

**Skills Strengthening for Industrial Value Enhancement Operation  
[TA Component]**

**Ministry of Skills Development and Entrepreneurship**

**Procurement Plan**

## **I. General**

### **1. Project information**

Country : India

Borrower : Government of India

Project Name : Skills Strengthening for Industrial Value Enhancement Operation[TA Component]

Project Identification No [ID] : P156867

Project Implementing Unit [PIU] : Ministry of Skills Development and Entrepreneurship

Date of General Procurement Notice [GPN] : June 27, 2017 on UNDB online

### **Applicable Bank Guidelines**

- [a] **For Consultancy Services** : "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 [Consultant Guidelines] and revised July 2014; and
- [b] **For Goods and Non-consulting Services** : "Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 [Procurement Guidelines] and revised July 2014

## II. Selection of Consulting Services, and Procurement of Goods and Non-Consulting Services

Category	Method of Procurement	Threshold [US\$ Equivalent]	Prior Review Threshold
Consultants' Services	Selection Based on Consultant Qualification	US \$300,000	All contracts equal to or greater than US \$ 1 Million equivalent for firms; and equal to or greater than US\$ 0.3 Million equivalent for individual consultants
	Single source selection <sup>#</sup>	As per para 3.8-3.11 of Guidelines	
	Individual Consultants	As per Section V of Guidelines	
	Quality and Cost Based selection/Quality Based Selection/Fixed Based Selection/Least Cost Selection	As per the provision of the guideline	
	(i) International shortlist	>800,000	
(ii) Shortlist may comprise national consultants only	Up to 800,000		

<sup>#</sup>Irrespective of contract value any hiring of Government or Research Institutes of unique and exceptional nature requires prior no objection of the World Bank on case to case basis.

Category	Method of Procurement	Threshold [US\$ Equivalent]*	Prior Review Threshold
Goods, IT and Non-consulting services	International competitive Bidding	Contracts more than the equivalent of US \$3 Million per contract	All contracts equal to or greater than US \$ 2 Million equivalent;
	Limited International Bidding	As per para 3.2 of the Guidelines and wherever agreed with the Bank.	
	National competitive Bidding	Contracts more than the equivalent of US \$100,000 but less than the equivalent of US\$3 Million per contract [with National Competitive Bidding conditions]	
	Shopping**	Contracts equivalent of US\$ 100,000 or less per contract.	
	Direct Contracting	As per para 3.7 of Guidelines	
	Framework Agreements	As per para 3.6 of Guidelines	
	Procurement from United Nations Agencies	As per para 3.10 of Guidelines	
	Procurement under Public Private Partnership [PPP] Arrangements	As per para 3.14 and 3.15 of Guidelines	

*\* If a transaction comprises several contracts, lots or slices, the aggregate estimated value of all contracts, lots or slices will determine the applicable threshold amount*

*\*\*State Rate Contracts cannot be used at par with Shopping. If state rate contract exists for an item, the same can be considered as one of the 3 quotations to be sought under shopping procedures.*

2. Pre-qualification: Not Applicable

3. Any Other Special Procurement Arrangements

- A. The TA Component will not finance civil works. It will finance primarily consulting services and need based studies, and on an exception basis to be cleared by the Bank, related goods and non-consulting services. For goods and non-consulting services financed under the TA, the following provisions at 'B' below will apply.
- B. All NCB contracts shall be awarded in accordance with the provisions of paragraph 3.3 and 3.4 of the Procurement Guidelines. In this regard, all NCB contracts to be financed from the proceeds of the Credit shall follow the following procedures:
  - [a] Only the model bidding documents for NCB agreed with the GoI's Task Force [andas amended from time to time] shall be used for bidding.
  - [b] Invitations for bid shall be advertised in at least one widely circulated national daily newspaper [or on a widely used website or electronic portal with free national and international access along with an abridged version of the said advertisement published in a widely circulated national daily, among other things, giving the website/electronic portal details from which the details of the invitation to bid can be downloaded), at least 30 days before the deadline for the submission of bids.
  - [c] No special preference will be accorded to any bidder either for price or for other terms and conditions when competing with foreign bidders, state-owned enterprises, small-scale enterprises, or enterprises from any given state.
  - [d] Except with the prior concurrence of the World Bank, there shall be no negotiation of price with the bidders, even with the lowest evaluated bidder.
  - [e] Extension of bid validity shall not be allowed with reference to contracts subject to the World Bank's prior review without the prior concurrence of the World Bank for:
    - [i] the first request for extension if it is longer than four weeks and
    - [ii] all subsequent requests for extension irrespective of the period [such concurrence will be considered by the World Bank only in cases of force majeure and circumstances beyond the control of the purchaser/ employer]
  - [f] Rebidding shall not be carried out with reference to contracts subject to the World Bank's prior review without the prior concurrence of the World Bank.

- [g] The system of rejecting bids outside a predetermined margin or ‘bracket’ of prices shall not be used in the project.
- [h] Rate contracts entered into by the Directorate General of Supplies and Disposals [DGS&D]<sup>1</sup> will not be acceptable as a substitute for NCB procedures unless agreed with the World Bank on a case-to-case basis. Such contracts will be acceptable, however, for any procurement under the shopping procedure, Framework Agreements using DGS&D rate contracts can be used to procure goods up to NCB thresholds subject to incorporation of Right to Audit, and, Fraud and Corruption clauses.
- [i] No negotiations are conducted even with the lowest evaluated responsive bidders.
- [j] Two or three envelope systems will not be used [except when using an e-procurement system assessed and agreed by the World Bank].

1. **Procurement** of all goods and services under the TA component will be carried out in accordance with the World Bank’s ‘Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers’ dated January 2011, revised July 2014 [Procurement Guidelines] and ‘Guidelines: Selection, and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers’, dated January 2011, revised July 2014 [Consultancy Guidelines] and the agreed procedures described in the Legal Agreements.
2. **Model documents.** The World Bank’s Standard Request for Proposal document shall be used for all procurement of consultancy services to be procured for consulting contracts above US\$300,000. Standard Bidding Documents of the World Bank as agreed with the Government of India Task Force [as amended from time to time] will be used for procurement of goods under National Competitive Bidding [NCB]. For International Competitive Bidding [ICB] contracts, the World Bank’s latest Standard Bidding Documents will be used, as agreed between the World Bank and
3. **Short list comprising entirely of national consultants.** Short list of consultants for services, estimated to cost less than US \$800,000 equivalent per contract, may comprise entirely of

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<sup>1</sup>DGS&D rate contracts may be used as the FA, subject to the following conditions:

[a] Use of DGS&D rate contracts as the FA must be reflected on the Procurement Plan agreed by the World Bank for particular goods.

[b] Before issuing the purchasing order, the implementing agency will carry out a price analysis on the specific goods that are intended to be purchased. If after this due diligence the implementing agency concludes [and the World Bank agrees] that the DGS&D rate contracts are more advantageous, DGS&D rate contracts may be used as the FA.

(c) To meet the World Bank’s requirements for right to audit and F&C, these clauses may be included in the purchase orders (in case the purchasers are directly placing the purchase orders to DGS&D rate contract holders). On the other hand, if indent is placed through DGS&D, the purchaser has the option to sign a separate undertaking with DGS&D rate contract holder, where World Bank’s right to audit and F&C clauses could be mentioned.

national consultants in accordance with the provisions of Para 2.7 the World Bank Consultant Guidelines.

- 4. Disclosure of procurement information.** The following documents shall be disclosed on the project website: [a] Procurement Plan and updates; [b] invitation for bids for goods for all ICB and NCB contracts; [c] request for expression of interest for selection/hiring of consulting services; [d] shortlists of consultants; [e] contract award of all consultancy services; [f] contract awards of goods procured following ICB/NCB procedure; [g] list of contracts/purchase orders placed following shopping procedures on a quarterly basis; [h] list of contracts following direct contract, CQS, or SSS on a quarterly basis; [i] monthly physical and financial progress report of all contracts; and [j] action taken report on complaints received on a quarterly basis.

The following details shall be sent to the World Bank for publishing in the United Nations Development Business Online World Bank external website: [a] invitation for bids for procurement of goods using ICB procedures; [b] request for expression of interest for consulting services with estimated cost more than US\$300,000; [c] contract award details of all procurement of goods using the ICB procedure; [d] contract award details of all consultancy services with estimated cost more than US \$300,000; and [e] list of contracts/purchase orders placed following SSS or CQS or direct contracting procedures on a quarterly basis.

Further the implementing agencies will also publish in their websites, any information required under the provisions of *suo moto* disclosure as specified by the RTI Act.

- 5. Procurement staffing.** The day-to-day procurement functions [procurement planning and monitoring, coordination with states, reporting and coordination with the World Bank, implementation of the PAP under the Program, etc.] will be looked after by a procurement expert, who will be part of the NPIU. The selected official would undergo procurement training on World Bank procurement procedures. The ToR for the procurement specialist [s] under the PMC will also be reviewed by the World Bank.
- 6. Procurement Plan.** Based on the activity to be executed under each contract to be financed by the proposed Credit, appropriate procurement and consultant selection methods shall be adopted. The estimated costs, prior review requirements, and implementation time frame agreed between the recipient and the World Bank's Program team is reflected in the Procurement Plan. The Procurement Plan would be updated at least annually or as required to reflect the actual Program needs during implementation. All Procurement Plans, their updates, or modifications shall be subject to the World Bank's prior review and 'no objection' before implementation. The Procurement Plan for the first 18 months will be inputted in the World Bank's Systematic Tracking of Exchanges in Procurement [STEP] system, and published on the World Bank's external website and made available in the Operations file, by negotiations.
- 7. STEP.** An online STEP shall be adopted to prepare the Procurement Plan once the initial Procurement Plan has been agreed. It is a web-based tool owned by the World Bank,

which helps in tracking dates of the different stages of procurement activities and contract management that are planned or under implementation. The system establishes a new, easy to use, and more efficient way for World Bank teams and clients to interact, while at the same time providing an audit trail of the process. The World Bank will make arrangements to train the staff of the NPIU of the DGT in operating STEP.

8. **Use of government institutions and enterprises.** Government-owned enterprises or institutions in India may be hired for unique and exceptional nature if their participation is considered critical to Program implementation. In such cases, the conditions given in clause 1.13 of Consultant Guidelines shall be satisfied and each case will be subject to prior review by the World Bank.
9. **Prior or post review.** According to the agreed thresholds specified in the Procurement Plan, procurements shall be prior reviewed by the World Bank. All contracts not covered under prior review by the World Bank will be subject to post review during implementation support missions and/or special post review missions including missions by consultants hired by the World Bank.

**10. Implementing Agency Capacity Building Activities with Time Schedule**

S. No.	Expected outcome / Activity Description	Start Date	Comments
1	Training in World Bank online STEP system	Completed November 2017	To familiarise the procurement official in regard to electronic submissions to the Bank.
2	Trainings in Bank Procurement at ASCI	Completed in November 2017	To make procurement Officials from participating AU's familiar with WB procurement procedures
3	Customized training for all selected official at PIU.		Based on the learning from VTIP and hands on experience a customized training to be conducted for strengthening the specific understanding for all IA.