

Slide 6

## MEMBERSHIP OF THE PROCUREMENT PLANNING COMMITTEE

- ❑ The Procurement Planning Committee shall consist of:
  - ✦ The Accounting Officer or his Rep. who shall chair the committee
  - ✦ A Representative of :
    - ✦ The procurement unit of the procuring entity who shall be secretary
    - ✦ The unit directly in requirement of the procurement
    - ✦ The financial unit of the procuring entity
    - ✦ The planning, research and statistics unit of the procuring entity
    - ✦ Technical personnel of the procuring entity with expertise in subject matter for each particular procurement and
    - ✦ The legal unit of the procuring entity

### Speaker Notes

Section 21 of the PPA 2007 stipulates that each year a Procurement Planning Committee consist of the following shall be established:

- The Accounting Officer or his representative who shall chair the committee
- A Representative each of :
  - The procurement unit of the procuring entity who shall be secretary
  - The unit directly in requirement of the procurement
  - The financial unit of the procuring entity
  - The planning, research and statistics unit of the procuring entity
  - Technical personnel of the procuring entity with expertise in subject matter for each particular procurement and
  - The legal unit of the procuring entity

## Slide 7

### Procurement Plan Steps

- Establish the project objective & choose a basic strategy for achieving the objective
- Determine what goods, works and services are to be procured
- Break the project down into sub units or steps
- Determine the performance standards for each sub unit – Determine agency capacity to implement procurement– institutional, staffing, competence, training (Make or Buy)
- Decide how much time is required to complete each sub unit.

#### Speaker Notes

##### Procurement Planning Steps

- Establish the project objective & choose a basic strategy for achieving the objective
- Determine what goods, works and services are to be procured
- Break the project down into sub units or steps
- Determine the performance standards for each sub unit - Determine agency capacity to implement procurement– institutional, staffing, competence, training (Make or Buy)
- Decide how much time is required to complete each sub unit.

## Slide 8

### PROCUREMENT PLANT STEPS contd.

- Decide the proper sequence for completing the sub units and aggregate this information into a timetable for the total project.
- Choose the type of contract for each package
- Choose procurement method – ICB, NCB etc
- Determine lead time for each contract package
- Schedule the procurement process
- Develop a critical path/bar chart

## Speaker Notes

### Procurement Planning Steps (continued):

- Decide the proper sequence for completing the sub units and aggregate this information into a timetable for the total project.
- Choose the type of contract for each package
- Choose procurement method ICB, NCB etc
- Determine lead time for each contract package
- Schedule the procurement process
- Develop a critical path/bar chart

## Slide 9

### Prior or Post review

- For each contract lot, decide whether BPP prior or post review (for assistance with selection refer to "Approved Revised Threshold for Service Wide Application")
- BPP Prior review for Goods of N100m and above, Works of N1billion and above, and Services of 100m and above.
- Using table 1 in Revised Threshold – assign approving authority for No objection
- Use Table 2 of Revised Threshold for NNPC Special Works only

## Speaker Notes

### BPP Prior or Post Review

- For each contract lot, decide whether BPP prior or post review (for assistance with selection refer to "Approved Revised Threshold for Service Wide Application")
- BPP Prior review is required for Goods of N100m and above, Works of N1billion and above, and Services of 100m and above.
- Using table 1 in Revised Threshold assign approving authority for No objection  
Use Table 2 of Revised Threshold for NNPC Special Works only

## Slide 10

## Procurement method

- For each contract lot, decide procurement method and prequalification (for assistance with selection, refer to "Approved Revised Threshold for Service Wide Application" Table 3)

### Speaker Notes

#### Procurement method

- For each contract lot, decide procurement method and prequalification (for assistance with selection, refer to "Approved Revised Threshold for Service Wide Application" Table 3)

## Slide 11

## Lead Time for Goods, Equipment Plant

Administrative	Delivery /Exec	Install/warranty
advertise	manufacture	Ocean transit
Prepare specs	inspection	port clearance
Prepare bid docs	packaging	Inland transit
Submit bids	Inland transport	assembly
Evaluate bids	shipment	Installation
Check post qualifi		commissioning
Notify award		Testing
Receive p g		acceptance
Sign contract		warranty

## Speaker Notes

### Lead Time for Goods, equipment and plant

The table presents a list of tasks to be covered during procurement planning for a goods, equipment and plant procurement. The speaker needs to emphasize that in view of the large number of tasks, planners will have to be very efficient with planning.

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Administrative	Execution	Execution
Advertise for pq	mobilise	Maintenance period
Evaluate PQ applications		Claims
Prepare BOQ and specs	Construct, inspect	Final acceptance
Prepare bid docs	Provisional acceptance	
Issue BD		
Hold pre bid meeting		
Submit bids		
Evaluate bids		
Check post qualification		
Notify award		
Sign contract		

## Speaker Notes

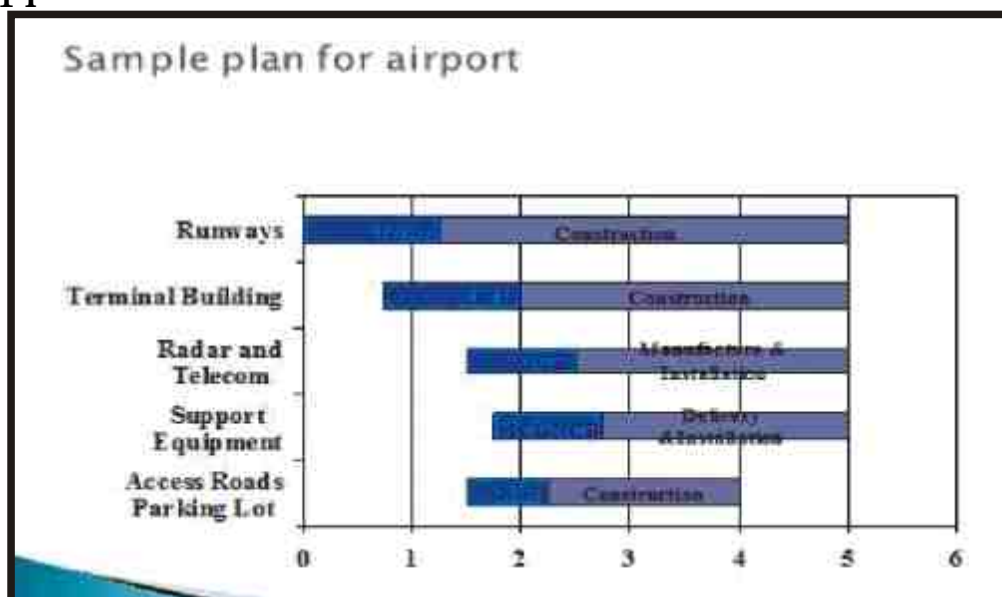
### Lead Time for Works

- The table presents a list of tasks to be covered during procurement planning for a works procurement.

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Lead Time for Consultants		
Administrative	performance	
Prepare TOR	Mobilize staff	
Prepare cost estimate	Perform contract	
Prepare short list	Submit interim reports	
Prepare RFP	Submit final report	
Receipt of proposals		
Evaluate technical proposals		
Evaluate price proposals		
Combine tech and price evaluations		
Negotiate award		

## Slide 14



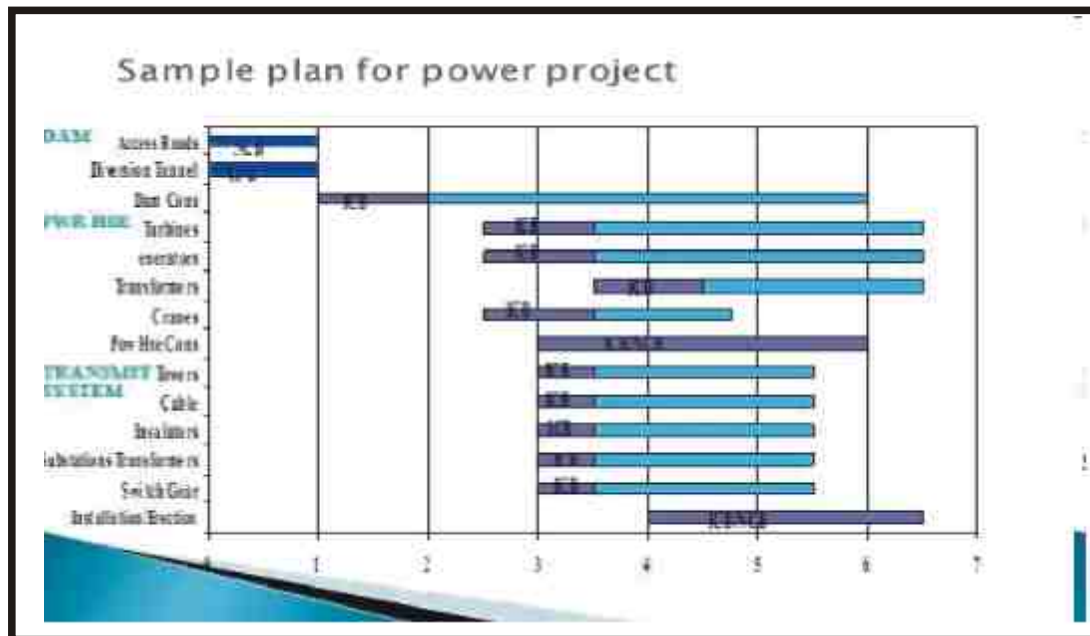
## Speaker Notes

## Sample Plan for Airport Project

The plan shows the project broken down into five procurements lots to be awarded as separate contracts using ICB for some and NCB for the rest.



## Slide 15



## Speaker Notes

## Sample Plan for Power Project

The plan shows the project broken down into fourteen procurements lots to be awarded as separate contracts using ICB for some and NCB for the rest.

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## Speaker Notes

### Procurement Planning Chart

The chart presents a step by step methodology for procurement planning.

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### Procurement Methods

- Goods
  - International/National Competitive Bidding – N100m and above
  - National Competitive Bidding – N2.5m and above but less than N100m
  - Shopping (Market Survey) – less than N2.5m
  - Single Source/Direct Contracting – less than N0.25m
- Works
  - International/National Competitive Bidding – N1 billion and above
  - National Competitive Bidding – N2.5m and above but less than N1 billion
  - Shopping (Market Survey) – less than N2.5m
  - Single Source/Direct Contracting – less than N0.25m

## Speaker Notes

### Procurement Methods:

#### Goods

- International/National Competitive Bidding N100m and above
- National Competitive Bidding N2.5m and above but less than N100m
- Shopping (Market Survey) less than N2.5m
- Single Source/Direct Contracting less than N0.25m

#### Works

- International/National Competitive Bidding N1 billion and above
- National Competitive Bidding N2.5m and above but less than N1 billion
- Shopping (Market Survey) less than N2.5m
- Single Source/Direct Contracting less than N0.25m



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## Procurement Methods

- Non-Consultant Services
  - International/National Competitive Bidding – N100m and above
  - National Competitive Bidding – N2.5m and above but less than N100m
  - Shopping (Market Survey) – less than N2.5m
  - Single Source/Direct Contracting – less than N0.25m
- Consultant Services
  - Quality and Cost Based Selection (QCBS) – N25million and above
  - Consultant Qualifications Selection (CQS) – less than N25million but not less than N0.25m
  - Least Cost Selection (LCS) – less than N25m but not less than N0.25m (user to choose between CQS and LCS cos of same threshold)
  - Single Source/Direct Contracting – less than N0.25m

## Speaker Notes

Procurement Methods according to Revised Threshold from BPP:

- Non-Consultant Services
  - International/National Competitive Bidding N100m and above
  - National Competitive Bidding N2.5m and above but less than N100m
  - Shopping (Market Survey) less than N2.5m
  - Single Source/Direct Contracting less than N0.25m
- Consultant Services
  - Quality and Cost Based Selection (QCBS) N25million and above
  - Consultant Qualifications Selection (CQS) less than N25million but not less than N0.25m
  - Least Cost Selection (LCS) less than N25m but not less than N0.25m (user to choose between CQS and LCS cos of same threshold)
  - Single Source/Direct Contracting less than N0.25mA

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### Procurement Methods

- **QUALITY– AND COST–BASED SELECTION (QCBS)**
  - **PREFERRED METHOD FOR MOST ASSIGNMENTS**
  - **TECHNICAL AND FINANCIAL PROPOSALS IN SEPARATE ENVELOPES.**
  - **FINANCIAL PROPOSALS SHALL REMAIN SEALED WITH INDEPENDENT AUTHORITY**
  - **TECHNICAL EVALUATION (QUALITY) FIRST**
  - **PUBLIC OPENING OF FINANCIAL PROPOSALS**
  - **COMBINED EVALUATION BASED ON WEIGHED FORMULA**


### Speaker Notes

- SINCE QCBS IS THE PREFERRED METHOD, THE CHOICE OF ANY OTHER METHOD WILL HAVE TO BE EXPLAINED AND JUSTIFIED.
- THE TECHNICAL EVALUATION HAS TO BE CARRIED OUT WITHOUT THE MEMBERS OF THE EVALUATION COMMITTEE BEING AWARE OF, OR INFLUENCED BY, THE FINANCIAL PROPOSALS IN ORDER TO AVOID BIAS IN THE EVALUATION. PROPOSALS NOT SCORING THE SPECIFIED MINIMUM TECHNICAL SCORE WILL BE REJECTED (FINANCIAL PROPOSALS RETURNED UNOPENED).
- PUBLIC OPENING IS NOT OPEN TO THE GENERAL PUBLIC BUT ONLY TO PARTICIPATING CONSULTANTS AND RELEVANT PE OFFICIALS.
- SINCE COST IS A FACTOR IN THE EVALUATION, THE UNIT RATES FOR STAFF-MONTHS AND FOR “REIMBURSABLES” SHALL NOT BE NEGOTIATED.

## Slide 20

### Procurement Methods

- **QUALITY BASED SELECTION (QBS)**
  - **LARGE COMPLEX ASSIGNMENTS**
  - **TECHNICAL PROPOSAL ONLY OR BOTH IN SEPARATE ENVELOPES**
  - **TECHNICAL EVALUATION (QUALITY)**
  - **FINANCIAL EVALUATION ONLY OF FIRM WITH HIGHEST TECHNICAL SCORE**



### Speaker Notes

#### USE ONLY FOR:

- COMPLEX AND HIGHLY SPECIALIZED ASSIGNMENTS (COUNTRY OR SECTOR STUDIES, MULTISECTORAL FEASIBILITY STUDIES, MASTER PLANS, FINANCIAL SECTOR REFORMS, ETC.);
- ASSIGNMENT WITH HIGH DOWNSTREAM IMPACT (FEASIBILITY STUDIES AND DESIGN OF MAJOR INFRASTRUCTURE AS LARGE DAMS);
- PROPOSALS NOT COMPARABLE (DIFFERENT APPROACHES POSSIBLE)
- SINCE PRICE IS NOT A FACTOR IN THE EVALUATION, CONTRACT

NEGOTIATIONS MAY INCLUDE UNIT RATES.


IF FINANCIAL PROPOSALS WERE REQUESTED IN THE RFP, ONLY THE FINANCIAL PROPOSAL FROM THE HIGHEST SCORING FIRM IN THE TECHNICAL EVALUATION SHALL BE OPENED. THE OTHERS SHALL BE RETURNED UNOPENED AFTER NEGOTIATIONS ARE SUCCESSFULLY CONCLUDED.

## Slide 21

### Procurement Methods

#### SELECTION UNDER FIXED BUDGET (FBS)

- **FINANCIAL PROPOSALS TO BE WITHIN SPECIFIED FIXED BUDGET**
- TECHNICAL AND FINANCIAL PROPOSALS IN TWO SEPARATE ENVELOPES
- TECHNICAL EVALUATION (QUALITY) FIRST
- PUBLIC OPENING OF FINANCIAL PROPOSALS
- REJECTION OF PROPOSALS EXCEEDING FIXED BUDGET
- HIGHEST RATED TECHNICAL PROPOSAL (WITHIN FIXED BUDGET) SELECTED



### Speaker notes

- Use this method only for simple assignments which can be precisely defined.
- The RFP shall indicate the available budget.
- The rules for handling the financial proposals, and for the public opening, are the same as for QCBS
- The reason for opening all the proposals, and not only the highest rated, is that contract negotiations with the highest rated firm might not be successful.

## Slide 22

### Procurement Methods

#### LEAST COST SELECTION (LCS)

- **ROUTINE ASSIGNMENTS ONLY**
- TECHNICAL AND FINANCIAL PROPOSALS IN TWO SEPARATE ENVELOPES
- TECHNICAL PROPOSALS MUST ACHIEVE SPECIFIC MINIMUM SCORE OR THEY ARE REJECTED
- FINANCIAL PROPOSALS OF SUCCESSFUL FIRMS OPENED IN PUBLIC
- LOWEST PRICE PROPOSAL SELECTED

## Speaker notes

- " The rules for handling the financial proposals and for the public opening of the proposals are the same as for QCBS. Only the financial proposals for the firms scoring above the minimum score in the technical evaluation are opened. The others are returned unopened after negotiations with the successful firms are concluded.
- The minimum score shall be established keeping in mind that all proposals above the minimum compete only on cost.

## Slide 23

## Procurement Methods

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- SELECTION BASED ON CONSULTANTS' QUALIFICATIONS (SBCQ or CQS)
  - **SMALL ASSIGNMENTS ONLY**
  - REQUEST FOR EXPRESSIONS OF INTEREST
  - EVALUATION OF EACH FIRM'S EXPERIENCE AND COMPETENCE
  - SELECTION OF THE MOST APPROPRIATE FIRM
  - SELECTED FIRM TO SUBMIT TECHNICAL AND FINANCIAL PROPOSAL

## Speaker notes

- Use only when the need for preparing and evaluating competitive proposals is not justified.
- Although the method is being used only for very small assignments, some degree of competition shall be achieved by advertizing for expressions of interest from consulting firms.

The procuring entity shall establish a shortlist, and then select the most appropriate firm based on the firms experience and competence relevant to the assignment.



## Slide 24

### Procurement Methods

- ▶ **SINGLE SOURCE SELECTION (SSS)**
  - **NATURAL CONTINUATION OF PREVIOUS WORK BY FIRM**
  - **RAPID SELECTION ESSENTIAL (EMERGENCY)**
  - **VERY SMALL ASSIGNMENT**
  - **FIRM HAS UNIQUE QUALIFICATIONS OR EXPERIENCE OF EXCEPTIONAL WORTH**
  - **MDA SOLICITS TECHNICAL/FINANCIAL PROPOSAL**

### Speaker notes

- This method shall be used only in exceptional cases, and only after consultation with BPP
- When a continuation of a consultant firm's previous work is likely or necessary, the initial RFP shall outline this, and, if practical, the selection criteria should take the likelihood of continuation into account.
- The originally selected consultants will have to submit a detailed technical and financial proposal for the continuation of their services.

## Slide 25

### Advice to the Ministry

- ▶ Start to prepare procurement plans early same time budget is prepared preferably last Qtr of the preceding year
- ▶ Submit plans to BPP in the last Qtr of the preceding year
- ▶ Set realistic timelines for each procurement activity
- ▶ Monitor actual performance against plan and demand explanation for any deviations from plan
- ▶ Hold officers accountable to deliver the plan
- ▶ Develop recovery measures where necessary



## Speaker Notes

### Advice to MDAs:

- MDAs are to start preparing procurement plans early around the same time budget is being prepared preferably last Qtr of the preceding year
- MDAs are to submit plans to BPP in the last Qtr of the preceding year
- MDAs are to set realistic timelines for each procurement activity, being cautiously optimistic about the timelines required for each activity especially those that are beyond the control of the MDAs such as FEC approval, etc.
- MDAs are to continuously monitor actual performance against plan and demand explanation for any deviations from plan
- Officers should be held accountable to deliver the plan
- MDAs are to develop recovery measures where necessary.

## Slide 26



## Speaker Notes

Speaker is to conclude with the quotation:

“Failure to plan is planning to fail”

## 4.0 Module III: Procedure for Bid Notice, Preparation, Submission & Opening

### 4.1 Module Objectives

#### 4.1.1 Rationale

Without a standardised procedure for Bidding, each MDA will use their discretion resulting in varied procedures with concomitant discretion being employed in different manners by the procurement officers.

There is therefore the need for standardised procedures for each aspect of the bid process starting from the use of standard documents for bid preparation and ending with standard procedures for bid opening.

#### 4.1.2 Objective

The objective of this module is that participants should gain a sound and working understanding of procurement process covering the preparation of bid documents, advertisements, bid closing and bid opening procedures.

This knowledge will provide them with the requisite skills to be able to monitor the bid process especially the bid closing and opening stages where the CSOs are usually in attendance as observers.

### 4.2 Module Programme

The module programme covers the following introductions, General Procurement Notice, Specific Procurement Notice, Request for EOI (for services), Pre-qualification of bidders, Invitation to bid, Submission of bids, Rejection of bids, Bid validity period and Modification and withdrawal of bids and Bid Opening.

### 4.3 Module Reading

#### 4.3.1 Essential reading

- 1) Public Procurement Act 2007
- 2) Procurement Procedures Manual for Public Procurement in Nigeria issued by BPP

#### 4.3.2 Further reading

- 1) Public Procurement Act 2007

## 4.4 Module Content

### Slide 1

# PROCEDURE FOR BID NOTICE, BID PREPARATION, SUBMISSION AND OPENING

#### Speaker Notes

The speaker should start the presentation with:

- A self introduction of qualifications and experience in the topic
- Explain that an efficient procurement system is predicated on following best practice procedures for bid notice, bid preparation, bid submission and bid opening hence the need for this paper.

### Slide 2

## CONTENT

- » Introduction
- » General Procurement Notice
- » Specific Procurement Notice
- » Request for EOI (for services)
- » Pre-qualification of bidders
- » Invitation to bid
- » Submission of bids
- » Rejection of bids
- » Bid validity period and Modification and withdrawal of bids
- » Bid Opening

## Speaker Notes

The speaker introduces a brief outline of the presentation:

- Introduction
- General Procurement Notice
- Specific Procurement Notice
- Request for EOI (for services)
- Pre-qualification of bidders
- Invitation to bid
- Submission of bids
- Rejection of bids
- Bid validity period and Modification and withdrawal of bids
- Bid Opening

## Slide 3



The slide is titled "Introduction" in a large, bold, black font. Below the title, there are three main bullet points, each preceded by a small black square. The first bullet point is "Features of a sound procurement system", followed by a sub-bullet point: "Economy, Efficiency, Fairness, Reliability, Transparency, Accountability and Ethical Standards". The second bullet point is "Procurement plans must be supported", followed by a sub-bullet point: "by prior budgetary appropriations, conducted by open competitive bidding, except as otherwise exempted, in a transparent, timely, and equitable manner so as to ensure accountability and conformity with the Public Procurement Act and achieve value for money". The third bullet point is "The Accounting Officer of the Procuring Entity", followed by a sub-bullet point: "has the overall responsibility for the planning, organization and evaluation of tenders and execution of all procurements including the obligation to commit adequate procurement resources for the proper performance of their respective responsibilities." The slide has a white background with a black border.

# Introduction

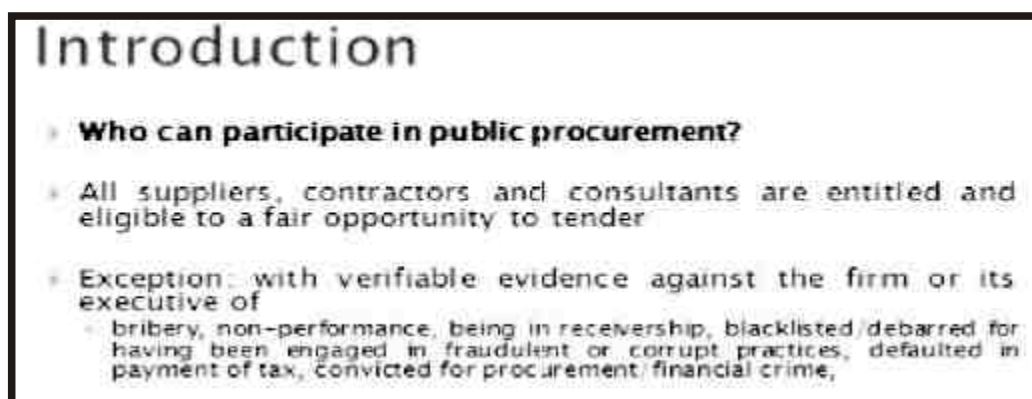
- ▀ Features of a sound procurement system
  - ▀ Economy, Efficiency, Fairness, Reliability, Transparency, Accountability and Ethical Standards
- ▀ Procurement plans must be supported
  - ▀ by prior budgetary appropriations, conducted by open competitive bidding, except as otherwise exempted, in a transparent, timely, and equitable manner so as to ensure accountability and conformity with the Public Procurement Act and achieve value for money
- ▀ The Accounting Officer of the Procuring Entity
  - ▀ has the overall responsibility for the planning, organization and evaluation of tenders and execution of all procurements including the obligation to commit adequate procurement resources for the proper performance of their respective responsibilities.

## Speaker Notes

### Introduction:

- The features of a sound procurement system include Economy, Efficiency, Fairness, Reliability, Transparency, Accountability and Ethical Standards these have been highlighted on the BPP Manual on Public Procurement
- Procurement plans must be supported by prior budgetary appropriations, conducted by open competitive bidding, except as otherwise exempted, in a transparent, timely, and equitable manner so as to ensure accountability and conformity with the PPA2007 and achieve value for money
- The Accounting Officer of the Procuring Entity has the overall responsibility for the planning, organization and evaluation of tenders and execution of all procurements including the obligation to commit adequate procurement resources for the proper performance of their respective responsibilities (With power comes responsibility!)

## Slide 4



## Speaker Notes

### Introduction:

- All suppliers, contractors and consultants are entitled and eligible to a fair opportunity to tender
- Exception: with verifiable evidence against the firm or its executive of
- Bribery, non-performance, being in receivership, blacklisted/debarred for having been engaged in fraudulent or corrupt practices, defaulted in payment of tax, convicted for procurement/financial crime, etc.
- This means any supplier, contractor or consultant that meets the requirements of the SBD or RFP.

## Slide 5

## Introduction

- **The Roles of the Procuring Entity**
- The Procurement Planning Committee, headed by the Accounting Officer, shall amongst others be responsible for
  - preparing the needs assessment and evaluation of the Procuring Entity
  - identifying the goods, works, and services required
  - carrying out appropriate market and statistical surveys in conjunction with the Department of Planning, Research and Statistics (where available)
  - preparing an analysis of cost implications of proposed procurement
  - aggregating its requirements whenever possible, both within the procuring entity and between procuring entities, to obtain economy of scale and reduce procurement cost
  - integrating the Entity's procurement expenditure into the yearly budget
  - and prescribing appropriate method for effecting the procurement and securing necessary Approval for its implementation.

### Speaker Notes

The PPC starts the procurement process -

The Procurement Planning Committee, headed by the Accounting Officer, shall amongst others be responsible for

- preparing the needs assessment and evaluation of the Procuring Entity
- identifying the goods, works, and services required
- carrying out appropriate market and statistical surveys in conjunction with the Department of Planning, Research and Statistics (where available)
- preparing an analysis of cost implications of proposed procurement
- aggregating its requirements whenever possible, both within the procuring entity and between procuring entities, to obtain economy of scale and reduce procurement cost
- integrating the Entity's procurement expenditure into the yearly budget and
- prescribing appropriate method for effecting the procurement and securing necessary Approval for its implementation.



## Slide 6

## General Procurement Notice (GPN)

- The General Procurement Notice contains **advance information on the major procurement packages** being considered or approved for funding by the procuring entity. The information is intended to alert suppliers and contractors of ICB procurements and consultants of upcoming opportunities.
- The **information to be included in the GPN** includes :
  - the name of the procuring entity;
  - description of the entity's programme of activity;
  - the scope of procurement under ICB and consulting assignments;
  - if known, the schedule dates for availability of the tendering documents or, as appropriate, the prequalification documents.

### Speaker Notes

#### General Procurement Notice (usually for only ICB)

- The General Procurement Notice contains advance information on the major procurement packages being considered or approved for funding by the procuring entity. The information is intended to alert suppliers and contractors of ICB procurements and consultants of upcoming opportunities.
- The information to be included in the GPN includes :
  - the name of the procuring entity;
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  - the scope of procurement under ICB and consulting assignments;
  - if known, the schedule dates for availability of the tendering documents or, as appropriate, the prequalification documents.

## Slide 7

### Specific Procurement Notice (SPN)

- ▶ A **Specific Procurement Notice** for each of the major procurement packages in the procurement plan should also be issued either as a public Invitation for Prequalification, or in the absence of pre-qualification, as an Invitation for Tenders.
- ▶ It is recommended in practice that the invitation also be incorporated in the front of the prequalification or tender documents as appropriate. SPNs should provide adequate notification of specific contract opportunities or Invitation for Tenders (IFT) by a procuring entity regardless of what procurement method is used. The SPN should be issued in the following way:
  - as an advertisement in **at least two national dailies** and the **Procurement Journal**;
  - by an announcement in the Government Official Gazette.
- ▶ If there has been prequalification, the procuring entity sends the Invitation for Tender (IFT) and tendering documents only to the pre-qualified potential bidders, with notification of their successful prequalification. No additional notices or any advertising for tendering are required or should be issued under these circumstances.

## Speaker Notes

## Specific Procurement Notice (better known as Advertisement)

- ? A Specific Procurement Notice for each of the major procurement packages in the procurement plan should also be issued either as a public Invitation for Prequalification, or in the absence of pre-qualification, as an Invitation for Tenders.
- ? It is recommended in practice that the invitation also be incorporated in the front of the prequalification or tender documents as appropriate. SPNs should provide adequate notification of specific contract opportunities or Invitation for Tenders (IFT) by a procuring entity regardless of what procurement method is used. The SPN should be issued in the following way:
  - as an advertisement in at least two national dailies and the Procurement Journal;
  - by an announcement in the Government Official Gazette.

## Slide 8

### Specific Procurement Notice (SPN)

- ▶ A Specific Procurement Notice contains information concerning :
  - the name of the procuring entity;
  - the name or nature of the contract;
  - items to be procured;
  - contact information for obtaining tendering documents;
  - cost of the tendering documents;
  - place and deadline for tender delivery;
  - required tender security amount and form;
  - the place, date and time of tender opening, and;
  - the minimum qualifications that bidders must meet.
- ▶ An invitation for prequalification includes similar information including the place and deadline for submission of the application to pre-qualify.

### Speaker Notes

#### Specific Procurement Notice (continued):

- ? A Specific Procurement Notice contains information concerning :
- the name of the procuring entity in full;
  - the name or nature of the contract;
  - items to be procured using specifications used in the industry;
  - contact information for obtaining tendering documents name, office address and room number;
  - cost of the tendering documents (not more than cost of recovery of printing and documentation);
  - place date and time deadline for tender delivery;
  - required tender security amount and form;
  - the place, date and time of tender opening, and,
  - the minimum qualifications that bidders must meet.
- ? An invitation for prequalification includes similar information including the place and deadline for submission of the application to pre-qualify.

## Slide 9

### Request for EOI (for services)

- A Request for Expression of Interest (EOI) should also be published in at least **two national dailies**, any procurement websites or **Federal Tenders Journal** (now circulated throughout Nigeria) or other electronic media.
- Interested consultants should be requested to provide the minimum information required to make a judgment on the firm's suitability for being short-listed. Sufficient time (not less than 14 days) shall be provided for responses before preparation of the short list.

## Speaker Notes

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## Slide 10

### Prequalification of Bidders

- Prequalification is common for large works, civil works, **turnkey plants, Build Operate & Transfer, some special goods** and complex information technology systems.
- However, prequalification is **not generally needed for vehicles, PC supply and ordinary goods.**
- Where a **procuring entity** has made a decision with respect to the minimum qualifications of suppliers, contractors or service providers by requesting interested persons to submit applications to pre-qualify, it **shall set out precise criteria upon which it seeks to give consideration** to the applications and in reaching a decision as to which supplier, contractor or service provider qualifies, **shall apply only the criteria set out in the prequalification documents** and no more.

## Speaker Notes

### Prequalification of Bidders:

- Prequalification is common for large works, civil works, turnkey plants, Build Operate & Transfer, some special goods and complex information technology systems.
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- Where a procuring entity has made a decision with respect to the minimum qualifications of suppliers, contractors or service providers by requesting interested persons to submit applications to pre-qualify, it shall set out precise criteria upon which it seeks to give consideration to the applications and in reaching a decision as to which supplier, contractor or service provider qualifies, shall apply only the criteria set out in the prequalification documents and no more..
- Prequalification mandatory for goods contract over N100m while for works contract over N300m

## Slide 11

### Prequalification of Bidders

- Procuring entities **shall supply a set of prequalification documents to each supplier, contractor or service provider** that requests them; and the price that a procuring entity may charge for the prequalification documents shall reflect only the cost of printing and provision to suppliers or contractors and service providers.
- The prequalification documents **shall include**:
  - instructions to prepare and submit prequalification applications;
  - a summary of the main terms and conditions required for the procurement contract to be entered into as a result of the procurement proceedings;
  - any documentary evidence or other information that must be submitted by suppliers, contractors or service providers to demonstrate their qualifications;



## Speaker Notes

### Prequalification of Bidders:

The prequalification documents shall include:

- instructions to prepare and submit prequalification applications;
- a summary of the main terms and conditions required for the procurement contract to be entered into as a result of the procurement proceedings;
- any documentary evidence or other information that must be submitted by suppliers, contractors or service providers to demonstrate their qualifications e.g. list of equipment, personnel, financial capability;

## Slide 12

### Prequalification of Bidders

- the manner and place for the submission of applications to pre-qualify and the deadline for the submission, expressed as a specific date and time which allows sufficient time for suppliers, contractors or service providers to prepare and submit their applications, taking into account the reasonable needs of the procuring entity; and,
- any other requirement that may be established by the procuring entity in conformity with this Act and procurement regulations relating to the preparation and submission of applications to pre-qualify and to the prequalification proceedings.

## Speaker Notes

### Prequalification of Bidders

- the manner and place for the submission of applications to pre-qualify and the deadline for the submission, expressed as a specific date and time which allows sufficient time for suppliers, contractors or service providers to prepare and submit their applications, taking into account the reasonable needs of the procuring entity (say about 2 weeks); and,
- any other requirement that may be established by the procuring entity in conformity with this Act and procurement regulations relating to the preparation and submission of applications to pre-qualify and to the prequalification proceedings.



## Slide 13

### Prequalification of Bidders

- ✧ The procurement entity shall respond to any request by a supplier, contractor or service provider for clarification of the prequalification documents if the request is made at least ten days before the deadline for the submission of applications to pre-qualify. The response by the procuring entity shall in any event within a period of at most seven working days
- ✧ The response to any request shall, without identifying the source of the request, be communicated to other suppliers or contractors or service providers provided with the prequalification documents by the procuring entity.
- ✧ A procuring entity shall promptly notify each supplier, contractor or service provider which submitted an application to pre-qualify of whether or not it has been pre-qualified and shall make available to any member of the general public upon request, the names of the suppliers, contractors or service providers who have been pre-qualified.

## Speaker Notes

## Prequalification of Bidders

- The procurement entity shall respond to any request by a supplier, contractor or service provider for clarification of the prequalification documents if the request is made at least ten days before the deadline for the submission of applications to pre-qualify. The response by the procuring entity shall in any event within a period of at most seven working days (transparency)
- The response to any request shall, without identifying the source of the request, be communicated to other suppliers or contractors or service providers provided with the prequalification documents by the procuring entity (for fairness and equity).
- A procuring entity shall promptly notify each supplier, contractor or service provider which submitted an application to pre-qualify of whether or not it has been pre-qualified and shall make available to any member of the general public upon request, the names of the suppliers, contractors or service providers who have been pre-qualified (transparency).

## Slide 14

## Prequalification of Bidders

- The **procuring entity shall upon request communicate to suppliers, contractors or service providers who have not been pre-qualified**, the grounds for disqualification but the procuring entity is not required to specify the evidence or give the reasons for its findings.
- The **procuring entity may require a supplier, contractor or service provider who has been pre-qualified to demonstrate its qualifications** again in accordance with the same criteria used to pre-qualify the supplier, contractor or service provider.
- The **procuring entity shall disqualify any supplier, contractor or service provider who fails to demonstrate its qualification** again if requested to do so. The procuring entity shall promptly notify each supplier, contractor or service provider requested to demonstrate its qualifications again whether or not the supplier, contractor or service provider has done so to the satisfaction of the procuring entity.

### Speaker Notes

#### Prequalification of Bidders

- ? The procuring entity shall upon request communicate to suppliers, contractors or service providers who have not been pre-qualified, the grounds for disqualification but the procuring entity is not required to specify the evidence or give the reasons for its findings.
- ? The procuring entity may require a supplier, contractor or service provider who has been pre-qualified to demonstrate its qualifications again in accordance with the same criteria used to pre-qualify the supplier, contractor or service provider.
- ? The procuring entity shall disqualify any supplier, contractor or service provider who fails to demonstrate its qualification again if requested to do so. The procuring entity shall promptly notify each supplier, contractor or service provider requested to demonstrate its qualifications again.

## Slide 15

### Invitation to bid

- Invitations to bid may be either by way of National Competitive Bidding or International Competitive Bidding and the Bureau shall from time to time set the monetary thresholds for which procurements shall fall under either system.
- Every invitation to an Open Competitive Bid shall:
  - In the case of goods and works under ICB, will be advertised in at least two national newspapers, the relevant internationally recognized newspapers, any official websites of the procuring entity and the Bureau as well as the procurement journal not less than six weeks before the deadline for submission of the bids for the goods and works;
  - In the case of goods and works valued under National Competitive Bidding, the invitation for bids shall be advertised on the notice board of the procuring entity, any official websites of the procuring entity, at least two national newspapers and in the procurement journal not less than six weeks before the deadline for submission of the bids for the goods and works.

### Speaker Notes

#### Invitation to Bid Section 25 of the PPA2007:

- Invitations to bid may be either by way of NCB or ICB and the Bureau shall from time to time set the monetary thresholds for which procurements shall fall under either system.
- Every invitation to an Open Competitive Bid shall:
  - In the case of goods and works under ICB, will be advertised in at least two national newspapers, the relevant internationally recognized newspapers, any official websites of the procuring entity and the Bureau as well as the procurement journal not less than six weeks before the deadline for submission of the bids for the goods and works;
  - In the case of goods and works valued under NCB, the invitation for bids shall be advertised on the notice board of the procuring entity, any official websites of the procuring entity, at least two national newspapers and in the procurement journal not less than six weeks before the deadline for submission of the bids for the goods and works.

## Slide 16

## Invitation to bid

- Every advert of an invitation to an Open Competitive Bid shall include:
  - The name and address of the procuring entity ;
  - The nature, quantity, category and place of delivery of goods to be procured or the nature, category, and location of the works to be procured;
  - A statement that submissions must be made only in the English language;
  - The deadline for delivering or performing the procurement;
  - Information about the requirements to be met by suppliers and contractors;
  - A statement of the application of domestic preferences if any;
  - The instructions for obtaining the documents containing the specifications of the essential provisions of the procurement and the price, if any, for these documents;
  - The place and deadline for the submission of the bids;
  - The place, date and time for the opening of the bids.
- If the procuring entity had previously conducted pre-qualifiers for the procurement in question, **the tender documents shall be issued only to those suppliers and contractors who had pre-qualified** and paid the necessary fee for the tender documents. The price to be stipulated for any tender documents must not exceed the reasonable cost of printing, compilation and delivery of the documents plus a commensurate administrative fee.

**Speaker Notes**

## Invitation to Bid

- Every advert of an invitation to an Open Competitive Bid shall include :
  - The name and address of the procuring entity ;
  - The nature, quantity, category and place of delivery of goods to be procured or the nature, category, and location of the works;
  - A statement that submissions must be made only in the English;
  - The deadline for delivering or performing the procurement;
  - Information about the requirements to be met by contractors;
  - A statement of the application of domestic preferences if any;
  - The instructions for obtaining the documents containing the specifications of the essential provisions of the procurement;
  - The place and deadline for the submission of the bids;
  - The place, date and time for the opening of the bids.
- If the procuring entity had previously conducted pre-qualifiers for the procurement in question, **the tender documents shall be issued only to those suppliers and contractors who had pre-qualified.**



## Slide 17

## Invitation to bid

- Any person may after collecting the tender documents, **request for clarifications** of matters contained in the tender documents. All such requests for clarifications shall be in writing addressed to the procuring entity no later than 2 weeks before the deadline for the submission of the bids.
- The response by the **procuring entity shall provide a written response** within a reasonable time and in any event not later than one week before the deadline for submission of bids so as to enable the supplier or contractor to make a timely submission of its bid.
- The response to any requests for clarifications shall, **without identifying the source of the request, be copied to all** other prospective suppliers and contractors who had paid for and collected the tender documents.
- At anytime before the deadline for submission of bids, the **procuring entity may modify the tender documents by issuing an addendum** either in response to a request for clarification or for any other reason. The addendum shall be sent in writing to all prospective suppliers and contractors who had obtained the tender documents.
- A **procuring entity if it finds it expedient so to do may convene a pre-tender conference** for the suppliers and contractors in order to clarify all matters pertaining to the tender documents. All requests for clarifications and the responses provided during the conference shall be recorded in the minutes of the meeting without identifying the source of the requests and the minutes shall be distributed to all suppliers and contractors. In all such cases where addendums have been issued, the procuring entity shall be obliged to extend the deadline by such a length of time as would be reasonable to allow the suppliers and contractors to consider the clarifications and, or addendums to the tender documents and make the appropriate inputs to their bids. Notice of the extension shall be promptly dispatched to every supplier or contractor who had obtained the bid documents.

## Speaker Notes

## Invitation to Bid

- Any person may after collecting the tender documents, request for clarifications of matters contained in the tender documents.
- The response by the procuring entity shall provide a written response within a reasonable time and in any event not later than one week before the deadline for submission of bids
- The response to any requests for clarifications shall, without identifying the source of the request, be copied to all other prospective suppliers and contractors
- At anytime before the deadline for submission of bids, the procuring entity may modify the tender documents by issuing an addendum.
- A procuring entity if it finds it expedient so to do may convene a pre-tender conference

## Slide 18

### Submission of bids

- All bids in response to an invitation to Open Competitive Bidding shall be submitted in writing and, or any other format stipulated in the tender documents, signed by an official authorized to bind the bidder to a contract and placed in a SEALED envelope.
- All submitted bids shall be deposited in a secured tamper-proof bid-box.
- All bids must be in English language.
- The procuring entity shall issue a receipt showing the date and time the bid was delivered.
- Any bid received after the deadline for the submission of bids shall not be opened and must be returned to the bidder.
- No communication shall take place between procuring entities and any supplier or contractor after the publication of a bid solicitation other than for the purpose of providing additional clarifications

### Speaker Notes

#### Submission of Bids

- All bids in response to an invitation to Open Competitive Bidding shall be submitted in writing and, or any other format stipulated in the tender documents, signed by an official authorized to bind the bidder to a contract and placed in a SEALED envelope.
- All submitted bids shall be deposited in a secured tamper-proof bid-box.
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- Any bid received after the deadline for the submission of bids shall not be opened and must be returned to the bidder.

No communication shall take place between procuring entities and any supplier or contractor after the publication of a bid solicitation other than for the purpose of providing additional clarifications



## Slide 19

### Rejection of bids

- ▶ A procuring entity may:
  - Reject all bids at any time prior to the acceptance of a bid, without incurring any liability to the bidders,
  - Cancel the procurement proceedings in the public interest, without incurring any liability to the bidders.
- ▶ Bidding documents should carry a provision for the rejection of all bids received.
- ▶ However, rejection of all bids shall be done only under exceptional circumstances and can be justified when there is lack of effective competition, or no substantially responsive bid received; inadequate competition; all bid prices were unreasonably high and substantially above the Procuring Entity's budget provision; bidding documents found to be defective; or the requirements of the Procuring Entity has changed.

### Speaker Notes

#### Rejection of Bids

- A procuring entity may:
  - Reject all bids at any time prior to the acceptance of a bid, without incurring any liability to the bidders,
  - Cancel the procurement proceedings in the public interest, without incurring any liability to the bidders.
- Bidding documents should carry a provision for the rejection of all bids received.
- However, rejection of all bids shall be done only under exceptional circumstances and can be justified when there is lack of effective competition; or no substantially responsive bid received; inadequate competition; all bid prices were unreasonably high and substantially above the Procuring Entity's budget provision; bidding documents found to be defective; or the requirements of the Procuring Entity has changed.

## Slide 20

### Bid validity period and Modification and withdrawal of bids

- The period of validity for a bid shall be the period specified in the tender documents.
- A procuring entity may request suppliers or contractors to extend the period of validity for an additional specified period of time.
- A supplier or contractor may refuse the request and the effectiveness of its bid will terminate upon the expiry of the un-extended period of effectiveness.
- A supplier or contractor may modify or withdraw its bid prior to the deadline for the submission of bids. The modification or notice of withdrawal is effective if it is received by the procurement entity before the deadline for the submission of tenders.

#### Speaker Notes

##### Bid Validity and Modification and Withdrawal of Bids

- The period of validity for a bid shall be the period specified in the tender documents.
- A procuring entity may request suppliers or contractors to extend the period of validity for an additional specified period of time.
- A supplier or contractor may refuse the request and the effectiveness of its bid will terminate upon the expiry of the un-extended period of effectiveness.
- A supplier or contractor may modify or withdraw its bid prior to the deadline for the submission of bids. The modification or notice of withdrawal is effective if it is received by the procurement entity before the deadline for the submission of tenders.

## Slide 21

### Bid Opening: commencement of Procurement Implementation

- All bids shall be submitted before or by the deadline or date specified in the tender documents or any extension of the deadline for submission and the procuring entity shall:
  - Permit attendees to examine the envelopes in which the bids have been submitted to ascertain that the bids have not been tampered with;
  - cause all the bids to be opened in public, in the presence of the bidders or their representatives and any interested member of the public;
  - ensure that the bid opening takes place **immediately** following the deadline stipulated for the submission of bids or any extension thereof;
  - ensure that a register is taken of the names and addresses of all those present at the bid opening and the organizations they represent which is recorded by the secretary of the tenders board.

## Speaker Notes

### Bid opening: Commencement of Procurement Implementation

- ? All bids shall be submitted before or by the deadline or date specified in the tender documents or any extension of the deadline for submission and the procuring entity shall:
- Permit attendees to examine the envelopes in which the bids have been submitted to check that they have not been tampered with;
  - cause all the bids to be opened, in the presence of the bidders or their representatives and any interested member of the public;
  - ensure that the bid opening takes place immediately following the deadline stipulated bids or any extension thereof;
  - ensure that a register is taken of the names and addresses of all those present and the organizations they represent which is recorded by the Secretary of the tenders board;

## Slide 22

### Bid Opening: commencement of Procurement Implementation

- call-over to the hearing of all present, the name and address of each bidder, the total amount of each bid, the bid currency and ensure that these details, including the discounts offered, completion period, submission of bid security, if applicable, are recorded by the Secretary of the Tenders Board or his delegate in the minutes of the bid opening and counter-signed by the representatives of the contractors and the Procuring Agency. Best practice also stipulates that a copy of the Bid Open sheet shall be made available immediately to the contractors;
- Ensure that competing contractors counter-sign the mutually agreed critical pages and the summary of each others Bills of the Tender to prevent substitution of tenders.

## Speaker Notes

### Bid Opening (Continued):

- call-over to the hearing of all present, the name and address of each bidder, the total amount of each bid, the bid currency and ensure that these details, including the discounts offered, completion period, submission of bid security, if applicable, are recorded by the Secretary of

the Tenders Board or his delegate in the minutes of the bid opening and counter-signed by the representatives of the contractors and the Procuring Agency. Best practice also stipulates that a copy of the Bid Open sheet shall be made available immediately to the contractors;

- Ensure that competing contractors counter-sign the mutually agreed critical pages and the summary of each others Bills of the Tender to prevent substitution of tenders.

## Slide 23

THANK YOU

Speaker Notes

No Comments

## 5.0 Module IV: Prequalification of Contractors

### 5.1 Module Objectives

#### 5.1.1 Rationale

The prequalification process is of advantage to contractors and procuring entity alike. The assurance that competitors which lack the necessary qualifications will be excluded from bidding thus encourages leading contractors to bid. The well-qualified firms may also price their bids more competitively with the knowledge that they will only be competing with other qualified bidders meeting realistic minimum competence criteria.

Prequalification enables the procuring entity:

- (a) to assess the interest generated by the project among qualified firms, and to make any necessary adjustments in the procurement process in the event that only a limited number of applications are received;
- (b) to reduce the amount of work and time involved in evaluating bids from unqualified contractors; and
- (c) to reduce significantly, if not eliminate, problems associated with low prices submitted by bidders of doubtful capability.

#### 5.1.2 Objective

The objective of this module is to guide participants to review the provisions of the Public Procurement Act 2007 as it affects the Pre-Qualification of Bidders for Goods, Works and Consultancy Services; also to discuss practical work place challenges confronting procurement officers and observations of BPP reviewing officers; and to identify and recommend best practice to guarantee a transparent and ethical contractor pre-qualification process that complies with the Law..

### 5.2 Module Programme

The module programme covers the following an introduction into prequalification, what the Act says about prequalification, issues and challenges of prequalification

### 5.3 Module Reading

#### 5.3.1 Essential reading

- 1) Public Procurement Act 2007

Procurement Procedures Manual for Public Procurement in Nigeria issued by the BPP

## 5.4 Module Content

### Slide 1

#### Prequalification of Contractors

#### Speaker Notes

The presenter starts by introducing prequalification as the process relating to the selection of competent contractors, prior to the issue of the invitations to bid.

Prequalification of contractors is recommended for large or complex works and, exceptionally, for custom designed equipment and specialized services.

Prequalification is also desirable in other circumstances, for example, in sector projects with a programmatic approach, and when a large number of contracts are let on a “slice and package” basis.

Participants are to note that the qualification of a contractor is a separate process from the bid evaluation procedure, which concentrates on the price and merits of the bid itself.

### Slide 2

#### Workshop Objectives

- To review the provisions of the Public Procurement Act 2007 as it affects the Pre-Qualification of Bidders for Goods, Works and Consultancy Services.
- To discuss practical work place challenges confronting procurement officers and observations of BPP reviewing officers.
- To identify and recommend Best practice to guarantee a transparent and ethical Contractor pre-qualification process that complies with the Law.



### Speaker Notes

The speaker introduces the workshop objectives as follows

- To review the provisions of the Public Procurement Act 2007 as it affects the Pre-Qualification of Bidders for Goods, Works and Consultancy Services.
- To discuss practical work place challenges confronting procurement officers and observations of BPP reviewing officers.
- To identify and recommend Best practice to guarantee a transparent and ethical Contractor pre-qualification process that complies with the Law..

### Slide 3



### Speaker Notes

The speaker presents the BPP's ubiquitous nine steps of procurement process which is a step by step sequence of procurement activities:

- Efficient procurement Plan driven by Needs Assessment
- Appropriation
- Advertisements
- Transparent Pre Qualification
- Bid Submission
- Bid Opening
- Bid Evaluation Technical & Financial
- Tender Board/FEC Approval
- Contract Award/Execution.

## Slide 4

### What Does the ACT say about Pre- Qualification of Bidders?

- Part IV Sect.16 (6)  
All bidders in addition to requirements contained in any Solicitation documents shall:
  - (a) Possess the necessary:
    - (i) professional and technical qualifications to carry out particular procurements
    - (ii) Financial capability
    - (iii) Equipment and other relevant infrastructure
  - (b) Shall have adequate personnel to perform the obligations of the procurement contracts
  - (c) Possess the legal capacity to enter into the procurement contract
  - (d) Not be in receivership, the subject of any form of insolvency or bankruptcy proceedings or the subject of any form of winding up petition or proceedings

### Speaker Notes

The speaker explains the provisions of PPA 2007 Part IV Sect.16 (6)

- All bidders in addition to requirements contained in any solicitation documents shall:

Possess the necessary :

- professional and technical qualifications to carry out particular procurements;
- Financial capability;
- Equipment and other relevant infrastructure;
- Shall have adequate personnel to perform the obligations of the procurement contracts;
- Possess the legal capacity to enter into the procurement contract
- Not be in receivership, the subject of any form of insolvency or bankruptcy proceedings or the subject of any form of winding up petition or proceedings.

## Slide 5

### What Does the ACT say about Pre- Qualification of Bidders?

- Have fulfilled all its obligations to pay taxes, pensions and social security contributions
- Not have any director who has been convicted in any country for any criminal offence relating to fraud or financial impropriety or criminal misrepresentation or falsification of facts relating to any matter
- Accompany every bid with an affidavit disclosing whether or not any officer of the relevant committees of the procurement entity or Bureau is a former or present director, shareholder or has any pecuniary interest in the bidder and confirm that all information presented in its bid are true and correct in all particulars

### Speaker Notes

The speaker continues to explain provisions of PPA 2007 Part IV Sect.16 (6)

- All bidders in addition to requirements contained in any solicitation documents shall:
  - o Have fulfilled all its obligations to pay taxes, pensions and social security contributions
  - o Not have any director who has been convicted in any country for any criminal offence relating to fraud or financial impropriety or criminal misrepresentation or falsification of facts relating to any matter
  - o Accompany every bid with an affidavit disclosing whether or not any officer of the relevant committees of the procurement entity or Bureau is a former or present director, shareholder or has any pecuniary interest in the bidder and confirm that all information presented in its bid are true and correct in all particulars.

## Slide 6

What Does the ACT say about Pre- Qualification of Bidders?

**Part IV Sect 16(7)**

The procuring entity may require a bidder to provide documentary evidence or other information it considers necessary as proof that the bidder is qualified in accordance with the Act and the solicitation documents and for this purpose any such requirements shall apply equally to all bidders

**Sect 16(8)**

Whenever it is established by a procuring entity or the Bureau that any or a combination of the situations set out exist, a bidder may have its bid or tender excluded from any particular procurement proceeding if .....Refer to the Act page A217

### Speaker Notes

The speaker explains the provisions of PPA 2007 Part IV Sect.16 (7) and (8)

**Part IV Sect 16(7)**

The procuring entity may require a bidder to provide documentary evidence or other information it considers necessary as proof that the bidder is qualified in accordance with the Act and the solicitation documents and for this purpose any such requirements shall apply equally to all bidders

**Sect 16(8)**

Whenever it is established by a procuring entity or the Bureau that any or a combination of the situations set out exist, a bidder may have its bid or tender excluded from any particular procurement proceeding (these situations include promise of gift or bribe, failure to perform on a contract within last three years, receivership, insolvency crime, etc)

## Slide 7

What Does the ACT say about Pre- Qualification of Bidders?

Part IV Sect 16 (9)  
In such cases the procuring entity shall inform the Bureau and the person referred to in sub sect 8 a-g in writing that the bid or tender in question has been excluded and the grounds for the exclusion and to keep a record of same in the file pertaining to the procurement proceeding in question

Sect 16 (15)  
The criteria stipulated as the basis upon which suppliers or contractors would be evaluated shall not be changed in the course of any procurement proceeding

### Speaker Notes

The speaker explains the provisions of PPA 2007 Part IV Sect.16 (9) and (15)

#### Part IV Sect 16 (9)

In such cases the procuring entity shall inform the Bureau and the person referred to in sub sect 8 a-g in writing that the bid or tender in question has been excluded and the grounds for the exclusion and to keep a record of same in the file pertaining to the procurement proceeding in question

#### Sect 16 (15)

The criteria stipulated as the basis upon which suppliers or contractors would be evaluated shall not be changed in the course of any procurement proceeding.

## Slide 8

What Does the ACT say about Pre- Qualification of Bidders?

Sect 16(16)  
The burden of proving fulfillment of the requirements for participation in any procurement proceeding shall lie on the supplier or contractor

Sect 16(17)  
A contract shall be awarded to the lowest evaluated responsive bid from the bidders substantially responsive to the bid solicitation

Sect 16 (18)  
Notwithstanding subsect (16) of this section, the Bureau may refuse to issue a Certificate of No Objection to award contract on grounds that the price is excessive

### Speaker Notes

The speaker explains the provisions of PPA 2007 Part IV Sect.16 (19), (21) and (22)

Sect 16(19) - Pursuant to subsection (17) of this section, the Bureau may either direct that all the procurement proceedings be entirely cancelled or that the procuring entity conduct a re-tender

Sect16 (21) - The accounting officer of a procuring entity and any officer to whom responsibility is delegated are responsible and accountable for any actions taken or omitted to be taken either in compliance with or in contravention of the Act

Sect16(22) - The accounting officer of a procuring entity has the responsibility to ensure that the provisions of the Act and regulations laid down by the Bureau are complied with.

### Slide 10

What Does the ACT say about Pre- Qualification of Bidders?

**Part V Sect.23 (1)**  
Where a procuring Entity has made a decision with respect to the minimum qualifications of suppliers, contractors or service providers by requesting interested persons to Submit applications to pre qualify, it shall set out precise criteria upon which it seeks to give consideration to the applications and in reaching a decision as to which supplier, contractor or service provider qualifies, shall apply only the criteria set out in the prequalification documents and no more

### Speaker Notes

The speaker explains the provisions of PPA 2007 Part V Sect.23 (1)

Where a procuring Entity has made a decision with respect to the minimum qualifications of suppliers, contractors or service providers by requesting interested persons to submit applications to pre qualify, it shall set out precise criteria upon which it seeks to give consideration to the applications and in reaching a decision as to which supplier, contractor or service provider qualifies, shall apply only the criteria set out in the prequalification documents and no more.

In simple terms, the PE is to set out the criteria for prequalification before invitation and only those criteria and no more can be used to evaluate and pre-qualify contractors



## Slide 11

What Does the ACT say about Pre- Qualification of Bidders?

### Sect.23(2)

Procuring entities shall supply a set of pre Qualification documents to each supplier, contractor or consultant that request them and the price that a procuring entity may charge for the prequalification docs. shall reflect only the cost of printing and provision to suppliers or contractors and consultants.

## Speaker Notes

The speaker explains the provisions of PPA 2007 Part V Sect.23 (2)

Procuring entities shall supply a set of prequalification documents to each supplier, contractor or consultant that request them and the price that a procuring entity may charge for the prequalification documents. shall reflect only the cost of printing and provision to suppliers or contractors and consultants.

Outrageously large tender fees are not permitted tender fees should be as much as to cover administrative/printing cost of providing the tender documents to bidders

## Slide 12

What Does the ACT say about Pre- Qualification of Bidders?

### Sect.23(3)

The pre qualification document shall include:

- Instructions to prepare and submit prequalification application
- A summary of the main terms and conditions required for the procurement contract to be entered into as a result of the procurement proceedings
- Any documentary evidence or other information that must be submitted by suppliers, contractors or consultants to demonstrate their qualifications
- The manner and place for the submission of applications to prequalify and the deadline for submission, expressed as a specific date and time which allows sufficient time for suppliers, contractors or consultants to prepare and submit their applications, taking into account the reasonable need of the procuring entity
- Any other requirement that may be established by the procuring entity in conformity with this Act and procurement regulations relating to the preparation and submission of applications to prequalify and to the prequalification proceedings

## Speaker Notes

The speaker explains the provisions of PPA 2007 Part V Sect.23 (3)

The pre qualification document shall include:

Instructions to prepare and submit prequalification application

A summary of the main terms and conditions required for the procurement contract to be entered into as a result of the procurement proceedings

Any documentary evidence or other information that must be submitted by suppliers, contractors or consultants to demonstrate their qualifications

The manner and place for the submission of applications to prequalify and the deadline for submission, expressed as a specific date and time which allows sufficient time for suppliers, contractors or consultants to prepare and submit their applications, taking into account the reasonable need of the procuring entity

Any other requirement that may be established by the procuring entity in conformity with this Act and procurement regulations relating to the preparation and submission of applications to prequalify and to the prequalification proceedings

## Slide 13

What Does the ACT say about Pre- Qualification of Bidders?

Sect.23(4)

The procurement entity shall respond to any request by a supplier, contractor or consultant for clarification of the prequalification documents if the request is made at least ten days before the deadline for the submission of applications to pre-qualify

## Speaker Notes

The speaker explains the provisions of PPA 2007 Part V Sect.23 (4)

The procurement entity shall respond to any request by a supplier, contractor or consultant for clarification of the prequalification documents if the request is made at least ten days before the deadline for the submission of applications to pre-qualify

## Slide 14

What Does the ACT say about Pre- Qualification of Bidders?

Sect.23(5)  
The response by the procuring entity shall be given within a reasonable time and in any event within a period of at most seven working days so as to enable the supplier, contractor or consultant to make a timely submission of its application to pre qualify.

Sect.23(6)  
The response to any request that might reasonably be expected to be of interest to other supplier, contractor or consultant shall, without identifying the source of the request, be communicated to other suppliers or contractors or consultants provided with the prequalification documents by the procuring entity.

## Speaker Notes

The speaker explains the provisions of PPA 2007 Part V Sect.23 (5) and (6)

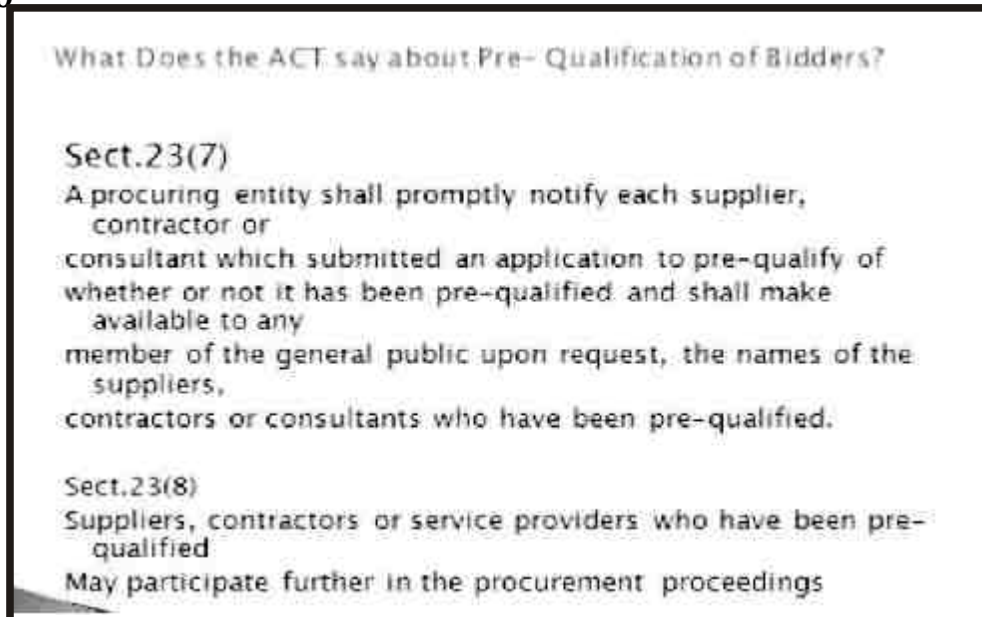
Sect.23(5)

The response by the procuring entity shall be given within a reasonable time and in any event within a period of at most seven working days so as to enable the supplier, contractor or consultant to make a timely submission of its application to pre qualify.

Sect.23(6)

The response to any request that might reasonably be expected to be of interest to other supplier, contractor or consultant shall, without identifying the source of the request, be communicated to other suppliers or contractors or consultants provided with the prequalification documents by the procuring entity..

## Slide 15



## Speaker Notes

The speaker explains the provisions of PPA 2007 Part V Sect.23 (7) and (8)

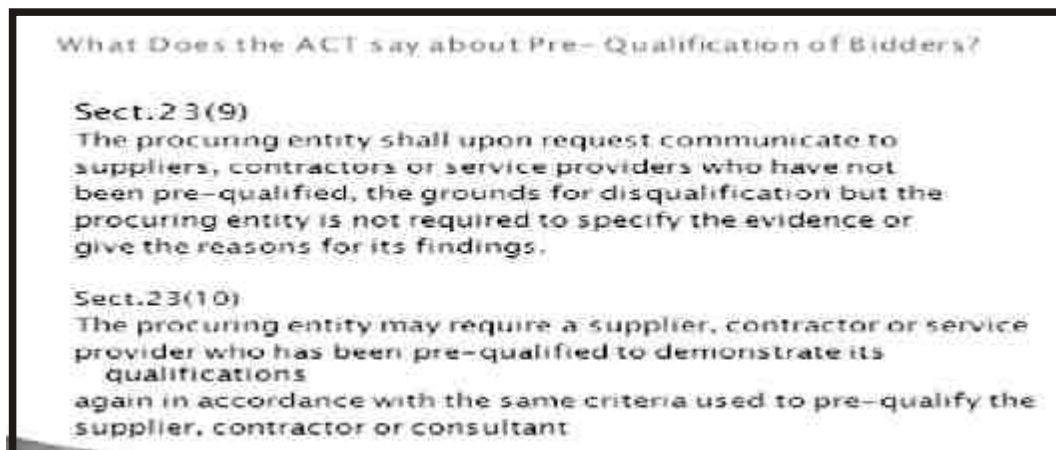
Sect.23(7)

A procuring entity shall promptly notify each supplier, contractor or consultant which submitted an application to pre-qualify of whether or not it has been pre-qualified and shall make available to any member of the general public upon request, the names of the suppliers, contractors or consultants who have been pre-qualified.

Sect.23(8)

Suppliers, contractors or service providers who have been pre-qualified may participate further in the procurement proceedings.

## Slide 16



## Speaker Notes

The speaker explains the provisions of PPA 2007 Part V Sect.23 (9) and (10)  
Sect. 23(9)

The procuring entity shall upon request communicate to suppliers, contractors or service providers who have not been pre-qualified, the grounds for disqualification but the procuring entity is not required to specify the evidence or give the reasons for its findings.

Sect. 23(10)

The procuring entity may require a supplier, contractor or service provider who has been pre-qualified to demonstrate its qualifications again in accordance with the same criteria used to pre-qualify the supplier, contractor or consultant (i.e. POST QUALIFICATION)

## Slide 17

What Does the ACT say about Pre- Qualification of Bidders?

Sect.23(11)  
The procuring entity shall promptly notify each supplier, contractor or service provider requested to demonstrate its qualifications again whether or not the supplier, contractor or consultant has done so to the satisfaction of the procuring entity.

Sect.23(12)  
The procuring entity shall disqualify any supplier, contractor or service provider who fails to demonstrate its qualification again if requested to do so.

## Speaker Notes

The speaker explains the provisions of PPA 2007 Part V Sect.23 (11) and (12)  
Sect.23(11)

The procuring entity shall promptly notify each supplier, contractor or service provider requested to demonstrate its qualifications again whether or not the supplier, contractor or consultant has done so to the satisfaction of the procuring entity.

Sect.23(12)

The procuring entity shall disqualify any supplier, contractor or service provider who fails to demonstrate its qualification again if requested to do so.



## Slide 18

What Does the ACT say about Pre- Qualification of Bidders?

- Part VIII Procurement of Consultancy Services
- Refer to Section 44 of the Act page A234

### Speaker Notes

The speaker explains the provisions of PPA 2007 Part VIII Sect.44

In the case of consultancy services, pre-qualification is done through the Express of Interest procedure as summarised in Section 44 of the Act.

## Slide 19

Thresholds For Pre Qualification

- Only Projects in excess of N300m for Works and N100m for Goods & Services qualify for Pre- Qualification.
- In other words MDAs can go straight to invite technical and financial bids to be submitted at the same time in two separate envelopes clearly marked.
- Technical Bids will be opened first and only technically qualified bidders will have their financial bids opened at a later date.

### Speaker Notes

The BPP in line with its mandate has issued the following threshold for prequalification (The speaker will show a copy of BPP's Approved Revised Threshold for Service-Wide Application and refer to the appropriate table) :

Only Projects in excess of N300m for Works and N100m for Goods & Services qualify for Pre-Qualification.

In other words MDAs can go straight to invite technical and financial bids to be submitted at the same time in two separate envelopes clearly marked.

Technical Bids will be opened first and only technically qualified bidders will have their financial bids opened at a later date.



## Slide 20

**PRE-QUALIFICATION & SELECTION CRITERIA**

- At some point before contract is signed it will be necessary for the client to be assured that the contractor to be engaged is technically competent and financially capable of executing the contract.
- Projects suffer serious delays if contract performance is unsatisfactory or has to be terminated or abandoned.
- Bidders capability may be examined either during prequalification after which only "pre-qualified firms" are invited to bid or as part of the technical evaluation process when bids are submitted.
- Criteria for deciding whether or not a bidder is capable to undertake the works include:
  - Experience and past performance of similar work ( list of projects of comparable magnitude, name of employer, contract price, final cost etc
  - Human and physical resources available ( list of supervising staff and key personnel with biodata, equipment to be used with details of ownership, make, age etc

## Speaker Notes

- ? The speaker presents key points in pre-qualification and selection criteria. Bidders capability may be examined either during prequalification after which only pre-qualified firms are invited to bid or as part of the technical evaluation process when bids are submitted. Criteria for deciding whether or not a bidder is capable to undertake the works include:
- Experience and past performance of similar work ( list of projects of comparable magnitude, name of employer, contract price, final cost etc
  - Human and physical resources available ( list of supervising staff and key personnel with biodata, equipment to be used with details of ownership, make, age etc.

## Slide 21

**PRE-QUALIFICATION & SELECTION CRITERIA**

- c) Financial status (balance sheets and turnover for last 3 yrs, audited accounts, bank statements, bankers and bonding company references)
- Existing commitments (status of contracts in hand, including employer, location, amount, completion dates etc.)

**ADVANTAGES OF PRE QUALIFICATION**

Though sometimes a lengthy process but has some distinct Advantages. The objective of the exercise is to ensure that only reputable firms are allowed to bid and by so doing it

- Saves unqualified bidders the time and expense of preparing bids that will be rejected
- Ensures that qualified bidders will not be deterred from bidding for the fear that unqualified bidders will undercut prices

### Speaker Notes

Financial status (balance sheets and turnover for last 3 yrs, audited accounts, bank statements, bankers and bonding company references)

Existing commitments (status of contracts in hand, including employer, location, amount, completion dates etc.).

Advantages of Prequalification:

- The objective of the exercise is to ensure that only reputable firms are allowed to bid and by so doing it
- Saves unqualified bidders the time and expense of preparing bids that will be rejected
- Ensures that qualified bidders will not be deterred from bidding for the fear that unqualified bidders will undercut prices. (BIDDERS OF SAME CALIBRE AND SIZE SO FAIRER COMPETITION)

### Slide 22

#### PRE-QUALIFICATION & SELECTION CRITERIA

- When evaluating responses to a pre qualification invitation it is best to use a Merit Point system agreed in advance for each selection criteria
- The objective should be to prequalify all firms that achieve more than the agreed minimum score or points (including a minimum score for each criteria) but not to carry out a ranking exercise.
- Allocate more points to criteria that matter most to you
- Selection criteria must be clear and measurable

### Speaker Notes

Prequalification and Selection Criteria

- When evaluating responses to a pre qualification invitation it is best to use a Merit Point system agreed in advance for each selection criteria
- The objective should be to prequalify all firms that achieve more than the agreed minimum score or points (including a minimum score for each criteria) but not to carry out a ranking exercise.
- Allocate more points to criteria that matter most to PE
- Selection criteria must be clear and measurable

## Slide 23

### ISSUES/CHALLENGES

- Scoring criteria must not create room for subjectivity
- Scoring criteria not based on information given in the Advert or Invitation for prequalification.
- Unreasonable distribution of score points e.g. allocating more points to less critical criteria
- Scoring criteria not numerate or measurable e.g. very good, good, fair or poor
- Allocation of scores such that individual elements of a criteria can build up to the full score
- Score sheet should be designed to include the basis for the scoring
- Request for verifiable evidences must be specific on the type of evidences required e.g. certificates, recommendation letter etc
- Scores should not be allocated to responsive criteria which are mandatory requirements.

## Speaker Notes

## Issues and Challenges

- Scoring criteria must not create room for subjectivity
- Scoring criteria not based on information given in the Advert or Invitation for prequalification.
- Unreasonable distribution of score points Scoring criteria should not be subjective such as . very good, fair or poor
- Allocation of scores such that individual elements of a criteria can build up to the full score
- Score sheet should be designed to include the basis for the scoring
- Request for verifiable evidences must be specific on the type of evidences required e.g. certificates, recommendation letter etc
- Scores should not be allocated to responsive criteria which are mandatory requirements.

## Slide 24

### ISSUES/CHALLENGES

- Request for personnel profile is not sufficient for assessment, it must include a detailed CV
- Request for past performance of similar work must include list of projects indicating their magnitude, name of client, contract value and references with contact details
- Prospective contractor should be encouraged to attach checklist for the requirements in the invitation for Pre-Qualification as a form of self assessment
- Sufficient time should be given to contractors to respond as prescribed in the Public Procurement Act
- MDAs should always use bid return sheets to check for important documents requested in the IFP at Bid Opening and ensure bidders or their Reps sign against their names.
- It is NOT allowed to introduce new technical capability criteria not disclosed in the IFP during technical evaluation or after financial bids have been opened. This will compromise the bidding process and a violation of the PPA

## Speaker Notes

### Issues and Challenges

- Request for personnel profile is not sufficient, it must include CVs
- Request for past performance of similar work must include list of projects indicating their magnitude, name of client, contract value and references with contact details.
- Prospective contractor is to attach checklist for the requirements in the invitation for Pre Qualification as a form of self assessment
- Sufficient time should be given to contractors to respond as prescribed in the Public Procurement Act
- MDAs should always use bid return sheets to check for important documents requested in the IFP at Bid Opening and ensure bidders or their Reps sign against their names.
- It is NOT allowed to introduce new technical capability criteria not disclosed in the IFP during technical evaluation or after Financial bids have been opened.

## Slide 25

### **“QUESTIONS & ANSWERS”**

### Speaker Notes

The speaker should allocate up 10 minutes to answer questions especially on the technical content of the paper

## Slide 26



## 6.0 Module V: Procedure for Bid Evaluation and Award of Contract

### 6.1 Module Objectives

#### 6.1.1 Rationale

Regardless of how well the other steps in the procurement process are conducted, if bids are not evaluated correctly and fairly, the process will fail. Unfortunately, bid evaluation is the step that is mostly manipulated if one wants to favour a particular bidder. Therefore it is required that Monitors are familiar with and understand how it should be done and to know how to review and what to look for.

#### 6.1.2 Objective

The objective of this module is that participants should gain a sound and working understanding of procurement process covering the bid examination, bid comparison and bid evaluation.

This knowledge will provide them with the requisite skills to be able to monitor the bid evaluation though they would not be in attendance but should have the necessary knowledge to review the reports emanating therefrom.

### 6.2 Module Programme

The module programme covers the following Examination of Bids, Major, Minor and debatable deviations, Bid Security, Bid Evaluation Stages, General Principles of Evaluation and Comparison of Bids, Extension of Tender Validity, Bid valuation Report and Acceptance of Bids, Contract Performance Guarantee, Execution of the Contract Agreement and Default on Bid Security.

### 6.3 Module Reading

#### 6.3.1 Essential reading

- 1) Public Procurement Act 2007
- 2) Procurement Procedures Manual for Public Procurement in Nigeria issued by BPP

#### 6.3.2 Further reading

- 1) Standard Bidding Documents for Goods and Works issued by BPPs



## 6.4 Module Content

### Slide 1

# PROCEDURES FOR BID EVALUATION AND AWARD OF CONTRACT

## Speaker Notes

The speaker should start the presentation with:

- A self introduction of qualifications and experience in the topic
- Explain that an efficient procurement system is predicated on following best practice procedures for bid evaluation and contract award and that this stage is where most of the procurement infringement take place.

### Slide 2

OUTLINE
› Examination of bids
› Major deviations
› Minor deviations
› Doubtful cases
› Bid Security
› Bid Evaluation
› Bid Evaluation Stages
› General Principles of Detailed Bid Evaluation and Comparison of Bids
› Extension of Tender Validity
› Bid Evaluation Report
› Acceptance of Bids
› Contract Performance Guarantee
› Execution of the Contract Agreement
› Default on bid security

## Speaker Notes

The speaker introduces a brief outline of the presentation:

- Examination of Bids
  - Major, Minor and debatable deviations
  - Bid Security
  - Bid Evaluation Stages
  - General Principles of Evaluation and Comparison of Bids
  - Extension of Tender Validity
  - Bid valuation Report and Acceptance of Bids
  - Contract Performance Guarantee
  - Execution of the Contract Agreement
  - Default on Bid Security

## Slide 3

**Procurement Implementation:  
Examination of bids**

- All bids shall be first examined to determine if they:–
  - meet the minimum eligibility requirements;
  - have been duly signed; and
  - are substantially responsive to the bidding documents.
- A procuring entity may ask a supplier or a contractor for clarification of its bid submission
- The following shall not be sought, offered or permitted:–
  - changes in prices;
  - changes of substance in a bid; and
  - changes to make an unresponsive bid responsive.
- Notwithstanding the above, the procuring entity may correct purely arithmetical errors during the bid examination.

## Speaker Notes

Examination of Bids:

The first stage which is the Bid Examination Stage requires that all bids shall be first examined to determine if they:-

- meet the minimum eligibility requirements in the bid documents;
- have been duly signed;
- are substantially responsive to the bidding documents

A PE may ask a supplier or a contractor for clarification of its bid submission in order to assist in the examination, evaluation and comparison of bids.

The following shall not be sought, offered or permitted:- changes in prices; changes of substance in a bid; and changes to make an unresponsive bid responsive.

However, the PE may correct purely arithmetical errors that are discovered during the examination of tenders.

## Slide 4

**Procurement Implementation:  
Major Deviations**

- A major deviation shall result in a rejection of bid while a minor deviation shall be subject to clarification.
- The following shall be considered as major deviations:–
  - unacceptable sub-contracting;
  - unacceptable time schedule if time is of essence;
  - unacceptable alternative design;
  - unacceptable price adjustment;
  - bidder is ineligible or not pre-qualified;
  - the fact that he is uninvited;
  - bidder submitted an unsigned bid;
  - Any bid received after the date and time for submission stipulated; and
  - Any bid submitted at the wrong location.
- In cases of major deviations, bids shall be declared **SUBSTANTIALLY NON-RESPONSIVE** and shall not be considered any further.

## Speaker Notes

The speaker is to explain major and minor deviations in bids - A major deviation shall result in a rejection of bid while a minor deviation shall be subject to clarification.

The following shall be considered as major deviations:- unacceptable sub-contracting; unacceptable time schedule if time is of essence; unacceptable alternative design ; and unacceptable price adjustment. With respect to the status of the bidder, the following are major deviations:- the fact that he is ineligible or not pre-qualified; and the fact that he is uninvited; with respect to bid documents, an unsigned bid; with respect to time, date and location for submission, any bid received after the date and time for submission stipulated in the solicitation document; and any bid submitted at the wrong location.

In cases of major deviations, bids shall not be considered any further and, where unopened, shall be returned as such to the bidder. In all cases of rejection, a letter stipulating the reasons for rejection shall be sent, and the bidder shall not be permitted to amend his bid to become compliant.

## Slide 5

**Procurement Implementation:  
Minor Deviations**

- On the contrary, the following shall be considered as minor deviations: -
  - the use of codes;
  - the difference in standards;
  - the difference in materials;
  - alternative design;
  - alternative workmanship;
  - modified liquidated damages;
  - omission in minor items;
  - **discovery of arithmetical errors;**
  - sub-contracting that is unclear and questionable;
  - different methods of construction;
  - difference in final delivery date;
  - difference in delivery schedule;
  - completion period where these are not of essence;
  - non-compliance with some technical/local regulation;
  - payment terms; and;
  - any other condition that has little impact on the bid.

## Speaker Notes

### Minor Deviations

The following shall be considered as minor deviations:- the use of different codes; the difference in standards (e.g. British and German Codes); the difference in materials; alternative design; alternative workmanship; modified liquidated damages; omission in minor items; discovery of arithmetical errors; sub-contracting that is unclear and questionable; different methods of construction; difference in final delivery date (if delivery date is not critical); difference in delivery schedule; completion period where these are not of essence; non-compliance with some technical local regulation; payment terms; and, any other condition that has little impact on the bid.

### Slide 6

**Procurement Implementation:  
Doubtful cases**

- In the case where there exists a doubt as to whether a particular condition in a bid is a major or a minor deviation, the following rules shall apply:-
  - where the impact on the costs is major, it shall be regarded as a major deviation; and,
  - where the impact on the costs is minor, it shall be regarded as a minor deviation.
- For minor deviations, clarification may be obtained from the supplier or contractor and, where applicable, an offer made for the correction of the minor deviation.
- Where a supplier or contractor does not accept the correction of a minor deviation, his bid shall be rejected.
- At the stage of evaluation and comparison, all minor deviations shall be quantified in monetary terms.
- For the rejection of a bid, a written notice shall be given promptly to the supplier.

## Speaker Notes

In cases not mentioned above and where there exists a doubt as to whether a particular condition in a bid is a major or a minor deviation, the following rules shall apply:- where the impact on the costs is major, it shall be regarded as a major deviation; and, where the impact on the costs is minor, it shall be regarded as a minor deviation.

In cases of minor deviations, written clarification may be obtained from the supplier or contractor and, where applicable, an offer made for the correction of the minor deviation.

Where a supplier or contractor does not accept the correction of a minor deviation, his bid shall be rejected.

At the stage of evaluation and comparison, all minor deviations shall be quantified in monetary terms.

For the rejection of a bid, a written notice shall be given promptly to the supplier.

## Slide 7

**Procurement Implementation:  
Bid Security**

- Bid security in an amount not less than 2% of the bid price by way of a bank guarantee shall be required.
- The terms and conditions of the required bid security in the tender documents shall apply to each supplier or contractor;
- a supplier or contractor may request the procuring entity to confirm the acceptability of a proposed issuer or a proposed confirmer of a tender security before submitting a tender and the procuring entity shall respond promptly to the request; and
- Confirmation of the acceptability of a proposed issuer or of a proposed confirmer does not preclude the procuring entity from rejecting the tender security on the ground that the issuer or confirmer has become insolvent or is otherwise not creditworthy.

## Speaker Notes

Subject to the monetary and prior review thresholds as may from time to time be set by the BPP all procurements valued in excess of the sums prescribed by the BPP must require a bid security in an amount not less than 2% of the bid price by way of a bank guarantee issued by a reputable bank.

The BPP shall specify the principal terms and conditions of the required bid security. The requirement shall apply to each supplier or contractor; the issuer and confirmer of the bid security must be acceptable to the PE.

Notwithstanding the above, a tender security shall not be rejected by the PE on the grounds that the bid security was not issued by an issuer in the country, if the bid security and the issuer otherwise conform to requirements.

A supplier or contractor may request the PE to confirm the acceptability of a proposed issuer or a proposed confirmer before submitting a bid and the PE shall respond to the request; Confirmation of the acceptability does not preclude the PE from rejecting the bid security on the ground that the issuer or confirmer has become insolvent or is otherwise not creditworthy

## Slide 8

**Procurement Implementation:  
Bid Security**

- Any requirement on bid security may only relate to:
  - withdrawal or modification of the bid;
  - failure to sign the procurement contract;
  - failure to provide a required security for the performance of the contract after the bid has been accepted;
  - comply with any other condition precedent to signing the procurement contract specified in the tender documents;
- The PE shall not make a claim to the amount of the bid security and shall promptly return when any of the following occurs first:
  - the expiry of the tender security;
  - the entry into force of a procurement contract and the provision of security for the performance of the contract, if the security is required by the tender documents;
  - the termination of the procurement proceedings without the entry into force of a procurement contract; or
  - The withdrawal of the bid prior to the deadline for the submission of bids.



## Speaker Notes

Any requirement on bid security that refers directly or indirectly to conduct by the supplier or contractor submitting the bid may only relate to:- withdrawal or modification of the bid after the deadline for submission of bids , or before the deadline if stipulated in the tender documents; failure to sign the procurement contract if required by the procuring entity to do so; failure to provide a required security for the performance of the contract after the bid has been accepted or to comply with any other condition precedent to signing the procurement contract specified in the tender documents.

The procuring entity shall not make a claim to the amount of the bid security and shall promptly return or procure the return of the bid security document after whichever of the following occurs first:- the expiry of the tender security; the entry into force of a procurement contract and the provision of security for the performance of the contract, if the security is required by the tender documents; the termination of the procurement proceedings without the entry into force of a procurement contract; or the withdrawal of the bid prior to the deadline for the submission of bids.

## Slide 9

**Procurement Implementation:  
Bid Evaluation**

- **Time Frame for Bid Evaluation & Extension of Bid Validity**
- Bids to be valid for the period required to complete processes and approvals.
- Bid evaluation shall be undertaken expeditiously.
- Where there is a big delay in evaluation, the PE shall request the bidders to extend the period of bid validity.
- However, when such a request is made in the case of fixed-price bids, bidders have to choose between:-
  - Refusing to grant extension of bid validity of their bids, and,
  - Absorbing any cost increases that might occur during such extensions (bidders are not allowed to increase their bid prices as a condition of extending the validity of their bids).

## Speaker Notes

### *Time Frame for Bid Evaluation & Extension of Bid Validity*

It is required to keep bids valid for the required by the PE to examine and evaluate them, select the lowest evaluated bid, obtain the necessary approval.

Thus Bid evaluation shall be undertaken expeditiously, leaving ample time to seek all the approvals. Hence bids shall be evaluated within the Procurement Time Schedule. To enable the PE to award the contract within such bid validity period, it is required that Technical Evaluation Committee should complete the evaluation report generally within 50% of the bid validity period.

Where there is a major delay in bid evaluation, the PE with the concurrence of the respective Procurement Committee shall request the bidders to extend the period of bid validity. However, when such a request is made in the case of fixed-price bids, bidders have to choose between:- refusing to grant extension of bid validity of their bids, and, absorbing any cost increases that might occur during such extensions (bidders are not allowed to increase their bid prices as a condition of extending the validity of their bids).

## Slide 10

**Procurement Implementation:  
Bid Evaluation Stages**

- **Bid Evaluation is most critical as this is the stage where most procurement failure takes place**
- Unfortunately, bid evaluation is where most manipulation takes place therefore it is required that all monitors are well-versed in this.
- Departures from the bidding documents are a common feature of the bids submitted by the bidders.
  - Fully compliant bids are rare
  - More important to note is how critical is the departure and its effect on outcomes
  - Substantially responsive concept is used rather than following fully responsive bids.
- Therefore main objective of bid evaluation is to determine the bid that will result in the lowest evaluated cost to be incurred by the Procuring Entity in accepting the bid, among the substantially responsive bids received from qualified bidders.

## Speaker Notes

Regardless of how well the other steps in the procurement process are conducted, if bids are not evaluated correctly and fairly, the process will fail. Unfortunately, bid evaluation is the step that is mostly manipulated if one wants to favour a particular bidder. Therefore it is required that Monitors are familiar with and understand how it

should be done and to know how to review and what to look for.

A bid that complies fully with the requirements may be an extremely rare instance. What is important is how critically the departure will affect the outcome of the procurement. Hence during the bid evaluation, substantially responsive concept is used rather than following fully responsive bids.

Therefore main objective of bid evaluation is to determine the bid that will result in the lowest evaluated cost to be incurred by the PE in accepting the bid, among the substantially responsive bids received from qualified bidders. All criteria to be used in the bid evaluation and the method of their application must be specified in the bidding documents. The bidding document must contain a statement on how the PE proposes to evaluate the bids received.

## Slide 11

**Procurement Implementation:  
Bid Evaluation Stages**

- This statement must include:-
  - a listing of the factors other than the price which it proposes to consider; and,
  - an explanation of the method to be used in applying the evaluation factors
- Lack of clarity in statements or incompleteness causes uncertainty and disagreement
- Evaluation factors not specified in the bidding document should not be used
- No information relating to bid evaluation shall be communicated, after the bid opening.
- **No information can be communicated to any bidder at any stage other than at a debriefing requested by a bidder, where only the reasons for not selecting the bidder as the successful bidder is discussed.**
- The basic sequence for bid evaluation is the same for goods and works, and consists of the following steps:
  - Preliminary examination of bids;
  - Detailed evaluation and comparison of bids;
  - Post qualification verification; and
  - Writing bid evaluation report.

## Speaker Notes

This statement must include:- a listing of the factors other than the price which it proposes to consider; and an explanation of the method to be used in applying the evaluation factors.

The lack of clarity in statements, or an incomplete statement, has frequently been cause of uncertainty and disagreement during the evaluation of bids.

Evaluation factors not specified in the bidding document should not be used in

bid evaluation. No information relating to bid evaluation shall be communicated, after the bid opening. No information can be communicated to any bidder at any stage other than at a debriefing requested by a bidder, where only the reasons for not selecting the bidder as the successful bidder is discussed.

The basic sequence for bid evaluation is the same for goods and works, and consists of the following steps:- Preliminary examination of bids; Detailed evaluation and comparison of bids; Post qualification verification; and Writing bid evaluation report.

## Slide 12

### Procurement Implementation: Bid Evaluation Stages

- › Firstly, Bid Examination to eliminate substantially non-responsive bids thereby reducing bids for full evaluation.
- › However, PE to avoid rejecting bids on trivial procedural grounds.
- › The preliminary examination of bids determines whether the bids meet the general procedural requirements of the bidding documents, in particular the following in the next slides:

### Speaker Notes

All the bids received before the scheduled closing time should be considered for preliminary bid examination to eliminate any bid from further and more complicated consideration if it does not meet the minimum standards of acceptability as set out in the bidding documents and therefore not substantially responsive.

For example, if the bidding documents stipulated that each page of the bid should be signed or initialed and a bidder failed to initial one or more pages of supporting information, this should not be a ground for bid disqualification. These can be rectified through the clarification process. Such discrepancies should be noted, however, and decisions about their acceptance or rejection should be recorded in the bid evaluation report.

The preliminary examination of bids determines whether the bids meet the general procedural requirements of the bidding documents, in particular the