



**Implementation of TBLRR  
Substance Completion Report  
[Draft Final Report]**

---

国家计委政策法规司

亚洲开发银行

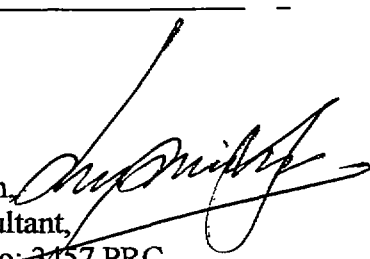
**ADB TA – 3457 PRC**

**Sep 2001**

---

## Memorandum

To:  
Mr. Robert Rothery,  
Senior Procurement Specialist,  
COSO,  
Asian Development Bank,  
Manila, Philippines.

From:   
Tay Sin Yan,  
Lead Consultant,  
ADB TA No: 3457 PRC,  
Scott-Wilson (HK) Ltd.,  
Beijing, PRC.

---

Date: 14 Sep. 2001.

### **ADB TA No: 3457 – PRC on Implementation of TBLRR Substantive Completion Report [Draft Final Report]**

#### **I. Introduction**

1. The Asian Development Bank (ADB) granted a Technical Assistant (TA) No: 3457-PRC to the People's Republic of China (PRC) for Implementation of the Tendering and Bidding Law and Related Regulations (TBLRR). Scott-Wilson (Hong Kong) Ltd (SW) was appointed as the Consultant to undertake the implementation of the TA.

#### **II. TA Scope and Implementation Schedule**

2. The TA comprises four (4) components:
- (i) Project administration and supervision instructions;
  - (ii) Organization of Department of Public Procurement;
  - (iii) Training course structure and materials; and
  - (iv) Public procurement computerized database.
3. The TA was scheduled for implementation over a period of ten (10) months and for completion by the end of August 2001.

#### **III. The Structure of this Report**

4. This report aims at providing the reader with a structured account of the status of implementation of the TA. It is designed to have a three-tier

structure. The first tier in the form of the main text provides a summary of the main points. The main text is supported where appropriate by a second tier comprising appendices which themselves are usually a summary (eg Table of Contents) of the full documents. The third tier makes use of electronic data storage devices (floppy disks) to convey the full text of the relevant documents. This enables the reader to make use of this report efficiently, in progressive steps if desired.

#### **IV. Implementation History in Summary**

5. Work on the implementation of the TA commenced promptly with the arrival in Beijing of the Lead Consultant Prof. Tay Sin Yan on the 1<sup>st</sup> November 2000. The official Inception Meeting with the Executing Agency, the State Development Planning Commission (SDPC) was held on the 6<sup>th</sup> November 2000 and an Inception Report dated 30 November 2000 was submitted to the Bank.
6. The First Tripartite Review Meeting between ADB/SDPC/SW was held on the 3<sup>rd</sup> March 2001 and a Progress Report dated 15 March 2001 detailing work done up to that date was submitted to the Bank. The Second Tripartite Review Meeting was held on the 21 May 2001 in Beihai, Guangxi Province, PRC and the Interim Report was submitted on the 15 June 2001.
7. The Third Tripartite Meeting was held on the 6<sup>th</sup> September, 2001 in Beijing. A copy of the Aide Memoire produced by the ADB Mission documenting the understandings reached at the Tripartite Review Meeting is attached as herewith as Appendix 1.
8. This report is submitted as required under the TA schedule which calls for a "Draft Final Report" to be prepared following the Third Tripartite Meeting as a prelude to the Final Report to follow within a month. Due to an adjustment to the final phase of the TA completion this report is being prepared in the form of a "Substantive Completion Report" with the "Final Report" to follow in due course.

#### **9. Workshop and Training Courses Conducted**

9. A Workshop to review chapters 5,6&7 of the draft Project Administration and Supervision Instructions (PASI) and the proposal for the Establishment of the Department for Public Procurement. (DPP) was held in the city of Beihai, Guangxi Province, PRC on the 19<sup>th</sup> and 20<sup>th</sup> May 2001.
10. Fifteen Chinese experts from various government organizations and provinces were invited to attend the workshop and provide key-note speeches. Together with other dignitaries, comprising senior officials from the central and provincial governments, and other officials, including a representative each from the World Bank and ADB Resident Offices in Beijing, there were about thirty (30) participants attending the Workshop. The Workshop was very successful and was hailed by the high officials of SDPC as a significant milestone in the successful implementation of the TA

11. Two training Courses on the TBLRR were held to test out the course design and the training materials prepared as well as to introduce the participants to the Project Administration and Supervision Manual under preparation. The first training course was held in Harbin from the 18<sup>th</sup> to 20<sup>th</sup> August 2001 and the second in Beijing from the 6<sup>th</sup> to 8<sup>th</sup> September 2001. One hundred and twenty five (125) and two hundred and eighty (280) participants attended the two training courses respectively.

## **V. Work Accomplished under each TA Component**

### **(i) Project Administration and Supervision Instructions (PASI) (Consultant: Prof. Tay Sin Yan)**

12. The following Chapters of Administration and Supervision Instructions, drafted after two missions in November 2000 and February/March 2001, were translated into Chinese and presented for review by the Chinese experts at the Workshop in Beihai, on the 17<sup>th</sup> and 18<sup>th</sup> May 2001:

Chapter 5: Tendering for Goods and Works	(17 articles)
Chapter 6: Bid Evaluation and Contracting	(15 articles)
Chapter 7: Project Administration and Supervision	(18 articles)

These three chapters totalling fifty (50) articles are the most important chapters of the instruction manual and constitute about sixty (60) per cent of the whole manual.

13. The three chapters of draft administration and supervision instructions presented at the workshop were very well received. Essentially no problems on substantive issues were raised and all the comments revolved around quantitative details. No basic revision of the drafted instructions was deemed necessary but there was a need to check on the accuracy of translation into Chinese. The comments provided by the participants can be considered by SDPC before each instruction is finalized and issued.
14. Three more chapters were drafted during the may/June 2001 mission as detailed below:

Chapter 1: General (including Project Appraisal)	(7 articles)
Chapter 2: Preparation for Project Implementation	(9 articles)
Chapter 8: Project Completion and Evaluation	(6 articles)

15. During the August 2001 mission one more chapter (Chapter 4 on Use of Tendering Agencies) comprising 11 articles was drafted. This brought the total number of articles drafted to 83 and it also represented the completion of the entire scope of drafting work for the Instruction Manual.

16. Chapter 3 on Procurement of Consulting Services had not been drafted and is left to be prepared by the group responsible for the formulation of regulations on procurement of consulting services.
17. As an indication of the coverage of the Instruction Manual the Tables of Contents of the various chapters are appended herewith as Appendix 2. The full text of the Instructions drafted is contained in Floppy Disk No:1 submitted with this report under the heading of "PASI Text".
18. At the Third ADB/SDPC/SW Tripartite Meeting held on the 6<sup>th</sup> September 2001 SDPC proposed and ADB agreed to the holding of another workshop in early November 2001 to review chapters 1,2,4 & 8 which have not as yet been reviewed by Chinese experts.
19. The structure and contents of the Instruction Manual was briefly presented at the Training course held in Harbin, from the 18<sup>th</sup> to 20<sup>th</sup> August 2001 as well as at the Training Course held in Beijing from the 6<sup>th</sup> to 8<sup>th</sup> September 2001. The purpose was to apprise the participants of the nature of the PASIs, their relationship with the TBLRR and to instruct the participants on how the PASIs may be used to achieve effective administration and supervision of projects under implementation.

**(ii) Organization of Department of Public Procurement (DPP)**  
**(Consultant: Mr. Jeff Woodhams)**

20. Mr. Woodhams' proposed organization for the DPP, revised after his third mission in March 2001, was translated into Chinese and presented at the Workshop in Beihai for review and comments by the Chinese experts. .
21. Essentially Mr. Woodhams' proposed organizational structure of the DDP was the same as that envisaged in the TA paper except that he added a fifth division called Accreditation Division to the original four of: (i) Public Procurement (ii) Administration and Supervision (iii) Training and Information and (iv) Settlement of Disputes.
22. During the discussion at the Workshop in Beihai in May 2001 it became apparent that there was a deep-seated concern among other ministries and departments that the DPP was set up to take over their power to administer and supervise their own projects. Clarifications had to be made at the Workshop to dispel the misunderstanding and it was agreed to further revise the proposal to address the issue.
23. Following the Workshop the Consultant had further consultation with SDPC and revised the proposal for DDP involving the dropping of the fifth division of Accreditation and in its place proposing the establishment of a Tendering and Bidding Agency Association. Job descriptions of the senior posts were also drafted.

24. The gist of the Consultant's revised proposal may be seen from the Table of Contents attached hereto as Appendix 3. The full text of the revised proposal is contained also in floppy disk No:1, submitted with this report under the heading of "DPPorg4".
25. The Consultant's revised proposal was submitted to SDPC in July 2001. SDPC is considering the proposal and indicated that the physical establishment of the DPP will have to await further consultation with other Ministries and Departments and the obtaining of official approval for the purpose. So far as the implementation of this TA is concerned this component may be considered completed.

**(iii) Training Course and Materials**

**(Consultants: Mr. Xia He-Wei assisted by Mr. Tang Guang-Quing and Mr. Yuan Bing-Yu)**

26. The drafting of the Training Manual was completed and printed in time for the First Training Course held in Harbin from 18<sup>th</sup> to 20<sup>th</sup> August 2001. The Training Manual consists of four chapters as follows:

Chapter 1: Summary on Tendering and Bidding  
 Chapter 2: Tendering and Bidding for Construction  
 Chapter 3: Tendering and Bidding for Equipment  
 Chapter 4: Procurement of Services

27. The three consultants who prepared the training materials, namely Mr. Xia He-Wei, Mr. Tang Guang-Quing and Mr. Yuan Bing-Yu ably served as lecturers on Procurement of services, Tendering and Bidding for Construction and Tendering and Bidding for Equipment respectively. The standard of teaching was uniformly high and well received. More importantly it enabled the consultants concerned to test out and fine-tune the section of the training materials prepared by each of them.
28. Based on the experience gained from the first training course the training manual was revised for the Second Training Course held in Beijing from the 6<sup>th</sup> to 8<sup>th</sup> September 2001.
29. The coverage of the Training Manual may be gleaned from the Table of Contents attached hereto as Appendix 4. The Training Manual is prepared in Chinese and covers about one hundred and fifty pages. It will be further edited and refined to improve its standard and presentation.

**.Computerized Database**

30. The basic design of the Tendering and Bidding Administrative System was completed in May 2001. The design was discussed with officials of SDPC and the design team also visited the Tendering and Bidding Administrative System Centre of MFTEC. From the discussions and field investigations the design was further

analysed and fine-tuned to provide effective supervision of the Tendering and Bidding process. Specifically the Tendering and Bidding Administrative System Database has been designed with the following features:

- (a) The system operation of the database is based on the Internet. This design approach was adopted after extensive discussions with SDPC and it is believed that this Internet based operation is the best to cater for the present and future needs for tendering and bidding administration.
- (b) The whole system includes :  
 Schedule of Administrative Powers,  
 Administration of Tendering and Bidding Files,  
 Information on Bidders,  
 Record of Biddings,  
 Record of Bid Evaluations,  
 Investigations on tendering and bidding violations and  
 Record of complaints and their resolutions.
- (c) Information on the Tendering and Bidding Administrative System Database may be posted on the SDPC web-site. This is being arranged by SDPC.
- (d) A flow chart illustrating the interfaces of the database system is attached as Appendix 5. Further details of the system is contained in floppy disk No: 2 submitted with this report under the heading of "Database"

31. The hardware and software of the database system are as follows:

- a. One unit of network server with supporting network management software and operating system;
- b. Three units of mobile work stations with nominal software and operating system;
- c. Five units of stationary work stations with nominal software and operating system; and
- d. Database system operating software

32. The total cost of the above computer hardware and software amounts to about \$35,000/-. Two mobile work stations and three stationary work stations were acquired for SDPC in May/June, 2001 to upgrade their existing computer environment. The remainder of the equipment, comprising one server, two (2) stationary work stations and one mobile work station, is being procured and installed. It is anticipated that this work will be fully completed before the end of September 2001.

33. An operation manual on the Tendering and Bidding Administrative System Database has been prepared and is currently being finalised. Staff of SDPC will be trained to ensure that they will be familiar with the system and will be able to operate and maintain the system efficiently after taking over.

## **VI. Mass Dissemination of Information**

34. For the mass dissemination of information on the Tendering and Bidding Law and its related decrees/regulations arrangements will be made by SW to have a CD-ROM produced. The CD-ROM will be in the Chinese language and will contain the materials shown in Appendix 6 attached. Copies of the CD-ROM will be widely distributed to all departments undertaking procurement and project implementation.

## **VII. Extension of TA Closing Date**

35. The TA has been implemented successfully with the main tasks substantially accomplished by the time of writing of this report in mid September 2001. However, it is expected that the tail end of the TA will take a bit more time to wrap up, especially since another workshop is to be held in November 2001. It is necessary to extend the closing date of the TA. Taking into account the extended Christmas and New year (Western and Chinese) holiday periods it is proposed that the TA closing date be extended to 31 March 2002 as previously recommended. A revised TA implementation schedule is attached as Appendix 7.

cc.: State Development Planning Commission.  
Mr. Peter Chan, Scott Wilson (HK) Ltd.

Appendix 1.**Aide Memoire**

PEOPLE'S REPUBLIC OF CHINA  
and  
THE ASIAN DEVELOPMENT BANK

**TA 3457-PRC: Implementation of the Tendering and Bidding Law  
and Related Regulations  
—Review Mission—**

- i) A mission (the Mission) from the Asian Development Bank (the ADB) visited PRC from 28 August to 6 September 2001 to participate in a workshop and review the technical assistance (TA). A review meeting was held on 6 September 2001. It was attended by representatives of the State Development and Program Commission (SDPC) the executing agency (EA) for the TA, and the TA consultants. This aide memoire documents understandings on the status of the TA.
- ii) The TA was approved by the ADB in June 2000. Consultants Scott Wilson of Hong Kong were recruited in November 2000. Most components of the TA are completed or nearing completion. Following is the status:
- iii) **Organizational Structure:** The consultants have submitted their report on the proposed organizational structure to administer implementation of the Tendering and Bidding Law. This task is considered complete.
- iv) **Administrative and Supervisory Instructions:** The instructions have been prepared and submitted to SDPC. SDPC will undertake an expert review process and conduct a seminar to obtain final inputs.<sup>1</sup> Following the review process, expected by the end of November 2001, the consultants will make final adjustments, if necessary.
- v) **Database:** The first batch of hardware and the initial database software have been delivered. The consultants have scheduled delivery of the remaining hardware and software, documentation, and manuals for the end of September.
- vi) **Training Course Material:** The first draft of the training course material is complete and the first pilot training course completed (the second is ongoing). It is planned to finalize the material by about the end of September. The final version will be used in the third and last pilot course, scheduled for November.

---

<sup>1</sup> About 50 percent of the material has been through the review process.

- vii) **Dissemination of Materials:** The consultants will make arrangements to translate, print and distribute the materials produced by the TA. This will include production of a CD containing the Tendering and Bidding Law and regulations, the training materials, the Administrative and Supervisory Instructions, ADB and World Bank Guidelines, case studies, and any other relevant information. SPDC agreed to work with the consultants to define the contents of the CD.
- viii) The consultants noted that additional funding would be required for the training and workshop component of the TA. This is due to the addition of the Behai workshop, and the addition of the proposed November workshop/training session. The consultants were requested to prepare an estimate of the required funding. The Mission agreed to seek approval to use the TA contingency to fund the additional work, estimated to be in the order of \$50,000.
- ix) The consultants have scheduled the draft final report for delivery by the end of September. It was agreed that this report would more likely take the form of a "substantial completion" report, as the report will document the work completed under the TA to this point in time.
- x) In addition to the consulting work described above, the TA is supporting two study tours for SDPC staff to gain experience in project administration. The first of these (to the World Bank) is completed. The second was originally planned to be to ADB headquarters in Manila. However, it was decided that more benefit could be derived by visiting other regional countries to see how they are dealing with procurement regulation. It was agreed that India and Nepal would be good countries to visit. The study tour will be scheduled for early next year and will involve three individuals for two weeks at an estimated cost of \$15,000.
- xi) The Mission compliments SDPC for their ongoing support of the TA, and for the cooperation and hospitality extended during the review.

Robert Rothery  
Asian Development Bank  
6 September 2001

**Copies:**  
Mme. Dai Guiying, SDPC  
Peter Chan, Scott Wilson  
Prof. Tay Sin Yan, Scott Wilson

Appendix 2

## **Project Administration and Supervision Instructions Table of Contents**

### **Chapter 1 – General**

- 1.1 Law, Regulations, Decrees and Instructions**
- 1.2 The Project Administration and Supervision Instructions**
- 1.3 Project Formulation and Implementation**
- 1.4 Criteria for Project Acceptance**
- 1.5 Project Cost Estimates**
- 1.6 Project Implementation Schedule**

### **Chapter 2 – Preparation for Project Implementation**

- 2.1 The Project Office**
- 2.2 Project Administration Memorandum**
- 2.3 Essential Documents for Effective Administration**
- 2.4 Project Administration Matrix**
- 2.5 Training of Project Personnel**
- 2.6 Standardizing the Use of Procurement Terms**
- 2.7 Contract Packaging**
- 2.8 Pre-qualification of Bidders**
- 2.9 Avoiding Lead-Time Trap**

### **Chapter 3: Procurement of Consulting Services**

[To be drafted by others responsible for corresponding regulation]

---

## **Chapter 4 : Use of Tendering Agencies**

- 4.1 Use of Tendering Agencies**
- 4.2 Selection of Tendering Agency**
- 4.3 Invitation for Applications for Short-Listing (AFSL)**
- 4.4 Guidelines for Preparation of Application for Short-Listing**
- 4.5 Criteria for Short-Listing of Tendering Agencies**
- 4.6 Request for Proposals (RFP) for Tendering Agency Services**
- 4.7 Information for Tendering Agencies (IFTA)**
- 4.8 Outline and Notes for Preparation of Terms of Reference (TOR)**
- 4.9 Evaluation of Tendering Agency Service Proposals**
- 4.10 Invitation for Contract Negotiation (IFCN)**
- 4.11 Form of Contract for Tendering Agency Services**

## **Chapter 5 – Tendering for Goods and Works**

- 5.1 Administrative Supervision of Procurement**
- 5.2 Modes of Procurement**
- 5.3 Threshold Values for Competitive Tendering**
- 5.4 Exemption from Competitive Tendering**
- 5.5 Compilation of Tender Documents**
- 5.6 Use of Sample Documents**
- 5.7 Basic Information and Data Sheet (BIDS)**
- 5.8 Sale of Tender Documents**
- 5.9 Tender Base Price**
- 5.10 Tendering Period**
- 5.11 Bid Security**
- 5.12 Clarifications and Amendments of Tender Documents**

- 
- 5.13 Adjustment for Price Fluctuations**
  - 5.14 Alternative Bids**
  - 5.15 Two-Stage Bidding Procedure**
  - 5.16 Bid Form**
  - 5.17 Check List for Essential Provisions of Tender Documents**

## **Chapter 6 – Bid Evaluation and Contracting**

- 6.1 Bid Evaluation Organization and Methods**
- 6.2 Bid Evaluation Committee Member  
Statutory Declaration and Service Agreement**
- 6.3 Bid Evaluation Methods and Criteria**
- 6.4 Evaluation of Missing Items**
- 6.5 Bid Price Below Cost**
- 6.6 Treatment of Discount Offered**
- 6.7 Liquidated Damages**
- 6.8 Period of Bid Validity**
- 6.9 Contract Negotiation**
- 6.10 Performance Security**
- 6.11 Advance Payment Security**
- 6.12 Rejection of All Bids and Re-tendering**
- 6.13 Approval of Contract Award**
- 6.14 Contract Form**
- 6.15- Bidder's Complaints**

## **Chapter 7 – Project Administration and Supervision**

- 7.1 Administration and Supervision Framework**

- 
- 7.2 Project Implementation Administration and Supervision**
  - 7.3 Functions of Project Inception Missions**
  - 7.4 Functions of Project Review Missions**
  - 7.5 Special Project Administration Missions**
  - 7.6 Monitoring of Physical Progress**
  - 7.7 Changes in Project Scope or Implementation**
  - 7.8 Monitoring of Project Expenditures**
  - 7.9 Re-allocation of Project Funds**
  - 7.10 Project Cost Overrun**
  - 7.11 Utilization of Surplus Project Funds**
  - 7.12 Compliance with Project Conditions**
  - 7.13 Reports of Project Administration Missions**
  - 7.14 Mid Term Review and Reappraisal of Project**
  - 7.15 Progress Reporting and Follow-up Actions**
  - 7.16 Supplementary Financing**
  - 7.17 Examination of Audited Financial Statements**
  - 7.18 Dispute Resolution and Arbitration**

## **Chapter 8 – Project Completion and Evaluation**

- 8.1 Project Completion Report- General**
- 8.2 Preliminary Project Completion Report  
Preparation by Project Implementing Agency**
- 8.3 The Project Completion Report**
- 8.4 Guidelines for Preparation of Project Completion Report**
- 8.5 Use of Project Completion Report**
- 8.6 Project Performance Audit Report**

# ADB Consultancy Project TA 3457-PRC on Implementation of The Bidding Law and Related Regulations in PRC

## Organisation for Department of Public Procurement (Recommendation by Organisation Expert) (Revised Version following Beihai Workshop)

### Contents

Introduction .....	1
Overall Responsibilities.....	1
Organisation of DPP .....	4
The organisation to be set up .....	4
Department of Public Procurement – Recommendation of Organisation Expert.....	5
Initial Size.....	7
Anticipated Eventual Size.....	7
Staff Experience .....	7
Size of the organisation.....	8
Responsibilities of the different parts of the organisation.....	8
Specifications of key positions within the organisation.....	8
Staffing plan .....	9
Reporting and monitoring requirements of divisions.....	9
Reports (public and confidential) to be prepared.....	9
Appendix 1 – Approach to Task .....	12
Appendix 2 - Tasks for the New Department of Public Procurement.....	14
Authorise projects where competitive tendering is involved and fix thresholds. .....	14
Authorise (qualify) tendering agencies/companies and maintain register. ....	14
Authorise purchasers to handle their own tendering and maintain register. ...	15
Qualify bidders.....	15
Authorise/certify others to qualify bidders .....	15
Authorise (qualify) tendering experts and maintain register or authorise others so to do.....	16
Receive complaints about tendering and bidding.....	17
Investigate complaints about tendering and bidding.....	18
Allocate investigation of complaints about tendering and bidding to others...	19
Provide an alternative dispute resolution or conciliation service .....	19
Audit purchasers' procurements (everything or on a sample basis) for compliance (for key national projects) .....	19
Report on: contracts advertised – proportion, value, number, category .....	20
Report on: qualification of bidders, purchasers, agencies, experts .....	20
Report on: complaints.....	20
(reports to SDPC, State Council, NPC, publicly published, as required) .....	20
Gather pricing and estimating information.....	20
Produce and publish list(s) of bidders for specific categories or all categories of work.....	21
Authorise others to produce and publish list(s) of bidders for specific or all categories of work (for example, geographically based or for particular categories or smaller bidders only).....	21

## Organisation of Department of Public Procurement

Advertise tenders.....	21
Publish information on tendering agencies, purchasers, bidders .....	21
Publish pricing and estimating information .....	22
Inspection of contract implementation .....	22
Inspection of construction (for key national construction projects).....	22
Inspection of service providers' standards of work (consultants and contractors) .....	22
Supervise QA schemes .....	22
Provide training in procurement, tendering and bidding .....	22
Authorise others to provide training in procurement, tendering and bidding..	23
Publish list of training providers .....	23
Publish list of training courses.....	23
Certification of procurement professionals.....	23
Set policy for public procurement, draft legislation, guidelines, etc. ....	24
Provide advice to others on tendering and procurement .....	24
Run bulletin board/web conference on public tendering and procurement practice and problems.....	24
Organise exchange of best practice information on tendering.....	24
Mandate published technical standards .....	25
Tendering of major contracts/projects .....	25
Future Tasks .....	25
<b>Appendix 3 - Department of Public Procurement – First Recommendation of Organisation Expert .....</b>	<b>27</b>
Initial Size.....	29
Anticipated Eventual Size.....	29
Staff Experience .....	29
<b>Appendix 4 – Early Proposals.....</b>	<b>30</b>
<b>Appendix 5 – Staff Chart .....</b>	<b>32</b>
<b>Appendix 6 – Procedures for Each Division in DPP .....</b>	<b>33</b>
Division of Public Procurement.....	33
Division of Administration and Supervision .....	34
Division for Training and Information .....	37
Division for Settlement of Disputes.....	40
<b>Appendix 7 – Establishment of Tendering and Bidding Association.....</b>	<b>42</b>
Introduction .....	42
Duties .....	42
Departments .....	44
Staffing .....	48
Establishment of TBA.....	49
Long-Term Funding .....	49
<b>Appendix 8 – Quality Assurance for Training.....</b>	<b>51</b>

## **Training Materials on Tendering and Bidding**

### **Table of Contents**

#### **Chapter I: Summary on Tendering and Bidding in PRC**

##### **Section 1: Tendering and Bidding situation**

- A. Current tendering and bidding situation in PRC
- B. Supervision of tendering and bidding activities in PRC
- C. The Tendering and Bidding Law is the basic law

##### **Section 2: Basic Considerations in Tendering and Bidding for Projects**

- A. Basic considerations
- B. Special features of Tendering and Bidding
- C. Role of tendering and bidding in economic development of PRC

##### **Section 3: Tendering Scope and Mode and Selection of Form of Contract**

- A. Scope of tendering for construction projects
- B. Mode of tendering for construction projects
- C. Form of contract for construction projects

#### **Chapter II: Tendering and Bidding for Construction Works**

##### **Section 1 Procedure and Preparation for Tendering for Construction Works**

- A. Preparation for tendering for construction work
- B. Tendering procedure for construction works

##### **Section 2: Pre-qualification**

- A. Aim of pre-qualification
- B. Compilation of pre-qualification documents
- C. Pre-qualification procedure and evaluation
- D. Issues for attention of bidders applying for pre-qualification

##### **Section 3. Tendering of Construction Works**

- A. Compilation of tender documents
- B. Contents and format of tender documents
- C. Tender base price preparation and review
- D. Implementing tendering for construction works

---

Section 4: Bidding for Construction Works

- A. Bidding procedure
- B. Preparation for bidding
- C. Compilation of bidding documents
- D. Work involved in bidding for construction works
- E. Calculation of bid price

Section 5: Bid Evaluation and Contract Award

- A. Bid evaluation organization
- B. Principles of bid evaluation
- C. Procedure and scope of bid evaluation
- D. Determining winning bid and issuing notice of successful bidding
- E. Entering into contract and issuing notice to start work
- F. Issues for attention in undertaking tendering

**Chapter III: Tendering and Bidding for Equipment**

Section 1; Bid Invitation

- A. Preparation for bid invitation
- B. Entering into agreement with tendering agency
- C. Compilation and approval of tender documents
- D. Advertising notice of bid invitation
- E. Sale and purchase of tendering documents
- F. Clarification and amendment of tender documents

Section 2: Bidding

- A. Bidding and bidders
- B. Qualification requirements of bidders
- C. Basic bidding procedure and requirements

Section 3 Bid Opening

- A. Bid opening
- B. Preparation for bid opening
- C. Holding of bid-opening meeting
- D. Bid-opening meeting procedure

Section 4: Bid Evaluation

- A. Bid evaluation
- B. Principles of bid evaluation
- C. Bid evaluation committee
- D. Methods of bid evaluation
- E. Procedure of bid evaluation

---

Section 5: Determining the Winning Bid

- A. Determining the winning bid
- B. Notice of successful bidding
- C. Tendering agency fee
- D. Report to relevant administrative department

Section 6: Entering into Contract

- A. Time limit
- B. Conditions of contract
- C. Performance security
- D. Contingency provisions

Section 7: International Tendering Procedure for Mechanical and Electrical Goods

- A. International tendering procedure
- B. Brief explanation of procedure
- C. Bid evaluation
- D. Determining the winning bid

**Chapter IV: Procurement of Services**

Section 1. Basic considerations in Procurement of Services

Section 2; Methods for Procurement of Services

Section 3. Procedure for Procurement of Services

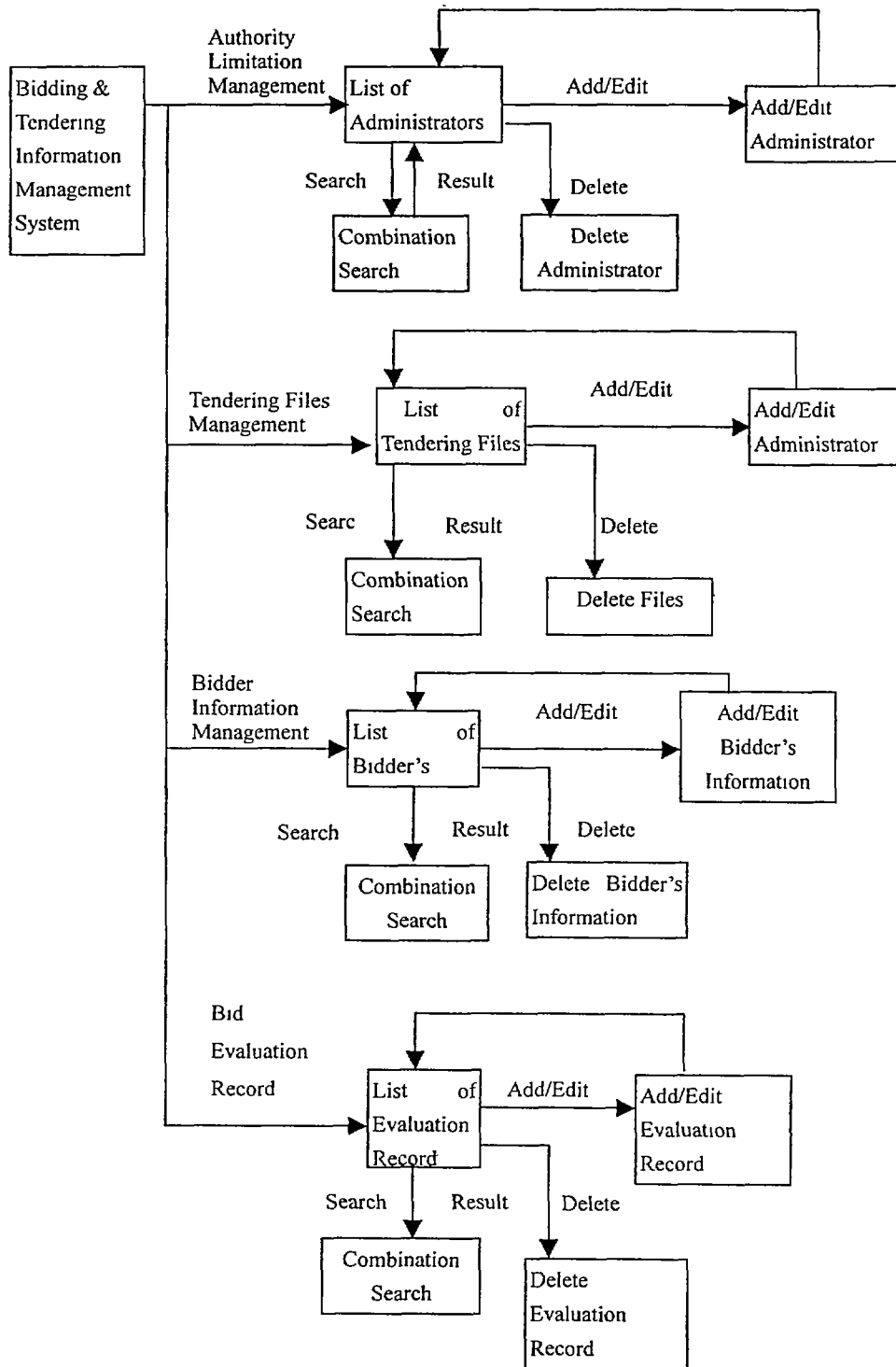
- A. Invitation for proposal
- B. Two-stage procedure
- C. Negotiations
- D. Design competition
- E. Use of services of specialists

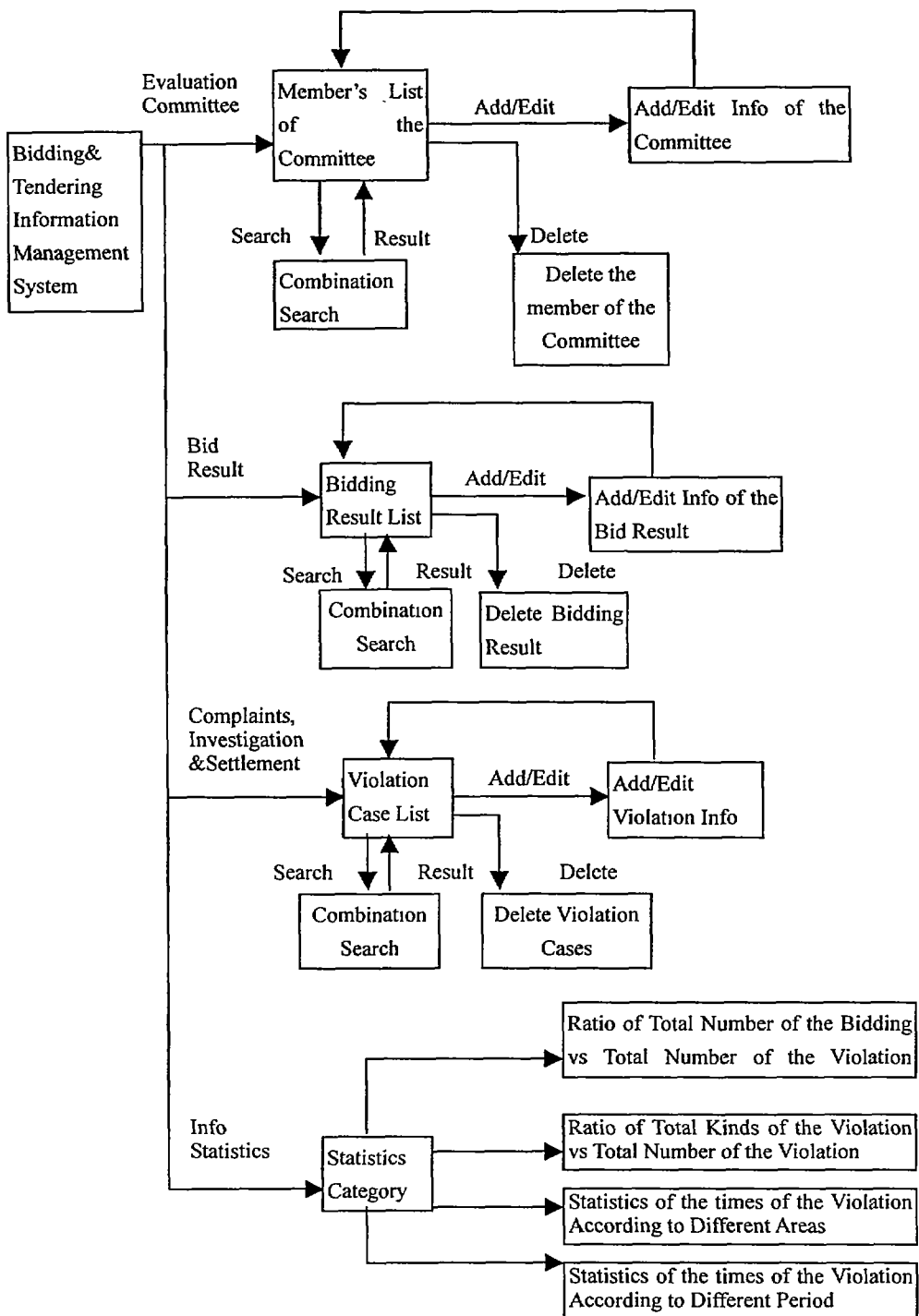
Section 4: Issues for discussion

Section 5: Current regulations

- A. Hong Kong: Procedure for selection of consultants
- B. PRC: SDPC Interim regulation dated 14<sup>th</sup> June 1985 on  
Methods for procurement of construction design

### Flow Chart for the Bidding & Tendering Information Management System





**Proposed Contents of CD-ROM  
For Training in  
Tendering and Bidding**

**Part I: Tendering and Bidding Law and Related Regulations (TBLRR)**

Tendering and Bidding Law of PRC  
Related Tendering and Bidding Decrees/Regulations

**Part II: Training on TBLRR**

Explanations on Tendering and Bidding Law of PRC  
Explanation on Related Tendering and Bidding Decrees/Regulations  
Summary on Tendering and Bidding  
Tendering and Bidding for Construction Projects  
Tendering and Bidding for Equipment/Goods  
Procurement of Services  
Supervision of Project implementation

**Part III: Procurement Guidelines of ADB and WB**

Procurement Guidelines of Asian Development Bank  
Procurement Guidelines of World Bank

**Part IV: Case Studies**

Procurement Case Studies

---

**Note.** Contents of CD-ROM may be expanded as more decrees/regulations and Administrative Instructions are issued by SDPC

## Appendix 7

[illegible]