



# Project Design Advance Project Administration Manual

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Project Number: 48484-003  
Grant Number: {PDAXXXX}  
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## Tuvalu: Outer Island Maritime Infrastructure Project

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## **Project Administration Manual for the Project Design Advance Purpose and Process**

The project administration manual (PAM) for the Project Design Advance (PDA) is an abridged version of ADB's regular PAM and describes the essential administrative and management requirements to implement the PDA on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PDA PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Ministry of Communications and Transport (MCT) is responsible for implementation of ADB financed PDA projects, as agreed jointly between the grant recipient and ADB, and in accordance with Government's and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by MCT of its obligations and responsibilities for PDA project implementation in accordance with ADB's policies and procedures.

Upon submission of PDA request letter, the Government and ADB shall agree to the PDA PAM and ensure consistency with the PDA grant agreement. In the event of any discrepancy or contradiction between the PDA PAM and the PDA grant agreement, the provisions of the PDA grant agreement shall prevail.

After ADB's approval of the PDA proposal, changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures, and upon such approval they will be subsequently incorporated in the PDA PAM.

## **Abbreviations**

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
CEMP	–	Contractor's Environmental Management Plan
COBP	–	Country Operations Business Plan
CPU	–	Central Procurement Unit
DMC	–	Developing Member Country
EMP	–	Environmental Management Plan
GAP	–	Gender Action Plan
MCT	–	Ministry of Communication and Transport
MHARD	–	Ministry of Home Affairs and Rural Development
MPUI	–	Ministry of Public Utilities and Infrastructure
PDA	–	Project Design Advance
PMU	–	Project Management Unit
PPTA	–	Project Preparatory Technical Assistance
QCBS	–	Quality and cost-based selection
SPRSS	–	Summary Poverty Reduction and Social Strategy
SPS	–	Safeguard Policy Statement
TA	–	Technical Assistance
TASF-V	–	Technical Assistance Special Fund

## I. PROPOSED PROJECT

1. The project design advance (the PDA) will assist the government in preparing the proposed Outer Island Maritime Infrastructure Project (the Project). The Project is expected to be approved in 2016 for an indicative financing amount of \$12.41 million. ADB approved a project preparatory technical assistance of \$600,000 on 29 May 2015. The Project will develop maritime infrastructure in selected outer islands of Tuvalu, and improve safety, efficiency and sustainability of maritime transportation among Funafuti, the capital, and outer islands.

2. **Background.** The problems of the country's domestic transport infrastructure and services are as follows: (a) two government-owned ships continuously travel from Funafuti to outer islands and Fiji, and therefore each island has access to these ships once in 2-3 weeks, (b) no outer island has a docking facility for the government ships, and passengers and cargo are transferred by small workboats from and to the ship floating off-shore, (c) except for the three islands (Vaitupu, Nanumea, and Nukufetau), remaining Nanumaga, Niutao, Nui, Nukulaelae, and Nukulakita have no docking facilities even for workboats, and passengers have to get on and off board laboriously and cargo has to be manually carried, and (d) workboats have to go through channels to reach the shore of outer islands, some of which are dangerous depending on the sea conditions where serious accidents occurred in the past, resulting in loss of lives and economic values. Further, the country is vulnerable to climate change. Tropical Cyclone Pam that hit Tuvalu in March 2015 caused flooding, erosion of the west coast, and serious damages to the maritime infrastructure in the northern islands.

3. **Scope of the Ensuing Project.** The impact will be secure and efficient port infrastructure in Tuvalu (Funafuti and outer islands) with climate change resilience incorporated in port infrastructure design, protocols, and operation. The outcome will be improved transfer operation in outer islands. The outputs will be (i) maritime infrastructure in the outer islands is improved and rehabilitated, and (ii) capacity of the outer island communities and the Department of Marine and Port Services of the Ministry of Communication and Transport (MCT) to operate and maintain facilities is improved.

4. **Role of the PDA.** By the PDA project, the government with the help of consultant team will prepare detailed engineering designs and bidding documents, and proceed to procure the works for the Project. The PDA of \$2 million will finance the costs of consultant for engineering design, geotechnical and hydrographic surveys, and assistance to the government as well as individual consultants who form the Project Management Unit (PMU). In parallel to the preparation of detailed design and bidding documents, it is expected that ADB's approval for the project will be sought for financing civil works, equipment, construction supervision consultant, the government's project management, and capacity building.

## II. IMPLEMENTATION PLANS

### a. PDA Readiness Activities

5. The government has done the following (as of 15 August 2015):
- (i) established a task force in February 2015 chaired by Permanent Secretary, the Ministry of Home Affairs and Rural Development (MHARD) and with four other members from key ministries;<sup>1</sup>

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<sup>1</sup> The other members are Permanent Secretary, the Ministry of Finance and Economic Development; Permanent Secretary, the Ministry of Finance and Economic Development; Secretaries of the Ministry of Public Utilities (MPU) and the Ministry of Communication and Transport (MCT), and Director, the Department of Environment.

- (ii) appointed the MCT as the executing agency and Director, Marine Services as Project Director;
- (iii) agreed during the PPTA fact-finding mission in April 2015 to establish a PMU with three individual consultants to provide counterpart support to the PPTA team expected to be mobilized in October 2015;
- (iv) agreed to use the PDA for geotechnical and hydrographic surveys and the detailed engineering design, and project management consultants also during the PPTA fact-finding mission;
- (v) delegated the recruitment of the PDA consultant to ADB; and
- (vi) agreed with ADB on the shortlists of consultants for the PPTA and the PDA consultants.



### III. PDA PROJECT MANAGEMENT ARRANGEMENTS

#### a. Project Implementation Organizations–Roles and Responsibilities

PDA Implementation Organizations	Management Roles and Responsibilities
Ministry of Finance and Economic Development	<ul style="list-style-type: none"> <li>(i) The representative of the Government as a grant recipient.</li> <li>(ii) Facilitate negotiation, signing, and execution of the PDA financing agreement</li> <li>(iii) Through the Central Procurement Unit, lead the project's procurement actions in coordination with the MCT</li> <li>(iv) Submit withdrawal applications to ADB</li> <li>(v) Expedite implementation and minimize cost by:               <ul style="list-style-type: none"> <li>- ensure necessary counterpart funds are available timely</li> <li>- review invoices and payments to contractors, consultants, and service providers</li> <li>- monitor project progress and instruct MCT to take corrective action to prevent significant variations and deviations from schedules and budgets</li> </ul> </li> </ul>
Task Force	<ul style="list-style-type: none"> <li>(i) Members include Secretaries of MHARD, MFED, MCT, and MPUI and Director of Environment.</li> <li>(ii) Provide policy guidance on project implementation and management, such as institutional strengthening.</li> <li>(iii) Make important decisions on the project preparation and implementation such as determining of project scope, procurement (selection of a civil work contractor) and consultant selection decisions, and seek approval of Cabinet as necessary according the relevant acts.</li> <li>(iv) Oversees project management of MCT and PMU, monitoring progress of project preparation and implementation and suggest remedial actions when any indication of delay is identified.</li> </ul>
Ministry of Communication and Transport (executing agency)	<ul style="list-style-type: none"> <li>(i) Act as a secretariat to the task force, including suggesting Secretary MHARD to call task force meetings, providing status reporting, and raising issues for decision by the task force.</li> <li>(ii) Ensure that PMU is fully staffed and functional during the entire period of implementation</li> <li>(iii) Supervise the Project Management Unit (PMU).</li> <li>(iv) Review consultant reports and ensure the outputs are suitable to the project objectives and the government policies and regulations.</li> <li>(v) Administer all consultant and works contracts (instructing the supervision consultant, approving variations, suspending and terminating contracts)</li> <li>(vi) Ensure compliance with loan covenants, ADB's guidelines, procedures, and policies</li> <li>(vii) As the main user of the project facilities, provide inputs to the project scope and facility designs.</li> <li>(viii) Coordinate with MPUI on operation and maintenance of the project facilities.</li> </ul>

Ministry of Home Affairs and Rural Development	(i) (ii) (iii) (iv) (v)	Focal point for communication with ADB on project related matters. The secretary to call and chair the task force meetings. Ensure smooth project implementation Facilitate discussion with outer island communities in relation to project preparation and implementation. Provide inputs to the project scope and facility design as the government's focal agency for rural development.
Ministry of Public Utilities and Infrastructure	(i)	Provide technical advice on the project scope, facility designs, procurement or others, from the viewpoints of the government agency in charge of maintenance of project facilities, and procurement matters
Department of Environment, Ministry of Foreign Affairs, Trade, Tourism, Environment, and Labor	(i) (ii)	Ensure project activities comply with the government laws and regulations on environment. Provide inputs to the project scope and facility designs from the view point of environment.
Project Director (Director Marine Services, MCT)	(i) (ii)  (iii) (iv) (v) (vi) (vii) (viii) (ix) (x)  (xi) (xii)	Coordinate with ADB for the PDA consultant recruitment. With the support of the Project Management Unit, manage the activities of project preparation and implementation and ensure that all project activities comply with the government and ADB's requirements. Regularly monitor the progress of project preparation and implementation and initiate the Task Force meeting as necessary and at least quarterly. Review the monthly progress report that PMU prepares and endorse to the task force. Supervise the Project Management Unit. Instruct the PMU to provide government counterpart assistance to the PPTA and PDA consultants. With the support of the PMU, coordinate with the PPTA consultant and supervise the PDA consultant. Facilitate coordination with government agencies and outer island communities necessary to prepare and implement the project. Oversee reporting and monitoring of project performance including preparation of monthly and quarterly project progress reports. Review the recommendations from the PMU on the contract administration matters including claims and contract variations, and recommend approval to the higher authorities when the recommendations are found to be in order. Regularly communicate with ADB staff for any matters related to project management and progress of consulting services. Assist ADB project review missions

Project Management Unit (PMU)	<ul style="list-style-type: none"> <li>(i) Assist Project Director in project management</li> <li>(ii) Monitor and evaluate project activities and outputs and report the findings to Project Director by monthly progress reports.</li> <li>(iii) Review and verify documents submitted by consultants</li> <li>(iv) Review the consultant's invoices and advise Project Director of its findings.</li> <li>(v) Coordinate with the PPTA consultant and supervise the PDA consultant</li> <li>(vi) Provide day-to-day support for the consultant's project preparation activities.</li> <li>(vii) Actively participate in the project preparation activities aiming at early completion of preparation works.</li> <li>(viii) Facilitate the consultant's communication with the local stakeholders</li> <li>(ix) Supervise PDA consultant to carry out geotechnical and hydrographic surveys.</li> <li>(x) Assist PDA consultant to develop detailed engineering design.</li> <li>(xi) Consult with the public and disclose project information with ADB</li> </ul>
Project Manager (full time, national consultant)	<ul style="list-style-type: none"> <li>(i) Supervise the Deputy Project Director and the Financial Manager for the project management activities.</li> <li>(ii) Ensure that the project activities follow the government and ADB's policies and requirements.</li> <li>(iii) Prepare month progress reports and submit to Project Director.</li> <li>(iv) Coordinate with the PPTA consultant for its daily activities for feasibility and scoping studies.</li> <li>(v) Monitor the PPTA consultant's activities.</li> <li>(vi) Review deliverables of the PPTA consultants and check if they are suitable to the government's policy and regulations and the beneficiaries' needs. Advise the findings to the Project Director.</li> <li>(vii) Supervise the PDA consultant for its daily activities for surveys and detailed engineering design.</li> <li>(viii) Assist in conducting the tender process for all contracts for civil works, equipment, and consulting services under the Project.</li> <li>(ix) Carry out field inspections to ensure that engineering designs are adequately implemented.</li> <li>(x) Provide input into bid documents that the PDA consultant prepares.</li> <li>(xi) Assist with any design changes during project implementation.</li> <li>(xii) Supervise contractors' works including carrying out periodic performance audits to ensure quality control and core labor standards are met.</li> <li>(xiii) Review and approve the contractor's installation methodology and work plans.</li> <li>(xiv) Review and endorse progress claims of the PDA consultant and the contractor.</li> <li>(xv) If required, coordinate with staff of the Environment Division in reviewing contractor environmental management plans (CEMPs), carrying out regular audits and monitoring, and as required providing technical advice to the PIU on ensuring compliance with environmental assurances under the project.</li> </ul>

Deputy Project Manager/Procurement Specialist (Full time, national consultant)	<ul style="list-style-type: none"> <li>(i) Assist the Project Manager and act as the Project Manager in his/her absence from office.</li> <li>(ii) Assist the PPTA consultant as necessary for example to organize stakeholders' workshops.</li> <li>(iii) Assist Project Manager to monitor the PPTA consultant activities and deliverables.</li> <li>(iv) Provide inputs to the monthly progress reports.</li> <li>(v) Review bidding documents including draft contracts that the PDA consultant prepares and provide inputs.</li> <li>(vi) Lead organizing and overseeing procurement processes for civil works and consulting services under the project in coordination with the Central Procurement Unit.</li> <li>(vii) Lead evaluating bids and proposals and make recommendations for contract awards.</li> <li>(viii) Review contractual issues including contract variations and recommend approval from the higher authority.</li> <li>(ix) Coordinate with staff of MPUI to solve any technical or contractual issues.</li> <li>(x) Review the PDA consultant's progress claims and with concurrence of ADB staff certify them for payments.</li> <li>(xi) Regularly monitor contractor's works in the field and verify the payments in coordinating with the construction supervision consultant.</li> <li>(xii) Review the contractor's claims and certify them for payments.</li> <li>(xiii) Monitor the contractor's compliance with the contractors Environmental Management Plan, as necessary, and ensure compliance with environmental assurance under the project with the assistance of the construction supervision consultant.</li> </ul>
Financial Manager (Full time, national consultant)	<ul style="list-style-type: none"> <li>(i) Establish and administer a financial management system for the project in accordance with the relevant ADB guidelines concerning administration of disbursements, and arrangement of direct payments to contractors.</li> <li>(ii) Establish an exclusive project account for the project and maintain it according to the Government accounting principles.</li> <li>(iii) Provide the necessary accounting services to ensure effective project administration.</li> <li>(iv) Provide inputs to the monthly progress reports.</li> <li>(v) Coordinate with the Auditor General's Office for and arrange annual auditing of the project account, ensuring the ADB's requirements of audit are met.</li> <li>(vi) Review the contractor's progress claims and certify them for payment in coordination with the Deputy Project Director.</li> <li>(vii) Initiate timely disbursement of project funds in accordance with ADB's <i>Loan Disbursement Handbook</i> (2015, as amended from time to time).</li> <li>(viii) Manage the government counterpart funds and records in-kind contribution.</li> </ul>
PARD, Asian Development Bank (ADB)	<p>Assist all government agencies involved in preparing and implementing the project by:</p> <ul style="list-style-type: none"> <li>(i) Guide the government agencies for smooth decision making on project preparation and implementation.</li> <li>(ii) Assist in PDA consultant recruitment.</li> <li>(iii) Fielding review missions and participate in key workshops during PPTA.</li> <li>(iv) Advise PMU on various project management matters.</li> <li>(v) Disclosing project information to the public.</li> </ul>

## b. Key Persons Involved in Implementation

### The Grant Recipient

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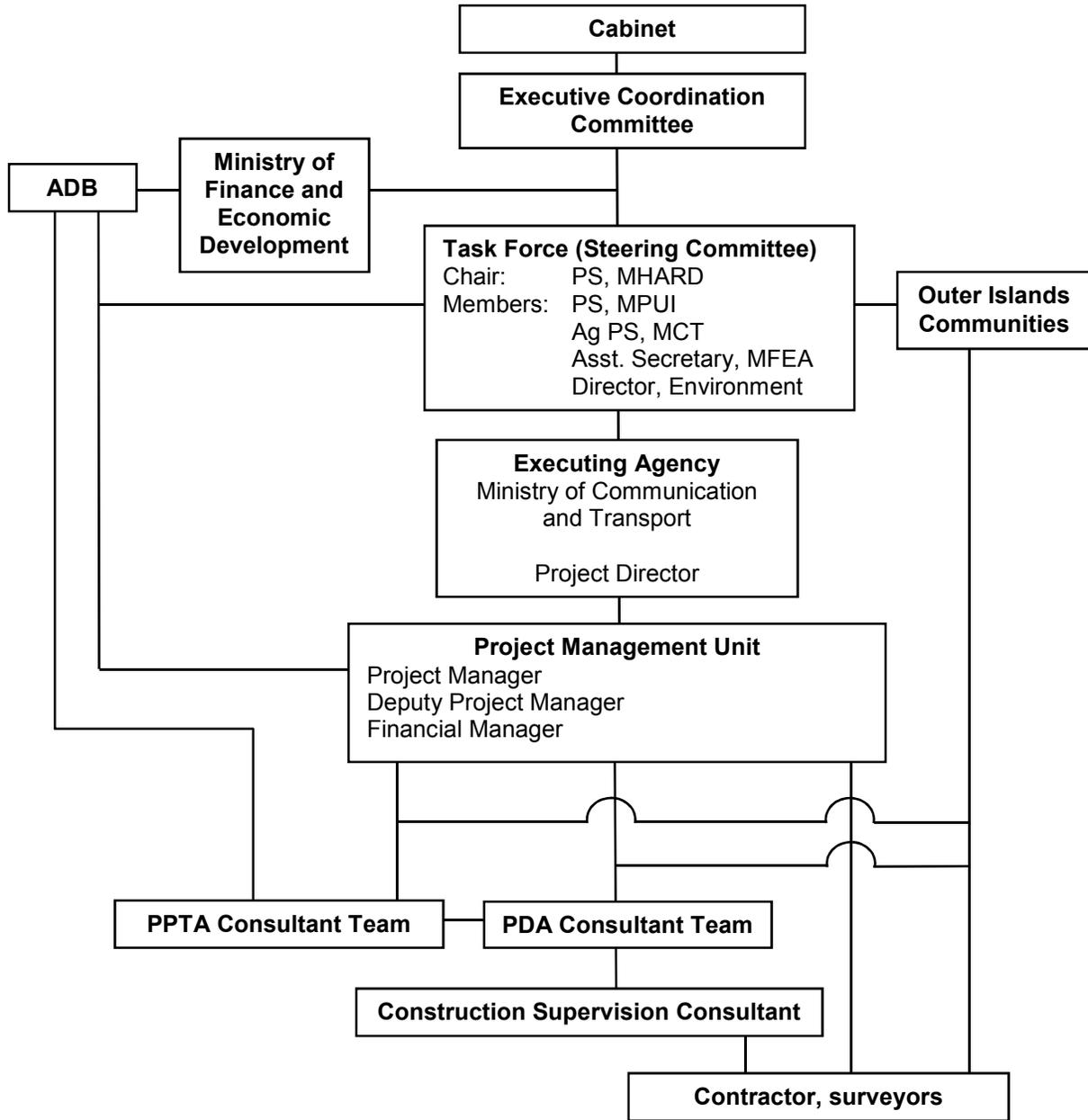
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c. Project Organization Structure

Chart 2. Project Organization Chart



Note: MCT: Ministry of Communication and Transport  
 MFEA: Ministry of Finance and Economic Development  
 MHARD: Ministry of Home Affairs and Rural Development  
 MPUI: Ministry of Public Utilities and Infrastructure  
 PS: Permanent Secretary  
 Ag PS: Acting Permanent Secretary  
 PPTA: Project Preparatory Technical Assistance  
 PDA: Project Design Advance

#### IV. COSTS AND FINANCING

7. The PDA project is estimated to cost \$2.1 million, including taxes and duties, and contingencies, of which \$ 2 million will be advanced from the ADF grant allocated for the ensuing project (\$12.41 million). The government will provide in-kind supports for the activities, such as transportation of survey equipment, and consultants to the outer islands by the government owned ships, or provide accommodation to consultants in the outer islands.

**Table 1: PDA Project Investment and Financing Plan**  
(\$ million)

Item	Cost <sup>a</sup>	ADB	Government
<b>A. Base Cost</b>			
1. Engineering design consultant	0.63	0.59	0.04
2. Geotechnical and hydrographic surveys <sup>b</sup>	0.97	0.93	0.04
3. Project management consultants	0.25	0.23	0.02
<b>Subtotal (A)</b>	<b>1.85</b>	<b>1.75</b>	<b>0.10</b>
<b>B. Contingencies<sup>c</sup></b>	<b>0.25</b>	<b>0.25</b>	<b>0.00</b>
<b>Total (A+B)</b>	<b>2.10</b>	<b>2.00</b>	<b>0.10</b>

<sup>a</sup> Includes taxes and duties to be financed from ADB grant resources. The Tuvalu Government imposes no import duties in general while it imposes Tuvalu consumption tax (TCT) on non-food items. Since the majority of resources necessary for PDA are imported and TCT will be imposed only on local expenditures, the amount of TCT is considered to be minimal. There are no taxes and duties that specifically target at ADB projects. Therefore, the tax to be financed by ADB does not represent an excessive share of the PDA cost, and ADB financing of the tax apply only to ADB financed expenditures. ADB financing of the tax is necessary and relevant to the success of the project.

<sup>b</sup> The cost of surveys will be in the consultant contract.

<sup>c</sup> Physical contingencies computed at 8% for consulting services. Price contingencies computed at 5% including provision for potential exchange rate fluctuation under the assumption of purchasing power parity exchange rate.

Source: Asian Development Bank.

**Table 2. Allocation and Withdrawal of PDA Grant Proceeds**

No	Category	Amount of PDA Grant Allocated (\$)	Basis for Withdrawal from the PDA Grant Account
1	Consulting Services	2,000,000	100% of total expenditure claimed. <sup>a</sup>
	<b>Total</b>	<b>2,000,000</b>	

<sup>a</sup> Inclusive of taxes and duties imposed within the territory of the beneficiary. Contingency of \$0.25 million included.  
Source: Asian Development Bank

**Table 3: Detailed Cost Estimates by Expenditure Category**

Item	ADB Grant		Government <sup>b</sup>		Total	%
	Amount (\$ million)	%	Amount (\$ million)	%		
<b>A. Investment Costs<sup>a</sup></b>						
1. Consultants						
1a. Detailed Engineering Design <sup>b,c</sup>	1.52	76	0.08	0	1.60	76
1b. Project management consultant <sup>d</sup>	0.23	11	0.02	0	0.25	12
<b>Subtotal (A)</b>	<b>1.75</b>	<b>87</b>	<b>0.10</b>	<b>100</b>	<b>1.85</b>	<b>88</b>
<b>B. Contingencies</b>	0.25	13	0.00	0	0.25	12
<b>Total PDA Project cost</b>	<b>2.00</b>	<b>100</b>	<b>0.10</b>	<b>100</b>	<b>2.10</b>	<b>100</b>

<sup>a</sup> In mid-2015 prices.

<sup>b</sup> The government will provide in-kind contribution, describe in paragraph 8 above.

<sup>c</sup> Includes estimated cost of geotechnical and hydrographic surveys.

<sup>d</sup> Three individual consultant will be engaged.

Source: Asian Development Bank estimates.

## V. FINANCIAL MANAGEMENT

### a. Financial Management Assessment

8. **Risk Analysis.** Funds flow and disbursement procedures/arrangements have been assessed as adequate. Review of contracts, invoices, and other supporting documents, preparation of withdrawal applications, and disbursements and payments will be performed by appropriate PMU and EA personnel to ensure segregation of duties, and internal controls over use of funds for the purpose of the project. Budgeting, accounting, reporting and auditing arrangements have been designed appropriately for the project. The PMU will use [xxx] accounting software for accounting and reporting of transactions. The project financial statements will be audited by the Office of Auditor General. The Financial Manager will monitor use of funds, including reconciliation of budget against expenditures.

9. Detailed assessment on the government's financial management will be done during the PPTA to come up with sufficient arrangements for sound financial management during implementation of the Project. MCT will be supported by the PMU with the Financial Manager.

### b. Disbursement

10. The PDA grant proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2015, as amended from time to time).<sup>2</sup> Online training for project staff on disbursement policies and procedures is available at: [http://wpqr4.adb.org/disbursement\\_elearning](http://wpqr4.adb.org/disbursement_elearning). Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

11. **Review of Consultant Outputs.** The consultants' outputs will be first submitted to the PMU. These will be reviewed by the staff of PMU, Project Director, and if necessary ADB staff. Findings will be reported to Secretary MCT and the task force, seeking their guidance if necessary. When consultants' outputs are found to be in order, the consultants' invoices will be processed as described in the following paras and according the contract provisions.

12. **Disbursement process.** Detailed steps for disbursement is described below:

- (i) The consultant submits an invoice to PMU.
- (ii) PMU reviews the invoice and when PMU finds it in order prepare withdrawal applications (WA) and submit the WA attached with the invoice to Project Director.
- (iii) Project Director reviews the WA and attachment and endorses to Secretary MCT.
- (iv) Secretary MCT reviews the WA and attachment and endorses to Permanent Secretary MFED.
- (v) Permanent Secretary MFED reviews the WA and attachment and when he/she finds they are in order he/she submits to ADB's Pacific Subregional Office (SPSO).
- (vi) SPSO staff further submit to them to CTL using eStar system.
- (vii) ADB's Controller's Department (CTL) reviews and when it finds the WA in order processes direct payment to the consultants.
- (viii) ADB will directly transfer the payment to the consultant's bank account.

13. Before submitting the first withdrawal application, MFED will submit to ADB a letter advising the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person.

<sup>2</sup> Available at: <http://www.adb.org/documents/loan-disbursement-handbook>.

The minimum value per withdrawal application is US\$100,000 equivalent. Individual payments below this amount should be paid by the EA/IA and subsequently claimed from ADB through reimbursement, unless otherwise accepted by ADB.

14. For submission of WAs from the government to CTL, the client portal system (under development as of August 2015) is expected to be used when it found to be workable under the current band width to Tuvalu. The client portal system will enable the government to submit WAs to CTL directly through the internet.

#### **c. Accounting**

15. MCT will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following cash-based accounting system following the Government's financial regulations. MCT will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

#### **d. Auditing and Public Disclosure**

16. MCT will cause the detailed consolidated project financial statements to be audited in accordance with International Standards on Auditing, by the Office of Auditor General. The audited project financial statements together with the auditors' opinion will be submitted in the English language to ADB within six months of the completion of the PDA.

17. The annual audit report for the project accounts will include an audit management letter and audit opinions which cover (i) whether the project financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; (ii) whether grant proceeds were used only for the purposes of the project or not; and (iii) the level of compliance for each financial covenant contained in the grant agreements for the project in accordance with ADB's Loan Disbursement Handbook and the project documents.

18. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

19. The Government and MCT have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.<sup>3</sup> ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the

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<sup>3</sup> ADB approach and procedures regarding delayed submission of audited project financial statements:

- When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (i) the audit documents are overdue; and (ii) if they are not received within the next six months, requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- When audited project financial statements have not been received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (i) inform the executing agency of ADB's actions; and (ii) advise that the loan may be suspended if the audit documents are not received within the next six months.
- When audited project financial statements have not been received within 12 months after the due date, ADB may suspend the loan.

auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

20. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011)<sup>4</sup>. After review, ADB will disclose the project financial statements for the project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website. The audit management letter will not be disclosed.

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<sup>4</sup> Available from <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

## VI. PROCUREMENT AND CONSULTING SERVICES

### a. Advance Contracting

21. Advance contracting of the PDA consultant was approved by ADB in July 2015. The PDA consultant will be recruited simultaneously with the recruitment of PPTA consultant so that the PDA consultant will be mobilized upon substantial completion of PPTA activities. MCT delegated the recruitment of the PDA consult to ADB while, during the selection process, MCT will be consulted before making milestone decisions based on the matrix of responsibility attached (**Attachment 1**). ADB will recruit such a consulting firm through the Quality and Cost Based Selection (QCBS). The consultant TOR will be an output-based and the contract will be a lump-sum contract.

22. All advance contracting will follow ADB's Procurement Guidelines (2015, as amended from time to time) and the Guidelines on the Use of Consultants (2013, as amended from time to time). The MFED and MCT/PMU were advised that approval of advance contracting does not commit ADB to finance the PDA.

### b. Procurement of Goods and Consulting Services

23. All procurement of goods will be undertaken in accordance with ADB's Procurement Guidelines. The goods to be procured include office furniture, equipment, and others to be financed under the consulting service contracts. All consultants will be recruited according to ADB's Guidelines on the Use of Consultants. The terms of reference for all consulting services are detailed below.

24. A consulting firm will be recruited for detailed engineering and procurement assistance and three individual consultants will be recruited to form the PMU. To establish the budget for the PDA consulting firm, consultants inputs of 17.5 person-months (16.5 international, 1 national) were estimated (i) procure and supervise the geotechnical and hydrographic surveys, (ii) detailed engineering design, (iii) preparation of bidding documents, and (iv) assist MCT/PMU's procurement activities. The PDA consulting firm is required to hold international competitive bidding to engage surveyors for geotechnical and hydrographic surveys. For PMU, three national individual consultants will be required for 8 months, each taking the responsibility of Project Director, Deputy Project Director, and Financial Manager.

### c. Procurement Plan

#### Basic Data

<b>Project Name:</b> Outer Island Maritime Infrastructure Project	
<b>Project Number:</b> 48484-003	<b>Approval Number:</b>
<b>Country:</b> Tuvalu	<b>Executing Agency:</b> Ministry of Communication and Transport
<b>Project Financing Amount:</b> USD\$ 2.1 million <b>ADB Financing:</b> US\$ 2.0 million <b>Cofinancing (ADB Administered):</b> \$0 <b>Non-ADB Financing:</b>	
<b>Date of First Procurement Plan:</b> 15 June 2015	<b>Date of this Procurement Plan:</b> 15 June 2015



<b>Consulting Services</b>							
<b>Package Number</b>	<b>General Description</b>	<b>Estimated Value (cumulative)</b>	<b>Estimated Number of Contracts</b>	<b>Recruitment Method</b>	<b>Review (Prior/Post)</b>	<b>Type of Proposal</b>	<b>Comments</b>
1	Project Director	\$84,000	1	Individual	Prior	Biodata	13 months
2	Deputy Project Director	\$72,000	1	Individual	Prior	Biodata	13 months
3	Financial Manager	\$72,000	1	Individual	Prior	Biodata	13 months

Notes:

1. "Estimated Value" shows the upper limit of the remuneration and the actual rates of remuneration to offer to the consultants will be determined by the government, considering the prevailing market prices and the expected competency of consultants.
2. Detailed estimated consultant cost is in Attachment 1.

### **C. List of Awarded and On-going, and Completed Contracts**

29. The following tables list the awarded and on-going contracts, and completed contracts.

#### **1. Awarded and Ongoing Contracts**

<b>Consulting Services</b>							
<b>Package Number</b>	<b>General Description</b>	<b>Estimated Value (cumulative)</b>	<b>Contract Value</b>	<b>Recruitment Method</b>	<b>Advertisement Date (quarter/year)</b>	<b>Date of ADB Approval of Contract Award</b>	<b>Comments</b>

#### **d. Consultant's Terms of Reference**

30. The terms of reference issued in the request for proposal are in **Attachment 3**.

## **VII. SAFEGUARDS**

31. The PDA finances only consulting services for detailed design and project management. The PDA project therefore is categorized C for environment, involuntary resettlement and indigenous peoples. The Project safeguard impacts are expected to be minimal, categorized B for involuntary resettlement and environment, and categorized C for indigenous peoples. The PPTA will prepare an initial environmental examination including an environmental management plan and undertake resettlement planning as required, all in compliance with ADB's Safeguard Policy Statement (2009, SPS). The PDA finances engineering design consultant will update initial environmental examination including an environmental management plan, and final resettlement plan, as required. Pursuant to the SPS, ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth in Appendix 5 of the SPS.

## **VIII. GENDER AND SOCIAL DIMENSIONS**

32. During the PPTA, gender and social issues, if any, are assessed and a gender action plan or any relevant social action plan, if necessary, would be developed.

## **IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION**

### **a. Monitoring and Evaluation**

33. PDA Project performance monitoring: PDA project performance will be monitored based on quarterly and consolidated reports provided by the MCT/PMU as agreed. These reports will include: (a) progress achieved by activity as measured against the Implementation Schedule (Section II.A), (b) key implementation issues and solutions; and (c) updated procurement plan, if any. To ensure PDA project continue to be both viable and sustainable, PDA project financial statements, together with the associated auditor's report, should be adequately reviewed. Only in the event that an ensuring loan is not approved, will MCT submit a PDA project completion report to ADB within 6 months of physical completion of the PDA project.<sup>5</sup>

34. Compliance monitoring: Grant covenants on policy, legal, financial, economic, environmental, labor standards and others will be monitored regularly through various reports (monthly progress reports, quarterly progress reports, and annual reports), and discussion during review missions.

35. Safeguards monitoring: During project implementation, MCT/PMU will prepare quarterly or semi-annual monitoring reports that describe the progress of the implementation of environment and resettlement activities depending of the final categorization of the ensuing project during PPTA. There will be no safeguard monitoring required during detailed engineering stage.

### **b. Reporting**

36. MCT will provide ADB with:

- (i) PDA project's quarterly progress reports in a format consistent with ADB's project performance reporting system;
- (ii) consolidated annual reports including (a) progress achieved by output as measured through the performance targets, (b) key implementation issues and solutions; (c) updated procurement plan and (d) updated implementation plan for next 12 months;<sup>6</sup> and
- (iii) Audited PDA project accounts together with the associated auditor's report,

### **c. Stakeholder Communication Strategy**

37. MMCT/PMU will maintain and regularly update its website with information on the PDA project, and regularly consult with the public and civil society organizations in respect of each of the foregoing matters.

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<sup>5</sup> Project completion report format is available at: <http://www.adb.org/sites/default/files/pai-6-07-a.pdf>.

<sup>6</sup> The regional departments will present the performance of the completed PDA in the project completion report of the ensuing loan. See para. 51 of ADB. 2013. [Project Design Advance](#). *Staff Instruction*. Manila.

<b>Project Document</b>	<b>Means of Communication</b>	<b>Responsible Party</b>	<b>Frequency</b>	<b>Audience(s)</b>
Project Information Document (PID)	ADB's website	ADB	Initial PID no later than 30 calendar days of approval of the concept paper; quarterly afterwards	General Public
Initial Environmental Examination Report	ADB's and government's website, public consultations and brochures/leaflets for affected people	ADB, MCT	IEE to be posted on the websites before project loan approval; documents always available online at ADB and government's websites; EMP updated regularly	General public and project affected people
Due Diligence Report on Land Acquisition and Resettlement Due Diligence Report on Indigenous People	ADB's and government's website, public consultations	ADB, MCT	Due Diligence Reports to be posted on the websites before project loan approval; documents always available online at ADB and government's websites: and every time if these are revised.	General public and project affected people
PDA Report	ADB's website	ADB	No later than 14 days of following effectiveness of the PDA grant	General Public
PDA Grant Agreement	ADB's and government's website	ADB	No later than 14 days of following effectiveness of the PDA grant	General Public
PDA Project Administration Manual (PAM)	ADB's and government's website	ADB	No later than 14 days of following effectiveness of the PDA grant, always available online after update	General Public, project contractors and consultants

## X. ANTICORRUPTION POLICY

38. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the PDA project.<sup>7</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all PDA project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the PDA project.<sup>8</sup>

39. To support these efforts, relevant provisions are included in the financing agreement and the bidding documents for the PDA project.

## XI. ACCOUNTABILITY MECHANISM

40. People who are, or may in the future be, adversely affected by the PDA project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted PDA projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.<sup>9</sup>

## XII. RECORD OF PAM CHANGES

41. All revisions/updates during course of implementation should be retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM

No	Date	History	Remarks
1	August 2015	Reflected as issued TOR and other updating	
2	September 2015	Clarity enhanced. implementation schedule updated, and financial management strengthened.	

### Attachments

1. Matrix of Responsibility
2. Cost estimates
3. TOR for PDA consulting firm

<sup>7</sup> Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

<sup>8</sup> ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

<sup>9</sup> For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.

**Delegation of Grant Consultant Recruitment Activities to ADB – Matrix of Responsibilities**

**Project Name:** Proposed Tuvalu Outer Islands Maritime Infrastructure Project  
**Executing Agency:** Ministry of Communication and Transport  
**Name of Consulting Service:** Project Design Advance consultant

Purpose of this Matrix:

This matrix aims at clarifying roles and responsibilities of the executing agency and ADB in recruiting the consultant to be financed by the grant financing whereby the executing agency requested ADB to assist recruiting the consultant. The matrix provides opportunity for the executing agency to partially participate in the recruitment process at stages nos. 4, 12 and 15. The executing agency shall choose one option out of each group of

- [4a, 4b, or 4c],  
 [12a, 12b(i), 12b(ii), 12c(i), 12c(ii), or 12d], and  
 [15a or 15b],

by checking a small box below the number. If you concur to this matrix, please provide your initials on every page and full signature on the last page and send us back a copy of all the pages.

No.	Stage	Activity	Responsibility
1	Pre-advertisement Procurement plan	Preparation of terms of reference, budget estimates, shortlisting criteria and recommendation of selection method choice	EA in coordination with ADB
2	Advertisement/ Consulting Services Recruitment Notice (CSRN)	Advertisement of consulting services assignment and collection of EOIs	ADB
3	Preparation of Long List	EOIs received electronically through CMS and by email/ fax are summarized [Note: EOIs will be shared with the EA]	ADB
4a <input checked="" type="checkbox"/>	Shortlisting of consultants	EOIs received are reviewed and evaluated. For QCBS, FBS, QBS and LCS, the qualitative assessment based on shortlisting criteria and geographical balance representation is prepared. For CQS, quantitative assessment is prepared and EOIs ranked. ADB evaluates EOIs and submits the proposed shortlist to EA for concurrence. [Note: EAs concurrence shall be sought in case if ADB takes the lead in shortlisting] or	ADB and EA
4b <input type="checkbox"/>		EA evaluates EOIs and submits the proposed shortlist to ADB for concurrence. or	EA and ADB
4c <input type="checkbox"/>		ADB project officer and EA jointly evaluate EOIs and submit the proposed shortlist to OSFMD for concurrence.	ADB and EA jointly
5	Preparation of Request for Proposal	Request for Proposal is prepared on the basis of current understanding of the assignment scope, complexity and risks. Feedback received from consulting entities on adequacy of budget and adequacy of TOR, as advertised, is reviewed and incorporated, as applicable. If shortlist includes commercial and non-	ADB prepares RFP

### Delegation of Grant Consultant Recruitment Activities to ADB – Matrix of Responsibilities

No.	Stage	Activity	Responsibility
		commercial entities, the selection method changes to QBS or FBS.	
6	Approval of shortlist and RFP	ADB approves shortlist and RFP.	ADB
7	Issuance of RFP to the shortlisted firms	ADB issues RFP to the shortlisted firms.	ADB
8	Clarifications to the RFP	ADB responds to clarifications requests. If matter requires clarification of TOR and EA contribution to the consulting assignment, ADB project officer seeks clarifications from EA.	ADB and EA, if applicable
9	Receipt of the proposals	Proposals are submitted through Consultant Management System of ADB.	ADB
10	Distribution of technical proposals	Technical proposals are distributed to the members of the consultant selection committee (CSC).	ADB
11	Copy of technical proposals shared with EA	ADB project officer shares electronic copies of technical proposals with the EA.	ADB
12a <input checked="" type="checkbox"/>	EA evaluates technical proposals received and advises ADB prior to formal CSC meeting	EA notifies ADB project officer on any concerns with regards to technical proposals received prior to the scheduled meeting of the consultant selection committee (CSC). Such communication shall be in writing. [Note: EAs comments are not necessary to be presented prior to the CSC if EA participates in the meeting]	EA
12b(i) <input checked="" type="checkbox"/>	EA participates in formal evaluation of technical proposal received	Technical proposals are evaluated by ADB (OSFMD International Staff and PARD Project Officer) and EA nominated representative that joins the selection meeting by teleconference or videoconference. or	EA and ADB concurrence with the minutes or proposed revisions shall be received within 3 working days after the minutes have been circulated for comments. Comments and revisions shall be true record of evaluation committee meeting and shall not add any new facts or deliberations.
12b(ii) <input type="checkbox"/>		EA nominates 2 members of Consultant Selection committee to evaluate the technical proposals of the consultants; ADB assigns International Procurement Staff of OSFMD to chair the CSC. Detailed evaluation minutes, summary evaluation sheet and personnel evaluation sheets are prepared by ADB and concurred by the EA members of CSC prior to approval of Director, Procurement Division, OSFMD.	Concurrence with the minutes or proposed revisions shall be received within 3 working days after the minutes have been circulated for comments. Comments and

### Delegation of Grant Consultant Recruitment Activities to ADB – Matrix of Responsibilities

No.	Stage	Activity	Responsibility
			revisions shall be true record of evaluation committee meeting and shall not add any new facts or deliberations
12c(i) <input checked="" type="checkbox"/>	Evaluation of technical proposals for contracts budgeted above US\$600,000	Proposals are evaluated by 3-member consultant selection committee (CSC) comprised of International Staff of OSFMD, Project officer in charge of loan/ grant, and independent 3 <sup>rd</sup> party member.	ADB
12c(ii) <input checked="" type="checkbox"/>	Evaluation of technical proposals for contracts budgeted below US\$600,000	Proposals are evaluated by at least 2 staff members of the Regional department. The minutes of the selection and the technical scores are validated by an International Staff of OSFMD.	ADB
12d <input checked="" type="checkbox"/>	Evaluation of technical proposal	Technical proposals are evaluated by ADB (OSFMD International Staff and PARD Project Officer) and EA nominated representative that joins the selection meeting by teleconference or videoconference.	ADB and EA
13	Confidential notification of total scores of evaluated technical proposals	ADB project officer notifies EA on total scores of evaluated technical proposals.	ADB
14	Electronic Approval of technical evaluation	International Staff of OSFMD recommends approval of technical evaluation minutes. The minutes are reviewed and approved by Section Head (or OIC) and then by Director, Operations Services Procurement Division. Approval of technical evaluation minutes online trigger opening of financial proposals of the qualifying firms the next day.	ADB
15a	Electronic opening of financial proposals for QCBS, FBS, LCS.	Consultant Management System issues notifications of electronic opening of the financial proposals to consulting entities whose technical proposals were evaluated above qualifying threshold of 750 points out of 1000.	ADB
15b	Electronic opening of financial proposals for QBS, CQS and SSS	Consultant Management System issues notification of electronic opening of the financial proposal to the first-ranked technically consulting entity and opens its financial proposal.	ADB

### Delegation of Grant Consultant Recruitment Activities to ADB – Matrix of Responsibilities

No.	Stage	Activity	Responsibility
16	Financial evaluation and Final ranking	ADB Contract Administration Unit staff evaluates financial proposals and submits the results of evaluation and final ranking for endorsement of International Staff of OSFMD. International Staff of OSFMD shares the results of the financial evaluation and final ranking with the EA, pointing out any inconsistencies in the Financial proposals that might need to be discussed during the negotiations with the first-ranked firm. If no issues are uncovered within 1 working day or no feedback is received within 1 working day, the final ranking is recommended for approval to Section Head (or OIC) and then to Director, Operations Services Procurement Division.	ADB
17	Notification of final ranking and recommendation of contract award	ADB project officer notifies EA on final ranking and recommendation of contract award to the first-ranked firm.	ADB
18	Contract negotiations	EA negotiates the contract with the first-ranked firm. ADB may assist negotiations, if required	EA and ADB (if requested)
19	Publication of contract award	EA publishes the award on government website, if applicable. ADB publishes the award on its website.	EA and ADB
20	Notice to Proceed	EA issues Notice to Proceed.	EA

ADB = Asian Development Bank; EA = executing agency; EOI = expression of interest; QCBS = quality-and cost-based selection; FBS = fixed-budget selection; QBS = quality-based selection; LCS = least-cost selection; SSS = single-source selection; RFP = request for proposal; TOR = terms of reference; CSC = consultant selection committee; CSRN = consulting services recruitment notices; OSFMD = Operations Services and Financial Management Department; OIC = officer-in-charge.

Conforme:

Signature

Name:

Printed name

Title:

Agency Name:

Date:



**Re: Project Design Advance for Outer Islands Maritime Infrastructure Project**

**Limasene Holona** to: smuramoto

02/07/2015 07:02 PM

Cc: Taasi Pitoi, Avafoa Irata, Iete Avaniatele...

[Show Details](#)

History: This message has been replied to.

▼ 1 attachment



Matrix Responsibilities.pdf

Dear Shige,

Attached is the Matrix of Responsibilities. Note That I will resend the last page as it was not yet signed by the Minister.

Regards

Limasene

## Detailed Cost Estimates of Consultants

PDA Consultant		Details									
Item	Cost	Consultants (remuneration and per diem)									
1. Consultants		<b>International</b>		Renu/mo	Perdiem/day	PD/mo	Inputs (mo)	Total	Travel		
a. Remuneration and per diem		1	Team Leader/Port Engineer	25,000	200	6,083	5.0	155,417	2		
i. International consultants	471,708	2	Geotechnical Engineer	23,000	200	6,083	1.5	43,625	1		
ii. National consultants	11,000	3	Structural Engineer	23,000	200	6,083	1.5	43,625	1		
b. International and local travel	55,000	4	Draftperson	16,000	-	-	2.5	40,000	-		
c. Reports and communications	10,000	5	Procurement Specialist	23,000	200	6,083	3.0	87,250	3		
2. Workshops <sup>b</sup>	10,000	6	Environmental Specialist	23,000	200	6,083	2.5	72,708	1		
3. Vehicle <sup>c</sup>	1,600	7	Social Specialist	23,000	200	6,083	0.5	14,542	1		
4. Surveys	930,000	8	Climate Change Specialist	23,000	200	6,083	0.5	14,542	0		
5. Office Operation	31,200	<b>Subtotal</b>							16.5	<b>471,708</b>	9
<b>Subtotal</b>	<b>1,520,508</b>	<b>National</b>									
6. Contingencies	229,492	6	Social Specialist	10,000		1,000	1.0	11,000			
<b>Grand Total</b>	<b>1,750,000</b>	<b>Subtotal</b>							<b>11,000</b>		
		<b>International and local travel</b>				Unit Rate	Quantity				
Contingency	13%		International travel			5,000	9.0	45,000			
excluding survey	788,800		local travel			1,000	10.0	10,000			
		<b>Subtotal</b>							<b>55,000</b>		
		<b>Reports and communications</b>							<b>10,000</b>		
		<b>Workshops</b>									
			Venue, audio equipment, snacks,...			5,000	2	<b>10,000</b>			
		<b>Vehicle</b>							Unit Rate		
			<b>Taxi</b>			200	8	<b>1,600</b>			
		<b>Surveys</b>									
			Geotechnical			850,000	1	850,000			
			Hydrographic			80,000	1	80,000			
		<b>Subtotal</b>							<b>930,000</b>		
		<b>Office Operation</b>									
			Rent			800	12	9,600			
			Operation cost			500	12	6,000			
		<b>Subtotal</b>							<b>15,600</b>		

PMU Consultants		Details									
Item	Cost	Consultants (remuneration and per diem)									
1. Consultants (national)		<b>National</b>		Renu/mo	Inputs (mo)	Subtotal	AUD (mo)	AUD (yr)			
a. Remuneration	228,020	1	Project Director	6,460	13.0	83,980	5,617	67,409			
b. local travel	6,000	2	Deputy Project Director	5,540	13.0	72,020	4,817	57,809			
2. Office Operation		3	Financial Manager	5,540	13.0	72,020	4,817	57,809			
Rent and others		<b>Subtotal</b>							39.0	<b>228,020</b>	
<b>Subtotal</b>	<b>234,020</b>	<b>Domestic Travel</b>									
Contingency	15,980		Local travel	1,000	6.0	<b>6,000</b>					
<b>Grand Total</b>	<b>250,000</b>	<b>Office Operations</b>							Cost/mo	Month	Subtotal
	6%	1	Rent	740	13	9,620					
		2	Operational cost	460	13	5,980					
		<b>Subtotal</b>							26.0	<b>15,600</b>	

## **TUVALU: OUTER ISLAND MARITIME INFRASTRUCTURE PROJECT PROJECT DESIGN ADVANCE**

### **TERMS OF REFERENCE**

#### **A. Introduction**

1. This is 'output-based terms of reference (TOR)' as compared to traditional 'input-based TOR'. The consultants are requested to focus on proposing how to produce and deliver required outputs in high quality rather than focusing on proposing quality inputs for the consulting service. The experts and their inputs indicated in the outline TOR attached to the EOI request are all indicative and a shortlisted consultant may propose necessary experts and the volume of their inputs as the consultant considers necessary to deliver the required outputs in high quality. In the evaluation of technical proposals, higher weights are given on the approach and methodology than the personnel as compared to the 'input-based TOR' as shown in the technical evaluation criteria. The intended type of contract is a 'lump-sum' contract.

2. The Government of Tuvalu has requested for a Project Design Advance grant from ADB, with which the Government expects to expedite project preparation. Further, the Government has requested ADB to lead the selection of the PDA consultant. ADB therefore uses its Consultant Management System for this selection and consults with the Government at major decision making points. After concluding the selection, the consulting service contract will be signed between the Government and the selected consultant.

3. In parallel to this consultant recruitment, a consultant for feasibility study and basic design under the Project Preparatory Technical Assistance (PPTA) of the proposed project is being recruited. It is expected that feasibility study and basic design works under the PPTA will be smoothly succeeded by detailed engineering design and procurement under the PDA so that the project will be efficiently prepared. It is noted that the employer of this PDA consultant is the Government of Tuvalu, while that of the PPTA consultant is ADB.

#### **B. Background**

4. The Government of Tuvalu has agreed with ADB that ADB will assist improving its outer island maritime facilities. The proposed Outer Island Maritime Infrastructure Project will (i) rehabilitate and improve maritime infrastructure in selected outer islands of Tuvalu, some of which were damaged by Tropical Cyclone Pam in March 2015; and (ii) improve safety, efficiency, and sustainability of maritime transportation among Funafuti, the capital, and outer islands.

5. The project will help Tuvalu overcome connectivity problems that constrain its economic and social development. The challenge results from Tuvalu's dispersed geography: (i) a small country (land area of 26 square kilometers) comprising nine islands, stretching over 680 kilometers; (ii) small and dispersed population—10,800 as of 2012, with less than 1,600 people on each of the outer islands; and (iii) decreasing outer island population.

6. These problems are exacerbated by the country's inadequate transportation infrastructure and services: (i) two government-owned ships travel from Funafuti to outer islands and Fiji, and therefore each island has access to these ships once in 2–3 weeks; (ii) no outer island has a docking facility for the government ships, and passengers and cargo are transferred by small workboats from and to the ship floating off-shore; (iii) except for Vaitupu, Nanumea,

and Nukufetau, the outer islands have no docking facilities even for the workboats, and passengers have to get on and off board laboriously and cargo has to be manually carried; and (iv) workboats have to go through channels to reach the shores of outer islands, which is dangerous depending on the sea conditions, and serious accidents occur, resulting in loss of lives and economic values. These days, the transfer operations are not done when the sea is rough or after dark, which reduces the efficiency of ship operations.

7. Tuvalu is vulnerable to climate change. Tropical Cyclone Pam in March 2015 caused flooding and erosion of the west coasts and damaged maritime infrastructure. In Nanumaga, a ramp that had been helpful in loading and unloading cargo from the ships was washed away. In other outer islands such as Niutao and Nui, channels were silted up with boulders and sand.

8. Facing these difficulties, the government is committed to improving the maritime transportation network as articulated in the National Strategy for Sustainable Development–Te Kakeega II and the Infrastructure Strategic Investment Plan 2011–2015.<sup>10</sup> By making maritime transportation more efficient and safer, Tuvalu envisages achieving the following objectives: (i) economic development including fisheries, (ii) improved livelihoods and safety conditions in the outer islands, and (iii) reduced migration from the outer islands to Funafuti, which currently faces problems with overcrowding, pollution, and spread of diseases.

9. The project will be designed in coordination with other development partners in the sector. New Zealand with its Ship to Shore Project (substantially completed in 2013) dredged the channels and installed navigational aids and the Japan International Cooperation Agency is providing a new cargo/passenger ship in late 2015.<sup>11</sup>

### **C. Objectives and Scope of Works**

10. The major part of PDA will finance consulting service covering (i) detailed engineering design of the maritime infrastructure in the outer islands, (ii) hydrographic and geotechnical surveys, and (iii) assistance in procurement to the government including preparation of bidding documents. This consulting service is estimated to cost about \$1.7 million and a contract period is estimated to be 12 months. This consulting service is expected to be carried out overlapping with and building onto the ADB's PPTA for the project, under which feasibility study and basic design of the maritime infrastructure are carried out. This PDA is expected to achieve seamless preparation of the investment project. Tentative implementation schedule is in Attachment 1.

11. The scope of works comprises:

- (i) Engage geotechnical and hydrographic surveyors and supervise their works.
- (ii) Establish design criteria suitable for ANZ Standards.
- (iii) Prepare detailed engineering designs including drawings for the following facilities in Nanumaga, Nui, and Nukulaelae.
  - a. A wharf for workboats of Nivaga II and Manu Folau with steps for passengers;
  - b. A ramp for the use of local fishing boats;
  - c. An access road to the wharf and ramp that a 2-ton truck can use;
  - d. Breakwaters as necessary to protect the wharf, ramp, and access road; and

<sup>10</sup> Government of Tuvalu. 2005. *Te Kakeega II, National Strategy for Sustainable Development 2005–2015, November*. Government of Tuvalu. 2012. *Tuvalu Infrastructure Strategy and Investment Plan, February*. Funafuti.

<sup>11</sup> Gross tonnage: 1,270 tons, cargo capacity: 500 tons, and passenger capacity (international): 320.

- e. Rehabilitation of other port associated facilities such as warehouses as identified as necessary.
- (iv) Update the initial environmental examination (IEE), the due diligence report or a land acquisition and resettlement plan, as applicable, and an indigenous people plan, as applicable,
- (v) Prepare bidding documents suitable for international competitive bidding procedure in accordance with ADB's Procurement Guidelines (2015, as amended from time to time), and
- (vi) Assist the Ministry of Communication and Transport (MCT)/project management unit (PMU) in coordination with the Central Procurement Unit of the Ministry of Finance and Economic Development for their procurement activities from invitation to contract award.

#### **D. Implementation Arrangements**

12. The PDA consultant will work under the guidance of MCT, the executing agency, and in good coordination with ADB staff in charge, the Government's Task Force (chaired by Permanent Secretary the Ministry of Home Affairs and Rural Development), MCT's Project Director and the PMU, outer island communities, and other stakeholders. For daily activities and contractual matters, the PDA consultant will coordinate with the PMU.

13. The PDA consultants are required to work in close coordination with the PPTA consultants engaged by ADB, to ensure all relevant information, data and analyses are shared.

14. The contract amount includes US\$930,000 in the provisional sum as a budget for geotechnical and hydrographic surveys. The PDA consultant is required to organize an international competitive bidding in accordance with ADB's Procurement Guidelines (2015, as amended from time to time) to select surveyors. The details shall be coordinated with ADB staff in charge, Project Director and PMU staff.

#### **E. Outputs**

15. The PDA consultant is required to deliver the outputs as described in Table 1.

**Table 1: Required Outputs and Tentative Delivery Schedule**

<b>Outputs</b>	<b>Description</b>	<b>Due Date</b>
1. Inception Report	<p>Shall describe the planning the consultant has established for the assignment, the staffing and remarks as deemed appropriate. This report shall update the methodology and program of work that was included in the consultant's proposal, noting the changes and detailing any difficulties encountered, together with a proposal on how they may be overcome. The Inception Report shall include at least the following:</p> <ul style="list-style-type: none"> <li>(i) methodology statement defining the proposed limits of the design, including (a) an accurate estimation of the time they will take to complete; (b) methods and parameters; (c) any changes to the composition of the Consultant's team and specialists needed; (d) agencies and government departments which would need to be involved; and (e) methods of consultation with the local authorities and population; and</li> <li>(ii) detailed program of work, including field surveys and final design, showing time, duration and personnel as well as the inter-relationship between activities.</li> </ul>	3 weeks from signing of the contract
2. Survey Reports	<p>The Survey report shall document the surveys, investigations and tests which have been completed to undertake the detailed engineering design. All survey data will be submitted as digital data readable with most common computer software. Field surveys, investigations and tests for detailed design would include, but not limited to the following:</p> <ul style="list-style-type: none"> <li>(i) Meteorological survey</li> <li>(ii) Topographic survey. The consultant will carry out topographic survey well covering the areas of constructing maritime infrastructure. The topographic survey shall cover all necessary points of embankment, access roads, excavation slopes, drainage sites, retaining walls, and any other feature that would affect the design of maritime infrastructure. The consultant shall prepare Computer Aided Design and Drawing drawings.</li> <li>(iii) Geotechnical survey. At least, two boreholes will be drilled at each port facility site with a sufficient depth to determine the type and depth of foundation for the structures. Samples of soil will be collected and N-value will be investigated at each layers. The consultant will carry out geotechnical survey to determine the type and depth of the foundation for the maritime infrastructure to construct. This will include soil sampling and testing at appropriate intervals, as necessary for foundation design and any other geo-technical and soils investigations and testing necessary for detailed design.</li> </ul>	3 weeks after completing field surveys.

- (iv) Hydrographic survey. Hydrographic survey will be done covering the channels and boat basins of the project sites. For each site, a plan with contour lines at least 20 centimeter interval, a longitudinal section, and cross sections with at least 20 meter interval will be prepared. Surveys would be carried out on existing channels and boat basins to determine the volume of dredging. Collection of metrological and wave data. The consultant will collect metrological and wave data with its best efforts to establish the design criteria.

3. Design Report	<p>The consultant shall retain full responsibility for the suitability of the selected design standard, and in particular in cases where standards from different countries used in combination. The design report shall summarize all analysis done for the design aspects including geotechnical, topographical, and hydrographic surveys, natural conditions, establishment of design criteria that is suitable for ANZ standards, structural and geo-technical design, design options considered, land use, environment, environmental management plans, quantity calculations, unit price analysis and cost estimates with supporting data and calculations. The consultant shall also submit a soils and materials report, including location maps.</p> <p><u>Design standards.</u> Detailed design and materials shall comply with the relevant New Zealand Standards (NZS), Australian Standards (AS), or NZS/AS, or British Standards where appropriate NZS do not exist. The latest edition of any such standard or code shall be used. Quantity calculations. The consultant shall prepare bills of quantities based on the various items of work to be executed in accordance with the drawings and the work (pay) items specified in the technical specifications.</p> <p><u>Unit price analysis and cost estimates.</u> Unit prices shall be classified into direct costs (labor, materials and equipment), indirect costs (mobilization, on-site and general overheads, contractor's contingencies and profit) and taxes. The consultant's cost estimate shall break out separately all taxes for ease of identification.</p> <p><u>Technical specifications</u> shall conform to the relevant NZS, or equivalent. The technical specifications shall include lists and descriptions of work (pay) items to be executed.</p> <p><u>Design components.</u> Engineering design including drawings for the following facilities in Nanumaga, Nui, and Nukulaelae.</p> <ul style="list-style-type: none"> <li>• A wharf for the workboats with steps for passengers,</li> <li>• A ramp for the use of local fishing boats,</li> <li>• An access road to the wharf and ramp that a 2-ton truck can use,</li> <li>• Breakwaters as necessary to protect the wharf, ramp, and access road, and</li> <li>• Rehabilitation of other port associated facilities such as warehouses as identified as necessary.</li> </ul>	4 months from signing of the contract
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Safeguards. The detailed designs shall incorporate the requirements of due diligence reports, initial environmental examination (IEE) or environmental impact assessment, environmental management plan, climate change adaptation and mitigation assessments, and gender action plan.

Structural design. The maritime infrastructure shall conform to the wave and seismic design requirements. The best structural option will be selected considering service life.

The consultant shall prepare drawings, technical specifications, quantity and cost estimates, design reports, and bidding and contract documents in compliance with ADB's and the government's requirements as required for the proper execution of the Project. time, maintenance requirements, user friendliness and safety particularly for women and elderly and including fishermen, suitability for cargo handling, minimized erosion and siltation, minimized adverse impact on the environment, and any other relevant aspects.

4. Bidding documents	A full set of bidding documents following ADB's Procurement Guidelines and its standard bidding documents for small works using the international competitive bidding procedure in accordance with ADB Procurement Guidelines. These final bidding documents should be suitable and ready for MCT to issue both in a hard copy and an electronic copy. These will include an invitation to bid, the basic data sheet, qualification and evaluation criteria, description of the employer's requirements, technical specifications, a letter of bid, bid forms, draft General and Particular Conditions of Contract, environmental management plan, and other necessary documents to be included in the bidding documents. Section 1 and 8 of the ADB's standard bidding documents shall be retained without modifications.	5 months from signing of the contract
5. Procurement support	Assist MCT/PMU in coordination with the Central Procurement Unit of the Ministry of Finance and Economic Development for their procurement activities from invitation to contract award.	
6. Final safeguard documents	Following documents will be finalized to reflect the detailed designs: <u>Environmental safeguards.</u> The environmental safeguard documents such as the IEE shall be reviewed and finalized, taking full consideration of the detailed design of the project. The consultant shall also be required to deliver further assessments as required to obtain all necessary environmental clearances from the government for the project. The consultant will prepare an environmental management plan for the civil works to form a part of bidding documents. Check and confirm whether the environmental categorization has changed; and if so, the consultant shall undertake all necessary measures to ensure ADB's safeguards policies are complied with.	5 months from signing of the contract

Social safeguards. Due Diligence Report on Land Acquisition and Resettlement Plan (LARP) The social safeguard documents – including the LARP and IIP) shall be reviewed and finalized, taking full consideration of the detailed design of the project. MCT will submit to ADB the finalized due diligence reports, which ADB will post on its website.

- Due Diligence Report on Indigenous People (IIP)

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Source: Asian Development Bank.

16. **Procedure for Review and Acceptance of Outputs.** Each of the outputs will be reviewed by the government and ADB. Draft outputs shall be submitted to Project Director through the PMU in both hard and soft copies, and to ADB in soft copy. The PDA consultant will incorporate the government and ADB's comments in finalizing the documents. Upon formal acceptance of the outputs by the government and ADB, the progress payments will be made according to the payment schedule specified in the contract. Standard software usable on Windows shall be used for preparing the reports. The outputs and tentative payment schedule are in Table 2.

**Table 2: Indicative Schedule of Outputs and Payments**

No	Milestones/Deliverables	Expected Date of Submission of Report	Percentage of Total Contract Amount
1	Mobilization	February 2016	10% of the contract amount excluding survey cost estimates
2	Inception Report (output 1) submitted and accepted by the government and Asian Development Bank (ADB)	February 2016	10% of the contract amount excluding survey cost estimates
3	Survey Reports (output 2) submitted and accepted by the government and ADB	April 2016	90% of the survey cost estimates
4	Design report (output 3) and finalized safeguard documents (output 6) submitted and accepted by the government and ADB	June 2016	40% of the contract amount excluding survey cost estimates
5	As-issued bidding documents (output 4) after accepted by the government and ADB	July 2016	20% of the contract amount excluding survey cost estimates
6	Technical bid evaluation report (output 5, part 1) submitted and accepted by the government and ADB	October 2016	5% of the contract amount excluding survey cost estimates
7	Financial bid evaluation report (outputs 5, part 2) submitted and accepted by the government and ADB	January 2017	5% of the contract amount excluding survey cost estimates
8	Final Report (output 7) with all revised deliverables	January 2017	10% of the contract amount excluding survey cost estimates and 10% of the survey cost estimates

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Source: Asian Development Bank.

## F. Staffing

17. Except for Port Engineer/Team Leader and Procurement Specialist, the shortlisted consultants will propose the nature and number of experts needed to deliver the required outputs. The management of the consultant and Team Leader are responsible for assigning experts to each task to procedure and deliver the outputs as effectively and efficiently as possible.

18. **Required Expert.** The consultants are required to include Port Engineer/Team Leader and Procurement Specialist in their team.

- (i) **Port Engineer/Team Leader** (international, 5 person-months in the field). The candidate shall possess a degree in civil engineering, and possess, with at least 15 years of experience in design, project management, and implementation of maritime projects. Experience in developing countries, particularly in the Pacific region, and working with development agencies is preferred.
- (ii) **Procurement Specialist** (international, 3 person-months). The candidate shall possess Bachelor's degree in civil engineering, business administration, or related field. Should have at least 10 years of experience in procurement of goods, works and services and contract management. Applied technical knowledge related to construction and work experience in the transport sector or other similar sector is desired. Experience in developing member countries will be desirable, particularly in the Pacific region. Experience in applying ADB's guidelines on consultant recruitment and procurement is preferred.

19. **Key Experts.** A consultant is required to include, at a minimum, the following key experts. In the technical evaluation of consultant proposals, qualifications of these experts will be evaluated. Required qualifications of key experts are given below.

- (i) **Geotechnical Engineer** (international). The candidate shall possess a degree in civil engineering or equivalent, with at least 10 years of experience in design, project management, and implementation of infrastructure development projects. Experience in developing countries, particularly in the Pacific region, and working with development agencies is preferred.
- (ii) **Structural Engineer** (international). The candidate shall possess a degree in civil engineering or equivalent, with at least 10 years of experience in design, project management, and implementation of infrastructure development projects. Experience in developing countries, particularly in the Pacific region, and working with development agencies is preferred.
- (iii) **Environment and Climate Change Specialist** (international). The candidate shall possess a degree in environmental engineering, or related field, with at least 10 years of experience in climate change adaptation design and implementation, environmental assessment, management, project implementation and training/capacity building. Experience in maritime sector and has worked with developing countries, particularly in the Pacific region, is preferred.

- (iv) **Social Specialist** (international). The candidate shall possess a degree in Economics or Sociology or related field. Should have at least 5 years of experience in designing or implementing social components of developmental projects, preferably with experience in transport sector funded by and development agencies.

20. In addition to the above experts, a consultant can propose more experts in its technical proposal as it considers necessary to deliver the required outputs. Justifications of such experts shall be provided in the approach and methodology and the work program and staffing schedule of such experts will be provided. The additional experts will be evaluated in the approach and methodology among other while they may not be specifically evaluated in the personnel.

### **G. Preparation of Proposal**

21. The shortlisted consultants will prepare a full technical proposal. The proposal shall include detailed description of how they will deliver the required outputs in the section of approach and methodology of their proposal. In this section, the consultants will explain how they will deliver the outputs and include any information on relevant experiences and the details of staff who comprise the consultant team. The proposal will be carefully evaluated the degree to which the consultants demonstrate understanding of the project objective and the quality and innovative features of the proposed methodology. The consultants' experiences in the maritime infrastructure and in the Pacific (or in similar natural conditions) will also be evaluated.

22. Only one curriculum vitae (CV) shall be submitted for each proposed experts (required, key, and additional). Only the required and key experts' CV will be scored in the section of personnel of technical evaluation. The CVs of additional experts will not be scored in the personnel, but their XCV will be reviewed and individually approve or rejected. Please see the system technical evaluation criteria.

