

# PROCUREMENT PLAN

## Basic Data

|   |  |  |
|---|--|--|
| <b>Project Name:</b> Batumi Bypass Road Project   |  |  |
| <b>Project Number:</b> 50064-001  | <b>Approval Number:</b> 3520/8328  |  |
| <b>Country:</b> Georgia   | <b>Executing Agency:</b> Ministry of Regional Development and Infrastructure of Georgia              |  |
| <b>Project Financing Amount:</b> US\$ 315,200,000<br><b>ADB Financing:</b> US\$ 114,000,000<br><b>Cofinancing (ADB Administered):</b> US\$ 114,000,000<br><b>Non-ADB Financing:</b> US\$ 87,200,000 | <b>Implementing Agency:</b><br>Road Department - Ministry of Regional Development and Infrastructure |  |
|   | <b>Project Closing Date:</b> 31 December 2025  |  |
| <b>Date of First Procurement Plan:</b> 28 March 2017  | <b>Date of this Procurement Plan:</b><br>22 September 2021,<br>Version 10                            |  |
| <b>Advance Contracting:</b><br>Yes  | <b>Related to COVID-19 response efforts:</b> No  | <b>Use of e-procurement (e-GP):</b> No |

### 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 Works | US\$ 6,000,000 and Above                | Prior review required |
| National Competitive Bidding for Works      | Between US\$ 100,000 and US\$ 5,999,999 | Prior review required |

| Consulting Services                                       |                       |
|---|-----------------------|
| Method  | Comments              |
| Quality- and Cost-Based Selection for Consulting Firm     | Prior review required |
| Least-Cost Selection for Consulting Firm                  | Prior review required |
| Single Source Selection for Consulting Firm               | Prior review required |
| Individual Consultant Selection for Individual Consultant | Prior review required |

#### 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   |
|-----------------|--|-----------------|--------------------|----------------------|-------------------|-----------------------------------|--|
| BBRP/CW /ICB-01 | Construction of Poti Bridge and Access Roads (Rebid) | 19,000,000.00   | ICB                | Prior                | 1S1E              | Q2 / 2021                         | Prequalification of Bidders: N<br><br>Domestic Preference Applicable: N<br><br>Bidding Document: |

|                 |   |               |     |       |      |           |   |
|-----------------|---|---------------|-----|-------|------|-----------|---|
|                 |   |               |     |       |      |           | Large Works<br><br>Covid-19 Response? No  |
| BBRP/CW /ICB-02 | Construction of Bakurtsikhe-Tsnori Road | 28,000,000.00 | ICB | Prior | 1S1E | Q2 / 2021 | Prequalification of Bidders: N<br><br>Domestic Preference Applicable: N<br><br>Bidding Document: Large Works<br><br>Covid-19 Response? No |
| BBRP/CW /ICB-04 | Rehabilitation Works of 21 km road      | 5,600,000.00  | NCB | Prior | 1S1E | Q1 / 2022 | Prequalification of Bidders: N<br><br>Domestic Preference Applicable: N<br><br>Bidding Document: Small Works<br><br>Covid-19 Response? No |
| BBRP/CW /ICB-05 | Civil Works for 7 Landslide Sections    | 5,000,000.00  | NCB | Prior | 1S1E | Q1 / 2022 | Prequalification of Bidders: N<br><br>Domestic Preference Applicable: N<br><br>Bidding Document: Small Works<br><br>Covid-19 Response? No |

**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  |
|-----------------|---|-----------------|--------------------|---------------------|-----------------------------------|------------------|---|
| BBRP/CS/QCBS-03 | Construction Supervision of Bakurtsikhe-Tsnori Road | 1,759,380.00    | QCBS               | Prior               | Q3 / 2020                         | FTP              | Assignment: International<br><br>Quality-Cost Ratio: 80:20<br><br>Covid-19 Response? No |

#### 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   |
| BBRP/CS/CS-12       | National Resettlement External Monitoring Consultant | 30,000.00       | 1                   | ICS                | Prior               | Q3 / 2021                         |                  | Assignment: National<br><br>Expertise: land acquisition and resettlement, social safeguards<br><br>Covid-19 Response? No |

#### 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  |
| RCIP/CW/I<br>CB-04 | Construction of Batumi Bypass Road, Section km -1+000 – 13+325 | 190,300,000.00  | 120,290,017.00         | ICB                | Q4 / 2016                         | 30-JUN-17                              | Contract signed on 29 August 2017. Partly financed by AIIB (L8328). |

| 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   |
| BBRP/CS/L<br>CS-01  | Financial Auditor                               | 35,000.00       | 25,277.78              | LCS                | Q3 / 2018                         | 26-OCT-18                              | Contract signed on 8 November 2018. Partly financed from L3524, L3715 and L3803. |
| BBRP/CS/<br>QCBS-01 | Construction Supervision for Batumi Bypass Road | 7,000,000.00    | 7,353,263.00           | QCBS               | Q4 / 2016                         | 07-SEP-17                              | Contract signed on 11 September 2017. Partly financed by AIIB (L8328).           |
| BBRP/CS/<br>QCBS-02 | Construction Supervision of Poti Bridge and     | 2,152,200.00    | 1,455,342.56           | QCBS               | Q3 / 2019                         | 08-APR-21                              | Contract signed on 11 June 2021.   |

|                     |  |              |              |      |           |           |  |
|---------------------|--|--------------|--------------|------|-----------|-----------|--|
|                     | Access Roads   |              |              |      |           |           |  |
| RCIP/CS/Q<br>CBS-16 | Preparation of the Feasibility Study, Detailed Engineering Design, EIA, Detailed LARP and Bidding Documents for Construction of Batumi Bypass-Sarpi (Border of Turkey) Section of the International E70 Road | 1,600,000.00 | 1,500,503.83 | QCBS | Q2 / 2016 | 29-SEP-17 | Contract was signed on 24 October 2017, with contract value of USD2.9 million equivalent. Activity 1 financed from L2843 and Activity 2 financed from L3520. |
| BBRP/CS/<br>SSS-01  | Preparation of Detailed Design for Bakurtsikhe-Tsnori Road   | 212,000.00   | 192,881.36   | SSS  | Q3 / 2020 | 26-AUG-20 | Contract signed on 24 September 2020.  |
| BBRP/CS/<br>CS-06   | Contract Manager   | 36,000.00    | 36,728.93    | ICS  | Q4 / 2018 | 24-DEC-18 | Contract signed on 3 January 2019.   |
| BBRP/CS/<br>CS-07   | Environment Specialist   | 22,000.00    | 22,002.20    | ICS  | Q2 / 2019 | 13-MAY-19 | Contract signed on 16 May 2019.  |
| BBRP/CS/<br>CS-01   | External Monitoring Consultant (Resettlement)  | 20,000.00    | 20,000.00    | ICS  | Q4 / 2017 | 07-DEC-17 | Contract signed on 11 December 2017.   |
| BBRP/CS/<br>CS-11   | Procurement Specialist   | 19,000.00    | 19,000.00    | ICS  | Q1 / 2020 | 11-FEB-20 | Contract signed on 20 February 2020.   |
| BBRP/CS/<br>CS-03   | Project Implementation Specialist  | 33,000.00    | 27,697.99    | ICS  | Q1 / 2018 | 03-AUG-18 | Contract signed on 7 August 2018.  |

## D. National Competitive Bidding

### 1. General

The procedures to be followed for national competitive bidding shall be those set forth in the Law of Georgia on State Procurement January 1, 2006 with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the ADB's Procurement Guidelines.

## **2. Eligibility**

The eligibility of bidders shall be as defined under section I of ADB's Procurement Guidelines, published by ADB; accordingly, no bidder or potential bidder should be declared ineligible to ADB-financed contracts for other reasons than the ones provided by section I of ADB's Guidelines. Bidders must be nationals of member countries of ADB, and offered goods and services must be produced in and supplied from member countries of ADB.

## **3. Prequalification**

Normally, post-qualification shall be used unless explicitly provided for in the loan agreement/procurement plan. Irrespective of whether post qualification or prequalification is used, eligible bidders (both national and foreign) shall be allowed to participate.

## **4. Registration and Licensing**

- (i) Bidding shall not be restricted to pre-registered/licensed firms.
- (ii) Where registration or licensing is required, bidders (i) shall be allowed a reasonable time to complete the registration or licensing process; and (ii) shall not be denied registration/licensing for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.
- (iii) Foreign bidders shall not be precluded from bidding. If a registration or licensing process is required, a foreign bidder declared the lowest evaluated bidder shall be given a reasonable opportunity to register or to obtain a license without unreasonable cost and additional requirements.

## **5. Bidding Period**

The minimum bidding period is twenty-eight (28) days prior to the deadline for the submission of bids.

## **6. Bidding Documents**

Procuring entities should use standard bidding documents for the procurement of goods, works and services acceptable to ADB.

The term "services" above are applicable to the following: (a) related services (for supply of goods and works) such as transportation, insurance, installation, commissioning, training and initial maintenance, and (b) other services such as drilling, mapping, and similar operations.

## **7. Preferences**

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

## **8. Advertising**

Invitations to bid shall be advertised in at least one widely circulated national daily newspaper or freely accessible, nationally-known website allowing a minimum of twenty-eight (28) days for the preparation

and submission of bids.

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

#### **9. Bid Security**

Where required, bid security shall be in the form of a bank guarantee from a reputable bank.

#### **10. Bid Opening and Bid Evaluation**

- (i) Bids shall be opened in public.
- (ii) Evaluation of bids shall be made in strict adherence to the criteria declared in the bidding documents and contracts shall be awarded to the lowest evaluated bidder—who meets the qualifying criteria stated in the bid documents.
- (iii) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.
- (iv) No bidder shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without ADB's prior concurrence.
- (v) A contract shall be awarded to the technically responsive bid that offers the lowest evaluated price and no negotiations shall be permitted.
- (vi) Price verification shall not be applied.

#### **11. Rejection of All Bids and Rebidding**

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

#### **12. Participation by Government-owned enterprises**

Government-owned enterprises in Georgia shall be eligible to participate as bidders only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the contracting authority. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

#### **13. Right to Inspect/Audit**

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.

#### **14. Fraud and corruption**

- (i) 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, or coercive practices in competing for the contract in question.
- (ii) 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 in competing for, or in executing, an ADB-financed contract.

For purposes of the provisions in (a) and (b) above, the definitions of the terms "fraudulent practice", "corrupt practice", "collusive practice", and "coercive practice" are the definitions given in ADB's Procurement Guidelines.

#### **15. Conflict of Interest**

ADB's rule in respect of "Conflict of Interest" as stipulated in ADB's Standard Bidding Documents for Procurement of Goods, Civil Works, and Plant-Design, Supply and Install shall be applicable.

#### **16. Disclosure of Decision on Contract Awards**

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.