

PROCUREMENT PLAN

Basic Data

Project Name	Air Transport Connectivity Enhancement Project
Country	Kingdom of Bhutan
Executing Agencies	Ministry of Information and Communications
Loan Amount	\$ 6.92 million
Loan/Grant Number	G0295
Date of First Procurement Plan	10 February 2012
Date of Second Procurement Plan	30 April 2012
Date of This Procurement Plan	11 July 2012

A. Process Thresholds, Review, and 18-Month Procurement Plan

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.

Procurement of Goods and Works	
Method	Threshold
International Competitive Bidding (ICB) for Works	Above \$1,000,000
International Competitive Bidding (ICB) for Goods	Above \$500,000
National Competitive Bidding (NCB) for Works	Beneath that stated for ICB, Works
National Competitive Bidding (NCB) for Goods	Beneath that stated for ICB, Goods
Shopping for Works	Below \$100,000
Shopping for Goods	Below \$100,000

2. ADB Prior or Post Review

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

Procurement Method	Prior or Post	Comments
Procurement of Goods and Works		
ICB Works	Prior	Prior review for the bidding documents (for first package) and bid evaluation reports (for all).
ICB Goods	Prior	
NCB Works and Good	Post	
Shopping for Works	Post	
Shopping for Goods	Post	
Recruitment of Consulting Firms		
Quality- and Cost-Based Selection (QCBS)	Prior	

3. Goods and Works Contracts Estimated to Cost More Than \$ 1 Million

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

General Description	Contract Value	Procurement Method	Prequalification of Bidders (Yes/No)	Advertisement Date (quarter/year)	Comments
Civil Works: CW2 Airport Improvements at Gelephu	\$1.36 million	International Competitive Bidding	No	Q1/2013	
Equipment: E2 for Navajds Equipment	\$1.35 million	International Competitive Bidding	No	Q1/2013	

4. Consulting Services Contracts Estimated to Cost More Than \$100,000

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

General Description	Contract Value	Recruitment Method	Advertisement Date (quarter/year)	International or National Assignment	Comments
Design and Supervision Consultant	About \$0.77 million	Quality and Cost Based Selection (90:10)	Q4/2011	International firm	

5. Goods and Works Contracts Estimated to Cost Less than \$ 1 Million and Consulting Services Contracts Less than \$100,000

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

General Description	Value of Contracts (cumulative)	Number of Contracts	Procurement / Recruitment Method	Comments
Civil Work: CW1 (Airport Improvements – Bumthang)	\$0.12	1	National Competitive Bidding	
Civil Work: CW1A (Airport Improvement – Bumthang Airfield Overlay)	\$0.50	1	National Competitive Bidding	
Civil Work: CW3 (Airport Improvements – Yonphula)	\$0.80	1	National Competitive Bidding	
Civil Work: CW4 (Perimeter Fencing – Gelephu)	\$0.09	1	Shopping	
Civil Work: CW5 (Security Gate and Guard House – Gelephu)	\$0.09	1	Shopping	
Equipment: E1 (Communication Equipment)	\$0.73	1	International Competitive Bidding	
Equipment: E3 (General Service Vehicles)	\$0.09	1	Shopping	

B. Indicative List of Packages Required Under the Project

6. The following table provides an indicative list of all procurement (goods, works and consulting services) over the life of the project. Contracts financed by the Borrower and others should also be indicated, with an appropriate notation in the comments section.

General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Domestic Preference Applicable	Comments
Civil Works	\$1.36 million	1	ICB	No	
Civil Works	\$1.42 million	3	NCB	No	
Civil Works	\$0.18 million	2	Shopping	No	
Equipment: E1 (Communication Equipment) and E2 (Navaid Equipment)	\$2.08 million	2	ICB	No	
Equipment: E3 (General Service Vehicles)	\$0.09 million	1	Shopping	No	
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Type of Proposal	Comments
Design and Supervision Consultant	About \$0.77 million	1	Quality and Cost Based Selection (90:10)	Simplified Technical Proposal	

WORKS and EQUIPMENT PACKAGES

Package	Description	Estimated Contract Value Nu. million	\$ million	Contract Period (months)	Procurement Mode
Civil Works					
CW1	Airport Improvements - Bhumthang	5.40	0.12	2	NCB
CW1A	Airport Improvements - Bhumthang (Runway Overlay)	22.50	0.50	2	NCB
CW2	Airport Improvements - Gelephu	61.20	1.36	18	ICB
CW3	Airport Improvements - Yongphula	36.00	0.80	6	NCB
CW4	Perimeter Fencing - Gelephu	4.05	0.09	6	Shopping
CW5	Security Gate and Guard House - Gelephu	4.05	0.09	6	Shopping
<i>Subtotal Works:</i>		133.20	2.96		
Equipments					
E1	Communication Equipment	32.85	0.73	6	ICB
E2	Navaid Equipment	60.75	1.35	6	ICB
E3	General Service Vehicles	4.05	0.09	3	Shopping
<i>Subtotal Equipment:</i>		97.65	2.17		
Total:		230.85	5.13		

C. Bhutan National Competitive Bidding Annex

1. General

7. The procedures to be followed for national competitive bidding shall be the open tendering/bidding method set forth in the [Procurement Rules and Regulations 2009](#) issued by the Ministry of Finance of the Royal Government of Bhutan with the clarifications and modifications described in the following paragraphs.

2. Domestic Preference

8. No preference of any kind shall be given to domestic bidders or for works of domestically manufactured goods. Clause 1.1.2.2 of the [Procurement Rules and Regulations 2009](#) shall not apply.

3. Registration

9. Foreign suppliers and contractors from ADB member countries shall be allowed to apply for pre-qualification and to bid, without national registration, licensing and other government authorizations, leaving compliance with these requirements until after notice of award and before signing of contract.

10. Where registration is required prior to award of contract, bidders: (i) shall be allowed a reasonable time to complete the registration process; and (ii) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.

4. Exclusion of Bidders / National Sanctions List

11. Exclusion of bidders for reasons cited in paragraph 2.1.4.1 of the BPM, including inclusion on national sanctions lists may be applied only with prior approval of ADB. Rejection of bids on account of "past poor performance" of bidders shall also be subject to ADB's prior approval.

5. Qualifications

12. Post qualification shall be used unless prequalification is explicitly provided for in the loan agreement/procurement plan.

13. If prequalification is undertaken, the prequalification criteria shall be based on ADB's Guide to Pre-Qualification.

14. From the date of advertisement, a minimum period of 28 days shall be allowed for the preparation and submission of prequalification applications.

6. Eligibility of Bidders

15. The eligibility of bidders shall be as defined under Eligibility provisions of ADB's Procurement Guidelines ("Guidelines"), accordingly, no bidder or potential bidder should be declared ineligible for reasons other than those stated the Guidelines.

7. Procurement Thresholds and Procurement Methods

16. In cases of conflict between the thresholds as prescribed in Clause 4.1 of the BPM and the Procurement Plan, the lower threshold shall prevail. The procurement methods specified on the Procurement Plan shall be followed.

8. Procurement Process

17. One envelope open bidding process shall be used unless two stage process is explicitly provided for in the loan agreement/procurement plan.

9. Advertising

18. Bidding of contracts estimated at \$500,000 or more for goods and related services or \$1,000,000 or more for civil works shall be advertised on ADB's website via the posting of the Procurement Plan.

10. Bidding Documents

19. Procuring entities shall use standard bidding documents acceptable to ADB for the Procurement of Goods, Works and related Services.

11. Packaging

20. Slicing or splitting of contracts within a package shall not be used to change the contract sizes and the corresponding methods of procurement indicated in the loan agreement/procurement plan.

12. Bid Security and Performance Security

21. Where required, bid security (earnest money), retention money (or security deposit) and performance security (or performance guarantee) shall be in the form of a demand draft, certified check, letter of credit, or bank guarantee from a reputable bank.

22. The terms and conditions of bid security as well as retention money and performance security shall be clearly specified in the forms provided and/or conditions of contract in terms of periods of validity and grounds for forfeiture, or release of the bank guarantees, or refund of the cash security deposits.

13. Rejection of All Bids and Re-bidding

23. Bids shall not be rejected and new bids solicited without the ADB's prior concurrence.

14. Low Bids and Unbalanced Bids

24. Bids shall not be rejected solely because the bid price seriously lower or unbalanced. The bidder whose bid is determined to be the lowest evaluated substantially responsive bid may be required by the Executing Agency/Implementing Agency (EA/IA) to provide a higher performance security to a level sufficient to protect the EA/IA against financial loss in the event of default of the successful bidder under the Contract.

15. Disclosure of Decision on Contract Awards

25. At the same time that notification on award of contract is given to the successful bidder, the results of bid evaluation shall be published in a local newspaper, or a well-known freely accessible website identifying the bid and lot numbers and providing information on (i) name of each Bidder who submitted a Bid, (ii) bid prices as read out at bid opening; (iii) name 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 duration and summary scope of the contract awarded. The executing agency/implementing agency/contracting authority shall respond in writing to unsuccessful bidders who seek explanations on the grounds on which their bids are not selected.