

## Procurement Review

The Procurement plan mentions the contracts which are subject to Bank's prior review or post review. The contracts above the agreed threshold limit are prior reviewed by the Bank. All other contracts are subject to post review. Procurement review refers to reviewing and auditing of files and documents relating to the procurement of goods, works and non-consulting and consultancy services. Procurement review is basically carried out to ascertain whether the agreed procurement procedures were correctly and completely followed both in letter and spirit. It brings out omissions/ commissions and lapses, whether on account of poor or inadequate understanding of the procedures or wilful negligence including likely fraud/corruption evidence during the review. In cases of serious lapse or noncompliance with the agreed procedures (noticed during Procurement Review), the Bank may declare misprocurement and it is the Bank's policy to cancel that portion of the credit allocated to the goods, works, non-consulting services or consulting services that have been misprocured. The report and observations of procurement review also work as a guide for taking corrective measures to streamline and improve the procurement system.

The World Bank review: In addition to the prior review set out in the procurement plan, the World Bank will have the right to carry out the review of contracts either by itself or by a consultant appointed by it for the purpose.

### Threshold Values – Goods, Works, & Consultancies

#### 1. Methods and Value thresholds for Civil Works

<b>Expenditure Category</b>	<b>Procurement Method</b>	<b>Value* (Threshold per contract)</b>	<b>Contracts subjected to Prior Review/Post Review by Bank#</b>
Civil Works	(i) International Competitive Bidding (ICB)	Civil Works estimated to cost equal to or more than the equivalent of US\$ 40 million per contract	All ICB contracts irrespective of value will be subject to prior review.

<b>Expenditure Category</b>	<b>Procurement Method</b>	<b>Value* (Threshold per contract)</b>	<b>Contracts subjected to Prior Review/Post Review by Bank#</b>
	(ii) National Competitive Bidding (NCB)	Civil Works estimated to cost less than the equivalent of US\$ 40 million per contract	All contracts with estimated cost equivalent of US\$ 10 million and above per contract will be subject to prior review. All other contracts shall be subject to post review provided procurement is in accordance with agreed processes and procedures.
	(iii) Shopping (Minimum 3 quotations)	Civil Works estimated to cost less than the equivalent of US\$ 100,000.	[i] All procurement in accordance with para 3.5 of the procurement guidelines. [ii] All contracts shall be subject to Post review
	(iv) Direct Contracting	Civil Works estimated to cost equivalent of US\$ 10,000 or less	All procurement to be carried out in accordance with para 3.7 of the Guidelines. Direct contracts estimated to cost more than US\$10,000 shall be prior reviewed by the Bank.
	(v) Force Account		All procurement under Force Account method shall be prior approved by the Bank provided it is justified in terms of Para 3.9 of the Procurement Guidelines.

<b>Expenditure Category</b>	<b>Procurement Method</b>	<b>Value* (Threshold per contract)</b>	<b>Contracts subjected to Prior Review/Post Review by Bank#</b>
	(vi) Community participation in procurement		Subject to inclusion of Community Procurement as procurement method for specific items in the procurement Plan. Procurement to be carried out in accordance with para 3.19 of Bank guidelines. All contracts to be post reviewed.

\* If a transaction comprises several contracts, lots or slices, the aggregate estimated value of all contracts, lots or slices will determine the applicable threshold amount.

## **2. Methods and Value thresholds for Goods & Equipment, IT Systems and Non-Consulting Services**

<b>Expenditure Category</b>	<b>Methods</b>	<b>Value Threshold</b>	<b>Prior or Post Review Arrangements</b>
Goods and Non-Consulting Services	(i) International Competitive Bidding (ICB)	Contracts estimated to cost equal to or more than the equivalent of US\$ 3 million per contract.	All ICB contracts will be subject to Prior review by the Bank irrespective of value.
	(iii) National Competitive Bidding (NCB)	Contracts estimated to cost less than the equivalent of US\$ 3 million	First NCB contract for goods regardless of value and all other contracts with estimated cost equivalent of US\$ 1000,000 and above will be subject to Bank's prior review. All other contracts are subject to post review.
	(iv) Shopping# (Minimum 3 quotations)	Contracts estimated to cost less than the equivalent of US\$ 100,000 per contract.	All contracts are subject to Post review

<b>Expenditure Category</b>	<b>Methods</b>	<b>Value Threshold</b>	<b>Prior or Post Review Arrangements</b>
	(v) Direct Contracting	Proprietary equipment; software; educational publications; and other learning resources estimated to cost equivalent of US\$ 10,000 or less per contract	Any other procurement to be justified in terms of Para. 3.7 of Bank guidelines. Procurement estimated to cost more than US\$10,000 shall be prior reviewed by the Bank.
	(vi) Framework Agreement (FA)		Subject to inclusion of “FA” as procurement method for specific items in the procurement plan. As per Para. 3.6 of Procurement Guidelines. All FAs are subject to prior review by Bank.
	(vii) Community Participation in Procurement\$		Subject to inclusion of Community Procurement as procurement method for specific items in the procurement Plan. Procurement to be carried out in accordance with Para. 3.19 of Bank guidelines. All contracts to be post reviewed.

- a) If a transaction comprises several contracts, lots or slices, the aggregate estimated value of all contracts, lots or slices will be considered to determine the applicable threshold amount.
- b) # Community Procurement would be based on World Bank “Guidance Note For Management Of Procurement Responsibilities In Community-Driven Development Projects dated December 2009” and as included in the Procurement manual.
- c) # State Rate Contracts cannot be used at par with Shopping. If state rate contract exists for an item, the same can be considered as one of the 3 quotations to be sought under shopping procedures. However DGS&D rate contracts are acceptable under any procurement under the Shopping procedure.
- d) @ Use of DGS&D rate contracts under Framework Agreement (FA) method can be used, provided that:
- e) Use of DGS&D rate contracts as FA must be reflected on the procurement plan agreed by the Bank for particular goods.

- f) Before issuing the purchase order, the borrower carries-out a price analysis on the specific good that is intended to be purchased. If after this due diligence the borrower concludes (and Bank agrees) that the DGS&D rate contract is not suitable, then the borrower shall proceed using NCB or shopping depending on the value.
- g) To meet the Bank's requirements for right to audit and F&C, these clauses may be included in the Purchase Orders (in case the purchasers are directly placing the purchase orders to DGS&D rate contract holders). On the other hand, if indent is placed through DGS&D, the Purchaser has the option to sign a separate undertaking with DGS&D rate contract holder, where Bank's right to audit and F&C clauses could be mentioned. Responsibilities In Community-Driven Development Projects dated December 2009 and as included in the Procurement Manual.
- h) All software shall be procured from original suppliers/Developers or their authorized resellers.
  - i) On prior approval by the Bank seeds, plants, planting material manure and other horticulture inputs shall be procured in decentralized manner as per agreed procedures.
  - ii) Books and journals shall be purchased directly from the publishers.
  - iii) All Direct contracting shall be prior cleared by the Bank and publicly disclosed on the project website /UNDB

### 3. Methods and Value thresholds for Consultancy Services

Consulting Services	Methods	Value Threshold*	Review Arrangements
Consulting Services (Firms)	i) Quality and Cost Based Selection (QCBS) ii) Quality Based Selection (QBS) iii) Selection based on a Fixed Budget (FBS) iv) Selection Based on Least Cost Basis (LCS)		All contracts valued above US\$ 500,000 will be subject to Prior Review by the World Bank. All other contracts will be subject to post review.
	v) (Selection based on Consultant's Qualification (CQ)	Contracts estimated to cost equivalent of US\$ 300,000 or less per contract	

<b>Consulting Services</b>	<b>Methods</b>	<b>Value Threshold*</b>	<b>Review Arrangements</b>
	vi) Single Source Selection (SSS) provided the conditions stipulated in paragraph 3.8 to 3.11 of Consultant Guidelines are met.		All SSS contracts above US \$10,000 are subject to prior review and contracts less than US \$10,000 are subject to post review provided procurement is in accordance with para 3.9-3.11 of the Bank guidelines and included in the Procurement plan cleared by the Bank.
Individual Consultants	i) Competitive Selection	Contracts estimated to cost equivalent of US\$ 100,000 or less per contract	All contracts 200,000 and above are subject to prior review. All other contracts are subject to post review provided procurement is in accordance with Section V of the Bank guidelines.
	ii) Single Source Selection (SSS)		All contracts above US\$ 10,000 shall be subject to prior review and all contracts equal to or below US\$ 10,000 shall be subject to post review provided procurement is in accordance with Section V of the Bank guidelines.

\* If a transaction comprises several packages, lots or slices, the aggregate estimated value of contracts will determine the applicable threshold amount.

**Other Special Selection Arrangements for Consultancy Services:**

- (a) Requests for Expression of Interest (REOI) for assignments expected to cost more than US\$ 300,000 shall be advertised in UNDB online in accordance with Para 2.5 of the Consultant Guidelines. Besides, all REOIs prepared by the PMU/PIU/IA shall be submitted to the World Bank for publishing them on the Bank’s external website.
- (b) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of US \$ 30,000 or more through competitive selection, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Bank for its prior review and No Objection.

- (c) Terms of Reference for all consultant contracts estimated to cost the equivalent of US \$ 20,000 or more per contract in the case of firms, and in all cases of individuals shall be furnished to the Bank for its prior review and No Objection.
- (d) At least two procurement personnel of PMU shall attend training program on STEP to be conducted by World Bank

**E-Procurement:**

The Project Implementing Agencies for adopting e-Procurement under RACP shall seek World Bank prior clearance. Only upon acceptance customised tender documents for e-procurement adhering to World Bank processes shall be adopted. Efforts shall be made to adopt e-procurement procedures in the project within first two years of the project.