

**KERALA SOLID WASTE
MANAGEMENT PROJECT
PROCUREMENT GUIDELINES FOR
URBAN LOCAL BODIES**

Component-2

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1.1 Purpose of This Guidelines

The purpose of this Guidelines is to detail procurement procedures and processes and provide guidance to Urban Local Bodies in carrying out procurement activities for goods and works under component 2 sub projects in the KSWMP in compliance with the World Bank Procurement Regulations and agreed procurement arrangements applicable to the project.

In case of any conflict between provisions of these Guidelines and provisions of the loan agreement or World Bank Procurement Regulations, the latter shall prevail.

2. Procurement Implementation Arrangements in ULBs – Project Implementation Units (PIU)

To facilitate project implementation at ULB level, a Project Implementation Unit (PIU) will be constituted under the Secretary (who is the Executive head of the ULB). The PIU team at ULB level will be responsible for handling SWM services and related procurement activities undertaken by the participating ULBs. For any handholding support on procurement activities, ULBs will reach out to their respective DPMU.

The key functions of PIUs relating to procurement at ULB level are:

- (i) Carry out procurement of goods, works, consultancy and non-consultancy services as per agreed procedures and applicable Procurement Regulations (and in line with Procurement Plan cleared by the Bank through STEP under project component 2.
- (ii) Ensure all procurement related records and documents required are properly maintained, and retrieve within reasonable time for review or audit by the World Bank or its appointed auditors; and
- (iii) Maintain records for all procurement complaints received in the project including their redressal.

1.1 Procurement of Goods and Works

The ULB-PIUs will be responsible to undertake component-2 project procurement activities with the support of Technical Support Consultants established at ULB level. The DPMU will oversight all the component-2 sub projects procurement activities which are undertaken at ULB level.

3. Procurement Methods for Goods & Works

2.1 Procurement of Goods

a. Goods Packages with Estimated Value less than Rs. 78,00,000/- (less than USD 100K)

Procurement Method: -

- **First Option:** Place Purchase Order against the Framework agreement (Rate Contract) established by SPMU/DPMU.
- **Second Option:** If first option is not viable, then place order through GeM system following guidelines provided at Annex-1.
- **Third Option:** If first and second options are not viable, conduct a RFQ process using World Bank's RFQ document provided at Annex-2. A. (It is not mandatory to follow e-procurement process for procuring goods package with estimated value less than Rs.1 lakh)

Review Type: -

- Prior Review of Procurement Plan consisting of such activities is required. Whereas procurement documents would be reviewed on sample basis once every six months by DPMU/SPMU teams.
- World Bank may additionally sample such procurement packages for its Procurement Post Review.

b. Goods Packages with Estimated Value more than Rs 78 Lakhs and less than Rs.3.9 Crores (between USD 100K and USD 500K)

Procurement Method

- First Option: Place Purchase Order against the Framework agreement (Rate Contract) established by SPMU/DPMU.
- Second Option: If first is not viable, conduct RFB (National Open) process using World Bank's RFB document provided at Annex-3. a

Review Type:

- Prior Review by DPMU team as per plan provided at Annex-4.
- World Bank may additionally sample such procurement packages for its Procurement Post Review.

c. Goods Packages with Estimated Value more than Rs. 3.9 Cr. And less than Rs. 15.6 Cr. (More than USD 500K and less than USD 2 Million)

Procurement Method

- First Option: Place Purchase Order against the Framework agreement (Rate Contract) established by SPMU/DPMU.
- Second Option: If first is not viable, conduct RFB (Open-National) process using World Bank's RFB document provided at Annex-3. a

Review Type:

- Prior Review by SPMU team as per plan provided at Annex-4.
- World Bank may additionally sample such procurement packages for its Procurement Post Review.

d. Goods Packages with Estimated Value more than Rs. 15.6 Cr. (USD 2 Million)

Procurement Method

Conduct RFB (Open-National) process using World Bank's RFB document provided at Annex-3. A or Bank's Standard Procurement Document as advised by the Bank on case to case basis.

Review Type:

Prior Review by World Bank as per STEP Roadmap.

2.2 Procurement of Works

a. Works Packages with Estimated Value less than Rs 78 Lakhs (less than USD 100K)

Procurement Method

Conduct RFQ process using World Bank's RFQ document provided at Annex-2. b

Review Type:

- Prior Review of Procurement Plan consisted of such activities is required. Whereas, procurement document would be reviewed on sample basis once every six months by DPMU/SPMU teams.
- World Bank may additionally sample such procurement packages for its Procurement Post Review.

b. Works Packages with Estimated Value more than Rs 78 Lakhs and less than Rs.3.9 Crores (between USD 100K and USD 500K)**Procurement Method**

Conduct RFB (Open-National) process using World Bank's RFB document provided at Annex-3. b

Review Type:

- Prior Review by DPMU team as per plan provided at Annex-4.
- World Bank may additionally sample such procurement packages for its Procurement Post Review.

c. Works Packages with Estimated Value more than Rs. 3.9 Cr. And less than Rs. 78 Cr. (More than USD 500K and less than USD 10 Million)**Procurement Method**

Conduct RFB (Open-National) process using World Bank's RFB document provided at Annex-3. b

Review Type:

- Prior Review by SPMU team as per plan provided at Annex-4.
- World Bank may additionally sample such procurement packages for its Procurement Post Review.

d. Works Packages with Estimated Value more than Rs 78 crore (Exceeding USD 10 Million)**Procurement Method: -**

Conduct RFB (Open-National) process using World Bank's RFB document provided at Annex-3. B or Bank's Standard Procurement Document as advised by the Bank on case-to-case basis.

Review Type:

- Prior Review by World Bank

Note: Regardless of the value of a package, **Direct Contracting** / Single Sourcing can also be used as a Procurement Method when competition is not possible. This shall be done in accordance with para 6.8 to 6.10 of World Bank Procurement Regulations as revised in November 2020.

** Thresholds as specified for Goods shall be applicable for Non-consulting Services as well.

4. Communication protocol

3.1 Procurement Plan

- a. Before initiating any procurement process, ULBs shall submit the procurement plan to respective DPMU in the format prescribed at Appendix-B. Procurement process shall be initiated only after DPMU has communicated its No-Objection to proposed procurement plan.
- b. DPMU shall review the plan for accuracy and compile all procurement plans received from ULBs and share the same with SPMU team within two (02) business days.
- c. SPMU shall compile procurement plans received from all DPMUs. Following actions shall be taken by the SPMU.
 - For activities with estimated value below Rs.7,80,000 (USD 10K), SPMU shall maintain all such plans in an excel file and validate that proposed procurement activities are consistent with PDO. Once validated, SPMU shall convey its No-objection to DPMU. On quarterly basis, SPMU shall share list of such activities with World Bank team.
 - For activities with estimated value at and above Rs.7,80,000 (USD 10K), SPMU shall key in the procurement plan in STEP system and seek Bank's review and no objection. Upon receipt of Bank's no-objection, SPMU shall convey No-objection to DPMU.
- d. Upon receipt of no-objection from SPMU, DPMU shall convey the same to ULB within two (02) business days.

Note: Before providing No-objection, SPMU, and DPMUs shall also check and ensure if required safeguards documents, including on preventive plans on Sexual Exploitation and Abuse -Sexual Harassment, Labor influx management plans and ICT system for tracking compliance of labor welfare laws/ obligations have been complied with for all categories of contracts; irrespective of whether it is post or prior review.

4.1 Progress Monitoring

- a. Before 5th of every calendar month, ULBs shall share a progress report on various procurement activities and contracts with DPMU in the format provided at Appendix-C.
- b. DPMU shall validate the accuracy of information received from ULBs. DPMUs shall compile all progress reports received from respective ULBs and share them with SPMU by no later than 10th of each month.
- c. SPMU shall compile the reports received from various DPMUs, prepare a summary, and share the same with World Bank team by 15th of every month.

Appendices

I. **Appendix-A - Project Procurement Manual**

**Manual is part of Project Implementations Manual
(PIM – Vol 2)**

See Attachment -1

II. Appendix-B Format for ULB Procurement Plan-KSWMP

Name of the Urban Local Body:

Approval No.& Date of the Original Procurement Plan:

Revised Plan Approval No.& Date(s):

Works																											
Sl No	Name of the Municipality	Project Name	Project No. as per Sulekha	DP C Approval No. and Date	Procurement Review Type (Post/Prior)	Procurement Method (Framework agreement established by SPMU, RFQ, RFB)	Market Approach (national open etc)	Procurement Process status (Under implementation, signed, cancelled)	Activity Status (Cleared/ Not Cleared)	Actual Amount (in Rupees)	Technical Sanction Number and Date	TS Issuing Authority	Draft Quotation/Bidding Document / Justification		Invitation to Contractor/ Publication of Bidding Document/ Specific Procurement Notice		Amendments to Bidding Documents		Receive Quotation / Bid Submission / Opening / Minutes		Comparison of Quotations/ Bid Evaluation Recommendation Award		Signed Contract		Contract Completion		
													Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned
Goods																											
Sl No	Name of the Municipality	Project Name	Project No. as per Sulekha	DP C Approval No. and Date	Procurement Review Type (Post/Prior)	Procurement Method (Framework agreement established by SPMU, GEM, R)	Market Approach (national open etc)	Procurement Process status (Under implementation, signed, cancelled)	Activity Status (Cleared/ Not Cleared)	Actual Amount (in Rupees)	Draft Quotation/Bidding Document / Justification		Invitation to Contractor/ Publication of Bidding Document/ Specific Procurement Notice		Amendments to Bidding Documents		Receive Quotation/ Bid Submission / Opening / Minutes		Comparison of Quotations / Bid Evaluation Recommendation Award		Signed Contract		Contract Completion				
											Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual			

Date of preparation of (Draft Request for Quotation/Draft bidding documents)		
Date of clearance from DPMU/SPMU/WB (Draft Request for Quotation/Draft bidding documents)		
Date of publication Specific Procurement Notice		
Extension for submission date and amendments if any		
Date of clearance from DPMU/SPMU/WB		
Last date fixed for quotation/bid submission		
Date of Completion of evaluation of tenders/ comparison of quotation		
Date of clearance from DPMU/SPMU/WB (evaluation report)		
Date Opening of Financial Proposal if any		
Date of submission of combined evaluation report if any		
Date of clearance from DPMU/SPMU/WB		
Date of notification of award		
Date fixed for contract negotiation (non financial)		
Date of issuance of award		
Date of issuance of draft contract		
Date fixed for contract execution		
Name of the Contractor/ supplier, Contract Reference No. and Date		
Contract Value	US \$	
	in Lac Rs	

Contract commencement date	As per contract	
	Actual	

KSWMP – COMPONENT 2 – Awarded Contracts - Progress Report

DISTRICT:

NAME OF ULB:

Date:

SL No				1
DPC Approval No. and date				
Name of Work/ Project				
Category Goods/ Works/ Other				
Contract Award date				
Name of the Contractor / Contract Reference No. and Date				
Contract Value	US \$			
	Rs	in	Lac	
Contract Completion date	As per contract			
	Actual			
Contract Amendments if any (Date)				

Physical Progress (as %)	
Financial progress (as %)	
Date of final payment and amount	
Date of Completion	
Remarks	

Annexures

Annex-1: GEM Guidelines

The ULBs can use GeM Portal in lieu of RFQ/Shopping as per following details:

- o up to INR 50,000 in catalog mode (viz. any available item could be selected by Implementing Agency without further competition), provided selected Item/Supplier meeting the requisite quality, specifications, and delivery period.
- o up to INR 30,00,000 (Rs.3 million) from the Supplier having lowest price amongst at least three Suppliers meeting the requisite quality, specification, and delivery period. The tools for online bidding and online reverse auction available on GeM may be used by the Purchaser.
- o up to INR 78,00,000 (equivalent of US\$ 100,000) can be procured from the Supplier having lowest price and meeting the requisite quality, specification, and delivery period after mandatorily obtaining bids from at least three Suppliers, using online bidding or reverse auction tool provided on GeM.
- o While making use of GeM portal, Project need to make use of Special Terms and Conditions meant for World Bank financed projects, available at following weblink.

<https://assets-bg.gem.gov.in/resources/pdf/STC%20for%20World%20Bank%20funded%20contracts.pdf>

Annex-2: Standard Bid Documents-RFQ.

See Attachment-2 for Following Templates of Request for Quotations

2a RFQ for Goods-1 Envelope

2a RFQ for Goods-2 Envelopes

2b RFQ for Works-2 Envelopes

Annex-3: Standard Bid Documents -RFB.

See Attachment-3 for Following Templates for Request for Bids

- 3a RFB for Goods- NCB -1 Envelope**
- 3a RFB for Goods- NCB -2 Envelopes**
- 3b RFB for Works- NCB -1 Envelope**
- 3b RFB for Works- NCB -2 Envelopes**

Annex-4: Review Mechanism by DPMU/ SPMU.

Review Mechanism and Communication Channel-

<i>Category/Method</i>	<i>Procurement Thresholds</i>	<i>Procurement Roadmap</i>	<i>Review Type</i>	<i>Reviewing Authority</i>	<i>Maximum allowed to complete the review</i>	<i>Documents to be verified (Including but not limited to)</i>	<i>Remarks</i>
Works/ Goods							
RFQ	< 100K USD		Post	On sample basis once every six months by DPMU/SPMU teams.	NA	Project Form, DPC Approval details, ESMF document, Request for quotation, DPR, specific procurement notice, invitation to contractor/ supplier, amendments to RFQ if any, quotation received, comparison statement, administrative sanction, notification of award, signed contract.	World Bank may additionally sample such procurement packages for its Procurement Post Review.

*The above review mechanism is applicable to Procurement of goods through GEM portal, all procurement made against the framework agreement (Rate Contract) established by SPMU and direct contract. SPMU will manage the STEP system on behalf of ULBs for activities above 10k USD. ULB-PIU will share documents to DPMU for uploading on STEP system.

<i>Category/ Method</i>	<i>Procurement Thresholds</i>	<i>Procurement Roadmap</i>	<i>Review Type</i>	<i>Reviewing Authority</i>	<i>Maximum allowed to complete the review</i>	<i>Documents to be verified (Including but not limited to)</i>	<i>Remarks</i>
RFB (Open-Na tional)	≥ 100K and <500K USD For goods and works	Draft Bidding documents	prior	DPMU	3 working days	Project Form, DPC Approval details, ESMF document, Draft bidding documents prepared	World Bank may additionally sample such procurement packages for its Procurement Post Review.
		Specific Procurement Notice	No review required	NA	NA	NA	
		Amendments to Bidding documents if any	Prior	DPMU	3 working days	Draft bidding documents prepared	
		Technical bid submission/opening/minutes	No review required	NA	NA	NA	
		Evaluation of Technical proposal	Prior	DPMU	7 working days	Detailed evaluation report	
		Opening of Financial Proposal/ Minutes	No review required	NA	NA	NA	
		Bid validity Extension if any	No review required	NA	NA	NA	
		Bid evaluation report and Recommendation for award	Prior	DPMU	3 working days	Combined evaluation report	
		Notification of Award	No review required	NA	NA	NA	
		Draft Contract/ contract amendments	Prior	DPMU	3 working days	All the above documents	

Communication Channel- ULB-PIU to DPMU, Technical Service Consultant will assist ULB to complete the evaluation. SPMU will manage STEP system on behalf of ULBs. An Evaluation Committee will be constituted at district level to evaluate the reports received.

<i>Category /Method</i>	<i>Procurement Thresholds</i>	<i>Procurement Roadmap</i>	<i>Review Type</i>	<i>Reviewing Authority</i>	<i>Maximum allowed to complete the review</i>	<i>Documents to be verified (Including but not limited to)</i>	<i>Remarks</i>
RFB (Open-National)	500K < 10 Million USD for works, 500K < 2 Million USD for Goods	Draft Bidding documents	prior	SPMU	7 working days	Project Form, DPC Approval details, ESMF document, Draft bidding documents prepared	World Bank may additionally sample such procurement packages for its Procurement Post Review.
		Specific Procurement Notice	No review required	NA	NA	NA	
		Amendments to Bidding documents if any	Prior	SPMU	3 working days	Draft bidding documents prepared	
		Technical bid submission/opening/minutes	No review required	NA	NA	NA	
		Evaluation of Technical proposal	Prior	SPMU	7 working days	Detailed evaluation report	
		Opening of Financial Proposal/ Minutes	No review required	NA	NA	NA	
		Bid validity Extension if any	No review required	NA	NA	NA	
		Bid evaluation report and Recommendation for award	Prior	SPMU	3 working days	Combined evaluation report	
		Notification of Award	No review required	NA	NA	NA	
		Draft Contract/ contract amendments	Prior	SPMU	3 working days	All the above documents	

Communication channel- ULB PIU to DPMU- DPMU will verify the documents submitted and send to SPMU within 5 working days- SPMU will complete the review and send back to ULB- PIU and inform DPMU. SPMU will manage STEP system on behalf of ULB. An Evaluation Committee will be constituted at State level to evaluate the reports.

<i>Category/ Method</i>	<i>Procurement Thresholds</i>	<i>Procurement Roadmap</i>	<i>Review Type</i>	<i>Reviewing Authority</i>	<i>Maximum allowed to complete the review</i>	<i>Documents to be verified</i>	<i>Remarks</i>
RFB (Open-National)	> 10 Million for works > 2 million USD for Goods	Draft Bidding documents	prior	WB	NA	Project Form, DPC Approval details, ESMF document, Draft bidding documents prepared	
		Specific Procurement Notice	No review required	WB	NA	NA	
		Amendments to Bidding documents if any	Prior	WB	NA	Draft bidding documents prepared	
		Technical bid submission/opening/minutes	No review required	NA	NA	NA	
		Evaluation of Technical proposal	Prior	WB	NA	Detailed evaluation report	
		Opening of Financial Proposal/ Minutes	No review required	NA	NA	NA	
		Bid validity Extension if any	No review required	WB	NA	NA	
		Bid evaluation report and Recommendation for award	Prior	WB	NA	Combined evaluation report	
		Notification of Award	No review required	NA	NA	NA	

		Draft Contract/ contract amendments	Prior	WB	NA	Draft Contract	
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Communication channel- ULB PIU to DPMU- DPMU will verify the documents submitted and send to SPMU within 5 working days-SPMU will verify the documents and send to WB within 5 days for review. WB will complete the review and send back to SPMU, SPMU will send to ULB- PIU and inform DPMU. SPMU will manage STEP system on behalf of ULB. An Evaluation Committee will be constituted to evaluate reports.

Review of contracts by World Bank

Based on the thresholds given above, the World Bank will conduct review of all procurement contracts undertaken in the project. In case of contracts subject to prior review of WB, Implementing agencies will seek the World Bank's no objection before granting/ agreeing to: (a) an extension of the stipulated time for performance of a contract that either increases the contract price or has an impact on the planned completion of the project; (b) any substantial modification of the scope of works, goods, IT system; non-consulting services; or consulting services and other significant changes to the terms and conditions of the contract; (c) any variation order or amendment (except in cases of extreme urgency) that, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than 15 percent; and (d) the proposed termination of the contract. Complaints received in all prior review cases shall be sent to World Bank's for review, and the response to the complaint in such cases shall be cleared with the World Bank's. Complaints with allegations of fraud and corruption shall be shared with the World Bank's, irrespective of the thresholds. All contracts not covered under prior review by the World Bank will be subject to post review. The World Bank will conduct post review of contracts during implementation support missions and/or special post review missions, including missions by consultants hired by the Bank

State Level

- The review of procurement activities undertaken by ULBs (PIUs) shall be as mentioned above.

- The procurement plan and procurement activity schedule prepared by SPMU/ DPMU and PIUs shall be submitted to the World Bank for review and clearance through STEP.. All procurements in the project will be carried out as per the agreed procurement plan. For procurement of goods and works where contract value does not exceed 10 K USD, clearance through STEP system is not required.

District Level

- Collate procurement related information from PIUs and provide status of procurement activities undertaken by PIUs to SPMU as and when required in the project.
- Conduct prior review and post review as mentioned above.
- Ensure all procurement related records including procurement related complaints are properly maintained and retrieve within reasonable time for review or audit by the World Bank or its appointed auditors

City Level

- The PIU team at ULB level with the support of TSC, will be responsible for handling procurement activities undertaken by the participating ULBs. For any handholding support on procurement activities, ULBs will reach out to their respective DPMU.

Resolution of Procurement Related Complaints

BUSINESS STANDARDS FOR PROCUREMENT RELATED COMPLAINTS

Process step	Responsible Entity	Timeframe
Complaints challenging the terms of prequalification / initial selection documents, request for bids/ request for proposals documents, or any other IA document requesting Bids/Proposals or Applications	Potential Bidders/ Proposers/ Consultants	Complaints shall be submitted at least ten (10) Business Days prior to the deadline for submission of Applications/ Bids/Proposals ULBs shall respond not later than seven (7) Business Days from the date of receipt of complaint.
Notify Applicant/ Bidder/ Proposer/ Consultant of the basis for exclusion from consideration for a contract; rejection of Bid submitted; or intention to award.	ULB for WB Post Review Cases after receiving SPMU clearance. ULB for WB Prior Review Cases after receiving Bank clearance through STEP system.	The timeframe will be specified in the respective documents governing the procurement process. As a general matter, notification should take place promptly after the IA has made the relevant determination. Upon receipt a Complaint challenging the above determination, the Borrower shall respond to the complainant not later than seven (7) Business Days after the receipt of complaint.

Complaints following transmission of the notification of the intention to award the contract shall be submitted to the ULBs within the Standstill Period.		Complaints should be submitted within the Standstill Period. The ULBs shall respond not later than 15 Business Days from the date of receipt of Complaint
Request for debriefing.	Bidder/ Proposer/ Consultant	Within three (3) Business Days from the receipt of the ULBs/DPMU notification of the intention to award the contract.
Conduct debriefing when requested in a timely manner.	ULBs	The ULBs/DPMU shall hold the debriefing within five (5) Business Days of receipt of the request. For all other requests for debriefing, the ULBs/DPMU shall hold debriefing not later than fifteen (15) Business Days from the date of publication of public notice of award of contract.
Acknowledge receipt of Complaint	ULBs	Within three (3) Business Days from the date of receipt of the Complaint
Forward complaint to the SPMU, if Complaint is submitted only to the Bank	WB	Within three (3) Business Days from the date of receipt of the Complaint
Forward Complaint to the Bank, along with all relevant information and documentation.	SPMU	As soon as possible after receipt of Complaint