

Belize Municipal Development Project (P111928)

Second Implementation Support Mission – October 31- November 3, 2011

Aide-memoire

I. Introduction

1. A World Bank team comprising Yoonhee Kim, Team Leader, Stephen Brushett, Lead Transport Specialist, Yingwei Wu, Sr. Procurement Specialist, and Michael Corlett, Country Officer undertook an implementation support mission of the Project from October 31 to November 3, 2011 and held discussions with Yvonne Hyde, CEO, MED, Marian McNab, CEO, Labor, Local Government and Rural Development, Lawrence Sylvester, CEO, Housing and Urban Development, Eugene Palacio, Director of Local Government, Ministry of Labor, Local Government and Rural Development, Yvette Alvarez, Ministry of Finance Representative, Gina Young, Ministry of Natural Resources and the Environment Representative, Aaron Gongora, Mayor, Dangriga, Hilberto Campos, Mayor, Corozal, Ernest Raymond, Project Coordinator, and Daniel Cano, Executive Director, BSIF. The mission expresses appreciation for the kind support extended to the Bank team. A wrap-up meeting was held with the Project Steering Committee on November 3, 2011 to discuss the key mission findings. The next full mission is planned for Spring 2012. A technical mission focusing on safeguards supervision and municipal finance TA (international consultant supported by PPIAF grant facility) is planned early next year, 2012.
2. This aide-memoire summarizes the findings, recommendations and agreements reached during the mission and is subject to confirmation by World Bank management. The aide-memoire will be publically disclosed once finalized.
3. **Key Project Data and Performance Rating**

Key Project Data		Key Performance Ratings		
			Previous Rating	Current Rating
Board Approval Date	September 16, 2010	Progress towards achievement of Project Development Objectives	Satisfactory	Satisfactory
Effectiveness Date	January 25, 2011	Overall Implementation Progress	Satisfactory	Satisfactory
Closing Date	November 30, 2015	Disbursed	US\$0.76 million	
Loan amount	US\$15 million	% Disbursed	5%	

II. Implementation Status Overview

4. Since the first supervision mission in April, 2011, the mission noted that the Project has made steady progress in its implementation despite some unanticipated delay. Two pilot projects for Belmopan and San Ignacio/Santa Elena started works in September and are expected to be completed by December 2011. The preliminary engineering designs for buildings in Dangriga and Punta Gorda are under technical review. For Punta Gorda, bidding process for works contract can commence as early as mid November, 2011. Procurement process for works in Dangriga can start as soon as further technical review is concluded and financing options are agreed (see para 10.c for details). Contract negotiation for street rehabilitation design in six town councils (C5-C10) has been completed and the consultancy will be mobilized as early as mid November, 2011. Based on the design phase of 20 weeks, it is estimated that the bidding process for street rehabilitation works can start as early as March, 2012. Several TA activities such as revenue enhancement and growth management plan are being planned to commence in January 2012, which would support TCCs to meet the eligibility criteria for the 2nd round of investment.

III. Implementation Status by Project Component

Component 1. Municipal Infrastructure Investments

5. **Compliance with eligibility criteria for Phase 2 Investment:** the mission stressed the importance of beginning to prepare to meet the eligibility criteria for the phase 2 investment. In particular, the mission noted that monthly council meetings are not carried out consistently in TCCs and these meetings are generally not open to the public either. The mission highlighted the benefits of conducting the monthly council meetings open to the public in terms of improving the transparency and accountability of local government, as well as enhancing tax revenue collection. It was also agreed that the local government officer will revise the qualifications and experience of a local accountant specified in the ToRs by November 18, 2011.
6. **Counterpart Contribution:** the mission noted that all the TCCs but San Ignacio/Santa Elena has deposited agreed counterpart contribution (1% of the total estimated cost before the start of engineering studies and 3% before the signing of work contracts). The mission advised BSIF to follow up with San Ignacio/Santa Elena immediately in order to secure its counterpart contribution by November 11, 2011. The mission also stressed that no design work can start unless counterpart contribution from San Ignacio/Santa Elena is fully received.
7. **Technical review of ongoing works and design**
 - a. **Pilot Works in Belmopan and San Ignacio/Santa Elena (W1/W2 and C1)** The mission visited the various sites of the pilot works on November 1. The contractor (Modern Construk) signed a contract in the amount of BZ\$217,877 on August 29. Physical progress to date is around 30% whereas financial progress is less than 10%. Work is behind schedule and needs to be accelerated if the planned completion date of mid-December is to be achieved. The consulting engineers (Young's Engineering Consultancy) submitted a first progress report through mid-October 2011. The engineers have helped identify a number of modifications to the design of intersection improvements (in Belmopan and San Ignacio) and to the pedestrian ramps and school drop off area (Santa Elena). Greater attention now needs to be given to actions required for satisfactory progress to completion of

the contract, with particular regard to increasing the number of work crews to permit working on the various sites simultaneously.

- b. **Punta Gorda Town Hall Building Improvement (C2 and W3)** The mission visited Punta Gorda November 2 to visit the site of the proposed works as well as to meet the mayor and town council staff. The mission reviewed detailed designs, cost estimates and bills of quantities prepared by the consulting engineers (Anthony Thurton Associates) who participated in the visit along with SIF staff. The mission confirmed that the technical information provides a sound basis to proceed to the preparation of bid documents and invitation to bid before end December. The estimated cost is BZ\$472,000 with an expected construction period of 4 months.
- c. **Dangriga Town Market Improvement and Expansion (C3 and W5)** The mission visited the site of the proposed works in Dangriga on November 2 and met with the mayor and town council staff. The mission reviewed detailed designs, cost estimates and bills of quantities prepared by the consulting engineers (Anthony Thurton Associates) who participated in the visit along with SIF staff. The specific issues faced in the finalization of the design prior to proceeding with this sub-project include: 1) a total cost estimate of BZ\$1,232,000 which is significantly in excess of the first phase budget of BZ\$800,000; 2) a requirement that options and their associated estimated costs be prepared by the consultant and BSIF for proceeding with the project in one or two phases; 3) the existence of a serious structural problem with the fish market extension for which a remedial plan needs to be given high priority; and 4) the need to address environmentally sensitive measures related to waste water and solid waste disposal in a coherent and complete manner. It was agreed that BSIF and the consultants would by mid-November have developed the mentioned options and would give the Bank an opportunity to comment on them; that a final decision on the financing of the project and the establishment of a critical path for its bidding out and implementation would be developed with the Project Steering Committee latest end November.
- d. **Supervision of Municipal Street Rehabilitation Works (C5-10)** The mission reviewed and provided comments on the terms of reference for the mentioned supervision services. A revised version will be submitted for the Bank's review and no objection by November 8. It was agreed that the contract for the services should be time-based and that the scope of the works should incorporate: an estimated supervision period of not less than 5-6 months with a 6 months defects liability period. It was also agreed that by November 8 SIF would issue an invitation to express interest with a view to the eventual preparation of a short list of 6 firms in conformity with Bank guidelines. The issuance of the request of proposals is expected early January 2012.

Component 2: Technical Assistance and Capacity Building for TCCs, MLLGRD and MNRE

- 8. The mission emphasized the importance of mobilizing technical assistance as soon as possible, as the technical assistance is essentially designed to support the TCCs to meet the phase 2 eligibility criteria. The mission also highlighted that the Local Government Officer and the Urban Planner should continue to provide close assistance to TCCs in meeting the phase 2 eligibility criteria related to municipal finance and growth management plan. The mission noted that they also play an important role in bridging policy dialogues on municipal finance and land use plan which need to be addressed and discussed at the ministerial level.

9. **Municipal Financial Management:** The mission was informed that the selection process for locally-based municipal finance consultant is underway and that its evaluation process will be completed by November 25, 2011. The mission noted that the Bank team recently mobilized the PPIAF Sub-National Technical Assistance Fund to provide additional support to the municipal finance TA. The Bank team identified an international municipal finance consultant and the international consultant can start working as soon as the locally based consultant is on board. The international consultant will work with the locally-based consultant and the Local Government Officer to provide necessary training to the TCCs, to bring international best practices on revenue enhancement, and to identify key bottlenecks for municipal revenue (in particular, property tax collection) and develop work plans for TCCs which will be closely supported and followed upon by locally based consultant and the Local Government Officer. The Bank team plans a separate technical mission for municipal finance in early January, 2012.
10. **Asset Maintenance Plan:** The mission underlined the importance of starting to prepare guidelines for councils in the preparation of their maintenance plans which are required for phase two funding. BSIF proposed hiring a consultant to this end and it was agreed that the Local Government Officer/BSIF will prepare a terms of reference and send it to the Bank for review by November 25, 2011. The mission drew attention to the need to make sure that these plans would include, inter alia: the use and further acquisition of equipment for maintenance purposes by the councils (phase two financing could be used to this end); the inclusion in the plan of community involvement and labor based methods to ensure the carrying out of such tasks as trash collection and vegetation control.
11. **Municipal Growth Plans.** The mission and the Urban Planner/BSIF discussed that the current ToR needs to be revised to strengthen training/capacity building components throughout the planning process and to adjust the scope of work (e.g. taking out vision statement or SWOT analysis). The Urban Planner/BISF will send the revised ToR and budget to the Bank by November 11, 2011.
12. **Road Safety TA / Follow-up to Legislative and Regulatory Analysis of Traffic Management.** The consultant (Diana Shaw) submitted her final report September 26. The mission had the opportunity to discuss the report, its findings and recommendations November 1 with SIF, representatives of line ministries (Transport and Local Government) and mayors and traffic management personnel from the town councils (Belmopan and San Ignacio). The mission requested that through the mayors' association that the town councils provide their proposed plan of action to implement the report's findings by mid-November, upon which basis SIF would help to develop terms of reference and activity statements for areas which could be usefully followed up with technical assistance and training resources from the project. The mission drew particular attention to the following points: the need to ensure a continued leadership role for the Ministry of Transport in regard to standards and quality as well as in training; the opportunity to develop a common data base to ensure availability of coordinated and complete information to municipalities in regard to their revenue streams; and the timeliness of a strong push on public education on road safety in the municipalities with the active involvement of the recently formed Road Safety Committee . BSIF will request the Ministry of Transport to provide formal comments for the report and the Bank will provide written comments shortly.
13. **BSIF website.** The mission was pleased to note that the BSIF website is fully functional and updated since the last mission. The mission further highlighted the importance of making the key project documents such as the OM, bid invitations and consultancies available and regularly updated in the website.
14. **Land subdivision and sharing of cadastral and land tenure database.** The mission discussed with the mayors and MNRE that it would be important to share existing cadastral database and land tenure information with TCCs since this serve as an important basis for property tax collection. Currently, it sits

under the Land Department within MNRE with TCCs. It was noted that the MNRE is contemplating to improve a process of subdivision so that TCCs would be also involved in the decision-making process. The mission noted that the Bank team is interested in supporting any activities related to enhancing land subdivision and facilitating database and information system through mobilizing necessary technical assistance.

Component 3: Project Management

15. Monthly Progress Report / Quality Control and Coordination. The mission and BSIF agreed that BSIF would prepare and submit to the Bank a monthly project report to highlight key implementation progress and identify any challenges and issues during the period. The monthly project report would help BSIF to identify critical paths in advancing design and procurement process and to prioritize and plan the sequencing of various steps for efficient project implementation. In fact, it was noted that BSIF prepares a monthly progress report to circulate among the key stakeholders. It was noted that BSIF will add the progress of each package in the project plan to the existing monthly project report. In addition, the mission emphasized the importance of internal quality control and review process for all the technical documents (e.g. deliverables of consulting services) and bidding documents. Finally, BSIF could enhance internal coordination and communication among the team, for instance, in providing technical input to bid documents, and sharing existing studies and documents among PIU staff, among others.

16. **Contract Management.** The mission suggested that hiring a part-time legal counsel may be beneficial to BSIF considering that there would be an increasing number of contracts to be managed under the project, and that the drafting and negotiation of a contract as well as handling any legal issues that might arise from contractual management would be best handled by a legal counsel as opposed to the PIU staff. Recruiting a part-time legal counsel can also facilitate the procurement processes and ensure the quality of contract, by allowing the current procurement specialist to solely focus on upstream procurement work. The mission also pointed out that the Project funds can finance the legal counsel after the Bank provides NO to the ToR and its selection process. It was agreed that the BSIF would discuss this internally, consult with the PSC and put forward a proposal to the Bank by end January 2012.
17. **Bid Evaluation Committee.** The mission emphasized the importance of maintaining the Bid Evaluation Committee for all works and services procurement decision, as described in the OM. The Bid Evaluation Committee consists of two representatives from BSIF, two from relevant line ministries and one from the corresponding TCC. The members of the Bid Evaluation Committee should change depending on the type and nature of a bid proposal under evaluation and they should also have relevant technical background and understanding in order to be able to provide independent technical evaluation for the bid proposal.
18. **Semi-Annual Report/M&E Indicators.** The mission and BSIF discussed the importance of delivering semi-annual report to the Bank not later than 45 days after each six month period as specified in the Loan Agreement. The mission also explained that the semi-annual report should contain project monitoring and evaluation (M&E) indicators among others which would keep track of key progress made towards achieving the project's development objectives and intermediate outcomes. BSIF will submit to the Bank the revised semi-annual report by November 11, 2011.

Procurement Management

19. **Procurement Capacity** The mission reviewed the capacity of the BSIF implementing the project and found the performance of procurement management satisfactory. Through procurement post review (PPR), WB templates were shared with PIU. Recommendations to further strengthen the capacity of procurement, especially for contract management are recommended in the PPR report (See Annex 5).
20. **Procurement Plan** (PP) The mission reviewed the progress of the procurement plan and agreed to the proposed updates by BSIF based on the need for the implementation of the project. The updated PP incorporating the agreements shall be submitted to the Bank for no-objection by November 15, 2011.
21. **Procurement Progress Report** It was agreed that any activities to be planned by the PIU before next updates of PP (other than the infrastructure packages) should be cleared by the TTL via correspondence in terms of procurement method with cost estimates and included in the monthly report.
22. ***Procurement Supervision*** . The mission reviewed the on-going procurement processes and contracts. The detailed summary of the discussion is provided in Annex 4.
23. ***Procurement Post-review***. Eight contracts have been signed since commencement of the project, which are subject to post-review. The procurement post-review (PPR) was conducted during the mission, with four contracts sampled for review, covering works, goods and consultants at a total amount of US\$23,835

equivalent. The review found that procurement processes are in compliance with the agreed procurement plan and procedures in general. The PPR report is attached as Annex 5.

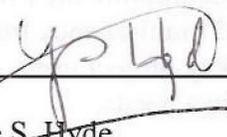
24. **Financial Management.** The mission reviewed internal control issues which were highlighted by the auditors in March 2011. The mission was pleased to note that BSIF addressed most of internal control issues adequately. It was agreed that BSIF will make key project financial information available in the BISF website no later than November 11 consistent with the project transparency requirement.
25. The mission notes that the periodic financial management reports have been submitted in a timely fashion and the report covering the period until September 30th 2011 will also be submitted within its due date, November 15th. As a way to enhance communication among project stakeholders, it was agreed that easy-to-read summary of the FM reports will be distributed among PSC.
26. The mission discussed and agreed with BSIF that interest income plus any other project related income, such as tender fees, should be registered as other sources of income for the project. It should not show discrepancies when preparing bank reconciliations for the Designated Account. To strengthen the internal control, while automating procurement transactions and integrating them into the FM system currently in place (QuickBooks), the mission recommended to get the latest version to incorporate the Procurement Module. The updated version needs to be able to process multicurrency and multi-agency transactional, also add more users with view access to encourage on-line consultation by key project users. It was agreed that the team will begin exploring with Intuit the version that better fits project needs.

Potential new climate resilient infrastructure project

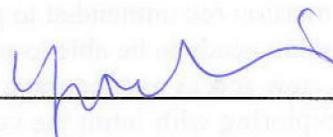
27. The mission introduced the new Country Partnership Strategy (CPS, FY12-15) to officials from MED, Ministry of Natural Resources and Environment, and Ministry of Works. The CPS, which was endorsed by the World Bank Board on September 8, 2011, includes indicative lending of US\$5-7 million per year over four years with the possibility for higher amounts subject to client demand, country performance, global economic developments, and IBRD financial capacity.
28. The CPS will support the Government's efforts to adopt a sustainable natural resource based economic model while enhancing the country's resilience to climate change and natural hazards. Three results areas support this overall objective and include: i) policies and strategies for mainstreaming of natural resources and climate resilience; ii) institutional capacity strengthening for natural resource management and climate change; and iii) investments to strengthen climate resilience. Capitalizing on heightened global awareness of climate change, the proposed program aims to leverage substantial grant resources to complement modest IBRD lending to increase the impact of the program. The Bank is actively seeking grant resources from the following sources: Adaptation Fund, Japanese Social Development Fund, GEF, and the Global Facility for Disaster Reduction and Recovery (GFDRR), discussed below.
29. The team held initial discussions on the new IBRD project envisioned under the new CPS, a ***Natural Resources and Climate Resilient Infrastructure Project***. The new Project would likely finance civil works focusing on climate-proofing existing infrastructure, investments in natural resources as well as the construction of key infrastructure to protect the most vulnerable assets. The new Project will not only provide financing to climate resilient infrastructure but also focus on strengthening the existing capacity of the country in identifying and managing climate-resilient infrastructure. In the mean time, the team is preparing a GFDRR (Global Facility for Disaster Reduction and Recovery) application to provide the

necessary evidence-based platform that will support the preparation and implementation of the new project. The mutually reinforcing components of the proposed project for GFDRR funding are: (1) Geo-Spatial Data Inventory and Gap Analysis; (ii) Hazard and Disaster Risk Assessments to inform Sectoral Vulnerability Reduction Investment Projects; and (iii) National Policy Framework for Ex-ante Risk Reduction.

- 30. As a first step for project preparation, the team would propose to conduct an identification mission in January, 2012 to meet with the key government counterparts to discuss basic concept and approach of the Project, consult with the institutions and stakeholders working on climate change and natural disaster management, as well as donor community working on the same.



Yvonne S. Hyde
CEO Ministry of Economic Development



Yoonhee Kim
Task Team Leader, World Bank

Annex 1 Action Plan

	Issue	Recommendation/Action	Responsible Agency	Due Date
1	TA component	Send revised qualification and experiences required for a qualified accountant	BSIF	November 18, 2011
2		Send revised ToR for asset maintenance plan	BSIF	November 25, 2011
3		Send revised ToR for town growth management plan and budget	BSIF	November 11, 2011
4		Share the final draft report of legislative and regulatory analysis of traffic management with the Ministry of Transport for comments	BSIF	November 7, 2011
5		Provide written comments to the above report	WB	November 11, 2011
6		Launch municipal finance TA with the international consultant supported through PPIAF TF	WB/BSIF	No later than mid January, 2011
7	Counterpart financing	Follow up with San Ignacio/Santa Elena to ensure counterpart financing	BSIF	Nov 4, 2011
8	Dangriga Town Market Subproject	Provide the Bank with technical and financing options for comments	BSIF	Nov 18, 2011
9	Works	Final decision on the financing of subproject together	BSIF/PSC	End Nov, 2011
10		Send revised ToR for supervision contract for street works	BSIF	Nov 8, 2011
11	Safeguards Mission	Carry out safeguards supervision mission	WB	No later than mid January, 2011
12	Updating BSIF website	Update the project related documents in the BSIF website	BSIF	Recurrent
13		make key project financial information available in the BSIF website	BSIF	November 11
14	Monthly Progress Report	Provide monthly progress report	BSIF	First day of every month

15	Contract Management	Agree on the need to recruit a legal counsel to support contract management and draft a ToR as needed	BSIF	End January 2012
16	Semi-annual report	Submit semi-annual report including M&E framework	BSIF	As soon as possible
17	Procurement	Submit the updated PP incorporating the agreements to the Bank	BSIF	November 15, 2011
		Send the draft BDs for works in Dangriga and Punta Gorda, highlighting any changes from this version for Bank's no-objection before issuance		Nov10, 2011.
		"Request for EOIs" was reviewed during the mission, which should be finalized and advertised by the PIU with deadline of Nov 30, based on the revised TOR		November 8

Annex 2. List of People Met

Belize Social Investment Fund

Daniel Cano, Executive Director
Ernest N Raymond, Project Coordinator
Lemuel Palacio, Procurement Specialist
Christine Lopez-King, Sr. Accounts Officer
Evan Dakers, Social Specialist
Nellie Trench, Finance Unit Coordinator
Lionel Jimenez, Engineer
Clifford King, Local Government Officer
Keisha Rodriguez, Urban Planner

Ministry of Economic Development

Yvonne Hyde, CEO

Ministry of Labor, Local Government and Rural Development

Marian McNab, CEO
Eugene Palacio, Director of Local Government

Ministry of Housing and Urban Development

Lawrence Sylvester, CEO

Ministry of Works

Cadet Henderson, CEO

Ministry of Natural Resources and Environment

Beverly Castillo, CEO
Dr. Colin Young, Director of Natural Protected Areas System
Dr. Paul Flowers, Director of Policy Coordination and Planning Unit

Ministry of Works

Graciano Medina, Sr. Executive Engineer
David Novello

Mayors

Aaron Gongora, Mayor, Dangriga
Simeon Lopez, Mayor, Belmopan
Phillip De La Fuente, Mayor, Orange Walk
Floyd Lino, Mayor, Punta Gorda
Hilberto Campos, Mayor, Corozal
Maria Castellanos, Councillor, Benque Viejo
Karen Fernandez, Town Administrator, San Ignacio/Santa Elena

Annex 3. List of site visit locations and dates

- Belmopan, November 1, 2011
- Santa Elena / San Ignacio, November 1, 2011
- Punta Gorda, November 2, 2011
- Dangriga, November 2, 2011

Annex 4: Detailed Agreement made in Procurement Plan:

For Component 1, all packages under Phase 1 have been agreed with confirmed methods for procurement implementation in the procurement plan. The progresses and next step implementation are agreed with PIU as following:

1. Project activities related to “Pilots in Belmopan and San Ignacio”:

C1 Consulting services for design and technical inspection: design and assistance under the shopping processes for W1/2 have been completed and supervision is on-going.

W1/W2 Civil works for two pilot TCCs contract under shopping was signed on Aug 25, 2011 and the completion of work is rescheduled to Dec 2011.

G-6 Equipment separated from W1/2 is agreed to be procured later with similar equipment under Phase II.

2. Project activities related to “Refurbishment of Buildings”:

C2-3 Consulting services for design and technical inspection for buildings received proposals under LCS procedures on April 22nd and contract signed on July 2, 2011. The firm has submitted the design report for BSIF and Bank’s approval by October 31, 2011.

Civil works for the two buildings is planned to be tendered under NCB procedures with two lots in November 2011, which is to be based on the approval of two separate design and two BOQs. The first draft NCB works bidding documents (BD) were reviewed during the mission, with major issues discussed with PIU technical and procurement team. The PIU shall send the draft BDs, highlighting any changes from this version for Bank’s no-objection before issuance as planned for Nov10, 2011. In order to encourage competition, the advertisement should be published in local newspapers and bidding documents should be made available in BSIF’s regional offices.

3. Project activities related to “Rehabilitation of Streets”:

C5-10 Consulting services for design of six TCCs’ street rehabilitation received four proposals under QCBS procedures on August 18, 2011. The technical evaluation report (TER) was first prepared by PIU on August 22. It was found that the evaluation was done by an Evaluation Committee, not composed with members as per the OM. The revised TER under the qualified EC and a comprehensive format was resent to WB for review on September 14 (supplements received on Sept 16). Bank’s clarification on the applied scores was sent to PIU on Sept 19 and PIU revised TER on Sept 23. Nob to TER and to opening of financial proposal was issued by WB on Sept 27. The opening of financial proposal was on Oct 6. After WB’s confirmation on Oct 12 (Oct 8-10 was long weekend holiday), contract negotiation was conducted on Oct 19, with the Negotiation Minutes sent to the Bank on October 24, 2011. The no-objection to signing the contract was given on Oct 31, based on clarification of technical issues and prices. The Contract is under preparation by the PIU, including verifying the applicable taxes under the Law of Belize.

C5-10 Consulting services for technical Supervision of six TCCs’ street rehabilitation shall be selected under QCBS. The elapse duration of the TOR is 5-6 months and the contract shall be time-based. All good practices from the above design selection under QCBS, as trained and confirmed by the Bank should be followed in this selection. Given the sensitive time schedule for this selection, “Request for EOIs” was reviewed during the mission, which should be finalized and advertised by the PIU on Nov 8 with deadline of Nov 30, based on the revised TOR as cleared by TTL. The draft RFP including time-based contract format shall be sent to the Bank for clearance by the PIU on Nov 17, 2011.

Civil works for the six street packages, designed by C5-10 consulting services is planned to be tendered, after design completion in March 2012. *Tenders recommended with multi lots under NCB procedures are based on the consideration that potential bidders could bid one or several combined lots based on their own capacity, therefore attracting both larger contractors and smaller ones. However, the final decision of tender/lot structure is to be made by PIU technical team based on the design of the streets.*

For Component 2, consulting service for “development of growth plan” is planned in the update PP under QCBS procedures. Individual consultants to conduct consultation and facilitation to support Municipals’ planning committee in their planning processes shall be contracted separately. The procurement of computer equipment for pilot TCCs is under tendering by NCB procedures, subject to post-review. Additional technical service for installing and connection for network is under technical preparation.

For Component 3, two vehicles for PIU site work estimated at US\$70,000, was tendered under NCB procedures, with bid opening on October 31th. PIU shall submit BER to the Bank in due courses.

Annex 5: Procurement Post Review

Procurement Post Review Supervision Mission Report

Country:	Belize		
Loan/Credit/TF No.:	Loan 7958-BZ		
Project Name*:	Municipal Development Project		
Project ID:	P111928		
Name of Implementing Agency:	Belize Social Investment Fund (BSIF)		
TTL:	Yoonhee Kim		
PS/PAS:	Yingwei Wu		
Post Review Conducted by*:	Yingwei Wu		
Date*:	10/28/2011	Date of Last Post Review:	First post review
Number of Contracts Issued since Last Post-Review*:	2CS, 5Goods, 1CW (total 8)		
Number of Contracts Reviewed*:	4		
Total Value of Contracts Reviewed:	US\$ 23,835(BZ\$ 47,670)		

(*... Information required together with Annex 1 when filing the PPR report in Operations Portal)

1. Executive Summary

[brief description of post review objective, key findings/issues, and recommendations]

As part of its fiduciary responsibility, the Bank conducted a procurement supervision mission of the project from October 28 to November 2, 2011. The objectives of the mission were: (i) to ensure that the commitment agreed under paragraph A of the Schedule 2 of the Loan agreement to maintain throughout the project implementation, key staff including procurement management personnel dedicated full-time to the project, with qualifications and experience satisfactory to the Bank was respected, and (ii) to assess the general quality and timeliness with which each phase of the procurement cycle is being handled by the project implementation unit.

During the mission, the project procurement cycle management has been reviewed with focus on the following key elements: (i) procurement planning, (ii) preparation of bidding documents, (iii) management of bidding process from advertisement to bid opening, (iv) bid evaluation, (v) contract award, (vi) preparation and signing of contract, (vii) contract management during implementation, including dispute resolution methods (viii) general handling of procurement cycle (duration, actors, reviews, etc). The mission also reviewed the organizational structure of the procurement unit, how responsibilities are allocated, its reporting relationships, its decision-making authority and whether it has the capacity to handle the proposed procurement plan for the project.

As result of the review no major issue was found regarding procurement. Procurement activities are

being carried out in compliance with arrangements agreed in the project financing agreement.

2. Discussion on the Selection of the Contract Samples to be Reviewed and List of Contracts Reviewed

[brief description of the selection of the contract sample and summary list of the contracts reviewed, including procurement category, procurement method, contract number, contract date, short contract description, name of contracting agency, name of contractor/supplier/consultant, contract amount]

A brief description of contracts reviewed follows below:

1. Contract No.BMDP/WKS/003 of July 1, 2011 for Asorted Office space works
2. Contract No.BMDP/SUP/005of July 1, 2011 for proxy server, email server and UPS
3. Contract No BMDP/SER/007 of 10/20/2011 for Data Entry and Collection Assistant
4. Contract No. BMDP/SER/005 of 05/30/2011 for Legislative and Regulatory framework analysis of tm in Belize

3. Findings on the Review of Procurement Processes

[As per paragraph A.5.a) of this guidance note, provide a brief description of findings on procurement processes, including procurement planning, publications, bidding, evaluation, and awards – see also Worksheets in Annexes A2, A3, A4]

Procurement processes are in compliance with the agreed procurement plan and procedures.

4. Findings on the Review of Contract Administration

[As per paragraph A.5.d) of this guidance note, provide a brief description of findings on contract administration, including implementation, payments, and compliance – see also Worksheets in Annexes A2, A3, A4]

No complaints and the process of obtaining Contractor General's approval for contracts under the project has been found timely within five (5) days]

Implementing unit (PIU) capacity

The project is being managed and supervised by an experienced team composed of the following staff.

In November 2010 BSIF recruited a procurement consultant to review and provide technical assistance to the project coordinator on all procurement activities relating to the identification and selection of contractors for execution of the MDP projects, and oversee the bidding process relating to these projects. The previous Bank procurement mission in August 2011 conducted a thorough capacity assessment of procurement staff and made recommendations, leading to the technical quality reassurance in procurement implementation carried out by the PIU team of BSIF staff composed of the following position:

Procurement Officer / Contracting Officer: (Lemuel Palacio) His job summary is as follows: Identify suitable candidates for selection of contractors for execution of approved projects, acting in accordance with the guidelines on contracting and procurement outlined in the Operations Manual and in consultation with the Project Coordinator, the Finance Officer and Legal Advisor; he coordinates the scheduling of the preparation of the bidding document, the selection of the appropriate bidding document to be used for a particular tender and method of procurement, the preparation and publication of specific procurement notice associated with a particular tender. She collaborates with the incumbent accountable for procurement coordination in interfacing with private sector contractors and other prospective bidders interested in providing goods and services to BSIF.

PIU & Procurement Assistant: (Andrea Tillet). Andrea has been with the BSIF since May 2011 providing efficient clerical and administrative support to the Procurement and PIU in general. **The incumbent is responsible for assisting PO in:**

- Establishing and managing a user friendly filing and records keeping system;
- Ensuring that for each tender, all records of advertisement, final bidding document, and internal and external correspondence are kept chronologically;
- Securing a separate safekeeping area for all active contracts;

During the review it was noted that BSIF procurement files are well maintained. Each file reviewed contained the appropriate bid notices, bidding documents / request for proposals, minutes of bid opening, evaluation reports, communications with bidders and the Bank and contract documents. Invoices and payment information are maintained in separate files from those which contain the documentation of the procurement process up to contract signature.

Recommendation to strengthen the capacity in PIU:

1. **Contract management clerk (or Legal advisor):** The incumbent is to working in the procurement team, with:

Primary accountability: contract preparation and signing

- Customize the contract template to reflect the particular goods, works or service contract that is being awarded;
- Prepare the award letter that is to be sent to the selected (lowest evaluated bidder) contractor clearly advising him/her on the type of documents that should be made available in order to proceed with the processing of the contract;
- Provide legal advice to the procurement and project management teams on issues that are related to procurement if and when misunderstandings prevail between the employer and the contractor.

Secondary accountability: contract administration

Provided back-up support to the PO, and specifically, provide assistance in

- Establishing a clear line of communication with the respective project coordinator and their supervising engineers;
- Ensuring that all contract documents are finalized within the stipulated time frame;
- Tracking of the milestones and deliverables, and the entering of payments in MIS;
- In cooperation with the project management staff, preparing the monthly progress report on each contract under supervision and advise management on issues identified;
- In cooperation with the contract preparation team, ensuring that the variation orders and contract amendments are prepared, and in instances where the contract amendment exceeds 15% of the original contract assist in the preparation of the request for no objection from the Bank.

2. Training: Based on intensive job-training by the Bank's senior procurement specialist, the PO take a five day Basic Procurement Course in Washington in 2012. The Project Coordinator may participate in procurement seminars and workshops in the region, if planned in the future.

5. Indication of Possible Governance Issues

[As per paragraph A.5.e) of this guidance note, provide a brief description of any findings on red flags that could lead to possible fraud or corruption related to the procurement processes, contract administration, or any other related issues at contract, project, sector, or country level]

N / A

6. Progress of Implementation of Recommendations in the Last Post Review

[brief description of the progress with regard to the recommendations and actions submitted in the last post review]

N.A.

7. Compliance & Performance Risk Rating and Recommendations *(Required for online filing, risk rating of compliance & performance, and recommendations in the Post Review system in Operations Portal)*

Definitions of Post Review Compliance/Performance Risk Ratings:

Low Compliance/ Performance Risk	Borrower procurement processes, and/or contract administration are of highest quality, reliability, timeliness, and transparency, and required little or no corrective action needed by the Bank
Moderate Compliance/ Performance Risk	Borrower procurement processes, and/or contract administration are of generally good quality, reliability, timeliness, and transparency with minor corrective actions needed by the Bank

7. Compliance & Performance Risk Rating and Recommendations *(Required for online filing, risk rating of compliance & performance, and recommendations in the Post Review system in Operations Portal)*

Substantial Compliance/ Performance Risk	Moderate shortcomings in Borrower procurement processes, and/or contract administration have limited or jeopardized the timely or efficient achievement of one or more major outputs, but resolution(s) is/are likely
High Compliance/ Performance Risk	Significant shortcomings in Borrower procurement processes, and/or contract administration have limited or jeopardized the timely or efficient achievement of one or more major outputs, and resolution is uncertain or unlikely

Compliance¹ Risk Rating of Procurement Processes:	<input type="checkbox"/> Low <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Substantial <input type="checkbox"/> High <i>(Indicators to consider:</i> <ul style="list-style-type: none"> ○ Procurement Planning: Assessment of quality of, and adherence to, the procurement plan, including changes/updates if applicable ○ Publications: Assessment of quality of, and adherence to, advertising and contract award publication requirements for applicable contracts ○ Bidding: Assessment of quality of, and adherence to, requirements for bidding documents, including RFP's, LOI's, short lists, terms of reference, and other applicable documents ○ Evaluation: Assessment of quality of, and adherence to, bid evaluation requirements/criteria, including draft contracts, technical and financial evaluation reports, and bid amendments, if applicable ○ Awards: Assessment of quality of, and adherence to, contract award requirements, including amendments, variation orders, and extensions)
	Recommendations: <i>[As per paragraph 5.f) of this guidance note, list mitigating measures recommended to address the identified issues with regard to procurement processes.]</i>

Performance² Risk Rating of Contract Administration:	<input type="checkbox"/> Low <input checked="" type="checkbox"/> Moderate <input type="checkbox"/> Substantial <input type="checkbox"/> High <i>(Indicators to consider:</i> <ul style="list-style-type: none"> ○ Implementation: Assessment of quality of, and adherence to, contract implementation criteria, including results of physical inspections ○ Payments: Assessment of adherence to contract payment schedules, including timeliness of payments to contractors ○ Compliance: Assessment of adherence to all contractual compliance with agreed provisions; adherence to all related anti-corruption practices) ○ Record-keeping: Availability, quality, security and completeness of contract records and files
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¹ Compliance in accordance with the Legal Agreement, Procurement Guidelines and other agreed provisions
² Performance of executing agency in implementing the contract

Recommendations:	<p>[As per paragraphs 5.f) of this guidance note, list mitigating measures recommended to address the identified issues with regard to contract administration.]</p> <p>The project should utilize the template agreed with the Bank while updating the existing procurement plan when new packages are proposed from project side.</p>
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Annex B: Profile of Procurement Items

Category	Prior Review Thresholds in US\$	Proposed Revised Prior Review Thresholds (to be completed by PS/PAS if so required and updated in the Procurement Plan)
Works	> 1,000,000 (and first NCB)	
Goods	>150,000	
Consulting firms	>100,000	
Individual consultants	>50,000 (and all PIU consultants)	

Procurement method thresholds (USD)	Civil works	Goods
ICB	>1,000,000	>100,000
NCB	100,000 - 1,000,000	25,000 – 100,000
Shopping	<100,000	<25,000

Shortlist comprising entirely national consultants (USD)	200,000
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Category	No. of Contracts Awarded in Review Period Review Period is (12/17/2009) to (01/31/2011)					
	ICB	NCB	Shopping	DC/SS	Others (Competitive Selection of Consultants)	Total
Works			1			1
Goods			5			5
Services						
Consulting firms						
Individual consultants					2	2
Total						8

Category	No. of Procurements Reviewed					
	ICB	NCB	Shopping	DC/SS	Others	Total
Works			1			1
Goods			1			1
Services						
Consulting firms					2	2
Individual consultants						
Total						4

C1: Worksheet for Post Review of Procurement Processes and Contract Administration for Goods/Works/Service Contracts Awarded under the Shopping Procedure

Date of Review: October 28, 2011	Name of Reviewer: Yingwei Wu
Contract No. BMDP/WKS/003 of July 1, 2011 for Assorted Office space works	Contract Amount: BZ\$13,010 (USD6,505) Addendum at BZ\$3740 (increase 29%)
Contractor's Name and Address: Brian Espat, Hummingbird Highway, Belmopan, Belize	

PROC. METHOD: ICB NCB LIB Direct Contract Others, specify: _shopping
CATEGORY: Goods Works Services

<i>Aspects</i>	<i>Comments and Findings</i>
Procurement Documentation (Filing)	Available
Reference in Procurement Plan	N.A. under operating cost agreed in AM
Advertising	N.A.
Pre/post qualification	Post Qualification
Bidding Document	ITQ was issued May 24, 2011 to four shortlisted contractors
Time allowed for submission of bids	20 days
Bid opening & minutes of bid opening	Minute of opening date June 13, 2011
Bid security records	N/A
BER, verify existence of bids, names of bidders	BER Date of June 16, 2011 1. Glen Gill 2. Elias Martinez 3. Brian Espat 4. Ramon Martinez
Publication of contract award	
Contract document	Filed
Advance payment guarantee details & records	No.
Performance security details and records	
Complaints or related matters	
Contractual completion date	Contract duration: 30 days during July 1-31, 2011. Contract amendment to increase 29% of contract amount was made on July 6, 2011.
Actual completion date	August 23, 2011.
Delivery receipt or like instrument	Completion Memo in file.
Liquidated damages, details and enforcement for delays	
Timeliness of payments	July 7, 2011 BZ\$7,518.40, Aug 10, 2011 BZ\$4,388.40 Aug 23, 2011 BZ\$3,533.72

C2: Worksheet for Post Review of Procurement Processes and Contract Administration of Consultants Contracts
 Goods/Works/Service Contracts Awarded under the Shopping Procedure

<i>Date of Review: October 28, 2011</i>	<i>Name of Reviewer: Yingwei Wu</i>
<i>Contract No. BMDP/SUP/005 of July 1, 2011 for proxy server, email server and UPS</i>	<i>Contract Amount: BZ\$19,300 (USD9,650)</i>
<i>Contractor's Name and Address: Sigertronics Systems, Pickstock Street, Belize City, Belize</i>	

PROC. METHOD: ICB NCB LIB Direct Contract Others, specify: _shopping
CATEGORY: Goods Works Services

<i>Aspects</i>	<i>Comments and Findings</i>
Procurement Documentation (Filing)	Available
Reference in Procurement Plan	Not included in PP, but activities included in AM
Advertising	N.A.
Pre/post qualification	Post Qualification
Bidding Document	ITQ was issued May 10, 2011 to three shortlisted suppliers
Time allowed for submission of bids	20 days
Bid opening & minutes of bid opening	Minute of opening date May 30, 2011
Bid security records	N/A
BER, verify existence of bids, names of bidders	BER Date of May 30, 2011 GS.Com Sigertronics Systems Dueck Traders
Publication of contract award	
Contract document	Filed
Advance payment guarantee details & records	No.
Performance security details and records	
Complaints or related matters	
Contractual completion date	Contract duration: 15 days
Actual completion date	
Delivery receipt or like instrument	Not in file.

C3: Worksheet for Post Review of Procurement Processes and Contract Administration of Consultants Contracts

<i>Date of Review: October 28, 2011</i>		<i>Name of Reviewer: Yingwei Wu</i>	
<i>Contract No. and Date: #BMDP/SER/007 of 10/20/2011 for Data Entry and Collection Assistant</i>		<i>Contract Amount: BZ\$3,000 (USD 1,500)</i>	
<i>Contractor's Name and Address: Rebecca Cawich, Xunantunich Street, Orange Walk Town, Belize</i>			

PROC. METHOD: QCBS QBS Fixed Budget Least Cost
 CQ Single Source Others, Specify:

CATEGORY: Firm Individual

<i>Aspects</i>	<i>Comments and Findings</i>
Procurement documentation (Filing)	File available.
Reference in Procurement Plan	Not included in PP
Advertising	N/A
Request for proposal	
Shortlist verify number, names etc	N/A
Time allowed for submission of proposals	No LOI.
Evaluation criteria	
Technical evaluation	
Evaluation report, and comments, if any (Verify existence of proposals)	
Financial bid opening	
Combined quality and cost evaluation	
Publication of contract award	
Signed contract document	BMDP/SER/007
Advance payment guarantee etc	
Complaints or related matters	
Contractual completion date	40 days from the start date – Oct 20 –Dec 10, 2011
Actual completion date	
Outputs/Reports	
Timeliness of payments	
Indication of possible fraud or corruption	
Other matters	

Review comment (if applicable)	<ol style="list-style-type: none"> 1. Not included in PP. 2. LOI not issued. 3. A time-based contract as per TOR, but lump-sum used.
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Item No.	Description	Status
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C4: Worksheet for Post Review of Procurement Processes and Contract Administration of Consultants Contracts

<i>Date of Review: October 28, 2011</i>	<i>Name of Reviewer: Yingwei Wu</i>
<i>Contract No. and Date: #BMDP/SER/005 of 05/30/2011 for C14-1: Legislative and Regulatory framework analysis of tm in Belize</i>	<i>Contract Amount: BZ\$8620 (USD 4,310)</i>
<i>Contractor's Name and Address: Diana Marian Shaw, #2 Forest Drive, Belmopan, Belize</i>	

PROC. METHOD: QCBS QBS Fixed Budget Least Cost
 CQ Single Source Others, Specify:
CATEGORY: Firm Individual

<i>Aspects</i>	<i>Comments and Findings</i>
Procurement documentation (Filing)	File available.
Reference in Procurement Plan	C14-1
Advertising	N/A
Request for proposal	
Shortlist verify number, names etc	N/A
Time allowed for submission of proposals	4 weeks
Evaluation criteria	
Technical evaluation	
Evaluation report, and comments, if any (Verify existence of proposals)	
Financial bid opening	
Combined quality and cost evaluation	
Publication of contract award	
Signed contract document	BMDP/SER/005
Advance payment guarantee etc	
Complaints or related matters	
Contractual completion date	Two months from the start date – May 30 -July 22, 2011
Actual completion date	September 2011 for final report, pending with clearance by Bank.
Outputs/Reports	Reports in file
Timeliness of payments	July 20, 2011 and Oct 19, 2011
Indication of possible fraud or corruption	
Other matters	
Review comment (if applicable)	Bank's clearance should not be a step for final payment to Consultant, if consultant fulfills all obligations under contract.

