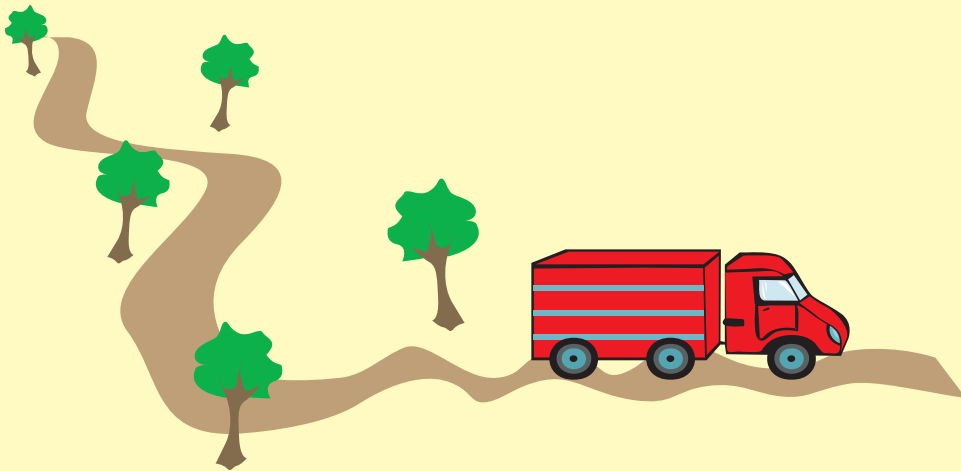


The diagram on the left shows the process for bidding, contracting, and supplying goods to the MOHFW when the Government of Bangladesh (GoB) uses World Bank loan or grant funds to pay for its purchases.

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**

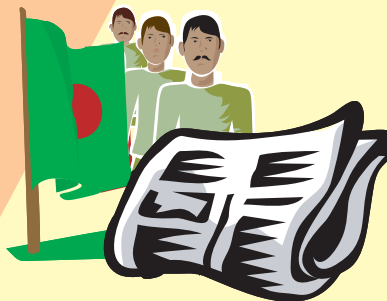
**Specific  
Procurement  
Notice**



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.<sup>1</sup> 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

<sup>1</sup>dgMarket 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

Opportunities  
To Bid



Should I Bid?

How to  
Prepare a Bid

How to  
Submit a Bid

# 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.

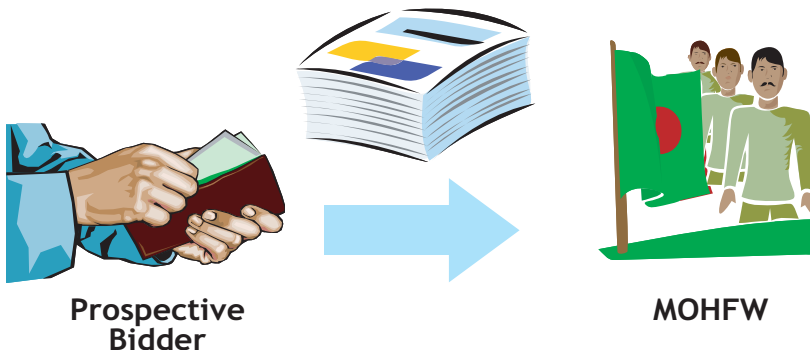
Bidding documents in the World Bank format are designed to include all information necessary for preparing and submitting a responsive bid. In general, the documents contain:

- 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.

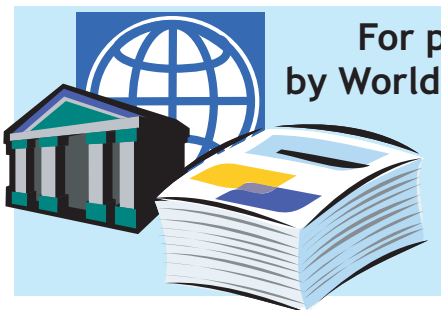
## Sample Forms

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

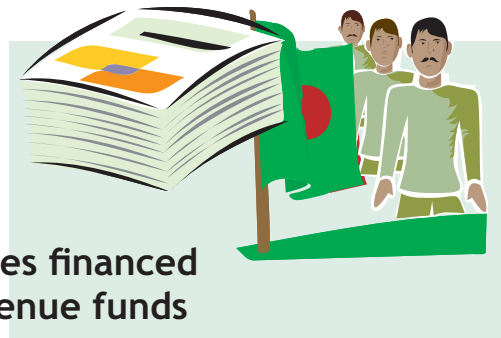
- Bid Form and Price Schedule(s)
- Sample Bid Security Form
- Sample Form of Contract Agreement
- Sample Performance Security
- Sample Manufacturer's Authorization Form
- Sample Certificate of a Pharmaceutical Product (as appropriate)

### 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**

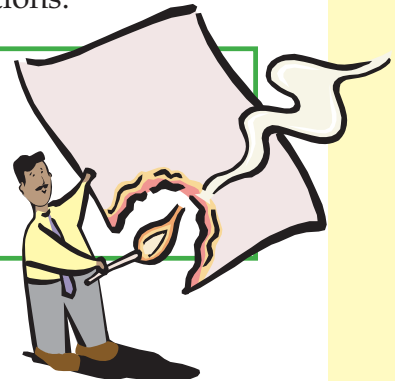
# Should I Bid?

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 countries<sup>2</sup> 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.

<sup>2</sup> 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.



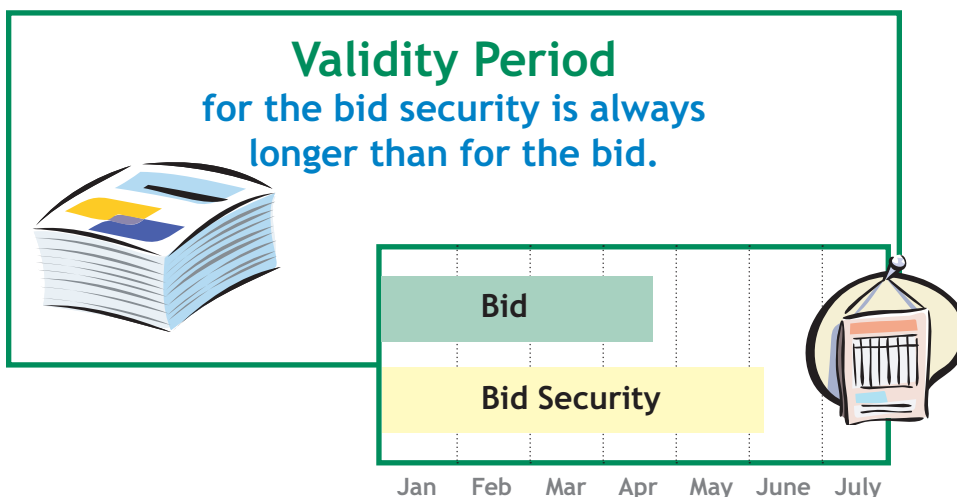
## Language of the Bid

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 INCOTERM<sup>3</sup> 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.

<sup>3</sup>INCOTERMS 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.



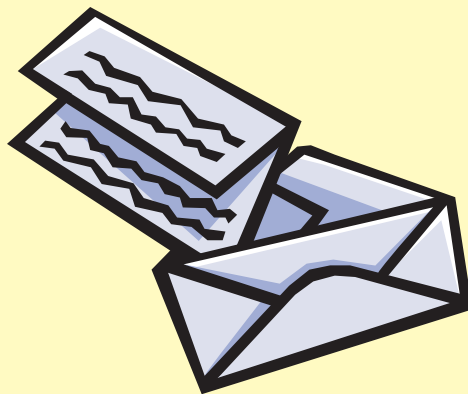
## Modifying or Withdrawing Bids

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\*

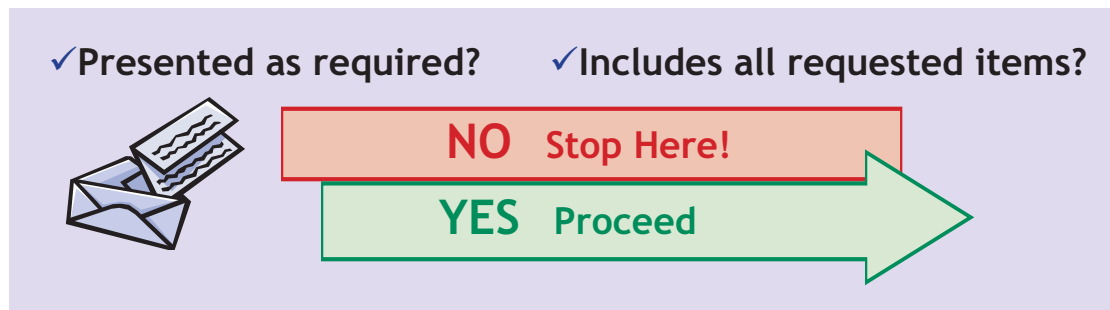
\*Except clarifications requested in writing by the purchaser

# 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.

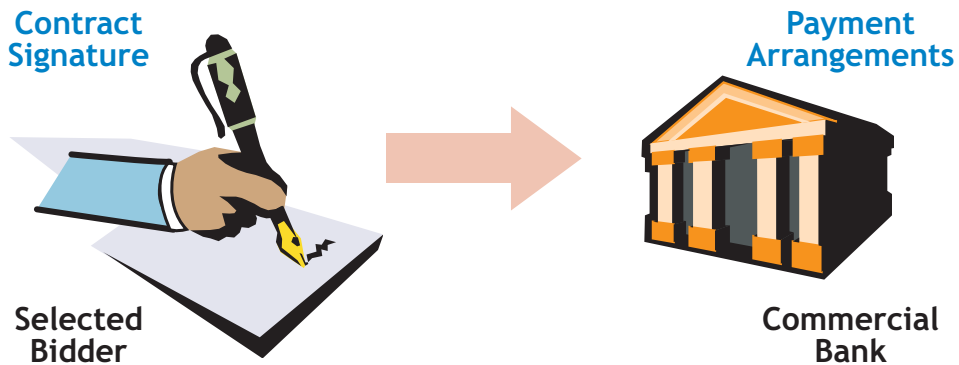


Bangladesh  
Drug Administration



## 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  
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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

