

# PROCUREMENT PLAN

## Basic Data

<b>Project Name:</b> Inner Mongolia Autonomous Region Environmental Improvement	
<b>Project Number:</b> 39019-013	<b>Approval Number:</b> 2260
<b>Country:</b> China, People's Republic of	<b>Executing Agency:</b>
<b>Project Financing Amount:</b> US\$ 372,170,000 <b>ADB Financing:</b> US\$ 120,000,000 <b>Cofinancing (ADB Administered):</b> <b>Non-ADB Financing:</b> US\$ 252,170,000	<b>Implementing Agency:</b> Bayannur Yangguang Energy Group Co., Ltd., Inner Mongolia Haosheng Thermal Limited Co., Inner Mongolia Western Natural Gas Limited Co., Wuhai Thermal Co.
<b>Date of First Procurement Plan:</b> 26 September 2006	<b>Date of this Procurement Plan:</b> 28 April 2014, Rev. 1

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

### 1. Procurement and Consulting Methods and Thresholds

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

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding for Goods	US\$ 1,000,000 and Above	
National Competitive Bidding for Goods	Between US\$ 100,000 and US\$ 999,999	The first NCB is subject to prior review, thereafter post review.
Shopping for Goods	Up to US\$ 99,999	
International Competitive Bidding for Works	US\$ 10,000,000 and Above	
National Competitive Bidding for Works	Between US\$ 1,000,000 and US\$ 9,999,999	The first NCB is subject to prior review, thereafter post review.
Shopping for Works	Up to US\$ 99,999	

Consulting Services	
Method	Comments
Consultant's Qualification Selection for Consulting Firm	
Least-Cost Selection for Consulting Firm	
Quality- and Cost-Based Selection for Consulting Firm	All Amount

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

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

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/ Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
0722-1320 -FE1096F ZO	Equipments pre-fabricated insulation pipe and fittings	4,480,000.00	ICB	PRIOR	1S1E	Q4 / 2013	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Goods

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

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

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior/Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
None							

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

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

Goods and Works								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
None								

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior/Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
None								

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

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

Goods and Works							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
None							

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior/Post)	Type of Proposal	Comments
None							

### C. List of Awarded and On-going, and Completed Contracts

The following tables list the awarded and on-going contracts, and completed contracts.

#### 1. Awarded and Ongoing Contracts

Goods and Works							
Package Number	General Description	Estimated Value	Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments

A.1.b	Component A: Urban District Heating Supply 1 Wuhai Thermal Company (IA) Wuhai Central Heating Supply:	4,450,000.00	4,873,298.00	ICB	Q4 / 2009	03-JAN-13	PCSS 025
A.2.a	Component A: Urban District Heating Supply 2 Inner Mongolia Haosheng Thermal Ltd. (IA)-Hangjinhou qi Central Heating Supply: Instrument and control of heat exchange stations	5,800,000.00	7,491,194.00	ICB	Q4 / 2010	19-DEC-12	PCSS 024
A.3.a	Component A: Urban District Heating Supply 3 Linhe Yangguang Energy Co Ltd. Linhe Yangguang Central Heating District: Main pipeline and fittings for Sabei Street and Jinchuan Road (0722-1020-FE5 91WJO/01	8,440,000.00	8,439,228.00	ICB	Q2 / 2010	08-NOV-10	PCSS 007
A.3.b	Component A: Urban District Heating Supply: Main pipeline and fittings for Shuofang Road and Hetao Street (0722-1020-FE5 91WJO/2)	8,090,000.00	8,087,080.00	ICB	Q2 / 2010	08-NOV-10	PCSS 008
A.3.c	Component A: Urban District Heating Supply: Valves and filters	2,770,000.00	680,000.00	ICB	Q1 / 2011	24-OCT-12	PCSS 019
A.3.e	Component A: Urban District Heating Supply: heat exchange stations equipment	6,570,000.00	7,446,773.00	ICB	Q1 / 2012	24-OCT-12	PCSS 020
A.3.f	Component A: Urban District Heating Supply: water treatment devices and tanks	1,340,000.00	1,510,000.00	ICB	Q1 / 2012	24-OCT-12	PCSS 021
A.3.g	Component A: Urban District Heating Supply: pipelines and fittings for rehabilitating old network no.1	3,750,000.00	4,800,000.00	ICB	Q4 / 2010	08-JUN-11	PCSS 015
A.3.h	Component A:	5,520,000.00	6,400,000.00	ICB	Q4 / 2010	08-JUN-11	PCSS 016

	Urban District Heating Supply: pipelines and fittings for rehabilitating old network no.2						
B.1.a	Component B Natural Gas Transmission and Distribution 1 Inner Mongolia Western Natural Gas Ltd. (IA) Chang Wu Lin Gas Transmission: Spiral submerged arc welded steel pipe (SAW) (0722-0920FE02 7WJ0/1)	8,750,000.00	8,990,392.00	ICB	Q3 / 2010	22-SEP-10	PCSS 005
B.1.c	Component B Natural Gas Transmission and Distribution 1 Inner Mongolia Western Natural Gas Ltd. (IA) Chang Wu Lin Gas Transmission: Equipment (0722-1020FE24 2WJ0/1)	3,985,000.00	3,985,655.00	ICB	Q2 / 2010	28-MAR-11	PCSS 013

Consulting Services							
Package Number	General Description	Estimated Value	Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
tbd01	Component C Institutional Reforms and Corporate Governance Improvement - Institutional Strengthening	690,000.00	690,230.00	QCBS	Q2 / 2010	30-SEP-08	PCSS 001
tbd02	Component C Institutional Reforms and Corporate Governance Improvement - Project Management Support	738,000.00	738,105.00	QCBS	Q2 / 2010	30-SEP-08	PCSS 002

#### D. National Competitive Bidding

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

- (i) All invitations to prequalify or to bid shall be advertised in the national press, or official gazette, or a free and open access website in the Borrower's country. Such advertisement shall be made in sufficient time for prospective bidders to obtain prequalification or bidding documents and prepare and submit their responses. In any event, a minimum preparation period of thirty (30) days shall be given. The preparation period shall count (a) from the date of advertisement, or (b) when the documents are available for issue, whichever date is later. The advertisement and the prequalification and bidding documents shall specify the deadline for such submission.
- (ii) Qualification requirements of bidders and the method of evaluating the qualification of each bidder shall be specified in detail in the bidding documents, and in the prequalification documents if the bidding is preceded by a prequalification process.
- (iii) If bidding is preceded by a prequalification process, all bidders that meet the qualification criteria set out in the prequalification document shall be allowed to bid and there shall be no limit on the number of pre-qualified bidders.
- (iv) All bidders shall be required to provide a performance security in an amount sufficient to protect the Borrower/Project Executing Agency in case of breach of contract by the contractor, and the bidding documents shall specify the required form and amount of such performance security.
- (v) Bidders shall be allowed to submit bids by mail or by hand.
- (vi) All bids shall be opened in public; all bidders shall be afforded an opportunity to be present (either in person or through their representatives) at the time of bid opening, but bidders shall not be required to be present at the bid opening.
- (vii) All bid evaluation criteria shall be disclosed in the bidding documents and quantified in monetary terms or expressed in the form of pass/fail requirements.
- (viii) No bid may be rejected solely on the basis that the bid price falls outside any standard contract estimate, or margin or bracket of average bids established by the Borrower/Project Executing Agency.
- (ix) Each contract shall be awarded to the lowest evaluated responsive bidder, that is, the bidder who meets the appropriate standards of capability and resources and whose bid has been determined (a) to be substantially responsive to the bidding documents and (b) to offer the lowest evaluated cost. The winning bidder shall not be required, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.
- (x) Each contract financed with the proceeds of the Loan shall provide that the suppliers and contractors shall permit ADB, at its request, to inspect their accounts and records relating to the performance of the contract and to have said accounts and records audited by auditors appointed by ADB.
- (xi) Government owned enterprises in the Borrower's country may be permitted to bid if they can establish that they (a) are legally and financially autonomous, (b) operate under commercial law and (c) are not a dependent agency of the Borrower/Project Executing Agency.
- (xii) Re-bidding shall not be allowed solely because the number of bids is less than three (3).

