

Tender Evaluation Report and Recommendation for Award of Contract

Name of Project:

IDA Credit No.:

Contract Name:

Identification/ Package Number:

Date of Submission of BER:

Table 1: Identification

1.1 Name of Borrower	The People's Republic of Bangladesh
1.2 Credit number	
1.3 Date of effectiveness	----- (credit effectiveness date)
1.4 Closing date	
(a) original	----- (Original credit closing date)
(b) revised	-----
1.5 Name of project	----- (Write name of the project as mentioned in FA or PAD)
1.6 Purchaser (or Employer)	
(a) name	
(b) address	
1.7 Contract number (identification)	----- (as per procurement plan)
1.8 Contract description	----- (as described in procurement plan)
1.9 Cost estimate	----- (estimate made before procurement process)
1.10 Method of procurement (check one)	NCB RFQ
1.11 Prior review required ¹	Yes No
1.12 Domestic preference allowed	No
1.13 Fixed price contract	Yes No
1.14 Cofinancing, if any:	
(a) agency name	
(b) percent financed by agency	

¹ If response is "no," items 2.2(b), 2.4(b), and 2.6(b) in Table 2 may be left blank, unless the Bank's prior review was specifically requested.

Table 2: Bidding Process

2.1	General Procurement Notice	
	(a) first issue date	----- (published in UNDB or dgMarket)
	(b) latest update	
2.2	Prequalification, if required	
	(a) number of firms prequalified	N/A
	(b) date of Bank's no-objection	N/A
2.3	Specific procurement notice	
	(a) name of national newspaper	1) 2)
	(b) issue date	1) ----- 2) ----- (pub. date)
	(c) name of international publication	N/A
	(d) issue date	N/A
	(e) number of firms notified	N/A
2.4	Standard Bidding Document	
	(a) title, publication date	PG3 of CPTU (cleared by WBOD)
	(b) date of Bank's no-objection	-----
	(c) date of issue to bidders	-----
2.5	Number of firms issued bidding document	
2.6	Amendments to documents, if any	
	(a) list all issue dates	1. 2.
	(b) date(s) of Bank's no-objection (in case of prior review)	1. 2.
	(c) background of amendments	1. 2.
2.7	Date of pre-tender conference, if any	
2.8	Date minutes of pre-tender conference sent to bidders (and Bank, in case of prior review)	

Table 3: Tender Submission and Opening

3.1 Tender submission deadline (a) original date, time (b) extensions, if any (c) Reasons of extension, if any	
3.2 Tender opening date, time	
3.3 Record of tender opening, date sent to Bank/ the bidders	
3.4 Number of tenders submitted	
3.5 Tender validity period (days) (a) originally specified (b) extensions, if any (c) date of Bank's no-objection, if required	

Table 4. Tender Prices (as Read Out)

Bidder Identification	Read-out Tender Price		Modifications, Withdrawals, Substitutions, or Discounts	Tender Security Detail (Instrument name, Amount in BDT, Issued Bank name with branch)
Name, address and country of Bidder <i>(a)</i>	Currency <i>(b)</i>	Amount <i>(c)</i>	<i>(d)</i>	<i>(e)</i>
Bidder A	BDT			
Bidder B	BDT			
Bidder C	BDT			
Bidder D	BDT			
Bidder E	BDT			

Signature of Bidders: (1)_____ (2)_____ (3)_____ (4) _____
(present at tender opening)

(5)_____ (6)_____ (7)_____ (8) _____

Signature of tender opening committee (TOC) members:

(1)_____ (2)_____ (3)_____ (4)_____ (5)_____

Step 1: Preliminary Examination

Table 5.1: Verification of Tenders

Verification items	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
From PG3-1 is filled up (i.e. address, price, discount, etc.) and signed by the Signatory					
Form PG3-2 is filled up and signed					
Form PG3-3A is filled up and signed					
Form PG3-3B is filled up and signed (if required)					
Form PG3-4 is filled up and signed					
Signature on each page of the tender (especially all forms, and all documents attached with the tender except printed brochure)					
Comments by TEC (Acceptable/ Acceptable with minor deviations/ Unacceptable ¹)					

¹ If the TEC concludes a tender “Unacceptable”, the TEC shall provide detail of such unacceptability including attaching relevant document with the TER.

Table 5.2: Eligibility of Bidders and Goods

Verification items	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
Nationality of Bidders					
Legally and financially autonomous (in case of government owned entity pursuant to ITT Clause 5.3)					
Legal capacity to enter into contract (pursuant to ITT Clause 5.4)					
No conflict of interest pursuant to ITT Clause 5.5					
No declaration of ineligibility pursuant to ITT Clause 4.3 (pursuant to ITT Clause 5.6)					
Not insolvent, bankrupt, receivership or like events as described in ITT Clause 5.8					
No declaration of ineligibility by the Bank and / or the Procuring entity pursuant to ITT Clause 5.12					
No participation more than one tender for same lot or tender package or same goods (ITT Clause 17)					
Tender document collected legally					
Goods' origin from eligible source country					
Comments by TEC (Acceptable/ Acceptable with minor deviations/ Unacceptable ²)					

Note: Please use similar table like this table for each sub-contractor, if allowed.

² If the TEC concludes a tender “Unacceptable”, the TEC shall provide detail of such unacceptability including attaching relevant document with the TER.

Table 5.3: Tender Security

Verification items	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
Amount of tender security (Required Amount: BDT -- -----)					
Type of tender security					
Reference number of tender security					
Issue date					
Validity date in case of bank guarantee (i.e. validity of the tender plus 28 days)					
Name of issuing financial institution					
Name of branch of issuing financial institution					
Address of issuing financial institution					
Confirmation on authenticity of tender security from the issuing institution					
Comments by TEC (Acceptable/ Acceptable with minor deviations/ Unacceptable ³)					

³ If the TEC concludes a tender “Unacceptable”, the TEC shall provide detail of such unacceptability including attaching relevant document with the TER.

Table 5.4: Completeness of Tenders

Verification items	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
Written confirmation of authority to signatory ⁴					
An affidavit confirming the legal capacity of the tenderer pursuant to ITT Clause 5.4					
An affidavit confirming the status of the tenderer pursuant to ITT Clause 5.8					
Tax clearance certificate pursuant to ITT Clause 5.9					
Membership certificate of registered trade organization					
Documentary evidence confirming the technical specifications of the goods (i.e. Catalogue, brochure, or any other relevant documents of the manufacturer)					
Documents establishing legal and financial autonomy of tenderer, in case of government owned entity					
Document relating to Trade License					
Documents relating to certificate of incorporation and constitutional documents (in case of company/ NGO)					
Document relating to VAT registration certificate					
Manufacturer authorization letter, if required					
Capacity declaration of manufacturer, if required					
ISO certification or any other quality certification of manufacturer, if required					
Testing report of goods from independent laboratory,					

⁴ If the signatory is proprietor/ managing director/ chairman of the tenderer, the power of attorney is not required or mandatory.

Verification items	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
if required					
Any other national or international certification of goods, if required					
Documents relating to similar goods supply (i.e. certificates and/or contract)					
Documents in respect of liquid asset/ credit facility/ working capital					
Documents relating to Agency relationship, if required					
Comments by TEC (Acceptable/ Acceptable with minor deviations/ Unacceptable ⁵)					

⁵ If the TEC concludes a tender “Unacceptable”, the TEC shall provide detail of such unacceptability including attaching relevant document with the TER.

Table 5.5: Substantial Responsiveness of Tenders

Verification items	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
Tenderer quoted full quantities for each item and all items under each lot of goods following Section 6 of the tender document					
No major deviations to commercial requirements (i.e. variation to contract terms with respect to risk shifting/ delivery schedule/ price variation/ payment variation, etc.)					
No major deviations to technical requirements					
Comments by TEC (Acceptable/ Acceptable with minor deviations/ Unacceptable ⁶)					

⁶ If the TEC concludes a tender “Unacceptable”, the TEC shall provide detail of such unacceptability including attaching relevant document with the TER.

Table 5.6: Summary of Preliminary Examination of Tenders

Name of Bidders <i>(a)</i>	Verification <i>(b)</i>	Eligibility <i>(c)</i>	Tender Security <i>(d)</i>	Completeness of Tender <i>(e)</i>	Substantial Responsiveness <i>(f)</i>	Acceptance for Detailed Examination <i>(g)</i>
Bidder A						
Bidder B						
Bidder C						
Bidder D						
Bidder E						

Note: Any “No” in any column between (b) and (f) on any row will lead to rejection of the tender of that bidder.

Step 2: Technical Examinations and Responsiveness

Table 6: Technical Responsiveness of Tenders

Name of the goods:	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E
Technical specifications provided in the tender document					
Comments by TEC (Responsive/ Responsive with minor deviations/ Non-responsive ⁷)					

Note: Tenders shall be considered for technical responsiveness only those that pass for preliminary examination in Table 5.6

⁷ If the TEC concludes a tender “Non-responsive”, the TEC shall provide detail of such non-responsiveness including attaching relevant document with the TER.

Step 3: Financial Evaluation and Price Comparison

Table 7: Correction of Arithmetical Errors

Sl. No.	Description	Unit	Quantity	Official unit rate	Amount (4x5)	Bidder A		Bidder B		Bidder C	
						Quoted Unit Rate	Amount (4x7)	Quoted Unit Rate	Amount (4x9)	Quoted Unit Rate	Amount (4x11)
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>
1											
2											
3											
4											
5											
6											
...											
n											
	Total:										
	Read-out Price Errors										
	Estimate:										
	Above/below of Estimate										

Note: Tenders shall be considered for correction of arithmetical errors only those that pass for technical responsiveness in Table 6

Note: If the quoted price is above or below 10% of the Official Estimate, market analysis shall be provided by the Implementing Agency. If there is found any error in the tender, the TEC/ IA shall take concurrence on the errors from the respective bidder pursuant to ITT Clause 49.3.

Table 8: Corrections and Unconditional Discounts

Bidder	Read-out Tender Price		Corrections		Corrected Tender Price	Unconditional Discounts		Corrected/Discounted Tender Price
	Currency	Amount	Computational Errors ¹	Provisional Sums		Percent	Amount	
<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>	<i>(f) = (c) + (d) - (e)</i>	<i>(g)</i>	<i>(h)</i>	<i>(i) = (f) - (h)</i>
Bidder A								
Bidder B								
Bidder C								
Bidder D								
Bidder E								

Table 9: Total Evaluated Price and Ranking

Evaluation Currency: BDT

Bidder	Corrected/Disc ounted Tender Price	Adjustments for cross discount pursuant to ITT 50.3	Adjustments pursuant to ITT 50.5(a)	Adjustments pursuant to ITT 50.5(b)	Adjustments pursuant to ITT 51	Total Evaluated Price	Ranking of Bidders
(a)	(b)	(c)	(d)	(e)	(f)	(g) = (b) + (c) + (d) + (e)+(f)	
Bidder A							
Bidder B							
Bidder C							
Bidder D							
Bidder E							

Note: Please fill up the column (d) following the outcome of Table 9.1 (in the next page)

Table 9.1: Price Adjustments for Spare Parts

Evaluation Currency: BDT

Bidder	Discounted Price	Year 1	Year 2	Year 3	Year 4	Year 5
Bidder A						
Bidder B						
Bidder C						
Bidder D						
Bidder E						

Note: Please use a discounting factor which is the Bangladesh Bank's lending rate to commercial banks plus two percent, if it is not mentioned in the tender document.

Step 4: Post-qualification of lowest evaluated responsive tenders

Table 10: Post Qualification of Lowest Evaluated Bidder

1. Name of the Bidder:

2. Overall Experience pursuant to ITT Clause 14.1(a):

Bidder's Registration	Year of Tender Submission Deadline	Number of Years	Required Number of Years	Pass/ Fail

3. Supply/ Production Capacity of Goods Pursuant to ITT Clause 14.1(b):

Name of the Manufacturer/ Producer	Yearly Supply/ Production Capacity	Required Supply/ Production Capacity	Pass/ Fail

3. Supply of Similar Goods pursuant to ITT 15.1(a):

Requirement	Number of similar supply contract(s)	Minimum supply value under each contract	Number of Years	Pass/ Fail
Supply Contract 1	Mention the items supplied under the contract including quantity Name of the purchaser:	Contract Value: BDT	Supply Date: Number of Years:	
Supply Contract 2				

4. Minimum Liquid Assets or Working Capital or Credit Facilities pursuant to ITT Clause 15.1(b):

Type of Liquid Assets	Amount (BDT)	Source	Minimum Required Amount (BDT)	Pass/ Fail
Credit Facilities				
Bank Balance				
FDR/Savings Certificates				
Aggregate:				

5. Litigation History pursuant to ITT Clause 13.1:

	Number of Arbitration Awards against the bidder	Minimum number of years from the tender submission deadline	Pass/ Fail
Requirements:			
Award Number 1	Name of the winner: Amount of Award:	Date of Award Given:	
Award Number 2			

Table 11: Complaints

Sl. No.	Name and address of the Complainant	Subject of Complaint	Actions Taken by IA	Outcome of the complaint including impact on evaluation
	Name: Address: Date:	Brief summary of the Complaint:		

Recommendation of TEC:

Table 12: Fraud and Corruption Issues

List of F&C Issues	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E	

Recommendation of TEC:

Table 13: Proposed Contract Award

1. Lowest evaluated responsive bidder (proposed for contract award). (a) name (b) address		
2. If tender submitted by agent, list actual supplier. (a) name (b) address		
3. Principal country of origin of goods/materials		
4. Estimated date (month, year) of contract signing		
5. Estimated delivery/ completion period of goods/ materials to the designated site/ store of the purchaser		
	Currency	Amount
6. Tender Price (Read-out) ¹	BDT	
7. Correction for Errors ²	BDT	
8. Discounts ³	BDT	
9. Other Adjustments ⁴	BDT	
10. Proposed Award	BDT	
11. Disbursement Category ⁵		

¹ From Table 6, columns *b* and *c*.

² From Table 6, column *d*.

³ From Table 6, column *h*. Include any cross-discounts. See Annex I, para. 7(b).

⁴ All adjustments should be explained in detail.

⁵ From the Loan Agreement.

Declaration by TEC about Post-qualification

Post-qualification of [name of the winning bidder] has been carried out pursuant to ITT Clause 54 and it is determined that [name of the winning bidder] is qualified to perform the Contract satisfactorily.

Joint Declaration by TEC Members

Members of the Tender Evaluation Committee (TEC) hereby jointly declare that evaluation has been done in compliance with the Public Procurement Act 2006 and Rules issued thereunder, provisions and conditions set out in the tender document, that all information and description have been correctly reflected in the evaluation report, and that no substantial or fundamental information have been omitted.

Individual TEC Member Declaration Statement

Meeting of Minutes of TEC

(Please attach)

Tender Security

(Please attach copy of tender security of all tenderers including authentication documents)

Tender Opening Sheet

(Please attach copy of tender opening sheet including minutes of tender opening)

Tender Advertisement Documentation

(Please attach copy of the tender advertisement documentation including printing of web site publication, if any)

Annex I. Evaluation Guide

1. Identification, Bidding Process, and Bid Submission

Tables 1, 2, and 3 provide for the filing of basic information on the procurement process. This information is necessary to monitor compliance with the Loan Agreement, and particularly paras. 2.7 and 2.8 on advertising and notification of the *Guidelines*.

2. Bid Opening¹

All bidders or their representatives are invited to attend the bid opening, where bids are read out and recorded, along with a list of attendees. The record is prepared for prompt transmittal to the Bank. Copies should be sent to all bidders. Bid opening procedures are described in the ITB. To assist in carrying out the opening and preparing of the record, a checklist is provided in Annex II. The checklist should preferably be filled out for each bid during the actual reading out at the meeting. The reading should be from the original version of each bid, and the actual amounts and other key details read out should be circled for later verification. If bids are expressed in a single currency, other currency needs expressed as a percentage should be recorded. It may also be desirable to read out exchange rates used by bidders (see para. 6(d)(ii) in this Annex).

Any envelopes containing substitutions, modifications, or withdrawals must be subject to the same level of scrutiny, including the reading out of critical details, such as price changes. Failure to read out such information and include it in the written record may result in denial of its inclusion in bid evaluation. If a bid has been withdrawn by cable, it should nonetheless be read out and should not be returned to the bidder until the authenticity of the withdrawal notice has been confirmed.

As stated in the ITBs, no bids should be rejected at the bid opening except those received after the deadline for receipt of bids. Such bids shall be returned unopened to the bidder. A summary of the read-out bid prices should be provided in Table 4.

3. Bid Validity

The duration of the validity of each bid should be the one specified in the ITB and should be confirmed in the signed (form of) bid. If exceptional circumstances occur in which award cannot be made within the validity period, extensions in writing should be requested of bidders, in accordance with the ITB (also *Guidelines*, para. 2.56). Extensions to the validity of bid security should also

¹ See *Guidelines*, para. 2.44. The record should be sent promptly to the Bank after bid opening and therefore does not usually accompany the bid evaluation report.

be requested of bidders, if necessary.² Note that for fixed price contracts subject to prior review, a no-objection by the Bank is necessary for extensions longer than sixty (60) days and for any subsequent extensions (*Guidelines*, Appendix 1, para. 2(d)).³ Note any extensions in Table 3.

4. Principles of Evaluation

After the public opening of bids, information relating to the examination, clarification, and evaluation of bids shall not be disclosed to bidders or other persons not officially concerned with this process until the successful bidder is notified of the award of contract (*Guidelines*, para. 2.46). The Bank recommends appointment by the Borrower of an evaluation committee, consisting of a minimum of three qualified members who should work in a secure office where all bidding documents can be kept. There may be a considerable advantage if the same members participated in the preparation of the bidding documents.

On occasion, the Borrower may request clarifications of bidders concerning ambiguities or inconsistencies in the bid. As required in the ITBs, such requests shall be in writing, and no change in the price or scope of the originally offered goods, works, or services shall be sought or accepted, except for the correction of arithmetic error. The responses from bidders shall also be in writing. (Refer also to *Guidelines*, Appendix 4, para. 10.) No circumstances shall justify meetings or conversations between the Borrower (or its consultants) and bidders during the bid evaluation process.⁴

Bidders frequently attempt to contact the Borrower during bid evaluation, directly or indirectly, to query progress of evaluation, to offer unsolicited clarifications, or to provide criticisms of their competition. Receipt of such information should be acknowledged as to receipt only.⁵ Borrowers must evaluate bids on the basis of the information provided in the respective bids. However, additional information provided may be useful in improving the accuracy, speed, or fairness of the evaluation. Nonetheless, no changes in the bid price or substance are allowed.

5. Preliminary

The evaluation process should begin immediately after bid

² Particular care must be taken in cases where the deadline for *submission* (or for opening) of bids can be extended, as the duration of bid security is frequently provided in terms of an expiration date. In contrast, bid validity is specified in terms of an interval after the deadline for receipt or the date of bid opening.

³ Revised to eight (8) weeks, in the first (January 1996) reprint of the 1995 edition of *Guidelines*.

⁴ See *Guidelines*, para. 2.6 for an explanation of two-stage bidding. If used, evaluation of the second-stage bidding follows the procedures in this *Annex I. Evaluation Guide*.

⁵ On occasion, bidders approach the Bank with information. Bank policy is to acknowledge the correspondence and pass it on to the Borrower for its consideration (*Guidelines*, Appendix 4, paras. 11–14).

Examination of Bids

opening. The purpose of preliminary examination is to identify and reject bids that are incomplete, invalid, or substantially nonresponsive to the bidding documents and therefore are not to be considered further. The following checks should be applied:

- (a) Verification: Attention should be directed toward deficiencies that, if accepted, would provide unfair advantages to the bidder. Sound judgment must be used: for example, simple omissions or mistakes arguably occasioned by human error should not be grounds for rejection of the bid. Rarely is a bid perfect in all respects. However, the validity of the bid itself, for example, its signatures, must not be in question. If the bidder is a joint venture, the joint venture agreement must be submitted; if the bidder is an agent, an authorization from the supplier or manufacturer must be provided in addition to any documentation required of the supplier or manufacturer itself. All copies of the bid should be compared with the original and corrected accordingly, if necessary. Thereafter, the original should be kept in a safe location, and only copies should be used in evaluation.
- (b) Eligibility: The bidder must be a national or a juridic entity from an eligible source country as defined in the *Guidelines*.⁶ All partners to a joint venture shall be from an eligible source country, and the joint venture shall be registered in an eligible source country. All goods and services shall originate from eligible source countries. In the case of plant and equipment, this eligibility test is applied only to the finished product offered in the bid and to its major and clearly identifiable components. If prequalification has taken place, only bids from prequalified bidders can be considered.⁷ The bidder (including all members of a joint venture and subcontractors) may be disqualified if affiliated with a firm that has provided related consulting services on the project, or if the bidder is a publicly owned enterprise from the Borrower's country, lacking legal and financial autonomy. (See the ITB for details.)
- (c) Bid Security: The bidding document may require submission of a bid security. If so, the bid security must conform to the requirements of the ITB, and it must

⁶ A list of eligible source countries and those subject to payment restrictions from the Bank loan are listed in Annex III.

⁷ The juridic entities of the prequalified bidders may not be modified in the submission of bids.

accompany the bid. If the bid security is issued as a bank guarantee, it must be consistent with the wording of the bid security form provided in the bidding document. Submission of a copy of the security or submission of a counterguarantee naming the Borrower's bank instead of the Borrower is unacceptable. Furthermore, securities for an amount smaller or for a period shorter than the one specified in the ITB are not acceptable. The security for a bid submitted by a joint venture should be in the name of all of the partners of the joint venture.

- (d) Completeness of Bid: Unless the bidding documents have specifically allowed partial bids—permitting bidders to quote for only select items or for only partial quantities of a particular item—bids not offering all of the required items should ordinarily be considered nonresponsive. However, under works contracts, missing prices for occasional work items are considered to be included in prices for closely related items elsewhere. If any erasures, interlineations, additions, or other changes have been made, they should be initialed by the bidder. They may be acceptable if they are corrective, editorial, or explanatory. If they are not, they should be treated as deviations and should be analyzed as per para. 5(e) below. Missing pages in the original copy of the bid may be cause for rejection of the bid, as may contradictions in model numbers or other designations of critical supply items.
- (e) Substantial Responsiveness: Major deviations to the commercial requirements and technical specifications are a basis for the rejection of bids. As a general rule, major deviations are those that, if accepted, would not fulfill the purposes for which the bid is requested, or would prevent a fair comparison with bids that are properly compliant with the bidding documents. Examples of major deviations include:
 - (i) Stipulating price adjustment when fixed price bids were called for
 - (ii) Failing to respond to specifications by offering instead a different design or product that does not offer substantial equivalence in critical performance

parameters or in other requirements

- (iii) Phasing of contract start-up, delivery, installation, or construction not conforming to required critical dates or progress markers
- (iv) Subcontracting in a substantially different amount or manner than that permitted
- (v) Refusing to bear important responsibilities and liabilities allocated in the bidding documents, such as performance guarantees and insurance coverage
- (vi) Taking exception to critical provisions such as applicable law, taxes and duties, and dispute resolution procedures
- (vii) Those deviations that are specified in the ITB as requiring rejection of the bid (such as, in the case of works, participating in the submission of another's bid other than as a subcontractor).

Bids that offer deviations may be considered substantially responsive—at least as to the issue of fairness—if the deviations can be assigned a monetary value that would be added as a penalty during the detailed evaluation process and if such deviations would be acceptable in the eventual contract.

The results of preliminary examination should be presented in Table 5. If the bid fails preliminary acceptance, the reasons must be clearly explained in footnotes or in an attachment, as necessary. An example is shown in Annex IV. Borrowers may find it useful to include additional tables for itemization of responsiveness to a list of technical or commercial specifications. These should be attached to Table 5.

6. Detailed Examination of Bids

Only those bids surviving preliminary examination need to be examined in this phase.

- (a) Corrections for Errors: The methodology for correction of computational errors is described in the ITB. The read-out bid prices and their corrections should be noted in Table 6, column *d*. The corrections are considered binding on the bidder. Unusual or large corrections that could affect the comparative ranking of bids should be explained in footnotes.
- (b) Corrections for Provisional Sums: Bids may contain provisional sums set by the Borrower for contingencies or for nominated subcontractors, etc. As these sums are the same for all bids, they should be subtracted from the read-out prices in Table 6, column *e* to allow for a proper comparison of bids in subsequent steps. However, those provisional sums set aside for Daywork,⁸ where priced competitively, should not be included in the deductions.
- (c) Modifications and Discounts: In accordance with the ITB, bidders are allowed to submit, prior to bid opening, modifications to their original bid. The impact of modifications should be fully reflected in the examination and evaluation of the bids. These modifications may include either increases or discounts to the bid amounts that reflect last-minute business decisions. Accordingly, the original bid prices should be modified at this point in the evaluation. Discounts offered in accordance with the ITB that are conditional on the simultaneous award of other contracts or lots of the contract package (cross-discounts) shall not be incorporated until the completion of all other evaluation steps. The effect of unconditional discounts (or alternatively, increases) should be shown as in Table 6 (columns *g* and *h*). Any discount expressed in percent must be applied to the appropriate base specified in the bid (i.e., check to see if it applies to any provisional sums).
- (d) Evaluation Currency: The remaining bids as corrected for computational errors and as adjusted for discounts should be converted to a common evaluation currency, as described in the ITB. The exchange rates to be used in the calculations are to be listed in Table 7. If multiple exchange rates exist for a particular currency (for commercial, government transactions, etc.), indicate which applies, with reasons for the choice. Where exchange rates for a particular currency

⁸ Refers to unforeseen work. For details, see SBDLW, Section B, or SBDSW, Section 7.

are not available from the specified authority or publication, identify the secondary source, as well as any necessary conversion calculations.

There are two different currency options for bidding/payment, each requiring a different conversion methodology:

- (i) The SBDG and Option B of SBDLW use the multiple currency option, in which the bid price is expressed in a number of currencies. For this procurement, use Table 8.
 - (ii) The SBDSW and Option A of SBDLW use the single currency option, in which the bid price is expressed entirely in a specific currency, usually in the Borrower's currency, with other foreign currency requirements stated as percentages of the bid price, together with the exchange rates used by the bidder to determine the percentages. For SBDLW single currency bids, sections of the Works may require payment in different currencies and proportions. In such instances, the impact of any corrections found will require a lengthier analysis for each bid, based on the submitted Appendix to Bid. Table 9 is to be used for these calculations.
- (e) Additions: Omissions to the bid should be compensated for by adding the estimated costs for remedying the deficiency. Where items missing in some bids are present in others, an average of quoted prices could be used to compare competitors' bids. Alternatively, external sources, such as published price lists, freight tariff schedules, etc., may be appropriate. The cost determined should be expressed in the evaluation currency and shown in Table 10, column *c*.
- (f) Adjustments: The ITB specifies which, if any, performance or service factors will be taken into account in the bid evaluation (see, for example, para. 26 of SBDG). The methodology used in evaluation of these factors should be precisely described in the bid evaluation report and should be fully consistent with the ITB provisions. Bonuses or additional credits that reduce the evaluated bid price will not be given in the bid evaluation for features that exceed the requirements stated in the bidding documents, unless

specifically provided for in the ITB.⁹ The value of adjustments will be expressed in terms of cost, for all works and most goods contracts, and should be shown in Table 10, column *d* and expressed in the evaluation currency.¹⁰

- (g) **Priced Deviations:** As discussed under para. 5(e), bids with minor deviations may be considered substantially responsive if their further consideration assigns a monetary cost or penalty to the bid for the purpose of bid comparison:
- (i) Requests for deviations that are expressed by the bidder in vague terms, such as “we would like an increase in the amount of mobilization advance” or “we wish to discuss changes in the completion schedule” should ordinarily be ignored in bid evaluation. However, a categorical statement by the bidders taking exception to a requirement in the bidding documents should be treated as a deviation.
 - (ii) If a bid requires a faster payment stream than specified in the bidding documents, the penalty is based on the prospective benefit to the bidder. This situation assumes use of a discounted cash flow using the prevailing commercial interest rates for the currencies of the bid, unless the ITB foresees the eventuality and specifies a rate.
 - (iii) If a bid provides for a delivery or completion that is beyond the date specified in the bidding documents but that is nonetheless technically acceptable to the Borrower, the time advantage given should be assessed a penalty specified in the ITB or, if one is not provided, based on the rate of liquidated damages specified in the bidding documents.

The deviations should be priced in the evaluation currency in Table 10, column *e*.

7. Determination

In the comparison of bids for works and for most goods, the

⁹ Similarly, a bid offering a choice of different product models is evaluated on the basis of the lowest price offered by the bidder from among the models meeting the requirements of the bidding document.

¹⁰ The Bank on occasion may allow the use of the Merit Point System for the purchase of goods. If so, the adjustments will be expressed in points. Refer to ITB (para. 26.5) of the SBDG and to the Bank directly for details on bid evaluation using the point system.

of Award

corrected and discounted bid prices, together with adjustments for omissions, deviations, and specified evaluation factors, have been noted in Table 10. The bidder with the lowest total is the lowest evaluated cost bidder at this stage, subject to:

- Application of domestic preference, if any is allowed;
 - Application of any discounts, contingent on the simultaneous award of multiple contracts or lots; and
 - Postqualification evaluation, or, if prequalification has occurred, confirmation of prequalification information.
- (a) Domestic Preference: If domestic preference is allowed in bid evaluation, the ITB will so state and provide detailed procedures to be used in determining the eligibility for preference and the amounts.
- (i) With respect to goods contracts, verification of the prevailing import duties and the related import taxes to a nonexempt importer must be made. If these duties and taxes are less than 15 percent of the CIF or CIP price,¹¹ they are to be used as to the amount of preference. Also, the eligibility of goods for domestic preference must be examined according to the criteria described in the ITB.¹²

The calculations for determining the lowest evaluated bidder are based on a two-step process. In the second step, if needed, the domestic preference is *added* (like a tariff) to the CIF or CIP bid prices of the goods offered from abroad.¹³ Care should be taken to separate these prices from the overall bid prices, which may include the costs of internal transportation and related freight insurance, installation, training, and other costs incurred within the Borrower's country. Such costs are not to be adjusted for the preference. The CIF or CIP bid prices used will reflect corrections for errors and

¹¹ CIF is cost, insurance and freight for maritime transportation. CIP is cost, carriage and insurance in the case of multimodal transportation. For further definitions, refer to *INCOTERMS 1990*, International Chamber of Commerce, 38 Cours Albert 1^{er}, 75008 Paris, France.

¹² In the case of single responsibility supply and installation of plant and equipment, the domestic preference applies to individual components of the bid. Procedures in such cases are described in the *Guidelines*, Appendix 2, para. 6, and if applicable to the procurement under review, would be embodied in the ITB.

¹³ This occurs if the apparent low bidder from the first step is importing the goods.

discounts and will be adjusted for omissions pertaining to the CIF or CIP prices (such as insufficient spare parts). They will *not* reflect adjustments for deviations or specified evaluation factors. The preference tariff calculated will then be added to the corrected, discounted, and adjusted total prices tabulated in Table 11.

All calculations involved in assessing domestic preference should be clearly shown in Table 11, together with accompanying explanations as necessary. The lowest evaluated bidder would be the bidder with the lowest price total in column *i*, unless note 2 of Table 11 applies.

- (ii) Any domestic preference eligibility allowed under works contracts is dependent on ownership criteria and on the share of work to be undertaken. The domestic preference is provided by adding 7.5 percent to the corrected and discounted bid prices of bidders not eligible for domestic preference. The ITB excludes domestic preference application to any provisional sums, as well as to adjustments or priced deviations. The lowest evaluated bidder is the bidder with the lowest total in column *g* of Table 12.
- (b) Cross-Discounts: These are conditional discounts offered in the event that more than one contract or lot will be awarded to the same bidder. Bid evaluation in such cases can be quite complicated, particularly for goods contracts where domestic preference may apply. The sizes of cross-discounts offered by each bidder may vary with the potential number of contracts awarded. The ITB may also limit the number or total value of awards to a bidder on the basis of its financial and technical capacity.¹⁴ Thus, a bidder offering the lowest evaluated bid on a particular contract may be denied award because of such a restriction. The Borrower shall select the optimum combination of awards on the basis of least overall cost of the total contract package, consistent with the qualification criteria. (Refer to *Guidelines*, para. 2.4.) Presentations of the calculations should be made on an attachment to the report, which should include the bid evaluation(s) for the other contracts, if they have been

¹⁴ This restriction may originate with prequalification.

evaluated separately.

- (c) Qualification: If prequalification was conducted, the bidder whose bid is the lowest evaluated should receive the award, unless the bidder's qualifications have since materially deteriorated or the bidder has since received additional work that overstresses its capacity. The Borrower should satisfy itself fully on both accounts.

Where prequalification has not occurred, the prospective awardee should be subjected to postqualification, the procedures for which are described in the ITB.¹⁵

If the lowest evaluated bidder fails postqualification, its bid should be rejected, and the next ranked bidder should then be subject to postqualification examination. If successful, this bidder should receive the award. If not, the process continues. (Refer to *Guidelines*, para. 2.57.)

The rejection of a bid for reasons of qualification requires substantial justification, which should be clearly documented in attachments to the report. A history of poor performance may be considered a substantial justification.

- (d) Alternative Bids: The ITB may request or allow the Borrower to accept alternative bids under the stipulation that only the alternative submitted by the lowest evaluated bidder and conforming to the bidding documents will be considered.
- (i) For works, the ITBs may allow alternative technical solutions and/or alternative times for completion.
- (ii) For goods, the ITB may allow for submission of an alternative payment schedule. The same ITB (paras. 11.2(b)(ii) or (iii)) may also require bidders to submit, in addition to any CIF or CIP bids, similar bids less transport or insurance, such as FCA or CFR.¹⁶ The Borrower, if it is willing to accept the alternative bid offered by the lowest evaluated bidder, should provide

¹⁵ The Annex in the Bank's Standard Prequalification Document is useful for postqualification evaluations.

¹⁶ *INCOTERMS 1990*.

justification for doing so.¹⁷

Calculations for the evaluation of alternatives should be provided in an attachment to the report.

- (e) Proposed Award: The amount of the proposed award shall be the bid price as submitted by the winning bidder and adjusted as described in the ITB for corrections, any discounts (including cross-discounts), and acceptance by the Borrower of alternative offers from the lowest evaluated bidder. Adjustments to the final price and scope of the contract to correct for acceptable omissions and quantity variations in the bid may be negotiated with the lowest evaluated bidder.¹⁸ Prior concurrence of the Bank with the proposed award is required before such negotiations may be entered into (*Guidelines*, para. 2.62). Table 13 should be filled out to establish the actual amount of the contract award.

If (a) none of the bids are found to be responsive, (b) bids are unreasonably high in price compared with earlier estimates, or (c) none of the bidders are qualified, the Borrower may consider rejection of all bids (prior Bank concurrence is required) (*Guidelines*, paras. 2.59–2.62).

(f) Report Submission

- (i) *Prior Review*: In accordance with the loan agreement, the Borrower must submit the completed bid evaluation report containing the required summary to the Bank as soon as possible after bid opening, preferably no later than three (3) weeks prior to the expiration of the bid validity period. The report should include the appropriate items listed in Annex V.

Borrowers are encouraged to request assistance as needed from the Bank in explaining the evaluation procedures. However, the Bank will not participate in the evaluation itself.

¹⁷ If the contract is signed without insurance coverage, the Borrower must provide the Bank with evidence of alternative insurance payable in a freely usable currency to replace or repair such goods (*Guidelines*, para. 2.27, and General Conditions of the Loan or Credit Agreement).

¹⁸ Note that SBDG—ITB para. 31 allows the Purchaser (Borrower) the right to unilaterally vary quantities within set limits at the time of award.

- (ii) *Post Review*: For contracts not subject to prior review, the Borrower may award the contract upon completion of bid evaluation (*Guidelines*, Appendix 1, para. 4). As stated therein, subsequent submission of the bid evaluation report to the Bank is required prior to delivery of a withdrawal application, or if a Special Account is used, prior to its first replenishment application. These provisions do not apply if Statements of Expenditures are used, whereby the evaluation and other documents are kept by the Borrower, subject to future review by the Bank.
- (g) Review by the Bank: Upon receipt by the Bank, all contracts subject to prior review will be reviewed. Borrowers may be requested to provide additional information and justification for the recommendations. The Bank will not contact bidders. However, it may request the Borrower to do so for necessary clarifications. When the Bank is satisfied with the evaluation of bids and recommendations of award, a “no-objection” written communication will be issued by the Bank official designated for such correspondence.

For contracts subject to post review, any doubts about the justification for award should be raised with the Bank prior to award signing. Borrowers should ensure that all correspondence received from bidders concerning evaluation has been taken into account. The Bank does not finance contracts that have not been procured in accordance with the loan agreement.¹⁹

- (h) Award of Contract: Bid securities of unsuccessful bidders should be returned promptly after award has been made. However, if contract effectiveness is contingent on the receipt of a performance security or other condition, the Borrower may consider seeking an appropriate extension of time for the bid validity and the accompanying bid security of the next two lowest bidders.

As mentioned in the Preface, upon confirmation by the Borrower that the award has been made, the Bank is authorized to publish a description of the contract, the name and nationality of the contract awardee, and the contract

¹⁹ If funds from the loan have already been disbursed, the Bank may seek reimbursement. Refer to *Guidelines* para. 1.13 and Appendix 4, para. 3.

price. Any further information on the bids or on their evaluation, including the bid evaluation report, is held in confidence by the Bank. Unsuccessful bidders are allowed under the *Guidelines* (Appendix 4, para. 15) to seek a debriefing with the Borrower, and, additionally, with the Bank. In anticipation of this and/or any post reviews by the Bank, the Borrower should ensure that bidding documents and evaluations are securely stored.

Annex II. Bid Opening Checklist

(To be filled out for each bid as it is read out)

Contract Reference: _____

Bid Opening Date: _____ Time: _____

Name of Bidder: _____

- (a) Is outer envelope of bid sealed?
- (b) Is bid form completed and signed?
- (c) Expiration date of bid:
- (d) Is documentary authority for signing enclosed?
- (e) Amount of bid security (if required): _____ (state currency)
- (f) Describe any "Substitution," "Withdrawal," or "Modification" submitted
- (g) Describe any alternative bid made:
- (h) Describe any discounts or modifications offered:
- (i) Additional comments:¹
- (j) Name of bidder or representative present:
- (k) Total bid price: _____ (list currencies and amounts or percentages)²

Signature of responsible official: _____ Date: _____

¹ Read out and record model numbers of equipment.

² If bid is for a package of contracts, the price for each lot or item should be read out.

Annex V. Bid Evaluation Summary Checklist

1. Attach bid opening record, if not previously submitted (refer to footnote 1, Annex I).
2. Explain any inconsistencies between prices and modifications to prices read out at bid opening (and written into the record) and presented in Table 4.
3. Provide details on eliminating any bids during preliminary examination (Table 5). Copy select pages from bids, as desirable, to show examples of objectionable features.
4. The additions, adjustments, and priced deviations in Table 9 require detailed explanations where they may affect the ranking of bidders.
5. Explain any cross-discount (para. 7(b)) not read out and recorded at bid opening. In addition, attach copies of any evaluation reports for the other related contracts awarded to the same bidder.
6. Provide detailed reasons for refusing to award a contract to a party other than the lowest evaluated bidder (para. 7(c)).
7. If an alternative bid is accepted, provide a detailed explanation of the reasons for its acceptance, addressing issues of timeliness, performance, and cost implications (para. 7(d)).
8. Provide evidence of alternative insurance (see footnote 17, Annex I).
9. Attach copies of any correspondence from bidders that raise objections to the bidding and evaluation process, together with detailed responses.
10. Attach copies of any letters to bidders requesting clarifications. Provide copies of responses.
11. Submit bid evaluation with separate evaluation report from consultant, if one was commissioned.
12. Ensure that the bid evaluation report is double-checked, paginated, and complete, and includes a Letter of Transmittal. The Bank will only review reports that are sent to it by the proper authorities.
13. Send by courier or by other swift means.