

# OPR™

THE OFFICE OF  
PROCUREMENT REGULATION

ACCOUNTABILITY | INTEGRITY | TRANSPARENCY | VALUE FOR MONEY

## GENERAL GUIDELINES



# *EVALUATION OF BIDS AND AWARD OF CONTRACT*

Prepared by: The Office of Procurement Regulation

2019

Developed in accordance with the Republic of Trinidad and Tobago Public Procurement and Disposal of Public Property Act, Number 1 of 2015 (as amended), and the attendant Public Procurement Regulations.

## TABLE OF CONTENTS

<b>1.0 PREAMBLE</b> .....	<b>1</b>
1.1 Purpose of this guideline .....	1
1.2 Who should use this guideline? .....	1
1.3 How should this guideline be used? .....	1
1.4 The Trinidad and Tobago Public Procurement Procedures .....	1
1.5 How does this guideline link to the Trinidad and Tobago Public Procurement Procedures? .....	2
<b>2.0 INTRODUCTION</b> .....	<b>3</b>
<b>3.0 EVALUATION</b> .....	<b>5</b>
3.1 The Need for an Evaluation Process .....	5
3.2 Evaluation Criteria.....	5
3.3 The Evaluation Committee.....	7
3.4 Preliminary Examination of Bids .....	8
3.5 Seeking Clarification During Evaluation .....	10
3.6 Detailed Evaluation .....	11
3.7 Treatment of Abnormally Low Bids .....	12
3.7.1 Stage 1 - Identify .....	14
3.7.2 Stage 2 - Clarify .....	15
3.7.3 Stage 3 - Justify .....	15
3.7.4 Stage 4 - Verify .....	16
3.7.5 Stage 5 - Decide .....	16
3.8 Evaluation Methods for Consultancy Services.....	16
3.9 Evaluation Procedure.....	18
3.10 Preparation of Evaluation Report .....	18
3.10.1 Introduction .....	18
3.10.2 Background .....	19
3.10.3 Evaluation of Bids.....	19
3.10.4 Recommendation for Award of Contract .....	19
<b>4.0 AWARD OF CONTRACT</b> .....	<b>20</b>

## 1.0 PREAMBLE

### 1.1 Purpose of this guideline

The Public Procurement and Disposal of Public Property Act, 2015, as amended (“the Act”) cautions public bodies that public procurement carried out in a manner that is inconsistent with objects of the Act shall be void and illegal.

The purpose of this guideline therefore is to provide practical advice about evaluating bids, which is a complex and often technical activity.

### 1.2 Who should use this guideline?

This guideline should be used by all public officers involved in the in the evaluation of bids on behalf of their department or agency in Trinidad and Tobago.

### 1.3 How should this guideline be used?

This guideline should be read in conjunction with the Act, the Procurement Regulations 2019, the Handbook of Procurement, Retention and Disposal of Public Property and other related general and specific guidelines.

As may be applicable, a procuring entity may use these guidelines as a model for developing its own special guidelines. In such instances the procuring entity is required to:

- 1) Map all changes (inclusions, edits, deletions) against this model guide
- 2) Subsequently submit a copy of its own special guidelines to The Office of Procurement Regulation (“the OPR”) for review and approval.

Public bodies are to note that approval of their special guidelines will be granted in accordance with the procedures outlined in the publication entitled

**“Preparation of Special Guidelines and Handbooks for Approval”**

### 1.4 The Trinidad and Tobago Public Procurement Procedures

The Trinidad and Tobago Public Procurement Procedures are derived from the objects of the Act.

Section 5 (1) states the objects of the Act are to promote –

- (a) The principles of accountability, integrity, transparency and value for money;
  - (b) Efficiency, fairness, equity and public confidence; and
  - (c) Local industry development, sustainable procurement and sustainable development,
- in public procurement and the disposal of public property.

1.5 How does this guideline link to the Trinidad and Tobago Public Procurement Procedures?

The Trinidad and Tobago Public Procurement Procedures are based on achieving the objects of the Act. To ensure general compliance with Section 5 of the Act, the effective evaluation of bids supports achievement of accountability, integrity, transparency, value for money, efficiency, fairness, equity, public confidence, local industry development, sustainable procurement and sustainable development.

DRAFT

## 2.0 INTRODUCTION

Procuring entities are asked to note that the successful outcome to the evaluation of bids, i.e. the selection of the most suitable supplier or contractor to fulfil the contract, begins during the planning stages of the procurement process.

When developing the solicitation document, the requirements of the good, work or service must be carefully considered to allow the procuring entity to determine the elements that must be evaluated in order to achieve the project outcome.

For each project, as may be appropriate, the following must be considered:

- a) Experience of the bidder (supplier or contractor) in performing contracts of a similar nature
- b) The track record of the bidder
- c) Qualifications and experience of the bidder's key personnel to be assigned to the project
- d) Financial capability of the bidder
- e) Proposed delivery or completion timeframe
- f) The bidder's commitment to health, safety, security and environmental issues
- g) The proposed methodology and workplan for completing the contract
- h) Resource allocation
- i) Knowledge transfer (training/ development of local capacity or industry)
- j) Price, and where appropriate cost build-up, for the provision of the good, work or service
- k) Any other relevant factor that would assist in the evaluation of the bids or proposals.

It is important to note that the evaluation criteria, sub-criteria, scoring system and methodology must be included in the solicitation document to guide the bidder in the preparation of its bid or proposal.

After the 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.

The **complete evaluation process** consists of:

- Establishing appropriate criteria,
- Placing the criteria in the proposal document,
- Selecting an evaluation committee,
- Evaluating the proposal using the criteria, and
- Preparing the evaluation report, including a recommendation for award.

## General Guidelines – Evaluation of Bids and Award of Contracts

The procuring entity will conduct a **preliminary examination** of the bids to check for compliance with respect to the terms and conditions, and the mandatory criteria set in the bidding documents. The remaining substantially responsive bids will be evaluated in accordance with the **criteria** set in the bidding documents, to determine the successful bidder.

It is recommended that the procuring entity appoint an **evaluation committee**, consisting of a minimum of three (3) qualified members who should work in a secure office where all bidding documents can be kept.

In the case of **electronic bid submissions**, the documents can be stored in a secure drive on the network with restricted access to only members of the evaluation committee.

There may be a considerable advantage if the same members participated in the preparation of the bidding documents.

The procuring entity may **request clarifications** of bidders concerning ambiguities or inconsistencies in the bid. 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. No circumstances shall justify unofficial meetings or conversations between the procuring entity and bidders during the bid evaluation process. Sanctioned meetings or conversations shall be electronically recorded, a summary of the proceedings shall be reduced to writing, and both the electronic and written record shall be included in the record of procurement proceedings.

It is a legal requirement to **define the evaluation process**, in summary form, in the bidding documents. The major categories on which the proposal will be evaluated and the weight assigned to each factor should also be identified. The bidding documents should explain the criteria that can or will result in the rejection of an offer, state that the evaluation will include the price and state the relative importance of each major selection evaluation criteria.

It is important that the evaluation committee deals with the process and the bidders in a consistent and transparent manner. Some procurement projects may need a **probity advisor or probity auditor** (for additional information see the [General Guidelines: Procurement Methods & Procedures](#), section 4.0).

Having a **standard approach** eliminates some of the personal bias and takes some of the arbitrariness out of the scoring. A good working definition of, for example, when to assign

a 5 versus an 8, will ensure that evaluators can agree on a score rather than simply averaging the different scores.

**All clarifications** generated between the procuring entity and the bidders during the preliminary examination and subsequent evaluation of bids shall be included in the record of the public procurement proceedings.

### 3.0 EVALUATION

#### 3.1 The Need for an Evaluation Process

##### What is evaluation?

**Evaluation** is a process that enables selection of the bid that best satisfies the requirements of the procuring entity while at the same time ensuring compliance with the objects of the Act. This involves consideration of the nature, value and significance of the goods, works or services being procured.

The evaluation process begins with the establishment of the **evaluation criteria**. These criteria are a series of standards and measures used to determine how satisfactorily a proposal has addressed the requirements identified in a bidding opportunity. They also play a major role in identifying the best overall cost-effective solution to the proposal requirement.

The **need for the evaluation process** is two-fold. First it offers all potential bidders a fair and equitable method of having their proposal reviewed and considered as a potential solution in a consistent and similar manner as their competitors. Secondly, it provides the evaluating committee with a clear and concise method of identifying the competent tenders and ultimately the best overall bid.

#### 3.2 Evaluation Criteria

##### What are Evaluation Criteria?

Evaluation criteria are the **standards and measures** used to determine how satisfactorily a proposal has addressed the requirements identified in the bidding document.

Once basic evaluation criteria are identified, the procuring entity must decide which criteria will be **mandatory** and which will be **weighted**.

##### Mandatory Criteria

Mandatory criteria establish the basic requirement of the invitation, e.g. the minimum number of years' experience of the bidder in providing the particular good, work or service.

## General Guidelines – Evaluation of Bids and Award of Contracts

Any bidder that is unable to satisfy any of these requirements is deemed to be incapable of performing the contract and is rejected. Bidders either meet or do not meet mandatory criteria. A point system is not used.

### Weighted Criteria

Weighted criteria represent “desirable” features, which add value or functionality to the proposal. With weighted criteria, the relative importance of each criterion to the overall requirements and to the other criteria must be determined.

### Characteristics of an Effective Evaluation Criterion

- **Objective** - not subject to diverging interpretation
- **Relate to the requirements definition** - all key elements of the project requirements must be covered by evaluation criteria
- **Discriminating** - separate best, average and weaker proposals
- **Non-discriminatory** - fair and reasonable - mandatory and heavily weighted criteria must be justified
- **Realistic** - given the contract nature and/or value
- **Measurable** - use measurable standards and have sub-criteria if necessary, to simplify evaluation
- **Economical to use** - do not consume an unreasonable amount of time or resources
- **Justifiable** - make sense, can be justified on common sense, technical and legal basis.

The evaluation criteria should:

- Be completed prior to the solicitation of bids
- Not be altered after the opening of bids
- Be applied equally and uniformly in the evaluation of proposals.

The procuring entity shall select the successful bidder based only on the evaluation criteria and methodology specified in detail in the bidding documents.

**Note** - Under no circumstances should new or revised evaluation criteria be introduced during the evaluation of bids. Take the time to think carefully about how you plan to select the best offer and be sure to ask the suppliers to provide you with all the information that you might need to fully evaluate their bids.

The evaluation criteria will vary depending on the type of procurement method utilised. Typically, an evaluation criterion will comprise of both price and non-price factors:

- **Non-price factors** are assessed using a scoring/weighting system, according to their relative importance in meeting the desired outcome, and may include:
  - (a) quality of methodology and work plan

## General Guidelines – Evaluation of Bids and Award of Contracts

- (b) relevant experience
- (c) client references
- **Price factors** may be used solely or following the non-price factors. This is used to determine which bidder provides the most advantageous bid and may include:
  - (a) payment terms
  - (b) extended warranties
  - (c) life-cycle operating costs
  - (d) after-sale services and technical assistance
  - (e) supply of spare parts related to the use of goods
  - (f) period of completion and/or delivery of goods

**Note** – The procuring entity is encouraged to ensure that the focus remains on the outcome and not having too many criteria to make the process difficult and costly

### 3.3 The Evaluation Committee

The **composition and mandate** of the evaluation committee is critical to an effective procurement process. Experience in the following areas is often required to effectively evaluate the proposals:

- (a) Technical knowledge of the subject matter being procured
- (b) Applicable law
- (c) The procurement process
- (d) In-house technology
- (e) Commercial acumen

Typically, the committee is composed of three to six people, depending on the organisation, the mix of skills required, and the number of departments involved. Selecting an odd number of members may be helpful depending on the evaluation situation and method utilised. These members should be present for the **entire evaluation period** and should be involved in reviewing **all proposals**.

Members of the evaluation committee should include a member from the procurement team/unit, personnel knowledgeable in the subject area of the procurement and a legal representative. A representative from the Information Technology department must be on every evaluation committee involving software development.

## Conflict of Interest and Confidentiality

It is important that each member on the evaluation committee understand their role and the critical nature of their activities and behavior during the process. Members are required to sign agreements on how they will behave to ensure that there are no conflicts of interests and the proposals are kept confidential.

**Conflict of Interest** – Once the proposals have been received and it is clear which companies are involved in the bidding process, each member of the evaluation committee must sign a “Conflict of Interest” form. These forms must be signed before any committee members begin their initial evaluation.

**Confidentiality** – If documents received as part of a proposal are protected from public view under the Section 39(1) of the Act, each member of the evaluation committee must sign a “Confidentiality Statement” form, which sets out their responsibility to maintain the confidentiality of these documents during and after the evaluation process.

Committees work in a variety of ways. Some achieve **consensus** through discussions and analysis. On others, each member evaluates **independently**, and the **chairperson** of the committee would tally the scores.

Best practice is to form the evaluation committee when the project is initiated, and have a project manager assigned. In this case, the evaluation committee can make a much greater contribution in assisting the project manager with the following critical activities:

- (a) Developing the procurement activity plan
- (b) Reviewing requirements and contributing to the creation of the bidding documents
- (c) Assisting in establishing the evaluation criteria and points structure
- (d) Evaluating proposals

### 3.4 Preliminary Examination of Bids

The evaluation process should begin immediately after the opening of bids. The purpose of preliminary examination is to review each submission to determine **statutory compliance** and whether the proposal has complied to the **mandatory terms and conditions**.

**Note** - Any offer not meeting the mandatory requirements is non-responsive and should not be considered further. It is therefore extremely important to ensure that careful consideration is given before any criterion is made mandatory in the specification.

## General Guidelines – Evaluation of Bids and Award of Contracts

The following checks should be applied by the evaluation committee:

**(a) Verification:** Direct attention towards deficiencies that, if accepted, would provide unfair advantages to the bidder. For example, simple omissions or mistakes caused 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, such as its signatures, must not be in question. 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:** If prequalification or pre-selection has taken place, only bids from prequalified or pre-selected bidders can be considered.

**(c) Bid Security:** The bidding document may require submission of a bid security. The bid security should conform to the requirements stated and it must 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. Securities for an amount smaller or for a period shorter than the one specified in the bidding document 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 be rejected. 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. 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 in a bidder's response to the commercial requirements and technical specifications are a basis for the rejection of bids. 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:

- (a) Stipulating price adjustment when fixed price bids were called for
- (b) 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

## General Guidelines – Evaluation of Bids and Award of Contracts

- (c) Phasing of contract start-up, delivery, installation, or construction not conforming to required critical dates or progress markers
- (d) Subcontracting in a substantially different amount or manner than that permitted
- (e) Refusing to bear important responsibilities and liabilities allocated in the bidding documents, such as performance guarantees and insurance coverage
- (f) Taking exception to critical provisions such as applicable law, taxes and duties, and dispute resolution procedures in the draft contract.

The results of preliminary examination should be presented and if the bid fails preliminary acceptance, the reasons must be clearly explained in the evaluation report. Procuring entities may find it useful to include additional tables for itemisation of responsiveness to a list of technical or commercial specifications.

### 3.5 Seeking Clarification During Evaluation

A bid may not be completely clear in its meaning or may be contradictory in certain respects. Such bids may be evaluated if they become clear following **clarification** with the bidder. During evaluation of submissions deemed compliant, the procuring entity:

- (a) May seek clarification in writing from any bidder to facilitate evaluation
- (b) Shall neither ask nor permit any bidder to change the price or any other aspect of the bid
- (c) Shall reject any bidder and forfeit its bid security if a bidder amends its bid in any manner.

The procuring entity may correct purely arithmetical or computational errors in bids and bidders shall be notified of any corrections and requested, in writing, to agree to the correction. Any bidder who does not accept the correction of an arithmetical error shall be **rejected** and its bid security, if any, may be forfeited.

Bidders frequently attempt to contact the procuring entity 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. Procuring entities must evaluate bids on the basis of the criteria provided in the respective bids.

**Warning:** Take great care when seeking clarification. There is often a very fine line between gaining clarification of existing information and allowing a bidder to modify or add to the existing bid submission. If new information is accepted, even inadvertently, there is a good chance that the evaluation process may be invalid.



### 3.6 Detailed Evaluation

Only those bids deemed **compliant** during the preliminary examination need to be evaluated in this stage. This evaluation involves **detailed analysis** by the evaluation committee of each offer against the **evaluation criteria**. A template/ matrix is used to record the evaluation scores with respect to the relevant criteria.

Section 29 (6) of the Act states - *A procuring entity shall disqualify a supplier or contractor if the information submitted, concerning its qualifications, was materially inaccurate or materially incomplete so as to constitute a misrepresentation.*

#### Evaluation for Goods and Works Procurement:

##### Technical Evaluation

- (a) Evaluate and rank the technical proposals in accordance with the pre-established criteria specified in the bidding document
- (b) The technical proposals that fail to meet the relevant minimum requirements shall be considered non-responsive and shall be rejected on that ground. A notice of rejection and the reasons for the rejection, together with the unopened commercial envelope (in the case of a two-envelope system) shall be dispatched to each respective bidder.
- (c) The technical proposals that meet or exceed the relevant minimum requirements shall be considered responsive and those bidders shall be considered further with regards to their commercial evaluation or invited to the opening of their commercial proposals (two-envelope system).

##### Commercial Evaluation

- (d) Analyse, verify, compare and rank commercial proposals that are technically compliant
- (e) Award the contract to the bidder with the highest combined score, except in the case of least-cost selection.

#### Evaluation for Individual Consultant Selection:

- (a) Follow steps (a) to (c) above
- (b) The consultant obtaining the highest technical score above the minimum technical qualifying mark is requested to submit a commercial offer and to negotiate a contract.

### Evaluation for Consulting Firms Selection:

Depending on the public procurement method, the selection could be similar to that of individual consultants (as indicated above) or the final selection could be determined by scoring and assigning weights to both the technical and commercial evaluation. The highest ranked consultant resulting from the sum of the combined technical and commercial scores would be recommended for invitation to negotiate the contract.

Evaluations should be designed with an audit trail in mind. The evaluation results must be reconcilable and repeatable, whether using simple or complex evaluation methods. Each tool should describe the point range for each scored item, and what constitutes the criteria for each score. For example, the top score for staff experience in a range should be based on specifics, like a minimum number of years of work in the subject area along with specific certification(s).

The result of the evaluation process is dependent on the public procurement method and procedures (see [General Guidelines: Procurement Methods and Procedures](#)) for determining the selected bidder that will be recommended for negotiations and/ or contract award.

### 3.7 Treatment of Abnormally Low Bids

#### What is an abnormally low bid?

An **Abnormally Low Bid (ALB)** is a submission in which price, in combination with other elements of the submission, is so abnormally low in relation to the subject matter of the public procurement that it raises concerns with the procuring entity as to the ability of the supplier or contractor that presented it to perform the procurement contract.

**Examples** of how a bid may appear abnormally low include:

- When it is compared with the procuring entity's cost estimate for the contract
- When it is compared with all other substantially responsive bids
- Where the low price cannot be explained by the proposed methodology.

## General Guidelines – Evaluation of Bids and Award of Contracts

While an ALB may appear to represent **value for money**, it can result in greater overall costs, contract delays or even the collapse of a contract.

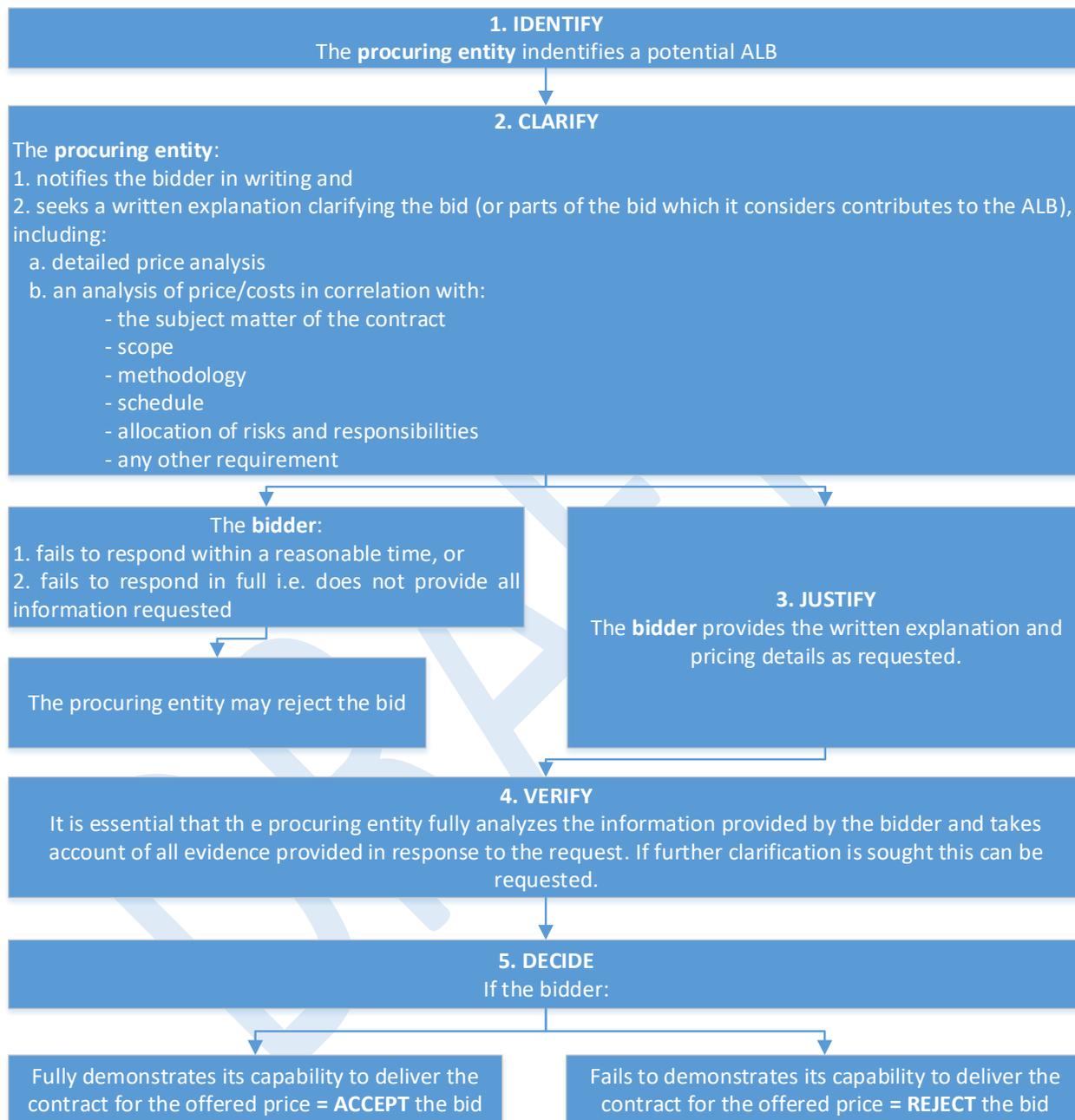
**Recommended Practice** - The risk of receiving an ALB is reduced if the following have been satisfactorily addressed:

- (a) Adequate market research and planning through the procurement strategy.
- (b) High quality selection documentation (*in particular comprehensive technical specifications and terms of reference (TOR)*)
- (c) The procuring entity engages with the market sufficiently to encourage a competitive response and to ensure clarity of the requirements
- (d) Ample time is allowed for the preparation of bids
- (e) The procuring entity issues suitable and timely responses to clarification requests
- (f) The procuring entity undertakes a prequalification phase, where appropriate
- (g) The procuring entity ensures qualification criteria are adequate and appropriate
- (h) The procuring entity maintains an updated price data base and prepares a realistic cost estimate.

There are five stages to treatment of an ALB:

1. **Identify:** the procuring entity identifies a potential ALB based on comparison with market prices or the procuring entity's cost estimate
2. **Clarify:** the procuring entity seeks clarification from the bidder
3. **Justify:** the bidder prepares a justification of their price based on the request from the procuring entity
4. **Verify:** the procuring entity fully analyses the bidder's justification to verify if it is an ALB
5. **Decide:** the procuring entity fully documents the decision to accept or reject the bid.

Figure 1 - Flowchart of an ALB process



### 3.7.1 Stage 1 - Identify

The approach to identifying a potential ALB is based on a comparison of the bid price, and its elements, with the procuring entity’s cost estimate. If the bid price is 20% or more below the procuring entity’s cost estimate, then the procuring entity should clarify the bid price with the bidder to determine whether the bid is abnormally low.

### 3.7.2 Stage 2 - Clarify

#### Preliminary assessment

The preliminary assessment should identify issues such as;

**Note** - The procuring entity shall not automatically reject a bid suspected to be an ALB without clarifying the basis for the suspected ALB with the bidder.

- (a) Has the Bidder omitted to price some items and was this intentional or accidental?
- (b) Are some items priced significantly lower by the bidder than estimated by the procuring entity or other bidders, and if so, is this an arithmetical error?

#### Request for Clarification

The procuring entity may request clarification from the bidder, in accordance with the guidelines outlined in Section 3.5 above, to produce and submit “a detailed price analysis”, along with an explanation of how it would fulfil the requirements of the contract at the proposed price.

An example of a requested price analysis may comprise the following basic cost components:

**Bid price breakdown = Cost of Goods/Works/Services + Overhead Expenses + Contingency + Profit**

The clarification request should:

- (a) Focus on the issues that have been identified during the preliminary evaluation
- (b) Clearly state the basis on which the procuring entity determined that the bidder’s price may be excessively low
- (c) Stipulate how the information is to be provided by the bidder and may include forms and templates
- (d) Ensure that bidders are provided with a sufficient period within which to provide any requested clarifications and/ or detailed price analyses. Under normal circumstances, **a period of 5 - 10 business days** shall generally be considered a reasonable period.

**The request for clarification must not request of the bidder or provide it with the opportunity to change its price in any way.**

### 3.7.3 Stage 3 - Justify

The Bidder’s justification should include all information requested by the procuring entity and any documentary evidence that the bidder used for determining its bid price. The procuring entity may reject the bid if the bidder:

## General Guidelines – Evaluation of Bids and Award of Contracts

- (a) Fails to provide clarification within the time-period stated in the procurement documents or
- (b) Fails to provide all the information requested.

### 3.7.4 Stage 4 - Verify

The procuring entity:

- (a) Shall fully analyse the information submitted in response to the request for clarification and take account of all evidence provided
- (b) May also evaluate a bidder's past projects at similar prices.
- (c) May request further clarification from the bidder, if required
- (d) Shall determine if the bid price, in combination with its elements, is unreasonably low, to the extent that the bidder has not demonstrated the capability to perform the contract successfully for the price submitted.

### 3.7.5 Stage 5 - Decide

The evaluation report shall include full details of the basis upon which the procuring entity's decision has been made, and shall include the following information:

- (a) The value of the bidder's estimates
- (b) The value of the procuring entity's estimates
- (c) The value of the shortfall identified in the bidder's bid;
- (d) The recommended decision to accept or reject the bid based on the detailed evaluation of the bidder's price analyses; and
- (e) Copies of all clarification exchanges between the procuring entity and the bidder

## 3.8 Evaluation Methods for Consultancy Services

The method of evaluation chosen will depend on the nature and value of the services sought as well as on the characteristics and risks inherent in the market for those services.

Common Methods of Evaluation	Conditions of Use
Quality and Cost-Based Selection (QCBS)	<ol style="list-style-type: none"><li>1. Shortlisted consultants</li><li>2. Assessing the quality and cost of the proposal</li></ol>
Quality Based Selection (QBS)	<ol style="list-style-type: none"><li>1. Complex or highly specialised assignments making it difficult to define precise terms of reference (TOR)</li><li>2. Assignments can be executed in substantially different ways such that</li></ol>

General Guidelines – Evaluation of Bids and Award of Contracts

	<p>commercial proposals may be difficult to compare</p> <p>3. Two-envelope system (technical and commercial proposals)</p>
<b>Selection under Fixed Budget (FBS)</b>	<p>1. Assignment is simple and can be precisely defined</p> <p>2. The budget is fixed</p> <p>3. Two-envelope system (technical and commercial proposals)</p>
<b>Least Cost Selection (LCS)</b>	<p>1. Assignments are standard or routine in nature (financial audits, architectural and engineering design for non- complex works, etc.)</p> <p>2. Well established practices and standards exist</p> <p>3. Contract amount is relatively small</p>
<b>Selection based on Consultant's Qualifications (CQS)</b>	<p>1. Highly specialised expertise is required for the assignment</p> <p>2. Recruitment time is critical</p> <p>3. Assignment is typically short-term</p> <p>4. Few consultants are qualified</p> <p>5. Preparation and evaluation of competitive proposals is not justified</p>

### 3.9 Evaluation Procedure

- (a) **QCBS** - cost and quality scores are weighted and added together to determine the highest total score
- (b) **QBS** – the procuring entity will open and evaluate the technical proposals. Only the highest ranked technical proposal will progress, and negotiations will be held with the respective bidder and their commercial proposal.
- (c) **FBS** - the procuring entity will open and evaluate the technical proposals. Commercial proposals will subsequently be opened and those exceeding the indicated budget shall be rejected. The consultant who has submitted the highest ranked technical proposal among the rest shall be selected and invited to negotiate a contract.
- (d) **CQS** - the procuring entity:
  - (i) Will prepare the terms of reference and directly obtain expressions of interest from as many firms as possible, and **at least three qualified firms** with relevant experience. Where only two bidders are available, justification for inviting less than the minimum three (3) bidders shall be provided in the record of the public procurement proceedings.
  - (ii) Shall assess and compare firms having the required experience and competence relevant to the assignment. The best qualified and experienced firm shall be selected;
  - (iii) Shall request only the selected firm to submit a combined technical and commercial proposal. Once the proposal is responsive and acceptable, invite to negotiate a contract where both technical and commercial aspects of the proposal may be negotiated.

### 3.10 Preparation of Evaluation Report

The **chairperson** of the Evaluation Committee is responsible for completing a detailed **evaluation report** after completion of the comparative evaluation by the **evaluation committee**. The evaluation report is then signed by members of the evaluation committee and a designated approver so that the selection of a supplier can be confirmed.

There is no fixed format for this report, however procuring entities may have a preferred format. Typical contents of an **evaluation report** would include:

- (a) Introduction
- (b) Background
- (c) Evaluation of Bids
- (d) Recommendation for Award of Contract

#### 3.10.1 Introduction

This section provides:

- (a) A brief explanation of the reason for the procurement.
- (b) A list of the objects of the Act that the procuring entity sets out to achieve.
- (c) A brief description of the project.

### 3.10.2 Background

This section provides:

- (a) An explanation on how the project was initiated
- (b) Any prior approval granted
- (c) The type of procurement method used to invite bidders
- (d) The submission deadline stated on the invitation
- (e) A listing of firms that submitted bids
- (f) The tender opening procedure

### 3.10.3 Evaluation of Bids

This part of the report should:

- (a) Describe in detail the evaluation process and the evaluation method applied, including details concerning bids that were screened or short-listed out of further assessment and information as to why such action was necessary.
- (b) A summary of bids received, outlining the strengths and weaknesses of each bid and a brief description of the bid and the supplier's capacity.
- (c) Copies of the request documentation, any amendments or clarifications issued and a detailed evaluation of each bid against the evaluation criteria.
- (d) Details of any consultation undertaken during the evaluation, the nature of any advice received and whether that advice was accepted or not.
- (e) The results of the comparative assessment of the bids

### 3.10.4 Recommendation for Award of Contract

This section provides:

- (a) An overview of the completed evaluation, with a justified ranking of bids received, and a recommendation as to the selection of a supplier.
- (b) A summary of any critical issues relating to the evaluation and the evaluation criteria used to select the preferred supplier.
- (c) An outline of the way forward if it is not possible to recommend a preferred supplier.

Such as:

- (i) Negotiation with one or more suppliers
- (ii) Reissuing of bid documentation
- (iii) A decision not to proceed

**Note** – It is important that throughout the evaluation process, **transparency** is maintained and seen to be maintained. A clear and documented audit trail must be provided. All decisions, and the reasons for them, should be clearly documented, signed by the responsible parties, and filed with the bid documents.

#### 4.0 AWARD OF CONTRACT

The notice of award shall be issued via a lawful mechanism to the successful bidder that allows for subsequent confirmation of receipt. For example, by registered mail, a reputable commercial courier or electronically.

Notification of award shall be made at the end of the standstill period, where applicable, which shall be set by the procuring entity at no less than ten (10) working days and no more than 15 working days, (see [General Guidelines: Standstill Period](#))

DRAFT