

PROCUREMENT PLAN

Basic Data

Project Name: Southeast Gobi Urban and Border Town Development Project	
Project Number: 42184-022	Approval Number: 0204
Country: Mongolia	Executing Agency: Ministry of Construction and Urban Development
Project Procurement Classification:	Implementing Agency: Aimag Government of Dornogobi, Aimag Government of Umnugobi
Project Procurement Risk:	
Project Financing Amount: US\$ 21,900,000 ADB Financing: US\$ 15,000,000 Cofinancing (ADB Administered): Non-ADB Financing: US\$ 6,900,000	Project Closing Date: 31 December 2017
Date of First Procurement Plan: 19 April 2010	Date of this Procurement Plan: 15 June 2018, Version 7

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\$ 2,000,000 and Above	
National Competitive Bidding for Goods	Between US\$ 100,001 and US\$ 1,999,999	
Shopping for Goods	Up to US\$ 100,000	
International Competitive Bidding for Works	US\$ 5,000,000 and Above	
National Competitive Bidding for Works	Between US\$ 100,001 and US\$ 4,999,999	
Shopping for Works	Up to US\$ 100,000	

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

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
None							

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	General Description	Estimated	Recruitment	Review	Advertisement	Type of	Comments
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Number		Value	Method	(Prior/ Post)	Date (quarter/year)	Proposal	
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 lists 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
B1-8	Supply of solid waste collection equipment for Sainshand soum (Dornogovi)	65,000.00	1	SHOPPING	Prior		Q1 / 2018	
B1-9	Supply of solid waste collection equipment for Zamyn-Uud soum	87,000.00	1	SHOPPING	Prior		Q1 / 2018	

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior/Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
A2-7	Project Impact Survey	20,000.00	1	CQS	Prior	Q1 / 2018	BTP	Assignment: National Comments: NATIONAL
A2-8	Project economic and financial re-evaluation	4,500.00	1	ICS	Prior	Q1 / 2018		Assignment: National Expertise: Economics Comments: NATIONAL

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	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	Awarded Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
None							

Consulting Services							
Package Number	General Description	Estimated Value	Awarded Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
None							

2. Completed Contracts

Goods and Works								
Package Number	General Description	Estimated Value	Awarded Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Date of Completion	Comments
B1-5	Zamyn-Uud heating supply improvements	1,500,000.00	1,491,235.08	ICB	Q3 / 2013	01-DEC-13	31-OCT-14	Khangiltsag LLC, Mongolia
B1-4	Improvement of Zamyn-Uud water supply and sewerage systems	1,700,000.00	1,672,709.42	ICB	Q3 / 2013	18-OCT-13	01-DEC-14	S& A Trade LLC, Mongolia
B2-1	Gurvantes Water supply and sewerage	2,100,000.00	2,049,721.52	ICB	Q4 / 2013	20-DEC-13	31-DEC-14	Sanjat LLC, Mongolia
B1-2	Supply and Installation of B.4 MW boiler house in Sanishand	1,000,000.00	970,582.97	ICB	Q4 / 2013	03-APR-14	30-MAY-15	Taishan Group Co., Ltd.
B2-3	Tsogttsetsii water supply and sewerage systems	999,999.00	1,128,479.76	ICB	Q1 / 2014	09-MAY-14	01-JUN-15	Moninjabar JSC, Mongolia
B2-4	Road Construction in Umnugovi (Lot 1 - Gurvantes, Lot 2 - Tsogttsetsii)	1,690,000.00	1,627,238.48	NCB	Q3 / 2014	10-OCT-14	10-OCT-15	JV of Gurvan Zam and Tedment LLC,

								Mongolia
B1-3	Road construction in Sainshand and Zamyn-Uud	864,015.13	822,331.77	NCB	Q1 / 2015	15-MAY-15	15-OCT-15	DYKB LLC, Mongolia
B1-1	Improvement of Sainshand water supply, sewerage and heating supply systems	2,700,000.00	2,641,324.29	ICB	Q3 / 2013	17-OCT-13	15-NOV-15	S& A Trade LLC, Mongolia
B2-2	Khanbogd water supply, sewerage and heating supply systems	2,680,000.00	2,700,291.48	ICB	Q3 / 2014	05-AUG-14	15-SEP-16	San LLC, Mongolia
B1-6	Supply of garbage compression equipment to Zamyn-Uud	70,000.00	68,000.00	SHOPPING	Q3 / 2016	13-DEC-16	23-DEC-16	Uulen Sunder LLC, Mongolia
B1-7	Construction of a controlled solid waste landfill and installation of heating pipelines for the connection of kindergardens and schools in Zamyn-Uud to central heating network	268,000.00	173,913.26	NCB	Q3 / 2016	08-DEC-16	18-JUN-17	Khangiltsgag LLC, Mongolia
B3	Urban service improvements for water supply, wastewater management, solid waste management and roads in dalanzadgad (Omnogovi)	944,307.00	817,159.52	NCB	Q2 / 2013	19-APR-13	15-OCT-13	Sanjat LLC, Mongolia
C1	Public urban service machinery and equipment/solid waste trucks, vacuum trucks, loaders	698,759.00	698,759.00	ICB	Q3 / 2013	03-NOV-13	05-MAR-14	JV of Anand Holding LLC and Nutgiin Buyan LLC

Consulting Services								
Package Number	General Description	Estimated Value	Awarded Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Date of Completion	Comments
A2.1	Support to Project management and Implementation Unit	5,570.00	5,570.00	ICS	Q1 / 2011	01-JUL-11	06-JAN-14	Environmental Consultant (Ch. Munkhzul)
A2.2	Support to Project management and Implementation Unit	3,367.97	3,367.97	ICS	Q1 / 2011	05-JUL-11	26-MAR-14	M&E Consultant (S. Nergui)
A2.3	Support to Project management	26,000.00	3,555.83	ICS	Q1 / 2011	01-OCT-11	30-NOV-14	Resettlement and Social

	and Implementation Unit							Development (D. Purevsuren)
A4	Consulting Services for Transaction Advice for Establishment of Operating Management Agreements and Establishment of the Service Regulator	520,000.00	492,510.77	QCBS	Q3 / 2011	16-JUN-12	31-MAY-15	CASTALIA Inc, New Zealand
A2.5	Support to Project management and Implementation Unit	13,938.00	17,502.41	ICS	Q1 / 2014	11-NOV-14	11-JUN-15	M& E Specialist intermittent (Tsend)
A1	Support to Project management and Implementation Unit	200,000.00	31,615.73	ICS	Q1 / 2011	05-JUL-11	16-APR-16	Project management and procurement specialist (Mr. William Leathes)
A3	Organisational and Human Resource Development and Capacity Building, Planning Reforms and Master Plan Preparation and Cross-Border Cooperation	1,660,000.00	1,621,384.98	QCBS	Q2 / 2011	06-JUN-12	15-OCT-16	AECOM INC, USA
B5	Preparation of Detailed Design, Support for Tendering Process and Contracting, and Construction Supervision (Umnugovi)	711,000.00	947,708.00	QCBS	Q4 / 2011	01-JUN-12	15-JUN-17	Hankuk Engineering Consultants , Korea Republic
B4	Design, contract documentation preparation, contract tender and award and construction supervision (Dornogovi)	589,000.00	538,697.60	QCBS	Q2 / 2011	19-JUN-12	31-DEC-17	Hankuk Engineering Consultants , Korea Republic

D. National Competitive Bidding

A. Regulation and Reference Documents

1. The procedures to be followed for national competitive bidding shall be those set forth in the Public Procurement Law of Mongolia of 1 December 2005, effective 1 February 2006, as amended in February 2007; July 2009; and February, June and December 2011 (hereinafter referred to as PPLM), with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the ADB Procurement Guidelines.

B. Procurement Procedures

1. Eligibility [Recommended standard provision]

2. The eligibility of bidders shall be as defined under section I of the Procurement Guidelines; accordingly, no bidder or potential bidder should be declared ineligible for reasons other than those provided in section I of the Guidelines, **as amended from time to time**.

3. Government-owned enterprises in Mongolia shall be eligible for projects only if they can establish that they: (i) are legally and financially autonomous; (ii) operate under the principles of commercial law; and (iii) are not dependent agencies of the Borrower, Beneficiary, Recipient Executing Agency and/or the Implementing Agency.

2. Participation of Foreign Bidders

4. International bidders from eligible countries of ADB shall be allowed to participate in local procurement and may not be denied participation due to nationality.

3. Preferences

5. No domestic preference shall be given for domestic bidders and for domestically manufactured goods.

4. Prequalification and Registration

6. Prequalification is discouraged for procurement contracts using NCB. When used, particularly for works contracts, an individual prequalification exercise is acceptable for each contract as is the use of a registration system (or approved standing list) of contractors based on criteria such as experience, financial capacity, and technical capacity. Foreign bidders from eligible countries must, however, be allowed to register and to bid without unreasonable cost or additional requirements.

5. Rejection of All Bids and Rebidding

7. All bids shall not be rejected or new bids invited without ADB's prior written concurrence.

8. No bid shall be rejected merely on the basis of a comparison with the estimated cost or budget ceiling without ADB's prior written concurrence (with specific reference to Article 30 of the PPLM).

C. Bidding Documents

6. Use of Bidding Documents

9. National Standard Bidding Documents Goods and Works that have been approved for procurement in ADB-financed projects shall be used.

7. Language

10. Bidding documents may be prepared in other languages, but a copy of the bidding documents must be made available in English and submitted to ADB for review.

8. Bid Validity

11. Bidders shall be requested to extend the validity of their bids only under exceptional circumstances and the Executing or Implementing Agency, as the case may be, shall communicate such request for extension to all bidders before the date of expiry of their bids. When the procurement is subject to ADB's prior review, the Executing or Implementing Agency, as the case may be, shall obtain in a timely manner the prior written concurrence of ADB for the extension of the bid validity period.

9. Bid Evaluation

12. Evaluation and qualification criteria, and submission requirements, to be used in each bidding activity shall be clearly specified in the bidding documents. The evaluation of bids shall be done in strict adherence to the criteria specified in the bidding documents.

13. Negotiations with bidders shall not be undertaken before award of contract, except as provided in Paragraph 2.63 of ADB's Procurement Guidelines. A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify its bid as originally submitted.

14. At the same time that notification on award of contract is given to the successful bidder, the results of the bid evaluation shall be posted on a well-known freely accessible website (namely Mongolia's Ministry of Finance e-procurement website: www.e-procurement.mn) identifying the bid and lot numbers and providing information on the: (i) name of each bidder that submitted a bid; (ii) bid prices as read out at bid opening; (iii) names of bidders whose bids were rejected and the reasons for their rejection; and (iv) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded. The Executing Agency or Implementing Agency, as the case may be, shall respond in writing to unsuccessful bidders who seek explanations on the grounds on which their bids were not selected.

10. ADB Policy Clauses

15. A provision shall be included in all NCB works and goods contracts financed by ADB requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

16. A provision shall be included in all bidding documents for NCB works and goods contracts financed by ADB stating that the Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question.

17. A provision shall be included in all bidding documents for NCB works and goods contracts financed by ADB stating that 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 or any integrity violation in competing for, or in executing, ADB-financed contract.