Project.

Figure 1: Organizational Chart of CMC International Tendering Corporation (CITC)



2. Information Management

13. Both the CITC and the CKRC have a good management system, which ensures the safekeeping of procurement documents and assures the retrieval of procurement documents at any time.

14. For this project, CITC and CKRC will be involved in the purchase of equipment and installation. All procurement documents, including paper and electronic copies will be properly saved with easy access. Contract documents and all related correspondence will be kept in the same place and saved for more than 10 years.

3. Procurement Practices

15. Table 1 lists the procurement projects funded by ADB, the procurement actions of which have been completed by CITC. Table 2 presents the same experience for World Bank funded projects. With a record of 21 projects totaling more than US\$2.7 billion, CITC is highly qualified to provide the procurement agency services to CKRC in the proposed RSE project.

Table 1: List of ADB-funded Railway Projects Handled by CITC

Item No	Name	Projects	Procurement Content	Procurement Amount (1000 USD)
1	CRC	Chongqing-Guiyang Railway	equipment, material	350,000.00
2	CRC	Lanzhou-Chongqing Railway	equipment, material	300,000.00
3	MOR	Taiyuan-Zhongwei-Yinchuan Railway	equipment for electrification	300,000.00
4	MOR	Zhengzhou-Xi'an Railway	equipment, material	280,000.00
5	MOR	Nanjing-Xi'an Railway	equipment, material	190,000.00
6	MOR	Yichang-Wanzhou Railway	equipment, material	120,000.00
7	MOR	Guizhou Shuibai Railway	equipment, material	70,000.00
8	MOR	Hefei-Jiujiang Railway	equipment, material	46,000.00
9	MOR	MOR Beijing West-Kowloon Railway	equipment, material	14,000.00
10	MOR	Railway operation equipment for Beijing West-Kowloon Railway	equipment, material	25,000.00
11	MOR	Maintenance Machine for Beijing West-Kowloon Railway	equipment	39,900.00
12	Sichuan Province	Dazhou-Wanzhou Railway	equipment, material	10,000.00
13	Shanxi Province	Shenmu Railway	equipment, material	77,000.00
14	Shanxi Province	Shenmu North-Yan'an North Railway	equipment, material	77,000.00
15	Guangdong Province	Guangzhou-Meizhou-Shantou Railway	equipment, material	30,000.00
16	Western Yunnan Railway Company	Dali-Lijiang Railway	equipment, material	70,000.00
Total:				1,998,900.00

Table 2: List of World Bank-funded Railway Projects handled by CITC

Item No	Name	Projects	Procurement Content	Procurement Amount (1000 USD)
1	MOR	Tranches 2, 3 and 4 Railway Loan Projects	equipment, material	200,000.00
2	MOR	Tranche 5 Railway Loan Project	equipment, material	100,000.00
3	MOR	Tranche 6 Railway Loan Project	equipment, material	120,000.00
4	MOR	Tranche 7 Railway Loan Project	equipment, material	190,000.00
5	MOR	National Railway Project No 1	equipment, material	120,000.00
Total:				730,000.00

4. Effectiveness

16. Both CITC and CKRC systematically monitor and report contractual performance. They monitor and track contractual payment obligations as well.

17. All written records are kept for procurement decisions and disputes. The Bidding Office is set up to date with complaints regularly recorded during the procurement process.

5. Accountability Measures

18. There is a specific statement of ethics in bidding document which requires people involved in procurement to formally commit to abide with all relevant laws and regulations.

19. If there is any potential conflict of interest, involved procurement staff should report it and remove themselves from the procurement process. Both CITC and CKRC abide with PRC laws and regulations, and ADB Procurement Guidelines. Bidding documents, invitation for bids, evaluation reports and contracts are required to be submitted to the Bidding Office for approval.

B. STRENGTHS

20. CITC is well established, has well trained staff, and has extensive experience with ADB and other international development cooperation partners.

C. WEAKNESSES

21. None found. The assessment questionnaire and analysis has demonstrated that CITC has adequate resourcing and knowledge in all areas to properly support procurement in this project.

D. PROCUREMENT RISK ASSESSMENT AND MANAGEMENT PLAN (P-RAMP)

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
CKRC does not have experience on foreign-funded procurement	Low-moderate	The procurement agent CITC will help IA on conducting all procurement transactions for the proposed project per tendering agreement with CRC. Meanwhile, the IA of the project (CKRC) will receive training both from the procurement agent and ADB which is included in Capacity Building under the project budget.
Overall	Low	

IV. PROJECT SPECIFIC PROCUREMENT THRESHOLDS

22. All thresholds are standard levels currently in use by ADB. These are listed in the Procurement Plan.

V. PROCUREMENT PLANS

23. The project's procurement plan can be found in Appendix 1 of the project administration manual.

VI. CONCLUSION

24. The PPTA team assessed procurement risk of the project as low-moderate before mitigation measures. IA (CKRC) does not have experience with foreign-funded procurement. On the other hand, the procurement agent (CITC) has sufficient procurement experience with foreign banks including the Asian Development Bank (ADB) and the World Bank (WB). CITC will provide CKRC sufficient support on procurement activities for the proposed project and well as on-the-job training.

Appendix 1

**PROCUREMENT RISK ASSESSMENT QUESTIONNAIRE
FOR THE PROCUREMENT AGENT—CIM INTERNATIONAL TENDERING CORPORATION
(CITC) IN THE PEOPLE'S REPUBLIC OF CHINA**

QUESTION		RESPONSE: 'YES' OR 'NO' WITH BRIEF COMMENTS	RISK
A. ORGANIZATIONAL AND STAFF CAPACITY			
A.1	Is there a properly staffed procurement agent for this project currently in place?	Yes, there are 17 full-time staff in 1 st Department of CMC International Tendering Company Ltd (CITC), and 7 people will be working on procurement of the proposed project	Low
A.2	Has the procurement agent been competitively selected?	Yes, the procurement agent was selected through national competitive bidding (NCB) conducted by China Railway Investment Company of China Railway Corporation (CRC). Three proposals were received. Bidding results were publicly released and reported to the Ministry of Finance (MOF) for record.	Low
A.3	Do the procurement agent's staff have a high level of English language proficiency (verbal and written)?	Yes	Low
A.4	Are the number and qualifications of the staff sufficient to undertake the procurement under the proposed project?	Yes, Among 7 staff, there are 2 managers who have more than 20 years experience in railway procurement bidding, and 5 other staff having rich experience in procurement.	Low
A.5	Does the procurement agent have a procurement training program?	The procurement agent received numerous procurement training programs conducted by ADB, and MOF. The procurement agent will conduct training for the Implementing Agency (IA).	Low
A.6	Does the procurement agent report to the Executing Agency or other Government organization in performing its function?	The procurement agent kept reporting to the EA-CRC and getting approval from CRC during the whole process of procurement.	Low
Average for A			Low
B. INFORMATION MANAGEMENT			
B.1	Is there a referencing system for procurement files?	All information related with procurement is all recorded by the procurement agent. There is also a platform on website of the Ministry of Commerce (MOC), in	Low

QUESTION	RESPONSE: 'YES' OR 'NO' WITH BRIEF COMMENTS	RISK
	which includes all information related with procurement funded by ADB.	
B.2 Is there adequate equipment and personnel to administer the procurement records management functions within the procurement agent?	Yes, CITC has ERP procurement information management system, and is managed by Information Center of CITC.	Low
B.3 Does the procurement agent adhere to a document retention policy (i.e. for what period are records kept)?	Yes. CRC keeps all procurement-related document permanently. The procurement agent adheres to relevant document retention policy set by the government.	Low
B.4 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes.	Low
Average for B		Low
C. PROCUREMENT PRACTICES		
Goods and Works		
C.1 Has the procurement agent undertaken foreign-assisted procurement of goods or works during the last 24 months? If yes, indicate the names of the development partner/s and project/s.	Yes, source of funds include the Asian Development Bank (ADB), the World Bank (WB), KfW of German Bank, AFD of French Bank, and American Exim Bank. Foreign assisted procurement of goods and works include Lanzhou-Chongqing Railway Project, Railway Energy Efficiency and Safety Enhancement Investment Program Tranche IV and V funded by ADB, Railway Rescue Equipment Project funded by KfW, and Shanxi Changyuanhe Wetland Park Project funded by AFD.	Low
C.2 If the answer is yes, what are the major challenges faced by the procurement agent?	The procurement agent has been following all relevant policies, and there is no challenge on process of procurement. Except for funds from ADB on China Railway, investment from other sources has been decreasing in recent years.	Low
C.3 Does the procurement agent have a manual for procurement of goods and works?	Yes, the procurement agent has a specific manual on procurement quality management. Meanwhile the procurement agent follows ADB's Procurement Guidelines.	Low

QUESTION	RESPONSE: 'YES' OR 'NO' WITH BRIEF COMMENTS	RISK
C.4 If there is a manual, is it up to date and does it cover foreign-assisted projects?	The manual has been prepared specifically for foreign-assisted projects, and the manual is updated regularly.	Low
C.5 Who undertakes the evaluation of bids (procurement agent, permanent committee, ad-hoc committee)?	It's undertaken by the Bidding Evaluation Committee, whose members are randomly selected by website of MOC.	Low
C.6 What are the qualifications of the evaluators with respect to procurement of goods and/or works under evaluation?	The qualifications of the evaluators meet with requirements by MOC.	Low
C.7 Is the decision of the evaluators final or is it subject to additional approvals?	Yes. The decision of the evaluators is final and subject to ADB's approval.	Low
Average for C1-7		Low
Consulting Services		
C.8 Has the procurement agent undertaken foreign-assisted procurement of consulting services during the last 24 months? (If yes, please indicate the names of the development partner/s and the Project/s.)	Yes. Foreign-assisted procurement of consulting services during the last 24 months include Capacity Building, Environmental and Social Project, Impact Studies, Research and Monitoring Project funded by AFD, and Gansu Tianshui Urban Infrastructure Project, and Development Project funded by ADB.	Low
C.9 If the above answer is yes, what are the major challenges faced by the procurement agent?	The procurement agent has been following all relevant policies, and there is no challenge on process of consulting. Except for funds from ADB on China Railway, investment from other sources has been decreasing in recent years.	Low
C.10 Does the procurement agent have a manual for consulting services?	Yes, the procurement agent has a manual which includes consulting services.	Low
C.11 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes. It's undertaken by the Bidding Evaluation Committee, whose members are randomly selected by website of MOC.	Low
C.12 Who undertakes the evaluation of expressions of interest and consultants proposals (procurement agent, permanent committee, ad-hoc committee)?	It's undertaken by the Bidding Evaluation Committee, whose members are randomly selected by website of MOC.	Low
C.13 What are the qualifications of the evaluators with respect to procurement of goods and/or works under evaluation?	The qualifications of the evaluators meet with requirements by MOC.	Low

QUESTION	RESPONSE: 'YES' OR 'NO' WITH BRIEF COMMENTS	RISK
C.14 Is the decision of the evaluators final or is it subject to additional approvals?	Yes. The decision of the evaluators is final and subject to ADB's approval.	Low
Average for C8-14		Low
D. EFFECTIVENESS		
D.1 How long does it take on average for the procurement agent to prepare bidding documents or the RFP?	It all depends on the number of contract packages. And it takes about 2-3 months on average for the procurement agent to prepare bidding documents or the RFP.	Low
D.2 How long does it take on average for the procurement agent to prepare the bid evaluation report from the date of bid opening?	It depends on the number of contract packages and number of bidders. It takes about 2-3 weeks for the procurement agent to prepare the bid evaluation report.	Low
D.3 Is contractual performance of suppliers, contractors and consultants monitored by the procurement agent?	Yes.	Low
D.4 Is performance of the procurement agent evaluated by the executing agency?	Yes. And CRC has a detailed performance evaluation system for procurement.	Low
Average for D		Low
E. ACCOUNTABILITY MEASURES		
E.1 Is there a standard statement of ethics to which the procurement agent is required to formally commit?	Yes.	Low
E.2 Are staff of the procurement agent required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes. It's regulation set by government.	Low
E.3 Are staff of the procurement agent required to declare any potential integrity violations during the procurement process?	Yes.	Low
E.4 If yes, to whom they report such integrity violations?	They will report to ADB.	Low
Average for E		Low
Average Risk Rating		Low

Appendix 2

PROJECT PROCUREMENT RISK ASSESSMENT QUESTIONNAIRE for the IA—Chengdu-Kunming Railway Corporation (CKRC)

QUESTION	RESPONSE ¹	RISK ²
A. ORGANIZATIONAL AND STAFF CAPACITY		Low
PROCUREMENT DEPARTMENT/UNIT		Low
A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	Yes. Both China Railway Company (CRC) and Chengdu Railway Administration (CRA) have Bidding Offices.	Low
A.2 Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?	Yes. Chengdu-Kunming Railway Company (CKRC) has Department of Material and Equipment Management, which performs the function.	Low
A.3 If yes, what type of procurement does it undertake?	It undertakes national competitive bidding (NCB).	Low
A.4 How many years' experience does the head of the procurement department/unit have in a direct procurement role?	The division chief of the procurement Mr. Xiong Hua has more than 30 years experience in procurement.	Low
A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded	CKRC has 12 people in the Department of Material and Equipment Management, including 6 full-time and 6 part-time employees.	Low
A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)?	Yes	Low
A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	Staff in the Department of Material and Equipment Management on average have experience of more than 20 years in procurement.	Low
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes. Office equipment and facilities are sufficient for undertaking planned procurement. Each staff is equipped with one desktop computer and one laptop.	Low
A.9 Does the agency have, or have ready access to, a procurement training program?	Regular training programs are conducted by experts	Low

¹ Responses should include a discussion of the e-procurement component if an e-procurement system is in use or if is being planned for implementation.

² Questions indicated with * are associated with potentially 'High' or 'Substantial' risks due to the impact being 'High', therefore the strategy for managing those risks should be addressed in the Project Procurement Risk Analysis (Appendix 3).

QUESTION	RESPONSE ¹	RISK ²
	from the Bidding Evaluation Committee of CRC and Sichuan Provincial Government.	
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?	The Department of Material and Equipment Management reports to both Deputy General Manager and General Manager of CKRC.	Low
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	Yes. CKRC has detailed job descriptions and qualification requirements on procurement positions and the procurement department.	Low
A.12 Is there a procurement process manual for goods and works?	Yes. CRC has relevant regulations.	Low
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes	Low
A.14 Is there a procurement process manual for consulting services?	Yes, CRC has relevant regulation.	Low
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes	Low
PROJECT MANAGEMENT UNIT		Low
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	Yes	Low
A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	Yes. There are 12 staff in the Department of Material and Equipment Management, and it's sufficient to undertake additional procurement under the proposed project.	Low
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes, CKRC has sufficient office equipment and facilities for procurement.	Low
A.19 Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	There are standard Procurement Documents issued by CTC, which are applicable for ADB-funded projects.	Low
A.20 Does the agency follow the national procurement law, procurement processes, and guidelines?	Yes	Low
A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes	Low
A.22 Who drafts the procurement specifications?	Design Institute drafts the procurement specifications.	Low

QUESTION	RESPONSE ¹	RISK ²
A.23 Who approves the procurement specifications?	The Implementing Agency (IA)—CKRC approves the procurement specifications.	Low
A.24 Who in the PMU has experience in drafting bidding documents?	All staff of the Department of Material and Equipment Management have experience in drafting bidding documents.	Low
A.25 Are records of the sale of bidding documents immediately available?	Yes. All records of the sale of bidding documents are available on website of the Public Resource and Transaction Center of Sichuan Province.	Low
A.26 Who identifies the need for consulting services requirements?	Design Institute assists CKRC to identify the need for consulting services requirement.	Low
A.27 Who drafts the Terms of Reference (ToR)	CKRC and procurement agents draft TOR.	Low
A.28 Who prepares the request for proposals (RFPs)	CKRC and procurement agents prepare the RFPs.	Low
B. INFORMATION MANAGEMENT		Low
B.1 Is there a referencing system for procurement files?	Yes. All paper work and digital copies of procurement files are well reserved.	Low
B.2 Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Yes, CKRC has a specific area, fire-proof file cabinets, and personnel to administer the procurement records.	Low
B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	Yes. Normally all documents are kept for about 6-7 years. After projects finish construction and being checked and approved by government, documents will be transferred to the Archive Office of Chengdu Railway Administration.	Low
B.4 Are copies of bids or proposals retained with the evaluation?	Yes.	Low
B.5 Are copies of the original advertisements retained with the pre-contract papers?	Yes	Low
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes. All contract related documents are kept.	Low
B.7 Are copies of invoices included with the contract papers?	Yes	Low
B.8 Is the agency's record keeping function supported by IT?	Yes. All digital copies are kept by CKRC.	Low

QUESTION	RESPONSE ¹	RISK ²
C. PROCUREMENT PRACTICES		
Goods and Works		Low-Medium
C.1 Has the agency undertaken procurement of goods or works related to foreign assistance recently (last 12 months or last 36 months)? If yes, indicate the names of the development partner/s and project/s.	No. Although CKRC has no relevant procurement experience for foreign-funded projects, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience in procurement for foreign-funded projects, and CITC will assist CKRC on procurement under the proposed project.	Moderate*
C.2 If the answer is yes, what were the major challenges faced by the agency?	No. Although CKRC has no relevant procurement experience for foreign-funded projects, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience on procurement for foreign-funded projects, and CITC will assist CKRC on procurement under the proposed project.	Moderate *
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	About half year.	Low
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	Yes, minimum 20 days after public advertisement.	Low
C.5 Are all queries from bidders replied to in writing?	Yes. It's required by the Bidding Law.	Low
C.6 Does the bidding document state the date and time of bid opening?	Yes	Low
C.7 Are bids opened in public?	Yes	Low
C.8 Can late bids be accepted?	No	Low
C.9 Can bids (except late bids) be rejected at bid opening?	No It's against the Bidding Law.	Low
C.10 Are minutes of the bid opening taken?	Yes. Detailed minutes will be taken for the whole bidding process including bid opening.	Low
C.11 Are bidders provided a copy of the minutes?	Yes, copy of the minutes is available for all bidders.	Low

QUESTION	RESPONSE ¹	RISK ²
C.12 Are the minutes provided free of charge?	Yes	Low
C.13 Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	The Bidding Evaluation Committee is formed by experts who are randomly selected from the experts database of CRC and Sichuan Provincial Experts Database.	Low
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	Bidding experts are selected from the experts database of CRC and Sichuan Provincial Experts Database. And there is standard for experts' qualifications set by national government.	Low
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Yes. Evaluators' decision will be released to the public.	Low
C.16 Using the three 'worst-case' examples in the last year, how long from the issuance of the invitation for bids can the contract be awarded?	No. So far NKRC has no problem on conducting procurement.	Low
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	No. Although CKRC has no relevant procurement experience for foreign-funded projects, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience on procurement for foreign-funded projects, and CITC will assist CKRC on procurement under the proposed project.	Moderate
C.18 Are there established goods receiving procedures?	Yes, per CRC's regulations.	Low
C.19 Are all goods that are received recorded as assets or inventory in a register?	They are recorded as inventory.	Low
C.20 Is the agency/procurement department familiar with letters of credit?	No. Although CKRC has no relevant procurement experience for foreign-funded projects, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience on procurement for foreign-funded projects, and CITC will assist CKRC on	Moderate

QUESTION	RESPONSE ¹	RISK ²
	procurement under the proposed project.	
C.21 Does the procurement department register and track warranty and latent defects liability periods?	Yes	Low
Consulting Services		Medium
C.22 Has the agency undertaken foreign- assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.23 If the above answer is yes, what were the major challenges?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.26 What criteria are used to evaluate EOIs?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate

QUESTION	RESPONSE ¹	RISK ²
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.28 Do firms have to pay for the RFP document?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.30 Are pre-proposal visits and meetings arranged?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.31 Are minutes prepared and circulated after pre-proposal meetings?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.32 To whom are the minutes distributed?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will	Moderate

QUESTION	RESPONSE ¹	RISK ²
	assist CKRC under the proposed project.	
C.33 Are all queries from consultants answered/addressed in writing?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.35 Are proposal securities required?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.36 Are technical proposals opened in public?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.37 Are minutes of the technical opening distributed?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.39 Who determines the final technical ranking and how?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM	Moderate

QUESTION	RESPONSE ¹	RISK ²
	International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	
C.40 Are the technical scores sent to all firms?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.41 Are the financial proposal opened in public?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.42 Are minutes of the financial opening distributed?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.43 How is the financial evaluation completed?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.44 Are face to face contract negotiations held?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate

QUESTION	RESPONSE ¹	RISK ²
C.45 How long after financial evaluation is negotiation held with the selected firm?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.46 What is the usual basis for negotiation?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.47 Are minutes of negotiation taken and signed?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.48 How long after negotiation is the contract signed, on average?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
C.49 Is there an evaluation system for measuring the outputs of consultants?	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
Payments		Low
C.50 Are advance payments made?	Yes	Low
C.51 What is the standard period for payment included in contracts?	It all depends on content in contracts.	Low

QUESTION	RESPONSE ¹	RISK ²
C.52 On average, how long is it between receiving a firm's invoice and making payment?	It's usually within one month between receiving a firm's invoice and making payment.	Low
C.53 When late payment is made, are the beneficiaries paid interest?	No	Moderate
D. EFFECTIVENESS		Low
D.1 Is contractual performance systematically monitored and reported?	Yes. It's conducted by the Department of Material and Equipment Management of CKRC.	Low
D.2 Does the agency monitor and track its contractual payment obligations?	Yes	Low
D.3 Is a complaints resolution mechanism described in national procurement documents?	Yes	Low
D.4 Is there a formal non-judicial mechanism for dealing with complaints?	Yes. The Bidding Office deals with complaints.	Low
D.5 Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes. It's provided with detailed description.	Low
E. ACCOUNTABILITY MEASURES		
E.1 Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	Yes. It's specified in the bidding documents.	Low
E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes.	Low
E.3 Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	Yes. All procurement within and over budget needs approval from the Bidding Office.	Low
E.4 Who approves procurement transactions, and do they have procurement experience and qualifications?	Procurement transactions are approved by the Bidding Office. Yes	Low
E.5 Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?		Low
a) Bidding document, invitation to pre-qualify or RFP	It needs approval from the Bidding Office.	Low
b) Advertisement of an invitation for bids, pre-qualification or call for EOIs	It needs approval from the Bidding Office.	Low
c) Evaluation reports	It needs approval from the Bidding Office.	Low
d) Notice of award	Three days after the bidding result is released to	Low

QUESTION	RESPONSE ¹	RISK ²
	the public and receives no objection, the result is final	
e) Invitation to consultants to negotiate	No. Although CKRC has no relevant experience on consulting services, the procurement agent—CIM International Tendering Corporation Ltd (CITC) has extensive experience will assist CKRC under the proposed project.	Moderate
f) Contracts	Contracts are submitted to the Bidding Office for approval and record.	Low
E.6 Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	No. Different officials are responsible for different functions.	Low
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes. Detailed description is recorded in the bidding evaluation report.	Low

Appendix 3: P-RAMP

PROJECT PROCUREMENT RISK ANALYSIS

SL No.	RISK	IMPACT ³	LIKELIHOOD ⁴	STRATEGY ⁵
A6, A7, A9, A16, A17, A23, C1, C2, C14, C22, C23	Procurement Department and/or PMU have sufficiently qualified staff to efficiently undertake the procurements required to implement the project.	Low	<i>Unlikely</i>	The procurement agent CITC has sufficient qualified staff, and rich experience on foreign procurement to efficiently undertake procurement of the proposed project. IA—CKRC hasn't done any foreign procurement before. CITC will help CKRC on all procurement transactions for the proposed project. CKRC will receive training from CITC and ADB, which is included by Capacity Building of the project budget.
A19 – A20	The Agency uses practices inconsistent with national procurement law or bidding documents unsuitable for ADB-funded procurement.	Low	<i>Unlikely</i>	CITC and CKRC are well trained in national procurement laws and bidding documentation. Monitor only.
B2 –B3	Record-keeping is inadequate to enable internal or external audit of procurement processes.	Low	<i>Unlikely</i>	CITC and CKRC have kept good recording systems. Monitor only.
A25, C4 - C12, C24-C44, C47, D5, E7	Agency promote non-discriminatory participation, transparent tender processes (including advertisement, tender documentation, tender evaluation, complaints mechanism)?	Low	<i>Unlikely</i>	Both CITC and CKRC receive training on promoting non-discriminatory practices according to the national procurement law. Monitor only.
C15, E1 – E.6	The Agency has inadequate ethics and anticorruption measures in place.	Low	<i>Unlikely</i>	Both CITC and CKRC have taken proper measures in this area. Monitor only.

³ Any risk that may result in actions that are inconsistent with the ADB Procurement Guidelines or Guidelines on the Use of Consultants is assessed as 'High'.

⁴ 'Likely' or 'Unlikely' to occur in the life of the project, given the response to the question in Appendix 2 and the guidance note in the column.

⁵ 'Mitigate' (either through the Procurement Plan including NCB Annex or through measure/s indicated in Appendix 5), 'Monitor' or 'Avoid'.