

## PROCUREMENT PLAN

### Basic Data

<b>Project Name:</b> Hebei Energy Efficiency Improvement and Emission Reduction Project	
<b>Project Number:</b> 44012-013	<b>Approval Number:</b> 0364
<b>Country:</b> China, People's Republic of	<b>Executing Agency:</b> Hebei Provincial Government
<b>Project Procurement Classification:</b>	<b>Implementing Agency:</b>
<b>Project Procurement Risk:</b>	N/A
<b>Project Financing Amount:</b> US\$ 183,254,546 <b>ADB Financing:</b> US\$ 100,000,000 <b>Cofinancing (ADB Administered):</b> US\$ 3,654,546 <b>Non-ADB Financing:</b> US\$ 79,600,000	<b>Project Closing Date:</b> 30 June 2018
<b>Date of First Procurement Plan:</b> 14 December 2011	<b>Date of this Procurement Plan:</b> 13 September 2017, Version 3

### 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	For ICB, invitations for bids, invitations for prequalification, draft prequalification documents, draft bidding documents, prequalification, and bid evaluation reports will be submitted to ADB for prior review and approval. Use of this method is subject to ADB's Procurement Guidelines (2010, as amended from time to time) and Project Administration Instruction (PAI) 3.03. For the grant, the ICB goods threshold is equal or more than \$1 million.
National Competitive Bidding for Goods	Between US\$ 100,000 and US\$ 9,999,999	This procedure will be used for contract packages having a contract value less than \$10 million, in accordance with the procurement manual (Appendix 4), Section C of this appendix, and with the following conditions: (i) The English language version of the procurement documents of the first contract package prepared for the project (each for goods and for works) should be submitted to ADB for review and approval, regardless of the estimated contract amount. ADB-approved procurement documents should be used as a model for all subsequent procurement contracts that are valued at least \$10 million and are financed by ADB for the project through financial intermediaries,

		and need not be subject to further review. (ii) ADB will review the bid evaluation report and award of contract on a post review basis. (iii) Use of this method is subject to the clarifications indicated in Section C below, ADB's Procurement Guidelines (2010, amended from time to time), PAI 3.04 and the procurement manual (Appendix 4). (iv) Prior review applies to the first contract package for goods and services each, irrespective of value. For the grant, the NCB goods threshold is more than \$100,000 but less than \$1 million.
Shopping for Goods	Up to US\$ 99,999	For shopping (including direct contracting), ADB will normally review the award of contract on a post-facto basis. Use of this method is subject to para 3.5 of the ADB's Procurement Guidelines (2010, as amended from time to time) and PAI 3.04 C.4 and 5. It will be required to obtain quotations from minimum of three eligible suppliers.
Direct Contracting for Goods	Up to US\$ 9,999	Direct contracting will be allowed, as provided under ADB's Procurement Guidelines (2010, as amended from time to time) for procuring equipment that is proprietary and obtainable from a single source.
International Competitive Bidding for Works	US\$ 10,000,000 and Above	For ICB, invitations for bids, invitations for prequalification, draft prequalification documents, draft bidding documents, prequalification, and bid evaluation reports will be submitted to ADB for prior review and approval. Use of this method is subject to ADB's Procurement Guidelines (2010, as amended from time to time) and Project Administration Instruction (PAI) 3.03.
National Competitive Bidding for Works	Between US\$ 200,000 and US\$ 9,999,999	This procedure will be used for contract packages having a contract value less than \$10 million, in accordance with the procurement manual (Appendix 4), Section C of this appendix, and with the following conditions: (i) The English language version of the procurement documents of the first contract package prepared for the project (each for goods and for works) should be submitted to ADB for review and approval, regardless of the estimated contract amount. ADB-approved procurement documents should be used as a model for all subsequent procurement contracts that are

		valued at least \$10 million and are financed by ADB for the project through financial intermediaries, and need not be subject to further review. (ii) ADB will review the bid evaluation report and award of contract on a post review basis. (iii) Use of this method is subject to the clarifications indicated in Section C below, ADB's Procurement Guidelines (2010, amended from time to time), PAI 3.04 and the procurement manual (Appendix 4). (iv) Prior review applies to the first contract package for goods and services each, irrespective of value. For the grant, the NCB works threshold is more than \$100,000 but less than \$10 million.
Shopping for Works	Up to US\$ 199,999	For shopping (including direct contracting), ADB will normally review the award of contract on a post-facto basis. Use of this method is subject to para 3.5 of the ADB's Procurement Guidelines (2010, as amended from time to time) and PAI 3.04 C.4 and 5. It will be required to obtain quotations from minimum of three eligible suppliers. For the grant, the Shopping threshold is not more than \$100,000.
Direct Contracting for Works	Up to US\$ 9,999	Direct contracting will be allowed, as provided under ADB's Procurement Guidelines (2010, as amended from time to time) for procuring equipment that is proprietary and obtainable from a single source.

<b>Consulting Services</b>	
<b>Method</b>	<b>Comments</b>
Consultant's Qualification Selection for Consulting Firm	As defined in the 2.28 of the Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers, consultants' qualifications selection method may be used for small assignments where highly specialized expertise required and few consultants are qualified. The borrower will advertise the invitation with the terms of reference and request consultants to submit amplified EOIs. The borrower will evaluate the EOIs and prepare the shortlist of at least three firms, then submit the shortlist of consultancy firms and request for proposal for ADB's approval (Submission 1). The firm with the highest rated EOI will be requested to submit the technical and financial proposals. The borrower will submit the evaluation on both technical and financial proposals for ADB's approval (Submissions 2). Upon approval by ADB, the selected firm will be invited to negotiation. The negotiated contract will be submitted for ADB approval before signing. (Submission 4).
Fixed Budget Selection for Consulting Firm	As defined in the 2.26 of the Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers, fixed budget selection method is appropriate for assignments with precisely defined terms of reference and accurately assessed inputs. The list of shortlisted firms and the draft request for

	proposal will be submitted to ADB for approval before issuance. (Submission 1). The evaluation report of the technical proposals will be submitted to ADB for approval (submission 2). The financial proposals of qualified consultant will be opened and evaluated by the borrower. The evaluation report of the financial proposals will be submitted to ADB for approval (Submission 3). The selected firm will be invited for contract negotiation. The negotiated contract will be submitted to ADB for approval before signing (submission 4).
Least-Cost Selection for Consulting Firm	The borrower will prepare a shortlist of at least three firms and the technical and financial proposals will be called from the shortlisted firms. The financial proposals of firms scoring more than the minimum threshold mentioned in the RFP for the technical proposal will be opened and the firm with the lowest cost will be invited for negotiation.
Quality-Based Selection for Consulting Firm	FOR QBS, only firms' technical proposals will be evaluated. Borrowers will make two submissions (prior reviews) for (i) ADB approval (shortlist), and (ii) final ranking. Use of this method is subject to Guidelines on the Use of Consultants by ADB and its Borrowers (2010, as amended from time to time) and paras 48 of PAI 2.03.
Individual Consultants Selection for Individual Consultant	The borrower will prepare a shortlist of at least three qualified candidates and submit the ranks of shortlisted consultants and draft contract to ADB for its approval. After approval, the borrower will negotiate the contract with the first ranked consultant. The negotiated contract will be submitted to ADB for its approval before signing.

## 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
C 1.1	Feasibility studies for pilot technology demonstration projects on cost-sharing basis with the host companies	300,000.00	CQS	Prior	Q2 / 2017	BTP	Assignment: National  Comments: grant-financed
C 2.3	Feasibility study on introducing market-based instruments such as energy efficiency trading and emission trading in Hebei province	200,000.00	CQS	Prior	Q2 / 2017	BTP	Assignment: National  Comments: grant-financed
C 3.1	Design and implement the pilot for remote	265,000.00	FBS	Prior	Q2 / 2017	BTP	Assignment: National

	monitoring and control						Comments: grant-financed
C 3.2	Study on demand side management approaches based on remote monitoring platform	135,000.00	CQS	Prior	Q2 / 2017	BTP	Assignment: National  Comments: grant-financed

#### 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
C2.1 M&V	Equipment for (i) M&V-waste and heat and pressure power generation, (ii) M&V-dual storage (electronic heat storage and cool storage), (iii) M&V-heat pump, (iv) M&V-green lighting, (v) M&V-motor frequency eqpt, and (vii) M&V-special detection vehicle	750,000.00	1	NCB	Prior	1S1E	Q2 / 2017	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Goods  Comments: grant-financed
C3.1 TRMS	Remote monitoring system (sensors, internet server, data collectors, internet approach equipment)	900,000.00	1	NCB	Post	1S1E	Q2 / 2017	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Goods  Comments: grant-financed
C3.2 PRMS-S	Provincial remote monitoring system platform software, hardware including platform	350,000.00	1	NCB	Post	1S1E	Q2 / 2017	Prequalification of Bidders: N  Domestic Preference



Number	Description	Value	Contract Value	Method	Date (quarter/year)	Approval of Contract Award	
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
C 1.2	Dissemination of new energy-efficient technologies for iron and steel industry and identify the technology needs of industrialists in Hebei province. Establish a technical advisory panel on new energy-efficient technologies on retainer basis	280,000.00	249,185.27	FBS	Q2 / 2014	17-NOV-14	
CPM 1	Project management advisory	172,000.00	172,000.00	CQS	Q1 / 2014	15-AUG-14	

## 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.

