

**Procurement Support Services  
For  
Japanese ODA Loan Projects  
(Countries other than  
Southeast Asian Region)**

**Annual Report FY 2013**

**March 2014**

**Japan International Cooperation Agency**

**Global Group 21 Japan, Inc.**

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### List of Acronyms and Abbreviations

EOI	Expression of Interest
GG21	Global Group 21 Japan, Inc.
JICA	Japan International Cooperation Agency
LOI	Letter of Invitation
ODA	Official Development Assistance
PMU	Project Management Unit
PQ	Prequalification
QBS	Quality Based Selection
QCBS	Quality- and Cost-based Selection
RFP	Request for Proposals
TOR	Terms of Reference

## 1. Introduction

### 1.1 Background

The Japan International Cooperation Agency (JICA) has been providing procurement support services since 2009 to ensure the impartiality and transparency of the consultant selection process and help Borrowers and/or Executing Agencies of Japanese Official Development Assistance (ODA) loans accelerate this process. In June 2011, Global Group 21 Japan, Inc. (GG21) was contracted to perform these services from June 2011 to March 2014. Under the contract, services are targeted mainly to projects whose estimated consulting cost exceeds 500 million yen. GG21 aims to assist Borrowers and/or Executing Agencies of JICA ODA loans by a) explaining the Guidelines for the Employment of Consultants under Japanese ODA Loans (Consultant Guidelines), b) supporting the preparation of Requests for Proposals (RFP), and c) providing guidance on the technical and financial evaluation of consultant proposals.

### 1.2 Procurement Specialist Terms of Reference (TOR)

Procurement Specialists engaged under the contract between JICA and GG21 are responsible for the following functions:

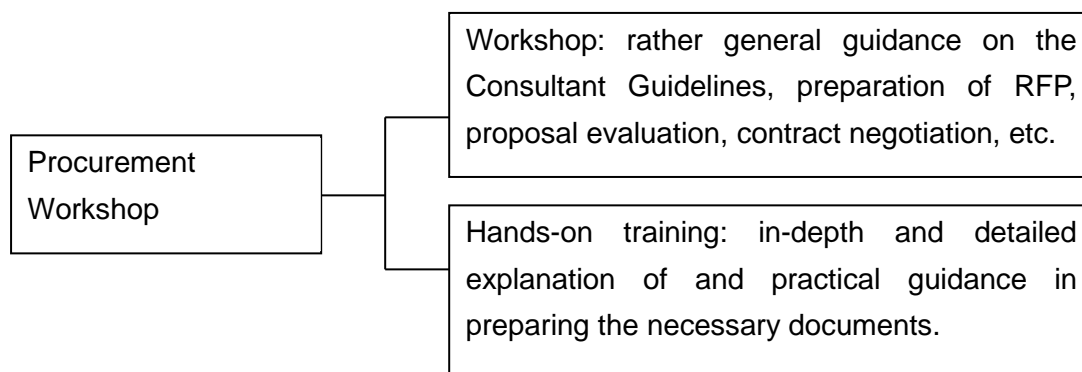
- ◆ drawing up a brief inception report describing the implementation strategy and assignment plan;
- ◆ organizing an interactive procurement workshop for involved Executing Agency staff;
- ◆ assisting the Executing Agency in evaluating consulting service providers and planning its evaluation of consulting service proposals;
- ◆ submitting a field operation report to JICA following the mission highlighting the project's achievements and the Executing Agency's and JICA's outstanding actions and presenting a risk assessment for the procurement process; and
- ◆ submitting an annual report to JICA at the end of every fiscal year.

This report highlights the main activities of the third fiscal year—from April 2013 to March 2014—and suggests ways to accelerate the consultant selection process.

### 1.3 Composition of Procurement Workshop

The procurement workshop organized during the field operation consisted of two parts: (1) a workshop on the Consultant Guidelines and an explanation of the consultant selection procedures and documents; (2) hands-on training in preparing the documents used in the consultant selection process, such as the Short List, RFP and Evaluation Reports, with in-depth explanations of each.

Usually, a half- or whole-day workshop session was followed by two to four days of hands-on training. The length of each training component depended on the needs of the Executing Agencies and the situation of each project.



## 2. Highlights of activities during the third year of service

### 2.1 Conducted Field Operations

Field operations were conducted for 19 projects in 11 countries and involved six procurement specialists, as shown in Table 1.

The field operations featured interactive workshops on the Consultant Guidelines and hands-on training in preparing documents such as the RFP and/or the proposal evaluation report.

A summary of the questions and responses raised during the workshops was included in each field operation report. The main issues discussed in each field operation are summarized below. The first two summaries, for India and Guatemala, involve two field operations conducted in March 2013 that were not included in the Annual Report for FY2012. A summary of the second field operation, conducted in Guatemala in FY2013, is presented as well.

Table 1: Missions Conducted during FY2013

Project Name	Country	Mission No. and objective		From	To	No.of Countries	No.of Projects
West Bengal Water Supply Project (Puluria)	India	1st	RFP	2013/3/16	2013/3/26	1	1
ZONAPAZ Road Improvement Project (II)	Guatemala	1st	RFP	2013/3/10	2013/3/17	1	1
ZONAPAZ Road Improvement Project (II)	Guatemala	2nd	PEV	2013/11/23	2013/12/2	1	1
Project for Improvement of Medical Care Service	Moldova	1st	RFP	2013/4/13	2013/4/21	1	1
Navoi Thermal Power Station Modernization Project	Uzbekistan	1st	RFP	2013/4/7	2013/4/13	1	1
		2nd	PEV	2013/7/28	2013/8/3		
Solid Waste Management Project	Peru	1st	RFP	2013/4/30	2013/5/24	1	1
North Lima Water Supply and Sewerage Optimization Project (II)		1st	RFP	2013/4/30	2013/5/24		1
		2nd	PEV	2013/11/17	2013/12/1		
Amazonas Rural Development Project		1st	RFP	2013/4/30	2013/5/24		1
		2nd	PEV	2013/11/17	2013/12/1		
Sierra Small and Medium Irrigation Project		1st	PEV	2013/11/17	2013/12/1		1
Energy Renovation Infrastructure AssistanceProgram		1st	PEV	2013/11/17	2013/12/1		1
Eastern Region Export Corridor Improvement Project		Paraguay	1st	RFP	2013/5/18	2013/5/24	1
Small Scale Irrigation Development Project	Tanzania	1st	RFP	2013/4/25	2013/6/2	1	1
		2nd	PEV	2013/8/31	2013/9/8		
Private Investment Credit Project	Tunizia	1st	RFP	2013/6/18	2013/7/7	1	1
Local Cities Water Environment Improvement Project		1st	PEV	2013/6/18	2013/7/7		1
Mejerda River Flood Control Project		1st	PEV	2013/6/18	2013/7/7		1
Landslide Disaster Protection Project of the National Road Network	Sri Lanka	1st	RFP	2013/6/12	2013/6/18	1	1
Maputo Gas Fired Combined Cycle Power Plant Development Projec	Mozambique	1st	RFP	2013/8/31	2013/9/8	1	1
Nakala Port Development Project Phase I		1st	RFP	2013/12/2	2013/12/8	1	1
Mandimba-Lichinga Road Upgrading Project		1st	PEV	2014/3/1	2014/3/9		1
Water Supply System Development Project in Santiago Island	Cape Verde	1st	RFP	2013/10/24	2013/11/7	1	1
		2nd	PEV	2014/2/28	2014/3/9		
Port Sector Rehabilitation Project (II)	Iraque	2nd	PEV	2014/1/18	2014/1/24		1
TOTAL						11	19

RFP: Assistance for RFP prep. PEV: Assistance for Proposal Evaluation

## 2.2 India

### **West Bengal Piped Water Supply Project (Purulia)**

This project involves constructing water supply facilities, building the institutional capacity of the Water Supply and Sanitation Organization (WSSO), and implementing Information, Education and Communication (IEC)/Human Resource Development (HRD) programs as well as consulting services for monitoring and supervision.

The Executing Agency is the Public Health Engineering Department of the Government of West Bengal (hereafter “PHED” or the “Executing Agency”).

Because (a) the JICA has never extended an ODA Loan to PHED and (b) this was the first field operation for Procurement Supporting Services, the Procurement Specialist addressed the Consultant Guidelines and RFP preparation, including an explanation of proposal evaluation.

The workshop was conducted in the following manner:

[The explanation of the Consultant Guidelines]

The Procurement Specialist explained the main points of the Consultant Guidelines relevant to consultant selection and RFP preparation by showing a PowerPoint presentation on the documents. Participants then engaged in a question-and-answer session on the Guidelines.

[The explanation of RFP]

First, the Procurement Specialist explained the purpose and contents of an RFP using a PowerPoint presentation. Afterwards, the Procurement Specialist explained RFPs in more detail by showing the documents included in RFPs (i.e., Letter of Invitation, Data Sheet for Instruction to Consultant, TOR for consulting services, and Special Conditions of Contract). Most participant questions were about the Data Sheet for Instruction to Consultants. At the end of the workshop, the Procurement Specialist asked one of the participants to prepare a first draft of an RFP, which would be discussed on the following days.

[Discussion of RFP]

A hands-on training session on RFP preparation occurred based on the draft RFP prepared by the participants. The draft RFP was revised in accordance with the discussion results. The PHED agreed to complete the final RFP based on the revised draft. The Procurement Specialist also reviewed and made suggestions about the EOI documents.

[Confirmation of schedule]

In the wrap-up meeting, the Procurement Specialist and PHED staff member confirmed the target schedule for consultant selection, from RFP submission to the JICA to the JICA’s concurrence with the contract.

Finalizing the TOR and EOI procedures was needed before the RFP could be completed because the PHED intended to elaborate the TOR that had been agreed at the time of project appraisal.

## 2.3 Guatemala

### **ZONAPAZ Road Improvement Project (II): First Field Operation**

This project consists of

- a) Construction and upgrading of two-lane arterial road and bridges on (i) Quiche Route, Playa Grande, Chicaman (141 km), and (ii) Alta Verapaz Route, Pajal, Cahabon (40 km), and
- b) Consulting on a detailed design for road slope protection, tender assistance, and project supervision.

The Executing Agency is the *Ministerio de Comunicaciones, Infraestructura y Vivienda* (Ministry

of Communication, Infrastructure, and Housing, hereafter the “Executing Agency” or “MCIV”), and the department in charge is the *Dirección General de Caminos* (Directorate General of Roads, or “DGC”).

#### (1) First Field Operation

Three years after the December 2009 appraisal, a Loan Agreement was signed on November 6, 2012. The DGC forwarded a draft RFP to the JICA for preliminary checking, and the JICA’s comments were sent to the DGC/MCIV on March 12, 2013. The Procurement Specialist was dispatched to help the DGC (1) complete the RFP and (2) establish criteria for proposal evaluation.

The workshop was conducted in the following manner:

##### [Completing the RFP]

Nearly forty (40) comments were made by the JICA on the RFP. The Procurement Specialist explained the comments to the DGC by referring to relevant sections of the Consultant Guidelines and Standard RFP. Most of the JICA’s comments were understood by the DGC, and the RFP was revised accordingly. Nevertheless, the DGC wished to maintain a few of their positions, such as performance security for consulting services and the imposition of fines, to comply with Guatemala’s laws and regulations. Guatemala’s laws and regulations were explained to the JICA in order to maintain the RFP’s contract conditions as initially drafted.

##### [Proposal Evaluation Criteria]

The Procurement Specialist made a presentation about evaluation methodology based on JICA’s Guide for Evaluation Procedures for Employment of Consultants under the Japanese ODA Loans. After this presentation, participants discussed the grading for each criterion/sub-criterion shown in the Data Sheet (DS) and their specific requirements. Harmonizing the minimum technical score required to pass (75%) with the average grade was another important topic of discussion. Several amendments were made to the criteria/sub-criteria and the scoring system, such as (1) including experiences in Japanese ODA projects in the evaluation criteria, (2) evaluating key staff using three sub-criteria, and (3) defining the “average” grade as 75%.

##### [Confirmation of schedule]

Participants developed a time schedule for project implementation, focusing on the period up to signing contracts with the contractors.

##### [Suggestions and recommendations]

The DGC’s most critical task was completing the RFP to reflect the JICA’s comments after its preliminary check and issuing the RFP to short-listed consultants as quickly as possible. In the meantime, the evaluation committee members were being appointed while the consultants were preparing their proposals.

#### (2) Second Field Operation

The completed draft RFP was submitted to the JICA’s Guatemala Office for review and concurrence after the completion of the first field operation. After the JICA’s concurrence, the RFP was sent to the three shortlisted consultants, and the closing date was set for December 9, 2013. Thus, the Procurement Specialist was dispatched to help the Executing Agency prepare for the proposal evaluation and contract negotiation.

The workshop was conducted in the following manner:

##### [Explanation of proposal evaluation]

The Procurement Specialist explained the proposal evaluation method (i.e., evaluation of technical proposal, evaluation of financial proposal, and ranking consultants by combining the results of the technical and financial evaluations) using a PowerPoint presentation.

##### [Discussion and definition of grades]

Because the Executing Agency has already developed detailed evaluation criteria, including a definition of RFP grades, the Procurement Specialist reviewed the detailed evaluation criteria with the workshop participants and also explained the grade definitions to ensure that the evaluation committee candidates had a common understanding and could conduct a fair evaluation.

[Preparation of evaluation report]

The Procurement Specialist explained the contents of and necessary information for evaluation reports (both the technical evaluation report and the final evaluation report showing the financial evaluation results and the consultant rankings) using the World Bank's evaluation report template as a sample, as the JICA's evaluation report form was not available.

[Contract negotiation]

The Procurement Specialist explained the contract negotiation, stressing what could be negotiated and what could not, through a PowerPoint presentation.

[Confirmation of schedule]

In the wrap-up meeting, the Procurement Specialist and Executing Agency staff member confirmed the consultant selection target schedule, from evaluation report preparation to the JICA's concurrence with the contract.

## 2.4 Moldova

### **Project for Improvement of Medical Care Service**

This project involves procuring equipment and consulting services for supervision, assistance in operational development and maintenance (O/M), and training.

The Executing Agency is the Ministry of Health of the Republic of Moldova (MoH, or "the Executing Agency").

Because (a) the JICA has never extended an ODA Loan to MoH and (b) this was the first field operation for procurement supporting services, the Procurement Specialist covered the Consultant Guidelines, RFP preparation, and proposal evaluation.

The workshop was conducted in the following manner:

[Discussion of TOR of consulting services]

The Procurement Specialist and the MoH discussed the TOR for consulting services, among other RFP documents, because the agreed TOR for consulting services at the time of appraisal was an itemized outline and needed to be elaborated to enable the consultants to prepare quality proposals. The Procurement Specialist suggested revisions/supplements to the original TOR.

[Explanation of the Consultant Guidelines]

The Procurement Specialist explained the main points of the Consultant Guidelines relevant to the selection of consultants and RFP preparation using a PowerPoint presentation. Participants engaged in a question-and-answer session on the Consultant Guidelines.

[Explanation of RFP]

The Procurement Specialist explained the purpose and contents of the RFP using a PowerPoint presentation. Afterwards, the Procurement Specialist explained the RFP in more detail by showing its documents (i.e., Letter of Invitation, Data Sheet for Instruction to Consultant, TOR for consulting services, and Special Conditions of Contract). Most participant questions concerned the Data Sheet for Instruction to Consultants and the Special Conditions of Contract.

[Explanation of proposal evaluation]

Because MoH staff members had a basic understanding of procurement for donor-assisted projects and could understand the RFP contents relatively easily, the Procurement Specialist also covered proposal methods and evaluation report preparation.

[Confirmation of schedule]

The JICA and MoH discussed the schedule for signing the project's Loan Agreement as well as the consultant selection target schedule, from RFP submission to the JICA's concurrence with a contract.

[Suggestions and/or recommendations]

The MoH needed to elaborate the TOR for consulting services in parallel with RFP preparation in the field operation. This elaboration might take time because it is not a fine-tuning but, rather, a substantial one. As clear TOR are essential for quality proposals, it is recommended to finalize a detailed text for the consulting services TOR during project appraisal.

## 2.5 Uzbekistan

### **Navoi Thermal Power Station Modernization Project**

This project involves the construction of a power generation plant, a transmission line between the power plant and the substation, and a heat supply system as well as the removal of the existing transmission lines and the construction of new ones. Also included are consulting for preparing tender documents, tendering assistance, construction supervision, and consulting on resettlement.

The Executing Agency is the State Joint Stock Company Uzbekenergo (hereafter "Uzbekenergo" or "the Executing Agency").

#### (1) First Field Operation

The first field operation was conducted in April 2013, focusing on RFP preparation.

The first field operation occurred as follows:

[Explanation of JICA Consultant Guidelines/consultant employment procedures]

The workshop, comprising two sessions, was held prior to the hands-on training sessions. The first session focused on consultant employment and then dealt with the Consultant Guidelines. The Procurement Specialist explained the main points using a PowerPoint presentation.

[Explanation of RFP]

The second session focused on RFP documents. Explanations were provided through a PowerPoint presentation on the documents included in RFPs (i.e., Letter of Invitation, Data Sheet for Instruction to Consultant, TOR for Consulting Services, and Special Conditions of Contract).

[Preparation of RFP]

Three hands-on training sessions were provided based on the draft RFP documents prepared by Uzbekenergo. During these sessions, (a) the Procurement Specialist provided comments/suggestions on Uzbekenergo's draft RFP documents using a projector; (b) comments were made item by item based on the JICA Consultant Guidelines and related documents; and (c) agreed amendments on the draft RFP were typed up and copied to Uzbekenergo for finalization.

[Confirmation of steps forward]

Much progress was made in preparing the RFP during the field operation. The outstanding issues were the following:

- (a) experts to be evaluated: Uzbekenergo was in the process of scrutinizing the number of experts to be evaluated and the necessity of evaluating Uzbek experts, taking into account the comments of the Procurement Specialist;
- (b) minimum man-months to be specified in the RFP: Uzbekenergo maintained that:
  - i) the number of man-months agreed in the appraisal minutes was intended for budget estimates and thus allowed space to prevent shortfalls; and
  - ii) although the number was stated as the "minimum" in the agreed TOR, such "space" should be removed when requesting consultants for proposal submission; and

- (c) the size of the consultant and professional liability insurance: Uzbelenergo maintained that the consultant liability specified in Paragraph 3.4 of the Special Conditions of Contract should not be capped by the amount covered by the professional liability insurance noted in Para 3.5, for which JICA's standard RFP suggested a "contract amount or JPY 300,000,000 whichever is smaller."

## (2) Second Field Operation

The second field operation was conducted in July and August 2013, focusing on (a) reconfirmation of the Consultant Guidelines and (b) consultant proposals evaluation.

The workshop was conducted in the following manner:

[The explanation of JICA Guidelines]

The Procurement Specialist explained the main points of the Consultant Guidelines relevant to consultant selection and RFP preparation by showing a PowerPoint presentation on the documents. Participants then engaged in a question-and-answer session on the Guidelines.

[Explanation of proposal evaluation]

The Procurement Specialist explained the proposal evaluation method (i.e., evaluation of technical proposal, evaluation of financial proposal, and ranking consultants by combining the results of the technical and financial evaluations) using a PowerPoint presentation..

[Discussion of grades and definition of grades]

At the beginning of the hands-on training session, the Procurement Specialist explained the evaluation process and scoring system's grades by showing sample evaluation spreadsheets. Then, the Procurement Specialist discussed the grades and their definitions for each evaluation criterion and sub-criterion. The discussion was participatory, and the participants were actively engaged. Draft evaluation spreadsheets were prepared on the basis of the discussion and suggestions.

[Preparation of evaluation report]

The Procurement Specialist explained the contents of and necessary information for evaluation reports (both the technical evaluation report and the final evaluation report showing the financial evaluation results and the consultant rankings) using the World Bank's evaluation report template as a sample, as no JICA standard form was available.

[Confirmation of steps forward]

In the wrap-up meeting, the Procurement Specialist explained the actions the Executing Agency had to take, from establishing grading criteria for the technical proposal evaluation to the contract negotiation.

## 2.6 Peru

### **Sierra Small and Medium Irrigation Project**

This project includes i) the Irrigation Infrastructure Component, comprising construction and/or improvement of canals and reservoirs in 44 subprojects and their environmental management, the formation and capacity building of water users associations, the organization of producer organizations, and the promotion of agricultural extension services; ii) the Micro-Watershed Management Component, comprising a study on micro-watersheds, the installation of meteorological and hydrological equipment, the formation and capacity building of the Micro-Watershed Management Committee; and iii) consulting services for project management and capacity building.

The Executing Agency is the *Programa de Desarrollo Productivo Agrario Rural* (AGRORURAL or "the Executing Agency").

The field operation was conducted in November 2013, focusing on the evaluation of consultant proposals.

The field operation occurred as follows:

[Explanation of JICA Consultant Guidelines/consultant employment procedures]

The workshop, comprising two sessions, was held prior to the hands-on training sessions. The first session focused on consultant employment and then dealt with the Consultant Guidelines. The Procurement Specialist explained the main points using a PowerPoint presentation.

[Evaluation of proposals and preparation of evaluation reports]

Three hands-on training sessions were provided, focusing on proposal evaluation. AGRORURAL had already issued an RFP to shortlisted consultants and was preparing replies to clarifications requested by invited consultants. Accordingly, the Procurement Specialist's explanations focused on those responses and on the proposal evaluation. The Procurement Specialist also explained how to prepare evaluation reports based on the sample forms of the technical and financial evaluation reports.

AGRORURAL staff raised many questions, which thoroughly covered the issues and procedures related to consultant selection, including corrupt/fraudulent practices, conflicts of interest, necessary JICA review and concurrence, the scoring system for technical proposal evaluation, the basic principles for preparing responses to clarification/addenda requests, opening financial proposals, financial proposal evaluations, the treatment of taxes, the transparency and accountability of evaluations, contract negotiations procedures, the composition of contract documents such as negotiation minutes, and debriefing unselected consultants.

[Explanation of Procurement Guidelines]

In the final session, at AGRORURAL's request, the Procurement Specialist followed the question-and-answer session by explaining the Procurement Guidelines and work procedures using a PowerPoint presentation prepared by the JICA.

[Confirmation of steps forward]

AGRORURAL was preparing replies to clarifications requested by the invited consultants. They were expected to finalize these replies after considering the input of the Procurement Specialist and then proceed to evaluation proposal.

### **Energy Renovation Infrastructure Assistance Program**

The program includes i) lending Japanese ODA loan proceeds from the *Pro Corporación Financiera de Desarrollo* (COFIDE) through Intermediate Financial Institutions (IFIs) as sub-loans to end-users of COFIGAS (Financed Conversion Program to Natural Gas (a program for facilitating energy conversion from gasoline or diesel to natural gas) and renewable energy and energy efficiency sub-projects; and ii) consulting and providing technical assistance towards the smooth operation of the program.

The Executing Agency is the COFIDE (COFIDE or "the Executing Agency").

The field operation was conducted in November 2013, focusing on the evaluation of consultant proposals.

The field operation occurred as follows:

[Workshop Program]

Three sessions were planned; however, due to COFIDE's scheduling constraints and given the limited number of issues to be discussed with the Procurement Specialist, the program was reduced to a meeting of a few hours at the JICA office. The time allocated to the other two sessions was reallocated to a seminar for JICA office staff.

[Consultant employment procedures]

After reviewing the progress and issues identified in the consultant employment process, the COFIDE staff, JICA Peru office staff, and the Procurement Specialist all concluded that, as only

one expert was to be employed, i) priority should be given to an earlier completion of the consultant employment; ii) the employment should be flexible to reduce the burden on both the Executing Agency and the invited consultants; iii) the RFP documents, including the COFIDE's evaluation criteria, were acceptable to the JICA.

[Preparation of evaluation report]

To ensure smooth proposal evaluations, the Procurement Specialist provided COFIDE with sample formats of both the technical and financial evaluations.

[Confirmation of steps forward]

It appeared that COFIDE would be able to complete the consultant employment process before the end of March, the target date. The only visible risk was the submission of satisfactory proposals from consultant candidates.

[Suggestions and/or recommendations]

As mentioned, it was decided that COFIDE's priority should be the early completion of the consultant employment process and that the employment process should be flexible to reduce the burden of the parties involved.

### **Solid Waste Management Project**

The project involves constructing administration buildings, access roads, sanitary landfills, and recycling plants and the provision of machinery and equipment for collection, transportation, and land fill operations. Also included are consulting for preparing tender documents, tendering assistance, construction supervision, and consulting on resettlement.

The Executing Agency is the Ministry of Environment ("MINAM," or "the Executing Agency").

The field operation was conducted in June and July 2013, focusing on the preparation of the RFP.

The field operation occurred as follows:

[Workshop program]

At the outset of the workshop, it was learnt that (a) MINAM had obtained the Consultant Guidelines' basic principles of/procedures for consultant employment during a seminar organized by the JICA Peru Office; (b) half of MINAM's workshop participants had experience in finance consulting with either the Inter-American Development Bank (IDB) or the World Bank (WB). Accordingly, it was agreed to minimize the explanations of principles/procedures and allocate more time to RFP preparation.

[Explanation of the Consultant Guidelines and RFP documents]

A half-day workshop was held focusing on (a) the changes in the 2012 revision of the Consultant Guidelines, covering corrupt /fraudulent practices, conflicts of interest, cross-debarment, necessary JICA review, and concurrence; and (b) RFP preparation, covering composition of the Standard RFP Documents, the documents that cannot be changed, the differences between QCBS and QBS, minimum man-months, and quality-cost ratio, financial proposal evaluation, and Time-Based/Lump-Sum contracts.

[Preparation of shortlist]

After the workshop, three hands-on training sessions were provided, focusing on the preparation of the documents necessary for inviting consultant proposals.

Extensive discussions occurred on the consultant shortlist. This project was to be co-financed by the IDB, and MINAM had already prepared a shortlist of slightly more than five consultants through an EOI process for the IDB portion; MINAM was wondering whether using this list for the JICA financing portion would be appropriate.

No conclusions were reached. However, based on the exchange of views during the workshop, MINAM was expected to finalize the shortlist for the JICA portion as well.

[Preparation of RFP documents]

Hands-on training for RFP preparation was provided. (a) MINAM presented their draft RFP using a projector and explained it to the Procurement Specialist; (b) the Procurement Specialist commented on it, referring to the purpose of the item, background, and related stipulations such as the Instruction to Consultant and Special Conditions of Contract; (c) discussions occurred on the comments and how to provide for each item in the RFP documents; then (d) when an agreement was reached, MINAM staff typed modifications into their RFP draft, which was presented using the projector and confirmed by all of the participants.

The drafting of RFP documents, except for the TOR and related evaluation sub-criteria, was almost completed during the training sessions.

[Confirmation of steps forward]

Substantial progress in RFP preparation was made. The outstanding issues were limited to (a) preparing a shortlist for the JICA financing portion; (b) finalizing the TOR; and (c) finalizing the evaluation criteria, including the sub-criteria, to make them consistent with the TOR.

[Suggestions and/or recommendations]

During the field operation, MINAM's adequacy in consultant employment was confirmed.

No high risks that would require the Procurement Specialist to offer extra support for consultant employment were identified, which did not negate the JICA Peru Office's need to offer MINAM daily guidance and assistance in finalizing the outstanding issues mentioned above or the potential need for the Procurement Specialist to offer support at the proposal evaluation stage.

## **North Lima Water Supply and Sewerage Optimization Project (II)**

This project involves the optimization of the water supply/sewage/business systems of the *Servicio de Agua Potable y Alcantarillado de Lima* (SEDAPAL) through a third-party advisory committee. Also included are consulting services for engineering/design/specifications, support for the preparation of tender documents and tendering, construction supervision, and preparation of environment impact studies.

The Executing Agency is the *Servicio de Agua Potable y Alcantarillado de Lima* (SEDAPAL, or "the Executing Agency").

### **(1) First Field Operation**

The first field operation was conducted in April 2013, focusing on the preparation of the RFP.

The first field operation occurred as follows:

[Workshop Program]

At the outset of the workshop, it was learnt that (a) SEDAPAL, like MINAM, had participated in the seminar organized by the JICA Peru Office on the Consultant Guidelines' basic principles of procedures for consultant employment, and that (b) SEDAPAL had experience in consultant employment following the Consultant Guidelines; however, (c) its RFP drafting was still at an early stage.

Accordingly, it was agreed to minimize the explanations of principles and procedures and allocate the remaining time to discussions on accelerating RFP preparation.

[Explanation of JICA Consultant Guidelines and RFP documents]

A workshop was held focusing on (a) the changes in the 2012 revision of the Consultant Guidelines, covering corrupt /fraudulent practices, conflicts of interest, cross-debarment, necessary JICA review, and concurrence; and (b) RFP preparation, covering composition of the Standard RFP Documents, the documents that cannot be changed, the differences between QCBS and QBS, minimum man-months, and quality-cost ratio, financial proposal evaluation, and Time-Based/Lump-Sum contracts.

[Preparation of RFP documents]

Hands-on training on RFP preparation was provided over four days. Less time was spent on RFP drafting thanks to SEDAPAL's knowledge and experience. Instead, much time was spent discussing consulting services and their management.

Regarding the evaluation criteria, the TOR, including the experts to be mobilized under each contract and their man-months, were not finalized during the workshop because SEDAPAL and the JICA were still discussing the possibility of separating the contract into "Detailed Design" and "Tendering Assistance." Thus, training on evaluation criteria and scoring system preparation was provided assuming a tentative list of experts and assignment schedule for a "Detailed Design and Tendering Assistance" contract.

[Confirmation of steps forward]

Significant progress was made in RFP preparation during the procurement support process, yet some issues remain: (a) the discussions between SEDAPAL and JICA on splitting the consultant contract must be finalized; (b) the TOR should be finalized, reflecting what is agreed about the contract issue; (c) the evaluation criteria and minimum man-months should be finalized in ways consistent with the TOR; and (d) a shortlist should be prepared.

## **(2) Second Field Operation**

The second field operation was conducted in November 2013, focusing on consultant proposal evaluation.

The second field operation occurred as follows:

[Pending issues from the first field operation]

The JICA Peru Office had agreed with SEDAPAL about i) splitting the consulting service contract into Detailed Design and Construction Supervision components, and ii) the shortlist and RFP documents, including the evaluation criteria. SEDAPAL had sent the RFP to the short-listed consultants with JICA's concurrence.

[Review of the selection process and proposal evaluation]

Two sessions were devoted to reviewing the selection process and proposal evaluation. Most of the workshop was spent discussing the issues SEDAPAL had encountered during the consultant employment, including the following:

- There were serious discussions between JICA and SEDAPAL on the following RFP provisions:

“The consultant shall meet during the stage of supervision and execution of works, no cost for SEDAPAL, requirements or questions arising during the execution of the same related to clarifications or observations to the definitive study conducted by him as well as development of designs or changes that may be required for the implementation of additional works not included in the final study and resulting from this requirement or query that were result of deficiencies or errors, as well as for breach of regulations that have incurred in the preparation of the study.

In that sense, the consultant must foresee the cost which will demand the lifting of observations or clarifications to the definitive study made during the supervision of the execution of the works, which will be remedied free of charge to SEDAPAL.

(The detail and definition of the applicable term of the consultant's liability shall be determined in the negotiation of the contract).”
- The JICA believed that SEDAPAL was demanding too much of the consultants after completion of their services. However, the JICA proposed that the issue should be discussed between SEDAPAL and the consultants during contract negotiations.

[Preparation of evaluation reports]

At the end of the workshop, the Procurement Specialist described to SEDAPAL the contents of and necessary information for evaluation reports (both the technical evaluation report and the final evaluation report showing the financial evaluation results and the consultant rankings) by using an evaluation report template.

[Confirmation of steps forward]

The issue of the consultants' responsibilities after they have completed their service should be settled before the consultant services contract is signed.

## **Amazonas Rural Development Project**

This project involves improving tourism and cultural resources and related facilities, improving and expanding the main road network near the tourist sites, establishing a solid waste management system, improving tourism-related facilities, and developing the capacity of the Regional Government of Amazonas (GRA, or "the Executing Agency"). Also included are consulting services for the tourism and culture and transport and solid waste management components of the project.

The Executing Agency is the GRA.

### **(1) First Field Operation**

The first field operation was conducted in April 2013, focusing on preparing the RFP for the tourism and culture component of the project.

The first field operation occurred as follows:

[Workshop Program]

When the kick-off meeting with the JICA Peru office occurred, (a) the GRA's capacity was not strong; (b) the GRA had no experience in selecting consultants following the Consultant Guidelines; and (c) the GRA's office was located far away from Lima (where the JICA Peru Office is based), making it difficult for the JICA staff to provide frequent advice and training. It was thus agreed to prioritize completing as much of the RFP as possible during the GRA staff's stay in Lima during the procurement support workshop.

[Explanation of JICA Consultant Guidelines and consultant employment procedures]

At the outset of the workshop, general explanations on the Consultant Guidelines were compressed into more or less one hour, focusing on corrupt/fraudulent practices, conflicts of interest, selection procedures, and JICA review and concurrence, the composition of the Standard RFP Documents, and EOI evaluation.

[Preparation of RFP documents]

Hands-on training was provided over five days, focusing on RFP preparation. (a) Templates of the Letter of Invitation/Data Sheet/Special Conditions of Contract were presented using a projector; (b) the Procurement Specialist explained how the blanks in the templates should be filled out, referring to the purpose of the item, background, and related stipulations such as the Instruction to Consultant and Special Conditions of Contract; (c) participants discussed how to provide each item in the RFP documents; (d) when an agreement was reached, GRA staff typed it into the templates, which were presented by projector and confirmed by the participants.

[Evaluation Criteria]

Substantial time was spent developing the evaluation criteria. Because the TOR had not yet been completed, the criteria were not finalized. However, about 80% of the criteria, including the sub-criteria, were drafted.

[Confirmation of steps forward]

More progress than expected was made in preparing the RFP for the tourism and culture

component of the project during the procurement support process, yet some outstanding issues remained: (a) an EOI evaluation and a shortlist of consultants should be completed; (b) evaluation criteria and TOR should be completed and made consistent; and (c) RFP documents should be prepared for the transport and solid waste component of the project.

[Suggestions and/or recommendations]

It was suggested that (a) the strong support of the consultants employed by the JICA Peru Office would be needed to complete the remaining work stated above; (b) the support of the consultants during proposal evaluation and contract negotiation would be necessary; and (c) if extra support were needed in addition to the above, a second field operation would be considered.

## **(2) Second Field Operation**

The second field operation was conducted in November 2013, focusing on (a) finalizing the evaluation criteria and scoring system and (b) completing consultant proposals evaluation.

The second field operation occurred as follows:

[Pending issues from the first field operation]

At the outset of the workshop, it was learnt that (a) the GRA had received three proposals for the tourism and culture component of the project and was about to start a technical evaluation; (b) the GRA had set up an evaluation committee; (c) the GRA had established a scoring system, including sub-criteria/grades/percentage ratings for technical proposal evaluations and wished to finalize it by incorporating the workshop discussions; and (d) for the road and solid waste management component of the Project, GRA was incorporating the JICA's comments on the RFP draft submitted to it for review and concurrence.

[Explanation of evaluation procedures]

Hands-on training was provided over four days at the GRA office in Chachapoyas, focusing on proposal evaluation, starting with explanations of the key elements of the evaluation procedures, which were essential to ensuring a transparent and accountable evaluation process.

[Discussion on evaluation criteria and scoring system]

The sub-criteria for technical evaluation provided in the RFP Data Sheet issued to invited consultants could not be changed. Thus, participants discussed how to define the grades for the evaluation (i.e., Excellent, Good, Average, Below Average, and Poor) of each sub-criterion. As a result, some adjustments were made, such as adding breakdowns to the Methodology and Modification of Grade sub-criteria and revising the rating scale of a few items. However, no substantial changes were made.

[Discussion on deviation from RFP requirements]

The GRA sought advice on an urgent issue—whether to disqualify technical proposals that included remuneration amounts for all the key experts. A detailed discussion ensued based on Instruction to Consultant (ITC) para. 10.2, which states that a technical proposal containing material financial information shall be declared non-responsive.

The GRA agreed to notify consultants of their non-responsiveness and return their financial proposal unopened in accordance with ITC para 14.3.

[Preparation of evaluation report]

To support the evaluation process, participants were told how to prepare evaluation reports based on samples of technical evaluation and financial evaluation reports.

[Confirmation of steps forward]

It was expected that the proposal evaluation for the tourism and culture component of the project would be completed smoothly. However, (a) completing the contract negotiation and (b) employing consultants for the transport and solid waste component of the project still had to be

done.

During the second field operation, GRA's consultant employment capability was confirmed to be much larger than it was during the first field operation six months before. The support provided by the JICA Peru Office through its staff and its consultant was also confirmed to be effective.

## 2.7 Paraguay

### **Eastern Region Export Corridor Improvement Project**

This project involves the installation of asphalt pavements, the construction and replacement of bridges, and consulting services for the improvement of a non-paved export corridor.

The Executing Agency is the Ministry of Public Works and Communications (MOPC).

Though a loan agreement had not yet been signed when the workshop began, an RFP had been under preparation by the MOPC. Given the project's nature and the MOPC officers' meager experience with Japanese ODA loans, the Procurement Specialist offered guidance on the Consultant Guidelines and RFP preparation (including the consultant's TOR) and described the outline of JICA activities and the ODA loan project cycle.

The workshop was conducted in the following manner:

[The explanation of JICA activities and the ODA loan project cycle]

The Procurement Specialist explained the JICA's activities and the ODA loan project cycle. Though the participants had little experience with Japanese ODA loans, they had wide experience of the IDB. The Procurement Specialist explained the procedure flow in detail.

[The explanation on the Consultant Guidelines]

The Procurement Specialist explained the Consultant Guidelines and the 2012 revision using a PowerPoint presentation. As the participants were familiar with IDB loans, they raised some questions, which the Procurement Specialist answered.

[The explanation of shortlisting]

As the next step of the project was shortlisting the consultants, the Procurement Specialist explained this process using a PowerPoint presentation.

[The explanation of RFP, including TOR]

The Procurement Specialist explained the RFP, including the TOR's consultant selection documents, using a PowerPoint presentation. The Procurement Specialist first covered the RFP's contents, then focused on the Data Sheet and the TOR, and finally touched upon the proposal evaluation.

[Confirmation of schedule]

As the consultant TOR were almost finished, the MOPC was requested to submit their final draft to JICA as quickly as possible to ensure smooth project implementation, though the loan agreement had not yet been signed. As the next step was shortlisting and as a detailed time schedule for processing had not yet been prepared, the MOPC was also requested to establish a time schedule and begin preparing as soon as possible.

[Suggestions and/or recommendations]

It was recommended that the JICA Paraguay Office should communicate closely with the MOPC and encourage them to prepare for the next procedure in order to minimize project delays, even if the loan agreement signing were delayed.

## 2.8 Tanzania

### **Small-scale Irrigation Development Project**

This project includes civil works, equipment procurement, management consulting, manual development, and training.

The Executing Agency is the Ministry of Agriculture, Food Security and Cooperatives (MAFC, or the “Executing Agency”).

#### (1) First Field Operation

Because (a) the JICA had never extended an ODA Loan to the MAFC and (b) it was the first field operation for Procurement Supporting Services, the Procurement Specialist covered the Consultant Guidelines, RFP preparation, and proposal evaluation.

The workshop was conducted in the following manner:

[The explanation of JICA Guidelines]

The Procurement Specialist explained the main points of the Consultant Guidelines relevant to consultant selection and RFP preparation by showing a PowerPoint presentation on the documents. Participants then engaged in a question-and-answer session on the Guidelines.

[The explanation of RFP]

First, the Procurement Specialist explained the purpose and contents of an RFP using a PowerPoint presentation. Afterwards, the Procurement Specialist explained RFPs in more detail by showing the documents included in RFPs (i.e., Letter of Invitation, Data Sheet for Instruction to Consultant, TOR for consulting services, and Special Conditions of Contract). Participant questions concerned all RFP documents. At the end of the workshop, the Procurement Specialist asked one of the participants to prepare the first draft of the RFP, to be discussed on the following days.

[Discussion of RFP]

A hands-on training session on RFP preparation occurred based on the draft RFP prepared by the participants. The draft RFP was revised in accordance with the discussion results. The MAFC agreed to complete the final RFP based on the revised draft.

[Discussion of TOR for consulting services]

Because the MAFC intended to review the TOR for the consulting services during the workshop, the Procurement Specialist asked the JICA Tanzania Office to attend the meeting with the MAFC. As a result of discussions with the MAFC and JICA, the original TOR for consulting services was maintained, with some fine-tuned stipulations.

[Confirmation of schedule]

In the wrap-up meeting, the Procurement Specialist and the MAFC staff member confirmed the target schedule for consultant selection, from RFP submission to the JICA to the JICA's concurrence with the contract.

#### (2) Second Field Operation

The completed RFP draft was submitted to the JICA Tanzania Office for review and concurrence immediately after the completion of the first field operation. With the JICA's concurrence, the RFP was sent to the five shortlisted consultants, and the closing date was set to August 30, 2013 at 10 o'clock. It was decided that a workshop on consultant proposal evaluation, including evaluation report preparation and contract negotiation, as well as hands-on training on evaluation criteria and scoring and grading principles would be necessary. The consultants' proposals were to be left unopened until this workshop was completed.

The workshop was conducted in the following manner:

[Explanation of proposal evaluation]

The Procurement Specialist explained the proposal evaluation method (i.e., evaluation of technical proposal, evaluation of financial proposal, and ranking consultants by combining the results of the technical and financial evaluations) using a PowerPoint presentation.

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[Discussion and definition of grades]

The Procurement Specialist explained the evaluation process and scoring system's grades by showing sample evaluation spreadsheets. Then, the Procurement Specialist discussed the grades and their definitions for each evaluation criterion and sub-criterion. The discussion was participatory, and the participants were actively engaged. Draft evaluation spreadsheets were prepared on the basis of the discussion and suggestions.

[Preparation of evaluation report]

The Procurement Specialist explained the contents of and necessary information for evaluation reports (both the technical evaluation report and the final evaluation report showing the financial evaluation results and the consultant rankings) using the World Bank's evaluation report template as a sample, as the JICA's evaluation report form was not available.

[Contract negotiation]

The Procurement Specialist explained the contract negotiation, stressing what could be negotiated and what could not, through a PowerPoint presentation and handouts.

[Confirmation of schedule]

In the wrap-up meeting, the Procurement Specialist and the MAFC staff member confirmed the target schedule for consultant selection, from evaluation report submission to the JICA's concurrence with the contract.

## 2.9 Tunisia

### **Private Investment Credit Project**

This project involves relending to accredited commercial banks and the Bank for Financing Small and Medium Enterprises (BFPME, or the "Executing Agency"). Also included are consulting services to reinforce the BFPME's capacity to manage the project and technical and financial coaching for SMEs seeking subsidiary loans under the project.

The Executing Agency initially comprised the Ministry of Industry, Energy and Small and Medium Enterprises (MIEPME) and the BFPME. Then, the BFPME became the sole Executing Agency for the project after the 2013 amendment of the Loan Agreement.

The field operation was conducted in June and July 2013, focusing on RFP preparation.

The field operation occurred as follows:

[Explanation of the Consultant Guidelines and consultant employment procedures]

Two general guidance workshops were organized involving both executing agencies. The first, on consultant employment guidelines and procedures, covered eligibility issues such as conflicts of interest, selection procedures, the Consultant Guidelines, JICA's review and concurrence, and the composition of the Standard RFP Documents. The second session, on proposal evaluation, covered the evaluation procedures, the evaluation criteria/grading and scoring system, technical proposal evaluation procedures, financial proposal evaluation procedures, and overall ranking.

[Preparation of RFP documents]

In addition to the general guidance, hands-on training was provided over six days.

At the outset of the training, it was learnt that (a) before the 2013 amendments, the previous Executing Agency (MIEPME) had once selected a Tunisian consultant based on the shortlist method and had signed a consulting service contract for this project in March 2009; this contract was later annulled; (b) intending to use the same shortlist, the BFPME recently sent an application to the Higher Procurement Commission (CSM) and was awaiting a response; (c) the BFPME also sent the JICA a draft TOR that were substantially the same TOR used for the first consultant selection; and (d) the BFPME had almost completed a first draft of the evaluation criteria with the support of the JICA's Tunisia Office staff.

It was also confirmed that i) the BFPME had begun preparing the RFP but that it was not proceeding smoothly and that the ii) training priority should therefore be advice and guidance on how to prepare RFP documents, covering the items the BFPME needed to provide.

The Procurement Specialist explained in detail most of the items in the Letter of Invitation, Data Sheet, and Special Conditions of Contract. Since the participants were unfamiliar with JICA's procedures and documents, lengthy discussions were held on each RFP item when the training started. Participants were quick to learn and understand, and substantial progress in drafting was made during the training.

It should be noted that this project's consulting services are advisory and thus quite different from the ordinary engineering services for infrastructure projects. Thus, some of the provisions of JICA's standard documents do not fit their service contract. Accordingly, the documents to be submitted to JICA for review and concurrence may include entries slightly different from those suggested in the standard documents.

[Confirmation of steps forward]

Substantial progress was made in RFP preparation during the field operation, with few issues remaining that could lead to serious disagreements with the JICA.

[Suggestions and/or recommendations]

During the field operation, the BFPME's understanding of consultant employment procedures was deepened, and its RFP preparation was much advanced.

High risks that would require the Procurement Specialist to lend extra support to the consultant employment process were not identified. However, the BFPME will need to manage future consultant employment stages such as proposal evaluation and contract negotiation. Obviously, close and timely consultations between the BFPME and JICA will mitigate and reduce potential risks.

### **Local Cities Water Environment Improvement Project**

This project involves the rehabilitation/renovation of waste water treatment plants, pumping stations, and sewerage networks in 10 governorates. Also included are consulting services for (a) waste water treatment plants up to the tendering stage, (b) waste water treatment plants in the construction stage, and (c) networks and pumping stations.

The Executing Agency is the *Office National de l'Assainissement* (ONAS, or the "Executing Agency."

The field operation was conducted in June and July 2013, focusing on RFP preparation.

The field operation occurred as follows:

[Explanation of JICA Guidelines and consultant employment procedures]

The ONAS staff participated in the two general guidance workshops on consultant employment guidelines and procedures and proposal evaluation described in the Private Investment Credit Project section.

[Preparation of RFP documents]

After general guidance was provided, hands-on training was offered over five days.

Since the ONAS had already prepared a draft RFP for the waste water treatment plant, including TOR, they wanted the Procurement Specialist to comment on their draft and allow them to complete it as soon as possible.

Accordingly, practical and in-depth training was provided. (a) The ONAS presented their draft RFP using a projector and explained it to the Procurement Specialist; (b) the Procurement Specialist commented on it, referring to the purpose of the item, background, and related stipulations such as the Instruction to Consultant and Special Conditions of Contract; (c) discussions occurred on the comments and how to provide for each item in the RFP documents; then (d) when an agreement was reached, ONAS staff typed modifications into their RFP draft, which was presented using the projector and confirmed by all of the participants.

[Discussions on conditions of contract]

In preparing their RFP, the ONAS expressed its preference to (a) use a Lump-Sum Contract for the waste water treatment plant consulting; (b) apply a “price escalation clause” to the Lump-Sum Contract using the formula provided in the Time Based Contract in JICA’s Standard RFP Documents; (c) include so-called “liquidated damage” charges in the contract at the rate of 1/2000 of the contract amount per day, capping at 5 % of the contract amount; (d) take out Final Security (Performance Bond); (e) incorporate a clause recommended by Tunisian legislation (a decree of the Prime Minister’s Office, signed by the Prime Minister) to protect contractors and consultants stipulating that i) consultants will be compensated for costs incurred through delays caused by reasons beyond their control if the period of the delay exceeds 50% of the original work period; and ii) consultants will be entitled to receive payment for extra work caused by large project changes or client requests.

In response, the Procurement Specialist explained to the ONAS the Consultant Guidelines principles in consultation with the JICA Tunisia Office and the head office. The ONAS disagreed with some of these explanations.

[Confirmation of steps forward]

During the field operation, the draft RFP for the ONAS’ “Preparation of Tender Documents for Waste Water Treatment Plant” was almost completed.

Several issues remained outstanding: (a) the “late penalty” and “final security” issues had to be settled between the ONAS and JICA; (b) the EOI evaluation and consultant shortlisting had to be completed; and (c) the RFP documents for “network” and “construction supervision” consulting had to be prepared.

[Suggestions and/or recommendations]

During the field operation, the ONAS’ strong capabilities in project management, including employment and consulting services management, were confirmed.

No high risks that would require the Procurement Specialist to provide extra support to the consultant employment process were identified. Instead, ONAS’ rich experience could be seen as a potential source of conflicts between ONAS and the consultants and/or between the ONAS and JICA. Close and timely consultation between the ONAS and JICA were suggested as a way to mitigate the potential risks.

### **Mejerda River Flood Control Project**

This project involves structural works such as excavation/embankment for river improvement, the construction of dikes/gates/bridges, and non-structural measures such as improving dam operation/warning systems and institutional strengthening. Also included are consulting services for tender preparation, tendering assistance, construction supervision, and the implementation of non-structural measures.

The Executing Agency is the Ministry of Agriculture (MA, or the “Executing Agency”).

The field operation was conducted in June and July 2013, focusing on RFP preparation.

The field operation occurred as follows:

[Explanation of JICA Guidelines and consultant employment procedures]

The MA staff had participated in the two general guidance seminars on consultant employment guidelines and procedures and proposal evaluations described in the Private Investment Credit Project section.

[Preparation of RFP documents]

In addition to the general guidance seminar, practical and in-depth training was provided over five days.

At the outset of the training, the MA confirmed that i) it had requested the JICA to provide the names of potential Japanese consultants and was awaiting a response; ii) TOR had already been drafted; iii) the MA had just begun RFP preparation, and, as this was still at an early stage, iv) priority should be given to completing the drafting of the most important documents.

Accordingly, hands-on training was provided similar to that given to the ONAS. (a) The MA presented their draft RFP using a projector and explained it to the Procurement Specialist; (b) the Procurement Specialist commented on it, referring to the purpose of the item, background, and related stipulations such as the Instruction to Consultant and Special Conditions of Contract; (c) discussions occurred on the comments and how to provide for each item in the RFP documents; then (d) when an agreement was reached, MA staff typed modifications into their RFP draft, which was presented using the projector and confirmed by all of the participants.

The RFP drafting occurred in the following order: Letter of Invitation, Data Sheet (except for Evaluation Criteria), Special Conditions of Contract, and Evaluation Criteria. It went very smoothly, with no major potential for disagreements between the MA and JICA except for the Temporary and Final Security (i.e., bid bond and performance bond) issue, which the MA maintained had been accepted by the JICA under its previous loans.

As with the ONAS, the MA's final draft will likely include a small amount (around 10% of the contract amount) for a "ceiling amount of consultants' liability" in the Special Conditions of Contract. It is also considering whether to include the stipulation that "consultant liability insurance will be discussed during contract negotiation," since the MA was unsure whether this kind of insurance should be required of consultants.

[Confirmation of steps forward]

Substantial progress in RFP preparation was made. Several issues remain: (a) the "Temporary and Final Security" issue must be settled between the MA and JICA; and (b) the shortlisting of consultants must be completed.

## 2.10 Sri Lanka

### **Landslide Disaster Protection Project of the National Road Network**

This project consists of (i) countermeasures for road disaster management model areas (ii), countermeasures for the disaster management of high-priority national roads and related facilities, (iii) an early warning system, and (iv) consulting services

The Executing Agency is the Ministry of Ports and Highways (MOPH), and the Implementing Agency is the Road Development Authority (RDA).

The Loan Agreement was signed in March 2013, and the field operation was conducted by the Procurement Specialist in June 2013, just after the RFP was issued to the shortlisted consultants. The field operation occurred as follows:

[Understanding the evaluation method]

The evaluation method was explained with reference to Chapter 3 of JICA's Guide for Evaluation Procedure for Employment of Consultants under Japanese ODA Loans. The evaluation framework

and procedural steps of quality- and cost-based selection (QCBS) were discussed. The requirements for JICA review and concurrence and their timelines were also explained by the Procurement Specialist. The participants formulated a processing schedule for consultant employment. Completion of the selection process was set for January 2014.

[Confirmation of evaluation system, criteria and sub-criteria, scoring, and rating]

Evaluation criteria and sub-criteria were already finalized and shown in the issued RFP. The focus of the workshop was how to grade each evaluation item by comparing the requirements using the methodology shown in Chapter 5 of JICA's Guide for Evaluation Procedure. Details were provided through a review of the relevant RFP sections: (i) Instructions to Consultants Section 14 and (ii) Data Sheet 14.2. Participants learned that the rating scale for responsiveness levels is divided into a number of discrete grades. Participants also discussed how to harmonize the minimum technical score required to pass (80%) with the system's average grade.

[Briefing to Department of External Resources, Ministry of Finance and Planning]

The Department of External Resources (ERD) of the Ministry of Finance and Planning, responsible for mobilizing and managing external financing for development projects, monitors and reviews project implementation jointly with the donor agencies. The findings of the workshop with the RDA were reported to the ERD because the Director and the Assistant Director in charge of Japanese assistance had been appointed only a few months before. The urgency of the need to appoint a new Project Director was also brought to the ERD's attention.

[Suggestions and/or recommendations]

The Procurement Specialist recommended (and the Executing Agency agreed) that the evaluation methods for technical and financial proposals should be explained to the Technical Evaluation Committee members (who evaluate the proposals) in July, before the start of the proposal evaluation.

## 2.11 Mozambique

### **Maputo Gas Fired Combined Cycle Power Plant Development Project**

This project involves the engineering, procurement and construction (EPC) works of a 100MW gas fired combined cycle power plant and also involves consulting for design review, tender assistance, construction supervision, O&M assistance, and environmental and social monitoring.

The Executing Agency is the *Electricidade de Moçambique* (EDM, or the "Executing Agency").

Because (a) the JICA had never extended an ODA Loan to EDM and (b) it was the first field operation for Procurement Supporting Services, the Procurement Specialist addressed the Consultant Guidelines and RFP preparation, including a basic explanation of proposal evaluation.

The workshop was conducted in the following manner:

[Explanation of JICA Guidelines]

The Procurement Specialist explained the main points of the Consultant Guidelines relevant to consultant selection and RFP preparation by showing a PowerPoint presentation on the documents. Participants then engaged in a question-and-answer session on the Guidelines.

[Explanation of RFP]

The Procurement Specialist explained the purpose and contents of RFPs through a PowerPoint presentation. Afterwards, the Procurement Specialist discussed a sample RFP form for the project prepared in advance. All of the participants' questions were answered except for one concerning the contract price's denomination in Japanese yen, which was left to be discussed between the JICA and the EDM.

[Explanation of proposal evaluation]

The Procurement Specialist explained the proposal evaluation method (i.e., evaluation of technical

proposal, evaluation of financial proposal, and ranking consultants by combining the results of the technical and financial evaluations) using a PowerPoint presentation.

[Discussion and definition of grades]

The Procurement Specialist explained the evaluation process and scoring system's grades by showing sample evaluation spreadsheets. Then, the Procurement Specialist discussed the grades and their definitions for each evaluation criterion and sub-criterion. The discussion was participatory, and the participants were actively engaged. Draft evaluation spreadsheets were prepared on the basis of the discussion and suggestions.

[Preparation of evaluation report]

The Procurement Specialist explained the contents of and necessary information for evaluation reports (both the technical evaluation report and the final evaluation report showing the financial evaluation results and the consultant rankings) using the World Bank's evaluation report template as a sample.

[Confirmation of steps forward]

In the wrap-up meeting, the Procurement Specialist explained the actions the Executing Agency need to take, starting from the request for the JICA's concurrence with the shortlist of consultants and ending with the JICA's concurrence with the consulting contract.

### **Nacala Port Development Project Phase I**

This project involves the construction of an access road, rail container terminal, and container yard pavement and the procurement of a rubber tired gantry crane as well as consulting for detailed design, tender assistance, construction supervision, and environmental monitoring assistance.

The Executing Agency is the Ministry of Transport and Communications (MTC, or the "Executing Agency").

(a) This was the first JICA ODA Loan extended to the MTC and (b) the consultant proposals were to be submitted on December 16; the focus of procurement support was thus on proposal evaluation, and (c) a JICA Expert would soon be covering the proposal evaluation guide in detail. Thus, the workshop concentrated on the general principles and basic features of the proposal evaluation in order to meet the immediate needs of the Executing Agency and avoid any duplication of services.

At the request of the participants, the workshops' time allocation was minimized. The concise workshop was divided into three sessions: Key Procurement Principles, Key Principles of Proposal Evaluation, and Contract Negotiations.

[Session 1: Key Procurement Principles]

This workshop covered the following basic issues: quality/efficiency/transparency/non-discrimination among eligible consultants, competence/impartiality, corrupt/fraudulent practices, conflicts of interest, and procurement procedures.

[Session 2: Key Principles of Proposal Evaluation]

This workshop covered the following basic issues: establishing and organizing evaluation committees, evaluation criteria for technical proposals, how the scoring system works, evaluating using the scoring system, and evaluating technical proposals

[Session 3: Contract Negotiations]

This workshop covered the following basic issues: negotiation procedures, what can be negotiated, the five phases of negotiation, and negotiation preparation plan outlines.

[Hands-on training]

At the participants' request, hands-on training on preparing summary evaluation sheets was conducted. As a JICA Expert was preparing to offer the MTC support for proposal evaluation, the

training concentrated on how to summarize the evaluation results in the evaluation sheet while avoiding touching on grading or the evaluation itself.

[Suggestions and/or recommendations]

The workshop and hands-on training revealed that the participants had the experience needed to evaluate the consultant proposals according to the rules and regulations of Mozambique, which were not very different from the provisions of the Consultant Guidelines, as evidenced by the fact that proposal submission was scheduled for December 16, just nine months after the signing of the L/A.

However, this is the MTC's first consultant proposal evaluation following the provisions of the Consultant Guidelines. A smooth proposal evaluation will require the JICA Expert to support the MTC, by (for example) suggesting a more detailed, specific, and objective grading method.

### **Mandimba-Lichinga Road Upgrading Project**

This project involves civil works, including roads and structures (bridges), and consulting services.

The Executing Agency is the National Road Administration (ANE).

The loan agreement was concluded in November 2013. It is the ANE's first project. A Draft Request for Proposal (RFP) for the selection of consultants had been prepared and was being reviewed by the JICA. The Procurement Specialist provided guidance on the Consultant Guidelines, proposal evaluation, and contract negotiation.

The workshop was conducted in the following manner.

[The explanation of JICA Guidelines]

The Procurement Specialist explained the Consultant Guidelines' general principles and practices through a PowerPoint presentation covering the entire consultant employment process, as this is ANE's first project funded by a Japanese ODA loan.

[The explanation of proposal evaluation]

As the JICA's concurrence with the RFP was expected soon, the next consultant procurement process was proposal evaluation. The Procurement Specialist thus explained the evaluation process using a PowerPoint presentation. The Procurement Specialist also introduced a sample technical proposal evaluation report and explained its structure and essential points.

[The explanation of evaluation criteria formulation]

The Procurement Specialist explained the formulation of evaluation criteria and sub-criteria for each evaluation item and ways of calculating scores. As the criteria play an important role in proposal evaluations, the Procurement Specialist explained criteria and sub-criteria formulation using detailed examples.

[The explanation of contract negotiation/document]

The Procurement Specialist explained the general principles and essential points of contract negotiation with the selected consultants and contract documents. This was followed by a question-and-answer session and then the wrap-up session.

[Confirmation of schedule]

The ANE submitted a draft RFP to the JICA on February 27, 2014, just before the field operation, and concurrence was expected shortly. After receiving concurrence, the ANE plans to issue RFPs to the shortlisted consultants immediately.

[Suggestions and/or recommendations]

Though the ANE has some experience with the African Development Bank, whose procurement procedure is similar to the JICA's, each step should be closely monitored to mitigate and reduce potential risks and delays; as mentioned, this is the first project funded by a Japanese ODA loan.

## 2.12 Cape Verde

### **Water Supply System Development Project in Santiago Island**

This project includes construction/installation work and consulting for detailed design, tender assistance, construction supervision, and related services.

The Executing Agency is the Ministry of Environment, Housing and Land Development (MAHOT, or the “Executing Agency”) until the newly established *Agência Nacional de Água e Saneamento* (National Water and Sanitation Agency, or ANAS) begins to function.

#### (1) First Field Operation

Because it was the first field operation for Procurement Supporting Services, the Procurement Specialist covered the Consultant Guidelines and RFP preparation, including proposal evaluation.

The workshop was conducted in the following manner.

[The explanation of the Consultant Guidelines]

The Procurement Specialist explained the main points of the Consultant Guidelines relevant to consultant selection and RFP preparation by showing a PowerPoint presentation on the documents. Participants then engaged in a question-and-answer session on the Guidelines..

[The explanation of RFP]

The Procurement Specialist explained the purpose and contents of RFPs using a PowerPoint presentation.

[Discussion of RFP]

A hands-on training session on RFP preparation was held based on the incomplete draft RFP that had been prepared before the workshop. The Procurement Specialist explained the RFP components that had not yet been completed by the Executing Agency. The draft RFP was then revised in accordance with the results of the discussion, and the Executing Agency agreed to complete the RFP based on the draft discussed in the workshop.

[Confirmation of schedule]

In the wrap-up meeting, the Procurement Specialist and the Executing Agency staff member confirmed the target schedule for consultant selection, from RFP submission to the JICA to the JICA's concurrence with the contract.

[Communication by e-mail]

About a month after the workshop, in the middle of December 2013, the Procurement Specialist received an e-mail asking for advice on RFP revision from a workshop participant. The Executing Agency obtained the JICA's comments on the draft RFP; he would like to revise it in accordance with the JICA's comments. The Procurement Specialist responded with advice by e-mail.

#### (2) Second Field Operation

The completed draft RFP was submitted to the JICA Senegal Office for review and concurrence after the conclusion of the Loan Agreement. After the JICA's concurrence, the RFP was sent to the three shortlisted consultants, and the closing date was set for April 10, 2014, at 15 o'clock.

It was decided that a workshop on consultant proposal evaluation, including evaluation report preparation and contract negotiation, as well as hands-on training on evaluation criteria and scoring and grading principles would be necessary.

The workshop was conducted in the following manner.

[Explanation of proposal evaluation]

The Procurement Specialist explained the proposal evaluation method (i.e., evaluation of technical proposal, evaluation of financial proposal, and ranking consultants by combining the results of the technical and financial evaluations) using a PowerPoint presentation.

[Discussion and definition of grades]

The Procurement Specialist explained the evaluation process and scoring system's grades by showing sample evaluation spreadsheets. Then, the Procurement Specialist discussed the grades and their definitions for each evaluation criterion and sub-criterion. The discussion was participatory, and the participants were actively engaged. Draft evaluation spreadsheets were prepared on the basis of the discussion and suggestions.

[Preparation of evaluation report]

The Procurement Specialist explained the contents of and necessary information for evaluation reports (both the technical evaluation report and the final evaluation report showing the financial evaluation results and the consultant rankings) using the World Bank's evaluation report template as a sample, as the JICA's evaluation report form was not available.

[Contract Negotiation]

The Procurement Specialist explained contract negotiation, stressing what could be negotiated and what could not, using a PowerPoint presentation.

[Confirmation of schedule]

In the wrap-up meeting, the Procurement Specialist and the Executing Agency staff member confirmed the target schedule for consultant selection, from evaluation report preparation to the JICA's concurrence with the contract.

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## 2.13 Iraq

### **Port Sector Rehabilitation Project (II)**

This project involves dredging works, shipyard removal works, equipment procurement, civil works, utility works, and consulting to recover the function of Iraq's port system.

The Executing Agency is the Ministry of Transport (MOT), and the General Company for Ports of Iraq (GCPI), a state-owned port operation company and regulatory body under the MOT, is authorized to implement the project.

The loan agreement was to be signed shortly in the project's second phase, after a six-year interval between the loan agreement for the first phase, and the proposals of the shortlisted consultants were to be submitted at the end of February 2014, soon after the field operation. Thus, the Procurement Specialist provided guidance on the Consultant Guidelines and proposal evaluation and discussed the important points of contract negotiation.

The workshop was conducted in the following manner.

[The explanation of the Consultant Guidelines]

The Procurement Specialist explained the Consultant Guidelines' general principles and practices, covering the entire consultant employment process (including contract negotiation and contract documents) using a PowerPoint presentation, as some participants were unfamiliar with JICA procedures.

[The explanation of proposal evaluation]

The Procurement Specialist explained proposal evaluation using a PowerPoint presentation, as this was the next process. The Procurement Specialist also introduced a sample technical proposal evaluation report and explained its structure and essential points.

[The explanation of evaluation criteria formulation]

The Procurement Specialist explained the formulation of evaluation criteria and sub-criteria for each evaluation item and ways of calculating scores. This session was followed by a question-and-answer session and then a wrap-up session.

[Confirmation of schedule]

The GCPI had nominated 10 evaluation committee candidates and planned to select five or six of these at the beginning of February 2014. Proposal submissions were due on February 27, 2014.

[Suggestions and/or recommendations]

As this was the first field operation and some participants were unfamiliar with the Consultant Guidelines, the Procurement Specialist covered the basic principles of the Guidelines as well as detailed items. In future and if the situation allows, holding separate workshops tailored to participants' understanding/experience levels might be more effective.

### 3. Recommendations

#### (1) Close Communication between the Executing Agency and the JICA Office

The Executing Agencies' basic capabilities concerning the employment of consultants were often confirmed and substantial progress on procedures such as RFP drafting usually achieved during the field operations. No high risks that would require extra procurement support services were identified. Nevertheless, this did not negate the JICA Offices' need to offer the Executing Agencies either daily guidance or assistance. Smooth project implementation will require that the JICA Offices maintain close communication with the Executing Agencies following the field operation.

When the Executing Agencies had strong capabilities and rich experience in consultant employment on donor-funded projects, they tended to conflict with the Consultant Guidelines. Therefore, the JICA should closely monitor such Executing Agencies so that sources of potential disagreements can be identified and eliminated at an early stage.

#### (2) Supporting the Establishment of a Project Implementation Unit

Limitations affecting staff and project implementation unit (PIU) establishment sometimes delayed the consultant employment process. Even when procurement support services were timely and productive, proceeding to the next step on schedule was difficult if staff members were only temporary or if the PIU's structure and power were still undefined or very limited within the Executing Agency. It is important to have effective participants for the fruitful and productive procurement support. Therefore, the JICA must strongly encourage the Executing Agencies' establishment of a PIU by the appraisal period or by the time the loan agreement is signed, at the latest.

#### (3) Sample Evaluation Report

It would be beneficial for both the JICA and the Executing Agencies if the JICA prepared a sample evaluation report for each QCBS and QBS so that the Agencies could understand the content and information required for the JICA's review.

#### (4) Follow-up Activities after the Field Operations

The JICA could design a follow-up system to keep the Procurement Specialists informed after their field operations to verify and improve the validity and effectiveness of their recommendations. Such a system could also receive additional remote assistance from the Procurement Specialist for the first and second field operations, if necessary, to address new challenges emerging after their field operations.