

Overall Duration		1 hour
Total Number of Slides		22
Plan for Practical Exercises	No.	0
	Duration	
	Timing within Presentation	
Reference Material		Extracts from PPA and PPR

Slide Headings	Bullet Points	Key Messages	Time (min)
1. Title Slide	<p><u>(3C) Procurement Plan</u> <i>Presentation for LRN Training</i> Presenter's Name Date of Presentation</p>	Presenter introduces themselves and the module – 'Procurement Plan'	1
2. Module Contents	<ul style="list-style-type: none"> • Requirements for Planning • Roles & Responsibilities • Implementation Modalities • Packaging • Timing / Scheduling 	<ul style="list-style-type: none"> • Module contents as per list on slide • Requirements for planning – prevailing procurement act/rules require every public entity to prepare a procurement plan on yearly basis (APP) as well as on full project period basis (MPP) • Roles and responsibilities – Who's responsible for what? – DTA, DDC/DTO, TMO • Implementation modalities – How the various nature of works under RAP3 is implemented – direct thru RAP or through DDF funding • Packaging – principles governing packaging – best value for money, fair and wider competition, not to split into small slices to avoid tendering, timing and location factors • Timing / scheduling – early planning to procure goods, services or works so that main working season could be fully utilised, also take into account of end of fiscal year 	3

Slide Headings	Bullet Points	Key Messages	Time (min)
3. Procurement Planning	Start of new section (sub-title slide)	Introduce new section – 'Procurement Planning'	1
4. Requirements for Procurement Plan	<ul style="list-style-type: none"> • Procurement Plans to be Prepared (ACT Section 6): • Master Procurement Plan <ul style="list-style-type: none"> ○ For project or plan > 1 year, or ○ Procurement valued at > NRs 100,000,000 • Annual Procurement Plan <ul style="list-style-type: none"> ○ For procurement valued > NRs 1,000,000 ○ Estimated annual programme & budget ○ Based on the Master Procurement Plan (if any) 	<ul style="list-style-type: none"> • Why procurement plan needs to be prepared? – Procurement plan is prepared with a view to carrying out all procurement related activities in a systematic manner so that no delays will occur during project implementation as a result of procurement • And what are the legal requirements in respect of procurement planning? • Master Procurement Plan – for a project spanning over more than 1 year and for project of value more than NRs 100,000,000 • Annual Procurement Plan – for procurement valued more than NRs 1,000,000, to be matched with annual programme and to be based on Master Procurement Plan. • What is meant by master and annual procurement plan? • MPP – Plan covering the entire period of a project and for value > 100 millions • APP – Plan for a specific year in line with annual programme and budget 	3
5. Master Plan	<ul style="list-style-type: none"> • Master Procurement Plan (PP Rule 7) includes: <ul style="list-style-type: none"> ○ Type, quantity, tentative estimate ○ Method of procurement ○ Packages for maximising competition ○ Tentative number of contracts ○ Prequalification details (if required) ○ Time Schedule for procurement (tentative) ○ Any special requirements notified by PPMO 	<p><u>Master Procurement Plan</u></p> <ul style="list-style-type: none"> • Overall planning of procurement of all goods, services and works for the entire period of a project or programme • Type, quantity, method, packages/contracts and time schedule are the requisite features to be outlined in the master procurement plan • Other features as listed on the slide 	3

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6. Annual Plan	<ul style="list-style-type: none"> • Annual Procurement Plan (PP Rule 8) <ul style="list-style-type: none"> ○ Type of Procurement (description) ○ Packaging (if any) ○ Time Schedule / Programme (see next slide in detail) ○ Method of procurement ○ Type of Contract ○ Any special requirements notified by PPMO 	<p><u>Annual Procurement Plan</u></p> <ul style="list-style-type: none"> • The procurement plan for a specific year with more detailing of procurement • Features as per list on slide 	3
7. Time Schedule	<ul style="list-style-type: none"> • Annual Procurement Plan Schedule / Programme covering timing of (Rule 8(3)): <ul style="list-style-type: none"> ○ Preparation of Specification (for Goods) ○ Cost Estimate ○ Standard forms and formats ○ Publication of Notices ○ Evaluation of Bids ○ Acceptance of Bids ○ Entering into Contract ○ Commencement of work ○ Completion of Work 	<p><u>Annual Procurement Schedule</u></p> <ul style="list-style-type: none"> • Scheduling and sequencing of each individual procurement activities corresponding to each type/package/contracts of procurement from initiation to completion of the contracts • Covers scheduling of items as per list on slide 	3
8. Roles and Responsibilities	Start of new section (sub-title slide)	Introduce new section – ‘Roles and Responsibilities’	1
9. Tripartite Agreement	<ul style="list-style-type: none"> • Between DDC, RAP3, and DoLIDAR • Establishes the ‘principles for cooperation’ • Maintenance thru DDF Imps & New thru RAP3 ‘Managed Fund’ • DDF disbursements in accordance with ‘RAP3 Project Fund Flow Mechanism’ • Provides for the appointment of a Consultant • Requires that all procurements follow RAP3 procedures and that before <u>any</u> contract signing: <ul style="list-style-type: none"> ○ ‘DDC will seek a no objection letter (NoL) from RAP3’s Central office’ 	<p><u>Procurement Arrangement Stated in Tripartite Agreement</u></p> <ul style="list-style-type: none"> • Roles and Responsibilities of DDC and RAP (DTA and TMO) with regard to various procurement categories under RAP3 • Procurement procedures under DDF funding and direct funding • Before any contracts are signed a Non-Objection Letter (NoL) must be prepared by RAP3 TMO • NoL is an extra mechanism used by RAP3 to assure DFID (donor) of DDF accountability / transparency 	3

Slide Headings	Bullet Points	Key Messages	Time (min)
10. RAP3 Fund Flow Mechanism – Key Responsibilities	<ul style="list-style-type: none"> • DDC/DTO <ul style="list-style-type: none"> ○ Initiate and carry out hiring and procurement process and seek no objection letter from RAP3 centre and sign the contracts. Send a set of signed contract documents to RAP3 Centre/Coordinator • RAP3 DTL (with Support Consultant) <ul style="list-style-type: none"> ○ Support preparation of bid documents, involved in bid evaluation as an invitee member of bid evaluation committee, and supports the contract administration • RAP3 Centre <ul style="list-style-type: none"> ○ Monitor, support, guide DTLs/DDC/DTO to carry out technical audit of hiring process 	<ul style="list-style-type: none"> • RAP3 Fund Flow Mechanism and Roles/Responsibilities for <ol style="list-style-type: none"> 1. DDC/DTO, 2. RAP3 DTL, and 3. RAP3 Centre • As per slide 	4
11. Choice of Implementation Modality	Start of new section (sub-title slide)	Introduce new section – ‘Choice of Implementation Modality’	1
12. Types of Procurement	<ul style="list-style-type: none"> • Works <ul style="list-style-type: none"> ○ Contractors ○ User Committees ○ Road Maintenance groups ○ Road Building Groups • Goods <ul style="list-style-type: none"> ○ Materials ○ Tools & Equipment • Services <ul style="list-style-type: none"> ○ Consultants (rarely procured by DDC) 	<ul style="list-style-type: none"> • Three categories of procurement; works, goods, and services • List on slide clarify what comes under each category in the context of RAP3 	3
13. Choice of Works Modality	Table	<p><u>Choices on Procurement of Works in RAP3</u></p> <ul style="list-style-type: none"> • Table describes suitability of different works modality for certain types of work and provides remarks on the process of using such works modalities • Modality to be decided in line with Programme’s principle and objectives 	4

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	<table border="1"> <thead> <tr> <th>Works Modality</th> <th>Suitability</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Contractors</td> <td>Works and all types of maintenance</td> <td>Open procurement procedures often slow, Can use heavy equipment, Procure own materials, Can prequalify (>NRs 6M)</td> </tr> <tr> <td>User Committees</td> <td>Labour-based works, Medium maintenance (e.g. Specific)</td> <td>Engagement usually quicker, System often abused (e.g. subcontracting / use of heavy equipment), DDC should centrally procure tools and commercial materials (e.g. Gabions)</td> </tr> <tr> <td>Road Building Groups (RBG)</td> <td>Labour-based new road construction</td> <td>Modified 'user committee' style approach used by RAP, High labour generation, Can be environmentally sensitive</td> </tr> <tr> <td>Road Maintenance Groups (RMG)</td> <td>Labour-based routine & recurrent maintenance</td> <td>Modified 'user committee' style approach being Piloted by RAP3 and SNRTP, Continuous road care (incl. monsoon), DDC should centrally procure tools</td> </tr> </tbody> </table>	Works Modality	Suitability	Remarks	Contractors	Works and all types of maintenance	Open procurement procedures often slow, Can use heavy equipment, Procure own materials, Can prequalify (>NRs 6M)	User Committees	Labour-based works, Medium maintenance (e.g. Specific)	Engagement usually quicker, System often abused (e.g. subcontracting / use of heavy equipment), DDC should centrally procure tools and commercial materials (e.g. Gabions)	Road Building Groups (RBG)	Labour-based new road construction	Modified 'user committee' style approach used by RAP, High labour generation, Can be environmentally sensitive	Road Maintenance Groups (RMG)	Labour-based routine & recurrent maintenance	Modified 'user committee' style approach being Piloted by RAP3 and SNRTP, Continuous road care (incl. monsoon), DDC should centrally procure tools	<ul style="list-style-type: none"> • Larger value and technically complex works (maintenance and improvement) mostly to be carried out thru contractors • Routine/Recurrent maintenance by RMGs • Small value specific maintenance requiring high labour input to be implemented by UCs • New construction works mostly by RBGs 	
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<p>14. Contract Methods - Works</p>	<ul style="list-style-type: none"> • Procurement Categories for Works <ul style="list-style-type: none"> ○ >NRs 6M – Unit Rate Contract using PPMO NCB with advertisement in National Press (30 days) + pre-qualification criteria ○ NRs 2M – 6M – Unit Rate Contract as above but no prequalification criteria ○ NRs 0.5M – 2M – Sealed quotation (15 days) ○ < NRs 0.5M – Direct Purchase (3 quotations as extended by RAP3) 	<p><u>Contract Methods for Works</u></p> <ul style="list-style-type: none"> • Procurement process and bidding document varies according to value range of works • Requirement of prequalification for works of value > 6 M • All categories should follow unit rate contracting procedures 	<p>3</p>															
<p>15. User Committee – Works Arrangements</p>	<ul style="list-style-type: none"> • Procedures for procurement through UCs (PP Rule 97) <ul style="list-style-type: none"> ○ Cost estimate must be < NRs 6M ○ Public Entity may solicit proposals stating UC's contribution • Negotiated Contract to contain: <ul style="list-style-type: none"> ○ Nature, quantity, cost estimate, duration & UC contribution ○ Public Entity to design, estimate, provide technical support, measurement, supervision and quality control ○ UC and Public Entity must participate ○ UC responsible for operation and repair ○ Details of any advance 	<p><u>User Committee Approach of Construction</u></p> <ul style="list-style-type: none"> • Cost to be < 6 M • UC needs to have willingness to participate and there must be UC contribution • Technical support to be provided by public entity • UC's responsibility for operation and repair • Contract with UC must contain features as per list on slide 	<p>3</p>															

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	<ul style="list-style-type: none"> ○ Terms and mode of payment 		
16. User Committee – Special Provisions	<ul style="list-style-type: none"> ● Advance Payment <ul style="list-style-type: none"> ○ Not more than 1/3rd of Contract ○ To be repaid prior to final Bill ● Must submit proper details of all expenses ● UC shall make details of all payments public ● UC may employ technician ● <u>Heavy machines shall not be used</u> (Rule 97(9)) ● <u>No subcontracting is permitted</u> (Rule 97(10)) ● Public Entity to check the work for technical soundness ● Public Entity to certify Completion ● UC to repay any amounts wrongfully received 	<u>Special Provisions for Works thru UC</u> <ul style="list-style-type: none"> ● Fully labour-based no “Machines” ● No subcontracting ● Transparency – payment to be made public ● UC must submit proper details of all expenses ● Others as per list on slide 	3
17. Contract Methods - Goods	<ul style="list-style-type: none"> ● Procurement Categories for Goods <ul style="list-style-type: none"> ○ >NRs 1M – Unit Rate Contract using PPMO NCB with advertisement in National Press (30 days) ○ NRs 0.3M – 1M – Sealed quotation (15 days) ○ < NRs 0.3M – Direct Purchase (3 quotations as extended by RAP3) 	<u>Goods Contract Methods</u> <ul style="list-style-type: none"> ● Procurement process and documents vary according the value of goods to be procured ● Unit rate contract procedures for all categories as per list on slide 	2
18. Packaging	Start of new section (sub-title slide)	Introduce new section – ‘Packaging’	1
19. Rules on Packaging	<ul style="list-style-type: none"> ● Objective should be to maximise competition (Rule 7(2)c) <ul style="list-style-type: none"> ○ Don’t combine unrelated goods categories ○ Cluster geographically for efficiency ○ Target bidders of intended competence ● Procurements must not be ‘sliced’ merely to avoid a procurement threshold rule or to avoid competitive tendering (e.g. subdividing to achieve multiple direct procurement packages), i.e. <i>‘procurement shall not be made in piecemeal as to limit competition’</i> (Act Section 8(2)) 	<u>Rules for Packaging</u> <ul style="list-style-type: none"> ● Not to be sliced so as to avoid competitive bidding ● Similar and related goods to be in the same category ● Packaging based on the geographical cluster increase competitive advantage 	2
20. Timing	Start of new section (sub-title slide)	Introduce new section – ‘Timing’	1

Slide Headings	Bullet Points	Key Messages	Time (min)
21. Time Schedule	<ul style="list-style-type: none"> • Target maximum use of available season – ‘start early’ • Note GoN financial year / preclusion on carry-over • Monsoon and festival periods • Special demands e.g. emergency maintenance peak following monsoon • Nature of works (e.g. continuous routine maintenance or one-off intervention) 	<p><u>Time Schedule and Timing</u></p> <ul style="list-style-type: none"> • Start early – make sure that works are underway in time to avoid the difficult working periods in the year; monsoon and winter in mountainous regions • Provide allowances for festivals and monsoon • Planning must take into account project’s need – emergency need, peak demand etc., example as given on slide • Consider GoN financial year and provisions for multi-year contracts and disbursements 	2
22. End	End of Presentation	10 minutes are allowed at the end of the presentation for questions	10