

**WEST BANK AND GAZA**

**PALESTINIAN NGO III PROJECT**

**PROCUREMENT MANUAL**

**June 2007**

## **ABBREVIATIONS AND ACRONYMS**

CQ	Consultant Qualification
CV	Curriculum Vitae
EMSRP II	Emergency Municipal Services Rehabilitation Project II
ESSP	Emergency Services Support Project
IA	Implementing Agency
IC	Individual Consultant
MOU	Memorandum of Understanding
NCB	National Competitive Bidding
NDC	NGO Development Centre
PA	Palestinian Authority
PMO	Project Monitoring Office
PNGO I	Palestinian NGO Project
PNGO II	Palestinian NGO II Project
PNGO III	Palestinian NGO III Project
PP	Procurement Plan
QBS	Quality Based Selection
QCBS	Quality and Cost Based Selection
RFP	Request For Proposals
SSS	Single Source Selection
TOR	Terms of Reference
WAC	Welfare Association Consortium

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<sup>1</sup> A copy of the Procurement Manual and Annexes will be posted on NDC's website in English and Arabic.

## **1. INTRODUCTION**

The NGO Development Center (NDC)/ Markaz Tatweer is an innovative Palestinian non-profit organization that empowers Palestinian NGOs to better provide vital services to Palestinians living in the West Bank and Gaza, especially the poor and marginalized. Conceived in partnership with leading Palestinian NGOs, unions and networks, NDC mobilizes donor funding to deliver a unique combination of direct grants and capacity building programs that enhances the effectiveness, self-reliance and sustainability of Palestinian NGOs. NDC advocates greater NGO transparency and accountability through the adoption of professional financial and management practices, and promotes sector-wide coordination and sharing of best practice experiences within its programs and on its Masader portal ([www.masader.ps](http://www.masader.ps)).

NDC became operational in November 2006. This new entity builds upon and continues the achievements of the Palestinian NGO sector under the recently-ended PNGO I/II Projects of the Welfare Association Consortium, which successfully invested \$50 million from the World Bank and other donors into the Palestinian NGO sector.

NDC will implement the Palestinian NGO III Project (PNGOIII), a three year project, and it will be responsible for the planning, coordination, implementation, and monitoring of all the activities under the Project including Project procurement, financial management, and withdrawal applications.

The total available funding for PNGOIII is US\$17.6 million financed from the World Bank (US\$10 million) and the French Development Agency (6 million Euro).

## **2. PROJECT DESCRIPTION**

### **2.1 Project development objective and key indicators**

The Project Development Objective (PDO) is to provide social services to those who are poor, vulnerable or affected by the deteriorating socioeconomic conditions by establishing an effective mechanism to improve the quality and sustainability of NGO social service delivery.

The key indicators for project success include:

- (a) *Services*: Percentage of poor and vulnerable groups who have received improved social services;
- (b) *Governance*: Percentage of recipient NGOs implementing good governance, accountability and transparency standards as defined in the Code of Conduct; and
- (c) *Sustainability*: Mobilization of new funding sources for financing social service delivery by Palestinian NGOs

## 2.2 Project Components

In order to improve the quality and sustainability of social service delivery by NGOs, the proposed project will provide grants to NGOs and contribute towards the development of the sector through improved governance and accountability practices. It will also focus on improving access of the poor and vulnerable to these services. Three components are envisaged:

1. NGO Grants for Social Delivery;
2. NGO Sector Development; and
3. Institutional Development NDC.

### **Component 1: NGO Grants for Social Service Delivery (US\$6.623 million)**

Through its NGO Grants for Social Delivery Program, *Markaz Tatweer* will be offering 5 types of grants to NGOs providing a range of social services in any sector. Programs targeting disadvantaged and vulnerable populations are preferred.

- 1. Empowerment Grants:** These grants support experienced NGOs in providing innovative social services. NGOs must have 5 years of demonstrated experience in the proposed service sector. Programs are to be designed on a demand-driven basis reflecting community needs using participatory approaches.
  - Maximum grant amount per NGO: US \$150,000
  - Expected no. of grants: 10-15
  - Implementation period: 18- to 24-months
- 2. Mentoring Partnership Grants:** These grants are designed to create partnerships between community-based NGOs (partner NGOs) of limited experience (2 years) with leading experienced NGOs operating on a national scale (at least 8-years). These partner NGOs will be able to improve the quality and effectiveness of their services by learning from the professionalized mentor NGO in areas such as project management and program design. Partner NGOs will benefit from greater access to funds and from closer interaction over an extended period of time, with competent and experience NGOs. Applications are to be submitted by the mentor NGO which will form a consortium with approximately (but not restricted to) 5-10 NGOs identifying the specific program of activities for each of the NGOs within the consortium. The mentor NGO is also responsible for managing the grant on behalf of the consortium.
  - Maximum grant amount per consortium: US \$400,000
  - Expected number of mentoring partnerships: 6
  - Expected no. of partner NGOs per consortium: 5-10
  - Average grant per partner NGO: US\$ 40,000
  - Implementation period: 24 months
- 3. Grants to Specialized Health Service Providers:** These grants support Palestinian NGO hospitals in the West Bank and Gaza (WBG) providing specialized health care services that are unavailable in the current public health system such as physio-therapy, cancer treatment, ophthalmology, neurosurgery, etc. These grants target NGO hospitals that already have a contract with the Ministry of Health. The activities will be according to the needs of the NGO hospital. Examples of eligible activities include specialized technical assistance

(doctors, etc), capacity building to perform critical procedures, maintenance and repair of existing equipment, and rehabilitation of existing services. Ineligible activities include new construction, recurrent operational costs, and medical supplies.

- Maximum grant amount per NGO: US \$300,000
- Expected no. of grants: 5-8
- Implementation period: 24 months

**4. NGO-Local Government Partnership Grants:** A pilot scheme, these grants encourage partnerships between municipalities and locally based NGOs to improve services to the four poorest governorates in WBG and will be awarded on a demand driven and competitive basis. NGOs and municipalities will carry out joint activities that address community priorities in areas such as early childhood development, adult learning, youth development, technology training, job and vocational training, cultural development, environmental activities and preparing local participatory plans. The municipality will undertake small rehabilitation/construction projects that enable and support the NGO's programming activities.

- Maximum grant amount: US\$30,000 for the NGO to implement programs (complemented with US\$70,000 for infrastructure development on behalf of the municipality)
- Expected no. of grants: 10
- Implementation period: 12 months for NGO programs (preceded by 6 months for construction/infrastructure development on behalf of the municipality)

**5. Emergency Grants:** In response to the current economic crisis and with parallel financing from the *AFD* these grants will finance temporary employment generation projects through the development of NGO-operated community assets. The target for minimum labor content is 30%. This approach responds to immediate changing needs and targets the poorest households with temporary employment under minimum-wage labor conditions. A 2-year NGO track record is needed. 60% of the funding is earmarked for Gaza and 40% for the West Bank.

- Maximum grant amount: €150,000 (exceptionally €300,000)
- Expected no. of grants: 70
- Implementation period: 24 months

**NGOs may receive only one type of grant, although in exceptional circumstances NGOs may be eligible for Emergency grants as well as one of the other four schemes with appropriate justification.**

**Applicants must be Palestinian NGOs; officially registered, and with a demonstrated track record.**

## **Component 2: NGO Sector Development (US\$1.1 million)**

1. This component aims to develop the NGO sector as a whole to become more responsive, transparent and accountable to Palestinian communities by setting standards, promoting collaboration within the sector and strategic policy research and planning. In order to achieve this goal, three sub-components are proposed:

- (a) *Governance (Code of Conduct) (US\$0.6 million)*: preparation and implementation of an NGO Code of Conduct with an emphasis on accountability, transparency and governance. NGOs will receive coaching, mentoring and training to bring about organizational and behavioral change; and
- (b) *NGO Sector Coordination and Information Exchange (US\$0.29 million)*: establishment of a process of NGO Coordination and Information Exchange. This sub-component includes two activities:
  - i. Support to the existing four NGO networks representing over one thousand NGOs, promoting knowledge sharing, collaboration and coordination among members;
  - ii. Support to thematic NGO networks working on issues such as health, youth, and disability to promote knowledge sharing and coordination of interventions for enhanced service quality and efficiency;
- (c) *Policy and Research (US\$0.21 million)*: Preparation of a study which promotes areas of cooperation between NGOs and the private sector; a study to document and analyze donor financing to Palestinian NGOs; and a study to promote complementarity between the PA and NGOs.

### **Component 3: Institutional Development of NDC (US\$2.27 million)**

2. This component supports the organizational effectiveness of NDC, a newly established institution and the former PMO of PNGOI and PNGOII. Three sub-components are planned:

- (a) *Establishment of a Resource Mobilization and Communications Unit* (US\$0.502 million), which will raise funds for the purpose of grant making to Palestinian NGOs creating a future mechanism to attract and funnel resources to the NGO sector and thereby promote sustainability;
- (b) *Establishment of an outcome-based M&E system for NDC* (US\$0.325 million), to track results on the ground and train grant recipients on outcome-based project monitoring; and
- (c) *Establishment of NDC and Project Management of the overall program* (US\$1.450 million), this sub-component finances the management of the grant award and implementation process, supervision of sub-projects and capacity-building activities. A learning and staff development plan will be prepared to upgrade the skills of key staff in areas relevant to their work. Annual financial and management audits will be conducted by external auditors. The management costs will be covered by the Bank on a declining basis: 100 percent for the first year, 50 percent in year two and 25 percent in year three. The funding gap will be financed by a grant from the Welfare Association, proceeds from NDC's fundraising activities and management fees from both current and future donor projects. The diversity of income sources will ensure NDC's financial viability towards sustainability and serve as an exit strategy for the Bank.



### 3. PROCUREMENT ARRANGEMENTS

#### 3.1 General

Procurement of works, goods and services required for the activities to be financed under the project shall be implemented in accordance with the procedures set forth in the World Bank "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004 (the Procurement Guidelines). Similarly, the selection and employment of consultants' services shall be governed by the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 (the Consultant Guidelines). NDC will be responsible for ensuring that the overall project procurement is carried out in accordance with the Guidelines, the Grant Agreement, the procurement plan and the project Procurement Manual (PM).

#### 3.2 Procurement Plan

A procurement plan (PP) was developed by NDC covering the first 18 months of the implementation of the project's Components 2 and 3. The plan is included in Annex 1. With respect to Component 1, demand-driven activities, the recipient NGOs will develop a simplified sub-grant procurement plan attached in Annex 2 .

#### 3.3 Prior Review Thresholds

The Prior review thresholds for Goods, Work and Non-consulting Services are indicated below:

	<i>Procurement Methods</i>	<i>Contract Value Thresholds ( US \$)</i>	<i>Contracts Subject to Prior Review ( US \$)</i>
1	<i>NCB ( Goods)</i>	<i>&gt; 100,000</i>	<i>" First two contracts" regardless of the contract amount and then all contracts &gt; 150,000</i>
2	<i>Shopping ( Goods)</i>	<i>&lt; 100,000</i>	<i>" First two contracts"</i>
3	<i>NCB ( Works)</i>	<i>&gt; 100,000</i>	<i>"First two contracts" regardless of the contract amount and then all contracts &gt; 150,000</i>
4	<i>Shopping ( Works)</i>	<i>&lt; 100,000</i>	<i>" First two contracts" regardless of the contract amount and all contracts &gt; 50,000</i>
5	<i>Direct contracting</i>	<i>&lt; 5,000</i> <i>&gt; 5,000</i>	<i>First two contracts.</i> <i>All contracts</i>

The Prior Review Thresholds for the Selection of consultants are indicated below:

<i>Selection Method</i>	<i>Contract Value Thresholds ( US \$)</i>	<i>Contracts Subject to Prior Review ( US \$)</i>
Competitive Methods ( Firms) : QCBS	> 200,000	<i>all contracts</i>
QBS	< 200,000	<i>“First two contracts” regardless of the contract amount and then all contracts &gt; 100,000</i>
Competitive Methods ( Firms) LCS	< 50,000	<i>“First two contracts”</i>
Competitive Methods ( Firms) CQ	< 50,000	<i>“First two contracts”</i>
Individual Consultant	-	<i>“First two contracts” and then each contract above 50,000</i>
Sole Source Selection ( Firms and Individuals)	-	<i>All contracts subject to prior review</i>

### **3.3.1 Roles and Responsibilities for Procurement Implementation by Component/Subcomponent**

### **3.3.2 Procurement Implementation by NDC**

For contracts with estimated value above the prior review threshold, NDC will provide the Bank with necessary documentation for its review and “No Objection”. For contracts with estimated value below the prior review threshold, NDC will implement the procurement and will maintain adequate documentation in the project file for Bank ex-post review. The NDC’s procurement specialist will be in charge of the procurement function.

### **3.3.3 Procurement Implementation by Recipient NGO**

With respect to contracts executed by a recipient NGO, NDC will assume the Bank’s role with respect to review and clearance of procurement decisions. It is highly unlikely that estimated value of contracts executed by recipient NGO would be above the prior review threshold. **However, in case it is, NDC will provide the Bank with necessary documentation, prepared by the recipient NGO, for its review and “No Objection”.** For contracts with estimated value below the prior review threshold, **the recipient NGO will provide NDC with necessary documentation for its review and clearance. The recipient NGO will not proceed further with procurement until NDC’s clearance have been obtained. The recipient NGO will be responsible for maintaining adequate documentation on project file for Bank’s ex-post review.**

This would be the **guiding principle** for procurement implementation under the project. Nevertheless, for further clarity, roles and responsibilities for procurement implementation would be detailed here in below for each component and subcomponent.

### 3.5 *Procurement Implementation by Component*

#### **Component 1: NGO Grant Facility (US\$6,623 million)**

All grant recipient and mentoring partner NGOs will sign a Grant Agreement with NDC, defining the roles and responsibilities of each party. Before commencement with implementation, NDC will assess the capacity of the recipient and mentoring partner NGOs to implement procurement and will deliver training on Bank procurement policy and procedures.

#### **Subcomponent 1.1: Empowerment Grants (US\$2.290 million)**

These grants support experienced NGOs in providing innovative social services. NGOs must have 5 years of demonstrated experience in the proposed service sector. Programs are to be designed on a demand-driven basis reflecting community needs using participatory approaches.

- Maximum grant amount per NGO: US \$150,000
- Expected no. of grants: 10-15
- Implementation period: 18- to 24-months

Under the guidance and supervision of NDC, the recipient NGOs will be responsible for:

- (a) Identifying needs of communities;
- (b) Preparing procurement plan;
- (c) Preparing bidding/quotations/proposals documents (including shortlisting of consultants in case involving hiring of consultant/s);
- (d) Advertising for bids, soliciting quotations and inviting proposals;
- (e) Receiving, opening and evaluating bids/quotations/proposals;
- (f) Awarding contracts and issuing purchase orders;
- (g) Supervising contract implementation and ensuring works are being implemented according to contract documents;
- (h) Receiving supplied goods and ensuring that it is the right quantity, of right quality and is delivered to the correct location;
- (i) Reviewing and approving outputs and deliverables from consultants;
- (j) Receiving, reviewing and approving payments for contractors, suppliers and consultants including variation orders and extensions of time;
- (k) Evaluation of contracts at completion;
- (l) Preparing progress reports; and finally
- (m) Maintaining adequate documentation of the procurement process in project file.

**The recipient NGO shall not proceed further with procurement implementation until NDC has provided/secured clearance.**

#### **Subcomponent 1.2: Mentoring Partnership (US\$2.433 million)**

These grants are designed to create partnerships between community-based NGOs (partner NGOs) of limited experience (2 years) with leading experienced NGOs operating on a national scale (at least 8-years). These partner NGOs will be able to improve the quality and effectiveness of their services by learning from the professionalized mentor NGO in areas such as project management and program design. Partner NGOs will benefit from greater access to funds and from closer

interaction over an extended period of time, with competent and experience NGOs. Applications are to be submitted by the mentor NGO which will form a consortium with approximately (but not restricted to) 5-10 NGOs identifying the specific program of activities for each of the NGOs within the consortium. The mentor NGO is also responsible for managing the grant on behalf of the consortium.

- Maximum grant amount per consortium: US \$400,000
- Expected number of mentoring partnerships: 6
- Expected no. of partner NGOs per consortium: 5-10
- Average grant per partner NGO: US\$ 40,000
- Implementation period: 24 months

Under the guidance and supervision of Mentor NGO, the partner NGOs will be responsible for:

- (a) Identifying needs of communities;
- (b) Preparing procurement plans;
- (c) Preparing bidding/quotations/proposals documents (including shortlisting of consultants in case involving hiring of consultant/s);
- (d) Advertising for bids, soliciting quotations and inviting proposals;
- (e) Receiving, opening and evaluating bids/quotations/proposals;
- (f) Awarding contracts and purchase orders;
- (g) Supervising contract implementation and ensuring works are being implemented according to contract documents;
- (h) Receiving supplied goods and ensuring that it is the right quantity, of right quality and is delivered to the correct location;
- (i) Reviewing and approving outputs and deliverables from consultants;
- (j) Receiving, reviewing and approving payments for contractors, suppliers and consultants including variation orders and extensions of time;
- (k) Evaluating contracts at completion;
- (l) Preparing progress reports; and finally
- (m) Maintaining adequate documentation of the procurement process in project file.

For contracts with estimated value above the prior review threshold, the partner NGO will prepare the necessary documentation and will deliver these to the Mentor NGO. The Mentor NGO will deliver these documents to NDC to secure Bank review and “No Objection”. However, since values of contracts to be financed under this subcomponent are envisaged to be under the prior review thresholds, the partner NGO will provide necessary documentation to the Mentor NGO who will send these to NDC for its review and clearance. **The partner NGO shall not proceed further with procurement implementation until the NDC has provided clearance.**

### **Subcomponent 1.3: Grants to Specialized Health Care Providers (US\$1.60 million)**

These grants support Palestinian NGO hospitals in the West Bank and Gaza (WBG) providing specialized health care services that are unavailable in the current public health system such as physio-therapy, cancer treatment, ophthalmology, neurosurgery, etc. These grants target NGO hospitals that already have a contract with the Ministry of Health. The activities will be according to the needs of the NGO hospital. Examples of eligible activities include specialized technical assistance (doctors, etc), capacity building to perform critical procedures, maintenance and repair of existing

equipment, and rehabilitation of existing services. Ineligible activities include new construction, recurrent operational costs, and medical supplies.

- Maximum grant amount per NGO: US \$300,000
- Expected no. of grants: 5-8
- Implementation period: 24 months

The call for proposals will be launched during the first three months of effectiveness. To the extent feasible, applicants will be encouraged to coordinate their proposed activities with the Ministry of Health. The grant will be implemented over a 2 year period.

Consistent with the other grant schemes, up to eight percent of the grant may cover running costs for the implementation of the subproject. In addition, up to six percent of the grant may also be allocated to finance targeted organizational capacity building. The average grant per project will be in the range of US\$200,000 to US\$300,000. The intervention is closely coordinated with the ESSP and will not duplicate any of its services.

Under the guidance and supervision of NDC, the Specialized Health Care Provider NGO will be responsible for:

- (a) Identifying needs;
- (b) Coordinating with ESSP Activities;
- (c) Preparing procurement plans;
- (d) Preparing bidding/quotations/proposals documents (including shortlisting of consultants in case involving hiring of consultant/s);
- (e) Advertising for bids, soliciting quotations and inviting proposals;
- (f) Receiving, opening and evaluating bids/quotations/proposals;
- (g) Awarding contracts and purchase orders;
- (h) Supervising contract implementation and ensuring works are being implemented according to contract documents;
- (i) Receiving supplied goods and ensuring that it is the right quantity, of right quality and is delivered to the correct location;
- (j) Reviewing and approving outputs and deliverables from consultants;
- (k) Receiving, reviewing and approving payments for contractors, suppliers and consultants including variation orders and extensions of time;
- (l) Evaluating contracts at completion;
- (m) Preparing progress reports; and finally
- (n) Maintaining adequate documentation of the procurement process in project file.

For contracts with estimated value above the prior review threshold, the recipient NGO will prepare the necessary documentation and will deliver these to NDC. NDC will secure Bank review and “No Objection”. In case estimated values of contracts to be financed under this subcomponent are under the prior review thresholds, NDC will review and provide clearance as appropriate. **The recipient NGO shall not proceed further with procurement implementation until NDC has provided clearance.**

#### **Subcomponent 1.4: NGO-Local Government Partnerships (US\$0.30 million)**

A pilot scheme, these grants encourage partnerships between municipalities and locally based NGOs to improve services to the four poorest governorates in WBG and will be awarded on a demand driven and competitive basis. NGOs and municipalities will carry out joint activities that address community priorities in areas such as early childhood development, adult learning, youth development, technology training, job and vocational training, cultural development, environmental activities and preparing local participatory plans. The municipality will undertake small rehabilitation/construction projects that enable and support the NGO's programming activities.

- Maximum grant amount: US\$30,000 for the NGO to implement programs (complemented with US\$70,000 for infrastructure development on behalf of the municipality)
- Expected no. of grants: 10
- Implementation period: 12 months for NGO programs (preceded by 6 months for construction/infrastructure development on behalf of the municipality)

The activity is being implemented in collaboration with the World Bank financed Emergency Municipal Services Rehabilitation Project-II (EMSRPII). The municipality will undertake small works, rehabilitation, and construction, acquire related goods and the NGO will bring in programming activities.

Grants will be awarded on a demand driven and competitive basis where NGOs and municipalities will design and implement joint activities. They will prepare a joint proposal in two sections clearly identifying those activities implemented by the NGO and those by the municipality. The budgets will also be clearly differentiated. An Memorandum of Understanding (MOU) attached to the application will specify the roles and responsibilities of each actor.

Although both PNGO III and EMSRP II are Bank-financed projects, procurement under each section of the joint proposal will follow the specific procurement rule and prior review threshold of the respective funding source. In other words, procurement for the section implemented by the NGO will be subject to the procurement rules specified for PNGO III, while procurement for the section implemented by the local Government will be subject to the procurement rules under EMSRP II.

The total budget for the joint project will be US\$100,000 with a maximum of US\$30,000 going to NGO activities through NDC and a maximum of US\$70,000 to the municipality through the MLDF. A higher allocation for the municipality was made to accommodate for infrastructure investments.

With US\$30,000 ceiling limit for the NGO activity, all procurement would be under the prior review threshold. The NGO will provide necessary documentation of each key procurement step to NDC for its review and clearance. The NGO shall not proceed further with procurement implementation until NDC has provided clearance. Therefore, under guidance and supervision of the NDC, the NGO will be responsible for:

- (a) Identifying needs of communities jointly with local Government;
- (b) Preparing procurement plans, NDC to review and approve;
- (c) Preparing bidding/quotations/proposals documents (including shortlisting of consultants in case involving hiring of consultant/s);

- (d) Providing NDC with a copy of bidding/quotations/proposals documents for its review and approval;
- (e) Advertising for bids, soliciting quotations and inviting proposals;
- (f) Receiving, opening and evaluating bids/quotations/proposals;
- (g) Providing NDC with a copy of the evaluation report for its review and approval;
- (h) Awarding contracts and purchase orders;
- (i) Supervising contract implementation and ensuring works are being implemented according to contract documents;
- (j) Receiving supplied goods and ensuring that it is the right quantity, of right quality and is delivered to the correct location;
- (k) Reviewing and approving outputs and deliverables from consultants;
- (l) Receiving, reviewing and approving payments for contractors, suppliers and consultants including variation orders and extensions of time;
- (m) Evaluating contracts at completion;
- (n) Preparing progress reports; and
- (o) Maintaining adequate documentation of the procurement process in project file for Bank's ex-post review.

In case the estimated value of the proposed activity would be above the prior review threshold, NDC will obtain Bank's "No Objection."

**Subcomponent 1.5: Emergency Grants (Euro 6 million Parallel Financing from AFD):**

In response to the current economic crisis and with parallel financing from the AFD these grants will finance temporary employment generation projects through the development of NGO-operated community assets. The target for minimum labor content is 30%. This approach responds to immediate changing needs and targets the poorest households with temporary employment under minimum-wage labor conditions. A 2-year NGO track record is needed. 60% of the funding is earmarked for Gaza and 40% for the West Bank.

- Maximum grant amount: €150,000 (exceptionally €300,000)
- Expected no. of grants: 70
- Implementation period: 24 months

The NDC is responsible for ensuring that procurement carried-out by NGOs follows the AFD Guidelines as set out in the financing agreement between AFD and the WA, notably the clauses on extraordinary commercial costs. The NDC will monitor all procurement activity and ensures compliance by suppliers with contract provisions at all levels. NGOs are responsible for procurement of goods, works and supplies under the supervision of the NDC.

**Procurement according to AFD guidelines:**

For procurement of good, works and services that cost up 80,000 euros, two different procurement methods will be available for recipient NGOs to use. The emergency response in each case determines the appropriate method to be used. The two methods are:

- A.** National Shopping Procedures (Price Quotation)
- B.** Force Account Procedure.

For procurement of goods, works and services that cost more than 80,000 euros, the NGO will have to follow the **National Competitive Bidding (NCB)**, prepare full specification, tender documents and advertise in the local newspapers. All documents have to be reviewed by the NDC before tender is advertised.

Shopping procedures will be used for contracts with a value smaller than 80,000 euros but exceeding 4,000 euros.

### **Procurements of Goods, Works and Services up to 80,000 euros**

#### **A) National Shopping Procedure**

- 1) Recipient NGO will solicit price quotations in sealed envelopes from at least three different local contractors/suppliers/consultants. No bid security will be required.
- 2) Contractors shall submit the sealed envelopes to the address and time specified by the NGO.
- 3) A committee of three persons from the NGO departments will open the envelopes in the presence of the NDC representative and award the project to the contractor of the lowest quotation, provided that the contractor has fully accepted the requirements set out in the request for quotation.
- 4) A bid evaluation report, detailed minutes of meeting and identity elements of the contractor of the first lowest quotation should be prepared and sent to the NDC, an original is kept on file for future audit.
- 5) Notification of the Contractor
- 6) A contract shall be signed by the NGO and the contractor.
- 7) Original signed copies of the contract, a copy of the quotations and a tender evaluation form (form to be supplied by the NDC) shall be delivered to NDC as part of the progress report and a condition for issuing the next payment to the NGO.
- 8) The NGO shall authorize the contractor to start work the next day of signing the contract.

Only subcontractors that have been identified in the bids are authorized.

#### **B) Force Account Procedures**

The NGO shall agree with the NDC that they will execute the project through the NGO departments:

1. The NGO shall have the written approval of the NDC.
2. The NGO could hire workers from outside its departments to execute the work.

The NGO shall deliver bills and payroll records to the NDC in request of account replenishment.

It should be pointed out that in the event of using force account procedures, NGOs are still obliged to use the procurement procedures (A) and (C) where appropriate for the purchasing of materials or services (subject to the exception defined in point 2.4.3).



## **Procurements of Goods, Works and Services above 80,000 euros**

### **C) National Competitive Bidding**

- 1) The tender document is subject to prior review by the NDC.
- 2) Recipient NGOs will advertise in the national press or official gazette for at least two days (minimum of 10 days shall be permitted as a response time for preparation and submission of bids shall be provided);
- 3) Contractors shall submit their bids in sealed envelopes to the address specified by the NGO at the date and time specified in the announcement;
- 4) Bid security (In the range of 5%) will be requested;
- 5) A committee of three persons from the NGO departments will open the envelopes in public and in the presence of the NDC representative and award the contract to the lowest bidder, provided that the contractor is qualified for the job and has fully accepted the requirements set out in the request for bids;
- 6) A bid evaluation report (detailed minutes of meeting) should be prepared and sent to NDC with identity elements of the lowest bidder. An original is kept on file for future audit;
- 7) Notification of the contractor
- 8) A Contract shall be signed by the NGO and the Contractor.
- 9) Original signed copies of the Contract including bill of quantities, a copy of the bids and a bid evaluation form (form to be supplied by the NDC) shall be delivered to the NDC as part of the progress report and a condition for issuing the next payment to the NGO;
- 10) The NGO must submit the BOQ and bid evaluation report to the NDC for review and no objection prior to signing the contract;
- 11) The NGO shall authorize the Contractor to start work next day of signing the Contract.

Only subcontractors that have been identified in the bids are authorized.

## **Procurements of Goods, Works and Services Less than 1,000 euros**

All goods, works and services purchased that cost less than 1,000 euros – up an aggregate of 5,000 euros may be purchased from the nearest available source, as long as they are supported by invoices.

NDC will ensure that the 25% labor content target was met and will keep record of person days generated employment under each activity. This record will be maintained and updated by NDC to cover all activities implemented under this subcomponent for two years to ensure that the 140,000 person days target have been met.

## **Component 2: NGO Sector Development (US\$1.10 million)**

This component will be implemented by NDC. Three subcomponents are included in this component.

**Subcomponent 2.1: NGO Sector Governance: Implementation of the NGO Code of Conduct (US\$0.60 million)**

**Subcomponent 2.2: NGO Sector Coordination and information exchange (US\$0.29 million)**

**Subcomponent 2.3: Policy and Research (US\$0.21 million).**

NDC will have the primary procurement implementation responsibility of this subcomponents, and will select consultants under the following methods:

### ***Quality Cost Based Selection (QCBS)***

- (a) Prepare TOR for the assignment;
- (b) Prepare requests for Expressions of Interests (EOI), advertise, receive and evaluate expressions of interest, develop shortlist of consultants for the assignment;
- (c) Obtain Bank's "No Objection" to the TORs, the shortlist;
- (d) Prepare Request for Proposals (RFP);
- (e) Obtain Bank "No Objection" to the RFP and issue the RFP to the shortlisted consultants;
- (f) Receive technical and financial proposals;
- (g) Open and evaluate technical proposals and prepare technical evaluation report;
- (h) Obtain Bank "No Objection" to the technical evaluation report;
- (i) Inform participating consultants of the results of the technical evaluation. Also, inform consultants who's proposals have passed the minimum score of the date, time and place for opening of the financial proposals;
- (j) Open and evaluate financial proposals. Prepare combined technical and financial evaluation report with recommendation of the winning firm and a signed copy will be sent to the Bank for its information, invite the high ranked firm for negotiations;
- (k) Conclude negotiations and initial contract with the firm;
- (l) Obtain Bank "No Objection" to the initialed contract;
- (m) Sign the contract with the consulting firm and provide the Bank with copies;
- (n) Supervise the performance of the consultant;
- (o) Review outputs and deliverables from the consultant;
- (p) Review, approve and execute payments to the consultant;
- (q) Evaluate the performance of the consultant; and
- (r) Maintain documentation of procurement in project file.

### ***Selection of consultants based on Consultant Qualifications (CQ)***

- (a) Prepare the Terms of Reference (TOR) for each consultancy service outlined in the simplified PP in Annex 2.
- (b) Prepare requests for Expressions of Interests (EOI), advertise, receive and evaluate expressions of interest, develop shortlist of consultants for each assignment;
- (c) Obtain Bank's "No Objection" to the TORs, the shortlists and to the sole source selection;
- (d) Select consultants based on Consultant Qualifications (CQ);
- (e) Obtain Bank "No Objection" to the proposed awards in accordance with table in section 3.3 above;
- (f) Sign contracts with the selected consultants;
- (g) Supervise consultants' performance to ensure compliance with agreed upon scope of services;
- (h) Provide consultants with necessary data, personnel and facilities, as may be required in the relevant TOR;
- (i) Review and approve consultants' outputs and deliverables;
- (j) Review, approve and execute payment claims for consultants in timely manner;
- (k) Evaluate the performance of consultants during and upon completion of the assignment; and
- (l) Maintain procurement relevant documents in project file for Bank.

### ***Selection of Individual Consultant (IC):***

- (a) Prepare TORs for the consultants;
- (b) Solicit at least three CVs of individuals for each consultancy contract, either from WAC data base, through advertising for expressions of interests and or through references;
- (c) Evaluate and compare qualifications of interested consultants and select the individuals with the most appropriate qualifications to carry out the assignments;
- (d) Prepare evaluation report for the selection of IC;
- (e) Sign contracts with the selected individuals;
- (f) Supervise the performance of the consultants to ensure compliance with the TORs;
- (g) Review and approve outputs and deliverables from the consultants;
- (h) Review, approve and execute payments to the consultants in timely manner;
- (i) Evaluate consultants' performance during and at completion of the assignments;
- (j) Prepare progress reports, as may be required,; and
- (k) Maintain full documentation of procurement in project file for Bank's ex-post review.

**Component 3: Institutional Development (US\$2.27 million)**

NDC will be responsible for procurement implementation of Component 3. Component 3 has three subcomponents: Resource Mobilization, Monitoring and Evaluation (M&E); and Project Management.

***Subcomponent 3.1: Resource Mobilization and Communications (US\$0.502 million)***

NDC will procure goods (printed material and publication to support fund raising and resource mobilization). In addition, NDC will select and employ individual consultants for event organization and resource mobilization.

With respect to contract for the procurement of goods, it is estimated to cost US\$5,000 each, which under the prior review threshold, NDC will:

- (a) Identify the needed publications in terms of quantity and quality;
- (b) Prepare solicitation letters, including description of the publications, delivery terms and instructions to suppliers;
- (c) Issue solicitation letters to potential suppliers;
- (d) Receive, open and evaluate quotations. Ensure that at least three quotations are received;
- (e) Prepare evaluation report and recommendation to award;
- (f) Issue purchase orders to the lowest evaluated supplier;
- (g) Receive goods, ensuring that its of the right quantity, right quality and delivered to the correct location;
- (h) Review, approve and execute payment to supplier;
- (i) Evaluate supplier performance; and
- (j) Maintain documentation of procurement in project file for Bank's ex-post review.

***Subcomponent 3.2: Monitoring and Evaluation (M&E): (US\$0.325 million)***

NDC will procure goods (printed material and publication to dissemination of the MIS). The Goods contracts are subject to ex-post review, therefore, NDC will follow the steps outlined under subcomponent 3.1 above.

In addition, NDC will select and employ ICs for training of NDC staff and evaluation of the Monitoring Information System.

NDC will select and employ a consulting firm to develop new monitoring information system using the Quality and Cost Based Selection Method (QCBS). NDC will:

- (s) Prepare TOR for the assignment;
- (t) Prepare requests for Expressions of Interests (EOI), advertise, receive and evaluate expressions of interest, develop shortlist of consultants for the assignment;
- (u) Obtain Bank's "No Objection" to the TORs, the shortlist;
- (v) Prepare Request for Proposals (RFP);
- (w) Obtain Bank "No Objection" to the RFP and issue the RFP to the shortlisted consultants;
- (x) Receive technical and financial proposals;

- (y) Open and evaluate technical proposals and prepare technical evaluation report;
- (z) Obtain Bank “No Objection” to the technical evaluation report;
- (aa) Inform participating consultants of the results of the technical evaluation. Also, inform consultants who’s proposals have passed the minimum score of the date, time and place for opening of the financial proposals;
- (bb) Open and evaluate financial proposals. Prepare combined technical and financial evaluation report with recommendation of the winning firm and a signed copy will be sent to the Bank for its information, invite the high ranked firm for negotiations;
- (cc) Conclude negotiations and initial contract with the firm;
- (dd) Obtain Bank “No Objection” to the initialed contract;
- (ee) Sign the contract with the consulting firm and provide the Bank with copies;
- (ff) Supervise the performance of the consultant;
- (gg) Review outputs and deliverables from the consultant;
- (hh) Review, approve and execute payments to the consultant;
- (ii) Evaluate the performance of the consultant; and
- (jj) Maintain documentation of procurement in project file.

***Subcomponent 3.3: Establishment of NDC and Project Management (US\$1.45 million)***

NDC will select and employ two consulting firms using the Least Cost Selection Methods (LCS) to conduct external and financial audits. According to the PP, both of these contracts are subject to prior review. In this respect, NDC will be responsible for:

- (a) Preparing TORs for the assignments;
- (b) Prepare requests for Expressions of Interests (EOI), advertise, receive and evaluate expressions of interest, develop shortlist of consultants for the assignment;
- (c) Obtain Bank’s “No Objection” to the TORs, the shortlist;
- (d) Prepare Request for Proposals (RFP);
- (e) Obtain Bank “No Objection” to the RFP and issue the RFP to the shortlisted consultants;
- (f) Receive technical and financial proposals;
- (g) Open and evaluate technical proposals, prepare technical evaluation report;
- (h) Prepare minutes of technical proposal opening session;
- (i) Obtain Bank “No Objection” to the technical evaluation report;
- (j) Inform participating consultants of the results of the technical evaluation. Also, inform consultants who’s proposals have passed the minimum qualifying score of the date, time and place for opening of the financial proposals. Those securing less than the minimum qualifying mark are rejected and their financial proposal shall be returned unopened;
- (k) Open and evaluate financial proposals and select the firm with the lowest price. Prepare combined technical and financial evaluation report;
- (l) Prepare minutes for financial proposal opening session;
- (m) Obtain Bank “No Objection” to the combined technical and financial evaluation report and to the recommendation to award to the firm with the lowest price;
- (n) Sign the contract with the consulting firm and provide the Bank with copies;
- (o) Supervise the performance of the consultant;

- (p) Review outputs and deliverables from the consultant;
- (q) Review, approve and execute payments to the consultant;
- (r) Evaluate the performance of the consultant; and
- (s) Maintain documentation of procurement in project file.

NDC will incur expenditures with respect to staff salaries and benefits, utilities, office consumables, communications services, maintenance of office equipments, field allowances and other items that may be necessary for project operation. NDC will maintain in project file all documentation of procurement process related to operating costs.

#### 4. PROCUREMENT IMPLEMENTATION AND PROCUREMENT METHODS

##### 4.1 Procurement of Works:

The project would finance demand driven grants minor works Component 1. This would include minor rehabilitation and upgrading works for community centers and small infrastructure works. All works are expected to range between US\$10,000 and US\$100,000 and be procured through shopping procedures on the basis of three written price quotations. The contract award will be made to the lowest evaluated responsive bidder who has appropriate experience and financial resources to complete the works successfully.

Under the emergency grants, contracts for works are expected to cost more than US\$100,000. These works contracts would be procured on the basis of **National Competitive Bidding NCB** procedures and would be subject to Bank prior review. The Implementing NGO will use the NCB bidding document, available on the World Bank website at

<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/PROCUREMENT/0,,contentMDK:21337829~menuPK:84284~pagePK:84269~piPK:60001558~theSitePK:84266,00.html>

, and will award the contract in accordance with the following procedures:

- (a) Identify the needs of the community;
- (b) Select and employ a consultant to prepare the design, including drawings, technical specifications, bills of quantities and cost estimate;
- (c) Prepare the bidding documents. The bidding documents shall indicate place, date and time of bid submission and opening, in addition to post qualification criteria and bid security requirements;
- (d) Obtain Bank's "No Objection" when required through NDC. The completed bidding documents shall be sent to the Bank for its review and clearance;
- (e) Advertise for two consecutive days in local newspaper of wide circulation. The Invitation for Bids shall indicate the place, date and time for bids submission and opening, bid security requirements and requirements regarding technical and financial capacity of bidders;
- (f) Allow bidders thirty (30) days from the date of first appearance of the invitation for bids in the newspapers till the date of bid submission to prepare their bids. However, this can be reduced to ten (10) days upon Bank's approval;
- (g) Bids shall be delivered to the address for bid submission at or before the date and time for bid submission indicated in the bidding documents. Late bids shall be rejected;
- (h) Bids shall be opened promptly after bid submission at the time and place stipulated in the bidding documents in the presence of bidders' representatives who choose to attend;
- (i) During bid opening session, the name of the bidder shall be announced, bids' prices shall be read out loud, presence or absence of bid security shall be announced, discounts, if any, shall be declared, alternative offers, if called for, and any other particulars shall be recorded in the minutes of bid opening session;

- (j) Prepare minutes of bid opening and provide the Bank with a signed copy immediately after bid opening session;
- (k) Bids shall be evaluated according to procedures and the post qualifications criteria stipulated in the bidding documents. No other evaluation criteria shall be used;
- (l) Prepare evaluation report, using the Standard Bid Evaluation Form, available on the World Bank website at <http://siteresources.worldbank.org/PROCUREMENT/Resources/sbfev2-a4.doc> with recommendation to award made to the lowest evaluated responsive bidder. Evaluation must be completed within the original bid validity period. Bid evaluation report must be signed by the evaluation committee;
- (m) Provide the Bank with a signed copy of the bid evaluation report for its review and "No Objection" through NDC;
- (n) Award the contract to the lowest evaluated responsive bidder without negotiations;
- (o) Provide the Bank with a signed copy of the contract; and
- (p) Maintain all procurement documents on project file.

Works contract expected to cost between US\$10,000 and US\$100,000 shall be procured on the basis of **shopping procedures** using the Sample Form for Inviting Price Quotations for Minor Civil Works included in Annex 3 . The Implementing NGO shall solicit price quotations from at least three (3) local small contractors who have adequate experience and financial resources to complete the works. The first two contracts procured on the basis of shopping procedures and all subsequent contracts estimated to cost more than US\$50,000 equivalent are subject to prior review. The Implementing NGO shall obtain Bank's "No Objection" through NDC. Under shopping for minor works, the Implementing NGO shall award the contract in accordance with the following procedures:

- (a) Identify the needs of the community;
- (b) Prepare preliminary design, including drawing, technical specifications, bills of quantities and cost estimate;
- (c) Prepare the form for inviting price quotations for minor civil works including the preliminary design;
- (d) Provide the Bank with a copy for its review and "No Objection" through NDC;
- (e) Solicit price quotations from at least three (3) local contractors with adequate experience and financial resources. Since minor civil works are involved, solicitation can be done through direct invitation of contractors or by placing invitation for price quotations in public places within the community;
- (f) Allow bidder at least 10 days from the date of invitation till the date of price quotations submission to prepare their offers;
- (g) Price quotations shall be received on the date and time stipulated in the invitation. Late price quotations shall be rejected;
- (h) Price quotations shall be opened promptly after submission .
- (i) Prepare evaluation report with recommendation to award made to the lowest evaluated responsive bidder;
- (j) Provide the Bank with a signed copy of the evaluation report for its review and "No Objection" when required through NDC;



- (k) Award the contract to the lowest evaluated responsive bidder without negotiations;
- (l) Provide the Bank with a signed copy of the contract;
- (m) Review, approve and execute payments to contractors;
- (n) Evaluate performance of each contractor under the contract; and
- (o) Maintain all procurement documents on project file.

Since the works involved are minor, the contractor will not be required to submit quotation and performance securities. However, the contractor will be paid an advance payment against provision of advance payment Guarantee. The advance payment will help the contractor mobilize and proceed with the works without delays and will be retrieved by deduction of equal percentage from the interim payments due to the contractor.

#### **4.2 Procurement of Goods**

Goods to be procured under the proposed project include office equipment, medical equipment, sport equipment, IT software and hardware equipment and offices supplies. Packages with an estimated contract value of US\$100,000 or more would be procured on the basis of NCB. The first two contracts, regardless of value, and every contract estimated to cost more than US\$150,000 equivalent, would be subject to prior review.

NDC or the Implementing NGO will obtain the World Bank's "No Objection" of key procurement steps through NDC. The Implementing NGO will award contracts using the World Bank Standard Bidding Document for procurement of Goods May 2005 available on the World Bank website at <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/PROCUREMENT/0,,contentMDK:20198674~menuPK:84284~pagePK:84269~piPK:60001558~theSitePK:84266,00.html> and in accordance with the following steps:

- (a) Identify the needs;
- (b) Prepare preliminary itemized list of the goods with cost estimate;
- (c) Finalize list and cost estimate, including technical specifications and schedule of requirements;
- (d) Group the required goods in lots comprising items of similar characteristics which can be purchased from the same source;
- (e) Prepare the bidding documents. The bidding documents shall indicate place, date and time of bid submission and opening, post qualification criteria for each lot and evaluation methodology (lot by lot or one contract). It shall also indicate bid security requirements;
- (f) Provide the Bank with a copy of the bidding documents for its review and "No Objection" when required through NDC;
- (g) Advertise for two consecutive days in local newspaper of wide circulation. The Invitation for Bids shall indicate the place, date and time for bids submission and opening, bid security requirements and requirements regarding technical and financial capacity of bidders;
- (h) Allow potential supplier at least thirty days from the date the first appearance of invitation for bids in the newspaper till bid submission date to prepare their bids;

- (i) Bids shall be delivered to the address of bid submission at or before date and time stipulated in the bidding documents. Late bids shall be rejected;
- (j) Bids shall be opened promptly after submission at the address indicated in the bidding documents and in the presence of bidders' representatives who choose to attend;
- (k) During bid opening session, the name of the bidder shall be announced, bids' prices shall be read out loud, presence or absence of bid security shall be announced, discounts, if any, shall be declared, alternative offers, if called for, and any other particulars shall be recorded in the minutes of bid opening session;
- (l) Prepare minutes of bid opening and provide the Bank with a signed copy immediately after bid opening session;
- (m) Evaluate bids using the evaluation criteria stipulated in the bidding documents. No other evaluation criteria shall be used;
- (n) Prepare evaluation report, using the standard bid evaluation form available on the World Bank website at <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/PROCUREMENT/0,,contentMDK:20062543~menuPK:84284~pagePK:84269~piPK:60001558~theSitePK:84266,00.html> , with recommendation to award made to the lowest evaluated responsive bidder either for the entire contract or per lot as stipulated in the bidding document;
- (o) Provide the Bank with a signed copy of the evaluation report for its review and "No Objection" through NDC;
- (p) Award the contract to the lowest evaluated responsive bidder/s without negotiations;
- (q) Review, approve and execute payments to suppliers in timely manner;
- (r) Evaluate supplier performance under the contract; and
- (s) Maintain all procurement documents on project file.

Goods contracts estimated to cost less than US\$100,000 would be procured using Shopping procedures and would require soliciting, receiving and evaluating competitive price quotations from at least three qualified suppliers. In this respect, NDC or the Implementing NGO would obtain Bank's "No Objection" to the first two contracts and will award contracts using the Request for Quotations for Goods under Shopping included in Annex 4 and in accordance with the following steps:

- (a) Identify the needs;
- (b) Prepare request for quotation which shall include list of items, brief description and specifications when required, required quantity, required delivery terms (location, date and time), instructions to suppliers, qualifications requirements, if any, and evaluation methodology;
- (c) Provide the Bank with a copy for its review and "No Objection" through NDC;
- (d) Issue the request for price quotations to potential suppliers;
- (e) Receive price quotations at the address, date and time indicated in the request. Ensure that at least three price quotations are received;
- (f) Price quotations shall be opened promptly after submission .
- (g) Prepare minutes for quotation opening
- (h) Evaluate quotations using the criteria stipulated in the request;
- (i) Prepare evaluation report with recommendation to award made to the supplier who made the lowest evaluated offer;

- (j) Provide the Bank with a signed copy of the evaluation report for its review and “No Objection”;
- (k) Issue purchase orders to the lowest evaluated supplier. Terms of the accepted offer shall be incorporated in the purchase order;
- (l) Receive goods and ensure that it is of right quality, right quantity and is delivered at the right time and to the correct delivery location;
- (m) Review, approve and execute payments to suppliers in timely manner;
- (n) Evaluate supplier performance under the contract; and
- (o) Maintain procurement documents on project file.

On June 8, 2000, the World Bank has issued a Guidance Note on Shopping which can be found on the World Bank web page <http://www.worldbank.org/procure>.

Goods costing less than US\$5,000 would be procured through direct purchase from the nearest available source. The first two contracts procured under direct purchase/contracting are subject to prior review. The implementing NGO shall provide the World Bank with necessary documentation and with proper justification for its review and “No Objection” before signing contract with the proposed supplier. Subsequent goods contracts costing less than US\$5,000 procured under direct purchase/contracting would be subject to Bank’s ex-post review. The Implementing NGO shall maintain all procurement documents in project file.

#### **4.3 Selection and Employment of Consultants**

Consulting services from firms and individuals required for the project include consulting services for development of Transparency and Accountability systems, development of a resource kit , promotional campaign for the code of conduct ,research about NGO-Private sector relationship and MIS for M&E, impact assessments .

Contracts for consulting services estimated to cost US\$200,000 equivalent shall be awarded on the basis of Quality and Cost Based Selection method (QCBS) or Quality Based Selection method (QBS), as described in section II & III respectively in the Guidelines for the selection and employment of consultants, and shall be subject to prior review by the Bank. NDC or the Implementing NGO, referred to hereinafter as the Implementing Agency (IA), shall award these contracts in accordance with the following procedures<sup>2</sup>:

*1. Open a File for the Assignment:* Before commencement with any activity for the assignment, the IA shall open a file for the assignment and shall give the assignment a code number to be used through the process.

*2. Prepare Procurement Plan for the Assignment:* Before commencing with procurement activity, the IA shall prepare a procurement plan for the assignment highlighting key procurement steps for the selection and employment of the consultant.

*3. Obtain Bank “No Objection”:* The IA shall provide the Bank with a copy of the PP for its review. Bank’s comments, if any, shall be incorporated before final clearance is issued by the Bank.

*4. Prepare Terms of Reference (TOR):* The IA shall prepare TOR which normally consist of: (a) background of the project; (b ) objectives of the assignment; (c) scope of work; (d) transfer of knowledge; (e) list of reports, schedule of deliveries,

<sup>2</sup> The World Bank has developed “Consulting Services Manual: A Comprehensive Guide to Selection of Consultant”. The manual can be found at the World Bank website: [www.worldbank.org/procure](http://www.worldbank.org/procure)

implementation period; and (f) data, local services, personnel, and facilities to be provided by the Client.

5. *Prepare Cost Estimate*: The cost estimate normally depends on the kind of expertise, level of efforts required for the completion of the assignment and reimbursables. The cost estimate can also be based on costs of similar previous assignments and on prevailing prices and staff rates.

6. *Advertise and Prepare Shortlist*: The IA shall prepare Request for Expressions of Interest (EOI), using the template included in Annex 5, and advertise *online* in the United Nations Development Business (*UNDB*) and Development Gateway Market (*dgMarket*). Receive EOIs and carry out a diligent review of key aspects such as: (a) qualifications in the field of the assignment; (b) technical and managerial capabilities of the firm; (c) core business and years in business; (d) qualifications of key staff; (e) client references; and (f) administrative and financial strength.

The shortlist can not comprise of firms and individuals. Prepares an evaluation report on findings. Shortlists shall comprise six firms with wide geographical spread, with no more than two firms from any one country and at least one firm from developing countries, unless qualified firms from developing countries are not identified.

7. *Obtain Bank's "No Objection"*: The IA shall provide the Bank with a copy of the TOR and evaluation report of the expressions of interest including the shortlist for its review and clearance.

8. *Prepare Request for Proposals (RFP)*: The IA shall use the standard Request for Proposal (RFP) for selection of consultants May 2004 available on the World Bank website at <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/PROCUREMENT/0,contentMDK:20199092~menuPK:84284~pagePK:84269~piPK:60001558~theSitePK:84266,00.html>

The RFP shall include the approved shortlist and the TOR. Changes made shall be specific to the assignment in the relevant sections and as per the instructions in *Italic* included in the RFP.

9. *Obtain Bank's "No Objection"*: The IA shall provide the Bank with a copy of the RFP for its review and clearance.

10. *Issue the RFP to the shortlisted firms*: The IA shall issue the RFP to the shortlisted ensuring that they have received the RFP and that they will submit proposals. Copies of letters of invitations and responses from the consultants shall be kept in the assignment file.

11. *Receive and Open Technical Proposal*: Promptly after submission of both technical and financial proposals, in separate envelopes included in a large envelope, the IA shall open the large envelope, then open the envelope marked technical proposals. Prepare short minutes indicating the number of received proposals and the name of the consultants who submitted proposals. Proposals received after the deadline for submission are disqualified and must be returned to the consultants unopened. To safeguard the process, financial proposals shall remain sealed unopened and shall be kept in the custody of an independent auditor.

*12. Appoint Evaluation Committee:* The IA shall appoint an Evaluation Committee of technical experts to evaluate the proposals. The committee normally consists of three to five qualified members, depending on the size and complexity of the assignment. Its members should familiarize themselves with the RFP (in particular the TOR), the evaluation criteria and subcriteria specified in the data sheet, and the selection procedure. The committee shall confirm that members: (a) have no conflict of interest; (b) understand the rating and scoring system; (c) have been provided with evaluation worksheets; and (d) agree on how to evaluate the proposals.

*13. Evaluate Technical Proposals:* Each evaluation should be carried out individually by applying the criteria and subcriteria specified in the RFP. The committee member first reviews each proposal to confirm that it is substantially responsive to the TOR, or other key requirements of the RFP. The evaluation also establishes whether a proposal passes the minimum qualifying mark provided in the RFP. Individual evaluators' results are recorded on pre-established worksheets. The Evaluation Committee should meet to review, discuss and agree on the individual evaluations which shall be averaged to establish the technical scores and ranking of the consultants. Such review meetings shall be minuted and kept in assignment file.

*14. Prepare Technical Evaluation Report:* The committee members prepare a Technical Evaluation Report, using the Sample Form of Evaluation Report available on the World Bank website at

<http://siteresources.worldbank.org/PROCUREMENT/Resources/eval-ev2-a4.doc>

, by recording and explaining the scores given to each proposal and the strengths and weaknesses. The Technical Evaluation Report is a confidential document and its contents must not be disclosed. The financial proposals should not be opened until the Bank's "No Objection" to the report is received.

*15. Obtain Bank's "No Objection":* The IA shall provide the Bank with a signed copy of the Technical Evaluation Report for its review and "No Objection".

*16. Notify Consultants:* After receiving the Bank's no-objection to the Technical Evaluation Report, the IA notifies consultants whose proposals did not meet the minimum technical qualifying mark specified in the RFP, or were found to be nonresponsive, indicating that the consultants' financial proposals will be returned unopened at the end of the selection process. The IA simultaneously notifies consultants whose technical proposals were above the minimum technical qualifying mark, and informs them of the venue, date and time set for opening the financial envelopes. The opening date should be at least two weeks after the notification date, to allow enough time for consultants to make arrangements to attend the opening.

*17. Open the Financial Proposals:* On the date and time set for opening the financial proposals, the Independent Auditor delivers them to the Evaluation Committee. The opening is public. The Evaluation Committee verifies that the financial proposals have remained sealed and then opens them. The name of the consultant, the quality scores, and the proposed prices are read aloud and recorded as each financial proposal is opened. No modification to financial proposals is permitted. The Committee prepares the minutes of the public opening, which should be attached to the Financial Evaluation Report. A signed copy of the minutes shall be sent promptly to the Bank.

*18. Evaluate Financial Proposals:* The Evaluation Committee should first review the financial proposals for arithmetical errors and consistency between the financial and technical proposals. Arithmetical errors should be corrected, omitted items evaluated, and the corresponding adjustments made to the offered prices to obtain the final evaluated prices. For the purpose of comparing proposals, evaluated prices should be converted to a single currency using the exchange rate, date, and source indicated in the RFP. The scores of the evaluated prices should then be calculated according to the formula provided in the RFP.

*19. Prepare Combined Technical and Financial Evaluation:* The Evaluation Committee weights and combines the scores of the technical and financial proposals to obtain a final ranking of the proposals and recommendation for award. These data are recorded in the Financial and Final Evaluation Report.

*20. Provide the Bank with a copy:* The IA shall provide the Bank for its information with a properly signed copy of the final Combined Technical and Financial Evaluation Report with recommendation to Award.

*21. Negotiate and Award Contract:* IA shall invite the selected consultant to negotiations and informs the other consultants that they were unsuccessful and furnishes the name of the selected firm. If the IA believes that negotiations could fail or could go beyond the proposal validity period, it should ask the consultants to extend the validity of their proposals. At the conclusion of the negotiations, the IA and the consultant shall initial the negotiated contract;

*22. Obtain Bank "No Objection":* The IA shall furnish the Bank with a copy of the initialed negotiated contract along with the final agreed upon scope of work and any explanations to substitutions of staff, wherever applicable, for its review. If the Bank determines that the final evaluation report, recommendation for award, and/or negotiated contract are inconsistent with the provisions of the RFP, it shall promptly inform the IA and state the reasons for its determination. Otherwise, the Bank shall provide its final "No Objection" to the contract award.

*23. Sign the Contract:* The IA shall confirm the award of the contract only after receiving the "No Objection" from the Bank. Following contract signature, the IA shall furnish to the Bank a copy of the final contract before submitting the first application for disbursement under the contract.

*24. Publish of the Award of the Contract:* After the award of contract, the IA shall publish in UNDB online and in dgMarket the following information: (a) the names of the consultants who submitted proposals; (b) the technical points assigned to each consultant; (c) the evaluated prices of each consultant; (d) the final point ranking of the consultants; and (e) the name of the winning consultant and the price, duration and summary scope of the contract. The same information shall be sent to all consultants who submitted proposals.

*25. Debrief Consultants:* Once the contract is awarded, firms may want to learn the reasons why they were not selected. The IA should provide reasonable, prompt, and satisfactory replies to all such requests. The IA should not discuss the details of any other proposals. The debriefing process is intended to help losing firms understand why they lost and encourage them to submit proposals of improved quality in the future.

*26. Supervise Consultants:* The IA shall appoint a qualified staff to supervise the work of the consultant to make sure that the consultant will complete the assignment on time and without delays. The supervisor shall also review any output reports and deliverables from the consultant and to ensure that it is the right quality and are produced in a timely manner. The staff shall also review, and approve claims for payments submitted by the consultant. The IA shall execute these payments in a timely manner.

*27. Evaluate Performance of the Consultant:* The IA shall evaluate the performance of the consultant through out the assignment objectively highlighting strength and weakness of the consultant. If the consultant's performance was found to be unsatisfactory during execution of the assignment, the IA should inform the consultants in writing and give them the opportunity to comment. The IA shall incorporate the consultant's comments in the report; a copy of this report shall be kept in assignment file.

In complex assignment under the project where consultancy services contracts estimated cost more that US\$200,000 equivalent, following the above listed steps, the IA can procure these services based on the QBS. The RFP may request the submission of technical or technical and financial proposals. If technical proposals alone are invited, after evaluating the technical proposals using the same methodology as in QCBS, the IA shall request the consultant with the highest ranked technical proposal to submit a detailed financial proposal. The IA and the consultant shall negotiate the financial proposal and the contract. All other aspects of the selection process shall be identical to those of QCBS.

For consultancy services provided by firms costing less than US\$50,000, the selection method would be Consultants' Qualifications (CQ). The IA shall prepare the TOR, request EOIs and information on the consultants' experience and competence relevant to the assignment, establish a short list, and select the firm with the most appropriate qualifications and references. The selected firm shall be asked to submit a combined technical-financial proposal and then be invited to negotiate the contract. Under this selection method, the first two contracts shall be subject to the Bank's prior review.

For financial audit consultancy services, the IA may procure these services using the Least Cost Selection (LCS). Under this method, a "minimum" qualifying mark for the "quality" is established. Proposals to be submitted in two envelopes are invited from a short list. Technical envelopes are opened first and evaluated. Those securing less than the minimum are rejected and the financial envelopes of the rest are opened in public. The firm with the lowest price shall then be selected. Under this method, the qualifying minimum mark shall be established, keeping in view that all proposals above the minimum compete only on "cost." The minimum mark shall be stated in the RFP. The first two contracts shall be subject to the Bank's prior review.

Short lists of consultants for services estimated to cost less than US\$100,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultants Guidelines. Establishing the shortlist shall be in accordance with steps highlighted earlier. Requests for EOIs shall be advertised in local newspapers of wide circulation.

The Single Source Selection (SSS) would only be used exceptionally under the circumstances described in paragraph 3.10 of the Consultant Guidelines. All contracts procured on the basis of SSS are subject to Bank's prior review. Before

signing the contract, the IA shall provide the Bank with a copy of justification of the SSS, a copy of the initialed contract, description of services, consultant's reporting obligations, and a copy of the CV's of key staff.

Services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants (IC) in accordance with the provisions of paragraphs 5.2 through 5.3 of the Consultant Guidelines. ICs are selected based on their qualifications for the assignment. They shall be selected through comparison of qualifications of at least three candidates among those who have expressed interest in the assignment or have been approached directly by the IA. Individuals employed by the IA shall meet the relevant qualifications and shall be fully capable of carrying out the assignment. Capability is Judged on the basis of academic background, experience, and, as appropriate, knowledge of local conditions, such as local language, culture, administration system, and government organizations.

In addition, with appropriate justifications and after concurrence by the Bank, ICs may be selected on a Single Source (SSS) in exceptional circumstances described in paragraph 5.4 of the Consultant Guidelines, such as:

- (a) tasks that are a continuation of previous work that the consultants have carried out and for which the consultants were selected competitively,
- (b) assignments lasting less than six months; and
- (c) when the individual is the only consultant qualified for the assignment.



## **5. PROCUREMENT DOCUMENTATION**

### **5.1 General**

As part of its overall responsibility for project implementation, NDC shall maintain and cause all participating NGOs, with procurement implementation responsibility, to maintain proper and complete procurement documentation in project file. The files shall be updated in parallel to progress on procurement implementation for all contracts irrespective of review status. NDC shall develop a model file for procurement documentation and shall disseminate the file electronically to all participating NGO with procurement implementation responsibility. During project implementation, NDC staff shall perform random and spot inspection to NGOs filing and alert the NGO if deficiencies are observed.

### **5.2 Procurement Documentation for Works and Goods**

The following is a typical list of documents to be kept in project file:

1. Procurement Plan and any revised versions of it;
2. Specific procurement Notices;
3. IA's cover letter to the Bank with: (i) Procurement Plan; (ii) bidding documents; and (iii) prequalification documents (when applicable);
4. Bank's "No Objection" to: (i) Procurement Plan; (ii) bidding documents; and (iii) prequalification documents (when applicable);
5. Copy of the bidding documents issued to bidders;
6. Records of pre-bid meeting and site visit;
7. Copy of addendum to the bidding documents sent to bidders;
8. Copy of IA's letter to bidders extending the submission deadline, when applicable;
9. Records of bid opening;
10. Originals and copies of all submitted bids with copies of bid securities;
11. Requests for clarifications from bidders and a their responses;
12. Minutes of bid evaluation committee meetings and copy of any government approval to the bid evaluation report, if required;
13. IA's cover letter to the Bank with a properly signed copy of the bid evaluation report, including any necessary attachments;
14. Bank's "No Objection" to the signed bid evaluation report;
15. Copy of Letter of Acceptance;
16. A signed copy of the contract and copy of performance security and a copy of Advance Payment Guarantee;
17. IA's cover letter to the Bank requesting "No Objection" to contract modification above 15% in aggregate of contract price;
18. Minutes of preliminary handing over of the works;
19. Certificate of Completion issued by IA to the contractor;
20. Certificate of Defect Liability issued to contractor upon final handing over of the project; and

21. Appeals against procedures or award recommendations and client's responses.

For small contracts or goods purchased using shopping procedures, a database should be maintained showing:

1. Current market prices of commonly needed items;
2. Names and addresses of suppliers invited to submit written price quotations for each lot, and their prices;
3. Names of selected suppliers, quantity and value of purchase orders;
4. A copy of the purchase order;
5. Copy of store receipt.

During contract administration, the IA should also keep records of:

1. Contractual notices issued by IA, contractor, or supplier;
2. Detailed record of all changes or variation orders issued affecting scope, quantities, timing or price of the contract;
3. Records of invoices payments;
4. Certificates of inspection, and acceptance;
5. Copy of advance, performance and maintenance guarantees;
6. Complete records of claims, disputes and their outcome, etc; and
7. Original of "As Built" drawings, maintenance and operation manuals.

### **5.3 Procurement Documentation for Consultancy Services**

The following is a typical list of documents to be kept in each assignment file:

1. Procurement Plan and all revised versions and updates;
2. Expressions of Interest (EOI) – Advertisements, if applicable. In local/international newspapers, UNDB, etc.;
3. Received EOIs;
4. IA's cover letter to the Bank with: (i) Procurement Plan; (ii) proposed Shortlist of Firms and evaluation report; (iii) Terms of Reference; and (iv) Draft Request for Proposals (RFP); wherever applicable
5. Bank's "No Objection" to: (i) Procurement Plan; (ii) proposed Shortlist of Firms and evaluation report; (iii) Terms of Reference; and (iv) Draft Request for Proposals (RFP); wherever applicable
6. Request For Proposals as issued, specifically parts relating to: (i) Instructions to Consultants – Data Sheet; (ii) special conditions of contract; and (iii) Output, Report expected of the Consultants (Annex to the Contract);
7. Final version of the Request For Proposals including Addenda (if any) (include Bank's "No Objection" to the proposed addendum);
8. Technical Proposals Opening Proceedings;
9. Technical Proposal Evaluation Report – Technical Proposals;
10. IA's cover letter to the Bank with the Technical Proposals Evaluation Report, if applicable;

11. Bank's "No Objection" to the Technical Proposals Evaluation Report;
12. Financial Proposal Opening Proceedings;
13. Combined Technical and Financial Evaluation Report and Financial Proposals;
14. IA's cover letter to the Bank with the Combined Technical and Financial Evaluation Report for information, if applicable;
15. IA's cover letter to the Bank with the draft negotiated contract, if applicable;
16. Bank's "No Objection" to the negotiated contract, if applicable;
17. Signed contract document;

During contract administration, the IA should also keep records of:

1. Contractual notices issued by IA or consultant;
2. Detailed record of all changes or variation orders issued affecting scope, timing or price of the contract;
3. Records of invoices payments;
4. Outputs Report and Deliverables by the consultant;
5. Copy of advance payment guarantees, if applicable; and
6. Completion records of claims and disputes and their outcome, etc

For contracts under Single Source Selection and Selection of Individual Consultants, the documentation requirements are subject to some modifications:

1. Advertisement procedures may not be applicable;
2. There may be a Letter of Solicitation and / or a Request for a proposal of Curriculum Vitae (CV);
3. There will be a record of receipt of CVs and evaluation of the CVs or the proposals