



PROCUREMENT & DISBURSEMENT GUIDELINES



Project Operation and Management Bureau

NEIGHBOURING COUNTRIES ECONOMIC DEVELOPMENT AGENCY (PUBLIC ORGANIZATION) (NEDA)

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Abbreviation

<u>Abbreviation</u>	<u>Full Form</u>
CSC	Consultant/Contractor Selection Committee
EA	Executing Agency
FA	Financial Assistance
FAA	Financial Assistance Agreement
FBS	Fixed Budget Selection
LCS	Least-Cost Selection
NEDA	Neighbouring Countries Economic Development Agency (Public Organization)
QBS	Quality Based Selection
QCBS	Quality- and Cost-Based Selection
TH	Thai
TOR	Terms of Reference
VO	Variation Orders

Procurement & Disbursement Guidelines

1. Introduction

This Procurement & Disbursement Guidelines has been written by Project Operation and Management Bureau, Neighbouring Countries Economic Development Agency (Public Organization) (NEDA). This Procurement & Disbursement Guidelines is to guide neighbouring countries a step of procurement procedure of a carrying out project financed by NEDA.

2. Purposes

Supervisory Consultant Selection criteria

- To guide Supervisory Consultant Selection according to the terms of the Financial Assistance Agreement between NEDA and Borrowing Countries.
- To provide necessary templates to facilitate the supervisory consultant selection process.

Procurement

- To introduce the general conditions and procurement procedure under the Financial Assistance Agreement between Borrowing Countries and NEDA.
- To provide necessary templates in order to facilitate the procurement process.

Disbursement

- A useful reference guide for neighbouring countries borrowers about disbursement policies, procedures, and practices
- To explain step of disbursement procedure under FA Agreement between NEDA and Borrowers

3. Benefits

Through this guidelines, borrowers will able to learn and familiar with the fundamental process of supervisory consultant selection, procurement and disbursement steps for undertaking the projects financed by NEDA.

Part I

Supervisory Consultant Selection Guidelines

1. Purpose

The Supervisory Consultant Selection Guidelines describes and defines the standard procedures for selecting, and contracting supervisory consultant under Financial Assistance project funded by NEDA. The objectives of this part contain general procedures for borrowing countries to recruit the supervisory consultant of financial assistance projects financed by NEDA.

2. Qualification of Supervisory Consultant

- Being a juristic person incorporated or constituted under Thai laws whether or not with limited liability and whether or not for pecuniary profit.
- The majority of its equity owned by Thai citizen/ Thai juristic person or the joint ventured consultants between Thai consultant(s) and local company.
- Consultant shall not be named in the list of work abandoners for state agencies and has never appeared to intend to avoid taxes by issuing its own letter for certification.
- Consultant shall provide sufficient, qualified personnel and staff in appropriated positions, responsibilities, similar expertise, and experience to manage and operate the project effectively and efficiently.
- Consultant shall have Thai corporate engineering professional license granted by Engineering Council or architectural professional license granted by Architecture Council.
- Consultant shall provide office and facilities and responsible for all works including work and manpower schedules to ensure that the service will be effective and efficient in order that executing agency could consider the acceptance of the work.

3. Supervisory Consultant Selection Procedure

The Consultant Selection procedure under the Financial Assistance Agreement between borrowers and NEDA is as following steps;

3.1 Preparatory stage

- The borrower/executing agency shall issue a letter to request Long list of eligible Thai Supervisory Consultant to NEDA.
- The borrower/executing agency shall set up the consultant Selection Committee (CSC) to prepare Terms of Reference (TOR), cost estimation, to carry out the selection method, e.g., QCBS, QBS and etc., for execution supervisory service of the project.
- NEDA acquires and submits the long list of qualified Thai consultant firms, to the Executing Agency for advertisement or invitation of bidding submission depending on local rules and regulation.
- The Executing Agency must submit to NEDA all related documents as well as its procedures regarding advertising or inviting depending on local rules and regulation, prequalification of supervisory consultant, evaluation method, draft contract agreement and award of the contract(s). Once NEDA board has no objection to the said documents, NEDA shall inform the borrower accordingly by means of a Notice.
- Executing agency invites or requests consultants for submitting proposal in English. The time allowed for the preparation and submission shall be determined with due consideration of the particular circumstances of the project and the magnitude and complexity of the contract. The documents comprising Request for Proposal shall consist the following documents;
 - Section 1: Letter of Invitation
 - Section 2: Instructions to Consultants
 - Section 3: Technical Proposal
 - Section 4: Financial Proposal
 - Section 5: Terms of Reference
 - Section 6: Sample Form of Contract
 - Section 7: List of Eligible Source Countries (if any)
- The interested supervisory consultants submit the proposal and relative documents at specific date and time determined by Executing Agency.

3.2 Consultant selection method and Evaluation of Proposal

- Supervisory Consultant's selection method

- **Quality- and Cost-Based Selection (QCBS)**

“QCBS is based on the quality of the technical proposal and the cost of the services to be provided. Since under QCBS the cost of the proposed services is a factor in the selection, this method is appropriate when, (i) the scope of work can be precisely defined, (ii) the TOR are well specified and clear, and (iii) NEDA or the borrower and the consultants can estimate with reasonable precision the personnel time as well as the other inputs required of the consultants.” (Asian Development Bank , 2013)

- **Quality Based Selection (QBS)**

“QBS is a method based on evaluating only the quality of the technical proposals and the subsequent negotiation of the financial proposal and the contract with the consultant who submitted the highest ranked technical proposal. QBS is appropriate when (i) assignments are complex or highly specialized making it difficult to define precise TOR and the required input from the consultants, (ii) assignments where the downstream impact is so large that the quality of the services is of overriding importance for the outcome of the project, and (iii) assignments that can be carried out in substantially different ways such that financial proposals maybe difficult to compare.” (Asian Development Bank , 2013)

- **Fixed Budget Selection (FBS)**

“FBS is only proper when (i) the TOR are precisely defined, (ii) the time and personnel inputs can be accurately assessed, and (iii) the budget is fixed and cannot be exceeded. To reduce the financial risk for consultants and avoid receiving unacceptable technical proposals or no proposals at all, this method can only be used for well-defined Technical Assistance projects or projects where it is expected there will be no changes during implementation. Short lists for FBS will normally comprise six firms with a reasonable geographic spread.” (Asian Development Bank , 2013)

- **Least-Cost Selection (LCS)**

“Least-cost selection is only proper for selecting supervisory consultants for very small assignments of a standard or routine nature (audits, engineering design/ supervision of simple projects, and simple surveys) where well-established practices and standards exist. Shortlists for LCS will normally comprise three firms with a reasonable geographic spread. The Request for Proposal shall define the “minimum” qualifying mark for the “quality” as 750 points out of a possible 1,000 points, and request the firms to submit at the same time technical and financial proposals in separate envelopes. Technical proposals will be opened first and evaluated. Those securing less than the minimum qualifying mark will be rejected,

and the financial proposals of the rest will be opened in public. The firm with the lowest price shall then be selected and invited to finalize the contract.” (Asian Development Bank , 2013)

- Evaluation of Technical proposal

Scoring system methodology is determined by the CSC when they set up TOR. The CSC should stipulate the following criteria to be used in the evaluation of proposal as below;

- **Experience of the consultants determined in TOR.** Consultant’s general experiences and record in the relative field specified in TOR.
- **Adequacy of methodology, proposed approach and work plan.**
- **Qualification and competency of consultant staffs.** Experience and records staff members to be assigned to the work. This section shall be divided into the following sub-criteria;
 - General qualifications (education, length of experience, types of position held, length of service with the firm, etc.
 - Suitability for the project (experiences of performing the duties which will be assigned to them in the project).
 - Familiarity with the language and the conditions of the country
Familiarity with the language and the conditions of the country in which the work is to be performed or experience in similar environments.
- **A minimum technical score** normally recommend to be determined in the range of 70 to 80 points out of 100 points for particular project. It is so importance in case of applying QCBS selection method, the financial proposal shall be compared only among the proposals achieving the minimum qualifying technical score in order to maintain the acceptable level of quality.

- Evaluation of Financial proposal

- The evaluation criteria of financial proposals must conform to the evaluation criteria specified in TOR. Financial proposals shall be publicly opened in the presence of the Consultants’ representatives who choose to attend. The name of the supervisory consultants, the technical quality scores and the proposed prices shall be announced and recorded.

- The consultant cost must exclude all local direct taxes levied on the contract invoice, contract agreement as well as income tax payable in the country of borrower by non-resident staff.

3.3 Contract Negotiation

- CSC could invite the highest-ranked supervisory consultant to enter into negotiation on the terms and conditions of a contract agreement between executing agency and prospective supervisory consultant.

- If QBS is applied, discussion concerning cost and other financial condition will be conducted only with the supervisory consultant, who has been selected to be invited to enter in the contract agreement negotiations. The executing agency notifies the supervisory consultant with highest technical score in writing and requests that supervisory consultant submits its financial proposal when the financial proposal was not submitted together with the technical proposal.

- If QCBS is applied, the executing agency will notify in writing the supervisory consultant, whose proposal obtained highest score, by a Notice and request that supervisory consultant to submit its financial proposal.

- If executing agency and the highest-ranked supervisory consultant are unable to reconcile a contract agreement within a reasonable time, the executing agency shall terminate the negotiations with the first supervisory consultant and invite the second-ranked supervisory consultant to enter into negotiations.

3.4 Award of Contract

- Once the supervisory consultant(s) have been selected by the Borrower, the borrower shall submit to NEDA, the draft contract agreement, the evaluation report with the reason for choice made and all relevant documents for review and concurrence before sending the notice of award to the supervisory consultant(s).
- Once NEDA board has no objection to the selected consultant, NEDA shall inform the borrower accordingly by means of a Notice.
- Promptly after consultant contract has been executed by the borrower, the borrower shall submit to NEDA a Request for Review of Contract (Form no. 1) and a duly certified copy of the contract agreements. NEDA shall review the terms and condition of contract agreements in accordance with the financial

agreement and submit to NEDA President for approval. If NEDA President approved, NEDA would inform the borrower accordingly by means of a Notice.

- The Executing agency shall not award any works contracts financed under the Loan until: (a) the corresponding initial environmental examination or environmental impact assessment has been carried out by relevant authorities of the borrower, (b) Resettlement Plan has been carried out by relevant authorities of the borrower and (C) obtaining the approval from NEDA by a Notice.

4. Conflict of Interest

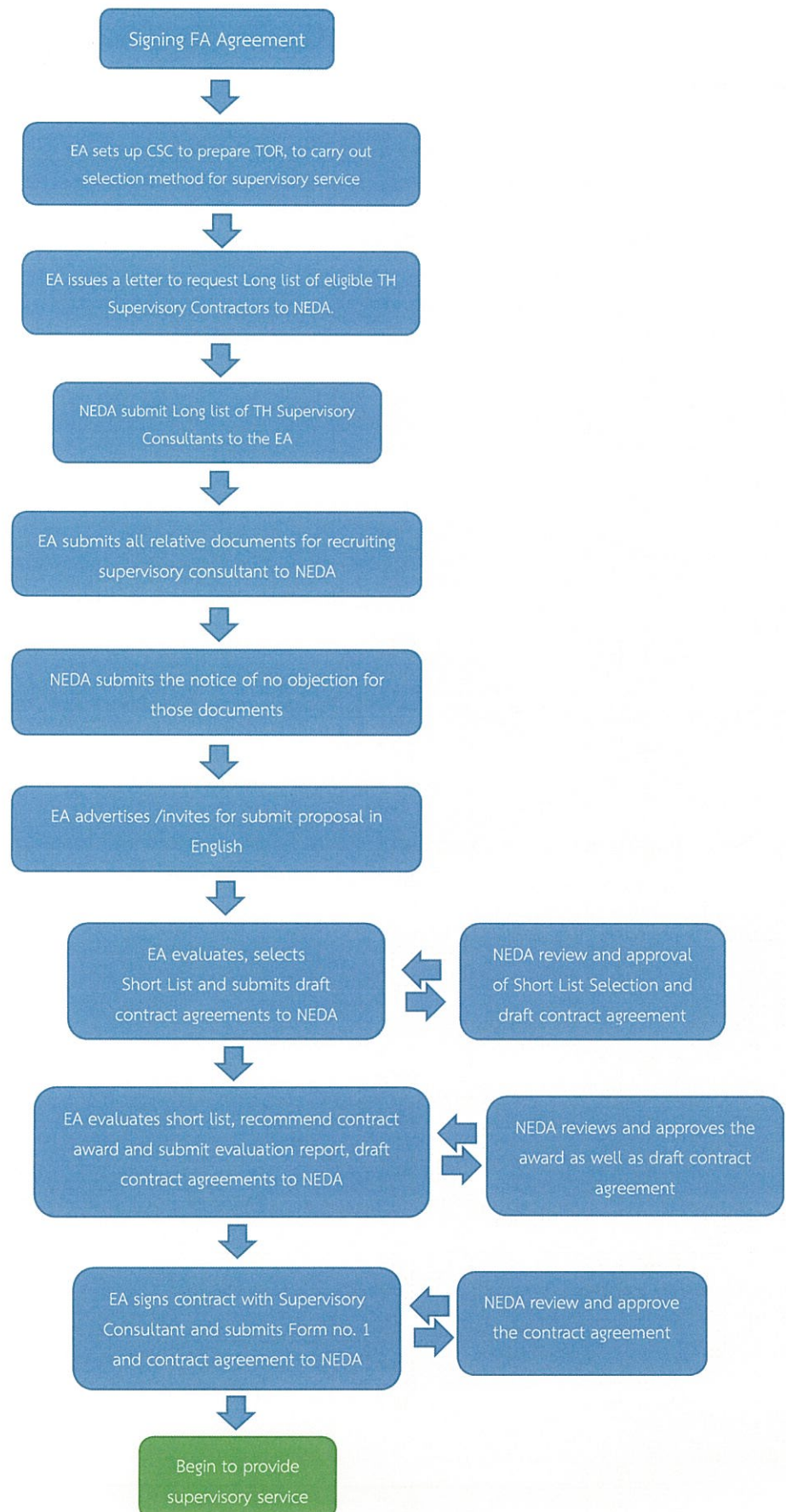
- Supervisory consultant(s) shall not have a conflict of interest with any party involved in the projects.

- Supervisory consultant(s) shall not have a close business relationship with the executing agency and borrower's professional personnel, who are directly or indirectly involved in any part of: (I) the preparation of the bidding documents for the contract, (II) the bid evaluation, or (III) the supervision of such contract, shall be disqualified.

5. Supervisory consultant Selection workflow

The Supervisory consultant Selection workflow will assist the borrower to clarify step by step for consultant selection process relative to the financial assistance projects financed by NEDA. The Supervisory consultant Selection workflow represented as below;

Figure 1 Supervisory consultant Selection workflow



Part II

Procurement Guidelines

1. Purpose

The purpose of this section is to inform the guidelines on procurement procedure for the procurement of the contractor(s) (referred to Section 1 of Annex 3) in the Financial Assistance Agreement.

This section describes the process of procurement of a project financed by NEDA, beginning after the signing date of Financial Assistance Agreement between NEDA and Borrowing countries until signing the contract agreement among executing agency, contractor, and supervisory consultant firms. The Financial Assistance Agreement between a borrowing country and NEDA falls into the categories of “partly tied condition” and governs the legal relationships between the borrower and NEDA. Moreover, the projects financed by NEDA require the executing agency to undertake **competitive bidding method** for procurement of contractor(s).

2. What is a 'Competitive Bid'?

A competitive bidding is a step in the initial public offering process whereby a contractor submits a sealed bid to executing agency. After collecting competitive bids from several contractors, the executing agency awards the contract to the contractors with the best price and contract terms.

3. Qualification of contractor(s)

The Contractor(s) shall possess the following qualifications:

- Being a juristic person incorporated or constituted under Thai laws whether or not with limited liability and whether or not for pecuniary profit;
- Its financial status and operational performance must be sound and reasonably well-organized with respect to the condition and type of business;
- The majority of its equity owned by Thai citizen or Thai juristic person;
- The Contractor(s) may be able to join with a local contractor(s), who have experiences in the Project construction or supervision, respectively, in relation to the works under the Project, to compete for the bidding of the Project.

4. Procurement procedure

4.1 Preparatory stage

- The borrower/executing agency shall issue a letter to request a Long list of eligible Thai Contractors to NEDA.
- The executing agency shall set up the Contractor Selection Committee (CSC) to procure contractors of the project.
- NEDA acquires the long list of qualified Thai contractors and submits the list to the Executing Agency for an invitation of bidding submission.
- The executing agency must submit to NEDA all bidding documents as well as its procedures regarding advertising, prequalification of bidders, the opening of bids, bids evaluation and award of the contract(s). Once NEDA board has no objection to the said documents, NEDA shall inform the executing agency accordingly by means of a Notice. The bidding documents are basically consistent with documents as follows:
 - a) Instruction to Bidders
 - b) Evaluation Criteria
 - c) Bid Form
 - d) General Conditions of Contract
 - e) Special Conditions of Contract (if any)
 - f) Specifications
 - g) Bill of Quantities
 - h) Drawings
 - i) Contract Form
 - j) Bid Security Form
 - k) Performance Security Form
- Executing agency advertises bid on the website or/and public relations board and issue bidding document in English to interested bidders. The time allowed for the preparation and submission shall be determined with due consideration of the particular circumstances of the project and the magnitude and complexity of the contract.
- The interested contractor firms acquire the bidding documents and submit the proposal at specific date and time determined by Executing Agency.

4.2 Contractor's Bid opening and Evaluation

- **Bid Opening Procedure**

The time for the bid opening shall be the same as the deadline for receipt of bids or promptly. The Bid Opening deadline shall be announced together with the venue for bid opening in the invitation to bid and opened in the public.

In this occasion, the Executing Agency must invite NEDA to participate at Bid Opening ceremony as an observer.

- **Bid Evaluation**

The executing agency has responsibility for the procurement of the Contractor(s) in accordance with "the Guidelines to be used for Procurement under the Loan" in Section 1 of Annex 3 in the Financial Agreement of NEDA. The purpose of Bid Evaluation is to determine the lowest cost responding to bid among the bids submitted on or before closing date and time specified in bidding documents. In order to accurately determine the lowest substantially responsive bid according to terms and conditions of the bidding documents, well organized evaluation procedure should undertake as follows;

- **Preliminary Examination stage:** To evaluate the substantial document formality required in the Pre-qualification documents for particular bidders whether it is able to pass the evaluation criteria or not. CSC have to confirm one by one, whether the submitted documents and their format are comply with the requirement. In addition, the executing agency shall review the deviation from the said requirement after their bid opening. If the executing agency found much discrepancies, the bid should be rejected. The amount of discrepancy is depend on the order and a permission range determined by the executing agency or borrower.
- **Qualification Evaluation stage:** to examine whether submitted document are in conformity with the qualification requirements by using evaluation criteria. The qualification requirement must set up carefully for particular project. If qualification requirements is extraordinary, it tends to limit the number of bidders. On the other hand, if the qualification is subnormal, it tends to allow unqualified bidders to be passed. Moreover, the evaluation process must undertake by previous set up criteria and base on absolute evaluation.

- **Confidentiality**

After the public opening of bids, related information of the examination, clarification, and evaluation of bids and recommendations concerning awards shall not be disclosed to bidders or other people not officially concerned with this process until the publication of contract award.

4.3 Contract Negotiation

CSC could invite the prospective contractor to negotiate and finalize the optimal engineering construction work costs for the carrying out project financed by NEDA.

4.4 Award of Contract

- Once the contractor(s) has been selected by the Executing agency, the borrower must submit to NEDA the draft contract agreement, the bid evaluation report with the reason for choice made, and all relevant documents in order to review and concurrence of all bidders before sending the notice of award to the contractor(s).
- Once NEDA board has no objection to the winning contractor (s), NEDA shall inform the borrower accordingly by means of a Notice.
- Promptly after civil work contract(s) has been executed by the borrower, the borrower shall submit to NEDA a Request for Review of Contract (Form no. 1) and a duly certified copy of the contract agreements. NEDA shall review the terms and condition of contract agreements in accordance with the financial agreement and submit to NEDA President for approval. If NEDA President approved, NEDA would inform the borrower accordingly by means of a Notice.
- The Executing agency shall not award any works contracts financed under the Loan until: (a) the corresponding initial environmental examination or environmental impact assessment has been carried out by relevant authorities of the Borrower; (b) Resettlement Plan has been carried out by relevant authorities of the borrower and (C) obtaining the approval from NEDA by a Notice.

4.5 Unsuccessful Competitive Bidding Method

If the procurement on the basis of the Competitive Bidding Method is unsuccessful, the Borrower shall submit to NEDA a Request for Review of Procurement Procedure Method(s) (as per Form No.2 of the Financial Assistance Agreement). NEDA shall inform the borrower of its concurrence by means of a Notice Regarding Procurement Method(s).

5. Eligible Goods, Equipment and Services

- The eligible goods, equipment and services procured by the Contractor(s) under the NEDA loan or grant shall be Thai goods, equipment and services of at least 50 (fifty) percent of the total value of goods, equipment and services purchased under the Contract(s). Thai goods, equipment and services are those having a significant portion of their production process in the Kingdom of Thailand and purchased from producers or suppliers located in the Kingdom of Thailand.

- All taxes, including import taxes, levies and duties under the laws of the borrowing countries for all goods, equipment and services under this Loan shall be borne by borrowers.

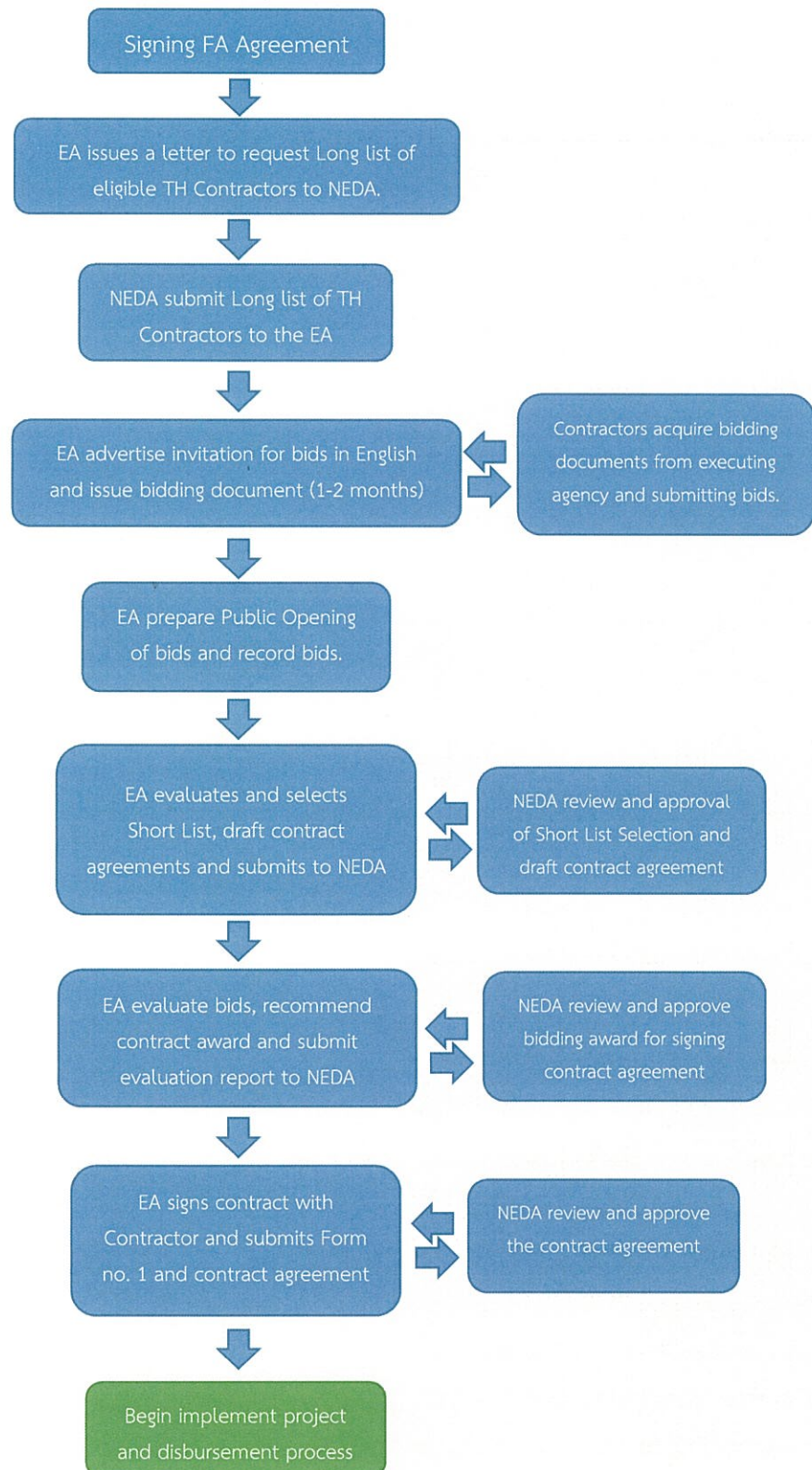
6. Conflict of Interest

- Contractor(s) shall not have a conflict of interest.
- Contractor(s) shall not have a close business relationship with the executing agency and borrower's professional personnel, who are directly or indirectly involved in any part of: (I) the preparation of the bidding documents for the contract, (II) the bid evaluation, or (III) the supervision of such contract, shall be disqualified.

7. Procurement procedure workflow

The workflow of Procurement procedure will assist the borrower to clarify step by step for procurement procedure under the financial assistance projects financed by NEDA. The workflow of Procurement procedure represented as below;

Figure 2 Procurement procedure workflow



Part III

Disbursement Procedure Guidelines

1. Purpose

Guidelines on Disbursement are referred to Annex 8 and Annex 9 of the Financial Assistance Agreement between NEDA and borrowing countries. These guidelines are intended to describe the general characteristics relating to disbursement procedure under the Financial Assistance Agreement financed by NEDA.

NEDA has 2 disbursement methods as following;

- 1) **Direct payment:** the NEDA shall directly settle goods and services to contractor(s) and supervisory consultant(s) bank account.
- 2) **Reimbursement:** the NEDA shall disburse to compensate a borrower for incurred expenses. Under this procedure, NEDA's payments are generally made to the borrower/executing agency and not to contractor(s) and supervisory consultant(s).

2. Scope and applicability

The principles and procedures described in this guidelines are able to apply according to terms and conditions of NEDA's policy-based loan and grant projects, in whole or in part from NEDA's financing, and external sources of fund administered by NEDA.

3. Definitions

The following terms are defined for the purpose of this guidelines:

- | | |
|-------------------------|---|
| ○ closing date | The date NEDA may terminate the right of the borrower to make withdrawals from the Financial Assistant account. |
| ○ Disbursement | The withdrawal of proceeds from borrower and NEDA |
| ○ Eligible expenditures | Project expenditures which can be disbursed under the Financial Assistant Agreement of NEDA |
| ○ Incurred expenditures | The borrower's obligation to pay either as a result of contractual terms |

4. Financial Assistance milestone event date of NEDA

Major loan milestone event dates include the following:

- **The signing date:** is the date the Financial Agreement is signed by the borrower and NEDA.
- **The coming into force date:** is the date of signing the Financial Assistance agreement
- **The final disbursement date:** is the date starting from signing date that no further disbursement shall be made by the NEDA thereafter, unless otherwise agreed upon between the NEDA and the Borrower.

5. Action to be taken by borrower before withdrawal request

Once the Financial Assistance Agreement has become effective and to expedite the disbursement, the borrower shall proceed as following;

5.1 Borrower carries out the project with due diligence, efficiency perform all obligations set forth in the Financial Assistance Agreement and to ensure that the project facilitates are operated maintained and repaired in according with sound administrative, financial, engineering, environmental, construction and maintenance practices.

5.2 The borrower shall submit to NEDA a legal opinion regarding the validity and enforceability of this Agreement from the Ministry of Justice of the borrowing countries in the form given in Annex 5 of the Financial Assistance Agreement.

5.3 The borrower shall submit Evidence of Authority for person(s) who will make, sign and deliver documents necessary for the implementation of the Agreement, together with authenticated specimen signature of such person(s) in the Form given in Annex 6 of the Financial Assistance.

The legal Opinion, Evidence of Authority, Specimen Signature and related documents shall submit to NEDA within **90 days** after signing date.

6. Disbursement Guideline

6.1 For each Request of Disbursement, the Borrower needs to submit to the NEDA of an Application for Withdrawal Form (Form No.3), signed by a duly authorized person of the Borrower, together with supporting evidences such as interim payment report, progress report and etc. for each payment.

6.2 NEDA staffs check the precision and completion of submitted disbursement request, for example, withdrawal application form, supporting documents (if any) and so on, then propose to NEDA president for disbursement approval. After approval, NEDA will issue

cheque or directly transfer money (Thai baht) to contractor(s) and supervisory consultant's account depending on request.

6.3 Each time the disbursement is made, the NEDA will send a Notice Of Disbursement (Form No.4) in duplicate to the Borrower and the Borrower shall **immediately return** to the NEDA one copy of this Notice of Disbursement, signed by a duly authorized person of the Borrower.

6.4 Borrower shall maintain or separate accounts for the project and annually audit in according with appropriate auditing standards by qualified independent auditors and submit to NEDA **not later than 6 months** after the end of each fiscal year in borrowing countries.

6.4 When the final disbursement has been completed, the NEDA will send a Notice of Completion of Disbursement (Form No.5) in duplicate to the Borrower and the Borrower shall immediately return to the NEDA one copy of the Notice of Completion of Disbursement, signed by a duly authorized person of the Borrower.

7. Eligible and Ineligible Expenditures

7.1 Eligible expenditures for financing are generally the expenditures of goods and services under the scope of civil work of the project financed by NEDA.

7.2 Items not eligible for financing are as shown below;

- Taxes and duties
- Purchase of land and other real property

8. General Considerations

8.1 The eligible disbursement must be accordance with the scope of work and objectives of the financial assistant project.

8.2 The amount of disbursement must conform to the progress of civil work.

8.3 The amount of disbursement must not exceed particular expenditure category and the total contract amount and value mentioned in the financial assistance agreement.

8.4 NEDA will consider to approve the disbursement in accordance with the related documents. For example, Interim Payment report, Withdrawal Application form, authorized specimen signature, invoice, summary sheet and etc.

8.5 The disbursement approval will be subject to the other conditions, especially, the proportion of goods and services from Thailand must exceed 50% of the contract amount.

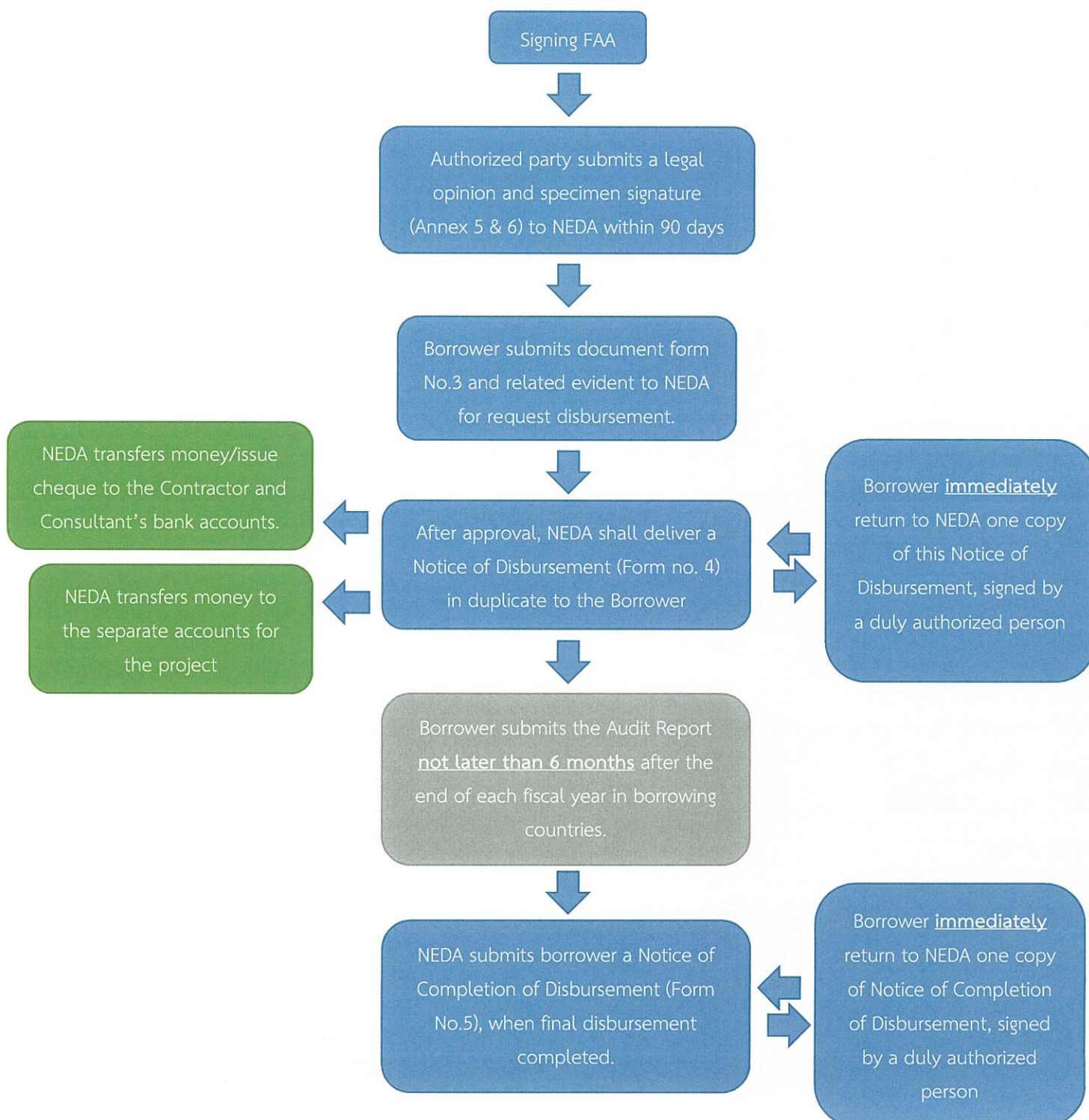
9. Currency Payment

The disbursement and/or payment is generally settled in Thai baht, which the cost of goods and services has been paid or is payable.

10. Disbursement Procedure workflow

The Disbursement Procedure workflow will assist the borrower to clarify the step of disbursement relative to the financial assistance project provided by NEDA. The disbursement procedure workflow represented as below;

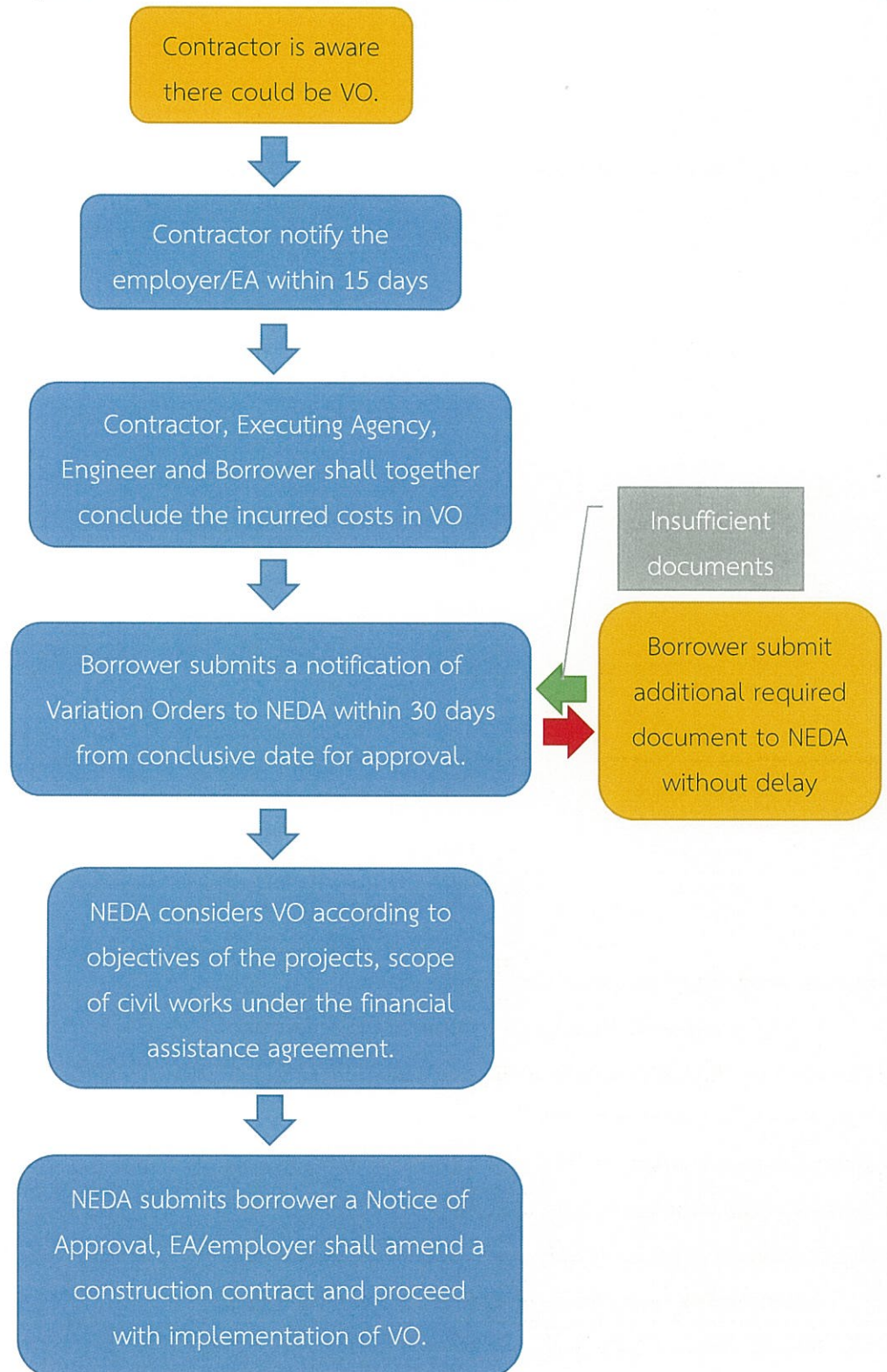
Figure 3 Disbursement Procedure workflow



11. Changing in cost during project implementation (Variation Orders)

Changing in cost, financing plan, reduction/increment and changes in expenditures originally approved by NEDA, borrower must request approval from NEDA for Variation Orders (VO) before terminate the remaining scope of civil work in accordance with the Financial Assistance Agreement terms. In addition, the contractor and the Executing Agency shall not amend a construction contract and/or implement Variation unless they receive written approval from NEDA. For more information, please see Notification of Executive Board of Neighbouring Countries Economic Development Cooperation Agency re: Criteria and Procedure to Request for Variation B.E. 2559 (2016) in attachment VIII. The Variation Order request workflow explaining step by step is as below;

Figure 4 Variation Orders Request workflow



Remark: The contractor and the Executing Agency shall not amend a construction contract and/or implement Variation unless they receive written approval from NEDA.

Part IV
Attachment I
Request for Review of Contract form

Form No.1

Ref. No.

Date:

Neighbouring Countries Economic Development
Cooperation Agency (Public Organization) (NEDA)
Suntowers building A 14th Fl., Vibhavadi-Rangsit Rd.,
Bangkok 10900, Thailand

Attention:

Dear Sir,

Subject: Request for Review of Contract

Reference is made to the provisions in the Loan Agreement No _____,
dated _____ for _____, we hereby submit for your review a certified
copy of the civil works contract and/or the consultant contract as attached hereto.

Please notify us in writing of your approval of the said contract.

Yours sincerely,

(Authorized Signature)

(.....Agency.....)

Attachment II**Request for Review of Procurement Procedure Method form****Form No.2**

Ref. No.

Date:

Neighbouring Countries Economic Development
Cooperation Agency (Public Organization) (NEDA)
Suntowers building A 14th Fl., Vibhavadi-Rangsit Rd.,
Bangkok 10900, Thailand

Attention:

Dear Sir,

Subject: Request for Review of Procurement Procedure Method

Reference is made to provision in the Loan Agreement
No. _____, dated _____ for _____, we hereby submit for your review
the Procurement Method(s) as per attached sheet.

Please notify us of your approval of the said Procurement Method(s).

Yours sincerely,

(Authorized Signature)**(.....Agency.....)**

Attached Sheet No.....

1. Name of the Project:
2. Method(s) of Procurement

(_____)	Competitive Bidding
(_____)	Direct Negotiation
(_____)	National Shopping
(_____)	Direct Contracting
(_____)	Other (_____)
3. Reasons for Selection of Method(s) of Procurement in detail
(for instance, technical consideration, economic factors, experiences and capabilities)
4. Name and Address of the Contractor(s)
5. Estimated Contract Amount (in Baht)
6. Main Items Covered by the Contract
7. Type of Contract (civil work or consultant)
8. Schedule (Date of Execution of the Contract, Date of Commencement of Works and Completion date)

Attachment III
Legal Opinion form

Ref. No.

Date:

(Name and Address of Lender)

Attention :

Dear Sir,

Legal Opinion

With respect to the Loan extended by the Government of the Kingdom of Thailand acting by and through Neighbouring Countries Economic Development Cooperation Agency (Public Organization) (hereinafter refer to as "the Lender") to the government of Lao People's Democratic Republic acting by and through Ministry of Finance (hereinafter referred to as "the Borrower") in aggregate amount not exceeding Baht 313,370,000 (Baht Three hundred thirteen million three hundred and seventy thousand) as the principal in accordance with the terms and conditions of the Loan Agreement No. _____, dated _____ between the Borrower and the Lender and other agreements supplement thereto (hereinafter referred to as "the Loan Agreement"), I, the undersigned, acting as legal counsel for the Borrower, certify as follows:

I have considered and examined, among other things, the following documents:

(a) the Loan Agreement;

(b) evidence of authority and specimen signature, dated _____ issued

by _____;

(c) other documents;

(d) all the laws and regulations of the Lao PDR relevant to the power and authority of the Borrower to make, sign and deliver the Loan Agreement.

Based upon the foregoing, I hereby certify as follows:

1. that the Loan Agreement has been made, signed and delivered by (Name and Title of authorized Person), who has the power and authority to make, sign and deliver under the laws and regulations of Lao PDR;

2. that the Loan Agreement are legal, valid and binding obligations of the Borrower, enforceable against it in accordance with the provisions thereof;

3. that the Borrower is Ministry of Finance of Lao PDR, which has its function and power under the laws and regulations of Lao PDR and is authorized to borrow foreign currency

funds from abroad under the laws and regulations of Lao PDR and that the terms and conditions of the Loan Agreement are in compliance with the provisions of the laws and regulations of Lao PDR;

4. that, therefore, the Loan Agreement has been duly authorized by and made, signed and delivered on behalf of the Borrower and constitutes a valid and binding obligation upon the Borrower with regard to all terms and conditions; and

5. that the authorization and any other procedures necessary for the implementation of the Loan Agreement have been duly effected and completed.

IN WITNESS WHEREOF, I, the undersigned, have hereto set my hand and affixed my official seal, this _____ day of _____.

Yours sincerely,

(_____)

Minister of Justice

Attachment IV

Evidence of Authority/Specimen Signature form

Ref. No.

Date:

.....Name and Address of Lender.....

Attention:

Dear Sir,

Evidence of Authority

I, (Title) , hereby certify that the following persons are authorized to make, sign and deliver, on my behalf, the documents necessary for the implementation of Loan Agreement No , dated concluded between the Kingdom of Thailand and Lao PDR.

And I hereby declare that the said documents made, signed and delivered by the said persons shall be valid and binding on the Lao PDR as though the same were signed personally by myself.

The official titles and names of the authorized persons are as follows;

1.	<u> Name </u>	<u> Title </u>
2.	<u> Name </u>	<u> Title </u>
3.	<u> Name </u>	<u> Title </u>
4.	<u> Name </u>	<u> Title </u>

Specimen signatures of the above authorized persons are enclosed herewith.

Yours sincerely,

(Name of Borrower)

(Authorized Signature)

Enclosure: Specimen Signatures

Specimen Signatures

1. _____ (Official title and name) _____ (signature)
2. _____ (Official title and name) _____ (signature)
3. _____ (Official title and name) _____ (signature)
4. _____ (Official title and name) _____ (signature)

Attested:

By: _____

(Authorized Signature)

Attachment V
Application for Withdrawal Template

Form No.3

Ref. No.

Date:

Neighbouring Countries Economic Development
Cooperation Agency (Public Organization) (NEDA)
Suntowers building A 14th Fl., Vibhavadi-Rangsit Rd.,
Bangkok 10900, Thailand

Attention: President

Dear Sir,

Application for Withdrawal

We hereby notify you that we have made the following Application for Withdrawal under the Loan Agreement No _____ dated _____.

1. Please make a payment in the amount of Baht.....(.....) for (.....). We apply for this withdrawal from the account opened under Loan Agreement and hereby certify as follows:

a) that the said amount is required to enable us to meet expenditure as described in the attached summary sheet(s) which forms an integral part of this application; such expenditure are to be made for the purposes specified in the said Loan Agreement; the goods, equipment, and services so procured are appropriate for such purposes; and the costs and terms of the procurement hereof are reasonable and in accordance with the Loan Agreement;

b) that there is no existing default under the said Loan Agreement at this time this application is made;

c) that the borrower will use the aforementioned withdrawn amount only for the payment of the goods equipment, and services which is due and the Borrower shall provide the Lender satisfactory evidence of such payment as promptly as possible;

d) that the said amount shall be used only for the payment of the such goods equipment, and services as well as the administrative as set forth in the attached summary sheet(s);

2. Detail of Expenditure: _____

Name and Address of Contractor or Consultant: _____

Brief Description of Goods, Works or Services: _____

Currency and Total Amount of Contract: _____

3. Withdrawal Details

Category: _____

4. Name and Address of Bank and Account No. of Payee.

5. Name and Address of Payee.

This application consists of these pages and a set of support document signed and numbered summary sheets.

.....the Borrower.....

acting by and through

.....Agency.....

By:(_____)
[Signature of Authorized Representative]

[Print Name of Authorized Representative]

[Title of Authorized Representative]

Attachment VI
Notice of Disbursement

Form No.4

Ref. No.

Date:

Address of the Borrower

Attention:.....The Borrower.....

Notice of Disbursement

We hereby notify you that we have made the following disbursement under the Loan Agreement No _____ dated _____.

1. Number of Disbursements
2. Date of Disbursement
3. Amount of Disbursement
4. Cumulative Total of Disbursements under the Loan Agreement
(Including the present Disbursement)
5. Others

In confirmation of this Notice, please return to us immediately the copy, signed by a duly authorized person.

Yours sincerely,

 (Authorized Person)

The Lender

Date:

We hereby acknowledge the receipt of this Notice and confirm the disbursement under the Loan Agreement as stated above.

 (Authorized Person)

The Borrower

Attachment VII**Notice of Completion of Disbursement****Form No.5**

Ref. No.

Date:

Address of the Borrower

Attention:The Borrower.....

Notice of Completion of Disbursement

With reference to the Loan Agreement No. _____, dated _____, we hereby notify you that all disbursements of the Loan under this Agreement have been completed. The details of disbursements are as follows:

The Loan

- | | |
|---|------------|
| 1. Loan Limit Amount (A) | Baht _____ |
| 2. Cumulative Total of Disbursement (B) | Baht _____ |
| 3. Unused Balance (A-B) | Baht _____ |
| 4. Date of Final Disbursement | _____ |
| 5. Date of Completion of Disbursement | _____ |

We also wish to notify you that the Loan Agreement shall be implemented henceforth as follows:

1. Amortization Schedule; Per attached
2. Due Dates of Interest Payments
 - (1) Due date of next payment
 - (2) Due dates thereafter

In confirmation of this Notice, please return to us immediately the copy, signed by a duly authorized person.

Yours sincerely,

(Authorized Person)

The Lender

Date:

We hereby acknowledge receipt of this Notice and confirm that the Loan Agreement shall be implemented as stated above.

(Authorized Person)

The Borrower

Attachment VIII

Criteria and Procedure to request for Variation Order (VO)



**Notification of the Executive Board of
Neighbouring Countries Economic Development Cooperation Agency
re: Criteria and Procedure to Request for Variation B.E. 2559 (2016)**

Whereas it is expedient to prescribe criteria and procedure to request for variation of the neighbouring countries financial assistance projects in order to promote their efficiency, achieve the highest benefits therefrom and achieve the main objectives of Neighbouring Countries Economic Development Cooperation Agency (Public Organization).

By virtue of the provision of Section 21 (5) of the Royal Decree on the Establishment of Neighbouring Countries Economic Development Cooperation Agency (Public Organization) B.E. 2548 (2005) and the resolution of the Meeting of the Executive Board of Neighbouring Countries Economic Development Cooperation Agency no. 7/2559 on 27 July 2559, it is hereby prescribed a notification as follows:

Clause 1 This Notification shall be called the “Notification of the Executive Board of Neighbouring Countries Economic Development Cooperation Agency (Public Organization) re: Criteria and Procedure to Request for Variation B.E. 2559 (2016)”

Clause 2 This Notification shall come into force from the date of its publication.

Clause 3 In this Notification,

“NEDA” means the Neighbouring Countries Economic Development Cooperation Agency (Public Organization) who is a lender under this Notification;

“Executive Board” means the Executive Board of Neighbouring Countries Economic Development Cooperation Agency;

“President” means the President of Neighbouring Countries Economic Development Cooperation Agency (Public Organization);

“Borrower” means a neighbouring country’s agency who is a party with NEDA in an agreement in which financial assistance from NEDA is provided;

“Employer” means a signatory to a construction contract hiring the other party to perform works specified therein as assigned by Borrower;

“Contractor” means a signatory to a construction contract who shall perform works specified therein;

“Engineer” means a person or juristic person assigned or employed by Employer to act as an engineer supervising the project; and

“Variation” means an amendment or a change to any part of works included in a construction contract, as follows:

- (1) Changes to the quantities of any item of work included in a contract
- (2) Changes to the quality and other characteristics of such work;
- (3) Changes to the levels, positions and /or dimensions of any part of work;
- (4) Omission of any work unless it is to be carried out by others;
- (5) any additional work including plant, materials or other activities necessary for a complete construction including any associated test, such as, boreholes and other testing and exploratory works; or
- (6) Changes to the sequence or timing of the completion of work.

Clause 4 Procedure and Approval

(1) In the event where the Contractor is aware that there could be Variation, the Contractor shall consult with the Engineer to reach a conclusion in such matter. If it is concluded that there will be such Variation, the Contractor shall notify the Employer within 15 days from the date in which the conclusion has been reached.

(2) In the event where there will be Variation, the Contractor, the Employer, the Engineer and the Borrower shall together consider the costs incurring from such Variation in order to reach conclusion on the change of financial amount of construction and/or construction supervision fee.

(3) In the event where Variation is made within the scope of the objectives under financial assistance agreement without causing any change to lending amount in construction and/or construction management contract approved by NEDA, the Borrower may re-allocate financial amount to be within the lending amount under such agreement. The Borrower shall notify NEDA of details and reasons of such re-allocation for NEDA’s consideration.

(4) In the event where Variation results or may result in an increase in amount from that specified in construction and/or construction management contract, the Borrower shall, prior to amending a construction contract and proceeding with implementation of Variation, submit the relevant documents including a written request requesting for approval to use additional lending amount along with details and reasons thereof to NEDA within 30 days as from the day the conclusion has been reached pursuant to Clause 4 (2) for NEDA’s consideration and approval. If the documents are insufficient, the Borrower shall, upon notification from NEDA, submit additional required documents to NEDA without delay.

The Contractor and the Employer shall not amend a construction contract and/or implement Variation unless they receive written approval from NEDA. However, the Contractor shall not cease construction of any part irrelevant to Variation in order to avoid any delay of the project.

(5) In the event where there is Variation and extension of construction period, the Engineer has a right to receive an additional compensation from such extension. The rate of such compensation shall be referred to construction management contract.

(6) NEDA shall not be responsible for any operation of the Contractor or the Employer in the event where the Contractor or the Employer has proceeded with Variation without receiving written approval from NEDA. In addition, NEDA shall not be responsible for any damages or expenses occurred to the Borrower, the Employer, the Contractor and/or the Engineer.

Clause 5 The President shall be in charge of the enforcement of this Notification and shall be empowered to issue notifications, orders, criteria and procedure in accordance with this Notification.

Clause 6 In the event where there has to be any operation which is not prescribed in this Notification or is vaguely prescribed herein, the President shall, in order to duly complete the operation, propose such matter to the Executive Board for consideration and approval.

Clause 7 All other Orders or Notifications, provided herein or are contrary hereto or inconsistent herewith, shall be replaced by this Notification.

Notification is made on 13 August B.E. 2559 (2016)



(Assoc. Prof. Dr. Varakorn Samakoses)

Chairman of the Executive Board

Part V
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