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 Luangnamtha Province (Road No. 1503, 1525 and 1606)
Country	:	Lao PDR
IDA Credit No.	:	7102-LA

Bid/Contract Reference No: HPBC-LR-NCB-LNT-LOT-2023 (CW-003)

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

1. The Improvement of climate resilient and safety of Road Number 1503, Start from Viengphoukha District, this road passthrought agriculture farm and link to NR17B Long District for the total of length of 17 km long, in Luangnamtha Province. The existing road locates on mountainous areas and passes through built-up community areas in the villages of Mai, Karbtai, Karbnuea, Namtaleang and Thaluang (5 villages and 4 schools)

2. The Improvement of climate resilient and safety of Road Number 1525, From Junction of R3 road (Km 80) Num Ngern village to Thongnapae village for totalof length of 15 km long, (Viengphoukha District) in Luangnamtha Province. The existing road locates on mountainous areas and passes through built-up community areas in the villages of Sakon, Thongnahai and Thongnaparn

3. The Improvement of climate resilient and safety of Road Number 1606, The road start at Nalae District passing through agriculture area and linking to Boeng District Border with Oudomxay Province for total of length of 23 km long, (Nalae District) in Luangnamtha Province. The existing road locates on mountainous areas and passes through built-up community areas in the villages of Naleng, Vangmixay, Khonechan, Khonlarng, Kunha and Sakan (6 villages and 3 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: **Guangdong No. 3 Water Conservancy and Hydro-Electric Engineering Board Co., Ltd.**

Address: **No. Building 1&2, No.67, Tangxia Dadao Middle, Tangxia Town, Dongguan City, Guangdong Province, China**
Bid price at bid opening: 4.490.882,55 USD
Evaluated Bid Price: 4.511.263,63 USD
Contract Price: **4.511.263,63 USD**, including:
Improvement Works: 4.015.033,63 USD
Maintenance Services: 406.080,00 USD
Emergency Works: 90.150,00 USD

Evaluated Bidder(s):

No.	Name of Bidder	Bid price USD	Evaluated Bid price
1	Sompasong Road and Bridge Construction Co., Ltd.	4.895.967,88	N/A – Rejected
2	Sengmixay Intergrate Sole Ltd.	3.606.641,84	N/A – Rejected
3	China Jiangxi International Economic and Technical Cooperation Co., Ltd.	6.342.150,97	6.342.150,97
4	Khamphay Sana Group Sole Co., Ltd.	7.135.283,49	N/A – Rejected
5	R8CE - LDB Joint Venture	5.881.745,90	6.194.955,85
6	Vatsana Development Construction Co., Ltd.	5.283.249,50	N/A – Rejected
7	Khamfong Group Sole Co., Ltd.	4.942.095,00	N/A – Rejected

Rejected Bidder(s):

Name: Sompasong Road and Bridge Construction Co., Ltd.
Reasons for rejection:

- The Bidder did not incorporate the Addendum #1 of 4 June 2023 whereby the Unit for item 405-11 "Concrete Ditch Lining" was changed from M2 to M3 in the BoQs 2.1, 2.2 and 2.3. Accordingly, Bidder's calculation for these items wrongly remained based on square meters, not cubic meters.
- The form of Bid Security (Bank Guarantee) was completely different from the form included in the RFB.
- The period of validity of the bank guarantee was 15 December 2023 – similarly as Bid validity, while it must be 28 beyond that date.

Name: Sengmixay Intergrate Sole Ltd.

Reasons for rejection:

A. 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.

- A Request for Clarification was sent to the Bidder on 29 September and a clarification received on 09 October. Some of the equipment items have been clarified and supporting documents submitted, but the main problem remained with the equipment which is older than allowed by the RFB. That equipment could not be replaced or corrected in the bid under applicable procurement rules.
- 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.

B. Schedule G: Key Personnel Proposed:

- Around half of the proposed personnel had not been qualified against requirements (see details in Form 1.2 below). Such positions as Materials Engineer, Maintenance Engineer, Structural Engineer and Safety / Environmental and Social Manager failed to meet requirements for both improvement works and maintenance phases.
- A Request for Clarification was sent to the Bidder on 29 September and a clarification received on 09 October, but the Bidder failed to properly reconfirm qualifications of the above staff.

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

- The bid's evaluated price was higher than that of the awarded bidder

Name: Khamphay Sana Group Sole Co., Ltd.
Reasons for rejection:

- The form of Bid Security (Bank Guarantee) was changed on the wording of the conditions. Specifically, it missed any reference to Environmental and Social (ES) Performance Security.
- The period of validity of the bank guarantee was 15 December 2023 – similarly as Bid validity, while it must be 28 beyond that date.

Name: R8CE - LDB Joint Venture
Reasons for rejection:

- The bid's evaluated price was higher than that of the awarded bidder.

Name: Vatsana Development Construction Co., Ltd.
Reasons for rejection:

A. 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. Most of the proposed equipment was described in appropriate forms but lacked the supporting information. Specifically, the Bidder marked all equipment as owned but there were no purchase documents and no ownership documents attached to demonstrate the availability of such equipment, which is one of the RFB requirements (Section III, para 26, note 5). Thus, it was impossible to verify if the proposed equipment belongs to the Bidder.
- A Request for Clarification was sent to the Bidder on 29 September and no answer was received despite the reminders by the PMU. 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.

B. Schedule G: Key Personnel Proposed:

- Most of the key staffs had observations and failed to qualify against requirements: Road Managers in both Improvement and Maintenance phases lack the required certificates of performance under contracts over $5.5 mln US.

- For Improvement Works, persons proposed for the positions of: Road Engineer (2nd candidate), Hydraulic Design Engineer and Climate Change Specialist, Structural Engineer and lacked similar positions in the past.
- For Maintenance Services, persons proposed for the positions of : Road Manager, Maintenance Engineer, Safety / Environmental and Social Manager, lacked similar positions in the past and Some other positions had also showed deviations.
- A Request for Clarification was sent to the Bidder on 29 September and no answer was received despite the reminders by the PMU.

Name: Khamfong Group Sole Co., Ltd.
Reasons for rejection:

- The Bidder did not incorporate the Addendum #1 of 4 June 2023 whereby the Unit for item 405-11 "Concrete Ditch Lining" was changed from M2 to M3 in the BoQs 2.1, 2.2 and 2.3. Accordingly, Bidder's calculation for these items wrongly remained based on square meters, not cubic meters
- Some of the paragraphs in the Letter of Bid remained unattended, like in the template i.e., not filled, including the discount, paras (e), (c), (h), (i), (j), (m) and (n). The total of bid price was wrong
- The bid validity date was not indicated in the Letter of Bid.
- The form of Bid Security (Bank Guarantee) was changed on the wording of the conditions. Specifically, it missed any reference to Environmental and Social (ES) Performance Security.

On behalf of the Employer:

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