

Facility Administration Manual

Project Number: 42414
Loan Number: LXXXX
July 2010

Proposed Multitranche Financing Facility
Georgia: Sustainable Urban Transport Investment
Program

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RECORD OF FAM CHANGES

Revision 0

XX December 2010

Facility Administration Manual Purpose and Process

The facility administration manual (FAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The FAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the FAM.

The Government of Georgia and the Municipal Development Fund are responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by Government of Georgia and Municipal Development Fund of their obligations and responsibilities for implementation in accordance with ADB's policies and procedures.

In the event of any discrepancy or contradiction between the FAM and a financing agreement for relevant tranche, provisions of such financing agreement shall prevail.

After ADB Board approval of the report and recommendation of the President (RRP) changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the FAM.

ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
AFS	–	audited financial statements
BTP	–	biodata technical proposal
EA	–	executing agency
EARF	–	environmental assessment and review framework
EIA	–	environmental impact assessment
EMP	–	environmental management plan
EPC	–	engineering procurement construction
FAM	–	facility administration manual
FA	–	Financing Agreement
FTP	–	full technical proposal
FFA	–	framework financing agreement
FMA	–	financing management assessment
GAP	–	gender action plan
IEE	–	initial environmental examination
IARS	–	imprest account reconciliation statement
ICB	–	international competitive bidding
LAR	–	land acquisition and resettlement
LARF	–	land acquisition and resettlement framework
MIS	–	management information system
MDF	–	Municipal Development Fund of Georgia
MFF	–	multitranche financing facility
MOF	–	Ministry of Finance
MPIT	–	Municipal project implementation team
MRDI	–	Ministry of regional Development and Infrastructure
MSDP	–	Municipal Services Development Project
NCB	–	national competitive bidding
NGOs	–	nongovernment organizations
OCR	–	ordinary capital resources
PAF	–	project assistance facility
PAI	–	project administration instructions
PAM	–	project administration manual
PCA	–	procurement capacity assessment
PFR	–	periodic financing request
PIT	–	project implementation team
PMT	–	project management team
PPMS	–	project performance monitoring system
PPP	–	Public private partnership
QCBS	–	quality- and cost based selection
RFP	–	request for proposal
RRP	–	report and recommendation of the President to the Board
SBD	–	standard bidding documents
SOE	–	statement of expenditure
SPS	–	Safeguard Policy Statement
STP	–	simplified technical proposal
WA	–	withdrawal application

I. PROGRAM DESCRIPTION

A. Impact and Outcome

1. Impact

- Improved urban environment, local economy and better living conditions within urban areas

2. Outcome

- Improved efficiency, reliability and affordability of urban transport infrastructures and services in relevant cities

B. Outputs

1. Component A: Urban Transport Infrastructure Improvement

1. Road and bridge construction and urban habitat and waterfront improvement
2. Public transport network and infrastructure rehabilitation and extension
3. Multimodal facilities including parking and traffic management

2. Component B: Institutional Capacity Development

3. Component C: Project Management Facility

II. PROJECT DESCRIPTION

A. Impact and Outcome

1. Impact

- Improved urban environment, local economy and better living conditions within urban areas

2. Outcome

- improved efficiency, reliability and affordability of urban transport infrastructures and services in relevant cities

B. Outputs

1. Component A: Infrastructure Improvement

- (i) Tbilisi urban environment improvement and Gorgasali road reconstruction;
- (ii) Tbilisi metro extension (Vazha Pshavela avenue);
- (iii) Kutaisi urban renewal and non-motorized transport facilities; and
- (iv) Road improvements in Mestia.

2. Component B: Institutional strengthening

- (i) Strengthened Institutional and monitoring management capacity for MDF, Tbilisi Municipality and other municipalities
- (ii) Urban transport planning roadmap with list of investments projects endorsed and monitored
- (iii) Traffic modeling tool implemented and updated on a regular basis with public transport network added to the municipal GIS network
- (iv) Multimodal coordination and management team set up and multimodal concept initiated
- (v) Set-up monitoring team to evaluate impacts of the subproject in participating municipalities
- (vi) Twinning program completed to improve staff capacity on urban transport management
- (vii) Concession contract for Tbilisi traffic control management awarded

3. Component C: Project Management and capacity improvement

- (i) Consulting services for project management, engineering and supervision recruited for each project
- (ii) Consulting services to prepare Tranche 2 projects
- (iii) Strengthening of the MDF management and implementation capacity to oversee the Project development
- (iv) Public awareness campaigns

III. IMPLEMENTATION PLANS

A. Project Readiness Activities

Fact-Finding Mission	14 - 23 March 2010
Loan and Grant Negotiations	7 - 9 June 2010
Board Circulation	15 June 2010
Financial Framework Agreement Signing	25 June 2010
Periodic Financing Request Signing	25 June 2010
Board Consideration	19 July 2010
Loan and Project Agreements Signing	25 July 2010
Loan Effectiveness	By 25 September 2010

B. Overall Tentative Project Implementation Plan (Tranche 1)

ID	Task Name	Duration	Start	Finish	2010				2011				2012				
					Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3		
1																	
2	Urban infrastructure improvement	477 days	Wed 09/06/10	Thu 05/04/12													
3	Gorgasali urban redevelopment and road tunnel construction	417 days	Wed 09/06/10	Thu 12/01/12													
4	Detailed design finalization	1 mon	Wed 09/06/10	Tue 06/07/10													
5	Bid documents preparation and prequalification	3 mons	Fri 30/07/10	Thu 21/10/10													
6	Evaluation, ADB review, contracts signing	1 mon	Fri 22/10/10	Thu 18/11/10													
7	Project Management	15 mons	Fri 19/11/10	Thu 12/01/12													
8	Work Supervision	15 mons	Fri 19/11/10	Thu 12/01/12													
9	Work site organization and utilities removal	2 mons	Fri 19/11/10	Thu 13/01/11													
10	Earthworks and Excavation	4 mons	Fri 14/01/11	Thu 05/05/11													
11	Diaphragms installation	2 mons	Fri 06/05/11	Thu 30/06/11													
12	Drainage and Waterproofing	1 mon	Fri 01/07/11	Thu 28/07/11													
13	Prefab Cover	2 mons	Fri 29/07/11	Thu 22/09/11													
14	Earthworks	1 mon	Fri 23/09/11	Thu 20/10/11													
15	Road and signs	2 mons	Fri 21/10/11	Thu 15/12/11													
16	Parking	2 mons	Fri 21/10/11	Thu 15/12/11													
17	Bus stops and pedestrian facilities	1 mon	Fri 21/10/11	Thu 17/11/11													
18	Landscaping	1 mon	Fri 16/12/11	Thu 12/01/12													
19	Tbilisi Metro extension to the University	477 days	Wed 09/06/10	Thu 05/04/12													
20	Detailed design finalization	1 mon	Wed 09/06/10	Tue 06/07/10													
21	Bid documents preparation and prequalification	3 mons	Fri 30/07/10	Thu 21/10/10													
22	Evaluation, ADB review, contracts signing	1 mon	Fri 22/10/10	Thu 18/11/10													
23	Project Management	19 mons	Fri 22/10/10	Thu 05/04/12													
24	Work Supervision	19 mons	Fri 22/10/10	Thu 05/04/12													
25	Detailed design finalized	2 mons	Fri 22/10/10	Thu 16/12/10													
26	Civil work refection and steel rod replacement	4 mons	Fri 17/12/10	Thu 07/04/11													
27	Waterproofing and tunnel cover completion	4 mons	Fri 08/04/11	Thu 28/07/11													
28	Tracks and platform	3 mons	Fri 29/07/11	Thu 20/10/11													
29	Station layout finalization	2 mons	Fri 29/07/11	Thu 22/09/11													
30	Energy and electromechanical equipments	5 mons	Fri 23/09/11	Thu 09/02/12													
31	Telecoms and SCADA	5 mons	Fri 23/09/11	Thu 09/02/12													
32	Trial period	2 mons	Fri 10/02/12	Thu 05/04/12													
33	Mestia urban road improvement	280 days	Wed 09/06/10	Tue 05/07/11													
34	Detailed design	1 mon	Wed 09/06/10	Tue 06/07/10													
35	Bid documents preparation	1 mon	Wed 09/06/10	Tue 06/07/10													
36	Evaluation, ADB review, contracts signing	1 mon	Wed 07/07/10	Tue 03/08/10													

IV. PROJECT MANAGEMENT ARRANGEMENTS

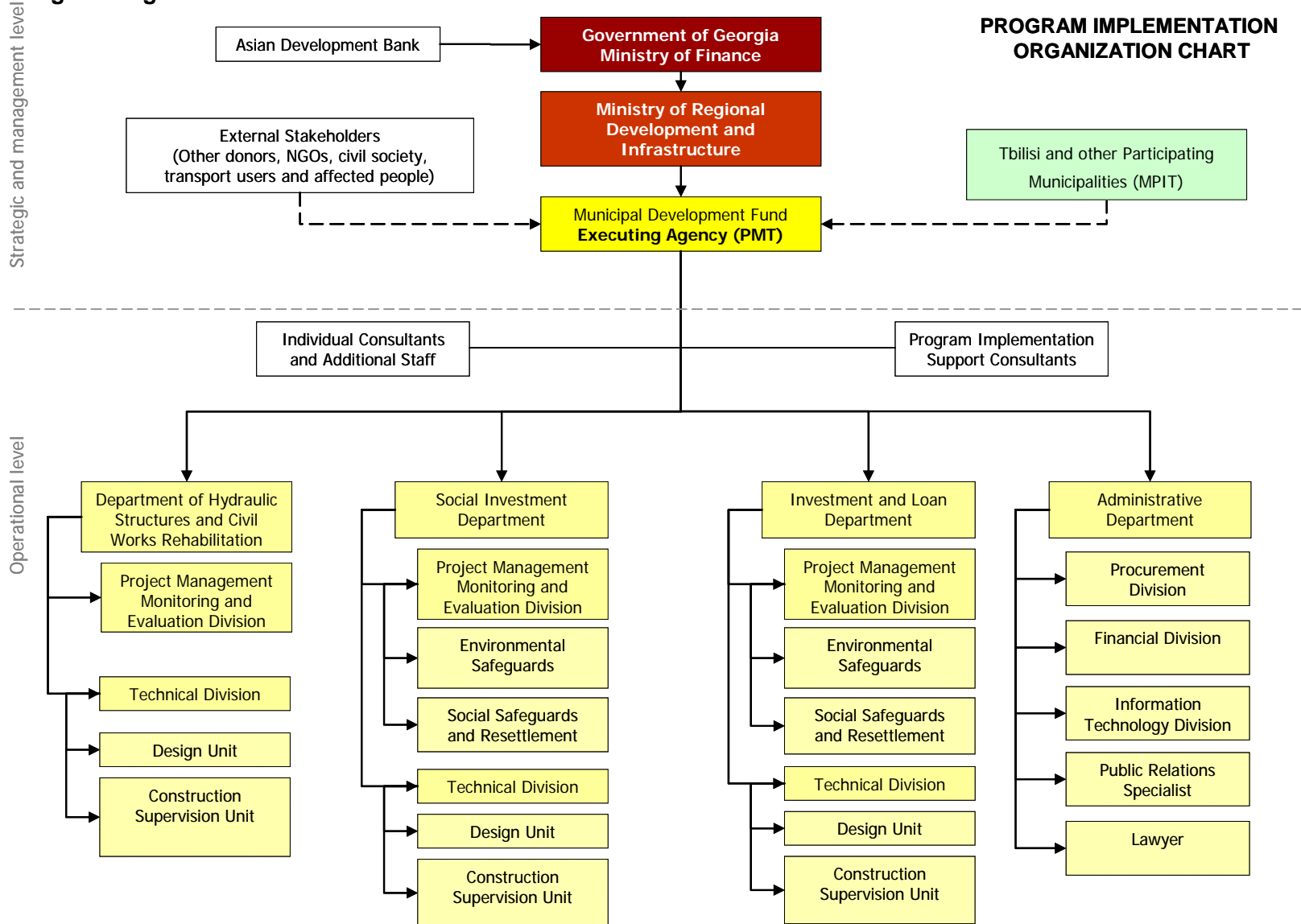
A. Project Stakeholders – Roles and Responsibilities

Project Stakeholder	Management Roles and Responsibilities
MDF supervisory board	<ul style="list-style-type: none"> – provide overall guidance, – review investment program performance, – approve list of candidate subprojects to be financed under tranches – decide on all major issues of the investment program management
Executing Agency (MDF)	<ul style="list-style-type: none"> – provision of strategic guidance on and overseeing the implementation of the investment program – preparation of the periodic financing requests (PFRs) for their submission to ADB – preparation of annual budget estimates for activities under the investment program for their eventual approval; – recruitment of additional staff and consultants, as necessary, to prepare and manage the program – procurement of services, works, and goods, and approval of disbursements; – approval of the subprojects and ensuring compliance with safeguards and acquisition of land, and other similar matters with the help of the participating municipalities. – appraising subprojects; – undertaking feasibility studies; – supervising detailed designs; – procuring the goods and services; – directing construction supervision; – overseeing the implementation of the institutional strengthening and capacity development; – monitoring and evaluating the implementation progress and impact; – checking and guiding safeguards compliance; – coordinating among government agencies; and – consolidating and preparing periodic reports for the investment program.
Participating municipalities (MPIT)	<ul style="list-style-type: none"> – oversee development of urban transport roadmaps – set up multimodal team, where appropriate – be responsible for day-to-day implementation of the subprojects within its perimeter

B. Key Persons Involved in Implementation

Staff and Designation	Organization	Division/Department	Telephone No.	Fax No.	E-mail
Mr. Dimitri Gvindadze Deputy Minister	Ministry of Finance		+995 32-261420	+99532-261461	d.gvindadze@mof.ge
Mr. Genadi Jangidze Head	Ministry of Finance	Investment Projects Section	+995 32-261461	+99532-261461	g.jangidze@mof.ge
Ms. Maia Chaladze Specialist	Ministry of Finance	Investment Projects Section	+995 32-261539	+99532-261461	m.chaladze@mof.ge
Mr. Lasha Gotsiridze Deputy Minister	Ministry of Regional Devpt and Infrastructure		+995 32-510705	+99532-510768	gotsiridze@mrdis.gov.ge
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Mr. Konstantin Mgeladze Executive Director	Municipal Development Fund (MDF)		+ 995 32 484510	+995 32 484 555	kmgeladze@mdf.org.ge mdf@mdf.org.ge http://www.mdf.org.ge
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		ADB Integrity Division	+63-2-632-5004	+63-2-636-2154	integrity@adb.org anticorruption@adb.org

C. Program Organization Structure



PMT: Program Preparation Management team MPIT: Municipal Program Implementation Team, NGO: Non government organization.

V. COSTS AND FINANCING

A. Cost Estimates by Expenditure Category

Refer to Table V-2 and Table V-3

B. Expenditure Accounts by Financier

Refer to Table V-1 and Table V-3

C. Allocation and Withdrawal of Loan Proceeds

Table V-1: Allocation and Withdrawal of Loan Proceeds Tranche 1

Category			ADB Financing
Number	Item	Total Amount Allocated for ADB Financing (SDR)	Percentage and Basis for Withdrawal from the Loan Account
1	Works and Goods	45,024,000	100 percent of total expenditure*
2	Consulting Services and Incremental Administration	6,515,000	100 percent of total expenditure*
3	Interest	1,228,000	100 percent of amounts due
4	Unallocated	5,219,000	
	TOTAL	57,986,000	

D. Expenditure Accounts by Outputs/Components

To be developed during loan inception mission

E. Expenditure Accounts by Year

Refer to **Appendix 1** for contract awards and disbursement plan - Tranche 1

F. Contract and Disbursement S-curve

Refer to **Appendix 2** for contract awards and disbursement graph - Tranche 1

Table V-2: Indicative Cost Estimates and Financing Plan - MFF

Item	Total Cost	ADB		Government	
		Amount	% of Cost Category	National Government	
				Amount	% of Cost Category
A. Investment Program					
1 Investment Program					
Base cost	240.00	240.00	100.00	0.00	0.00
Taxes and duties	46.47	0.00	0.00	46.47	100.00
Subtotal (A)	286.47	240.00	100.00	46.47	16.22
B. Institutional Capacity Development					
1 Base cost	10.67	10.67	100.00	0.00	0.00
2 Taxes and duties	2.07	0.00	0.00	2.07	100.00
Subtotal (B)	12.73	10.67	83.78	2.07	16.22
C. Program Management Facility					
1 Base cost	16.00	16.00	100.00	0.00	0.00
2 Taxes and duties	3.10	0.00	0.00	3.10	100.00
Subtotal (C)	19.10	16.00	83.78	3.10	16.22
D. Contingencies					
1 Physical	20.19	20.19	100.00	0.00	0.00
2 Price	0.00	0.00	0.00	0.00	0.00
Subtotal (D)	20.19	20.19	100.00	0.00	0.00
E. Interest Charges During Implementation	13.14	13.14	100.00	0.00	0.00
Total	351.63	300.00	85.32	51.63	14.68

Table V-3: Indicative Cost Estimates and Financing Plan – Tranche 1

Item	Total Cost	ADB		Government	
		Amount	% of Cost Category	National Government	
				Amount	% of Cost Category
A. Investment Program					
1 Investment Program					
Base cost	66.00	66.00	100.00	0.00	0.00
Taxes and duties	13.08	0.00	0.00	13.08	100.00
Subtotal (A)	79.09	66.00	100.00	13.08	16.54
B. Institutional Capacity Development					
1 Base cost	3.91	3.91	100.00	0.00	0.00
2 Taxes and duties	0.78	0.00	0.00	0.78	100.00
Subtotal (B)	4.69	3.91	83.46	0.78	16.54
C. Program Management Facility					
1 Base cost	5.64	5.64	100.00	0.00	0.00
2 Taxes and duties	1.12	0.00	0.00	1.12	100.00
Subtotal (C)	6.76	5.64	83.46	1.12	16.54
D. Contingencies					
1 Physical	7.66	7.66	100.00	0.00	0.00
2 Price	0.00	0.00	0.00	0.00	0.00
Subtotal (D)	7.66	7.66	100.00	0.00	0.00
E. Interest Charges During Implementation	1.79	1.79	100.00	0.00	0.00
Total	99.98	85.00	85.02	14.98	14.98

VI. FINANCING MANAGEMENT

A. Financial Management Assessment

Financial Management Assessment report available upon request.

B. Disbursement Arrangements

- The loan proceeds for financing Goods, Works, and consulting services shall be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2007, as amended to date)¹
- Pursuant to ADB's Safeguards Policy Statement (2009) (SPS),² ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS
- For every liquidation and replenishment request of the imprest account, MDF will furnish ADB:
 - (i) statement of account where the imprest account is maintained,
 - (ii) Imprest Account Reconciliation Statement (IARS)³ reconciling the above mentioned statement against the MDF's records
- Following financing and disbursement arrangements⁴ will apply for this project:
 - (i) Direct payment by ADB
 - (ii) Reimbursement
 - (iii) Imprest fund procedures
 - (iv) Liquidation and replenishment
 - (v) Statement of expenditures (SOEs)
- Consolidate claims to meet this limit for reimbursement and imprest account claims
- Withdrawal applications and supporting documents will demonstrate, among other things that the goods, and/or services were produced in or from ADB members, and are eligible for ADB financing
- Withdrawal applications and other loan disbursement information are available at ADB Controller's Department's website, <http://lfis.adb.org>

1. Imprest Account

- Separate imprest accounts for each loan
- non-interest-bearing account with Treasury service of the Ministry of Finance of Georgia
- maximum amount in account not to exceed 10% of the loan amount from each PFR or the estimated expenditure for next 6 months, whichever is lower
- imprest accounts will be established, managed, and liquidated in accordance with ADB's *Loan Disbursement Handbook* and detailed arrangements agreed to by Georgia and ADB

¹ Available at: http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf

² Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

³ Follow the format provided in Appendix 30 of the *Loan Disbursement Handbook*.

⁴ Available at: http://www.adb.org/documents/handbooks/loan_disbursement/chap-06.pdf

2. First Withdrawal Application (WA)

- MDF should submit to ADB sufficient evidence of the authority of the (two) persons who will sign the withdrawal applications on behalf of Georgia together with the authenticated specimen signatures of each authorized person
- Accomplish the first WA form
- Attach Estimate of Expenditures Sheet/s⁵ for the next 6 months

3. Statement of Expenditure (SOE)

- ADB's SOE procedure may be used to reimburse eligible expenditure and to liquidate advances made into the imprest accounts
- Any individual payments to be liquidated or reimbursed shall not exceed the equivalent of \$100,000

C. Fund Flow

1. ADB Fund Flow

- The initial advance equivalent of 10% of the loan amount or six months estimated expenditure, whichever is lower, is transferred from the loan to the Project imprest accounts based on the WA for Initial Advance
- MDF expends funds from the Imprest Account and submits a WA⁶ to ADB containing SOEs, invoices (if applicable), and other relevant substantiation for replenishing the Imprest Account; the submission will also include a Disbursement MIS based on the format detailed in **Appendix 3**
- The SOE is based on payments made to contractors, consultants and suppliers
- The WA is signed by authorized signatories of the MDF
- ADB replenishes the Imprest Account based on accountable expenditure in the WA

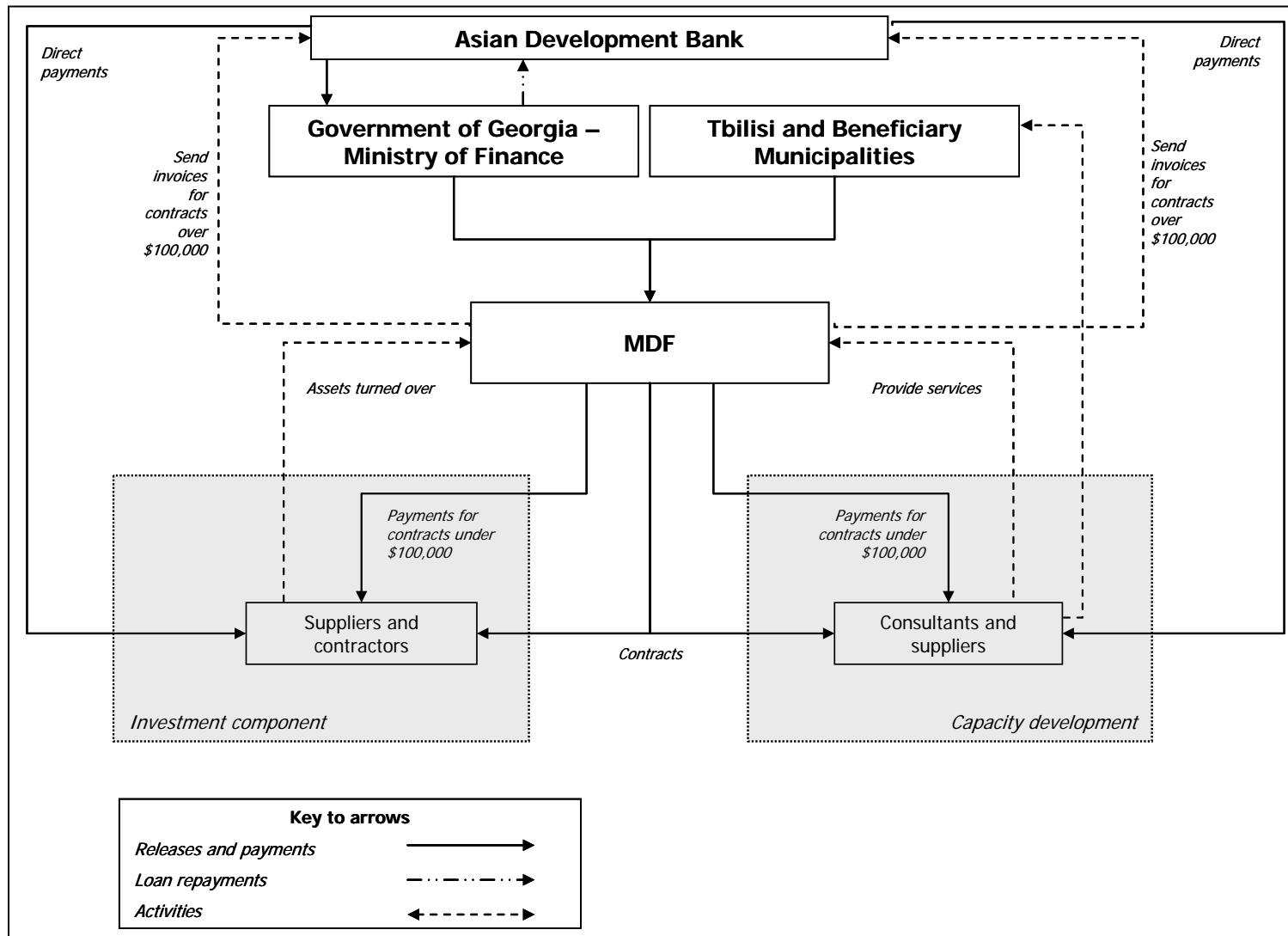
2. Government Financing

- MOF transfers the proceeds of the loan to MDF
- MDF pays to contractors, consultants and suppliers based on invoices and accountable expenditure

⁵ Follow the format provided in Appendix 29 of the *Loan Disbursement Handbook*.

⁶ Format for withdrawal application is available in *Loan Disbursement Handbook*, Appendix 7.

Figure VI-1: Fund Flow Diagram



ADB:

- verifies invoices
- processes payments
- releases payments to MDF via imprest account replenishment or directly to contractors, suppliers, or consultants

MDF:

- verifies invoices
- prepares withdrawal applications (WAs)
- submits WAs to ADB

Contractors, Consultants, Suppliers:

- submit invoices to MDF

D. Accounting

- MDF will maintain separate records and accounts by tranche
- Project accounts will follow international financial reporting standards (IFRS)

E. Auditing

- A detailed consolidated annual project accounts will be:
 - (i) audited by duly qualified and independent auditors⁷ in accordance with International Standards on Auditing
 - (ii) submitted to ADB in English language within 8 months of the close of each fiscal year (31 December)
- Annual audit report will include a separate audit opinion on the use of imprest accounts and statement-of-expenditure procedure
- ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts shall apply

⁷ Terms of reference available at http://www.adb.org/Documents/Handbooks/Borrowers_Fin_Gov_Mgt_Investment/default.asp#contents

VII. PROCUREMENT AND CONSULTING SERVICES

VII – 1: Basic Data

Project Name: Sustainable Urban Transport Investment program	Executing Agency: Municipal Development Fund
Country: Georgia	Loan (Grant) Number: 42414
Loan Amount: \$300 million (Tranche 1 = \$85 million)	Date of this Procurement Plan: 9 June 2010
Date of First Procurement Plan: May 2010	

A. Procurement of Goods, Works and Consulting Services

- All procurement of goods and works will be undertaken in accordance with ADB's *Procurement Guidelines*⁸
- The procedures to be followed for national competitive bidding shall be those set forth in the Law of Georgia on State Procurement of January 1, 2006, with the clarifications and modifications described in Section E below as required for compliance with the ADB's Procurement Guidelines (2010, as amended from time to time).
- All consultants {and nongovernment organizations (NGOs) if appropriate} will be recruited according to ADB's *Guidelines on the Use of Consultants*.⁹ The terms of reference for all consulting services are detailed in Section D below

B. Process Thresholds and Review Requirement

1. Project Procurement Thresholds

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

Table VII-2: Project Procurement Thresholds

Procurement of Goods and Works	
Method	Threshold
International Competitive Bidding (ICB) for Works ¹	> \$1,000,000
International Competitive Bidding for Goods ¹	> \$500,000
National Competitive Bidding (NCB) for Works ¹	< = \$100,000 > \$1,000,000,
National Competitive Bidding for Goods ¹	< = \$100,000 > \$500,000,
Shopping for Works and Goods	< = \$100,000
Direct Contracting for Works and Goods	< = \$10,000

¹ Refer to Para. 3 of PAI 3.04 National Competitive Bidding

Table VII-3: Procurement Threshold- Consulting Services

Procurement of Consulting services	
Method	Threshold
Quality Cost Based Selection (QCBS)	Full Technical Proposal >\$500,000 Simplified Technical Proposal (<=\$500,000 but >\$100,000)
Quality based selection (QBS)	< = \$500,000 and > \$100,000
Fixed Budget Selection (FBS)	< = \$500,000 and > \$100,000
Single Source Section (SSS)	< = \$500,000 and > \$100,000
Consultant qualification selection (CQS)	< = \$200,000 and > \$100,000
Least Cost Selection (LCS)	< = \$100,000

⁸ Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>

⁹ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

2. ADB Prior or Post Review

2. Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the project.

Table VII-4: Procurement Review Requirement

Procurement Method	Prior or Post	Comments
Procurement of Goods and Works		
ICB Works	Prior	ADB SBD
ICB Goods	Prior	ADB SBD. For specific metro equipments, EA will be authorized to contract with suppliers from non-members countries ¹⁰
NCB Works	Prior and Post	ADB SBD (prior followed by post) Usage subject to review of the borrower's public procurement laws and regulations. Prior review applies to the procurement of the first NCB contract by the project management unit. If first contract procured satisfactorily, thereafter post review.
NCB Goods	Prior and Post	
Shopping for Works and Goods	Post	ADB SBD
Direct contracting for Works and Goods	Post	ADB SBD
Recruitment of Consulting Firms		
Quality- and Cost-Based Selection (QCBS)	Prior	QCBS 80:20 or 90:10 RFP
Quality-Based Selection (QBS)	Prior	RFP
Other Selection Methods: Consultants Qualifications (CQS), Least-Cost Selection (LCS), Fixed Budget (FBS), and Single Source (SSS)	Prior	RFP
Recruitment of Individual Consultants		
Individual Consultants	Prior	Bio data Applied in accordance with Section 2.34, <i>Guidelines on the Use of Consultants</i> (2010, as amended from time to time)

ADB = Asian Development Bank, ICB = international competitive bidding, NCB = national competitive bidding, RFP = request for proposals, SBD = standard bidding documents.

C. Tentative Procurement Plan (Tranche 1)

1. Goods and Works Contracts Estimated to Cost More Than \$1 Million

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

Table VII-5: Civil Works

General Description	Contract Value (cumulative)	Procurement Method and prequalification	Estimated Number of Contracts	Advertisement Date (quarter/year)	Comments
Gorgasali urban improvement and tunnel construction	[This information was deemed confidential according to	ICB (includes prequalification)	2	1-2011	One contract for all civil work including tunnel and one contract for urban environment,

¹⁰ Subject to ADB board approval

General Description	Contract Value (cumulative)	Procurement Method and prequalification	Estimated Number of Contracts	Advertisement Date (quarter/year)	Comments
	exception # 10 of paragraph 126 of ADB's Public Communications Policy (2005)]				parking and pedestrian facilities. Breakdown to be refined during loan inception mission
Metro extension		ICB (includes prequalification)	1	III-2011-	One contract for civil works
Urban road improvement in Mestia urban area		ICB (no prequalification)	1	III-2010	One civil work package for earthwork drainage, pavements, and road improvement,
Kutaisi urban renewal and non motorized transport facilities		ICB (no prequalification)	1	I-2011	One package for urban environment improvement including, road, pavement, drainage, landscaping and bike lanes

Table VII-6: Goods

General Description	Contract Value (cumulative)	Procurement Method and prequalification	Estimated Number of Contracts	Advertisement Date (quarter/year)	Comments
Procurement of metro equipment, tracks, Energy, SCADA, signals	[This information was deemed confidential according to exception # 10 of paragraph 126 of ADB's Public Communications Policy (2005)]	ICB (no prequalification)	1	IV-2011-	One contract for metro equipments including signaling with waiver for nonmember procurement ¹¹
Procurement of ticketing system, information and signage		ICB/NCB/shopping (no prequalification)	3	I-2011	Three packages for ticketing, one for signage. Breakdown to be refined during loan inception mission

2. Consulting Services Contracts Estimated to Cost More Than \$100,000

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

Table VII-7: Consultants

General Description	Contract Value (cumulative)	Procurement or Recruitment Method	Estimated Number of Contracts	Advertisement Date (quarter/year)	International or National Assignment	Comments
Design, Project Management and supervision Tranche 1	[This information was deemed confidential according to exception # 10 of paragraph 126 of ADB's Public Communications Policy (2005)]	QCBS 80:20, CQS	4	III-2010	International	To be confirmed during loan inception mission
Detail Design and preparation work Tranche 2		QCBS 80:20, CQS	4	IV-2010	International/National	To be confirmed during loan inception mission
Preparation of the traffic management center concession		QCBS 80:20, CQS	4	I-2011	International	To be confirmed during loan inception mission
Advisory and legal consultants for monitoring and evaluation		QCBS 80:20, CQS	4	I-2011	International/National	To be confirmed during loan inception mission
MDF and MPIT staff training on project management, procurement,		QCBS 80:20, CQS	4	IV-2010	International/National	To be confirmed during loan inception mission

procurement buy goods from non member countries is subject to ADB approval

General Description	Contract Value (cumulative)	Procurement or Recruitment Method	Estimated Number of Contracts	Advertisement Date (quarter/year)	International or National Assignment	Comments
financial and safeguards management						
Twinning, Institutional strengthening and municipal reform		QCBS 80:20, CQS	4	IV-2010	International/National	To be confirmed during loan inception mission
Public awareness campaign, training, geographical information system in relevant cities		QCBS 80:20, CQS	4	I-2011	International/National	To be confirmed during loan inception mission
Individual consultants		ADB procedures for recruitment of individual consultants	10	IV-2010	National	To be confirmed during loan inception mission

3. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000

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

Table VII-8: Consultants

General Description	Value of Contracts (cumulative)	Number of Contracts	Procurement / Recruitment Method ¹	Comments
Procurement of office equipment, traffic model equipment and GIS	[This information was deemed confidential according to exception # 10 of paragraph 126 of ADB's Public Communications Policy (2005)]	3	NCB/shopping (no prequalification)	Three packages per relevant municipality
Kutaisi alternative urban transport development	[This information was deemed confidential according to exception # 10 of paragraph 126 of ADB's Public Communications Policy (2005)]	3	ICB/NCB (no prequalification)	Three packages for bike, signs and traffic equipment

D. Indicative List of Packages Required Under the Project

6. Refer to Table VII-5 to Table VII-8

E. Contract Awards and Disbursement

7. **Appendix 2** presents a graph for contract awards and disbursement projections until Loan closing for Tranche 1 investment (to be confirmed during Inception Mission)

F. National Competitive Bidding (NCB)

1. General

7. The procedures to be followed for national competitive bidding shall be those set forth in the Law of Georgia on State Procurement January 1, 2006 with the clarifications and modifications described in the following paragraphs required for compliance with the

provisions of the ADB's Procurement Guidelines (February 2010, as amended from time to time).¹²

2. Eligibility

8. The eligibility of bidders shall be as defined under section I of ADB's Procurement Guidelines, published by ADB (February 2010, as amended from time to time); accordingly, no bidder or potential bidder should be declared ineligible to ADB-financed contracts for other reasons than the ones provided by section I of ADB's guidelines. Bidders must be nationals of member countries of ADB, and offered goods and services must be produced in and supplied from member countries of ADB.

3. Prequalification

9. Normally, post-qualification shall be used unless explicitly provided for in the loan agreement/procurement plan. Irrespective of whether post qualification or prequalification is used, eligible bidders (both national and foreign) shall be allowed to participate.

4. Registration and Licensing

- (i) Bidding shall not be restricted to pre-registered/licensed firms.
- (ii) Where registration or licensing is required, bidders (i) shall be allowed a reasonable time to complete the registration or licensing process; and (ii) shall not be denied registration/licensing for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.
- (iii) Foreign bidders shall not be precluded from bidding. If a registration or licensing process is required, a foreign bidder declared the lowest evaluated bidder shall be given a reasonable opportunity to register or to obtain a license without unreasonable cost and additional requirements.

5. Bidding Period

10. The minimum bidding period is twenty-eight (28) days prior to the deadline for the submission of bids.

6. Bidding Documents

11. Procuring entities should use standard bidding documents for the procurement of goods, works and services acceptable to ADB.

12. The term "services" above are applicable to the following: (a) related services (for supply of goods and works) such as transportation, insurance, installation, commissioning, training and initial maintenance, and (b) other services such as drilling, mapping, and similar operations.

7. Preferences

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

¹² <http://coso.asiandevbank.org/modules/tinycontent4/index.php?id=10>.

8. Advertising

14. Invitations to bid shall be advertised in at least one widely circulated national daily newspaper or freely accessible, nationally-known website allowing a minimum of twenty-eight (28) days for the preparation and submission of bids.

15. Bidding of NCB contracts estimated at US\$500,000 equivalent or more for goods and related services or US\$1,000,000 equivalent or more for civil works shall be advertised on ADB's website via the posting of the Procurement Plan.

9. Bid Security

16. Where required, bid security shall be in the form of a bank guarantee from a reputable bank.

10. Bid Opening and Bid Evaluation

- (i) Bids shall be opened in public.
- (ii) Evaluation of bids shall be made in strict adherence to the criteria declared in the bidding documents and contracts shall be awarded to the lowest evaluated bidder who meets the qualifying criteria stated in the bid documents.
- (iii) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.
- (iv) No bidder shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without ADB's prior concurrence.
- (v) A contract shall be awarded to the technically responsive bid that offers the lowest evaluated price and no negotiations shall be permitted.
- (vi) Price verification shall not be applied.

11. Rejection of All Bids and Rebidding

17. Bids shall not be rejected and new bids solicited without ADB's prior concurrence.

12. Participation by Government-owned enterprises

18. Government-owned enterprises in Georgia shall be eligible to participate as bidders only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the contracting authority. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

13. Right to Inspect/Audit

19. 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.

14. Fraud and corruption

- (i) 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, or coercive practices in competing for the contract in question.

- (ii) 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 in competing for, or in executing, an ADB-financed contract.

20. For purposes of the provisions in (a) and (b) above, the definitions of the terms “fraudulent practice”, “corrupt practice”, “collusive practice”, and “coercive practice” are the definitions given in ADB’s Procurement Guidelines.

15. Conflict of Interest

21. ADB’s rule in respect of “Conflict of Interest” as stipulated in ADB’s Standard Bidding Documents for Procurement of Goods, Civil Works, and Plant-Design, Supply and Install shall be applicable.

16. Disclosure of Decision on Contract Awards

22. At the same time that notification on award of contract is given to the successful bidder, the results of bid evaluation shall be published in a local newspaper, or a well-known freely accessible website identifying the bid and lot numbers and providing information on (i) name of each Bidder who submitted a Bid, (ii) bid prices as read out at bid opening; (iii) name 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 duration and summary scope of the contract awarded. The executing agency/implementing agency/contracting authority shall respond in writing to unsuccessful bidders who seek explanations on the grounds on which their bids are not selected.

VIII. SAFEGUARDS

A. Environment

- Project is classified as environmental category B under ADB's *Safeguards Policy Statement, 2009*¹³
- The environmental assessment and review and framework (EARF) is detailed in RRP linked document 11 and will be updated before every PFR signing.
- The initial environmental examination (IEE) is detailed in RRP linked document 11 and will be updated every 6 months if necessary
- Environmental Management and Monitoring Plan will be updated during detailed engineering design and incorporated in bidding documents and civil works contracts

B. Land Acquisition and Resettlement (LAR)

- Project is classified as involuntary resettlement category C – no impact under ADB's *Safeguards Policy Statement, 2009*¹⁴
- The land acquisition and resettlement framework (LARF) is detailed in RRP linked document 12 and will be updated before every PFR signing.

C. Indigenous People

- Project is classified as category C under ADB's *Safeguard Policy Statement, 2009*
- The Project is not expected to affect indigenous people as defined under the ADB's *Safeguards Policy Statement, 2009*¹⁵

D. Other Safeguards

- A summary poverty reduction and social strategy (SPRSS) is in RRP linked document 9
- A Gender Action Plan (GAP) is in RRP linked document 10

¹³ Updated from ADB's *Environment Policy, 2002*.

¹⁴ Updated from ADB's *Policy on Involuntary Resettlement, 1995*.

¹⁵ Updated from ADB's *Policy on Indigenous Peoples, 1998*.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design and Monitoring Framework

Refer to RRP linked document 1

B. Monitoring

1. Project performance monitoring

Refer to ADB's project performance reporting system¹⁶

2. Compliance monitoring

To be developed during loan inception mission

3. Safeguard monitoring

Involuntary resettlement: Category C, i.e., no impact

Indigenous peoples: Category C, no communities treated as indigenous people

4. Poverty and Social Action Plans¹⁷

Labor: Civil works contracts will stipulate priorities to (i) ensure equal opportunities for women and men for work, (ii) pay wages promptly, and (iii) not employ child or forced labor

Other Risks and/or vulnerabilities: The Project will complement ongoing awareness programs through an information, education, and communication campaign covering HIV/AIDS and sexually transmitted infections for construction workers

5. Gender Action Plan

a. Infrastructure Improvement Component

- All planning, design and construction address specific needs of women and men riders
- Increase by 2% of number of women using municipal urban transport compared to baseline in 2008

¹⁶ ADB's project performance reporting system is available at:

<http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

¹⁷ Staff Guide to Consultation and Participation: <http://www.adb.org/participation/toolkit-staff-guide.asp> and CSO Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations: <http://www.adb.org/Documents/Books/CSO-Staff-Guide/default.asp>

b. Institutional Development Capacity

- Gender-responsive urban transport roadmap endorsed by Tbilisi
- One sex-disaggregated household survey carried out in Tbilisi (50% of respondents women)
- A multimodal team with women representatives set up in Tbilisi with a concept plan initiated
- One multimodal transport website created and functional including website featuring gender responsive design of public transportation
- One City twinning implemented with study tour for relevant municipalities with focus on gender responsive and safe public transport design

c. Program Management Facility

- Gender sensitive public awareness and marketing campaigns organized by relevant municipalities
- Financial management, procurement, safeguards and gender sensitization training provided to MDF and participating municipalities
- All the required professional staff hired with 15% recruitment of qualified women

C. Evaluation

- Within 3 months of physical completion of the Project, MDF will submit a project completion report¹⁸ to ADB

D. Reporting

MDF will provide ADB with

- (i) semi-annual progress reports in a format consistent with ADB's project performance reporting system
- (ii) consolidated annual reports including
 - progress achieved by output as measured through the indicator's performance targets
 - key implementation issues and solutions
 - updated procurement plan and
 - updated implementation plan for next 12 months
- (iii) a project completion report within 3 months of physical completion of the Project

To ensure projects continue to be both viable and sustainable, project accounts and the MDF's annual financial statement (AFS), together with the associated auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

To be developed during loan inception mission

¹⁸ Project completion report format available at:
<http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

X. ANTICORRUPTION, TRANSPARENCY AND ACCOUNTABILITY

A. Anticorruption

- Comply with ADB's *Anticorruption Policy, 1998*¹⁹
- ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the Project. All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the MDF's MFF-related and all 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 Project²⁰
- To support these efforts, relevant provisions are included in the Framework Financing Agreement and the bidding documents for the Project

B. Transparency and Good Governance

- MDF will disclose to the public, and update annually:
 - the current status of the Project
 - how the proceeds of the loan are used
- For each contract financed under the Project, MDF will disclose on its website information on, among others, the:
 - list of participating bidders
 - name of the winning bidder
 - basic details on bidding procedures and procurement methods adopted
 - list and amount of goods/services, including consulting services contracts procured and awarded

C. Accountability

- People who are, or may in the future be, adversely affected by the project may address complaints to ADB, or request the review of ADB's compliance under the Accountability Mechanism²¹

¹⁹ Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

²⁰ ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

²¹ For further information see: <http://compliance.adb.org/>

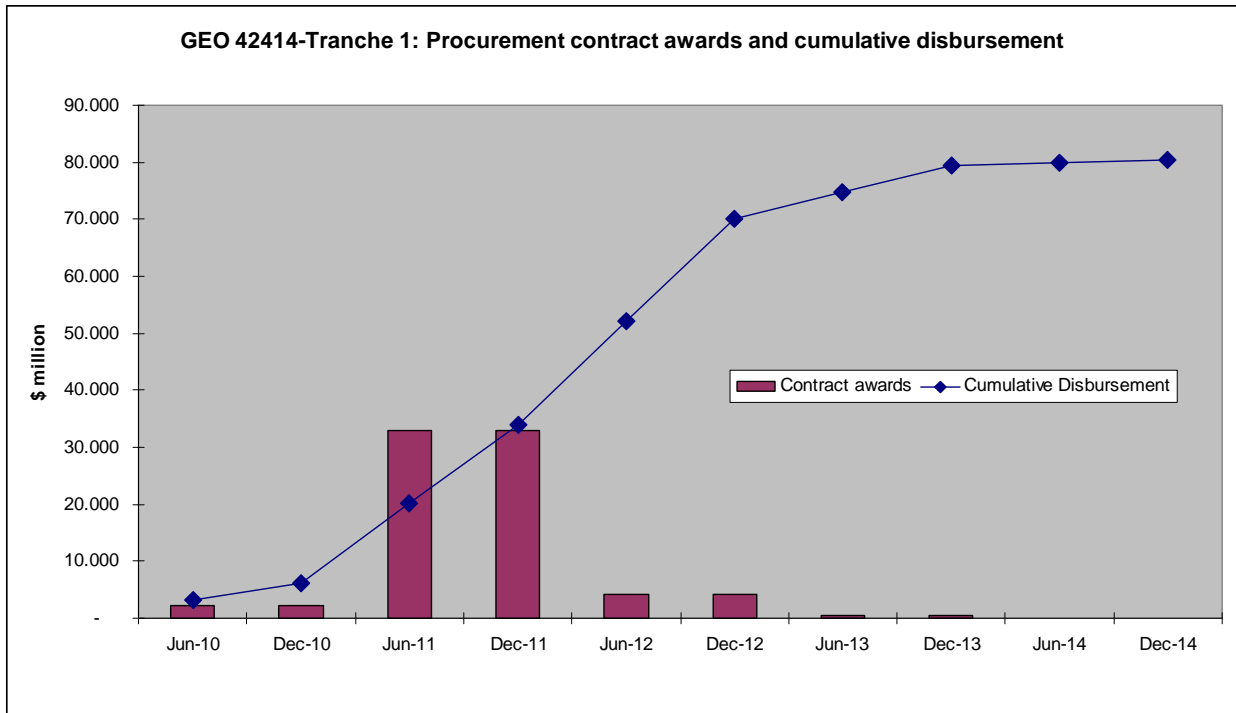
DETAILED PROJECT IMPLEMENTATION PLAN

Indicative Contract Awards and Disbursement Projections

(\$ million)

	2010 (Jul- Dec)	2011 (Jan- Jun)	2011 (Jul- Dec)	2012 (Jan- Jun)	2012 (Jul- Dec)	2013 (Jan- Jun)	2013 (Jul- Dec)	2014 (Jan- Jun)	2014 (Jul- Dec)	2014 (Jul- Dec)
Semi-Annual Contract Awards	2.278	2.278	33.070	33.070	4.256	4.256	0.554	0.554	0.042	0.042
Cumulative Disbursement	3.414	6.829	21.197	35.566	55.050	74.534	79.249	83.963	84.482	85.000

Figure A6: Indicative Contract Awards and Disbursement S Curve



SEMIANNUAL PROGRESS REPORT FORMAT

All information to be provided for semiannual preceding issuance of report and completed by a recapitulation showing status from project inception.

Section A: Implementation Progress

1. General data on progress in implementation
2. Problems encountered and resolved
3. Other issues pending
4. Other information or data relevant for project
5. Safeguard compliance on projects
6. Updated implementation progress (attach excel spreadsheet on implementation plan)

Section B: Procurement Information

1. Detailed report on procurement activities
 - a) Status of bidding documents
 - b) Status of bids in progress
 - c) Contracts awarded
 - d) Contracts closed
 - e) Contracts with issues
2. Procurement plan for next quarter (or updated procurement plan spreadsheet)

Section C: Financial Information

1. Disbursement status
2. Special account status
3. Loan and Grant commitments
4. Contract payments
5. Status of audits
6. Other financial management issues

Section D: Other Information

1. Major/minor change in scope
 - a) Cost escalations
 - b) Revision in cost category
 - c) Change in implementation procedures
2. Major activities planned for next quarter