

# PROCUREMENT PLAN

## Basic Data

<b>Project Name:</b> Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 1	
<b>Project Number:</b> 45007-004	<b>Approval Number:</b> 3098/3099/0380
<b>Country:</b> Mongolia	<b>Executing Agency:</b> Municipal Government of Ulaanbaatar
<b>Project Financing Amount:</b> US\$ 104,520,000 <b>ADB Financing:</b> US\$ 50,000,000 <b>Cofinancing (ADB Administered):</b> US\$ 3,700,000 <b>Non-ADB Financing:</b> US\$ 50,820,000	<b>Implementing Agency:</b> N/A
	<b>Project Closing Date:</b> 30 June 2018
<b>Date of First Procurement Plan:</b> 15 May 2013	<b>Date of this Procurement Plan:</b> 22 August 2016, Version 2

## A. Methods, Thresholds, Review and 18-Month Procurement Plan

### 1. Procurement and Consulting Methods and Thresholds

Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding for Goods	US\$ 2,000,000 and Above	Prior review
National Competitive Bidding for Goods	Between US\$ 100,001 and US\$ 1,999,999	Prior review
Shopping for Goods	Up to US\$ 100,000	Post review
International Competitive Bidding for Works	US\$ 5,000,000 and Above	Prior review
National Competitive Bidding for Works	Between US\$ 100,001 and US\$ 4,999,999	Prior review
Shopping for Works	Up to US\$ 100,000	Post review

Consulting Services	
Method	Comments
Quality- and Cost-Based Selection for Consulting Firm	90:10
Quality-Based Selection for Consulting Firm	90:10
Individual Consultants Selection for Individual Consultant	

### 2. Goods and Works Contracts Estimated to Cost \$1 Million or More

The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
BHF06	Design, supply, and installation of heating plant in Bayankhoshuu subcenter	7,180,000.00	ICB	Prior	1S1E	Q3 / 2016	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Plant
BRDH11	Roads, heating network, and associated	5,076,000.00	ICB	Prior	1S1E	Q3 / 2016	Prequalification of Bidders: N

	infrastructure in Bayankhoshuu subcenter (Phase 1)						Domestic Preference Applicable: N  Bidding Document: Small Works
BRDH14	Roads, heating network, and associated infrastructure in Bayankhoshuu subcenter (Phase 2)	8,304,000.00	ICB	Prior	1S1E	Q4 / 2016	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Small Works
BSEC13	Electricity and telecommunications network in Bayankhoshuu and Selbe subcenters	1,093,000.00	NCB	Prior	1S1E	Q3 / 2016	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Small Works
BSF05	Kindergarten, business incubator, and vocational training center in Bayankhoshuu subcenter	2,917,000.00	NCB	Prior	1S1E	Q3 / 2016	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Small Works
BSLS09	Open space (landscape)	1,800,000.00	NCB	Prior	1S1E	Q3 / 2016	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Small Works
SBR08	Three bridges in Selbe subcenter	2,912,000.00	NCB	Prior	1S1E	Q3 / 2016	Prequalification of Bidders: N  Domestic Preference

							Applicable: N  Bidding Document: Small Works
SHF06	Design, supply, and installation of heating plant in Selbe subcenter	7,958,000.00	ICB	Prior	1S1E	Q3 / 2016	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Plant
SRDH11	Roads, heating network, and associated infrastructure in Selbe subcenter (Phase 1)	6,074,000.00	ICB	Prior	1S1E	Q3 / 2016	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Small Works
SRDH14	Roads, heating network, and associated infrastructure in Selbe subcenter (Phase 2)	4,807,000.00	NCB	Prior	1S1E	Q4 / 2016	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Small Works
SSF05	Kindergarten, business incubator, and vocational training center in Selbe subcenter	2,902,000.00	NCB	Prior	1S1E	Q3 / 2016	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Small Works
WWOI	Design, Engineering, Supply, and Installation of Pump Equipment, SCADA System, Construction and Commissioning of Pumping Stations and	3,700,000.00	NCB	Prior	1S1E	Q1 / 2016	Prequalification of Bidders: N  Domestic Preference Applicable: N

	Water Treatment Plant						Bidding Document: Plant  Comments: This package was advertised as ICB.
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### 3. Consulting Services Contracts Estimated to Cost \$100,000 or More

The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior/Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
CSOI	Improved Operations and Management of Service Providers, and Institutional and Regulatory Reform		QCBS	Prior	Q2 / 2016	STP	Assignment: International  Quality-Cost Ratio: 90:10  Comments: 90:10 based on FAM

### 4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

The following table lists smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
None								

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior/Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
None								

### B. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review (Prior/Post)	Bidding Procedure	Comments
None							

Consulting Services								
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Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior/Post)	Type of Proposal	Comments
None							

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

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

#### 1. Awarded and Ongoing Contracts

Goods and Works							
Package Number	General Description	Estimated Value	Awarded Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
None							

Consulting Services							
Package Number	General Description	Estimated Value	Awarded Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments
CS1/CSDD	Detailed Engineering, Tendering and Construction Supervision Consulting Services	4,187,700.00	4,024,241.00	QCBS	Q2 / 2014	02-JUN-15	
CS2/CSPM	Program Management Support Services	1,250,000.00	1,196,033.00	QCBS	Q1 / 2014	17-AUG-15	
CS3/CSCE	Community Engagement and Small and Medium Enterprises Development Consulting Services	700,000.00	699,936.00	QCBS	Q1 / 2014	03-JUL-15	
CS4/CSSD	Improved Urban Planning and Subcenter Development Consulting Services	800,000.00	799,990.00	QCBS	Q2 / 2014	08-SEP-15	
ICS1-3	3 International Consultants	125,000.00	124,074.00	ICS	Q1 / 2015	10-SEP-15	
ICS4-9	6 National Consultants	37,000.00	35,493.00	ICS	Q1 / 2015	10-SEP-15	

### D. Non-ADB Financing

The following table lists goods, works and consulting services contracts over the life of the project, financed by Non-ADB sources.

Goods and Works				
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Comments
Sewage collector main in Bayankhoshuu subcenter	1,440,577.00	1	NCB	EIB-financed

Works of sewage collector main in Bayankhoshuu subcenter	1,170,000.00	1	NCB	EIB-financed
Flood protection and embankment (combined for culverts and embankment Bayankhoshuu and Selbe subcenters)	1,800,000.00	1	NCB	EIB-financed
Water and sewage pipes in Bayankhoshuu and Selbe subcenters (Phase 1)	1,085,000.00	1	NCB	EIB-financed
Water and sewage pipes for Bayankhoshuu and Selbe subcenters (Phase 2)	746,000.00	1	NCB	EIB-financed
Construction of two water reservoirs and supply pipes in Bayankhoshuu and Selbe subcenters	4,230,000.00	1	NCB	EIB-financed
Sewage collector main in Selbe subcenter	1,048,407.00	1	NCB	EIB-financed
Water supply and sewage connections in Bayankhoshuu and Selbe subcenters	4,000,000.00	1	NCB	EIB-financed
Rehabilitation of water supply and sewerage network	4,500,000.00	1	NCB	EIB-financed
Structural rehabilitation and wastewater treatment improvement at CWWTP	4,500,000.00	1	NCB	EIB-financed

Consulting Services				
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Comments
None				

## E. National Competitive Bidding

### A. Regulation and Reference Documents

1. The procedures to be followed for national competitive bidding shall be those set forth in the Public Procurement Law of Mongolia of 1 December 2005, effective 1 February 2006, as amended in February 2007; July 2009; and February, June and December 2011 (hereinafter referred to as PPLM), with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the ADB Procurement Guidelines.

### B. Procurement Procedures

#### 1. Eligibility [Recommended standard provision]

2. The eligibility of bidders shall be as defined under section I of the Procurement Guidelines; accordingly, no bidder or potential bidder should be declared ineligible for reasons other than those provided in section I of the Guidelines, **as amended from time to time**.

3. Government-owned enterprises in Mongolia shall be eligible for projects only if they can establish that they: (i) are legally and financially autonomous; (ii) operate under the principles of commercial law; and (iii) are not dependent agencies of the Borrower, Beneficiary, Recipient Executing Agency and/or the Implementing Agency.

#### 2. Participation of Foreign Bidders

4. International bidders from eligible countries of ADB shall be allowed to participate in local procurement and may not be denied participation due to nationality.

### **3. Preferences**

5. No domestic preference shall be given for domestic bidders and for domestically manufactured goods.

### **4. Prequalification and Registration**

6. Prequalification is discouraged for procurement contracts using NCB. When used, particularly for works contracts, an individual prequalification exercise is acceptable for each contract as is the use of a registration system (or approved standing list) of contractors based on criteria such as experience, financial capacity, and technical capacity. Foreign bidders from eligible countries must, however, be allowed to register and to bid without unreasonable cost or additional requirements.

### **5. Rejection of All Bids and Rebidding**

7. All bids shall not be rejected or new bids invited without ADB's prior written concurrence.

8. No bid shall be rejected merely on the basis of a comparison with the estimated cost or budget ceiling without ADB's prior written concurrence (with specific reference to Article 30 of the PPLM).

## **C. Bidding Documents**

### **6. Use of Bidding Documents**

9. National Standard Bidding Documents Goods and Works that have been approved for procurement in ADB-financed projects shall be used.

### **7. Language**

10. Bidding documents may be prepared in other languages, but a copy of the bidding documents must be made available in English and submitted to ADB for review.

### **8. Bid Validity**

11. Bidders shall be requested to extend the validity of their bids only under exceptional circumstances and the Executing or Implementing Agency, as the case may be, shall communicate such request for extension to all bidders before the date of expiry of their bids. When the procurement is subject to ADB's prior review, the Executing or Implementing Agency, as the case may be, shall obtain in a timely manner the prior written concurrence of ADB for the extension of the bid validity period.

### **9. Bid Evaluation**

12. Evaluation and qualification criteria, and submission requirements, to be used in each bidding activity shall be clearly specified in the bidding documents. The evaluation of bids shall be done in strict adherence to the criteria specified in the bidding documents.

13. Negotiations with bidders shall not be undertaken before award of contract, except as provided in Paragraph 2.63 of ADB's Procurement Guidelines. A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify its bid as originally submitted.

14. At the same time that notification on award of contract is given to the successful bidder, the results of the bid evaluation shall be posted on a well-known freely accessible website (namely Mongolia's Ministry of Finance e-procurement website: [www.e-procurement.mn](http://www.e-procurement.mn)) identifying the bid and lot numbers and providing information on the: (i) name of each bidder that submitted a bid; (ii) bid prices as read out at bid opening; (iii) names of bidders whose bids were rejected and the reasons for their rejection; and (iv) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded. The Executing Agency or Implementing Agency, as the case may be, shall respond in writing to unsuccessful bidders who seek explanations on the grounds on which their bids were not selected.

## **10. ADB Policy Clauses**

15. A provision shall be included in all NCB works and goods contracts financed by ADB requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

16. A provision shall be included in all bidding documents for NCB works and goods contracts financed by ADB stating that the Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question.

17. A provision shall be included in all bidding documents for NCB works and goods contracts financed by ADB stating that ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices or any integrity violation in competing for, or in executing, ADB-financed contract.



