

## PROCUREMENT PLAN

### Basic Data

<b>Project Name:</b> Heilongjiang Energy Efficient District Heating Project	
<b>Project Number:</b> 44011-013	<b>Approval Number:</b> 2898
<b>Country:</b> China, People's Republic of	<b>Executing Agency:</b> Heilongjiang Provincial Government
<b>Project Procurement Classification:</b>	<b>Implementing Agency:</b> N/A
<b>Project Procurement Risk:</b>	
<b>Project Financing Amount:</b> US\$ 353,000,000 <b>ADB Financing:</b> US\$ 150,000,000 <b>Cofinancing (ADB Administered):</b> <b>Non-ADB Financing:</b> US\$ 203,000,000	<b>Project Closing Date:</b> 30 June 2018
<b>Date of First Procurement Plan:</b> 25 September 2012	<b>Date of this Procurement Plan:</b> 23 August 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\$ 10,000,000 and Above	Equal to or more than \$1 0 million
National Competitive Bidding for Goods	Between US\$ 1,000,000 and US\$ 9,999,999	Equal to or more than \$1,000,000 and less than \$10 million. The first National Competitive Bidding Goods packages are required to have prior review by the ADB.
Shopping for Goods	Up to US\$ 99,999	Less than \$100,000
International Competitive Bidding for Works	US\$ 10,000,000 and Above	Equal to or more than \$10,000,000
National Competitive Bidding for Works	Between US\$ 1,000,000 and US\$ 9,999,999	Equal to or more than \$1,000,000 and less than \$10 million. The first National Competitive Bidding Works packages are required to have prior review by the ADB.
Shopping for Works	Up to US\$ 99,999	Less than \$100,000

Consulting Services	
Method	Comments
Quality- and Cost-Based Selection for Consulting Firm	

#### 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 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 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
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	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	Procurement Method	Advertisement Date	Date of ADB Approval of	Comments

			Value		(quarter/year)	Contract Award	
HLHW01	Supply and Installation of Steam Turbine, Hailin Subproject	7,000,000.00	10,236,183.75	NCB	Q3 / 2017	15-DEC-17	PCSS0019
JMSHW02	Supply and installation of equipment in HESs and SCADA, Jiamusi West District Heating	12,300,000.00	9,782,321.00	ICB	Q3 / 2015	08-DEC-15	PCSS0015
A2.D1 JIDG	Supply and installation of equipment in HESs and SCADA, Jidong County District Heating	1,500,000.00	602,814.23	ICB	Q4 / 2013	10-JUN-14	PCSS0007, cancelled with project scope change
HLHW03	Supply of Boiler Auxiliaries, Hailin Subproject	9,000,000.00	9,885,671.58	NCB	Q3 / 2017	26-DEC-17	PCSS0021
HLHW02	Supply of Boilers and Water Treatment, Hailin Subproject	9,000,000.00	9,286,215.63	NCB	Q3 / 2017	26-DEC-17	PCSS0020
QTHHW-01	Supply of heat pipeline, Qitaihe District Heating	11,500,000.00	9,662,568.00	ICB	Q3 / 2014	24-JUN-15	PCSS0012
QTHHW-02	Supply of heat pipeline, Qitaihe District Heating	11,500,000.00	7,106,726.00	ICB	Q3 / 2014	24-JUN-15	PCSS0013
A2.D2 JIDG	Supply of heat pipelines, Jidong County District Heating	2,500,000.00	2,617,655.25	ICB	Q4 / 2013	10-JUN-14	PCSS0006, cancelled with project scope change
HTPM&E-3	Supply of heat pipelines, heat exchange station (HESs), and Supervisory Control and Data Acquisition (SCADA) for Harbin Taiping Heating Plant and District Heating	7,000,000.00	6,775,528.00	ICB	Q2 / 2015	30-SEP-16	PCSS0017
HLTJ01	Civil Works of Heat Sources, Hailin Subproject	6,000,000.00	7,222,307.49	NCB	Q3 / 2017	05-SEP-17	PCSS0018
HLTJ02	Civil Works of Heat Sources, Hailin Subproject	7,700,000.00	6,395,969.22	NCB	Q1 / 2018	08-JUN-18	PCSS0022
QTHTJ01	Pipeline civil works and installation, Qitaihe District Heating	9,400,000.00	6,407,132.00	NCB	Q2 / 2015	14-SEP-15	PCSS0014

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							
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## 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
A.4 HRBT	Civil Works of heat source, Harbin Taiping Heating Plant and District Heating	6,100,000.00	3,175,021.21	NCB	Q3 / 2013	19-DEC-13	31-DEC-15	PCSS0002, Contract No. HRBTJ
TJTJ01	Civil works of boiler plant, Tongjiang No.2 Heat Source Plant, Urban New Area Sub-project	11,000,000.00	4,399,458.95	ICB	Q3 / 2014	21-MAY-15	31-DEC-16	PCSS0011
A2.A1 HRBT	Supply and installation of boiler ancillary equipment, Harbin Taiping Heating Plant and District Heating	8,250,000.00	7,394,640.00	ICB	Q1 / 2014	03-JUN-14	31-DEC-15	PCSS0005, Contract No. HTPM&E-2
A.1 HRBT	Supply and installation of boilers and auxiliaries, Harbin Taiping Heating Plant and District Heating	7,050,000.00	6,368,574.61	ICB	Q3 / 2012	07-MAY-13	31-DEC-15	PCSS0001, Contract No. HTPM&E-1
A2.C2 JMSI	Supply of heat pipelines, Jiamusi West District Heating	19,700,000.00	18,240,961.99	ICB	Q1 / 2014	10-DEC-14	31-DEC-15	PCSS0009, Contract No. JMASHW01
A2.G1 TNGJ	Supply and installation of boilers and auxiliaries, Tongjiang City Heating Plant and District Heating	5,000,000.00	7,098,129.33	ICB	Q2 / 2014	14-JAN-15	31-DEC-16	PCSS0010, Contract No. TJHW01
A2.H1 YCHT	Supply and installation of equipment in HESs and SCADA, Yichun City-Tangwanghe District Heating	3,000,000.00	2,909,805.27	ICB	Q4 / 2013	06-MAY-14	31-DEC-16	PCSS0004, Contract No. YCTWHDH-01
A2.H2 YCHT	Supply of heat pipelines, Tangwanghe District Heating	3,000,000.00	1,946,276.70	ICB	Q4 / 2013	06-MAY-14	31-DEC-16	PCSS0003, Contract No. YCTWHDH-02
TJHW-03	Supply of heat pipeline, Tongjiang City Heating Plant and District Heating	7,000,000.00	6,588,013.47	ICB	Q3 / 2015	31-MAY-16	31-DEC-17	PCSS0016

Consulting Services
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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
None								

## **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 Government Procurement Law of People's Republic of China* approved on 29 June 2002 and *Law of the People's Republic of China on Bid Invitation and Bidding of the People's Republic of China* promulgated on August 30, 1999 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. Competitive Bidding Procedure** (Procurement Law Art. 26 and Law on Bidding Art. 10).

2. Public tendering is the acceptable method of government procurement, and public invitation is the accepted bid invitation mode.

#### **2. Eligibility**

3. 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. Advertising**

4. All invitations to prequalify or to bid shall be advertised in the national press (China Daily Newspaper) or a free and open access website ([www.chinabidding.com](http://www.chinabidding.com)). 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 twenty-eight (28) 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.

#### **4. Bidding Period**

5. The minimum bidding period is 28 days prior to the deadline for the submission of bids.

#### **5. Participation by Government-Owned Enterprises**

6. 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.

#### **6. Rebidding**

7. Re-bidding shall not be allowed solely because the number of bids is less than three (3).

## **C. Bidding Documents**

### **7. Qualification requirements**

8. 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.

### **8. Bid Submission and Opening**

9. Bidders shall be allowed to submit bids by mail or by hand.

10. 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.

### **9. Bid Evaluation and Award**

11. 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.

12. 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.

### **10. ADB Policy Clauses**

13. 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.

14. 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.

15. 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.