

**L2832-VAN(SF)/G0275-VAN/G0276-VAN:
PORT VILA URBAN DEVELOPMENT PROJECT**

Procurement Plan

1. Project Procurement Thresholds

1. Except as ADB may otherwise agree, the following process thresholds will apply to procurement of goods and works:

Procurement of Goods and Works	
Method	Threshold
ICB for Works	Above \$1,000,000
ICB for BOT	Above \$1,000,000
NCB for BOT	Below \$1,000,000
ICB for Goods	Above \$500,000
NCB for Works	Between \$100,000 and less than \$1,000,000
NCB for Goods	Between \$100,000 and \$500,000
Shopping for Goods and Works	Below \$100,000

2. ADB Prior or Post Review

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

Procurement Method	Prior or Post	Comments
Procurement of Goods and Works		
ICB Works, Goods, Build-Operate-Transfer	Prior	
NCB Works and Goods	Prior	1 st NCB documents only
Shopping for Works and Goods	Post	
Recruitment of Consulting Firms		
QCBS	Prior	Full technical proposal (FTP)
Recruitment of Individual Consultants		
Individual Consultants	Prior	

3. Works Contracts Estimated to Cost More Than \$1 Million and Goods Contracts Estimated to Cost More Than \$500,000

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

General Description	Contract Value	Procurement Method	Prequalification of Bidders	Advertisement Date (quarter/Year)	Comments
Works	\$6.5 million	ICB	Yes	II/2014	Road upgrading – Contract 1
Works	\$6.5 million	ICB	Yes	II/2014	Road upgrading – Contract 2
Works	\$4.2 million	ICB	Yes	I/2014	Drainage rehabilitation and augmentation
Works	\$4.3 million	ICB	Yes	I/2014	Drainage Tunnels
Design, build, manage (DBM)	\$5.0 million	ICB	Yes	III/2014	Sludge treatment plant

4. Consulting Services Contracts Estimated to Cost More Than \$100,000

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

General Description	Contract Value	Recruitment Method	Advertisement Date (quarter/year)	International or National Assignment	Comments
Design, Supervision and Capacity Development	\$6.3 million	QCBS 80:20	I/2013	Both	
Advisory Services	\$0.5 million	Individual Recruitment	I/2014	International	2 consultants

5. Works Contracts Estimated to Cost Less Than \$1 Million

5. The following table lists smaller value works contracts for which procurement activity is expected to commence within the next 18 months.

General Description	Value of Contracts (cumulative)	Number of Contracts	Procurement / Recruitment Method	Comments
Works	\$0.9 million	1	NCB	Construction of public and community toilets and showers
Works	\$0.1 million	1	Shopping	Rehabilitation of public toilets

6. Indicative List of Packages Required under the Project

6. The following table provides an indicative list of all procurement (goods, works, and consulting services) over the life of the project.

General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method
Works	\$22.5 million	4	ICB/ Shopping
DBM	\$5.0 million	1	ICB
Consulting Services	\$6.8 Million	3	QCBS/ICS

7. National Competitive Bidding

7. The procedures to be followed for national competitive bidding will be those set forth in the provisions on competitive bidding in Part 5 (Purchasing Approval and Payment for Goods and Services) of the Public Finance and Economic Management Act No. 6 (1998)¹ with modifications set forth below in order to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the ADB Procurement Guidelines (2010, as amended from time to time) as required by paragraph 3.3 and 3.4 of the Guidelines:

a. Eligibility

8. The eligibility of bidders will be as defined under Section I of the ADB guidelines; accordingly, no bidder or potential bidder will be declared ineligible for contracts financed by ADB for reasons other than those provided in Section I of the guidelines. Foreign bidders will be eligible to participate in bidding under the same conditions as national bidders. In particular, no domestic preference over foreign bidders will be granted to national bidders in bid evaluation, nor will foreign bidders be asked or required to form joint ventures with national bidders in order to submit a bid.

b. Registration

¹ Government of Vanuatu. 1998. *Government of Vanuatu Financial Regulations*. Port Vila.

9. Registration will not be used to assess bidders' qualifications. A foreign bidder will not be required to register as a condition for submitting its bid and, if determined to be the lowest evaluated responsive bidder, will be given a reasonable opportunity to register, without any let or hindrance. The registration process will not be applicable for subcontractors. Bidding will not be restricted to any particular class of contractors, and nonclassified contractors will also be eligible to bid.

c. Advertising Time for Bid Preparation

10. Invitations to bid will be advertised in at least one newspaper with national circulation, allowing a minimum of 30 days for the preparation and submission of bids except for commodities and small goods contract. Potential bidders will be allowed to purchase bidding documents any time prior to the deadline for submission of bids.

d. Standard Bidding Documents

11. Standard bidding documents that are acceptable to ADB will be used.

e. Qualification Criteria

12. Qualification criteria will be clearly specified in the bidding documents, and all criteria so specified, and only such specified criteria, will be used to determine whether a bidder is qualified. Qualification will be assessed on a pass or fail basis, and merit points will not be used. Such assessment will take into account only the bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts; capabilities with respect to personnel, equipment, and construction and manufacturing facilities; and financial capacity. The evaluation of the bidder's qualifications will be conducted separately from the technical and commercial evaluation of the bid.

f. Bid Submission, Bid Opening, and Bid Evaluation

13. Bidders may submit bids, at their option, in person, by courier service, or by mail. Bids will be opened in public, immediately after the deadline for submission of bids. Bids received after the deadline for bid submission will be rejected and returned to the bidders unopened. All bidding for goods and works will be carried out through a one envelope procedure. Evaluation of bids will be made in strict adherence to the criteria that will be clearly specified in the bidding documents and quantified in monetary terms for evaluation criteria other than price; merit points will not be used in bid evaluation. A contract will be awarded to the technically responsive bid that offers the lowest evaluated price, and no negotiations will be permitted. Bidders will not be eliminated from detailed evaluation on the basis of minor, nonsubstantial deviations. No bidder will be rejected on the basis of a comparison with the employer's estimate and budget ceiling without ADB's prior concurrence. A copy of the minutes of the public bid opening will be promptly provided to all bidders and to ADB with respect to contracts subject to prior review.

g. Rejection of All Bids and Re-bidding

14. Neither will all bids be rejected nor new bids solicited without ADB's prior written concurrence.

h. Extension of the Validity of Bids

15. Extension of the validity of bids may be allowed in exceptional circumstances, but there will be no amendment of the price or any other condition of the bids. Bidders may refuse such an extension without forfeiting their bid securities, but bidders granted an extension will provide extension of the validity of their bid securities.

i. Complaints by Bidders and Handling of Complaints

16. The recipient of the bids will establish and implement an effective and independent protest mechanism allowing bidders to protest and to have their protests handled in a timely manner.

j. Fraud and Corruption

17. ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for, or in executing, a contract financed by ADB.

k. Right to Inspect/Audit

18. Each bidding document and contract financed from the proceeds of a financing will include a provision requiring bidders, suppliers, contractors, and subcontractors to permit ADB, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by ADB. The deliberate and material violation by the bidder, supplier, contractor, or subcontractor of such provision may amount to obstructive practice.