

PROCUREMENT REVIEW FOR EFFECTIVE IMPLEMENTATION

ANNEX 1 Questionnaire and Checklist

Name of Agency: Additional Skill Acquisition Program Secretariat, Department of Higher Education

Date: 14 April 2014

Risk Rating to be given for each Indicator and Major Criteria	Extremely High	High	Average to High √	Low
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Indicator	Question	Answer	Risk Rating
A. Organizational and Staff Capacity			
Indicator 1 – Staff Capacity <i>Indicates: Employee skill levels, influenced by the training of the employees</i> <i>Indicates: Access to information</i>	How many procurement-related officers/staff are there in the EA (e.g., Procurement Committee members and the Procurement Unit staff)	There is no procurement unit which exists in ASAP. Also there is no separate staff for handling procurement-related functions. The Additional Secretary and TL is in-charge of procurement-related functions and assisted by Head of the Strategy Design Division. DOHE has engaged two officers from the Education Department and one Senior Engineer from PWD to assist the TL in procurement-related functions. There are ad-hoc procurement committees created for evaluation of technical proposals.	High
	Out of the total number of procurement-related officers/staff, how many have undergone certified procurement training programs?	Number: Nil Percentage: Nil%	
	Are the cost estimates for contracts/projects validated by the EA, such as by accessing an online pricelist?	Yes.	
	If yes, how is validation undertaken, how often is it undertaken, and which office is responsible for this activity?	Cost validation has been done during the estimation of project cost since ASAP has been created during 2012 and most of the contracts have been awarded last year. Cost validation during project implementation will be done at an appropriate time. ASAP Secretariat is responsible for this.	
Indicator 2 – Procurement Committee independent from head of EA, with an independent Secretariat <i>Indicates: Formalized and independent procurement offices</i>	Does the EA prohibit its head from being a member of the Procurement Committee?	Yes.	Average
	Does the EA have a Secretariat existing as a permanent office, and which serves as the main support unit for the Procurement Committee?	ASAP Secretariat created as implementation unit and serves as main support for the procurement committee.	
Indicator 3 – Hierarchical structure of EA <i>Indicates: Balance between specialization and centralization of authority, and organizational efficiency</i>	Counting from the head of the EA, how many offices/layers are required to act/decide/approve a public bidding transaction, from requisition to contract approval?	EC, headed by the Chief Secretary, has been constituted to accord administrative and financial approval for all procurement proposals. Three levels (TL ASAP – EA Head [ACS, DOHE] – EC)	Average
Indicator 4 – Standard documentation and procedures	Does the EA have standard policies and procedures to be followed when	EA uses Government of Kerala's manual and guidelines.	Average

Indicator	Question	Answer	Risk Rating
<i>Indicates: Formalization within the EA covering procurement manuals, standard procurement forms, and job descriptions for procurement practitioners</i>	going through the bidding process, such as a Procurement Manual?		
	Does the EA use standard documents, such as Standard Procurement Documents/Forms?	Yes.	
	If yes, did all publicly bid contracts subject to review use the Standard Procurement Documents/ Forms?	Yes.	
	Do the procurement positions in the EA have job descriptions which outline specific roles, minimum technical requirements, and career routes? If yes, what are these and how long have each of these been existing?	No. As mentioned above there is no procurement unit at ASAP.	
Indicator 5 – Systems and procedures for monitoring and evaluating procurement performance <i>Indicates: Capacity to evaluate procurement performance</i>	Does the EA require additional competencies for individuals assigned to the Procurement Committee, and Technical Working Group to ensure that they can meet the demands of the position whether it is technical or administrative in nature?	Yes.	High
	Does the EA have monitoring and evaluating measures to track efficiency in the performance of standardized duties of the procurement offices?	There is no dedicated procurement staff at ASAP.	
B. Information Management			
Indicator 6 – Adequacy of records management policies, resources and practices <i>Indicates: Systematic management of recorded information</i>	Are there existing policies and guidelines providing for the creation, identification, classification, retrieval, receipt and transmission, storage and protection, disposition and preservation and sharing of procurement information and records?	Yes.	Low
	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 function within the EA?	Yes.	
	Are complete procurement records for the last 2 years maintained by the EA (in an office specially designated for the purpose), and are these records appropriately identified, segregated and filed?	Yes. As of date, procurement files are maintained appropriately at ASAP.	
	All publicly bid contracts reviewed were found to have complete records covering at least the following: <input type="checkbox"/> Cost estimates <input type="checkbox"/> Certificates of budget appropriation <input type="checkbox"/> Public Notices of Bid Opportunities/Copies of bid advertisements/ postings in newspapers and a website <input type="checkbox"/> Bidding Documents and Addenda <input type="checkbox"/> Bid Opening Information/Minutes of Bid Opening <input type="checkbox"/> Bid Evaluation/ Appraisal Reports <input type="checkbox"/> Recommendations and approvals of awards <input type="checkbox"/> Procurement Committee	Yes. Yes (approval of EC). Yes (through e-procurement website and newspaper). Yes. Yes (through e-procurement website). Yes (done by technical evaluation committee). Yes (EC approval).	

Indicator	Question	Answer	Risk Rating
	Resolutions <input type="checkbox"/> Notice of Award (duly received) <input type="checkbox"/> Signed contracts and amendments, if any <input type="checkbox"/> Invoices, Disbursement Vouchers with inspection and acceptance reports <input type="checkbox"/> Receipts of Payments <input type="checkbox"/> Formal Appeals by Bidders and Outcomes <input type="checkbox"/> Records on Claims and Dispute Resolutions <input type="checkbox"/> Records of time taken to complete key steps in the procurement process	Yes. Yes (through e-procurement website). Yes. Yes. Yes. Yes (bid queries and EA reply). Yes. No separate records.	
Indicator 7 – Review of budget availability/ appropriation prior to procurement <i>Indicates: Procurement contracts are not entered into until budget appropriations or availability have been confirmed</i>	Percentage of contracts entered into with prior confirmation of budget appropriations or availability (sampling allowed)	Total Number of Contracts Reviewed: 5 <u>Year 1:</u> 2 <u>Year 2:</u> 3 Number of Contracts Reviewed with prior confirmation of budget appropriation or availability: (this takes the form of an MEF Approval of budget) 5 <u>Year 1:</u> 2 <u>Year 2:</u> 3 Percentage: 100 % <u>Year 1:</u> 100 % <u>Year 2:</u> 100 %	Low
C. Procurement Practices			
<i>Competitiveness</i>			
Indicator 8 – Method of procurement used <i>Indicates: Level of competition</i>	Total number and value of contracts procured for the last 2 years, those reviewed and number and value of those procured through public bidding	Total Number and Value of Contracts: <u>Year 1 – 2012</u> No.: 2 contracts through MOU Value: INR12,600 per student (estimated number of students – 22,800 per year) <u>Year 2 – 2013</u> No.: 36 Value: (i) INR14,000 per student (15 contracts) for training through private agencies (competitive selection) (ii) INR3,087,550 towards procurement of office furniture through government agency as per standing GOs (2 contracts) (iii) INR30,350,000 towards procurement of admin software through government agencies as per standing GOs (3	Average

Indicator	Question	Answer	Risk Rating
		<p>contracts)</p> <p>(iv) INR14,000 per student (3 contracts) for training through government agencies (MOU)</p> <p>(v) INR10,000 per student (7 contracts) through government-approved industry/professional services associations (MOU)</p> <p>(vi) INR88,000 towards travel (4 contracts) through private agencies (competitive selection)</p> <p>(vii) INR42,372 towards advertisement/awareness campaign (2 contracts) through a private Radio (competitive selection)</p> <p>Total: No.:34 Value: Not applicable</p> <p>Total Number and Value of Contracts reviewed:</p> <p><u>Year 1 – 2012</u> No.: 2 Value: INR 143,640,000 (course 1- INR4,000*11400 students; course 2- INR8,600*11400 students)</p> <p><u>Year 2 – 2013</u> No.: 15 Value: INR31,500,000 per year (INR14,000*150 students per course*15 courses)</p> <p>Total: No.: 17 Value: INR175,140,000</p> <p>Indication of Contracts Reviewed procured through Public Bidding, with Nature, Number, Value and Funding Source:</p> <p><i>Goods:</i></p> <p><u>Year 1 – 2012</u> No.: Nil Value: Nil</p> <p><u>Year 2 – 2013</u> No.: 5 Value: INR33,437,550</p> <p><i>Civil Works: Nil</i></p> <p><u>Year 1 – 2012</u> No.: Nil Value: Nil</p>	

Indicator	Question	Answer	Risk Rating
		<p><u>Year 2</u> – 2013</p> <p>No.: Nil Value: Nil</p> <p><i>Consulting Services:</i> (Quality Cost-Based)</p> <p><u>Year 1</u> – 2012</p> <p>No.: Nil Value: Nil</p> <p><u>Year 2</u> – 2013</p> <p>No.: 15 Value: INR31,500,000 per year (INR14000*150 students per course*15 courses)</p> <p><u>Total:</u></p> <p>No.: 15 Value: INR31,500,000</p> <p>Percentage of Total Value of Contracts Reviewed: __%</p> <p><u>Year 1:</u> 100 %</p> <p><u>Year 2:</u> 42 %</p> <p>Percentage of Publicly Bid Contracts awarded that used the Pass/Fail System: Nil %</p> <p>Percentage Publicly Bid Contracts awarded that used the Merit-Point System: 42 %</p>	
	Number and value of alternative procurement methods (particularly Shopping and Direct Contracting, or their equivalent, excluding procurements from other government agencies) within the last 2 years	<p>Indication of Contracts Reviewed procured through Alternative Methods, with Nature, Number, Value and Funding Source:</p> <p><i>Goods: Nil (procured only through Govt. agencies)</i></p> <p><u>Year 1</u> –</p> <p>Shopping: Nil No.: __ Value: __</p> <p>Direct Contracting: No.: __ Value: __</p> <p>Other: No.: __ Value: __</p> <p><u>Year 2</u> –</p> <p>Shopping: No.: __ Value: __</p>	

Indicator	Question	Answer	Risk Rating
		<p>Direct Contracting: No.: __ Value: __</p> <p>Other: No.: __ Value: __</p> <p><i>Civil Works: Nil</i></p> <p><u>Year 1 –</u></p> <p>Shopping: No.: __ Value: __</p> <p>Other: No.: __ Value: __</p> <p>Direct Contracting: No.: __ Value: __</p> <p>Other: No.: __ Value: __</p> <p><u>Year 2 –</u></p> <p>Shopping: No.: __ Value: __</p> <p>Direct Contracting: No.: __ Value: __</p> <p>Other: No.: __ Value: __</p> <p><i>Consulting Services: __</i></p> <p><u>Year 1 – 2012</u></p> <p>Quality-Based Selection: No.: 2 Value: INR143,640,000 (course 1- INR4,000*11400 students; course 2- INR8,600*11400 students)</p> <p>Direct Contracting: Nil No.:</p> <p>Other: No.: __ Value: __</p> <p><u>Year 2 – 2013</u></p> <p>Quality-Based Selection: No.: 15 Value: INR31,500,000 per year (INR14000*150 students per course*15 courses)</p> <p>Direct Contracting:</p>	

Indicator	Question	Answer	Risk Rating
		No.: 7 Value: INR10,500,000 (7 courses * 10,000 per student *150 students per years per course) Total Number and Value of Contracts through Alternative Methods: No.: 24 Value: 185,640,000 Percentage of Total Value of Contracts Reviewed: __% <u>Year 1:</u> 100 % <u>Year 2:</u> 61 %	
Indicator 9 – Bidders' participation in public biddings <i>Indicates: Level of competition and level of confidence of private sector in the bidding process</i>	Percentage of public biddings with at least 5 bidders submitting bids (sampling allowed)	Number of public biddings with at least 5 bidders: __ <u>Year 1:</u> nil <u>Year 2:</u> nil Percentage: % <u>Year 1:</u> NA <u>Year 2:</u> 0 %	High
	Average number of bids per contract	Ave.: __ <u>Year 1:</u> Nil <u>Year 2:</u> 3	
Indicator 10 – Time for preparation of bids in public biddings <i>Indicates: Level of competition by determining real opportunity for bidders to prepare bids</i>	Percentage of public biddings with at least 30 c.d. between the issuance of bidding documents and the bid opening (sampling allowed)	Number of public biddings with at least 30 c.d. for bid preparation: __ <u>Year 1:</u> Nil <u>Year 2:</u> 2 Percentage: __% <u>Year 1:</u> NA <u>Year 2:</u> 100 % Ave. Number of days: <u>Year 1:</u> NA <u>Year 2:</u> 30	Low
<i>Transparency</i>			
Indicator 11 – Advertisement of bid notices <i>Indicates: Transparency and openness of the bidding system</i>	Percentage of public biddings whereby the Invitations to Bid were advertised in a nationwide newspaper (sampling allowed)	Number of public biddings advertised in a national newspaper: __ <u>Year 1:</u> Nil <u>Year 2:</u> 2 Percentage: __% <u>Year 1:</u> NA <u>Year 2:</u> 100 %	Low
Indicator 12 – Postings of contract awards	Percent of contracts for which awards are posted in a nationwide newspaper or website (sampling allowed)	Number of contracts with awards posted: __(posted in e-procurement website)	Low

Indicator	Question	Answer	Risk Rating
<i>Indicates: Transparency and openness in the awarding of contracts</i>		<u>Year 1:</u> Nil <u>Year 2:</u> 2 Percentage: __% <u>Year 1:</u> NA <u>Year 2:</u> 100%	
<i>Efficiency</i>			
Indicator 13 – Procurements in the Procurement Plan <i>Indicates: Efficiency of procurement activities through proper planning</i>	Percentage of procurement activities incorporated within the Procurement Plan (sampling allowed)	Number of procurement activities in Procurement Plan: __ Percentage: NA (comprehensive procurement plan not prepared)	High
Indicator 14 – Time for public bidding and contracting <i>Indicates: Efficiency of bidding process</i>	Percentage of public biddings with at most 90 c.d. from bid opening to contract signing (sampling allowed)	Number of public biddings within 90 c.d.: __ <u>Year 1:</u> NA <u>Year 2:</u> 3 Percentage: __% <u>Year 1:</u> NA <u>Year 2:</u> 100 % Ave. Number of days: __ <u>Year 1:</u> NA <u>Year 2:</u> 65 days	Low
Indicator 15 – Time for bid evaluation <i>Indicates: Efficiency of bidding process</i>	Percentage of public biddings with at most 10 c.d. for bid evaluation (sampling allowed)	Number of public biddings with bid evaluation within 10 c.d.: __ <u>Year 1:</u> Nil <u>Year 2:</u> 3 Percentage: __% <u>Year 1:</u> Nil <u>Year 2:</u> 100% Ave. Number of days: __ <u>Year 1:</u> Nil <u>Year 2:</u> 10 (excluding approval)	Low
Indicator 16 – Bidding process cancelled <i>Indicates: Efficiency of bidding process by determining quality of bidding process</i>	Total number of public biddings conducted Number failed public biddings	Number: 15 Number: nil Percentage of total number of public biddings: 0%	Low
Indicator 17 – Late Payments <i>Indicates: Efficiency, quality and consistency of payment process</i>	Percentage of contracts with payments made more than 30 c.d. from date of receipt of Invoice (sampling allowed)	Number of Contracts with payments within 30 c.d.: Percentage: 100 %	Low
D. Effectiveness			
Indicator 18 – Award prices lower than cost/budget	Number and percentage of bid contracts awarded at least 10% lower	Number: __	Average

Indicator	Question	Answer	Risk Rating
estimates <i>Indicates: Cost-effective procurement</i>	than the estimated budget for the contract	<u>Year 1:</u> Nil <u>Year 2:</u> Nil Percentage of total locally-funded bid contracts: __% <u>Year 1:</u> Nil <u>Year 2:</u> Nil % Number of contracts with the same estimated costs and contract prices: — <u>Year 1:</u> 2 <u>Year 2:</u> 36	
	Compare sum of actual awards versus total value allotted for projects (for validation/ information purposes)	Total Estimated Costs of Publicly Bid Contracts Reviewed: __ <u>Year 1:</u> Nil <u>Year 2:</u> INR 31,500,000 Difference between Estimated Cost and Contract Price (Savings/Loss): — <u>Year 1:</u> Nil <u>Year 2:</u> Nil Percentage: __% <u>Year 1:</u> NA <u>Year 2:</u> 0 %	
Indicator 19 – Contract price increase <i>Indicates: Cost-effectiveness through quality bidding and contract management</i>	Contract price increases: 1. Number of negotiations affecting bidder's bid 2. Percentage of total number of contracts 3. Number of amendments/ Change Orders/ Variation Orders 4. Percentage of total number of contracts 5. Average percentage of increases above original cost estimates (for validation/information purposes) 6. Estimated total amount of increases above original total cost estimates (for validation/ information purposes)	Number of negotiations affecting bidder's bid: Nil Percentage of total number of contracts: Nil Number of contract amendments, Change Order, Variation Orders increasing the original price: Nil Percentage of total number of contracts: Nil Average percentage of increases above original cost estimates: Nil Estimated total amount of increases above original total cost estimates: Nil	Low
Indicator 20 –Observations, complaints and protest mechanism <i>Indicates: Effectiveness of bidding process through quality and fairness</i>	Does the EA have an existing internal system and procedure to handle observations, complaints and protests during biddings?	Yes	Low
	Does the EA keep a record of the observations, complaints and protests made during biddings, including the actions taken thereon?	Yes	
	Are all complaints and protests processed within the maximum time	Yes	

Indicator	Question	Answer	Risk Rating
	limit allowed by the rules (___ working days) and resolved to the complainant's satisfaction (e.g., no appeals have been made)?		
E. Accountability Measures			
Indicator 21 – Internal Audit Units <i>Indicates: Formal internal control and audit mechanisms</i>	Does the EA have any internal audit unit, duly created through an executive or administrative order, and existing independently of the finance office/department?	No	High
Indicator 22 – External Audit <i>Indicates: The involvement of the government's external audit in monitoring the implementation of public procurement</i>	Total number of procurement contracts Number procurement contracts subject to external audit	Number: 38 Number: 38 Percentage of total number of procurement contracts: 100 %	Low
Indicator 23 – Debarment Mechanism <i>Indicates: Capability of the EA to enforce accountability and quality upon its suppliers/ contractors/ consultants</i>	Does the EA have an internal system and procedure to debar erring bidders, suppliers, contractors and consultants? Does the EA keep a record or file of debarred suppliers, contractors and consultants? Number of procurement contracts rated unsatisfactory implementation and debarred by the EA (for validation purposes)	Yes The Quality Control Unit in ASAP continuously monitors the performance of the consulting firms. A standard format has been created to assess performance of the PMs. (DOHE circular no. 43856/C1/12/H.Edn, dt. 15.12.2012) District Level Committee are formed for monitoring and evaluation of performance of ASAP programme implementation at District level (G.O. 27/2013) The monitoring reports are submitted to the EC review and advice. Yes Number of contracts with unsatisfactory ratings: 4 Percentage of total number of procurement contracts: 0 % Number of contracts where the supplier/ contractor/ consultant was debarred: 0 Percentage of total number of procurement contracts: 0 %	Low
Indicator 24 – Separation of transaction responsibilities <i>Indicates: That the danger of concealment of fraud or theft is reduced through the separation of critical transaction responsibilities</i>	Who authorizes procurement transactions in the EA, and to which office/department does he/she belong? Which official has the responsibility of recording procurement transactions and events, and to which office/department does he/she belong? Which official has the responsibility of the custody of assets, and to which office/department does he/she belong?	The Additional Secretary and Team Leader, ASAP, DOHE. The Additional Secretary and Team Leader, ASAP, DOHE. The Additional Secretary and Team Leader, ASAP, DOHE.	Low

ASAP = Additional Skill Acquisition Program, DOHE = Department of Higher Education, EA = executing agency, EC = Empowered Committee, GO = government order, MOU = memorandum of understanding, PWD = Public Works Department, TL = Team Leader.
Source: Asian Development Bank.

Additional Comments:

Overall Risk Rating: Average to High

ANNEX 2

Summary Table of Contracts Reviewed

Total Number and Value of Procurement Contracts						
Fiscal Year	Number	Number Reviewed	% of Total Number	Value (INR)	Value Reviewed (INR)	% of Total Value
2012	2	2	100	143,640,000	143,640,000	100%
2013	36	22	61	42,000,000	42,000,000	100%
Total	38	24	63	185,640,000	185,640,000	100%

INR = Indian Rupee.

Source: Asian Development Bank.

Procurement Contracts Reviewed (through sampling)																											
Fiscal Year and Method	Goods		Civil Works		Consulting Services		Total Contracts			Difference between budget/cost estimate and award		Merit-Point System		Biddings published in national newspaper		Biddings with at least five bidders			Posting of contract awards		At least 30 c.d. to prepare bidding documents			Bidding and contracting within 90 c.d.			
	#	Value, INR	#	Value	#	Value, INR	#	Value, INR	%	Value	%	#	%	#	%	#	%	Ave.	#	%	#	%	Ave.	#	%	Ave.	
Year-2012																											
Competitive Bidding/ QCBS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Shopping	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Direct Contracting	2	-	-	-	2	143,640,000	2	143,640,000	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
QBS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-Total	2	-	-	-	2	143,640,000	2	143,640,000		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Year-2013																											
Competitive Bidding/ QCBS	-	-	-	-	15	31,500,000	15	31,500,000	100	0	0	15	100	15	100	0	100	3	15	100	15	100	30	15	100	65	
Shopping																											
Direct Contracting																											
QBS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-Total	5																										
Total	9																										

QBS = quality-based selection, QCBS = quality and cost-based selection.

Source: Asian Development Bank.

ANNEX 3

Key Contract Details

1. Name of procurement: Empanelment of Training Service providers - 15 Training Courses
2. Nature of procurement: Consulting Services
3. Source of funds: State Plan funds
4. Cost estimate: Requested – _
Approved – _____
5. Procurement method used: Competitive method (Step 1-Technical score should be above 70 for opening of financial bids. Step 2 - Negotiation with lowest bidder.)
6. QCBS/QBS system may not be suitable for engaging multiple agencies for training service providers. Followed government procedures for the least cost method.
7. In Procurement Plan: Not applicable
8. Published in newspaper: Yes
9. Date of publication/Issuance of Bidding Documents: 1 October 2013
10. Number of bidders: 31
11. Date of bid opening: 6 November 2013 (35 days after publication/issuance)
12. Date of Notification of Award: 30 November 2013 (26 days after bid opening)
13. Publication of Award: Yes
14. Date of Contract signing: 3 December 2013 (4 days after notice of award)
15. Contract amount: INR31,500,000
16. Estimated Savings/Loss from cost estimate: Nil
17. Date of Final Invoice: 36 months after signing of the contract
18. Date of Final Acceptance: 36 months after signing of the contract
19. Date of Final Receipt: 36 months after signing of the contract