



**Thiru J. Kumaragurubaran, ICAI, S.** கம்.  
**Director,**  
Disaster Management &  
Project Director (CDRRP),  
Chepauk, Chennai-5.



Tamil Nadu Disaster Risk  
Reduction Agency,  
Chepauk, Chennai - 600 005.  
Telephone No. 044-28528745.

**D.O. Letter No. EAP/3593/2016, dated: 22.02.2019**

Dear Manohar,

00390€

**Sub:** CDRRP assisted by World Bank under IDA Credit No-5279-IN-Procurement for works , Goods , Consultancy services etc., -"Post Review" of contract by World Bank's Team, certain procedural errors pointed out- adoption of World Bank's Procurement Guide lines-reg.

- Ref:**
1. Project Credit agreement under Credit No 5279-IN- with World Bank.
  2. Procurement Guidelines issued by World Bank during January, 2011.
  3. Operation Manual approved by World Bank for the CDRRP.

\*\*\*\*\*

There are two types of Procurement namely 1. "Prior Review" and "Post Review".

In case of "Prior Review " contracts, the various documents right from the Invitation for bids [ Works , Goods & Non consultancy services] / Invitation of Expression of Interest [ Consultancy services], Bid document, Minutes of Pre-bid meeting with amendments if any, Bid Evaluation report etc., are to be prior- reviewed and approved by World Bank at each and every stage.

In the case of "Post Review" contracts, the Implementing Departments / Agencies has to carry over the procurement strictly adopting the World Bank's Guidelines, issued in January 2011 and Operational Manual. The World Bank will call the list of contracts awarded from July of previous year to June of current year, select about one third (1/3) of the contracts which will be reviewed by the Team appointed by World Bank. The Team will

Handwritten notes and signatures on the left side of the page, including the date 2/3/19 and initials TB.

Handwritten signatures and initials at the top right of the page, including the name HDO.

inspect all the records, check as to whether the Procurement Procedures of World Bank has been followed etc., and furnish their report to World Bank. The report and observations of the Team will be communicated to the Implementing Agencies/ Departments through PMU for furnishing their report on the observations of World Bank including reasons if any on the deviation made in awarding the contract. If the reasons furnished by the Implementing Agencies/ Departments is acceptable to World Bank, they may drop the objection. On the other hand, if the reasons furnished is not acceptable, the Bank will call it as "Mis- Procurement" and may insist on the deletion of that portion of amount pertaining to the particular procurement from the World Bank's funding.

In line with the above, the list of "Post Review" contracts awarded from July-2016 to June -2017 was sent to World Bank. From the list, some of the contracts has been selected and an official nominated by World Bank has examined all the documents related to the procurement made and submitted his report to Bank which in turn was communicated to PMU. From the report, it is seen that in respect procurement of an Equipment, 4 firms have participated in the bidding. Out of 4 firms, three firms namely "L1", "L2" & "L3" satisfy the Technical specification and Qualification criteria provided in the bid document. Instead of awarding the contract to the "L1" bidder, the contract was awarded to the "L3" firm considering some additional technical specification which has been objected by the Bank. Necessary reply furnished by the procuring department has not been accepted by Bank and the Bank has issued a letter of **Reprimand**.

Further the World Bank has suggested to put in place a mechanism so that such incidences are not repeated in the future. Also to increase the PMU's oversight on bid evaluations and contract awards and that, if such procedural violations is noticed in future, the Bank will be compelled to initiate remedial measures including declaring Mis-Procurement.

In this connection, the following details are communicated for study and further necessary follow up action.

World Bank is very particular that any procurement should be strictly in line with the procurement procedure of the procurement Guidelines issued by World Bank. Any deviation from the specified procedure will not be acceptable to Bank irrespective of value of procurement.

Therefore, if the Procuring Entity feels that the deviation is essential, the Bid Evaluation Report along with reasons considered for deviation shall be

sent to PMU which in turn will send the same to World Bank for their review and comments, on the deviation whether acceptable or not. Unless otherwise approved by W B, no contract to be awarded with deviation.

Necessary annexure precisely narrating the procurement procedures to be adopted with respect to Works /Goods [Annexure-A] and Consultancy services [Annexure-B] are enclosed and sent herewith for information and for strict adoption in future. Suitable instruction shall be issued to the officials in this respect to avoid such lapses.

The receipt of this letter with enclosures shall be acknowledged.

Yours sincerely

  
(J. KUMARAGURUBARAN)

**To**

**Thiru. S. Manohar, B.E., M.C.A.,**  
The Engineer-in-Chief (Buildings) and  
Chief Engineer (Buildings)  
Chennai Region,  
PWD, Chennai-5.

## Annexure-A

### Procurement for Works and goods & Equipments adopting National Competitive Bidding and National Shopping

#### 1. Procurement adopting National Competitive Bidding :-

- ❖ Works for which the value of procurement is more than US\$ 50,000 and up to US\$ 40,000,000.
- ❖ Invitation for Bid [IFB] to be published in a newspaper having nationwide circulation and in one regional language daily. A minimum of 30 days to be provide from the date of publication of IFB or the start date for sale of Bid document whichever is later to the last date for bid submission. The IFB should also be uploaded in the GoTN & also in the Departments web-site if any prevail.
- ❖ Cost of bid documents to be collected only from the persons who purchases the bid document from the office of the bid inviting authority. No cost to be collected from the persons who have downloaded the bid document from the web-site.
- ❖ Bid security to be indicated at 2 % [works] and 5 to 10% [goods] on the estimate value put to bid. No exemption to anybody [Govt. under taking, corporation etc.,] from furnishing the Bid Security.
- ❖ Also no price preference to be given for such agencies as permitted for Government aided works.
- ❖ Pre-bid meeting to be held in the mid way period to provide clarification that may be sought for by the bidders. Minutes of Pre-Bid meeting along with Addendum if any to be provided to all the participant of the Pre- Bid meeting and also to be uploaded in the web-site. If the Addendum involves change of specification or other Technical parameters which need to be considered by the bidders that may require additional time, the bid submission date shall have to be extended suitably.
- ❖ It should be indicated that the bids should be valid for a minimum of 90 days from the date of bid opening.
- ❖ Bid document to be prepared with due care and shall consist all the sections as provided in the Standard Bidding Documents of World Bank. Technical specification for all the items in the Bill of Quantities to be carefully prepared and provided with the document. Suitable drawings with required details to be provided with the bid document.
- ❖ Bids to be received upto the time and date and at the place as indicated in the bid document.

- ❖ Bids received shall be listed out and to be opened in Public in the location, Time & Date as indicated in the document in the presence of bidders or their authorized representatives.
- ❖ Bids to be opened one by one, the details such as the name of the bidder, total bid value as furnished by the bidder, availability of Bid -Security with amount, type of bid security and validity period, important conditions like bid validity, excise duty, sales tax, delivery terms, special conditions if any stipulated by the bidders in their bid letter etc shall be read out and recorded as "Minutes of Bid Opening" and given to all the bidder who had participated in the bid opening. **No bid should be rejected in the bid opening.**
- ❖ Late bids if any shall be returned to the concerned bidder unopened.
- ❖ The detailed evaluation to be taken up. In respect of works "L1" bidder's credentials to be checked as to whether the bidder satisfy the qualification criteria provided in the bid document and contract awarded. If "L1" fails to satisfy the qualification criteria, the "L2" can be considered and if the bid value is reasonable the contract can be awarded.
- ❖ No negotiation is permissible. No bidder shall be allowed to modify the bid and other criteria after the bid opening and during evaluation.
- ❖ All the records right from the bid invitation, evaluation, award and monitoring of contract etc., should be kept intact to be produced for the review by the Post Review "Team deputed by the World Bank.

#### **Procurement of Goods & Equipment**

- ❖ **NCB to be adopted for procurement More than US\$ 50,000 and up to US\$1,000,000.**
- ❖ In case of Goods & Equipment, the fulfillment of Technical specification plays the critical role in deciding the award. No compromise to be made with respect to fulfillment of Technical requirements and then Qualification criteria. Therefore clear Technical specifications, functional, security requirements, warranty period etc should be clearly provided in the bid document.
- ❖ Qualification criteria to sought for details on previous supplies of similar goods / equipments, quantities supplied, performance certificate of the equipments from the purchaser, capacity of the firms as manufacturer or authorized agent of the original manufacturer etc to be sought for. If authorized agent, authorization certificate should obtained from the Original Equipment Manufacturer [OEM]. Authorization Certificated from the agents not acceptable.



## **2. Procurement adopting National Shopping procedure:-**

- ❖ To be adopted for procurement upto US\$50,000. No publication for Invitation of bid in the newspapers. A minimum of 2 weeks to be provided from the date of invitation to the date of submission of bids / quotations and the quotations to be valid for minimum period of 15 days which should be indicated in the documents.
- ❖ Bid document "W5" for procurement of works and "E5" format for procurement of goods & Equipments to be adopted. No cost for Bid documents or Bid Security to be collected. Only Performance security to be collected from the bidder selected for award of contract.
- ❖ Quotation shall be invited from a minimum of 3 contractors / firms for executing the work or supply of the goods & Equipments.
- ❖ Clear Technical specifications of the works to be performed / goods / equipments to be supplied to be provided in the document with details of time for delivery, warranty period and other requirements as per Bank's standard documents.
- ❖ Open the quotations received in time, prepare the comparative statement, select the bidder who offered the lowest price which commensurate with the market price, satisfy the Technical specification, offered to supply within the time specified in the document.
- ❖ All records to be kept intact for review by the Bank's Team.

Yours faithfully

**Sd./- J. Kumaragurubaran,**  
Director,  
Disaster Management &  
Project Director (CDRRP)

  
25/2/19  
**Assistant Commissioner [R&R]**

  
25/2/19

**Annexure-B**  
**Procurement for Consultancy services.**

The following methods are adopted for selection of consultants:-

- Quality Based Selection [QBS]
- Quality and Cost Based Selection [QCBS]
- Fixed Budget Selection FBS]
- Least Cost Selection [LCS]
- Consultant's Qualification Based Selection [CQS]
- Single Source Selection [SSS]
- Individual Consultants.

The method of selection is based on nature, type, quantum of services involved, complexity, Impact, Technical and financial considerations. The procedure in respect of first 4 methods are defined below:

<b>Steps involved</b>	<b>Details</b>
1	Invitation of Expression of Interest which shall indicate the details for which the consultancy is proposed etc to be furnished. It shall also list out the details such as year of establishment, experience of the firm on similar assignments, execution of externally funded projects, details of experts with qualification, annual turnover etc., to be furnished by the firms which will be considered for short-listing.
2	A Technical Evaluation Committee to be formed to examine the EOIs, Technical proposals and Financial proposal and award marks and to finalize the evaluation and put up with their recommendation to the Employer.
3	The details received from the firms who have evinced interest and furnished the details with the EOI's are to be examined by the Evaluation Committee, marks or points assigned and a maximum of 6 firms to be shortlisted starting from the top scorer to the 6 <sup>th</sup> firm in the descending order of marks or points.

4	Preparation of Request for Proposal {RFP}, Terms Of Reference [TOR] document clearly indicating the details of the assignment to be performed by the consultants, data and other details to be collected, reports to be submitted with periodicity etc., to be clearly provided in the document. The RFP / TOR document to be sent to the short listed consultants with a request to submit proposal Technical [1 original + 4 copies] in one cover and Financial proposal [only original] in another cover , both cover & to be put up in one common cover etc., and a minimum of 30 days to be provided for submission.
5	No cost of documents, Bid Security and performance Security etc., to be collected.
6	In case of QCBS, the requirement of Man Month for the Key Experts to be worked and indicated in the document. In case of FBS, the approximate amount that can be spared for this assignment to be indicated.
7	Pre-proposal meeting to be conducted to provide any clarification or other technical details etc., as sought by the firms. Necessary Minutes along with amendment if any to be prepared and sent to the short listed consultants whether they attended the meeting or not.
8	<p>Proposal received from the short listed firms to opened as below:-x</p> <ul style="list-style-type: none"> <li>• Common cover to be opened, the Technical cover and Financial cover to be separated. The Financial cover to be given to a responsible officer for safe custody till the technical evaluation is completed and date for opening of financial cover is decided.</li> <li>• The Technical covers to be opened, and copies compared with the original and given to the Committee Members for evaluation individually and marks assigned.</li> <li>• After finalization of the technical evaluation further action to be taken as indicated below:- <ul style="list-style-type: none"> <li>➤ In case of QBS, the top scorer to be selected and only their financial cover to be opened after inviting the top ranked firm for the opening of the financial proposal. The financial cover to be opened and the amount arrived after arithmetical corrections and contract awarded to that firm</li> </ul> </li> </ul>



	after Technical negotiations if required is that the total amount is reasonable.
	<ul style="list-style-type: none"> <li>➤ In case of 2 to 4 [QCBS &lt; FBS &amp; LCS] the minimum marks for technical qualification to be indicated in the RFP / TOR document.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Under QCBS After technical evaluation, the firms which have scored more than the minimum marks specified for qualification shall be listed and to be invited on the date indicated for the opening of financial proposals.</li> <li>➤ After opening of financial proposal the same to be evaluated after arithmetical correction, the firm quoted the lowest amount to be awarded 100 marks and proportionately reduced marks for the other firms.</li> <li>➤ The weightage to be applied for the Technical scores and financial score and the firm which tops in the combined evaluation to be selected for award of contract.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ In case of FBS, the firms which have scored more than the marks indicated for Technical qualification will be invited to attend the financial proposal opening on the date indicated.</li> <li>➤ After opening of financial proposal the same to be evaluated after arithmetical correction, the firm which has quoted within the budget amount indicated in the document and which have scored highest points in the Technical evaluation will be selected for award.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ In case of LCS the Financial proposals of the qualified firms will be opened, evaluated and the firm which have offered the lowest amount will be selected for award.</li> </ul>

The other method to be adopted for type of works and limitations as indicated in the Project / Credit agreement and procurement Guidelines of January, 2011 and Operational Manual.

Yours faithfully  
**Sd./- J. Kumaragurubaran,**  
 Director,  
 Disaster Management &  
 Project Director (CDRRP)

  
 25/2/19  
**Assistant Commissioner [R&R]**

  
 25/2/19