

**PROCUREMENT CAPACITY ASSESSMENT REPORT AND
RECOMMENDATIONS**

<p>Proposed Project Name: Renewable Energy Sector Project</p>	<p>Proposed Amount (US\$): ADB loan: \$11.19 million European Union (EU) Grant: \$7.26 million Government: \$ 5.83 million</p>
<p>Executing/Implementing Agency: The EA: Ministry of Finance and Economic Management (MFEM) The IA: Renewable Energy Development Division (REDD), Office of Prime Minister The IA: Te Aponga Uira (TAU)</p>	<p>Source of Funding: ADB finance, EU grant administrated by ADB, and the contribution of the Government of the Cook Islands.</p>
<p>Assessor: Shigeru Yamamura, Team Leader</p>	<p>Date: 18 March 2014</p>
<p>Expected Procurement The procurement to be funded by Asian Development Bank (ADB) loan and EU grants consists of international competitive bidding for (i) equipment, materials, civil works, and services for grid-connected solar photovoltaic system, and (ii) consultants under institutional strengthening and project management support component. The consultants under institutional strengthening and project management support to be engaged will assist implementing procurement in accordance with ADB guidelines.</p> <p>General Procurement Environment Assessment The legal and institutional system in the Cook Islands is well established. “National Procurement Act” together with its implementing regulation is in place to guide public procurement. Audit is carried out by an independent national government organization (the National Audit Office) 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 ADB. REDD and TAU are implementing agencies which are responsible for procurement under the project. MFEM takes overall responsibility for the project implementation. REDD and TAU have a procurement management system including contract and procurement management operation system.</p> <p>Organization and Staff Capacity MFEM is the central government financing and economic advisory ministry in the Cook Islands. It is comprised of four divisions: revenue management, treasury, donor coordination, and statistics. MFEM is also responsible for overall procurement management in the government ministries and donor funded projects including ADB, European Union, the Government of New Zealand, the Government of Peoples’ Republic of China, and the United Nations. Since 1976, ADB has extended 17 loan projects amounting to around \$59 million. MFEM has extensive knowledge and experience in procurement under the projects funded by ADB. Since 2012, the</p>	

ADB Development Coordination Office for the Cook Islands was established inside MFEM to facilitate implementation of National Strategic Development Plan which is reflective in ADB's Pacific Approach and Country Operational Business Plan. It will also be the coordination body across ADB, the executing agency, and the implementing agencies in the project's procurement management.

TAU is a government-owned power authority responsible for the generation, distribution and retailing of electricity on the main island of Rarotonga. TAU's legislation constitutes it as a Government Business Enterprise with the objective of providing energy in a reliable and economical manner, and to operate the facilities efficiently and profitably. TAU has extensive experience in procurement and financial management, and is assessed capable of project management, procurement, contract management, recording all transactions and balances, preparation in financial statements, and internal audit.

REDD was established in 2010 within the Office of the Prime Minister, which is responsible not only for implementation of CIRECIP, but for sector planning; electricity tariff regulation; standardization of electricity services; overall sector development and management; and capacity-building. It is also the implementing agency for renewable energy project in Northern group islands funded by the Government of New Zealand.

All procurement and contract matters in TAU and REDD are to be approved by MFEM. As TAU and REDD have no prior experiences in conducting procurement with ADB, the project owner's engineer to be engaged under institutional strengthening and project management support will assist procurement for the project in accordance with ADB guidelines.

Information Management

REDD and TAU have sufficient experienced personnel to conduct procurement and contract management with information management system in place, in accordance with the government procurement 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 7 years for the project 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 Cook Islands to conduct external audit for project.

Procurement Practices

Procurement of Goods and Works

TAU and REDD have full-time staff responsible for procurement and contract management. TAU and REDD have procurement and contract management experiences through implementing an install capacity addition and distribution line rehabilitation in Rarotonga, and the renewable energy projects in Northern group islands. Chief Executive Officer of TAU approves all procurement and contract matters for subproject in Rarotonga, and Chief Secretary of the office of prime minister approves them for subprojects on the other islands in Southern group. All procurement and contract matters will be finally approved and endorsed by MFEM.

Accountability Measures

MFEM has procurement management system including contract and information management which applies to procurement in all government agencies including TAU and REDD. It also supervises all procurement and contract management process under the project. Procurement audit by the National Audit Office of is conducted.

Summary Assessment		
<p>MFEM, REDD, and TAU have sufficient procurement experiences and experienced staff. Procurement management system including contract and information management in the Government of the Cook Islands are well developed and in place. Since REDD and TAU have no experiences in conducting procurement with ADB, the POE under the institutional strengthening and project management support assists procurement for the project in accordance with ADB guidelines. Procurement audit to be conducted by National Audit Office also enhances the procurement and contract management of the project.</p>		
Specific Recommendations, Project Implementation		
Risks	Recommended Action	Responsibility and comment
<p>REDD and TAU have no experiences in conducting procurement with ADB.</p>	<p>Engagement of the POE under institutional strengthening and project management support component of the project is essential.</p> <p>MFEM is responsible for overall supervision and management in procurement</p>	<p>MFEM, REDD, and TAU</p>
General Recommendations, Procurement Environment		
Risk/Capacity Constraint	Recommended Action	Responsibility and comment
. NA	NA	NA

Procurement Capacity Assessment Agency Questionnaire

EA: MFEM

Risk Ratings	Extremely High	High	Average	Low
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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 10 years	Low
A.2. How many staff in the procurement department/unit are:	2 staffs	Average
i. Full Time?	Yes	
ii. Part Time?		
iii. Seconded?		
A.3. Does the procurement staff have English language proficiency?	Yes	Low
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.)?	Financial Secretary	Low
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	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	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 terms of reference (ToR) follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes	Low
A.18. Who drafts the procurement specifications?	The project owner's engineer	Low
A.19. Who approves the procurement specifications?	Office of Energy Commissioner	Low
A.20. Who drafts the bidding documents?	The project owner's engineer	Low
A.21. Who manages the sale of the bidding documents?	MFEM	Low
A.22. Who identifies the need for consulting services requirements?	MFEM, REDD, and TAU	Low
A.23. Who drafts the ToR?	MFEM, REDD, and TAU	Low
A.24. Who prepares the request for proposals (RFPs)?	ADB, MFEM, REDD, and TAU	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?	Up to 7 years 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 correspondence?	Yes	Low
B.7. Are copies of invoices included with the	Yes	Low

Question	Answer/Finding	Risk
contract papers?		
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?	N.A.	
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?	42 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	
C.10. Are minutes of the bid opening taken?	Yes	Low
C.11. Who may have a copy of the minutes?	The bidders, MFEM, REDD, and TAU	
C.12. Are the minutes free of charge?	Yes	Low
C.13. Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	The bid evaluation committee	
C.14. What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	These are according to complexity of goods and works for procurement.	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?	4 months in average	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 procedures?	Yes	Low
C.19. Are all goods that are received recorded as assets or inventory in a register?	Yes	Low

Question	Answer/Finding	Risk
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	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
C.40. Are the technical scores sent to all firms?	Yes	Low
C.41. Are the financial proposal opened in public?	Yes	Low

Question	Answer/Finding	Risk
C.42. Are minutes of the financial opening distributed?	Yes	Low
C.43. How is the financial evaluation completed?	Based upon the government regulations and donor guidelines	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
E.2. Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the	Yes	Low

Question	Answer/Finding	Risk
procurement process?		
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?	Finance secretary	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?	Finance secretary	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: TAU

Risk Ratings	Extremely High	High	Average	Low
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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:	4 staff	Average
iv. Full Time?	Yes	
v. Part Time?		
vi. Seconded?		
A.3. Does the procurement staff have English language proficiency?	Yes	Low
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.)?	CEO and Board of Directors	Low
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.	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.	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 project owner's engineer	Low
A.19. Who approves the procurement specifications?	Office of Energy Commissioner	Low
A.20. Who drafts the bidding documents?	The project owner's engineer	Low
A.21. Who manages the sale of the bidding documents?	MFEM	Low
A.22. Who identifies the need for consulting services requirements?	MFEM, REDD, and TAU	Low
A.23. Who drafts the terms of reference (ToR)?	MFEM, REDD, and TAU	Low
A.24. Who prepares the request for proposals (RFPs)?	ADB, MFEM, REDD, and TAU	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?	Up to 7 years 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 correspondence?	Yes	Low
B.7. Are copies of invoices included with the	Yes	Low

Question	Answer/Finding	Risk
contract papers?		
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?	N.A	
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?	42 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	
C.10. Are minutes of the bid opening taken?	Yes	Low
C.11. Who may have a copy of the minutes?	The bidders, MFEM, REDD, and TAU	
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?	These are according to complexity of goods and works for procurement.	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?	4 months in average	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 procedures?	Yes	Low
C.19. Are all goods that are received recorded as assets or inventory in a register?	Yes	Low

Question	Answer/Finding	Risk
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	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
C.40. Are the technical scores sent to all firms?	Yes	Low
C.41. Are the financial proposal opened in public?	Yes	Low

Question	Answer/Finding	Risk
C.42. Are minutes of the financial opening distributed?	Yes	Low
C.43. How is the financial evaluation completed?	Based upon the government regulations and donor guidelines	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
E.2. Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the	Yes	Low

Question	Answer/Finding	Risk
procurement process?		
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?	CEO and Board of Directors	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?	CEO and Board of Directors	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

REDD

Risk Ratings	Extremely High	High	Average	Low
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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:	2 staffs	High
vii. Full Time?	Yes	
viii. Part Time?		
ix. Seconded?		
A.3. Does the procurement staff have English language proficiency?	Yes	Low
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.)?	Chief Secretary of the Office of the Prime Minister	Low
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
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A.19. Who approves the procurement specifications?	Office of Energy Commissioner	Low
A.20. Who drafts the bidding documents?	The project owner's engineer	Low
A.21. Who manages the sale of the bidding documents?	MFEM	Low
A.22. Who identifies the need for consulting services requirements?	MFEM, REDD, and TAU	Low
A.23. Who drafts the terms of reference (ToR)?	MFEM, REDD, and TAU	Low
A.24. Who prepares the request for proposals (RFPs)?	ADB, MFEM, REDD, and TAU	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?	Up to 7 years 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 correspondence?	Yes	Low
B.7. Are copies of invoices included with the	Yes	Low

Question	Answer/Finding	Risk
contract papers?		
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.)	Yes	Average
C.2. If the above answer is yes, what were the major challenges?	N.A	
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?	42 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	
C.10. Are minutes of the bid opening taken?	Yes	Low
C.11. Who may have a copy of the minutes?	The bidders, MFEM, REDD, and TAU	
C.12. Are the minutes free of charge?	Yes	Low
C.13. Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	The bid evaluation committee	
C.14. What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	These are according to complexity of goods and works for procurement.	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?	4 months in average	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 procedures?	Yes	Low
C.19. Are all goods that are received recorded as assets or inventory in a register?	Yes	Low

Question	Answer/Finding	Risk
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	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
C.40. Are the technical scores sent to all firms?	Yes	Low
C.41. Are the financial proposal opened in public?	Yes	Low

Question	Answer/Finding	Risk
C.42. Are minutes of the financial opening distributed?	Yes	Low
C.43. How is the financial evaluation completed?	Based upon the government regulations and donor guidelines	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 are those involved in procurement required to formally commit to it?	Yes	Low
E.2. Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the	Yes	Low

Question	Answer/Finding	Risk
procurement process?		
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?	Chief Secretary of the Office of the Prime Minister	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?	Chief Secretary of the Office of the Prime Minister	Low
m) Bidding document, invitation to pre-qualify or RFP	Yes	
n) Advertisement of an invitation for bids, pre-qualification or call for EOIs	Yes	
o) Evaluation reports	Yes	
p) Notice of award	Yes	
q) Invitation to consultants to negotiate	Yes	
r) 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	
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