



विकास शील
संयुक्त सचिव
VIKAS SHEEL
Joint Secretary



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D.O.No.Z-18015/19/2020/NHM-II-(Part-1)

Dated the 09th of July, 2020

Dear Sir,

This is with reference to the D.O. Z-18015/19/2020-NHM-II-Part(1) dated 8th July, 2020 by JS(Policy) regarding amendments in the Annexure A of the "Guidance Note on India COVID-19 Emergency Response and Health Systems Preparedness Package" issued vide D.O. Z-18015/19/2020-NHM-II-Part(1) dated 23rd April, 2020 by AS&MD(NHM).

In this regard, the World Bank has provided one time authorization for accepting clauses in procurement for which reimbursement claims are to be made, which provide preferences to Micro and Small Enterprises (MSEs), Make in India, Start-ups and Public Sector Units (PSUs). Such authorization would be valid for procurements for which tenders are issued **on or before 20th July, 2020 only** under the 'India COVID19 Emergency Response and Health Systems Preparedness Package'.

The flexibilities made available by the World Bank are also enclosed at Annexure-1

Encl: As above

एक कदम स्वच्छता की ओर
warm regards

Yours Sincerely,


(Vikas Sheel)

To

- 1) The Additional Chief Secretary/Principal Secretary/ Secretary (Health and/or Medical Education)-all States/UTs.
- 2) The Mission Director (National Health Mission)-all States/UTs.

Copy for information to

- 1) PPS to Secretary, HFW
- 2) PPS to OSD, MoHFW
- 3) PPS to AS&FA/PPS to AS&MD(NHM)/PPS to AS(H)


(Vikas Sheel)

Flexibilities offered for procurement under India COVID-19 Emergency Response and Health Systems Preparedness Project (P173836)

Purpose of this Note: The purpose of this note is to explain the flexibilities which have been agreed for above Project, so that there is common understanding of applicable procurement procedures by all the implementing agencies.

A. Flexibilities on procurement to address emergency under India COVID-19 Project, applicable to all the components during emergency response period:

I. Increased Thresholds:

1. National competitive procurement threshold increased from US\$ 10 M to US\$ 25 M for Goods
2. Request for Quotation (RFQ/Shopping) threshold increased from US\$ 0.1 M to US\$ 1 M for Goods, Non-Consulting Services and Works

II. Flexible Procurement Processes:

1. No Prior Review by the Bank¹
2. Option of Shorter bidding times
3. No Standstill Period
4. Option of not taking Bid Securities, instead to use alternatives such as Bid security Declaration
5. Higher advance payments
6. Direct payments by the Bank to Suppliers (if requested by Government)
7. Procurement Strategy (PPSD) to be prepared during implementation
8. Option of using UN Agencies
9. Enhanced use of Force Account
10. Flexibility on use of Direct contracting (including extensions of existing contracts)
11. Use of statutory auditors for procurement post review of decentralized procurement in states and UTs
12. Exemption from use of STEP for decentralized procurements up to US\$ 25,000. A simplified format provided for reporting and monitoring of small value procurements
13. Flexible contracting approaches for Works and Non-Consulting services
14. Performance security: Not Mandatory for goods contracts and for small works contracts
15. Retroactive Financing and Advance Procurement are allowed up to 40% of the loan

III. Bank's Enhanced Implementation Support:

1. Use of Hands-on Expanded Implementation Support (HEIS) to support implementing agencies on procurement (including support for using STEP)
2. Bank Facilitated Procurement (BFP) for procurement of medical supplies and medical equipment

¹ Only the procurement plan will be submitted for prior review of the Bank through STEP.

B. Additional Flexibilities vis-à-vis Regular Procedures under Bank's Procurement Regulations:

Item	Conditions applicable for Component 1 under India COVID-19 project
Bidding Documents: Standard Procurement Documents (for international bidding) or model bidding documents (for national bidding) are to be used.	Government may use its bidding documents subject to compliance to other provisions (such as universal eligibility and anticorruption guidelines) for all the procurement.
Publication of NIT: Invitations to bid shall be advertised on UNDB online (for international bidding) and a widely used website or electronic portal with free open access (for national bidding) at least 45 days (for international bidding) or 30 days (for national bidding) prior to the deadline for the submission of bids.	Government may use its provisions for advertisement and number of days given for bid submission
Price Negotiations: There shall be no negotiation of price with the bidders, even with the lowest evaluated bidder.	To meet high and urgent demand, total quantities of goods can be divided into percentages to award contracts to multiple suppliers and price matching is acceptable, provided that the process is pre-disclosed in the bidding documents.
Use of e-Procurement System: At the Borrower's request, the Bank may agree to the Borrower's use, in whole or in part, of its electronic procurement system, provided that the Bank is satisfied with the adequacy of such system.	Government may use its e-procurement systems, which are regularly audited about system security. Prior assessment by the Bank not required.

C. What is not changed:

Item	Conditions applicable for Component 1 under India COVID-19 project
<p>Universal Eligibility and same treatment of all the Bidders: Procurement will be open to eligible firms from any country. This eligibility shall be as defined under Section III of the Procurement Regulations². Accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Bank for reasons other than those provided in Section III of the Procurement Regulations. No special preference will be accorded to any bidder either for price or for other terms and conditions when competing with foreign bidders, state-owned enterprises, small-scale enterprises or enterprises from any given State.</p>	<p>No change. Accordingly, Public Procurement (Preference to Make in India)³, MSME Public Procurement Preference⁴, Start-up preference policy⁵, preference to PSU, or any other similar policy shall not be used. All the bidders will be given same treatment during the procurement process.</p>
<p>Anti-corruption Guidelines: The request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals include a signed acceptance in the bid, to be incorporated in any resulting contracts, confirming application of, and compliance with, the Bank's Anti-Corruption Guidelines, including without limitation the Bank's right to sanction and the Bank's inspection and audit rights.</p>	<p>No change (except that for retroactive financing, the undertaking to comply with these provisions is to be obtain only from Supplier/Contractor)</p>
<p>Complaints: The Borrower shall use an effective complaints mechanism for handling procurement related complaints in a timely manner.</p>	<p>No change (except that there will be no prior review by the Bank of resolution of complaints). Complaints received by MOHFW and other implementing agencies will be uploaded on STEP with resolution; which will be post reviewed by the Bank. In case a complaint is directly received by the Bank, it will be referred to implementing agencies and a draft response will be requested.</p>
<p>Environment and Social Issues: Procurement Documents will include provisions, as agreed with the Bank, intended to adequately mitigate against environmental, social (including sexual exploitation and abuse and gender-based violence), health and safety ("ESHS") risks and impacts.</p>	<p>No change (these are separately communicated by Bank environment and social teams). These are mostly applicable to civil works.</p>

² <http://pubdocs.worldbank.org/en/178331433065871195/Procurement-Regulations.pdf>

³ <https://dipp.gov.in/sites/default/files/PPP%20MIP%20Order%20dated%204th%20June%202020.pdf>

⁴ <https://msme.gov.in/public-procurement-policy>

⁵ https://www.startupindia.gov.in/content/sih/en/public_procurement.html