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| **SYRIA RECOVERY TRUST FUND** |
| Procurement Manual |
| SRTF Management Unit |
|  |
| **Gaziantep** |
| **June 2014** |

This Procurement Manual is not a legal document. It presents the operating principles, guidelines and procedures applied by the Management Unit and Implementing Entities for procurement under projects financed by SRTF to ensure transparency, effectiveness, efficiency and accountability of SRTF resources.

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Acronyms, Abbreviations and Definitions

|  |  |
| --- | --- |
| COO | Chief Operations Officer |
| BD – Bidding document | Document prepared for the bid process which details the requirement(s) to be procured, stipulates the terms and conditions and provides instructions to bidders. The term is used generically but Request for Proposal or Request for Quotations is used where appropriate |
| SBD | Standard Bidding Document, the use of which is obligatory for a specified type (goods, works or consultancy services) and method (ICB, LIB, NCB, Shopping) of procurement. |
| Component | Component of a project – component content is variable depending on project complexity and purpose and will contain a different set of activities and outputs. Will cover broad headings such as institutional strengthening and infrastructure improvements |
| DG | Director General |
| EOI | Expression of Interest for consultancy services |
| ICB | International Competitive Bidding |
| IE | Implementing Entity |
| Incoterms | International Chamber of Commerce Terms of Trade – a set of international rules for the interpretation of the most commonly used trade terms in foreign trade – they define the obligations of buyers and sellers for the standard delivery terms (DDP, DAP, CIP, CFR, FOB, ex works, etc.) used in international trade with the latest version dated 2010. |
| IT | Information Technology |
| LIB | Limited International Bidding |
| M&E | Monitoring and Evaluation |
| MC | Management Committee (of SRTF) |
| MU | Management Unit of SRTF, called SRTF Yönetim Hizmetleri Anonim Şirketi (translated: SRTF Management Services Joint Stock Company) located in Gaziantep, Turkey |
| NCB | National Competitive Bidding |
| NGO | Non-governmental Organization |
| OM | Operations Manual |
| Postqualification | The process of qualification conducted once a call for bids has closed as part of evaluation whereby it is determined whether the Bidder selected as having submitted the lowest evaluated and substantially responsive bid is qualified to perform the contract satisfactorily |
| Pre bid conference (or meeting) | An optional conference or meeting held prior to the bid submission deadline for all bidders or their representative, who choose to attend in which issues are explained relating to the procurement or the bidding document. It may also include or be held at the site in question (important for works, installation etc.) |
| Prequalification | The process of qualification conducted prior to the release of Bidding Documents to ascertain the bidders who are qualified to bid. This is usually conducted for large and highly complex procurement requirements so that bidding is limited to those shortlisted bidders and evaluation is of only those bidders who are qualified. See also post qualification. |
| Project | A temporary organization of managed resources and processes, which seeks to deliver a pre-defined set of products (or outputs) to a defined quality, using defined resources and finances and within a defined and finite time scale. In this context a project to be funded from the SRTF. |
| Project Manager | An individual appointed by the IE and given day-to-day responsibility for achieving the required outputs (products) to the required standard of quality, within specified constraints of time and cost. |
| Qualification | A process in which the capabilities of a bidder is assessed to establish whether that bidder has the financial, technical and physical resources to manage the size and complexity of the requirement |
| Request for Quotations | Request for Quotations, used for procuring low value goods, works or services |
| RFP | Request for Proposal for consultancy services |
| Shopping | Procurement method for procuring low value goods, works or services through Requests for Quotations |
| SRTF | Syria Recovery Trust Fund |
| TOR | Terms of Reference |
| UN | United Nations |
| WB | World Bank |

# Introduction

## This Document

This Procurement Manual is supplementary to the Operations Manual and is designed to give guidance for the standard procurement procedures for projects funded by the Syria Recovery Trust Fund (SRTF) mainly with the use of standard procurement documents included in Volume 2. The procedures are developed for use by Implementing Entities (IE) in preparing the procurement part of project proposals and executing procurement, once a Financing Agreement has been concluded.

In some cases as foreseen in a Financing Agreement between SRTF and the IE, it may be decided that the Management Unit (MU) of the SRTF will conduct specific procurement on behalf of and in the name of the IE, The MU will do so with involvement of the IE and the IE will be responsible for contract execution and supervision. Further details will be included in the Financing Agreement In such cases the MU will similarly follow the procedures and procurement steps laid out in this manual.

In exceptional cases of Implementing Entities (IE) with a procurement system of standards at least equivalent to those of SRTF, the procurement system of such entity may be used. This could e.g. apply to some international organisations, but will not be applicable for the use of the Syrian contract law, which is not considered equivalent to the standards of SRTF (among others due to several different procedures and lack of recommended or obligatory bidding documents). Where potentially applicable, such assessment is done by SRTF Management Unit as part of the assessment of capability of an Implementing Entity. If it is agreed to apply the procurement system of an IE, then the procedures of this manual may apply only partially and the Financing Agreement with such IE must contain relevant provisions for procurement procedures to be followed.

## Purpose of the Procurement Procedures

The procurement procedures are intended to provide straightforward, but detailed guidance on the individual stages of the standard procurement process to be followed when conducting procurement against projects funded by the SRTF. They are designed to be simple to use, by breaking the overall procurement process down into preliminary procurement activities for project proposal preparation and a series of individual stages for the execution of the procurement process after approval of a Project Proposal by an Implementing Entity and conclusion of a Financing Agreement for the Project between SRTF and the Implementing Entity. This has been done to:

1. provide working procedures to implement procurement in accordance with the procurement guidelines applicable to SRTF, the SRTF Operations Manual and, for the execution of procurement, with individual financing agreements between the SRTF and Implementing Entities ;
2. promote efficiency, economy and the attainment of value for money while promoting transparency and accountability in public procurement;
3. provide uniform procedures for application by all implementing entities; and,
4. provide standard procedures, against which procurement activities can be monitored, reported and audited.

## Scope

These procedures are organized into the various common stages of the procurement process and cover the whole procurement cycle from identification of a project requirement, through to contract completion with a split between the project proposal preparation and execution after project proposal approval. The procedures provide guidance on:

* the method of procurement i.e. ICB, LIB, NCB, shopping or direct procurement and RFP and;
* the type of procurement i.e. goods, works or consultancy services

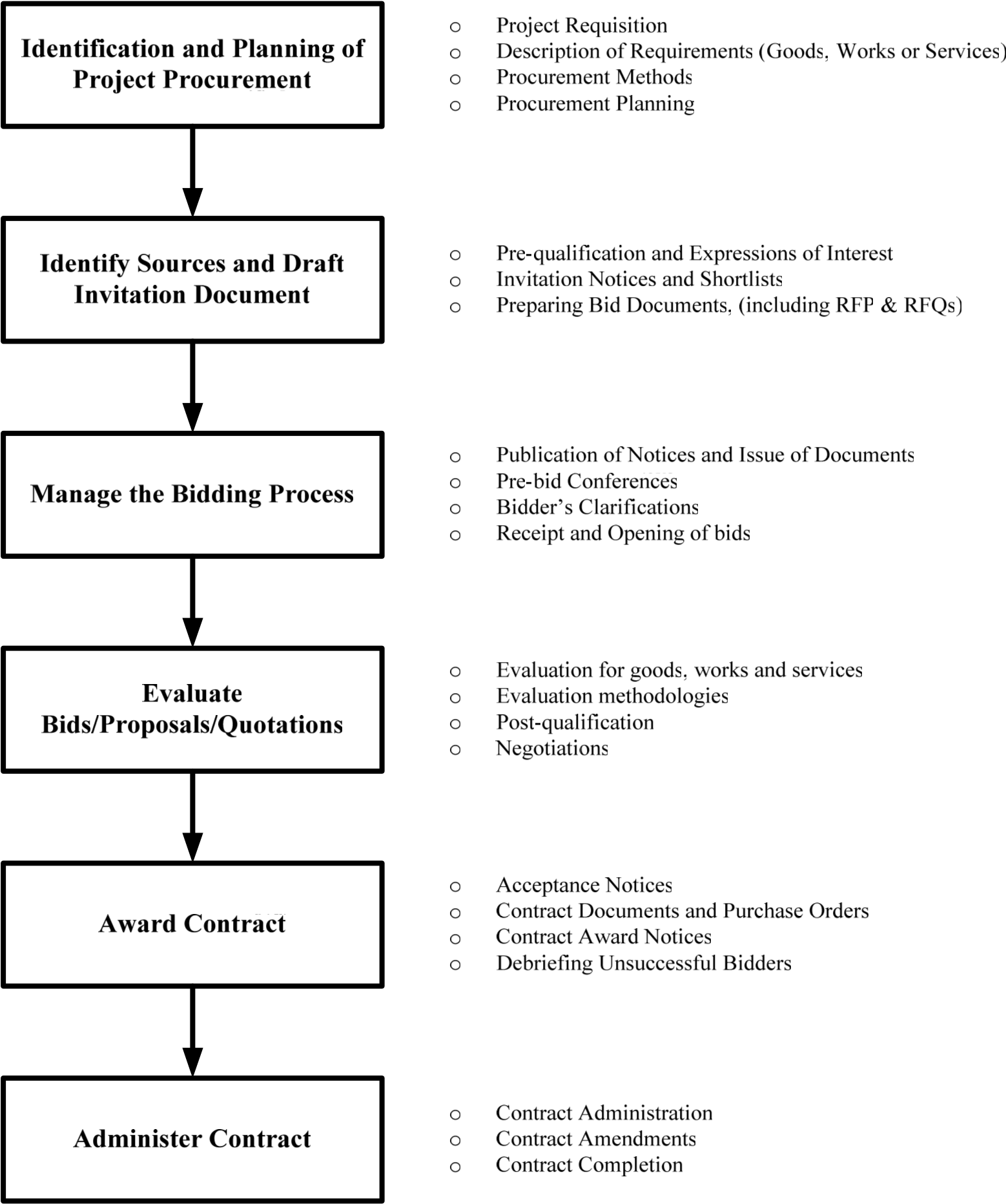
Each individual procurement process will differ slightly, depending on these criteria. However, despite these differences, all procurement follows the same basic process, which can be broken down into six key stages. This volume is structured around these six key stages detailed below in the procurement process (Figure 1).

Additionally the standard procurement documents contain guidance notes on details in the relevant section of the documents. The standard procurement documents also cover issues, which may not necessarily be specifically addressed in Volume 1 (e.g. dispute resolution mechanisms contained in international and national bidding documents for goods and works as well as requests for proposals for consulting services)

## The Procurement Process

Irrespective of the method, type and nature of the procurement the overall procurement process broadly follows the process outlined below. Please note that the first block, Identification and Planning of Project Procurement, relates in particular to the phase of project proposal preparation.

Figure 1: The procurement process



# How to Use the Procurement Procedures

## Procurement Activities for Project Proposal Preparation

The first Part of this Manual covers the preliminary activities for project proposal preparation.

## Stages for Execution of Procurement

The second part of the Manual covers the execution of procurement upon approval of a project proposal and conclusion of the associated Financing Agreement between SRTF and an Implementing Entity. The overall procurement process has been broken down into stages (from Stage 1 to Stage 25). Each stage contains:

* a summary;
* its application in terms of method and type;
* purpose of the procedure;
* a further breakdown of the stage into a step-by-step procedure;
* approvals (“no objections”) required from SRTF;
* documents/records required;
* next steps.

For approvals in the form of “no objection” required from SRTF, SRTF will act according to the Operations Manual instructions included in each chapter. This also includes Management Committee (MC) approval when required. MU approval of all steps in the procurement processes conducted by IEs is the responsibility of the Procurement Section. Notwithstanding the preceding, MU approval of the contract award is the responsibility of the COO, considering the advice of The Review Committee (TRC). Above the specified threshold, approval of the contract award is the responsibility of the MC, considering the submission provided by the COO. When appropriate, the approval process includes a compliance check on potential or envisaged suppliers/contractors/service providers and their products. This is specifically stated at the concerned stages.

Staff involved in procurement should refer to the appropriate stage, as procurement process progresses.

As the procurement process differs for each method and type of procurement, a different combination of stages will apply to each. Further guidance on procurement type and method and sequencing of stages is given in Table 1and guidance on the selection of procurement method is provided in Part 1: Preliminary Procurement Activities for Preparing a Project.

Table 1: Types of procurement methods and applicable procurement stages

| Stage no. | Stage in procurement process | | | ICB Goods | ICB Works | LIB Goods | NCB Works | Shopping Goods | Shopping Works | Consultant RFP | Consultant Shopping |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Initiating and Planning Procurement | | |  |  |  |  |  |  |  |  |
| 1 | Initiating an individual Procurement Procedure | | |  |  |  |  |  |  |  |  |
| 2A | Preparing a description of requirements for goods | | |  |  |  |  |  |  |  |  |
| 2B | Preparing a description of requirements for works | | |  |  |  |  |  |  |  |  |
| 2C | Preparing a description of requirements for services | | |  |  |  |  |  |  |  |  |
| 3 | Planning the procurement | | |  |  |  |  |  |  |  |  |
|  | Identifying Sources and Drafting Invitation Documents | | |  |  |  |  |  |  |  |  |
| 4A | Obtaining and assessing expressions of interest | | |  |  |  |  |  |  |  | ? |
| 5A | Preparing an invitation to bid notice | | |  |  |  |  |  |  |  |  |
| 5B | Developing a shortlist | | |  |  |  |  |  |  |  |  |
| 6A | Drafting a bidding document or request for proposals document | | |  |  |  |  |  |  |  |  |
| 6B | Drafting a request for quotations document | | |  |  |  |  |  |  |  |  |
|  | Managing the Bidding Process | | |  |  |  |  |  |  |  |  |
| 7 | Publishing an invitation to bid notice | | |  |  |  |  |  |  | ? |  |
| 8 | Issuing invitation documents | | |  |  |  |  |  |  |  |  |
| 9 | Managing a pre-bid conference and site visit | | | ? | ? | ? | ? |  |  | ? |  |
| 10 | Requests for clarifications, modifications and extensions | | |  |  |  |  |  |  |  |  |
| 11 | Receiving bids | | |  |  |  |  | ? | ? |  | ? |
| 12A | Opening bids (one stage - single envelope) | | |  |  |  |  | ? | ? |  | ? |
| 12B | Opening bids (one stage - two envelopes) | | |  |  |  |  |  |  |  |  |
|  | Evaluating Offers | | |  |  |  |  |  |  |  |  |
| 13A | General evaluation procedures for goods and works | | |  |  |  |  |  |  |  |  |
| 13B | Evaluating offers for goods | | |  |  |  |  |  |  |  |  |
| 13C | Evaluating offers for works | | |  |  |  |  |  |  |  |  |
| 14A | General evaluation procedures for consultancy services | | |  |  |  |  |  |  |  |  |
| 14B | Evaluating proposals for consultancy services using QCBS | | |  |  |  |  |  |  |  |  |
| 14C | Evaluating proposals for consultancy services using LCS | | |  |  |  |  |  |  |  |  |
| 15 | Conducting a post-qualification | | |  |  | ? |  |  |  |  |  |
| 16 | Conducting negotiations | | |  |  |  |  |  |  |  |  |
| 17 | Canceling procurement proceedings | | | ? | ? | ? | ? | ? | ? | ? | ? |
|  | Awarding Contracts | | |  |  |  |  |  |  |  |  |
| 18 | Issuing a notice of acceptance | | |  |  |  |  |  |  |  |  |
| 19A | Preparing and issuing a contract document | | |  |  |  |  |  |  |  |  |
| 19B | Preparing and issuing a purchase order | | |  |  |  |  |  |  |  |  |
| 20 | Publishing award notice & debriefing unsuccessful bidders | | |  |  |  |  |  |  |  |  |
|  | Administering Contracts | | |  |  |  |  |  |  |  |  |
| 21 | Administering a contract | | |  |  |  |  |  |  |  |  |
| 22 | Amending a contract | | | ? | ? | ? | ? | ? | ? | ? | ? |
| 23 | Completing a contract | | |  |  |  |  |  |  |  |  |
| 24 | Terminating a contract | | | ? | ? | ? | ? | ? | ? | ? | ? |
| 25 | Direct procurement (exceptional procedure) | | |  |  |  |  |  |  |  |  |
|  | | |  |

Key: = Applies (i.e. procedure always applies) = Not Applicable (i.e. procedure never applies) ? = Optional (i.e. procedure may apply)

Alternative procedures are provided to be applied to different types or methods of procurement, e.g. Stage 2A, Stage 2B and Stage 2C provide the procedures for preparing descriptions of requirements for goods, works and services respectively. For example, the procurement process for LIB for procurement of specialized equipment will require the application of the following stages (Table 2):

Table 2: Stages of the procurement procedure – specialized equipment (LIB in this example)

| Stage | Procedure description |
| --- | --- |
| 1 | Initiating the execution of a procurement procedure |
| 2A | Preparing a description of requirements for specialized equipment |
| 3 | Selecting a procurement method and planning the procurement |
| 5B | Developing a shortlist |
| 6A | Drafting a bidding document and obtaining approval |
| 8 | Issuing invitation documents |
| 10 | Handling bidder clarifications, modifications and extensions |
| 11 | Receiving tenders |
| 12A | Opening tenders (one stage – single envelope) |
| 13 & 13A | General evaluation procedures and Evaluating offers for goods |
| 18 | Issuing a notice of acceptance |
| 19A | Preparing and issuing a contract document |
| 20 | Publishing a contract award notice and debriefing unsuccessful bidders |
| 21 | Administering a contract; and |
| 23 | Completing a contract |
| The following stages may also apply, depending on the needs of the particular procurement requirement: | |
| 9 | Managing a pre-bid conference and site visit |
| 15 | Conducting a post-qualification |
| 22 | Amending a contract |
| 17 or 24 | Would apply, only if there were a need to cancel the procurement proceedings or terminate the contract |

Procedures relating to direct procurement (an exceptional case for SRTF) follow a slightly different process to the other methods of procurement and are summarized by Stage 25, which covers the entire procurement process referring to other applicable stages and highlighting the differences.

PART 1: PRELIMINARY PROCUREMENT ACTIVITIES FOR PREPARING A PROJECT PROPOSAL

* 1. Summary of Procedure

|  |  |
| --- | --- |
| A.1.1 | This stage provides the procedure for the activities to be included in project proposals that require procurement as part of their implementation.  This part of the preparation of the proposal is articulated in the following steps/activities:   1. Identification of needs 2. Specification of requirements 3. Determination of the appropriate procurement methods 4. Preparation of an overall Procurement Plan 5. Assessment of the procurement capability of IE and determination of the entity in charge of the process (IE or SRTF MU)   Please note that several aspects of these activities are interlinked. Therefore the overall process is a rather iterative process, which may require revisiting one activity based on outcome of another activity. This is referred to in Guidance Notes. |

* 1. Application

|  |  |
| --- | --- |
| A.2.1 | Method: This stage applies to all procurement. |
| A.2.2 | Type: This stage applies to the procurement of goods, works and consultancy services. |

* 1. Purpose of Procedure

|  |  |
| --- | --- |
| A.3.1 | The purpose of the procedure is to provide all procurement related documentation into a final project proposal in accordance with the Operations Manual. It serves a number of purposes, including:   * Identification of the procurement requirements for a project within the project objectives * Consideration of limitations on procurement related to formal criteria of SRTF * Consideration of implementation capability of IE and execution of certain procurement procedures by SRTF MU, if appropriate |

* 1. Step-by-Step Instructions

|  |  |
| --- | --- |
| A.4.1 | The preparation of the procurement part of a project proposal will start with the identification of a need for goods, works or services. |
| A.4.2 | List the goods, works or services to be included in the project proposal in accordance with the project objectives. For instance, in case of procurement of goods requiring spare parts, the list of the spare parts could be annexed to the draft budget. |
| A.4.3 | Prepare an initial description of requirements for each intended procurement procedure – see stage 2A, 2B or 2C of the second part of this manual for further guidance.  N.B. The final version will be prepared during the project implementation, however the better the description prepared in this preliminary phase, the easier will be the project implementation. |
| A.4.4 | Ensure that none of the intended requirements are excluded due to any limitations related to eligibility of procurement and adherence to compliance requirements for SRTF.  See Guidanced Note 1 below. |
| A.4.5 | Estimate the cost of the goods, works or services. The estimate may be based on recent, similar contracts, market research or an estimate by a technical specialist (such as an engineer for construction contracts). It is advisable to base estimates on two different but reliable sources of cost information to obtain a reasonable figure for the cost of the procurement.  Underestimating the cost at this stage may result in reducing the requirement at the contract award stage –which may not always be possible (e.g. works or a single major supply item). |
| A.4.6 | Finalize as far as reasonably possible for inclusion in the project proposal, the description of requirements for each intended procurement procedure, along with updated cost estimates.  Please note, the more detailed the description of requirements is, the more it is likely that in the execution phase the requirements do not have to be adjusted, and the more accurate a cost estimate based upon appropriate unit costs (goods and works) analytical assessment (services) can be. Underestimating the cost at this stage may result in insufficient budget available during execution and reducing the requirement at the contract award stage! |
| A.4.7 | Decide the most appropriate procurement type and method, taking into account the estimated value, when the items are required, the potential sources for the procurement and any other relevant details. See Guidance Note 2 below for details on the conditions of use for each procurement method and the attached table, which demonstrates the decision process. |
| A.4.8 | Prepare an overall procurement plan, based on the recommended method of procurement – see Guidance Note 3 below for details to be included. |
| A.4.9 | Assess procurement capability of IE and determine entity to conduct process (IE or SRTF MU) with support of SRTF MU - see Guidance Note 4 below for further explanation. |
| A.4.10 | Prepare the project proposal template with the information required on procurement. Include in the application form each procurement activity that has been planned by the applicant. |

* 1. Guidance Notes

|  |  |
| --- | --- |
|  | 1 – Limitations on procurement related to formal criteria of SRTF |
| A.5.1 | In accordance with the investment criteria laid down in the Framework Agreement, the following may not be financed from the Syria Recovery Trust Fund:   1. Expenditures not in compliance with applicable United Nations Security Council Resolutions, applicable EU-Council Resolutions or applicable United States financial and economic sanctions; 2. Goods and facilities serving transnational criminal activities; 3. Luxury goods for personal needs; 4. Weapons for any purpose nor any goods, services, facilities or other assistance serving military purposes; 5. Any goods, services, facilities or other assistance to any armed actor if any Party has credible information that such actor has committed gross human rights abuses; 6. Plant protection agents and pesticides categorized as banned or severely restricted under the applicable PIC procedure to the FAO Codex; 7. Narcotic drugs, psychotropic substances and the substances listed in the Annex to the United Nations Convention of 20 December 1988 against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, as applicable, insofar as they are used to produce narcotic drugs or psychotropic substances. (Until the Annexes to the 1988 Convention are amended accordingly, the list of chemicals attached to the Final Report of the Chemical Action Task Force shall apply.); 8. The following goods and substances hazardous to the environment:  * Hydro chlorofluorocarbons and halons as well as other substances subject to the Montreal Protocol on Substances that Deplete the Ozone Layer and the facilities for their production or use; * Substances listed in Annex I of Council Resolution (EEC) No. 2455/92 of 23 July 1992 concerning the export of certain dangerous chemicals;  1. Asbestos, as well as substances and products containing asbestos |
|  | 2 – Selecting a Procurement Type and Method |
| A.5.2 | Determining the procurement procedure to be used is important as this defines the way in which the procurement process is to be managed and the differences that may be applied to the standard process of procurement. Rules on selecting the procurement method and procurement planning are designed to achieve the optimum balance of the often competing objectives, which includes:   * ensuring full, fair and equal competition for bidders; * obtaining value for money; * ensuring timely delivery of goods, works or services; * obtaining goods, works and services of the appropriate quality; and * minimizing the costs of conducting the procurement process and administering contracts.   In accordance with its Procurement Guidelines, the SRTF has adopted the following standard procurement methods for the different types of procurement (Table 3):  Table 3: Standard procurement methods   |  |  |  |  | | --- | --- | --- | --- | | Category | Larger Value | Medium Value | Low Value | | Goods (includes supplies of other services, e.g. transport, electricity) | Value >= 1.000.000 €  International Competitive Bidding (ICB) | 50.000€ < Value < 1.000.000€  Limited International Bidding (LIB) | Value <= 50.000 €  Shopping (at least 3 quotations) | | Works  (Rehabilitation/ Construction of infrastructure with major part civil engineering) | >=2.000.000 €  International Competitive Bidding (ICB) | 100.000€ <Value <2.000.000€  National Competitive Bidding (NCB) | Value <=100.000 €  Shopping (at least 3 quotations) | | Services  (for intellectual services, notably consultancy) | Value >= 300.000 €  International Request for Proposals (RFP) with prior Specific Request for Expressions of Interest to establish shortlist | 50.000€ < Value < 300.000€  International Request for Proposals (RFP) based on General Request for Expressions of Interest to establish shortlist or with prior Specific Request for Expressions of Interest to establish shortlist | Value <=50.000 €  Shopping (at least 3 proposals through RFP) | |
| A.5.3 | International Competitive Bidding (ICB) is the method to be used for the procurement of goods and works with an expected contract value above the thresholds indicated in the table above. |
| A.5.4 | International Request for Proposals (RFP) may be implemented through two different modalities, either with a two stage approach, i.e. a Specific Request for Expressions of Interest to establish shortlist and a RFP followed by selection of the best proposal,or, in the case of contracts with an expected value between 50,000 and 300,000 the Implementing Entity may decide to limit the invitation to pre-selected companies. This list of companies will be established for a common range of services on a competitive way by the Trust Fund through a General Request for Expressions of Interest. |
| A.5.5 | The above indicated methods will be used only for the larger tenders, and may, if so wished be applied also below the indicated thresholds. |
| A.5.6 | Other methods to be used for tenders with a lower value are summarised below. The threshold for the application of each of these methods is indicated in Table 3. |
| A.5.7 | Limited International Bidding (LIB) may be used where:   1. the goods or non-consulting services (e.g. printing material, catering services) have a value under the threshold for ICB (see Table 3). |
| A.5.8 | LIB is essentially the same procedure as ICB except that bidders are invited to bid by invitation (i.e. a shortlist) without an open invitation (like in the case of ICB, local companies can compete too). The shortlist shall contain sufficient bidders to ensure the receipt of competitive bids and the shortlist should include all potential suppliers when there is only a limited number. Invitation of local companies, if existing, is highly recommended. In all other aspects LIB follows the same procedures as ICB. |
| A.5.9 | National Competitive Bidding (NCB) may be used where:   1. The works to be realised have a limited value (see Table 3) and therefore 2. the advantages of ICB procedures are clearly outweighed by the administrative or financial burden involved. |
| A.5.10 | Under the NCB procedure advertising may be limited to the national press, and/or a free and open access website. In addition the NCB will be announced on the SRTF web site. Bidding documents may be only in Arabic language, and the currency is EUR or other International currency (no local currency due to conditions in Syria) Payment as a standard procedure will be carried out in the currency of the bid.  Adequate response time for preparation and submission of bids shall be provided; this should normally be at least 4 weeks. Often a longer period is advisable. The procedures shall provide for adequate competition in order to ensure reasonable prices, and methods used in the evaluation of bids and the award of contracts shall be objective and made known to all bidders in the bidding documents and not be applied arbitrarily. The procedures shall also include public opening of bids, publication of results of evaluation and of the award of contract and provisions for bidders to appeal against the award decision. Foreign bidders, who may wish to participate under these circumstances, shall be allowed to do so. |
| A.5.11 | Shopping may be used for:   1. goods, services or small works where the estimated value does not exceed the limit provided in the table above. |
| A.5.12 | Shopping is a procurement method based on comparing quotations obtained from several suppliers or contractors with a minimum of three, to assure competitive prices. Shopping is an appropriate procurement method for goods that are readily available “off-the-shelf” or standard specification commodities of small value, simple civil works of small value and services of small value. |
| A.5.13 | Exception to standard procurement methods may be adopted in specific cases where there are justified reasons, but this may not be taken lightly.. The Framework Agreement lists the following reasons which could justify deviation from standard procedures, with examples or remarks added here:   * *Logistical reasons. E*.g., serious transport constraints, restricting potential suppliers to a limited geographical area. . * *Low local price level.* In order to establish this, the local price level should be known, as well as regional prices in neighbouring countries as relevant to the location of the IE. * *Only a limited number of contractors are capable of meeting the specifications of the tender*. In such case the Limited International Bidding procedure is more appropriate, or shopping if the value is lower. * Procurement of commercially obtainable goods and services is of a kind, value or scope that does not justify a competitive bidding process. E.g. services, such as equipment repair services with a regional supplier structure (repair shops, authorised agents), that is not accustomed to competitive bidding, but can be addressed through shopping. Similar considerations may hold for e.g. transport and associated insurance services, if required to be contracted separately. * *There are specific reasons that only a particular enterprise is suitable for supplying the goods and services to be procured*. E.g., the procurement of original manufacturer’s spare parts for equipment or in the context of rehabilitation of infrastructure, where compatibility and certainty on quality and guarantees for spares are of overriding importance. In such a case Direct Procurement may be appropriate (see section below) * *Supplies and services are so urgent that a bidding contest is not possible, such as in the case of emergency measures*. In this case shopping with delivery period as a prime criterion for award or direct procurement (see section below) are the feasible alternatives.   Further reasons to modify the standard competitive bidding process could be:   * If it is expected that potential bidders for international competitive or limited competitive bidding would refrain from submitting bids to IEs in Syria as later contracting partner, but would participate if bids were submitted to MU acting on behalf of IE, with MU as contracting partner, then it may be advisable for MU to invite bids and conclude contracts, all on behalf of IE. This scenario seems rather likely until the conflict in Syria is resolved. * If there are appropriate suppliers available in Syria who can directly deliver the required supplies, it is probable that they would be more likely to respond to a request for bids or quotations from the IE than from the MU. In such a situation it would be more logical to have the tender process conducted on a shopping basis by the IE, rather than seeking international suppliers who might have security and delivery issues. * For works, the bulk of execution is typically on site. Normally it is the bidder’s risk assessment, whether to bid for and execute works on a site with security risks. However, if foreign companies cannot work on site due to the security situation, or generally have to be advised against participation, then international competitive bidding for works becomes impossible. In this case National Competitive Bidding or local shopping become the options. * When the required goods are readily available (either in stock or through standing order arrangements) from UN specialised agencies through “catalogues” with standard prices based on results of international bidding by such agency, e.g. UNICEF with a range of drugs and medical equipment, the goods may be obtained through direct procurement with the standard contractual terms of the specialized agency concerned. Other UN agencies may also qualify under this category, as well as some NGO’s or other organisations reputable in their sector (e.g., IDA Foundation, Netherland or Missionpharma, Denmark in the health sector). |
| A.5.14 | Direct Procurement (i.e. obtaining goods, works or services from a single source) may be used as an exceptional method where:   1. additional goods, works or services may be procured from the supplier of an existing contract which has been awarded in accordance with procedures acceptable to the SRTF, and the SRTF is satisfied that no further advantage could be obtained by further competition and that the prices on the proposed extended contract are reasonable; 2. for reasons of standardization or compatibility with existing goods may justify additional purchase from the original supplier. For such purchases to be justified, the original goods shall be suitable, the number of new items shall generally be less than the existing number, the price shall be reasonable, and the advantages of another make or source of equipment shall have been considered and rejected on grounds acceptable to SRTF; 3. the required equipment is proprietary and obtainable only from one source; 4. the supplier or contractor responsible for a process design requires the purchase of critical items from a particular Supplier as a condition of a performance guarantee; 5. in exceptional cases, such as in response to disasters. 6. In case of very small orders with a value below € 15000 |
| A.5.15 | For guidance the following table with procurement steps and indicative minimum times until contract conclusion are provided: |

Table 4: Procurement steps with indicative minimum times in pre-contract phase

|  | Goods (incl. non consultant services) | | | Works | | | Consultant services | | | Remarks |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Procurement Steps | ICB | LIB | Shopping | ICB | NCB | Shopping | RFP with prior EoI | RFP after general EoI | Shopping |  |
| A: up to contract conclusion |  |  |  |  |  |  |  |  |  |  |
| PQ: prepare PQ documents, incl. qualification criteria |  |  |  |  |  |  | 1 wk |  |  |  |
| PQ : Approval MU + publication |  |  |  |  |  |  | 1 wks |  |  |  |
| PQ: Period for submission Expression of Interest (EoI) |  |  |  |  |  |  | 2 wks |  |  |  |
| PQ: Evaluation+ recommendation short list + approval MU |  |  |  |  |  |  | 1 wk |  |  |  |
| LIB/ Shopping : recommendation and justification for short list + approval MU |  | 1 wk | 1 wk |  |  |  |  | 1 wk (using long list after general EoI) | 1wk |  |
| Development of tender /shopping documents , incl. acceptable specifications/ToR + evaluation criteria + approval MU | 2 wks | 2 wks | 1 wk | 4 wks | 4 wks | 2 wks | 2 wks | 2 wks | 1 wk | Development of proper specifications / drawings / bill of quantities/ terms of reference essential and often time consuming |
| Publication/ Inviting short listed firms | 1 wk | 0,5 wk | 0,5 wk | 1 wk | 0,5 wk | 0,5 wk | 0,5 wk | 0,5 wk | 0,5 wk |  |
| Tender /proposal / quotation submission period | 6 wks | 4 wks | 2 wks | 6 wks | 4 wks | 2 wks | 4 wks | 4 wks | 2 wks | Bidders may request clarifications |
| Opening, evaluation + recommendation for award + approval MU | 2 wks | 2 wks | 1 wk | 2 wks | 2 wks | 1 wk | 2 wks | 2 wks | 1wk | Often clarifications from bidders required – adds to time required |
| Above threshold: approval by Management Committee (threshold € 100,000); | 2 wks | 2 wks |  | 2 wks | 2 wks |  | 2 wks | 2 wks |  | For first 6 months all contracts require MC approval – not reflected in table |
| Award notification, contract preparation and signing | 2 wks | 2 wks | 1 wk | 2 wks | 2 wks | 1 wk | 2 wks | 2 wks | 1 wk | Often consultation with winning bidder on contract required before signing |
| Contract concluded – total minimum time | 15 wks | 13,5 wks | 6,5 wks | 17 wks | 15,5 wks | 6,5 wks | 17,5 wks | 15,5 wks | 6,5 wks |  |

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| --- | --- |
| A.5.19 | For guidance the following table with general features dependent on procurement type and method are provided:  The main differences in types of procurement are summarized in Table 5: |

Table 5: Differences between procurement types

| Feature |  | Procurement Types |  |
| --- | --- | --- | --- |
|  | Goods | Works | Consultancy Services |
| Pre-qualification / Expression of interest | not applicable | not applicable | Optional for large value (Expression of Interest procedure) |
| Statement of Requirements | Specification etc. | Bill of Quantities, Activity Schedule | Terms of Reference |
| Bidding Document | Invitation to Bid – ICB & LIB (SBD) | Invitation to Bid – ICB & NCB (SBD) | Invitation for Proposals (SBD) |
| Submission methodology | One stage – one envelope | One stage – one envelope | One stage – two envelope (technical and financial proposal) |
| Negotiation | Not permitted | Not permitted | Not permitted |
| Evaluation Methodology | Goods – Technical compliance least cost methodology | Works – Technical compliance Least cost methodology | Consultants – Quality and cost based selection methodology |
| Contract types | Mainly Lump Sum (based on unit rates) | Admeasurement (Unit rate)as normal type, or Lump Sum | Lump Sum or Time based |
| Other special considerations | Use of INCOTERMS for delivery terms | Need for a Project Manager/ Engineer |  |

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| --- | --- |
|  | There are further differences in approach between the procurement methods as summarized in Table 6: |

Table 6: Differences between procurement methods

|  | Procurement Method | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| Feature | International Competitive Bidding (ICB) | Limited International Competitive Bidding (LIB) | Request for Proposals with prior general or specific request for Expressions of Interest(EoI | National Competitive Bidding (NCB) | Shopping  (min. 3 offers) | Direct Procurement (exceptional procedure) |
| Advertising | UNDB, DgMarket, SRTF web site  National / regional Media as possible under Syrian conditions | Not advertised | For EoI:  UNDB, DgMarket, SRTF web site  National / regional Media as possible under Syrian conditions | SRTF web site  National Media as possible under Syrian conditions | Not advertised | Not advertised |
| Participation | Open to all foreign and national Bidders. | invited bidders irrespective of their nationality | Open to all foreign and national Bidders. | Open to national Bidders but foreign bidders not prevented from participating. | invited bidders irrespective of their nationality | Single or sole Bidder  (National or foreign) |
| Sale of Tender  Documents | No (advised to be available by downloading from SRTF website free of charge) | No | No | No (advised to be available by downloading from SRTF website free of charge) | No | No |
| Minimum Tendering period (appropriate period to be decided per case) | 6 weeks | 4 weeks | 4 weeks | 4 weeks | 2 weeks | Not applicable |
| Tender Opening N.B. Public= with bidders’ participation | Public | Public | Public (separate for technical and financial proposals) | Public | Usually not public but minutes displayed. | Not applicable |
| Currency of Tender/Proposal | Multi-currency permitted (max 3 currencies) | Multi-currency permitted (max 3 currencies) | Multi-currency permitted (max 3 currencies) | EUR or other International currency (no local currency due to conditions in Syria) | EUR or other International currency (no local currency due to conditions in Syria) | EUR or other international currency |
| Language of Bid | English | English | English | Arabic | English or Arabic | English or Arabic |
| Negotiations | Not permitted on prices | Not permitted on price | Not permitted on price | Not permitted on price | Not permitted on price | Permitted on price once a written bid received. |
| Payment currency | In currency(ies) of bid | In currency(ies) of bid | In currency(ies) of bid | In currency(ies) of bid | In currency of bid | In currency( of bid |

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| --- | --- |
|  | The conflict situation prevailing in Syria at the time of preparation of this manual poses unusual risks and issues for project preparation and execution in general and procurement in particular. Bidders may face difficulty in accepting contractual provisions that would apply in more normal circumstances. For procurement this includes:   * Insurance and risks – while risks inside Syria are high, usual insurance coverage from abroad or inside Syria may render coverage of risk inside Syria impossible or next to impossible. For importation of goods the unusual approach has been taken to allow for delivery at Syrian border points, export customs cleared with transport insurance up to border point. For works –see table below; * Applicable law and jurisdiction – under the conflict situation the legal system in Syria is largely defunct, and importants parts of the legal framework may not be acceptable to the founding parties of the Syria Recovery Trust Fund. Applicable law for contracts under the SRTF will be the laws of the Federal Republic of Germany, which also apply to the Framework Agreement and Financing Agreements of the SRTF * Volatile, non-regulated exchange rates for the Syrian pound- making contracting in Syrian pounds not to be recommended. * Banking and insurance system in Syria largely defunct – for Syrian bidders and suppliers this may make bank guarantees, insurance cover and payment by bank transfer impossible, which may make cash payments unavoidable; * Taxation, including import duties, in Syria is fluid due to conflict situation * Possible difficulties for Syrian bidders for legal proof ef establishment or audited accounts.   Syrian bidders affected by the above may be recommended to associate with a partner, who can arrange required documents, This applies in particular to the banking system for bank transfers and bank guarantees.  The table below reflects the approaches that have been taken in the face of these unusual issues: |

Table 7: Approaches that have been taken in the face of these unusual issues

| Issue | Goods | | | | | Works | | | | Consulting services | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | ICB | LIB | RFQ | | | ICB | NCB | RFQ | | RFP ind. EoI | RFP gen. EoI | RFQ |
| 1 Legal system in Syria largely defunct and at least partially not acceptable to the founding parties of SRTF; | | | | | | | | | | | | |
| 1.1 Applicable law; place of performance –(individual exception may be agreed) | Germany, Gaziantep | Germany, Gaziantep | Germany, Gaziantep | | | Germany, Gaziantep | Germany, Gaziantep | Germany, Gaziantep | | Germany, Gaziantep | Germany, Gaziantep | Germany, Gaziantep |
| 2 Volatile non-regulated exchange rates for Syrian Pounds | | | | | | | | | | | | |
| 2.1 currency(ies) of submission and contract | EUR, or other freely convertible foreign currency (max. 3 in analogy to WB)  No Syrian pounds | EUR, or other freely convertible foreign currency (max. 3 in analogy to WB)  No Syrian pounds | EUR, or other freely convertible foreign currency (one currency only)  No Syrian pounds | | | EUR or other freely convertible foreign currency (max. 3 in analogy to WB)  No Syrian pounds | EUR, or other freely convertible foreign currency (one currency only)  No Syrian pounds | EUR, or other freely convertible foreign currency (one currency only)  No Syrian pounds | EUR, or other freely convertible foreign currency (max. 3 in analogy to WB)  No Syrian pounds | | EUR, or other freely convertible foreign currency (one currency only)  No Syrian pounds | EUR, or other freely convertible foreign currency (one currency only)  No Syrian pounds |
| 3 banking and insurance system in Syria defunct | | | | | | | | | | | | |
| 3.1 Bid Bond issued by Bank | Syrian bidder:  if not possible then Bid Securing Declaration | Syrian bidder:  if not possible then Bid Securing Declaration | | Not applicable | | Syrian bidder: if not possible then Bid Securing Declaration | Syrian bidder: if not possible then Bid Securing Declaration | Not applicable | | Not applicable | Not applicable | Not applicable |
| 3.2 Performance guarantee by bank | Syrian bidder: required | Syrian bidder:  If not possible, then introduce retention of 10 % from payments repayable at end of warranty | | Not applicable | | Syrian bidder: required | Syrian bidder: if not possible, then retention increasing from 5 to 10% | Not applicable | | Not applicable | Not applicable | Not applicable |
| 3.3 Advance payment guarantee by bank | Yes;  Any bidder: if not submitted , no advance payment | Yes  Any bidder: if not submitted , no advance payment  Syrian bidder: if impossible: only paid when Performance Guarantee issued and up to amount of Performance guarantee | | Not applicable | | Yes  Any bidder: if not submitted , no advance payment | Not required, but only paid when Performance Guarantee issued and up to amount of Performance guarantee. | Not applicable | | Yes  Any bidder: if not submitted , no advance payment | Not applicable | Not applicable |
| 3.4 cash payment (Syrian bidders only) | Yes if unavoidable (unlikely due to bank relation for Performance Guarantee) | Yes if unavoidable | | Yes, if unavoidable | | Yes if unavoidable (unlikely due to bank relation for Performance Guarantee) | Yes, if unavoidable | Yes, if unavoidable | | Yes if unavoidable ( unlikely if Advance Payment Guarantee submitted) | Yes, if unavoidable | Yes, if unavoidable |
| 3.5 insurance related to works | Not applicable | Not applicable | | Not applicable | | Any bidder: if impossible then declaration by Bidder to assume risks himself | Any bidder: if impossible then declaration by Bidder to assume risks himself | Any bidder: if impossible then declaration by Bidder to assume risks himself | | Not applicable | Not applicable | Not applicable |
| 4 Possible difficulties for legal proof of establishment (4.1) or audited financial statement (4.2) of Syrian bidder due to conflict situation | | | | | | | | | | | | |
| 4.1 Syrian bidders: Exception in case of impossibility due to conflict situation | Yes, if unavoidable | Yes, if unavoidable | Yes, if unavoidable | | Yes, if unavoidable | | Yes, if unavoidable | Yes, if unavoidable | | Yes, if unavoidable | Yes, if unavoidable | Yes, if unavoidable |
| 4.2 Syrian bidders: Exception in case of impossibility due to conflict situation | Yes, if unavoidable | Yes, if unavoidable | Not applicable | | Yes, if unavoidable | | Audited financial statements not explicitly required | Not applicable | | Yes, if unavoidable | Yes, if unavoidable | Not applicable |
| 5 Taxation situation within Syria “fluid” | | | | | | | | | | | | |
| 5.1 Taxes in Syria related to supplies, works or services to be included in prices? | No (in case of delivery condition DAP border as generally advised) | No (in case of delivery condition DAP border as generally advised) | Yes (in case of only Syrian suppliers  No (in case of delivery condition DAP border for imported goods) | | Yes | | Yes | Yes | | Yes | Yes | Yes |

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|  | 3 – Preparing an Overall Procurement Plan |
|  | *Overall Procurement Planning* |
| A.5.20 | This activity is distinct from planning for an individual procurement procedure, which is done mainly during the execution phase after approval of a Project Proposal (for which see this Procurement Manual, stage 3). For individual procurement procedures the planning questions are relatively straightforward: what is being procured (goods, works, services), the estimated cost, the procurement method applicable, consideration of issues related to sources, the particular risks faced, etc.? |
| A.5.21 | For overall planning, required as part of the Project Proposal, there are a wider set of questions: what is the purpose and scope of the project; the outputs/outcomes expected; the components; the budget; the timeline? (Note: it is anticipated that as long as the conflict situation in Syria lasts, the scope and time lines will be limited) The answers to these questions will have significant implications for the project, for its complexity, duration, and how it is to be delivered. The questions should also deliver answers about what resources are available, what expertise will be needed, what other inputs are needed, and the number and type of packages of procurement. |
| A.5.22 | Planning associated with the project should not be separated from that associated with procurement; both are important and interrelated elements. Decisions on the nature of the project will have direct implications for procurement, for the type of expertise required, for the number and scale of procurements, for the choice of procurement methods with associated sample bidding document[s] and types of contract and for the relationships between the parties involved. Equally, considering the procurement issues will inform the overall plan in terms of costs, duration, phasing and critical path. Procurement planning therefore should start as a part of project preparation and indeed a procurement plan is a requirement for the Project Proposal. |
| A.5.23 | An iterative approach allows the procurement to be "sliced" into manageable portions: for risks to be identified, for steps to be taken to minimize risk and for risks to be revisited in the light of developments. This is of particular importance as long as a fluid conflict situation prevails in Syria. New risks may be identified or at least become recognized as having a greater significance. Factors influencing the procurement strategy are primarily concerned with risk identification and mitigation and will be influenced by complexity, length and rigidity of timescales for implementation, priorities and the technical specialist (e.g. engineering, IT systems) and project management skills available. |

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|  | *Methodology for overall Procurement Planning* |

Basis: Project Plan

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| --- | --- |
| A.5.24 | The project plan emerging from the design phase of the project cycle will provide the overarching schedule of tasks, inputs, and timescales for achievement of outputs. Most projects entail some level of procurement of inputs (goods, services or works). The project plan will identify these and set key parameters of budget, priorities and targets, which will form the basis of the overall procurement plan. |

Overall Procurement Plan

|  |  |
| --- | --- |
| A.5.25 | The overall procurement plan will include a time based summary of the key tasks with their corresponding input requirements, expanding the detail to translate these into a prioritized schedule for the various procurement processes, complete with deadlines for completion. It is this overall procurement plan that the procurement manager will seek to manage and the project manager should monitor closely. |
| A.5.26 | The overall procurement plan therefore, reflects the priorities and timescales of the project. Ideally, these will match the timescales for the individual procurements. However, there will be transactions that fall outside the timescales required by the project plan and priorities will differ as will the solution to resolve these. Additionally, as circumstances or priorities within the project plan are necessarily modified or changes made to better achieve objectives, these may impact negatively on individual procurement plans either requiring a rescheduling of tasks or resources to accommodate. |

Compilation of an Overall Procurement Plan

|  |  |
| --- | --- |
| A.5.27 | The primary data for the overall procurement plan is derived from the master project plan. This will comprise:   * the key procurement tasks to be accomplished; * a list of key project tasks linked to the procurement priority deadlines; * the timescales to be achieved for the key procurement tasks; * the estimated budget to perform these tasks; |
| A.5.28 | The key procurement tasks will need to be examined and broken down into component parts to determine the procurement to be identified in detail. This will require discussion with users project personnel to determine all components are identified. |
| A.5.29 | The sequencing of these components would need to be determined, in particular the tasks and sub-tasks that are linked and dependent on other tasks or sub-tasks. |
| A.5.30 | The overall procurement plan should include a list of all expected contracts for goods, works and services and the following information should be included for each:   * a breakdown of the items/listings to be included in each contract; * estimated prices for each item/list/lot including estimated ancillary costs for freight, insurance, delivery, reimbursables, etc. ; * expected funding/budget for each procurement requirement; * a timetable for when the goods, works or services are required, including any requirement for phased deliveries or a date, when a contract is required to be in place prior to the expiry of another contract e.g. where a contract for ongoing services, such as consultancy services, is due to expire; * method of procurement for each procurement activity/contract; * anticipated timetable for conducting the procurement process and expected delivery period, installation, mobilization or completion times, as appropriate |
| A.5.31 | Based on the information for each contract, summary information should be calculated, relating to the overall procurement workload, program and budget. This should be related to the existing resources of the implementing entity, both physical and human, and any recommendations for changes in resources made. The overall procurement plan should also identify any requirements for specialist resources, such as technical specialists for preparing specifications, conducting technical evaluations or supervision of construction. |
| A.5.32 | Where the procurement plan shows that targets and deadlines of the project plan cannot be achieved, the specific areas need to be identified and possible solutions sought. The solutions may be to reschedule certain other tasks/sub tasks that do not impact on the project plan, re-prioritize other tasks or sub tasks or plan (and budget for where necessary) increased resource or a combination of these. |
| A.5.33 | The following recommended simple format for a procurement plan is contained in the Project Proposal template, attached to the Operations Manual: |

Table 8: Procurement Plan

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Ref. No. | Description of Contract/ Assignment | Estimated Cost | Procurement Method / Selection Method | Target  Bid / Proposal Opening Date | Target Completion Date | Comments |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

|  |  |
| --- | --- |
|  | For rather complex projects, which will have activities with critical interlinks, this may be supplemented with e.g. Gantt charts to reflects such interlinks, as shown in the example below. |

Figure 2: Simplified overall procurement plan (Gantt format)



|  |  |
| --- | --- |
| A.5.34 | During the execution of a project there is a need to monitor adherence to and, if necessary, review the project plan and the overall procurement plan (and individual procurement plans at that stage) to incorporate changes that will or may affect the multitude of tasks underway. A delay in one small task early in the project may have a significant impact on several other later tasks, which may threaten to destabilize the performance of the whole project. It is important that they are identified and resolved as early as possible. For projects lasting over a year this should be done at least annually. |
| A.5.35 | Remember, project/procurement timescales are always longer than anticipated (although certain elements can be relatively fixed based on guidelines for the bidding cycle). |

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| --- | --- |
|  | 4 – Assess procurement capability of IE and determine entity to conduct process (IE or SRTF MU) |
| A.5.36 | The objective of the assessment is to determine whether the entity has sufficient capacity and resources and is capable of conducting procurement in accordance with SRTF guidelines. This probably will take place within an overall context of assessing the entity’s overall capacity and resources to implement the project, including financial management. Such assessment is likely to be conducted with the support of SRTF MU. |
| A.5.37 | In procurement terms systems are acceptable if they are capable of: conducting free, fair and transparent procurement and complying with the basic norms of economy, efficiency and acceptable market and trade practices, providing equal opportunity for all qualified, eligible bidders to compete (i.e. the procurement control system and processes as detailed in the Operations Manual and this Procurement Manual) |
| A.5.38 | The following will need to be considered:   1. (organization and functions; 2. numbers and skills of procurement staff for the volume and complexity of procurement envisaged; 3. ability to handle each phase of the procurement cycle from overall planning, through the bid process to contract completion; 4. suitability of law, rules and regulations: this concerns legal set up, and external and internal rules and regulations, to which the entity is normally subject. While in the conflict context in Syria, Syrian law may not be wholly enforced or partially declared inapplicable by the National Coalition, the context should allow the entity to follow procurement systems and processes as detailed in the Operations Manual and this Procurement Manual ; 5. adequacy of control systems and record keeping. |
| A.5.39 | Assessment should also look at technical capacity of the IE, taking into account the projects scope, size and complexity and the sector specialisms, detailed tasks to be performed, workload and the outputs to be produced. This capacity need not be permanently within the implementing agency and will need to be factored into the overall procurement plan. For procurement the technical capacity must be adequate to develop specifications/bills of quantities with specifications and drawings/ terms of reference suitable for bidding, technically evaluate bids or proposals, and monitor/supervise the technical execution of contracts till completion, incl. claims handling. |
| A.5.40 | In a procurement manual it is not possible to be prescriptive about the organizational arrangements for procurement within specific entities. This will depend on the volume and complexity of procurement and decisions on whether procurement can be handled by the implementing entity’s existing or project dedicated procurement resource. The assessment of procurement capacity will help answer these questions. The complexity of the procurements and the contribution of procurement to project success should not be underestimated |
| A.5.41 | Nevertheless, structure and procedure must pay particular importance to the separation of duties such as certification of receipt and approval of invoices. Staff responsible for the placing of orders must not also be responsible for certifying receipt and/or for approving payment. Procedures must ensure that “conflicting” duties are sufficiently separated in order to minimize the risk of abuse. |
| A.5.42 | If as a result of assessing above factors, it is apparent that an envisaged implementing entity does not and will not be able to execute certain procurement functions, and the project should go ahead, it should be agreed with the MU, which procurement functions the MU exceptionally will take over on behalf of the IE (e.g. all ICB, except preparation of full specifications). In such cases the MU becomes responsible for conducting the procedure, but should involve the IE at critical points in the process (in particular those that would otherwise require MU approval or “no objection” to the IE). |
| A.5.43 | As international potential bidders may be reluctant to submit bids to Syrian entities during the conflict situation, this market factor may also result in the MU handling international procurement on behalf of the IE. In this case, within the limits of capability, the IE should be involved in supporting the procedure (e. g. with technical input for specifications and evaluation). |
| A.5.44 | The IE will be fully responsible for the execution of procurement (contract management), for which it has conducted the procurement procedure itself. As per the Operations Manual, in case the MU was responsible for handling a procurement procedure, including conclusion of contract(s), the IE will remain responsible for acceptance, and, as applicable, transfer to and installation at the destination. The MU will at no point become the owner of supplies. |

* 1. Approvals Required

|  |  |
| --- | --- |
| A.6.1 | At this point of the project preparation, the potential recipient of the support will have to finalise the project proposal. Detailed explanations for the preparation of the project proposal are included in the Operations Manual, including a project proposal template. To the project application the recipient will have to annex the following documents as appropriate:   * A description of the requirements, i.e.:  1. In case of goods, the technical specifications and the quantities to be procured, including unit estimation of unit prices; 2. In case of works, a priced Bill of Quantities; 3. In case of services, a copy of the ToR, including analytical cost estimation.  * A Procurement plan in the form of a table including all the fields specified above. * At this point, the project proposal can be delivered to the MU for approval. |

* 1. Documents/Records Required

|  |  |
| --- | --- |
| A.7.1 | A record of the project proposal including the annexed files must be kept on the procurement file. A copy of the approval from the Management Committee of the SRTF must be kept on the procurement file.  A copy of the associated Financing Agreement between SRTF and the Implementing Entity must equally be kept on the procurement file. |

* 1. Next Steps

|  |  |
| --- | --- |
| A.8.1 | After approval of the Project Proposal and signing of the associated Financing Agreement between SRTF and the Implementing Entity the actual execution of project implementation and thus planned procurement will commence.  Proceed to:  Stage 1: Initiating a procurement |

PART 2: EXECUTION OF PROCUREMENT ACTIVITIES AFTER APPROVAL OF THE PROJECT PROPOSAL

Stage 1: Initiating an Individual Procurement Procedure

1A.1 Summary of Procedure

|  |  |
| --- | --- |
| 1A.1.1 | This stage provides the procedure for the initiation of a procurement requirement against a project. |
| 1A.1.2 | In a majority of cases the overall type or object of procurement will be reasonably defined from the approved Project Proposal and possibly further project documents relating to the Financing Agreement between SRTF and the Implementing Entity (IE). The IE’s responsible person for the project implementation should be able to task the IE to provide specialist advice to further develop a specific requirement.  Occasionally, however the process of defining the actual procurement requirements from project or project component objectives may necessitate the separate engagement of consultants or specialists to quantify the details of the requirement for procurement purposes. [This will therefore necessitate the procurement of services and these stages will apply to raising a requisition for consulting services]. |

1A.2 Application

|  |  |
| --- | --- |
| 1A.2.1 | Method: This stage applies to all methods of procurement (ICB, LIB, NCB, RFP; Shopping), which normally have been specified in the approved Project Proposal for each planned procurement procedure. |
| 1A.2.2 | Type: This stage applies to the procurement of goods, works and consultancy services. |

1A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 1A.3.1 | This stage serves a number of purposes, including:   * fully documenting the goods, works or services required; and * confirming the availability of funding, based on the estimated value of the procurement requirement (comparison between the market condition at the time the project proposal was elaborated with the present ones) |

1A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 1A.4.1 | The identification of a need for goods, works or services will have been included in the Project Proposal. If the intended procurement would concern a previously not identified need, consult the SRTF MU before proceeding |
| 1A.4.2 | List the goods, works or services required. Where a long list has already been prepared, such as for spare parts, this may be attached, with a summary description in the list. |
| 1A.4.3 | Review and refine as appropriate the initial description of requirements attached to the project proposal – see stage 2A, 2B or 2C for further guidance. |
| 1A.4.4 | Review and refine as appropriate the estimation of the cost of the goods, works or services. The estimate may be based on recent, similar contracts, market research or an estimate by a technical specialist (such as an engineer for construction contracts). It is advisable to base estimates on two different but reliable sources of cost information to obtain a reasonable figure for the cost of the procurement. (Underestimating the cost at this stage may result in reducing the requirement at the contract award stage). |

1A.5 Approvals Required

|  |  |
| --- | --- |
| 1A.5.1 | No approval is required. |

1A.6 Documents/Records Required

|  |  |
| --- | --- |
| 1A.6.1 | The IE’s responsible person will open a procurement file for the requirement and retain the completed description of requirements on the file. |
| 1A.6.2 | The IE’s responsible person will allocate a procurement reference number for each procurement requirement as a unique identifier for that procurement. |

1A.7 Next Steps

|  |  |
| --- | --- |
| 1A.7.1 | Prepare a description of requirements – see:   * Stage 2A - Goods; * Stage 2B - Works * Stage 2C - Services |
| 1A.7.2 | Then proceed to Stage 3: Planning the Procurement. |

Stage 2 Preparing a Description of Requirements

Stage 2A Goods

2A.1 Summary of Procedure

|  |  |
| --- | --- |
| 2A.1.1 | This stage provides the procedure for preparing a description of requirements for the procurement of goods (including any incidental works or services required). |
| 2A.1.2 | Where possible, the description of requirements should be fully prepared at the stage of initiation of an individual procurement, however, it is often only possible to prepare an outline description of requirements then, in which case the description must be finalized during the drafting of the bidding document. |

2A.2 Application

|  |  |
| --- | --- |
| 2A.2.1 | Method: The method of procurement (ICB, LIB, RFP) will normally have been specified in the approved Project Proposal. This stage applies to all procurement methods. |
| 2A.2.2 | Type: This stage applies to the procurement of goods only. |
| 2A.2.3 | Descriptions of requirements for works and services are covered by stages 2B and 2C. Parts of this stage may apply to works or services, where the description of requirements includes goods, which are incidental to the works or services. |

2A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 2A.3.1 | The description of the requirement is crucial to the procurement as it is used throughout the procurement process to:   * inform the IE’s responsible person what needs to be procured, providing the basis for the procurement planning and budgeting; * inform bidders of the project’s requirements through inclusion in the bidding document; * provide the technical standard against which tenders are to be evaluated; * form part of the contract, defining the goods to be supplied; and * sets the technical standard against which the goods supplied can be inspected, prior to acceptance. * provide a realistic cost estimate based upon the detailed requirements |

2A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 2A.4.1 | The preparation of the description of requirements will normally start with a general, summary description of the requirement e.g. 4WD vehicle or desktop computer, or science laboratory equipment. |
| 2A.4.2 | Prepare a complete list of the items required – see guidance note 1 below for the information to include. |
| 2A.4.3 | Consider the purpose the goods are being purchased for and any special requirements e.g. for use off-road in mountainous terrain or to use desktop publishing programmes. |
| 2A.4.4 | Prepare a specification for each item required – see guidance note 2 below for further details. |
| 2A.4.5 | Prepare the required delivery schedule – see guidance note 3 below for further details. |

2A.5 Guidance Notes

|  |  |
| --- | --- |
|  | 1 – List of Goods |
| 2A.5.1 | The list of goods should briefly describe each of the goods that the user requires and specify the quantities of each. Consideration should be given to including any spare parts or consumable items required, either by specifying the items required or requesting the spares or consumables normally required for a specified period of operation, such as one year. The list of goods should also describe any incidental works or services required, such as installation and commissioning, preparation of the site for installation or user training. |
| 2A.5.2 | An example of a typical list of goods is shown at Table 9 below. Each item should be numbered sequentially with an item number on the list for reference purposes. Along with the quantity, the unit of measure must also be specified e.g. kilograms, liters, reams etc. Complete items, such as vehicles or computers, should be given a unit of measure of “each”: |

Table 9: Typical list of goods

|  |  |  |  |
| --- | --- | --- | --- |
| Item number | Brief Description of Goods and Related Services | Quantity | Unit of Measure |
| 1 | Personal Computer | 2 | Each |
| 2 | LaserJet Printer | 1 | Each |
| 2a | Toner Cartridge for item 2 | 2 | Each |
| 3 | Paper (A4) white | 12 | Reams |

2A.6 Guidance Note

|  |  |
| --- | --- |
|  | 2 – Specifications |
| 2A.6.1 | The specifications should define the technical characteristics and quality standards of the goods required by the user. Well-prepared specifications will facilitate the preparation of bids by bidders and the evaluation of bids. Where required, the user should seek technical advice from external specialists in preparing specifications.  (i) Technical specifications should specify the minimum requirements of the user. The evaluation will then assess whether bids reach this standard. |
| 2A.6.2 | Technical specifications should contain a complete, precise and unambiguous description of the goods required, by specifying:   * the functions or characteristics required e.g. color printing for a printer, double-sided copying for a photocopier, dimensions of items, the dosage of a drug, the packaging of medicines (i.e. plastics bottles containing 1,000 tablets each), air conditioning in a vehicle; * the performance required e.g. the speed of a printer, copying capacity for a photocopier (i.e. 20 sheets per minute A4 paper), a photocopier or a computer processor or the accuracy of laboratory equipment; and/or * the quality standards for equipment, materials or workmanship. |
| 2A.6.3 | Specifications must be generic i.e. they must not refer to a particular trademark, brand name, make or model, patent, catalogue number or any other detail which would limit the specification to a specific manufacturer. For example, a specification for a printer must not state Hewlett Packard or Canon, but should give the technical characteristics of the printer e.g. “LaserJet printer, black and white, minimum print speed 20 pages per minute, minimum print quality 1200x1200 dpi, minimum input capacity of 200 A4 sheets” etc. |
| 2A.6.4 | In exceptional cases, where there is no sufficiently precise way of describing the goods without use of a brand name or similar, the words “or equivalent” must be included. The use of particular makes or models may also be permitted for reasons of compatibility e.g. spare parts or consumables for a piece of equipment. |
| 2A.6.5 | Standards specified must not be restrictive. Where possible, recognised international standards should be used. Where other standards are used, they should normally be followed by a statement that “other authoritative standards that ensure at least a substantially equal quality will also be acceptable”. |
| 2A.6.6 | Where appropriate, specifications should also include:   * The purpose and intended use of the goods; * Details of the conditions in which the goods must operate e.g. temperature or humidity ranges or, where no specific or unusual conditions apply, state “suitable for use in Syria”; * Descriptions of required manufacturing processes, workmanship or materials; * Drawings of the goods, including site plans for installation; * Any environmental or safety features required of the goods; * Packaging, marking and labeling requirements, such as a requirement for pills to be packaged in blister packs corresponding to weekly dosages, for test kits to be individually packaged, along with the required protective gloves and instructions for use or for drugs to be marked with their manufacture and expiry dates; * Details of inspection or testing requirements, including performance parameters, including outputs, timescales, and any indicators or criteria against which the satisfactory performance of the goods will be tested; * Any documentation required e.g. manuals, user guides, licenses, test certificates etc. |
| 2A.6.7 | Where appropriate, IE’s responsible persons should make use of standardized specifications or specifications previously used successfully. |
| 2A.6.8 | Details should also be included of any incidental works or services required. For example:   * where the supplier will be responsible for preparing a site for installation, the current state of the site should be stated e.g. a particular thickness of concrete base for machinery. * the anticipated number of people to be trained in the use, maintenance or repair of goods, the location for training, the standard to be attained etc. |
|  | Stage 2B - Works, Stage 2C - Services may provide useful guidance on the preparation of descriptions for incidental works or services. |
|  | 3 – Delivery Schedule |
|  | The delivery schedule should specify the delivery period and place for each of the goods. Where any related works or services are included, the delivery schedule should also state the completion period and the site.  In preparing the delivery schedule, the following guidance should be taken into account:   * The delivery and completion periods should be realistic. Unrealistically short delivery or completion expectations may result in restricted competition or may prompt complaints from prospective bidders; * The delivery and completion periods are best expressed as a number of days, weeks or months from the date of contract award, as precise dates cannot be determined until the contract has been placed; * The delivery period should take into account whether the procurement is of standard, readily available goods or goods which are likely to be manufactured to order; * Where appropriate, different delivery periods should be given for different items or the total requirement should be split into several batches, with phased deliveries; * The delivery period should take into account whether the goods are likely to be available in Syria or require importing. Where the goods are likely to be sourced internationally, the location of the goods and likely transport times should be considered; * When the description of requirements is included in a bidding document, the Project Manager should check that the delivery period specified takes into account the Incoterm specified for delivery. As elaborated in Part One of this Manual, generally the delivery term DAP Delivered At (specified) Place (mostly Syrian border) is recommended, under which the supplier must deliver the goods under his risk at a specified place of delivery, without import customs clearance (please refer to the Standard bidding document). Import customs clearance and transport to site may be the responsibility of the Purchaser/IE. Sometimes, as detailed in the Standard Bidding Documents the delivery term DDP (Delivered Duty Paid at (specified) Place (mostly project site) may apply. A realistic time should be allowed for delivery considering the mode of transport. SRTF MU may provide further guidance on Incoterms, if required. |

Table 10: Sample Technical Specifications Form (TSF)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Programme name: |  |  |
|  | Tender reference: |  |  |
|  | Lot number: |  |  |
|  |  |  |  |
| TECHNICAL SPECIFICATION FORM (TSF) | | | |
| 1 | 2 | 3 | 4 |
| No. | ITEM CODE & DESCRIPTION | BIDDER’S OFFER | Ref. page no of Supporting Documents |
|  | Item code: |  |  |
|  | Item description: *(e.g. finger SPO2 monitor, neonatal)* |  |  |
|  |  | Manufacturer: |  |
|  |  | Brand: |  |
|  |  | Type/Model: |  |
|  |  | Catalogue reference: |  |
|  |  | Country of Origin: |  |
|  | APPLICATION |  |  |
|  | *(e.g. to measure the pulse oxygen saturation and pulse rate through finger)* |  |  |
| A | DESCRIPTION OF BASIC COMPONENTS WITH TECHNICAL SPECIFICATIONS |  |  |
| 1 |  |  |  |
| 2 |  |  |  |
| 3 |  |  |  |
| 4 |  |  |  |
| 5 |  |  |  |
|  |  |  |  |
| B | ACCESSORIES & CONSUMABLES |  |  |
| 1 | *e.g. - all standard accessories, required for the proper operation of the above item shall be included in the offer.  - all consumables/parts for X months operation unless otherwise specified, required for the proper operation of the above item shall be included in the offer.* |  |  |
| 2 | *e.g. all standard maintenance tools and cleaning /lubrication materials where applicable shall be included.* |  |  |
|  |  |  |  |
| C | STANDARD REQUIREMENTS AND INSTRUCTIONS |  |  |
| 1 | Power requirement (where applicable): *e.g. to follow Purchaser's country national voltage: 220V, 50 Hz for single phase, compliant to IEC 601-1 standard or equivalent.* |  |  |
| 2 | *e.g. the equipment supplied must be new with proper serial number as proof* |  |  |
| 3 | *e.g. the equipment must be made fully functioning at site.* |  |  |
| 4 | If applicable: Installation of equipment on site is required *(N.B. if for installation any work on the building where equipment is to be installed is or may be required - often called pre-installation, this must be specifically considered. Mostly pre-installation is the obligation of the Purchaser)* |  |  |
| 5 | The unit offered shall be certified to meeting the relevant requirements for standards *(as applicable state technical standards, safety standards, type approvals(such as CE Mark), quality assurance standards for manufacturer (such as certified to meet ISO 9001)* |  |  |
| 6 | A user's operations manual and maintentenance manual in *(state language(s)* must be supplied with each unit. |  |  |
| 7 | The system offered shall be designed to operate normally under the conditions of the purchaser's country. The conditions include Power Supply, Climate, Temperature, Humidity, etc. |  |  |
|  |  |  |  |
| D | OPTIONS |  |  |
| 1 | *State, if applicable. Please note that "option" implies that at Pruchaser's choice the option may or may not be pruchased along with the equipment. Be aware that this complicates bid evaluation!* |  |  |
|  |  |  |  |
| E | NOTE |  |  |
| 1 | *e.g. Bidders may propose any product/system, which is equivalent or better than the requirements specified above.* |  |  |
| 2 | *e.g. All equipment needing consumables must allow as much as possible to use generic and/or locally made consumables and/or disposables.* |  |  |
| 3 | *e.g. state any restrictions on expiry period for consumables / reagents / solutions for operation of the equipment* |  |  |
|  |  |  |  |
| F | Documentation |  |  |
| 1 | Bidder should provide the following documents as relevant for bid submission and refer to these in column 4 of this TSF. |  |  |
| 2 | Brochures or catalogues |  |  |
| 3 | Technical data sheet |  |  |
| 4 | *(state only if wanted)* Spare part list with part no. details clearly indicated |  |  |
| 5 | *(state only if wanted)* Consumable list with part no. details clearly indicated |  |  |
|  |  |  |  |
| G | Training on equipment supplied *(only if applicable)* |  |  |
| 1 | *e.g. On-site training must be provided on (subjects) for (number and qualifications) Purchaser's staff* |  |  |
| 2 | The training must include the following elements and information: |  |  |
| 3 | *e.g. Basic application & operation of the equipment;* |  |  |
| 4 | *e.g. Equipment orientation / functions;* |  |  |
| 5 | *e.g. Simple aspects/steps in troubleshooting of errors;* |  |  |
| 6 | *e.g. Basic steps in the maintenance of the equipment;* |  |  |
| 7 | *e.g. Safety aspects of the equipment (if applicable);* |  |  |
| 8 | *e.g. Equipment Operation Procedures (EOP)* |  |  |

2A.7 Approvals Required

|  |  |
| --- | --- |
| 2A.7.1 | As per 1A.5.1 the description of requirements must be signed by authorized officials of the IE, to provide the following:   * confirmation to proceed with the procurement, accepting the commitment against the projects resources; and * confirmation from authorized financial management official of budget provision to allow any advance procurement action, based on the estimated cost on the description of requirements.   The final description of requirements will be included in the invitation document and will be reviewed by SRTF, when approving the invitation document – see Stage 6A and Stage 6B. |

2A.8 Documents/Records Required

|  |  |
| --- | --- |
|  | A copy of the description of requirements should be kept on the procurement file. |

2A.9 Next Steps

|  |  |
| --- | --- |
| 2A.9.1 | Proceed to stage 3: Planning the procurement. |

Stage 2B Works

2B.1 Summary of Procedure

|  |  |
| --- | --- |
| 2B.1.1 | This stage provides the procedure for preparing a description of requirements for the procurement of works (including any incidental goods or services required). |
| 2B.1.2 | This procedure is for works that are fully designed by the Implementing Entity, prior to inviting bids, where the contractor will be responsible for construction only. Alternative specialist advice should be sought for the preparation of a description of requirements for design and build or turnkey contracts. |
| 2B.1.3 | Where possible, the description of requirements should be fully prepared at the stage of initiation of an individual procurement. However, it is often only possible to prepare an outline description of requirements then, in which case the description must be finalized during the drafting of the bidding document. |

2B.2 Application

|  |  |
| --- | --- |
| 2B.2.1 | Method: The method of procurement (ICB; NCB; shopping through a RFQ) will normally have been specified in the approved Project Proposal. This stage applies to all procurement methods. |
| 2B.2.2 | Type: This stage applies to the procurement of works only. |
| 2B.2.3 | Descriptions of requirements for goods and services are covered by Stage 2A and Stage 2C. Parts of this stage may apply to goods or services, where the description of requirements includes works, which are incidental to the goods or services. |

2B.3 Purpose of Procedure

|  |  |
| --- | --- |
| 2B.3.1 | The description of requirements is a key document, which is used throughout the procurement process. It is used to:   * inform the IE’S Responsible what needs to be procured, providing the basis for the procurement planning and budgeting; * inform bidders of the project’s requirements through inclusion in the bidding document; * provide the technical standard and, for some requirements the estimated quantities, against which bids are evaluated; * form part of the contract, defining the works to be performed and the technical standard against which the works can be inspected prior to acceptance; * provide, (for some types of contracts), the rates and estimated quantities against which actual work is measured for payment purposes; * provide a realistic cost estimate based upon the detailed requirements. |
|  |  |

2B.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 2B.4.1 | The preparation of the description of requirements will normally start with a general, summary description of the requirement e.g. construction of classrooms or repair of airport road. This will normally be developed into a design brief for the engineer. |
| 2B.4.2 | Prepare the drawings and specifications for the works – see guidance notes 1 and 2 below for further details. |
| 2B.4.3 | Prepare a bill of quantities or activity schedule as required – see guidance notes 3 and 4 below for further details. |
| 2B.4.4 | Prepare the required completion schedule – see guidance note 5 below for further details. |
| 2B.4.5 | Prepare an overall scope of works, which will form the first part of the description of requirements – see guidance note 6 below for further details. |

2B.5 Guidance Notes

|  |  |
| --- | --- |
|  | 1 – Drawings for Works |
| 2B.5.1 | Technical drawings are required to define the works required by the project. The construction drawings, even if not fully developed, must show sufficient detail to enable bidders to understand the type and complexity of the work involved and to price their bids. In addition to the construction drawings, a simplified map showing the location of the site in relation to the local geography, including major roads, posts, airports and railroads, is helpful. |
| 2B.5.2 | When preparing the bidding document, it is normal practice to insert a list of drawings, although the drawings themselves are often bound and issued in a separate volume, particularly where they are numerous or issued in large format, such as A1 or A2 paper. |
|  | 2 – Specifications for Works |
| 2B.5.3 | A set of precise and clear specifications is a prerequisite for bidders to respond realistically and competitively to the project’s requirements without qualifying or conditioning their bids. Specifications must be drafted to permit the widest possible competition and, at the same time, present a clear statement of the required standards of workmanship, materials, and performance of the related goods and services to be procured. Only if this is done will the objectives of economy, efficiency, and fairness in procurement be realized, responsiveness of bids be ensured, and the subsequent task of evaluation be facilitated. The specifications should require that all goods and materials to be incorporated in the Works be new, unused, of the most recent or current models, and incorporate all recent improvements in design and materials unless provided otherwise in the invitation to bid. |
| 2B.5.4 | Care must be taken in drafting specifications to ensure that they are not restrictive. In the specification of standards for goods, materials, and workmanship, recognized international standards should be used as much as possible. Where national, or other, standards are used, the specifications should state that goods, materials, and workmanship that meet other authoritative standards, and which ensure substantially equal or higher quality than the standards mentioned, will also be acceptable. |
| 2B.5.5 | Most specifications are normally written specially to suit the specific works in hand. There is no standard set of specifications for universal application in all sectors, although there are established principles and practices. |
| 2B.5.6 | There are considerable advantages in standardizing general specifications for repetitive works in recognized public sectors, such as highways, ports, railways, urban housing, irrigation, and water supply, in the same region or where similar conditions prevail. The general specifications should cover all classes of workmanship, materials, and equipment commonly involved in construction, although not necessarily to be used in a particular works contract. Deletions or addenda can then be used to adapt general specifications to the particular works. |
|  | 3 – Bills of Quantities |
| 2B.5.7 | A bill of quantities should be prepared for inclusion in the bidding document, where the requirement is to be contracted as an admeasurement contract – for lump sum contracts, see guidance note 4 below. Bidders are then required to price the bill of quantities in their bids and the priced bill of quantities becomes part of the contract. Payment is then made using the rates in the priced bill of quantities, but based on the quantity of work actually performed, which is measured on a regular basis. |
| 2B.5.8 | Therefore, the objectives of the bill of quantities are:   * to provide sufficient information on the quantities of works to be performed to enable bids to be prepared efficiently and accurately; and * to provide a priced bill of quantities for use in the periodic valuation of works executed, once a contract has been entered into. |
| 2B.5.9 | In order to attain these objectives, works should be itemized in the bill of quantities in sufficient detail to distinguish between the different classes of works, or between works of the same nature carried out in different locations or in other circumstances, which may give rise to different considerations of cost. The layout and content of the bill of quantities should be as simple and brief as possible. |
|  | 4 – Activity Schedule |
| 2B.5.10 | An activity schedule should be prepared for inclusion in the bidding document, where the requirement is to be contracted as a lump sum contract – for admeasurement contracts, see guidance note 3 above. Bidders are required to bid a lump sum price, based on the activity schedule and the successful bidder’s bid price becomes the contract price. The actual work performed will not be remeasured for payment purposes (as under an admeasurement contract), so the breakdown of price on the activity schedule is only used for contract variations. |
| 2B.5.11 | Therefore, the objective of the activity schedule is to provide a breakdown of the activities and their associated cost that form the works to be paid on a lump sum basis. The breakdown is intended to be used:   * as the basis for certifying interim payment to the supplier; and * to assist in valuing any ordered variations. |
| 2B.5.12 | The works should be broken down by consideration of the nature of each activity and if applicable by the location. The project will have to determine the degree to which the works need to be broken down by consideration of the complexity of the works and the stated time for completion. Schedules can be provided for each different discrete element of the works. If the works require plant and equipment to be provided, separate schedules for the supply only of the plant and equipment may be provided. The activity schedule should be as simple and brief as possible. |
|  | 5 – Completion Schedule |
| 2B.5.13 | The completion schedule should specify the completion period and site for each part of the works. In preparing the completion schedule, the following guidance should be taken into account: |
| 2B.5.14 | The completion periods should be realistic. Unrealistically short completion periods may result in restricted competition or may prompt complaints from prospective bidders. |
| 2B.5.15 | The completion periods are best expressed as a number of days, weeks or months from the date of contract award, as precise dates cannot be determined until the contract has been placed. |
|  | 6 – Scope of Works |
| 2B.5.16 | The scope of works should provide:   * a description of the works; * approximate quantities of major items; * a background narrative to the work required, where appropriate; and * the objectives of the works required, where appropriate. |
| 2B.5.17 | The scope of works will normally form the first part of the description of requirements, but will need to be prepared last, once approximate quantities etc. are known. A description of approximately 1-2 pages is appropriate for most contracts. |

2B.6 Approvals Required

|  |  |
| --- | --- |
| 2B.6.1 | As per 1A.5.1 the description of requirements must be signed by authorized officials of the IE, to provide the following:   * confirmation to proceed with the procurement, accepting the commitment * against the projects resources; and * confirmation from authorized financial management official of budget provision to allow any advance procurement action, based on the estimated cost on the description of requirements.   The final description of requirements will be included in the bidding or shopping document and will be reviewed by SRTF when reviewing the invitation to bid document – see Stage 6A and Stage 6B. |

2B.7 Documents/Records Required

|  |  |
| --- | --- |
| 2B.7.1 | A copy of the description of requirements should be kept on file. The user should also retain a copy of the requisition and description of requirements for their own reference. |

2B.8 Next Steps

|  |  |
| --- | --- |
| 2B.8.1 | Proceed to stage 3: Planning the procurement. |

Stage 2C Services

2C.1 Summary of Procedure

|  |  |
| --- | --- |
| 2C.1.1 | This stage provides the procedure for preparing a description of requirements for the procurement of consultancy services (including any incidental goods or works required). |
| 2C.1.2 | Where possible, the description of requirements should be fully prepared at the stage of initiation of an individual procurement. However, it is often only possible to prepare an outline description of requirements at this stage, in which case the description must be finalized during the drafting of the RFP. |

2C.2 Applies To

|  |  |
| --- | --- |
| 2C.2.1 | Method: The method of procurement (RFP; Shopping through a RFQ) will normally have been specified in the approved Project Proposal. This stage applies to all procurement methods. |
| 2C.2.2 | Type: This stage applies to the procurement of consultancy services. |
| 2C.2.3 | Descriptions of requirements for goods and works are covered by Stage 2A and Stage 2B. Parts of this stage may apply to goods or works, where the description of requirements includes services, which are incidental to the goods or works. |

2C.3 Purpose of Procedure

|  |  |
| --- | --- |
| 2C.3.1 | The description of requirements is a key document, which is used throughout the procurement process. It is used to:   * inform the IE’s responsible person what needs to be procured, providing the basis for the procurement planning and budgeting; * inform bidders of the project’s requirements through inclusion in the bid invitation (RFP or RFQ); * provide the terms of reference against which bids or proposals are evaluated; * form part of the contract, defining the services to be supplied; and * set the technical standard and/or deliverables against which the services performed can be judged, prior to acceptance. * provide a realistic cost estimate based upon the detailed requirements |

2C.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 2C.4.1 | The preparation of the description of requirements will normally start with a general, summary description of the requirement e.g. equipment inspection services for project imports, audit services for the project or training in new finance rules. |
| 2C.4.2 | Prepare detailed terms of reference for the services – see guidance note 1 below for the information to include for consultancy services. |

2C.5 Guidance Note

|  |  |
| --- | --- |
|  | 1 – Terms of Reference for Consultancy Services |
|  | The terms of reference should provide sufficient information to enable bidders to understand the services required by the project/user. They should be complete, precise and clear, but should not be over-prescriptive, where the success of an assignment is largely dependent on the skills and experience of the consultants. Well-prepared terms of reference will facilitate the preparation of proposals by bidders and the evaluation of proposals by the project/user.    The precise contents of the terms of reference will be determined by the individual assignment, but should include the following details, where applicable:   * the background to the assignment, including details of any larger project which the assignment will be part of, and any preparatory phase of the project prior to the assignment being drafted; * the objectives of the assignment and what it is expected to achieve; * a description of the scope of the services required; * the specific deliverables (or outputs) required, such as study reports and recommendations, software, databases, bidding documents, drawings, specifications, maps, software, training materials etc. and the dates by when they are required; * requirements for the transfer of knowledge or training programs; * the role, qualifications and experience of any key staff required; * the period of the assignment and expected completion dates; * any facilities, services or resources to be provided by the project/user, including any counterpart staff; * arrangements for reporting to the project/user, including lines of communication and the contact point for management and administration of the assignment; * a schedule of any reports required, including inception, progress and final reports; * any other details or requirements relevant to the assignment. |

2C.6 Approvals Required

|  |  |
| --- | --- |
| 2C.6.1 | As per 1A.5.1 the description of requirements must be signed by authorized officials of the IE, to provide the following:   * confirmation to proceed with the procurement, accepting the commitment * against the projects resources; and * confirmation from authorized financial management official of budget provision to allow any advance procurement action, based on the estimated cost on the description of requirements.   The final description of requirements will be included in the RFP or RFQ and will be reviewed by SRTF, when approving the invitation document – see Stage 6A and Stage 6B. |

2C.7 Documents/Records Required

|  |  |
| --- | --- |
| 2C.7.1 | A copy of the description of requirements must be kept on the procurement file. The user should also retain a copy for their reference. |

2C.8 Next Steps

|  |  |
| --- | --- |
| 2C.8.1 | Proceed to stage 3: Planning the procurement. |

Stage 3 Planning the Procurement

3A.1 Summary of Procedure

|  |  |
| --- | --- |
| 3A.1.1 | This stage provides a standard for planning the conduct of the procurement process. The method of procurement (ICB; LIB; NCB; RFP; Shopping) will normally have been specified in the approved Project Proposal. If the final description of requirements gives rise to a change of procurement method with reference to Part One of this Manual (due to substantial changes in e.g. scope, cost estimates or potential sources), then it is compulsory to consult the SRTF MU for guidance and possibly adopting a different method before proceeding further. |
| 3A.1.2 | For the avoidance of doubt, reference to planning in this stage means planning for an individual procurement requirement. Overall procurement planning, such as that conducted as part project design is covered in Part One of this Manual. |
| 3A.1.3 | Procurement requirements shall not be divided into smaller units in order to make them less attractive for more competitive procedures. |

3A.2 Application

|  |  |
| --- | --- |
| 3A.2.1 | Method: This stage applies to all procurement methods. |
| 3A.2.2 | Type: This stage applies to the procurement of goods, works and consultancy services. |

3A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 3A.3.1 | Determining the procurement planning is important as this defines the detailed steps and their planned timing so as to fit as well as possible within the project plan and the overall procurement plan (see Part One of this Manual). It provides the baseline against which the procurement process is to be managed and monitored. |

3A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 3A.4.1 | Consider and decide the overall parameters to be considered so that the procurement process is properly planned in advance. The use of the attached checklist should assist in this respect. |
| 3A.4.2 | Prepare a procurement plan, based on the recommended method of procurement – see guidance note 1 below for details to be included. |
| 3A.4.3 | Check with the user that the individual procurement plan is acceptable and will enable them to meet the objectives of the procurement. Adjust the plan or change the procurement method, if required. |

3A.5 Guidance Note

|  |  |
| --- | --- |
|  | 1 – Preparing a Procurement Plan |
| 3A.5.1 | Procurement plans should normally be produced for all procurement methods but are particularly important for ICB, LIB, NCB and RFP procedures. Only a very brief procurement plan is required for procurement using the Shopping or the exceptional Direct Procurement method. |
| 3A.5.2 | The procurement plan for each requirement should include:   1. a plan of the timescales for each step in the procurement process, including the anticipated manufacturing and delivery or mobilization and completion periods, as appropriate. This plan should show approximately the total elapsed time before delivery or completion of the goods, works or services. The plan should also take into account the time necessary for obtaining all necessary approvals during the procurement process; 2. whether any additional qualification criteria are required in addition to the mandatory qualification criteria; 3. any need for phased delivery of items, particularly where items are to be held in stores or have limited shelf-life; 4. likely potential sources and whether they are local or international; 5. the availability of resources within the implementing entity and elsewhere for implementation of procurement procedures and administration of the contract. The plan should specifically refer to any specialist, technical advice required and whether it is available within the procuring entity, from other bodies or from external sources; 6. a draft forecast of the funding required and when it will be required, based on the anticipated date of contract, delivery or completion periods and payment terms. This information should be integrated with budgeting information; 7. consideration as to whether the procurement requirement can be combined with other requirements, for purposes of economy and efficiency; 8. consideration of how the procurement will be divided into lots, if necessary at all. The basic criterion for definition of lots, is that a lot must be expected to be able to be executed by a single supplier/contractor/consultant without dividing up more than necessary; 9. consideration of any applicable measures to promote the participation of small and medium sized enterprises (SME’s).   The format should preferably allow the actual progress to be shown, so that the planning indeed becomes a useful tool to manage and monitor the process, enabling a status overview. |
| 3A.5.3 | A sample of an individual procurement planning based on Excel tables is shown below: |

Table 11: Annual Procurement Plan of Goods for Fiscal Year 2012-13

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Project Name & ID: Nepal Health Sector Program-II Loan/Credit/Grant No.: Cr. 4707-NEP & Gr. H 557-NEP | | | | | | | | | Executing Agency: Department of Health Services  Implementing Agency: Logistics Management Division | | | | | | | |
| IFB No. NHSP-II/G/ICB-36/Procurement of Family Planning Contraceptives/2012-13 | | | | | | | | | | | | | | | | |
| Lot No & Contract ID No. | Description of Goods or Works | Prior / Post Review | PP Status Unit | Cost Estimate (NPR Million) | Method of Procurement | Proc. procedure: GoN or WB?) | Bid document to WB | WB’s NOL to Bid Document | Bid Invitation | Public Opening of Bids | BER & Award Recomm. to WB | WB’s NOL to Award Recommendation | Contract signing | Completion of the contract | Procurement at Centre or district | Remarks |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|  |  | Prior | Target | 407,32 | ICB | WB | 19-Oct-12 | 15-Nov-12 | 22-Nov-12 | 7-Jan-13 | 1-Feb-13 | 1-Mar-13 | 31-Mar-13 | 30-Oct-15 |  | For lot 29.1 & 29.2 |
|  |  |  | Rev. 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | Actual |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | For lot no. 29.3 |
|  |  |  | Rev. 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | Actual |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 36 | Family Planning Contraceptives |  |  | 407,32 |  |  |  |  |  |  |  |  |  |  | Central | Multiyear (3 Years) |
|  | ICB-36.1: Oral Contraceptive Pills 2,000,000 Cycles for each of 3 years |  |  | 120,00 |  |  |  |  |  |  |  |  |  | 1st Year supply Sep.13, 2nd Year supply Oct 14 and 3rd Year supply July 15 | Pathalaiya/Teku Store | FHD |
|  | ICB-36.2: Inj. DMPA- 2,000,000 Vials with equal number of 3ml disposable syringes with 23 G needles for each of 3 years |  |  | 283,20 |  |  |  |  |  |  |  |  |  |
|  | ICB-36.3: IUCD- 20,000 sets, 1st Year, 58,000 sets for each of 2nd and 3rd years. |  |  | 4,12 |  |  |  |  |  |  |  |  |  | 1st Year supply, June 13, 2nd Year supply June 14, 3rd Year supply June 15 | Teku Store |

|  |  |
| --- | --- |
|  | For more complex situations with interlinkage between individual procurement procedures the use of Gantt charts as per example below may be useful. |

Figure 3: Individual procurement plan – example (Gantt format)



3A.6 Approvals Required

|  |  |
| --- | --- |
| 3A.6.1 | The IE’s responsible person is responsible for:   * obtaining the approval of the implementing entity. |

3A.7 Documents/Records Required

|  |  |
| --- | --- |
| 3A.7.1 | A record of the procurement plan must be kept on the procurement file. A copy of the approval of the implementing entity must be kept on the procurement file. |

3A.8 Next Steps

|  |  |
| --- | --- |
| 3A.8.1 | Proceed to:   1. Stage 4: Obtaining and Assessing Expressions of Interest, for RFP’s, where EOIs are to be obtained. 2. Stage 5A: Preparing an Invitation to Bid Notice, for ICB without prequalification. 3. Stage 5B: Developing a Shortlist for LIB and Shopping procurement methods or for RFP, where no EOIs are to be obtained. 4. Proceed to Stage 25: Direct Procurement as appropriate:  * Step-by-Step Instructions for a sole source supply; * Step-by-Step Instructions for additional goods against an existing contract; * Step-by-Step Instructions for exceptional circumstances. |

Table 12: Procurement planning checklist

|  | Consideration | Options |  |
| --- | --- | --- | --- |
| A | Overall timescale | Determine timescale provided by the overall procurement plan for this piece of procurement. Identify slippages in plan and total period remaining to complete the procurement. |  |
| B | Procurement method | Check the procurement method that should be used considering the circumstances of the requirement against the method defined in the approved Project Proposal. If not the same, see 3A.1.1 |  |
| C | Procurement Plan | Produce an individual procurement plan to complete this procurement, compare with overall procurement plan and make necessary adjustments |  |
| D | Technical advice and assistance | Determine technical advice required to draft specification and technically evaluate. (User, independent specialist/consultant to be engaged) |  |
| E | Pre-bid conference/site visit | Assess whether a pre-bid conference or a site visit is necessary for bidders |  |
| F | Expressions of Interest | Determine need to issue an EOI to identify likely sources of supply, or are the sources limited internationally/nationally. |  |
| G | Bidding period | Consider minimums against practical requirements |  |
| IH | Validity period | Consider time to evaluate and reach award stage (include time for approvals and prior reviews). 60 to 90 days is usual |  |
| I | Evaluation methodology | Least cost, minimum technical selection (Goods and Works) |  |
| QCBS (Consultancy Services-RFP) |  |
| Least cost (Consultancy Services –quotations) |  |
| Minimum thresholds and weightings |  |
| International Competitive Bidding Document for Goods (also used for Limited International Bidding) |  |
| Request for Quotations –goods |  |
| International Competitive Bidding Document for Works |  |
| National Competitive Bidding Document for Works |  |
| Request for Quotations –Works |  |
| Expressions of Interest – consultancy |  |
| Proposal Document -Consultancy Services |  |
| Request for Quotations – Consultancy Services |  |
| L | Likely resources required | Draft Invitation to EOI |  |
| Evaluate EOI applications |  |
| Decide Shortlist |  |
| Draft Invitation to Bid Notice |  |
| Draft Bidding Document/RFP/RFQ |  |
| Conduct Bid opening |  |
| Conduct Evaluation and produce Evaluation Report |  |
| Draft Award Notice |  |
| Draft Contract Document |  |

Stage 4 Expressions of Interest

Stage 4A Obtaining and Assessing Expressions of Interest

4A.1 Summary of Procedure

|  |  |
| --- | --- |
| 4A.1.1 | The procedure for obtaining Expression of Interest (EOI) permits an assessment of information on the qualifications and experience of potential firms and/or association of firms, in order to restrict actual request for proposal to a list of qualified candidates. This is achieved through the publication of a notice calling for EOIs, their receipt and assessment and the development of a list of firms, associations and consortia. |

4A.2 Application

|  |  |
| --- | --- |
| 4A.2.1 | Method: The EOI procedure is to be used under Request for Proposals procurement method only. For commonly required services generally below the threshold of EUR 300,000, it is implemented by the SRTF MU and expected to result in a long list of pre-qualified service providers for different types of services. This procedure is not further described here. The recipients will be able to implement service tenders under International Request for Proposals (RFP) limited to pre-selected companies, associations and consortia in an easy way.  The EOI procedure for an individual case is to be used above the threshold of EUR 300,000 and optionally (consult SRTF MU) below this threshold, if there is no or only one pre-qualified service provider for the specific type of services on the long list. |
| 4A.2.2 | The development of a shortlist for procurement under LIB and shopping is covered by Stage 5B. |
| 4A.2.3 | EOIs may be used for the procurement of consultancy services only. |

4A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 4A.3.1 | The EOI procedure is a form of pre-selection procedure for consultancy services. It is used to identify interested candidates who have adequate capabilities, personnel and experience to perform consultancy assignments, in order to establish a limited shortlist and invite detailed proposals from up to eight qualified candidates. The EOI procedure offers the following benefits:   1. publication of a notice calling for EOIs assists projects in identifying potential bidders. Consultancy assignments can vary greatly and be highly complex or specialized, making the identification of sources difficult; 2. only the shortlisted firms or associations are required to prepare detailed proposals and keep key staff available for the validity period. Bidders are more likely to commit resources to proposal preparation and keep staff available if they feel that they are only competing against a limited number of bidders; 3. the IE does not require excessive time and resource for the evaluation of a large number of detailed proposals, each containing lengthy company profiles, complex methodologies and several CVs; 4. bidding is limited to candidates that have the capabilities, personnel and experience required for the successful performance of the contract. |

4A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 4A.4.1 | Draft a notice calling for expressions of interest – see guidance note 1 below for details of the content. |
| 4A.4.2 | Submit the EOI notice to SRTF for “no objection”, prior to publication. |
| 4A.4.3 | Publish the notice – see Stage 7 for general guidance. |
| 4A.4.4 | Receive EOIs within not less than two weeks after publication – see Stage 11 for general guidance. |
| 4A.4.5 | Open the EOIs and record the names of all applicants. No public opening is required. |
| 4A.4.6 | Assess the EOIs for the key skills, experience or capabilities required for the assignment. |
| 4A.4.7 | Prepare a shortlist of candidates who are the best qualified for the proposed assignment. Shortlists shall preferably comprise up to eight and must at least comprise three potential bidders preferably with a geographic spread. |
| 4A.4.8 | Obtain SRTF ”no objection” for the shortlist. Prior to an “no objection”, the MU will perform a compliance check on the shortlisted candidates to ensure that none of the SRTF conditions for exclusion apply. Any candidate not passing the compliance check will be removed from the shortlist. Bidders cannot be added to the shortlist after SRTF has provided its ”no objection”. |

4A.5 Guidance Note

|  |  |
| --- | --- |
|  | 1 – EOI Notices |
| 4A.5.1 | A notice calling for EOIs should normally include the following information:   * the name and address of the project; * a brief description of the project, if any, of which the assignment forms a part; * a brief description of the proposed contract; * a statement of the information required from interested candidates, such as descriptions of similar assignments performed and indications of the type of staff available for the assignment * instructions on the location and deadline for submission of EOIs * any special instructions on the labeling of EOIs. |

For further details, including guidance on qualification/shortlisting criteria to be incorporated, please refer to the standard request for Expressions of Interest.

4A.6 Approvals Required

|  |  |
| --- | --- |
| 4A.6.1 | The IE’s responsible person is responsible for: |
|  | * submitting to SRTF along with the proposed media of publication (see also Procurement Manual, Part 1 , table 6) for prior review and obtaining its “no objection”; for the following documents: * the draft EOI notice * the shortlist of bidders (which can be done when forwarding the draft Request for Proposals document). |

4A.7 Documents/Records Required

|  |  |
| --- | --- |
| 4A.7.1 | A copy of the published EOI notice, and SRTF’s ”no objection”, must be retained on the procurement file. |
| 4A.7.2 | The procurement file must also contain records of:   * the potential bidders submitting EOIs; * the evaluation of the EOIs; * the shortlist of bidders. |

4A.8 Next Steps

|  |  |
| --- | --- |
| 4A.8.1 | Proceed to:   1. Stage 6A: Drafting a Bidding Document or RFP Document; or, 2. Stage 6B: Drafting a Request for Quotations Document. |

Stage 5 Invitation to Bid

Stage 5A Preparing an Invitation to Bid Notice

5A.1 Summary of Procedure

|  |  |
| --- | --- |
| 5A.1.1 | This stage provides guidance on the information to be included in an invitation to bid notice, for publication as part of the procurement method. Guidance on publication of the notice is included in Stage 7. |

5A.2 Application

|  |  |
| --- | --- |
| 5A.2.1 | Method: An invitation to bid notice is required under the ICB and NCB procurement methods. |
| 5A.2.2 | Type: Invitation to bid notices are required for the procurement of goods and works. |
| 5A.2.3 | Opportunities to bid for consultancy services are advertised through a notice requesting expressions of interest – see Stage 4B. |

5A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 5A.3.1 | Invitation to bid notices are published in order to:   * attract the widest possible competition, which should assist the project in obtaining value for money; * offer all potential bidders a fair opportunity to bid for contracts funded from public finance. |

5A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 5A.4.1 | Complete all required information using the standard notice format. See guidance notes 1 below for details of the information to be included. |
| 5A.4.2 | Submit the draft notice to the SRTF along with the proposed media for publication (see also Procurement Manual, Part 1, table 6) for ”no objection”. Implementing Entities are requested to submit the draft notice at the same time as the draft bidding document, and therefore the bidding notice may be submitted only after the completion of the preparation of the bidding documents. |

5A.5 Guidance Notes

|  |  |
| --- | --- |
|  | 1 – Invitation to bid notices |
| 5A.5.1 | The invitation to bid notice must include at least the following information:   * the name and address of the project; * a brief description of the goods or works required, including the location for delivery or performance and the time for delivery or completion; * the address for viewing and obtaining the bidding documents; * the language(s) in which the bidding documents are available; * the location, date and time of any pre-bid conference and/or site visit to beheld; * instructions on the location and deadline for submission of bids.   It is SRTF policy to make bidding documents available free of charge to potential bidders through downloading from at least the SRTF web site for speedy distribution of bidding documents. See guidance note 2 below for exceptional cases, in which a price could be charged. Please note that pertaining sections of the bidding documents have to be adjusted accordingly.  The ICB and NCB bidding documents contain a format for the invitation to bid notice, even though the notice is not formally part of the ICB or NCB documents. |
|  | 2 – Price of Bidding Documents |
| 5A.5.3 | In exceptional cases, i.e. in cases where the use of the normal modern information technologies is not possible, and only with prior “no objection” from SRTF MU, Implementing Entities may charge a fee for bidding documents in order to cover the cost of printing and distributing the document. The fee must not be set at a level that includes any element of profit for the project or the implementing agency. In determining whether to charge a fee and the fee to charge, projects should consider:   * the size of the document, which will affect printing and distribution costs. For example, a bidding document for a large construction contract may include several separate volumes of drawings and bills of quantities, whereas a bidding document for simple goods may be only 40- 60 pages; * the likely location of potential bidders. Distribution to international bidders will incur a greater cost than distribution to local bidders. * the method of distribution. In some cases, distribution by courier, rather than normal postal services, may be required, which is likely to increase costs. Where documents can be distributed by electronic means, costs should be minimal. |

5A.6 Approvals Required

|  |  |
| --- | --- |
| 5A.6.1 | The Implementing Entity is responsible for:   * submitting to the SRTF for prior review and obtaining its “no objection”for the following documents: * the invitation to bid notice prior to its publication. (this must be submitted at the same time as submitting the bidding document). |

5A.7 Documents/Records Required

|  |  |
| --- | --- |
| 5A.7.1 | A copy of the published invitation to bid notice, and the Trust Fund’s written “no objection” must be retained on the procurement file. |

5A.8 Next Steps

|  |  |
| --- | --- |
| 5A.8.1 | Proceed to:   1. Stage 6A: Drafting a Bidding Document; 2. Stage 6B: Drafting a Request for Quotations Document. |

Stage 5B Developing a Shortlist (Under LIB, RFP and Shopping)

5B.1 Summary of Procedure

|  |  |
| --- | --- |
| 5B.1.1 | This stage outlines the procedure for developing a shortlist of bidders, where competition is restricted and no notice has been published. |

5B.2 Application

|  |  |
| --- | --- |
| 5B.2.1 | Method: The development of a shortlist is required under LIB, RFP and shopping procurement methods. |
| 5B.2.2 | Type: A shortlist may be required for the procurement of goods, works, or consultancy services. |

5B.3 Purpose of Procedure

|  |  |
| --- | --- |
| 5B.3.1 | The shortlist is intended to ensure effective and real competition, where open competition, through the publication of a notice, is not appropriate. |

5B.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 5B.4.1 | This procedure is the standard procedure for most of the consultancy services, except those with a value below the threshold for shopping. Where this procedure is used for LIB, ensure that the grounds for use of LIB are known, as this affects the development of the shortlist. Grounds will be that the value of the procurement does not justify an ICB procedure. Shopping is always used on grounds of the relatively low value of the procurement. |
| 5B.4.2 | Identify all, or at least a reasonable number of, potential sources of the goods, works or services to develop a “long list” – see guidance note 1 below for possible sources of information. Some work on the identification of potential sources is likely to have been done at the procurement planning stage and reference should be made to this. |
| 5B.4.3 | Prepare a shortlist, based on the initial “long list”.  A minimum of three bidders must be included on the shortlist. See guidance note 2 below for considerations in selecting the shortlist. |

5B.5 Guidance Notes

|  |  |
| --- | --- |
|  | 1 – Identifying Potential Sources |
| 5B.5.1 | Information on suppliers who may be included in a shortlist can be found from a number of sources. These might include:   * A vendor list, which SRTF intends to establish, in which all interested parties can register themselves. Such registration will be simple using the SRTF web site. The vendors must be considered for each procurement procedure requiring shortlisting. * any other registration scheme or database operated by the project, other similar projects or its parent organization; * In case of an RFP based on the outcome of a general expression of interest by the SRTF , the only source of information is represented by the long list of service providers developed by the SRTF; * previous bids received or contracts placed by the project, or another project and its parent organization; * information available from trade or professional bodies in Syria; * chambers of commerce; * trade representatives; * existing knowledge of the market by either procurement or technical specialists; * market research, using trade journals, the internet, trade directories etc. |
|  | 2 – Selecting the Shortlist |
| 5B.5.2 | Where a limited shortlist of bidders is developed from a “long list” of potential sources, the following factors should be considered:   1. there should be a rotation of different bidders on successive shortlists i.e. the same supplier should not be included every time, where numerous sources exist; 2. suppliers who are not expected to be able to submit responsive bids or meet qualification requirements should not be included; 3. a shortlist should not include bidders with the same ownership; 4. for goods, a shortlist should not consist entirely of bidders offering the same brand of goods; 5. suppliers included on any list of SRTF debarred suppliers must not be included on a shortlist; 6. some short-listed bidders may choose not to submit bids. Therefore, it is recommended that more than three sources are included on the shortlist, so that at least three bids are received. The number of sources included should be proportionate to the value of the procurement requirement; |

5B.6 Approvals Required

|  |  |
| --- | --- |
| 5B.6.1 | The Implementing Entity is responsible for:   * submitting to SRTF for prior review and obtaining its “no objection”for the following documents: * the shortlist before issue of the bidding document or RFQ documents (this can be obtained at the same time as the bidding document or Shopping document is submitted).   Prior to a “no objection”, SRTF will perform a compliance check on the shortlisted candidates to ensure that none of the SRTF conditions for exclusion apply. Any candidate not passing the compliance check will be removed from the shortlist. |

5B.7 Documents/Records Required

|  |  |
| --- | --- |
| 5B.7.1 | A record of the approved shortlist must be kept on the procurement file. A record should also be kept of the reasons for the inclusion of each source. |

5B.8 Next Steps

|  |  |
| --- | --- |
| 5B.8.1 | For LIB and RFP, proceed to Stage 6A: Drafting a Bidding Document or RFP document. |
| 5B.8.2 | For shopping procurement, proceed to Stage 6B: Drafting a Request for Quotations Document. |

Stage 6 Bidding Documents

Stage 6A Drafting a Bidding Document or RFP Document

6A.1 Summary of Procedure

|  |  |
| --- | --- |
| 6A.1.1 | This stage provides the standard operating procedure for drafting a bidding document (or Request for Proposals Document - RFP), using one of the standard documents for the SRTF. It also provides the procedure for obtaining “no objection” for the completed document, prior to issue to bidders. |

6A.2 Application

|  |  |
| --- | --- |
| 6A.2.1 | Method: Procurement methods ICB, LIB and NCB (Goods, Works and Non-Consulting Services), or Request for Proposals (Consulting Services). |
| 6A.2.2 | Type: This stage applies to the Procurement of Goods, Works and Consultancy Services, although different standard documents should be used for each, see Guidance Note 1 below. |
| 6A.2.3 | The Request for Proposals document shall be used for the procurement of consulting services and therefore, this stage applies in such instances. |
| 6A.2.4 | A Request for Quotations document shall be used for the procurement of goods, works and services for the Shopping procurement method - see stage 6B for details. |

6A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 6A.3.1 | The bidding document is critical to the success of the procurement process. It informs bidders of:   * the precise description of the goods, works or services required; * the rules for the bidding process; * the evaluation criteria and methodology which will be applied; * any qualification criteria which will be applied; and * the type and conditions of the proposed contract. |
| 6A.3.2 | A well drafted bidding document should result in a successful procurement process. |

6A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 6A.4.1 | Select the appropriate standard bidding document for the requirement – this requires consideration of the type of contract to be used. See guidance note 1 below for a complete list of standard bidding documents. |
| 6A.4.2 | Complete the Bid Data Sheet with details of the tender process e.g. the bid closing date, the address for bid submission, the evaluation criteria to be applied, any qualification criteria to be applied, any requirements for bid and performance securities etc. Further guidance is included in the relevant document. Note that the Bid Data Sheet modifies and completes the Instructions to Bidders – the actual text of the Instructions to Bidders must not be modified. Changes to the Instructions to Bidders can only be made by describing and including the changes in the Bid Data Sheet. |
| 6A.4.3 | Complete the Evaluation Methodology and Criteria with details of the evaluation criteria to be applied, any qualification criteria to be applied etc. Further guidance is included in the relevant document. |
| 6A.4.4 | Consult with the user, and technical specialists if required, regarding finalization of the description of requirements for inclusion in the document - see Stage 2A, Stage 2B, Stage 2C for further guidance. Include the final description in Statement of Requirements of the draft-bidding document. |
| 6A.4.5 | Complete the Special Conditions of Contract with the conditions that will apply to the contract e.g. payment terms, delivery/completion period, warranty, liquidated damages. Further guidance is included in the relevant document. Note that the Special Conditions of Contract modify the General Conditions of Contract – the actual text of the General Conditions of Contract must not be modified. Changes to the General Conditions of Contract can only be made by describing and including the changes in the Special Conditions of Contract. |
| 6A.4.6 | The contract form should be left blank for inclusion in the bidding document, as these details can only be completed when the successful bidder has been decided. |
| 6A.4.7 | Ensure that any related documents have been prepared e.g. the invitation to bid notice or shortlist - Stage 5A, Stage 5B for guidance. |
| 6A.4.8 | Submit the draft bidding document, and related documents for “no objection”. |

6A.5 Guidance Notes

|  |  |
| --- | --- |
|  | 1 – Choice of Standard Bidding Document |
| 6A.5.1 | The following standard bidding documents are available for the use of SRTF funded Projects from Volume 2 of the Procurement Manual and also available from the SRTF website ([www.srtfund.org](http://www.srtf.org)).   * International Competitive Bidding (ICB) Document for the procurement of goods , also to be used for Limited International Bidding (LIB); * International Competitive Bidding (ICB) Document for the procurement of works * National Competitive Bidding (ICB) Document for the procurement of works * Request for Proposals (RFP) for consultancy services |
|  | 2 – Securities |
| 6A.5.2 | A bid or proposal document shall state any requirement for a bid and performance securities, including the amount of the security. A bid security may be requested to deter irresponsible bids and encourage bidders to fulfil the conditions of their bids while a performance security may be requested to protect against non-performance of a contract.  These shall be:   * in a format provided by the bidding or proposal documents; * in a form and from an institution that is wholly acceptable to SRTF * valid for a period prescribed in the bidding or proposal documents.   In the Syrian conflict situation with an affected banking sector it may not be possible for a Syrian bidder to provide a bid security or performance security (see also Part One of the Manual). The bid or proposal documents contain guidance notes in the relevant sections. |
| 6A.5.3 | The bid security shall be released promptly to an unsuccessful bidder upon expiry of the term of the security or upon the formation of a contract with the successful bidder. The bid security of the successful bidder shall not be returned to the bidder until a corresponding performance security is received, if so required by the contract. |
| 6A.5.4 | A performance security shall not be released until all obligations have been fulfilled. A performance security may cover warranty obligations if stated in the bidding or proposal documents.  3 – Advance Payment |
| 6A.5.5 | Where an advance payment is anticipated, a payment security shall be required and the requirement shall be stated in the bidding or proposal documents. An advance payment should normally be recovered from subsequent payments, which shall be subject to a percentage deduction equal to the percentage paid as advance payment.  In the Syrian conflict situation with an affected banking sector it may not be possible for a Syrian bidder to provide a payment security (see also Part One of the Manual). The bid or proposal documents contain guidance notes in the relevant sections. |
| 6A.5.6 | An advance payment may be made for -   * mobilisation or startup costs for the provision of works or services; * the provision of goods, such as items that have to be specially or custom manufactured. |
|  | 4 – Interim or Stage Payment |
| 6A.5.7 | Where best practice or trade practice dictates, arrangements for interim or stage payment should be anticipated in the bid document. These should comply with the following conditions:   * be linked to specific and verifiable deliverables, contract event, time period, or work which should be stated in the bidding or proposal documents and the resulting contract; * not exceed the cost or value of the deliverable, period or work to which it is linked; * require the provision of a payment security if, the benefit to the implementing agency of the goods works or service is not realized until a later stage or until completion. |
|  | 5 - Retained Payment |
| 6A.5.8 | Where it is anticipated that a retained payment is appropriate, the bidding or proposal documents and the resulting contract shall state:   * the percentage or amount of the total contract value to be retained; * the period or the event at which the retention is to be released; * the documents that shall prove or certify the period or event. |
|  | 6 – Taxation |
| 6A.5.9 | For the time being, the payment of taxes, customs duties or similar charges is not expected. However, the bidders are requested to comply with the following rules:   1. the price of goods must be stated DAP Syrian border, and may be stated DDP (Delivered Duty Paid) project site. For goods supplied from within Syria the price should be DDP project site, with costs for national transport and costs for taxes, customs duties and similar charges separately stated. 2. The price for works and service contract should include taxes and similar charges. |
|  | 7 – Insurance |
| 6A.5.11 | The model contracts in the SBDs contain general clauses on risks and the insurance responsibilities of the respective parties.  For international goods procurement these will be defined by the Incoterms selected. Generally the delivery term “Delivered at –specified- Place (DAP)” is recommended, under which the supplier is fully responsible for the goods until delivery at the specified place (may be border crossing), except for import clearance and associated costs. Under this clause there is no need for transport insurance in the name of the Purchaser.  Works and service model contracts have further stipulations on the expectations of the risks to be insured (site, property, death and injury). However, at the time of preparation of this manual the functioning of the insurance market in Syria is extremely limited and the security situation presents severe risks and constraints on insurance. “Self-insurance” by the Contractor may therefore have to be an option. The bid or proposal documents contain guidance notes in the relevant sections (see also Part 1 of the Manual). |
| 6A.5.12 | Preparation of bid documents will need to take these difficulties into account. If necessary, further expert advice should be sought. |

6A.6 Approvals Required

|  |  |
| --- | --- |
| 6A.6.1 | The Implementing Entity is responsible for   * submitting to the SRTF for prior review and obtaining its “no objection”for the following documents: * the proposed bidding document. |
| 6A.6.2 | Only following the ”no objection” by the SRTF may the bidding document be advertised by the publication of any invitation to bid notice released and issued to interested bidders. |

6A.7 Documents/Records Required

|  |  |
| --- | --- |
| 6A.7.1 | A copy of the approved bidding document, along with the ”no objection” from the SRTF, must be retained on the procurement file. |
| 6A.7.2 | It is advisable that a certified copy of the precise bidding document forwarded to the SRTF is indelibly marked or permanently labeled so there is no confusion as to the version of the draft bidding document that was sent to the SRTF. Similarly it is advisable to indelibly mark in the file the version of the draft bidding document that received the SRTF’s ”no objection” and that this is labeled or marked for photocopying and reference throughout the bidding and procurement process. |

6A.8 Next Steps

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| --- | --- |
| 6A.8.1 | Proceed to:   1. Stage 7: Publishing an Invitation to Bid Notice for ICB or NCB; 2. Stage 8: Issuing Invitation Documents for all other methods. |

Stage 6B Drafting a Request for Quotations Document

6B.1 Summary of Procedure

|  |  |
| --- | --- |
| 6B.1.1 | This stage provides the standard operating procedure for drafting a Request for Quotations (RFQ) document, using one of the standard documents available for the SRTF. It also provides the procedure for obtaining “no objection” for the completed document, prior to issue. |

6B.2 Application

|  |  |
| --- | --- |
| 6B.2.1 | Method: A RFQ document is required for the shopping procurement methods (goods, works or services) only. |
| 6B.2.2 | ICB, LIB, NCB and RFP procurement methods use a full bidding document – see Stage 6A for guidance. |
| 6B.2.3 | Type: This stage applies to the procurement of goods, works and consulting services, although different standard documents should be used for each. |

6B.3 Purpose of Procedure

|  |  |
| --- | --- |
| 6B.3.1 | The RFQ document is critical to the success of the procurement process. It informs bidders of:   * the precise description of the goods, works or services required; * the rules for the procurement process; * the evaluation criteria and methodology that will be applied; * any qualification criteria that will be applied; and * the type and conditions of the proposed contract (purchase order). * a well drafted RFQ document should result in a successful procurement process. |

6B.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 6B.4.1 | Select the appropriate standard document for the requirement, which will be the RFQ document for goods, works or consulting services. These are available from Volume 2 of the Procurement Manual and also available from the SRTF website ( www.srtfund.org). |
| 6B.4.2 | Consult with the user and technical specialists if required, regarding finalization of the description for inclusion in the document - see Stage 2A, Stage 2B, Stage 2C for further guidance. Include the final description in the appropriate section of the draft document. |
| 6B.4.3 | Complete details of the procurement process e.g. the bid closing date, the address for submission, the evaluation criteria to be applied, any qualification criteria to be applied etc. Further guidance is included in the relevant document. |
| 6B.4.4 | Complete the Conditions of Contract in the appropriate section with the conditions that will apply to the contract (purchase order) e.g. payment terms, delivery/completion period, warranty, liquidated damages. Further guidance is included in the relevant document. |
| 6B.4.5 | Ensure that a shortlist has been prepared - see Stage 5B for guidance. |
| 6B.4.6 | Submit the draft RFQ document, and shortlist to SRTF for ”no objection”. |

6B.5 Approvals Required

|  |  |
| --- | --- |
| 6B.5.1 | The Implementing Entity is responsible for:   * submitting to the SRTF for prior review and obtaining its “no objection”for the following documents: * the RFQ prior to issue of the document. |
| 6B.5.2 | “No objection” for the shortlist should be sought at the same time. |

6B.6 Documents/Records Required

|  |  |
| --- | --- |
| 6B.6.1 | A copy of the approved RFQ document, along with a copy of the SRTF’s ”no objection” must be retained on the procurement file. |

6B.7 Next Steps

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| --- | --- |
| 6B.7.1 | Proceed to Stage 8: Issuing Invitation Documents. |

Stage 7 Publishing an Invitation to Bid Notice

7A.1 Summary of Procedure

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| --- | --- |
| 7A.1.1 | This stage outlines the rules for publishing an invitation to bid notice. Guidance on the preparation of an invitation to bid notices can be found in stage 5A. |

7A.2 Application

|  |  |
| --- | --- |
| 7A.2.1 | Method: The publication of an invitation to bid notice is required under the ICB and NCB procurement methods. |
| 7A.2.2 | No publication of notices is required for other methods. |
| 7A.2.4 | Type: The publication of notices may apply to the procurement of goods and works. |

7A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 7A.3.1 | Invitation to bid notices are published in order to:   * attract the widest possible competition; * offer all potential bidders a fair opportunity to bid for SRTF funded contracts. |

7A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 7A.4.1 | Upon receipt of the SRTF’s ”no objection”, the Invitation to Bid Notice, at the request of the Implementing Entity SRTF arranges for its publication on its website (www.srtfund.org) , in UN Development Business online ([www.devbusiness.com](http://www.devbusiness.com/)) and in Development Gateway’s dgMarket ([www.dgmarket.com)](http://www.dgmarket.com/). |
| 7A.4.2 | Once the publication date for the bid notice is known, the Implementing Entity should arrange for the publication in at least one newspaper of national circulation in Syria (or in an electronic portal with free access). The local publication of the notice must not occur before publication in the international websites as per step 1 (7A.4.1 above). In specific cases further publication may be arranged outside Syria (e.g. Turkey, if potential bidders are particularly expected from there) or in any specialist publications such as specialized trade journals, including their electronic versions. |
| 7A.4.3 | The Implementing Entity must ensure that as soon as the invitation to bid notice is published, the bidding documents are electronically available. All the bidding documents will be available for viewing and downloading on the website of the SRTF and eventually on the website of the Implementing Entity. |
| 7A.4.4 | The Implementing Entity must ensure that the period between the publication on the SRTF website and the deadline for submission of bids is sufficient to enable bidders to prepare and submit their bids. Generally, for bids this should not be less than eight weeks for ICB and five weeks for NCB procurement methods, and at any rate not less than 6 weeks for ICB and 4 weeks for NCB. For large works or complex equipment this should not be less than twelve weeks. |
| 7A.4.5 | Display the invitation to bid notice in a publicly accessible place in the project head office or the project’s implementing agency. |
| 7A.4.6 | Ensure that sufficient hard copies of the bidding document are available for distribution from the first publication date (also when available on Internet as it should be in most of the cases, as there may be a bidder wishing to obtain a hard copy). |

7A.5 Approvals Required

|  |  |
| --- | --- |
| 7A.5.1 | No approvals are required for publication of the notice, once the SRTF has provided its “no objection”for the draft notice*.* |

7A.6 Documents/Records Required

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| --- | --- |
| 7A.6.1 | A copy of the published notice/ must be kept on file. The Implementing Entity has to forward to SRTF per e mail copies or scanned versions of the publications of the notice not arranged by SRTF. |

7A.7 Next Steps

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| --- | --- |
| 7A.7.1 | Proceed to stage 8: Issuing invitation documents. |

Stage 8 Issuing Invitation Documents

8A.1 Summary of Procedure

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| --- | --- |
| 8A.1.1 | This stage provides the procedure for the physical issue of bidding documents to bidders and keeping records of the documents issued. The stage applies equally to the issue of other invitation documents, such as request for proposals and request for quotations documents. It is not SRTF policy to sell bidding documents; however, in exceptional cases this may be considered (see Stage 5) |
| 8A.1.2 | Guidance on the preparation of the documents is included in stage 6A and 6B. |

8A.2 Application

|  |  |
| --- | --- |
| 8A.2.1 | Method: This stage applies to the ICB, LIB, NCB, shopping and RFP procurement methods. |
| 8A.2.2 | Type: This stage applies to the procurement of goods, works and consultancy services. |

8A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 8A.3.1 | Bidding and other invitation documents must be issued promptly, to provide bidders with sufficient time to prepare and submit their bids. Delays in issuing bidding documents may result in reduced competition, which itself may lead to the cancellation of a bidding process or higher prices for the project. |
| 8A.3.2 | Bid documents must be issued with the same information, within the same period of time, to ensure that the procurement process is fair. |
| 8A.3.3 | It is essential that records are kept of the documents issued at the request of potential bidders, in case of queries or complaints from bidders. With the policy of making bidding documents available by downloading from at least the SRTF website, it is however impossible to keep a record of all documents issued. |
| 8A.3.4 | The Implementing Entity is responsible for managing the issue of bidding documents. |

8A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 8A.4.1 | Where documents are being issued to bidders on a shortlist or pre-qualified list, the documents must be dispatched or sent electronically to all bidders at the same time. A record must be kept of the issue of documents. |
| 8A.4.2 | Where an invitation to bid is being published, bid documents should be uploaded on Internet (see also Stage 5) for viewing and/or downloading by potential bidders. In case the Internet publication is not possible and bid documents are to be sold, bidders may request to preview the documents prior to purchase. Arrangements must be put in place to permit previews, at the address and time stated in the published notice.  The Implementing Entity must ensure that sufficient copies of the bidding document will be available by the date of publication of the first notice. Also when the documents can be downloaded from a website, a potential bidder wishing should be able to obtain a hard copy. |
| 8A.4.3 | In the exceptional case that a fee is charged for the documents (see stage 5), arrangements must be put in place for receiving and confirming payments and issuing receipts. Records must be kept of evidencing that payment has been made. The precise arrangements will depend on the method of payment. |
| 8A.4.4 | Except for documents downloaded from a website, documents must be dispatched promptly to all bidders who respond to any invitation to a bid notice and request to be issued with bidding documents instead of downloading. Documents must be dispatched within 24 hours of receipt of the request or, in the exceptional case that a fee is charged, payment of the fee, whichever is later. A record must be kept of the issue of documents. |

8A.5 Approvals Required

|  |  |
| --- | --- |
| 8A.5.1 | No separate approvals are required for the issue of biding documents once a “no objection”from the SRTF has been obtained for the bidding document, RFP, or RFQ. |

8A.6 Documents/Records Required

|  |  |
| --- | --- |
| 8A.6.1 | In case the bidding documents are not published on internet. a record of the issue of bidding documents must be completed and kept on the procurement file. At a minimum, this record must include:   * name and address of each bidder, to whom the document was issued at the request of the bidder; * date of receipt of the request for the documents, where applicable; * confirmation of the payment of any required fee; * date of issue of the document; * method of dispatch of the document; * signature of the official responsible for the issue of the documents. |

8A.7 Next Steps

|  |  |
| --- | --- |
| 8A.7.1 | Proceed to Stage 9: Managing a Pre-Bid Conference and Site Visit, where a conference or visit is required. |
| 8A.7.2 | Proceed to Stage 10: Handling Bidder Requests for Clarifications, Modifications and Extensions, where any of these are requested by bidders or issued by the Implementing Entity. |
| 8A.7.3 | Proceed to Stage 11: Receiving Bids, where neither of the above apply. |

Stage 9 Managing a Pre-Bid Conference and Site Visit

9A.1 Summary of Procedure

|  |  |
| --- | --- |
| 9A.1.1 | This stage provides the procedure for managing pre-bid conferences, where the project briefs bidders on the procurement requirement and responds to questions from bidders, in order to assist them in preparing their bids. It also provides the procedure for site visits, where bidders are given the opportunity to view the site where goods are to be installed or works or services performed.  During the conflict situation in Syria, a visit on site in Syria may not be advisable or impossible due to security concerns. Therefore the issue of pre-bid conferences / site visits should be approached very cautiously. Where still deemed necessary, as an alternative a location across the border (e.g. Gaziantep, Turkey) could be considered for a pre-bid conference |

9A.2 Application

|  |  |
| --- | --- |
| 9A.2.1 | Method: Pre-bid conferences and/or site visits may be conducted under ICB, LIB, NCB and RFP procurement methods. |
| 9A.2.2 | Conferences or visits are not mandatory, but may be arranged where the procurement is highly technical, where a significant number of requests for clarification are likely to be received or where knowledge of the site is important to bid preparation. The need for pre-bid conferences or site visits must be considered at the procurement planning stage and appropriate provisions included in the bidding document. |
| 9A.2.3 | Pre-bid conferences and site visits should not normally be required under the shopping procurement method, as this is only used for simple, low value procurement requirements. |
| 9A.2.4 | Type: Pre-bid conferences and/or site visits may be required for the procurement of goods, works or consultancy services. |

9A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 9A.3.1 | Pre-bid conferences and site visits are intended to provide a structured way of providing additional information for bidders, which cannot easily be included in a bidding document. A pre-bid conference or site visit can offer the following benefits:   1. the project is able to provide additional information to bidders, ensuring that all bidders receive the same information; 2. bidders are assisted in preparing bids which should be based on more detailed and accurate information, responsive to the user’s needs and less likely to include reservations, conditions or caveats; 3. the project is able to get early warning of any unforeseen queries or problems, while there is still time to modify the bidding document if necessary; 4. the majority of likely requests for clarification can be addressed at the same time; the possibility of contractual disputes, caused by a bidder’s misunderstanding of the project requirements, is reduced. |
| 9A.3.2 | The Implementing Entity has the overall responsibility for managing pre-bid conferences and site visits. Nominated technical specialist(s), must be closely involved to provide responses on technical issues. |

9A.4 Step-by-Step Instructions

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| --- | --- |
| 9A.4.1 | Consider the need for a pre-bid conference or site visit at the procurement planning stage and include details of the location, date and time in the bidding document and any invitation to bid notice. They should be held:   1. early enough during the bidding period, to allow bidders time to take the information into account in preparing their bids; but, 2. not too early in order to provide bidders with sufficient time to study the bidding document and prepare relevant queries.   Where both a pre-bid conference and a site visit are to be held, they should be arranged to coincide wherever possible, particularly where international bidders are likely. |
| 9A.4.2 | Ensure that arrangements are made in advance, including booking a meeting room, ensuring that sufficient, appropriate staff are available, ensuring that access to the site is possible at the appointed time, making appropriate safety arrangements on site if required, preparing an agenda for the conference etc. |
| 9A.4.3 | Brief all staff involved on the procedure for the pre-bid conference and/or site visit, including the responsibilities of each staff member and anticipated questions and answers. |
| 9A.4.4 | The management of the pre-bid conference will be determined by the agenda prepared by the project. Typically, this might include opening and welcome by the project, a brief presentation by the project on the procurement requirement, questions by bidders and closing. Where requests for clarification have been received prior to the conference, these may be used to determine the agenda and prepare responses. |
| 9A.4.5 | The management of any site visit will be determined by the nature and size of the site and the type of procurement envisaged. Bidders should be given a tour of as much of the site as possible and allowed to view any facilities that are being provided by the project. |
| 9A.4.6 | Record full details of the pre-bid conference and/or site visit – see Documents/ Records Required section below. |
| 9A.4.7 | Following completion of the pre-bid conference and/or site visit, issue a record of the meeting to all bidders who were issued with bidding documents, regardless of whether they attended the conference. If the bidding documents were published on the SRTF website, the above mentioned records should be published on the SRTF website too. The record issued must include all questions raised and the formal clarifications issued. |
| 9A.4.8 | Where necessary, issue a formal modification of the bidding document and/or extension to the bidding deadline. |

9A.5 Approvals Required

|  |  |
| --- | --- |
| 9A.5.1 | No approvals are required, unless the pre-bid conference results in substantial modifications to the bidding document. |

9A.6 Documents/Records Required

|  |  |
| --- | --- |
| 9A.6.1 | A record of the pre-bid conference and/or site visit must be completed, kept on the procurement file and distributed to all bidders by publishing at least on the SRTF website. A copy should be issued to SRTF for information. At a minimum, this record must include:   * the date, time and location of the pre-bid conference and/or site visit; * a list of all persons who attended, including both project’s staff and bidders; * a list of all questions asked (without identifying the bidder) and the responses given; * any other information provided to bidders. |

9A.7 Next Steps

|  |  |
| --- | --- |
| 9A.7.1 | Proceed to:   1. Stage 10: Handling Bidder Requests for Clarifications, Modifications and Extensions, if these need to be issued or an extension is required. 2. Stage 11: Receiving Bids, if no further clarifications, modifications or extensions are required. |

Stage 10 Handling Bidder Requests for Clarifications, Modifications and Extensions

10A.1 Summary of Procedure

|  |  |
| --- | --- |
| 10A.1.1 | This stage establishes standard operating procedures for responding to bidder clarifications, issuing modifications to a bidding document and granting extensions of the bid submission deadline:   1. clarifications are requests from bidders for clarification of a particular element of the bidding document, to which the project is required to issue a formal response to all bidders through publication on SRTF website; 2. modifications are formal amendments to the bidding document, which the project may choose to make, either in response to a bidder clarification or on its own initiative; 3. extensions are formal amendments to the bidding documents, extending the deadline for submission of bids, to give bidders more time in which to prepare their bids, normally in response to a bidder request for clarification or modification. |

10A.2 Application

|  |  |
| --- | --- |
| 10A.2.1 | Method: This procedure may apply under any procurement method where a formal invitation document has been issued i.e. to ICB, LIB, NCB, Shopping and RFP procurement methods. |
| 10A.2.2 | Where no requests for clarification are received and the project has no reason to modify a document or extend the bid submission deadline, the procedure will not be required. |
| 10A.2.3 | Type: This procedure applies to the procurement of goods, works and consultancy services. |

10A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 10A.3.1 | Ideally, bidder clarifications, modifications and extensions to the bid submission deadline should not be necessary if the bidding document were of perfect quality. However, where they are required, it is important that clarifications, modifications and extensions are issued promptly and in sufficient time before the bid closing date. It is also essential that the same information is issued to all bidders at the same time. |
| 10A.3.2 | Mishandling of bidder requests for clarifications, modifications and extensions may result in complaints from bidders, unnecessary delays to the bidding process or a reduced number of bids. |
| 10A.3.3 | The Implementing Entity should manage requests for clarifications and the issue of any modifications to the bidding document or extensions to the bid submission deadline. The Implementing Entity should consult, if necessary, with technical specialist, where required on clarifications or modifications to be issued. |

10A.4 Step-by-Step Instructions

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| --- | --- |
| 10A.4.1 | A clarification or modification can be issued, or an extension of the bidding deadline given, either in response to a request for clarification from a bidder or on the project’s own initiative. Where a request is received from a bidder it must be followed by a clarification if it is received before the latest date for clarifications stated in the bidding document. Where it is received later, the Implementing Entity has the option to either:   1. issue a clarification if the clarification is relevant; or, 2. send a reply stating that the request was received after the latest date for clarification requests and that therefore no response will be given. |
| 10A.4.2 | Where a clarification request was received before the deadline for clarifications, agree on the appropriate response to the request for clarification, or agree any modification that the project considers necessary, consulting with the user or technical specialist, where appropriate. |
| 10A.4.3 | Consider whether the clarification or modification is likely to have a significant impact on the preparation of bids and therefore, whether an extension to the bidding deadline should be given. |
| 10A.4.4 | Draft a formal clarification or modification. Where the clarification is in response to a request from a bidder, ensure that the response includes a description of the request, but without identifying the bidder who made the request. Ensure that any extension to the bidding deadline is clearly stated, giving the time and date of the new deadline. State also the revised time and date for any public bid opening. |
| 10A.4.5 | If the clarification or modification involves a substantial change to the bidding document, obtain the ”no objection” of SRTF before issue. |
| 10A.4.6 | Issue the same clarification, modification or extension to all bidders at the same time, keeping a record of its issue. Where a pre-bid conference is to be held, formal issue of the clarification, modification or extension may be delayed until after the pre-bid conference. However, the project must still prepare the clarification, modification or extension, as information will need to be provided at the pre-bid conference and a formal clarification, modification or extension must be issued after the conference and published on the SRTF website. |
| 10A.4.7 | If any extension to the bidding deadline has been given, ensure that arrangements for the receipt of bids and any public bid opening are revised e.g. revise room bookings, advise relevant staff of the new time and date etc. |

10A.5 Approvals Required

|  |  |
| --- | --- |
| 10A.5.1 | The Implementing entity is responsible for:   * submitting to the MU for prior review and obtaining the SRTF “no objection”for the following documents: * any clarification or modification which may involve a substantial change to the original bidding document. |

10A.6 Documents/Records Required

|  |  |
| --- | --- |
| 10A.6.1 | All bidder requests for clarifications should be made in writing, as well as clarifications made by the Implementing Entity. A record must be kept on the procurement file of the issue of all clarifications, modifications or extensions to the bid deadline. At a minimum, this record must include:   * A copy of the publication on the SRTF website, and a copy of any clarification, modification or extension letters sent physically or electronically ; * evidence of dispatch of such letters to concerned bidders e.g. fax confirmations, copies of letters posted etc.; * all acknowledgements of receipt from such bidders; * the “no objection” of the SRTF where this was required. |

10A.7 Next Steps

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| --- | --- |
| 10A.7.1 | Proceed to Stage 11: Receiving Bids. |

Stage 11 Receiving Bids

11A.1 Summary of Procedure

|  |  |
| --- | --- |
| 11A.1.1 | This stage provides a standard operating procedure for the receipt of bids, closing bidding at the time of the deadline and safe-keeping of bids until the time for bid opening. |

11A.2 Application

|  |  |
| --- | --- |
| 11A.2.1 | Method: The formal receipt of bids applies to the ICB, LIB, NCB and RFP procurement methods. |
| 11A.2.2 | The procedure may also apply to the shopping procurement method. |
| 11A.2.3 | Type: This stage applies to the procurement of goods, works and consultancy services. |

11A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 11A.3.1 | This procedure for the formal receipt of bids, closing of bidding and safe-keeping of bids is essential to the integrity of the bidding process because it ensures that:   * submitted bids are kept unopened until the time for the public bid opening, to promote fair competition; * bidding is closed at the precise date and time of the deadline and that no late bids are accepted; * a record is kept of all bids submitted on time, to help avoid the opening of any late bids. |
| 11A.3.2 | The Implementing Entity will manage the receipt of bids, the closing of bidding and be responsible for the safe-keeping of bids until they are delivered for the public opening. |

11A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 11A.4.1 | It is advised to make a locked bid box available during the bidding period, to allow officials of the Implementing Entity to deposit the received bids in the box and issue a receipt in case of hand delivery – see guidance note 1 below for details of bid boxes. The bid box must be labeled with the procurement reference number, particularly where several bid boxes are in use at any one time, for bids closing at different times and dates.  If such bid box cannot be made available, ensure that received bids are securely locked in under supervision of the person responsible for bid opening. |
| 11A.4.2 | Ensure that staff are available during normal working hours to issue receipts for bids, prior to their placement in the bid box and keep a register of received bids. Ensure that a standard format of receipt and register is available – see 11A.7, Documents/Records Required below. |
| 11A.4.3 | Ensure that arrangements are in place for the receipt of bids, or other packages such as samples, which are too large to fit in the bid box. A record must be kept of all bids, or other items, not placed in the bid box and these items must be kept securely and taken with the bids to the location for bid opening at the appointed time. |
| 11A.4.4 | Ensure that staff have been nominated to manage the bid closing and that they know the date and time of the closing. These staff must be at the location for bid receipt before the time of bid closing. |
| 11A.4.5 | Seal the bid box at the precise time on the date of the deadline for bidding (ensuring that the timing is correct). |
| 11A.4.6 | Take the sealed bid box, along with any bids or other items that were too large for the bid box, to the location for the bid opening and deliver it into the custody of the member responsible for the bid opening. The bid box must not be opened or left unsupervised between the bid closing and the bid opening. |

11A.5 Guidance Notes

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| --- | --- |
|  | 1 – Bid Boxes |
| 11A.5.1 | The bid box should have two different locks and the two keys must be held by the chairperson and the secretary of the bid opening session. |
| 11A.5.2 | The bid box should have an opening which is sufficiently large to allow the deposit of most bids, but no so large that a person could reach inside the bid box and remove a bid. |
| 11A.5.3 | The bid box may be in the form of an e mail inbox in case of electronic submission of Bids. In this case, in the bidding documents proper procedures to ensure confidentiality and transparency of the bidding process shall be described. |

11A.6 Approvals Required

|  |  |
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| 11A.6.1 | No approvals are required, although the official responsible for the bid opening should witness the closing of bidding at the time of the deadline. |

11A.7 Documents/Records Required

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| 11A.7.1 | A register of all bids received must be kept on the procurement file, including a record e of other items, which are received, but not placed in the bid box. Copies of all receipts issued to bidders must also be kept on the procurement file. |
| 11A.7.2 | At a minimum, receipts for bids submitted must include:   * the name of the bidders; * the precise time and date of receipt of the bid; * the name and signature of the official in the Implementing Entity receiving the bid and issuing the receipt; and * the number of envelopes/packages received. |

11A.8 Next Steps

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| 11A.8.1 | For Opening bids proceed to:   1. Stage 12A: One stage – Single Envelope for open bidding and restricted bidding. 2. Stage 12B: One stage – Two Envelopes for RFP. |

Stage 12 Opening Bids

Stage 12A One Stage – Single Envelope

12A.1 Summary of Procedure

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| 12A.1.1 | Bids that have been received on time are formally opened and relevant summary details are read aloud and recorded and a formal record is issued signed by the chairperson and secretary of the bid opening session. This must be done publicly in the presence of bidders who choose to attend. This procedure applies to a bidding process where it was determined in the bidding document that a one-stage – Single Envelope system was to be used. |

12A.2 Application

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| 12A.2.1 | Method: This procedure applies to ICB, LIB and NCB procurement methods. |
| 12A.2.2 | Type: This procedure usually applies to the procurement of goods and works. |

12A.3 Purpose of Procedure

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| 12A.3.1 | The public bid opening is an important step in the bidding process as:   1. opening bids publicly helps to demonstrate that the bidding processes is transparent and increase bidders’ confidence in the public procurement process; 2. reading out prices should avoid any disputes regarding price changes at a later date; 3. the formal procedure, which coincides with the bid closing, should prevent late bids from being included in the evaluation. |

12A.4 Step-by-Step Instructions

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| 12A.4.1 | A chairperson should be identified and be responsible for the preparation of staff and availability of resources. |
| 12A.4.2 | The chairperson, with the Implementing Entity, should identify staff to assist with the bid opening session. They should be advised in advance so that a briefing session of their roles and functions can be explained and rehearsed to avoid any doubts and errors during the actual sessions. Staff identified should prepare the room prior to the bid opening time. Staff must ensure that appropriate resources, both physical and human, are available to manage the bid opening efficiently – see guidance note 1 below. The person chairing the bid opening must ensure that all staff involved understand their respective roles in the procedure. |
| 12A.4.3 | The chairperson should welcome bidders to the opening and request them all to sign the record of attendance. He/she should briefly explain the procedure which will be followed, which is normally opening of the bid box, if used, opening of bids, reading out and recording of information by the project, opportunity for bidders to ask questions, closing of meeting and removal of bids for safe-keeping and evaluation. |
| 12A.4.4 | The bid box should be opened and all bids removed and counted. Any bids that were too large for the bid box and received separately must be accounted for, by checking against the record of bids received. Any bids that were not in the bid box or included in the register of bids received must not be opened. |
| 12A.4.5 | Once all bids have been accounted for the bid opening commences:   1. First, envelopes marked “Withdrawal” should be opened one at a time. These should be read out and the envelope containing the corresponding bid located and returned to the bidder unopened. The withdrawal must be noted on the record of the bid opening. 2. Next, envelopes marked “Modification” should be opened one at a time and the envelope containing the corresponding bid located and opened. Details of the modified bid should be read out and recorded, ensuring that the details relate to the modified, not the original, bid. See guidance note 2 below for guidance on the details to be read out. Both the original bid and modification should be stamped on key pages and signed or initialled by the chairperson of the opening. For guidance on the key pages, see guidance note 3 below. 3. Once the location of withdrawn and modified bids has been completed, all other bids should be opened, one at a time, and the relevant details read out and recorded. Each bid should be stamped on key pages and/or signed or initialled by three staff officials attending the opening. Each bid should also be marked with a consecutive number (1, 2, 3 etc), corresponding to its number on the bid opening record. With the exception of late bids, the bid opening committee must not make any comments regarding the acceptance or rejection of any bid. Any missing or incorrect documents should be noted in the record of bid opening, but not commented on. 4. When all bids received on time have been opened, read out and recorded, the chairperson should allow bidders to ask questions. For guidance on answering such questions, see guidance note 4 below. 5. The chairperson should close the bid-opening meeting, reminding bidders that details of the contract awards will be published in due course. Copies of the bid opening record should be distributed to bidders and the SRTF for information.   The original record should be added to the procurement file. The original must be signed by the chairperson and the secretary of the bid opening. |
| 12A.4.6 | All bids should be immediately taken to a place of safe keeping, until the evaluation committee is ready to meet. Any bid securities must also be kept securely. |
| 12A.4.7 | Where bid openings for more than one bidding process are conducted at the same time, they must be conducted consecutively, with one opening completed, recorded and bids removed, before the next opening commences. |

12A.5 Guidance Notes

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|  | 1 – Resources for Bid Opening |
| 12A.5.1 | Physical resources for an efficient bid opening include:   * a room which is accessible to bidders, arranged so that bidders’ representatives are seated at a short distance from the table where the opening is to be conducted. It is important that bidders witness, rather than participate in, a bid opening procedure; * office materials, such as scissors, marker pens, tape etc. for opening and marking of bids; * a copy of the bidding document, in case there is a need to refer to the bidding instructions or other details; * blank forms for recording bid details and sufficient pens; * blank attendance forms and pens, for all bidders and other attendees to sign their attendance. * Prompt access to photocopying facilities for distributing copies of the bid openingrecord will also be required. |
| 12A.5.2 | Sufficient staff should be on hand to ensure that the opening proceeds efficiently. Different staff should normally be responsible for the following tasks:   * chairing the bid opening; * opening the bids, numbering and passing the bids to the chairperson to read out; * recording the details of the bid opening; * ensuring the safe-keeping of opened bids; * ensuring that bidders sign the attendance record. |
| 12A.5.3 | It is resource efficient and beneficial for the members of the bid opening team to position themselves at the bid opening table so as the process of opening, stamping, reading, recording and securing the bids flows in one direction around the table (i.e. starts on the left and proceeds to the right, or starts on the right and proceeds to the left). |
| 12A.5.4 | Equally it is important that bidders representatives are positioned away from and separate to the actual bid opening table. |
|  | 2 – Information to be Read Out |
| 12A.5.5 | Information to be read out should be as stated in the bidding document. This must include at least:   * the name and address of each bidder; * the total price of each bid, stating the currency and amount, as well as any discounts, prices of optional items and any alternative bids if permitted. |
| 12A.5.6 | It may also include:   * the presence or absence of a bid security, and the form and amount of the bid security, where one was requested in the bidding document; * other details stated in the bidding document. |
| 12A.5.7 | No additional information concerning any bid should be read out, other than that required by the bidding document. |
|  | 3 – Key Pages of Bids |
| 12A.5.8 | The key pages of bids, which require stamping and/or signing or initialling should be determined prior to the opening by the chairperson by referring to the bidding documents. As guidance, they should include at least:   * the bid submission form; * any pages with financial information, such as price schedules and bills of quantities. |
| 12A.5.9 | Stamping and/or signing of standard literature and brochures is not normally required. In determining the key pages, it should be remembered that stamping and/or signing of excessive numbers of pages can be time-consuming, especially where a large number of bids are received. Stamping and/or signing is only required on the original of the bid and not any copies. |
|  | 4 – Questions from Bidders |
| 12A.5.10 | Information given should normally be restricted to that which is included in the bidding document. Staff should seek to refer bidders back to the bidding document, rather than risk giving contradictory responses. |
| 12A.5.11 | Staff managing a public bid opening must take care not to answer questions regarding the acceptance or rejection of bids, or to discuss the specific details of any bid. A standard response of “that will be decided by the evaluation committee” may be given to such questions. |
| 12A.5.12 | The names of staff who will be evaluating the bids must not be revealed under any circumstances, even if bidders request the information. This confidentiality regarding the names of evaluators should reduce opportunities to influence the evaluation. |

12A.6 Approvals Required

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| 12A.6.1 | No approvals are required for the public bid opening although it is required to send a copy of the bid opening record to SRTF as soon as the opening has finished. |

12A.7 Documents/Records Required

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| 12A.7.1 | A record of the bid opening must be completed and kept on the procurement file. At a minimum, this record must include:   * names of all bidders whose bids were opened; * total prices of the bids read out and prices per lot in case of lots; * presence or absence of a bid security if one was required and the form and amount of the security; * number of copies of the bid received; * any withdrawals or modifications. |
| 12A.7.2 | Copies of the record must be distributed to bidders on request. Copies of the record of each bid opening should be published on the SRTF website and may be displayed on a Implementing Entity (electronic) notice board, if any, freely accessible to the public. |
| 12A.7.3 | Copies of the record of the bid openings should be sent to the SRTF for information and uploading on the SRTF website at the end of the bid opening. |
| 12A.7.4 | The original record of the bid opening signed by the chairperson must be kept on the procurement file. |

12A.8 Next Steps

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| 12A.8.1 | Proceed to Stage 13A: General Evaluation Procedures for Goods and Works. |

Stage 12B One Stage – Two Envelopes

12B.1 Summary of Procedure

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| 12B.1.1 | For a bidding process where it was determined in the bidding document that a One stage – Two Envelope system was to be used, a slightly different methodology is used to the One stage – One Envelope system. |
| 12B.1.2 | The outer envelope of bids that have been received on time are opened publicly to obtain the envelopes containing the separately sealed technical and financial proposals within. The technical proposals are also opened and summary details read out and recorded. Financial proposals are kept sealed until the technical evaluation has been completed and approved. |
| 12B.1.3 | The envelopes containing the financial proposals of bids proceeding to the financial evaluation are opened publicly at a separate bid opening, at a date and time notified after the technical evaluation has been completed. Summary details, including technical scores and prices, are read out and recorded. |

12B.2 Application

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| 12B.2.1 | Method: This procedure applies to the RFP methods. |
| 12B.2.2 | Type: This procedure usually applies to the procurement of consultancy services only. |

12B.3 Purpose of Procedure

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| 12B.3.1 | The public bid opening is an important step in the bidding process as:   1. opening priced bids publicly helps to demonstrate that the bidding processes is transparent and increase bidders’ confidence in the procurement process; 2. the formal procedure, which coincides with the bid closing, should prevent late bids from being included in the evaluation. 3. reading out technical scores and prices at the financial opening should avoid any disputes regarding changes of price or the evaluation results at a later date; |

12B.4 Step-by-Step Instructions (Technical Opening)

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| 12B.4.1 | Prepare the room prior to the bid opening time. Staff must ensure that appropriate resources, both physical and human, are available to manage the bid opening efficiently – see guidance note 1 below. |
| 12B.4.2 | A chairperson should be identified by the Implementing Entity and be responsible for the preparation of staff and availability of resources. |
| 12B.4.3 | The chairperson with the Implementing Entity should identify staff to assist with the bid opening session. They should be advised in advance so that a briefing session of their roles and functions can be explained and rehearsed to avoid any doubts and errors during the actual sessions. Staff identified should prepare the room prior to the bid opening time. Staff must ensure that appropriate resources, both physical and human, are available to manage the bid opening efficiently – see guidance note 1 below. The person chairing the opening must ensure that all staff involved understand their respective roles in the procedure. |
| 12B.4.4 | Prepare the room prior to the bid opening time. Staff must ensure that appropriate resources, both physical and human, are available to manage the bid opening efficiently – see guidance note 1 below. |
| 12B.4.5 | The chairperson should welcome bidders, if any, and request them all to sign the record of attendance. He/she should briefly explain the procedure which will be followed which is normally opening of the bid box, if any, opening of outer envelopes, opening of technical proposals, reading out and recording of information, closing of meeting and removal of proposals for safe-keeping and evaluation. |
| 12B.4.6 | The bid box, if used, should be opened and all proposals removed and counted. Any proposals that were too large for the bid box and received separately must be accounted for, by checking against the register of proposals received. Any proposals which were not in the bid box or included in the record of bids received must not be opened.   1. First, envelopes marked “Withdrawal” should be opened one at a time. These should be read out and the envelope containing the corresponding proposal located and returned to the bidder unopened. The withdrawal must be noted on the record of the bid opening. 2. Next, envelopes marked “Modification” should be opened one at a time and the envelope containing the corresponding proposal located and the outer envelope opened. The envelopes marked “technical proposal” should be opened and details of the modified proposal should be read out and recorded, ensuring that the details relate to the modified, not the original, proposal. See guidance note 2 below for guidance on the details to be read out. Both the original technical proposal and modification should be stamped on key pages and signed or initialed by the chairperson of the opening. For guidance on the key pages, see guidance note 3 below. 3. The outer envelopes of all other proposals should be opened, one at a time, the technical proposals within them opened and relevant details read out and recorded. Each technical proposal should be stamped and/or signed or initialed on key pages by the chairperson of the opening or a staff official designated by him/her. Each proposal should also be marked with a number (1, 2, 3 etc.), corresponding to its number on the bid opening record. With the exception of late proposals, the bid opening committee must not make any comments regarding the acceptance or rejection of any proposal. Any missing or incorrect documents should be noted in the record of bid opening, but not commented on. 4. The chairperson should close the bid opening meeting, stating that the arrangements for the financial opening will be announced in due course.   Copies of the bid opening record should be distributed to bidders on request and the SRTF for information and uploading on SRTF website. The original record should be added to the procurement file. The original Record should be signed by the chairperson and the Secretary. |
| 12B.4.7 | The chairperson should close the bid opening meeting, reminding bidders that they must not seek to influence the evaluation and that the information about the opening of the financial offers will be published in due course. |
| 12B.4.8 | Copies of the bid opening record should be distributed to bidders. The original record signed by the chairperson and secretary should be added to the procurement file. |
| 12B.4.9 | All technical proposals should be immediately taken to a place of safe keeping, until the evaluation committee is ready to meet. All financial proposals and any bid securities must also be kept securely. |
| 12B.4.10 | Where bid openings for more than one procurement process are conducted at the same time, they must be conducted consecutively, with one opening completed, recorded and proposals removed, before the next opening commences. |

12B.5 Step-by-Step Instructions (Financial Opening)

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| 12B.5.1 | The identified chairperson should be responsible for the preparation of staff and availability of resources. |
| 12B.5.2 | The chairperson with the Implementing Entity should identify staff to assist with the bid opening session. They should be advised in advance so that a briefing session of their roles and functions can be explained and rehearsed to avoid any doubts and errors during the actual sessions. Staff identified should prepare the room prior to the bid opening time. Staff must ensure that appropriate resources, both physical and human, are available to manage the bid opening efficiently – see guidance note 1 below. The person chairing the opening must ensure that all staff involved understand their respective roles in the procedure. |
| 12B.5.3 | Ensure that all bidders whose proposals are proceeding to the financial opening have been notified of the time, date and location for the opening, at least two weeks prior to the opening. |
| 12B.5.4 | Prepare the room prior to the bid opening time. Staff must ensure that appropriate resources, both physical and human, are available to manage the bid opening efficiently – see guidance note 1 below. |
| 12B.5.5 | The chairperson should welcome bidders to the financial opening and request them all to sign the record of attendance. He/she should briefly explain the procedure which will be followed, which is normally reading out technical scores, opening of financial proposals, reading out and recording of financial information and providing the opportunity for bidders to ask questions, closing of meeting and removal of financial proposals for safe-keeping and evaluation. |
| 12B.5.6 | The chairperson should then proceed to read out the names of all bidders whose proposals are proceeding to the financial evaluation and their respective technical scores. The bid opening committee must not discuss these scores or the results of the technical evaluation in any way. |
| 12B.5.7 | Open the financial proposals, one at a time, and read out and record the relevant details – see guidance note 5 below for details to be read out. Each financial proposal should be stamped and/or signed or initialed on key pages by the chairperson of the opening – see guidance note 6 below for details of the key pages. The bid opening committee must not make any comments regarding the prices or the financial evaluation. |
| 12B.5.8 | When all relevant financial proposals received on time have been opened, read out and recorded, the chairperson should allow bidders to ask questions. For guidance on answering such questions, see guidance note 4 below. |
| 12B.5.9 | The chairperson should close the bid opening meeting, reminding bidders that they must not seek to influence the financial evaluation and that the contract award information will be published in due course. |
| 12B.5.10 | Copies of the bid opening record should be distributed to bidders on request and SRTF for information and uploading on SRTF website. The original record signed by the chairperson and secretary should be added to the procurement file. |
| 12B.5.11 | All financial proposals should be taken immediately to a place of safe keeping, until the evaluation committee is ready to meet. |
| 12B.5.12 | Where bid openings for more than one procurement process are conducted at the same time, they must be conducted consecutively, with one opening completed, recorded and proposals removed, before the next opening commences. |

12B.6 Guidance Note

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|  | 1 - Resources for Bid Opening |
| 12B.6.1 | Physical resources for an efficient bid opening include:   1. a room which is accessible to bidders, arranged so that bidders’ representatives are seated at a short distance from the table where the opening is to be conducted. It is important that bidders witness, rather than participate in, the bid opening procedure; 2. office materials, such as scissors, marker pens, cellotape etc., for opening and marking of bids; 3. a copy of the bidding document, in case there is a need to refer to the bidding instructions or other details; 4. blank forms for recording bid details and sufficient pens; 5. blank attendance forms and pens, for all bidders and other attendees to sign their attendance; 6. details of the technical scores to be read out, during the financial opening. 7. access promptly to photocopying facilities for distributing copies of the bid opening record. |
| 12B.6.2 | Sufficient staff should be on hand to ensure that the opening proceeds efficiently. Different staff should normally be responsible for the following tasks:   * chairing the bid opening; * opening the proposals, numbering and passing the proposals to the chairperson to read out; * recording the details of the bid opening; * ensuring the safe-keeping of both opened proposals and the sealed financial proposals at the first stage; * ensuring that bidders sign the attendance record. |
| 12B.6.3 | It is resource efficient and beneficial for the members of the bid opening team to position themselves at the bid opening table so as the process of opening, stamping, reading, recording and securing the bids flows in one direction around the table (i.e. starts on the left and proceeds to the right, or starts on the right and proceeds to the left). Equally it is important that bidders representatives are positioned away from and separate to the actual bid opening table. |
|  | 2 - Information to be Read Out at Technical Opening: |
| 12B.6.4 | Information to be read out should be as stated in the bidding document. This must include at least the name and address of each bidder, including the names of all parties to a joint venture, consortium or association. |
| 12B.6.5 | No additional information concerning any proposal should be read out, other than that required by the bidding document. No financial information will be read out, as financial proposals will remain sealed at this stage. |
|  | 3 – Key Pages of Technical Proposal: |
| 12B.6.6 | The key pages, which require stamping and/or signing or initialing, should be determined by the chairperson. As guidance, they should include at least the technical proposal submission form and the sealed envelope containing the financial proposal. Stamping and signing of standard literature and brochures is not normally required. |
| 12B.6.7 | In determining the key pages, it should be remembered that stamping and/or signing of excessive numbers of pages can be time-consuming. It is only required on the original of the technical proposal and not any copies. |
|  | 4 – Questions from Bidders |
| 12B.6.8 | Information given should normally be restricted to that which is included in the bidding document and, in the case of a financial opening, the technical scores which have been read out. Staff should seek to refer bidders back to the bidding document (request for proposals), rather than risk giving contradictory responses. |
| 12B.6.9 | Staff managing a public bid opening must take care not to answer questions regarding the acceptance or rejection of proposals, or to discuss the specific details of any proposal, score or price. A standard response of “that will be decided by the evaluation committee” may be given to such questions. |
| 12B.6.10 | The names of staff who will be evaluating the bids must not be revealed under any circumstances, even if the information is requested by bidders. This confidentiality regarding the names of evaluators should reduce opportunities to influence the evaluation. |
|  | 5 – Information to be Read Out at Financial Opening: |
| 12B.6.11 | The total technical scores of each bidder must be read out, prior to the opening of the financial envelopes. |
| 12B.6.12 | The name of each bidder and the total price of the financial proposal should be read out. |
| 12B.6.13 | No additional information concerning any proposal should be read out. The breakdown of any total technical score or a breakdown of the total price must not be read out. |
|  | 6 – Key Pages of Financial Proposal: |
| 12B.6.14 | The key pages, which require stamping and/or signing or initialling should be determined by the chairperson of the opening. As guidance, they should include at least the:   * financial proposal submission form; * summary of costs. |
| 12B.6.15 | The chairperson may also choose to stamp and sign pages giving the breakdown of costs. |
| 12B.6.16 | In determining the key pages, it should be remembered that stamping and/or signing of excessive numbers of pages can be time-consuming. Stamping and signing is only required on the original of the financial proposal and not any copies. |
|  | Approvals Required |
| 12B.6.17 | No approvals are required for the public bid openings although a copy of the bid opening record must be sent to the SRTF for information as soon as the opening has finished. |
|  | Documents/Records Required |
| 12B.6.19 | At a minimum, the record of the technical opening must include:   * the names and addresses of all bidders whose proposals were opened; * the presence or absence of a bid security if one was required and the form and amount of the security; * the number of copies of the technical proposal received; * any withdrawals or modifications. |
| 12B.6.20 | At a minimum, the record of the financial opening must include the:   * names of all bidders whose proposals are proceeding to the financial evaluation; * technical score of each bidder proceeding to the financial evaluation; * total price of each financial proposal; * number of copies of the financial proposal received. |
| 12B.6.21 | Copies of record of each bid opening should be:   * available from SRTF website and displayed on Implementing Entity (electronic) notice board, if any, freely accessible to the public. * distributed to bidders on request. * the record of the technical and financial bid openings must be sent to the SRTF at the end of each bid opening. * the original record of the bid opening signed by the chairperson and the secretary must be kept on the procurement file. |

12B.7 Next Steps

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| 12B.7.1 | Proceed to stage 14: General evaluation procedures for consultancy services. |

Stage 13 Evaluation for Goods and Works

Stage 13A General Evaluation Procedures for Goods and Works

13A.1 Summary of Procedure

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| 13A.1.1 | This stage sets out general procedures for evaluating bids for goods and works. It must be read in conjunction with the relevant stage for the particular evaluation methodology to be used, which will be either:   * stage 13A: Evaluating offers for goods; or * stage 13B: Evaluating offers for works. |
| 13A.1.2 | Evaluations will vary for goods and works, but the evaluation methodology will always consist of the following stages:   1. a preliminary screening, to eliminate bids which do not comply with the basic requirements of the bidding document; 2. a detailed evaluation, to determine whether bids are substantially responsive to the technical and commercial requirements of the bidding document; 3. a financial evaluation to compare the costs of responsive bids and determine which is the lowest evaluated responsive bid; 4. a verification of the qualification of the bidder having submitted the lowest evaluated responsive bid on a pass/fail basis:  * if this bidder passes the verification he should be recommended for award of contract; * if this bidder does not pass the verification, the bid is rejected and the next lowest evaluated bidder shall be similarly considered, etc. |
| 13A.1.3 | A diagram summarizing this evaluation methodology is shown at Figure 4. |

13A.2 Application

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| 13A.2.1 | Method: The general principles in this stage apply to evaluations under the ICB, LIB, NCB and shopping procurement methods. |
| 13A.2.2 | Type: These general principles apply to the evaluation of bids for goods and works. The detailed methodologies for each are included in Stage 13B and Stage 13C respectively. |
| 13A.2.3 | The evaluation of proposals for consultancy services is covered by Stage 14. |

13A.3 Purpose of Procedure

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| 13A.3.1 | The purpose of evaluation is to objectively assess and compare all bids received, using a methodology and criteria pre-defined in the bidding document, to determine which is the successful bidder, who should be awarded a contract. A well conducted evaluation should ensure that:   * competition is fair and that all bidders have an equal opportunity of winning SRTF funded contracts; * the goods and works purchased under the contract are of appropriate quality; and * the project gets the best possible value for money. |
| 13A.3.2 | The Implementing Entity has the overall responsibility for evaluations, but will obtain technical advice from the user or other technical specialists (who must be independent from all bidders, i.e. having no conflicts of interest), as required. |

13A.4 Step-by-Step Instructions

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| 13A.4.1 | Read this section in conjunction with the detailed step-by-step instructions in stage 13B and 13C as appropriate. |
| 13A.4.2 | Appropriate member(s) of staff should be identified to manage the evaluation – see guidance note 1 below for assistance in selecting staff. Assistance, if requested, may be asked to the SRTF. |
| 13A.4.3 | Review and list the requirements, instructions and evaluation criteria specified in the bidding document and ensure that these are clearly understood. Seek clarification from the person responsible for writing the bidding document, where necessary. The evaluation must apply all the criteria specified in the bidding document, and no new or varied criteria. |
| 13A.4.4 | The member of the Implementing Entity responsible for managing the evaluation should meet with any selected evaluator(s) to review the evaluation methodology and criteria specified in the bidding document and ensure that it is fully and clearly understood by all evaluators. Then proceed as follows:   1. Conduct a preliminary screening – see guidance note 2 below for further details. Eliminate bids that do not pass the preliminary screening; 2. Conduct a detailed evaluation on the bids that passed the preliminary screening – see guidance note 3 below for further details. See also guidance note 4 below for assistance in determining responsiveness and identifying material and non-material deviations; 3. Correct bids or seek clarification from bidders as required – see guidance note 5 below on areas where clarifications are permitted and the procedure for clarification and correction of bids; 4. Conduct a financial evaluation on the bids that passed the detailed evaluation to determine the lowest cost bid– see guidance note 6 below for further details. See also guidance note 7 on the correction of arithmetic errors and guidance note 8 on the application of discounts. 5. Conduct a post-qualification on the successful bidder – see Stage 15 for guidance. 6. Prepare an evaluation report for submission to the MU for a SRTF ”no objection” – see 13C.7, Documents/Records Required for details of the contents of the report. Recommended formats for evaluation reports are included in the annex to this Manual. 7. Request bidders to extend the validity of their bids at any point during this process if required – see guidance note 9 for details of the procedure. |
| 13A.4.5 | No communications accepting or rejecting any bid, or indicating the successful bid, must be sent to any bidder before the evaluation report’s ”no objection” from the SRTF is obtained. |

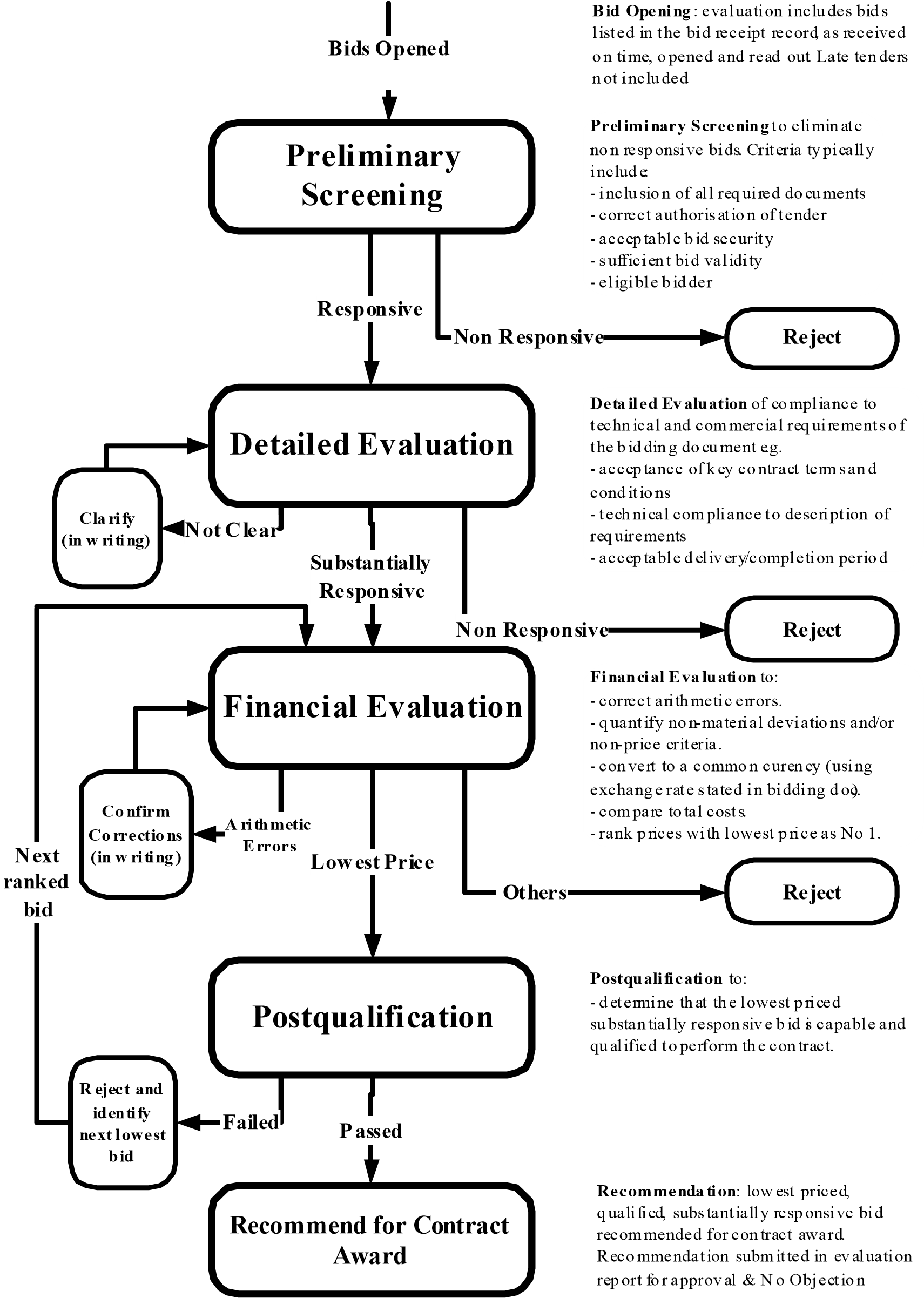
13A.5 Guidance Notes

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|  | 1 – Selecting Staff to Conduct Evaluations |
| 13A.5.1 | The Implementing entity has overall responsibility for conducting evaluations and preparing evaluation reports, to be submitted to the SRTF for their ”no objection”. However, evaluations will frequently require inputs from other staff, particularly those with technical knowledge of the goods and works being procured. The head of the Implementing Entity must select the most appropriate member[s] of staff (or outside experts), to conduct each evaluation. The appropriate number and type of staff will depend on the type, value and complexity of the procurement. It is good practice to appoint an evaluation committee of three to five members. In addition:   * an evaluation under the shopping procurement method for routine stationery items could be conducted entirely by one (or two) members of the Implementing Entity; * an evaluation for a construction contract will require inputs from at least one civil works engineer; * any evaluation of a high value or complex procurement should always be conducted jointly by an evaluation team. |
| 13A.5.2 | Each evaluation should be allocated to a member of the Implementing Entity to manage. He/she will also chair the evaluation team. That member of staff will then be responsible for coordinating any inputs from other staff, ensuring that the evaluation is conducted on time and in accordance with all applicable rules and procedures and preparing an evaluation report. |
| 13A.5.3 | In identifying staff to provide inputs to an evaluation or to be members of an evaluation team, the head of the Implementing Entity must consider the type of skills, knowledge or experience needed, which might include:   * procurement and contracting skills; * technical knowledge; * financial management skills; * legal expertise; * representation by the user; and * specialist knowledge or experience. |
|  | 2 - Preliminary Screening |
| 13A.5.4 | The preliminary screening is conducted to determine whether bids comply with the basic instructions and requirements of the bidding document. It enables the evaluators to eliminate the weakest bids, without the time and effort spent in conducting a detailed evaluation. |
| 13A.5.5 | The preliminary screening is conducted on a pass or fail basis, with bids that are not substantially compliant being rejected. The criteria to be used for the preliminary screening depend on the requirements and instructions of the bidding document, so the preliminary screening must always start with a review of the bidding document to list the requirements to be met. As guidance only, the preliminary screening might typically include checks of the following:   * submission of a bid security, if one was required in the bidding document, in the correct form and amount and from an acceptable financial institution; * submission of an original and the correct number of copies of the bid; * submission of all forms and documents required, including, in particular the bid submission form and any required price schedules; * signature and authorization of the bid in accordance with the instructions in the bidding document, including any required power of attorney; * correct bid validity; * the bid is for all items included in the bidding document, or in a particular lot, if so required by the bidding document; * submission of any additional documentation or samples required. |
|  | 3 – Detailed Evaluation |
| 13A.5.6 | The detailed evaluation must only be conducted on bids that passed the preliminary screening. |
| 13A.5.7 | The detailed evaluation is conducted to determine whether bids are substantially responsive to the technical and commercial requirements of the bidding document. The technical evaluation is usually conducted on a pass or fail basis; only bids which are responsive, or substantially responsive, to the requirements of the bidding document are included in the subsequent financial evaluation. Non responsive bids are eliminated from the evaluation. |
| 13A.5.8 | The ways of assessing responsiveness will vary considerably between evaluations for goods, and works. Therefore, further guidance on the detailed evaluation is included in Stage 13B and Stage 13C respectively. |
|  | 4 – Determining Responsiveness |
| 13A.5.9 | In evaluating bids, the evaluator(s) is required to decide whether a bid is “responsive” (i.e. meets the bidding document’s requirements) or “non-responsive” (i.e. does not meet the bidding document’s requirements). |
| 13A.5.10 | In practice, few bids are perfect and therefore, the key test is whether a bid is “substantially responsive”. A “substantially responsive” bid is defined as a bid that conforms to all the instructions, requirements, terms and conditions of the bidding document without material deviation, reservation, or omission. In other words, minor (or “non-material”) errors or problems can be accepted by the evaluator(s), while bids with major (or “material”) errors or problems must be rejected. |
| 13A.5.11 | As a general rule, a material deviation, reservation, or omission is one that:   * affects the scope, quality or performance of the goods, works or services in a substantial way; or * would limit the project’s rights or the bidder’s obligations under the contract in a substantial way; or * would unfairly affect the competitive position of other bidders if these were corrected. |
| 13A.5.12 | Determining whether a deviation is material or non-material is a decision for the evaluator(s). The decision must be based on the contents of the bid only. Additional information or previous knowledge of a product or bidder must not be taken into account. |
| 13A.5.13 | What is a material or non-material deviation will vary between different bidding procedures, depending on the particular requirements of each. However, decisions on what constitute material and non-material deviations must be applied consistently to all bids which are part of the same evaluation process. |
| 13A.5.14 | In deciding whether deviations are material or non-material, the evaluator(s) should consider the impact on key factors, such as cost, risk, time and quality of the procurement. As guidance only, material deviations, reservations or omissions are likely to include:   * unacceptable schedules for delivery or completion; * unacceptable technical details, such as design, materials, workmanship, specifications, standards or methodologies; and * unacceptable counter-proposals on key contract terms and conditions, such as payment terms, price adjustment, liquidated damages, sub-contracting or warranty. |
| 13A.5.15 | As guidance only, non-material deviations, reservations or omissions are likely to include:   * minor differences in delivery or completion schedules, where time is not critical; * the omission of minor items; * arithmetic errors; * alternative technical details, such as design, materials, workmanship, specifications, standards or methodologies, which are substantially responsive and acceptable to the project; and * minor amendments to contract terms and conditions, which are acceptable to the project. |
| 13A.5.16 | Where a bid is determined to be substantially responsive, the evaluator[s] may waive, clarify or assess in monetary terms the non-conformity, error or omission in the bid – see guidance note 5 below for further details. |
|  | 5 – Bid Clarifications from Bidders and Corrections |
| 13A.5.17 | Where information contained in a bid is unclear, the evaluator(s) may seek clarification of the information from the bidder. Clarifications cannot be used to amend the price of the bid (with the exception of the correction of arithmetic errors), to correct material deviations or to make other significant changes to any aspect of the bid. |
| 13A.5.18 | Requests for clarification must be addressed to the bidder in writing and must state that a written response is required by a specified date. The request must also state that failure by the bidder to respond to the request may result in the rejection of his bid. |
| 13A.5.19 | Where a bid includes non-material deviations, errors or omissions, the evaluator(s) may choose to accept or to correct them. In order to make the evaluation fair to all bidders, the nonconformity should be quantified and expressed in monetary terms, wherever possible. This amount should then be added to the bid price, for purposes of the financial evaluation only, to reflect the price or cost of the missing or non-conforming item. |
| 13A.5.20 | For example, where a bid for goods does not include the price of a spare part or consumable item, the price of the missing item should be added to the bid price, using the highest price for the same item from the other bids or another reliable source of information. |
| 13A.5.21 | As a further example, where a bid includes a slightly later delivery date than required by the bidding document and this delay is acceptable to the project, the late delivery could be quantified and expressed in monetary terms, using the monetary penalties for liquidated damages contained in the draft contract. |
|  | 6 – Financial Evaluation |
| 13A.5.22 | The financial evaluation must only be conducted on bids that were determined to be substantially responsive during the detailed evaluation. |
| 13A.5.23 | The financial evaluation is conducted to determine the evaluated price of bids, rank the bids according to their evaluated price and identify the lowest priced bid. This will be the successful bid, which should be recommended for award of contract. |
| 13A.5.24 | Unless otherwise required by the instructions in the bidding document, the procedure for determining the evaluated price of each bid is as follows:   1. determine the total bid price, including or excluding particular costs, as indicated in the bidding document e.g. the bidding document may give particular instructions on the exclusion of provisional sums and contingencies, but the inclusion of competitively priced day-works, in bids for works; 2. correct any arithmetic errors – see guidance note 7 below; 3. apply any non-conditional discounts offered by bidders – see guidance note 8 below; 4. convert all bids to a single evaluation currency for purposes of comparison, using the currency and the date and source of the exchange rate specified in the bidding document (if allowed); 5. make adjustments for any non-material nonconformities, errors or omissions; 6. apply any non-price criteria specified in the bidding document; 7. determine the total evaluated price of each bid. |
| 13A.5.25 | Where the evaluation is for a procurement requirement consisting of more than one lot and bidders are permitted to offer discounts which are conditional on the award of contracts for more than one lot, these must be taken into account in a further financial evaluation at this stage – see guidance note 8 below. |
|  | 7 – Arithmetic Errors |
| 13A.5.26 | In conducting a financial evaluation, arithmetic errors may be corrected by the evaluator(s). The procedure for correcting arithmetic errors is normally stated in bidding documents and the procedure stated must be used. This is normally the procedure stated below. |
| 13A.5.27 | Where no specific procedure is stated in the bidding document, the following procedure should be applied:   1. if there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected, unless in the opinion of the evaluator(s) there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price shall be corrected; 2. if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and 3. if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to the notes above. |
| 13A.5.28 | Bidders should be notified in writing of any arithmetic corrections made.. |
|  | 8 – Discounts |
| 13A.5.29 | Bidders are permitted to offer discounts to their bid prices, provided that any discounts are included in their form of bid (and was read-out at public bid opening). Discounts, or any other change in price, are not permitted after the bid closing date. Non-conditional discounts should be taken into account in the evaluated price of the bids. |
| 13A.5.30 | Prompt payment discounts, which are conditional on prompt payment by the project, must not be taken into account in the financial evaluation, but should be included as a contract term, if the bid is accepted. |
| 13A.5.31 | If so stated in the bidding document, bidders may be permitted to offer conditional (or cross) discounts i.e. discounts that are conditional on the simultaneous award of contracts for more than one lot. Conditional discounts should be excluded from the main financial evaluation. |
| 13A.5.32 | Following completion of the financial evaluation and determination of the successful bid(s), a further financial comparison should be conducted to take any conditional discounts into account. This comparison must identify the best overall value for money for the project i.e. the combination of contract awards that offers the lowest total price, subject to verification that the bidders meet the post qualification criteria for all the contracts, which are awarded to them. |
|  | 9 – Requesting Extensions to Bid Validity |
| 13A.5.33 | The bid validity period requested in the bidding document should normally be sufficient to enable the project to undertake the evaluation, obtain the necessary IE internal and SRTF “no objections” and place a contract. Therefore, extensions to the validity of bids should not normally be required. |
| 13A.5.34 | Where the Implementing Entity considers an extension to the validity of bids necessary, all bidders should be requested, in writing, to extend the validity of their bids for an additional specified period of time. This request should be issued a reasonable period before the expiry of the validity of bids, to give sufficient time for responses to be received. |
| 13A.5.35 | Bidders must not be permitted to change the price, or any other details, of their bid, when extending the validity. |
| 13A.5.36 | Where a bid security is required, bidders extending the validity of their bids must also extend the validity of their bid securities by the same period of time. Any bidder is free to refuse to extend the validity of his bid, without forfeiting any bid security submitted. |
|  | Approvals Required |
| 13A.5.37 | The Implementing Entity is responsible for:   * submitting to the MU for prior review and obtaining SRTF “no objection”for the following documents: * the completed evaluation report – see Documents/Records Required below for guidance on preparing the evaluation report. Prior to issuing the ”no objection”, the MU will perform a compliance check on the bidder(s) recommended for award to ensure that these have a clean record. |
| 13A.5.38 | No communications accepting or rejecting any bid, or indicating the successful bid, must be sent to any bidder before this “no objection” is obtained. |
|  | Documents/Records Required |
| 13A.5.39 | The approved evaluation report, and all supporting documents used in conducting the evaluation, must be kept on the procurement file. Minutes of evaluation meetings and copies of all correspondence with bidders, such as letters relating to clarifications, the correction of arithmetic errors or extensions of the bid validity, must also be kept on the procurement file. |
| 13A.5.40 | The evaluation report should include at least the following information:   * the results of the preliminary screening; * the results of the detailed technical and commercial evaluation; * any bids which were rejected and the reasons for rejection; * details of any non-material deviations, errors or omissions accepted, clarified or corrected and, where relevant, the way in which deviations or omissions have been quantified and taken into account in the financial evaluation; * the price of each bid read out at the bid opening; * the evaluated price of each bid, following any correction or adjustments to the price and the conversion to a single currency; * the ranking of the bids, according to their evaluated price; * a statement of which bid has the lowest evaluated price and is therefore the successful bid; and * the results of any post-qualification. |
| 13A.5.41 | The evaluation report must contain clear recommendations on:   * the successful bid(s) and the price of the proposed contract(s); and * whether any issues need to be addressed with the successful bidder prior to signing the contract. If there should be a need to address any issues with the recommended bidder for goods or works under ICB, LIB or NCB prior to contract award, the need and content of these discussions must be explained in the bid evaluation report and agreed with the SRTF prior to any discussions being held with the bidder. |
| 13A.5.42 | The evaluation report must be signed by all staff who were involved in the evaluation. |

13A.6 Next Steps

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| 13A.6.1 | Read this stage together with the relevant Stage 13B or Stage 13C and Stage 15, then proceed to:   * Stage 18: Issuing a notice of acceptance under the ICB, LIB or NCB procurement methods; or * Stage 19B: Preparing and issuing a purchase order under the shopping procurement method. |

Figure 4: Evaluation procedure for goods and works



Stage 13B Evaluating Offers for Goods

13B.1 Summary of Procedure

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| 13B.1.1 | This stage provides the standard operating procedure for the evaluation of bids for the supply of goods. It must be read in conjunction with Stage 13A: General Evaluation Procedures for Goods and Works. |
| 13B.1.2 | The evaluation methodology for goods consists of three stages:   1. a preliminary screening, to eliminate bids which do not comply with the basic requirements of the bidding document; 2. a detailed evaluation, to determine whether bids are substantially responsive to the technical specification and commercial requirements stated in the bidding document and to eliminate bids which are not responsive; 3. a financial evaluation to compare the costs of responsive bids and determine which is the lowest priced bid. |
| 13B.1.3 | The successful bid will be the lowest priced bid, which is substantially responsive to requirements of the bidding document. |

13B.2 Application

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| 13B.2.1 | Method: This stage applies to the ICB, LIB, NCB and shopping procurement methods. |
| 13B.2.2 | Type: This stage applies to evaluations for the procurement of goods only. |
| 13B.2.3 | The evaluation of bids for works is covered by Stage 13C. Evaluations for consultancy services procurement method are covered by Stage 14. |

13B.3 Purpose of Procedure

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| 13B.3.1 | The purpose of the evaluation methodology for goods is to determine the lowest priced bid, which is responsive to the requirements of the bidding document. This ensures that the project only purchases goods that meet its specification, but does not pay any more than necessary for those goods. |
| 13B.3.2 | The Implementing Entity has the overall responsibility for evaluations for goods, but will obtain technical advice from the user or other technical specialists, as required. |
| 13B.3.3 | Where appropriate the Implementing Entity will establish an evaluation team to conduct the evaluation – see Stage 13B.5 for further guidance, and where necessary consult with the Contracting Office of the implementing agency. |

13B.4 Step-by-Step Instructions

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| 13B.4.1 | The head of the Implementing Entity should identify appropriate member(s) of staff to manage the evaluation – see Stage 13A for guidance. |
| 13B.4.2 | The head of the Implementing Entity should review and list the requirements, instructions, specifications and evaluation criteria specified in the bidding document with the member of the Implementing Entity responsible for managing the evaluation. |
| 13B.4.3 | The member of the Implementing Entity responsible for managing the evaluation should meet with any selected evaluator(s) to review the evaluation methodology and the specifications and criteria included in the bidding document and ensure that these are fully understood by all evaluators. Then proceed as follows:   1. Conduct a preliminary screening – see Stage 13A for guidance. Eliminate bids that are not substantially responsive. 2. Conduct a detailed evaluation to determine whether bids are substantially responsive to the minimum specification and the commercial requirements included in the bidding document – see guidance notes 1 and 2 below for further detail. See Stage 13A for guidance on determining responsiveness, seeking clarifications and correcting minor deviations, errors and omissions. Eliminate bids that are not substantially responsive. 3. Start the financial evaluation by determining the evaluated price of each bid - see Stage 13A for further details and Stage 3 below on the application of non-price criteria for goods. 4. Rank the bids according to their evaluated price. Identify the lowest priced bid, which will be the successful bid. 5. Conduct a post-qualification on the successful bidder – see Stage 15 for guidance. 6. Prepare an evaluation report – see Stage 13A for details of the contents of the report. |

13B.5 Guidance Notes

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|  | 1 – Detailed Technical Evaluation |
| 13B.5.1 | The technical evaluation for goods is conducted by comparison with the specification in the bidding document. This specification provides a minimum standard, which bids must reach. Bids that do not reach this standard are non-responsive. Bids that equal or exceed the standard are responsive. The evaluation is conducted on a pass or fail basis, so no extra credit or benefit is given to bids which exceed the technical standard, except where this is provided for by non-price criteria – see guidance note 3 below. Substantially responsive bids may be considered to have passed the technical evaluation. |
| 13B.5.2 | For example, if the specification in the bidding document for a photocopier specified a copy speed of 25 pages per minute:   * a bid offering a copy speed of 15 pages per minute would be non responsive; * a bid offering a copy speed of 24 pages per minute may be substantially responsive, if the evaluator(s) so decide; * a bid offering a copy speed of 25 pages per minute would be responsive; * a bid offering a copy speed of 33 pages per minute would be responsive, butwould receive no bonus in the evaluation compared to the bid offering 25 pages per minute. |
| 13B.5.3 | In conducting the technical evaluation, all aspects of the technical specification must be considered and technical advice sought, where required. In particular, technical advice and advice from the user on the precise purpose and use of the goods will be required in determining whether deviations from the specification are material or non-material. For example:   1. failure to offer the specified engine size would almost certainly be a material deviation in an evaluation for a vehicle; 2. failure to offer the specified color of vehicle may be a non-material deviation if the vehicle is for general use, but may be a material deviation if the vehicle is for use as a police car or ambulance, and requires a particular color or markings for civil identification and emergency purposes. |
|  | 2 – Detailed Commercial Evaluation |
| 13B.5.4 | The commercial evaluation is conducted by assessing whether the bid conforms, or substantially conforms, to all the terms, conditions and requirements of the bidding document. The criteria will therefore depend on the bidding document, but might include:   * acceptance of key contract conditions, such as payment and warranty; * delivery schedule for goods within the time period specified; * completion schedule for incidental services within the time period specified, where installation and commissioning or user training is required; * availability of spare parts and consumable items; * service arrangements, such as a requirement for a local agents. |
| 13B.5.5 | As with the technical evaluation, the commercial standard must be set by the terms and conditions of the bidding document and bids should be evaluated as responsive or non-responsive against this standard. No extra benefit should be given to bids which exceed the standard required, except where this is done through the application of non-price criteria – see guidance note 3 below. |
|  | 3 – Non-Price Criteria |
| 13B.5.6 | The successful bid for goods is normally the lowest priced bid, which has met the bidding document’s technical and commercial requirements, as determined by the detailed evaluation. However, evaluator(s) must also apply non-price criteria, as long as they are specified in the bidding document. |
| 13B.5.7 | Non-price criteria must be given a relative weight or expressed in monetary terms wherever possible. This could only concern:   1. inclusion of the estimated cost of spare parts and/or consumable items for a specified period of operation. This could be expressed in monetary terms, by requiring bidders to provide prices for a specified list of items, which would be added to the evaluated price. |

13B.6 Approvals Required

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| 13B.6.1 | The Implementing Entity is responsible   * for submitting to the SRTF for prior review and obtaining its “no objection”for the following documents: * the completed evaluation report.   Prior to an “no objection”, SRTF will perform a compliance check on the bidders recommended for award to ensure that none of the SRTF conditions for exclusion apply. Any such bidder not passing the compliance check will be rejected for award and the next lowest evaluated responsive bid with a qualified bidder may then be considered by IE for award. |
| 13B.6.2 | No communications accepting or rejecting any bid, or indicating the successful bid, must be sent to any bidder before this “no objection” is obtained. |

13B.7 Documents/Records Required

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| 13B.7.1 | The approved evaluation report, and all supporting documents used in conducting the evaluation, must be kept on the procurement file – see Stage 13A for further guidance on the contents of the evaluation report. |

13B.8 Next Steps

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| 13B.8.1 | Read this stage together with Stage 13A, and Stage 15, then proceed to:   1. Stage 18: Issuing a notice of acceptance under the ICB, LIB or NCB procurement methods. 2. Stage 19B: Preparing and issuing a purchase order under the Shopping procurement method. |

Stage 13C Evaluating Offers for Works

13C.1 Summary of Procedure

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| 13C.1.1 | This stage provides the standard operating procedure for the evaluation of bids for the provision of works. It must be read in conjunction with Stage 13A: General Evaluation Procedures for Goods and Works. |
| 13C.1.2 | The evaluation methodology for works consists of three stages:   1. a preliminary screening, to eliminate bids that do not comply with the basic requirements of the bidding document; 2. a detailed evaluation, to determine whether bids are substantially responsive to the commercial and technical requirements stated in the bidding document and to eliminate bids which are not responsive; 3. a financial evaluation to compare the costs of responsive bids and determine which is the lowest priced bid. |
| 13C.1.3 | The successful bid will be the lowest priced bid, which is substantially responsive to requirements of the bidding document. |

13C.2 Application

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| 13C.2.1 | Method: This stage applies to the ICB, NCB and shopping procurement methods. |
| 13C.2.2 | Type: This stage applies to evaluations for the procurement of works only. |
| 13C.2.3 | The evaluation of bids for goods is covered by Stage 13B. Evaluations for consultancy services are covered by Stage 14. |

13C.3 Purpose of Procedure

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| 13C.3.1 | The purpose of the evaluation methodology for works is to determine the lowest evaluated cost bid, which is responsive to the requirements of the bidding document. |
| 13C.3.2 | The Implementing Entity has the overall responsibility for evaluations for works, but will obtain technical advice from the user or other technical specialists, as required when determining the responsiveness of bids to the bidding document. |
| 13C.3.3 | Where appropriate the Implementing Entity will establish an evaluation team to conduct the evaluation – see Stage 13A for further guidance. |

13C.4 Step-by-Step Instructions

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| 13C.4.1 | The head of the Implementing Entity should identify appropriate member(s) of staff to manage the evaluation – see Stage 13A for guidance. |
| 13C.4.2 | The head of the Implementing Entity should review and list the requirements, instructions, specifications and evaluation criteria specified in the bidding document with the member of the Implementing Entity responsible for managing the evaluation. |
| 13C.4.3 | The member of the Implementing Entity responsible for managing the evaluation should meet with any selected evaluator(s) to review the evaluation methodology and the description of works and criteria included in the bidding document and ensure that these are fully and clearly understood by all evaluators. The proceed as follows:   1. Conduct a preliminary screening – see Stage 13A for guidance. Eliminate bids that are not substantially responsive. 2. Conduct a detailed evaluation to determine whether bids are substantially responsive to the commercial and technical requirements included in the bidding document – see guidance note 1 below for further detail. See Stage 13A for guidance on determining responsiveness, seeking clarifications and correcting minor deviations, errors and omissions. Eliminate bids that are not substantially responsive. 3. Start the financial evaluation by determining the evaluated price of each bid - see Stage 13A for further details and guidance note 2 below on the application of non-price criteria for works. 4. Rank the bids according to their evaluated price. Identify the lowest priced bid, which will be the successful bid. 5. Check that the prices of the lowest evaluated bid are not seriously unbalanced or front loaded and request further price analysis if required. 6. Conduct a post-qualification on the successful bidder – see Stage 15 for guidance. 7. Prepare an evaluation report – see Stage 13A for details of the contents of the report. |

13C.5 Guidance Notes

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|  | 1 – Detailed Commercial and Technical Evaluation |
| 13C.5.1 | The detailed evaluation is conducted by assessing whether the bid conforms, or substantially conforms, to all the terms, conditions and requirements of the bidding document. The criteria will therefore, depend on the bidding document, but might include:   * acceptance of key contract conditions, such as payment, price adjustment, warranty, insurance, liquidated damages, dispute resolution, liability and performance security, or inclusion of only minor deviations which are acceptable to the project and can be quantified in the evaluation; * completion schedule for the works within the time period specified and/or meeting key milestones of the construction program; * equipment, material, workmanship and design of the standards or codes specified in the bidding document or equivalent; * use of construction methods specified in the bidding document or acceptable alternatives; * bid based on the design specified in the bidding document or an acceptable alternative design, where alternatives are permitted by the bidding document; * compliance with applicable regulations, such as those concerning labor; and/or * sub-contracting within the amounts and in the manner permitted by the biddingdocument and sub-contractors meeting requirements specified in the bidding document. |
| 13C.5.2 | The standard for responsiveness must be set by the terms, conditions and requirements of the bidding document and bids should be evaluated as responsive or non-responsive against this standard. Bids that are substantially responsive may be accepted, although the minor deviations, errors or omissions should be quantified and taken into account in the financial evaluation. No extra benefit should be given to bids which exceed the standard required, except where this is done through the application of non-price criteria – see guidance note 2 below. |
| 13C.5.3 | The detailed evaluation of bids for works will require technical input from staff qualified in the relevant field and staff representing the user. |
|  | 2 – Non-Price Criteria |
| 13C.5.4 | The successful bid for works is normally the lowest cost bid per lot if applicable, which has met the bidding document’s technical and commercial requirements, as determined by the detailed evaluation. |

13C.6 Approvals Required

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| 13C.6.1 | The Implementing Entity is responsible for:   * submitting to the SRTF for prior review and obtaining its “no objection”for the following documents: * the completed evaluation report.   Prior to an “no objection”, SRTF will perform a compliance check on the bidders recommended for award to ensure that none of the SRTF conditions for exclusion apply. Any such bidder not passing the compliance check will be rejected for award and the next lowest evaluated responsive bid with a qualified bidder may then be considered by IE for award. |
| 13C.6.2 | No communications accepting or rejecting any bid, or indicating the successful bid, must be sent to any bidder before this “no objection” is obtained. |

13C.7 Documents/Records Required

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| 13C.7.1 | The approved evaluation report, and all supporting documents used in conducting the evaluation, must be kept on the procurement file – see Stage 13A for further guidance on the contents of the evaluation report. |

13C.8 Next Steps

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| 13C.8.1 | Read this stage together with Stage 13A, and Stage 15, then proceed to :   1. Stage 18: Issuing a notice of acceptance under the ICB, LIB, NCB procurement methods. 2. Stage 19B: Preparing and Issuing a Purchase Order under the shopping procurement method. |

Stage 14 Evaluation for Consultancy Services

Stage 14A General Evaluation Procedures for Consultancy Services

14A.1 Summary of Procedure

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| 14A.1.1 | This stage sets out general procedures for evaluating proposals for consultancy services. It must be read in conjunction with the relevant stage for the particular evaluation methodology to be used, which will be either:   * Stage 14B: Evaluating Proposals Using Quality and Cost Based Selection (QCBS); * Stage 14C: Evaluating Proposals Using Least Cost Selection (LCS) - for Request for Quotations only; |
| 14A.1.2 | Precise evaluation procedures vary between the different methodologies, but all consist of three stages:   1. preliminary screening, to eliminate proposals which do not comply with the basic requirements of the RFP document 2. a detailed evaluation, to determine whether proposals are responsive to the terms of reference in the request for proposals document, to assess the relative quality of the proposals, using a merit point scoring system and to determine which proposals should proceed to the financial opening and evaluation; 3. a financial evaluation to examine the prices of the proposal or proposals and determine which is the successful proposal and should be recommended for award of contract. |

14A.2 Application

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| 14A.2.1 | Method: The general principles in this stage apply to all evaluations for Consultancy Services. |
| 14A.2.2 | Type: The general principles in this stage apply to the evaluation of proposals for consultancy services only. |
| 14A.2.3 | The evaluation of bids for goods and works, under the ICB, LIB NCB and shopping procurement methods is covered in Stage 13. |

14A.3 Purpose of Procedure

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| --- | --- |
| 14A.3.1 | The purpose of evaluations for consultancy services is to assess and compare all proposals received, in as objective a manner as possible, using a pre-defined methodology and criteria, in order to determine which is the successful candidate, who should be invited to negotiate a contract. A well conducted evaluation for consultancy services should ensure that:   * competition is fair and that all candidates have an equal opportunity of winning SRTF funded contracts; * the supplier selected has appropriate staff and experience to successfully perform the services; and * the consultancy services purchased under the contract offer the project anappropriate balance of quality and cost, depending on the objectives and circumstances of the procurement requirement. |
| 14A.3.2 | The Implementing Entity has the overall responsibility for evaluations, but will invite a number of other staff (including external experts independent from all candidates) to assist in assessing the technical aspects of the proposals in awarding merit point scores to each proposal. These will be staff with technical knowledge of the services. |
| 14A.3.3 | The Implementing Entity will establish an evaluation team of at least three (and up to six) members with joint responsibility for conducting the entire evaluation. |

14A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 14A.4.1 | Read this section in conjunction with the detailed step-by-step instructions in Stage 14B or Stage 14C, as appropriate. |
| 14A.4.2 | Appropriate members of staff should be identified to manage the evaluation – see guidance note 1 below for assistance in selecting staff. |
| 14A.4.3 | The evaluators should review the methodology specified in the RFP document and ensure that it is understood. Review and list the requirements, instructions, terms of reference and evaluation criteria specified in the RFP document, and the maximum number of points allocated to each criterion and ensure that these are clearly understood. Seek clarification from the person responsible for writing the RFP document, where necessary. The evaluation must apply the criteria and scores specified in the RFP document, and no new or varied criteria. |
| 14A.4.4 | Conduct a preliminary screening – see guidance note 2 below for further details. Eliminate proposals that do not pass the preliminary screening. |
| 14A.4.5 | The member of the Implementing Entity responsible for managing the evaluation should meet with the staff selected to conduct the merit point evaluation, to review the terms of reference, the criteria and the maximum number of points for each specified in the Request for Proposals document and ensure that they are fully understood by all evaluators. |
| 14A.4.6 | The evaluators should conduct a detailed technical evaluation, using the merit point scoring system – see guidance note 3 below for further details. They should proceed to:   1. Determine which proposal or proposals should proceed to the financial opening and evaluation, according to the evaluation methodology used; 2. Prepare a technical evaluation report for submission to the Approval Committee of the implementing agency for approval and submit to the SRTF for ”no objection” – see Stage 14B or 14 C , as appropriate, for details of the contents of the report. 3. Notify candidates whose proposals are being rejected, stating that their financial proposals will be returned unopened after completion of the evaluation process; 4. Notify candidates whose financial proposals are to be opened of the date, time and location for the financial bid opening and conduct the bid opening – see Stage 12B for further guidance on the financial opening; 5. Start the financial evaluation by determining the evaluated price of each proposal - see guidance note 5 below for further details. See also guidance note 6 on the correction of arithmetic errors; 6. Complete the financial evaluation and determine the successful proposal in accordance with stage 14B or 14C as appropriate. 7. Prepare an evaluation report for submission to the SRTF for their ”no objection” – see paragraph 14A.7 Documents/Records Required below for details of the contents of the report. A recommended format for the evaluation report is contained in the annex to this Manual 8. Request candidates to extend the validity of their proposals at any point during this process if required – see guidance note 7 for details of the procedure. |

14A.5 Guidance Notes

|  |  |
| --- | --- |
|  | 1 – Selecting Staff to Conduct Evaluations |
| 14A.5.1 | The Implementing Entity has the overall responsibility for ensuring the conduct of evaluations and preparing evaluation reports, to be submitted to the SRTF for their ”no objection”. However, evaluations for consultancy services will always require inputs from other staff, as merit point systems require scores to be given by a number of staff, in order to arrive at an average score. |
| 14A.5.2 | Each evaluation should be allocated to a member of the Implementing Entity to manage, who will chair the evaluation team. That member of staff will then be responsible for coordinating the inputs from other staff, including obtaining and comparing individual scores and obtaining qualitative comments, ensuring that the evaluation is conducted on time and in accordance with all applicable rules and procedures and preparing an evaluation report. |
| 14A.5.3 | The most appropriate members of staff (or external experts) must be selected formally in accordance with the appropriate arrangements. Members must have no conflict of interest to provide inputs to an evaluation, with particular attention to those responsible for awarding merit point scores. Staff involved in awarding scores to proposals for consultancy services must have knowledge or experience of the services being procured and the evaluators must include staff who are able to represent the needs of the user. |
| 14A.5.4 | In identifying staff to provide inputs to an evaluation or be members of an evaluation team, the type of skills, knowledge or experience needed must be considered, which might include:   * procurement and contracting skills; * technical knowledge; * financial management skills; * legal expertise; * representation by the user; * specialist knowledge or experience, such as, for instance, SME promotion programs. |
|  | 2 – Preliminary Screening |
| 14A.5.6 | The preliminary screening is conducted to determine whether proposals comply with the basic instructions and requirements of the RFP document. It enables the evaluators to eliminate the weakest proposals, without the time and effort spent in conducting a detailed merit point evaluation. |
| 14A.5.7 | The preliminary screening is conducted on a pass or fail basis, with proposals that are not substantially compliant being rejected. The criteria to be used for the preliminary screening depend on the requirements and instructions of the RFP document, so the preliminary screening must always start with a review of the RFP document to list the requirements to be met. As guidance only, the preliminary screening might typically include checks of the following:   * submission of an original and the correct number of copies of the proposal; * submission of all forms and documents required, including, in particular the proposal submission form; * signature and authorization of the proposal in accordance with the instructions in the RFP document, including any required power of attorney; * signature of curriculum vitae by proposed consultants, if required; * submission of a separately sealed financial proposal; |
|  | 3 - Detailed Evaluation using the Merit Point Scoring System |
| 14A.5.8 | The detailed evaluation must only be conducted on proposals that were determined to be substantially responsive during the preliminary screening. |
| 14A.5.9 | The merit point scoring system is used to assess the relative quality of proposals. A variable number of points are awarded to each proposal for pre-determined criteria out of a maximum number of points stated in the RFP document. This gives a score indicating the relative quality of each proposal. The scores of several evaluators are used to calculate an average score for each proposal, which becomes the total technical score for that proposal. |
| 14A.5.10 | The procedure for merit point scoring systems is as follows:   1. All evaluators should jointly discuss the criteria and any sub-criteria, to ensure that all evaluators have a common understanding of the criteria and their relative importance; 2. Each evaluator should conduct an evaluation of each proposal, independently from all other evaluators. Consider each proposal and award scores out of the maximum number of points against each criterion. Record all scores and sign the score sheet; 3. The chairperson of the evaluators will collect scores, compile them on a single score sheet and calculate average scores for each proposal. To calculate the average, add the scores of all evaluators together and divide by the number of evaluators. 4. The chair person will compare the scores of each evaluator for each proposal, in order to check that there has been a consistency of approach and a common understanding of the criteria and each proposal. Any significant deviations from the average score or inconsistencies in scoring should be identified and evaluators may be called upon to explain their scores, at a meeting of all evaluators. 5. In exceptional cases, where the evaluators agree that there has not been a consistency of approach or where discussions reveal a misunderstanding of a criterion, the scoring method or a proposal, one or more evaluator may be permitted to adjust his individual scores. No evaluator shall be obliged to make adjustments to his scores. The original score sheets must be retained and revised scores recorded on a new score sheet. Where any scores are revised, the chair person will collect and compile scores again and recalculate the average score for each proposal. All score sheets should be signed by the evaluators and passed to the head of the Implementing Entity including score sheets that have been corrected. |
| 14A.5.11 | The proposals that pass the detailed evaluation and proceed to the financial evaluation are determined by the individual evaluation methodology. |
|  | 4 – Financial Evaluation |
| 14A.5.12 | The proposal or proposals proceeding to the financial evaluation will be determined by the relevant methodology for the technical evaluation. |
| 14A.5.13 | The financial evaluation is conducted to determine the evaluated price of proposals, compare the proposals and determine the successful proposal i.e. the proposal that should be recommended for award of contract. The financial evaluation and the determination of the successful proposal differ between different evaluation methodologies. |
| 14A.5.14 | Unless otherwise required by the evaluation methodology or the instructions in the RFP document, the procedure for determining the evaluated price of each proposal is as follows:   * determine the total proposal price, including or excluding particular costs, as indicated in the RFP document e.g. the RFP document may state that all taxes and duties are to be included in the evaluation; * correct any arithmetic errors – see guidance note 5 below; * convert all proposals to a single evaluation currency (in case multi-currency is accepted) for purposes of comparison, using the currency and the date and source of the exchange rate specified in the RFP document; * determine the total evaluated price of each proposal. |
|  | 5 – Arithmetic Errors |
| 14A.5.15 | In conducting a financial evaluation, arithmetic errors may be corrected by the evaluator(s) in case of a contract with payment on a time-basis or unit cost basis; no correction is normally to be made for a lump sum contract. The procedure for correcting arithmetic errors is normally stated in the RFP documents and the procedure stated must be used. This is normally the procedure stated below. |
| 14A.5.16 | Where no specific procedure is stated in the RFP document, the following procedure should be applied:   1. if there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected, unless in the opinion of the evaluator(s) there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price shall be corrected; 2. if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and 3. if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to the notes above. |
| 14A.5.17 | Candidates should be notified in writing of any arithmetic corrections made. |
|  | 6 – Requesting Extensions to Proposal Validity |
| 14A.5.18 | The proposal validity period requested in the RFP document should normally be sufficient to enable the Implementing Entity to undertake both the technical and financial evaluations, obtain all necessary approvals and place a contract. Therefore, extensions to the validity of proposals should not normally be required. |
| 14A.5.19 | Where an extension to the validity of proposals is required, all candidates should be requested, in writing, to extend the validity of their proposals for an additional specified period of time. This request should be issued a reasonable period before the expiry of the validity of proposals, to give sufficient time for responses to be received. |
| 14A.5.20 | Candidates must not be permitted to change their financial proposal, or any details of their proposal, when extending the validity. |

14A.6 Approvals Required

|  |  |
| --- | --- |
| 14A.6.1 | The Implementing Entity is responsible for:   * submitting to the SRTF for prior review and obtaining their “no objection”, as applicable. * for the following documents: * the completed technical evaluation report, (prior to proceeding with the financial bid opening and evaluation); * the completed financial evaluation report.   Prior to an “no objection”, SRTF will perform a compliance check on the bidder(s) recommended for award to ensure that none of the SRTF conditions for exclusion apply. Any such bidder not passing the compliance check will be rejected for award and the next best evaluated responsive bid with a qualified bidder may then be considered by IE for award. |
| 14A.6.2 | No communications accepting any proposal, or indicating, which is the successful proposal, must be sent to any bidder before this “no objection” is obtained. |

14A.7 Documents/Records Required

|  |  |
| --- | --- |
| 14A.7.1 | The approved technical and financial evaluation reports, and all supporting documents used in conducting the evaluation, such as signed individual score sheets, must be kept on the procurement file. See stage 14B or14C for further details on the contents of the evaluation reports. |

14A.8 Next Steps

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| --- | --- |
| 14A.8.1 | Read this stage together with the relevant stages 14B and 14C, then:   * Proceed to Stage 16: Conducting negotiations. |

Stage 14B Evaluating Proposals Using Quality and Cost Based Selection (QCBS)

14B.1 Summary of Procedure

|  |  |
| --- | --- |
| 14B.1.1 | This stage provides the standard operating procedure for the evaluation of proposals for consultancy services, using the QCBS selection methodology. It must be read in conjunction with Stage 14A: General Evaluation Procedures for Consultancy Services. |
| 14B.1.2 | The evaluation methodology for QCBS consists of three stages:   1. preliminary screening, to eliminate proposals which do not comply with the basic requirements of the RFP document; 2. detailed technical evaluation to assess the quality of proposals, using a merit point system and to eliminate proposals which do not meet the specified minimum score; 3. financial evaluation to compare the costs of proposals which reached the minimum score, to award financial scores and to weight the technical and financial scores to give a total score for each proposal. |
| 14B.1.3 | The successful proposal will be the proposal with the highest total score. A diagram summarizing this evaluation methodology is shown at Figure 5. |

14B.2 Application

|  |  |
| --- | --- |
| 14B.2.1 | Method: This stage applies to the RFP method, where QCBS is used. Stage 14C, applies to LCS. |
| 14B.2.2 | Type: This stage applies to evaluations for consultancy services only. |
| 14B.2.3 | Evaluations for goods and works, under the ICB, LIB, NCB and shopping procurement methods are covered by Stage 13. |

14B.3 Purpose of Procedure

|  |  |
| --- | --- |
| 14B.3.1 | The purpose of the QCBS evaluation methodology is to determine the proposal that offers the best overall value to the project, taking into account both the quality and the price of proposals. |
| 14B.3.2 | The Implementing Entity has the overall responsibility for evaluations using the QCBS methodology. The Implementing Entity will invite several staff, with knowledge of the type of consultancy services required, to evaluate the technical aspects of the proposals and award scores. The Implementing Entity will normally chair meetings relating to merit point evaluations. |
| 14B.3.3 | Where appropriate, the Implementing Entity will establish an evaluation team with joint responsibility for conducing the entire evaluation – see Stage 14A for further guidance. |

14B.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 14B.4.1 | The head of the Implementing Entity should identify appropriate members of staff to manage the evaluation – see Stage 14A for guidance. |
| 14B.4.2 | The evaluators should review the basic requirements of the RFP document and conduct a preliminary screening. See Stage 14A for guidance on seeking clarifications and correcting minor deviations, errors and omissions. Eliminate proposals that are not substantially responsive. |
| 14B.4.3 | The member of the Implementing Entity responsible for managing the evaluation should meet with the staff selected to conduct the merit point evaluation, to review the terms of reference, the criteria and the maximum number of points for each specified in the RFP document and ensure that they are fully understood by all evaluators. Seek clarification from the person responsible for writing the request for proposals document or drafting the terms of reference, where necessary. |
| 14B.4.4 | Conduct a detailed technical evaluation, assessing whether the proposals are responsive to the terms of reference and awarding merit point scores, to determine the (average) technical score of each proposal – see Stage 14A for the detailed procedure for merit point evaluations. |
| 14B.4.5 | Compare the technical score of each proposal against the minimum technical threshold specified in the RFP document. Eliminate any proposals which do not reach this threshold or which the evaluators agree are not responsive to important aspects of the terms of reference. |
| 14B.4.6 | Prepare a technical evaluation report and seek the ”no objection” from the SRTF – see the paragraph 14B.7 section below for guidance on the contents of the report. |
| 14B.4.7 | Notify candidates, whose proposals are being rejected, stating that their financial proposals will be returned unopened after completion of the evaluation process. |
| 14B.4.8 | Notify candidates whose proposals reached the threshold of the date, time and location for the financial bid opening and conduct the bid opening – see Stage 12B for further guidance on the financial opening. |
| 14B.4.9 | Start the financial evaluation by determining the evaluated price of each proposal - see Stage 14A for further details:   1. Award financial scores to each proposal, based on their evaluated price – see guidance note 1 below for details. 2. Weight the technical and financial scores, using the weights stated in the RFP document and add the weighted scores together to obtain the total score for each proposal – see guidance note 2 below for details. 3. Rank the proposals according to their total scores. Identify the proposal with the highest total score, which will be the successful proposal. 4. Prepare a consolidated evaluation report and seek the ”no objection” of the SRTF for the report – see the section 14B.7 below for guidance on the contents of the report. |

14B.5 Guidance Notes

|  |  |
| --- | --- |
|  | 1 – Awarding Financial Scores |
| 14B.5.1 | Financial scores must be awarded using the method specified in the RFP document. This is normally as follows:   1. the lowest priced proposal is given a financial score of 100 2. all other proposals are given a financial score proportionate to this, using the formula Sf = 100 x Fm/F, in which  * Sf denotes the financial score of the proposal under consideration; * Fm is the price of the lowest price proposal; * F denotes the price of the proposal under consideration. |
| 14B.5.2 | For example, if prices were as follows: |

Table 13: Example of financial score calculation

|  |  |  |  |
| --- | --- | --- | --- |
| Proposal | Price | Formula | Points |
| Proposal A | $500,000 | 100 x 450,000/500,000 = | 90 |
| Proposal B | $450,000 | Lowest price = | 100 |
| Proposal C | $600,000 | 100 x 450,000/600,000 = | 75 |

|  |  |
| --- | --- |
| 14B.5.3 | Alternatively, a directly proportional or other methodology may be used in allocating financial scores, providing it has been fully described in the RFP document (and had received the necessary ”no objection” from the SRTF). |
|  | 2 – Weighting Scores to Calculate the Total Score |
| 14B.5.4 | The technical and financial scores must be weighted using the weights stated in the Implementing Entity document. This is normally in the range of 80% for the technical score and in the range of 20% for the financial score. The combined weights must always total 100%. |
| 14B.5.5 | To determine the weighted scores, multiply the actual technical and financial scores by the percentage weights stated in the Implementing Entity document. To determine the total score, simply add the weighted technical and financial scores together. The example in Table 14 below shows the technical and financial scores received by a proposal, the weights stated in the Implementing Entity document, the calculation required, the weighted scores and the total score: |

Table 14: Example of total score calculation

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Original Scores | Weight in document | RFP | Calculation | Weighted Scores |
| Technical | 75 | 80% |  | 75 x 80/100 | 60 |
| Financial | 85 | 20% |  | 85 x 20/100 | 17 |
| Total |  | 100% |  |  | 77 |

14B.6 Approvals Required

|  |  |
| --- | --- |
| 14B.6.1 | The Implementing Entity is responsible for:   * submitting to the SRTF for prior review and obtaining their “no objection”, as applicable, for the following documents: * technical evaluation report prior to the opening of financial proposals; * financial evaluation report, following completion of the evaluation. |

Prior to an “no objection”, SRTF will perform a compliance check on the bidders recommended for award to ensure that none of the SRTF conditions for exclusion apply. Any such bidder not passing the compliance check will be rejected for award and the next best evaluated responsive bid with a qualified bidder may then be considered by IE for award.

14B.7 Documents/Records Required

|  |  |
| --- | --- |
| 14B.7.1 | The approved technical and financial evaluation reports, and all supporting documents used in conducting the evaluation, such as signed individual score sheets and minutes of meetings of the evaluators, must be kept on the procurement file. Evaluation reports must be signed by all staff who have been involved in the evaluation. |
| 14B.7.2 | The technical evaluation report should include the following information:   * the results of the preliminary screening; * the technical scores of each evaluator for each proposal; * a summary of the relative strengths and weaknesses of each proposal; * any proposal which were rejected for being non responsive to important aspects of the terms of reference and the reasons. * an analysis of any discrepancies in scores between evaluators and a summary of any discussions held and adjustments made; * the total technical score for each proposal; * which proposals reached the minimum technical threshold and a recommendation to open the financial proposals of these candidates; and * a recommendation to reject all other proposals. |
| 14B.7.3 | The consolidated evaluation report should include the following information:   * the total proposal prices and technical scores read out at the financial proposal opening; * the evaluated price of each proposal, following any corrections or adjustments to the price and the conversion to a single currency; * the financial scores of each proposal and the methodology for allocating financial scores; * the weighting of technical and financial scores; * the total score for each proposal; and * a statement of which proposal had the highest total score and is therefore thesuccessful proposal. |
| 14B.7.4 | The consolidated evaluation report must contain clear recommendations on:   * the successful proposal and the price of the proposed contract; and * any issues to be addressed during the negotiations with the successful candidate. |

14B.8 Next Steps

|  |  |
| --- | --- |
| 14B.8.1 | Read this stage together with Stage 14A, then:   * proceed to Stage 16: Conducting negotiations. |

Figure 5: Evaluation procedure for quality and cost based selection

Preliminary

Screening

Technical Proposals Opened

Detailed

Technical

Evaluation

Responsive

Non Responsive

Reject

Financial

Evaluation

Over Threshold

Reject

Under Threshold

Reject

Recommend for

Contract Award

Highest Total Score

Others

Clarify

in writing

(

)

Not Clear

Arithmetic Errors

Confirm

Corrections

in writing

)

(

Detailed Technical Evaluation

using

merit point system, to:

-

award points against criteria in the request

for proposals document; and

-

compare scores to the minimum technical

threshold in the request for proposals

document.

Financial Evaluation

to:

correct arithmetic errors

-

convert to a common curency (using

-

exchange rate stated in RFP doc)

award financial scores

-

-

weight technical and financial scores to

give the total score of each proposal.

Preliminary Screening

to eliminate non

responsive proposals. Criteria typically

include:

inclusion of all required documents

-

-

correct authorisation of proposal

-

signature of CV’s

-

sufficient proposal validity

Recommendation

proposal with highest

:

total score recommended for contract

award, subject to any negotiations required.

Recommendation submitted for approval in

financial evaluation report.

Technical Opening

evaluation includes

:

proposals received on time, opened and

read out. Late proposals not included.

Financial proposals remain sealed.

Recommend for

Financial

Opening

Financial Proposals Opened

Recommendation

:

proposals which reach

the minimum technical threshold

recommended to proceed to financial

opening and evaluation.

Recommendation submitted for approval in

technical evaluation report.

Financial Opening

financial proposals

:

opened. Technical scores and prices read

out.

Stage 14C Evaluating Proposals Using Least Cost Selection (LCS)

14C.1 Summary of Procedure

|  |  |
| --- | --- |
| 14C.1.1 | This stage provides the standard operating procedure for the evaluation of proposals for consultancy services, using the LCS methodology. It must be read in conjunction with stage 14: General Evaluation Procedures for Consultancy Services. |
| 14C.1.2 | The evaluation methodology for LCS consists of three stages:   1. a preliminary screening, to eliminate proposals which do not comply with the basic requirements of the RFP document; 2. a detailed technical evaluation to assess the quality of proposals, using a merit point system and to eliminate proposals which do not meet the specified minimum score; 3. a financial evaluation to compare the costs of proposals which reached the minimum score and determine which is the lowest priced proposal. |
| 14C.1.3 | The successful proposal will be the proposal with the lowest evaluated price. A diagram summarizing this evaluation methodology is shown at Figure 6. |

14C.2 Applies to

|  |  |
| --- | --- |
| 14C.2.1 | Method: This stage applies to the Request for Quotations -service method, where LCS methodology is used.  Stage 14B applies to the RFP method, where QCBS methodology is used. |
| 14C.2.2 | Type: This stage applies to evaluations for consultancy services only. |
| 14C.2.3 | Evaluations for goods and works, under the ICB, LIB, NCB and shopping procurement methods are covered by stage 13. |

14C.3 Purpose of Procedure

|  |  |
| --- | --- |
| 14C.3.1 | The purpose of the LCS evaluation methodology is to determine the lowest priced proposal, which meets the minimum quality standard set by the project in the Request for Quotations document. This ensures that the project purchases consultancy services, normally rather standard in nature (e. g. supervision of construction of limited value) of the required standard, but does not pay any more than necessary for those services. |
| 14C.3.2 | The Implementing Entity has the overall responsibility for evaluations using the LCS methodology. The Implementing Entity will invite several staff, with knowledge of the type of consultancy services required, to evaluate the technical aspects of the proposals and award scores. The Implementing Entity will normally chair meetings relating to merit point evaluations. |
| 14C.3.3 | Where appropriate, the Implementing Entity will establish an evaluation team with joint responsibility for conducing the entire evaluation – see Stage 14A for further guidance. |

14C.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 14C.4.1 | The head of the Implementing Entity should identify appropriate members of staff to manage the evaluation – see Stage 14A for guidance. |
| 14C.4.2 | The evaluators should review the basic requirements of the Request for Quotations document and conduct a preliminary screening – see Stage 14A for guidance. See Stage 14A for guidance on seeking clarifications and correcting minor deviations, errors and omissions. Eliminate proposals that are not substantially responsive. |
| 14C.4.3 | The member of the Implementing Entity responsible for managing the evaluation should meet with the staff selected to conduct the merit point evaluation, to review the terms of reference, the criteria and the maximum number of points for each specified in the request for proposals document and ensure that they are fully understood by all evaluators. Seek clarification from the person responsible for writing the request for proposals document or drafting the terms of reference, where necessary. |
| 14C.4.4 | Conduct a detailed technical evaluation, assessing whether the proposals are responsive to the terms of reference and awarding merit point scores, to determine the (average) technical score of each proposal – see Stage 14A for the detailed procedure for merit point evaluations. |
| 14C.4.5 | Compare the technical score of each proposal against the minimum technical threshold specified in the Request for Quotations document. Eliminate any proposals which do not reach this threshold or which, the evaluators agree, are not responsive to important aspects of the terms of reference. |
| 14C.4.6 | Prepare a technical evaluation report and seek the ”no objection” from the SRTF for the report – see the section 14D.6 below for guidance on the contents of the report. |
| 14C.4.7 | Notify candidates, whose proposals are being rejected, stating that their financial proposals will be returned unopened after completion of the evaluation process. |
| 14C.4.8 | Notify candidates whose proposals reached the threshold of the date, time and location for the financial bid opening and conduct the bid opening – see Stage 12B for further guidance on the financial opening. |
| 14C.4.9 | Start the financial evaluation by determining the evaluated price of each proposal - see Stage 14A for further details. |
| 14C.4.10 | Rank the proposals according to their evaluated price. Identify the proposal with the lowest price, which will be the successful proposal. |
| 14C.4.11 | Prepare a financial evaluation report and seek the ”no objection” from the SRTF for the report – see the section 14D.6 below for guidance on the contents of the report. |

14C.5 Approvals Required

|  |  |
| --- | --- |
| 14C.5.1 | The Implementing Entity is responsible for:   * submitting to the SRTF for prior review and obtaining their “no objection”*,* as applicable for the following documents: * the technical evaluation report (prior to the opening of financial proposals); * the financial evaluation report, following completion of the evaluation. |

Prior to an “no objection”, SRTF will perform a compliance check on the bidders recommended for award to ensure that none of the SRTF conditions for exclusion apply. Any such bidder not passing the compliance check will be rejected for award and the next lowest evaluated responsive bid with a qualified bidder may then be considered by IE for award.

14C.6 Documents/Records Required

|  |  |
| --- | --- |
| 14C.6.1 | The approved technical and financial evaluation reports, and all supporting documents used in conducting the evaluation, such as signed individual score sheets and minutes of meetings of the evaluators, must be kept on the procurement file. Evaluation reports must be signed by all staff who have been involved in the evaluation. |
| 14C.6.2 | The technical evaluation report should include the following information:   * the results of the preliminary screening; * the technical scores of each evaluator for each proposal; * a summary of the relative strengths and weaknesses of each proposal; * any proposals which were rejected for being non responsive to important aspects of the terms of reference and the reasons. * an analysis of any discrepancies in scores between evaluators and a summary of any discussions held and adjustments made; * the total technical score for each proposal; * which proposals reached the minimum technical threshold and a recommendation to open the financial proposals of these candidates; * a recommendation to reject all other proposals. |
| 14C.6.3 | The financial evaluation report should include the following information:   * the total proposal price and technical scores read out at the financial proposal opening; * the evaluated price of each proposal, following any corrections or adjustments to the price ; * the ranking of the proposals, according to their evaluated price; * a statement of which proposal had the lowest evaluated price and is therefore the successful proposal. |
| 14C.6.4 | The financial evaluation report must contain clear recommendations on:   * the successful proposal and the price of the proposed contract; * any issues to be addressed during negotiations with the successful candidate. |

14C.7 Next Steps

|  |  |
| --- | --- |
| 14C.7.1 | Read this stage together with Stage 14A, then:   * proceed to Stage 16Conducting Negotiations. |

Figure 6: Evaluation procedure for least cost selection

Preliminary

Screening

Technical Proposals Opened

Detailed

Evaluation

Responsive

Non Responsive

Reject

Financial

Evaluation

Over Threshold

Reject

Under Threshold

Reject

Recommend for

Contract Award

Lowest Price

Others

Clarify

(

in writing

)

Not Clear

Arithmetic Errors

Confirm

Corrections

(

in writing

)

Detailed Technical Evaluation

using

merit point system, to:

award points against criteria in the request

-

for proposals document; and

-

compare scores to the minimum technical

threshold in the request for proposals

document.

Financial Evaluation

to:

correct arithmetic errors

-

-

convert to a common curency (using

exchange rate stated in RFP doc)

-

compare total costs

-

rank prices with lowest price as No

1.

Preliminary Screening

to eliminate non

responsive proposals. Criteria typically

include:

inclusion of all required documents

-

-

correct authorisation of proposal

-

signature of CV’s

sufficient proposal validity

-

Recommendation

lowest priced proposal

:

which reached the minimum technical

threshold recommended for contract award,

subject to any negotiations required.

Recommendation submitted for approval in

financial evaluation report.

Technical Opening

:

evaluation includes

proposals received on time, opened and

read out. Late proposals not included.

Financial proposals remain sealed.

Recommend for

Financial

Opening

Financial Proposals Opened

Recommendation

proposals which reach

:

the minimum technical threshold

recommended to proceed to financial

opening and evaluation.

Recommendation submitted for approval in

technical evaluation report.

Financial Opening

:

financial proposals

opened. Technical scores and prices read

out.

Stage 15 Conducting a Post-Qualification

15A.1 Summary of Procedure

|  |  |
| --- | --- |
| 15A.1.1 | This stage explains the procedure for conducting a post-qualification on the successful bidder, to establish whether the bidder is qualified to perform the proposed contract satisfactorily. It also provides procedures for verifying pre-qualification information, following the evaluation process. |

15A.2 Application

|  |  |
| --- | --- |
| 15A.2.1 | Method: Post-qualification applies under the ICB, LIB and NCB procurement methods. Post-qualification does not apply for procurement of consulting services through RFP, as a separate pre-qualification is conducted through an Expression of Interest (EOI) procedure, which is described under Stage 4. |
| 15A.2.2 | Post-qualification will not normally be required under the shopping procurement methods as contracts will be of relatively low value and complexity and quotations will be invited from known suppliers. |
| 15A.2.3 | Type: Post-qualification is systematically used for the procurement of goods and works. |

15A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 15A.3.1 | Post-qualification is conducted to check whether a successful bidder has the resources, experience and qualifications required to satisfactorily perform a contract. As post qualification is conducted before a contract is awarded, and the contract denied if the bidder is not qualified, it should reduce the likelihood of defaults or poor performance under a contract.  Detailed guidance on qualification criteria to be incorporated into bidding documents is contained in the respective standard bidding documents (ICB and LIB Goods: Section III; ICB Works: Section III; NCB Works: Section 1 clause 2 and Section 2 clause 2) |
| 15A.3.2 | Post-qualification will normally be conducted by the team of the Implementing Entity responsible for the evaluation. Where required, technical advice will be sought, normally from the member of staff who provided technical inputs to the evaluation. |

15A.4 Step-by-Step Instructions for Post-Qualification

|  |  |
| --- | --- |
| 15A.4.1 | Identify the successful bidder through the evaluation process. |
| 15A.4.2 | Review the bidding document for details of the post-qualification criteria set and the evidence of post-qualification requested from bidders. |
| 15A.4.3 | Examine the evidence submitted by the successful bidder and assess whether it meets the criteria. Seek clarifications or updated information from the bidder if required. |
| 15A.4.4 | Where the successful bidder is qualified, include this information in the evaluation report and proceed to submit the completed report, with the recommendation for award of contract, to obtain an ”no objection” from the SRTF for the report. |
| 15A.4.5 | Where the successful bidder is not qualified, conduct a post-qualification check on the bidder with the next lowest evaluated price and repeat this process as required until a qualified bidder is identified. Include the results of all post-qualification checks in the evaluation report. Include in the report the reasons why any bidder was determined not to be qualified and a clear recommendation for contract award. Bidders must not be rejected prior to an ”no objection” obtained. |

15A.5 Approvals Required

|  |  |
| --- | --- |
| 15A.5.1 | The Implementing Entity is responsible for:   * submitting to the SRTF for prior review and obtaining its “no objection”for the following documents: * the results of the post-qualification. (this should be included in the evaluation report – see Stage 13A for further details). Prior to a “no objection”, SRTF will perform a compliance check on the qualified bidders recommended for award to ensure that none of the SRTF conditions for exclusion apply. Any such bidder not passing the compliance check will be rejected for award and the next lowest evaluated responsive bid with a qualified bidder may then be considered by IE for award. |

15A.6 Documents/Records Required

|  |  |
| --- | --- |
| 15A.6.1 | A record of the post-qualification must be completed and kept on the procurement file. A summary of the post-qualification results must be included in the evaluation report. |

15A.7 Next Steps

|  |  |
| --- | --- |
| 15A.7.1 | Post-qualification is normally conducted at the end of the evaluation process, prior to completion of the evaluation report. Therefore:   * Return to Stage 13B or Stage 13C on evaluation as appropriate. |

Stage 16 Conducting Negotiations

16A.1 Summary of Procedure

|  |  |
| --- | --- |
| 16A.1.1 | This stage provides guidance on when negotiations are permitted what areas may be subject to negotiations and the procedure for holding negotiations with a bidder. |

16A.2 Application

|  |  |
| --- | --- |
| 16A.2.1 | Method: Negotiations are normally prohibited under the ICB, LIB or NCB procurement methods for goods and works but are standard features under the RFP procurement methods. Negotiations may also be held under the exceptional direct procurement methods – see Stage 16 and Stage 25 for guidance. Negotiations should not be held under the shopping procurement method. |
| 16A.2.2 | Type: This stage applies to negotiations for contracts for consultancy services (and any direct procurement). |

16A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 16A.3.1 | The purpose of negotiations is to discuss and finalize certain details of a contract with the successful candidate, prior to contract placement. Negotiations should lead to a contract that is acceptable to both parties and therefore, reduce the likelihood of disputes or the need for contract amendments. |
| 16A.3.2 | Negotiations are not held with the intention of making substantial changes to a contract or of obtaining price reductions from the successful candidate, with the exception of negotiations following direct procurement, where there has been no competition on price. |
| 16A.3.3 | The Implementing Entity has the overall responsibility for negotiations, and may require technical input from the user or other technical specialists. The Implementing Entity may need the use of staff who were involved in the evaluation, as they will be familiar with the RFP and the successful proposal. Negotiations will always be conducted by a minimum of two staff, selected by the head of the Implementing Entity. |

16A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 16A.4.1 | The evaluators should make recommendations in the evaluation report, as to the issues to be negotiated. |
| 16A.4.2 | The head of the Implementing Entity should identify appropriate member(s) of staff to manage the negotiations – see guidance note 1 below for assistance in selecting staff. |
| 16A.4.3 | Invite the successful candidate for negotiations, proposing the time, date and location for negotiations. The invitation letter may state that the candidate’s proposal has been evaluated as the successful one, but it is important that no contractual commitment is made to the candidate i.e. the letter must not make any reference to the proposal being accepted or a contract being awarded. |
| 16A.4.4 | The negotiators should begin by reviewing the RFP document, the proposal from the successful candidate and the evaluation report. |
| 16A.4.5 | Identify areas where negotiations are required – see guidance note 2 below for areas which negotiations are permitted to cover. For each area, identify the objectives that the project wishes to achieve. Where possible, quantify these objectives and set maximum and minimum negotiating parameters. |
| 16A.4.6 | Hold the negotiations with the successful candidate. It is important that the negotiators for the Implementing Entity do not commit the project to any arrangements or agreements during the negotiations. |
| 16A.4.7 | Prepare a record of the negotiations and make recommendations on how to proceed – see guidance note 3 below for assistance on likely recommendations. |
| 16A.4.8 | Where the recommendation is for further negotiations with the successful candidate or negotiations with the next candidate, repeat this process from step 3 (16A.4.3 above). |

16A.5 Guidance Note

|  |  |
| --- | --- |
|  | 1 – Selecting Staff to Conduct Negotiations |
| 16A.5.1 | The Implementing Entity has the overall responsibility for conducting negotiations and making recommendations on the results. However, negotiations will always be conducted by a minimum of two people, who will include staff with technical knowledge of the goods, works or services being procured and who are able to represent the needs of the user. |
| 16A.5.2 | Negotiations should normally be managed by the member of the Implementing Entity who managed the evaluation, although additional procurement staff with greater experience or particular skills may also be involved. That member of staff will then be responsible for coordinating inputs from other staff, ensuring that the negotiations are conducted in accordance with all applicable rules and procedures and preparing minutes of the negotiations and recommendations for the ”no objection” of the SRTF.. |
| 16A.5.3 | The head of the Implementing Entity should select the most appropriate members of staff to conduct negotiations. Where it offers benefits of continuity or significantly reduces the amount of preparation work required, staff who contributed to the evaluation should be used, as they will already be familiar with the requirements of the project, as defined in the bidding document, the contents of the successful bid, the reasons why negotiations were recommended, the areas requiring negotiations and the objectives of those negotiations. The appropriate number and type of staff will depend on the type, value and complexity of the procurement, the areas which require negotiations and the extent of the negotiations. |
| 16A.5.4 | In identifying staff to be involved with negotiations, the head of the Implementing Entity must consider the type of skills, knowledge or experience needed, which might include:   * procurement and contracting skills, including experience of negotiations; * technical knowledge; * legal expertise; * tax expertise; * representation by the user. |
|  | 2 – Areas which may be subject to Negotiations |
| 16A.5.6 | Negotiations may not relate to the price (except for the direct procurement methods) or substance of proposals, but only to minor technical, contractual or logistical details. As guidance only, negotiations may normally relate to the following areas:   * the consolidation of the initial TORs and commentary on the TORs by the successful candidate into a description of the services to be appended to the contract; * minor amendments to the Special Conditions of Contract; * finalizing the payment arrangements; * mobilization arrangements; * agreeing final completion schedules to accommodate any changes required by the project; * the proposed methodology or staffing; * inputs required from the Implementing Entity ; * clarifying details that were not apparent or could not be finalised at the time of bidding |
| 16A.5.7 | Negotiations must not be used to:   * substantially change the technical quality or details of the requirement, including the tasks or responsibilities of the bidder or the performance of the candidate; * substantially alter the terms and conditions of contract stated in the invitation document; * reduce unit rates or reimbursable costs (except for the direct procurement methods); * reduce work inputs solely to meet the budget; or * substantially alter anything which formed a crucial or deciding factor in the evaluation of the proposals. |
| 16A.5.8 | The candidate should not be allowed to substitute key staff, unless the project and the candidate agree that delays in the procurement process, changes in the terms of reference or other unavoidable circumstances make it necessary. |
|  | 3 – Recommendations following Negotiations |
| 16A.5.9 | Following negotiations, the recommendations made to the senior management of the Implementing Entity may include:   * proceed with contract award to the successful candidate, incorporating the revisions agreed during negotiations; * revise the objectives of the negotiations and negotiate further on specified areas; * terminate the negotiations, where they have failed to result in an acceptable contract, reject the candidate and award the contract and hold negotiations with the next best ranked candidate; * cancel the procurement proceedings, where it is believed that the original RFP document was flawed, the need has changed or the budget is insufficient for the requirement. |

16A.6 Approvals Required

|  |  |
| --- | --- |
| 16A.6.1 | The Implementing Entity is responsible for:   * submitting to the SRTF for prior review and obtaining their ”no objection”for the following documents: * the results of any negotiations, and the resulting recommendations, before any contract award or other commitment is made to any candidate. |

16A.7 Documents/Records Required

|  |  |
| --- | --- |
| 16A.7.1 | A record of any negotiations must be completed and kept on the procurement file. At a minimum, this record must include:   * the name of the candidate with whom negotiations were held and the names of the candidate’s representatives; * the names of all staff involved in the negotiations; * the time, date and location of the negotiations; * the areas subject to negotiation and the main points or requests made on each side; * the final agreement reached on each area of negotiation; * any points where agreement was not reached or further discussion is required. |
| 16A.7.2 | The record of the negotiations must be signed by all staff of the project involved in the negotiations. Any other correspondence or information relating to the negotiations must also be kept on the procurement file, including letters inviting the candidate to negotiate and the project’s preparation of its negotiating position. |

16A.8 Next Steps

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| --- | --- |
| 16A.8.1 | Proceed to Stage 18: Issuing a Notice of Acceptance. |

Stage 17 Canceling Procurement Proceedings

17A.1 Summary of Procedure

|  |  |
| --- | --- |
| 17A.1.1 | This stage provides a standard operating procedure for cancellation of procurement proceedings at any point prior to award of contract. Where there is a need to cancel a requirement after contract award, Stage 24: Terminating a Contract will apply. |

17A.2 Application

|  |  |
| --- | --- |
| 17A.2.1 | Method: This stage applies to all procurement methods prior to contract award. |
| 17A.2.2 | Type: This stage applies to the procurement of goods, works, or consultancy services. |

17A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 17A.3.1 | The cancellation of procurement proceedings should be avoided, wherever possible, as it means wasted resources for both the project and the bidders. However, where it is in the best interest to do so, procurement proceedings may be cancelled at any stage prior to the award of a contract. This stage establishes a procedure to ensure that any unavoidable cancellations are handled in a manner that is fair to all bidders. |
| 17A.3.2 | The cancellation of procurement proceedings will be conducted by the Implementing Entity. |

17A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 17A.4.1 | Identify the need to cancel procurement proceedings – see guidance note 1 below for grounds that may justify a cancellation. Discuss and agree the need with all relevant parties, including the Implementing Entity, the user and any staff providing financial information. |
| 17A.4.2 | Where no invitation document or notice has been issued, ensure that all relevant staff are notified. No further action is required. |
| 17A.4.3 | Where an invitation document or notice has been issued, seek the ”no objection” from the SRTF for the cancellation. “No objection” must be obtained as promptly as possible, so that bidders do not waste or spend further time or resources in the preparation of bids or in maintaining bid securities. The request for “no objection” to cancel must state in full the reasons for cancellation. |
| 17A.4.4 | Prepare a notice cancelling the procurement proceedings, which must be identical for all bidders or potential bidders. This notice should normally state the grounds for cancellation, to avoid enquiries from numerous bidders. However, the notice does not have to justify the grounds for cancellation. |
| 17A.4.5 | Where the cancellation is prior to the bidding deadline, send the notice to all bidders who have been issued with the bidding document. Check the bid box, if any, and any other records of receipt and return unopened all bids that have already been received. |
| 17A.4.6 | When cancellation is after the bidding deadline, send the notice to all bidders who submitted bids. Promptly return any unopened bids (including separately sealed financial proposals in the case of the RFP method) and any bid securities. |

17A.5 Guidance Notes

|  |  |
| --- | --- |
|  | 1 – Grounds for Cancellation |
| 17A.5.1 | The cancellation of procurement proceedings should be avoided wherever possible, but is permitted where it is in the best interest. Where cancellation is required, it should be done as early in the procurement process as possible. In particular, the project should seek to avoid cancelling procurement proceedings where bids have already been opened. |
| 17A.5.2 | The grounds for cancelling procurement proceedings must be approved by the implementing agency and an ”no objection” from the SRTF obtained, but as guidance the grounds might include:   * there is no longer any need for the procurement in question; * the technical, contractual or other details have changed to such an extent that it is more appropriate to issue a new bid, than to modify the existing bidding document; * there is evidence of collusion among bidders; * adequate funding is no longer available for the requirement; * there is a lack of responsive bids. |

17A.6 Approvals Required

|  |  |
| --- | --- |
| 17A.6.1 | The Implementing Entity is responsible for:   * submitting to the SRTF for prior review and obtaining their “no objection”for the following documents: * the reasons or case for cancellation of the procurement proceedings where cancellation is proposed after an invitation or request document has been issued to bidders. |

17A.7 Documents/Records Required

|  |  |
| --- | --- |
| 17A.7.1 | A record of the cancellation notice sent to all bidders, along with the approval of the implementing agency and an ”no objection” from the SRTF of the cancellation, must be kept on the procurement file. The procurement file must also contain information on the decision to cancel the procurement proceedings, including the grounds for cancellation. |

17A.8 Next Steps

|  |  |
| --- | --- |
| 17A.8.1 | No further action for the particular procurement transaction is required following cancellation. However, where cancellation of a procurement requirement is proposed at any stage in the procurement process, discussions will still need to be held within the Implementing Agency and with SRTF to agree a revised or alternative course of action for the procurement and utilization of the earmarked project budget. |
| 17A.8.2 | Any further procurement proceedings initiated by the cancelled procurement, should commence from the appropriate point of the procurement process e.g. requisition. |

Stage 18 Issuing a Notice of Acceptance

18A.1 Summary of Procedure

|  |  |
| --- | --- |
| 18A.1.1 | This stage sets out the procedure for issuing a notice of acceptance to form a contract by accepting the bid or proposal of the successful bidder. It is of great importance that this procedure is handled properly, as the notice of acceptance is normally a contractually binding notice, which results in the entry into force of a contract. |
| 18A.1.2 | It is important to note that this stage provides the most commonly used procedure for sending notices of acceptance. If the bidding document states an alternative procedure for the notice or an alternative means of entry into force of the procurement contract, the terms of the bidding document will prevail. |

18A.2 Application

|  |  |
| --- | --- |
| 18A.2.1 | Method: Unless the bidding document states otherwise, a notice of acceptance is normally used under the ICB, LIB and NCB and RFP procurement methods. A notice of acceptance may also be used under the direct procurement method – see Stage 26 for guidance. |
| 18A.2.2 | Under the Shopping procurement method, acceptance of a quotation is normally through issue of a purchase order – see Stage 19B for details. |
| 18A.2.3 | Type: This stage applies to the procurement of goods, works, and consultancy services. |

18A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 18A.3.1 | Sending a notice of acceptance to the successful bidder provides a rapid means of forming a contract, rather than waiting while the complete contract document is prepared. This offers a number of potential benefits:   1. the contract comes into force on an earlier date, meaning that delivery or mobilization periods start sooner and overall contract completion should be achieved sooner; 2. where the validity of a bid is due to expire shortly, it can be accepted quickly, before there is a need to request an extension to the validity, with the risk that the bidder is not prepared to extend the validity. |

18A.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 18A.4.1 | Ensure that approval from the SRTF of the decision to award the contract has been received in writing. The approval serves also as financial approval for the commitment of the required funds. |
| 18A.4.2 | Ensure that the successful bidder’s bid is still valid and that any modifications to the bid have been confirmed in writing by the bidder. |
| 18A.4.3 | Prepare the notice of acceptance – refer to section 18A.6 below for guidance on the content. Ensure that the notice is signed by the authorized signatory of the project. |
| 18A.4.4 | Dispatch the notice to the successful bidder, keeping evidence of dispatch, such as proof of posting, fax confirmation slip etc. The contract has now entered into force (unless otherwise stated in the bidding document, or if the bid is no longer valid or the notice of acceptance contains any provisions which are contrary to the bid and any aspect agreed in writing during negotiations, i.e. a counter-offer). |
| 18A.4.5 | Ensure that confirmation of receipt of the notice of acceptance is received from the bidder. |

18A.5 Approvals Required

|  |  |
| --- | --- |
| 18A.5.1 | The Implementing Entity is responsible for obtaining any internal financial approval to dedicate funds to this procurement. |

18A.6 Documents/Records Required

|  |  |
| --- | --- |
| 18A.6.1 | A copy of the notice of acceptance must be kept on the procurement file. Evidence of dispatch of the notice of acceptance must also be kept on the procurement file; this is of critical importance as the contract enters into force when the notice is dispatched. |
| 18A.6.2 | At a minimum, the notice of acceptance must include:   * the name and address of the project, which is party to the contract; * the name and address of the supplier/contractor/provider; * the date of the notice of acceptance; * the contract reference number of the procurement transaction; * a brief description of the goods, works or services procured; * the date and any reference number of the bidder’s bid; * reference to any clarifications or other correspondence which modifies the bidder’s bid; * the currency and amount of the contract award; * a statement of any changes in quantities; * a statement that the supplier should begin performance of the contract; * a statement that a full contract is being prepared and will be sent to the supplier for signature in due course; * a request that the supplier confirms receipt of the notice of acceptance and confirms that he is proceeding with contract performance; * instructions on any immediate actions required from the supplier e.g. provision of a performance security; * the signature of the authorized signatory of the project.   A recommended format for the notice of acceptance is contained in Volume 2 of this Procurement Manual. |

18A.7 Next Steps

|  |  |
| --- | --- |
| 18A.7.1 | Proceed to Stage 19A: Preparing and Issuing a Contract Document. |

Stage 19 Contract

Stage 19A Preparing and Issuing a Contract Document

19A.1 Summary of Procedure

|  |  |
| --- | --- |
| 19A.1.1 | This stage provides guidance on the preparation of contract documents, obtaining approval and issuing the contract documents. |
| 19A.1.2 | This stage is based on a procedure where a notice of acceptance has already been sent to form the contract – see Stage 18 for details. Where no notice of acceptance has been sent, staff should note that parts of Stage 18 relating to approvals and contract formation will apply. |

19A.2 Application

|  |  |
| --- | --- |
| 19A.2.1 | Method: This stage applies to the ICB, LIB, NCB and RFP procurement methods. It may also apply to the direct procurement method, where a contract document, rather than a purchase order, is issued – see Stage 25 for guidance. The Shopping procurement method is covered by Stage 19B: Preparing and Issuing a Purchase Order. |
| 19A.2.2 | Type: This stage applies to the procurement of goods, works and consultancy services. |

19A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 19A.3.1 | The contract document confirms in writing the contract that has been agreed and formed between the Implementing Entity (unless the Implementing Entity is represented by the SRTF) and the supplier/ contractor/ service provider. It defines the goods, works or services to be provided, the price to be paid for the goods, works or services and establishes the rights and obligations of each party. The contract is the governing document for administration of the contract. |

19A.4 Staff Involved

|  |  |
| --- | --- |
| 19A.4.1 | The Implementing Entity is responsible for the preparation of contract documents, obtaining all necessary approvals, getting the approved contract document signed and issuing the document. |

19A.5 Step-by-Step Instructions

|  |  |
| --- | --- |
| 19A.5.1 | Collect copies of all documents that will form part of the contract document – see guidance note 1 below for a list of documents to include. |
| 19A.5.2 | Assemble the complete contract document, by including all necessary documents in the correct order. Ensure that the contract does not include any terms or conditions that vary from the successful bidder’s bid, which was accepted by the notice of acceptance. |
| 19A.5.3 | Obtain the ”no objection” from the SRTF for the contract document. |
| 19A.5.4 | Make the required number of copies of the approved contract and bind or secure the pages in such a way that pages cannot be replaced or lost. The number of copies required must be at least three (i.e. one for the supplier, one for the Implementing Entity and one for the SRTF). |
| 19A.5.5 | The authorized signatory for the project should sign all copies of the contract. |
| 19A.5.6 | Send all copies of the contract to the supplier/contractor/ service provider, with a covering letter instructing him/her to counter-sign all copies, retain one for their records and return all other signed copies. |
| 19A.5.7 | Deliver a copy of the signed contract to the SRTF for their own files. |

19A.6 Guidance Notes

|  |  |
| --- | --- |
|  | 1 – Contents of Contract Document |
| 19A.6.1 | The contents of the contract document will depend on the model contract included in the bidding document. The contents of a contract and the order of precedence are normally listed in the contract form or special conditions of contract. As guidance only, contract documents normally consist of the following:   * the contract form or agreement; * the contract award notice; * the supplier’s bid and any modifications to that bid; * the special conditions of contract; * the general conditions of contract; * the description of the goods, works or services, comprising specifications, terms of reference, drawings, bill of quantities, activity schedule and/or any other similar document. |

9A.7 Approvals Required

|  |  |
| --- | --- |
| 19A.7.1 | The Implementing Entity is responsible for:   * submitting to the SRTF for prior review and obtaining their ”no objection”, as applicable, for the following documents: * final contract document (before issue to the supplier/contractor/service provider). |

19A.8 Documents/Records Required

|  |  |
| --- | --- |
| 19A.8.1 | A copy of the approved contract document sent to the supplier, must be kept on the procurement file. |
| 19A.8.2 | The original signed contract document returned by the supplier must be kept in a secure location, with a copy kept on the procurement file for reference. It is advisable for the original contract signed by the supplier to be copied and the copy annotated “Copy of signed Contract” to provide a working copy of the contract on the procurement file. This will allow the original contract to be kept in a secure location in the Implementing Entity (i.e. the Implementing Entity safe, if available). |

19A.9 Next Steps

|  |  |
| --- | --- |
| 19A.9.1 | Proceed to Stage 20: Publishing a Contract Award Notice and Debriefing Unsuccessful Bidders. |

Stage 19B Preparing and Issuing a Purchase Order

19B.1 Summary of Procedure

|  |  |
| --- | --- |
| 19B.1.1 | This stage provides guidance on the preparation and issue of purchase orders. |

19B.2 Application

|  |  |
| --- | --- |
| 19B.2.1 | Method: This stage applies to the shopping procurement method. It may also apply to the direct procurement method, where a purchase order is issued – see Stage 25 for guidance. The ICB, LIB, NCB and RFP procurement methods are covered by Stage 19A: Preparing and Issuing a Contract Document. |
| 19B.2.2 | Type: This stage applies to the procurement of goods, works and services. |

19B.3 Purpose of Procedure

|  |  |
| --- | --- |
| 19B.3.1 | The purchase order is a simple form of contract between the project and the supplier. It is used to form a contract by accepting the successful bidder’s quotation, where no contract award notice or detailed contract document is required. The purchase order defines the goods, works or services to be provided, the price to be paid for the goods, works or services and the delivery period required. |
| 19B.3.2 | The Implementing Entity is responsible for the preparation of purchase orders. |

19B.4 Step-by-Step Instructions

|  |  |
| --- | --- |
| 19B.4.1 | Complete a blank purchase order document (or prepare an order letter), using the information in the successful bidder’s quotation and any corrections made during the evaluation – see guidance note 1 below for details of the information to be included. The purchase order should have a unique (numerical) contract identifier, which should be obtained from or at least recorded on the Contract Register, if existing. |
| 19B.4.2 | Obtain the ”no objection” from the SRTF for the purchase order. |
| 19B.4.3 | The authorized signatory for the project must sign the purchase order. |
| 19B.4.4 | Issue the top copy of the purchase order to the supplier, with an instruction for them to confirm receipt of the purchase order in writing. |
| 19B.4.5 | Distribute other copies as required. |

19B.5 Guidance Notes

|  |  |
| --- | --- |
|  | 1 – Information to be included in Purchase Orders |
| 19B.5.1 | The following information must be included in the purchase order:   * name of the supplier; * date of issue of the Purchase Order (or Local Purchase Order-LPO); * delivery address; * name of the project purchasing the items; * quantity of each item required; * part or pattern/part/reference numbers for each item; * brief description of each item; * unit cost or rate for each item and the total cost of the Purchase Order; * delivery period and delivery term (as per Incoterms 2010) required; * unique contract reference identifying the purchase order. |

19B.6 Approvals Required

|  |  |
| --- | --- |
| 19B.6.1 | The Implementing Entity is responsible for:   * submitting to the SRTF for prior review and obtaining their ”no objection”for the following documents: * the purchase order (before issue). |

19B.7 Documents/Records Required

|  |  |
| --- | --- |
| 19B.7.1 | A copy of the purchase order, along with the SRTF ”no objection” must be kept on the procurement file. |

19B.8 Next Steps

|  |  |
| --- | --- |
| 19B.8.1 | Proceed to Stage 20: Publishing a Contract Award Notice and Debriefing Unsuccessful Bidders. |

Stage 20 Publishing a Contract Award Notice and Debriefing Unsuccessful Bidders

20A.1 Summary of Procedure

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| --- | --- |
| 20A.1.1 | This stage sets out the procedure for notifying unsuccessful bidders that they have not been awarded the contract and for publishing contract award notices, where they are required. It also provides guidance on debriefing unsuccessful bidders, where a request is received. |
| 20A.1.2 | The contract award notice should not be confused with the notice of acceptance – Stage 18. |

20A.2 Application

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| 20A.2.1 | Method: This stage applies to all competitive methods of procurement i.e. ICB, LIB, NCB, RFP and shopping procurement methods. |
| 20A.2.2 | Type: This stage applies to the procurement of goods, works and consultancy services. |

20A.3 Purpose of Procedure

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| 20A.3.1 | It is important that unsuccessful bidders are notified that they have not been awarded a contract, as soon as possible after the entry into force of the awarded contract, and that they are provided with information, if they request it, on why they failed to win. This practice of notifying and debriefing unsuccessful bidders has a number of benefits:   1. it should encourage unsuccessful bidders to submit bids again for future opportunities and assist them in submitting more responsive or competitive bids. This contributes to greater competition, which should result in increased value for money for the project. 2. it provides unsuccessful bidders with a fair opportunity to appeal, if they feel that the procurement has not been properly conducted. 3. The publication of contract award information for higher value contracts increases the transparency of public procurement. |
| 20A.3.2 | The Implementing Entity is responsible for notifying and debriefing unsuccessful bidders and publishing any required contract award notices. |

20A.4 Step-by-Step Instructions

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| 20A.4.1 | Ensure that the contract has entered into force with the successful bidder and that any required performance security has been received. |
| 20A.4.2 | Prepare a standard letter to notify unsuccessful bidders of the contract award. This letter should state the name and address of the supplier/contractor or provider and the total price of the contract awarded. |
| 20A.4.3 | Send a copy of the letter to each unsuccessful bidder. |
| 20A.4.4 | Their bid securities, if applicable, should be returned at this stage. |
| 20A.4.5 | Prepare a notice of contract award for publication – see guidance note 1 for further guidance. This notice must be published on the SRTF website. |
| 20A.4.6 | Arrange for publication of the notice following the receipt of SRTF ”no objection” to the contract award. The notice should be posted on an Implementing Entity (electronic) notice board, if any, freely accessible to the public. |
| 20A.4.7 | Where a request for a debrief is received from an unsuccessful bidder, establish with the bidder whether a written response or a meeting is required. If a written response is required, prepare and send a debrief letter – see guidance note 2 below for the details to be included. Where a meeting is required organize a meeting date and use the guidance note 2 below as preparation for the meeting. |

20A.5 Guidance Note

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|  | 1– Publication of Contract Award Notice |
| 20A.5.1 | This notice must be published on the SRTF website with the result of the contract award identifying the bid and lot numbers and the following information:   * the name and address of each bidder who submitted a bid; * name of the successful bidder * price offered by the successful bidder * duration and summary scope of the contract awarded. |
| 20A.5.2 | The website addresses is [www.srtfund.org](http://www.srtfund.org) |
|  | 2 – Contents of Debrief Letters |
| 20A.5.3 | Debrief letters should contain sufficient detail to provide the unsuccessful bidder with an explanation of why he was not successful with a contract, without providing excessive details. Debrief letters must be prepared individually for each unsuccessful bidder, as they should not disclose information on other bids, with the exception of limited information on the successful bid. |
| 20A.5.4 | Debrief letters should state which stage of the evaluation the bid was rejected at i.e. preliminary screening, detailed evaluation or financial evaluation. |
| 20A.5.5 | Where a bid was rejected during the preliminary screening, the letter should give a brief statement of the reason or reasons for rejection, for example:   * bid security was not issued by an acceptable institution; * bid was not signed and authorized; or * bid was not valid for the required period. |
| 20A.5.6 | Where a bid for goods or works was rejected during the detailed evaluation, the letter should give a brief statement on how it failed to meet the technical specification or standard required or how it was commercially unacceptable, for example:   * did not meet the required specification, as the engine size was too small; * your bid did not meet the required specification, as the processor speed was too slow; * your proposed payment terms did not comply with the conditions stated in the bidding document and were not acceptable to the project; or * your supervisory staff did not have appropriate qualifications or sufficient experience for the contract. |
| 20A.5.7 | Where a proposal for consultancy services evaluated using QCBS or LCS was rejected during the detailed technical evaluation, the letter should state that the proposal failed to reach the minimum quality threshold specified and give a brief statement on the main weaknesses of the proposal, for example:   * key personnel did not have sufficient experience of this type of work or of work in the conditions prevailing in Syria; * team leader did not have sufficient management experience or experience of working at this level; or * your methodology did not address the capacity building part of the terms of reference adequately or would not achieve sufficient transfer of knowledge. |
| 20A.5.8 | Where a bid was rejected during the financial evaluation, the letter should state:   * for goods or works, that the bidder did not submit the lowest priced, responsive * bid; * for consultancy services evaluated using QCBS, that the bidder did not submit the proposal offering the best overall combination of quality and price; * for consultancy services evaluated using LCS, that the bidder did not submit the lowest priced proposal, which reached the minimum quality threshold. |
| 20A.5.9 | The price of the contract award will already have been provided in the letter notifying the bidder that he was unsuccessful and, for consultancy services, the technical scores and prices will have been read out at the financial opening. However, the project may repeat these details in the debrief letter, for the sake of completeness. |

20A.6 Approvals Required

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| 20A.6.1 | No approvals are required for this procedure. |

20A.7 Documents/Records Required

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| 20A.7.1 | Copies of the notification letters and any debriefing letters sent to unsuccessful suppliers must be kept on the procurement file. A copy of any published contract award notice must also be kept on the procurement file. |

20A.8 Next Steps

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| 20A.8.1 | Proceed to Stage 21: Administering a Contract. |

Stage 21 Administering a Contract

21A.1 Summary of Procedure

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| 21A.1.1 | This stage provides a general procedure for administering contracts, following the issue of a contract document or purchase order. |
| 21A.1.2 | Contract administration procedures are largely determined by the terms and conditions of each individual contract and the description of requirements for the goods, works or services. Therefore, this stage provides general rules and principles only and Implementing Entity personnel must be guided by the contents of each contract. Guidance notes are included on the particular requirements of administering goods, works and services contracts. |

21A.2 Application

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| --- | --- |
| 21A.2.1 | Method: This stage applies to all method of procurement i.e. ICB, LIB, NCB, RFP, shopping and direct procurement methods. |
| 21A.2.2 | Type: This stage applies to goods, works and consultancy services. |

21A.3 Purpose of Procedure

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| 21A.3.1 | Effective contract administration is critical to successful contract implementation and meeting the objectives of the procurement requirement. Contract administration procedures are designed to ensure that:   * the supplier performs the contract in accordance with the terms and conditions specified in the contract; * the Implementing Entity fulfils its obligations and duties under the contract; and, * swift remedial or preventative action is taken when problems arise or are foreseen. |
| 21A.3.2 | The Implementing Entity has the overall responsibility for contract administration, but will draw on other resources, such as technical, payment or legal expertise as required. Where such other services and systems are used, the Implementing Entity will remain responsible for monitoring their performance and ensuring that activities, in relation to the contract, are completed on time and in accordance with procurement rules. Day-to-day contract administration may be assigned to the user or technical expert. |

21A.4 Step-by-Step Instructions

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| 21A.4.1 | The head of the Implementing Entity should select the most appropriate person or team to administer the contract – see guidance note 1 below for further details. |
| 21A.4.2 | Ensure that a signed copy of the contract or confirmation of the purchase order is received from the supplier/contractor/provider. |
| 21A.4.3 | Ensure that any required performance security or advance payment security is received from the supplier. |
| 21A.4.4 | Ensure that the Implementing Entity meets any immediate obligations, such as payment of an advance payment. |
| 21A.4.5 | Prepare a contract implementation plan, showing key milestones, such as dates for mobilization, deliveries or completion of certain deliverables or sections of work, and the Implementing Entity’s obligations, such as providing access to a works site, payment or approval of reports. |
| 21A.4.6 | Monitor the performance of both parties against the contract implementation plan. Take action as required to address any problems or delays, whether actual or anticipated. See guidance notes 2, 3 and 4 for details of the normal contract administration responsibilities for goods, works and services respectively. |
| 21A.4.7 | Ensure that all deliveries, targets or deliverables are completed by the supplier/contractor/provider. |
| 21A.4.8 | Check all payment documentation and authorize invoices for payment in accordance with the project’s accounting and disbursement systems. |
| 21A.4.9 | Where contract amendments are required at any stage, see Stage 22 for further details. |

21A.5 Guidance Notes

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|  | 1 – Selecting a Contract Administrator |
| 21A.5.1 | The head of the Implementing Entity should select the most appropriate person or persons to administer each contract, taking into account the skills or experience required, the time required for contract administration and any requirements to work closely with the user. Where a contract is particularly large or complex, a contract administration team may be formed and/or an Engineer (e.g. for supervision of construction) or other expert (which may be a team of experts provided by a consulting firm) be appointed. |
| 21A.5.2 | The Implementing Entity will retain overall responsibility for contract administration, but the member of staff with day-to-day responsibility for the contract may be assigned from outside the Implementing Entity. For example, the Implementing Entity will normally retain control of contract amendments, payments and dispute resolution, but may allocate day-to-day liaison with a team of consultants or supervision of a construction contract to the user, if not the Implementing Entity. |
| 21A.5.3 | In selecting the person responsible for day-to-day contract administration, the head of the Implementing Entity should consider the following guidance:   1. where supervision needs to be conducted by a person with appropriate technical skills, such as for construction contracts or the installation of complex plant and machinery, contract administration is best allocated to the User or an external consultant; 2. where contract administration is likely to be time-consuming or require skills not available within the project or the Implementing Entity, an external contract administrator should be appointed, such as a project manager for a major construction contract; 3. where goods are to be received and issued by stores, contract administration is best allocated to the stores staff; 4. where goods are to be delivered directly to the user, contract administration is best allocated to either the user, although there may still be a need for the goods to be included in the project’s records of assets; 5. where a consultant is required to work with the user in conducting a study, providing advice or building capacity, contract administration is best allocated to the user and particular counterpart staff may need to be designated to work with the consultant; 6. where services are provided in support of the general management or administration of the project, contract administration is best allocated to the member of staff responsible for that function. |
| 21A.5.4 | Issues relating to contractual disputes or a supplier’s failure to perform and any requirement for amendment of the contract must be referred to the head of the Implementing Entity. |
| 21A.5.5 | Contract administrators must make use of the project’s existing systems for making payments or seeking legal advice. |
|  | 2 – Contract Administration for Goods |
| 21A.5.6 | Contracts administration for goods focuses on ensuring that goods are delivered on time, that the goods are acceptable to the project, in terms of quantity, quality and supporting documentation, and that the project meets its obligations to pay for the goods delivered. The contract administrator is typically responsible for:   * ensuring that the actual dates when deliveries are due are agreed with the supplier, based on the date of contract effectiveness; * expediting during the delivery period, to ensure that manufacturing, freight forwarding and deliveries are proceeding on schedule; * witnessing tests or approving samples, where required; * arranging collection, freight-forwarding, customs clearance or delivery, where the project is responsible for any of these tasks; * arranging for receipt and inspection of the goods; * checking all documentation relating to the goods, such as delivery notes, and ensure that documentation is correct before signing; * recording any missing, damaged or incorrect items and initiating claims against insurance policies or the supplier; * reporting any contractual problems or requests for contract amendments to the SRTF; * checking invoices and supporting documentation are accurate against deliverables and clearing and requesting payment through the SRTF financial systems; * managing any securities, such as performance or payment securities, by ensuring that they are kept securely, ensuring that extensions to their validity are obtained in good time, when required, reducing their value, when required * and releasing them promptly, when all obligations have been fulfilled; * ensuring all documentation and information relating to warranties and warranty claims are in good order; * ensuring that assets are registered and labeled, where required; and * ensuring all user guides, manuals, licences etc. are kept with the goods or in anappropriate place. |
| 21A.5.7 | Goods should be recorded in the project’s asset records and issued to the user in accordance with applicable stores and supply management procedures. |
|  | 3 – Contract Administration for Works |
| 21A.5.8 | Contracts administration for works is often complex and time-consuming, as it involves supervision of the progress of the works, ordering variations where unforeseen conditions are encountered and measuring the work completed for payment purposes. For major contracts, the project will normally use a full-time supervising engineer or project manager, hired with a consulting contract, who will exercise control and supervision of the contact on behalf of the project. Where a project manager is used, the project must:   * ensure that the role of the project manager is clearly defined, in particular his powers to issue contract variations, which result in changes to the overall cost, completion date, quality and design of the works and to settle disputes; * establish arrangements for keeping the project informed of contract progress, variations issued and any disputes; and * designate a contract administrator within the project, who will be the contactpoint for the project manager. |
| 21A.5.9 | This contract administrator is typically responsible for:   * ensuring that the actual mobilization and completion dates are agreed with the supplier, based on the date of contract effectiveness; * monitoring the overall progress of the works and the performance of the project manager; * referring any requests for contract variations, which are outside the authority of the project manager, to the Implementing Entity and eventually to the SRTF if the contract establishes that an approval is required; * reporting any contractual problems or requests for contract amendments to the Implementing Entity; * checking invoices and supporting documentation are accurate against deliverables and clearing and requesting payment through the SRTF financial systems; * managing any securities, such as performance or payment securities, by ensuring that they are kept securely, ensuring that extensions to their validity are obtained in good time, when required, reducing their value, when required * and releasing them promptly, when all obligations have been fulfilled; * ensuring all final acceptance and hand-over arrangements are completed and documented satisfactorily; and * ensuring all final (as-built) drawings, operation and maintenance manuals etc.,are received and kept in an appropriate place. |
|  | 4 – Contract Administration for Services |
| 21A.5.10 | Contracts administration for services focuses on ensuring that services are delivered on time and to an acceptable quality. This can be difficult, as the quality of services, particularly consultancy services, can be subjective and difficult to measure. A good working relationship with the service provider and on-going monitoring of services is therefore important, to ensure successful contract performance. |
| 21A.5.11 | The project must also ensure that it meets its obligations, particularly where the performance of consultancy services is dependent on certain inputs or information from the project or where staff must be made available to benefit from capacity building initiatives. |
| 21A.5.12 | For services contracts, the contract administrator is typically responsible for:   * ensuring that the actual dates for mobilization, key milestones or deliverables and completion are agreed with the provider, based on the date of contract effectiveness; * monitoring contract performance to ensure that levels of service are maintained and that deliverables are submitted or completed on time; * ensuring that all required reports are submitted on time; * ensuring that, where required, the project provides written comments or approvals to deliverables or reports in a timely manner; * ensuring that any resources, assistance or counterpart staff to be provided by the project are made available at the appropriate time; * checking invoices and supporting documentation are accurate against deliverables and clearing and requesting payment through the SRTF financial systems; * managing any securities, such as performance or advance payment securities, by ensuring that they are kept securely, ensuring that extensions to their validityare obtained in good time, when required, reducing their value, when required and releasing them promptly, when all obligations have been fulfilled; * notifying the service provider in writing of any failings in performance or failure to meet targets; and * ensuring all reports or deliverables/outputs are kept in an appropriate place and circulated or implemented as required. |

21A.6 Approvals Required

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| 21A.6.1 | The ”no objection”from the SRTF is required for any contract amendments – see Stage 22 for further guidance. |
| 21A.6.2 | Payments must be approved in accordance with the IE’s normal finance and accounting procedures. Approved invoices with supporting documents must be sent to SRTF for its approval and payment through SRTF procedures to the supplier. Implementing Entity. |
| 21A.6.3 | No other approvals are required for contract administration. |

21A.7 Documents/Records Required

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| --- | --- |
| 21A.7.1 | All correspondence and documentation relating to contract administration must be kept on the procurement file. In particular, records are required of:   * all invoices and other payment documents received from the supplier/contractor/provider; * details of the approvals issued by the Implementing Entity to authorize payments; * Details of forwarding approved invoices with supporting documents to SRTF for payment, as well as confirmations of payment received. * all documentation relating to contract performance, such as delivery notes, progress reports and other deliverables; * all contract variations; * all contract amendments; * all documents relating to claims under the contract, including warranty claims; * all documents relating to contract disputes and dispute resolution. |

21A.8 Next Steps

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| 21A.8.1 | Proceed to:   1. Stage 22: Amending a Contract, where any amendment is required; 2. Stage 23: Completing a Contract, when all contractual obligations have been completed; 3. Stage 24: Terminating a Contract, where termination is required: Amending a contract. |

Stage 22 Amending a Contract

22A.1 Summary of Procedure

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| 22A.1.1 | This stage provides the standard operating procedure for amending a contract, when required, during the period of performance of the contract. |

22A.2 Application

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| 22A.2.1 | Method: This stage applies to all methods of procurement i.e. ICB, LIB, NCB, RFP, shopping and direct procurement methods. |
| 22A.2.2 | Type: This stage applies to goods, works and consultancy services. |

22A.3 Purpose of Procedure

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| 22A.3.1 | Ideally, a contract should not need any amendment, but it is occasionally necessary to make changes to the terms and conditions of a contract or the description of requirements. Contract amendments provide a formal, legal way of amending a contract and of ensuring that both parties have agreed to the changes. |
| 22A.3.2 | The Implementing Entity is responsible for preparing all contract amendments |

22A.4 Step-by-Step Instructions

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| 22A.4.1 | Identify the need for a contract amendment – this will normally be done by the contract administrator. A contract amendment is required where the project wants to change any terms or conditions of the contract e.g. the delivery or completion period, the technical description of the goods, works or services, the quantity of an item purchased, the price etc. |
| 22A.4.2 | Provide full details on the amendment required to the senior management of the Implementing Entity. |
| 22A.4.3 | The Implementing Entity will discuss the amendment with the supplier/contractor/provider. |
| 22A.4.4 | Prepare the contract amendment – see guidance note 1 below for the details to include. |
| 22A.4.5 | Obtain the ”no objection” from the SRTF for the amendments to contract. |
| 22A.4.6 | Obtain any other necessary approvals, including financial approval for commitment of any additional (or reduction in) funds. |
| 22A.4.7 | Make the required number of copies of the approved contract amendment. The number of copies required must be at least three – one for the supplier/contractor/provider, one for the Implementing Entity and one for the SRTF. |
| 22A.4.8 | The authorized signatory for the project should sign all copies of the contract amendment. |
| 22A.4.9 | Send all copies of the contract amendment to the supplier/contractor/provider, with a covering letter instructing the supplier to counter-sign all copies, retain one for his records and return all other signed copies to the project. |
| 22A.4.10 | Send a copy of the contract amendment to the SRTF. |

22A.5 Guidance Notes

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|  | 1 – Contents of a Contract Amendment |
| 22A.5.1 | The contents of a contract amendment will be determined by the reason for the amendment and the term or condition that is being amended. However, all contract amendments must include the following details:   * the procurement reference number and date of the contract that is being amended and a brief description of the subject of the contract; * the number of the contract amendment i.e. “Contract Amendment No 1, 2, 3 etc.”; * the date of the contract amendment; * a clear statement of the part of the contract which is being amended, including relevant clause or annex numbers; * a clear statement of how the contract is amended e.g. “the completion period is hereby extended by one week, to give a revised completion period of thirteen weeks” or “the quantity for item 3 is hereby increased by two (2) to give a revised quantity of five (5)”; * where the contract price is being amended, for instance because of an increase of the units procured, a clear statement of the amount by which the contract is increased or decreased and the revised total contract price i.e. “the contract price is hereby increased by a sum of USD5,000, giving a revised total contract price of USD35,000”; * a statement that all other terms and conditions of the contract remain unchanged. |

22A.6 Approvals Required

|  |  |
| --- | --- |
| 22A.6.1 | The Implementing Entity is responsible for:   * submitting to SRTF for prior review and obtaining its ”no objection”for the following documents: * the contract amendment before issue. |
| 22A.6.2 | The Implementing Entity is also responsible for amending the increase or decrease in funds committed to the contract or purchase order. |

22A.7 Documents/Records Required

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| 22A.7.1 | A copy of all contract amendments, signed by both parties, along with the approval of the Approvals Committee and an ”no objection” from SRTF for each amendment, must be kept on the procurement file. |

22A.8 Next Steps

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| 22A.8.1 | Return to Stage 21: Administering a Contract. |

Stage 23 Completing a Contract

23A.1 Summary of Procedure

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| 23A.1.1 | This stage provides the standard operating procedure for completing a contract and closing the procurement file, once all contractual obligations of both parties have been fulfilled. |

23A.2 Application

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| --- | --- |
| 23A.2.1 | Method: This stage applies to all methods of procurement i.e. ICB, LIB, NCB, RFP, shopping and direct procurement methods. |
| 23A.2.2 | Type: This stage applies to goods, works and consultancy services. |

23A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 23A.3.1 | It is important that contracts are formally reviewed and the procurement file closed, once all contract activities and obligations have been completed. This procedure should ensure that the contract has in fact been completed and that no outstanding items, claims or payments are overlooked. It also ensures that files are archived for the appropriate period of time and available for audit purposes. |
| 23A.3.2 | The Implementing Entity is responsible for completing contracts and closing the file. |

23A.4 Step-by-Step Instructions

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| --- | --- |
| 23A.4.1 | The Implementing Entity will identify that all contractual obligations have been completed and warranty periods have expired or lapsed. |
| 23A.4.2 | The Implementing Entity should review the contract and the procurement file to check that the contract is in fact completed – see guidance note 1 below for a checklist. |
| 23A.4.3 | Close the file and archive it, if required. |
| 23A.4.4 | Ensure that the closed file is listed in Implementing Entity records and is marked with the date which it must be retained until. |

23A.5 Guidance Note

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|  | 1 – Contract Completion Checklist |
| 23A.5.1 | Before closing a procurement file, the Implementing Entity should check that:   * all goods have been delivered, works completed and handed-over, defect liabilities or warranties properly fulfilled, services performed and contract deliverables received; * there are no outstanding claims for missing or damaged items against either the supplier or an insurance company; * all necessary payments have been made and that all contract payment records confirm this and are complete; * the total final payment is correct, taking into account any contract amendments, variations, price variations and the reimbursement of any advance payment; * all guarantees and securities have been returned; * all necessary documentation is in place and correct; and * the overall performance of the supplier/contractor/provider has been reviewed and the Implementing Entity has advised the SRTF of any serious failings. |

23A.6 Approvals Required

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| 23A.6.1 | No approvals are required for contract completion and closure of the procurement file. |

23A.7 Documents/Records Required

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| --- | --- |
| 23A.7.1 | All records relating to the review of the contract must be kept on the procurement file. The Implementing Entity must maintain a register of:   * all procurement files closed; * date of closure of each file; and * date until which the file must be maintained, which is five years from the date of cancellation of the procurement or completion or termination of the contract, as appropriate. * location of the completed file in case retrieval is necessary |
| 23A.7.2 | This record can be kept as additional annotations to the Implementing Entity Contract Register. |

23A.8 Next Steps

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| 23A.8.1 | This stage provides the final step in the procurement process. |

Stage 24 Terminating a Contract

24A.1 Summary of Procedure

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| 24A.1.1 | This stage provides the procedure for terminating a contract, after a contract has been awarded. Where a procurement requirement needs to be cancelled prior to contract award, Stage 17: Cancelling Procurement Proceedings will apply. |

24A.2 Application

|  |  |
| --- | --- |
| 24A.2.1 | Method: This stage applies to all methods of procurement i.e. ICB, LIB, NCB, RFP, shopping and direct procurement methods. |
| 24A.2.2 | Type: This stage applies to goods, works and consultancy services. |

24A.3 Purpose of Procedure

|  |  |
| --- | --- |
| 24A.3.1 | Contracts should not be terminated, where termination can be avoided. However, it is sometimes necessary to terminate a contract:   * to avoid or minimize further loss to the project or poor performance by the supplier; * where contract performance has become impossible; or * where a supplier is no longer qualified or has engaged in corrupt practices. |
| 24A.3.2 | The Implementing Entity is responsible for terminating contracts; however the SRTF may indirectly terminate a contract by terminating the Financing Agreement with the Implementing Entity. |
| 24A.4 | Step-by-Step Instructions |
| 24A.4.1 | Identify the need to terminate the contract. |
| 24A.4.2 | Check the contract or purchase order document, to confirm the conditions of contract relating to termination – see guidance note 1 below for details. Identify which of the grounds for termination will be used and ensure that the project has sufficient justification for using the selected grounds. Seek legal advice prior to proceeding and advise the SRTF. |
| 24A.4.3 | Estimate the cost, if any, which will be due to the supplier following termination. |
| 24A.4.4 | Prepare a formal notice, terminating the contract and stating the grounds for termination. Seek legal or SRTF advice when preparing the draft notice and advise the SRTF. |
| 24A.4.5 | Obtain the approval of the Implementing Entity and the ”no objection” of SRTF of the notice and the justification for terminating. Ensure that the Implementing Entity and SRTF are informed of the costs of terminating the contract. |
| 24A.4.6 | Issue the termination notice and ensure that it is received by the supplier/contractor/provider. |
| 24A.4.7 | Take any follow-up action required, including making any payments due under the contract. |
| 24A.4.8 | Refer to Stage 23: Completing a Contract, for guidance on archiving the procurement file. |

24A.5 Guidance Notes

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|  | 1 – Typical Grounds for Termination |
| 24A.5.1 | The grounds for termination of a contract will depend on the terms and conditions of the individual contract concerned. It is essential that the project is guided by the contract document itself, and takes legal advice and consults the MU. |
| 24A.5.2 | The project should note that a contract will also give the supplier grounds for termination, which normally include failure by the project to make payments which are overdue by a specified period of time, force majeure or failure of the project to comply with an agreement reached through arbitration or other dispute resolution mechanism. |

24A.5 Approvals Required

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| --- | --- |
| 24A.5.1 | The Implementing Entity is responsible for:   * submitting to the SRTF for prior review and obtaining their ”no objection”for the following documents prior to terminating a contract: * Termination notice. |
| 24A.5.2 | The Implementing Entity will also be responsible for amending the funds committed to the contract or purchase order. |

24A.6 Documents/Records Required

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| --- | --- |
| 24A.6.1 | A copy of the notice terminating the contract, and the approval of the Approvals Committee to terminate, must be kept on the procurement file. Any other correspondence or documentation relating to the termination must also be kept on the procurement file together with the SRTF ”no objection” |

24A.7 Next Steps

|  |  |
| --- | --- |
| 24A.7.1 | No further action is required following termination of a contract. Any new procurement proceedings, in place of the terminated contract, should be treated as a completely separate procurement process and start from the initiation stage i.e. stage 1.  Consideration should be given to the reasons resulting to termination of the contract, to ensure that they are not repeated in any new procurement process. |

Stage 25 Direct Procurement

25A.1 Summary of Procedure

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| 25A.1.1 | This stage provides guidance on the exceptional procedures for conducting direct procurement based on the conditions for use stipulated in Stage 3 or where superseded by the Financing Agreement between the Implementing entity and the SRTF. Where contained in the Financing Agreement, no further justification is required to proceed with the procurement. In all other cases the prior ”no objection” from SRTF must be obtained, based on justifications provided, before entering into any commitment. |
| 25A.1.2 | Parts of the procedures for direct procurement are similar to those for competitive methods of procurement and therefore, this stage should be read in conjunction with those other relevant stages. This stage provides the instructions that should be referred to and highlights only the modifications that are required for direct procurement. |

25A.2 Application

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| 25A.2.1 | Method: This stage applies to all procurement conducted under the direct procurement method. |
| 25A.2.2 | Type: This stage applies to goods, works and consultancy services. |

25A.3 Purpose of Procedure

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| 25A.3.1 | Direct procurement provides a procedure for concluding a contract where particular conditions apply and special circumstances exist. |
| 25A.3.2 | Responsibilities for conducting each step in the direct procurement process are the same as for competitive methods of procurement and are stated on each individual stage. |

25A.4 Step-by-Step Instructions for a Sole Source Supply

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| 25A.4.1 | In these step-by-step instructions, references are made to other stages that apply. Where any stage should be applied with modifications, it is referred to for “general guidance” and the appropriate modifications are outlined below. |
| 25A.4.2 | Initiate the procurement procedure – see Stage 1 for guidance. |
| 25A.4.3 | Prepare a description of the goods, works or services – see 2A, 2B or 2C for general guidance. The description must state the purpose of the goods, works or services, to enable a judgment to be made on whether there are functionally equivalent goods, works or service that would also meet the need. |
| 25A.4.4 | Select the procurement method and plan the procurement – see Stage 2A, Stage 2B or Stage 2C for guidance. Identify the sole supplier, who is able to fulfill the requirement and prepare a detailed justification for use of direct procurement – see guidance note 1 below for the details to include. |
| 25A.4.5 | Prepare a written description of the project’s needs, including the technical description of requirements and the terms and conditions of the proposed contract. Parts of the standard bidding documents may be used as the basis for preparation of this written description. Obtain the ”no objection” from the SRTF for the invitation document. |
| 25A.4.6 | Send the Invitation to the sole supplier, requesting a written offer. No formal receipt or opening of the bid is required. |
| 25A.4.7 | Evaluate the quotation/bid to determine whether it meets the project’s requirements - see stage 13A and 13B, 13C or 13D, for guidance. The detailed evaluation should focus on whether the bid meets the project’s technical requirements and whether the proposed terms and conditions of contract are acceptable to the project.  The financial evaluation should consider, as far as is possible, whether the bid offers value for money, taking into account a breakdown of the costs involved, the cost of alternative solutions, which were rejected, the size of the proposed contract, the terms and conditions of the proposed contract and any other relevant details or circumstances. |
| 25A.4.8 | Prepare an evaluation report, recommending whether the bid/quotation should be considered for contract award, whether negotiations are required or whether the procurement requirement should be cancelled or redefined. Obtain ”no objection” from the SRTF for the recommendations. |
| 25A.4.9 | Hold negotiations if required and obtain the ”no objection” from the SRTF for the negotiation results – see Stage 16 for guidance. |
| 25A.4.10 | Send a notice of acceptance, if required, ensuring that all necessary “no objections” are obtained first – see Stage 18 for guidance. |
| 25A.4.11 | Prepare a contract document or purchase order document - see Stage 19A or Stage 19B for guidance. The type of document used will depend on the value of the contract and the terms and conditions that will apply. Obtain the “no objection” of SRTF for the contract document / purchase order, and any other required “no objections” for the commitment of funding, and issue the document. |
| 25A.4.12 | Administer and complete the contract – see Stage 21 and Stage 23 for guidance. |

25A.5 Step-by-Step Instructions for Additional Goods against an Existing Contract

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| 25A.5.1 | In these step-by-step instructions, references are made to other stages that apply. Where any stage should be applied with modifications, it is referred to for “general guidance” and the appropriate modifications are outlined below. |
| 25A.5.2 | Initiate the procurement procedure – see Stage 1 for guidance. |
| 25A.5.3 | Prepare a description of the goods, works or services – see Stage 2A, Stage 2B or Stage 2C, for general guidance. The description must refer to the original goods, works or services and the need for standardization or compatibility. |
| 25A.5.4 | Plan the procurement – see Stage 3 for guidance. Identify the supplier and prepare a detailed justification for use of direct procurement – see guidance note 2 below for the details to include. Obtain the ”no objection” from SRTF for the use of direct procurement. |
| 25A.5.5 | Where the original contract has not been completed, contract the additional requirement as a contract amendment – see Stage 22 for guidance. The following steps are not required, but the project should continue to administer the amended contract. |
| 25A.5.6 | Where the original contract has been completed, prepare a written description of the project’s needs, including the technical description of requirements, the additional quantity and the terms and conditions of the proposed contract. Parts of the standard bidding documents may be used as the basis for preparation of this written document. Obtain the ”no objection” from SRTF for the invitation document. |
| 25A.5.7 | Send the written invitation document to the original supplier, requesting a written bid/quotation. No formal receipt or opening of the bid is required. |
| 25A.5.8 | Evaluate the bid to determine whether it meets the project’s requirements - see Stages 13A and 13B, or 13C, for general guidance. The detailed evaluation should focus on whether the bid meets the project’s technical requirements and whether the proposed terms and conditions of contract are acceptable to the project. The financial evaluation should consider, as far as is possible, whether the bid offers value for money, taking into account the unit prices of the original contract, the size of the additional requirement, the terms and conditions of the proposed contract, a breakdown of the costs involved and any other relevant details or circumstances. |
| 25A.5.9 | Prepare an evaluation report, recommending whether the quotation/bid should be considered for contract award, whether negotiations are required or whether the procurement requirement should be cancelled or redefined. Obtain the ”no objection” from the SRTF for the recommendations. |
| 25A.5.10 | Hold negotiations if required and obtain the approval of the Implementing Entity and the ”no objection” from the SRTF for the negotiation results – see Stage 16 for guidance. |
| 25A.5.11 | Send a notice of acceptance, if required, ensuring that all necessary approvals are obtained first – see Stage 18 for guidance. |
| 25A.5.12 | Prepare a contract or purchase order document - see Stage 19A or Stage 19B for guidance. The type of document used will depend on the value of the contract and the terms and conditions that will apply. Obtain the approval of the Implementing entity and the ”no objection” of SRTF for the contract or purchase order, and issue the document. |
| 25A.5.13 | Administer and complete the contract – see Stage 21 and Stage 23 for guidance. |

25A.6 Step-by-Step Instructions for Exception Circumstances

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| 25A.6.1 | The use of the broad condition of exceptional circumstances will require the use of professional judgment in determining how to proceed, but as a general rule should seek to follow established procurement principles and rules, to the extent possible. Exceptional circumstances such as in response to a natural disaster will require an immediate assessment of the time available in which to affect procurement. |
| 25A.6.2 | In these step-by-step instructions, references are made to other stages which apply. Where any stage should be applied with modifications, it is referred to for “general guidance” and the appropriate modifications are outlined below. |
| 25A.6.3 | Initiate the procurement – see Stage 1 for guidance. |
| 25A.6.4 | Prepare a description of the goods, works or services – see Stage 2A, Stage 2B or Stage 2C for general guidance. The quantities included must be limited to the quantity required to address just the needs of the exceptional circumstances. |
| 25A.6.5 | Plan the procurement – see Stage 3 for guidance. Identify a suitable supplier, who is able to fulfill the requirement and prepare a detailed justification for use of direct procurement – see guidance note 3 below for the details to include. Obtain ”no objection” from the SRTF to use this procurement method. Where time is severely restricted, proceed with the following steps, up to step 8, pending responses from SRTF. A contract must not be placed prior to the receipt of the ”no objection” from the SRTF. |
| 25A.6.6 | Prepare a written description of the project’s needs, including the technical description of requirements and the terms and conditions of the proposed contract. The level of detail possible will be determined by the time available, but parts of the standard bidding documents may be used as the basis for preparation of this written description. Obtain the ”no objection” from the SRTF for the invitation document. |
| 25A.6.7 | Where there is insufficient time to obtain a written bid, proceed to step 8 – negotiations. Otherwise, send the written invitation to the single supplier, requesting a written bid by a specified deadline. No formal receipt or opening of the bid is required. |
| 25A.6.8 | Evaluate the bid to determine whether it meets the project’s requirements - see stage 13A, 13B or 13C, for general guidance. The detailed evaluation should focus on whether the bid meets the project’s technical requirements, whether the delivery or completion period offered is acceptable and whether the proposed terms and conditions of contract are acceptable to the project. The financial evaluation should consider, as far as is possible, whether the bid offers value for money, taking into account a comparison with any prices previously obtained through competitive methods, a breakdown of the costs involved, including any additional costs for accelerated delivery or completion, the size of the proposed contract, the terms and conditions of the proposed contract and any other relevant details or circumstances. The evaluation must also assess whether the supplier is qualified. |
| 25A.6.9 | Prepare an evaluation report, recommending whether the bid should be considered for contract award, whether negotiations are required or whether the procurement requirement should be cancelled or redefined. Obtain the ”no objection” from the SRTF for the recommendations. |
| 25A.6.10 | Hold negotiations if required and obtain the ”no objection” from the SRTF for the negotiation results – see Stage 16 for guidance. |
| 25A.6.11 | Send a notice of acceptance, if required, ensuring that all necessary approvals are obtained first – see Stage 18 for guidance. |
| 25A.6.12 | Prepare a contract or purchase order document - see Stage 19A or Stage 19B for guidance. The type of document used will depend on the value of the contract, the terms and conditions that will apply and the time available for preparation of detailed documents. |
| 25A.6.13 | Administer and complete the contract – see Stage 21 and Stage 23 for guidance. |

25A.7 Guidance Note

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|  | 1 – Justification for sole source supply |
| 25A.7.1 | The justification for using direct procurement must be clear and comprehensive and include the following details:   1. the grounds on which direct procurement is to be used i.e. the existence of only one supplier who is able to fulfill the requirement; 2. the reasons why only one supplier is able to fulfill the requirement e.g. the supplier has a patent or copyright agreement covering the items, no other suppliers are technically able to meet the requirement, no other suppliers have the capacity to fulfill the requirement etc.; 3. an explanation as to why any alternative goods, works or services cannot be used e.g. the required goods are proprietary and only available from one source, the purchase of alternative products would breach patent agreements, similar products are not compatible with existing equipment, a supplier or contractor is responsible for a process design which requires the purchase of critical items from a particular source as a condition of a performance guarantee, etc.; 4. any other relevant details. |
|  | 2 – Justification for additional goods, works or services |
| 25A.7.2 | The justification for using direct procurement must be clear and comprehensive and include the following details:   1. the grounds on which direct procurement is to be used i.e. the need for additional goods, works or services from the same source; 2. the reasons why the goods, works or services must come from the same source e.g. spare parts or consumable items must be compatible with the original equipment and the use of substitutes would invalidate the warranty or a performance security, the project is standardizing on a particular type of vehicle, as it offers savings in costs for maintenance, stock-holding of spare parts and user training, an extension is required to a building and use of a different contractor would invalidate the original contractor’s liability for the building, additional computers are to be installed within an existing network and the use of a different supplier would invalidate the warranty on the whole network etc.; 3. details on the original contract, including the unit prices, quantity and total value of the contract and the performance of the supplier on the original contract; 4. details of any additional requirements procured on these grounds; 5. details of the quantity and value of the additional requirement and its value as a proportion of the original contract; 6. information on whether the contract is still being performed, enabling an amendment to be issued, or whether a new contract is required; 7. any other relevant details. |
|  | 3 – Justification in exceptional circumstances. |
| 25A.7.3 | The justification for using direct procurement must be clear and comprehensive. Projects must note that they will have to fully and satisfactorily justify the use of direct procurement; a simple urgency or a lack of earlier planning by the project will not constitute exceptional circumstances. The justification must include the following details:   1. the grounds on which direct procurement is to be used i.e. an emergency need for the goods, works or services; 2. the precise details of the exceptional circumstances, e.g. an unexpected outbreak of a contagious disease, a flood which has resulted in the destruction of a bridge on a major road or a landslide, which has left a building in a residential area dangerously unstable; 3. a statement that there is insufficient time to use any other method of procurement, including a request for quotations; 4. a statement that the quantity to be procured has been limited to what is needed to address the exceptional circumstances; and 5. any other relevant details. |

25A.8 Approvals Required

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| 25A.8.1 | Approval is required from the Implementing Entity and an ”no objection”from SRTF is required for the use of direct procurement, unless already contained in the Financing Agreement. |
| 25A.8.2 | Approvals are required from the Implementing Entity and “no objection” from SRTF at various stages of the procurement process as specified in the applicable stages detailed above. |

25A.9 Documents/Records Required

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| 25A.9.1 | Records of all stages of the procurement process must be kept on the procurement file, as detailed in the applicable Stages detailed above. |

25A.10 Next Steps

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| 25A.10.1 | This stage summarizes the complete process for direct procurement. Therefore, no other steps apply. |