
Punjab Municipal Development Fund Company



Procurement Manual

**PUNJAB MUNICIPAL SERVICES IMPROVEMENT PROJECT
(PMSIP)**

Version-1.0

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PROCUREMENT MANUAL

1. GENERAL

Procurement procedures for PMDFC and partner TMAs for the sub projects, which are financed in whole or in part by loans from IBRD, will be governed by the Loan Agreement provisions of the PMSIP.

2. PROCUREMENT PROCEDURES

PMDFC and partner TMAs will conduct all procurements using the following World Bank guidelines:

- a) The procurement of goods and works will be in accordance with the provision of the Guidelines for Procurement under IBRD loans and IDA Credits, May 2004.
- b) The procurement of consulting services will be in accordance with the provisions of the Guidelines for Selection and Employment of Consultants by the World Bank Borrowers, May 2004.

3. COST OF SUB PROJECTS

The cost of sub projects (civil works) under PMSIP is expected to range between U.S\$ 0.08 million and U.S\$ 2.5 million (Rs. 5 million and Rs. 150 million). Cost of goods are expected to range between US\$ 0.16 million and US\$ 0.80 million (Rs. 10.0 million and Rs. 50.0 million) while the cost of services are expected to range between. USD\$.04 million and US\$ 0.15 million (Rs.2.50 million and Rs. 10.00 million)

4. PROCUREMENT PLAN

PMDFC has prepared a procurement plan for the first 18 months, which is agreed by the Bank. All procurements will be done in accordance with the procurement plan. Manager Procurement (MP) will update the Plan as required or at-least every three months in consultation with all concerned. Procurements for projects not included in the procurement plan can commence only once the Plan has been updated and agreed with the Bank.

5. DOCUMENTATION AND FILING SYSTEM

PMDFC and partner TMAs will maintain complete procurement documentation for each contract, including bidding documents, advertisements, bids received, bid evaluations, letter of acceptance, contract agreements, securities, related correspondence etc. in an orderly manner to assist in audits and reviews. Contract information will be promptly recorded and contract rosters will be maintained.

6. PROJECT ROSTER

PMDFC will maintain a Project Roster for civil works, goods and consultants services for each sub-project and will keep all procurement record in one place.

7. PMDFC PROCUREMENT WEBSITE

All procurement information will be posted on the PMDFC's website: www.pmdfc.org.pk. This information will include the invitation for bids, expressions of interests, summary of evaluation report, status of award, complaints and the actions taken on complaints. The MP, PMDFC will be responsible for all these postings in a timely manner.

8. PROCUREMENT OF WORKS

(a) Preparatory Works & Bid Documents

MP, PMDFC will be responsible for preparing bidding documents through the consultants. These documents will be prepared on formats acceptable to the Bank for National Competitive Bidding (NCB). The procedure for screening and acceptance of these schemes is given in PMDFC's Operations Manual Article 6.

(b) Advertisement in the Press

For all of the first year projects (Annex-1)¹ PMDFC will advertise Invitation for Bids (IFB) in nation wide publication of at least (1) one newspaper. The bidding documents will be available from the respective TO (I&S) as well as PMDFC office, from the date of publication. MP, PMDFC will forward the information regarding purchase of bidding documents alongwith the pay order / bank draft / deposit at call to the respective TMA the same day of the sale. Subsequently TMAs will make their own publication arrangements.

¹ More sub-projects at various stages of identification and design.

(The concerned TMAs will send the publication to the Director General Public Relations requesting him to publish this advertisement in at-least one daily newspaper with nation wide publication).

(c) Clarification to Bids

Bidders will be asked to direct all their queries to the TO (I&S), at least 10 days before the stipulated bid opening. TO (I&S) will forward the query to MP PMDFC within two working days alongwith his comments. MP PMDFC will seek information from relevant PMDFC staff/Consultants and respond to TO (I&S) within two (2) working days. TO (I&S) will issue clarification/addendum to all the bidders. In case of sub projects where Bank's prior review is required, PMDFC will have all draft addenda approved from the Bank before issuance. Bank's response will be within four (4) working days. Suitable time extension in accordance with the stipulations of the bidding documents will be allowed to the bidders if required.

(d) Receipt of Bids

Bids will be received at the concerned TMA office. Bid Opening will be held within half an hour of the deadline of bid submission, by the following bids receiving committee:

TMA Bid Receiving Committee

- | | | |
|------|------------------------|-----------|
| i. | TMO | Convener |
| ii. | TO (I & S) | Secretary |
| iii. | T.O (F) | Member |
| iv. | T.O (P & C) | Member |
| v. | PMDFC's Representative | Member |
| vi. | PMDFC's Consultant | Member |

TO (I&S) will prepare minutes of bid opening signed by the above committee and the bidders' representatives present at the opening for TMA's record and forward it to MP, PMDFC the same day.

(e) Bid Evaluation

Bids will be evaluated by the TMA's Bid evaluation committee:

TMA Bid Evaluation Committee:

- | | |
|-----|-------------|
| i. | T.O (I & S) |
| ii. | T.O (F) |

- iii. PMDFC's Representative
- iv. PMDFC's Consultant

The bid evaluation committee will submit its evaluation report to TMO within ten (10) days. If the Committee deems it necessary to seek any post qualification information or any other missing data (which does not have any bearing on the bid itself) from the bidder(s) after the bid opening, TO (I&S) will do so in writing and dispatch it through courier as well as fax to the official address of the bidder, giving three (3) working days to the bidder to respond. If no response is received within this time period the Committee will conclude the evaluation based on the available information. TMO will forward the Evaluation Report to MP, PMDFC within two (2) days.

MP will review the report and forward his recommendations to Managing Director (MD) through General Manager (Engineering) within three (3) days. MD will clear the recommendations in two (2) working days and MP will write back to the TMO clearing the Bid evaluation for post review cases or forward the bid evaluation report to the Bank for concurrence in prior review cases, Bank's response will be within seven (7) working days. After clearance from the Bank, MP will convey clearance of the Bid evaluation report to the TMO.

(f) Signing of Contract

TMO will sign the contract with the lowest evaluated responsive bidder following the stipulations of the bidding documents. Three conformed copies of the signed contract will be forwarded to PMDFC within seven days of the signing. PMDFC will immediately forward two copies of the signed contract to the Bank.

(g) Complaints regarding procurements of works

TO (I&S) will forward all complaints received at TMA office regarding procurement of works for PMSIP, the same day of its receipt to the MD-PMDFC. MD-PMDFC will forward a copy to the Bank and have these complaints posted on the website. The website will be up-dated regularly on the actions taken in accordance with the W.B guidelines.

9. PROCUREMENT OF GOODS

Procurement of Goods will be in accordance with the provisions of the guide-lines for Procurement under IBRD Loans and IDA Credits, May 2004 and the appropriate procedures for Shopping. International Competitive Bidding (ICB) and National Competitive Bidding (NCB) documents acceptable to the Bank will be used

A. Procurement of Goods through NCB Procedure

(a) Preparatory Works & Bid Documents

MP, PMDFC will be responsible for preparing bidding documents through the consultants and concerned wing of PMDFC.

(b) Advertisement in the Press

MP will prepare the notices in accordance with the procurement plan and advertise IFB in nation wide publication of at least (1) one newspaper. The bidding documents will be available at the PMDFC office, from the date of publication.

(c) Clarification to Bids

Bidders will be asked to direct all their queries to MP-PMDFC, atleast (10) ten days before the stipulated bid opening. MP-PMDFC will seek information from relevant PMDFC staff/Consultants, and respond to the bidders within (3) three working days. In case of prior review procurements, MP-PMDFC will seek the Bank's clearance before issuance of any addenda. Bank's response will be within (4) four working days. Suitable time extension in accordance with the stipulations of the bidding documents will be allowed to the bidders if required.

(d) Receipt of Bids

Bids will be received at the PMDFC office. Bid Opening will be held within half an hour of the deadline of bid submission by the Bid / Proposal Opening & Evaluation Committee:

PMDFC Bid / Proposal Opening and Evaluation Committee:

- | | | |
|------|------------------------|-----------|
| i) | G.M (F&A) | Convener |
| ii) | G.M (Engineering) | Member |
| iii) | G.M (I.D) | Member |
| iv) | Procurement Consultant | Member |
| v) | Manager Procurement | Secretary |

MP-PMDFC will prepare minutes of bid opening, signed by the committee and the bidders' representatives present at the opening and forward to MD-PMDFC the same day.

(e) Bid Evaluation

The PMDFC Committee will submit its evaluation report to MD-PMDFC within ten (10) days. If the Committee deems it necessary to seek any information or any other missing data (which does not have any bearing on the bid itself) from the bidder(s) after the bid opening, MP will do so in writing and dispatch it through courier as well as fax to the official address of the bidder, giving five (5) working days to the bidder to respond. If no response is received within this time period the Committee will conclude the evaluation based on the available information.

MD, PMDFC will review/approve the report within two (2) working days. MP will forward the report to the Bank for concurrence in prior review cases. Bank's response will be within seven (7) working days. The next day of receiving all the information, MP will communicate with the lowest evaluated responsive bidder under stipulations of the bidding documents.

(f) Signing of Contract

MD, PMDFC will sign the contract with the lowest evaluated bidder following the stipulations of the bidding documents. Two conformed copies of the signed contract will be forwarded to the Bank within seven (7) days of the signing.

B. Procurement of Goods through Shopping Procedure

(a) Preparatory work for quotations

MP will Request for Quotations (RFQ) through the consultants and with the concerned wing of PMDFC.

(b) Call for Quotations

MP will prepare the notice in accordance with the procurement plan and RFQ will be issued to reputable suppliers in line with the World Bank guidelines for shopping. In

exceptional circumstances in order to optimize competition, MP PMDFC may decide to publish RFQ in newspaper.

(c) Receipt of Quotations

Quotations will be received at the PMDFC office and may be submitted by letter, courier facsimile or by electronic means. MP will prepare a comparative statement of quotations received and forward this to bid / proposal opening and evaluation committee.

(d) Quotation / Bid Evaluation

The committee will submit the evaluation report to MD, PMDFC within three (3) working days. MD, PMDFC will review / approve the report within two (2) working days. MP will forward the report to the Bank for concurrence in Prior Review cases. Banks response will be within seven (7) working days. The next day of receiving all the information, MP will communicate with the lowest evaluated bidder.

(e) Signing of contract

MD-PMDFC will sign the contract with the lowest evaluated bidder following the stipulation of the bidding documents. Two conformed copies of the signed contract will be forwarded to the bank within seven (7) working days of the signing.

10. PROCUREMENT OF CONSULTANCY SERVICES

Procurement of consulting services will be in accordance with the provision of the Guidelines for Selection and Employment of Consultants by the World Bank Borrowers, May 2004 and the appropriate method of selection will be adopted. These include:

- | | | |
|------|---------------------------------------------------|--------|
| i) | Quality and Cost Based Selection | (QCBS) |
| ii) | Quality Based Selection | (QBS) |
| iii) | Selection Under a Fixed Budget | (FBS) |
| iv) | Least Cost Selection | (LCS) |
| v) | Selection Based on the Consultants' Qualification | (CQS) |
| vi) | Single Source Selection | (SSS) |

Detailed procedure for Quality and Cost Based Selection (QCBS) is given below, while other methods of selection will be according to the section II and III of the WB guidelines. The procurement procedures for various consultancy services are given in the procurement plan.

(a) Preparatory Works & RFP

MP-PMDFC will be responsible for preparation of Terms of Reference (TORs) and Request for Proposal (RFP) through the consultants and concerned wing of PMDFC. The procedures for various steps are given here-in.

(b) Advertisement for Expression of Interest (EOI)

MP will prepare the advertisement notice in accordance with the procurement plan and will advertise in nation-wide publication of at least one newspaper. The interested consulting firms will be required to submit their expression of interest within fifteen (15) days of the publication date.

i. Receipt of (EOI)

Expressions of interests received upto the deadline will be recorded in the receipt register. MP will prepare shortlist of the firms according to the evaluation criteria developed by PMDFC/World Bank guidelines within twenty one (21) days and submit this list to MD, PMDFC for approval. MD will accord approval to the final short-list of the firms within two (2) working days. MP will forward this final list of short-listed firms alongwith the draft Request for Proposals (RFP) to the Bank and in case of prior review seeking Bank's clearance. Bank's clearance will be within (14) fourteen (14) days.

ii. Issuance of RFP

MP will send Letter of Invitation (LOI) to the short-listed firms that have been approved by the Bank and request the firms to submit their technical and financial proposals as per TOR. These proposals will be addressed to MD, PMDFC in sealed envelopes.

iii. Clarifications on RFP

MP will respond to the queries from the consultants on the RFP within three (3) working days. In case of prior review, will seek the Bank's clearance before

issuance of any addenda; Bank's response will be within three (3) working days. Suitable time extension will be allowed, if required.

(c) Receipt of Technical and Financial Proposals

Proposals will be received in PMDFC office up to the deadline. The record of receipt of the proposals will be kept in the receipt register. A Bid / Proposal Opening Committee will open the technical proposals only and financial proposals will be kept sealed. MP will prepare the minutes of the proposal opening, signed by the Committee and forward to MD the same day.

The Committee will evaluate the technical proposals according to the evaluation criteria provided in the RFP and prepare a technical evaluation report of the quality of the proposals within twenty one (21) days and submit its report to MD for approval. MD will accord approval of the evaluation report within two (2) working days. MP will forward this report to the Bank and in case of prior review, for seeking the Bank's clearance. Bank's clearance will be within seven (7) working days. MP will inform within three (3) working days to the qualifying consultants about the opening of financial proposals with date and time (3-5) days. Non qualifying consultants will also be informed accordingly.

(d) Opening of Financial Proposals

Bid / Proposal Opening Committee will open the financial proposals in public in the presence of the successful/qualifying consultants who choose to attend. Proposal opening will be held on the date communicated to the qualified firm by MP. The name of the consultants, the technical points and the proposed prices will be read aloud and recorded. MP will prepare the minutes of financial proposal opening, signed by all present in the meeting and forward it to MD the same day.

(e) Combined Quality and Cost Evaluation

The Committee will evaluate the total score of the proposal by giving weight-age to the quality and cost score of each proposal according to the evaluation criteria of RFP and submit the evaluation report to MD within seven (7) working days. MD will approve the report within two (2) working days. The firm obtaining highest total score shall be invited for negotiations and award of contract. In case of prior review,

will seek the Bank's clearance. Bank's response will be within seven (7) working days.

(f) Signing of Contract.

After Banks clearance of the evaluation report MD, PMDFC will enter into a contract with the best firm within seven (7) working days. Two conformed copies of the signed contract will be forwarded to the Bank within seven (7) days of the signing of the contract.

11. PROCUREMENT OF INDIVIDUAL CONSULTANT

Apart from the consulting firms, individual consultant will be hired for the assignments for which (a) Teams of personnel are not required (b) No additional out side professional support is required and (c) The experience and qualification of the individual is paramount requirement.

(a) Preparatory works and Expression of Interest (EOI)

MP will be responsible for preparing the Terms of Reference (TOR) in consultation with the concerned wing of PMDFC for the individual consultants. TOR and EOI will be posted on the PMDFC's website inviting expression of interest from the interested candidates. Sufficient time (usually 7 to 10 days) will be provided for adequate response. An advertisement can also be placed in the National Press for wide publication and national competition.

(b) Receipt of Applications:

Applications will be received in the PMDFC office upto the dead line and recorded in a receipt register.

(c) Short Listing of Application

MP will prepare a short list of candidates within seven (7) working days. After the deadline of receipt of applications and submit to MD for approval and issuance of interview calls to the short listed consultants.

(d) Evaluation of applications

Consultant Hiring Committee will conduct the interview of the short-listed consultants and MP will submit the Evaluation Report to MD the same day. MD will

approve the candidate with the highest marks and an offer will be issued to the individual consultant for joining the PMDFC assignment within stipulated time frame.

Consultants Hiring Committee

1.	MD PMDFC	Convener
2.	G.M (F&A)	Member
3.	G.M (I&D)	Member
4.	G.M (Engg.)	Member
5.	Manager Procurement	Secretary

(e) Signing of contract

After Bank's clearance (for prior review) cases MD PMDFC will enter into a contract with the individual consultant as per World Bank format. Two conformed copies of the signed contract will be forwarded to the Bank within seven (7) working days of the signing.