



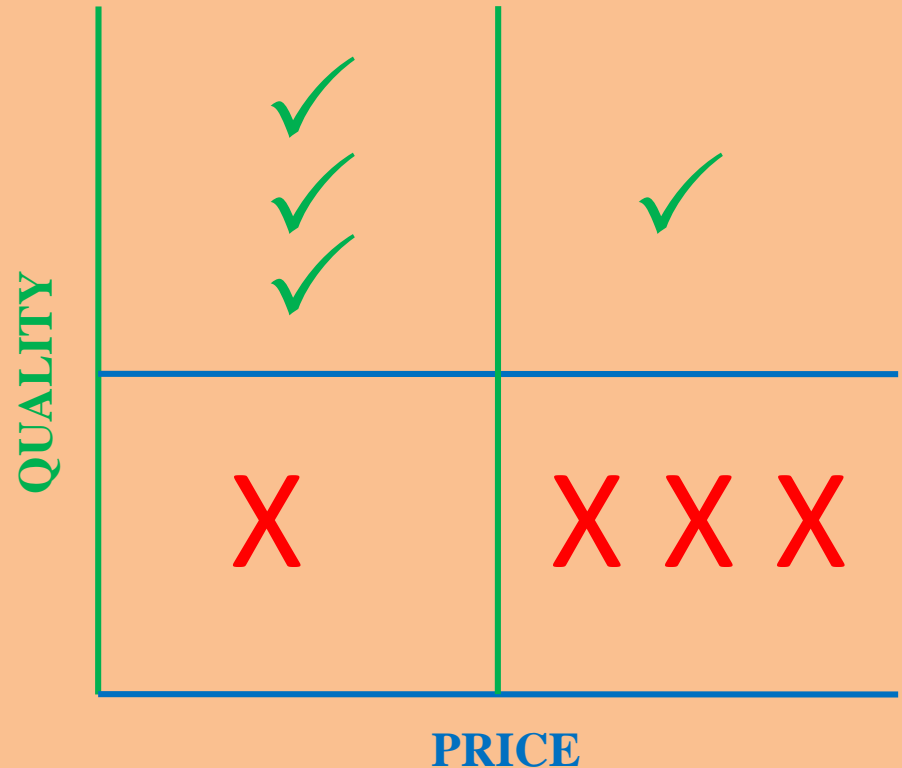
PROCUREMENT  
FINANCING

# WHAT IS PROCUREMENT PLANNING

- IS THE PROCESS OF DECIDING:
  - WHAT TO BUY
  - WHEN TO BUY
  - FROM WHAT SOURCE TO BUY
- DURING THE PROCUREMENT PLANNING PROCESS THE PROCUREMENT METHOD IS ASSIGNED
  - DETERMINE THE REQUIREMENTS TO FULFILL THE EXPECTATIONS

# PRINCIPLES OF PROCUREMENT

- ECONOMY & EFFICIENCY
- EQUAL OPPORTUNITY TO ALL
- FAIRNESS, INTEGRITY, TRANSPARENCY & GG
- ACCOUNTABILITY



# COMMON PROCUREMENT METHODS

1. INTERNATIONAL COMPETITIVE BIDDING
2. NATIONAL COMPETITIVE BIDDING
3. INTERNATIONAL SHOPPING
4. LOCAL SHOPPING
5. DIRECT CONTRACT

# PROJECT SPECIFIC PRINCIPLES

- PROCUREMENT IS CARRIED OUT IN **ACCORDANCE WITH FINANCING AGREEMENT &/OR LTB**
- PROCUREMENT IS TO BE CONDUCTED **WITHIN THE PROJECT IMPLEMENTATION PERIOD**
- PROCUREMENT MUST NOT EXCEED DULY ALLOCATED FUND
- PROCUREMENT MUST BE CONSISTENT WITH **APPROVED AWPB**
- PROCUREMENT SHOULD PROVIDE **BEST VALUE FOR MONEY**

# IFAD'S ROLE IN PROCUREMENT



# **PROCUREMENT REGULATIONS FOR CARLEP**

- **PROCUREMENT OF GOODS, WORKS & SERVICES UNDER COMPONENT 1 & 3 - IN ACCORDANCE WITH RGOB PROCUREMENT RULES & REGULATIONS 2009**
- **PROCUREMENT UNDER COMPONENT 2 – IN ACCORDANCE WITH THE PROVISIONS OF FCBL RULES & REGULATIONS**
- **SHOULD BE CONSISTENT WITH IFAD PROCUREMENT GUIDELINES/HANDBOOK**

# RGOB PROCUREMENT THRESHOLDS

| CATEGORY                           | OPEN<br>BIDDING              | LIMITED<br>BIDDING                             | LIMITED<br>ENTRY             |
|------------------------------------|------------------------------|--|------------------------------|
| WORKS                              | ABOVE<br>NU. 1.50<br>MILLION | ABOVE<br>NU. 0.30 –<br>1.5<br>MILLION          | UPTO NU.<br>0.30<br>MILLION  |
| GOODS &<br>CONSULTANCY<br>SERVICES | ABOVE<br>NU. 0.30<br>MILLION | ABOVE<br>NU. 0.15<br>TO NU.<br>0.30<br>MILLION | UP TO NU.<br>0.15<br>MILLION |



# PROCUREMENT PROCEDURES UNDER CARLEP

- IMPLEMENTING AGENCIES WILL PREPARE RESPECTIVE PP AS PER AWPB
- WHERE POSSIBLE ITEMS SHOULD BE BULKED INTO SIZEABLE BID PACKAGES – COST EFFECTIVENESS
- OPM WILL BE RESPONSIBLE FOR PROCUREMENT OF TA & OTHER CONSULTANCY SERVICES

- FOR PROCUREMENT OF ANY CONTRACT OF ANY VALUE THE IMPLEMENTING AGENCIES WILL FOLLOW THE APPROPRIATE:

- i. PROCEDURES

- ii. EVALUATION OF BIDS AND NEGOTIATION

- iii. AWARD AND MANAGEMENT OF CONTRACTS

- EXCEPT WHICH REQUIRE PRIOR REVIEW FROM IFAD, WILL NEED TO ROUTE THROUGH OPM

- *NO TAXES AND DUTIES WILL BE FINANCED OUT OF IFAD LOAD/GRANT – NEED TO OBTAIN NECESSARY TAX WAIVER*

# PROCUREMENT PLANNING

- PP SHOULD BE LINKED TO AWPB
- ALL PROCUREMENT SHOULD BE UNDERTAKEN CONSISTENTLY IN ACCORDANCE WITH CONSOLIDATED PP SUBMITTED BY OPM AND APPROVED BY IFAD
- NO OBJECTION FROM IFAD IN CASE OF REVISION OF PP
- PP MUST INCLUDE:
  - i. BRIEF DESCRIPTION OF EACH PROCUREMENT ACTIVITY & NAME OF IMPLEMENTING AGENCY
  - ii. THE ESTIMATED VALUE
  - iii. THE METHOD OF PROCUREMENT
  - iv. THE METHOD OF REVIEW
- ***ANY PROCUREMENT UNDERTAKEN WHICH IS NOT INCLUDED IN APPROVED PP WILL BE CONSIDERED INELIGIBLE EXPENDITURE***

# IFAD'S PRIOR OR POST REVIEW

| PROCUREMENT METHOD           | TYPE OF REVIEW | COMMENTS   |
|------------------------------|----------------|--|
| PROCUREMENT OF GOODS & WORKS |                |  |
| ICB WORKS AND GOODS          | PRIOR          | ALL CONTRACTS  |
| NCB WORKS                    | POST           | Except 1 <sup>st</sup> two procurements from each district every year and thereafter valued above <i>USD 200, 000 ~ Nu. 13 million</i> |
| NCB GOODS                    | PRIOR          | Except procurement valued below <i>USD 50, 000 ~ Nu. 3.25 million</i>  |
| DIRECT GOODS & WORKS         | PRIOR          | Except valued below <i>USD 2000 ~ Nu. 0.13 million</i>   |
| SHOPPING (GOODS & WORKS)     | POST           |  |

# IFAD'S PRIOR OR POST REVIEW

| PROCUREMENT METHOD                            | TYPE OF REVIEW | COMMENTS  |
|---|----------------|---|
| <b>RECRUITMENT OF CONSULTING FIRMS</b>        |                |   |
| QUALITY & COST BASED SELECTION (QCBS)         | PRIOR          | EXCEPT PROCUREMENT VALUED BELOW USD 30,000 ~ NU. 1.95 MILLION |
| FIXED BUDGET SELECTION (FBS)                  | PRIOR          |   |
| LEAST COST SELECTION (LCS)                    | PRIOR          |   |
| SELECTION BASED ON CONSULTANT'S QUALIFICATION | PRIOR          |   |
| SOLE SOURCE SELECTION (SSS)                   | PRIOR          |   |
| <b>RECRUITMENT OF INDIVIDUAL CONSULTANTS</b>  |                |   |
| INDIVIDUAL CONSULTANT                         | PRIOR          | EXCEPT PROCUREMENT VALUED BELOW USD 20,000 ~ NU. 1.30 MILLION |

# REQUIREMENT FOR IFAD NOL

- **NCB WORKS** – 1<sup>ST</sup> 2 PROCUREMENTS FROM EACH DZONGKHAG IRRESPECTIVE OF THE THRESHOLDS
  - BID DOCUMENT: NOL REQUIRED BEFORE THE LAUNCH OF BID (ENSURE DRAFT BID, ESTIMATE AND DETAILS OF THE WORK IS SUBMITTED TO IFAD THROUGH OPM)
  - EVALUATION REPORT & RECOMMENDATION FOR AWARD: ENSURE DRAFT EVALUATION REPORT WITH ALL ANNEXES IS FORWARDED TO IFAD
  - CONTRACT & AMENDMENTS: FORWARD DRAFT CONTRACT TO IFAD

# REQUIREMENT FOR IFAD NOL

- **NCB GOODS (> USD 50, 000)**
  - BID DOCUMENT: NOL REQUIRED BEFORE THE LAUNCH OF BID (ENSURE DRAFT BID WHICH INCLUDES SPECIFICATION, ETC IS SUBMITTED TO IFAD THROUGH OPM)
  - EVALUATION REPORT & RECOMMENDATION FOR AWARD: ENSURE DRAFT EVALUATION REPORT WITH ALL ANNEXES IS FORWARDED TO IFAD
  - CONTRACT & AMENDMENTS: FORWARD DRAFT CONTRACT TO IFAD

# REQUIREMENT FOR IFAD NOL

- DIRECT PROCUREMENT OF GOODS AND CIVIL WORKS (> USD 2000)
  - JUSTIFICATION FOR USING DC AND COMPARATIVE MARKET ANALYSIS (TO DETERMINE THE PRICE IS BASED ON FAIR MARKET PRICES FOR GOODS) AND ESTIMATE FOR CIVIL WORKS
  - DRAFT CONTRACT & AMENDMENT
- PLEASE NOTE THE HIGHER THE VALUE ADDITIONAL DOCUMENTS MAY BE REQUIRED



# FINAL NOTE

- PLEASE NOTE THAT THE IFAD PRIOR REVIEW MUST BE OBTAINED FOR EACH STAGE BEFORE PROCEEDING WITH THE NEXT
- IN THE EVENT IT IS NOT COMPLIED WITH, IFAD WILL TREAT THE PROCUREMENT AS MIPROCUREMENT
- MISPROCUREMENT IS NOTHING BUT—  
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