



Technical Assistance Consultant's Report

PUBLIC

Project Number: 52064-001
March 2022

Regional: Southeast Asia Urban Services Facility

**Feasibility Study for Cambodia: Livable Cities
Investment Project (Poipet, Bavet and Kampot)**

Vol. 16 Strategic Procurement Plan

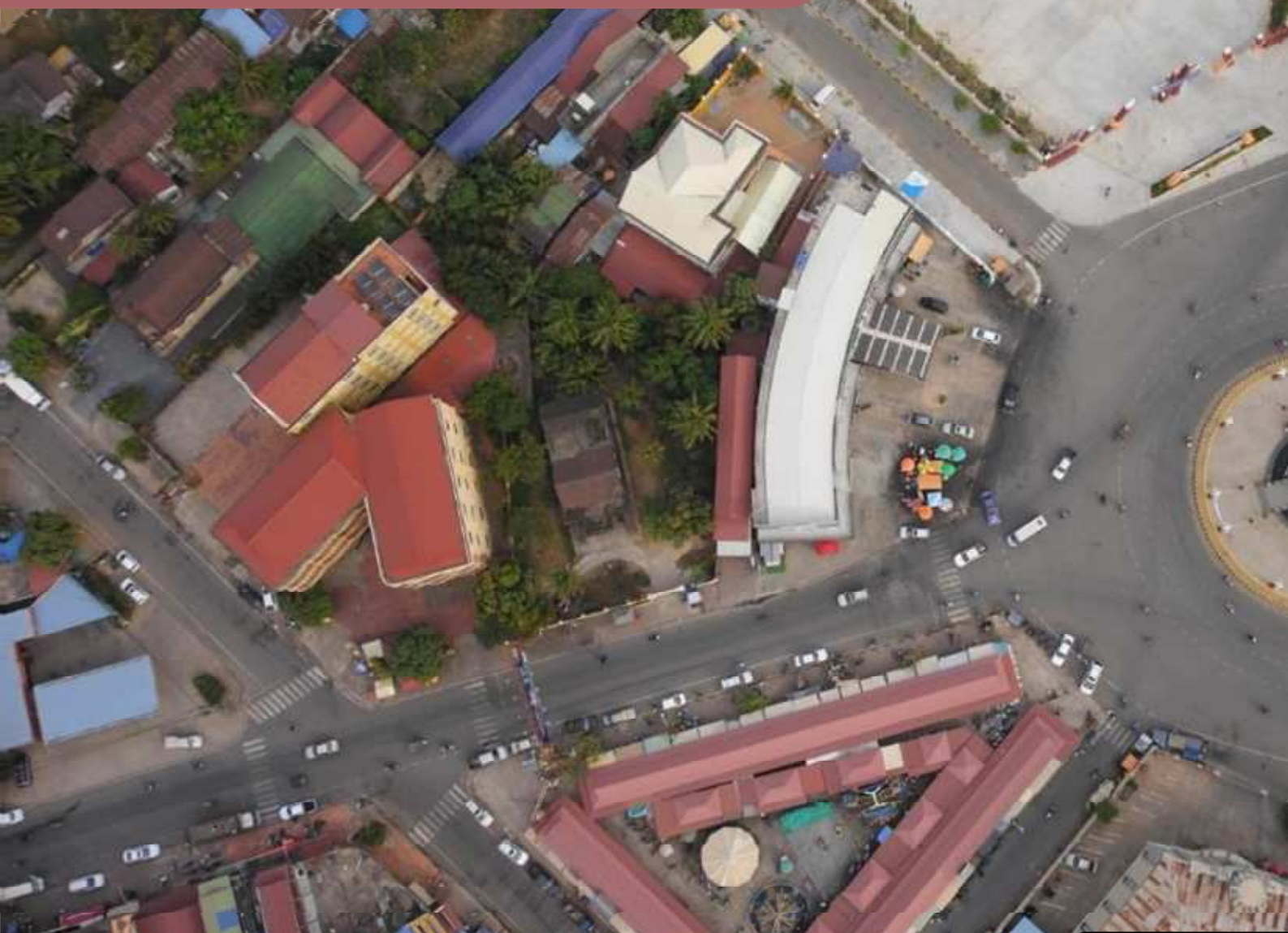
Prepared by: Egis

For: Ministry of Public Works and Transport

This consultant's report does not necessarily reflect the views of ADB or the Government concerned, and ADB and the Government cannot be held liable for its contents. (For project preparatory technical assistance: All the views expressed herein may not be incorporated into the proposed project's design.)

Asian Development Bank

Poipet, Bavet, and Kampot Feasibility Study



CAM: LIVABLE CITIES INVESTMENT PROJECT

March 2022

Volume 16

Strategic Procurement Plan



Water Secure and Resilient
Asia and the Pacific
**SANITATION FINANCING
PARTNERSHIP TRUST FUND**
Water Financing Partnership Facility

**BILL & MELINDA
GATES foundation**



Nordic Development Fund

Project Readiness Improvement Trust Fund

This Consultant's Report was prepared under TA 9554-REG Southeast Asia Urban Services Facility and co-financed by ADB and ADB-administered trust funds: the Project Readiness Improvement Trust Fund with funding from the Nordic Development Fund; and the Sanitation Financing Partnership Trust Fund under the Water Financing Partnership Facility. The views expressed in this report are those of the authors and do not necessarily reflect the views and policies of the funders or ADB.

Strategic Procurement Plan

Project Number: 53199-001
October 2021

Cambodia: Livable Cities Investment Project

CURRENCY EQUIVALENTS

(as of 2 September 2021)

| | | |
|---------------|---|-----------|
| Currency unit | – | riel (KR) |
| KR1.00 | = | \$0.00024 |
| \$1.00 | = | KR4,086 |

ABBREVIATIONS

| | | |
|------|---|---|
| 1S1E | – | Single Stage – Single Envelope |
| ADB | – | Asian Development Bank |
| D&B | – | Design and Build |
| DCS | – | Design and Construction Supervisory services |
| DED | – | Detailed Engineering Design |
| DP | – | Development Partners |
| EA | – | Executing Agency |
| FTP | – | Full Technical Proposal |
| GDR | – | General Department of Resettlement |
| IA | – | Implementing Agency |
| ICB | – | International Competitive Bidding |
| ICS | – | Independent Consultant Selection |
| ICT | – | Information and communication technology |
| LCIP | – | Livable Cities Investment Project |
| MA | – | Municipal Administrations |
| MEF | – | Ministry of Economy and Finance |
| MPWT | – | Ministry of Public Works and Transport |
| NGOs | – | Non-governmental organizations |
| OCB | – | Open competitive bidding |
| PMU | – | Project Management Unit |
| PP | – | Procurement Plan |
| PRC | – | Procurement Review Committee |
| Q | – | Quarter |
| QCBS | – | Quality and cost based |
| RFP | – | Request for Proposals |
| RFQ | – | Request for Quotation |
| RGC | – | Royal Government of Cambodia |
| SBD | – | Standard Bidding Document for the Procurement |
| SEZs | – | Special Economic Zones |
| SOP | – | Standard Operating Procedure |
| SPS | – | Safeguard Policy Statement |
| WASH | – | Water, Sanitation and Hygiene |

TABLE OF CONTENTS

| | | |
|-----|--|----|
| I. | Executive Summary | 1 |
| II. | Strategic Procurement Planning | 3 |
| | Section 1: Project Concept | 3 |
| | Section 2: Operating Environment | 5 |
| | Section 3: Market Analysis | 18 |
| | Section 4: Risk Management | 23 |
| | Section 5: Options Analysis | 27 |
| | Section 6: Procurement Strategy Summary | 33 |
| | Appendix 1 – Procurement Plan | 40 |
| | Appendix 2 – Project Procurement Risk Assessment Questionnaire | 45 |

I. EXECUTIVE SUMMARY

1. The Strategic Procurement Plan (SPP) for the Cambodia: Livable Cities Investment Project has been developed in accordance with ADB's Guidance Note on Strategic Procurement Planning. In developing the SPP, the following project procurement activities were conducted:

- (i) Interviews with the Executing Agency (EA) and Project Management Unit (PMU) to prepare the Procurement Assessment Report (PRA) – meeting was held on 3 November 2020;
- (ii) Preparation of the procurement plan and discussions with the MPWT and meetings with ADB;
- (iii) Market analysis – an analysis was carried out based on procurement experiences gained from the implementation of earlier ADB-funded water and urban sector projects in Cambodia between 2017 and 2021;
- (iv) Preparation of the Strategic Procurement Plan, including the procurement risk assessment; and
- (v) Presentation meeting with MPWT, which was held on 1 December 2020.

2. It should be noted that the above activities were undertaken throughout the period when COVID-19 restrictions were in place both in Cambodia and internationally, which limited the possibility of travel and workshops. When face-to-face meetings were not possible, virtual meetings were held.

3. The SPP has been structured as follows:

- (i) Section 1 provides an overview of the project concept;
- (ii) Section 2 describes the operating environment for the project;
- (iii) Section 3 comprises of a market analysis;
- (iv) Section 4 concerns risk management, in particular, a risk register which incorporates all the risks and mitigation measures identified in the earlier sections;
- (v) Section 5 presents the options analysis that evaluates potential options for procurement and rationale for packaging selected; and
- (vi) Section 6 sets out the recommended procurement strategy for the Project.

4. The following documents were referred to in the development of this SPP:

- (i) ADB. 2018. Guidance Note on Procurement. Manila
- (ii) ADB. 2017. Procurement Policy: Goods, Works, Non-consulting and Consulting Services. Manila.
- (iii) ADB. 2017. Procurement Regulations for ADB Borrowers: Goods, Works, Non-consulting and Consulting Services. Manila.
- (iv) ADB. 2018. ADB User's Guide to Procurement of Works Standard Bidding Document. Manila.
- (v) Royal Kingdom of Cambodia. Law on Public Procurement. 2012
- (vi) Royal Kingdom of Cambodia. 2019. Sub decree on promulgating the Standard Operating Procedures for Implementing All Externally Financed Projects/Programs. No 181 ANK.BK.

- (vii) Royal Kingdom of Cambodia. Ministry of Economy and Finance. 2019. Standard Operating Procedures for Procurement for All Externally Financed Projects/Programs in Cambodia.

II. STRATEGIC PROCUREMENT PLANNING

Section 1: Project Concept

| | |
|--|---|
| Project Title | Livable Cities Investment Project |
| Country | Royal Government of Cambodia |
| Executing agency | Ministry of Public Work and Transport (MPWT) |
| Implementing agency | Provincial Department of Public Works and Transport of: (i) Svay Rieng (Bavet), (ii) Banteay Meanchey (Poipet), and (iii) Kampot (Kampot) |
| Project development objectives | The project is aligned with the following impact: livability of secondary cities improved. It will have the following outcome: access to urban infrastructure and services improved. |
| Project description | The Project will focus on enhancing urban planning, building community resilience, and providing infrastructure to facilitate long-term sustainable and economic growth across key secondary cities in Cambodia. The project has three key outputs: (i) Output 1: policy and regulatory environment improved. Under this output, the project will focus on updating sector master plans, with climate resilient and gender-responsive measures to inform and guide future growth; (ii) Output 2: urban infrastructure improved. This output will focus on improving the population's access to urban infrastructure through improved wastewater management systems, drainage systems and solid waste systems; and; (iii) Output 3: institutional effectiveness and governance improved. This output will concentrate on improving the government's capacity to plan, deliver and operate and maintain infrastructure over the long term by preparing institutional development road maps and capacity development programs. |
| Description of indicative contract packages | Indicative contract packages for the project will comprise of the following: <u>Civil works packages:</u> The project will involve the delivery of the following civil works: (i) Wastewater and Urban Drainage : (i) Construction of wastewater treatment plants; (ii) Construction of pumping stations force mains; (iii) Construction of sewer pipes; (iv) construction of culverts; (v) construction of open channels. (ii) Solid waste management: (i) construction of controlled landfills including sorting-plants and composting plants; (ii) construction of collection points. <u>Goods and supply packages:</u> |

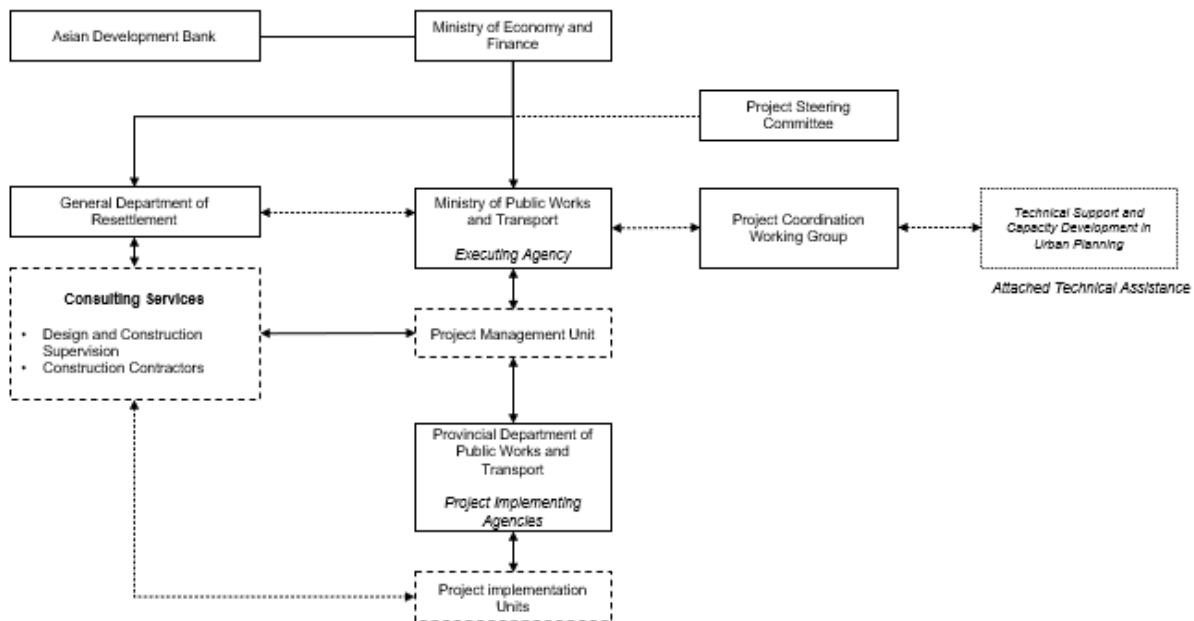
| | |
|---|--|
| | <p>Goods and supply packages are expected to include:</p> <ul style="list-style-type: none"> (i) Procurement of vehicles (cars and trucks) for the project management unit, consultants and implementing agencies. (ii) Procurement of equipment for solid waste management - containers and collection vehicles (iii) Procurement of wastewater vacuum trucks and pressure cleaning trucks, utility trucks, drainage shovel and excavator trucks (iv) Procurement of office, information technology and administrative equipment for PMU and PIU offices <p><u>Consulting services packages:</u></p> <ul style="list-style-type: none"> (i) Recruitment of detailed design and construction supervision services (DCS) to prepare the design, technical specifications and bidding documents; carry out overall coordination and supervision of the project implementation. (ii) Recruitment of individual specialists to support the EA/project management unit (PMU). |
| Summary of the financing agreement | <p>ADB Financing: \$ 180 million Government contribution: \$ 14.1 million Total: \$ 194.1 million</p> |

Section 2: Operating Environment

A. Capacity and Capability Assessment of the Borrower

5. The implementation arrangements proposed for the project is illustrated in Figure 1 below.

Figure 1: Implementation Arrangements



6. **Borrower.** The Ministry of Economy and Finance (MEF) is the Borrower and is also the lead institutional governing public procurement responsible for managing the public procurement process. It has a wide range of responsibilities which are described in the Standard Operating Procedure (SOP).¹

7. **Executing Agency.** The Ministry of Public Works and Transport (MPWT) will be the Executing Agency (EA) who will oversee the project implementation, including procurement, financial management and project reporting and administration. The EA has experience in implementing ADB projects.

8. The responsibilities of the EA/PMU are summarized as follows:

- (i) Implement the project;
- (ii) Carry out all project procurement activities and contract management of all contracts under the project;
- (iii) Be accountable for all financial aspects of the project and ensure compliance with the financial covenants and other obligations in the Loan Agreement;

¹ MEF, December 2019. Standard Operating Procedure on Project Management for all Externally Financed Projects/ Programs in Cambodia.

- (iv) Monitor the progress of project implementation and submit regular reports, as required in the Loan Agreement ;
- (v) Establish the PMU under a Ministerial Instruction (normally a Prakas) with the authority delegated to the Project Director and Project Manager in order to carry out the project in an efficient, effective and timely manner.

9. **Implementing Agencies.** The project will also be supported by project implementing agencies, that will be established in each Provincial Government (Svay Rieng province, Banteay Meanchey province, Kampot province), in the Provincial Department of Public Works and Transport (PDPWT), for the implementation of LCIP, adequately staffed and supported by a Project Management Consultants (PMC).

10. A SWOT analysis has been carried out to assess the current capacity of the EA, including the PMU and the IAs.

Table 1: SWOT Analysis

| Strengths | Weaknesses |
|--|--|
| <p>1) The Law on Public Procurement was promulgated in January 2012 to ensure the process of public procurement of goods, works and services are carried out in a transparent, accountable and fair manager, and to promote a unified public procurement system in the country. Procedures for public procurement are also documented in the Sub-Decree on Public Procurement (2006). The Law on Public Procurement states that any procurement that is financed by development partners will comply with the specific financing agreement and needs to be defined in the procurement procedure; if it is not stated, then the procurement process will follow the provisions of the law. A Manual on Implementing Rules and Regulations on Public Procurement (IRRPP) has been developed for state-funded procurement. Current staff from the Borrower, the EA and PMU are familiar with the Law on Public Procurement.</p> <p>2) A standard operating procedure (SOP) on procurement for all externally financed projects/programs in Cambodia was first developed in 2007 and subsequently revised in 2012 and recently in 2019 (currently in its third revision). The SOP was developed to improve the efficiency in the management of externally assisted projects under the responsibility of the MEF, and clarifies the roles, responsibilities and accountabilities of the various institutions and officers involved in procurement. The SOP is aligned with the Law on Public Procurement. The SOP specifies that the MEF is the lead entity</p> | <p>1) While some of the EA, PMU and IA staff may be involved in ongoing ADB projects, they may not be familiar with the updated procurement framework which will be applied for this project.</p> <p>2) The capacity of the PMU is stretched and may face difficulties with administering multiple packages under this project (as well as ongoing contracts under other ADB projects). The PMU will need to be supported by additional resources in procurement.</p> <p>3) The level of English language proficiency in the procurement unit needs to be improved.</p> <p>4) Basic systems are in place for construction management; there is no consolidated database to store information on unit rates and lack of consistency with describing work items, technical specifications, design standards.</p> <p>5) EA, PMU and IA have limited capacity to manage and oversee contracts for civil works and will require support from the project consultants; availability of staffing for the EA, PMU and IA is also a constraint.</p> <p>6) Capacity constraints can also affect the timelines of bid evaluation and review resulting in a prolonged duration, from bidding to contract award.</p> <p>7) Limited understanding and experience in administering lump sum contracts and time-based contracts.</p> |

| | |
|---|---|
| <p>responsible for public procurement and providing guidance and support to line ministries to ensure efficient and timely procurement. It also details provisions relating to internal audit and complaints handling. Current staff from the borrower, the EA and PMU are familiar with the SOP.</p> <p>3) Current staff from the Borrower, the EA and PMU are familiar with ADB Guidelines on Procurement and have carried out procurement activities including tendering, evaluation and contract negotiations.</p> | |
| <p>Opportunities</p> | <p>Threats</p> |
| <p>1) There is an opportunity through the project to build the capacity of the PMU, particularly in the new procurement framework.</p> <p>2) The project could provide the opportunity to improve skills in contract administration and contract management. The capacity of the PMU can be developed through field experience gained whilst working alongside the appointed project loan consultants and by attending specialized contract and procurement-related training courses.</p> <p>3) There is an opportunity to review the qualification criteria of bidding documents, to promote sustainability; climate change mitigation and adaptation aspects could be considered and included in specifications, terms of references and designs.</p> | <p>1) There is a shortage of skilled contractors and consultants to participate in the projects due to restrictions resulting from the coronavirus pandemic (COVID-19).</p> <p>2) There may be a shortage of skilled contractors for larger projects.</p> <p>3) Limited number of qualified contractors may result in only a small pool of available contractors, higher price and substandard deliverables.</p> <p>4) Limited availability of consultants may delay the selection process, and overall project.</p> <p>5) Limited suppliers or inappropriate specifications and/or qualification criteria may lead to supply of lower quality goods.</p> |

B. Support Requirements

| | |
|---|--|
| <p>Procurement capability and capacity</p> | <p>A Standard Operating Procedure for Externally Financed Project/Program in Cambodia was developed in 2012 and subsequently revised in 2019, which streamlines the procedures for procurement and clarifies where there are any overlaps. The manual was first developed in consultation with the primary donor partners and provides a guide for the government in terms of procurement for externally financed projects.</p> <p>The EA, PMU and IA have experience in the delivery of donor-funded projects, including ADB projects, however, their capacity is limited given they are currently overseeing multiple projects. The procurement of the works under the ongoing urban services projects are managed by the Ministry of Public Works and Transport (MPWT) as the EA, and the PMU. The PMU is supported by several independent specialists, which include a financial specialist and procurement specialist.</p> <p>The SOP requires for a project review committee to be established to carry out a review and approval of bid documents and award of contracts; these committees are established on an ad-hoc basis.</p> <p>Members of the project review committee are experienced in procurement using government funds, however many are becoming more familiar with the procurement processes of externally financed projects, particularly ADB, due to</p> |
|---|--|

| | |
|---|--|
| | <p>their involvement in the ongoing projects. In most cases, the procurement committee comprises of the project director, a representative of the EA, and a minimum of two representatives from the MEF.</p> <p>A bid evaluation committee comprising of at least a procurement officer and two project officers (technical officer and finance officer) is also established for each bidding process, in accordance with the SOP.</p> <p>The PMU have limited experience in preparing bidding documents as these are generally outsourced to the project implementation consultants.</p> <p>Procurement of works and services have been led predominantly by the central ministry, with minimal involvement from the provincial administration.</p> <p>The government's current procurement experience on ADB-funded projects has also been based on the earlier ADB procurement and consultant's guidelines and hence, their experience under the new ADB procurement framework is limited. Due to the resource constraints of the EA and PMU, external support in project management, contract management and procurement will be required in the short term, and it is recommended that this be provided through the loan consultants. Ongoing training workshops on contract and procurement management will also be required to increase understanding of the revised ADB procurement framework.</p> |
| <p>Experience in implementing similar projects</p> | <p>The EA through the PMU set-up at the MPWT level, has experience in implementing similar projects in Cambodia. The EA/PMU will continue to be the lead agency in procurement throughout this project. Current (ongoing) projects being managed by the PMU include:</p> <ul style="list-style-type: none"> (i) L3311/L8295/G0454: Integrated Urban Environmental Management in the Tonle Sap Basin (ii) L3684/G0591: Second Urban Environmental Management in the Tonle Sap Basin; (iii) L2983/L8265/G0334/G0335: Greater Mekong Subregion Southern Economic Corridor Towns Development Project (iv) L3314: Second Greater Mekong Subregion Corridor Towns Development Project (v) L3683/G0592/G0593: Fourth Greater Mekong Subregion Corridor Towns Development Project; and (vi) L3630: Provincial Water Supply and Sanitation Sector Project. |
| <p>Contract management capability and experience</p> | <p>The EA, PMU and IA have some experience in contract management however capacity is limited. For the ongoing ADB-funded projects, there is a reliance on the current project implementation consultants to support contract administration and management, including the assessment of contract claims.</p> <p>The most common form of procurement used on ongoing projects is a construction contract. There had been previous discussions to procure contracts utilizing more advanced forms of contracting packages, such as design and build (D&B) as a means of fast-tracking project implementation, however with the limited capacity of the PMU, this was determined to be too complex to manage and the procurement type reverted to a construction package.</p> <p>Most contracts are time-based, although some contracts using a combination of both lump sum and time-based contracts. This has been found to be difficult to administer, with some confusion on the documentation required to verify payments. Further training on the contractual types, particularly with the explanation on the treatment/use of provisional sum items, lump sum, and reimbursable items, would be beneficial.</p> |

| | |
|--|---|
| | <p>As most of the site supervision/contract administration is delegated to the project implementation consultants, the PMU has minimal involvement and as a result, limited experience in assessing claims. Recent experience in the assessment of a termination contract was delegated to the project implementation consultant to assess and finalize.</p> <p>There does not appear to be a system in place (or database) for storing unit rates or compilation of unit rates based on all civil works tendered so far. This could be beneficial for future projects to assist in developing some form of consistency.</p> |
| Level of reliance on external consultants | <p>The EA and IA rely on external consultants for project implementation as their capacities, particularly with resourcing is a key limitation. For the new project, the reliance on consultants will continue.</p> <p>The involvement of the project implementation (loan) consultants in the procurement process however is limited. The project implementation consultants are engaged to produce the technical designs, specifications and bidding documents; arrangements for bidding, bid evaluation, contract negotiations and contract awards are all carried out by the government agency (MEF/MPWT).</p> <p>The consultants hold no role in the bid evaluation committee or the procurement review committee. These roles are delegated to representatives from the borrower (MEF) and the EA (MPWT) and given their current capacity, can affect the timeliness of completing the procurement process.</p> |
| Existence and description of complaints management system | <p>For externally funded projects, the SOP details a procurement-related complaint handling mechanism, which outlines how a complaint will be lodged and dealt with. It states that complaints relating to fraud, corruption and other prohibited practices will be handled in accordance with the provisions of the relevant donor partner's anti-corruption or integrity policies and guidelines. The mechanism outlines how the complaint are to be filed and responded to.</p> <p>Provisions for complaint management are also included in the bidding documents.</p> |

C. Key Procurement Conclusions

| |
|---|
| <p>The assessment identified the following:</p> <ul style="list-style-type: none"> (i) Project implementation consultants are engaged to support the PMU and IA in developing the detailed engineering design, technical specifications, construction drawings and bidding documents, however their roles with respect to procurement is limited; (ii) Procurement related activities, involving bid evaluation, preparation of the bid evaluation report, and contract award is generally carried out by the EA and PMU. (iii) Due to the capacity of the EA and PMU, the process from bid submission to bid evaluation can be prolonged. (iv) While there is experience in the use of ADB procurement guidelines, there is limited exposure to the recently revised procurement framework. Training on the procurement framework will be required. (v) The EA and PMU have generally relied on the expertise of consultants in carrying out contract administration and management and construction supervision; there will be a need to improve understanding of contract administration and contract management in the long term, and improve capacity in construction supervision and monitoring. (vi) There is opportunity to implement a robust contract management system to enable storage of contract documents, allowing for easy retrieval, and also to promote consistency in bidding documents particularly with description of work items and unit rates. <p>In summary:</p> |
|---|

- (i) With the EA, PMU and IA's limited experience in using the ADB procurement framework, this may have an impact on the schedule for early procurement activities (engaging the main consultants, preparing the main bidding documents, etc.). The EA, PMU, and IA will require targeted training and support for these activities.
- (ii) The EA, PMU and IA will need support (through the project loan consultants) to oversee the management of construction and civil works packages, as required under this project. A focused training program will need to be developed and delivered to the EA, PMU and IA to enhance its capacity. It is recommended also that a small project management and capacity building consultancy team be procured to support the EA and PMU and facilitate knowledge transfer.

D. External Influences Analysis

| | |
|-------------------|---|
| Governance | <p>Procurement is guided by the Law on Public Procurement, which splits procurement into two systems: (i) state-funded procurement – which refers to the Manual on Implementing Rules and Regulations on Public Procurement; and (ii) externally funded procurement, which refers to standard procedures specifically related to the implementation of externally financed projects/programs.</p> <p>The MEF is the leading institution that oversees all areas of procurement and recently carried out a revision of these standard procedures, which comprise of:</p> <ul style="list-style-type: none"> (i) Standard operating procedures (SOP) on project management for all externally financed projects/programs in Cambodia; (ii) SOP on financial management for all externally financed projects/programs in Cambodia; and (iii) SOP for procurement for all externally financed projects/programs in Cambodia. <p>The SOP for procurement aims to promote good governance and accountability mechanisms that need to be in place to address procurement-related fraud and corruption, complaints and conflict of interest.</p> <p>The general environment for procurement in Cambodia is satisfactory and to large extent harmonized with the internationally accepted practices and procedures. Many of the rules and regulations documented in the SOP are either direct references from guidelines of Multilateral Development Banks (MDBs) such as the World Bank and the Asian Development Bank, or are derived from their financing regulations.</p> <p>Due to frequently foreign assisted programs in Cambodia, many executing agencies (EAs) and implementing agencies appear to be well versed in the application of different donor-agencies' guidelines and procedures at concept level. Therefore, in recent time capacity building in regard to public procurement and procurement processes/procedures has evolved/improved. However, it still requires substantial support to further develop the detailed understanding and the effective and economic application of the prevailing rules and regulations on procurement. Support and assistance also should be provided in enhancing the English language proficiency of the procurement related EA/IA staff.</p> <p>Furthermore, the current constraints encountered with the ongoing projects have identified a need to allocate additional staff to support the EA and the PMU in the areas of financial management, procurement and technical supervision. Regular training workshops will be necessary to ensure the staff understand good governance practices, especially those relating to financial management and procurement.</p> |
|-------------------|---|

| | |
|------------------------------|--|
| <p>Economic</p> | <p>The economy takes into account factors such as price, quality, and any non-price attributes as appropriate without adversely affecting the viability of the Project i.e., the suitability of the goods/works/services purchased and the useful life of the goods/works/services etc.</p> <p>Cambodia's growth has averaged 7.7 % over the period between 1998-2019. Cambodia's open borders to international trade and investment have helped attract foreign direct investment to support manufacturing, construction, and tourism. However, the outbreak of COVID-19 has had an impact on the country's economy, which contracted by 3.1% in 2020. Although the impacts of COVID-19 continues to evolve, the ADB projects the economy to rebound with growth projected to increase to 4.0% in 2021, and 5.5% in 2022.²</p> |
| <p>Sustainability</p> | <p>No major environmental impacts are expected from this project, and the safeguards categorization for environment is B. This categorization may be subject to further review by ADB.</p> <p>The project will involve the construction of wastewater treatment systems and networks, solid waste management systems, and urban drainage networks. The project will be carried out in accordance with ADB's Safeguard Policy Statement, and the relevant government's legislations and decrees.</p> <p>Notwithstanding the environmental considerations, the project will also focus on long term operational sustainability which will consider aspects relating to revenue generation, cost recovery, tariff setting and billings, and long term asset management, which will cover operations and maintenance planning.</p> <p>There may be opportunities to promote the concept of sustainability in the procurement process, particularly if it supports the principles of value for money; these may include procurement utilizing life cycle cost method, where the capital and operational expenses over a certain period of time is evaluated using a functional criteria, or inclusion of qualitative environmental-sustainability related criteria in the evaluation process.</p> |

² ADB. 2021. *Asian Development Outlook 2021: Financing a Green and Inclusive Recovery*. Manila.

| | |
|--------------------------|---|
| <p>Technology</p> | <p>The project will rely on the use of standard technologies and is not expected to pose any substantial challenges. Complex treatment processes for the wastewater and solid waste services are not anticipated, given the capacity of the IA who will be charged with operating and maintaining the infrastructure in the long term. The project intends to mobilize technologies that have been tested and used in similar environmental conditions.</p> <p>Information communications technology (ICT) will be implemented as part of the works to enable real-time monitoring of the wastewater treatment systems. These are common technologies, and widely available.</p> <p>With respect to other technologies, a majority of the Cambodian population has free access to the internet, the television, or the radio. Therefore, there is no particular limitation recognizable in regard to information transfer, if necessary.</p> <p>In accordance with the SOP on procurement, electronic advertising of procurement opportunities are required. A general procurement notice will be prepared by the EA/IA and disclosed in the UN Development Business website (www.devbusiness.com) and the development partners' external website (arranged by the DP). This will also be followed by a second type of advertisement (Specific Procurement Notice for each procurement package, which will be disclosed on the UD Development Business website, the development partner's external website, as well as on the website of the EA/IA, and publicly accessible website.</p> |
| <p>COVID-19</p> | <p>The COVID-19 outbreak represents a significant health and safety risk at the project preparation stage and may still be present during the implementation phase. Some considerations in this regard are included in the Environmental Management Plan (EMP).</p> <p>In accordance with the ADB Safeguard Policy Statement (SPS) and the loan/grant/financing agreement between the ADB and the borrower, the borrower is required to assess implications of unanticipated risks and impacts and to identify and implement necessary risk mitigation measures.</p> |

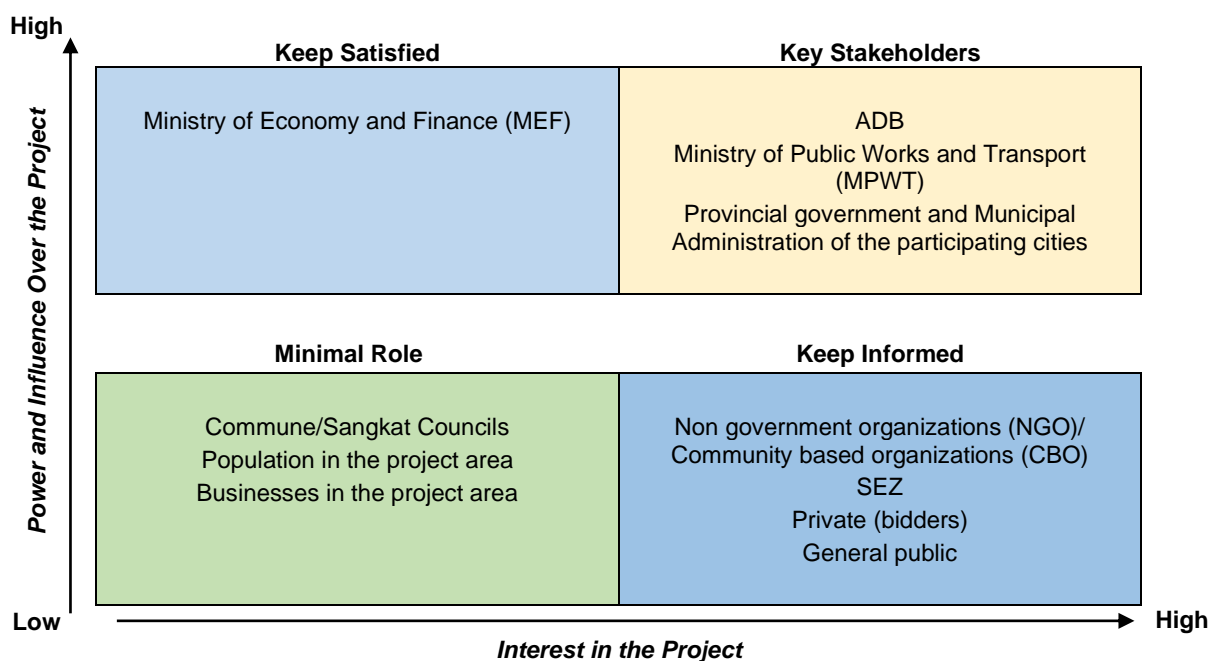
E. Key Procurement Conclusions

No particular requirements, threats, or opportunities concerning procurement matters have been identified with respect to governance, sustainability or technology, besides training in the English language and required training on procurement in accordance with the ADB's Guidelines on Procurement.

However, while there are no specific issues, to facilitate the procurement process, it will be critical that clear evaluation qualification criteria are set, and detailed scope of works and bill of quantities (BOQ) are prepared to attract the right market interest, and ensure delivery of quality products.

Given the current uncertainty in relation to COVID-19, the procurement of goods and equipment may experience delays, and it would be advisable for procurement to be planned and carried out as early as possible to avoid (or minimize) any project delays.

F. Stakeholder Analysis and Communication Plan



G. Stakeholder Communication Plan

| | |
|--|--|
| Stakeholder name and role | Ministry of Economy and Finance (MEF) |
| Interest in the Project? | Borrower; national co-financing Institution |
| Support and influence level | High |
| Objections, drivers, needs, and levers | Main ADB Cambodian counterpart for the project Need for expeditious processing of loan agreement Need for timely implementation of project works Need for compliance with provisions outlined in the loan agreement |
| Action | Reviews project financing requests for ADB financed components submitted by the EA/IA, Monitoring contract award and disbursement progress |
| Responsible, accountable, consulted, or informed? | Responsible, consulted, informed |
| Communicate what, when, and how? | Communicate and keep informed on project status, contract awards, contractual issues, and any technical and procurement concerns |

| | |
|---|---|
| Stakeholder name and role | Asian Development Bank (ADB) |
| Interest in the Project? | Sponsor, financier |
| Support and influence level | High |
| Objections, drivers, needs, and levers | Financing the project and supporting secondary cities Need for regular project updates and meetings to discuss project issues Need for timely delivery of contract packages Need for compliance with provisions outlined in the loan agreement |
| Action | Provide funding Review of technical deliverables and progress reports |

| | |
|--|---|
| | Provide approval of procurement milestones as per ADB's Guidelines on Procurement and the Guidelines on the Use of Consultants. Facilitate project review missions and other special missions, as required |
| Responsible, accountable, consulted, or informed? | Responsible, consulted, informed |
| Communicate what, when, and how? | Communicate project status and key issues throughout the project duration. |

| | |
|--|---|
| Stakeholder name and role | Ministry of Public Work and Transport (MPWT) |
| Interest in the Project? | Executing Agency; key stakeholder; management, monitoring and supervision. |
| Support and influence level | High. |
| Objections, drivers, needs, and levers | Need for efficient processing of loan agreement Need for timeliness in project implementation |
| Action | Keep MEF and informed on project progress and overall status Work closely with project management / implementation consultants and implementing agencies. Provide regular reporting to MEF and ADB Ensure compliance with provisions outlined in the loan agreement |
| Responsible, accountable, consulted, or informed? | Responsible; accountable |
| Communicate what, when, and how? | Communicate project status and key issues to MEF and ADB Discuss status of project planning, design, procurement and implementation with the PMU, IA and consultants. Facilitate regular monthly meetings with PMU and consultants Provide regular updates to MEF and ADB on project status and any issues |

| | |
|--|--|
| Stakeholder name and role | Provincial government |
| Interest in the Project? | Implementing Agency; key stakeholder; monitoring and supervision. |
| Support and influence level | High |
| Objections, drivers, needs, and levers | To raise any project issues with the EA To ensure smooth implementation of the project |
| Action | Identify and notify to EA/PMU any project related problems regarding the environment, social implications encountered during the project implementation, Monitor site works during implementation, and corrective actions that may be required. |
| Responsible, accountable, consulted, or informed? | Responsible; accountable |
| Communicate what, when, and how? | Communicate project status and key issues to EA; Participate in any community workshops/engagements; Facilitate regular reviews with PMU and consultants on project progress, including identification of any issues. |

| | |
|------------------------------------|---|
| Stakeholder name and role | Municipal Administrations (MA) |
| Interest in the Project? | Key stakeholder; beneficiary; monitoring and supervision; final end user / operator |
| Support and influence level | High |

| | |
|--|---|
| Objections, drivers, needs, and levers | To work with IA Cooperation on all Project related activities are expected. Any Project related problems brought forward by any party should be discussed between the EA/IA and the MA. The EA/IA should provide the MA with appropriate mitigation measures or proposals how to resolve pending issues. |
| Action | To review project implementation progress Report on project related problems regarding the environment, social implications to the IA |
| Responsible, accountable, consulted, or informed? | Consulted, Informed |
| Communicate what, when, and how? | Communicate project status and key issues to IA Identify any site issues encountered to the IA Participate in regular reviews with IA and PMU, and consultants on project progress, including identification of any issues. |

| | |
|--|--|
| Stakeholder name and role | Private (Bidders) |
| Interest in the Project? | Goods and services provider, Contract applicant; business opportunities |
| Support and influence level | Low |
| Objections, drivers, needs, and levers | Opportunities to bid; participation in bidding process |
| Action | Regular procurement planning. Marketing to promote interest. Provide services in accordance with contract agreement (if awarded bidder). |
| Responsible, accountable, consulted, or informed? | Informed Accountable (in the case of awarded bidder) |
| Communicate what, when, and how? | Communicate in accordance with procurement regulations; Keep informed on business opportunities and respond on issues in their interest. |

| | |
|--|---|
| Stakeholder name and role | Special Economic Zones (SEZs) / Businesses |
| Interest in the Project? | General information. Customers; beneficiaries. |
| Support and influence level | Low |
| Objections, drivers, needs, and levers | Overall interest in the improvement of urban services. Participation in community workshops / consultation meetings. |
| Action | Supports the Project Main beneficiaries |
| Responsible, accountable, consulted, or informed? | Informed. |
| Communicate what, when, and how? | Participation in stakeholder workshops / scheduled consultations. To be kept informed on the project implementation progress |

| | |
|---|---|
| Stakeholder name and role | NGOs |
| Interest in the Project? | General information. Customers; beneficiaries. |
| Support and influence level | Low |
| Objections, drivers, needs, and levers | Overall interest in the improvement of urban services. Participation in community workshops / consultation meetings. |
| Action | Supports the Project Main beneficiaries |

| | |
|--|---|
| Responsible, accountable, consulted, or informed? | Informed. |
| Communicate what, when, and how? | Participation in stakeholder workshops / scheduled consultations. To be kept informed on the project implementation progress |

| | |
|--|---|
| Stakeholder name and role | Commune/Sangkat councils |
| Interest in the Project? | General information. Customers; beneficiaries. |
| Support and influence level | Low |
| Objections, drivers, needs, and levers | Overall interest in the improvement of urban services. Participation in community workshops / consultation meetings. |
| Action | Supports the Project Main beneficiaries |
| Responsible, accountable, consulted, or informed? | Informed. |
| Communicate what, when, and how? | Participation in stakeholder workshops / scheduled consultations. To be kept informed on the project implementation progress |

| | |
|--|---|
| Stakeholder name and role | Population in the project areas |
| Interest in the Project? | General information. Customers; beneficiaries. |
| Support and influence level | Low |
| Objections, drivers, needs, and levers | Overall interest in the improvement of urban services. Participation in community workshops / consultation meetings. |
| Action | Supporter of the project Main beneficiaries |
| Responsible, accountable, consulted, or informed? | Informed. |
| Communicate what, when, and how? | Participation in stakeholder workshops / scheduled consultations. Updates on the project implementation progress |

H. Key Procurement Conclusions on Stakeholder Analysis and Communications Plan

There are many stakeholders who will have a vested interest in the project. Communication will be a key part of the procurement process and will need to be monitored throughout the project implementation phase.

In line with ADB's procurement rules, the key procurement conditions for the project will need to be clearly and transparently explained. There are no conflicts between the national newly edited and published procurement rules and the ADB Guidelines on Procurement or the Guidelines on the Use of Consultants recognizable, that may create problems during the project procurement processes.

Nonetheless, it is essential for the smooth and timely performance of the procurement that all anticipated project procurement-related staff be invited for a workshop on procurement. Further workshops (to be conducted by the project management consultants) in this regard should be conducted in semi-annually to prevent conflicts and time delays in the procurement activities caused by the expected fluctuation and rotation of EA/IA staff during the project implementation period.

Primarily because of national and international COVID-19 restrictions, the use of electronic bid submission will need to be explored.

Further but important support of the procurement activities would be a continuous parallel running English language enhancement course for the EA/IA staff.

In order to maintain a positive image of the project, communication with the end-users and beneficiaries needs to be maintained.

An appropriate reporting process will need to be established between the EA, IA, PMU and consultants at the very beginning of the project to ensure all stakeholders are kept informed on the project status.

Section 3: Market Analysis

A. Lessons Learned from Previous Projects

11. A market analysis was carried out based on procurement experiences gained from the implementation of earlier ADB-funded urban water and sanitation sector projects in Cambodia between 2017 and 2021, and also on interviews carried out with the EA to discuss any issues or limitations related to procurement. The list of projects included in the analysis includes:

- (i) L3311/L8295/G0454: Integrated Urban Environmental Management in the Tonle Sap Basin
- (ii) L3684/G0591: Second Urban Environmental Management in the Tonle Sap Basin;
- (iii) L2983/L8265/G0334/G0335: Greater Mekong Subregion Southern Economic Corridor Towns Development Project
- (iv) L3314: Second Greater Mekong Subregion Corridor Towns Development Project
- (v) L3683/G0592/G0593: Fourth Greater Mekong Subregion Corridor Towns Development Project;
- (vi) L3630: Provincial Water Supply and Sanitation Sector Project

12. A summary of the key findings is provided as follows:

Bid participation

13. Since 2017, there have been a total of 19 civil works contracts awarded to contracts of similar scope as the proposed project; total amount contracted was approximately USD173.55million, of which 74% was procured following international competitive bidding procedures.

14. The average number of bidders received is approximately 7 (minimum of 4 bids; maximum of 11 bids). A reasonable number of submissions are received from international bidders. On average, international bidders under international competitive bidding (ICB) procedures represented about 46% of all bidders; a high proportion of bidders originated from China, followed by Korea and Vietnam. In ICB contracts, local bidders on average represented about 36% of the total bids.

15. There are also a number of domestic construction contractors in the market. The capacity of domestic contractors are growing and most would be able to compete in small to medium valued contracts. Based on bids conducted over the last 5 years for similar sector (wastewater and solid waste management), domestic contractors have participated in bids for contracts of up to \$29 million in value, either as a single entity for smaller packages (e.g., landfill packages of up to \$5 million contract value), or as part of a joint venture for the delivery of larger valued contracts, such as construction of new wastewater treatment plant and drainage works.

16. Bids also show that many domestic contractors have established joint ventures with an international contractor (most common joint ventures that are established are between Cambodia-China).

Contract packaging

17. Single contract packaging is most commonly used. Recently, in 2020 (L3684/G0591: Second Urban Environmental Management in the Tonle Sap Basin), one civil works package was split into a single contract with multiple lots, and procurement was completed without any major concerns. However, no specific conclusion can be drawn about this one experience and its impact on local participation or a higher proportion of awards to local firms.

18. Contract values varied, with ICBs ranging between \$5 million to \$30 million and represented 75% of the total contract amount, and NCBs ranging between \$1 million and \$2.5 million and represented 25% of the total contract amount. However, NCBs only included the construction of SWM facilities. Specifically for the solid waste projects, and if the complexity of the packages allows it, national advertisement could be used for contracts above thresholds.

19. Contract packages are typically all-encompassing; civil works packages would include the supply of the civil works materials and construction activities. Civil works contracts are not broken up into smaller goods or material packages, such as pipes or meters. The provision of pipes, culverts and processing equipment are all generally provided under the one contract through the head civil works contractor.

Experience of bidders

20. Based on the bid reviews, a majority of bidders complied with the experience, and capacity as outlined in the evaluation criteria.

21. However, several bidders were found to be non-responsive due to failure to submit all the bidding documents, or provide the necessary supporting documents, such as audited financial statements and bid securities.

22. Based on the assessment of bid submissions for the contracts awarded, there does not appear to be any constraints in market for civil works contractors. However, it is evident that a number of contracts are being awarded to the same contractors and there would be a need to continually find ways for new contractors to enter the market.

23. For works already complete, the general quality of construction is satisfactory. Contractors need to be carefully supervised by qualified site supervisors to ensure that the works are constructed as per design specifications.

24. In terms of performance of joint ventures, it has been noticed that a large majority of works is carried out by the local counterpart. The quality of works being carried out can vary and such arrangements in future contracts will need to be carefully monitored.

25. Training and workshops to ensure provision of more compliant bids may help to build understanding on the submission requirements and procedures and allow new bidders to enter.

Consultancy packages

26. Typically, one consultancy package is procured to support the project implementation. There are no shortages of international consultancies qualified to provide project management, design and site supervisory services. The size of ongoing consultancy packages range between \$3 million and \$11million, depending on the scope of works to be provided.

27. The consultancy services comprise of international firms, that are linked with a local counterpart. The latest bids for project consultancy services received between 20 and 26 submissions from interested bidders.

28. Key difficulties identified with the provision of the consultancy services, that have impacted project delivery, is the availability of the specialists; based on the experience of ongoing projects, nominated project team leaders have had to be replaced due to their unavailability. Another key factor is related to the presence in country to support in the project implementation process.

29. It will be important to ensure the appointed consultants have available the nominated leads and specialists, although the present constraint surrounding the COVID-19 pandemic, will need to be considered.

Equipment packages

30. **Pickup and utility vehicles.** These types of vehicles are widely supplied locally and no specific restrictions have been identified.

31. **Specialty vehicles (vacuum trucks).** Two sources have been identified, vacuum trucks imported from Europe, Russia or Japan, used by public service providers (e.g., Phnom Penh municipality) and local truck assemblers that provide trucks for small private operators. Two trucks assembler were identified and would have built most of the vacuum trucks used by the private mechanical providers. The oldest business started in 1993. In general, the truck equipment is homemade. The advantage of local assemblers is their flexibility: the maintenance can be done locally but the local production capacity is limited and might not comply with international standards and specific uses (such as high-pressure cleaning trucks).

32. **Specialty vehicles (SWM - compactor trucks).** No local supplier has been identified in Cambodia. The compactor trucks in operation have been imported on-demand.

B. Porter's Five Forces

| | |
|---|---|
| <p>Competitive rivalry</p> | <p>The competition level of international and national goods, works and services providers is acceptable. There are a number of suitably qualified international and domestic bidders to deliver the items required for the project.</p> <p>The procurement process allows for easy entry for new entrants. Training and workshops to explain the bid submission process would be beneficial to ensure bidders submit compliant/responsive bids.</p> |
| <p>Bargaining power of buyers</p> | <p>The procurement agency will be the government and will have a high purchasing volume given the number of contracts expected to be rolled out for all ongoing projects and the ensuing project.</p> <p>For both civil works and consulting contracts, widening the market to allow for more new bidders to enter would provide a greater competitive advantage to the buyer.</p> <p>For the buyer, it will be critical to ensure that the evaluation / qualification criteria is clear, and fair so as not to discourage any bidders or to show any biasness.</p> |
| <p>Bargaining power of suppliers</p> | <p>The bargaining power of suppliers (civil works, goods and consultancies) is low due to the number of qualified bidders present in the market.</p> |

| | |
|------------------------------------|---|
| <p>Risk of new entrants</p> | <p>The market is established and there are opportunities where new entrants may enter the market. It will be important to ensure the qualification criteria are developed so that it does not limit competition and discourage new bidders.</p> <p>Although the estimated prices for the goods and works are based on and are reflecting the prevailing market situation, it is anticipated that any new entrants in the market will still drive down the prices and may even lead to the submission of Abnormally Low Bids, which will need to be mitigated with respective provisions in accordance with the Regulations for Borrowers.</p> |
| <p>Risk of substitutes</p> | <p>For civil works, the risk of substitutes is negligible since the project will follow a detailed engineering design (DED) in accordance with the precise technical specifications and construction standards applied in Cambodia.</p> <p>For consultancies, the risk of changes to staff is high given the current situation with COVID-19, and the availability of nominated specialists in country. Substitution will need to be assessed carefully.</p> |

C. Key Procurement Conclusions

There is likely to be a good level of competition for the Project with new contestants for all packages.

The Project should be promoted and marketed to improve awareness among potential bidders.

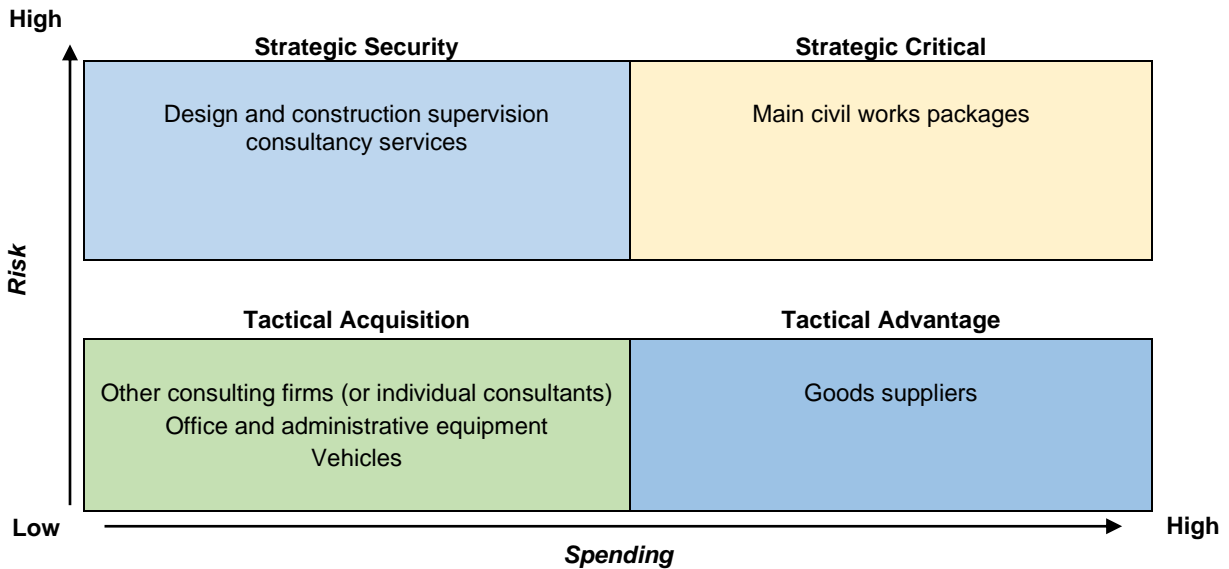
Barriers in the specifications and the quality requirements for project packages should be kept at a reasonable minimum to create interest and confidence in potential bidders, attracting them to provide bids. However, the qualification criteria, as well as the specifications, should include the essential requirements and conditions in detail to ensure the safe and timely implementation of the project.

Legal and regulatory requirements should be described in all required details in the bidding documents.

No major procurement risks were identified through an analysis of Porter's Five Forces.

D. Supply Positioning

33. A supply positioning analysis has been carried out based on the expected contract packages to be delivered under the project. These will include:
- (i) Civil works contract, which includes the construction of wastewater treatment plant and network; urban drainage network; and solid waste management services.
 - (ii) Goods supplier; and
 - (iii) Consultancy services.
34. Also included are packages relating to the procurement of office and administrative equipment, vehicles, and goods and services.
35. The results of the supply positioning is summarized in the table below.



E. Key Procurement Conclusions

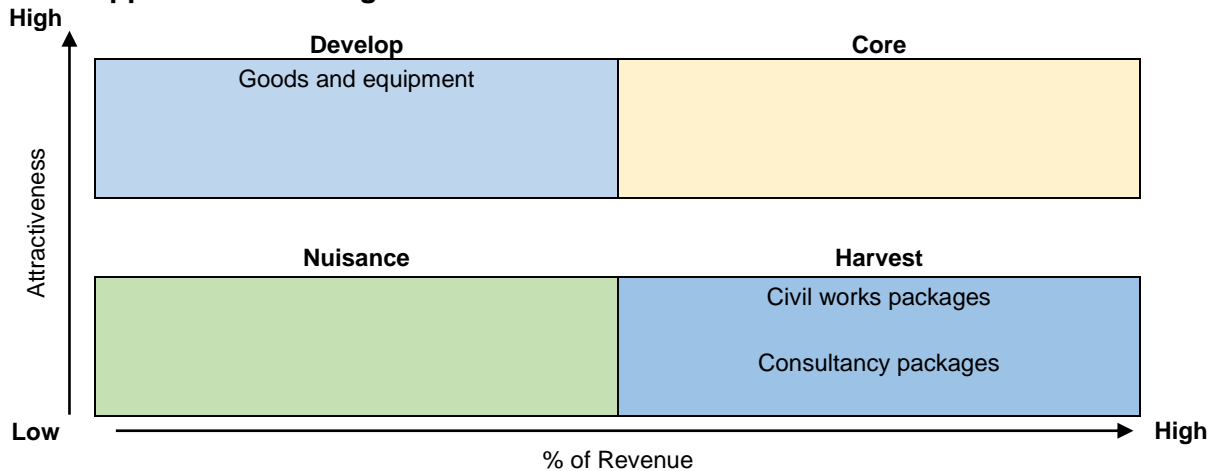
The key deliverables of the project will be the construction of key civil works packages for wastewater, solid waste and urban drainage. These works are categorized as Strategic Critical based on their size, value, complexity. To reduce the risk, the bid-packages for the works could be separated into different components for each city. Where possible, similar works in different cities (i.e. wastewater works in Poipet and Bavet) may be merged to provide a larger contract value and enhance competition.

The procurement of the design and construction supervision consultancy services is categorized as Strategic Security. The engagement of qualified consultants to lead the project, as well as carry out the technical studies and detailed designs will be fundamental to the successful implementation of the project.

Equipment, and also the procurement of other consulting firms to assist in the delivery of the project are considered as Tactical Acquisition based on their value and low risk.

Goods and supplies are considered Tactical Advantage due to their high cost but low risk.

F. Supplier Preferencing



G. Key Procurement Conclusions

All contractors, and consultancies for the project will fall under the Harvest category: where the supplier will seek short term advantage.

Goods and equipment falls under the Develop category; in particular, the supply of waste vehicles, waste bins may result in long term contracts for the city and hence, the supplier would have a desire to win the contracts and perform well.

Section 4: Risk Management

A. Project Procurement Risk Assessment Risk Register

| Risk Description | Likelihood ("L") (1–5) | Impact ("I") (1–5) | Risk Score (L x I) | Risk Rating ^a | Proposed Mitigation | Risk Owner |
|--|------------------------|--------------------|--------------------|--------------------------|---|------------|
| Political environment | | | | | | |
| Political environment; change over in government leadership results in disagreement on project concepts. | 3 | 3 | 9 | Medium | Project team to keep government representatives informed and consulted throughout all stages of the project. | EA |
| Procurement planning and capacity | | | | | | |
| Procurement guidelines and procedures are not followed. | 2 | 4 | 8 | Medium | Procurement under the project will follow ADB's Procurement Policy (2017, as amended from time to time), and Procurement Regulations for ADB Borrowers (2017, as amended from time to time). Training to be provided on the ADB guidelines and Government SOP for procurement. | EA |
| Poor procurement planning resulting in delays in project implementation | 3 | 4 | 12 | High | Procurement strategy to be clearly documented in the procurement plan and followed. Project implementation schedules to be reviewed to take into consideration key deliverables (technical, governmental approvals etc.) and target dates for procurement planned accordingly. | EA |

| Risk Description | Likelihood ("L") (1–5) | Impact ("I") (1–5) | Risk Score (L x I) | Risk Rating^a | Proposed Mitigation | Risk Owner |
|--|-------------------------------|---------------------------|---------------------------|--------------------------------|--|--------------------|
| Limited capacity of EA, PMU, PIAs in procurement and project management, resulting in delays, cost overruns, reduction in project scope. | 3 | 3 | 9 | Medium | EA and PMU have experience in implementing ADB-funded projects. Additional training in the revised ADB procurement framework to be provided. Project implementation consultants will be engaged to develop the detailed design and costings. EA, PMU and consultants to carry out a review of the project budget once the detailed costs have been determined. Capacity development initiatives to strengthen project management capabilities will be provided over the course of the project. | EA |
| PMU with limited resources to support procurement, resulting in delays in bid evaluation and approval process. | 3 | 4 | 12 | High | PMU to be supported by the project implementation consultant in the bid preparation. Procurement specialist to be included as part of the project implementation consultancy. Procurement schedule to be developed and revised throughout project implementation to ensure resources are available to form bid evaluation committees / procurement review committees. | EA |
| Inadequate / vague technical specifications developed resulting in higher bidding price being submitted | 3 | 4 | 12 | High | Project implementation consultants to develop the detailed engineering designs and technical specifications and bill of quantities. Deliverables to be reviewed / cross-checked. Scope of works to be clearly defined in the bidding documents. | PMU |
| Poor use of time based and fixed costs contracts | 3 | 3 | 9 | Medium | EA and PMU to be provided training on time based vs fixed cost contracts, as well as refreshers on provisional sum items, reimbursable costs. PMU to consider using fixed cost contracts when there are clearly defined delivery and payment structures and time-based contracts for works and services. Contract type to be considered during the procurement planning stage. | Client, Contractor |
| Payment conditions too harsh or not appropriate | 5 | 3 | 15 | High | Payment conditions to be reviewed when preparing the bidding documents; key milestones to be identified and included in the documents. | PMU |
| Submission of bids impacted by COVID-19. | 3 | 4 | 12 | High | EA and PMU to explore electronic bid submission options. | EA, PMU |
| Bid evaluation | | | | | | |

| Risk Description | Likelihood ("L") (1–5) | Impact ("I") 1–5) | Risk Score (L x I) | Risk Rating^a | Proposed Mitigation | Risk Owner |
|---|-----------------------------------|----------------------------------|-----------------------------------|------------------------------------|---|-----------------------|
| Inadequate or poorly defined qualification criteria, resulting in submissions from inexperienced contractors, high bid price. | 2 | 5 | 10 | Medium | Qualification criteria (demonstrated experience) to be reviewed based on the project scope and clearly defined in the bidding documents. Criteria should be specific. | PMU, Consultants |
| Mis-procurement due to limited procurement expertise and experience. | 2 | 4 | 8 | Medium | EA and PMU have experience in procurement in accordance with SOP for procurement of externally financed projects/programs, and ADB procurement procedures. Refresher training courses to be provided to ensure all representatives involved in procurement understand the revised ADB procurement framework, and familiar with the provisions of ADB's Anticorruption Policy (1998, as amended from time to time). PMU to be supported by procurement and contract management specialists familiar with ADB procurement procedures. | EA, ADB |
| Lack of confidentiality during bid evaluation | 3 | 4 | 12 | High | EA is experienced in bid evaluation due to involvement in procurement process. The Bid Evaluation Committee and Procurement Review Committee to adhere to the expected high standard on ethics to comply with the confidentiality requirements during bid evaluation, in accordance with ADB and SOP requirements. Committee members will be reminded of duty in carrying out the evaluation and will be required to sign confidentiality and statement of ethical conduct. | EA |
| Bid evaluation process is not transparent and does not follow standard requirements | 3 | 4 | 12 | High | The Procurement Review Committee and Bid Evaluation Committees to follow the bid evaluation requirements and document the findings in the Bid Evaluation Report. | EA |
| Contract management and administration | | | | | | |

| Risk Description | Likelihood ("L") (1–5) | Impact ("I") 1–5) | Risk Score (L x I) | Risk Rating^a | Proposed Mitigation | Risk Owner |
|--|-----------------------------------|----------------------------------|-----------------------------------|------------------------------------|---|-----------------------|
| Limited capacity of the EA, PMU, IA in contract management and administration of civil works contracts, resulting in delays and cost overruns. | 3 | 4 | 12 | High | PMU and IA will be supported by the project implementation consultant. Training will be provided to improve skills in contract management/contract administration. | PMU |
| Limited personnel available to oversee project implementation. | 3 | 3 | 9 | Medium | PMU and IA to be supported by the project implementation consultant (construction supervisory team) throughout project implementation. Contract administrative skills to be strengthened through training. | PMU |
| Construction quality compromised by inexperienced construction contractor or inadequate supervision of consultants. | 3 | 4 | 12 | High | Construction supervisors to be engaged to carry out site supervision, monitoring of construction progress, and reporting. Qualification criteria for the selection of contractors to be reviewed and documented in the bidding document to ensure contractors, experienced in delivering the scope of works, are engaged. | PMU |
| Construction quality compromised due to abnormally low bid. | 3 | 4 | 12 | High | Provisions for abnormally low bid will be applied to the open competitive bidding document and bid evaluation process. | EA, PMU |
| Variation in scope or costing after contract award | 4 | 3 | 12 | High | The project budget requires careful estimate, based on prevailing international standards. The budget should be based on the detailed technical and commercial conditions. In case of scope or budget overrun during implementation, extension of budget or scope of works (or Goods) should be requested for prior approval. | Client Contractor |

^a Risk rating follows the risk rating matrix as outlined in the Procurement Risk Framework (ADB. 2018. *Procurement Risk Framework. Guidance Note on Procurement*. Manila).

Section 5: Options Analysis

A. Civil Works Packages

36. Civil works will form the largest component of the total project procurement. The key civil works packages to be delivered as part of this project is detailed in the following table, along with the estimated contract value.

| Scope of Works | Location | Estimated Contract Value (\$ million - base costs including tax) |
|---|----------|---|
| Construction of wastewater treatment plant and network (including pump stations and pipe work) | Bavet | \$31.3 |
| | Kampot | \$4.1 |
| | Poipet | \$43.7 |
| Construction of urban drainage network | Bavet | \$5.9 |
| | Poipet | \$18.9 |
| Construction of solid waste services (including controlled landfill, sorting facility, composting plant and collection points). | Bavet | \$12.1 |
| | Poipet | \$11.9 |

37. The following options may be considered for the procurement of civil works contract:

| # | Option | Analysis | |
|---|---|--|---|
| | | Advantages | Disadvantages |
| 1 | One single bidding package for wastewater or drainage works per city | <ul style="list-style-type: none"> Common form of contracting with single contract package prepared for a civil works package. Value of the contract can vary, depending on the scope of works. International or national bidding may be adopted (depending on contract value). Opportunity for bidders of various sizes to participate (depending on contract value). | <ul style="list-style-type: none"> Multiple contracts to be administered. Additional time and resources required to prepare bidding documents, conduct bid evaluation. If other underground works will be carried out as part of the project (i.e. drainage), this may cause complication due to the different interface with different contractors, working environment, additional disturbances and costs. |
| 2 | One single bidding package for combined wastewater and drainage works per city | <ul style="list-style-type: none"> Similar to option 1. If the works will be carried out in the same area, this will be better from a coordination perspective. | <ul style="list-style-type: none"> Similar to option 1. Would require the detailed design and technical specifications, due diligence documents for the wastewater and drainage works to be completed at the same time. |
| 3 | One single bidding package for combined wastewater and drainage works for the whole project | <ul style="list-style-type: none"> One contract to administer | <ul style="list-style-type: none"> All works vested with one contractor. Geographically challenging as cities are located far apart. May restrict bidder participation due to size (value) of contract (i.e. experience of bidders in carrying out project of similar nature and value). Detailed design and technical specifications will need to be |

| # | Option | Analysis | |
|---|---|--|---|
| | | Advantages | Disadvantages |
| | | | <p>carried out for all cities simultaneously, otherwise the bidding and award of contract will be delayed.</p> <ul style="list-style-type: none"> • May be more complicated for the PMU to manage from a logistic point of view due to the large value, number of work fronts happening concurrently and potential contractual risks that may arise. • Insufficient capacity/resources / experience to manage large civil works contract. |
| 4 | One single bidding package for solid waste services per city | <ul style="list-style-type: none"> • Common form of contracting with single contract package prepared for a civil works package. • National bidding may be preferred even for packages above threshold (if allowed). • Opportunity for bidders of various sizes to participate (depending on contract value). | <ul style="list-style-type: none"> • Multiple contracts to be administered. • Additional time and resources required to prepare bidding documents, conduct bid evaluation. |
| 5 | One single bidding package for solid waste services for whole project | <ul style="list-style-type: none"> • Increase contract value; more interest to bidders. | <ul style="list-style-type: none"> • All works vested with one contractor. • Detailed design and technical specifications will need to be carried out for all cities simultaneously, otherwise bidding and award of contract will be delayed. • May be more complicated for the PMU to manage due to the number of work fronts happening concurrently. • Insufficient capacity/resources / experience to manage large civil works contract. |
| 6 | <p>One single bidding package, multiple lots by sector</p> <p>i.e. one civil works contract for wastewater and drainage, 1 lot per city;</p> <p>one civil works contract for solid waste, 1 lot per city.</p> | <ul style="list-style-type: none"> • Allows for bidders of various competition. size to participate. • Increase contract value; more interest to bidders • May result in more economical contracts if discounts are offered. | <ul style="list-style-type: none"> • Timeliness for completion of the detailed engineering design, technical specifications and due diligence for all lots. • Can cause delays in procurement if resources are not available to carry out the design of the works concurrently. • If awarded to multiple contractors, this will result in multiple contracts to be administered, which will place pressure on existing resources. |
| 7 | <p>One single bidding package, multiple lots by city</p> <p>i.e. one civil works contract for Bavet, split into lots for wastewater, drainage and solid waste</p> | <ul style="list-style-type: none"> • Allows for bidders of various competition. size to participate. • Increase contract value; more interest to bidders • May result in more economical contracts if discounts are offered. | <ul style="list-style-type: none"> • Timeliness for completion of the detailed engineering design, technical specifications and due diligence for all lots. • Can cause delays in procurement if resources are not |

| # | Option | Analysis | |
|---|--|--|---|
| | | Advantages | Disadvantages |
| | | | <p>available to carry out the design of the works concurrently.</p> <ul style="list-style-type: none"> • If awarded to multiple contractors, this will result in multiple contracts to be administered, which will place pressure on existing resources. • Difficult to find contractor with expertise/experience in wastewater, drainage and solid waste services. |
| 8 | <p>One single bidding - package for all works:</p> <ul style="list-style-type: none"> - Wastewater works - Urban drainage works - Solid waste services <p>(by city or as one whole for the whole project)</p> | <ul style="list-style-type: none"> • One contract to administer. | <ul style="list-style-type: none"> • All works vested with one contractor. • Difficult to find single contractor with experience in wastewater, drainage and solid waste. • If procured as one large contract, will be geographically challenging to manage as all three cities are located far apart. • May restrict bidder participation to only large contractors due to contract value. • Insufficient capacity/resources / experience to manage large civil works contract. • Will require for the detailed design, technical specification for all works to be completed at the same time to bid. |
| 9 | <p>Design and build for works (by city and/or sector)</p> | <ul style="list-style-type: none"> • Opportunity for more efficiencies with a contractor responsible for the design and construction of the works. • Design and plant performance risk vested with contractor. | <ul style="list-style-type: none"> • Government approvals and required safeguard due diligence will be dependent on the completion of detailed design. This may affect the contractor's progress if obtaining such approvals or completing the necessary safeguard documents are delayed (normally a condition for contract award). Contractor may be delayed and may result in cost/penalties. • Limited experience from PMU on design and build type contracts. • Market may be limited due to contract value. • High risk of lowering bargaining power of buyers. |

| Strategic Options Description | Feasibility (1–10) | Suitability (1–10) | Acceptability (1–10) | Overall (3–30) |
|--|-----------------------|-----------------------|-------------------------|-------------------|
| Civil works packages | | | | |
| One single bidding package for wastewater or drainage works per city | 5 | 5 | 5 | 15 |

| Strategic Options Description | Feasibility (1–10) | Suitability (1–10) | Acceptability (1–10) | Overall (3–30) |
|--|-------------------------------|-------------------------------|---------------------------------|---------------------------|
| One single bidding package for combined wastewater and drainage works per city | 8 | 8 | 8 | 24 |
| One single bidding package for combined wastewater and drainage works for the whole project | 6 | 4 | 5 | 15 |
| One single bidding package for solid waste services per city | 8 | 8 | 8 | 24 |
| One single bidding package for solid waste services for whole project | 6 | 5 | 5 | 16 |
| One single bidding package, multiple lots by sector i.e. one civil works contract for wastewater and drainage, 1 lot per city; one civil works contract for solid waste, 1 lot per city. | 7 | 7 | 7 | 21 |
| One single bidding package, multiple lots by city i.e. one civil works contract for Bavet, split into lots for wastewater, drainage and solid waste | 4 | 4 | 3 | 11 |
| One single bidding -package for all works: - Wastewater works - Urban drainage works - Solid waste services by city or as one whole for the whole project | 4 | 4 | 3 | 11 |
| Design and build for works (by city and/or sector) | 3 | 3 | 2 | 8 |

B. Goods and Supply Packages

38. Goods and supply packages will include procurement of:

(i) Vehicles

- a. pick up vehicles for the project management unit, consultants and implementing agencies,
- b. solid waste management vehicles (collection trucks),
- c. solid waste management equipment (waste bins);
- d. specialty / heavy equipment and vehicles, including vacuum trucks, pressure cleaning trucks, shovels, excavators and compactors.

(ii) Office, information technology and administrative equipment and furniture for PMU and consultants.

39. The following options may be considered for the procurement of goods and services.

| # | Option | Analysis | |
|---|---|---|--|
| | | Advantages | Disadvantages |
| 1 | Procurement of vehicles (pick-ups, 4WD), as one package | <ul style="list-style-type: none"> • More economical; potential for savings. • One contract to administer. | <ul style="list-style-type: none"> • Need to determine total requirements at an early stage in order to place order at one time. |
| 2 | Procurement of vehicles (pick ups, 4WD) as single package by city | <ul style="list-style-type: none"> • Procure items if/when need arises. | <ul style="list-style-type: none"> • Smaller contracts to administer. • Possible delay in delivery in case of problem with one or more cities. • Possible different suppliers to provide vehicles between the cities; no consistency. |
| 3 | Procurement of all vehicles (utility vehicles, specialty/heavy vehicles), as one package for whole project or city. | <ul style="list-style-type: none"> • One contract to administer. | <ul style="list-style-type: none"> • Different suppliers required to supply vehicles. • Unknown numbers of vehicle required for the specialty vehicles until technical assessment has been completed. |
| 4 | Procurement of solid waste collection vehicles and equipment/material, as single packages, separate lots by city | <ul style="list-style-type: none"> • More economical; potential for savings. • Potentially one contract to administer | <ul style="list-style-type: none"> • Need to determine total requirements at an early stage in order to place order at one time. |
| 5 | Procurement of solid waste collection vehicles and equipment/material as single packages by city | <ul style="list-style-type: none"> • Procure items if/when need arises. | <ul style="list-style-type: none"> • Smaller contracts to administer. • Possible delay in delivery • Stock / supply may not be available resulting in different items (substitutes) being purchased based on when orders are place. |
| 6 | Procurement of specialty vehicles (excavator, compactors), as one package, separate lots by city | <ul style="list-style-type: none"> • More economical; potential for savings. • Potentially one contract to administer | <ul style="list-style-type: none"> • Need to determine total requirements at an early stage in order to place order at one time. |
| 7 | Procurement of specialty vehicles (excavator, compactors) as single package by city | <ul style="list-style-type: none"> • Procure items if/when need arises. | <ul style="list-style-type: none"> • Smaller contracts to administer. • Possible delay in delivery • Less economical. • Stock / supply may not be available resulting in different items (substitutes) being purchased based on when orders are place. |
| 8 | Procurement of office equipment as one single package, separate lots by city | <ul style="list-style-type: none"> • Potentially one contract to administer. • More economical. | <ul style="list-style-type: none"> • Need to determine needs at an early stage. |
| 9 | Procurement of office equipment as one package by city | <ul style="list-style-type: none"> • Procure items if/when need arises. | <ul style="list-style-type: none"> • May face delivery delays. • Less economical. |

| Strategic Options Description | Feasibility (1–10) | Suitability (1–10) | Acceptability (1–10) | Overall (3–30) |
|---|-----------------------|-----------------------|-------------------------|-------------------|
| Goods and supply packages | | | | |
| Procurement of vehicles (pick-ups, 4WD), as one package | 7 | 7 | 6 | 20 |
| Procurement of vehicles (pick ups, 4WD) as single package by city | 6 | 5 | 6 | 17 |
| Procurement of all vehicles (utility vehicles, specialty/heavy vehicles), as one package for whole project or city. | 3 | 2 | 3 | 8 |
| Procurement of solid waste collection vehicles and equipment/material, as single packages, separate lots by city | 7 | 7 | 7 | 21 |
| Procurement of solid waste collection vehicles and equipment/material as single packages by city | 5 | 5 | 5 | 15 |
| Procurement of specialty vehicles (excavator, compactors), as one package, separate lots by city | 7 | 7 | 7 | 21 |
| Procurement of specialty vehicles (excavator, compactors) as single package by city | 5 | 5 | 5 | 15 |
| Procurement of office equipment as single package for whole project | 7 | 7 | 7 | 21 |
| Procurement of office equipment as one package by city | 5 | 5 | 5 | 15 |

C. Consultancy Services

40. The role of the detailed design and construction supervisory services (DCS) will be to carry out the technical assessments, detailed engineering designs, due diligence assessments, contract administration and construction supervision services, and capacity building services. A large team would be required to support the delivery of the scope of works and a consultancy firm, with various international experts and national staff would be required. The process of QCBS with international advertising will provide best value for money for recruiting a design and supervisory firm as the value of the package will be quite significant, and the quality of the consultant will be important to ensure high quality project implementation.

41. Other consultancy services which include individual consultants to fulfil specialist roles may be required throughout the project implementation phase. Engagement of these services will be based on qualification.

42. The following options may be considered for the procurement of consultancy services.

| # | Option | Analysis | |
|---|---|---|--|
| | | Advantages | Disadvantages |
| 1 | Combine design + bidding preparation + construction supervision + capacity building to one bid. | <ul style="list-style-type: none"> One contract to administer One project firm/manager accountable for service. Seamless transition between design and construction. | <ul style="list-style-type: none"> Consultancy may not have all technically competent staff to service the consultancy (and meet the specific milestones/timeframes), i.e. insufficient design engineers mobilized. |

| # | Option | Analysis | |
|---|---|---|--|
| | | Advantages | Disadvantages |
| | | | <ul style="list-style-type: none"> Team leader proposed may not have full design and construction expertise; this may result in a change midway during project implementation. |
| 2 | Separate bids for <ul style="list-style-type: none"> - DED - construction supervision | <ul style="list-style-type: none"> Allows engagement of specialty skills | <ul style="list-style-type: none"> Increased procurement/contract administration and performance monitoring of consultancies More costly (additional cost for mobilization/logistics). May be risky particularly if there are delays to procuring the services of a construction firm and contractor (i.e. contractor appointed but no construction supervision team mobilized). No continuity allowed between the detailed designer and the construction supervision team. Design engineering team is unavailable to resolve any design issues that may arise on site and the construction firm to engage additional design resources, which may delay the works on site due to lack of familiarity on site conditions/design intent. Construction supervision team may not have the same level of expectation/quality with respect to the design intent/level of finish. New team mobilized for site supervision – who will not have an established working relationship with the EA/PMU. This may hinder progress on site. |

| Strategic Options Description | Feasibility (1–10) | Suitability (1–10) | Acceptability (1–10) | Overall (3–30) |
|---|-----------------------|-----------------------|-------------------------|-------------------|
| Consultancy packages | | | | |
| Combine DED + bidding preparation & evaluation + construction supervision + capacity building to one bid | 8 | 6 | 6 | 20 |
| Separate bids for <ul style="list-style-type: none"> - DED - construction supervision | 5 | 5 | 2 | 12 |

Section 6: Procurement Strategy Summary

A. Procurement Packaging, Scheduling and Method

43. The procurement plan has been prepared based on the following:

- (i) Proposed packages including estimated value, as mentioned in the plan are indicative and may vary;
- (ii) The advertisement date mentioned in the packages are tentative and may be carried out earlier, or later, depending on the program schedule, which will be finalized once the consultancies have mobilized.

44. The procurement strategies have been developed to provide packages to suit the various components, and to provide open international competition. The plan outlines the works, goods and supply and consulting services that will be financed by ADB.

45. The presently envisaged procurement packages are summarized in the following table.

| Package | Description | Type | Lots | Timing for Advertising |
|---------------------------|---|-------|------|------------------------|
| Civil works | | | | |
| CW-BAV-01 | Bavet: Wastewater Treatment Plant and Conveyance Network and Stormwater Drainage Network | Works | 1 | Q2-2023 |
| CW-BAV -02 | Bavet: Solid Waste Management System | Works | 1 | Q4-2023 |
| CW-KAM -01 | Kampot: Wastewater Conveyance Network | Works | 1 | Q1-2023 |
| CW-POI-01 | Poipet: Wastewater Treatment Plant and Conveyance Network and Stormwater Drainage Network | Works | 1 | Q3-2023 |
| CW-POI-02 | Poipet: Solid Waste Management System | Works | 1 | Q4-2023 |
| Goods and supply | | | | |
| G-01 | Pick-up vehicles | Goods | 3 | Q1-2022 |
| G-02 | Solid waste collection equipment and vehicles | Goods | 2 | Q1-2024 |
| G-03 | Specialty vehicles | Goods | 3 | Q1-2024 |
| G-04 | Office equipment and furniture | Goods | 3 | Q1-2022 |
| Consulting Service | | | | |
| CS-01 | Consulting Services for the Detail Design and Construction Supervision | CS | 1 | Q4-2021 |
| CS-02 | PMU support staff (financial) | CS | 1 | Q1-2022 |
| CS-03 | PMU support staff (procurement) | CS | 1 | Q1-2022 |

46. During the loan fact finding, it was agreed to proceed with advance procurement to recruit the detailed design and construction supervisory services. The selection of the consulting firm will be an advance procurement and will commence in Q4 of 2021.

47. Advertisement of all other packages would commence from 2022 onwards, depending on project approval and project requirements.

48. For other packages that may be required during project implementation, the procurement method will be decided and agreed with ADB prior to the commencement of any new procurement.

B. Procurement Method

Civil works packages

49. One civil works package will be prepared for each city. As the wastewater and urban drainage works will involve similar scope (underground pipe laying), it will be combined as one single civil works package, while the solid waste services will be treated as a separate package.

50. Combining the wastewater and urban drainage works and the solid waste services for the project into single contracts to cover all cities will result in a higher contract value, which may generate interest from new bidders. However, given the geographical distance separating these towns, this option is not considered to be practical. Further, higher contract value may reduce interest from the domestic market. There is also an added risk if the DCS consultants are not able to mobilize separate teams to carry out the design works concurrently, which would result in delays in procurement and contract awards.

51. Open competitive bidding (OCB) is the preferred method of ADB. Based on the market analysis, this approach is likely to provide the best outcome for civil works. The following is recommended:

- Civil works packages be procured through OCB with international advertisement as this will promote opportunities for more bidders to participate.
- ADB Standard Bidding Documents: Procurement of Goods, Single Stage, One-Envelope Bidding Procedure. Dated June 2018 (or latest revised version). Without Prequalification.

52. If packages contain several lots, bidders will be allowed to bid for as many lots as they qualify separately and in aggregate. Cross-discounts will be allowed and contracts to be signed separately for each lot.

Goods and supply packages

53. Single contract packages, grouped by lots are proposed for goods and supply packages. These items will be procured using a request for quotation method. In total, there will be five goods packages: (i) pick up vehicles; (ii) solid waste collection equipment; (iii) solid waste collection vehicles; (iv) specialty vehicles; and (v) office equipment and furniture.

54. The following is recommended:

- **For pick up vehicles and office equipment and furniture:** procurement will be through RFQ method. At least 3 quotations will be sought. RFQ will be nationally advertised. ADB Standard Bidding Documents: Procurement of Goods, will be followed.
- **For solid waste collection vehicles and equipment and specialty vehicles:** OCB, international advertisement is recommended to maintain an open market and seek interest from major equipment suppliers. ADB Standard Bidding Documents: Procurement of Goods, Single Stage, One-Envelope Bidding Procedure. Dated June 2018 (or latest revised version). Without Prequalification.

Consulting services

55. Consulting services for the detailed design and construction supervision services will be procured using the following method:

- Consultancy services will be procured using OCB, internationally advertised.
- Quality and cost based (QCBS) selection will be adopted, with quality and cost weightage of 80:20.

- ADB Standard Request for Proposals. Dated June 2018 (or latest revised version) will be followed.
- Full technical proposals to be provided.
- Time based/lump sum contracts will be used.

56. The services of individual specialists will be procured using individual consultant selection (ICS).

57. The main procurement methods proposed to be used for the main packages is summarized below:

| Package | Description | Method |
|---------------------------|---|--------------------------|
| Civil works | | |
| CW-BAV- 01 | Bavet: Wastewater Treatment Plant and Conveyance Network and Stormwater Drainage Network | OCB, International, 1S1E |
| CW-BAV -02 | Bavet: Solid Waste Management System | OCB, International, 1S1E |
| CW-KAM -01 | Kampot: Wastewater Conveyance Network | OCB, International, 1S1E |
| CW-POI-01 | Poipet: Wastewater Treatment Plant and Conveyance Network and Stormwater Drainage Network | OCB, International, 1S1E |
| CW-POI-02 | Poipet: Solid Waste Management System | OCB, International, 1S1E |
| Goods and supply | | |
| G-01 | Pick-up vehicles | RFQ |
| G-02 | Solid waste collection equipment and vehicles | OCB, International 1S1E |
| G-03 | Specialty vehicles | OCB, International 1S1E |
| G-04 | Office equipment and furniture | RFQ |
| Consulting Service | | |
| CS-01 | Consulting Services for the Detail Design and Construction Supervision | QCBS, 80:20 |
| CS-02 | PMU support staff (financial) | ICS |
| CS-03 | PMU support staff (procurement) | ICS |

C. Prequalification

58. For the main Works packages, prequalification will not be applied.
59. For the consulting services (CS-01), prequalification of potential bidders is mandatory through the issuance of a call for Expressions of Interest.
60. Post-qualification will apply for Goods and Supply packages for vehicles, office equipment and furniture.

D. Bidding Procedures

61. The bidding procedures will follow the Procurement Regulations for ADB Borrowers Goods, Works, Non-consulting and Consulting Services. Dated 2017, as amended from time to time.

E. Specifications

62. The specifications for the Works packages are to be conformance specifications, based on Detailed Engineering Designs to be completed by consultants on behalf of the Employer.

63. Recruitment of consultancies will be based on Terms of Reference, that have been prepared by the Employer.

F. Review Requirements

64. Based on the Category A of procurement risk for the project, all OCB international advertisement and first OCB national advertisement packages will be subject to prior review by ADB.

65. Review requirements for other contracts under the project will be defined in the Procurement Plan, to be agreed at negotiations.

G. Standstill Period

66. Standstill Period provisions shall not be applied in the procurement conditions of the Project.

H. Standard Bidding Documents and Contract Forms

67. For works packages, the Bidding Document for the Procurement of Works will be based on the Standard Bidding Document for the Procurement of Works (SBD Works) issued by the Asian Development Bank, dated June 2018. Post qualification.

68. For packages of goods for OCB:

- (i) Where the value is between \$100,000 and under \$1,000,000, the bidding document will follow the Standard National Competitive Bidding Documents for Procurement of Goods; issued by the Ministry of Economy and Finance, dated December 2019; and
- (ii) Where the value exceeds \$1,000,000, the Bidding Document for the Procurement of Goods will be based on the Standard Bidding Document for the Procurement of Goods issued by the Asian Development Bank, dated June 2018.

69. For consulting services under QCBS, the Standard Request for Proposals (RFP) will be based on the Standard Request for Proposals issued by the Asian Development Bank, as amended in June 2018.

70. For other packages in the Procurement Plan, the corresponding ADB procurement documents of the latest versions will apply.

I. Pricing and Costing Method

71. Works packages will follow unit price (admeasurement) contract, based on ADB standard template for lump sum and unit price (admeasurement) contract.

72. Abnormally low bid provisions will apply for all OCB packages to mitigate quality risks from potential substandard subcontracting.³

73. Goods packages will follow the ADB standard template for lump sum and unit price (admeasurement) contract.

³ Analysis carried out on past bid submissions found that in some cases, the submitted costs were lower than the engineer's estimates. Through a review of these bids, it was identified that these submissions were not unbalanced or frontloaded and the unit items were related to early works, which were not considered to be technical or a major item (related to shipment of contractor's plants, equipment, labor to site, mobilization of personnel).

74. Consulting packages will follow the ADB standard template for time-based or lump sum contract. Pricing and costing method will be defined at the time of preparation of the TOR but is suggested to follow 80:20.

75. The pricing and costing method and payments for the proposed contract packages are as follows:

| Package | Description | Method |
|----------------------------------|---|---------------|
| Civil works and Goods and Supply | All packages for goods, works and non-consulting services | Unit price |
| Consulting | All consulting services | Time-based |

J. Key Performance Indicators

76. Key performance indicators will be developed and monitored throughout the project implementation. The indicators will be based on the Quality Criteria and the Milestones provided in the Scope of Works for each bid package.

77. The Quality Criteria will ensure that only technically and commercially qualified bidders will be awarded with the contract.

78. The Milestones in the scope of works will provide the indicators to ensure timely and correct compliance of the contracted works with the Project Implementation Plan (work program).

K. Evaluation Method

79. ADB's Guide on Bid Evaluation, dated June 2018, will be used for the procurement of goods and works.

80. The evaluation criteria to be adopted will take into consideration the size, nature and complexity of the works and goods, as well as the capabilities of the targeted market. Evaluation method will be based on lowest evaluated substantially responsive bid.

The evaluation will also follow ADB's guidance notes on open competitive bidding, quality and value for money, and abnormally low bids. Additional criteria such as green procurement evaluation criteria/technical specifications could be included.

81. For consultants, the ADB's Consulting Services Administered by ADB Borrower's Guidance Note on Procurement, dated June 2018, and ADB's Guidance Note on Financial Proposal Evaluation, will be used. Assessment will be based on narrative and summary evaluation criteria, as outlined in the request for proposal.

L. Contract Management Approach

82. A contract management plan will be developed for civil works packages during the detailed engineering design phase (Q1/2022 – Q4/2023) and reviewed by ADB. The objective of the contract management plan is to monitor the contractor's performance and progress. Packaging of the contract management plan will be discussed with ADB.

83. The contract management capabilities of the EA and PMU will be supported by the Design and Construction Supervision consultant services. The EA is expected to dedicate staff to supervise the services and to work alongside the consultants. The role of the consultants in supporting contract administration and management will be outlined in the terms of reference.

M. Value for Money

84. The government's SOP for procurement outlines the core procurement principles are value for money, economy, integrity, fit for purpose, efficiency, transparency and fairness. In line with this, the project will achieve value for money by: (i) adopting appropriate evaluation criteria that addresses sustainability, cost, quality and risks, (ii) ensuring Abnormally Low Bid provisions are included in both OCB-international and nationally advertised packages to manage risks from substandard subcontracting; (iii) adopting the use of contract management plans for civil works; and (iv) applying the most appropriate procurement method and contract type based on past lesson learnt, to ensure bidding is open to all parties and attracts qualified bidders.

85. The following procurement plan is based on the analysis conducted as part of this strategic procurement planning. Packages have been proposed based on previous experience to expedite project implementation and minimize risks.

86. Contract management plans will be implemented which includes key performance indicators and milestones, to monitor the performance of key contracts.

APPENDIX 1 – PROCUREMENT PLAN

A. Basic Data

| | |
|--|---|
| Project Name: Livable Cities Investment Project | |
| Project Number: 53199-001 | Approval Number: |
| Country: Cambodia | Executing Agency: Ministry of Public Work and Transport (MPWT) |
| Project Procurement Classification: High | Implementing Agencies: Ministry of Public Works and Transport / Provincial Department of Public Works (DPWT) of Poipet, Bavet, and Kampot |
| Procurement Risk: High | |
| Project Financing Amount: ADB Financing: \$180 million Government: \$14.1 million | Project Closing Date: December 2027 |
| Date of First Procurement Plan: TBD | Date of this Procurement Plan: July 2021 |
| Procurement Plan Duration: 18 months | Related to COVID-19 response efforts: No |
| Advance Contracting: Yes | e-Procurement (e-GP): No |

B. Methods, Review and Procurement Plan

| Procurement of Goods, Works and Nonconsulting Services | |
|--|---|
| Method | Comments |
| Open competitive bidding with international advertisement for civil works | As indicated in the procurement plan, based on risk, value and complexity of the package. This method will be used for all civil works packages. |
| Open competitive bidding with national advertisement for civil works | As indicated in the procurement plan. |
| Open competitive bidding (international advertisement) for goods | As indicated in the procurement plan. This method will be used to procure solid waste collection vehicles, equipment and specialty vehicles. |
| Open competitive bidding (national advertisement) for goods and nonconsulting services | As indicated in the procurement plan based on risk, value, complexity of the package. |
| Request for Quotation for Goods, Works and Non-Consulting Services | As indicated in the procurement plan, based on risk, value, complexity of the package. This method will be used for vehicles, office equipment and furniture. |

| Consulting Services | |
|---|--|
| Method | Comments |
| Quality- and Cost-Based Selection (QCBS) | As indicated in the procurement plan based on risk, value, complexity of the package. ADB Standard Request for Proposals. |
| Consultant's qualifications selection for consulting firms. | As indicated in the procurement plan based on risk, value, complexity of the package. Two submissions: (i) draft request for proposal and shortlisting review, shortlist; (ii) combined technical and financial evaluation review. ADB Standard for Request for Proposals. |
| Least Cost Selection | As indicated in the procurement plan, based on risk, value, complexity of the package. |

| | |
|----------------------------------|--|
| Individual consultant selection. | As indicated in the procurement plan, based on risk, value, complexity of the package. |
|----------------------------------|--|

C. List of Active Procurement Packages (Contracts)

The following table lists goods, works and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan duration.

| Goods, Works and Nonconsulting Services | | | | | | | |
|---|---|------------------------------|--------------------|--------|-------------------|-----------------------------------|--|
| Package Number | General Description | Estimated Value (\$ million) | Procurement Method | Review | Bidding Procedure | Advertisement Date (quarter/year) | Comments |
| Goods and supply | | | | | | | |
| G-01 | Pick-up vehicles | 0.8 | RFQ | Prior | 1S1E | Q1/2022 | Advertising: RFQ; at least 3 quotations. Number of Contracts: 1 Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding Documents, Request for Quotation (Goods) E-procurement: No Expected number of vehicles to be procured is 10. |
| G-04 | Office equipment and furniture | 0.2 | RFQ | Post | 1S1E | Q1/2022 | Advertising: RFQ; at least 3 quotations. Number of Contracts: 1 Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding Documents, Request for Quotation (Goods) E-procurement: No |
| Consulting Service | | | | | | | |
| CS-01 | Consulting Services for the Detail Design and Construction Supervision and capacity building services | 10.5 | QCBS | Prior | FTP | Q4/2021 | Type: Firm Assignment: International Quality-Cost Ratio: 80:20 Advance Contracting: Yes Comments: Eligibility – ADB member countries |
| CS-02 | PMU support staff (financial) | 0.2 | ICS | Prior | | Q1/2022 | Type: Individual Assignment: National Requirement: Intermittent, throughout full duration of project |
| CS-03 | PMU support | 0.2 | ICS | Prior | | Q1/2022 | Type: Individual |

| | | | | | | | |
|--|------------------------|--|--|--|--|--|---|
| | staff (procurement) | | | | | | Assignment: National Requirement: Intermittent, throughout full duration of project |
|--|------------------------|--|--|--|--|--|---|

FTP=Full Technical Proposal; ICS=individual consultants selection OCB=Open Competitive Bidding, Q=Quarter; QCBS=Quality Cost Based Selection, RFQ=Request for Quotation; 1S1E=Single Stage – Single Envelope

D. List of Indicative Packages (Contracts) Required under the Project

The following table lists goods, works and consulting services contracts for which the procurement activity is expected to commence beyond the procurement plan duration and over the life of the Project (i.e. those expected beyond the current procurement plan duration).

| Goods, Works and Nonconsulting Services | | | | | | | |
|---|--|------------------------------|--------------------|--------|-------------------|-----------------------------------|---|
| Package Number | General Description | Estimated Value (\$ million) | Procurement Method | Review | Bidding Procedure | Advertisement Date (quarter/year) | Comments |
| CW-BAV-01 | Bavet: Wastewater Treatment Plant and Conveyance Network and Stormwater Drainage Network | 37.2 | OCB | Prior | 1S1E | Q2/2023 | Advertising: International Number of Contracts: 1 Scope: Construction of treatment plant, sewer network, stormwater network, including supply of materials Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding Documents, SBD Works E-procurement: No CMP: Yes |
| CW-BAV-02 | Bavet: Solid Waste Management System | 12.1 | OCB | Prior | 1S1E | Q4/2023 | Advertising: International Number of Contracts: 1 Scope: Construction of solid waste landfill, sorting facility, composting plant Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding Documents, SBD Works E-procurement: No CMP: Yes |
| CW-KAM-01 | Kampot: Wastewater Conveyance Network | 4.1 | OCB | Prior | 1S1E | Q1/2023 | Advertising: International Number of Contracts: 1 Scope: Construction of stormwater network, including supply of materials Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding Documents, SBD |

| | | | | | | | |
|---------------------------|---|------|-----|-------|------|---------|---|
| | | | | | | | Works E-procurement: No |
| CW-POI-01 | Poipet: Wastewater Treatment Plant and Conveyance Network and Stormwater Drainage Network | 62.7 | OCB | Prior | 1S1E | Q3/2023 | Advertising: International Number of Contracts: 1 Scope: Construction of treatment plant, sewer network, stormwater network, including supply of materials Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding Documents, SBD Works E-procurement: No CMP: Yes |
| CW-POI-02 | Poipet: Solid Waste Management System | 11.9 | OCB | Prior | 1S1E | Q4/2023 | Advertising: International Number of Contracts: 1 Scope: Construction of solid waste landfill, sorting facility, composting plant Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding Documents, SBD Works E-procurement: No CMP: Yes |
| Goods and supply | | | | | | | |
| G-02 | Solid waste collection equipment and vehicles | 3.1 | OCB | Prior | 1S1E | Q1/2024 | Advertisement: International Number of contracts: 1 Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding Documents: SBD Goods E-procurement: No |
| G-03 | Specialty vehicles | 1.6 | OCB | Prior | 1S1E | Q1/2024 | Advertisement: International Number of contracts: 1 Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding Documents: SBD Goods E-procurement: No |
| Consulting Service | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

OCB=Open Competitive Bidding; Q=Quarter; QCBS=Quality Cost Based Selection, RFQ=Request for Quotation; 1S1E=Single Stage – Single Envelope

E. List of Awarded and Completed Contracts

The following table lists the awarded contracts and completed contracts for goods, works and consulting services.

| Goods, Works and Nonconsulting Services | | | | | |
|---|---------------------|----------------|--|--------------------|----------|
| Package Number | General Description | Contract Value | Date of ADB Approval of Contract Award | Date of Completion | Comments |
| | | | | | |
| | | | | | |

| Consulting Services | | | | | |
|---------------------|---------------------|----------------|--|--------------------|----------|
| Package Number | General Description | Contract Value | Date of ADB Approval of Contract Award | Date of Completion | Comments |
| | | | | | |

F. Non-ADB Financing

The following table lists goods, works and consulting services contracts over the life of the Project, financed by Non-ADB sources.

| Goods and Works | | | | |
|---------------------|------------------------------|-------------------------------|--------------------|----------|
| General Description | Estimated Value (cumulative) | Estimated Number of Contracts | Procurement Method | Comments |
| | | | | |
| | | | | |

| Consulting Services | | | | |
|---------------------|------------------------------|-------------------------------|------------------|--|
| General Description | Estimated Value (cumulative) | Estimated Number of Contracts | Selection Method | Comments |
| Financial auditor | 0.1 | 1 | | Government will engage financial auditing services |
| | | | | |

**APPENDIX 2 – PROJECT PROCUREMENT RISK ASSESSMENT QUESTIONNAIRE
MINISTRY OF PUBLIC WORKS AND TRANSPORT (MPWT)**

Interviewee’s Name : Mr. Pou Manith
Position : Procurement Officer – PMU/MPWT
Date of interview: 03 November 2020

| QUESTION | RESPONSE ¹ | RISK ² |
|--|---|-------------------|
| A. ORGANIZATIONAL AND STAFF CAPACITY | | |
| PROCUREMENT DEPARTMENT/UNIT | | |
| A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency? | Yes, under Clause 136 of the Standard Operating Procedure, for all Externally Financed Projects in Cambodia, Project specific “Procurement Review Committees (PRC)” is established for the review and approval of bid documents and award of all contracts. A separate Bid Evaluation Committee (BEC) is also established to carry out the evaluations of bids to ensure that there are no conflicts of interest between evaluation of bids and the approval of contract awards. The composition, responsibilities, duties and accountability mechanisms of the BEC and PRC are detailed in the Procurement Manual. | Low |
| A.2 Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee? | Yes. Dedicated procurement section is in place. | Low |
| A.3 If yes, what type of procurement does it undertake? | Procurement of Goods, Works and Services with method of Shopping, NCB, ICB, CQS, QCBS, QBS | Low |
| A.4 How many years’ experience does the head of the procurement department/unit have in a direct procurement role? | More than 10-years’ experience | Low |
| A.5 How many staff in the procurement department/unit are: i. full time ii. part time iii. seconded | Procurement Unit is located in the Department of Finance and Accounting. Procurement is approved by the Prequalification, Evaluation, and Award Committee (PEAC). 6 Nil 6 | Low |
| A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)? | Limited | Moderate |
| A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed Project? | Qualification of the staff is adequate however number of staff requires an increase considering the proposed ADB funded project’s procurement activities. For anticipated procurement on the Project it | Moderate |

¹ Responses should include a discussion of the e-procurement component if an e-procurement system is in use or if is being planned for implementation

² Questions indicated with * are associated with potentially ‘High’ or ‘Substantial’ risks due to the impact being ‘High,’ therefore the strategy for managing those risks should be addressed in the Project Procurement Risk Analysis

| QUESTION | RESPONSE ¹ | RISK ² |
|--|---|-------------------|
| | appears that the procurement section is under-staffed. | |
| A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement? | Yes, it has | Low |
| A.9 Does the agency have, or have ready access to, a procurement training program? | Yes, it has. However, a workshop on procurement at the start of the Project is recommended, and repeated seminars on procurement over the time of the project implementation should be provided in view of possible personnel fluctuations. | Moderate |
| A.10 At what level does the department/unit report (to the head of agency, deputy etc.)? | Head of procurement unit reports to the Director of the General Department for Public Procurement that base at MEF. | Low |
| A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes? | Yes. The job descriptions are provided for each procurement position. As mentioned above, the staff hired and have clear role and technical output requirements. | Low |
| A.12 Is there a procurement process manual for goods and works? | Yes. Standard Operating Procedure, for all Externally Financed Projects in Cambodia May 2012 (updated 2019) is in place. The Manual is intended for use by officers and staff of all line ministries, as well as other agencies of the Royal Government of Cambodia (RGC), charged with the responsibility for implementing externally assisted projects that come under the purview of the MEF | Low |
| A.13 If there is a manual is it up to date and does it cover foreign-assisted projects? | Yes, the manual was updated in 2019. Manual on Standard Operating Procedures (SOP) contains guidelines to facilitate the day-to-day management and administration of the Kingdom of Cambodia's portfolio of externally assisted projects, programs or technical assistance consisting of credits/loans and/or grants under the purview of the Ministry of Economy and Finance (MEF). | Low |
| A.14 Is there a procurement process manual for consulting services? | The Procurement Manual includes provisions on hiring of consulting services only. The Executing Agency is required to use ADB's Guidelines on the Use of Consultants under ADB financed projects. | Low |
| A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects? | Yes, it is. The Manual is updated and provide specific provisions for foreign assisted projects. The Manual also has a provision that in case of any conflict among the procedures stipulated in the Manual and the funding agency, the provision of the funding agency shall prevail as per the Financing Agreement. | Low |
| PROJECT MANAGEMENT UNIT | | |
| A.16 Is there a fully (or almost fully) staffed PMU for this Project currently in place? | Yes, there is | Low |
| A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed Project? | Yes. DPs such as ADB, WB and other agencies have also provided International/National Procurement | Low |

| QUESTION | RESPONSE ¹ | RISK ² |
|---|---|-------------------|
| | Specialist(s) who will be assisting the PMU Staff in undertaking the Procurements. | |
| A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement? | Yes. However, additional resources will be required in the PMU to carry out the procurement under the proposed Project. Adequate training sessions on project management should be provided from time to time for personnel fluctuation reasons. | Moderate |
| A.19 Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects? | Yes, there are. The Standard documents/forms are in use for all procurement activities. | Low |
| A.20 Does the agency follow the national procurement law, procurement processes, guidelines? | Yes. | Low |
| A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs? | Yes | Low |
| A.22 Who drafts the procurement specifications? | Technical-, Procurement-, and Finance-Team | Low |
| A.23 Who approves the procurement specifications? | The PRC under the assistance of Technical officers | Low |
| A.24 Who in the PMU has experience in drafting bidding documents? | Procurement Officer with assistance of relevant consultants | Low |
| A.25 Are records of the sale of bidding documents immediately available? | Yes | Low |
| A.26 Who identifies the need for consulting services requirements? | Project Manager or Project Director | Low |
| A.27 Who drafts the Terms of Reference (TOR) | EAs/IAs with the assistance of Technical consultants | Low |
| A.28 Who prepares the request for proposals (RFPs) | EAs/IAs | Low |
| B. INFORMATION MANAGEMENT | | |
| B.1 Is there a referencing system for procurement files? | Yes | Low |
| B.2 Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency? | Yes. The PMU Director with dedicated staff is responsible for administering all procurement related records within the agency. Adequate resources are allocated for record keeping which includes the record keeping system, space and equipment. | Low |
| B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)? | Yes. 7 years | Low |
| B.4 Are copies of bids or proposals retained with the evaluation? | Yes | Low |
| B.5 Are copies of the original advertisements retained with the pre-contract papers? | Yes | Low |
| B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence? | Yes | Low |
| B.7 Are copies of invoices included with the contract papers? | Yes | Low |
| B.8 Is the agency's record keeping function supported by IT? | Yes | Low |
| C. PROCUREMENT PRACTICES | | |
| Goods and Works | | |

| QUESTION | RESPONSE ¹ | RISK ² |
|---|--|-------------------|
| C.1 Has the agency undertaken procurement of goods or works related to foreign assistance recently (last 12 months or last 36 months)? If yes, indicate the names of the development partner/s and project/s. | Yes. The Agency has successfully conducted procurement of works and goods under ADB Loan No. 3314-CAM: Second Greater Mekong Subregion Corridor Towns Development Project and ADB Loan No 3684/Grant No,0591-CAM: Second Urban Environmental Management in the Tonle Sap Basin project | Low |
| C.2 If the answer is yes, what were the major challenges faced by the agency? | Social Safeguards IESIA, RP/DRP and the replacement of experts during project implementation. | Moderate |
| C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)? | Yes | Low |
| C.4 Is there a minimum period for the preparation of bids and if yes, how long? | Yes, (7-14 days for Shopping and NCB, 14 - 30 day for ICB) | Low |
| C.5 Are all queries from bidders replied to in writing? | Yes, queries and answers are provided to all concerned bidders | Low |
| C.6 Does the bidding document state the date and time of bid opening? | Yes | Low |
| C.7 Are bids opened in public? | Yes | Low |
| C.8 Can late bids be accepted? | Late bids will be rejected upon receipt and returned unopened to the relevant bidders. Records of such rejections are kept and reported in the Minutes of Bid Opening. | Low |
| C.9 Can bids (except late bids) be rejected at bid opening? | Yes, if the Bid Security is not in accordance with the specified requirements. | Low |
| C.10 Are minutes of the bid opening taken? | Yes | Low |
| C.11 Are bidders provided a copy of the minutes? | Yes | Low |
| C.12 Are the minutes provided free of charge? | Yes | Low |
| C.13 Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)? | The Procurement Committee (PR) forms and delegates a Bid Evaluation Committee (BEC) that performs the evaluation of the bids with the support of the Consultants. | Low |
| C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation? | specifications, working experiences, and resources | Low |
| C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals? | Findings of the BEC are sent to the Procurement Committee (PC) for review and approval before submitting to DP to seek for No Objection if it is a prior review requirement package. | Low |
| C.16 Using the three 'worst-case' examples in the last year, how long from the issuance of the invitation for bids can the contract be awarded? | About 1 year. | Moderate |
| C.17 Are there processes in place for the collection and clearance of cargo through ports of entry? | Yes | Low |
| C.18 Are there established goods receiving procedures? | Yes | Low |
| C.19 Are all goods that are received recorded as assets or inventory in a register? | Yes | Low |

| QUESTION | RESPONSE ¹ | RISK ² |
|--|---|-------------------|
| C.20 Is the agency/procurement department familiar with letters of credit? | No. However, the procedures and requirements for Letter of Credit payment conditions are referred to in the General- or Special Conditions of the contract and have no influence on the procurement activities. LC conditions and its modalities can be explained by controllers in case of queries during bid preparation or clarified in case of contract payment problems. | Low |
| C.21 Does the procurement department register and track warranty and latent defects liability periods? | Yes. | Low |
| Consulting Services | | |
| C.22 Has the agency undertaken foreign-assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.) | Yes. Hiring of Project Management Implementation Consultants (PMIC) for construction supervision of ADB Loan No 3686-CAM/Grant No 0592/0593-CAM: Fourth Mekong Sub-region Corridor Town Development Project; and ADB Loan No 3684/Grant No,0591-CAM: Second Urban Environmental Management in the Tonle Sa Basin project using QCBS procedures. | Low |
| C.23 If the above answer is yes, what were the major challenges? | Experts replacement after contract signing | Moderate |
| C.24 Are assignments and invitations for expressions of interest (EOIs) advertised? | Yes | Low |
| C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)? | Consultant Evaluation Committee (CEC) and Procurement Committee (PC) are formed to review and approved proposals/contracts. | Low |
| C.26 What criteria is used to evaluate EOIs? | The consulting firms are evaluated for qualification general and specific, experience, financial capability and other pertinent aspects. | Low |
| C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants? | QCBS is commonly used whereas QBS and CQS are also used. | Low |
| C.28 Do firms have to pay for the RFP document? | No | Low |
| C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP? | Yes | Low |
| C.30 Are pre-proposal visits and meetings arranged? | Yes | Low |
| C.31 Are minutes prepared and circulated after pre-proposal meetings? | Yes | Low |
| C.32 To whom are the minutes distributed? | All stakeholders and short-listed consulting firms | Low |
| C.33 Are all queries from consultants answered/addressed in writing? | Yes | Low |
| C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed? | Yes | Low |
| C.35 Are proposal securities required? | No | Low |
| C.36 Are technical proposals opened in public? | Yes | Low |
| C.37 Are minutes of the technical opening distributed? | Yes | Low |

| QUESTION | RESPONSE ¹ | RISK ² |
|--|--|-------------------|
| C.38. Do the financial proposals remain sealed until technical evaluation is completed? | Yes | Low |
| C.39 Who determines the final technical ranking and how? | CEC evaluated the technical proposal in light of the Narrative Evaluation Criteria. Once the technical evaluation is completed findings of the CEC is shared with PRC for review and approval. | Moderate |
| C.40 Are the technical scores sent to all firms? | Yes | Low |
| C.41 Are the financial proposal opened in public? | Yes | Low |
| C.42 Are minutes of the financial opening distributed? | Yes | Low |
| C.43 How is the financial evaluation completed? | The CEC/PC evaluates the financial proposal in line with the evaluation criteria stipulated in the RFP i.e check the financial proposal for corrections, adjust the proposal if any deviations are observed etc. | Low |
| C.44 Are face to face contract negotiations held? | Yes | Low |
| C.45 How long after financial evaluation is negotiation held with the selected firm? | Around 10 days | Low |
| C.46 What is the usual basis for negotiation? | Technical aspects mainly, i.e replacement of CVs if required, confirmation of expert availability, mobilization schedule, TORs, methodology etc | Low |
| C.47 Are minutes of negotiation taken and signed? | Yes | Low |
| C.48 How long after negotiation is the contract signed, on average? | Around 15 days | Low |
| C.49 Is there an evaluation system for measuring the outputs of consultants? | Evaluation of consultants is carried out based on the output requirements stipulated in the contract. | Low |
| Payments | | |
| C.50 Are advance payments made? | Yes, advance payments are made against a bank guarantee. | Low |
| C.51 What is the standard period for payment included in contracts? | 45 days | Low |
| C.52 On average, how long is it between receiving a firm's invoice and making payment? | Around 45 days | Low |
| C.53 When late payment is made, are the beneficiaries paid interest? | Yes, such provisions exist in the contract. Nonetheless, interests normally are not claimed by the consultants or contractors. Therefore, the employer had not yet been requested to pay interest, even so he is prepared to pay upon request. | Low |
| D. EFFECTIVENESS | | |
| D.1 Is contractual performance systematically monitored and reported? | Yes | Low |
| D.2 Does the agency monitor and track its contractual payment obligations? | Yes | Low |
| D.3 Is a complaints resolution mechanism described in national procurement documents? | Yes | Low |
| D.4 Is there a formal non-judicial mechanism for dealing with complaints? | Yes, mechanisms for amicable settlement exist. | Low |
| D.5 Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of | Yes | Low |

| QUESTION | RESPONSE ¹ | RISK ² |
|--|--|-------------------|
| negotiation, notices of default/withheld payment? | | |
| E. ACCOUNTABILITY MEASURES | | |
| E.1 Is there a standard statement of ethics and are those involved in procurement required to formally commit to it? | Yes, the ADB's Fraud and Corruption Clause is part of each Bidding- Consulting Recruitment-, and Contract Document. | Low |
| E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process? | Yes | Low |
| E.3 Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process? | No | Low |
| E.4 Who approves procurement transactions, and do they have procurement experience and qualifications? | EA/IA and then MEF is ultimately responsible for approving procurement actions. Training sessions for the EA/IA personnel in charge of the approval of procurement activities should be offered and carried out from time to time. | Moderate |
| E.5 Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval? | Variation of Loan, Extension project period need approval from DPs, extension of allocated budget, budget re-allocation, extension of Bid or Proposal Security | |
| a) Bidding document, invitation to pre-qualify or RFP | EA/IA approval needed | Low |
| b) Advertisement of an invitation for bids, pre-qualification or call for EOIs | EA/IA approval needed | Low |
| c) Evaluation reports | EA/IA approval needed | Low |
| d) Notice of award | EA/IA approval needed and DP ratification needed, too. | Moderate |
| e) Invitation to consultants to negotiate | EA/IA approval needed | Low |
| f) Contracts | EA/IA approval needed and MEF ratification needed, too | Moderate |
| E.6 Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets? | PMU | Low |
| E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees? | Yes | Low |