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Procurement Methods, Standard Bidding Documents and User's Guide

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Topics

1. Bidding Documents
2. Implementing Sustainable Public Procurement
3. Bid Evaluation and Contract Award

1. Bidding Documents



Procurement Process



Invitation for Bids (IFB)

Purpose

- A letter informing potential Bidders about requirements and inviting interested Bidders to bid
- Name of Borrower, name of Project, description of works, name of purchaser and purchasing unit, contact info, how to get/buy the bid documents, bid opening info, amount of bid security

Procedures

- Tender with prequalification: IFB sent only to prequalified bidders
- Tender with postqualification: IFB published in international and/or local media

Requirements

- Advertisement in local English language newspapers of national circulation or internationally known and freely accessible website in English
- Publication in the ADB Business Opportunities on ADB's web site

IFB is not part of the Bidding Document

Bid Document

Basic

- To inform about the scope of contract
- To advise on procedures for bid preparation and submission
- To inform on criteria and methods for bid evaluation and award of contract
- To inform on conditions of contract
- EA prepares and issues the BD based on ADB's SBD

Clarity of the BD

- Comprehensive in scope and clear in content
- Describe works to be done in sufficient details to enable efficient and accurate preparation of bid
- Indicate methods, terms and conditions of bid evaluation
- State conditions of contract and bid requirements that must be complied with

Other Factors

- Provides reference to ADB.
- Inform the bidders that procurement is subject to ADB policies and procedures
- Language – must be (available) in English as the working language of ADB

Outline and Components of a Bid Document

Part I: Bidding Procedures

Section 1. Instruction to Bidders (ITB)

Section 2. Bid Data Sheet (BDS)

Section 3. Evaluation and Qualification Criteria (EQC)

Section 4. Bidding Forms (BF)

Section 5. Eligible Countries (ELC)

Part II: Requirements

Section 6. Works' Requirements (WRQ)

Part III: Conditions of Contract and Contract Forms

Section 7. General Conditions of Contract (GCC)

Section 8. Particular Conditions of Contract (PCC)

Section 9. Contract Forms (COF)

Sec. 1. Instructions to Bidders (ITB)

Purpose

- To specify general procedures that regulate the bidding process

Contents

- Standard clauses that have been designed to remain unchanged and to be used without modifying their text

Sec. 2. Bid Data Sheet (BDS)

Purpose

- to provide information specific to a particular bidding process in order to supplement the information or requirements of Section I

Content

- clauses which are numbered with the same numbers as the corresponding clauses of Section I. - Instruction to Bidders

Sec. 3. Evaluation and Qualification Criteria (EQC)

Purpose

- to specify criteria that the Purchaser will use to evaluate the Bids and post-qualify the lowest evaluated Bidder.

Content

- Evaluation, Qualification, Historical Contract Nonperformance, Financial Situation, Construction Experience, Organizational Environmental, Health and Safety System

Sec. 4. Bidding Forms (BF)

Purpose

- Provide forms that the Bidder must complete and include in its Bid.

Contents

- Letter of Technical Bids, Letter of Price Bids, Bid Security or Bid-Securing Declaration, Affiliate Company Guarantee, Technical Proposal, Bidders Qualification, Schedules, Bill of Quantities

Sec. 5. Eligible Countries (ELC)

For loans from ADB's Ordinary Capital Resources (OCR)

- The most recent list of ADB member countries obtainable from the ADB Business Opportunities or the ADB's web page at www.adb.org to be used

For loans from ADB's Special Fund (SF) Resources

- The most recent list of ADB developed member countries which have contributed to such resources and all developing member countries to be used

Sec. 6. Works' Requirements (WRQ)

Purpose

- to provide complete, precise, and clear information to enable bidders to prepare efficiently and accurately Bids that are realistic and competitive

Contents

- Specifications, Environmental, Health and Safety Management Requirement, Drawings, Supplementary Information that describe the Works to be procured, Personnel Requirements, Equipment Requirements

Sec. 7. General Conditions of Contract (GCC)

Purpose

- to define general procedures for proper contract management through clear definitions of rights and obligations of contracting parties

Contents

- standard clauses applicable to most contracts designed to remain unchanged and to be used without modifying their text
- ADB uses other internationally acceptable forms of contract, such as: FIDIC (Works, DBO), ENAA (Plant)
- Other internationally acceptable forms can be considered subject to inclusion of ADB's specific provisions on Eligibility, Integrity, Safeguards, RWE, Dispute Resolution, Arbitration

Sec. 8. Particular Conditions of Contract (SCC)

Purpose

- define provisions that are specific to a particular bidding process in order to supplement the information or requirements of Section VII. General Conditions of Contract

Contents

Part A – Contract Data

Part B – Special Provisions

Part C – Corrupt and Fraudulent Practices

Part D – Environmental, Health and Safety (EHS)

Sec. 9. Contract Forms (COF)

Purpose

- Provide forms that the Bidder Awarded the Contract must complete

Contents

- Notice of Intention for Award of Contract, Letter of Acceptance, Contract Agreement, Performance Security, Advance Payment Security, Retention Money Security

2. Implementing Sustainable Public Procurement



Environmental, Health and Safety (EHS) Requirement

Environmental Management Plan (EMP) is part of the BD (sec. 6)

- The Borrower undertakes environmental assessment in the form an Environmental Impact Assessment (EIA, cat A), an Initial Environment Examination (IEE, cat B) or desk study (cat C) to meet ADB Safeguard Policy Statement (SPS) requirements.
- EIA and IEE must include an EMP.

Environment, Health and Safety Management Plan (EHSMP) is part of the bid

- Bidder submits with his bid an EHSMP showing how he will comply with EHS requirements (ref EMP and other info in the BD).

Site-specific EMP (SSEMP) & SSHSMP are parts of contractor's document and must be cleared before commencing work

- Contractor submits SSEMP and SSHSMP to the Engineer for access to site. Review period is 21 days.

Sec. 1, Instruction to Bidders

- **Clause ITB 16.1:** The Bidder shall furnish a Technical Proposal including a statement of work methods, equipment, personnel, schedule, environmental, health and safety (EHS) management plan commensurate with the proposed scope of works, EHS Code of Conduct, and any other information as stipulated in Section 4 (Bidding Forms), in sufficient detail to demonstrate the adequacy of the Bidders' proposal to meet the work requirements and the completion time.

Sec. 3, Evaluation and Qualification Criteria

1.7.1 Environmental, Health and Safety Management Plan (EHSMP)

[The following is a sample criteria]

Any bid not accompanied by the EHSMP may be rejected by the Employer as nonresponsive. If a Bidder submits a EHSMP that is not commensurate with the risks and impacts of the proposed works and activities in the bidding document, the Employer shall issue a request for clarification to request for further information from the Bidder. The Bidder must submit the requested information within [insert number of days, normally 5 working days] days of receiving such a request. Failure to provide a satisfactory response to the request for further information within the prescribed period of receiving such a request may cause the rejection of the Bid.

Sec. 3, Evaluation and Qualification Criteria (cont'd)

1.7.2 Sustainable Procurement

Example text: The following sustainable procurement technical requirements will be evaluated on a pass/fail basis. Failure to meet any of the following requirements will result in mandatory rejection of the bid.

[E.g. No diesel plant is proposed for the construction process.]

NOTE

If specific sustainable procurement technical requirements have been specified in Section 6 (Works' Requirements), either state that (i) those requirements will be evaluated on a pass/fail (compliance basis) or otherwise (ii) in addition to evaluating those requirements on a pass/fail (compliance basis), if applicable, specify the monetary adjustments to be applied to Bid prices for comparison purposes on account of Bids that exceed the specified minimum sustainable procurement technical requirements.

Sec. 3, Evaluation and Qualification Criteria (cont'd)

1.7.3 Life Cycle costs (for Financial Evaluation)

[state either life cycle costing “shall” or “shall not apply”. If life cycle costing applies for Bid evaluation, the methodology and the information expected from Bidders shall be specified]

The factors for calculation of the life cycle cost are:

- (i) number of years for life cycle: [insert number of years],
- (ii) operating costs [state how they will be determined],
- (iii) maintenance costs, including the cost of spare parts for the initial period of operation [state how they will be determined], and
- (iv) Discount rate: [insert discount rate in percent] to be used to discount to present value all annual future costs calculated under (ii) and (iii) above for the period specified in (i).

Sec. 3, Evaluation and Qualification Criteria (cont'd)

2.4.3 Specific Experience in Managing Environmental, Health and Safety Aspects

Criteria	Compliance Requirements		Documents
Requirement	Single Entity or Its Specialist Subcontractors	Joint Venture or Its Specialist Subcontractors	Submission Requirements
For the contracts in 2.4.1 and 2.4.2 above and/or any other contracts [substantially completed and under implementation] as prime contractor, Joint Venture partner, or Subcontractor between 1st January ^a and Bid submission deadline, experience in managing EHS risks and impacts in the following aspects: ^b	Must meet requirements	One member must meet requirements Or All members must meet requirements	Form EXP – 3

^a Insert year.

^b Based on the EHS assessment, specify, as appropriate, specific experience requirements to manage EHS aspects.

Sec. 3, Evaluation and Qualification Criteria (cont'd)

2.5 Organizational Environmental, Health and Safety System

2.5.1 Environmental, Health and Safety Certification

Criteria	Compliance Requirements		Documents
Requirement	Single Entity or Its Specialist Subcontractors	Joint Venture or Its Specialist Subcontractors	Submission Requirements
Availability of a valid ISO certification or internationally recognized equivalent (equivalency to be demonstrated by the Bidder), and applicable to the worksite: 1. 2. 3.	Must meet requirements	One member must meet requirements Or All members must meet requirements	Form EXP – 4

Sec. 3, Evaluation and Qualification Criteria (cont'd)

2.5.2 Environmental, Health and Safety Documentation

Criteria	Compliance Requirements		Documents
Requirement	Single Entity or Its Specialist Subcontractors	Joint Venture or Its Specialist Subcontractors	Submission Requirements
<p>Availability of in-house policies and procedures for EHS management:</p> <p>For example:</p> <ol style="list-style-type: none"> 1. Existence of an Ethics Charter. 2. Existence of a system for monitoring compliance with EHS commitments for the Bidder's Subcontractors and all its partners. 3. Existence of official company procedures for the management of the following: <ol style="list-style-type: none"> 1. 2. 	<p>Must meet requirements</p>	<p>One member must meet requirements</p> <p style="text-align: center;">Or</p> <p>All members must meet requirements</p>	<p>Form EXP – 5</p>

Sec. 3, Evaluation and Qualification Criteria (cont'd)

2.5.3 Environmental, Health and Safety Dedicated Personnel

Criteria	Compliance Requirements		Documents
Requirement	Single Entity or Its Specialist Subcontractors	Joint Venture or Its Specialist Subcontractors	Submission Requirements
Availability of in-house personnel dedicated to EHS issues: 1. 2.	Must meet requirements	One member must meet requirements Or All members must meet requirements	Form EXP – 6

Challenges and Common Issues

- Contradictions/conflicting/unclear information and requirement in various sections of the BDs
- How to translate sustainability-related aspects into bidding requirement and evaluation and develop both the clients' and bidders' capacities in SusPP.
- Requests for clarifications from bidders
 - ❖ Not completely captured in writing; not fully and clearly responded → not considering valid issues raised by bidders which may reflect reality in the market and justify amending the bid document

Essential care must be given in preparation of bidding documents

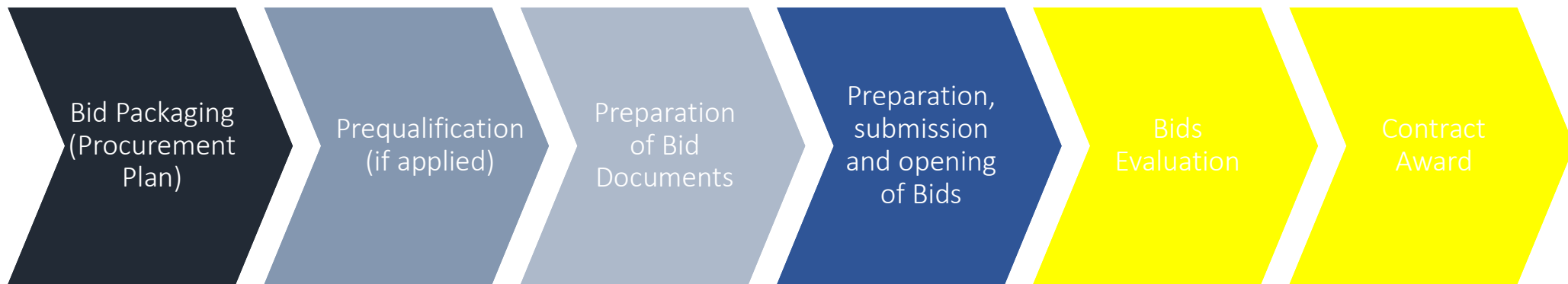
→ **do not issue flawed bidding documents**



3. Bid Evaluation and Contract Award



Procurement Process



Guide on Bid Evaluation

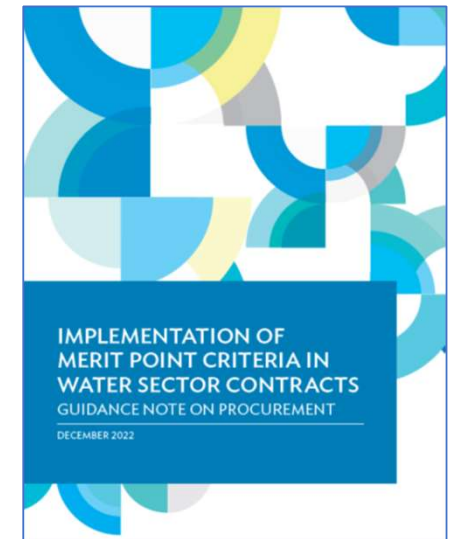
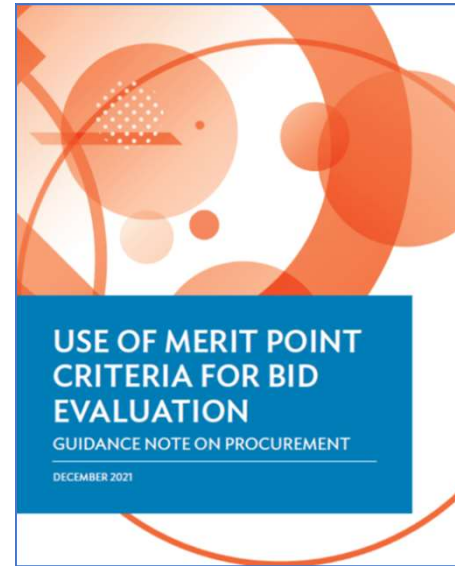
- This document guides borrowers on bid evaluation procedures and the preparation of a bid evaluation report to be submitted to ADB, in connection with the procurement of contracts.
- It's Borrower's responsibility to prepare the BER and submit to ADB for its no-objection at an appropriate time, depending on type of review

ADB



Purpose

- Determination of the lowest evaluated and substantially responsive bid to be considered for contract award
- The lowest evaluated substantially responsive bid may or may not necessarily be the lowest priced bid
- The UG is generic guidance, evaluation needs to be carried out by following the requirements defined in bid documents.
- Other criteria that includes merit point criteria/scoring systems are not covered in this UG but further guidance may be sought from other GNs on how to develop the EQC criteria



Structure of BER

1. Introduction – Background & Tender Process

- 1.1. General – Issuance, prebid, site visit, addenda, clarifications, no. purchase docs
- 1.2. Submission of Bids
- 1.3. Bid Opening
- 1.4. Basic Data and Exchange Rates
- 1.5. Bid Evaluation Committee

2. Examination of Bids

- 2.1. Bid Documents
- 2.2. Submission of Bid Validity and Bid Security
- 2.3. Propriety of Signature and Power of Attorney

3. Determination of Substantial Responsiveness of Bids

- 3.1. Eligibility of Bidders and Goods
- 3.2. Bidders' Qualifications
- 3.3. Compliance with Commercial Terms and Conditions
- 3.4. Compliance with Technical Requirements
- 3.5. Clarifications

Structure of BER

4. Detailed Evaluation of Price Bids

- 4.1. Selection of Bids for Detailed Evaluation
- 4.2. Arithmetic Check and Corrections
- 4.3. Adjustments for Commercial Terms and Conditions
- 4.4. Adjustments for Technical Requirements
- 4.5. Analysis of Prices

5. Determination of Lowest Evaluated Bid

- 5.1. Lowest Evaluated Bid
- 5.2. Examination of Unbalanced Prices for Lowest Evaluated Bid
- 5.3. Reasonableness of Lowest Evaluated Bid Price

6. Conclusions and Recommendations

Appendices

BER Appendices

Basic Data Sheet

Record of Bid Opening – and Attendance Sheet for bid opening

Table of Examination of Bids

Table of Substantial Responsiveness of Bids (Commercial Requirements)

Table Substantial Responsiveness of Bids (Technical Requirements) – Goods Only

Table of Salient Features of Bids (commercial Terms and Conditions)

Table of Bid Prices (Arithmetic Corrections and Corrected Bid Prices)

Table of Bid Price Adjustment - (Engineer's Estimate vs Proposal of Bidders)

Evaluation of Bidders Qualifications

Time for Completion of Major Work Items and Assessment of Construction Methods



Opening of Bids

- Bids received are opened publicly at the time and place indicated in the bidding documents
- Ensures Fairness and Transparency
- Assures bidders that all bids will be treated fairly and impartially
- Bidders' attendance is encouraged
- EA prepares record of the information read out during bid opening
- Representatives of bidders' attending the event initial the record
- Prepare list of names and nationality of bidders
- Provide a copy of the Record of Bid Opening to all the bidders who submitted bids on time and make it public if online system is used

Public Opening of Technical Bids

- Bidder's name and its representative(s)
- Time and date of receipt
- Bid security - amount and validity and or presence/absence of bid security declaration
- Any other information which is deemed necessary to be announced by the Tender Committee (letter of bid signed or not, any withdrawal, modification or substitution).

Public Opening of Financial Bids

- Bidder's name
- Total bid price with currency details
- Price of alternative bids, if any (and allowed)
- Amount or percentage of any discount offered and how it should be applied
- Any other information which is deemed necessary to be announced by the Tender Opening Committee.

Case – Bid Opening

Case 1: Latecomer

A public opening of bids had been going on for 05 minutes when a bidder's representative enters the room and wishes to deliver his bid. BOC accepted the late Bid.

Q: BOC response was the right approach?

Case – Bid Opening

Case 2: Unsigned Bid

During the opening of a particular bid, the BOC notices that the Letter of Bid has not been signed and rejected the bid.

Q: was BOC action right – does BOC has the right to reject the bid.

Case – Bid Opening

Case 3: Discounts

During the opening of bids, a firm's representative approaches the opening committee with another envelope saying that his company wishes to offer a discount.

Q: BOC decided to accept the discount as it is in the best interest of the project, BOC decision was right ?

Case – Bid Opening

Case 4: Auction

At the end of the opening of bids the chairman of the opening committee announces the lowest read out recorded bid price and invites attendees to make offers lower than the lowest recorded bid.

Q: What should attendees do?

Case – Bid Opening

Case 5: Original Letter of Bid missing in Technical Proposal

During the opening of technical bid, Letter of bid was not available. Bidder's representative provided copy of Letter of Bid and mentioned, original is available in the Priced Bid.

Q: how this case be treated during bid opening and bid evaluation ?

Case – Bid Opening

Case 6: Letter of Price Bid missing total amount of Price bid

Q: Should this bid be rejected or may be rejected?

Preliminary Examination of Bids

- Examine submissions to check if all required information provided
- Formal clarifications may be issued for
 - ❖ minor document omissions or
 - ❖ incorrect Authorisations and Securities
- Identity of bidder confirmed (single/JV)

Preliminary Examination of Bids

- Are actual contents of bids basically complete?
- Confirm substantial compliance (bid securities, signatures, authorizations)
- Contents of the envelope (correct documents, docs establishing eligibility included, docs to assess qualification, bids generally in order)
- Identity of JV and JV agreement
- Letter of bid
- Compliance of bid security or bid-securing declaration
- Compliance of bid validity
- Letter of authorization
- Existing agreement or letter of intent to enter an agreement in the case of joint venture
- Other key documents
- Bid is disqualified if ;
 - ❖ Bid Submission Letter is not signed
 - ❖ Bid Validity is non-compliant,
 - ❖ Bidder's own Contract Terms and Conditions are included
 - ❖ Bid Security is conditional or not addressed to Employer
 - ❖ Insufficient information to undertake evaluation

Preliminary Examination of Bids

No	Description	ITB Clause	Requirement	Bidder 1	Bidder 2	Bidder 3	Bidder 4	Bidder 5	Bidder 6	Bidder 7	Bidder 8
				Consortium of Union Resources & Engineering	Joint Venture of Young In Engineering Co.Ltd and	Dong Fang Electric International Corporation	Xian Electric engineering Co,Ltd	HDEC-SEDC Consortium	China Electric Power Equipment and	CCCE-HEI Joint Venture	China Machinery Engineering Corporation
1	Bid Submission		One original and Three(3) copies,1CD	C	C	C	C	C	C	C	C
2	Letter of Bid	Section 1,11(a),12, Section 4	Validity 180 days, Authorized Signature in POA	C	C	C	C	C	C	C	C
3	Price Schedule	Section 1, 12,18 Section 4	Forms in ITB Authorized Signature in POA	C	C	C	C	C	C	C	C
4	Power of Attorney	Section1, 4.1(b)	Nomination of Authoriza	C	C	C	C	C	C	C	C
5	Bid Security	Section 1, 21 Section 2	US\$ 440,000, 28days beyond Bid validity (October 27,2020) Required Bank	C	C	C	C	C	C	C	C
6	Bidder's Eligibility	Section 1, 4.2, Section 5	Eligible country of ADB	C	C	C	C	C	C	C	C
7	Eligibility of Plant & Services	Section1, 5.1, Section 5	Eligible country of ADB	C	C	C	C	C	C	C	C

Determination of “Substantial Responsiveness”

Substantial Responsiveness

- No “Material Deviations”
- “non-material Deviations” to be addressed by clarifications.

Non-Responsive

- Deviations, Reservations and Omissions that are material in nature, leads to non-responsiveness of bid including bidder’s failure to respond to clarification requests within due date.
- If a bid fails Substantial Responsiveness check, it is rejected and not evaluated further.

Bid Evaluation – Omissions, Reservations and Deviations

Omissions is the failure to submit part or all of the information or documentation required in the Bidding Documents.

Examples

- Signature on Letter of Bid
- Power of Attorney for Bid Signature
- Bid Security (when required)
- Manufacturer's authorization for key items
- Audited Financial statement
- Client Certification of contract completion
- Product brochures



Bid Evaluation – Omissions, Reservations and Deviations

Reservations is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the bidding documents.

Examples:

- Payment
- Warranty
- Liquidated Damages
- Dispute resolution

Bid Evaluation – Omissions, Reservations and Deviations

Deviations: departure from the requirements specified in the Bidding Documents;

Examples

- On critical functionalities of key equipment
- Any departure from the qualification's requirements
- Construction methods
- Personnel equipment
- Construction schedule

Examples of Material Deviation, Reservation or Omission

- Has an effect on the validity of the bid; or
- Has been specified in the bid documents as grounds for rejection of the bid; or
- Is a deviation from the provisions of the bidding documents with effect on the bid price, but cannot be given a monetary value; or
- Is a deviation from the minimum experience qualifications specified in the bidding documents
- Is an unacceptable deviation from the specifications
- Conditional bid

Examples of Material Deviation, Reservation or Omission

- Has no effect on the validity of the bid
- Has no effect on the price, quality or delivery of the goods or services offered
- Has such effect, but the difference from commercial terms and technical specifications can be given a monetary value with total amount below a prescribed percentage of the bid price (e.g. 15 per cent)
- Has not been specified in the bid documents as grounds for rejection

Determination of “Substantial Responsiveness”

No	Qualification	ITB Section	Criteria	Union Resources & Engineering Co.Ltd	Joint Venture of Young In Engineering Co.Ltd and Hanbaek Co.Ltd	Dong Fang Electric International Corporation	Xian Electric engineering Co,Ltd	HDEC-SEDC Consortium	China Electric Power Equipment and Technology Co., Ltd (CET)	CCCE-HEI Joint Venture	China Machinery Engineering Corporation
1	Pending Litigation and Arbitration	Section 3, 2.2.1	All pending litigation and arbitration,if any,shall be treated as resolved and in total not represent more than 50% of the Bidder's net worth	C	C	C	C	C	C	C	C
2	Historical Financial Performance	Section 3, 2.3.1	Submission of financial statements for last 3 years. Net worth for the last year should be positive	C	C	C	C	C	C	C	C
3	Average Annual Turnover	Section 3, 2.3.2	Minimum average annual turnover of US\$22 million within last 3 years	C	C	C	C	C	C	C	C
4	Financial Resources	Section 3, 2.3.3	Financial resources defined in FIN-3, less its financial obligations in FIN-4 meet or exceed the total requirement for the Subject Contract of US \$ 3.7 million	C	C	C	C	C	C	C	C
5	General Experience	Section 3, 2.4.1	At least one(1) contract completed inlast 5 years for similar to the proposed contract of US \$ 17.5 million. Physical size of 220kV and above	C	C	C	C	C	C	C	NC (Note-2)
6	Specific Experience	Section 3, 2.4.2	Experience within last 10 years in following key activities. (1) 2 projects on turn key (2) 220kV or above with the capacity of 100 MVW (3) Project shall be outside Bidder's country	NC (Note-1)	C	C	C	C	C	C	NC (Note-3)
7	Power Transformer 150MVA or above, Reactor 25 MVAR	Section 3, 2.5	(i) At least 5 years of manufacturing experience of 220kV or higher voltage, (ii) At least 2 contracts (iii) Drawings	C	C	C	C	C	C	C	C
8	Substation Automation System, Protection System	Section 3, 2.5	(i) At least 2 contracts (ii) Drawings	C	C	C	C	C	C	C	C
9	Civil and Mechanic	Section 3, 2.5	At least 5 years of construction experience	C	C	C	C	C	C	C	C
Overall Evaluation				Not-Complied	Complied	Complied	Complied	Complied	Complied	Complied	Not-Complied
Legend C : Complied, NC: Not Complied											
Note-1: Specific Experience of UREC does not meet with the criteria. The Bidder has only one project for specific experience.											
Note-2, 3: General Experience and Specific Experience of CMEC does not meet with the criteria. The Bidder has no project for general and specific experiences.											

Bid Evaluation – Case Study

The qualification requirements for a road project stated that the bidders must have

- 5 years of similar experience before bid submission deadline, and
- a should have AACT of USD 10 million .
- One of the bidders met the similar experience requirement of 5 years however the AACT was USD 9.8 million only.

Q: What should the evaluation committee do?

Determination of “Substantial Responsiveness”: Technical Requirements

Appendix-6 Evaluation of Technical Requirements -Technical proposal

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Description	ITB Clause	Requirements	Bid information	Evaluation
List of Subcontractors	Section 1, 17.2		Submitted	Responsive
LOA of Manufacturer	Section 1, 11.1(k), BDS C		Submitted	Responsive
ISO Certificate(Bidder)			Submitted	Responsive
Technical Documents	Section 1, 11.1(k), Sectio 4			
1) Site Organization			Submitted	Responsive
2) Method Statement			Submitted	Responsive
3) Mobilization Schedule			Submitted	Responsive
4) Construction Schedule			Submitted	Responsive
5) Guaranteed Data Sheet		Refer to Appendix 6-1	Partially missing Note 1	Responsive
6) Drawings and Documents		Refer to Appendix 6-1	Submitted	Responsive
7) Personnel Requirements	Section 6 Clause 7	Refer to Appendix 6-2	Submitted	Responsive
8) Equipment	Section 6 Clause 7	Refer to Appendix 6-3	Submitted	Responsive

Note 1 : Data of permissible continuous overload is missing



Bid Evaluation – Price Evaluation

Arithmetical Errors

- Shall not cause for rejection of bid

Discounts

Currency conversion

- Use single currency as specified in bid documents (usually local currency or US\$)
- Use selling rates quoted by an official source (central bank, commercial bank or internationally circulated newspaper)
- Date of exchange rate to be specified in bidding documents:
 - ❖ Not earlier than 28 days prior to the deadline for submission of bids
 - ❖ Not later than the original date for the expiry of bid validity

Bid Evaluation – Price Evaluation

- Number of bids for detailed evaluation
- Financial adjustment of bid prices (commercial)
 - ❖ Deviation in terms of payment
 - ❖ Deviation in Completion schedule
 - ❖ Deviation from Provisions for payment of taxes
- Financial adjustment of bid prices (technical); adjustments for:
 - ❖ Operating and Maintenance Cost (Losses Evaluation)
 - ❖ Domestic preference, if applicable

Submitting a BER to ADB for No Objection (Prior Review)

- Borrower completes evaluation
- Bid Evaluation Report (BER) compiled in accordance with ADB [Guide on Bid Evaluation](#).
- Submit BER to ADB.
- ADB reviews BER, may clarify issues.
- Once ADB is satisfied with contents of the BER including its recommendation, it will issue a No-Objection to proceed with Contract Award



Some key take aways

Bid Validity

- Evaluation of bids and award of contract should be completed before the expiration of the bid validity

Extension of Bid Validity

- May be considered in exceptional cases
- When considered, all bidders should be asked
- Bidders willing to extend bid validity
 - ❖ cannot modify substance of bid
 - ❖ must extend validity of bid security (28 days after the new bid validity date)

Bid Evaluation – Rejection of All Bids

May happen when

- All bids are not substantially responsive
- All bids are substantially higher than the existing *budget* (price “bracketing” shall not be used in ADB financed procurement)
- There is a lack of effective competition

Single bid received (shall not be rejected at the first instance)

- The bid received (technical and price) shall be opened and evaluated appropriately
- Contract can be awarded if advertisement is done properly and price is reasonable

Bid Evaluation – Rejection of All Bids

Rejection of all bids and rebidding

- Requires ADB's prior no objection
- Examine reasons for failure to attract adequate number of responsive bids
- Revise Specifications, Scope of Supply, or bidding conditions as necessary
- Request new bids from those who submitted bids earlier

Publication of Contract Award

Maintain confidentiality of evaluation process until before contract award

What to publish

- Name of each bidder
- Bid prices as read out
- Evaluated bid prices
- Name of bidders whose bid was rejected and reasons
- Name of winning bidder and price offered
- Duration and summary scope of contract awarded

Where to publish

- English language newspaper or freely accessible web site

When to publish

- Prior Review contract: Within 2 weeks after ADBs approval
- Post Review contract: No later than date of contract award

Debriefing

Bidders may request explanations from the EA as to why their bid was not selected

The EA shall promptly provide an explanation, either

- in writing and/or
- in a debriefing meeting

The bidder shall bear all the costs of attending a debriefing



Common Reasons for delay in evaluation and contract award

- Poor quality of bids
- Inconsistency in various sections of bid documents
- Clarifications
- Complaints
- Extension of bid and bid securities
- Lack of confidentiality
- Lengthy approval process for contract award- can't proceed with contract award without retroactive financing

Bidding Related Complaints

Any complaints relating to fraud, corruption, and/or any other prohibited practice in the bidding process are handled under the ADB Anticorruption Guidelines. ADB will forward all other complaints received to the borrower for review and resolution.

For duly consideration, effective and expeditious resolution, a complaint should provide the following:

- Basic information (name, contact details, address of interested party, specific project, prior correspondence and other related information);
- Stage of bidding process;
- Alleged inconsistency or violation

Borrower's Responsibilities Related to Complaints

- Provide timely and sufficient information to bidders on the bidding process, and other applicable decisions, to allow the interested party to make an informed decision about filing a complaint
- Acknowledge receipt, and undertake timely review of any complaint, including providing the interested party concerned with due opportunity to explain or clarify any unresolved issues arising out of such complaint
- Resolve complaints fairly, impartially, and promptly, with ADB consultation if under prior review transactions
- Preserve the confidentiality of the procurement and any related complaint process, including any proprietary commercial or financial information and/or trade secrets so identified in the bidding or proposal documentation
- Maintain complete records of all complaints and their resolution
- Provide timely and complete information and documentation of any complaint submitted as and when requested by ADB

What are the recommendations to avoid delay in concluding BERs and contract award?



Question

Identify which sections of ADB's SBDs are to remain unchanged when EAs prepare a specific bidding document?

- I. Instructions to Bidders
- II. Bid Data Sheet
- III. Bidding Forms
- IV. General Conditions of Contract

Select the best answer:

- a. (I) only
- b. Only (I) and (II)
- c. Only (I) and (IV)
- d. (I), (II), (III) and (IV)

Question

A bidding document using a Single-Stage: Two-Envelope (1S2E) bidding procedure stated that the bid security should not be less than 2% of the bid price and must be included in the envelope containing the Technical Bid. Why is this requirement not acceptable?

Select the best answer:

- a. The bid security shall be included in the Financial Bid
- b. The bid security shall be in fixed amount and included in the Technical Bid.
- c. The bid security shall be in fixed amount and included in the Financial Bid.
- d. None of the above as the requirement is acceptable.

Question

During bid preparation 5 bidders submitted questions to the EA seeking clarification on the Specifications. What should the EA do?

Select the best answer:

- a. Prepare answers and send it to the bidder for the bidder's question only
- b. Prepare a consolidated document with questions raised and answers given and send it to only bidders who attended the prebid meeting
- c. Prepare a consolidated document with questions raised and answers given and send it to all bidders who have acquired the Bidding Document
- d. Prepare a consolidated document with questions raised and answers given and send it to these 5 bidders who sought clarifications on the bidding document from the EA

Question

Which of the following are major non-conformances?

- I. Failure to sign the Letter of Bid
- II. Failure to attend pre-bid conference
- III. Failure to quote for a major item
- IV. Failure to provide bid security within the prescribed period of receiving request from Employer

Select the best answer:

- a. Only (I)
- b. Only (I) and (IV)
- c. Only (I), (III), and (IV)
- d. Only (I), (II), and (IV)

Question

Before opening of the technical bids event starts, a firm's representative approaches the bid opening committee with another envelope saying that the firm wishes to offer a discount. Should the committee accept and open the envelope? Why?

Select the best answer:

- a. Yes, a discount is always good for the Borrower
- b. No, the firm should submit the discount before opening of the price bid (if they pass)
- c. Yes, if agreed by other bidders attending the bid opening
- d. No, since it will change the substance of its bid after the deadline of bid submission

Question

The draft bidding document for the procurement of agricultural chemicals would require bidders to submit a certificate of country of origin along with the bid. The draft bidding document further stated that at the time of bid opening, the bids would be briefly examined and those not accompanied by such an acceptable certificate would be rejected and returned to the bidder. Should you agree with provisions in this draft? Why?

Select the best answer:

- a. Yes
- b. No

Question

Three firms submitted bids for certain construction works under OCB with national advertisement. None of the bidders met the qualification requirement of having constructed at least three similar size works within the last 5 years.

Can the bidding committee waive this requirement, since none of the bidders meet that requirement? Why? If not, what can be done?

Select the best answer:

- a. Yes
- b. No

Question

When should prequalification be considered for use?

Select the best answer:

- a. When there is no time pressure during procurement process
- b. When quality of the procurement is the primary concern
- c. When the value created by prequalification exceeds the costs and risks
- d. When the market has many potential bidders

Question

The Instruction to Applicants of a prequalification document for a hydropower project estimated at US\$140 million states that applicants are required to furnish all information or documentation required by the prequalification document. A large international contractor responsible for many large power projects filled out all Application Forms except for the one related to establishing an applicant's net worth. However, the firm included all audited financial report for the specified time period of three years in its submission. How would you treat this application?

Select the best answer:

- a. Extract information from the audited financial reports and evaluate
- b. Seek clarification from applicant
- c. Either (a) or (b)
- d. Reject the application

Question

When developing specifications, how are the detailed requirements determined?

Select the best answer:

- a. By consulting with suppliers so that they can advise what is needed
- b. By consulting with all stakeholders and collecting their requirements
- c. By consulting the “business need” and resulting functional requirements
- d. By looking at previous similar projects

Question

Contract forms other than those accepted by ADB can be used in what circumstances?

Select the best answer:

- a. If they are used for services only
- b. If they are used commonly in the country concerned
- c. If they contain ADB-specific provisions
- d. If they include all ADB contract terms

Question

To determine the lowest evaluated bidder, the EA must consider which of the following?

- I. Price as read out during opening
- II. Arithmetical corrections as necessary
- III. Discounts if offered
- IV. Price adjustment provisions for escalation of prices

Select the best answer:

- a. (I) and (II)
- b. (I), (II) and (III)
- c. (I) and (II)
- d. (I), (II), (III) and (IV)

Question

Under which of the following circumstances is rejection of all bids justified?

- I. Only one bidder submitted a bid
- II. All bids are not substantially responsive
- III. All bid prices are substantially higher than the estimate
- IV. All bid prices are lower than the estimate

Select the best answer:

- a. Only (I) and (II)
- b. Only (II) and (III)
- c. Only (I), (II) and (III)
- d. (I), (II), (III), and (IV)

Question

A road construction project included a requirement for the supply and installation of a telecommunications system. The lowest evaluated bidder (L-1 bidder) offered some equipment valued at 5.2% of the total bid price that was manufactured in Brazil. How should this bid be treated?

Select the best answer:

- a. Accept the bid since 5.2% can be considered negligible.
- b. Reject the bid and award contract to second rank bidder at L-1 price
- c. Discard that item, load from the price of other bidders and reevaluate
- d. Cancel the tender.

Question

In a supply contract, financial adjustments during bid evaluation may be made for which of the following?

Select the best answer:

- a. Completeness in scope.
- b. Deviation from the terms of payment.
- c. Adjustment for conditions in a bid which limits the bidder's responsibility.
- d. Deviation from the completion schedule.
- e. (a) (b) and (d)
- f. (a) (b) and (c)

Question

At which point of time are the Bid Securities of the unsuccessful bidders returned during the procurement of an OCB contract?

- I. When the notification of award has been sent to the successful bidder
- II. They don't need to be returned. They will expire anyway
- III. When the successful bidder has signed the contract agreement and furnished the performance security
- IV. When the results of the bidding have been published in an English language newspaper

Select the best answer:

- a. After (I) and (IV) have been accomplished
- b. After (III) and (IV) have been accomplished
- c. After (III) only
- d. As per (II)

Question

When reviewing a complaint, what must the borrower do?

Select the best answer:

- a. Acknowledge receipt of the complaint
- b. Provide a copy of complaint promptly to ADB
- c. Carefully review the complaint
- d. Provide ADB with a draft response
- e. Dispatch the final response to the complainant
- f. All of the above

Question

What is the primary source of information for development of the Precontract Award risk assessment?

Select the best answer:

- a. The Project Procurement Risk Assessment.
- b. The Country Partnership Strategy
- c. The Contract Management Plan
- d. The Strategic Procurement Planning Report
- e. (a), (c) and (d)
- f. (a) and (d)

Question

Which of the following is NOT a requirement in ADB's Procurement Regulations of the Borrower with respect to contract management?

Select the best answer:

- a. Actively manage contract
- b. Develop Contract Management Plan acceptable to ADB
- c. Monitor the performance and progress of contracts
- d. Report progress weekly to ADB
- e. Perform an evaluation of contract performance at contract completion