
PRIMATURE

MILLENNIUM CHALLENGE ACCOUNT- SENEGAL

(MCA-SENEGAL)



Justification for Sole Source

Selection of a firm to implement the Works for Horticultural Activities (Blocs Maraichers) Lots 1, 2, 3, and 4 of RAP RN6 (Lot 1)

Guidelines Provision

Single Source Justification

Part 1. Conduct and Administration of Procurement

Section 1.A. Program Procurement

Guidelines:

Procurement of Works, Goods and Non Consultant Services

Sole Source Selection

P1.A.2.74

P1.A.2.75

P1.A.3.5 (e)

According to P1.A.2.74 "...Rejection of all bids is justified when there is a lack of effective competition, bids are not substantially responsive or when bid prices are unreasonable or are substantially higher than the MCA Entity's budget for the Project....The MCA Entity may, after approval by MCC, reject all bids. If all bids are rejected, the MCA Entity shall review the causes justifying the rejection, and consider making revisions to the conditions of contract,.. before inviting new bids."

According to P1.A.2.75 "If the rejection of all bids is due to lack of competition wider advertising shall be considered.....".

According to P1.A.3.5 (e) "Sole Source Selection may be appropriate in exceptional cases.....".

MCA-Senegal hereby requests the use of the direct contracting method to select a firm to construct the Works for Horticultural Activities (Blocs Maraichers) Lots 1, 2, 3, and 4 of RAP RN6 (Lot 1).

Justification for Sole Source

In the Procurement Plan (PP) for the period from the months of October 2014 to March 2015, it was planned to launch procurement actions to implement Works for Horticultural Activities (PAPs of Lot 1 of RN6). Total budget amount USD \$1'667,000.

The Works involve the completion of wells and boreholes and very minor works for horticultural activities (Blocs Maraichers) of RAP RN6, in the regions of Ziguinchor and Sédhiou (divided into eight (08) lots, for about fifty communities of PAPs.

The purpose of this justification for Sole Source is firstly, to make a summary of the Works bidding process (lots 1 through 8) and the evaluation of bids received, and, secondly, to request a course of action through a Sole Source selection method that can facilitate the implementation of the Works in a timely manner in view of the closure of the COMPACT.

Lots 1; 2; 3; 4 were tendered to implement very minor Works (basins, storage facilities, walls, etc.) for the development of gardeners plots;

Lots 5 and 6 to drill Water Wells;

Lots 7 and 8 to carry out mini- drilling Works.

After the evaluation of bids, the following final results were recorded:

- For lots 1; 2; 3 and 4 no bidder has qualified, and therefore these lots have not been awarded as bidders lacked technical, financial and key personnel capacity.
- Lots 5 and 6 they are both to be awarded to TECHNAGER in the amounts of 67,841,500 HT and HT CFA 63,379,100 FCFA.
- Lots 7 and 8 on mini-drilling Works are both to be awarded to CDE for the respective amounts of HT 73,140,200 FCFA and HT 69,353,400 FCFA.

The procurement process has taken into account the provisions in the Guidelines:

- P1.A.2.74 "...Rejection of all bids is justified when there is a lack of effective competition, bids are not substantially responsive. The MCA Entity may, after approval by MCC, reject all bids."
- P1.A.2.75 "If the rejection of all bids is due to lack of competition wider advertising shall be considered....".

However, re-advertising will not result in qualified bidders in this area. Bids were advertised over 40 days, there has already been wide advertising and for a sufficient time. Because of this the prebid meeting was well attended which led to a good number of bids for lots lot 5 through 8.

Lots 1 through 4 did not receive many bids, one of the reasons why the procurements failed. However, the reason for the lack of qualified bidders can not be attributed to conditions of contract or to the technical specifications as bidder's participation in lots 5 to 8 confirm.

- P1.A.3.5 (e) "Sole Source Selection may be appropriate in exceptional cases.....".

The outcome of the bidding process in which the first four lots were unsuccessful makes it an exceptional case as it's a critical project to restore land to the project affected people.

Due to severe time constraints, given the proximity of the end date of the Compact, to relaunch the tendering is a not a viable option, given the experience that the failed procurements attest, as there exists the possibility of a lack of competition.

For lots 1 through 4 relating to Works for the development of market gardeners, it is necessary to find a solution to carry out the Works, to the extent that the Works for the eight lots are an integrated project and therefore if the Works of the four lots, 1 through 4, are not made, further work on the other lots will no longer be relevant.

Therefore, MCA-Senegal recommends to award these four (04) lots to the company CDE by sole source, given the fact that it will be carrying out work in the same zones of the drilling of wells, and that it has the capacity to complete this work on time in view of the references provided as part of this tender.

Indeed, given the time remaining before the closing of the COMPACT, it is not possible to relaunch this procurement without the risk of lack of competition due to the limited number of potential, qualified bidders. This poses a high risk that a new tender for these four lots will be unsuccessful. Only a technically and financially capable company can ensure the proper implementation of this work in time.

In addition the other company (TECHNAGER) was disqualified for the development work (Lots 1-4).

CDE is a well established Senegalese company that has the experience and expertise regarding similar work.

The Procurement Plan is to be amended, subject to Supervisory Board approval, to change the procurement method from Competitive Bidding (CB) to Sole Source procurement.

The overall budget in the PP is USD 1,697,660 or equivalent 933 713 000 FCFA.

However, one can do a simulation for the indicative amounts of each lot 1-4 if they were to be attributed to CDE.

Considering that the cumulative amount of Lots 5; 6; 7 and 8 is FCFA 273 714 200, the remaining budget for the four other lots (04) is 659 998 800 FCFA.

The Engineer's cost estimate for the four lots is 611 065 499 FCFA.

The estimated ceiling budget for the sole source on four lots would be 672 172 593 FCFA (equals Engineer's estimate plus 10%), equivalent to USD 1 147 052 close to the remaining budget amount.

Signature

Name

Date