

## PROCUREMENT PLAN

### Basic Data

<b>Project Name:</b> Road Network Development Program - Tranche 4	
<b>Project Number:</b> 39176-044	<b>Approval Number:</b> 3116
<b>Country:</b> Azerbaijan	<b>Executing Agency:</b> "Azeravtoyol" Open Joint-Stock Company
<b>Project Procurement Classification:</b>	<b>Implementing Agency:</b>
<b>Project Procurement Risk:</b>	PIU 4 of "Azeravtoyol" Open Joint-Stock Company
<b>Project Financing Amount:</b> US\$ 58,000,000 <b>ADB Financing:</b> US\$ 45,000,000 <b>Cofinancing (ADB Administered):</b> <b>Non-ADB Financing:</b> US\$ 13,000,000	<b>Project Closing Date:</b> 28 September 2017
<b>Date of First Procurement Plan:</b> 27 March 2014	<b>Date of this Procurement Plan:</b> 21 March 2017, Version 4

### 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	Based on the country-specific threshold for Goods using ICB.
International Competitive Bidding for Works	US\$ 10,000,000 and Above	
National Competitive Bidding for Works	Between US\$ 100,000 and US\$ 9,999,999	The first NCB is subject to prior review, thereafter post review.

Consulting Services	
Method	Comments
Least-Cost Selection for Consulting Firm	
Quality- and Cost-Based Selection for Consulting Firm	
Single Source 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
TBD-01	Local roads package 1	3,000,000.00	NCB	Prior	1S1E	Q1 / 2017	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Small Works

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
TBD-02	Local roads package 2	7,000,000.00	NCB	Prior	1S2E	Q1 / 2017	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Small Works
TBD-10	Laboratory upgradation	2,000,000.00	ICB	Prior	1S1E	Q1 / 2017	Prequalification of Bidders: N  Domestic Preference Applicable: N  Bidding Document: Goods

### 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
None							

### 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
TBD-04	Financial management assessment	50,000.00	1	SSS	Prior	Q1 / 2017		Assignment: International
TBD-06	Safeguards monitoring	50,000.00	1	SSS	Prior	Q1 / 2017		Assignment: International
TBD-07	Project monitoring	50,000.00	1	SSS	Prior	Q1 / 2017		Assignment: International

## 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							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior/Post)	Type of Proposal	Comments
TBD-08	Auditing including performance auditor	50,000.00	1	SSS	Prior		Assignment: International
TBD-09	Safeguards monitoring	50,000.00	1	SSS	Prior		Assignment: International

## 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
3116/AZE/BR/ICB-01	Design and construction of bridges and associate infrastructure	24,000,000.00	23,610,561.90	ICB	Q3 / 2014	21-OCT-15	Design-build contract. Contract was signed on 3 Nov 2015. Accepted Contract Amount: AZN29,253,486.20 (inclusive of provisional sum for day works and 18% VAT).

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
CS02/ADB/3116	External audit of project accounts for FY 2015, 2016, and 2017	62,000.00	44,280.00	LCS	Q1 / 2016	14-OCT-16	Contract was signed on 25 Oct 2016.
CS01/3116/AZE/2015	Design review and construction supervision	4,000,000.00	3,932,665.00	QCBS	Q4 / 2013	18-MAR-15	Contract was signed on 20 Nov 2015.

## **D. National Competitive Bidding**

### **1. General**

The procedures to be followed for national competitive bidding shall be those set forth in the Public Procurement Law of December 27, 2001 with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the ADB Procurement Guidelines ("Guidelines").

### **2. Eligibility**

The eligibility of bidders shall be as defined under Section I of the Guidelines accordingly, no bidder or potential bidder should be declared ineligible for reasons other than those stated in Section I of the Guidelines. Bidders must be nationals of member countries of ADB, and offered goods, services, and works must be produced in and supplied from member countries of ADB.

### **3. Prequalification**

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.

### **5. Bidding Period**

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

### **6. Bidding Documents**

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

### **7. Preferences**

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

### **8. Advertising**

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.

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**

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

#### **10. Bid Opening, Bid Evaluation, and Award of Contract**

- (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.
- (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 bidder that offers the lowest evaluated price, and meets the qualifying requirements. Negotiations shall not be permitted.
- (vi) Splitting of award, of a single contract, among two or more bidders shall not be permitted.
- (vii) Price verification shall not be applied.

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

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

#### **12. Disclosure of Decision on Contract Awards**

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 the 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.

#### **13. Participation by Government-owned enterprises**

Government-owned enterprises in the Republic of Azerbaijan 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.

#### **14. Right to Inspect/Audit**

A provision shall be included in all NCB works and goods contracts financed by the Bank (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.

#### **15. 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, or coercive practices in competing for, or in executing, ADB-financed contract.