

**PROCUREMENT CAPACITY ASSESSMENT
(ASSESSMENT CARRIED OUT DURING APRIL 2014 AND REVISED JULY 2014)**

Name of the Programme/Project: Additional Skill Acquisition Program
State/County: Kerala State, India
Executing Agency: Department of Higher Education, Government of Kerala
Programme Implementation Unit: Additional Skill Acquisition Program Secretariat
ADB Loan/TA: TA8571-IND

Risk Ratings	Extremely High	High	Average to high ✓	Low
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I. Specific Assessment and Ratings

Question	Answer/Finding	Risk
A. ORGANIZATIONAL AND STAFF CAPACITY		
A.1. How many years of experience does the head of the procurement department/unit have in a direct procurement role?	<p>ASAP does not have a separate procurement department/unit. Most of the procurement functions are performed at the Strategic Design Division led by the Head of the Strategy Design Department and are reviewed and approved by the Additional Secretary/Team Leader, ASAP.</p> <p>The Additional Secretary/Team Leader, ASAP is a competent authority¹ for inviting tenders and awarding contracts of up to a limit, as designated within the departmental guidelines. He has more than 3 years of experience in direct procurement role. He has good background knowledge of handling procurement activities through GOK's procurement system and is supported by the Heads of the different units, as required.</p>	High
A.2. How many staff in the procurement department/unit are:		High
(i) Full Time?	As discussed above, no procurement unit exists. The Head of the Strategy Design Division/Department is assisting the Team Leader in all procurement-related activities.	
(ii) Part Time?	No part time staff to assist in the procurement at ASAP.	
(iii) Seconded?	<p>GOK have appointed the following officers in the Core Team of ASAP on a working arrangement basis to assist in the procurement at ASAP.</p> <ol style="list-style-type: none"> i. Dr. Jayakiran K.P, Assistant Professor, Department of Geology, University College, Thiruvananthapuram – whole time on working arrangement with substitute engaged on working arrangement in the college. ii. Dr. Bindu Kumar, Associate Professor, Department of Mechanical Engineering, Government Engineering College, Barton Hill, Thiruvananthapuram – on working arrangement with substitute engaged for 50% of his duty hours. The Team Leader has informed that Dr. Bindu Kumar is extending support in procurement of goods through the e-Government procurement system. 	

¹ Kerala Financial Code, Volume II, 2012.

Question	Answer/Finding	Risk
	<p>Dr. Jayakiran and Dr. Bindu Kumar are also part of one of the Technical Evaluation Committee constituted by the Empowered Committee for evaluation of EOI proposals. G.O. (Rt.) No: 2604/2012/H.Edn.</p> <p>iii. Mr. Sreekandan Nair, Deputy Chief Engineer, PWD, GOK has been appointed to the ASAP Secretariat effective 19 Feb 2014 for facilitating the development of CSP construction works. (G.O.NO.339/2014/HEdn). He has retired from services and is now working with ASAP on a full-time basis from June 2014.</p>	
A.3. Does the procurement staff have English language proficiency?	Not Applicable.	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?	<p>No. There is no sufficient qualified procurement staff to handle the additional procurement under the proposed project.</p> <p>In view of the progressive scaling-up of ASAP, the Secretariat has agreed to establish a separate procurement unit with a dedicated procurement specialist for handling all procurement activities (i.e., engagement of consultants and training service providers and procurement of goods and works for construction/upgrading of CSPs).</p>	High
A.5. Does the unit have adequate facilities, such as PCs, internet connections, photocopy facilities, printers, etc. to undertake the planned procurement?	<p>Not applicable.</p> <p>The ASAP Secretariat works in a state-of-the-art project office which has all the required facilities.</p>	Low
A.6. Does the agency have a procurement training program?	<p>Yes. ASAP provides training on 'as and when' required basis. There is no standard training program calendar.</p> <p>Two ASAP staff had attended the ADB Procurement Training held at Gurgaon in Feb 2014. Once procurement unit is established, more ASAP staff will participate in the 'procurement & capacity building workshops' organized by ADB's India Resident Mission periodically.</p>	Average
A.7. Does the agency have a Procurement Committee that is independent from the head of the agency?	<p>Yes.</p> <p>ASAP has ad-hoc procurement committees for selection of consultancy services (i.e., engaging SDEs, PMs, and TSPs) and purchasing goods and equipment. The committee reports to the Principal Secretary, DOHE, GOK. The recommendations of the committees were reviewed and approved by the EC.</p> <p>The Procurement Committee has been structured as follows:</p> <ol style="list-style-type: none"> 1. EOI evaluation committee for the selection of TSPs (G.O. 118/2013) <ol style="list-style-type: none"> a. Mr. K Ajaya Kumar, Secretary, DOHE, GOK Mr. K. George Thomas, ASAP Team Leader/ Additional Secretary, DOHE b. Mr. P. Anil Prasad, Under Secretary, Finance 	Low

Question	Answer/Finding	Risk
	<p>Department (on deputation to ASAP)</p> <ol style="list-style-type: none"> 2. EOI evaluation committee for selection of skills imparting consulting firms (G.O. 688/2013) <ol style="list-style-type: none"> a. Mr. K. Ajayakumar Secretary, Higher Education in charge of Printing and Stationery b. Dr. G. K. Beela, Director in Charge, Centre for Disability Studies, Thiruvananthapuram (Subject Expert) c. Mr. T. V. Anil Kumar, Head ,Training, ASAP d. Mr. Anil Prasad.P, Under Secretary, ASAP, Convenor 3. Technical Committees (for specific skills sector) for evaluation of EOI (G.O. 2197/2013) <ol style="list-style-type: none"> I. IT & ITES <ol style="list-style-type: none"> 1. Dr. Jayasankar Prasad, Special Officer , ICT Academy of Kerala , Park Centre, Techno park Campus, Thiruvananthapuram 2. Mr. Saji Joseph, Head-ILP Corporate Functions, Tata Consultancy Services, Techno park Campus, Kariyavattom P.O., Thiruvananthapuram 3. Dr. K. P. Jai Kiran, Programme Director, FLAIR, DOHE II. Banking and Finance Sector <ol style="list-style-type: none"> 1. Mr. Satish Menon, Executive Director, Geojit 2. Mr. N. J. Ready, DGM, South Indian Bank 3. Mr. R. K. Deepu, Head, Finance, ASAP III. Health Care <ol style="list-style-type: none"> 1. Dr. V.C Velayudhan Pillai, CMD, Chelsa Hospital, Karamana, Thiruvananthapuram 2. Dr .P. K. Mohammed Rasheed, President, Kerala Private Hospitals Association 3. Dr. M.K.C Nair, Director, Child Development Centre Medical College P.O, Trivandrum 4. Mrs. K. Saleena, Head, Research and Documentation, ASAP IV. Hospitality <ol style="list-style-type: none"> 1. Dr. V.L Kumar, Principal, Institute of Hotel management and Catering Technology, Kovalam 2. Mr. Mahesh Ramachandran Manager, Learning and Development, Taj Vivanta, Thiruvananthapuram 3. Mr. Anil Kumar T.V Head- Training, ASAP V. Logistics <ol style="list-style-type: none"> 1. Mr. V.S Pradeep, President, Cochin Custom House Association 2. Mr. Mohamed Riyas P, Head, Strategic Design, ASAP 	

Question	Answer/Finding	Risk
	<p>VI. Media & Entertainment</p> <ol style="list-style-type: none"> 1. Mr. M. K. Vivekanandan Nair, Head, Communication, ASAP 2. Mr. Mohamed Riyas, Head, Strategic Design, ASAP 3. Mr. Renjith, Technical Consultant, ASAP <p>VII. Plumbing</p> <ol style="list-style-type: none"> 1. Mr. Alok Goyal, Plumbing Sector Skill Council 2. Mr. Mohamed Riyas, Head, Strategic Design, ASAP <p>VIII. Agriculture</p> <ol style="list-style-type: none"> 1. Dr. Satendra Arya, Agriculture Sector Skill Council 2. Mr. Anil Kumar, TV Head - Training- ASAP <p>IX. Business Service</p> <ol style="list-style-type: none"> 1. Mr. Mohamed Riyas, Head, Strategic Design, ASAP 2. Dr. K. P. Jai Kiran, Programme Director, FLAIR, DOHE <p>X. Retail</p> <ol style="list-style-type: none"> 1. Mr. Mohamed Riyas, Head, Strategic Design, ASAP 2. Dr. K. P. Jai Kiran, Programme Director, FLAIR, DOHE <p>XI. Telecommunication</p> <ol style="list-style-type: none"> 1. Cmde. Ravinder, Telecom Sector Skill Council 2. Mrs. Suseela James, Head, Technical, ASAP <p>XII. Electrical</p> <ol style="list-style-type: none"> 1. Mrs. Suseela James, Head, Technical, ASAP 2. Dr. K. Bindu Kumar, Coordinator, International Relations Group, DOHE <p>XIII. Electronics</p> <ol style="list-style-type: none"> 1. Mrs. Suseela James, Head, Technical, ASAP 2. Dr. K. Bindu Kumar, Co-ordinator, International Relations Group, DOHE <p>XIV. Automobile</p> <ol style="list-style-type: none"> 1. Mr. Balasubramaniam, Automobile Sector Development Council 2. Dr. K. Bindu Kumar, Coordinator, International Relations Group, DOHE <ol style="list-style-type: none"> 4. Interview panel for the selection of PMs and SDEs for (G.O. 37/2013) 5. The panel for selecting PMs for ASAP comprises the following members. 	

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	<ul style="list-style-type: none"> a. Dr. M. Vijayanunni b. Shri. A.K Nair c. Dr. Simon Thattil d. Prof. John Kurain 	
<p>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?</p>	<p>As discussed above, there is no separate procurement department/unit functioning in ASAP. Most of the procurement functions were carried out by the Strategic Design Division and are reviewed and approved by the Additional Secretary/Team Leader, ASAP.</p> <p>However, the ASAP Secretariat has agreed to constitute a procurement unit by Oct 2014.</p>	High
<p>A.9. If yes, what type of procurement does it undertake?</p>	Not applicable.	
<p>A.10. At what level does the department/unit report (to the head of agency, deputy, etc.)?</p>	<p>The Additional Secretary/Team Leader ASAP reports to the Additional Chief Secretary, DOHE, GOK. The Additional Chief Secretary makes recommendations to EC. All procurement proposals were reviewed and approved by EC.</p> <p>A flow diagram illustrating ASAP's procurement activity chain of command is attached in page no. 17</p>	Low
<p>A.11. Does the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements, and career routes?</p>	<p>As discussed above, there are no procurement positions created within ASAP. The staffs who are handling procurement do not have procurement job descriptions.</p> <p>However, procurement role and responsibilities for the Additional Secretary to Government (in the capacity of Head of the Department) are cited in KFC, 2008 in detail.</p>	High
<p>A.12. Is there a procurement process manual for goods and works?</p>	<p>Yes. ASAP is following GOK's manual for goods and works (amended from time-to-time), as follows:</p> <ul style="list-style-type: none"> (i) KFC, 2008 (7th Edition, 1st Edition was in 1963); (ii) SPM 2013; and (iii) Kerala PWD Manual (Kerala PWD Manual, 2012). <p>State Procurement Guidelines for civil works and goods and SPM are in line with the sound procurement principles of open competition, economy and efficiency, transparency, and fairness.</p>	Low
<p>A.13. If there is a manual, is it up to date and does it cover foreign-assisted projects?</p>	<p>ASAP is following Kerala PWD Manual which covers foreign-assisted projects.</p> <p>ASAP may also follow General Financial Rules, 2005 of GOI (amended from time to time) which also covers foreign-assisted projects.</p>	
<p>A.14. Is there a procurement process manual for consulting services?</p>	<p>Yes. The ASAP is following GOK's manual for consulting services (amended from time-to-time), as follows.</p> <ul style="list-style-type: none"> (i) SPM, 2013 provides guidelines on the single-stage: two envelop system (Page number 71 of Chapter 9). (ii) Kerala PWD Manual, 2013 states that the department shall follow GOK's procurement procedures for 	Low

Question	Answer/Finding	Risk
	<p>selection of consultants (Page number 93, Para. number 1107).</p> <p>ASAP may also follow manual of policies and procurement of employment of consultants, Ministry of Finance, GOI (amended time-to-time).</p>	
A.15. If there is a manual, is it up to date and does it cover foreign-assisted projects?	<p>Yes. The procurement process manual for consulting services is up to date.</p> <p>For foreign-assisted projects, ASAP is following Kerala PWD Manual (amended from time-to-time) (page number 23, para. 2004).</p>	
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?	<p>There are standard formats/guidelines for preparing tender documents and have not been approved for ADB-funded projects.</p> <p>In any externally-funded projects so far implemented in Kerala, GOK had been following the respective funding agency's documents for the selection of consultants and procurement of goods and works (ADB/World Bank- funded projects).</p> <p>As part of the design of this proposed loan (RBL modality), ADB will help to strengthen GOK/ASAP's own procurement guidelines pertaining to consultant recruitment and bring them up-to-par with best practices. Thereafter, GOK's procurement procedures would be used in this program.</p>	Average
A.17. Does the TOR follow a standard format such as background, tasks, inputs, objectives, and outputs?	<p>Yes. TOR formats have been prepared with reference to RFP documents of either Central/State government or external funding agencies such as ADB, World Bank, etc.</p> <p>A few sample RFPs prepared by ASAP for engaging TSP have been reviewed.</p> <ol style="list-style-type: none"> 1. RFP for Skills Development Training in Retail sector 2. RFP for empanelment of TSP 3. RFP for Skills Development Training (vacation stream) <p>It is found that the TOR section has information such as background, tasks, inputs, objectives, and outputs.</p>	Low
A.18. Who drafts the procurement specifications?	<p>Team Leader, ASAP, in consultation with Head, Strategy Design Division and other respective division Heads, drafts procurement specifications for engaging training service/skills service providers.</p> <p>Associate Professor, Department of Mechanical Engineering, Government Engineering College drafts procurement specifications related to goods.</p> <p>Works procurement has not been initiated as yet.</p>	Average
A.19. Who approves the procurement specifications?	<p>The EC headed by the Chief Secretary has administrative and financial powers to approve all procurement proposals. EC approves the procurement proposals along with the specifications.</p>	Low
A.20. Who drafts the bidding documents?	<p>Head, Strategy Design Division and his staff drafts bidding document for engaging training service/skills service providers.</p> <p>Associate Professor, Department of Mechanical Engineering,</p>	Average

Question	Answer/Finding	Risk
	Government Engineering College drafts bidding document related to goods. Works procurement has not been initiated as yet.	
A.21. Who manages the sale of the bidding documents?	All departments in GOK including DOHE and ASAP following the e-Government procurement system. There is no physical sale of bidding documents.	Low
A.22. Who identifies the need for consulting services requirements?	Team Leader, ASAP in consultation with other divisional heads, identifies the need for consulting services and prepares a plan for recruiting consultants in consultation with domain experts, industry experts, institutions and training providers, and other GOK departments.	Low
A.23. Who drafts the TOR?	Team Leader, ASAP and Head, Strategy Design Division drafts the TOR, in consultation with other division Heads. ASAP finalizes the TORs, in consultation with industry associations, sector skills councils, and other domain experts.	Low
A.24. Who prepares the RFPs?	Head, Strategy Design Division drafts the RFPs for engaging TSPs/consulting firms.	High
B. INFORMATION MANAGEMENT		
B.1. Is there a referencing system for procurement files?	Yes. Procurement files have reference numbers generated through DDFS.	Low
B.2. Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment, and personnel to administer the procurement records management functions within the agency?	Yes. The procurement-related files are kept in the respective divisions. There is a separate unit for Research and Documentation headed by a deputed officer from the Economics Department, GOK. Though there are record maintenance systems, space, and personnel to administer in the ASAP training and capacity building are required to handle the proposed procurement.	Low
B.3. For what period are records kept?	The period for record keeping is 10 years. As on date, electronic files are maintained through online and physical hard files would be converted into electronic files by scanning (digitization).	Low
B.4. Are copies of bids or proposals retained with the evaluation?	Yes. The bid proposals and evaluation reports are kept and maintained in ASAP.	Low
B.5. Are copies of the original advertisements retained with the pre-contract papers?	No. The bids were advertised through e-Government procurement system. Pre-contract papers were handled through DDFS. Paper trail is maintained for records.	Low
B.6. Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes. There is a single contract file with a copy of the contract and all subsequent contractual correspondence are kept and maintained in ASAP.	Low
B.7. Are copies of invoices included with the contract papers?	Yes. The invoice raised by the consultants bears the work order reference number. The copies of the invoices/status of payment are linked to the work orders in DDFS.	Low
C. PROCUREMENT PRACTICES		
Goods and Works		
C.1. Has the agency	No. DOHE and the ASAP Secretariat does not have much	Average

Question	Answer/Finding	Risk
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.)	<p>experience of procuring goods and works for implementing a project of this nature.</p> <p>While the ASAP Secretariat has not undertaken foreign-assisted procurement of goods and works directly, GOK has been implementing MDB projects for many years and therefore well-aware of MDB procurement guidelines and procedures.</p> <p>For example, the ongoing ADB-funded Kerala Sustainable Urban Development Project (Loan No.2226) implemented by GOK is using ADB guidelines in all stages of the project.</p> <p>PWD is responsible for executing all civil-related works (Page number 132, Chapter VII). The procurement of goods for (administrative purpose) follows Chapter VI of KFC, 2008 and SPM, 2013.</p>	
C.2. If the above answer is yes, what were the major challenges?	<p>Not applicable.</p> <p>[According to the feedback of one of the consultants who has worked on KSUDP, the Urban Department, GOK had handled all procurement-related matters satisfactorily. There were other challenges though – heavy rains (since Kerala is a coastal state), high cost of local labor, and sometimes, delays in payments to contractors.]</p>	
C.3. Is there a systematic process to identify procurement requirements (for a period of one year or more)	<p>Yes, the ASAP Secretariat has prepared a multi-year program for training students (including both, foundation and vocational courses) and establishing CSPs. The procurement and consultancy requirements are derived from this plan.</p> <p>KFC, 2008 guidelines have provision on forecasting procurement requirements (page no 68, para. 122).</p>	Low
C.4. Is there a minimum period for preparation of bids and if yes, how long?	30 days has been specified for preparation of bids.	Average
C.5. Are all queries from bidders replied to in writing?	Yes. ASAP follows the e-Government procurement system for tendering of works and goods. Bidder's queries are received and replied through the e-Government procurement portal.	Low
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. The bid opening is done through the e-Government procurement portal. The bidders can view this bid opening process online. The status of the bid opening is being updated on the website and the bidders get updates via message on their registered mobile numbers.	Low
C.8. Can late bids be accepted?	No. The e-Government procurement system does not accept late bids.	Low
C.9. Can bids be rejected at bid opening?	No. All the bids are evaluated in detail by the bid evaluation committee and any bid(s) is rejected for non-compliance as specified in the bid document during evaluation. The rejected bids may not be considered for further evaluation (as discussed in A-7)	Low
C.10. Are minutes of the	Yes.	Low

Question	Answer/Finding	Risk
bid opening taken?		
C.11. Who may have a copy of the minutes?	All bidders.	Low
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)?	<p>There are ad-hoc procurement committees in ASAP headed by the Team Leader/ Additional Secretary. Department Heads in ASAP, representatives from various institutions, and industry for respective skills courses are the members of the committee.</p> <p>The following committees have been formed in ASAP:</p> <ol style="list-style-type: none"> 1. EOI evaluation committee for selection of TSPs (G.O. 118/2013) 2. EOI evaluation committee for selection of skills imparting consultants (G.O. 688/2013) 3. Technical Committees (for various skills sector) for evaluation of EOI (G.O. 2197/2013) 	Low
C.14. What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	The evaluators are qualified minimum graduate level and above; and normally have requisite project technical and/or financial experience appropriate for the size and/or complexity of the project.	Low
C.15. Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Evaluation is subject to additional approvals. The committee makes recommendations based on the qualification criteria set in the bid document. The evaluation reports were submitted to the EC for review and approval by the Team Leader, ASAP.	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?	3 to 4 months	Low
C.17. Are there processes in place for the collection and clearance of cargo through ports of entry?	Yes. Customs Manual, 2013, Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, GOI has guidelines for collection and clearance of cargo through ports of entry. Also, SPM, 2013 (page no. 95, Para 10.16) provides instructions for transportation of important stores. ASAP may utilize these guidelines in future, if required.	Low
C.18. Are there established goods receiving procedures?	Yes. ASAP follows SPM, 2013 that has instructions under a chapter 'transportation of important stores'. (page no. 95, Para 10.16)	Low
C.19. Are all goods that are received recorded as assets or inventory in a register?	<p>Yes. Goods that are received are recorded as assets in a register of ASAP Finance Department for payment purpose.</p> <p>The KFC, 2008 has guidelines for stock maintenance and record keeping procedures for all departments (page no. 87, para 149)</p>	Low
C.20. Is the agency/procurement department familiar with	The SPM, 2013 has guidelines for letter of credit and ASAP may follow, if required (page no. 121, Para 12.26).	Low

Question	Answer/Finding	Risk
letters of credit?		
C.21. Does the procurement department register and track warranty and latent defects liability periods?	As discussed above there is no procurement department /unit functioning in ASAP. The process of tracking warranties and defects liability period is being done by the respective user unit.	Average
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.)	<p>No. While the ASAP Secretariat has not undertaken foreign-assisted procurement of consulting services directly, GOK has been implementing MDB's funding projects for many years.</p> <p>For example, the ongoing KSUDP funded by ADB and implemented by PWD, GOK has used ADB guidelines in all stages of the project.</p> <p>The ASAP Secretariat has been drawing on GOK's experience with KSUDP and other past ADB projects (Modernizing government and fiscal reforms in Kerala).</p>	Average
C.23. If the above answer is yes, what were the major challenges?	Not applicable.	
C.24. Are assignments and requests for EOIs advertised?	<p>Yes.</p> <p>EOIs and RFPs are advertised in leading newspapers and GOK's e-Government procurement portal.</p>	Low
C.25. Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	The CSC comprises the Team Leader of ASAP, plus the Heads of the relevant units (e.g. Training, Lifelong Learning). (as discussed in A-7)	Low
C.26. What criteria is used to evaluate EOIs?	<p>A sample EOI document for 'Empanelment of service provider for imparting training to various stakeholders under ASAP' prepared by ASAP was reviewed.</p> <p>It is found that the following criteria have been used to evaluate the EOIs:</p> <ul style="list-style-type: none"> (i) Financial capacity/Annual turnover; (ii) Staff resources; (iii) Specific information on methodology and achievements; (iv) Project experience; (v) Faculty competence; and (vi) Experts' availability within firm for carrying out scope of work. 	Average
C.27. Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	<p>ASAP has been following the single-stage two-envelope system while selecting TSPs. The technical evaluation is followed by financial evaluation for those who score 60% and above. Thereafter, negotiation is undertaken with L1, if required to match the ASAP budgetary estimate, and with other bidders (L2, L3, L4...) to operate at L1 price.</p> <p>As QCBS is suitable for the selection of one firm, ASAP had chosen the least cost method (GOK guidelines) for engaging multiple providers across the state. ASAP has agreed to</p>	High

Question	Answer/Finding	Risk
	follow QCBS (70:30) for the future assignments planned, wherever suitable and necessary. ADB will assist in strengthening their existing procurement documents and drafting the RFP for QCBS selection methods.	
C.28. Do firms have to pay for the RFP document?	No.	
C.29. Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	<p>The following criteria have been used to evaluate RFP:</p> <ul style="list-style-type: none"> (i) Financial capacity; (ii) Technical and overall experience; (iii) Experience in similar geographical areas; (iv) Whether sanctioned by government or not; (v) Registration Certificate; and (vi) CVs of experts for carrying out scope of work. <p>The RFP being used by ASAP needs to be made more standardized.</p>	Low
C.30. Are pre-proposal visits and meetings arranged?	Yes, if required.	Low
C.31. Are minutes prepared and circulated after pre-proposal meetings?	Yes. Minutes of the pre-bid meeting are uploaded on the e-Government procurement web portal.	Low
C.32. To whom are the minutes distributed?	Minutes of the pre-bid meeting are uploaded on the e-Government procurement web portal.	
C.33. Are all queries from consultants answered/addressed in writing?	Yes. Bidders' queries are received and replies are uploaded on the e-procurement web portal.	Low
C.34. Are the technical and financial proposals required to be in separate envelopes?	Yes. ASAP follows two cover systems for technical and financial proposals.	Low
C.35. Are proposal securities required?	No. Only successful bidders need to remit the performance security deposit.	Low
C.36. Are technical proposals opened in public?	Yes. The proposals are opened online through the e-procurement web portal.	Low
C.37. Are minutes of the technical opening distributed?	Yes. Purchaser's observations/comments are registered online in the e-procurement system.	
C.38. Do the financial proposals remain sealed until technical evaluation is completed?	Yes. The financial proposals remain unopened online (password protected) until the technical evaluation is completed.	Low
C.39. Who determines the final technical ranking and how?	The CSC evaluates technical proposals and determines the final ranking based on the evaluation criteria set out in the RFP and with consensus of all members. Scores given to each proposal with explanations on strength and weakness and commercial deviations if any.	
C.40. Are the technical scores sent to all firms?	Yes, the technical scores are uploaded on the e-procurement portal before opening of financial proposals.	
C.41. Are the financial proposal opened in public?	Yes, proposals are opened online through the e-procurement web portal.	Low

Question	Answer/Finding	Risk
C.42. Are minutes of the financial opening distributed?	Yes, Purchaser's observations/comments are registered online in the e-procurement system.	
C.43. How is the financial evaluation completed?	Bidder's price is noted and corrections are made in case there are errors in the arithmetic calculations. Thereafter, a combined evaluation is carried out for arriving overall score by assigning relevant weights to the technical and financial scores. The consultant with highest overall score will be invited for contract negotiations.	Low
C.44. Are face to face contract negotiations held?	Yes. Only with the top ranked consultant.	Low
C.45. How long after financial evaluation is negotiation held with the selected firm?	Within 2 weeks from the date of overall ranking is completed.	Low
C.46. What is the usual basis for negotiation?	<p>The lowest price bid forms the basis of negotiations with the bidders. Please see response to C-27.</p> <p>All bidders are requested to submit a revised price in line with the lowest bid. All communication and discussions are recorded and forwarded to ACS for GOK's approval.</p>	High
C.47. Are minutes of negotiation taken and signed?	Yes.	
C.48. How long after negotiation is the contract signed?	The contract is signed within 2 weeks from the date of negotiation.	Low
C.49. Is there an evaluation system for measuring the outputs of consultants?	<p>Yes. The Quality Control Unit of the ASAP Secretariat is in-charge of closely monitoring the work and outputs of consultants. The PMs recruited by ASAP keeps track of the performance of TSPs and other consultants. The PMs are based at the skill development centers (to be upgraded into CSPs). They are therefore, able to monitor the work of TSPs, and provide weekly reports to the Quality Control Unit.</p> <p>The ASAP Unit Heads also visit these centers, as well as the schools and colleges, that have entered into partnership with ASAP, to monitor the performance of the foundation as well as vocational courses.</p> <p>They record their assessment in a standard format. Feedback from the institutions, industries, and students are also recorded and monitored. (DOHE circular no. 43856/C1/12/H.Edn, dt. 15.12.2012)</p> <p>The consolidated assessment reports on the TSPs are discussed periodically with the Additional Chief Secretary, DOHE, as required.</p>	Low
Payments		
C.50. Are advance payments made?	Yes. SPM, 2013 indicates that advance payments may be made against bank guarantees (page no. 233, annexure 30).	Low
C.51. What is the standard period for payment included in contracts?	15 days	low

Question	Answer/Finding	Risk
C.52. On average, how long is it between receiving a firm's invoice and making payment?	It normally takes less than 15 days provided the invoice submitted by the firm is supported with relevant documents and complies with the contractual terms and conditions.	
C.53. When late payment is made, are the beneficiaries paid interest?	No interest paid so far. No reference in the terms and conditions of the contract payment. SPM, 2013 indicated that contract payment should not be delayed (page no. 132, para 14.7).	
D. EFFECTIVENESS		
D.1. Is contractual performance systematically monitored and reported?	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 program implementation at district level (G.O. 27/2013) The monitoring reports are submitted to the EC review and advice.	Low
D.2. Does the agency monitor and track its contractual payment obligations?	Yes. Consultant invoices and payment status are updated by the Finance Unit and discussed during the weekly meetings with Additional Chief Secretary. Appropriate action is taken as required. SPM, 2013 indicated that contract payment should not be delayed (page no. 132, para 14.7).	Low
D.3. Is a complaints resolution mechanism described in national procurement documents?	Yes. SPM, 2013 (page no 134, Chapter 15).	Low
D.4. Is there a formal non-judicial mechanism for dealing with complaints?	Yes. SPM, 2013 (page no 134, Chapter 15).	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. GOK has a separate Vigilance and Anticorruption Bureau to enforce anticorruption measures in all levels of government work, and especially in the tender process. The SPM, 2013 refers to the rules laid down by the Central Vigilance Commission which have to be followed while handling procurement activities (page No. 3 - Transparency, Competition, Fairness and Elimination of Arbitrariness). The Kerala PWD has a Vigilance Department for ensuring transparency, competition, and fairness. The vigilance	Low

Question	Answer/Finding	Risk
	<p>guidelines have been stated in the PWD manual (page no. 5, para 103.1.3).</p> <p>All GOK officers, including the ASAP Team Leader, are bound by these rules and ethical norms.</p>	
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?	<p>Yes. All procurement activities require formal approval from the EC constituted by GOK.</p> <p>The EC headed by the Chief Secretary has administrative and financial powers to approve all procurement proposals. It approves the procurement proposals along with the specifications.</p>	Low
E.4. Who approves procurement transactions, and do they have procurement experience and qualifications?	The EC headed by the Chief Secretary, GOK has all administrative and financial powers including procurement related decisions and approvals.	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?	<p>The EC headed by the Chief Secretary, GOK has all administrative and financial powers including procurement related decisions and approvals.</p> <p>As of now, no power delegation (regarding any approval including procurement actions) given to Additional Chief Secretary, DOHE/Secretary, Gen. Edn/Additional Secretary, ASAP. A prior approval will be required from EC for any procurement activity proposed. Once the proposal is approved by EC, the Additional Secretary will be requesting a GO from the Additional Chief Secretary for further action on the proposal. A status report on subsequent actions, follow-ups, and decisions will be placed before the periodical EC for ratification.</p>	Low
(i) Bidding document, invitation to pre-qualify or RFP	EC	
(ii) Advertisement of an invitation for bids, pre-qualification or call for EOIs	EC	
(iii) Evaluation reports	EC	
(iv) Notice of award	EC	
(v) Invitation to consultants to negotiate	EC	
(vi) Contracts	EC	
E.6. Is the same official	Yes. As of now, the Team Leader is responsible.	Low

Question	Answer/Finding	Risk
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?	Responsibilities will be delegated to designated procurement personnel once separate dedicated procurement unit is established by Oct 2014. All these actions are reviewed and ratified by the EC.	
E.7. Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes. All communication-related to procurement actions are being done through DDFS.	Low

ACS = Additional Chief Secretary, ADB = Asian Development Bank, ASAP = Additional Skill Acquisition Program, CSC = Consultant Selection Committee, CSP = community skills park, CV = curriculum vitae, DOHE = Department of Higher Education, EC = Empowered Committee, EOI = expression of interest, FLAIR = Fostering Linkages in Academic Innovation and Research, GO = government order, GOI = Government of India, GOK = Government of Kerala, ICT = information and communication technology, IT = information technology, ITES = information technology-enabled service, KFC = Kerala Financial Code, KSUDP = Kerala Sustainable Urban Development Project, MDB = multilateral development bank, PC = personal computer, PM = program manager, PWD = Public Works Department, RFP = request for proposal, QBS = quality-based selection, QCBS = quality- and cost-based selection, RBL = results-based lending, SDE = skill development executive, SPM = Stores Purchase Manual, TOR = terms of reference, TSP = training service provider.

Source: Asian Development Bank.

II. Overall General Ratings

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

III. Procurement chain of command

1. A state level empowered committee (EC) has been constituted by the Government of Kerala through a Government Order No. 271/2012/HEdn dated 7.7.2012 for examining the proposals submitted by the Additional Skill Acquisition Program through the Principal Secretary/(Higher Education) and Secretary (General Education). It is headed by the Chief Secretary and is comprised of the following:

- (i) Chief Secretary – Chairman;
- (ii) Additional Chief Secretary – Industries;
- (iii) Principal Secretary – Finance;
- (iv) Principal Secretary – Planning;
- (v) Secretary – LSG;
- (vi) Secretary – Labour;
- (vii) Secretary – General Education;
- (viii) Member – State Planning Board for Education;

- (ix) Secretary in charge of the department to which a particular skills area is related (e.g., Tourism, IT etc.) will be co-opted on need basis; and
- (x) Principal Secretary – Higher Education – Convener.

2. The EC has all administrative and financial powers including procurement-related decisions and approvals. As of now, no power has been delegated (regarding any approval including procurement actions) to the Additional Chief Secretary, Department of Higher Education (who is the Project Head of ASAP) or to the Team Leader, ASAP. A prior approval is required from EC for any procurement activity proposed. Once the proposal is approved by EC, the Team Leader, ASAP requests government orders from the Additional Chief Secretary, DOHE for further action on the proposal. A status report on subsequent actions, follow-ups and decisions is placed periodically before the EC for ratification.

Flow Diagram Showing Chain of Procurement Action

