



**Lao People's Democratic Republic**  
**Peace Independence Democracy Unity Prosperity**

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**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 Phongsaly Province  
(Road No. 1221 and 1228)  
**Country** : Lao PDR  
**IDA Credit No.** : 7102-LA

**Bid/Contract Reference No:** HPBC-LR-NCB-PHO-LOT-2023 (CW-006)

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

- 1) The Improvement of climate resilient and safety of Road Number 1221 from Junction National Road No. 19 at Ban Mongjao to Ban Phongseak for a total of length of 21 km long, (Phongsaly District) in Phongsaly Province. The existing road locates on mountainous areas and passes through built-up community areas in the villages of Mongjao, Phouxoum, Jhaphou, Longjing, Phayasee and Phongseak (6 villages and 7 schools).
- 2) The Improvement of climate resilient and safety of Road Number 1228 from Ou Tai to Lar Village to Nam Mar Yai for a total of length of 29 km long, (Nhot Ou District) in Phongsaly Province. The existing road locates on mountainous areas and passes through built-up community areas in the villages of Lar, Huayyoum, HuayMarnoy, HuayMaryai and Xelocpan (5 villages and 6 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:** China Jiangxi International Economic and Technical Cooperation Co., Ltd.

**Address:** No.1198, Fenghezhong Avenue, Honggutan District, Nanchang, Jiangxi, China

**Bid price at bid opening:** 5,202,064.27 USD

**Evaluated Bid Price:** 5,202,064.27 USD

**Contract Price:** 5,202,064.27 USD, including

**Improvement Works:** 4,513,964.27 USD

**Maintenance Services:** 556,800.00 USD

**Emergency Works:** 131,300.00 USD

**Evaluated Bidder(s):**

No.	Name of Bidder	Bid price USD	Evaluated Bid price
1	VK International Sole - Phatthiya Survey Design Construction Road-Bridge and Electricity JV	3,881,399.04	N/A – Rejected
2	Guangdong No.3 Water Conservancy and Hydro Electric Engineering Board	6,478,426.37	6,477,309.66
3	Khounthavong Lao Construction	4,449,882.05	N/A – Rejected
4	LBD Road Bridge and Infrastructure Construction Sole	4,298,888.00	N/A - Rejected
5	Supthavy Construction Maintenance Complete Sole	3,715,274.12	N/A – Rejected

**Rejected Bidder(s):**

**Name:** VK International Sole - Phatthiya Survey Design Construction Road-Bridge and Electricity JV

**Reasons for rejection:**

- According to RFB ITB 18.1 the bid validity shall be for at least 120 days i.e., until 04 October 2023, while the bid validity period offered by the bidder was not specified at all (just stated "... any time before this date").
- First, the Bid Security was on the name of VK International Sole and not on JV's name. Second, the form of bid security was different from the template provided in the RFB. Thus, conditions of applicability have been altered and ESHS Performance Security was not even mentioned.
- The bid security provided by VietinBank did not specify the date of Bid Security's validity (simply said 28 days after expiration of the Bidder's bid. Taking into account that the Bidder Letter of Bid did not specify the Validity Period as well, there is no validity period of the bid security.
- Bill of Quantities for Maintenance Services – C1 was missing.

**Name:** Guangdong No.3 Water Conservancy and Hydro Electric Engineering Board

**Reasons for rejection:**

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

**Name:** Khounthavong Lao Construction

**Reasons for rejection:**

- The form of bid security was different from the template provided in the RFB. Thus, conditions of applicability have been altered and ESHS Performance Security was not even mentioned.

**Name:** LBD Road Bridge and Infrastructure Construction Sole

**Reasons for rejection:**

- A. Two items were not listed in the equipment for the maintenance phase:
  - Motor Grader; and
  - Patrol Car.
- B. The following key staff was not qualified for the position:

- Project Manager: No past projects of the same value;
  - Road Engineer #2: No similar past positions;
  - Maintenance Engineer: No similar past positions;
  - Hydraulic Design Engineer / Climate Change Specialist: No similar past positions.
- C. Experience Criterion 4.2(a): The experience described in this criterion must be complied with by Bidders in the role of a as a prime contractor, joint venture member, or management contractor. The experience listed in your bid as sub-contractor and, therefore, could not be counted.
- D. Experience Criterion 4.2(b), Specific activities # 3, # 4, # 5, # 6 and # 7 – no details have been provided in the EXP firms on how these criteria have been met.

**Name:** Supthavy Construction Maintenance Complete Sole

Reasons for rejection:

- The Amount of Improvement Works is 94.3 %, which is higher than the allowed threshold. The percentage of  $C2 / (C1+C2+C3)$  must be below 90% according to ITB 34.5.

On behalf of the Employer:



**Mr. Litta KHATTIYA**

Director General of Department of Roads (MPWT)