

Project Procurement Risk Assessment for Procurement Agent (Sinochem International Tendering)

Project Number: 47051-002
October 2015

People's Republic of China: Chemical Industry
Energy Efficiency and Emission Reduction Project

CONTENTS

	Page
EXECUTIVE SUMMARY	iii
I. INTRODUCTION	1
II. PROJECT PROCUREMENT RISK ASSESSMENT	1
A. Overview	1
B. Organization and Staff Capacity	1
C. Information Management	2
D. Procurement Practices	2
E. Effectiveness	2
F. Accountability Measures	3
III. STRENGTHS	3
IV. WEAKNESSES	3
V. PROCUREMENT RISK ASSESSMENT AND MANAGEMENT PLAN (P-RAMP)	3
VI. PROJECT-SPECIFIC PROCUREMENT THRESHOLDS	3
VII. CONCLUSION	4
 <u>APPENDICES</u>	
1 PROCUREMENT PLAN	5
A. Procurement Methods and Thresholds, and 18-Month Procurement Plan	5
B. Indicative List of Packages Required under the Project	9
C. List of Awarded and Ongoing, and Completed Contracts	9
D. Non-ADB Financing	9
2 PROJECT PROCUREMENT RISK ANALYSIS	9
3 COUNTRY PROCUREMENT ASSESSMENT TOOL	13

EXECUTIVE SUMMARY

CAPABILITY OF THE PROCUREMENT AGENT: OVERALL RISK ASSESSMENT

Low risk. The procurement agent is well trained, adequately staffed, and experienced, and is capable of providing good support for the project.

COMPLIANCE WITH ADB PROCUREMENT PROCEDURES: OVERALL RISK ASSESSMENT

None. Risks of violations of the Asian Development Bank's procurement procedures by the procurement agent are minimal.

RISK MITIGATION OR MANAGEMENT MEASURES TO BE ADOPTED

None identified at this time.

I. INTRODUCTION

1. This report was prepared in accordance with the Asian Development Bank (ADB) guidelines for assessing country, sector, and project procurement risks.¹ The assessment took place from 1 November 2014 to 31 March 2015. It covered the bidding procurement agent, Sinochem International Tendering (SIT), which has been contracted by the China Haohua Chemical Group (CHC) to work on the proposed project. Assessment data were collected by the project preparatory technical assistance (PPTA) team through interviews with counterparts, a review of internal procurement guides, and discussions with various internal and external industry stakeholders.

II. PROJECT PROCUREMENT RISK ASSESSMENT

A. Overview

2. In the People's Republic of China (PRC), procurement is governed by various laws and decrees that are consistent with internationally accepted principles and practices. The implementing rules and regulations are regularly updated and are clear, comprehensive, and easy to follow and implement. The law covers the drafting and use of standard bidding documents, evaluation, and contracting and contract management, including the payment, warranty, and defects liability periods. It also has provisions for dealing with misconduct, such as fraud and corruption. All procurement opportunities for goods, works, and consulting services should be advertised, and there should be no restrictions on goods, works, and services on the basis of origin or on the nationality of bidders and consulting firms to be invited. The national procurement manual contains all the procedures and requirements for procurement.

3. There is a regulatory body at an adequate level of government, and financing is secured by the legal framework. Procurement training is held regularly nationwide and training needs are frequently assessed. An integrated nationwide system collects and disseminates procurement information, including invitations to tender, requests for proposals, and contract awards.

B. Organization and Staff Capacity

4. As a professional procurement agent, SIT has a professional procurement staff experienced in international procurement projects, its own office space, and the computers needed to handle official business. It also has Class A qualifications in international bidding for mechanical and electrical products, in government procurement, in project bidding, and in bidding for projects invested in by the central government.

5. To handle the contracted work, SIT has a professional procurement staff with seven members. The procurement team consists of the project leader, Kong Junping (12 years of procurement experience); the project manager, Hu Shan (more than 8 years); and several assistants (each of them with more than 3 years of procurement experience). All procurement staff members can use English as a working language.

¹ ADB. 2011. *Revised Guidelines for Implementing ADB's Second Governance and Anticorruption Action Plan (GACAP II)*. Manila; and ADB. 2014. *Guide on Assessing Procurement Risks and Determining Project Procurement Classification*. Manila.

6. SIT's staff capacity is regularly strengthened through participation in procurement training. Recently, the staff attended procurement training organized by the World Bank. Every SIT employee has clear job responsibilities, a detailed description of the procurement function, and a systematic procedure explicitly defining the procurement time limits and job functions.

7. Most of the staff members assigned by SIT to this project have worked previously on international procurement projects or are currently implementing such projects, including the following: (i) the World Bank's National Railway IV Shijiazhuang–Zhengzhou Express Railway Project; (ii) the World Bank's National Railway V Guiyang–Guangzhou High-Speed Railway Project; (iii) the World Bank's Xinjiang Technical and Vocational Education and Training Project; (iv) the Multilateral Fund for the Implementation of the Montreal Protocol's Ozone-Depleting Substances Phase Out Project; and (v) World Bank's Fuzhou Nantai Island Peri-urban Development Project (2009–2012).

C. Information Management

8. SIT's procurement management system ensures the safekeeping of procurement documents and guarantees the retrieval of procurement document at any time. As of this assessment, SIT is involved in the purchase of works, equipment installation, and consulting services. The company has established its own management information system for the safekeeping and retrieval of procurement documents. SIT keeps procurement documents, including electronic and paper documents and payment record, for more than 10 years, and can ensure the security of document management. Contract documents and all correspondence related to the contract are kept and are easily retrievable.

D. Procurement Practices

9. The goods and works under this project will be procured through national competitive bidding following domestic procedures and international competitive bidding (ICB). SIT has experience in procurement for ADB projects and is familiar with the NCB and ICB procurement rules. Moreover, the company holds a class A compulsory national qualification and is conversant with the country's procurement requirements.

10. SIT has systematic procurement rules with explicit procurement requirements, and has successfully implemented ADB loan projects in the last 3 years. Its standard bidding document was issued by the Ministry of Finance and is recognized by ADB. SIT knows the details of the bidding process, including bid preparation, bid evaluation, bid assessment standards, and matters needing attention. The 3- to 4-month procurement cycle, from bid invitation to contract signing, for the procurement of previous executed international projects, conforms to the provisions of the PRC's Government Procurement Law (2002).

E. Effectiveness

11. SIT monitors contract performance and tracks contractual obligations. Its management information system contains records of all contracts implemented, including the procurement method, payments made and received, and output obtained.

12. SIT will prepare and keep written records of contract negotiations and any issues raised by bidders during procurement. SIT has also developed effective ways of responding to complaints in the domestic bidding process.

F. Accountability Measures

13. SIT strictly regulates procurement and thus ensures its efficient implementation. Throughout the procurement process for the proposed project, SIT will abide by Chinese laws and ADB's procurement rules. The code of ethics and the possibility of conflicts of interest will be kept in mind. Before the procurement, the procurement plan will have to be approved by ADB and recognized by the procurement departments of ChemChina, the executing agency, the China Haohua Chemical Group (CHC), the implementing agency, and the subproject companies Dezhou Shihua Chemical (DSC) and the Zhonghao Chenguang Research Institute of Chemical Industry (CGY) will provide a list of the technical specifications. The energy service company (Beijing Zhonghao Huatai Energy Technology) and CHC will help manage the procurement process. SIT will cooperate with these organizations to complete the procurement and ensure its legality and compliance with the requirements.

III. STRENGTHS

14. SIT is well established, has well-trained staff, and has extensive experience with ADB and other international development cooperation partners.

IV. WEAKNESSES

15. None found. The responses to the assessment questionnaire and the subsequent analysis have brought out the adequacy of SIT's resources and knowledge in all areas needed to properly support procurement in this project.

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

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
No risks identified	Low	No risks mitigation measures required
Overall	Low	

VI. PROJECT-SPECIFIC PROCUREMENT THRESHOLDS

16. ICB for works is set at \$40 million and above in the Project Administration Instructions (PAI) 3.03, Appendix 2. However, this threshold will not apply to the project, as only two civil works contracts, each with an estimated value of \$1.5 million, will be awarded.

17. ICB for goods is set at \$10 million and above in accordance with PAI 3.03, Appendix 2. Out of 14 contracts, 8 will cost an estimated \$3–\$10 million. These contracts are for the supply of different types of small- to medium-scale equipment and materials such as reactors, towers, compressors, and instruments. Assessment by the PPTA consultant has indicated that there are many local manufacturers of such equipment and materials in the market and healthy competition is expected.

VII. CONCLUSION

18. The project will be implemented as a loan to financial intermediaries. The procurement capacity of China Haohua Chemical Group (CHC) was assessed, as part of the project procurement risk assessment. The results indicate that CHC has (i) well-established procurement procedures, which are in line with the PRC's national procurement law; (ii) approval authority for the award of contracts amounting to CNY500,000 (\$80,000) and above; and (iii) a procurement department with seven experienced full-time employees, and a head of department with more than 20 years of experience in the procurement field in the PRC.

19. In view of the above assessment and in accordance with para. 3.12 of ADB's Procurement Guidelines (2013), one procurement contract for goods estimated at \$34 million will be awarded following ICB procedures and using ADB's standard bidding documents. All procurement contracts ranging from \$0.5 million to \$9.32 million will be awarded by CHC according to its procurement procedures, which conform to established commercial practices acceptable to ADB.

PROCUREMENT PLAN

Basic Data

Project Name: Chemical Industry Energy Efficiency and Emission Reduction Project	
Project Number: 47051-002	Approval Number: xxxx
Country: People's Republic of China	Executing Agency: China National Chemical Corporation
Project Procurement Classification: B	Implementing Agency: China Haohua Chemical Group
Procurement Risk: Moderate	
Project Financing Amount: \$ 245.01 million ADB Financing: \$100.00 million Non-ADB Financing: \$145.01 million	Project Closing Date: 31 August 2021
Date of First Procurement Plan: 22 March 2015	Date of This Procurement Plan: 8 Sept 2015

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

1. Procurement Methods and Thresholds

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

Table 1: Procurement Methods and Thresholds

Method	Threshold	ADB Prior or Post Review ¹
ICB for goods	\$10,000,000 or above	Prior review by ADB (EAEN, OSFMD, OGC)
Domestic procedure (DP) for goods	Below that stated for ICB, goods	Acceptability check by EAEN during loan review mission

ADB = Asian Development Bank, EAEN = Energy Division, East Asia Department, ICB = international competitive bidding, OGC = Office of the General Counsel, OSFMD = Operations Services and Financial Management Division.

¹ The first contract package for goods and works is subject to prior review by ADB. The subsequent international and national competitive bidding procurement documents can be reviewed before or after approval.

Table 2: Method of Procurement of Consulting Services

Method	Comments
Selection based on consultants' qualifications	Subject to prior review

2. 8-Month Procurement Plan (as of 16 May 2015)

2. **Goods and works contracts costing \$1 million or more.** Table 3 below lists goods and works contracts for which the procurement activity is either ongoing or expected to start within the next 18 months.

Table 3: Goods and Works Contracts Costing \$1 Million or More

Package Number	General Description	Estimated Value	Procurement Method	Review [Prior / Post/Post (Sample)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
1D (master doc.)	Fixed-bed reactor for VCM phase 1	5,384,000	DP		1S1E	Q2 2015	Goods
2D	Polymerization unit for PVC	8,616,000	DP		1S1E	Q2 2015	Goods
3D	Specific towers for VCM phase 1/PVC	3,910,000	DP		1S1E	Q3 2015	Goods

Package Number	General Description	Estimated Value	Procurement Method	Review [Prior / Post/Post (Sample)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
4D	Centrifugal separator for PVC unit	2,154,000	DP		1S1E	Q3 2015	Goods
5D	Towers for VCM phase 1	34,262,000	ICB	Prior	1S1E	Q4 2015	Goods
6D	PVC drying system	1,023,000	DP		1S1E	Q4 2015	Goods
7D	Compressor unit for VCM phase 1	1,292,000	DP		1S1E	Q1 2016	Goods
8D	VCM phase 1 Chemical reaction gas purification unit	1,122,000	DP		1S1E	Q1 2016	Goods
9D	Piping installation for VCM phase 1	9,270,000	DP		1S1E	Q1 2016	Goods
10D	Piping installation for PVC	7,009,000	DP		1S1E	Q2 2016	Goods
11D	Instrument control for VCM phase 1	1,522,000	DP		1S1E	Q1 2016	Works
12D	Instrument control for PVC	1,480,000	DP		1S1E	Q2 2016	Works
1C (master doc.)	Plasma incinerator	3,958,000	DP		1S1E	Q2 2015	Goods
2C	Fluorubber (FKM) drying system	3,269,000	DP		1S1E	Q4 2015	Goods
3C	Drying system for polytetrafluoroethylene (PTFE)	7,468,000	DP		1S1E	Q4 2015	Goods
4C	Lot 1: Instrument control	531,000	DP		1S1E	Q4 2015	Goods
	Lot 2: Energy management	2,055,000					
5C	Ventilation system for production lines	1,588,000	DP		1S1E	Q4 2015	Goods

1S1E = single-stage, one-envelope procedure; DC = direct contracting; DP = domestic procedure; ICB = international competitive bidding, PVC = polyvinyl chloride, VCM = vinylchloride monomer.

3. **Consulting services contracts costing \$100,000 or more.** Table 4 below lists consulting services contracts for which the recruitment activity is either ongoing or expected to begin within the next 18 months.

Table 4: Consulting Services Contracts Costing \$100,000 or More

Package Number	General Description	Estimated Value (\$)	Recruitment Method	Review (Prior/Post)	Advertisement Date (Quarter/Year)	Type of Proposal	Comment
1	Building of capacity to implement energy-saving measures in the chemical industry (study tour)	300,000	Domestic	Prior	Q3 2015	BTP and CQS	2 person-months

BTP = biodata technical proposal, CQS = consultants' qualification selection.

4. **Goods and works contracts costing less than \$1 million and consulting services contracts costing less than \$100,000 (smaller-value contracts).** Table 5 below groups

together smaller-value contracts for goods, works, and consulting services for which the activity is either ongoing or expected to begin within the next 18 months.

Table 5: Goods and Works Contracts Costing Less than \$1 Million

Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Bidding Procedure	Advertisement Date (Quarter/Year)	Comments
13D	Heat exchangers VCM phase 1	934,000	1	DP	1S1E	Q1 2016	Goods
14D	Tanks for VCM phase 1/ PVC	662,000	1	DP	1S1E	Q1 2016	Goods
15D	Standard pumps for VCM phase 1	94,000	1	DP	1S1E	Q1 2016	Goods
16D	Compressor for VCM phase 1	264,000	1	DP	1S1E	Q1 2016	Goods
17D	Gas recycling fans for VCM phase 1	18,000	1	DP	1S1E	Q1 2016	Goods
18D	EDC pumps for VCM phase 1/ PVC	984,000	1	DP	1S1E	Q1 2016	Goods
6C	Nitrogen-oxygen station modification	365,000	1	DP	1S1E	Q3 2015	Goods
7C	Vinylidene fluoride (VDF) cracking furnace	37,000	1	DP	1S1E	Q4 2015	Goods
	Electric motor	429,000					

1S1E = single-stage, one-envelope procedure, PVC = polyvinyl chloride, VCM = vinylchloride monomer.

B. Indicative List of Packages Required under the Project

5. Tables 6 and 7 provide an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (those expected beyond the 18-month period).

Table 6: Indicative List of Good and Works Packages Required under the Project

Package Number	General Description	Estimated Value (Cumulative)	Estimated Number of Contracts	Procurement Method	Review (Prior / Post/Post [Sample])	Bidding Procedure	Comments

Table 7: Indicative List of Consulting Services Packages Required under the Project

Package Number	General Description	Estimated Value (Cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior / Post)	Type of Proposal	Comments

C. List of Awarded, Ongoing, and Completed Contracts

6. Tables 8 and 9 list the awarded and ongoing contracts, and completed contracts.

1. Awarded and Ongoing, and Completed Contracts

Table 8: Awarded and Ongoing Goods and Works Contracts

Package Number	General Description	Estimated Value	Awarded Contract Value	Procurement Method	Advertisement Date (Quarter/Year)	Date of ADB Approval of Contract Award	Comments

Table 9: Completed Goods and Works Contracts

Package Number	General Description	Estimated Value	Contract Value	Procurement Method	Advertisement Date (Quarter/Year)	Date of ADB Approval of Contract Award	Date of Completion	Comments

D. Non-ADB Financing

7. Tables 10 and 11 list goods, works and consulting services contracts over the life of the project, financed from sources other than ADB.

Table 10: Goods and Works Contracts (Not Financed by ADB)

Package Number	General Description	Estimated Value	Estimated Number of Contracts	Procurement Method	Comments
N1D	Reactor fabrication according to technical specifications and drawings provided	5,385,000	1	DP	Domestic bank
N2D	Fabrication of different towers (acetylene drying, product recycling, ethylene dichloride [EDC] dehydration, etc.) according to technical specifications and drawings provided	22,580,000	1	DP	Domestic bank
N3D	Fabrication of different heat exchangers according to technical specifications and drawings provided	625,000	1	DP	Domestic bank
N4D	Fabrication of different tanks according to technical specifications and drawings provided	154,000	1	DP	Domestic bank
N5D	Fabrication of compressors	94,000	1	DP	Domestic bank
N6D	Fabrication of compressors for gas recycling	172,000	1	DP	Domestic bank
N7D	Fabrication of recycling fans according to technical specifications and drawings provided	18,000	1	DP	Domestic bank

Package Number	General Description	Estimated Value	Estimated Number of Contracts	Procurement Method	Comments
N8D	Supply of different pumps	224,000	1	DP	Domestic bank
N9D	Supply and installation of piping, and operation and control equipment, for VCM unit phase 2	5,470,000	1	DP	Domestic bank
N10D	Operation and control equipment for PVC and VCM phase1 unit	15,252,000	1	DP	Domestic bank
N11D	Installation of electric meter	5,380,000	1	DP	Domestic bank
N12D	VCM phase 1 and PVC: construction cost	7,256,000	1	DP	Domestic bank
N13D	VCM phase 2: Construction cost	7,854,000	1	DP	Domestic bank
N14D	Technical support and VCM implementation	10,484,000	1	DP	Equity
N1C	Civil engineering for water supply and sewerage works	3,098,000	1	DP	Domestic bank
N2C	Civil engineering for energy management center	2,404,000	1	DP	Domestic bank
N3C	Pipeline	274,000	1	DP	Domestic bank
N4C	Electrical engineering	1,799,000	1	DP	Domestic bank
N5C	Construction unit management fees, etc.	2,508,000	1	DP	Domestic bank
N6C	Recycling system equipment	755,000	1	DP	Equity
N7C	Civil engineering and electrical and communications engineering	840,000	1	DP	Domestic bank
N8C	Supply of variable frequency drives for existing pumps	240,000	1	DP	Domestic bank
N9C	Supply and installation of instrument control	100,000	1	DP	Domestic bank

DP = domestic procedure, PVC = polyvinyl chloride, VCM = vinylchloride monomer.

Table 11: Consulting Services Contracts (Not Financed by ADB)

Consulting Services					
General Description	Lot Number	Estimated Value (Cumulative)	Estimated Number of Contracts	Recruitment Method	Comments
Project management and consulting services	9	13,375,000	9	DP	Equity
Survey and design		1,638,000		DP	Equity

PROJECT PROCUREMENT RISK ANALYSIS

SL No.	Risk	Impact ¹	Likelihood ²	Strategy ³
A6, A7, A9, A16, A17, A23, C1, C2, C14, C22, C23	Procurement agent's procurement department or project management unit has insufficiently qualified staff to efficiently undertake the procurements required to implement the project.	Low	Unlikely	Procurement agent's staff is skilled, fully resourced, and trained to provide good support for the satisfactory delivery of this project. Monitor only.
A19, A20	Procurement agent uses practices inconsistent with national procurement law or bidding documents unsuitable for ADB-funded procurement.	Low	Unlikely	Procurement agent is 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	Unlikely	Procurement agent has good record-keeping systems. Monitor only.
A25, C4–C12, C24–C44, C47, D5, E7	Procurement agent does not promote nondiscriminatory participation and transparent tender processes (including advertisement, tender documentation, tender evaluation, complaint mechanism).	Low	Unlikely	Procurement agent is trained in promoting nondiscriminatory practices according to the national procurement law. Monitor only.
C15, E1–E6	Procurement agent has inadequate ethics and anticorruption measures in place.	Low	Unlikely	Procurement agent is sufficiently well trained in this area. Monitor only.

¹ Any risk that may result in actions inconsistent with ADB's Procurement Guidelines or Guidelines on the Use of Consultants is assessed as "High."

² "Likely" or "Unlikely" to occur during the project, given the response to the question in Appendix 2 and the guidance note in the column.

³ "Mitigate" (either through the procurement plan, including the national competitive bidding annex, or through measures indicated in Appendix 5), "Monitor," or "Avoid."

COUNTRY PROCUREMENT ASSESSMENT TOOL

Indicator	Score	Narrative/Verification or Clarification Required
1. Legislative and Regulatory Framework	2.75	
1.1 Is there a comprehensive public procurement law, with supporting regulations, standard bidding documents, and operational manuals/guides?	3	3 – These documents exist, are consistent with internationally accepted principles and practices, and are easy to follow.
1.2 Does the legal framework make open competitive tendering the default method of procurement, with clarity as to when other less competitive methods can be used?	3	3 – Competitive procurement is the default method of public procurement, segmentation of contracts is prohibited, approach standards exist for international competitive bidding, allowable procurement methods are established unambiguously with clearly defined conditions governing their application.
1.3 Does the legal framework support nondiscriminatory participation, transparent tender processes (including advertisement, tender documentation, tender evaluation, a complaint mechanism)?	3	3 – Tender processes are in line with international good practice. They include public advertising of business opportunities, provision of sufficient time for bidders to obtain documents and respond to the advertisement, and an effective complaint mechanism.
1.4 Are there restrictions on or preferences regarding the nationality of bidders, consulting firms, and/or origin of goods, works, and services?	2	2 – There is no nationality restriction, but there is a domestic preference scheme.
2. Institutional Framework and Management Capacity	2.25	
2.1 Is the procurement cycle required to be tied to an annual budgeting cycle (i.e., can a procurement activity commence only when a budget has been duly appropriated for it)?	1	1 – The law provides for procurement and budget cycles, but these are not adequately linked (i.e., a procurement activity may commence and be concluded even without a duly appropriated budget).
2.2 Does the system foster efficiency through adequate planning?	2	2 – The law provides for multiyear operating plans and annual procurement plans that are independent of budget appropriation, but these must at least reflect forward budget estimates.
2.3 Does the procurement system have an oversight/regulatory body?	3	3 – There is a regulatory body and functions are clearly assigned to various units within the government, as specified in the legal framework. The regulatory body is at <i>an adequate level of government, and financing is secured by the legal/regulatory framework.</i>
2.4 Is there a nationwide public procurement capacity development or professionalization program?	3	3 – There is an externally recognized professionalization program.
3. Procurement Operations and Market Practices	1.33	

Indicator	Score	Narrative/Verification or Clarification Required
<i>(MAPS Indicators 6, 7, and 8)</i>		
3.1 Is the private sector competitive, well organized, and able to access the market?	2	2 – There is a reasonably well-functioning private sector, but competition for large contracts is concentrated in a relatively small number of firms.
3.2 Do measures exist to ensure the adequacy and accuracy of cost estimates before bidding, and to manage contract price variations?	2	2 – Some measures exist, but these do not provide sufficient guidance.
3.3 Is there a mechanism for receiving and handling observations, complaints, and protests?	0	0 – There is no formal review mechanism, but the standard contract used in industry provides a process for this.
4. Integrity and Transparency of the Public Procurement System	3.00	
4.1 Is there a formal internal control and audit framework?	3	3 – This is provided under the law, and there are adequate internal control and audit mechanisms and institutions to oversee the procurement function.
4.2 Is information pertaining to public procurement easy to find, comprehensive, and relevant?	3	3 – Information on procurement is easily accessible in media of wide circulation and availability. The information provided is centralized in a common place, and is relevant and complete.
4.3 Does the country have ethics and anticorruption measures in place?	3	3 – Tender documents have adequate provisions regarding fraud and corruption: fraud and corruption in procurement is defined; specific measures related to conflict of interest are in place and are implemented; responsibilities and consequences for those found guilty of fraud or corruption are clearly described; there is ample evidence of enforcement; and special measures are in place for detecting and preventing corruption associated with procurement.
Average Score for Country	2.36	Conclusion: In the People's Republic of China, procurement is governed by various laws and decrees that are consistent with internationally accepted principles and practices. The implementing rules and regulations are regularly updated and are clear, comprehensive, and easy to follow and implement. The law covers the drafting and use of standard bidding documents, evaluation, and contracting and contract management, including the payment, warranty, and defects liability periods. It also has provisions for dealing with misconduct, such as fraud and corruption. All procurement opportunities for goods, works,

Indicator	Score	Narrative/Verification or Clarification Required
		and consulting services should be advertised, and there should be no restrictions on goods, works, and services on the basis of origin or on the nationality of bidders and consulting firms to be invited. The national procurement manual contains all the procedures and requirements for procurement.