



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Public Works and Transport
Department of Roads

NOTIFICATION OF AWARD

Employer : Department of Roads, Ministry of Public Works and Transport
Project : Southeast Asia Regional Economic Corridor and Connectivity Project
Contract title : Local Road Climate Resilient Improvement and Maintenance in Luangprabang Province (Local Road Number 2571, 2652 and 3170/2931)
Country : Lao PDR
IDA Credit No. : 7102-LA

Bid/Contract Reference No: HPBC-LR-ICB-LPB-LOT-2023 (CW-007)

Scope of Contract: Hybrid Performance-Based Contract (HPBC) which includes:

1. The Improvement of climate resilient and safety of Road Number 2571 from Bypass District Road at the end of NamKhan Bridge to Kork Warn (Rd No. 2504) for a total of length of 16 km long, in Prabang Capital, Louang Prabang Province. The existing road locates on mountainous areas and passes through built-up community areas in the villages of Vangngern, Phik-yai, Daendavang, Natan and Nadonkhoun (5 villages and 3 schools);
2. The Improvement of climate resilient and safety of Road Number 2652 from Xiengman Village to Buamlau Village for a total of length of 22 km long, in Jomphet District, Louang Prabang Province. The existing road locates on mountainous areas and passes through built-up community areas in the villages of Nakham, Naxayjalern, Huaytan, Som, Na, Xam-Or, Huay On and Buam low (9 villages and 5 schools);
3. The Improvement of climate resilient and safety of Road Number 3170/3971 from Buom Ao Village to Huai Thai Village, Xieng Nguen District to Dan Swang Village, Prabang Capital for a total of length of 20.5 km long, in Xieng Nguen District, Louang Prabang Province. The existing road locates on mountainous areas and passes through built-up community areas in the villages of Huay yen, Souandala and Phonsavath (3 villages and 2 schools).

Contract duration: 60 months. (24 months for Improvement phase and 36 months for Maintenance phase)

Duration of Defects Notification Period: N/A (maintenance service instead – for 36 Months)

Evaluation Currency: US Dollars.

Awarded Bidder(s):

Name: **Khounthavong Lao Construction Co., Ltd**

Address: No. Houay Hong Village, Chanthabouly District, Vientiane Capital, Lao PDR

Bid price at bid opening: **4.474.418,00 USD**
 Evaluated Bid Price: **4.474.418,00 USD**
 Contract Price: **4.474.418,00 USD including:**
 Improvement Works: 3.876.158,00 USD
 Maintenance Services: 474.360,00 USD
 Emergency Works: 123.900,00 USD

Evaluated Bidder(s):

No.	Name of Bidder	Bid price USD	Evaluated Bid Price
1	Maliny Group Co, Ltd	4.489.891,00	N/A – Rejected
2	China Jiangxi International Economic and Technical Cooperation Co., Ltd.	4.951.158,63	4.951.158,63
3	Guangdong No.3 Water Conservancy and Hydro Electric Engineering Board Co., Ltd.	5.145.072,18	5.147.207,95
4	Vatsana Development Construction Co., Ltd.	4.932.439,50	N/A – Rejected
5	Supthavy Construction Maintenance Complete Sole Co., Ltd.	4.638.008,87	N/A – Rejected
6	Phanthamith Road and Bridge Construction Co., Ltd.	5.280.163,06	N/A – Rejected
7	Road No.8 Construction Enterprise	5.082.948,00	5.082.948,00
8	Joint Development Construction Comprehensive Sole Co., Ltd	5.050.271,10	N/A – Rejected
9	Souphaphone Construction, Survey Design and Road Bridge Sole Co., Ltd.	4.341.759,24	N/A – Rejected

Rejected Bidder(s):

Name: Maliny Group

Reasons for rejection:

- Schedule B – Site Organization
 The Bidder provided a Site Organization Chart proposed without the key personnel in each position. It is not clear indicated how many teams shall be engaged to implement the 3 roads and how the quality of work will be controlled. Under Survey and Design, there is no Structure or Design Engineer proposed as the bidder seems not aware of the requirement for development of Detailed Designs from the conceptual design. The Site Organization presented is inadequate. From the Narrative of site organization, it is not clear enough on the management of project according to the required by the project.
- Schedule C – Method Statement
 The Bidder proposed method statements for Rehabilitation and Maintenance Works. Sourcing of materials is not addressed with no identification of the borrow pits. The wrong CBR value had been

stated for subgrade (>35%) Method Statement for Maintenance Services were described, including the list of performance indicators, proving a clear understanding of the contractor regarding the performance requirements. Traffic Management is addressed and shortly described. The Contractor did not provide any indication for review of the conceptual design. The bidder did not include a chapter on Quality control. Overall, the method statements do not meet the requirements as expected by the project.

- Schedule E: Contractor's Equipment

The Bidder did not consider the requirements of the RFB that for all the equipment, the Bidder must have valid equipment certification papers, such as purchase invoice, license plates, contract and a picture. Some of the equipment was older than 15 years, which is contrary to RFB requirements. Some of the equipment was completely missing.

- The Bidder did not provide equipment forms for the Maintenance phase separately and, therefore, some items were not sufficient for the combined number of equipment required for rehabilitation works and maintenance. Taking into account the multiple deviations and the fact that the ownership and the availability of equipment was not confirmed in any way, this schedule was considered as failed.

- Schedule G: Key Personnel Proposed

The Bidder did not fill and did not include PER-2 Forms (the Staff CVs) and did not attach any supporting documents for the proposed key staff.

- The Bidder did not attach the declarations signed by the personnel. In the absence of the PER-2 forms it was impossible to evaluate the staff.

Name: China Jiangxi International Economic and Technical Cooperation Co., Ltd.

Reasons for rejection:

- The price offered by your company was higher than the one of the Bidder having the lowest evaluated price.

Name: Guangdong No. 3 Water Conservancy and Hydro-Electric Engineering Board Co., Ltd.

Reasons for rejection:

- The price offered by your company was higher than the one of the Bidder having the lowest evaluated price

Name: Vatsana Development Construction Co., Ltd.

Reasons for rejection:

- Schedule E: Contractor's Equipment

Most of equipment (all except vehicles) had no supporting information such as purchase or ownership documents, which is contrary to the RFB requirements. It is to note that at the same time the Bidder attached the ID documents for trucks and water browsers, while all the construction equipment missed that. Thus, it was impossible to conclude if the equipment belonged to the Bidder or was available for this contract.

- Schedule G: Key Personnel Proposed

None of the proposed personnel (except for ESHS staff) were adequate to qualification requirements set out in the RFB. In most of cases the proposed personnel had less years of experience at similar positions than the minimum required. Proposed Road Managers missed certificates of experience in similar contract (over 5.5 mln USD) and had no similar positions "Road Manager" in the past.

Name: Supthavy Construction Maintenance Complete Sole Co., Ltd.

Reasons for rejection:

- Although the Letter of Bid indicated that the sum of Improvement Works is below 90%, the recalculation showed that the works represent 90.29% of the total contract, which is contrary to the provisions of the ITB 34.5

Name: Phanthamith Road and Bridge Construction Co., Ltd.

Reasons for rejection:

- The Bidder did not fill any of the qualification forms (ELI, CON, FIN, EXP Forms) requested by the RFB. Instead, only some documents have been attached, not in accordance with the RFB requirements.

Name: Road No.8 Construction Enterprise

Reasons for rejection:

- The price offered by your company was higher than the one of the Bidder having the lowest evaluated price.

Name: Joint Development Construction Comprehensive Sole Co., Ltd

Reasons for rejection:

- Some of the paragraphs in the Letter of Bid remained unattended, like in the template i.e., not filled, including the discount, paras (i), (j), (m) and (n).
- The paragraph (i) of the LoB on bid validity period was not even filled.

Name: Souphaphone Construction, Survey Design and Road Bridge Sole Co., Ltd.

Reasons for rejection:

- Bidder did not submit the Schedule B. However, bidder submitted the organization chart for the company which is not supporting information for this project specifically.
- Schedule C – Method Statement:
The Bidder proposed standard (general) method statements for the main rehabilitation and maintenance works. In Pavement constructions, the Bidder did not elaborate the Sub-grade construction in this method statements. The document is not specifically tailored for this project, but overall sufficient. The Bidder mentioned aggregate pre-coating, in DBST, there is no option for pre-coating of aggregate materials. The Bidder did not elaborate on how he will develop the detailed design, and it is not clear from the proposal if he understood that he will be responsible for the detailed design. However, under Schedule D, a subcontractor is proposed for survey and detailed design but there are no detailed technical information. The software mentioned in Schedule-D is imperative to the detailed design of road or structures. A small section blended into the method statement details the QC but without mentioning the role of the self-control. (Note: in the staff, head of SCU is not properly identified).
- Schedule E: Contractor's Equipment
The Bidder did not take into account the requirements of the RFB that all the equipment the Bidder must have valid equipment certification papers, such as purchase invoice, license plates, contract and a picture.
- Some of the equipment was older than 15 years, which is contrary to RFB requirements. Some of equipment was completely missing.
- The Bidder did not provide equipment forms for Maintenance phase separately and, therefore, some items were not enough for combined number of equipment required for works and maintenance phases.
- Excavator was of a wrong type – crawler instead of pneumatic wheels.

- Taking into account the multiple deviations and the fact that the ownership and the availability of equipment was not confirmed in any way, this schedule was considered as failed.

On behalf of the Employer:



Mr. Litta KHATTIYA
Director General of Department of Roads (MPWT)