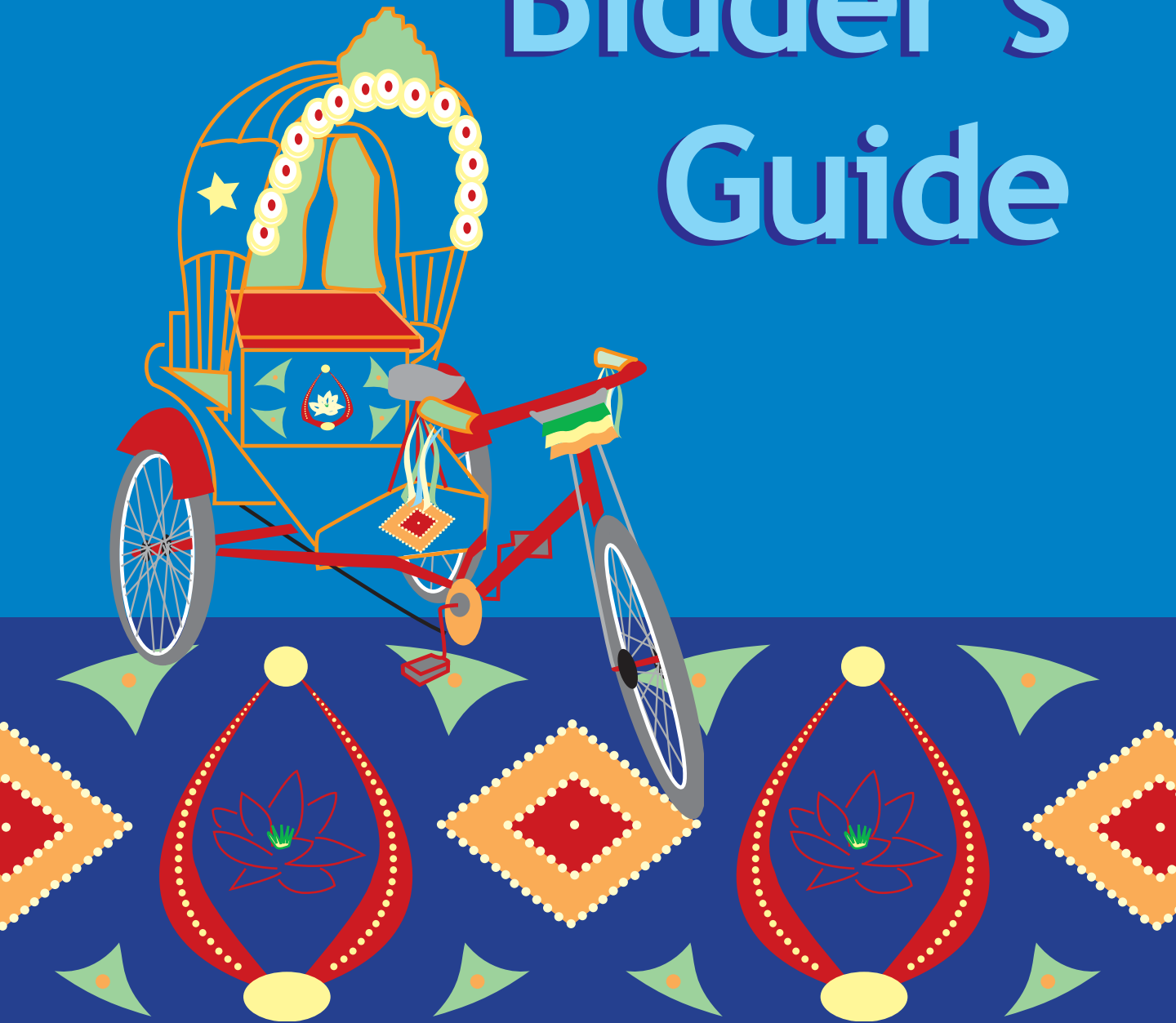


Bangladesh Bidder's Guide



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Implemented by John Snow, Inc. (JSI) (contract no. HRN-C-00-00-00010-00), and subcontractors (Manoff Group, Program for Appropriate Technology in Health [PATH], Social Sectors Development Strategies, Inc., and Synaxis, Inc.), DELIVER strengthens the supply chains of health and family planning programs in developing countries to ensure the availability of critical health products for customers. DELIVER also provides technical support to USAID's central contraceptive procurement and management and analysis of USAID's central commodity management information system (NEWVERN).

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Abstract

Bangladesh Bidder's Guide. This 102-page booklet offers a simplified explanation of competitive bidding and contracting procedures for health-sector projects in Bangladesh when financed wholly or in part by the World Bank and the International Development Association (IDA). It is intended for prospective bidders and consultants who have had little or no experience with World Bank bidding documents and procedures. Color, graphics, and low-density text make the manual easy to read and understand.

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Preface

Dear Bidder,

When a government draws on funds from a World Bank loan or credit to purchase goods and services, it must follow World Bank procurement guidelines and use standard bidding documents developed by the World Bank. Rules and procedures for World Bank-financed procurement are more elaborate and less flexible than those for procurement financed with a government's revenue funds, and bidding documents are often quite different as well.

This booklet should help suppliers and consultants understand documents and procedures they will encounter when they compete for Bangladesh Ministry of Health and Family Welfare (MOHFW) contracts financed wholly or in part by the World Bank's International Development Association. For more information on the World Bank's role in procurement of goods and services, see Annex 1.

Acknowledgements

This *Bidder's Guide* owes its existence to the USAID mission in Dhaka and many wonderful people at the Ministry of Health and the John Snow Inc. (JSI)/DELIVER, office in Bangladesh. The authors particularly want to acknowledge Matt Friedman, Program Coordinator, Population & Health, USAID, for the original idea and Nurul Hossain, Chief of Party, JSI/DELIVER Bangladesh, for his commitment and support. Credit also goes to Shyam Lama, JSI/DELIVER, Washington, D.C.; reviewers Aminul Haque and Mohammad Abdullah Sadeque of the World Bank Dhaka Mission; and consultant Mahabubur Rahman from JSI/DELIVER, Bangladesh.

Introduction

Welcome to the *Bangladesh Bidder's Guide*. We hope you will find it both useful and enjoyable. We have used color, graphics, and low-density text to bring life to the information it contains. Illustrations, diagrams, labels, and bold lettering highlight essential components while related text provides necessary detail.

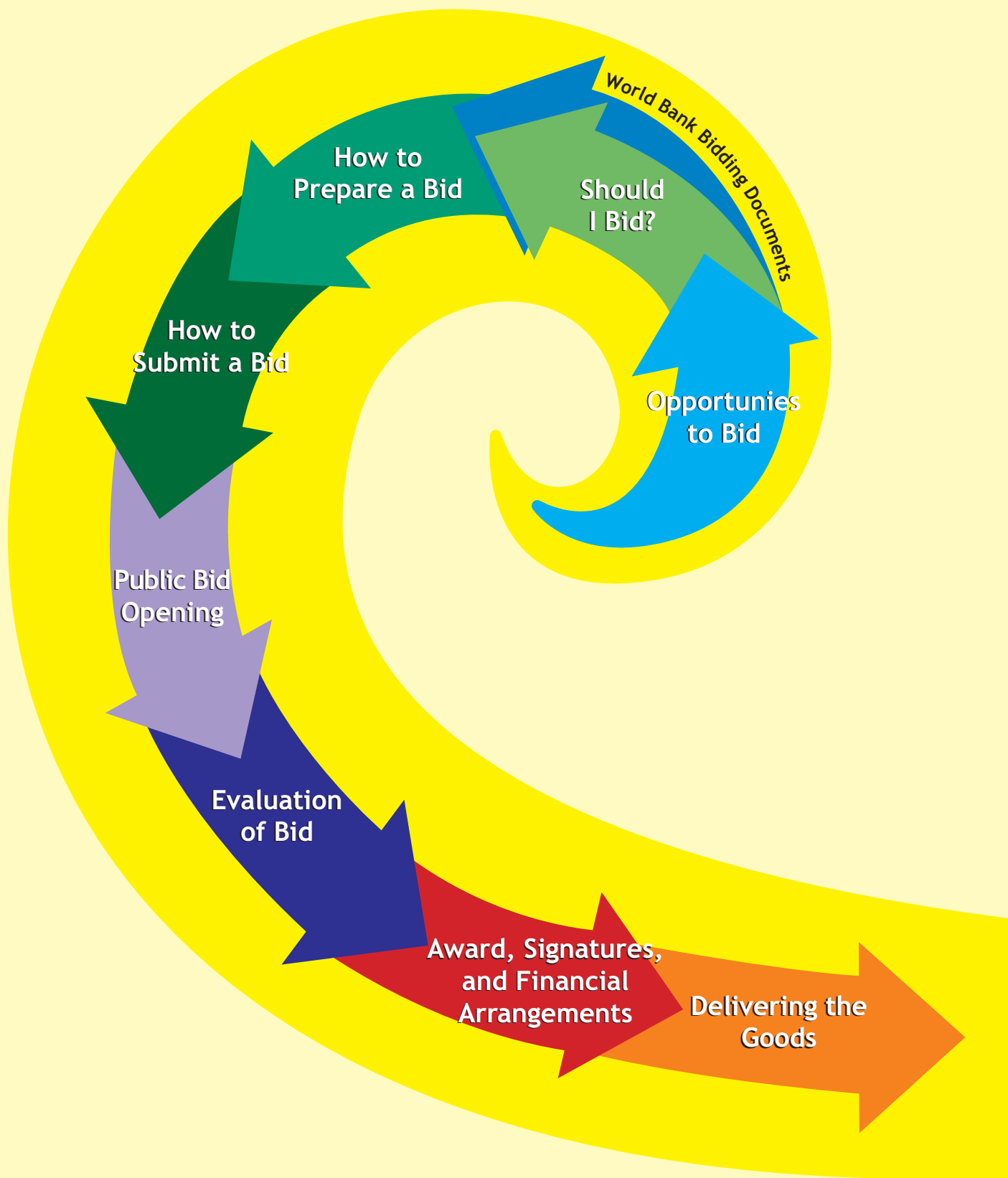
Organization

Our *Bangladesh Bidder's Guide* has two main parts: one for bidding on contracts to supply goods (Goods) and one for competing on consultant services contracts (Services). Each main part is divided into sections that roughly follow the contracting sequence, beginning with how prospective bidders learn about an intended purchase or consulting contract and ending with delivery of the goods or services to the MOHFW. Each part explains how to prepare bids or proposals and describes procedures for awards and financial arrangements. The Preface, Introduction, Glossary, and Annexes apply to both Goods and Services. Annexes offer important background information about the World Bank,¹ including its role in financing goods and services for health-sector programs like the one in Bangladesh. They also explain how to communicate with the purchaser and the Bank in case of a dispute. In addition, a short list of resources will help readers who would like to explore specific topics in more depth. The Acronyms List and Glossary define terms and phrases that have special meaning in the context of supply and consulting contracts.

Roadmap

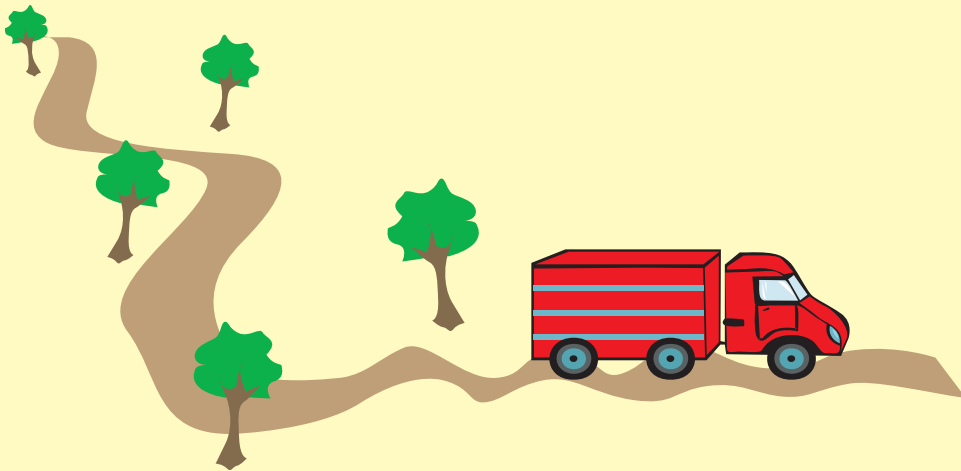
Each of the two main parts begins with a colored graphic showing the step-by-step process for selling goods or services to health-sector programs in Bangladesh when they have been financed wholly or in part by the World Bank. Color-coordinated arrows and borders tie pages of the various sections together and give readers a tool for locating particular topics.

¹Throughout this guide, the World Bank will be referred to as the Bank.



The diagram on the left shows the process for bidding, contracting, and supplying goods to the MOHFW when the Government of Bangladesh (GoB) uses World Bank loan or grant funds to pay for its purchases.

The road is usually long. More than one year may elapse between the time an opportunity to bid on a contract is advertised and the time delivery is completed. If there are unforeseen difficulties in the course of procurement, the process can take longer.



GOODS



**General
Procurement
Notice**

**Specific
Procurement
Notice**



United Nations Development Business
dgMarket Website

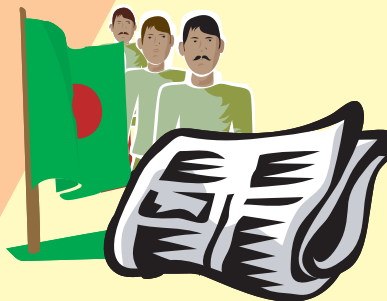
**Invitation
for Bids**

Local newspapers

Embassies

Procurement office
bulletin boards

Official gazettes



**Opportunities
To Bid**



Should I Bid?

How to
Prepare a Bid

How to
Submit a Bid

Obtaining Information on Opportunities to Bid

The GoB begins to budget for annual purchases of pharmaceuticals, contraceptives, medical supplies, and hospital equipment at least 18 months before anticipated delivery dates. Most prospective bidders only learn of these opportunities 10 to 12 months later, when an Invitation for Bids (IFB) on specific goods or groups of goods appears in local newspapers.

Advance Information: The General Procurement Notice (GPN)

World Bank borrowers such as the GoB are required to provide advance information on opportunities to bid in the form of a General Procurement Notice (GPN) posted in *United Nations Development Business*, a publication of the United Nations Department of Public Information, and Development Gateway's dgMarket website.¹ These notices contain information about World Bank borrowers, the amount and purpose of each loan or credit, the scope of procurement, and the name and address of the agencies responsible for procurement. The notices may also indicate the scheduled date for availability of prequalification or bidding documents. Typically, Bank-funded projects and programs operate for a period of three to five years, so GPNs must be updated annually for all outstanding procurement. When bidding documents or prequalification documents are available, the purchaser informs all parties who responded to the notice.

Advertisements and Specific Procurement Notice (SPN)

When any sizeable GoB procurement action is imminent, advertisements appear in local newspapers, giving a short description of the needed goods, eligibility, bidder qualification requirements, bid security amounts, and the deadline for submitting bids. The advertisements also explain how to obtain more information and where to purchase bidding documents. For very large or specialized procurement, advertisements may also appear in international publications, *United Nations Development Business*, and the dg Market website in the form of a Specific Procurement Notice (SPN). Foreign embassies, trade missions, and chambers of commerce in Bangladesh are usually aware of procurement opportunities, and notices can also be found at MOHFW procurement offices, in official gazettes, and on public notice boards.

Public Bid
Opening

Evaluation
of Bid

Award, Signatures,
and Financial
Arrangements

Delivering
the Goods

¹dgMarket is a listing of tender notices on an interactive website sponsored, in part, by the World Bank.



Bidding Documents

- Invitation for Bids
- Instructions to Bidders
- Bid Data Sheet
- General Conditions of Contract
- Special Conditions of Contract
- Technical Specifications
- Schedule of Requirements
- Sample Forms

Available for review and purchase at the procurement office



World Bank Bidding Documents

The World Bank requires its borrowers to use standard bidding documents developed by its procurement policy unit in Washington, D.C. The purchaser – in this case, the GoB – starts with documents provided by the Bank, modifies them to suit the situation (within limits set by the Bank), and adds technical specifications. There are several different versions of standard bidding documents including one for **international** procurement of goods, one for **national** procurement of goods, and one for procurement of **health-sector goods** (pharmaceuticals, contraceptives, and vaccines). All three versions mentioned use the same format, but the documents for health-sector goods address issues that are unique to pharmaceuticals and contraceptives, such as special quality assurance measures and licensing by national regulatory bodies.

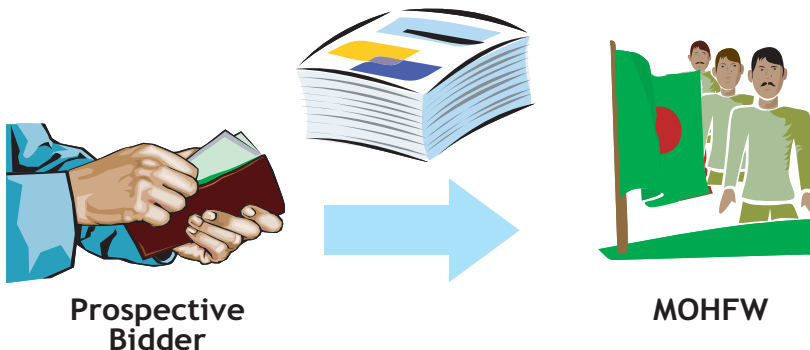
Bidding documents in the World Bank format are designed to include all information necessary for preparing and submitting a responsive bid. In general, the documents contain:

- Instructions, rules, and procedures for bidding.
- Information about where and when bids will be opened.
- Information about how bids will be evaluated and how the purchaser will select the winning bid.
- Information about any factors in addition to price that the purchaser will consider.
- Specifications and other requirements about what is to be supplied.
- Terms and conditions for the future contract between the purchaser and the winning bidder.
- Sample forms containing necessary wording.

Obtaining Bidding Documents

For procurement contracts that are expected to exceed US\$200,000, the MOHFW sells bidding documents to prospective bidders for a non-refundable fee

which is often Taka 5,500, or US\$100. Prospective bidders or their authorized representatives can collect the bidding documents directly from the assigned procurement office or have them airmailed. If desired, bidding documents can be examined and reviewed at the procurement office prior to purchase.



A procurement office at the Central Medical Stores Depot usually handles bidding documents for goods required by the Health Services, while a separate office at the Directorate of Family Planning deals with bidding documents for contraceptives and other family planning items. The original advertisement will indicate which procurement office prospective bidders should contact to obtain bidding documents.

Purchaser modifies clauses written by the Bank to suit the procurement

and adds technical specifications and schedule of requirements.

Contents of Bidding Documents

Bidding documents for World Bank-financed contracts are quite different from the bidding documents the GoB uses to purchase goods with its own revenue funds. World Bank bidding documents are elaborate, so it is necessary to understand how they are organized.

All World Bank standard bidding documents are divided into sections (usually eight or nine). Each section has a different purpose, so the same topic may appear in several places. For example, a reader might find clauses on inspections and tests in three different sections: Instructions to Bidders, Special Conditions of Contract, and Technical Specifications.

Invitation for Bids (IFB)

The Invitation for Bids (IFB) has very basic information about the opportunity to bid and tells prospective bidders where and how they can obtain bidding documents, as well as the source of funds, type of goods required, procurement method, and delivery period. A version of this invitation would have been advertised in daily newspapers of wide circulation in the country and possibly in international publications.

Instructions to Bidders (ITB)

Instructions to Bidders (ITB) clauses list the procedures for preparation and submission of bids, bid opening, evaluation, and award of contract. They are reproduced in each set of bidding documents exactly as they appear in the World Bank's standard bidding documents, with no changes whatsoever.

Bid Data Sheet (BDS)

The Bid Data Sheet (BDS) contains information specific to the particular contract package. Its paragraphs modify and expand the Bank's standard ITB clauses and are numbered to correspond with them. Bidders must read the ITB and the BDS clauses together in order to correctly understand the procedures for bidding, what needs to be included in a bid, and how the winning bid will be chosen.

General Conditions of Contract (GCC)

General Conditions of Contract (GCC) clauses are the Bank's standard contract wording for issues such as payments, obligations, risks, rights, and performance. They are reproduced in each set of bidding documents exactly as they appear in the Bank's standard bidding documents, with no changes whatsoever.

Special Conditions of Contract (SCC)

Special Conditions of Contract (SCC) clauses modify or add to what was written in the GCC. They are requirements specific to the contract package. Bidders must read the GCC and the SCC clauses together in order to correctly understand what terms and conditions will apply to the specific contract.

Technical Specifications

The World Bank has no set form or wording for technical specifications. However, it does require that all standards and specifications used in the bidding documents promote the broadest possible competition while assuring critical performance and other requirements of the goods under procurement.

Thus, purchasers (such as the GoB) must describe relevant characteristics and performance requirements and without mentioning brand names, catalog numbers, or particular manufacturers unless they are used solely for clarification. In this case the words "or equivalent" have to be added. Purchasers may mention internationally accepted standards (for example, standards set by the International Standards Organization – ISO standards) but must accept other standards that are equivalent.

In addition to providing a detailed description of the goods and mentioning applicable standards, purchasers also specify packaging, packing, and marking requirements; regulatory requirements; required certifications; quality assurance criteria; and acceptance criteria.



Schedule of Requirements

The Schedule of Requirements briefly states the items required for purchase, quantities, delivery schedule, and any special information or requirements pertaining to the deliveries.

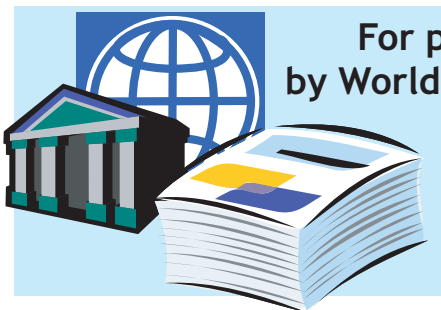
Sample Forms

The Bank has provided sample forms for bidders and purchasers to use during various stages of procurement. They include:

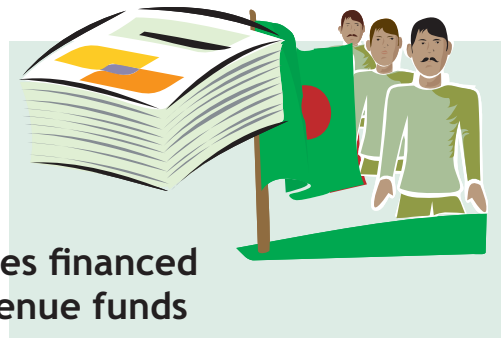
- Bid Form and Price Schedule(s)
- Sample Bid Security Form
- Sample Form of Contract Agreement
- Sample Performance Security
- Sample Manufacturer's Authorization Form
- Sample Certificate of a Pharmaceutical Product (as appropriate)

CAUTION!

There are different bidding documents and procedures



For purchases financed
by World Bank loans and credits



For purchases financed
by GoB revenue funds



Can I meet the requirements and conditions mentioned in the bidding documents?

Eligibility
Qualification
Technical
Commercial
Contractual



Opportunities
To Bid



Should I Bid?

How to
Prepare a Bid

How to
Submit a Bid

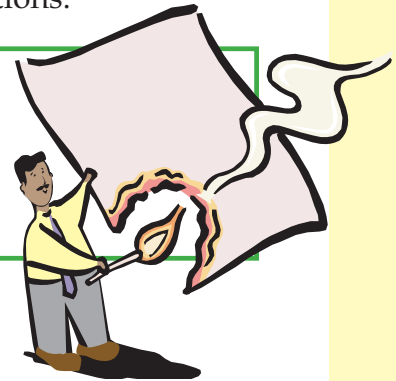
Should I Bid?

Every prospective bidder should thoroughly study the bidding documents before deciding whether or not to prepare an offer. Requirements, rules, and procedures may be different for every procurement contract, so even an experienced bidder should study the documents and make sure that he:

- Is eligible to bid and qualified to perform the contract as described in the Instructions to Bidders and Bid Data Sheet sections.
- Can satisfy the technical requirements and meet quantity and delivery schedules listed in the Technical Specifications and Schedule of Requirements sections.
- Is willing to accept the contract terms laid out in the General and Special Conditions of Contract sections.
- Understands the procedures and rules for bidding and awards explained in the Instructions to Bidders and Bid Data Sheet sections.

CAUTION!

If a bid is not “responsive” to the requirements stated in the bidding documents, the purchaser will reject it without considering the price



Eligibility of Bidders and Goods

Both the bidder and the goods must be eligible for award of World Bank-financed contracts in Bangladesh.

Bidders must be nationals of Bank-member countries² and not affiliated with any firm that has provided related consulting services on the project. If the bidder is a publicly owned enterprise in Bangladesh, the firm must be legally and financially autonomous and operating under commercial law. If prequalification has taken place, only bids from prequalified bidders can be considered.

² The Bank may drop this requirement in the near future (sometime after 2003).

Firms of a Bank-member country or goods manufactured in a Bank-member country are *not* eligible for Bank-financed contracts in Bangladesh if:

- The GoB prohibits commercial relations with that country.
- The GoB prohibits payments to persons or entities in that country as an act of compliance with a decision of the United Nations Security Council.
- The Bank has declared a firm ineligible based on corrupt or fraudulent practices in competing for or in executing a Bank-financed contract.

Bidding documents include a list of ineligible source countries. However, eligibility requirements for pharmaceuticals, contraceptives, and vaccines may also include licensing with the Bangladesh Directorate of Drugs Administration before finalization of the contract. This requirement applies only to the winning bid, and it does not exclude bids offering products that are not yet licensed.

Qualification Requirements for Bidders

In addition to being *eligible* for award of contracts financed by the World Bank, bidders must be *qualified* to perform the contract. The World Bank specifies basic qualification requirements for bidders in its standard bidding documents:

- Bidders must have the financial, technical, and production capability necessary to perform the contract.
- Bidders must have a successful performance history.
- If a bidder is offering to supply goods he did not manufacture or otherwise produce, the bidder must be duly authorized by the manufacturer to supply such goods in Bangladesh.
- If a bidder is not already doing business within Bangladesh (or for other reasons will not itself carry out service or maintenance obligations), the bidder must be represented by a local service or maintenance provider in Bangladesh that is equipped and able to carry out any warranty obligation.



The purchaser elaborates and/or adds to the Bank's basic qualification requirements and inserts clauses that state exactly what supporting materials bidders must include with their bids. This information is located in Bid Data Sheet clauses, which are numbered to correspond with Instructions to Bidders clauses.

Clarifying the Bidding Documents

After reading the bidding documents carefully, bidders should request written clarification from the purchaser if they find:

- Any ambiguity, omission, or internal contradiction.
- Any feature of specifications or other conditions is unclear or appears discriminatory or restrictive.
- The criteria or methodology for selection of the successful bidder are not clear.

Questions About Bidding Documents

If **one** bidder asks...



all bidders receive an explanation.

The Bank requires the purchaser to respond to all queries in writing. In addition, the purchaser must provide copies of its response (including an explanation of the question that does not identify the inquirer) to every party that has purchased the bidding documents.

The Pre-bid Conference

The MOHFW often holds pre-bid conferences so potential bidders can ask questions, seek clarifications, and receive important information about the bidding documents and procedures from the purchaser. It is a two-way communication; the GoB also asks for comments from bidders and describes common mistakes made by bidders. The concerned procurement office sends minutes of the pre-bid conference to all parties who have purchased the bidding documents.



Amendment of Bidding Documents

Bidding documents are sometimes amended after they have been issued (but before bid opening), particularly if something is discovered that would affect interpretation of the contract. In this case, the purchaser sends an official notice to all parties who have purchased documents, and the bid submission deadline might be extended as well. Most amendments are the result of:

- Questions from prospective bidders that indicate a general misunderstanding.
- Mistakes detected in the original documents.
- Modifications to the purchaser's original plan—for example, a change in delivery date or quantity.

The purchaser must provide additional information, clarification, correction of errors, and modification of the bidding documents in sufficient time for bidders to take action before the deadline for bid submission.





Purchaser amends
bidding documents

when
necessary.



Bid Form and
Price Schedule

Eligibility and
Qualification Documents

Technical Conformance
Documents

Manufacturer's
Authorization Form

Bid Security Form

How to Prepare a Bid

Who Should Become the “Bidder”?

Any party who becomes a bidder by signing the Bid Form must have the legal authority to sign a contract with the purchaser and assume all corresponding financial responsibility, warranty, and service obligations. The bidder must also be the entity named on bid security documents and as beneficiary on any letter of credit.

Foreign and local manufacturers usually bid through agents. In addition, local stocking dealers of foreign goods, trading houses, and independent traders are often interested in competing for contracts. Annex 2 (page 88) describes the basic roles and responsibilities of different kinds of bidding entities.

Obtaining the Manufacturer’s Authorization

A bidder who is not the original manufacturer of the goods being offered must provide a legal document signed by the manufacturer authorizing him to represent the manufacturer’s goods for sale in Bangladesh. Depending upon his function and legal relationship with the manufacturer, an agent may also need an authorization on the manufacturer’s letterhead for him to bid and sign a contract on a specific Invitation for Bid on behalf of that manufacturer. Local bidders and/or agents need a trade license issued by the GoB as well. Bids received without valid authorization documents are considered nonresponsive and will be rejected.



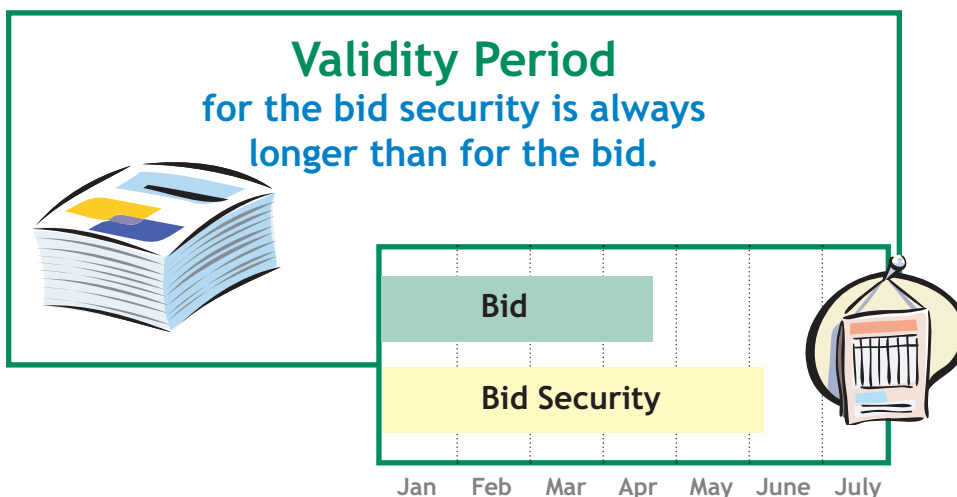
Language of the Bid

Usually, the bids and all correspondence and documents relating to the bids have to be written in the language specified in the Bid Data Sheet. However, supporting documents and printed literature can be in another language if they are accompanied by an accurate translation of the relevant passages in the specified language.

Period of Validity

Bids must be valid for the time period stated in the bidding documents, which includes time for the purchaser to complete the evaluation of bids, review the recommendation of award with the Bank as appropriate, and obtain all the necessary approvals. A 13- to 18-week validity requirement is common. Bid *securities* must be valid for a four-week period beyond the bid validity to allow time for award and contract formalities.

In exceptional circumstances, the purchaser might request that bidders extend the bid validity period, but cannot require nor permit bidders to modify their bids in any other way. Both the request and the responses must be in writing. A bidder may refuse the request without forfeiting its bid security (see below). A bidder granting the request would also have to amend its bid security to cover the extended bid validity period.



Basis for Bid Price

In most cases, bids for goods from outside of Bangladesh must include the cost of freight and insurance. Bidding documents also require foreign bidders to reveal the cost of goods without freight and insurance. Bids for goods from local sources are normally invited on an “EXW” basis – the price of goods at the factory or warehouse door.

Offering a Discount

Bidders may offer discounts either in their original bids or as modifications before the deadline for submission of bids. There are two types of discounts: unconditional and conditional. When a firm offers an unconditional discount, the discounted bid price is used for evaluation and comparison with other bids. When a firm bids on two or more contract packages at the same time, it sometimes offers a conditional or “cross” discount – in other words, a discount that would be applied only if the firm receives both contracts.

Documents Constituting the Bid

All bids must include the following documents:

Bid Form

The Bid Form, properly filled out and signed, is the bidder’s formal offer to deliver goods for a stated sum, in full conformity with the bidding documents, and it is the bidder’s commitment – if his bid is accepted – to deliver the goods in accordance with the schedule indicated in the bidding documents. Three important notes about filling out the bid form are as follows:

- The Bid Form should be provided on the legal bidder’s letterhead and signed by an authorized person of the bidding firm. The required wording is included in the Sample Forms section at the end of the bidding documents.
- Bidding documents sometimes require a Power of Attorney authorizing the signatory to sign the bid on behalf of the bidder.

- The bidder *must* disclose on the Bid Form any commissions or gratuities – paid or promised to agents – in connection with the bid or contract execution.

Price Schedule

The Price Schedule is part of the Bid Form. The bidder enters unit prices and the total bid price of the goods it proposes to supply on the Price Schedule and signs the form. For procurement through International Competitive Bidding (ICB), two different Price Schedule forms are provided in the bidding documents. Bidders choose the appropriate version – either *Goods Offered from Abroad* or *Goods Offered from Within the Purchaser's Country*, and mention the INCOTERM³ basis for price (for example, CIF Chittagong, CIP Benapole).

Documentary Evidence of Bidder's Qualification

Bidding documents specify what evidence bidders must provide in order to establish their eligibility to bid and qualification to perform the contract.

Documentary Evidence of Goods Conformance to Specifications

Bidding documents specify what evidence bidders must include in order to establish that goods and ancillary services they are offering conform to requirements stated in the bidding documents. In most cases bidders must provide:

- A detailed description of the essential technical and performance characteristics of the goods offered.
- An item-by-item commentary demonstrating that the goods offered meet the purchaser's technical specifications – or a statement of deviations and exceptions to the provisions.

³INCOTERMS are international rules for the interpretation of commonly used trade terms, such as CIF, CIP, FOB, and ExWorks, that define the division of risks and responsibilities for transport and delivery of goods sold across national borders. For example, a price offered "CIF" means that the cost of the goods, the cost of transport insurance, and the cost of freight are all included in the price.



Manufacturer's Authorization Form

If the bidder is not the manufacturer of the goods being offered, the bidder must provide the manufacturer's signed authorization to provide the goods. The authorization must also confer the manufacturer's *full guarantee and warranty for the specified goods*. The Sample Forms section at the end of the bidding documents has the required wording.

Bid Security

Most GoB procurement actions require bidders to purchase bid security through a reliable bank or insurance company in an amount stated in the Bid Data Sheet and to provide the certificate with their bids. The bid security usually has to be valid for four weeks beyond the validity period for the bids.

Signatures and Copies

In addition to the original bid, bidders must submit the number of signed copies of the bid indicated in the bidding documents. They should be clearly marked "original bid" and "copy of bid" as appropriate. The original bid and the copies of the bid must be typed or written in indelible ink and signed by the bidder or another person or persons duly authorized to bind the bidder to the contract. The person or persons who sign the bid must initial each page of the bid (except unamended printed literature). Bidders should neither sign nor submit the standard bidding documents obtained from MOHFW.

Bids received by the purchaser after the deadline



are rejected and returned unopened to the bidder.

How to Submit a Bid

Sealing and Marking Bids

The original and each copy of the bid must be sealed in separate envelopes and marked “original bid” or “copy of bid.” The individual envelopes must then be sealed in a single outer envelope labeled in accordance with the bidding documents. The outer envelope must bear the title and number of the Invitation for Bids found in the bidding documents, and it must state, “Do Not Open Before [time and date]” (filled in with time and date specified in the bidding documents).

Submission Deadline

The Instructions to Bidders section of the bidding documents tells bidders where and how to deliver their bids. For the convenience of local bidders, the purchasing office usually provides a locked bid box at their office. Purchasers hold the bids they receive in a safe place, unopened, until the date and time announced in the bidding documents. The time between when bidding documents are available for sale until the deadline for bid submission is a minimum of six weeks for International Competitive Bidding (ICB) and a minimum of four weeks for the National Competitive Bidding (NCB) method. Any bids the purchaser receives after the deadline are rejected and returned to the bidders unopened.

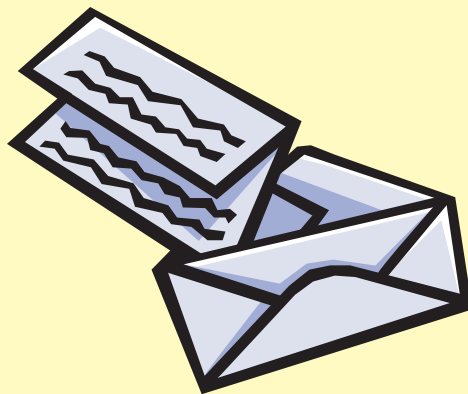


Modifying or Withdrawing Bids

Bidders can modify or withdraw their bids after submission, but only in writing in compliance with the bidding documents, and before the submission deadline. No bid can be modified after the deadline, and no bid can be withdrawn in the interval between the deadline for submission and the expiration of the bid validity period without forfeiting bid security. Envelopes containing either a modification or withdrawal must be marked either “WITHDRAWAL” or “MODIFICATION.”



MOHFW Representative



Announcing

- Bidder's name and country
- Local agent's name
- Bid price and currency
- Discounts and modifications, if any
- Presence or absence of bid security

Public Bid Opening

Attendance

A representative from the MOHFW opens and records bids on the date and at the place and time specified in the bidding documents and reads aloud in the presence of any attending bidders or bidder representatives:

- Bidder's name and country
- Local agent's name
- Bid price and currency
- Alternative bids, if any
- Modifications, including discounts, if any
- Bid security (presence or absence – but not the amount)

Bidders and representatives who attend must sign a register and the bid opening minutes.

The winning bid is not identified at the bid opening; instead, the purchaser carefully examines each bid over the next several months, ranks the bids according to price and any other criteria mentioned in the bidding documents, and notifies the winning bidder in writing.

All bids are final after the public opening. There may be no further discussions or negotiations. Bidders may not change the price or substance of a bid, nor will they be asked to do so. Several other important rules and procedures of bid opening are as follows:

- All bids are opened and no bids are rejected at bid opening, except for late bids, which are returned unopened to the bidder.
- Discounts, including any other modifications that are not opened and read aloud and recorded at bid opening cannot be considered for evaluation, irrespective of the circumstances.
- The purchaser prepares and circulates to all bidders the minutes of the bid opening.

After the bid opening...



no communication between purchaser and bidder*

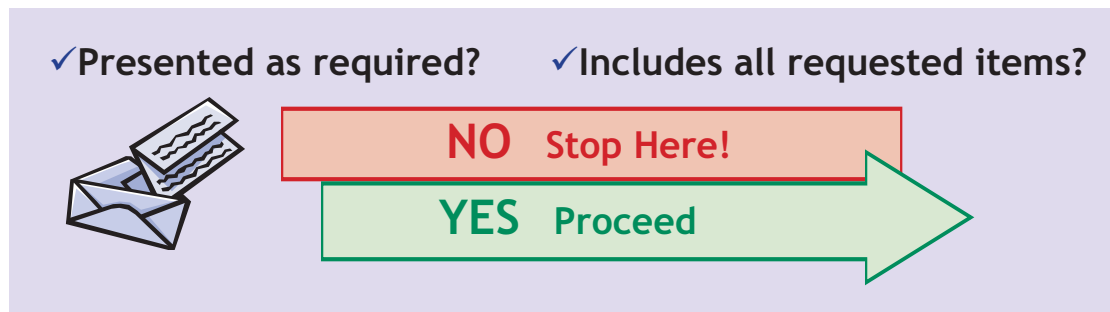
*Except clarifications requested in writing by the purchaser

Evaluation of Bid

Communications, Influence, and Confidentiality

After the public bid opening and report, there may be no further contact between the purchaser and bidders until the winning bidder is identified and notified (except for clarifications requested and received in writing by the purchaser). The Bank warns that no circumstances would justify meetings or conversations between borrowers such as the GoB (or its consultants) and bidders during the bid evaluation process. Information relating to the examination, clarification, evaluation and comparison of bids, and recommendations for the award of a contract may not be disclosed to bidders (or any other persons not officially concerned with the process) until the notification of a contract award is made. Any effort by a bidder to influence the purchaser in the bid evaluation, bid comparison, or contract award decisions may result in the rejection of the bidder's bid.

Preliminary Examination: Is the Bid Substantially Responsive?



Within a short time after bid opening – usually several days – each bid goes through a detailed examination to determine if it is “substantially responsive” to the bidding documents. For example, is the bid in the specified language? Does it include all of the information, statements, securities, signatures, forms, and supporting documentation required by the bidding documents? And, most important, are there any material deviations from or reservations to the terms, conditions, and specifications mentioned in the bidding documents? Only bids that successfully pass the preliminary examination phase (that is,

only substantially responsive bids) can go on for detailed evaluation and comparison.

Technical Evaluation

During the technical evaluation, a specialized committee examines each bid for technical content. The committee lists and cross-references deviations from the requirements described in the bidding documents and indicates whether (and why), in their opinion, the deviations should or should not be accepted.

Detailed Evaluation

The purchaser calculates an “evaluated bid price” for each bid that survives preliminary examination. The evaluated price is not always the price that was read aloud at the bid opening – it takes other factors into consideration and gives them a value if necessary. In this step, the purchaser converts prices to a common currency, corrects mathematical errors, and calculates discounts. Priced deviations (such as penalties for later, but acceptable, delivery dates) might be included as well. Additional adjustments would be made if the original bidding documents mentioned performance factors or service factors that would be taken into account in choosing a winning bid.



Domestic Preference

In order to encourage local enterprise and compensate for import duties local manufacturers have paid on goods or raw materials already imported, bidding documents usually allow a margin of preference for goods produced in Bangladesh. The amount and method of calculation is always mentioned in the bidding documents.

Qualification of Lowest Evaluated Bidder

Bids are ranked from lowest to highest using the evaluated bid prices. At this point, if the MOHFW did not undertake a prequalification exercise before soliciting bids, it qualifies the lowest evaluated bidder – that is, the purchaser checks and approves the lowest bidder's financial, technical, and business references. If there is sufficient reason to believe the lowest evaluated bidder does not have the capability and resources to effectively carry out the contract or if the bidder has a history of poor performance, the bid is rejected and the purchaser examines the qualifications of the next lowest bidder.

Financial, Technical, and Business Qualifications



Capability and resources to effectively carry out the contract?

History of satisfactory performance?



Congratulations!

Please provide
performance
security and sign
the contract form.



Award, Signatures, and Financial Arrangements

Recommendation for Awarding the Contract

Evaluating committees normally recommend the lowest evaluated responsive bid for the award. However, if another qualified bidder has offered a conditional (cross) discount, it may affect the final decision. In this case, the evaluating committee will recommend the best combination of awards on the basis of least overall cost. For high-value procurements, selection must be confirmed at the World Bank and several levels of the government before the winning bidder is notified.



Notification of the Winning Bidder

Before expiration of the bid validity period, the purchaser sends an award letter to the successful bidder. After the MOHFW notifies the successful bidder in writing that his bid has been accepted, the bidder must confirm his acceptance in writing.

Contract Signatures and Performance Security

The successful bidder has a deadline (usually 21 days) within which he must furnish any required performance security and sign the contract provided by the purchaser (usually 28 days). The contract form binds the parties to the general and special conditions of the contract and to the specifications agreed through the bidding process. The MOHFW may increase or decrease the quantity of goods within a percentage indicated in the bidding documents without any change in unit price or other terms and conditions.

Public Bid
Opening

Evaluation
of Bid

Award, Signatures,
and Financial
Arrangements

Delivering
the Goods

If the successful bidder does not accept the contract or fails to meet the established deadlines, he forfeits his bid security, and the contract may be awarded to the second-lowest evaluated bidder, or new bids may be solicited, or the entire procurement action may be canceled.

Notification of Unsuccessful Bidders

After the successful bidder furnishes the signed contract form and performance security, the purchaser notifies each unsuccessful bidder and discharges their bid securities.

Licensing of Drugs and Medical Devices

Contracts for pharmaceuticals, vaccines, and most contraceptives cannot take effect until the products are licensed with the Bangladesh Directorate of Drugs Administration. This regulatory step is an important part of ensuring the quality and safety of drugs and pharmaceuticals available in a country, but it can be a long process.

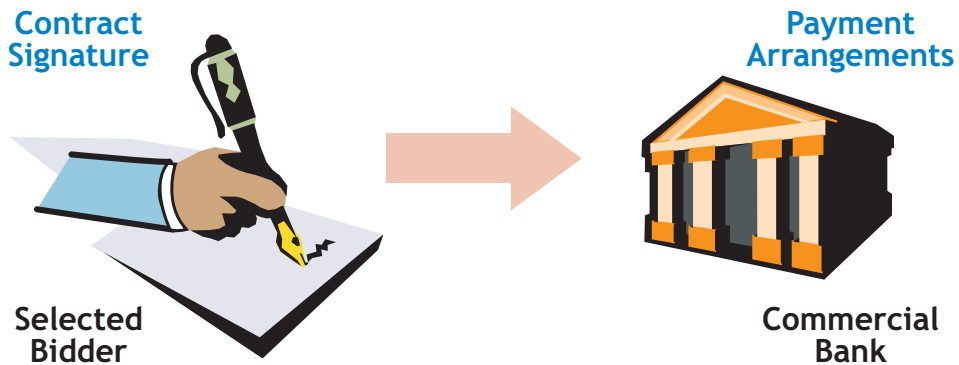


Bangladesh
Drug Administration



Financial Arrangements

After both parties sign the supply contract and the winning bidder establishes any required performance security, the purchaser makes arrangements for paying the supplier. In many cases, this involves opening a letter of credit through a commercial bank. The letter of credit is the issuing bank's binding guarantee to pay the supplier when he presents specified documents as proof of his performance. The terms of the letter of credit dictate exactly what documents the supplier must deliver to the paying bank. Because banks deal in documents only, not intentions, they will not accept discrepancies without the expressed approval of the purchaser. A bank in the seller's city may become involved in the letter of credit by providing information and documents with or without taking on any financial responsibility for paying the supplier.



Public Bid
Opening

Evaluation
of Bid

Award, Signatures,
and Financial
Arrangements

Delivering
the Goods



Opportunities
To Bid



Should I Bid?

How to
Prepare a Bid

How to
Submit a Bid

Delivering the Goods

Coordinating Inspection and Shipment

Most contracts allow a specific number of weeks from the effective date of the contract or opening of a letter of credit for the supplier to ship or deliver the goods. Within a reasonable time before shipment, the purchaser and the supplier must coordinate arrangements for pre-shipment inspection of the goods, if this step is required by the contract. The purchaser may also confirm shipping and packing requirements.

The supplier is usually bound by contract to provide advance notice of the shipment to the purchaser and to furnish advance copies of specified shipping documents. International trade conventions require a bill of lading, commercial invoice, insurance documents, and a packing list for each shipment. The contract may require additional documents, such as a certificate of analysis for pharmaceutical products.

National Import Control Program

The GoB requires pre-shipment inspection of all products above the equivalent of US\$10,000 as part of its national import-control program. This inspection certifies that the merchandise appears to be in good physical condition and that the contracted quantity was present immediately before shipment. This government program is a way of preventing old, damaged, rusty equipment from reaching the country and of controlling pilferage en route. However, it is not adequate for controlling the quality of pharmaceutical products, and it is not a substitute for pre-shipment inspection and testing of contraceptives.

Pre-shipment Inspection and Testing (Quality Assurance)

Because serious supply-chain disruptions can occur when poor-quality pharmaceutical and contraceptive products have to be rejected after they arrive in country, bidding documents include a standard clause that gives purchasers the right to require pre-shipment inspection, sampling, and

testing before products are shipped. Pre-shipment inspection and sampling take place on the supplier's premises. Testing, when required (e.g., for condom quality), is carried out by experienced international firms using their own specially equipped laboratories and testing criteria specified in the bidding documents. The purchaser, not the supplier, contracts and pays for inspection and testing services.

Inspection at Supplier's Facility



Testing at Contract Laboratory

Shipping

When the purchaser has established confidence in the quality and acceptability of the goods ready for shipment, the purchasing office authorizes the supplier to ship the goods.

In most cases, the supplier makes the shipping arrangements and delivers the goods to the departure point. Responsibilities and risks are divided between the supplier and the purchaser based on current INCOTERMS. The contract between the purchaser and the supplier always gives the specific INCOTERM that applies. In most cases it will be CIF or CFR. Readers who are not familiar with these trade terms can obtain a definitive text, *INCOTERMS 2000*, from the International Chamber of Commerce through its publishing arm, ICC Publishing, Inc. Upon shipment, the supplier must notify the purchaser and insurance company in writing, providing full details including name of the carrier, bill of lading number, and estimated date of arrival at a specified destination.



Delivery Inspection

Upon unloading at the port of entry and again on arrival at the receiving warehouse in Bangladesh (Chittagong for ocean shipments), goods are visually checked for quantity and condition. Another inspection takes place when the goods arrive in Dhaka. Discrepancies are settled with the shipper or supplier as appropriate.

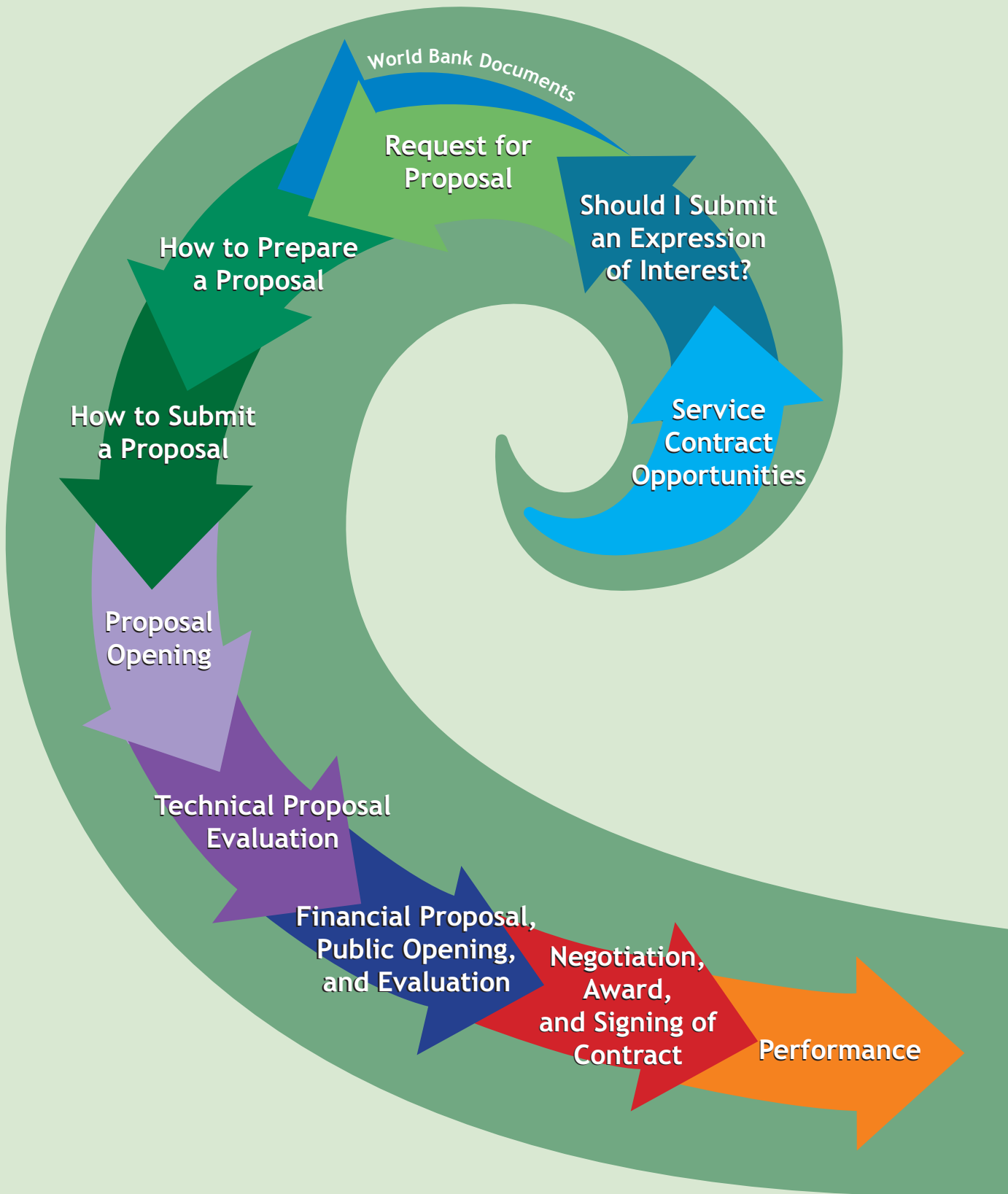


1. Port of Entry



2. Receiving Warehouse
Chittagong





Program offices that want to purchase consulting services must follow World Bank procedures when they expect to pay with World Bank funds. The Bank allows borrowers such as the GoB to use several different methods for selecting consultants;⁴ however, this guide discusses the Bank's preferred consultant selection method: Quality- and Cost-Based Selection (QCBS).⁵ This method is based on competition among consultants and satisfies the Bank's requirement for economy, efficiency, fairness, and transparency.

The spiral diagram on the left shows the major activities associated with the QCBS method. The time required to complete the cycle can run from several months to several years, depending upon the complexity of the assignment.

By acquiring an understanding of QCBS under World Bank requirements, consultants will be better prepared to compete for the service opportunities that arise.

⁴ The term consultant as used in this document represents individual consultants or consulting firms.

⁵ For summary information on the other consultant-selection methods allowed by the Bank, see Annex 4.

SERVICES

General Procurement Notice



United Nations Development Business
dgMarket website

Request for Expression of Interest

Local newspapers
International publications
*United Nations
Development Business*
dgMarket website



Information on Service Contract Opportunities

There are several points during development and implementation of a World Bank-financed project when information on consultant service opportunities becomes available.

Advance Information: The General Procurement Notice (GPN)

For each project funded by the Bank, the Bank requires the GoB to submit a General Procurement Notice (GPN) for publication in *United Nations Development Business*, a publication of the United Nations Department of Public Information, and Development Gateway's dgMarket website.⁶ This notice provides information about the borrower (that is, the GoB), the amount and purpose of the loan or credit, the scope of procurement, and the name and address of the agency responsible for procurement. The notice includes a brief description of the consultant services needed by the project and directs consultants interested in performing the services to submit an Expression of Interest (EOI). The GPN is updated annually for all outstanding procurement. Consultants can contact the agency identified in the GPN to obtain more information on the opportunities.

Advertisements and Specific Notice

As the need for a specific consultant service approaches, the client advertises a Request for Expression of Interest (REI) in local newspapers, Development Gateway's dgMarket website, and the *United Nations Development Business* (if the contract amount will likely exceed US\$200,000). An REI may also appear in international publications for large-value or specialized service needs.

The REI invites interested consultants to submit information so that the client can assess the consultant's overall capabilities in the field of the assignment. It includes a brief description of the services required, the implementation period for the service, and the date by which the Expression of Interest (EOI) must be submitted. It also provides information on who is issuing the REI, the source of funding, and how to obtain more information. Consultants who expressed interest in response to the GPN are provided with a copy of the REI.

Proposal
Opening

Technical Proposal
Evaluation

Financial Proposal,
Public Opening,
and Evaluation

Negotiation,
Award, and Signing
of Contract

Performance

⁶Development Gateway Market is an online resource for World Bank-financed contract opportunities.

What expertise and resources does this assignment require?



- Personnel
- Experience
- Organization



Should I Submit an Expression of Interest?

The purpose of the Request for Expression of Interest (REI) is to allow the “client” (in this case, the GoB) to establish a short list of consultants it considers qualified to provide the services requested. Consultants should carefully review the REI to assess whether they have the expertise and resources needed to perform the assignment. Consultants responding to an REI demonstrate their ability to complete the assignment by submitting relevant information on their personnel, experience, and organization. The response should address the general requirements of the assignment, but it should not be over-specific or lengthy given the large number of submissions the client must review.

Criteria Used to Select Consultants for the Short List

The client uses the following World Bank standard criteria to select consultants for the short list:

- Eligibility – Consultants must be from an eligible source country.
- Qualifications – Consultants must have the expertise, personnel, and infrastructure needed to complete the assignment.
- Geographic diversity – No more than two consultants from one country are short-listed.
- At least one consultant is from a developing country (unless qualified consultants from developing countries are not identified).

Eligibility of Consultants

Only consultants who are registered or incorporated in Bank-member countries and individuals who are nationals of Bank-member countries are eligible to compete for World Bank-financed consulting contracts.⁷ Consultants from a Bank-member country are not eligible for Bank-financed contracts in Bangladesh if:

⁷ The Bank may drop this requirement in the near future (sometime after 2003).

- The GoB prohibits commercial relations with that country.
- The GoB prohibits any payments to persons or entities in that country as an act of compliance with a decision of the United Nations Security Council.
- The Bank has declared a consultant ineligible based on corrupt or fraudulent practices in competing for or in executing a Bank-financed contract.

Finalizing the Short List

The client evaluates the Expressions of Interest to identify consultants that meet the eligibility requirements and possess qualifications for the assignment. From this pool of qualified candidates the client then selects three to six consultants it considers to be best qualified to complete the assignment. The client submits the short list to the appropriate officials at the MOHFW and the World Bank for approval.

**3 to 6 firms selected
for the short list**





Selection for the short list is based on:

- Eligibility

- Qualifications

- Geographic diversity

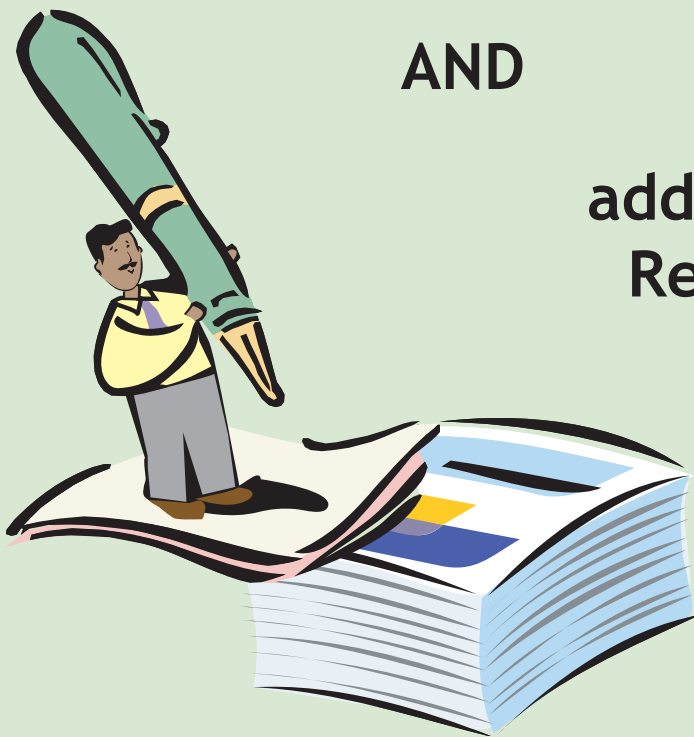
- Economic diversity

**Client modifies
clauses written
by the Bank
to suit the assignment**



AND

**adds Terms of
Reference.**

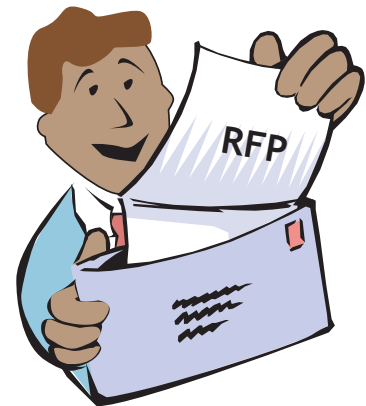


World Bank Request for Proposal

Consultants selected for the short list receive a Request for Proposal (RFP). The client (MOHFW) must use the World Bank's standard RFP document, *Standard Request for Proposals – Selection of Consultants*, when the contract will be Bank-financed. The client modifies the World Bank document to suit the assignment and adds Terms of Reference identifying the specific services required.

The RFP should include all information that short-listed consultants need to prepare and submit responsive proposals. The RFP typically includes:

- Services required (Terms of Reference)
- Names of short-listed consultants
- Consultant-selection method to be used
- Information on how to submit proposals
- Information on how and when proposals will be opened
- Criteria for evaluation of proposals
- Procedures for contract negotiation
- Terms and conditions of the future contract



Contents of the Document

The World Bank's standard RFP is designed to facilitate a fair and transparent public-sector procurement process. It contains the information, instructions, forms, and contract conditions for ensuring an equitable and effective selection process. As a result, the RFP is long and may seem confusing to consultants not familiar with its contents and structure.

World Bank Standard RFP



- | | |
|-------------------------------|------------------------------|
| 1. Letter of Invitation | 4. Financial Proposal Forms |
| 2. Information to Consultants | 5. Terms of Reference |
| 3. Technical Proposal Forms | 6. Standard Form of Contract |

There are six main sections in the World Bank's standard RFP:

Letter of Invitation

The Letter of Invitation invites consultants to participate in the selection process, reveals the names of all short-listed consultants, provides a brief description of the assignment, identifies the method of selection, and provides the list of documents included in the RFP.

Information to Consultants (ITC)

Information to Consultants (ITC) gives instructions for submitting proposals and information on proposal opening and evaluation. The ITC consists of two parts:

- The ITC standard clauses identify standard requirements for proposal submission, opening, evaluation, and award of contract. They contain World Bank wording that cannot be changed under any circumstances.
- The Data Sheet is where the client inserts information specific to the RFP. The Data Sheet modifies and expands on the ITC standard clauses, so consultants must study the two sections together to clearly understand the rules and procedures for submitting proposals, what needs to be included in a proposal, and how a winning proposal will be selected.

Technical Proposal—Standard Forms

These forms must be completed by the consultant and submitted for the technical proposal. They are discussed in more detail in the How To Prepare a Proposal section.



Financial Proposal—Standard Forms

These forms must be completed by the consultant and submitted for the financial proposal. They are discussed in more detail in the How to Prepare a Proposal section.

Terms of Reference (TOR)

The Terms of Reference provide a complete description of the services required to fulfill the assignment. This part of the RFP traditionally includes:

- Background information that will help a consultant prepare a realistic proposal.
- Objectives of the assignment.
- Scope of services describing the tasks to be performed.
- Training requirements (when needed).
- Reports and time schedule.
- Any data, local service, personnel, or facilities that the client will provide.

Standard Form of Contract

This form is a sample document that becomes the contract between the client and the consultant. It consists of two parts:

- The General Conditions of Contract (GCC) are clauses pertaining to payments, obligations, risks, rights, and performance. The World Bank establishes these clauses, and the client inserts them into the proposal document without making any changes.
- Special Conditions of Contract (SCC) are clauses that work like the Data Sheet in that they modify or add to the Bank's standard clauses—in this case the GCC clauses. Consultants should read the two sections together to understand the applicable contract terms and conditions.

The Standard Form of Contract will also include appendices and annexes, which will vary with each RFP, depending upon the type and estimated value of the contract. Annex 5 has a list of contract appendices and annexes that are included with the RFP. After negotiations with the selected consultant, the completed appendices and annexes become part of the contract.



Can we meet the requirements and conditions mentioned in the RFP?

Eligibility
Performance
Contract
Procedures



Should I Submit a Proposal?

Before deciding whether to prepare a proposal, the consultant should thoroughly review the RFP to determine if he or his firm can meet the technical, commercial, and contractual conditions identified in the RFP. Key questions for the consultant to ask during the decision process are:

- Do we meet the eligibility requirements identified in the Information to Consultants section?
- Can we meet the performance requirements and delivery schedules identified in the Terms of Reference section?
- Can we accept the contract terms identified in the General and Special Conditions of Contract sections?
- Do we understand the procedures and rules for submitting proposals as identified in the Information to Consultants and Data Sheet sections?

The World Bank RFP document is elaborate, and it is necessary to understand how it is organized. It is important, therefore, for the consultant to read the RFP in its entirety before preparing a proposal. A consultant who does not read the Information to Consultants and Data Sheet in conjunction with one another might conclude that they are in conflict and not know how to proceed. This is also true for the General and Special Conditions of Contract.

Clarification of RFP Document

After studying the RFP, the consultants may request in writing clarification from the client if they find:

- Any ambiguity, omission, or internal contradiction.
- Any feature of the Terms of Reference or other conditions is unclear.
- Any feature of the Terms of Reference or other conditions appears discriminatory or restrictive.
- The criteria and method for selecting the winning consultant are not clear.

If **one**
short-listed
consultant asks...



all short-listed
consultants receive
an explanation.

The client will respond in writing to a request for clarification it receives no later than 30 days before the deadline for submission of proposals. The client sends written copies of the response (including an explanation of the inquiry that does not identify the inquirer) to all short-listed consultants.

Preproposal Conference

The client may arrange a preproposal conference at which short-listed consultants meet to seek clarifications on the RFP and procedures. The client will send minutes of the conference and any information, clarification, correction of errors, or modifications of the RFP generated during the conference to those who attend and to any short-listed consultant not attending the conference. The client must send the information in time for consultants to modify and submit their proposals before the deadline for receipt of proposals.

The opportunity for
short-listed consultants
to ask questions



Amendment of the RFP

The RFP may need to be amended after being issued (but before proposal opening). Most amendments are the result of:

- Questions from short-listed consultants that indicate a general misunderstanding on a topic.
- Mistakes discovered in the original documents, such as inconsistency between sections of the RFP.
- Revisions to an original plan—for example, a modification to the Terms of Reference.



To correct or clarify information, the client sends an official amendment to all short-listed consultants. The proposal submission deadline might be extended to allow consultants time to address the amendments.

Conflict of Interest

The consultant must ensure that submitting a proposal does not create the possibility of a conflict of interest, which in general terms is a situation in which a consultant provides biased professional advice to a client to obtain an undue benefit for himself.

Paragraph 1.9 of the World Bank's *Guidelines: Selection and Employment of Consultants by World Bank Borrowers* (January 1999) states, "Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out their assignment in the best interest of the Borrower." An example would be manipulating an initial study so that the next phase of the assignment requires skills only the consultant can provide, which would deprive the client of the benefit of competition.



Technical

Forms 3A – 3H

Financial

Forms 4A – 4F

How to Prepare a Proposal

If review of the RFP determines that the consultant has the experience, personnel, and infrastructure needed to complete the assignment, the consultant prepares a formal proposal response. Key issues in proposal preparation follow.

Can I Submit an Alternative Solution?

Depending upon the nature of the assignment, consultants have flexibility to propose creative solutions that they believe will best meet the Terms of Reference requirements and the client's overall needs. However, if the proposal does not respond to the important aspects of the Terms of Reference, the client will consider it unsuitable and reject it.

**Creative solutions
are OK!**



Language of the Proposal

Proposals and all other correspondence and key documents relating to the proposal must be written in the language specified in the Information to Consultants Data Sheet. Printed literature and supporting documents may be provided in another language if the relevant passages have been translated into the language specified in the Data Sheet.

Period of Validity

Proposals must be valid for the period specified in the RFP. The time period is based on the client's need to evaluate the proposals, review the award recommendation with the Bank, and obtain the necessary GoB approvals.

When the client is unable to complete this process within the validity period, it must request in writing the consultant's consent for an extension. If a consultant grants the extension request, it cannot be required, nor permitted, to modify its proposal in any other way.

Documents Constituting the Proposal

The RFP provides standard forms for the technical and financial proposals that the consultant must complete. These completed forms, described below, constitute the consultant's technical and financial proposals, which are submitted to the client.

Technical Proposal—Standard Form

Form 3A. Technical Proposal Submission Forms

This cover letter for the technical proposal confirms that, if selected, the consultant will negotiate on the basis of the staff proposed and that the proposal will be binding, subject to any changes made during contract negotiation. This form is submitted on the consultant's letterhead and is signed by an authorized officer of the consultant firm.

Form 3B. Firm References

The consultant provides a brief description of related services performed for a different client and contact information for the client.

Form 3C. Comments and Suggestions by Consultants on Terms of Reference and Data, Services, and Facilities to be provided by the Client.

The consultant identifies any potential problems or suggests revisions to the proposed Terms of Reference and support provided by the client.

Form 3D. Description of Methodology and Work Plan for Performing the Assignment

The consultant describes the approach it will take to completing the Terms of Reference.

Form 3E. Team Composition and Task Assignments

The consultant identifies the key individuals who will work on the assignment.



Form 3F. Format for Curricula Vitae (CV) for Proposed Professional Staff

The consult uses these forms to provide information (qualifications, education, and experience) on the key personnel proposed for the assignment.

Form 3G. Time Schedule for Professional Personnel

The consultant identifies the number of months key personnel will work on specific activities.

Form 3H. Activity (Work) Schedule

The consultant identifies the length of time required to complete each major activity.

Financial Proposal—Standard Forms

Form 4A. Financial Proposal Submission Form

This cover letter for the financial proposal states the total cost of the proposal and confirms that the financial proposal will be binding, subject to any changes made during contract negotiation. It also discloses any commissions or gratuities paid or promised to agents in connection with the proposal or contract execution. This form is submitted on the consultant's letterhead and is signed by an authorized officer of the consultant firm.

Form 4B. Summary of Costs

The consultant identifies the proposal's subtotal costs, local taxes, and any different currencies that are part of the financial proposal.

Form 4C. Breakdown of Price per Activity

The consultant breaks out the cost for each major activity into separate summary categories for remuneration, reimbursables, and miscellaneous expenses.

Form 4D. Breakdown of Remuneration per Activity

The consultant further breaks down the remuneration per activity by providing the rate and level of effort for regular staff, local staff, and consultants.

Form 4E. Reimbursables per Activity

The consultant identifies the proposed reimbursable expenses per activity, including travel, subsistence allowances, and local transportation costs.

Form 4F. Miscellaneous Expenses

The consultant identifies the miscellaneous expenses (communication, equipment, software) projected for each activity.

Appendices and Annexes

The consultant completes, as required, the appendices or annexes included with the RFP. Annex 5 of this document has information on appendices and annexes required for each Standard Form of Contract.

Signatures and Copies

The consultant must prepare an original and the number of copies of the proposal indicated in the Data Sheet, clearly marking each “original” or “copy” as appropriate. The original and the copy or copies must be typed or written in indelible ink and signed by the consultant or another person or persons duly authorized to bind the consultant to the contract. Except for unattended printed literature, all pages of the proposal must be initialed by the person (or persons) who signed the proposal.



Originals and copies of the proposal

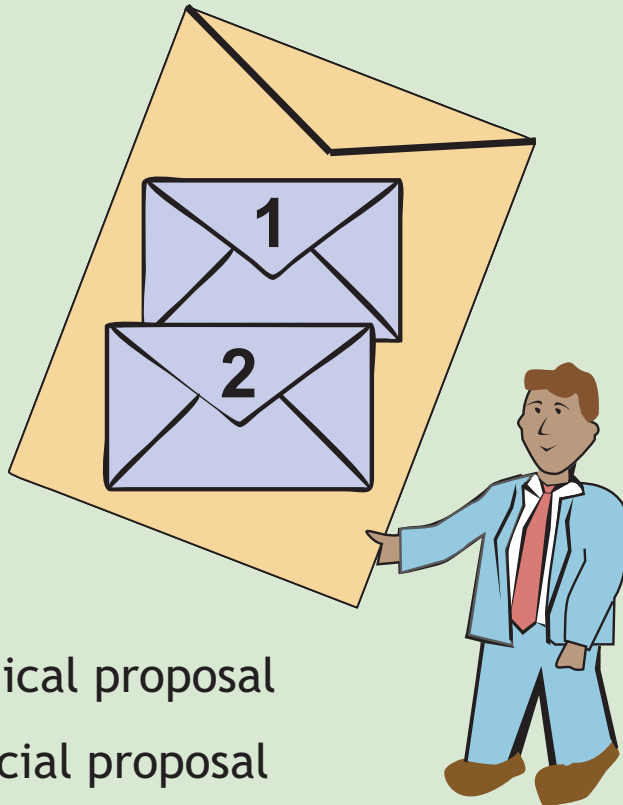


must be signed by the consultant!

Frequent Mistakes Reported on Proposal Preparation

The MOHFW procurement personnel and World Bank procurement staff in Dhaka have reported that many proposals they receive for World Bank-financed consulting contracts are improperly prepared. Annex 6 contains information on common mistakes consultants make in preparing proposals.

Two-Envelope System



1. Technical proposal
2. Financial proposal

How to Submit a Proposal

Sealing and Marking Proposals

The procedure for submitting proposals will depend upon the consultant-selection method the client has chosen. The Quality- and Cost-Based (QCBS) method uses a “two-envelope” system in which separate technical and financial proposals are required. Under this selection method the consultant submits proposals in separate, sealed envelopes – one marked “Technical Proposal” the other marked “Financial Proposal: Do not open with Technical Proposal.” The consultant seals these individual envelopes in a single outer envelope marked “Do not open, except in presence of evaluation committee” and forwards the packet to the agency designated in the RFP.

Deadline for Proposal Submission

Proposals received by the client are stored, unopened, in a secure location until the date and time announced in the RFP document. Proposals received after the submission deadline are disqualified and returned to the consultant unopened.



Proposals received after the submission deadline are rejected and returned unopened to the consultant.

Modifying and Withdrawing Proposals

Consultants may modify or withdraw proposals before the submission deadline. No proposal can be modified after the deadline. Envelopes containing a modification or withdrawal must be submitted to the client appropriately marked – that is, “WITHDRAWAL” or “MODIFICATION.”

Cost of Preparing Proposals

Consultants bear all costs associated with preparing and submitting their proposals.

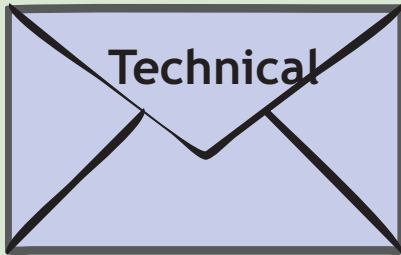
Proposal
Opening

Technical Proposal
Evaluation

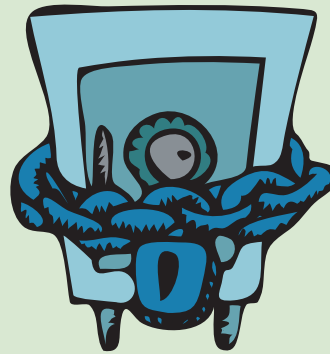
Financial Proposal,
Public Opening,
and Evaluation

Negotiation,
Award, and Signing
of Contract

Performance



Technical proposal
forwarded for technical
evaluation



Financial proposal stored
in secure location for
later public opening

Proposal Opening

At the time and place designated in the RFP, the client opens the outer envelopes submitted by the short-listed consultants. Each envelope contains separate, sealed technical and financial proposals. The opening committee records the submissions and confirms that both technical and financial proposals are present. Next, it arranges for the financial proposals to be stored in a secure location for a later public opening. A technical evaluation committee proceeds to evaluate the technical proposals.

Communication after Proposal Opening

Consultant

From the time of proposal opening to the time of contract negotiation, any consultant that wishes to contact the client on any matter related to its proposal should do so in writing. Any effort by a consultant to influence the proposal evaluation or contract award decisions may result in the rejection of the consultant's proposal.

Client

During the technical and financial evaluation period, the client may ask the consultant for a clarification of its proposal. Both the request and the response must be in writing. No change in price or substance of the proposal will be sought, nor can it be offered or permitted, except to address arithmetic errors identified by the client.

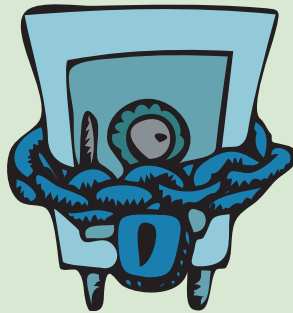
Confidentiality

Information relating to the examination, clarification, and evaluation of proposals will not be disclosed to consultants or any other persons not officially involved with the process.

Technical Committee Evaluates Proposals for:



- Experience
- Workplan
- Key staff
- Training
- Participation of nationals



**No access to
financial proposals!**

Technical Proposal Evaluation

A technical evaluation committee evaluates the technical proposals without access to corresponding financial proposals. The committee is appointed by the MOHFW and includes some members with expertise in the service being requested.

Evaluation Criteria

In compliance with World Bank requirements, technical proposals are evaluated against the following criteria:

- Consultant's experience
- Quality of the workplan
- Qualifications of key staff
- Training of local staff (when required)
- Participation by nationals in the assignment

The World Bank has established a scoring system for proposals in which the client allocates 100 points among each of the above criteria based on the criteria's importance to the successful outcome of the assignment. Evaluation criteria and allocated points are identified in the RFP Data Sheet. The Data Sheet also identifies the minimum number of points required to pass the technical evaluation.

Evaluation Process

The technical evaluation process consists of each committee member separately evaluating technical proposals and assigning points based on how well he thinks the proposal meets the criteria established in the RFP. A final technical score for each proposal is established by averaging the scores from the reviewers.

Proposal
Opening

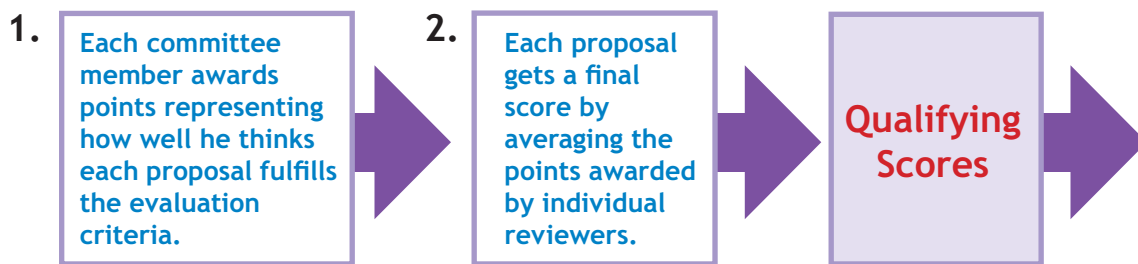
Technical Proposal
Evaluation

Financial Proposal,
Public Opening,
and Evaluation

Negotiation,
Award, and Signing
of Contract

Performance

The committee rejects any technical proposal that fails to meet the minimum qualifying technical score identified in the Data Sheet. It also rejects any proposal considered to be nonresponsive to the important aspects and requirements of the Terms of Reference.



Approval of Technical Evaluation

After completing the technical evaluation, the committee prepares a technical evaluation report that ranks the technical proposals and summarizes the selection process. The report is submitted to the World Bank for review if necessary. If the Bank finds that the technical evaluation report is satisfactory, it provides its “no objection.” Following this, the client arranges a public opening of financial proposals from consultants whose technical proposals met the minimum qualifying technical score.

Major Criteria for Technical Proposal Evaluation (and Suggested Point Range)

Consultant's relevant experience for the assignment
(5-10 points)

Quality of the methodology proposed (workplan)
(20-50 points)

Qualifications of the key staff proposed
(30-60 points)

Transfer of knowledge (training)
(0-10 points)

Participation by nationals in assignment
(0-10 points)

Committee Announces



- Name of the consultant
- Score from technical evaluation
- Price offered

Committee Calculates

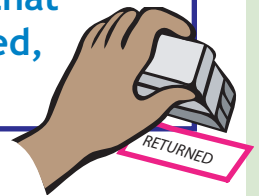


- Financial score
- Total score

Financial Proposal, Public Opening, and Evaluation

The client notifies consultants whose technical proposals received qualifying scores of the date, time, and place for the public opening of their financial proposals. Those consultants not receiving a qualifying technical score are informed that their financial proposals will be returned, unopened, upon completion of the selection process. The MOHFW appoints a committee to open and evaluate the financial proposals. At the public opening, a committee member reads aloud the name of the consultant, the consultant's technical score, and the proposed price. This information is recorded in the meeting minutes, which are signed by committee members and any consultants present.

Consultants whose technical proposals do not meet the minimum qualifying technical score are notified that their financial proposals will be returned, unopened, after the selection process is completed.



Financial Evaluation

The financial evaluation committee calculates an “evaluated cost” for each proposal. The “evaluated cost” is not necessarily the submitted price; other factors are considered and assigned a value, if necessary. The committee corrects any mathematical errors, estimates the cost of items that were omitted, and converts the price to a common currency, if necessary.

Once evaluated costs are established, the committee calculates a financial score for each proposal using the formula identified in the Data Sheet section of the RFP. Most often, the proposal with lowest evaluated financial cost receives the highest numerical score for the financial evaluation. The proposal with the next lowest evaluated cost receives the second highest score, and so forth.

Combining Technical and Financial Evaluations

Proposal
Opening

Technical Proposal
Evaluation

Financial Proposal,
Public Opening,
and Evaluation

Negotiation,
and Signing
of Contract

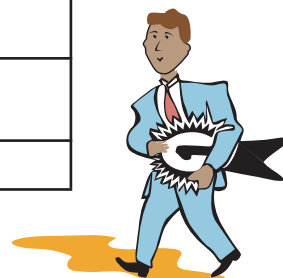
Performance

The client adjusts, or “weights,” technical and financial scores based on the technical complexity of the assignment and the importance of quality in performing the assignment. The relative weights assigned to the technical and financial proposals are identified in the Data Sheet.

The financial evaluation committee combines the weighted technical and financial evaluation scores to determine the total weighted score for each proposal. The proposal receiving the highest weighted combined score is recommended for the contract award.

And the winner is...

	Score	Weight	Weighted Score
Technical Proposal	90	70%	63
Financial Proposal	100	30%	30
Combined Weighted Score			93



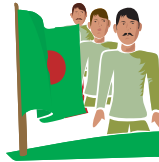
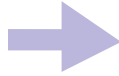
Approval of Award Recommendation

The purchasing office prepares a report recommending a contract award and submits it to appropriate GoB officials for approval. Both the first- and second-ranked consultants are usually approved in case negotiations with the first-ranked consultant fail to reach agreement on a contract. When the estimated contract price is over the Bank’s prior review threshold, the final evaluation and award recommendation report is also submitted to the World Bank for its “no objection.”

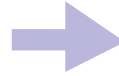
Consultant Evaluation Report Review



**Financial Evaluation
Committee**



**MOHFW
Evaluation Committee
or appropriate
GoB officials**



World Bank

Proposal
Opening

Technical Proposal
Evaluation

Financial Proposal,
Public Opening,
and Evaluation

Negotiation,
and Signing
of Contract

Performance



Contract Negotiation

Recommended consultant
and client address:

Terms of Reference

Work plan

Staffing

Contract terms and
conditions



Negotiation, Award, and Signing of Contract

Contract Negotiation

The client invites the consultant recommended by the evaluation committee and approved by the GoB authority to participate in contract negotiations. During negotiations, the parties discuss and clarify Terms of Reference, methodology and proposed staffing, and terms and conditions of the contract. The Terms of Reference are often revised during negotiations, although substantial revisions are not allowed because they could affect the quality of the final product, the cost of the assignment, and the relevance of the evaluation process. When both parties agree to the Terms of Reference, methodology, and staffing, the agreements are incorporated into a Description of Services, which becomes part of the contract.

Negotiations usually produce some revision to the original Terms Of Reference; however, substantial alterations are not allowed because that could affect the quality of the final product, the cost, and the relevance of the evaluation process.

Negotiation of financial matters depends upon the consultant selection method and proposed contract type. For example, when price is a factor in the selection process, as it is in the Quality- and Cost-Based Selection (QCBS) methods, there may be no negotiation of unit rates. If negotiations with the selected consultant fail, the client notifies the Bank of the situation and of its intention to begin negotiating with the second-ranked consultant.

Financial Arrangements

Depending upon the scope of work, the level of complexity of the assignment, and the proposed contract type, payments to consultants can be made at regular intervals or upon receipt of agreed outputs. The client and consultant agree on payment terms and amounts, schedule of payments, and procedures during negotiations. For an advance payment, the consultant must usually provide the government with a bank guarantee for an amount equal to or slightly greater than the advance.

Client and consultant agree upon:

- Payment terms and amounts
- Schedule of payments
- Payment procedures

Contract Approval

The appropriate GoB committee must review and approve negotiated contracts, and when requested, the World Bank provides its “no objection.” After the World Bank gives its no objection, the authorized representatives of the GoB and the consultant jointly sign the contract. The contract binds both parties to the activities in the negotiated Terms of Reference and the contract terms and conditions. Following contract signature, the client notifies the other consultants who submitted proposals in writing that they were unsuccessful and returns their financial proposals unopened.

Both parties sign approved contract.



Consultant



GoB
Representative

Proposal
Opening

Technical Proposal
Evaluation

Financial Proposal,
Public Opening,
and Evaluation

Negotiation,
Award, and Signing
of Contract

Performance

Consultant Responsibilities



Contract tasks

Milestones

Deliverables

Performance

The consultant implements the assignment according to the workplan, timeline, and other requirements agreed to in the contract. The client monitors the progress of work and the schedule for deliverables. The client also monitors performance to determine when changes to the scope of work, permitted within the contract, might be needed.

Consultants must strive to meet scheduled milestones or other contract requirements for performance. When a consultant does not meet contract requirements, the client notifies the consultant and requests corrective measures in writing. The consultant must respond in writing, providing the reason for its failure to perform and the steps it will take to comply with the request. A consultant that does not respond may be subject to disciplinary measures by the client. For example, the client can withhold payment until the deficiencies are corrected, start legal proceedings against the consultant, place the consultant on probationary status, or exclude it from consideration for future service contracts. Mistakes or incomplete work on the consultant's part must be remedied at no cost to the client according to the terms and conditions of the contract.

Completing the Assignment

Upon completing the assignment, the consultant prepares a draft final report identifying its conclusions and recommendations. The consultant is responsible for the technical integrity and objectivity of its recommendations. The draft report is submitted to relevant parties for comment, including the Bank, if asked for. The consultant collects and addresses these comments in the final report. When the consultant has completed the assignment and provided all deliverables, and the client has acknowledged completion and receipt and approval of deliverables, the client releases final payment to the consultant.



Resources

Consulting Services Manual: A Comprehensive Guide to Selection of Consultants. World Bank (2002).

Development Business may be obtained through subscription (*Development Business*, UN Plaza, New York, New York, 10017, USA) or from the Public Information Center at the World Bank, 1818 H Street, NW, Washington, DC, 20433, USA.

Development Gateway is an interactive site sponsored, in part, by the World Bank on sustainable development and poverty reduction, and a space for communities to share experiences on development efforts.
www.developmentgateway.org

dg Market is an electronic market with more than 30,000 tender notices on a website managed by Development Gateway. www.dgmarket.org

Guidelines: Procurement under IBRD Loans and IDA Credits. World Bank (rev. Jan. 1999).

Guidelines: Selection and Employment of Consultants by World Bank Borrowers. World Bank (January 1999).

INCOTERMS 2000. ICC official rules for the interpretation of trade terms. ICC Publishing (1999).

Sample Forms of Evaluation Report: Selection of Consultants. World Bank (October 1999).

Standard Bidding Documents: Procurement of Goods. World Bank (March 2003).

Standard Bidding Documents: Procurement of Health Sector Goods (Pharmaceuticals, Vaccines, and Condoms). World Bank (Mar. 2003).

Standard Request for Proposals: Selection of Consultants. World Bank (March 2002).

World Bank documents can be accessed through their website at www.worldbank.org

Acronyms

BDS	Bid Data Sheet
CMSD	Central Medical Stores Depot
EOI	Expression of Interest
GCC	General Conditions of Contract
GoB	Government of Bangladesh
GPN	General Procurement Notice
ICB	International Competitive Bidding
IDA	International Development Association
IFB	Invitation for Bids
INCOTERMS	International Commercial Terms
ITB	Instructions for Bidders
ITC	Information to Consultants
LOI	Letter of Invitation
MOHFW	Ministry of Health and Family Welfare
NCB	National Competitive Bidding
QBS	Quality-Based Selection
QCBS	Quality- and Cost-Based Selection
REI	Request for Expression of Interest
RFP	Request for Proposal
SCC	Special Conditions of Contract
SPN	Specific Procurement Notice
TOR	Terms of Reference

Glossary

Bid Security

A financial commitment of a bank or insurance company that guarantees compensation to the buyer for inconvenience and expense if a winning bidder rescinds his offer after the bid is closed and an award is made to him. Each bidder has to provide bid security with his bid submission in the amount stated in the bidding documents.

Bill of Lading

Document issued by a carrier (usually an ocean freight line) to a shipper that provides a written receipt for the goods and commitment to deliver same at a stated destination to the lawful holder of the bill of lading.

Domestic Preference

A term used in World Bank procurement documents to describe a competitive advantage, expressed in percentage points, which is sometimes given to local manufacturers of goods competing for contracts against international sources.

Evaluated Bid

Bid that has been through financial analysis and recalculated to reflect any corrections, discounts, adjustments, or financial value of factors other than price.

Evaluated Bid Price

Price used for comparison with other bids or proposals: not necessarily the submitted price, but one recalculated with corrections, discounts, adjustments, and financial value of factors other than price.

INCOTERMS

International rules for the interpretation of commonly used trade terms relating to the division of risks and responsibilities for transport and delivery of goods sold across national borders.

Letter of Credit

An arrangement by banks for settling commercial transactions; specifically, a written promise by a bank given to the seller in accordance with instructions (and cash deposit) of the purchaser to pay up to a given sum of money within a prescribed time limit when and if the supplier presents specified documents that give evidence of his performance.

Material Deviation

Used in evaluating bids to describe a significant and unacceptable difference from the requirements stated in bidding documents. More precisely, a material deviation is one that affects in any way the price, quantity, quality, or delivery of the goods as required in the bid documents, or limits in any way the responsibilities, duties, or liabilities of the bidder or any rights of the purchaser. If accepted, a material deviation would provide unfair advantage to the bidder.

National Regulatory Authority

An independent government organization responsible for establishing procedures to ensure that medicines and biological products intended for use in the country are safe, potent, and effective.

Performance Security

A procurement term describing the financial instrument used to guarantee compensation to the purchaser for inconvenience and expense if the supplier does not produce and ship the contracted goods or provide the contracted services within the stated period. The supplier puts up his own funds, often through a bank or an insurance company, to be held in reserve until the contract terms have been met.

Substantially Responsive

In procurement, a bid that is presented in the required manner and contains no material deviations from or reservations to the terms, conditions, and specifications in the bidding documents.

Annex 1

The World Bank's Role in Procurement of Goods and Services

The World Bank lends money to governments and government organizations to help finance projects and programs that promote economic and social development. It is not a donor but a UN-sponsored association of more than 180 member countries. Each Bank-member country pays dues that are drawn on, in part, for its lending activity. In return, manufacturers and suppliers in member countries have the opportunity to compete for contracts placed by the borrowing countries.

The Bank provides financing, but the borrower – not the Bank – procures the goods or services. The procurement contract itself is between the borrower and the supplier or contractor, and the borrower is responsible for paying the supplier or contractor. The World Bank requires that borrowers – in this case, the GoB – strictly adhere to agreed procurement procedures and use standard bidding documents developed by the Bank. The Bank's role is to make sure the entire process is efficient, fair, transparent, and impartial.

World Bank procurement policy and procedures are based on principles of good public procurement. Public procurement has stringent requirements of competition, honesty, and accountability that often result in detailed procedures and multilevel approvals. The private sector normally adopts quicker and more flexible procedures, with single-point rather than multiple committee-based decision making, and much less documentation. But both have the same objective, which is to obtain the best value for the money.

Four basic objectives govern World Bank procurement policies:

- To ensure that loans are used to buy only goods and services needed to carry out the project and that they are procured in the most efficient and economical manner possible.
- To give all qualified bidders from eligible countries equal opportunity to compete for Bank-assisted contracts.

- To encourage development of local contractors and manufacturers in borrowing countries.
- To promote transparency in the procurement process.

The World Bank includes strong anticorruption measures in its rules and guidelines for procurement because it believes that honesty and accountability help reduce poverty by encouraging foreign investment and economic development. In most cases, there is no flexibility in how borrowers may apply these rules, and the Bank routinely monitors procurement decisions and arrangements to ensure that borrowers uphold its policies and guidelines. If it is not satisfied with what it observes, it stops the procurement action until problems have been corrected.

If at any time during the procurement process (even after the award of the contract) the Bank concludes that procedures have not been followed in any material respect or that the information furnished by the borrower is incomplete, inaccurate, or misleading or if it is established by a court of law that the contract has been awarded on the basis of corrupt practices, World Bank policy is to cancel that portion of the loan allocated to the goods which have been misprocured.

Annex 2

Types of Suppliers

This annex lists and describes the various kinds of suppliers that may be interested in bidding on GoB contracts for goods. It also defines forms of authorization for bidders who are not manufacturers.

Foreign Manufacturer

- Sells goods it manufactured on foreign soil directly to the GoB.
- Importer of record is the GoB; manufacturer has no responsibility for taxes, duties, import fees.

Local Manufacturer

- Sells goods it manufactured on its own in Bangladesh.
- Sells goods it manufactured in Bangladesh that are licensed to it by a foreign firm.

Local Stocking Dealer of Foreign Goods

- Authorized by foreign manufacturer to supply its goods in Bangladesh.
- Imports goods on its own behalf, pays duties, and re-sells in local market.
- Signs contract with the GoB and assumes all financial responsibility, warranty, and service obligations.

Example: Automobile dealership.

Agent for Local Manufacturer (bidding for and on the behalf of the manufacturer)

- Authorized by local manufacturer to sell its goods.
- Receives a commission on sales.
- May or may not be authorized to bid on a specific contract on behalf of local manufacturer.

Agent for Foreign Manufacturer (bidding for and on behalf of the manufacturer)

- Authorized by foreign manufacturer to sell its goods.
- Receives a commission on sales.
- May or may not be authorized to bid on a specific contract on behalf of foreign manufacturer.
- Importer of record is the GoB; agent has no responsibility for taxes, duties, or import fees.

Trading House

- Represents and sells a range of goods – usually in the same general category – produced by a variety of different and sometimes competing manufacturers.
- Has verifiable legal relationships with manufacturers.
- Receives commission on sales.
- May or may not operate simultaneously as a stocking dealer.

Example: Pharmaceutical house that does not manufacture its own drugs.

Trader

- Locates manufacturers or goods to fill specific needs.
- Sells goods it did not manufacture to the GoB.
- Receives a commission on sales.
- May or may not establish a legal relationship with manufacturer.

Forms of Authorization for Bidders Who Are Not Manufacturers

1. Legal document signed by manufacturer and local agent authorizing the local agent to represent and sell manufacturer's goods in Bangladesh. Manufacturer extends full guarantee and warranty for goods supplied through local agent

2. Authorization on manufacturer's letterhead for specified agent or other person to bid and sign contract on specific Invitation for Bid on behalf of manufacturer. Manufacturer extends full guarantee and warranty for goods supplied under contract signed by specified agent or other specified person.

Annex 3

Communications, Complaints, and Recourse

Communication with Purchaser

Clear communication between the purchaser and the supplier is an important aspect of successful and mutually beneficial supply transactions. From the time bidding documents are offered for sale, through the delivery period and up to the end of the warranty period, there is only one time when communications are restricted. Bidders who have placed bids and the purchaser may *not* have contact with one another during the period between bid opening and notification of the winning bidder except in a case where the purchaser asks the bidder – in writing – for clarification needed to evaluate its bid. However, communication is *mandatory* in the event of force majeure, breach of contract, address change, and similar events at the time of the performance contract.

Bidder Recourse and Communication with the World Bank

Any bidder who believes his bid has not been handled by the purchaser (in this case, the GoB) in accordance with the rules and requirements stated in the bidding documents is entitled to have its complaint investigated and resolved. The procedure for “recourse,” as this is known, requires the bidder to communicate the facts of his allegation(s) to the purchaser in writing with a copy to the Bank or to write to the Bank directly.⁸ All such communications should be addressed to the chief of the division for the relevant sector for the borrowing country, with a copy to the regional procurement adviser. Bidders should understand that the Bank does not respond to complaints of one bidder against another or any other allegation that – by its nature – indicates that the complaining party is in possession of restricted information. All investigations and determinations are limited to the facts of the bidder’s bid and the relevant bidding documents.

The Bank refers communications it receives from potential bidders before the closing date for submission of the bids to the purchaser, along with comments

⁸ Bidders are also free to send copies of their communications on issues and questions with the borrower to the Bank or to write to the Bank directly if the borrower does not respond promptly.

and advice for action or response. Communications received by the Bank from bidders after the bid opening are normally examined in consultation with the purchaser. If the bidder needs additional information or clarification, the Bank asks the purchaser to obtain it and comment or incorporate it, as appropriate, in the evaluation .

Except for acknowledgment, the Bank does not enter into discussion or correspondence with any bidder during the evaluation and review process of the procurement.

Bidder Debriefing

If, after notification of award, a bidder wishes to learn the grounds on which its bid was *not* selected, it should address its request to the purchaser. If the purchaser's response does not satisfy the bidder, the bidder may seek a meeting with the Bank by addressing the regional procurement adviser for the borrowing country, who will arrange a meeting with staff at the appropriate level. In accordance with Bank regulations on confidentiality, the Bank can only discuss the bidder's bid, not the bids of competitors.

Annex 4

Summary of World Bank Consultant-Selection Methods

On World Bank-financed projects, the Bank's preferred method for procuring consultant services is the Quality- and Cost-Based Selection (QCBS) method. However, the Bank does allow other methods to be used depending upon the type of assignment to be performed and the circumstances regarding availability of qualified consultants for the assignment. The various consultant selection methods allowed by the Bank are briefly presented below.

Quality- and Cost-Based Selection (QCBS)

Process:

Competitive process in which proposals are requested from short-listed consulting firms.

Summary:

Evaluation of proposals carried out in two separate stages. Technical proposals are first evaluated for quality and assigned relative scores. Then financial proposals of firms whose technical proposals met the minimum qualifying score are evaluated and assigned scores. The firm with the highest total score is invited for negotiations.

Conditions for use:

Appropriate when services can be clearly defined and are not complex.

Quality-Based Selection (QBS)

Process:

Competitive process in which proposals are requested from short-listed consulting firms.

Summary:

QBS selection method is similar to QCBS, however, the focus is on evaluation of the quality of the technical proposals. In QBS, either the technical proposal or both technical and financial proposals may be requested. After technical evaluation, only the financial proposal of the firm receiving the highest technical score is opened and negotiated. The other financial proposals are returned unopened upon conclusion of negotiations. When technical proposals only are requested, the firm receiving the highest technical evaluation is invited to submit a financial proposal, which is then negotiated.

Conditions for use:

Appropriate under the following conditions:

- Complex, highly specialized assignments for which it is difficult to define specific Terms of Reference and the consultant must demonstrate innovation in their proposals.
- Assignments that can be carried out in substantially different ways, making comparisons difficult.
- Assignments for which the best experts are needed due to the potential impact of the work, i.e., feasibility and structural engineering design for a large dam.

Selection Under Fixed Budget

Process:

Competitive process in which proposals are requested from short-listed consulting firms.

Summary:

Similar to the QCBS method, however, the focus is on quality and the budget. The RFP indicates available budget, and technical and financial proposals are requested in separate envelopes. Technical proposals are evaluated as in QCBS, and financial proposals of technically qualified firms are opened in public. Financial proposals exceeding the indicated budget are rejected.

The consultant submitting the highest ranked technical proposal is invited to negotiate a contract.

Conditions for use:

Appropriate when the assignment is simple, can be precisely defined, and budget is fixed.

Least-Cost Selection

Process:

Competitive process in which proposals are requested from short-listed consulting firms.

Summary:

The RFP indicates a minimum qualifying evaluation score for the technical proposal. Proposals are requested in separate envelopes and technical proposals are opened first. Only financial proposals from consultants whose technical proposal meets the minimum technical score are opened. Consultant submitting the lowest price is invited to negotiate a contract.

Conditions for use:

Appropriate for standard assignments of a routine nature (such as audits) where well-established standards exist and the contract value is under US\$ 200,000.

Selection Based on Consultant's Qualifications

Process:

No price competition; requests for information issued to short-listed firms.

Summary:

Terms of Reference prepared and information on consultants' relevant experience and competence is requested from short-listed firms. Firm with the most appropriate qualifications and references is asked to submit a technical proposal and invited to negotiate a contract.

Conditions for use:

Appropriate for small-value assignments (under US\$100,000) where the effort to prepare and evaluate competitive proposals is not justified.

Single-Source Selection

Process:

No price competition or evaluation of comparative qualifications.

Summary:

Contract is negotiated with selected consultant without competition. Since the Single Source Selection method lacks transparency and the benefits of competition, its use is generally limited to exceptional cases that fall into the following categories:

Conditions for use:

- Assignments that are a continuation of work previously carried out by consulting firm and the downstream assignment is not large.
- Assignments where rapid selection is essential (emergencies).
- Assignments of very small value (under US\$100,000).
- Assignments where only one firm is qualified for the activity.

Individual Consultants

Process:

No price competition.

Summary:

Contract is negotiated with an individual who has been selected based on references and comparison of qualifications among those expressing interest in the assignment.

Conditions for use:

- Team of personnel not required.
- Home office professional support not required.
- Experience and qualifications of the individual are the primary requirement.

Selection of Particular Types of Consultants

The following agencies and organizations can also be contracted to provide consultant services. In most cases these organizations are not entitled to any preferential treatment and must undergo a competitive selection process. QCBS procedures are generally the preferred selection method for contracting with these organizations.

- United Nations agencies (single source also an option)
- Nongovernmental organizations (NGOs) (single source also an option)
- Procurement agents
- Inspection agents
- Banks
- Auditors (least cost also an option)
- Service delivery contractors

Annex 5

Appendices and Annexes Included with RFPs

The purchaser includes standard contract appendices and annex forms with the RFP. The appendices and annexes included in the RFP depend upon the type of contract proposed and the estimated value of the contract. As required, the consultant provides the information requested in these forms. The relevant appendices and annexes are finalized during negotiations with the selected consultant and become part of the contract between the two parties. The list below identifies appendices and annexes required according to contract type and value.

Standard Contract Form: Time-Based Assignments

Appendix A:	Description of Services
Appendix B:	Reporting Requirements
Appendix C:	Key Personnel and Subconsultants
Appendix D:	Medical Certificate
Appendix E:	Hours of Work for Key Personnel
Appendix F:	Duties of the Client
Appendix G:	Cost Estimates in Foreign Currency
Appendix H:	Cost Estimates in Local Currency
Appendix I:	Form of Bank Guarantee for Advance Payments

Standard Contract Form: Lump Sum Remuneration

Appendix A:	Description of Services
Appendix B:	Reporting Requirements
Appendix C:	Key Personnel and Subconsultants
Appendix D:	Breakdown of Contract Price in Foreign Currency

Appendix E: Breakdown of Contract Price in Local Currency

Appendix F: Services and Facilities Provided by the Client

Standard Contract Form: Small Assignments—Time-Based Payments

Annex A: Terms of Reference and Scope of Services

Annex B: Consultant's Reporting Obligations

Annex C: Cost Estimate of Services, List of Personnel and
Schedule of Rates

Standard Contract Form: Small Assignments—Lump Sum Payments

Annex A: Terms of Reference and Scope of Services

Annex B: Consultant's Personnel

Annex C: Consultant's Reporting Obligations

Annex 6

Common Problems with Proposals

Consultant proposals should realistically address the important aspects and requirements of the RFP. The information consultants provide should be accurate, complete, and focused on the specific skills and activities needed to implement the Terms of Reference. This annex lists frequent mistakes that consultants make in preparing proposals.

1. The methodology (workplan) proposed by the consultant does not address the Terms of Reference requirements.

This error is often due to the consultant's lack of understanding of the Terms of Reference. The consultant must thoroughly review the Terms of Reference and develop a comprehensive understanding of the activities to be performed and the expertise required to complete them. From this understanding, the consultant prepares a methodology that specifically addresses the requirements. If the consultant has questions about the Terms of Reference, he should submit them in writing to the client (GoB) for clarification or raise the questions during the preproposal conference.

2. The workplan is not properly prepared and lacks detail.

The workplan should be submitted according to the requirements of the RFP. It should be presented in a structured format that allows the client to easily refer back to the Terms of Reference to ensure that all requirements have been addressed. The workplan should contain sufficient detail to allow the client to properly evaluate the workplan. Quality of the workplan (methodology) is one of the major criteria of the technical evaluation process. A well-prepared workplan strengthens a consultant's proposal.

3. Key personnel proposed for the assignment are not appropriate.

Successful implementation of most consulting assignments depends more on a consultant's technical expertise and experience than on proposed costs. For this reason the qualifications of proposed personnel are subject to a thorough evaluation by the purchaser. The consultant should review the Terms of Reference and propose only personnel that have the qualifications required to successfully complete the contract. Curricula vitae should be accurate and reflect actual educational qualifications, experience, and accomplishments of the proposed personnel. They should not be adjusted or manipulated to convey a more favorable presentation of qualifications and technical expertise than is justified by actual data. All curricula vitae must be signed by the key personnel.

4. Technical and financial proposal forms are not completed properly.

The consultant should carefully review these forms to determine the exact information, data, and authorizing signatures required to complete the forms. Questions on completing the forms should be submitted in writing to the purchaser or raised during the preproposal conference.

5. Key personnel submitted in the proposal are no longer available when the contract is negotiated.

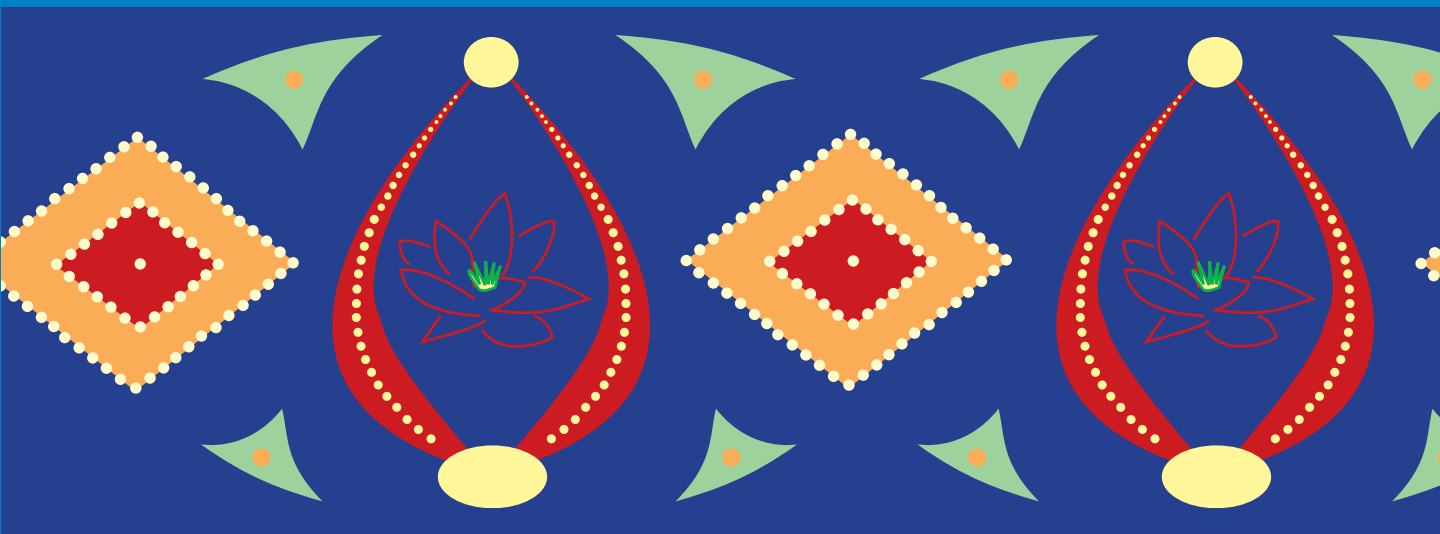
It is the consultant's responsibility to ensure that key personnel proposed for an assignment are available through the period of validity identified in the Technical Proposal Submission Form. When key personnel are not available due to circumstances beyond the consultant's control, an alternate candidate with equal or better qualifications must be proposed.

6. Consultant's comments on Terms of Reference are not appropriate.

This problem is due to a lack of understanding of the Terms of Reference. As discussed in item 1 above, the consultant must invest the time required to develop a comprehensive understanding of the Terms of Reference. Realistic and appropriate comments on the Terms of Reference reflect a consultant's understanding of the services requested and strengthen the proposal.

7. Salary rates above those actually paid to key personnel are submitted in the proposal.

While negotiation of unit salary rates is not allowed under the Quality- and Cost-Based Selection method, it is allowed for consultant selection methods where price is not a factor of selection , such as Quality-Based Selection, Single-Source Selection and Selection Based on Consultant's Qualifications. For these selection methods the consultant should propose salary rates for key personnel that correspond to actual rates paid to such personnel for similar contracts.



About the *Bangladesh Bidder's Guide*

This booklet has been designed for prospective suppliers and consultants who would like to have a quick and simple explanation of the supply and contracting process in Bangladesh, under projects financed wholly or in part by the World Bank.

