

Procurement Capacity Assessment Report and Recommendations

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| <p>Proposed Project Name:</p> <p>Qinghai Delingha Concentrated Solar Thermal Power Project</p> | <p>Proposed Amount (US\$):</p> <p>ADB loan: \$ 150 million</p> <p>China EXIM Bank: \$ 75.58 million</p> <p>CGN: \$ 96.68 million</p> |
| <p>Executing/Implementing Agency:</p> <p>The EA: China General Nuclear Power Corporation (CGN)</p> <p>The IA: CGN Delingha Solar Energy Co. Ltd. (CGN-DSE)</p> <p>The supervising agency: CGN Solar Energy Development Co. Ltd. (CGN-SEDC)</p> | <p>Source of Funding:</p> <p>ADB finance, domestic bank loan, and equity finance.</p> |
| <p>Assessor: PPTA Consultant, Mr. Shi Yeqing</p> | <p>Date: 30 March, 2013</p> |
| <p>Expected Procurement</p> <p>The procurement to be funded by ADB consists of international competitive bidding for (i) solar field steel structure, (ii) Reflector mirrors, (iii) Heat Collector Element (iv) Track Driver and control, (v) Thermal storage system, and (vi) Heat Transfer Fluid system. The tendering company: China National Technical Import and Export Corporation (CNTIC) has been engaged since July 2012 to assist implementing procurement in accordance with ADB guidelines.</p> <p>General Procurement Environment Assessment</p> <p>The legal and institutional system in the People’s Republic of China (PRC) is well established. “Bidding Law”, "Government Procurement Law" and “Bidding Law Implementing Regulations ”, together with a series of laws and regulations related to the tender and bidding are systematically in place. In accordance with the system, use of competitive bidding is required under strict anticorruption prevention system. Audit is carried out by an independent national government organization with strict ethical code. The system also accommodates applying the foreign donor’s procurement and consultant selection guidelines for the project to be funded by foreign donors including Asian Development Bank (ADB).</p> <p>CGN-DSE is responsible for procurement under the project. CGN-SEDC supervises procurement to be conducted under CGN-DSE. CGN takes overall responsibility for the project implementation. CGN has a procurement management system as the state-owned company in the PRC including contract and procurement management operation system which also applies to whole affiliated companies under CGN, including CGN-DSE and CGN-SEDC. CNTIC the tendering company assists implementing procurement in accordance with ADB guidelines.</p> | |

Organization and Staff Capacity

CGN is the SOE established in 1994 under the supervision of the State-Owned Assets Supervision and Administration of the State Council and is a leading company in nuclear power development which shares 51% or 6,119 MW of nuclear power installed capacity in the PRC. Currently, CGN manages the construction of 15 nuclear power plants with 17,540 MW install capacity. Through implementing these sizable power plant development and operation, CGN has sufficient procurement experiences in international and national competitive bidding. CGN has been developed into a large power group consisting of wholly owned or controlled 32 affiliated companies including CGN-SEDC and CGN-DSE. CGN has procurement management system including contract management which applies to procurement in all affiliated companies. Supervision and Audit Department of CGN supervises all affiliated companies for compliance with CGN group company-wide procurement management system.

CGN-SEDC fully owned by CGN was established in 2009 for solar energy development having project implementation experiences in domestic and overseas. To date, total install capacity of solar energy power plants is 287 MW. Department of contract and commerce (DCC) of CGN-SEDC supervises procurement and contract management to be conducted by CGN-DSE. Endorsement on procurement related matters is made by the General Manager Office (GMO). The DCC has a sufficient number of full-time trained staff responsible for supervising procurement and contract management under CGN-DSE.

CGN-DSE fully owned by CGN-SEDC is the project company which is responsible for day to day implementation of Qinghai Delingha Solar Thermal Power Project. The procurement and contract unit of CGN-DSE is responsible for procurement and contract management of the project. Key Procurement staffs of CGN-SEDC were transferred to CGN-DSE to conduct procurement and contract management of the project. All procurement and contract matters in CGN-DSE are to be approved by the General Manager of CGN-DSE for endorsement of CGN-SEDC. As CGN-SEDC and CGN-DSE have no experiences in conducting procurement with international financing institutions, CNTIC assists procurement for the project in accordance with ADB guidelines.

Information Management

DCC of CGN-SEDC and the procurement and the contract unit of CGN-DSE have sufficient experienced personnel to conduct procurement and contract management with information management system in place, in accordance with CGN's procurement management system. All contract related documents, including signed original contracts, bid evaluation reports, procurement notices (original press paper disclosing the procurement notice), winning bids or proposals, and contract administration papers shall be retained for 5 or more years (depending on type of document) after the completion of each contract. Annual inspections are carried out both internally and externally which includes the inspection of the National Audit Office of the PRC to conduct external audit for project.

Procurement Practices

Procurement of Goods and Works

DCC of CGN-SEDC and the procurement and contract unit of CGN-DSE are a full-time office responsible for procurement and contract management. DCC of CGN-SEDC has sufficient procurement and contract management experiences through implementing 15 units of solar

energy power plants in the PRC and the United States since 2004. The experienced procurement staffs of DCC, CGN-SEDC were transferred to CGN-DSE to conduct procurement and contract management for the project. General manager of CGN-DSE approves all procurement and contract matters for endorsement of CGN-SEDC. Upon review of DCC in CGN-SEDC, GMO of CGN-SEDC will finally endorse the request from CGN-DSE. CNTIC assists procurement for the project in accordance with ADB guidelines.

Accountability Measures

CGN has procurement management system including contract and information management which applies to procurement in all affiliated companies including CGN-SEDC and CGN-DSE. Supervision and Audit Department of CGN supervises all affiliated companies for compliance with CGN group company-wide procurement management system. DCC and GMO of CGN-SEDC shall supervise all procurement and contract matters under CGN-DSE. Internal and external procurement audit by Supervision and Audit Department of CGN, Internal Audit Department of CGN-SEDC, and the National Audit Office of the PRC are conducted.

Summary Assessment

CGN and CGN-SEDC have sufficient procurement experiences and the experienced staffs. CGN group company-wide procurement management system including contract and information management are well developed and in place for all CGN affiliated companies including CGN-SEDC and CGN-DSE. As CGN-DSE is newly established project company, experienced procurement staffs have been transferred to CGN-DSE for procurement and contract management of the project. DCC and GMO of CGN-SEDC also supervise all procurement and contract matters under CGN-DSE. Since CGN-SEDC and CGN-DSE have no experiences in conducting procurement with international financing institutions, CNTIC assists procurement for the project in accordance with ADB guidelines. Internal and external audit to be conducted by Supervision and Audit Department of CGN, Internal Audit Department of CGN-SEDC, and the National Audit Office of the PRC also enhances the procurement and contract management of the project.

Specific Recommendations, Project Implementation

| Risks | Recommended Action | Responsibility and comment |
|---|---|-----------------------------------|
| The IA, CGN-SEDC, tendering company and domestic design institute have no past experience in procurement of utility scale CSP project in the PRC. | Preparing technical parts of tender documents and technical evaluation needs to be assisted by internationally experienced owner's engineer | CGN-SEDC and CGN-DSE |

| General Recommendations, Procurement Environment | | |
|---|---|-----------------------------------|
| Risk/Capacity Constraint | Recommended Action | Responsibility and comment |
| CGN, CGN-SEDC, and CGN-DSE have no experiences in conducting procurement with international financing institutions including ADB. | Engagement of qualified tendering company is essential to conduct procurement in accordance with ADB procurement guideline. CNTIC the selected tendering company assists procurement for the project during implementation. | CGN-SEDC and CGN-DSE |

Procurement Capacity Assessment Agency Questionnaire

EA: CGN

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|---------------------|----------------|------|---------|-----|
| Risk Ratings | Extremely High | High | Average | Low |
|---------------------|----------------|------|---------|-----|

I. Specific Assessment and Ratings

| Question | Answer/Finding | Risk |
|---|--------------------|---------|
| A. ORGANIZATIONAL AND STAFF CAPACITY | | |
| A.1. How many years experience does the head of the procurement department/unit have in a direct procurement role? | More than 12 years | Low |
| A.2. How many staff in the procurement department/unit are: | 102 persons | Low |
| i. Full Time? | Yes | |
| ii. Part Time? | | |
| iii. Seconded? | | |
| A.3. Does the procurement staff have English language proficiency? | No | Average |
| A.4. Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project? | Yes | Low |
| A.5. Does the unit have adequate facilities, such as PCs, internet connections, photocopy facilities, printers, etc., to undertake the planned procurement? | Yes | Low |
| A.6. Does the agency have a procurement-training program? | Yes | Low |
| A.7. Does the agency have a Procurement Committee that is independent from the head of the agency? | Yes | Low |
| A.8. Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat for the Procurement Unit, and which serves as the main support unit of the Procurement Committee? | Yes | Low |
| A.9. If yes, what type of procurement does it undertake? | ICB and NCB | Low |
| A.10. At what level does the department/unit report (to the head of agency, deputy etc.)? | | |
| A.11. Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes? | Yes | Low |

| Question | Answer/Finding | Risk |
|--|--|------|
| A.12. Is there a procurement process manual for goods and works? | Yes | Low |
| A.13. If there is a manual, is it up to date and does it cover foreign-assisted projects? | Yes. It is up to date and can cover foreign-assisted projects | Low |
| A.14. Is there a procurement process manual for consulting services? | Yes | Low |
| A.15. If there is a manual, is it up to date and does it cover foreign-assisted projects? | Yes. It is up to date and can cover foreign-assisted projects | Low |
| A.16. 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 standard documents in use, and they have been approved for use on ADB funded projects | Low |
| A.17. Does the ToR follow a standard format such as background, tasks, inputs, objectives and outputs? | Yes | Low |
| A.18. Who drafts the procurement specifications? | The design institution and the Owner's engineer | Low |
| A.19. Who approves the procurement specifications? | CGN-SEDC | Low |
| A.20. Who drafts the bidding documents? | The tendering agent-CNTIC | Low |
| A.21. Who manages the sale of the bidding documents? | The tendering agent-CNTIC | Low |
| A.22. Who identifies the need for consulting services requirements? | CGN-SEDC and CGN-DSE | Low |
| A.23. Who drafts the terms of reference (ToR)? | CGN-DSE | Low |
| A.24. Who prepares the request for proposals (RFPs)? | CGN-DSE | 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 | Low |
| B.3. For what period are records kept? | 5 years or more after the contract close | 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 | Yes | Low |

| Question | Answer/Finding | Risk |
|---|---|------|
| correspondence? | | |
| B.7. Are copies of invoices included with the contract papers? | Yes | Low |
| C. PROCUREMENT PRACTICES | | |
| Goods and Works | | |
| C.1. Has the agency undertaken foreign-assisted procurement of goods or works recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.) | No | High |
| C.2. If the above answer is yes, what were the major challenges? | | |
| 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 preparation of bids and if yes how long? | 20 days | Low |
| C.5. Are all queries from bidders replied to in writing? | Yes | |
| C.6. Does the bidding document state the date and time of bid opening? | Yes | Low |
| C.7. Is the opening of bids done in public? | Yes | Low |
| C.8. Can late bids be accepted? | No | |
| C.9. Can bids be rejected at bid opening? | No. except for the bids without good seal | |
| C.10. Are minutes of the bid opening taken? | Yes | Low |
| C.11. Who may have a copy of the minutes? | The bidders, the EA, and the IA, CGN-SEDC | |
| C.12. Are the minutes free of charge? | Yes | |
| C.13. Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)? | The bid evaluation committee | Low |
| C.14. What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation? | More than 8 years of work experience with senior professional qualification | Low |
| C.15. Is the decision of the evaluators final or is the evaluation subject to additional approvals? | The decision of the evaluator is final. | Low |
| C.16. Using at least three real examples, how long does it normally take from the issuance of the invitation for bids up to contract effectiveness? | 45 days | Low |
| 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 | Yes | Low |

| Question | Answer/Finding | Risk |
|---|------------------------------|------|
| procedures? | | |
| C.19. Are all goods that are received recorded as assets or inventory in a register? | Yes | Low |
| C.20. Is the agency/procurement department familiar with letters of credit? | Yes | 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.) | No | High |
| C.23. If the above answer is yes, what were the major challenges? | | NA |
| C.24. Are assignments and requests 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)? | Yes, more than 5 persons. | Low |
| C.26. What criteria is used to evaluate EOIs? | QCBS | Low |
| C.27. Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants? | QCBS | 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, If needed. | Low |
| C.31. Are minutes prepared and circulated after pre-proposal meetings? | Yes | |
| C.32. To whom are the minutes distributed? | All bidders | |
| 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? | Yes | Low |
| C.35. Are proposal securities required? | Not required | Low |
| C.36. Are technical proposals opened in public? | No | Low |
| C.37. Are minutes of the technical opening distributed? | No | |
| 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? | The bid evaluation committee | Low |

| Question | Answer/Finding | Risk |
|---|---------------------------------|-------------|
| 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? | Based upon internal regulations | 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? | 7 days | Low |
| C.46. What is the usual basis for negotiation? | The proposals and RFP | Low |
| C.47. Are minutes of negotiation taken and signed? | Yes | Low |
| C.48. How long after negotiation is the contract signed? | 7 days | Low |
| C.49. Is there an evaluation system for measuring the outputs of consultants? | Yes | Low |
| Payments | | |
| C.50. Are advance payments made? | According to the contract | Low |
| C.51. What is the standard period for payment included in contracts? | 30 days | Average |
| C.52. On average, how long is it between receiving a firm's invoice and making payment? | 30 days | Average |
| C.53. When late payment is made, are the beneficiaries paid interest? | According to the contract | 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 | Low |
| D.5. Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment? | Yes | Low |
| 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 | Low |

| Question | Answer/Finding | Risk |
|---|-------------------------------|------|
| 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? | Yes | Low |
| E.4. Who approves procurement transactions, and do they have procurement experience and qualifications? | The general manager, CGN-SEDC | Low |
| 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? | The general manager, CGN-SEDC | Low |
| a) Bidding document, invitation to pre-qualify or RFP | Yes | |
| b) Advertisement of an invitation for bids, pre-qualification or call for EOIs | Yes | |
| c) Evaluation reports | Yes | |
| d) Notice of award | Yes | |
| e) Invitation to consultants to negotiate | Yes | |
| f) Contracts | Yes | |
| 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? | Yes | Low |
| E.7. Is there a written auditable trail of procurement decisions attributable to individuals and committees? | Yes | Low |

II. General Ratings

| Criterion | Risk |
|---|---------|
| A. Organizational and Staff Capacity | Average |
| B. Information Management | Low |
| C. Procurement Practices | Average |
| D. Effectiveness | Low |
| E. Accountability Measures | Low |
| OVERALL RISK RATING | Average |

Procurement Capacity Assessment Agency Questionnaire

IA: CGN-DSE

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|---------------------|----------------|------|---------|-----|
| Risk Ratings | Extremely High | High | Average | Low |
|---------------------|----------------|------|---------|-----|

I. Specific Assessment and Ratings

| Question | Answer/Finding | Risk |
|---|--------------------|---------|
| F. ORGANIZATIONAL AND STAFF CAPACITY | | |
| A.1. How many years experience does the head of the procurement department/unit have in a direct procurement role? | More than 10 years | Low |
| A.2. How many staff in the procurement department/unit are: | 7 persons | Low |
| iv. Full Time? | 5 | |
| v. Part Time? | 2 | |
| vi. Seconded? | | |
| A.3. Does the procurement staff have English language proficiency? | No | Average |
| A.4. Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project? | Yes | Low |
| A.5. Does the unit have adequate facilities, such as PCs, internet connections, photocopy facilities, printers, etc., to undertake the planned procurement? | Yes | Low |
| A.6. Does the agency have a procurement-training program? | Yes | Low |
| A.7. Does the agency have a Procurement Committee that is independent from the head of the agency? | Yes | Low |
| A.8. Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat for the Procurement Unit, and which serves as the main support unit of the Procurement Committee? | Yes | Low |
| A.9. If yes, what type of procurement does it undertake? | ICB and NCB | Low |
| A.10. At what level does the department/unit report (to the head of agency, deputy etc.)? | | |
| A.11. Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes? | Yes | Low |

| Question | Answer/Finding | Risk |
|--|--|------|
| A.12. Is there a procurement process manual for goods and works? | Yes | Low |
| A.13. If there is a manual, is it up to date and does it cover foreign-assisted projects? | Yes. It is up to date but it can cover foreign-assisted projects | Low |
| A.14. Is there a procurement process manual for consulting services? | Yes | Low |
| A.15. If there is a manual, is it up to date and does it cover foreign-assisted projects? | Yes. It is up to date but it can cover foreign-assisted projects | Low |
| A.16. 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 standard documents in use, and they have been approved for use on ADB funded projects | Low |
| A.17. Does the ToR follow a standard format such as background, tasks, inputs, objectives and outputs? | Yes | Low |
| A.18. Who drafts the procurement specifications? | The design institution and the Owner's engineer | Low |
| A.19. Who approves the procurement specifications? | CGN-SEDC | Low |
| A.20. Who drafts the bidding documents? | The tendering agent-CNTIC | Low |
| A.21. Who manages the sale of the bidding documents? | The tendering agent-CNTIC | Low |
| A.22. Who identifies the need for consulting services requirements? | CGN-SEDC and CGN-DSE | Low |
| A.23. Who drafts the terms of reference (ToR)? | CGN-DSE | Low |
| A.24. Who prepares the request for proposals (RFPs)? | CGN-DSE | Low |
| G. 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 | Low |
| B.3. For what period are records kept? | 5 years or more after the contract close. | 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 | Yes | Low |

| Question | Answer/Finding | Risk |
|---|---|------|
| correspondence? | | |
| B.7. Are copies of invoices included with the contract papers? | Yes | Low |
| H. PROCUREMENT PRACTICES | | |
| Goods and Works | | |
| C.1. Has the agency undertaken foreign-assisted procurement of goods or works recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.) | No | High |
| C.2. If the above answer is yes, what were the major challenges? | | |
| 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 preparation of bids and if yes how long? | 20 days | Low |
| C.5. Are all queries from bidders replied to in writing? | Yes | |
| C.6. Does the bidding document state the date and time of bid opening? | Yes | Low |
| C.7. Is the opening of bids done in public? | Yes | Low |
| C.8. Can late bids be accepted? | No | |
| C.9. Can bids be rejected at bid opening? | No. except for the bids without good seal | |
| C.10. Are minutes of the bid opening taken? | Yes | Low |
| C.11. Who may have a copy of the minutes? | The bidders, the EA, and the IA, CGN-SEDC | |
| C.12. Are the minutes free of charge? | Yes | |
| C.13. Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)? | The bid evaluation committee | Low |
| C.14. What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation? | More than 8 years of work experience with senior professional qualification | Low |
| C.15. Is the decision of the evaluators final or is the evaluation subject to additional approvals? | The decision of the evaluator is final. | Low |
| C.16. Using at least three real examples, how long does it normally take from the issuance of the invitation for bids up to contract effectiveness? | 45 days | Low |
| 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 | Yes | Low |

| Question | Answer/Finding | Risk |
|---|------------------------------|------|
| procedures? | | |
| C.19. Are all goods that are received recorded as assets or inventory in a register? | Yes | Low |
| C.20. Is the agency/procurement department familiar with letters of credit? | Yes | 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.) | No | High |
| C.23. If the above answer is yes, what were the major challenges? | | NA |
| C.24. Are assignments and requests 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)? | Yes, more than 5 persons. | Low |
| C.26. What criteria is used to evaluate EOIs? | QCBS | Low |
| C.27. Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants? | QCBS | 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, If needed. | Low |
| C.31. Are minutes prepared and circulated after pre-proposal meetings? | Yes | |
| C.32. To whom are the minutes distributed? | All bidders | |
| 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? | Yes | Low |
| C.35. Are proposal securities required? | Not required | Low |
| C.36. Are technical proposals opened in public? | No | Low |
| C.37. Are minutes of the technical opening distributed? | No | |
| 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? | The bid evaluation committee | Low |

| Question | Answer/Finding | Risk |
|---|---------------------------------|-------------|
| 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? | Based upon internal regulations | 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? | 7 days | Low |
| C.46. What is the usual basis for negotiation? | The proposals and RFP | Low |
| C.47. Are minutes of negotiation taken and signed? | Yes | Low |
| C.48. How long after negotiation is the contract signed? | 7 days | Low |
| C.49. Is there an evaluation system for measuring the outputs of consultants? | Yes | Low |
| Payments | | |
| C.50. Are advance payments made? | According to the contract | Low |
| C.51. What is the standard period for payment included in contracts? | 30 days | Average |
| C.52. On average, how long is it between receiving a firm's invoice and making payment? | 30 days | Average |
| C.53. When late payment is made, are the beneficiaries paid interest? | According to the contract | Low |
| I. 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 | Low |
| D.5. Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment? | Yes | Low |
| J. ACCOUNTABILITY MEASURES | | |
| E.1. Is there a standard statement of ethics and are those involved in procurement required to formally commit to it? | Yes | Low |

| Question | Answer/Finding | Risk |
|---|---------------------|------|
| 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? | Yes | Low |
| E.4. Who approves procurement transactions, and do they have procurement experience and qualifications? | The general manager | Low |
| 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? | The general manager | Low |
| g) Bidding document, invitation to pre-qualify or RFP | Yes | |
| h) Advertisement of an invitation for bids, pre-qualification or call for EOIs | Yes | |
| i) Evaluation reports | Yes | |
| j) Notice of award | Yes | |
| k) Invitation to consultants to negotiate | Yes | |
| l) Contracts | Yes | |
| 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? | Yes | Low |
| E.7. Is there a written auditable trail of procurement decisions attributable to individuals and committees? | Yes | Low |

II. General Ratings

| Criterion | Risk |
|---|---------|
| A. Organizational and Staff Capacity | Average |
| B. Information Management | Low |
| C. Procurement Practices | Average |
| D. Effectiveness | Low |
| E. Accountability Measures | Low |
| OVERALL RISK RATING | Average |

Procurement Capacity Assessment Agency Questionnaire

CGN-SEDC

| | | | | |
|---------------------|----------------|------|---------|-----|
| Risk Ratings | Extremely High | High | Average | Low |
|---------------------|----------------|------|---------|-----|

I. Specific Assessment and Ratings

| Question | Answer/Finding | Risk |
|---|--------------------|---------|
| K. ORGANIZATIONAL AND STAFF CAPACITY | | |
| A.1. How many years experience does the head of the procurement department/unit have in a direct procurement role? | More than 10 years | Low |
| A.2. How many staff in the procurement department/unit are: | 15 persons | Low |
| vii. Full Time? | Yes | |
| viii. Part Time? | | |
| ix. Seconded? | | |
| A.3. Does the procurement staff have English language proficiency? | No | Average |
| A.4. Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project? | Yes | Low |
| A.5. Does the unit have adequate facilities, such as PCs, internet connections, photocopy facilities, printers, etc., to undertake the planned procurement? | Yes | Low |
| A.6. Does the agency have a procurement-training program? | Yes | Low |
| A.7. Does the agency have a Procurement Committee that is independent from the head of the agency? | Yes | Low |
| A.8. Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat for the Procurement Unit, and which serves as the main support unit of the Procurement Committee? | Yes | Low |
| A.9. If yes, what type of procurement does it undertake? | ICB and NCB | Low |
| A.10. At what level does the department/unit report (to the head of agency, deputy etc.)? | | |
| A.11. Do the procurement positions in the agency have job descriptions, which outline | Yes | Low |

| Question | Answer/Finding | Risk |
|--|--|------|
| specific roles, minimum technical requirements and career routes? | | |
| A.12. Is there a procurement process manual for goods and works? | Yes | Low |
| A.13. If there is a manual, is it up to date and does it cover foreign-assisted projects? | Yes. It is up to date but it can cover foreign-assisted projects | Low |
| A.14. Is there a procurement process manual for consulting services? | Yes | Low |
| A.15. If there is a manual, is it up to date and does it cover foreign-assisted projects? | Yes. It is up to date but it can cover foreign-assisted projects | Low |
| A.16. 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 standard documents in use, and they have been approved for use on ADB funded projects | Low |
| A.17. Does the ToR follow a standard format such as background, tasks, inputs, objectives and outputs? | Yes | Low |
| A.18. Who drafts the procurement specifications? | The design institution and the Owner's engineer | Low |
| A.19. Who approves the procurement specifications? | CGN-SEDC | Low |
| A.20. Who drafts the bidding documents? | The tendering agent-CNTIC | Low |
| A.21. Who manages the sale of the bidding documents? | The tendering agent-CNTIC | Low |
| A.22. Who identifies the need for consulting services requirements? | CGN-SEDC and CGN-DSE | Low |
| A.23. Who drafts the terms of reference (ToR)? | CGN-DSE | Low |
| A.24. Who prepares the request for proposals (RFPs)? | CGN-DSE | Low |
| L. 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 | Low |
| B.3. For what period are records kept? | 5 years or more after the contract close | 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 |

| Question | Answer/Finding | Risk |
|---|---|------|
| 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 |
| M. PROCUREMENT PRACTICES | | |
| Goods and Works | | |
| C.1. Has the agency undertaken foreign-assisted procurement of goods or works recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.) | No | High |
| C.2. If the above answer is yes, what were the major challenges? | | |
| 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 preparation of bids and if yes how long? | 20 days | Low |
| C.5. Are all queries from bidders replied to in writing? | Yes | |
| C.6. Does the bidding document state the date and time of bid opening? | Yes | Low |
| C.7. Is the opening of bids done in public? | Yes | Low |
| C.8. Can late bids be accepted? | No | |
| C.9. Can bids be rejected at bid opening? | No. except for the bids without good seal | |
| C.10. Are minutes of the bid opening taken? | Yes | Low |
| C.11. Who may have a copy of the minutes? | The bidders, the EA, and the IA, CGN-SEDC | |
| C.12. Are the minutes free of charge? | Yes | |
| C.13. Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)? | The bid evaluation committee | Low |
| C.14. What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation? | More than 8 years of work experience with senior professional qualification | Low |
| C.15. Is the decision of the evaluators final or is the evaluation subject to additional approvals? | The decision of the evaluator is final. | Low |
| C.16. Using at least three real examples, how long does it normally take from the issuance of the invitation for bids up to contract effectiveness? | 45 days | Low |
| C.17. Are there processes in place for the collection and clearance of cargo through ports | Yes | Low |

| Question | Answer/Finding | Risk |
|---|---------------------------|------|
| of entry? | | |
| 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 |
| C.20. Is the agency/procurement department familiar with letters of credit? | Yes | 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.) | No | High |
| C.23. If the above answer is yes, what were the major challenges? | | NA |
| C.24. Are assignments and requests 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)? | Yes, more than 5 persons. | Low |
| C.26. What criteria is used to evaluate EOIs? | QCBS | Low |
| C.27. Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants? | QCBS | 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, If needed. | Low |
| C.31. Are minutes prepared and circulated after pre-proposal meetings? | Yes | |
| C.32. To whom are the minutes distributed? | All bidders | |
| 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? | Yes | Low |
| C.35. Are proposal securities required? | Not required | Low |
| C.36. Are technical proposals opened in public? | No | Low |
| C.37. Are minutes of the technical opening distributed? | No | |
| C.38. Do the financial proposals remain sealed until technical evaluation is completed? | Yes | Low |

| Question | Answer/Finding | Risk |
|---|---------------------------------|---------|
| C.39. Who determines the final technical ranking and how? | The bid evaluation committee | Low |
| 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? | Based upon internal regulations | 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? | 7 days | Low |
| C.46. What is the usual basis for negotiation? | The proposals and RFP | Low |
| C.47. Are minutes of negotiation taken and signed? | Yes | Low |
| C.48. How long after negotiation is the contract signed? | 7 days | Low |
| C.49. Is there an evaluation system for measuring the outputs of consultants? | Yes | Low |
| Payments | | |
| C.50. Are advance payments made? | According to the contract | Low |
| C.51. What is the standard period for payment included in contracts? | 30 days | Average |
| C.52. On average, how long is it between receiving a firm's invoice and making payment? | 30 days | Average |
| C.53. When late payment is made, are the beneficiaries paid interest? | According to the contract | Low |
| N. 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 | Low |
| D.5. Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment? | Yes | Low |
| O. ACCOUNTABILITY MEASURES | | |
| E.1. Is there a standard statement of ethics and | Yes | Low |

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