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What is the Contractor selection master plan for projects?

Depending on the scale and nature of bidding activities of the project, the employer or the body that prepares the project shall request the competent person to consider and decide the preparation and approval of the contractor selection master plan.

■ The contractor selection master plan may be prepared as the same time as or independently of the feasibility study report but shall only be approved after the feasibility study report has been approved.

A contractor selection master plan shall, inter alia, include the following information:

- Consideration of the context of the project with bidding activities;
- Assessment of conformity of the employer's capacity, resources and experience with bidding activities of the project;
- Market analysis and determination of risks in bidding;
- Specific objectives of the bidding;
- Proposals included in the contractor selection master plan, including: division of the project into multiple packages; contractor selection method and procedure; type of contract; risk management rules; schedule for executing the main tasks and the package; other contents to be put into consideration during the drafting of the bidding documents, management of contract execution.

CONTRACTOR SELECTION PLAN



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What **principles** should be followed in preparing contractor selection plan?

Rules for preparing contractor selection plan including:

- A contractor selection plan shall cover the entire project or procurement cost estimate. In case of a procurement cost estimate, the contractor selection plan may be prepared on the basis of the procurement cost estimate of the current budget year and expected procurement cost estimates of the following budget years. If there are not sufficient grounds for preparing a contractor selection plan for the entire project or procurement cost estimate, the contractor selection plan shall be prepared for one or some packages.

- Requirements of the contractor selection plan:
 - (i) duration: If a package is to be executed within duration of exceeding 01 year, the contractor selection plan must clearly indicate the package execution duration and the package's price determined for the entire execution duration;
 - (ii) specify the number of packages and contents of each package.
- The contractor selection plan may be prepared (i) after the procurement cost estimate or the project has been approved, or (ii) as the same time as the project or the procurement cost estimate, or (iii) before the project approval decision has been issued in case the package needs to be executed before the project is approved.
- Approval of the contractor selection plan shall be given on the basis of technical properties and execution process, and in a manner that ensures the uniformity of the project or procurement cost estimate, and must be conformable with the approved contractor selection master plan (if any).

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What are the **bases** for planning the selection of contractors?

The basis for preparation of the contractor selection plan for a project includes:

- The project approval decision and relevant documents, except packages which need to be executed before the project is approved. In case a package needs to be executed before the project is approved, the decision issued by the head of the entity acting as the project employer or the head of the unit tasked with preparing the project, if the project employer is not yet identified, shall be used;
- The contractor selection master plan (if any);
- The project included in the assigned medium-term public investment plan, except urgent public investment projects defined in the Law on public investment;
- The fund disbursement plan or sources of funding for the project that have not been allocated in the medium-term public investment plan;
- The international convention or loan agreement, if the project is funded by ODA or concessional loans, except the cases of bidding in advance;
- Other relevant legislative documents.

What are **bases** for preparation of the contractor selection plan for a procurement cost estimate?

The basis for preparation of the contractor selection plan for a procurement cost estimate includes:

- Standards and norms for use of public property of regulatory authorities, organizations, units and officials, public employees and workers (if any);
- The procurement cost estimate;
- Other relevant legislative documents.

What **content** does the contractor selection plan consist of?

The contents of contractor selection plan includes:

■ Name of the package:

- Name of the package must reflect the nature, contents and scope of tasks of the package. If a package is divided into smaller parts, each of them must have a suitable name.

■ Package price:

- The package price is the value of the package defined in the contractor selection plan to be approved. The package price includes all costs for execution of the package, including contingencies, fees, charges and taxes. The package price may be updated at least 28 days before the bid opening date if deemed necessary;
- If a package is divided into smaller parts, the package price and the estimated price of each part shall be specified;
- Regarding a package with additional purchase option, the package price excludes the additional purchase value.

■ Funding sources:

- Determined or approved sources of funding for each package must be specified. If a package is funded by ODA or concessional loan of a foreign donor, name of the donor and capital structure, including funding allocated by the donor and reciprocal capital from Vietnamese party, shall be specified. In case a package is to be executed within duration of exceeding 01 year under a procurement cost estimate, the funding sources may be determined on the basis of the procurement cost estimate of the current budget year and expected procurement cost estimates of the following budget years.



■ Contractor selection method and procedure:

- Specific contractor selection method and procedure must be determined for each package: domestic or international contractor selection; whether or not online contractor selection is employed;
- If a project is to be executed under a contractor selection master plan, contractor selection method and procedure must be specified in conformity with the contractor selection master plan.

■ Contractor selection duration:

- The contractor selection plan must clearly indicate the duration and the time of initiating contractor selection. The contractor selection process shall begin from the month or quarter in which bidding documents is issued. In case of competitive bidding that employs the shortlisting procedure, contractor selection process shall begin when the expression of interest (EOI) request or prequalification document is issued.

■ Type of contract:

- The specific type of contract must be determined and used as the basis for preparation of the EOI request, prequalification document, bidding documents and RFP, and signing of the contract;
- If a project is to be executed under a contractor selection master plan, contractor selection method and procedure must be specified in conformity with the contractor selection master plan.

■ Package execution duration:

- The package execution duration starts on the effective date of the contract till the date of acceptance of completed works, goods (including related services, if any), consulting or non-consulting service. The package execution duration is expressed as a number of days, weeks, months or years, excluding the warranty period and designer's supervision period in respect of a consulting service package (if any).



■ Additional purchase option (if any):

- Additional purchase option allows the employer to purchase an amount of goods, consulting or non-consulting services of the package in addition to the original amount specified in the contract;
- The contractor selection plan for a package with additional purchase option must clearly indicate the volume, quantity and estimated value of additional purchase;
- The additional purchase option may be applied if: the bidding has won the bid through competitive bidding or price negotiation; the volume of additional purchase does not exceed 30% of that of the corresponding item specified in the contract; there is an approved cost estimate for the additional purchase; the unit price of goods or services additionally purchased shall not be higher than that of corresponding goods or services specified in the contract; the additional purchase option is exercised during the validity period of the contract.

■ Supervision of bidding activities (if any).



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How is the **approval** of the contractor selection plan for the **project** carried out?

(1) An application for approval of the contractor selection plan includes the following contents:

- Completed tasks, including tasks related to project preparation and packages to be executed in advance with corresponding value and legal grounds thereof;
- Tasks to which neither of the prescribed contractor selection methods can apply;
- Tasks included in the contractor selection plan, including tasks and corresponding values constituting the packages
- Tasks which cannot be included in the contractor selection plan (if any), specific tasks and their values must be specified;
- Total value of the tasks. This total value must not exceed the total investment of the project;
- Other related contents.

(2) Power to approve the contractor selection plan:

- The employer shall organize preparation and approval of the contractor selection plan in case the contractor selection master plan has been approved;
- The competent person shall consider approving the contractor selection plan for a project that is not covered by the contractor selection master plan or authorize the employer or his/her subordinate to do so, except in cases where the employer is not yet identified or a project needs to be executed before the project is approved, the employer or the head of the unit shall consider approving the contractor selection plan for the package.

(3) Procedure:

- The person that has the power to give approval shall organize the appraisal of the contents of contractor selection plan

How is the **approval** of the contractor selection plan for the **procurement cost estimate** carried out?

(1) An application for approval of the contractor selection plan includes the following contents:

- Completed tasks, including tasks of packages to be executed in advance with corresponding value and legal grounds thereof;
- Tasks to which neither of the prescribed contractor selection methods can apply;
- Tasks included in the contractor selection plan, including tasks and corresponding values constituting the packages
- Tasks which cannot be included in the contractor selection plan (if any), specific tasks and their values must be specified;
- Total value of the tasks. This total value must not exceed the total investment of the project;
- Other related contents.

(2) Power to approve the contractor selection plan:

- The employer shall organize preparation and approval of the contractor selection plan in case the contractor selection master plan has been approved.

(3) Procedure:

- The employer shall organize preparation and approval of the contractor selection plan in case the contractor selection master plan has been approved.

When is the **bidding in advance** applied?

- Bidding in advance for selecting contractors for projects funded by ODA or concessional loans of foreign donors shall comply with the provisions of a concluded international convention or agreement on ODA or concessional loans.
- Before concluding an international convention or agreement on ODA or concessional loan, the following tasks may be performed, including: preparation, submission for approval, appraisal and approval of contractor selection plan, EOI request, prequalification document, bidding documents, RFP, and drawing up of the shortlist. The tasks shall be performed in accordance with the provisions of contractor selection process of this Law.



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