

## UPDATED PROCUREMENT PLAN

### A. Basic Data

Country	People's Republic of China
Project Name	Shanxi Integrated Agricultural Development Project
Loan Amount (\$)	\$100,000,000
Loan Number	2607
Executing Agency	Shanxi Provincial Government
Date of this Procurement Plan	11 March 2013

### B. Process Thresholds and Review

#### 1. Project Procurement Thresholds

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

Method	Threshold
NCB works <sup>a</sup>	Below \$10,000,000 but ≥ \$200,000
NCB goods <sup>a</sup>	Below \$1,000,000 but ≥ \$100,000
Shopping works <sup>b</sup>	Below \$200,000
Shopping goods <sup>b</sup>	Below \$100,000

<sup>a</sup> NCB procedures are described in Section D of this procurement plan.

<sup>b</sup> For the procurement of items below \$10,000, the executing and implementing agencies may purchase the items directly from suppliers, and in such cases, ADB should be satisfied that the price paid is reasonable.  
NCB = national competitive bidding.

#### 2. ADB Prior or Post Review

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

Procurement Method	Prior or Post	Comments
<b>For Goods and Works</b>		
NCB works <sup>a</sup>	Prior for the first three contracts; post for succeeding contracts	Documents will be reviewed in accordance with the requirements of ADB's <i>Procurement Guidelines</i> (2010, as amended from time to time).
NCB goods		
Shopping works	Post	
Shopping goods	Post	
<b>For Consultant Recruitment</b>		
ICS	Post	The government will finance and engage individual consultants for project management; ADB will engage those for the grant-funded TA. A national nongovernment organization will be engaged and financed by the GDCF and administered by EA.
CQS	Prior	

<sup>a</sup> For NCB, the first draft English language version of the procurement documents should be submitted for ADB review and approval regardless of the estimated contract amount. ADB-approved procurement documents should be used as a model for all NCB procurement financed by ADB for the Project, and need not be subjected to further review. ADB will review the bid evaluation report and award of contract on a post-review basis. For shopping and direct contracting, ADB will normally review the award of contracts on a post-review basis.

ADB = Asian Development Bank, CQS - consultants' qualification selection, ICS= Individual Consultants Selection, NCB = national competitive bidding.

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

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

General Description	Contract Value <sup>a</sup> (\$)	Recruitment Method	Advertisement Date	International or National Assignment	Comments
WFPF consultants (financed by the WFPF, engaged by EA) <sup>b</sup>	183,900	ICS	contracted	1 international and 2 national experts	3 contracts
GDCF consultants (financed by the GDCF, engaged by EA) <sup>c</sup>	86,177	CQS	contracted	National	Gender Dev. Solutions recruited
Capacity building and training	300,000	ICS	contracted	National	5 contracts

<sup>a</sup> Contract values may change after ADB approval of contract variation

<sup>b</sup> Recruitment of international consultant done by ADB but contract signed by EA.

<sup>c</sup> Recruitment of consultant done by ADB but contract signed by EA.

ADB = Asian Development Bank, CQS = Consultants' Qualification Selection; EA = Executing Agency, GDCF = Gender and Development Cooperation Fund, ICS = Individual Consultant Selection, WFPF = Water Financing Partnership Facility.

### 4. Goods and Works Contracts Estimated to Cost Less than \$1 million

4. The following table lists the goods and works contracts estimated at less than \$1 million and consulting services contracts estimated at less than \$100,000:

General Description	Value of Contracts (cumulative) (\$ million)	Number of Contracts	Procurement/ Recruitment Method	Comments
<b>A. Goods</b>				
1. Vehicles (cold storage)	0.28	1	NCB	
2. Vehicles (project monitoring)	0.82	1	NCB	
3. Vehicles (project monitoring)	0.08	1	Shopping	Counterpart fund

NCB = national competitive bidding.

### C. Indicative List of Packages Required Under the Project

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

Contract Description	Estimated Costs (\$ million)	Procurement Methods	Expected Date of Advertisement	ADB Review <sup>a</sup>	Number of Packages
<b>A. Goods</b>					
1. Vehicles (cold storage)	0.28	NCB	11 March 2011	Post	1
2. Vehicles (project monitoring)	0.82	NCB	11 March 2011	Post	1
3. Vehicles (project monitoring)	0.08	Shopping	contracted	Post	1
<b>B. Consulting Services<sup>b</sup></b>					
Capacity building and training	0.30	ICS	contracted	post	5 contracts (national experts)

<b>Contract Description</b>	<b>Estimated Costs (\$ million)</b>	<b>Procurement Methods</b>	<b>Expected Date of Advertisement</b>	<b>ADB Review <sup>a</sup></b>	<b>Number of Packages</b>
WFPF consultants (financed by the WFPF, engaged by EA) <sup>c</sup>	0.184	ICS	contracted	post	1
GDCF consultants (financed by GDCF, engaged by EA) <sup>d</sup>	0.086	CQS	contracted	prior	1
External Monitoring Specialist <sup>e</sup>	0.0045	ICS	Within 2 months	prior	1

<sup>a</sup> For NCB contracts, prior review will be undertaken by ADB for the first three contracts, which will serve as model for succeeding contracts to be awarded under the Project.

<sup>b</sup> Contract values may change after ADB approval of contract variation

<sup>c</sup> Recruitment of international consultant done by ADB but contract signed by EA.

<sup>d</sup> Recruitment of consultant done by ADB but contract signed by EA.

<sup>e</sup> Approval for recruitment to be processed

ADB = Asian Development Bank, CQS = consultants' qualification selection, ICS = Individual Consultants Selection, NCB = national competitive bidding.

Source: Asian Development Bank.

#### **D. Sub-Loans to Farmers and Agro-Enterprises**

6. In respect of the Goods and Works financed as credit to the farmers and AEs, procurement may be undertaken by the respective farmers and AEs in accordance with established private sector, or commercial practices, which are acceptable to ADB. Such practices were reviewed and found acceptable during project processing.

#### **E. National Competitive Bidding**

7. The Borrower's *Law of Tendering and Bidding of the People's Republic of China* promulgated by Order No. 21 of the PRC President on 30 August 1999, is subject to the following clarifications required for compliance with ADB's *Procurement Guidelines* (2007, as amended from time to time):

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

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