Bid Document Preparation (Works)

Public Procurement Monitoring Office

Bid document

Definition

- Documents required to be submitted in response to an Invitation to bid. These include the prescribed bid form, drawings, specifications, time lines, charts, price breakdowns etc. are called bidding document.

Importance

- To minimize the confusion in decision making process during procurement proceedings including evaluation
- To make procurement proceedings easy, quick and effective
- To minimize the disputes during procurement proceedings and contract execution

Bid document…

Purpose

- Equal Information to all Bidders
- What is to be Procured
- Technical Requirements
- How to Prepare a Responsive Bid
- Evaluation Criteria
- Form of Contract

Bid document…

Impact of poorly drafted documents:

- Complaints from Bidders
- Selection of Poorly Qualified Firm
- Delays in Project Implementation
- Delays in Disbursements
- Lack of Credibility of Institutions
- Mis-procurement
- Claims and Disputes

Bid document preparation

- During bid document preparation standard bid document shall be used

Frequently used standard bid documents in Nepal

- Standard bid documents prepared by PPMO
  - ✓ These documents are mostly used in procurement process especially when procurement is under the funding of government or procurement under donor funding when procurement is not so large.
- Other standard bid documents
  - ✓ FIDIC documents (International Federation of Consulting Er)
  - ✓ Standard bid documents of donor agencies
    - ▪ Used in large procurement; preferably ICB or when donor has condition to use their own documents.

Bid document preparation…

Standard bid documents issued by PPMO

1. Procurement of goods (NCB)
2. Procurement of goods (ICB)
3. NCB works single stage two envelop above 20 million
4. Procurement of Works for 2 million to 20 Million (NCB)
5. Procurement of Works Single stage post qualification (ICB)
6. Procurement of works ICB two envelop
7. Procurement of works prequalification document
8. EOI document for short listing of consultant
9. Standard RFP for selection of consultants Lump-sum
10. Standard RFP for selection of consultants time based

कानूनी आधार

१. सार्वजनिक खरिद ऐन, २०६३

२. सार्वजनिक खरिद नियमावली, २०६४

३. सार्वजनिक खरिद अनुगमन कार्यालयवाट जारी गरिएका कार्यविधि तथा निर्देशिकाहरु

४. दातृपक्षको श्रोतबाट गरिने खर्चका लागि दाताको खरिद निर्देशिका (Procurement Guideline) अनुसार हुने भनिएकोमा सो बमोजिम खरिद गर्ने गरी भएको खरिद प्रक्रियाको हकमा त्यस्तो निर्देशिका

५. क्रियाकलापसँग सम्वन्धित कार्यविधि र मापदण्डहरु

६. नियमावली तथा कार्यविधि बनाउन पाउने सार्वजनिक निकायले प्रचलित कानूनको प्रतिकूल नहुने गरी आफ्नो प्रयोजनका लागि वनाएका नियम तथा कार्यविधीहरु

खरिद कार्यका लागि आधार र यसको श्रोतः

- कार्यालयको उद्देश्य र उद्देश्य प्राप्त गरिने कार्यहरु
- कार्यका लागि क्रियाकलाप खुलेको कार्यक्रम र व्यावसायिक योजना (Business Plan)
- स्वीकृत बार्षिक बजेट तथा कार्यक्रम
- खरिद योजना (Procurement Plan)

खरिद कार्यलाई प्रभावित गर्ने अन्य कानूनहरुः

- आर्थिक कार्यविधि तथा वितिय जवाफदेहिता ऐन, २०७६
- आर्थिक कार्यविधि नियमावली
- करार ऐन
- मध्यस्थता ऐन
- नेपाल निर्माण व्यावसायी ऐन र नियम
- वातावरण संरक्षण ऐन र नियम
- करसँग सम्वन्धित ऐन र नियमहरु, आदि

1) खरिदको विवरण चाहिन्छ

2) लागत अनुमान आवश्यक पर्छ

3) खरिद बिधि र सम्झौताका प्रकारको बारेमा जान्नुपर्छ

4) बोलपत्रदाताको योग्यताको आकलन गर्नुपर्छ

यस पछि

बोलपत्र कागजात तयारीमा लाग्नुपर्छ

Bid document preparation…

Contents of bidding documents

- Broadly there are three different parts in bidding documents:
  - ✓ **Bidding Procedures** : Contained in standard form in standard bidding documents
  - ✓ **Works Requirements** : Have to write (Not contained in SBD)
  - ✓ **Conditions of contract and contract forms** : Contained in standard form in SBD

Part I Bidding procedures

Section1 - Instruction to Bidders (ITB)

Section 2 - Bid Data Sheet (BDS)

Section 3 - Evaluation and Qualification Criteria (EQC)

Section 4 - Bidding Forms (BDF)

Bid document preparation…

Part II Requirements

Section 5 - Work Requirements (WRQ)

- Scope
- Specification
- Drawings

Section 6 - Bill of quantities (BOQ)

Part III Conditions of contract and contract forms :

Section 7 - General Condition of Contract (GCC)

Section 8 - Special Condition of Contract (SCC)

Section 9 - Contract Forms (COF)

Developing evaluation & qualification criteria

<u>Evaluation</u>

- **Adequacy of Technical Proposal**
- **Multiple Contracts**
  - Experience
  - Financial Situation
  - Current Contract Commitments,
  - Cash Flow Capacity,
  - Equipment to be allocated, and
  - Personnel to be fielded
- **Completion Time**
- **Alternative Technical Solutions**
- **Quantifiable Nonconformities, Errors and Omissions**

Developing evaluation & qualification criteria

Qualification

1. Eligibility

- Conflict of Interest
- Government-owned Entity
- UN Eligibility
- Other Eligibility
  - Copy of Firm Registration Certificate
  - Copy of Business Registration Certificate
  - Copy of VAT and PAN Registration Certificate
  - Copy of Tax Clearance Certificate/Tax return
  - A written declaration stating s/he is not ineligible to bid

Evaluation and Qualification: Eligibility

Criteria	Compliance Requirement			
Requirement	**Single Entity**	**Joint Venture**		
		All Partners Combined	**Each Partner**	**One Partner**
Conflict of Interest				
No conflicts of interest in accordance with ITB Sub-Clause 4.3.	must meet requirement	existing or intended JV must meet requirement	must meet requirement	not applicable
Government-owned Entity				
Applicant required to meet conditions of ITB Sub-Clause 4.5.	must meet requirement	existing or intended JV must meet requirement	must meet requirement	not applicable

Evaluation and Qualification: Eligibility

Criteria	Compliance Requirement			
Requirement	**Single Entity**	**Joint Venture**		
		All Partners Combined	**Each Partner**	**One Partner**
UN Eligibility				
Not having been declared ineligible based on a United Nations resolution or Employer's country law, as described in ITB Sub-Clause 4.8.	must meet requirement	existing or intended JV must meet requirement	must meet requirement	not applicable

Evaluation and Qualification: Eligibility

Criteria	Compliance Requirement			
Requirement	Single Entity	Joint Venture		
		All Partners Combined	Each Partner	One Partner
Bidder's Running Contracts				
Bidder's running contracts not more than five (5) as described in ITB Sub-Clause 4.9.	must meet requirement	existing or intended JV must meet requirement	must meet requirement	not applicable

Evaluation and qualification criteria cont…

2. Qualification (Works)

- Pending Litigation
- Financial Situation
  - Historical Financial Performance
  - Average Annual Construction Turnover
  - Financial Resources
- Experience
  - General Construction Experience
  - Specific Construction Experience
    - Contract of Similar Size and Nature
    - Construction Experience in Key Activities
- Personnel
- Equipment

Pending Litigation

Criteria	Compliance Requirement			
Requirement	Single Entity	Joint Venture		
		All Partners Combined	Each Partner	One Partner
Pending Litigation				
All pending litigation shall be treated as resolved against the Applicant and so shall in total not represent more than ………… percent of the Applicant's net worth.	must meet requirement by itself or as partner to past or existing JV	not applicable	must meet requirement by itself or as partner to past or existing JV	not applicable

Range is 50 to 100%

Financial Situation

Criteria	Compliance Requirement			
Requirement	**Single Entity**	**Joint Venture**		
		All Partners Combined	**Each Partner**	**One Partner**
Historical Financial Performance				
Submission of audited balance sheets and income statements, for the last …… years to demonstrate the current soundness of the applicants financial position. As a minimum, a Bidder's net worth calculated as the difference between total assets and total liabilities should be positive.	must meet requirement	not applicable	must meet requirement	not applicable

Range is 3 to 5 Years

Financial Situation

Criteria	Compliance Requirement			
Requirement	Single Entity	Joint Venture		
		All Partners Combined	Each Partner	One Partner
Average Annual Construction Turnover				
Minimum average annual construction turnover of NRs. ……………………, calculated as total certified payments received for construction contracts in progress or completed, within best three years out of last ten years..	must meet requirement	must meet requirement	must meet . . . 25% . . . of the requirement	must meet . . . 40% . . . of the requirement

Value is 1 to 1.5 times V/T, where V is Estimated Cost and T is Contract Duration in Years. T is take 1 if it is less than 1 year,

Financial Situation

Criteria	Compliance Requirement			
Requirement	**Single Entity**	**Joint Venture**		
		All Partners Combined	**Each Partner**	**One Partner**
Financial Resources				
Using Forms FIN - 3 and FIN - 4 in Section IV (Bidding Forms) the Bidder must demonstrate access to, or availability of, financial resources such as liquid assets, unencumbered real assets, and other financial resources, (other than any contractual advance payments) to meet the cash-flow requirement of … (5)…..	must meet requirement	must meet requirement	must meet 25% ………. of the requirement	must meet 40% ……… of the requirement

Financial Situation

Criteria	Compliance Requirement			
Requirement	Single Entity	Joint Venture		
		All Partners Combined	Each Partner	One Partner
Bid Capacity			25%	40%
▪The bidding capacity of the bidder should be equal to or more than the NRs……(E)…	must meet requirement	must meet requirement	must meet ……….. of the requirement	must meet ……… of the requirement

E is 80 to 100 % engineer's estimate without VAT

Experience

Criteria	Compliance Requirement			
Requirement	**Single Entity**	**Joint Venture**		
		All Partners Combined	**Each Partner**	**One Partner**
General Construction Experience				
Experience under construction contracts in the role of contractor, subcontractor, or management contractor for at least the last ……. years prior to the applications submission deadline.	must meet requirement	not applicable	must meet requirement	not applicable

Time Period is 3 to 5 Years.

Experience

Criteria	Compliance Requirement			
Requirement	Single Entity	Joint Venture		
		All Partners Combined	Each Partner	One Partner
Specific Construction Experience: Contracts of Similar Size and Nature				
Participation as Prime contractor, management contractor, or subcontractor, in at least 1 (One) contracts within the last ten (10) years, each with a value of at least NRs ……………….. that have been successfully or are substantially completed and that are similar to the proposed works. The similarity shall be based on the physical size, complexity, methods, technology or other characteristics as described in Section 5, Works Requirements.	must meet requirement	must meet requirement	not applicable*	not applicable

- **For works with value up to 50 million 40% of the Estimated value**
- **For works with value above 50 million 60% of the Estimated value**

*** For complex works 10 % of the estimated value**

Experience

Criteria	Compliance Requirement			
Requirement	Single Entity	Joint Venture		
		All Partners Combined	Each Partner	One Partner
Specific Construction Experience: Construction Experience in Key Activities				
For the above or other contracts executed during the period stipulated in 2.4.2(a) above, a minimum construction experience in the following key activities:	must meet all requirements	must meet all requirements	not applicable	not applicable

Key Activities

- List activities indicating volume, number or rate of production as applicable; for the key activity (ies) in the subject contract.
- The rates should be about 80% of the estimated production rates of the key activity(ies) in the subject contract.
- For the rate of production, the rate of production shall be on the basis of the average during the entire contract period.
- Only the activities having weightage 10 percent or more of the total estimated amount that should be manufactured or built by contractor should be considered as key activities
- Key activities or production rates to be specified shall not restrict innovation and better quality.

Key Activities…

- While specifying key activities or production rates, it shall be assured and to be recorded by public entity so that sufficient bidders with required qualification are available in market for adequate competition
- Key activities or production rates to be specified shall be unambiguous e.g. environmental friendly, international/high standard, complex technology etc.
- While specifying Key activities or production rates, the similarity shall be based on the complexity, methods or technology to be adopted.
- The activities that can be sub-contracted or readily available in the market (e.g. lift, elevator, electrical works, special type of facilities etc.) shall not considered as key activities.

Personnel

No.	Position	Total Work Experience [years]	Experience In Similar Works [years]
1	A	……	……
2	B	……	……
3	C	……	……

Equipment

No.		Equipment Type and Characteristics	Minimum Number Required
1	X	……	……
2	Y	……	……
3	Z	……	……

Any Question?