

# 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](http://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](http://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](http://www.worldbank.org)

# Acronyms

<b>BDS</b>	Bid Data Sheet
<b>CMSD</b>	Central Medical Stores Depot
<b>EOI</b>	Expression of Interest
<b>GCC</b>	General Conditions of Contract
<b>GoB</b>	Government of Bangladesh
<b>GPN</b>	General Procurement Notice
<b>ICB</b>	International Competitive Bidding
<b>IDA</b>	International Development Association
<b>IFB</b>	Invitation for Bids
<b>INCOTERMS</b>	International Commercial Terms
<b>ITB</b>	Instructions for Bidders
<b>ITC</b>	Information to Consultants
<b>LOI</b>	Letter of Invitation
<b>MOHFW</b>	Ministry of Health and Family Welfare
<b>NCB</b>	National Competitive Bidding
<b>QBS</b>	Quality-Based Selection
<b>QCBS</b>	Quality- and Cost-Based Selection
<b>REI</b>	Request for Expression of Interest
<b>RFP</b>	Request for Proposal
<b>SCC</b>	Special Conditions of Contract
<b>SPN</b>	Specific Procurement Notice
<b>TOR</b>	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.<sup>8</sup> 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

<sup>8</sup> 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.

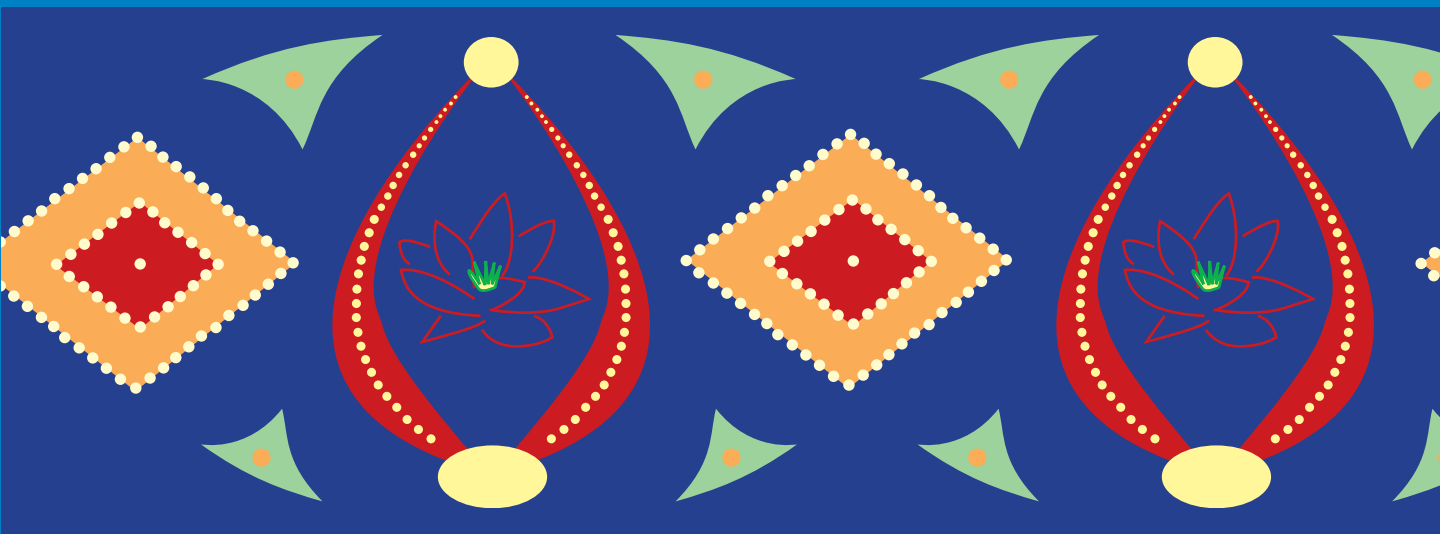
It is the consultant's responsibility to ensure that key personnel proposed for an assignment are available through the period of validity identified in the Technical Proposal Submission Form. When key personnel are not available due to circumstances beyond the consultant's control, an alternate candidate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

