

STRATEGIC PROCUREMENT PLANNING

**DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA:
RESPONSIVE COVID-19 VACCINES FOR RECOVERY PROJECT
UNDER THE ASIA PACIFIC VACCINE ACCESS FACILITY**

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I. SUMMARY OF PROCUREMENT STRATEGY

1. Under the Asia Pacific Vaccine Access Facility (APVAX), the proposed Responsive COVID-19 Vaccines for Recovery Project will provide the Government of the Sri Lanka with timely financing for safe and effective vaccines and associated works, goods, and services.

2. To effectively respond to the COVID-19 pandemic in Sri Lanka, Ministry of Health (MOH), the executing agency will conduct procurement of vaccine and ancillary items through State Pharmaceuticals Corporation of Sri Lanka (SPC). SPC is a state-owned entity established in 1971 under the State Industrial Corporations Act Number 49 of 1957. Since 1971, SPC has been operating as the procurement agent of the MOH for all medical supplies including all vaccination. Other works, goods and services will be procured by the Project Management Unit (PMU) of the ongoing ADB-financed Health System Enhancement Project (HSEP).

3. The main procurement packages proposed under this project include:

- (i) Vaccines in accordance with the qualification requirements of Asian Development Bank (ADB) APVAX financing. These will be procured through bilateral deals, United Nations Children's Fund (UNICEF), and COVID-19 Vaccines Global Access Facility (COVAX) Advance Market Commitment (AMC).
- (ii) Cold chain logistics from international vaccine manufacturers to Colombo airport or port.
- (iii) Supply of ancillary items that are complimentary to vaccine implementation (e.g., syringes, safety boxes, personal protective equipment (PPE), etc.).
- (iv) Supply of smart devices (tablets, mobile phones, servers, and connectivity) for vaccination information monitoring system.
- (v) Transport services for vaccine distribution including movement for vaccination centers.
- (vi) Strengthening waste management by supplying incinerators and strengthening sewerage systems at vaccination centers.
- (vii) Strengthening supply chain management information system and electronic procurement system of MOH and Medical Supplies Division (MSD) and SPC.¹

4. The government's procurement strategy is to procure vaccines through three different avenues to maximize the possibility of receiving vaccines in an efficient manner: (i) procurement of vaccines through bilaterally negotiated contracts with several vaccine manufacturers; (ii) procurement of additional doses through the COVID-19 COVAX facility mechanism AMC; and (iii) through UNICEF by entering into direct contracting.

5. The government will enter into direct negotiations with vaccine manufacturers. This agreement will include the procurement of vaccines and related services, including transport of the vaccines from the vaccine origin to a designated entry point stated by the government. Procurement of additional COVAX doses will require the government to enter into a supply agreement with UNICEF. Entering into direct contracting with UNICEF, the procurement coordinator for COVAX, is also envisaged in. All vaccine agreements shall be subject to prior review to confirm that the terms are acceptable to ADB.

¹ Details of the proposed packages are described in the procurement plan (Appendix A). The plan is indicative and will be revised from time to time. Upon actual procurement stage, eligibility, details of procurement method, and packaging shall be agreed.

6. Vaccine procurement through bilateral deals is considered to be high risk given the large power of supplier to dictate terms and place the burden of risk under the contract on the buyer. However, it is currently one of the few realistic methods to access vaccine quantities in the market. Procurement of vaccines through COVAX or direct contracting with UNICEF is considered to be medium risk, given the structure of the facility and the role of UNICEF. UNICEF has vast experience in vaccine procurement and will enter into the legal agreements with manufacturers. The only concern is the vaccine availability. PMU of HSEP has satisfactory record of procurement of works, good and services under the ADB financing project. Given the capacity of MOH, SPC and PMU, overall project risk is determined to be Medium.

7. Value for money in vaccine procurement will be achieved through (i) selecting candidate vaccine types that are best suited to the domestic logistics supply chain and distribution mechanisms; (ii) engaging with COVAX and manufacturers that have advantageous vaccine availability and delivery timelines, and (iii) entering into agreements on terms and conditions that are reasonable, noting the currently constrained market for vaccines globally. For other components, value for money will be achieved by selecting most suitable procurement methods with consideration of (i) size of procurement, (ii) market conditions of the items to be procured, and (iii) time allowed for the process.

II. SPP DUE DILIGENCE

A. Operating Environment

8. MOH has experience of working with multilateral and bilateral agencies for many years. For vaccine purchasing, SPC, established in 1971 under the State Industrial Corporations Act Number 49 of 1957, will contract with sellers as a sole vaccine procurement agency. The National Medicinal Drug Policy for Sri Lanka states that SPC is the procuring entity of pharmaceutical items to MOH. Generally, for routine vaccines the first procurement requires cabinet approval and each COVID-19 vaccine contract prior approved by cabinet.

9. SPC has extensive experience in procurement of pharmaceutical items including vaccines. SPC has been procuring all vaccines distributed in the country since National immunization program of the MOH was initiated in 1978. In 2020, SPC executed 12 vaccine contracts (non-COVID-19 related) and 18 Syringe contracts worth of \$14million. SPC follows national procurement guidelines and manuals in conducting procurement including appointment of technical evaluation committees and procurement committees. SPC publishes invitation for bids and contract awards on its website. SPC staff are well experienced and conversant with international market.

10. Epidemiology unit of the MOH is responsible for immunization of Sri Lanka, it has well established cold storage, distribution, vaccination, and post vaccination monitoring system. National deployment and vaccination plan for COVID-19 vaccination is already in place which ensures the readiness of the MOH.

11. The key risks associated with this project relate to (i) knowledge and capability to access the quickly evolving vaccine market, (ii) rushed distribution of vaccine, and (iii) administration of vaccines to ensure recipients are inoculated in the most efficient way with post vaccination monitoring.

12. To properly address these risks, MOH and SPC require access to (i) vaccine manufacturers, (ii) additional domestic cold chain equipment, and (iii) a digital registration and monitoring recipients.

Table 1: Capability Assessment of the Borrower (MOH/SPC)

Strengths	Weaknesses
<ul style="list-style-type: none"> • National immunization program in place already. • Needs assessment completed. • National deployment and vaccination plan published. • SPC has worked closely with MOH since 1971 • SPC has already in business with few vaccines manufactures. • MOH's existing storage and distribution system • Significant development partner coordination for vaccine support (COVAX/GAVI, World Bank, ADB, UNICEF, WHO). • Risk communication plan developed together with UNICEF • Health care waste plan is being implemented 	<ul style="list-style-type: none"> • Knowledge of quickly evolving vaccine landscape. • Limited monitoring of recipients and post vaccination monitoring.
Opportunities	Threats
<ul style="list-style-type: none"> • MOH has already inoculated 924,687 doses. • Active Support from other Key Development Partners: WHO, UNICEF, Gavi, World Bank • Strong sponsorship and support of vaccine program at highest level of government • Digital monitoring system for vaccination and post vaccination 	<ul style="list-style-type: none"> • Public concern with COVID-19 outbreak and need for solution can create reputational issues. • Readiness to distribute and administer vaccinations at district levels threatens to undermine effectiveness. • Contracts for vaccines are heavily weighted in favour of manufacturers; buyers have poor negotiating positions

ADB = Asian Development Bank, COVAX = COVID-19 Global Access Facility, GAVI = Global Alliance for Vaccines, MOH = Ministry of Health, SPC = State Pharmaceutical Corporation, UNICEF = United Nations Children's Fund, WHO = World Health Organization.

Source: Asian Development Bank.

13. PMU was established in 2018 under MOH to implement HSEP.² It also implemented COVID-19 grants³ and APDRF⁴. It has procured civil works, services, medical equipment, and medical supplies under the project following ADB procurement policy and regulations. PMU has two full time procurement staff who are also supported by an ADB hired procurement consultant. PPF and SLRM have provided necessary training for procurement to PMU staff from the initial stage of the project. Staff are familiar and well experienced with ADB procurement procedure and maintain close communication relationship with ADB.

B. Market Analysis

1. Vaccines

² As of May 2021, PMU procured 146 contracts with the amount of \$37 million under HSEP (Civil works: \$16 million, Goods \$18 million, Consultancy \$3 million).

³ RETA No.9950: Regional Support to Address Outbreak of Novel Corona Virus (\$1million), 2021

⁴ Asia Pacific Disaster Response Fund, G0702: COVID-19 Emergency Response Project (\$3 million), 2021

14. The options available to the government to source vaccines from the international market include (i) Entering into direct bilateral deals with vaccine manufacturers, (ii) Accessing vaccines through COVAX, and (iii) through UNICEF by entering direct contracting.

15. Prior to becoming eligible expenditures under the project, vaccines will be required to meet ADB's vaccine eligibility criteria.⁵ MOH is prioritizing vaccines that have lower temperature sensitivity (i.e., +2 to +8°C).

16. **Bilateral deals.** Direct negotiations with individual vaccine developers/manufacturers are also being put in place. The approach may accelerate access to vaccines depending on the status of vaccine approval, the existing orders the manufacture has and their available manufacturing capacity. In the current constrained market, vaccine manufacturers can dictate agreement terms leading to very one-sided contracts (favoring the manufacturer) in some cases.

17. The Sri Lankan government is actively pursuing bilateral deals with vaccine manufacturers. The government's engagement to date can be summarized as follows:

- (i) Signed purchase agreements with the Serum Institute of India (SII) on 18 February 2021 for 1.5 million doses of COVISHIELD vaccine (AstraZeneca/Oxford vaccine manufactured by SII). First 500,000 doses were received on 25 February 2021.
- (ii) Contract signed with the Gamaleya National Centre of Epidemiology and Microbiology for the purchase of 13 million Sputnik V vaccines doses. The first two consignments totaling 65,000 doses arrived in May 2021.
- (iii) Contract signed with Pfizer to purchase 5 million doses of Pfizer/BioNTech vaccine.
- (iv) Contract signed with Sinopharm to purchase 14 million doses of vaccine manufactured by Beijing Bio-Institute of Biological Products Co-Ltd.

**Table 2: Vaccine Delivery Commitments to Sri Lanka
(as of 2 June 2021).**

Vaccine Availability	Vaccine Volume (Dose)	Responsible Entity	Remarks
Vaccines received as of 2 June 2021			
COVISHIELD (Serum Institute of India)	500,000	Government of India	In-kind donation.
COVISHIELD (Serum Institute of India)	500,000	Procured by the Government of Sri Lanka	
COVISHIELD (Serum Institute of India)	264,000	COVAX facility*	In-kind donation.
Sinopharm	1,100,000	Government of the People's Republic of China	In-kind donation.
Sputnik V	65,000	Gamaleya Institute, Russia	First and second consignments of the signed procurement agreement for 13 million doses

⁵ Asian Development Bank (ADB). 2020. *ADB's Support to Enhance COVID-19 Vaccine Access*. Manila

Vaccines expected in 2021 or 2022			
Sputnik V	12,935,000	Gamaleya Institute, Russia	Agreement signed. First and second consignments (65,000 doses) have been delivered in May 2021.
Pfizer	5,000,000	Pfizer/BioNTech	Heads of Terms signed, Delivery to start in July 2021.
Sinopharm	14,000,000	Sinopharm, People's Republic of China	Supply Agreement signed in May 2021. Delivery in 2021 to 2022.
COVISHIELD	4,136,000	COVAX facility*	Confirmed dates for delivery not known (at no cost).
COVISHIELD (Serum Institute of India)	1,000,000	Procured by the Government of Sri Lanka	Supply Agreement signed but confirmed dates for delivery unknown.
Unknown	4,866,400	Remaining COVAX AMC allocation	Type and dates of delivery to be determined.
Total committed	44,366,400		Covers 95.76% of the total population (assuming 5% vaccine wastage rate)

*COVAX is co-led by WHO, GAVI, Coalition for Epidemic Preparedness Innovations (CEPI).

18. **Accessing additional vaccines through COVAX.** the facility is an initiative formed by WHO, Coalition for Epidemic Preparedness Innovations (CEPI), and the Global Alliance for Vaccines (GAVI). It encourages global participation to pool demand and resources for vaccine procurement. Sri Lanka can access free doses, sufficient to vaccinate up to 20% of its population through the COVAX AMC. It may additionally access doses over and above those that it will receive for free. COVAX expects to have access to a broad portfolio of vaccines at competitive prices with expected availability in 2021. Through its procurement partner UNICEF, it is currently finalizing a number of long-term agreements with vaccine manufacturers. Procurement under COVAX also provides relative cost certainty, standardized contracting formats and access to a no-fault compensation mechanism for severe adverse events.

19. As of March 2021, MOH received confirmation of its participation in the COVAX Facility. It received first allocation of free vaccine 264,000 doses in February 2021. MOH requested additional allocation for 4,136,000 doses in April 2021, which will be delivered in future.

20. **Direct contracting with UNICEF.** Engaging UNICEF to support vaccine procurement is one of the methods of ensuring vaccine supply efficiency. UNICEF's experience in vaccine procurement and its established relationships with manufacturers and suppliers of related goods and services can efficiently expedite the early procurement process of vaccine supply. The Government approached UNICEF in February to pursue this option.

2. Logistics

21. INCOTERMS from vaccine manufacturers under bilateral deals are expected to be Free Carrier (FCA) to nearest airport. Purchaser will take ownership of the goods at point of handover and be responsible for international transportation, insurance, import customs clearance, receipt, and distribution to final destination. This has been the practice so far in the past as well. SPC will hire these logistics service providers through its established business practices, there were no issues reported in past.

3. Other Associated Works, Goods and Services

22. SPC will purchase syringes, personal protective equipment (PPE) and safety disposal boxes which may be necessary for the inoculation requirements of Sri Lanka. There are multiple local manufacturers for such items and global supply chains have recovered from the initial COVID-19 surge and have been operating at added capacity in anticipation of this current vaccine phase of the response.

23. PMU will procure other goods and services. IT equipment, cabs, and trucks may be imported directly or through local vendors. Incinerators, IT development services, and waste management services are locally available.

24. Construction of hospital sewerage system is proposed to be financed under the loan. 26 public hospitals in all 25 districts in Sri Lanka are listed (2 are named in the Colombo District). Local contractors will be available for competitive bidding.

C. Risk Management

25. The risk register in Appendix B identifies the following risks which will significantly impact on the vaccine operations including the mitigation measures to address those key risks and the level of residual risk:

- (i) Vaccine lead-times: global demand is massive; demand far exceeds supply of approved vaccines. In this environment, entities with large buying power and relationships are best positioned to cope with demand fluctuations and try to control manufacturers to meet agreed lead-times. This risk is not one MOH is positioned to manage; recommend risk be transferred to SPC or any other procurement agent such as UNICEF.
- (ii) Substantially imbalanced contracts that place large risks on the client: MOH could enter into negotiations with multiple firms and prioritize deals with more balanced terms, where possible.
- (iii) Vaccines selected do not subsequently meet APVAX qualification criteria: the vaccine market is constantly changing as new candidates move through different trial phases and gain approval by WHO, stringent regulatory authority (SRA), and other governing bodies. MOH is not in a position to monitor this quickly evolving aspect and it shall ensure that SPC or any other procurement agent such as UNICEF fully understands these matters.
- (iv) Limited knowledge in procurement and management of COVID-19 vaccines contracts: ADB will conduct prior review on draft contracts and provide recommendations for contract to be signed.
- (v) Inadequate cold chain transport facility to conduct expedited vaccination.
- (vi) Administration of vaccines to ensure recipients are inoculated in the most efficient way with post vaccination monitoring. A digital registration and monitoring recipients with hotline facilities would mitigate this risk

D. Option Analysis

26. Table 3 shows the options that have been considered for vaccine financing.

Table 3. Option Analysis

Ref	Description	Modality	F	S	A	Total	Narrative
1	Procurement directly with manufacturers through bilateral deals (Procurement Agent -SPC)	Direct Contracting	10	8	8	26	<ul style="list-style-type: none"> + MOH directly in control of procurement process. + Vaccine volumes may be available more quickly. + All costs go towards vaccines (no procurement fees) + Ability of MOH to target emerging vaccines of interest. - Contracts may be substantially imbalanced. - Vaccines prices may exceed those available in other options. - Availability may be delayed, due to large pending order of manufacturers. - Government's bargaining power is extremely limited under the global demand/supply imbalance of vaccine.
2	Procurement of additional doses through COVAX	Direct Contracting	10	9	8	27	<ul style="list-style-type: none"> + Terms and conditions under COVAX are equitable. + UNICEF supports procurement and supply + Visibility on when vaccines will be available. + COVAX takes risk on vaccine eligibility + Access to no-fault compensation mechanism. - COVAX will not supply additional vaccines until free doses (20% pop.) are supplied to all AMC countries. - Supply will be constrained as COVAX will distribute in balanced manner. - COVAX will only supply vaccines from portfolio. Other vaccines not in portfolio may be available more quickly.
3	Engage UNICEF outside of COVAX to support procurement	Direct Contracting	9	7	5	21	<ul style="list-style-type: none"> + UNICEF has large experience in vaccine procurement + UNICEF may negotiate better terms due to economies of scale. + Use of UNICEF would reduce pressure on MOH/SPC procurement team - Limited benefit of this approach compared with COVAX in terms of price and transport. - Additional UNICEF procurement fees will apply - UNICEF capacity to prioritize SRI needs unknown due to large workload with COVAX. - Risks related to availability and pricing/terms remain

A = Acceptability, AMC = Advance Market Commitment, COVAX = COVID-19 Vaccines Global Access Facility, F = Feasibility; S = Suitability, UNICEF = United Nations Children's Fund.

27. Noting the above available options, the government has confirmed their intention for all three options to obtain vaccines as soon as possible.

III. PROCUREMENT STRATEGY

28. The recommended procurement strategy for vaccines is to adopt multiple approaches:

- (i) enter into bilateral agreement with vaccine manufacturers that meet APVAX eligibility or have a pathway to meeting APVAX eligibility in the short-medium term;
- (ii) procure additional volumes through the COVAX facility; and
- (iii) through UNICEF by entering direct contracting.

29. For associated works, goods, and services, the most suitable procurement methods will be agreed with ADB with consideration of (i) size of procurement, (ii) market conditions of the items to be procured, and (iii) time allowed for the process. Geographical factor of the sites would also be considered for, for example, construction of hospital sewerage systems.

30. Where necessary under above options, the government shall enter into additional agreements for international logistics and related services through SPC.

31. ADB's agreement to finance vaccine and related contracts will be subject to confirmation that the goods and related services are eligible expenditures under ADB's APVAX.

32. Universal procurement will be applied in accordance with APVAX policy (footnote 3). Direct contracting shall be subject to prior review. Most of the other contracts will be subject to prior review while in exceptional circumstances post review may be adopted.

33. To confirm that a vaccine contract is acceptable to ADB, for it to be financed under a loan, ADB must be provided with a full version of the contract for review and confirmation of its acceptability. Unless unavoidable, it should be shared before it is signed by the parties. Following should be considered:

- i. All contracts will by default require the inclusion of text on ADB requirements with respect to anticorruption and audit. ADB Office of Anticorruption and Integrity (OAI) has drafted standard text which will need to be adjusted on a contract-by-contract basis.
- ii. It is preferable if ADB required adjustments can be included directly into the draft contract. If not possible, ADB will accept the preparation and signature of a supplemental agreement that brings in ADB's requirements by reference.

34. The Procurement Regulations for ADB Borrowers (para. 2.18) requires that, after a contract is signed, the borrower publishes certain contract award information.⁶ Similarly, ADB publishes contract award information on its website (www.adb.org).⁷ If the event that the terms of any proposed contract precludes the ability of the government to publish information related to the contract award, it shall immediately inform ADB. Such a preclusion may prevent ADB from

⁶ Para. 2.18: "After the contract is signed, the borrower shall publish in an English language newspaper or in English on a publicly and freely accessible website the name of the provider of the goods, works, or services, and the price, duration, and summary scope of the contract. This publication may be done quarterly and in the format of a summarized table covering the previous period."

⁷ ADB publishes contract award information for all goods and civil works contracts with a value greater than \$1,000,000.

financing the contract. ADB has discussed this matter with the government, who are aware of ADB's requirements.

35. Advance payment guarantees serve as a risk mitigation tool for borrowers disbursing large amounts of money before receiving goods. The large value of vaccine contracts and demands of manufacturers for advance payments, (up to and including 100% of either the entire contract, or individual deliveries under a contract) increases project risks. At the same time, and in the short term at least, these advance payments are being requested by a small number of well-known international vaccine manufacturers. In some cases, the manufacturers are refusing to provide advance payment guarantees. Reflecting the current market environment, Government of Sri Lanka should consider the following:

- i. The ultimate decision to require an advance payment guarantee, as a pre-condition to signing a contract, rests with the borrower.
- ii. ADB does not mandate that an advance payment guarantee be provided (as a condition to finance a contract), but strongly supports their use as a risk mitigation tool.
- iii. Where contracts include advance payments, but no guarantee, borrower needs to confirm if an advance payment guarantee has been requested during negotiations.
 - a. If not requested (and the contract is not already signed), the borrower should engage with the manufacturer to include the provision for a guarantee in the contract.
 - b. If requested and not agreed to by the manufacturer, the reasons for non-inclusion should be detailed in writing.
- iv. Where an advance payment guarantee is not provided, this should be listed as a risk in the update of the Risk Management/Risk register.
- v. Advance payments to UN agencies are deemed to be lower risk and, as such, ADB is satisfied for those payments to be made without the provision of a guarantee.

36. The above procurement strategy achieves value for money for the government through: (i) selecting candidate vaccine types that are best suited to the domestic logistics supply chain and distribution mechanisms; (ii) identifying vaccines that will efficiently meet the project disbursement conditions; (iii) engaging with COVAX and vaccine manufacturers that have advantageous vaccine availability and delivery timelines; and (iv) entering into agreements on terms and conditions that are reasonable, noting the currently constrained market for vaccines globally. For associated works, goods and services, value for money procurement will be achieved by selecting most suitable procurement methods with consideration of (i) size of procurement, (ii) market conditions of the items to be procured, and (iii) time allowed for the process.

A. Procurement Plan

Project Name: Responsive COVID-19 Vaccines for Recovery Project under the Asia Pacific Vaccine Access Facility		
Project Number: 55085-001	Approval Number:	
Country: Sri Lanka	Executing Agency: Ministry of Health	
Procurement Risk: Medium	Implementing Agency: Ministry of Health	
Project Financing Amount: \$150 million ADB Financing: \$150 million (APVAX RRC: \$84 million, APVAX PIC: \$66 million) Cofinancing (ADB Administered): \$ 0 Non-ADB Financing: \$ 0	Project Physical Completion Date: 30 June 2024 Project Financial Closing Date: 31 December 2024	
Date of First Procurement Plan: 3 June 2021	Date of this Procurement Plan: 3 June 2021	
Procurement Plan Duration: 18 months	Advance contracting: Yes	eGP: No

A. Methods, Review and Procurement Plan

Except as the Asian Development Bank (ADB) may otherwise agree, the following methods shall apply to procurement of goods, works, nonconsulting services, and consulting services.

Procurement of Goods, Works and Nonconsulting Services	
Method	Comments
OCB International advertisement OCB National advertisement Limited Competitive Bidding Request for Quotation Direct Contract	

Consulting Services	
Method	Comments
Consultants' Qualification Selection (CQS) Individual Consultant Selection	

B. List of Active Procurement Packages (Contracts)

The following table lists goods, works, nonconsulting, and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan's duration.

Goods, Works, and Nonconsulting Services							
Package Number	General Description	Estimated Value (million \$)	Procurement Method	Review	Bidding Procedure	Advertisement Date	Comments
1	COVID-19 Vaccines	84.00	Direct	Prior	N/A	NA	No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: Yes COVID-19 Response: Yes Procurement entity: SPC Type: Goods - Pharmaceutical APVAX (RRC): \$84 million
2	International logistics	10.00	Direct	Prior/Post	N/A	NA	No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: No COVID-19 Response: Yes Procurement entity: SPC Type: Non consulting services
3	IT systems development and associated hardware to improve regulatory capacity, and institutional arrangements for acquiring vaccines, consumables and drugs	4.00	OCB	Prior	1S1E	Q4 2021	No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: No COVID-19 Response: Yes Procurement entity: PMU Type: TBD

4	Ancillary medical consumables for vaccination	5.80	LCB.	Prior/Post	1S1E	Q2 2021	No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: No COVID-19 Response: Yes Procurement entity: SPC Type: Goods - Pharmaceutical OCB/RFQ also may be used.
5	IT Equipment and connectivity for vaccine management	3.13	RFQ	Prior		Q2 2021	No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: No COVID-19 Response: Yes Procurement entity: PMU Items: Laptop, mobile phones, tabs, routers, internet connectivity and other IT equipment
6	Developing and Printing of communications material (video, clips, print material) for targeting vulnerable population, engagement of communities, rural/estate, material/content, IPC, vaccine related dissemination	0.13	RFQ	Prior/Post		Q2 2021	No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: Yes COVID-19 Response: Yes Procurement entity: PMU Type: Non-Consulting Services
7	Vehicle hire (district vaccination teams)	0.95	RFQ	Prior		Q2 2021	No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract:

							<p>Yes COVID-19 Response: Yes Procurement entity: PMU Type: Non- Consulting Services</p> <p>Service: transport to reach vaccination centers and for additional teams for monitoring of the vaccination rollout across all 26 districts.</p>
8	Small crew cabs (refrigerated)	1.32	RFQ	Prior		Q2 2021	<p>No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: No COVID-19 Response: Yes Procurement entity: PMU</p> <p>Distribution of vaccines from 26 Regional drug stores to each of the Vaccination centers.</p>
9	Large, refrigerated trucks	0.76	RFQ	Prior		Q2 2021	<p>No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: No COVID-19 Response: Yes Procurement entity: PMU</p> <p>Transport vaccines/drugs to all 26 regional drug stores</p>
10	Incinerators for waste management satellite	1.01	RFQ	Prior		Q2 2021	No. of Contracts: Multiple

	hospitals						Domestic Preference: No Advance Contracting: Yes High Risk Contract: No COVID-19 Response: Yes Procurement entity: PMU Type: Equipment
11	Waste Management Services	1.01	RFQ	Prior	1S1E	Q2 2021	No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: NO COVID-19 Response: Yes Procurement entity: PMU Type: Non-Consulting Services
12	Construction of 26 hospital sewerage systems	19.80	OCB	Prior	1S1E	Q1 2022	No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: No COVID-19 Response: Yes Procurement entity: PMU Type: Civil works Provision of 26 sewerage systems at COVID-19 designated hospitals (wastewater, all other liquid waste and sewerage)
13	Improvement of waste management facilities	1.64	RFQ	Prior		Q3 2021	No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: No COVID-19

							Response: Yes Procurement entity: PMU Type: Civil works (minor repairment), Associated equipment purchase.
14	Office equipment and furniture	0.16	RFQ	Prior		Q2 2021	No. of Contracts: Multiple Domestic Preference: No Advance Contracting: Yes High Risk Contract: No COVID-19 Response: Yes Procurement entity: PMU

Consulting Services							
Package Number	General Description	Estimated Value (\$)	Selection Method	Review	Type of Proposal	Advertisement Date	Comments
1	Epidemiology Consultant	73,000	ICS	Prior		Q2 2021	
2	Environmental safeguard Consultant	64,000	ICS	Prior		Q2 2021	
3	Social safeguard Consultant	64,000	ICS	Prior		Q2 2021	
4	Social inclusion and Gender Consultant	64,000	ICS	Prior		Q2 2021	
5	Design and supervision of sewerage systems upgrade	763,000	CQS	Prior	BTP	Q2 2021	

C. List of Indicative Packages (Contracts) Required under the Project

The following table lists goods, works, nonconsulting, and consulting services contracts for which the procurement activity is expected to commence beyond the procurement plan duration and over the life of the project (i.e., those expected beyond the current procurement plan's duration).

Goods, Works and Nonconsulting Services						
Package Number	General Description	Estimated Value (\$)	Procurement Method	Review	Bidding Procedure	Comments

Consulting Services						
Package Number	General Description	Estimated Value (\$)	Selection Method	Review	Type of Proposal	Comments

B. Risk Register

Risk Ref.	Risk Description	Risk Impact	Likelihood ("L") (1–5)	Impact ("I") (1–5)	Score (L x I)	Risk Treatment	Proposed Mitigation	Residual Risk	Risk Owner
1	Limited availability of ADB eligible vaccines from manufacturers which leads to long vaccine lead-time.	Delayed delivery	3	4	12	Accept / Minimize	MOH is engaging with key stakeholders (e.g., COVAX, UNICEF, vaccine manufacturers), identifying required vaccines, and entering into contracts with manufacturers as early as possible.	High	MOH
2	Substantially imbalanced contracts that place large risks on the client.	Potential for either failure of negotiation or increased costs/liabilities during contract implementation	3	4	12	Reduce	Enter negotiations with multiple firms and prioritize deals with more balanced terms of contracts.	High	MOH, SPC
3	Vaccines selected do not subsequently meet APVAX qualification criteria	ADB cannot finance vaccines purchase	2	4	8	Reduce	Identify vaccines that have a defined pathway to ADB approval	Low	MOF, MOH
4	Limited knowledge in procurement and management of COVID-19 vaccines contracts	Unfair contracting	1	5	5	Reduce	Prior review by ADB	Low	SPC, ADB
5	Inadequate cold chain transport facility to conduct expedited vaccination.	Delayed delivery	1	4	4	Reduce	Timely procurement of necessary facility	Low	PMU
6	Administration of vaccines to ensure recipients are inoculated in the most efficient way with post vaccination monitoring.	Less efficient delivery	1	4	4	Reduce	A digital registration and monitoring recipients with hotline facilities	Low	MOH

ADB = Asian Development Bank, APVAX = Asia Pacific Vaccine Access Facility, COVAX = COVID-19 Vaccines Global Access Facility, MOF = Ministry of Finance, MOH = Ministry of Health, SPC = State Pharmaceutical Corporation, UNICEF = United Nations Children's Fund.

Source: Asian Development Bank.

C. Other Donors' Activity

Major development partners working in Sri Lanka supporting the health sector including for COVID-19 response are provided in the table below.

Development Partner	Project Name	Duration	Amount
World Bank	• Sri Lanka - COVID-19 Emergency Response and Health Systems Preparedness Project	2020–2023	\$128.6 million
	• Sri Lanka - COVID-19 Emergency Response and Health Systems Preparedness Project, Additional Financing	2020–2023	\$87.24 million
	• Pandemic Emergency Financing Facility Fund (Grant No: TF0B3017)	2020–2023	\$1.72 million (Grant)
	• Sri Lanka - COVID-19 Emergency Response and Health Systems Preparedness Project, Additional Financing	2021–2023	\$80.5 million
	• Primary Health Care System Strengthening Project	2018–2023	\$200 million
ADB	• Regional Support to Address the Outbreak of Coronavirus Disease 2019 and Potential Outbreaks of Other Communicable Diseases	2020	\$1 million (Grant)
	• Asia Pacific Disaster Response Facility	2020	\$3 million (Grant)
	• Health System Enhancement Project (including reallocation of proceeds for COVID-19 response)	2018–2023	\$50 million
	• Responsive COVID-19 Vaccines for Recovery Project under the Asia Pacific Vaccine Access Facility	2021–2024	\$150 million
WHO	• COVID-19: Contribution to various pillars of Sri Lanka Preparedness and Response Plan	2020–2022	\$4.83 million (Grant)
	• Non-COVID-19 support: Universal Health Coverage, health emergencies, healthy populations, and research.	2020–2022	\$2.68 million (Grant)
UNICEF	• To support cold chain strengthening	2021–2023	\$1.8 million (Grant)
	• To support the cold chain strengthening via COVAX facility	2020–2022	\$370,000 (Grant)
Global Fund	• Addressing low prevalence of HIV, maintaining malaria-free status and control of tuberculosis	2019–2021	\$6.5 million
	• Debt-to-health project for Sri Lanka	2022–2025	\$25 million (approximately) (Grant)
European Union	• Assisting Communities in Creating Environmental and Nutritional Development via Adventist Development and Relief Agency UK	2017–2021	Euro 5.8 (Grant)
	• Reaching the Unreached Estates and Surrounding Communities for improved	2017–2021	Euro 6.3 (Grant)

Development Partner	Project Name	Duration	Amount
	health and nutrition via Stichting Solidaridad		
Netherlands	<ul style="list-style-type: none"> Hospital Development and Rehabilitation Program 	2019–2022	Euro 60 million
People's Republic of China	<ul style="list-style-type: none"> Hospital Development (13 hospitals) for all nine provinces 	2019–2023	\$85 million
	<ul style="list-style-type: none"> Construction of a new laboratory and a hospital for chronic kidney diseases in Polonnaruwa 	2017–2021	Yuan 14,500 million
	<ul style="list-style-type: none"> Construction of outpatient department of National Hospital of Sri Lanka 	2017–2021	Yuan 10,600 million
	<ul style="list-style-type: none"> Supply of eight mobile screening Laboratories for the chronic kidney diseases in North Central Province 	2019–2021	\$2.3 million
Germany	<ul style="list-style-type: none"> Development of the Helmut Kohl Maternity Hospital 	End in 2021	\$29 million (Grant and Loan)
Republic of Korea	<ul style="list-style-type: none"> Supply of medical equipment (provide biomedical equipment to nine provincial hospitals under the Credit Line of EDCF – Republic of Korea). 	2019–2022	\$80 million
Japan	<ul style="list-style-type: none"> Support to purchase medical equipment 	2021	880 million Yen
Malaysia	<ul style="list-style-type: none"> Purchase PACX system in selected 20 secondary and tertiary care hospitals 	2019–2022	\$32.5 million

**D. Project Procurement Risk Assessment Questionnaire
on State Pharmaceutical Corporation (SPC)**

QUESTION	RESPONSE	RISK
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. All the procurement related committees can perform their activities independently.	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,	Low
A.3 If yes, what type of procurement does it undertake?	SPC conduct procurement of all kind of pharmaceutical items on behalf of Ministry of Health (medicines, medical supplies etc.)	Low
A.4 How many years' experience does the head of the procurement department/unit have in a direct procurement role?	Over 15 years	Low
A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded	16 nos. full time staffs.	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?	Yes	Low
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	Low
A.9 Does the agency have, or have ready access to, a procurement training program?	Majority of the Procurement staff followed Diploma in public procurement conducted by the Ministry of Finance and other short term training by CIDA and IESL.	Low
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?	To the head of the agency, Chairman. All procurement approval is done according to National Procurement Guidelines and Manuals.	Low
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements, and career routes?	Yes, SPC prepared the Terms of References (ToR) for procurement staff. TOR specifies their roles, duties, and the minimum criteria of academic and working experience.	Low
A.12 Is there a procurement process manual for goods and works?	SPC follows national Procurement Guidelines and Manuals.	Low

QUESTION	RESPONSE	RISK
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes, published in 2006, updates are issued as supplement to procurement manual.	Low
A.14 Is there a procurement process manual for consulting services?	Yes. Consulting Services (Firm/ Individual) are procured according to Consulting Services Manual 2007.	Low
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes, the revised manual in 2018 is yet to be published. For donor funded projects, donor's procurement guidelines/ framework are applicable.	Moderate
PROJECT MANAGEMENT UNIT		
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	SPC is a procurement agent.	NA
A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	SPC is a procurement agent.	NA
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	SPC is a procurement agent.	NA
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, SPC uses bidding documents published by MoF and its own bidding documents for medicines.	Low
A.20 Does the agency follow the national procurement law, procurement processes, and guidelines?	Yes, SPC follows national procurement guidelines and Manuals.	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?	Technical Evaluation Committee	Low
A.23 Who approves the procurement specifications?	Procurement Committee.	Low
A.24 Who in the PMU has experience in drafting bidding documents?	Procurement staff	Low
A.25 Are records of the sale of bidding documents immediately available?	The records are kept for the sale of bid documents by the concerned Accounts Office and these are available.	Low
A.26 Who identifies the need for consulting services requirements?	SPC does not recruit Consultants	NA
A.27 Who drafts the Terms of Reference (ToR)	SPC does not recruit Consultants	NA
A.28 Who prepares the request for proposals (RFPs)	SPC does not recruit Consultants	NA
B. INFORMATION MANAGEMENT		
B.1 Is there a referencing system for procurement files?	All the files go through a referencing system. It is very easy to find a file's location.	Low

QUESTION	RESPONSE	RISK
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. Files are kept in audit trail.	Low
B.3 Does the agency adhere to a document retention policy (i.e., for what period are records kept)?	Yes, all documents and records are preserved according to Government rules for 5 years after completion of procurement.	Low
B.4 Are copies of bids or proposals retained with the evaluation?	Yes, copies of bids or proposals are retained with the evaluation. This is the obligation for the SPC.	Low
B.5 Are copies of the original advertisements retained with the pre-contract papers?	Yes, copies of the original advertisements which published in the newspaper are retained with the pre-contract papers.	Low
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes, there is a single file for a single contract.	Low
B.7 Are copies of invoices included with the contract papers?	Yes, the copies of invoices are included with the contract papers.	Low
B.8 Is the agency's record keeping function supported by IT?	Yes, agency's record keeping function supported by IT (MIS).	Low
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.	Yes, SPC is responsible for all pharmaceutical procurement on behalf of MoH. Procurement under World Bank funded projects' was conducted by SPC following national procurement guidelines.	Low
C.2 If the answer is yes, what were the major challenges faced by the agency?	SPC followed national procurement guidelines.	NA
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	Yes, there is. The Ministry supply division sends a plan for procurement.	Low
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	Generally, 14 days for small value and in case of emergency 7 days.	Low
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. The bidding document states the bid opening with the date and time. The Invitation for Bids (IFB) also carries this information.	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	Low
C.10 Are minutes of the bid opening taken?	Yes	Low
C.11 Are bidders provided a copy of the minutes?	Yes	Low

QUESTION	RESPONSE	RISK
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)?	Ad-hoc Technical Evaluation Committee.	Low
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	Those who have the expertise and experience in the procurement related activities.	Low
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Subject to approval of Procurement Committee.	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?	Its 5 months	Moderate
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	Yes, there are processes in place for the collection and clearance of cargo through ports of entry.	Low
C.18 Are there established goods receiving procedures?	Yes. There is a Testing, Inspection and Acceptance Committee for pharmaceutical procurement. They check the quality and quantity in accordance with the documents and provide the Acceptance certificate.	Low
C.19 Are all goods that are received recorded as assets or inventory in a register?	Yes, all received goods are recorded.	Low
C.20 Is the agency/procurement department familiar with letters of credit?	Yes.	Low
C.21 Does the procurement department register and track warranty and latent defects liability periods?	SPC procurement pharmaceutical items and deliver it to Medical Supply Division (MSD). MSD distribute and monitor the stocks and usage.	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.)	SPC does not recruit Consultants	NA
C.23 If the above answer is yes, what were the major challenges?	SPC does not recruit Consultants	NA
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	SPC does not recruit Consultants	NA
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	SPC does not recruit Consultants	NA
C.26 What criteria are used to evaluate EOIs?	SPC does not recruit Consultants	NA
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	SPC does not recruit Consultants	NA

QUESTION	RESPONSE	RISK
C.28 Do firms have to pay for the RFP document?	SPC does not recruit Consultants	NA
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	SPC does not recruit Consultants	NA
C.30 Are pre-proposal visits and meetings arranged?	SPC does not recruit Consultants	NA
C.31 Are minutes prepared and circulated after pre-proposal meetings?	SPC does not recruit Consultants	NA
C.32 To whom are the minutes distributed?	SPC does not recruit Consultants	NA
C.33 Are all queries from consultants answered/addressed in writing?	SPC does not recruit Consultants	NA
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	SPC does not recruit Consultants	NA
C.35 Are proposal securities required?	SPC does not recruit Consultants	NA
C.36 Are technical proposals opened in public?	SPC does not recruit Consultants	NA
C.37 Are minutes of the technical opening distributed?	SPC does not recruit Consultants	NA
C.38 Do the financial proposals remain sealed until technical evaluation is completed?	SPC does not recruit Consultants	NA
C.39 Who determines the final technical ranking and how?	SPC does not recruit Consultants	NA
C.40 Are the technical scores sent to all firms?	SPC does not recruit Consultants	NA
C.41 Are the financial proposal opened in public?	SPC does not recruit Consultants	NA
C.42 Are minutes of the financial opening distributed?	SPC does not recruit Consultants	NA
C.43 How is the financial evaluation completed?	SPC does not recruit Consultants	NA
C.44 Are face to face contract negotiations held?	SPC does not recruit Consultants	NA
C.45 How long after financial evaluation is negotiation held with the selected firm?	SPC does not recruit Consultants	NA
C.46 What is the usual basis for negotiation?	SPC does not recruit Consultants	NA
C.47 Are minutes of negotiation taken and signed?	SPC does not recruit Consultants	NA
C.48 How long after negotiation is the contract signed, on average?	SPC does not recruit Consultants	NA
C.49 Is there an evaluation system for measuring the outputs of consultants?	SPC does not recruit Consultants	NA
Payments		
C.50 Are advance payments made?	Yes, against a bank guarantee	Low
C.51 What is the standard period for payment included in contracts?	Its based on the delivery	Low

QUESTION	RESPONSE	RISK
C.52 On average, how long is it between receiving a firm's invoice and making payment?	Maximum of 4 weeks	Low
C.53 When late payment is made, are the beneficiaries paid interest?	No. Normally such provision is not included in the contract.	Moderate
D. EFFECTIVENESS		
D.1 Is contractual performance systematically monitored and reported?	Yes.	Moderate
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.	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, Staffs involved in the procurement processes are abide by the code of ethics mentioned in national procurement guidelines and manual.	Low
E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes, Staffs involved in the procurement process requires to declare any potential conflict of interest as mentioned in national procurement guidelines and manual.	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?	Procurement committee. Generally, they have all sorts of procurement experience and qualifications.	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?		
a) Bidding document, invitation to pre-qualify or RFP	With in TEC and PC	Low
b) Advertisement of an invitation for bids, pre-qualification or call for EOIs	With in TEC and PC	Low
c) Evaluation reports	With in TEC and PC	Low
d) Notice of award	More than LKR 250 million require prior approval by Cabinet.	Low
e) Invitation to consultants to negotiate	With in TEC and PC	Low

QUESTION	RESPONSE	RISK
f) Contracts	With in TEC and PC	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.	Low
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes	Low

**E. Project Procurement Risk Assessment Questionnaire
on Project Management Unit – Health System Enhancement Project (PMU-HSEP)**

QUESTION	RESPONSE	RISK
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. All the procurement related committees can perform their activities independently.	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.	Low
A.3 If yes, what type of procurement does it undertake?	PMU undertake Works, goods and consultant recruitment.	Low
A.4 How many years' experience does the head of the procurement department/unit have in a direct procurement role?	Over 8 years	Low
A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded	2 nos. full time staffs.	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?	No, proposed project requires minimum one additional staff	Moderate
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	Low
A.9 Does the agency have, or have ready access to, a procurement training program?	Yes, trained by CIDA (Construction Industry Development Authority) and IESL (Institute of Engineers Sri Lanka). ADB PPF/SLRM also trained the staff extensively.	Low
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?	To the head of the agency, Secretary to the Ministry. All procurement approval is done according to National Procurement Guidelines and Manuals.	Low
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements, and career routes?	Yes, HSEP prepared the Terms of References (ToR) for procurement staff. TOR specifies their roles, duties, and the minimum criteria of academic and working experience.	Low
A.12 Is there a procurement process manual for goods and works?	PMU follows ADB Procurement Regulations.	Low

QUESTION	RESPONSE	RISK
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes, published in 2006, updates are issued as supplement to procurement manual.	Low
A.14 Is there a procurement process manual for consulting services?	Yes. Consulting Services (Firm/ Individual) are procured according to Consulting Services Manual 2007. PMU follows ADB Procurement Regulations.	Low
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes, the revised manual in 2018 is yet to be published. For donor funded projects, donor's procurement guidelines/ framework are applicable. PMU follows ADB Procurement Regulations.	Moderate
PROJECT MANAGEMENT UNIT		
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?	No, proposed project requires minimum one additional staff	Moderate
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	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?	PMU follows ADB Bidding documents.	Low
A.20 Does the agency follow the national procurement law, procurement processes, and guidelines?	Yes, PMU follows national procurement guidelines and Manuals in administrating TEC and PC	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?	Technical Evaluation Committee	Low
A.23 Who approves the procurement specifications?	Procurement Committee.	Low
A.24 Who in the PMU has experience in drafting bidding documents?	Procurement staff	Low
A.25 Are records of the sale of bidding documents immediately available?	The records are kept for the sale of bid documents by the concerned Accounts Office and these are available.	Low
A.26 Who identifies the need for consulting services requirements?	As per the Project Administration Manual and PMU	Low
A.27 Who drafts the Terms of Reference (ToR)	As per the Project Administration Manual and PMU	Low
A.28 Who prepares the request for proposals (RFPs)	PMU	Low

QUESTION	RESPONSE	RISK
B. INFORMATION MANAGEMENT		
B.1 Is there a referencing system for procurement files?	All the files go through a referencing system. It is very easy to find a file's location.	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. Files are kept in audit trail.	Low
B.3 Does the agency adhere to a document retention policy (i.e., for what period are records kept)?	Yes, all documents and records are preserved according to Government rules for 5 years after completion of procurement.	Low
B.4 Are copies of bids or proposals retained with the evaluation?	Yes, copies of bids or proposals are retained with the evaluation. This is the obligation for the PMU.	Low
B.5 Are copies of the original advertisements retained with the pre-contract papers?	Yes, copies of the original advertisements which published in the newspaper are retained with the pre-contract papers.	Low
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes, there is a single file for a single contract.	Low
B.7 Are copies of invoices included with the contract papers?	Yes, the copies of invoices are included with the contract papers.	Low
B.8 Is the agency's record keeping function supported by IT?	Yes, agency's record keeping function supported by IT (MIS).	Low
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.	Yes, ADB funder HSEP since 2018.	Low
C.2 If the answer is yes, what were the major challenges faced by the agency?	Delayed delivery, delay in evaluation of bids	Moderate
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	PMU follows project procurement plan.	Low
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	Generally RFQ 7 days, LCB 28 days, OCB 28-42 days. In case of emergency LCB 21 days.	Low
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. The bidding document states the bid opening with the date and time. The Invitation for Bids (IFB) also carries this information.	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	Low

QUESTION	RESPONSE	RISK
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)?	Ad-hoc Technical Evaluation Committee.	Low
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	Those who have the expertise and experience in the procurement related activities.	Low
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Subject to approval of Procurement Committee.	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?	Its 12 months	Moderate
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	Suppliers and contractors conduct clearance	Low
C.18 Are there established goods receiving procedures?	Yes. TEC ensures the specification and receiving unit is responsible for stock keeping.	Low
C.19 Are all goods that are received recorded as assets or inventory in a register?	Yes, all received goods are recorded.	Low
C.20 Is the agency/procurement department familiar with letters of credit?	Yes.	Low
C.21 Does the procurement department register and track warranty and latent defects liability periods?	Yes. Receiving unit is responsible monitoring defect liability and warranty.	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.)	ADB, HSEP	Low
C.23 If the above answer is yes, what were the major challenges?	Delay in evaluation.	Moderate
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	Yes on CMS, local newspapers and project websites.	Low
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Yes, 5 members, subject experts.	Low
C.26 What criteria are used to evaluate EOIs?	Similar experience, geographic experience, experience with donor funded projects, firms internal capacity-standards.	Low

QUESTION	RESPONSE	RISK
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	QCBS	Low
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?	Yes	Low
C.31 Are minutes prepared and circulated after pre-proposal meetings?	Yes	Low
C.32 To whom are the minutes distributed?	All shortlisted firms	Low
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?	Yes	Low
C.36 Are technical proposals opened in public?	Yes	Low
C.37 Are minutes of the technical opening distributed?	Yes	Low
C.38 Do the financial proposals remain sealed until technical evaluation is completed?	Yes	Low
C.39 Who determines the final technical ranking and how?	Evaluation committee based on the RFP	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?	As per the RFP	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 a week	Low
C.46 What is the usual basis for negotiation?	Replacements, implementation schedule, adjustment in inputs	NA
C.47 Are minutes of negotiation taken and signed?	Yes	Low
C.48 How long after negotiation is the contract signed, on average?	2 weeks	Low
C.49 Is there an evaluation system for measuring the outputs of consultants?	Yes, PMu established a committee to review the output	Low

QUESTION	RESPONSE	RISK
Payments		
C.50 Are advance payments made?	Yes, against a bank guarantee	Low
C.51 What is the standard period for payment included in contracts?	Its based on the delivery or time sheets	Low
C.52 On average, how long is it between receiving a firm's invoice and making payment?	Maximum of 4 weeks	Low
C.53 When late payment is made, are the beneficiaries paid interest?	Yes, never occurred.	Low
D. EFFECTIVENESS		
D.1 Is contractual performance systematically monitored and reported?	Yes.	Moderate
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.	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, Staffs involved in the procurement processes are abide by the code of ethics mentioned in national procurement guidelines and manual.	Low
E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	Yes, Staffs involved in the procurement process requires to declare any potential conflict of interest as mentioned in national procurement guidelines and manual.	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?	Procurement committee. Generally, they have all sorts of procurement experience and qualifications.	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?		
a) Bidding document, invitation to pre-qualify or RFP	With in TEC and PC	Low

QUESTION	RESPONSE	RISK
b) Advertisement of an invitation for bids, pre-qualification or call for EOIs	With in TEC and PC	Low
c) Evaluation reports	With in TEC and PC	Low
d) Notice of award	More than LKR 1000 million require prior approval by Cabinet.	Low
e) Invitation to consultants to negotiate	With in TEC and PC	Low
f) Contracts	With in TEC and PC	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.	Low
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes	Low