

Project Procurement Risk Assessment Report

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People's Republic of China: Xinjiang Akesu Integrated
Urban Development and Environmental Improvement
Project

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ABBREVIATIONS

AAB	=	Akesu Audit Bureau
ADSB	=	Akesu Disciplinary Supervision Bureau
AMG	=	Akesu Municipal Government
APMO	=	Akesu Project Management Office
APLG	=	Akesu Project Leading Group
APRTC	=	Akesu Public Resources Trading Center
DMC	=	Developing Member Country
EA	=	Executing Agency
GAPR	=	Guide on Assessing Procurement Risks and Determining Project Procurement Classification
GPL	=	Government Procurement Law
IA	=	Implementing Agency
ICB	=	International Competitive Bidding
ICS	=	Individual Consultant Selection
ITC	=	International Tendering Company
LIC	=	Loan Implementation Consultant
MOF	=	Ministry of Finance
NCB	=	National Competitive Bidding
NDRC	=	National Development and Reform Council
OSFMD	=	Operations Services and Financial Management Department
PMG	=	Procurement Management Group
PPP	=	Public Private Partnership
PPTA	=	Project Preparatory Technical Assistance
PRC	=	People's Republic of China
P-RAMP	=	Procurement Risk Assessment and Management Plan
QCBS	=	Quality and Cost-Based Selection
SHP	=	Shopping
SOE	=	State Owned Enterprise
TBL	=	Tendering and Bidding Law
TOR	=	Terms of reference
XPMO	=	Xinjiang Project Management Office
XUARG	=	Xinjiang Uygur Autonomous Region Government

PROJECT PROCUREMENT RISK ASSESSMENT REPORT

EXECUTIVE SUMMARY

1. This Project Procurement Risk Assessment Report has been prepared for the Xinjiang Akesu Integrated Urban Development and Environmental Improvement Project, in accordance with the Guide on Assessing Procurement Risks and Determining Project Procurement Classification. The information came from document reviews, a procurement capacity and risk survey with the use of the project procurement risk assessment questionnaire, and extensive in-depth interviews with relevant key local stakeholders.
2. The main weaknesses are identified to include i) the lack of experience of the Akesu Project Management Office (APMO) with internationally-financed projects; ii) discrepancies between domestic and ADB practices; iii) absence of procedures for procurement and project management; and iv) the lack of a secure filing room within the project management office to file confidential procurement documents.
3. The proposed mitigation measures include an intensive training APMO managers and staff and other stakeholder agencies in ADB procedures for procurement of goods, works and consulting services. This training should be organized before any procurement is initiated. It is recommended that APMO develop project management (including procurement) procedures to foster efficiency and reduce risk of non-compliance. APMO must also take urgent measures to provide a dedicated secure filing room to ensure safety, auditability and confidentiality of procurement transactions.

I. INTRODUCTION

4. This report contains the findings and observations of the project procurement risk assessment for the Xinjiang Akesu Integrated Urban Development and Environmental Improvement Project (the Project). The assessment was undertaken by the Ahmadou Barry, Senior Procurement Specialist, OSFMD, from 19 October to 15 November 2014, with support from the PPTA Consultant, Beijing Enrim S&T Consulting Ltd. It is prepared in accordance with the *Guide on Assessing Procurement Risks and Determining Project Procurement Classification* (hereafter GAPR).¹
5. Preparatory activities included the review of project documents, ADB's ongoing procurement experiences in the People's Republic of China (PRC), a procurement capacity and risk survey through the project procurement risk assessment questionnaire², in-depth discussions with the Akesu Municipal Government (AMG) and the Akesu Project Management Office (APMO), and visits to and interviews with key local stakeholder agencies including the Akesu Public Resources Trading Center (APRTC), Akesu Disciplinary Supervision Bureau (ADSB) and Akesu Audit Bureau (AAB). The list of persons met during the assessment is provided in **Appendix 1**. The completed Project Procurement Risk Assessment Questionnaire is presented in **Appendix 2**.
6. There is currently no country or sector risk assessment for PRC as required by GAPR. Likewise no procurement classification was set at concept paper stage which predates GAPR. Accordingly, in this assessment, preliminary country risk ratings and procurement classification and their justifications will be developed.

¹ *Guide on Assessing Procurement Risks and Determining Project Procurement Classification*. August 2014, Asian Development Bank, Manila, Philippines.

² Ditto. Appendix 9, Project Procurement Risk Assessment Questionnaire.

II. OVERVIEW OF PROCUREMENT ENVIRONMENT, PRELIMINARY RISK ASSESSMENT AND PROJECT CLASSIFICATION

A. OVERVIEW OF THE PROCUREMENT ENVIRONMENT AND PRELIMINARY RISK RATING

7. Currently, public procurement in PRC is governed by two procurement laws namely the *Tendering and Bidding Law* (TBL) and the *Government Procurement Law* (GPL). The first, the *Tendering and Bidding Law* was passed by the People's Congress and promulgated by the President on 30 August 1999. It became effective on 1 January 2000. On 12 December 2011, the State Council promulgated the "*Regulation on Implementation of the Law of the People's Republic of China on Tendering and Bidding*", which became effective 1 February 2012.

8. The GPL, which was promulgated on 29 June 2002 and became effective 1 January 2003. It covers the requirements for the procurement of central and sub-central government-financed goods, civil works and services. The Government of the Xinjiang Uygur Autonomous Region Government (XUARG) has developed *Management Guidelines on Tendering and Bidding for Engineering Projects* (2005) provides implementing guidelines applicable in the autonomous region.

9. The following aspects of the general procurement environment in the People's Republic of China (PRC) tend to increase the procurement risk assessment level for this project, because they are inconsistent with both ADB's procurement policies and internationally accepted practices or standards:

- a) There are actually two national procurement laws and Xinjiang Autonomous Region issues its own implementing regulations.
- b) Consulting Services are not clearly addressed in the two national procurement laws.
- c) The national procurement laws are not clear with respect to the participation of state-owned enterprises (SOEs).
- d) As a general rule, domestic goods, construction or services are preferred for all government procurements.
- e) General exceptions from the application of the national procurement laws are given to military procurements, urgent procurements and those with security and confidentiality implications. The latter exceptions are not qualified, and so there appears to be much room for the exercise of discretion and varying interpretations.
- f) Consolidated historical procurement data are not readily available to the public.
- g) There is no comprehensive training program that is linked to a procurement accreditation or professionalization program in PRC accessible to EAs.

10. Fortunately, the above risks are generally addressed by either:

- a) The modifications listed in the National Competitive Bidding (NCB) Annex to the Procurement Plan (attached as Appendix 10 of the Report and Recommendation of the President), which provides additional assurances; or
- b) Existing practices under ADB-financed projects in PRC and assurances from both APMO on the use of ADB's Standard Bidding Documents (SBDs) for International Competitive Bidding (ICB); or
- c) The adoption of SBDs for NCB developed by Ministry of Finance (MOF) with the support of ADB and WB which are mandatory for NCB procurement

11. Country and sector procurement risk assessments are not yet available for PRC. Accordingly, the assessment of the country and sector procurement risk will be based on the preliminary ratings provided by OSFMD. For PRC, country and sector procurement risk is rated as **medium**. In setting prior/post review thresholds this rating will be considered together with risk factors identified above.

B. PROJECT PROCUREMENT CLASSIFICATION

12. Procurement classification is based on the analysis in **Table 1**. It is proposed to classify the project in **Category B** despite the fact that IA does not have prior ADB experience. The justifications are as follows:

- As mandated by the Ministry of Finance (MOF) in all ADB financed projects in PRC, procurement will be undertaken by a tendering company. In this particular case, Instrimpex International Tendering Company, with extensive ADB procurement experience has been selected. The project manager assigned to this project has a strong track record of ADB procurement;
- The project will procure the services of a consultant firm to support implementation of the project and build the capacity of the IA. The consulting services will be recruited under advance action;
- The project will hire two startup consultants under the PPTA to help IA initiate activities under advance action including contracts on the critical path.

Table 1: Project Procurement Classification

Characteristic	Assessor's comments & finding summary
Is the Procurement Environment Risk for this project assessed as "High" based on the country and sector/agency risk assessments according to Figure 4 above?	No
Are multiple (typically more than three) and/or diverse Executing Agencies (EAs) and/or Implementing Agencies (IAs) envisaged during project implementation? Do EAs/IAs lack prior experience in ADB project implementation?	No/Yes While EA has considerable experience with procurement for ADB- and World Bank-financed projects, IA has no prior experience of ADB projects. However, a loan implementation consultant will be recruited (advance contracting) to support IA during implementation. Procurement is undertaken by a tendering company with extensive ADB experience
Are multiple contract packages and/or complex and high value contracts expected (compare to recent donor projects in DMC)?	No
Does the project plan to use innovative contracts (PPP, Performance- based, Design & Built, O&M, etc.)?	No
Are contracts distributed in more than three geographical locations?	No
Are there significant ongoing contractual and/or procurement issues under ADB (or other donor) funded projects? Has misprocurement been declared in the DMC?	N/A
Does the DMC have prolonged procurement lead times, experience implementation delays, or otherwise consistently fail to meet procurement timeframes?	While EA has substantive experience of ADB and World Bank projects, the IA lacks such experience. However, procurement will be undertaken with the support of a tendering company with substantial ADB procurement experience.
Do EAs/IAs lack capacity to manage new and ongoing procurement? Have EAs/IAs requested ADB for procurement support under previous projects?	
OVERALL PROJECT CATEGORIZATION RECOMMENDED	B

13. Based on the proposed categorization, OSFMD's support will not be required for project implementation.

III. PROJECT PROCUREMENT RISK ASSESSMENT

A. PROCUREMENT ARRANGEMENTS

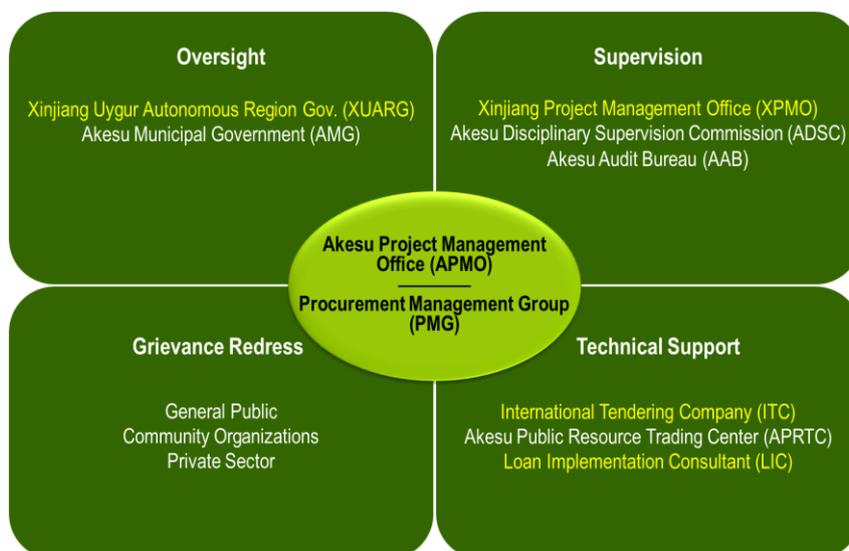
a) Organizational and Staff Capacity

14. The executing agency (EA) for the project is the Xinjiang Uygur Autonomous Regional Government (XUARG) with Akesu Municipal Government (AMG) serving as the implementing agency (IA). AMG will work under the guidance of the Akesu Project Leading Group (APLG). The Akesu Project Management Office (APMO) has been established under AMG with responsibilities among others to coordinate project implementation among all agencies at city level, supervise implementation, plan and conduct procurement, etc. The APMO is supervised by the Xinjiang Project Management Office (XPMO), which also serves as the liaison with MOF, National Development and Reform Council (NDRC) and other Autonomous Region Agencies. Other autonomous region or municipal government agencies will be involved in procurement in oversight, supervision, support, grievance redress roles. The procurement Governance of project is illustrated in **Figure 1**. The roles of the various agencies are outlined as follows:

- i) The APMO will be responsible for coordinating and managing the procurement activities.
- ii) APMO's resources will be supplemented by the support of: a) APRTC; b) an international tendering company (ITC); and c) a loan implementation consultant (LIC).
- iii) The supervision functions will be supplemented Akesu Audit Office (AAB) and the Akesu Disciplinary Supervision Commission (ADSC).

15. The roles and responsibilities of agencies with direct involvement in procurement are detailed in **Appendix 3**.

Figure 1: Project Procurement Governance



16. APMO is currently fully staffed with 16 full time and six (6) part time staff operating in management, finance, procurement and logistical support. A Procurement Management Group (PMG) has been set up within the APMO. At present, the PMG has a total of five (5) staff, including three (3) full-time and two (2) part-time; the AMG is committed to providing additional staff to meet future needs. The head of the PMG (Mr. Liang Li) has 12 years of direct procurement experience. The deputy head (Ms. Hui Cao) has 10 years of direct

procurement experience. PMG's resources are deemed adequate to undertake procurement activities under the project considering the support provided by ITC, LIC and APRTC.

17. AMG has extensive experience of domestic procurement, but no experience of procurement under foreign-assisted projects. The APMO was newly set up for this project and has no experience with procurement of civil works and goods, yet some experience in procurement of consulting services.

18. For procurement of goods and works, APMO will benefit from the support provided by ITC, LIC and APRTC which gives comfort that procurement will follow ADB guidelines. APRTC will notably provide logistical and technical support. APRTC has modern facilities covering 800 m2 comprising the bid opening rooms and bid evaluation rooms fitted with CCTV cameras; ii) advanced IT hardware and information system, including the computer terminals, the bidding evaluation system; and iii) a central monitoring room with facilities for recording all transactions. APRTC will avail its expert database for selection of bid evaluation committee members. Specific details will be agreed between the APMO and the APRTC.

b) Information Management

19. APMO does not have a dedicated secured room for filing and not appear to have filing system in place yet exposing projects to the following risks:

- (i) Confidentiality and integrity of procurement transactions and documents;
- (ii) Loss of essential documents compromising traceability of procurement transactions for audit and ADB review purposes.

20. While APMO has indicated adherence to PRC's stringent document retention policy, the lack of a dedicated and secure filing room would make its effective implementation unfeasible.

c) Procurement Practices

21. For procurement of goods and works, APMO will benefit from the support provided by ITC, LIC and PRTC which gives comfort that procurement will follow ADB guidelines. PRTC will notably

22. The following differences are noted between local and ADB practice:

- Minimum advertising period is only 20 days vs. 42 days and 30 days respectively for ICB and NCB in ADB guidelines;
- Bidders are required to submit their bids on the day of bid submission with no allowance for submission by mail or courier;
- Bid securities are often remitted by cash, the preferred option for most procuring entities in PRC.

23. For consulting services, while APMO has some experience in procuring consulting services under domestic finance, it does not have experience with foreign-financed projects. The consultant selection committee (CSC) members will be drawn from APLG and APMO who are unfamiliar with ADB procedures for consulting services. This, together with the limited English language skills raises concerns about i) risk of non-compliance; and ii) delays in selection.

c) Effectiveness

24. Since the APMO was only recently setup, there is no track record to allow an assessment of the effectiveness of the organization that has been put in place. However the supervision of the XPMO with experience in foreign-financed projects gives some comfort that APMO will be adequately guided regarding the requirements of ADB financed projects. The adjunction of the services of LIC will build the capacity and provide direct support in contract management to APMO.

d) Accountability Measures

25. The execution function rests with the APMO. The entire procurement is supervised by three agencies, including the tendering and bidding supervision office, the disciplinary supervision commission, the audit bureau. Representatives of the ADSC and the AAB are present in bid evaluations to supervise the evaluation process. The oversight functions rest with the respective AMG and APLG. Finally the general public, the private sector and peoples' organizations can lodge a complaint with the supervision or oversight agencies.

26. The use of the facilities of the APRTC together with the supervision exercised by ADSC and the AAB provides assurance that procurement transactions are undertaken in a transparent and fair manner.

27. Accountability is strengthened by the provisions of national laws of PRC with sanctions for both bidders and government staff. Moreover, Article 44 of the TBL and Article 62 of GPL contain provisions relating to ethical standards for procurement personnel. Procurement staff is constantly reminded of ethical requirements, code of conduct, procedures and applicable fees through posters placed the walls of PRTC. The code of conduct for the expert evaluators is posted on the wall of each bid evaluation room.

B. STRENGTHS

28. A Procurement Management Group (PMG) has been set up within the APMO. At present, the PMG has a total of five staff, including three full-time and two part-time; the AMG is committed to providing additional staff to meet future needs. The head of the PMG (Mr. Liang Li) has 12 years of direct procurement experience. The deputy head (Ms. Hui Cao) has 10 years of direct procurement experience.

29. In addition to existing provisions of PRC procurement system providing for separation of operational, supervision, and oversight functions consistent with best practices in procurement, the proposed procurement governance at project level provides sound supervision and oversight mechanisms. Embedded checks and balances will help ensuring that at each stage of the procurement cycle there is adequate supervision and oversight aimed at minimizing the risk fraud and corruption and ensure transparency, fairness and due process at each stage.

C. WEAKNESSES

30. APMO-PMG staff lack experience with procurement of foreign-financed projects, although the heads of the PMG have substantial direct procurement experience with domestic projects.

31. It is noted that staff in general has limited English language skills which may limit APMO's effectiveness in i) communicating with ADB and international consultant; and exercising adequate quality control over documents submitted by service providers. It is also noted that the Agency does not have access to external training programs nor have they participated in training organized by ADB for executing agencies.

32. There is no dedicated secured filing room for confidential procurement files. The APMO has given the assurance that a space has been identified for this purpose and will be retrofitted to provide adequate security and fire prevention measures.

33. Current office space although large may not offer sufficient space if the requirements of the LIC are taken into consideration. The APMO Director has given the assurance that additional space will be allocated if necessary.

34. Domestic bid receiving procedures as currently are not consistent with the requirements of ADB Guidelines. APRTC has given the assurance that special bid receiving procedures consistent with ADB requirements will be arranged.

D. PROCUREMENT RISK ASSESSMENT AND MANAGEMENT PLAN

35. The project Procurement Risk Assessment and Management Plan (P-RAMP) in **Table 2** is prepared considering the weaknesses identified during the discussions the various agencies involved in procurement and based on the responses provided in the procurement risk assessment questionnaire.

Table 2: Project Procurement Risk Assessment and Management Plan

Risk	Risk Assessment			Risk Management
	Impact	Likelihood	Risk	
IA has no experience with foreign-financed projects and is unfamiliar with ADB guidelines and procurement procedures	High	Likely	High	Mitigation: <ul style="list-style-type: none"> Provision of intensive training on ADB procedures before procurement is undertaken Procurement agent must have strong ADB experience LIC terms of reference must include support and capacity building for procurement and contract management
IA is unfamiliar with ADB procurement guidelines and procedures for consulting services	High	Likely	High	Mitigation: <ul style="list-style-type: none"> Provision of intensive training on ADB procedures before procurement is undertaken ADB to provide support for procurement of the services of LIC firm APMO to seek committee members with familiarity with ADB procedures and adequate English language skills
Discrepancies between domestic practices and ADB Guidelines	High	Likely	High	Mitigation: <ul style="list-style-type: none"> Provision of training on ADB procedures (see above) to APRTC Agreement between APMO and APRTC to include modalities to ensure that ADB guidelines requirement are followed
Lack of secure dedicated secured filing room	High	Unlikely	Substantial	Monitoring: <ul style="list-style-type: none"> Ensure that secured dedicated room is ready before procurement is started If procurement activities begin before such room is available, ensure that temporary space is provided by APRTC until APMO's dedicated room is ready.
No procedures for procurement management, contract management and filing	High	Unlikely	Substantial	Mitigation: <ul style="list-style-type: none"> LIC to develop project manual in <u>Chinese</u> for APMO Terms of reference of LIC to reflect this requirement
Procurement staff	Low	Likely	Moderate	Monitoring:

have limited English language skills				<ul style="list-style-type: none">• Ensure that lack of English skills will not unduly impact project and diminish benefits of capacity building
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IV. PROJECT SPECIFIC PROCUREMENT THRESHOLDS

A. PROCUREMENT METHOD THRESHOLDS

36. The applicable thresholds are in **Table 3**

Table 3: Procurement Method Thresholds

Method	Threshold (\$)
Works	
International Competitive Bidding (ICB)	≥ \$40 million
National Competitive Bidding (NCB)	< \$40 million & ≥ \$0.1 million
Shopping	< \$0.1 million
Goods	
International Competitive Bidding (ICB)	≥ \$10 million ⁽¹⁾
National Competitive Bidding (NCB)	< \$10 million & ≥ \$0.1 million
Shopping (SHP)	< \$0.1 million

⁽¹⁾ The applicable range in PRC is \$3 million to \$10 million. The higher limit is used because procurement covers standard or low-end goods and equipment, which are available in the PRC market at competitive prices vs. international market and are unlikely to attract international bidders notably due to high transport and other costs.

B. PROCUREMENT SUPERVISION THRESHOLDS

37. Based on PRC's preliminary country procurement risk rating of "**medium**" the maximum allowable prior review threshold is \$10 million. Based on the specific project risk assessment, with risk essentially associated with IA and PMO's lack of experience with ADB procurement, the following prior/post review arrangements are proposed

Works

- Prior review threshold is set at **\$10 million**
- Prior review will apply to all packages under advance contracting irrespective of amount of contract
- No post review sampling

Goods

- Prior review threshold is set at **\$5 million**
- Prior review will apply to the first two (2) contracts irrespective of contract amount
- No post review sampling

Consulting Services

- Prior review (all contracts)

V. PROCUREMENT PLAN

38. **Scope of procurement.** The proposed project facilities are conventional engineering undertakings. The urban roads involve the construction of road beds and surface pavements, burial of utility pipes, erection of traffic signals and street lights, and landscaping. The water supply network upgrading, sewerage network upgrading and central heating network upgrading will primarily involve the purchase of the pipes and burial of the pipes along the project roads. The solid waste management component will involve the purchase of street

cleaning and collection equipment. The wetland rehabilitation component will involve mostly civil works and reforestation.

39. **Packaging.** The Project has a total 34 contract packages. These contract packages were finalized with advice from the ADB Senior Procurement Specialist. They include one 16 works contracts (all NCB), 16 goods contracts (1 ICB, 11 NCB and 4 shopping), and 2 consulting services contracts. A summary of the contract packages is provided below. The draft procurement plan is in **Appendix 5**.

Table 5: Breakdown of Number of packages

Type	Procurement method	No. of Contracts	Cumulative Amount (\$)
Civil Works	NCB	16	142,896,800
Goods	ICB	1	12,399,600
Goods	NCB	11	31,597,200
Goods	SHP ⁽¹⁾	4	563,300
Consulting Services	QCBS ⁽²⁾	1	1,690,000
Consulting Services	ICS ⁽²⁾	1	60,000
Total		34	189,206,900

⁽¹⁾ SHP = Shopping. SHP has been allowed for goods above the \$100,000 thresholds due to low-end and repetitive character of the goods.

⁽²⁾ QCBS = Quality and Cost-Based Select; ICS = Individual Consultant Selection.

40. **Advance action and retroactive financing.** In order to take advantage of the short construction season in Akesu (May to October) before loan effectiveness (anticipated in October 2015), AMG has requested advance contracting and retroactive financing for the most urgent packages. Advance contracting includes four civil works contract packages (all NCB), six (6) goods/equipment contract packages (4 NCB and 2 shopping) and two consulting services contract packages (one QCBS and one ICS). Contract under advance action are flagged in the procurement plan.

APPENDIX 1
LIST OF PERSONS MET

Name	Position / Organization	Contact
Ai Liya	Vice Mayor, Akesu Municipal Government	18009978333
Yang Ping	Director, Akesu Development and Reform Commission; Director, APMO	13899299616
Li Weifang	Director, Akesu Finance Office	13031272128
Cao Hui	Manager, Procurement Management Group, APMO	
Ma Donghang	Project Manager, APMO	15099285926
Cao Qiang	Project Officer, APMO	15770007788
Fei Wei	Vice President, Xinjiang Academy of Municipal Engineering Design	18999415508
Li Jianping	Director, Akesu Public Resources Trading Center	0997-228-3331
Wang Xinyong	Director, Akesu Tendering and Bidding Supervision Officer for Construction Projects in Akesu	0997-228-1539
Guo Yingchun	Director, Enforcement Section, Supervision Bureau, Akesu Disciplinary Supervision Commission	13579111717
Li Shengfang	Chief, Economic Responsibility Audit Section, Akesu Audit Bureau	
Yang Jing	Chief, Financial Audit Section, Akesu Audit Bureau	0997-212-2743
Cain Jianfang	Director, Office of Administration, Akesu Audit Bureau	

APPENDIX 2

PROJECT PROCUREMENT RISK ASSESSMENT QUESTIONNAIRE

QUESTION	RESPONSE	RISK ³
A. ORGANIZATIONAL AND STAFF CAPACITY		
PROCUREMENT DEPARTMENT/UNIT		
A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	Yes. The committee is chaired by the vice mayor. Members include development and reform commission, finance bureau, audit bureau, disciplinary supervision bureau, housing and urban-rural development bureau, forest bureau, water resource bureau and administrative law enforcement bureau.	Medium
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. A procurement group has been set up. The group will act as the secretariat for the procurement committee.	Low
A.3 If yes, what type of procurement does it undertake?	Coordinate and manage procurement activities and participate in bid evaluation for civil works, goods and services contracts	Low
A.4. How many years of experience does the head of the procurement department/unit have in a direct procurement role?	Mr. Liang Li is the head of the procurement group. He has 12 years of direct procurement experience. Ms. Cao Hui is the deputy head; she has 10 years of direct procurement experience	Medium
A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded	3 full time 2 part-time 0 secondment	Low
A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)?	Medium level for reading and writing, oral ability is fair. Extensive English training will be provided to the procurement staff and other PMO officers	* High
A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	Yes. A total of 5 staff. They have direct procurement experience, good ability in coordination and management, and fair level of English	* Medium
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes. It is fully equipped, with 5 desktop computers, 3 notebook computers, 3 printers, 2 photocopiers, 2 telephones and internet connection and wifi coverage	Low
A.9 Does the agency have, or have ready access to, a procurement training program?	There is an internal training program. From November 2014, the tendering agency will begin to organize training courses. Moreover, external training resources will also be available, such as the government procurement center.	* Medium

³ 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).

	Experienced officers from the government procurement center will be invited to provide training to the procurement group and PMO officers	
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?	The procurement group reports directly to the director of the PMO	Low
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	Yes	Medium
A.12 Is there a procurement process manual for goods and works?	It is being prepared by the tendering agency in accordance with ADB procurement guidelines	High
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	The manual is specifically targeted at the ADB-financed project	N/A
A.14 Is there a procurement process manual for consulting services?	It is being prepared by the tendering agency in accordance with ADB guidelines on the use of consultants	High
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	The manual is specifically targeted at the ADB-financed project	N/A
PROJECT MANAGEMENT UNIT		
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	Yes. The PMO is fully staffed	* 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. The PMO now has 16 staff, including 10 full-time, 6 part-time or secondments, covering management, finance, procurement, logistic support as well as project sectors	* Low
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes. It is fully equipped, with 5 desktop computers, 3 notebook computers, 3 printers, 2 photocopiers, 2 telephones and internet connection and wifi coverage. Additional resources will be provided if needed	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?	Yes. We will adopt the standard documents and forms used for previous ADB projects	* Low
A.20 Does the agency follow the national procurement law, procurement processes, guidelines?	Yes. If there are inconsistencies with ADB requirements, ADB guidelines will be followed	* Low
A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes. It is being finalized	Low
A.22 Who drafts the procurement specifications?	Tendering agency	Low
A.23 Who approves the procurement specifications?	Akesu municipal government	Medium
A.24 Who in the PMU has experience in drafting bidding documents?	Head and deputy head of the procurement group	* Low
A.25 Are records of the sale of bidding documents immediately available?	The tendering agency has such records	* High
A.26 Who identifies the need for	Akesu municipal government together	Low

consulting services requirements?	with ADB, and incorporated comments from Xinjiang PMO	
A.27 Who drafts the Terms of Reference (ToR)	Akesu PMO	High
A.28 Who prepares the request for proposals (RFPs)	Tendering agency	Medium
B. INFORMATION MANAGEMENT		
B.1 Is there a referencing system for procurement files?	Yes, in the Akesu PMO	High
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. The procurement group will manage.	* High
B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	According to national regulations, procurement records shall be kept for at least 20 years. When the project facilities are transferred to the operating agencies, the records will be transferred to the Akesu archives for long-term keeping	* High
B.4 Are copies of bids or proposals retained with the evaluation?	Yes. RFPs and proposals will be kept together with the evaluation	High
B.5 Are copies of the original advertisements retained with the pre-contract papers?	Yes. The original advertisements will be kept with the pre-contract papers	High
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes.	High
B.7 Are copies of invoices included with the contract papers?	Yes.	High
B.8 Is the agency's record keeping function supported by IT?	Akesu municipal government has an IT office. The IT office will support the APMO to maintain the information system	High
C. PROCUREMENT PRACTICES		
Goods and Works		
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	* Medium
C.2 If the answer is yes, what were the major challenges faced by the agency?		* N/A
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	Yes. The identification of procurement requirements under the project will be undertaken through discussions between APMO, the procurement group and the tendering agency	Medium
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	The domestic requirement is 20 days. ADB guidelines will be followed for this project	* Medium
C.5 Are all queries from bidders replied to in writing?	Yes	* 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?	Yes	* High
C.10 Are minutes of the bid opening taken?	Yes	* Low
C.11 Are bidders provided a copy of the minutes?	Yes	* Low
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)?	Members of the bid evaluation committee will be drawn from the Akesu or Xinjiang expert database. The committee will be ad hoc. AMPO, development and reform commission, finance bureau, disciplinary supervision commission and project sector agencies will supervise	Low
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	The evaluators for procurement of civil works contracts should be a certified civil engineer; the evaluators for procurement of goods should be a certified mechanical-electrical engineer or related profession	* Medium
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	When there is no dispute, the evaluation committee decision should be final. The decision is subject to ADB review	* 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?	There is no worst case scenario. Under normal circumstances, the domestic process averages 30 days	High
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	Yes. There are standard national procedures.	Low
C.18 Are there established goods receiving procedures?	Yes	Low
C.19 Are all goods that are received recorded as assets or inventory in a register?	Yes	Low
C.20 Is the agency/procurement department familiar with letters of credit?	Familiar	Low
C.21 Does the procurement department register and track warranty and latent defects liability periods?	Yes	Low
Consulting Services		
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.)	Yes. The APMO has procured consulting services for project proposal, FSR, preliminary design, geological survey, EIA, resettlement plan, EMDP, energy saving assessment, and tendering agency. For this project (Xinjiang Akesu Integrated Urban Development and	* High

	Environmental Improvement Project)	
C.23 If the above answer is yes, what were the major challenges?	How to recruit competent consulting firms with good quality of services	* High
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	Yes	* Low
C.25. Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Yes. The members include Akesu project leading group and the APMO	High
C.26 What criteria is used to evaluate EOIs?	Project experiences and qualifications, with emphasis on international project experiences	High
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	Both	* Medium
C.28 Do firms have to pay for the RFP document?	No	* Low
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes	* Low
C.30 Are pre-proposal visits and meetings arranged?	No	Low
C.31 Are minutes prepared and circulated after pre-proposal meetings?		* High
C.32 To whom are the minutes distributed?		* High
C.33 Are all queries from consultants answered/addressed in writing?	Yes	* Low
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	Yes	* Low
C.35 Are proposal securities required?	No	* Low
C.36 Are technical proposals opened in public?	Yes	* Low
C.37 Are minutes of the technical opening distributed?	Yes	* Low
C.39 Who determines the final technical ranking and how?	The ranking is done by the Bid Evaluation Committee in accordance with the evaluation results.	* Low
C.40 Are the technical scores sent to all firms?	Yes	* Low
C.41 Are the financial proposal opened in public?	Yes	* Low
C.42 Are minutes of the financial opening distributed?	Yes	* Low
C.43 How is the financial evaluation completed?	In accordance with the relevant guidelines	* Low
C.44 Are face to face contract negotiations held?	Yes	* Low
C.45 How long after financial evaluation is negotiation held with the selected firm?	Within 1 week of receiving ADB approval	Medium
C.46 What is the usual basis for negotiation?	In accordance with the proposal and TOR	Medium
C.47 Are minutes of negotiation taken and signed?	Yes	* Low
C.48 How long after negotiation is the	Within 1 week	Low

contract signed, on average?		
C.49 Is there an evaluation system for measuring the outputs of consultants?	Yes	High
Payments		
C.50 Are advance payments made?	No	High
C.51 What is the standard period for payment included in contracts?	Contract provisions will be followed	High
C.52 On average, how long is it between receiving a firm's invoice and making payment?	ADB guidelines will be followed	High
C.53 When late payment is made, are the beneficiaries paid interest?	No if within the timeframe specified in the contract	High
D. EFFECTIVENESS		
D.1 Is contractual performance systematically monitored and reported?	Yes	High
D.2 Does the agency monitor and track its contractual payment obligations?	Yes	Medium
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, complaints will be referred to the mediation and attribution committee.	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	* 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	* 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?	No	Low
E.4 Who approves procurement transactions, and do they have procurement experience and qualifications?	APMO leaders	* High
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?		
a) Bidding document, invitation to pre-qualify or RFP	No	Low
b) Advertisement of an invitation for bids, pre-qualification or call for EOIs	No	Low
c) Evaluation reports	No	* Low

d) Notice of award	No	* Low
e) Invitation to consultants to negotiate	No	Low
f) Contracts	No	* 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?	Same officer for i)~(iii). For (iv), APMO is responsible for custody during the construction period. The operating agencies will be responsible once the assets are transferred to the operating agencies	* High
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes	* Low

APPENDIX 3
MANAGEMENT ROLES & RESPONSIBILITIES IN PROCUREMENT

Project Implementation Organization	Management Roles and Responsibilities
Project Management	
Akesu Project Management Office (APMO)	APMO has been established, with the responsibility to: <ul style="list-style-type: none"> • Liaise with XPMO • Coordinate the work of all agencies within the city that are involved in the project • Manage the implementation of the project • Supervise the progress and quality of construction and equipment installation • Perform construction, financial and contract management • Ensure compliance with loan covenants, including environmental and social safeguard requirements • Meet all reporting requirements
Oversight	
Akesu Municipal Government (AMG)	AMG is the implementing agency for all components. It assumes the debt servicing responsibility as the end-user of the ADB loan
Akesu Project Leading Group (APLG)	The APLG is established to: <ul style="list-style-type: none"> • Provide direction, guidance and support on the implementation of the project components • Ensure timely provision of counterpart funds and any other resources needed for project implementation
Supervision	
Xinjiang Project Management Office (XPMO)	The XPMO, comprising staff from Xinjiang Housing and Urban-Rural Construction Bureau, Xinjiang Finance Bureau, and Xinjiang Development and Reform Commission, has the responsibility to: <ul style="list-style-type: none"> • Supervise APMO and provide support as needed • Liaison with the MOF, NDRC⁽¹⁾, and other XUARG agencies on matters related to the project • Project procurement oversight
Akesu Disciplinary Supervision Commission (ADSC)	In accordance with PRC regulations, ADSC will <ul style="list-style-type: none"> • Register project prior to bidding • Approve engineering drawings and funding certificate • Attend bid opening to ensure compliance with code of conduct, evaluation procedures, evaluation committee selection procedures • Observe and sign bid evaluation report
Akesu Audit Bureau (AAB)	In accordance with PRC regulations, AAB will <ul style="list-style-type: none"> • Attend bid opening to certify that qualification and documentation requirements are met at bid opening • Ensure compliance with selection procedures for evaluation committee • Ensure that information disclosure requirements are followed • Conduct annual audit of the project
Technical Support	
Instrimpex International Tendering Company (IITC)	<ul style="list-style-type: none"> • Organize and conduct procurement on behalf of APMO • Ensure that filing is adequately done
Public Resources Trading Center (PRTC)	<ul style="list-style-type: none"> • Provide logistical and technical support to TC and APMO • Avail expert database for constitution of evaluation committee • Provide training to APMO staff

Loan implementation consultants (LIC)	<ul style="list-style-type: none">• Support project and procurement management• Review of design and technical specifications• Review of procurement submissions by TC (BD, BER, etc.)• Advise on bidding process• Assist PMO in organizing audit (including procurement audit)
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⁽¹⁾ NDRC = National Development and Reform Council

APPENDIX 4
PROCUREMENT PLAN

Basic Data

Project Name: Xinjiang Akesu Integrated Urban Development and Environmental Improvement Project	
Project Number: 46049-001	Approval Number:
Country: People's Republic of China	Executing Agency: Xinjiang Uygur Autonomous Region Government
Project Procurement Classification: -	Implementing Agency: Akesu Municipal Government
Procurement Risk: -	
Project Financing Amount: \$250.99 ADB Financing: \$150 million Cofinancing (ADB Administered): n/aN/A Non-ADB Financing: \$100.99 million	Project Closing Date:
Date of First Procurement Plan:	Date of this Procurement Plan: 1 December 2014

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

1. Procurement and Consulting Methods and Thresholds

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	Comments
International Competitive Bidding (ICB) for Works	\$40,000,000 and above	
International Competitive Bidding for Goods	\$10,000,000 and above	
National Competitive Bidding (NCB) for Works	Beneath that stated for ICB, Works \$100,000 or above & less than \$40,000,000	
National Competitive Bidding for Goods	Beneath that stated for ICB, Goods \$100,000 or above & less than 10,000,000	
Shopping for Works	Below \$100,000	
Shopping for Goods	Below \$100,000	

Consulting Services	
Method	Comments
Quality and Cost Based Selection (QCBS)	80:20
Quality Based Selection Individual Consultant Selection (ICS)	

2. Goods and Works Contracts Estimated to Cost \$1 Million or More

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

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior / Post / Sampling)	Bidding Procedure	Advertisement Date	Comments
URN-CW01	Construction and installation of Minzhu Rd, Tianshan Rd, Minzhu Rd (E), Yingbin Rd, Jiaoyu Rd. and Jianshe Rd; supply, and construction and installation of central heating pipes for Yingbin Rd and Jianshe Rd	15,335,600	NCB	Prior	1S1E	Q1/2015	Works Advance contracting
URN-CW02	Construction and installation of Nanchang Rd, Huannan Rd and community lanes (16.5 km); supply, construction and installation of sewers for community lanes in Yingbage community; construction and installation of bridge on Fujiu Rd and bridge on Fushi Rd	11,315,200	NCB	Prior	1S1E	Q1/2015	Works Advance contracting
URN-CW03	Construction and installation of Nandajie Av, Beidajie Av, including construction and installation of water supply pipes and sewers	6,695,400	NCB	Post	1S1E	Q4/2015	Works
URN-CW04	Construction and installation of for Fuqi Rd, Yinggewati Rd (E), Wangsan St, Tabei Rd; construction and installation of water supply pipes and sewers for Fuqi Rd	8,644,800	NCB	Post	1S1E	Q4/2015	Works
URN-CW05	Construction and installation of Jiefang Central Rd and Wenhua Rd	7,782,400	NCB	Post	1S1E	Q4/2015	Works
URN-CW06	Construction and installation of Tanan Rd	9,352,400	NCB	Post	1S1E	Q4/2015	Works
URN-CW07	Construction and installation of lanes in four communities (26.5 km) and of Dashizi (Big Cross) underpass	7,983,900	NCB	Post	1S1E	Q4/2015	Works
WSN-CW01	Construction and installation of water supply pipes for Tuanjie Rd, Xihu Blvd, Jianshe Rd, Jiefang Rd, Hedong Rd, Qianjiang Rd, Wushan Rd, Xixi Rd, Huanglong Rd, Guihua Rd, Jiangnan Blvd, Longjing Rd, Nanyi Rd, Fuwu Rd, Fuli Rd, Fushi Rd, Qianjiang Rd,	6,701,100	NCB	Post	1S1E	Q4/2015	Works

	Huzhou Rd, Duolang Rd, Tahe Rd, Hongqiao Rd; construction and installation of sewers and manholes for Xihu Blvd, Qianjiang Rd, Wusan Rd, Fuliu Rd, Xixi Rd, Huzhou Rd, Xingfu Rd, Hedong Rd, Jiangnan Blvd, Duolang Rd, Tahe Rd, Hongqiao Rd						
CHN-CW01	Construction and installation of heating pipes and heat exchange stations	7,564,900	NCB	Post	1S1E	Q4/2015	Works
SWM-CW01	Supply, construction and installation of solid waste transfer station	1,906,600	NCB	Post	1S1E	Q4/2015	Works
PSP-CW01	Supply, construction and installation of auxiliary facilities of nursery and of soil improvement	3,420,600	NCB	Prior	1S1E	Q1/2015	Works Advance contracting
WRB-CW01	Supply, construction and installation of dredging, weir rehabilitation and removal, bank treatment, water channel connectivity, and of reverse-siphon at conjunction of three canals	6,504,100	NCB	Prior	1S1E	Q1/2015	Works Advance contracting
WRH-CW02	Earth works for excavation for water surface expansion; supply, construction and installation of water gates, lake border buffers, road-crossing culverts, water weirs, hydraulic works for sedimentation zone, patrol roads, administrative facilities, fire prevention equipment, border stakes, entrance gate; supply, construction and installation of wetland vegetation restoration, forests, watch tower, animal rescue center	14,773,000	NCB	Prior	1S1E	Q4/2015	Works
URN-GD01	Traffic lights for Minzhu Rd, Tianshan Rd, Minzhu Rd (E), Jiaoyu Rd, Yingbin Rd, Nanchang Rd, Huannan Rd, Jianshe Rd, community lanes, Fuqi Rd, Yinggewati Rd €, Wangsan St, Jiefang Central Rd, Tanan Rd, Tabei Rd, Wenhua Rd, Nandajie Av, Beidajie Av, Jiaotong Rd, Zhongyuan Rd, Awen Blvd and Renmin Rd	6,069,100	NCB	Prior	1S1E	Q3/2015	Goods
URN-GD02	Traffic signals and road signs for Minzhu Rd, Tianshan Rd, Minzhu Rd (E), Jiaoyu Rd, Yingbin Rd, Nanchang Rd,	3,224,600	NCB	Post	1S1E	Q3/2015	Goods

	Huannan Rd, Jianshe Rd, community lanes, Fuqi Rd, Yinggewati Rd €, Wangsan St, Jiefang Cenral Rd, Tanan Rd, Tabei Rd, Wenhua Rd, Nandajie Av, Beidajie Av, Jiaotong Rd, hongyuan Rd, Awen Blvd and Renmin Rd						
URN-GD03	Road and lighting repair and maintenance equipment	1,443,900	NCB	Post	1S1E	Q3/2015	Goods
WSN-GD01	Water supply pipes for Nandajie Av, Beidajie Av, Fuqi Rd, Hangzhou Blvd, Tuanjie Rd, Xihu Blvd, Jianshe Rd, Jiefang Rd, Hedong Rd, Qianjiang Rd, Wushan Rd, Xixi Rd, Huanglong Rd, Guihua Rd, Jiangnan Blvd, Longjing Rd, Nanyi Rd, Fuwu Rd, Fuliu Rd, Fushi Rd, Huzhou Rd, Duolang Rd, Tahe Rd and Hongqiao Rd; sewer pipes, street crossings and inspection manholes for Nandaajie Av, Beidajie Av, Xihu Blvd, Fuqi Rd, Qianjiang Rd, Wushan Rd, Fuliu Rd, Xixi Rd, Huzhou Rd, Xingfu Rd, Hedong Rd, Jiangnan Blvd, Duolang Rd, Tahe Rd, Hongqiao Rd	6,732,300	NCB	Prior	1S1E	Q4/2015	Goods
CHN-GD01	28 heat exchange stations	5,533,400	NCB	Prior	1S1E	Q4/2015	Goods
CHN-GD02	Heating pipes for Jiefangnan Rd, Henan Rd, Ningbo Rd, Qianjiang Rd, connection to Zheneng CHP, Jiaoyu Rd, Tianshanbei Rd, Yinggewati Rd, Beidajie Blvd, Hangzhoubei Rd, Wusan Rd, Xihu Blvd, Hongqiao Rd, Longjing Rd and Jiangnan Blvd	12,399,600	ICB	Prior	1S1E	Q4/2015	Goods
SWM-GD01	12 wet-and-dry sweeping vehicles (large), 15 wet-and-dry sweeping vehicles (small), 4 high-pressure cleansing vehicles, 7 water-spray vehicles, 2 multi-function road-center fence cleaning vehicle, 21 illegal poster cleansing machines (1 st supply: 4 wet-and-dry sweeping vehicles (large), 4 wet-and-dry sweeping vehicles (small), 2 high-pressure cleansing vehicles, 2 water-spray vehicles, 1 multi-function	4,153,200	NCB	Post	1S1E	Q1/2015	Goods Advance contracting

	road-center fence cleaning vehicle, 21 illegal poster cleansing machines)						
SWM-GD02	4 garbage compacting vehicles, 6 garbage transfer trucks, 20 garbage transfer vehicles, 2 container-loading self-dumping trucks, 160 garbage containers for container-loading self-dumping trucks (1 st supply: 2 garbage compacting vehicles)	1,508,900	NCB	Post	1S1E	Q1/2015	Goods Advance contracting
SWM-GD06	300 garbage containers, 300 mobile garbage containers, 5,000 garbage bins (1 st supply: 200 garbage containers, 300 mobile garbage containers, 1,500 garbage bins)	1,039,700	NCB	Prior	1S1E	Q1/2015	Goods Advance contracting

3. Consulting Services Contracts Estimated to Cost \$100,000 or More

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

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior / Post / Sampling)	Advertisement Date	Type of Proposal	Comments
CSS-CS01	Project management and capacity building	1,690,000	QCBS (80:20)	Prior	Q4/2014	FTP	International Advance contracting

4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review (Prior / Post / Sampling)	Bidding Procedure	Advertisement Date	Comments
WRH-GD01	1 patrol boat	73,200	1	SHOPPING	Post	1S1E	Q4/2015	Goods
WRH-GD02	1 patrol vehicle	32,500	1	SHOPPING	Post	1S1E	Q4/2015	Goods
WRH-GD03	5 dredging vehicles	406,500	1	NCB	Post	1S1E	Q4/2015	Goods
WRH-GD04	Wetland monitoring equipment	585,400	1	NCB	Post	1S1E	Q4/2015	Goods
SWM-GD03	1 snow removal vehicle	243,900	1	SHOPPING	Post	1S1E	Q1/2015	Goods Advance contracting
SWM-GD04	Goods for solid waste management: 1 wheeled excavator (large), 1 wheeled excavator (small), 1 wheeled forklifts Goods for wetland rehabilitation: 2 excavators, 2 forklifts	900,200	1	NCB	Post	1S1E	Q1/2015	Goods Advance contracting
SWM-GD05	730 hand carts (1 st supply: 300 hand carts)	213,700	1	SHOPPING	Post	1S1E	Q1/2015	Goods Advance contracting

Consulting Services								
Package Number	General Description	Estimated Value	Number of	Recruitment Method	Review (Prior /	Advertisement	Type of	Comments

			Contract s		Post / Post Sample)	Date	Propos al	
CSS- RM01	External resettlement monitoring	60,000	1	ICS	Prior	Q4/2014	BTP	Advance contracting

B. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review [Prior / Post / Sampling]	Bidding Procedure	Comments
URN-CW08	Construction and installation for Awen Blvd, Jiaotong Rd, Renmin Rd	13,943,800	1	NCB	Prior	1S1E	Q4/2016
URN-CW09	Construction and installation of Zhongyuan Rd	11,871,800	1	NCB	Prior	1S1E	Q4/2016

E. National Competitive Bidding

The Borrower's *Law of Tendering and Bidding of the People's Republic of China* promulgated by Order No. 21 of the President of the People's Republic of China on August 30, 1999, are subject to the following clarifications required for compliance with the Guidelines:

- (i) All invitations to prequalify or to bid shall be advertised in the national press, or official gazette, or a free and open access website in the Borrower's country. Such advertisement shall be made in sufficient time for prospective bidders to obtain prequalification or bidding documents and prepare and submit their responses. In any event, a minimum preparation period of thirty (30) days shall be given. The preparation period shall count (a) from the date of advertisement, or (b) when the documents are available for issue, whichever date is later. The advertisement and the prequalification and bidding documents shall specify the deadline for such submission.
- (ii) Qualification requirements of bidders and the method of evaluating the qualification of each bidder shall be specified in detail in the bidding documents, and in the prequalification documents if the bidding is preceded by a prequalification process.
- (iii) If bidding is preceded by a prequalification process, all bidders that meet the qualification criteria set out in the prequalification document shall be allowed to bid and there shall be no limit on the number of pre-qualified bidders.
- (iv) All bidders shall be required to provide a performance security in an amount sufficient to protect the Borrower/Project Executing Agency in case of breach of contract by the contractor, and the bidding documents shall specify the required form and amount of such performance security.
- (v) Bidders shall be allowed to submit bids by mail or by hand.
- (vi) All bids shall be opened in public; all bidders shall be afforded an opportunity to be present (either in person or through their representatives) at the time of bid opening, but bidders shall not be required to be present at the bid opening.
- (vii) All bid evaluation criteria shall be disclosed in the bidding documents and quantified in monetary terms or expressed in the form of pass/fail requirements.

- (viii) No bid may be rejected solely on the basis that the bid price falls outside any standard contract estimate, or margin or bracket of average bids established by the Borrower/Project Executing Agency.
- (ix) Each contract shall be awarded to the lowest evaluated responsive bidder, that is, the bidder who meets the appropriate standards of capability and resources and whose bid has been determined (a) to be substantially responsive to the bidding documents and (b) to offer the lowest evaluated cost. The winning bidder shall not be required, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.
- (x) Each contract financed with the proceeds of the Loan shall provide that the suppliers and contractors shall permit ADB, at its request, to inspect their accounts and records relating to the performance of the contract and to have said accounts and records audited by auditors appointed by ADB.
- (xi) Government owned enterprises in the Borrower's country may be permitted to bid if they can establish that they (a) are legally and financially autonomous, (b) operate under commercial law and (c) are not a dependent agency of the Borrower/Project Executing Agency.
- (xii) Re-bidding shall not be allowed solely because the number of bids is less than three (3).