ISLAMIC DEVELOPMENT BANK

STANDARD BID EVALUATION FORM

Procurement of Goods or Works

March 2015

Information for Users

This Standard Bid Evaluation Form has been prepared by the Islamic Development Bank (IDB) for use by its Beneficiaries and their implementing agencies in the evaluation of bids, in accordance with the provisions of the *Guidelines for Procurement of Goods and Works under IDB financing*, referred to hereafter as "Guidelines".

This document is intended specifically for assisting in the evaluation of bids procured through "open" International Competitive Bidding ("open ICB"), International Competitive Bidding limited to Member Countries (ICB/MC), Limited International Bidding (LIB) and National Competitive Bidding (NCB).

Upon notification of contract award to the successful bidder by the Beneficiary, and in accordance with the General Conditions of the Financing Agreement, the IDB is authorized to publish a description of the contract, the name and nationality of the bidder to whom the contract was awarded, and the contract price.

All users are invited to submit comments on their experience with this document to:

Project Procurement Division (PPR)
Operations Policy and Services Department (OPSD)
The Islamic Development Bank
P.O. Box 5925, Jeddah 21432
Kingdom of Saudi Arabia
ppr@isdb.org
http://www.isdb.org

Table of Contents

How to Use These Forms **1**

Section I. Bid Evaluation Standard Forms **2**
Standard Cover 3
Letter of Transmittal 4
Table 1. Identification 5
Table 2. Bidding Process 6
Table 3. Bid Submission and Opening 7
Table 4. Bid Prices (as Read Out) 8
Table 5. Preliminary Examination 9
Table 6. Corrections and Unconditional Discounts 11
Table 7. Exchange Rates 12
Table 8. Currency Conversion (Multiple Currencies) 13
Table 9. Currency Conversion (Single Currency) 14
Table 10. Additions, Adjustments, and Priced Deviations 15
Table 11. Proposed Contract Award 18

Annex I. Evaluation Guide **19**

Annex II. Bid Opening Checklist **31**

Annex III. Eligibility for the Provision of Goods, Works, and Services in IDB-Financed Procurement **32**

Preliminary Examination **33**

Annex V. Bid Evaluation Summary Checklist **34**

How to Use These Forms

1. This Standard Evaluation Report has been prepared by the Islamic Development Bank (IDB) in cooperation with other Multilateral Development Banks (MDB) for use by Beneficiaries of IDB financing. The evaluation forms and guide contained in this document provide step-by-step procedures for the evaluation of bids solicited through "open ICB", ICB/MC, LIB and NCB in accordance with the *IDB Guidelines for Procurement of Goods and Works*. In all instances, the bidding and evaluation procedures described in the Instructions to Bidders (ITB) of the actual bidding document used should be followed.

2. Readers should note that evaluation and the resulting report need not necessarily be lengthy. Procurement of off-the-shelf goods without domestic preference can usually be quickly and easily evaluated. In general, the complexity of evaluation lies with larger works and with the supply and installation of industrial plant and equipment. The forms should invariably accompany the evaluation report, but they may be adapted to suit specific requirements of the bidding documents. The report should include a number of attachments to explain details of bid evaluation or to show specific controversial wording or numbers in a bid. Cross-referencing should be used extensively, as well as references to pertinent clauses in the bidding documents.

3. Special mention should be made of contracts that group together ("package") smaller contracts ("lots"—also called "slices" or "items"), which may be awarded as a package to one bidder, or as sub-packages of one or more lots to several bidders. In such instances the bid evaluation is to be done separately, including any allowances for Member Country and/or domestic preference, for each lot, subject to any cross-discounting (see Annex I, para. 7(b)). Only Tables 1, 2, and 3 will be common to all.

4. Beneficiaries should study these evaluation forms and guide during project preparation, in order to properly assess the managerial and administrative conditions needed for bid evaluation. IDB staff are available to explain the procedures, including any modifications necessary for evaluation using bidding documents other than those SBDs presently available. The IDB encourages the employment of experienced consultants to help in evaluations for complex contracts. Consultant fees can be paid from IDB financing, if allowed for in the Financing Agreement.

Section I. Bid Evaluation Standard Forms

Standard Cover

Bid Evaluation Report
and
Recommendation for Award of Contract

Name of Project: _____

IDB Financing No.: _____

Contract Name: _____

Identification Number: _____

Date of Submission: _____

Letter of Transmittal

The bid evaluation report should be attached with a Letter of Transmittal from the Beneficiary ministry, department, or agency responsible for communications with the IDB. The letter should highlight conclusions and offer any additional information that would help to expedite review by the IDB. In addition, any unresolved or potentially contentious issues should be highlighted.

Table 1. Identification

1.1 Name of Beneficiary	_____
1.2 IDB Financing number	_____
1.3 Date of effectiveness	_____
1.4 Closing date (a) original (b) revised	 _____ _____
1.5 Name of project	_____
1.6 Purchaser (or Employer) (a) name (b) address	 _____ _____
1.7 Contract number (identification)	_____
1.8 Contract description	_____
1.9 Cost estimate[1]	_____
1.10 Method of procurement (check one)	ICB __ ICB/MC_____NCB__LIB
1.11 Member Country Preference ?	Yes _____ No _____
1.12 Domestic preference ?	Yes _____ No _____
1.13 Fixed price contract	Yes _____ No _____
1.14 Cofinancing, if any: (a) agency name (b) percent financed by agency	 _____ _____

[1] Cite source and date if other than Appraisal Report.

Table 2. Bidding Process

2.1 General Procurement Notice	
(a) first issue date	_____
(b) latest update	_____
2.2 Prequalification, if required	
(a) number of firms prequalified	_____
(b) date of IDB's no-objection	_____
2.3 Specific procurement notice	
(a) name of national newspaper	_____
(b) issue date	_____
name of international publication/ IDB Website date	_____
(d) issue date	_____
(e) number of firms notified	_____
2.4 Standard Bidding Document	
(a) title, publication date	_____
(b) date of IDB's no-objection	_____
(c) date of issue to bidders	_____
2.5 Number of firms issued documents	_____
2.6 Amendments to documents, if any	
(a) list all issue dates	1. _____ 2. _____ 3. _____
(b) date(s) of IDB's no-objection	1. _____ 2. _____ 3. _____
2.7 Date of pre-bid conference, if any	_____
2.8 Date minutes of conference sent to bidders and IDB	_____

Table 3. Bid Submission and Opening

3.1 Bid submission deadline	
(a) original date, time	_____
(b) extensions, if any	_____
3.2 Bid opening date, time	_____
3.3 Record of bid opening, date sent to IDB	_____
3.4 Number of bids submitted	_____
3.5 Bid validity period (days or weeks)	
(a) originally specified	_____
(b) extensions, if any	_____
(c) date of IDB's no-objection, if required[1]	_____

Note: Contracts under two-stage bidding will require the information requested for each stage to be filled out.

Table 4. Bid Prices (as Read Out)

Bidder Identification			Read-out Bid Price(s)[1]		Modifications or Comments[2]
Name *(a)*	City/State or Province *(b)*	Country *(c)*	Currency(ies) *(d)*	Amount(s) or % *(e)*	*(f)*
etc.					

[1] For single currency option (see Annex I, para. 6(d)(ii)), secondary currencies are expressed in column *e* as a percentage of the total bid price.

[2] Describe any modifications to the read-out bid, such as discounts offered, withdrawals, and alternative bids. Note also the absence of any required bid security or other critical items. Refer also to Annex I, para. 2 herein.

Table 5A. Preliminary Examination

Bidder *(a)*	Verification *(b)*	Eligibility *(c)*	Bid Security *(d)*	Completeness of Bid *(e)*	Substantial Responsiveness *(f)*	Acceptance for Detailed Examination *(g)*
etc.						

Note: For explanations of headings, see Annex I, para. 5 herein. Additional columns may be needed, such as for responsiveness to technical conditions. See example in Annex IV.

Table 5B. Preliminary Examination – Technical Responsiveness

Bidder (a)	Technical Spec. 1 Indicate[1] Provision in Bid.Doc (b)	Technical Spec. 2 Indicate Provision in Bid Doc. (c)	Technical Spec.3 Indicate Provision in Bid Doc. (d)	Technical Spec. 4 Indicate Provision in Bid Doc. (e)	Substantial [2] Technical Responsiveness (f)	Acceptance for Detailed Examination (g) etc.

1 List here all the conditions provided in the Bidding Documents which bidders must comply for their bids to be considered technically responsive

2 No major technical deviations.

Table 6. Corrections and Unconditional Discounts

Bidder	Read-out Bid Price(s)		Corrections		Corrected Bid Price(s)	Unconditional Discounts[2]		Corrected/Discounted Bid Price(s)
	Currency(ies)	Amount(s)	Computational Errors[1]	Provisional Sums		Percent	Amount(s)	
(a)	*(b)*	*(c)*	*(d)*	*(e)*	*(f) = (c) + (d) - (e)*	*(g)*	*(h)*	*(i) = (f) – (h)*
etc.								

Note: Only bids accepted for preliminary examination (Table 5, column *g*) should be included in this and subsequent tables. Columns *a*, *b*, and *c* are from Table 4 (columns *a*, *d*, and *e*, respectively).

[1] Corrections in column *d* may be positive or negative.

If the discount is offered as a percent, column *h* is normally the product of the amounts in columns *f* and *g*. Refer to para. 6(c). If the discount is provided as an amount, it is entered directly in column *h*. A price increase is a negative discount.

Table 7. Exchange Rates

Currency Used for Bid Evaluation: _____

Effective Date of Exchange Rate: _____

Authority or Publication Specified for Exchange Rate: _____

Note: Attach copy of exchange rates provided by specified authority or publication.

Table 8. Currency Conversion (Multiple Currencies)

Specify Evaluation Currency: _____

Bidder *(a)*	Currency(ies) of Bid *(b)*	Corrected/Discounted Bid Price(s) *(c)*	Applicable Exchange Rate(s)[1] *(d)*	Evaluation Currency	
				Bid Price(s) *(e) = (c) x (d)*	Total Bid Price[2] *(f)*
etc.					

[1] Column *d* is from Table 7.
[2] Column *f* is the sum of bid prices in column *e* for each bidder.

Table 9. Currency Conversion (Single Currency)

Specify Evaluation Currency: _____

Bidder	Corrected/Discounted Bid Price (in specified currency)	Payment Composition			Exchange Rate Used by Bidder	Amounts in Currency of Payment	Exchange Rate for Evaluation	Evaluation Currency	
		Currency of Payment	Percent of Total Bid	Amount in Evaluation Currency				Bid Prices	Total
(a)	*(b)*	*(c)*	*(d)*	*(e) = (b) x (d)*	*(f)*	*(g) = (e) x (f)*	*(h)*	*(i) = (g) x (h)*	*(j)*
etc.									

Table 10. Additions, Adjustments, and Priced Deviations

Specify Evaluation Currency: _____

Bidder *(a)*	Corrected/Discounted Bid Price[1] *(b)*	Additions[2] *(c)*	Adjustments[2] *(d)*	Priced Deviations[2] *(e)*	Total Price *(f) = (b) + (c) + (d) + (e)*
etc.					

[1] Column *b* is from either Table 8, column *f* or Table 9, column *j*.

[2] Each insertion in columns *c*, *d*, or *e* should be footnoted and explained in adequate detail, accompanied by calculations. Refer to paras. 6(e), 6(f), and 6(g) respectively of Annex I

Table 11A. Preference for Member Countries for Goods

Specify Evaluation Currency:

Bidder *(a)*	Preference Group[1] *(b)*	Total Price[2] *(c)*	Exclusions for Preference[3] *(d)*	Revised Total *(e) = (c) – (d)*	Domestic/ Regional Preference (%)[4] *(f)*	Preference Price[5] *(g)*	Total Comparison Price *(h) = (c) + (g)*
etc.							

1 Column *b* refers to Groups A, or B, as indicated by bidder, subject to verification by Beneficiary.

2 Column *c* is from Table 10, column *f*. If the lowest total price is from a Group A bidder, it is the lowest evaluated cost bidder, and the remainder of the table need not be filled out. Columns *d* through *g* need to be filled out only for Group B bids.

3 Column *d* is the sum of costs in columns *d* and *e* from Table 10 plus other costs incurred within the Beneficiary's country. Footnotes should be provided to explain the significant components of column *d*.

4 Column *g* will be 15 percent.

5 Column g for Group A bidders is zero. For Group B bidders, column *g* is the product of columns *e* and *f*.

Table 11B. Preference for Member Countries for Works

Specify Evaluation Currency:

Bidder *(a)*	Preference Group[6] *(b)*	Total Price[7] *(c)*	Exclusions for Preference[8] *(d)*	Revised Total *(e) = (c) – (d)*	Preference[9] *(f)*	Total Comparison Price *(g) = (c) + (f)*

6 Column *b* refers to Group A (preference eligible bidders) or Group B (others) as indicated by bidder, subject to verification by Beneficiary.

7 Column *c* is from Table 10, column *f*. If the lowest priced bid is from a Group A bidder, it is the lowest evaluated cost bidder, and the remainder of the table need not be filled out.

8 Column *d* is the sum of costs in columns *d* and *e* from Table 10. An attachment should be provided to explain the significant components of column *d*. Columns *d* and *e* may be left blank for Group A bidders.

9 Column *f* for Group A bidders is zero. For Group B bidders, column *f* is 10 percent of column *e*.

Table 12. Proposed Contract Award

Lowest evaluated responsive bidder (proposed for contract award). name address		
If bid submitted by agent, list actual supplier. name address		
If bid from joint venture, list all partners, nationalities, and estimated shares of contract.		
Principle country (ies) of origin of goods/materials.		
Estimated date (month, year) of contract signing.		
Estimated delivery to project site/completion period.		
	Currency(ies)	Amount(s) or %
Bid Price(s) (Read-out)[1]		
Corrections for Errors[2]		
Discounts[3]		
Other Adjustments[4]		
Proposed Award[5]		
Disbursement Category[6]		

[1] From Table 6, columns *b* and *c*.
[2] From Table 6, column *d*.
[3] From Table 6, column *h*. Include any cross-discounts. See Annex I, para. 7(b).
[4] All adjustments should be explained in detail.
[5] Sum of the prices in Items 7–10. For single currency bids, express secondary currency amounts as percentages.
[6] From the Financing Agreement.

Annex I. Evaluation Guide

Identification, Bidding Process, and Bid Submission

Tables 1, 2, and 3 provide for the filing of basic information on the procurement process. This information is necessary to monitor compliance with the Financing Agreement.

2.Bid Opening

All bidders or their representatives are invited to attend the bid opening, where bids are read out and recorded, along with a list of attendees. The record is prepared for prompt transmittal to the IDB. Copies should be sent to all bidders. Bid opening procedures are described in the ITB. To assist in carrying out the opening and preparing of the record, a checklist is provided in Annex II. The checklist should preferably be filled out for each bid during the actual reading out at the meeting. The reading should be from the original version of each bid, and the actual amounts and other key details read out should be circled for later verification. If bids are expressed in a single currency, other currency needs expressed as a percentage should be recorded. It may also be desirable to read out exchange rates used by bidders (see para. 6(d)(ii) in this Annex).

Any envelopes containing substitutions, modifications, or withdrawals must be subject to the same level of scrutiny, including the reading out of critical details, such as price changes. Failure to read out such information and include it in the written record may result in denial of its inclusion in bid evaluation. If a bid has been withdrawn by cable, it should nonetheless be read out and should not be returned to the bidder until the authenticity of the withdrawal notice has been confirmed.

As stated in the ITBs, no bids should be rejected at the bid opening except those received after the deadline for receipt of bids. Such bids shall be returned unopened to the bidder. A summary of the read-out bid prices should be provided in Table 4.

Bid Validity

The duration of the validity of each bid should be the one specified in the ITB and should be confirmed in the signed (form of) bid. If exceptional circumstances occur in which award cannot be made within the validity period, extensions in writing should be requested of bidders, in accordance with the ITB. Extensions to the validity of bid security should also be requested

of bidders, if necessary.[1] Note that for fixed price contracts, a no-objection by the IDB is necessary for extensions longer than four weeks (28 days) and for any subsequent extensions.
Note any extensions in Table 3.

Principles of Evaluation

After the public opening of bids, information relating to the examination, clarification, and evaluation of bids shall not be disclosed to bidders or other persons not officially concerned with this process until the successful bidder is notified of the award of contract. The IDB recommends appointment by the Beneficiary of an evaluation committee, consisting of a minimum of three qualified members who should work in a secure office where all bidding documents can be kept. There may be a considerable advantage if the same members participated in the preparation of the bidding documents.

On occasion, the Beneficiary may request clarifications of bidders concerning ambiguities or inconsistencies in the bid. As required in the ITBs, such requests shall be in writing, and no change in the price or scope of the originally offered goods, works, or services shall be sought or accepted, except for the correction of arithmetic error. The responses from bidders shall also be in writing. No circumstances shall justify meetings or conversations between the Beneficiary (or its consultants) and bidders during the bid evaluation process.[2]

Bidders frequently attempt to contact the Beneficiary during bid evaluation, directly or indirectly, to query progress of evaluation, to offer unsolicited clarifications, or to provide criticisms of their competition. Receipt of such information should be acknowledged as to receipt only.[3] Beneficiaries must evaluate bids on the basis of the information provided in the respective bids. However, additional information provided may be useful in improving the accuracy, speed, or fairness of the evaluation. Nonetheless, no changes in the bid price or substance are allowed.

Preliminary Examination of Bids

The evaluation process should begin immediately after bid opening. The purpose of preliminary examination is to identify and reject bids that are incomplete, invalid, or substantially non responsive to the bidding documents and therefore are not to be

[1] Particular care must be taken in cases where the deadline for *submission* (or for opening) of bids can be extended, as the duration of bid security is frequently provided in terms of an expiration date. In contrast, bid validity is specified in terms of an interval after the deadline for receipt or the date of bid opening.

[2] If used, evaluation of the second-stage bidding follows the procedures in this *Annex I. Evaluation Guide*.

[3] On occasion, bidders approach IDB with information. IDB policy is to acknowledge the correspondence and pass it on to the Beneficiary for its consideration.

considered further. The following checks should be applied:

Verification: Attention should be directed toward deficiencies that, if accepted, would provide unfair advantages to the bidder. Sound judgment must be used: for example, simple omissions or mistakes arguably occasioned by human error should not be grounds for rejection of the bid. Rarely is a bid perfect in all respects. However, the validity of the bid itself, for example, its signatures, must not be in question. If the bidder is a joint venture, the joint venture agreement must be submitted; if the bidder is an agent, an authorization from the supplier or manufacturer must be provided in addition to any documentation required of the supplier or manufacturer itself. All copies of the bid should be compared with the original and corrected accordingly, if necessary. Thereafter, the original should be kept in a safe location, and only copies should be used in evaluation.

Eligibility: The bidder must be a national or a juridic entity from an eligible source country. All partners to a joint venture shall be from an eligible source country, and the joint venture shall be registered in an eligible source country. All goods and services shall originate from eligible source countries. In the case of plant and equipment, this eligibility test is applied only to the finished product offered in the bid and to its major and clearly identifiable components. If prequalification has taken place, only bids from prequalified bidders can be considered.[4] The bidder (including all members of a joint venture and subcontractors) may be disqualified if affiliated with a firm that has provided related consulting services on the project, or if the bidder is a publicly owned enterprise from the Beneficiary's country, lacking legal and financial autonomy. (See the ITB for details.)

Bid Security: The bidding document may require submission of a bid security. If so, the bid security must conform to the requirements of the ITB, and it must accompany the bid. If the bid security is issued as a bank guarantee, it must be consistent with the wording of the bid security form provided in the bidding document. Submission of a copy of the security or submission of a counter guarantee naming the Beneficiary's bank instead of the Beneficiary is unacceptable. Furthermore, securities for an amount smaller or for a period shorter than the one

[4] The juridic entities of the prequalified bidders may not be modified in the submission of bids.

specified in the ITB are not acceptable. The security for a bid submitted by a joint venture should be in the name of all of the partners of the joint venture.

Completeness of Bid: Unless the bidding documents have specifically allowed partial bids—permitting bidders to quote for only select items or for only partial quantities of a particular item—bids not offering all of the required items should ordinarily be considered nonresponsive. However, under works contracts, missing prices for occasional work items are considered to be included in prices for closely related items elsewhere. If any erasures, interlineations, additions, or other changes have been made, they should be initialed by the bidder. They may be acceptable if they are corrective, editorial, or explanatory. If they are not, they should be treated as deviations and should be analyzed as per para. 5(e) below. Missing pages in the original copy of the bid may be cause for rejection of the bid, as may contradictions in model numbers or other designations of critical supply items.

Substantial Responsiveness: Major deviations to the commercial requirements and technical specifications are a basis for the rejection of bids. As a general rule, major deviations are those that, if accepted, would not fulfill the purposes for which the bid is requested, or would prevent a fair comparison with bids that are properly compliant with the bidding documents. Examples of major deviations include:

Stipulating price adjustment when fixed price bids were called for

ıiling to respond to specifications by offering instead a different design or product that does not offer substantial equivalence in critical performance parameters or in other requirements

Phasing of contract start-up, delivery, installation, or construction not conforming to required critical dates or progress markers

Subcontracting in a substantially different amount or manner than that permitted

Refusing to bear important responsibilities and

liabilities allocated in the bidding documents, such as performance guarantees and insurance coverage

Taking exception to critical provisions such as applicable law, taxes and duties, and dispute resolution procedures

Those deviations that are specified in the ITB as requiring rejection of the bid (such as, in the case of works, participating in the submission of another's bid other than as a subcontractor).

Bids that offer deviations may be considered substantially responsive—at least as to the issue of fairness—if the deviations can be assigned a monetary value that would be added as a penalty during the detailed evaluation process and if such deviations would be acceptable in the eventual contract.

The results of preliminary examination should be presented in Table 5. If the bid fails preliminary acceptance, the reasons must be clearly explained in footnotes or in an attachment, as necessary. An example is shown in Annex IV. Beneficiaries may find it useful to include additional tables for itemization of responsiveness to a list of technical or commercial specifications. These should be attached to Table 5.

Detailed Examination of Bids

Only those bids surviving preliminary examination need to be examined in this phase.

Corrections for Errors: The methodology for correction of computational errors is described in the ITB. The read-out bid prices and their corrections should be noted in Table 6, column *d*. The corrections are considered binding on the bidder. Unusual or large corrections that could affect the comparative ranking of bids should be explained in footnotes.

Corrections for Provisional Sums: Bids may contain provisional sums set by the Beneficiary for contingencies or for nominated subcontractors, etc. As these sums are the same for all bids, they should be subtracted from the read-out prices in Table 6, column *e* to allow for a proper comparison of bids in subsequent steps. However, those provisional sums set aside for Daywork, where priced

competitively, should not be included in the deductions.

Modifications and Discounts: In accordance with the ITB, bidders are allowed to submit, prior to bid opening, modifications to their original bid. The impact of modifications should be fully reflected in the examination and evaluation of the bids. These modifications may include either increases or discounts to the bid amounts that reflect last-minute business decisions. Accordingly, the original bid prices should be modified at this point in the evaluation. Discounts offered in accordance with the ITB that are conditional on the simultaneous award of other contracts or lots of the contract package (cross-discounts) shall not be incorporated until the completion of all other evaluation steps. The effect of unconditional discounts (or alternatively, increases) should be shown as in Table 6 (columns *g* and *h*). Any discount expressed in percent must be applied to the appropriate base specified in the bid (i.e., check to see if it applies to any provisional sums).

Evaluation Currency: The remaining bids as corrected for computational errors and as adjusted for discounts should be converted to a common evaluation currency, as described in the ITB. The exchange rates to be used in the calculations are to be listed in Table 7. If multiple exchange rates exist for a particular currency (for commercial, government transactions, etc.), indicate which applies, with reasons for the choice. Where exchange rates for a particular currency are not available from the specified authority or publication, identify the secondary source, as well as any necessary conversion calculations.

Additions: Omissions to the bid should be compensated for by adding the estimated costs for remedying the deficiency. Where items missing in some bids are present in others, an average of quoted prices could be used to compare competitors' bids. Alternatively, external sources, such as published price lists, freight tariff schedules, etc., may be appropriate. The cost determined should be expressed in the evaluation currency and shown in Table 10, column *c*.

Adjustments: The ITB specifies which, if any, performance or service factors will be taken into account in the bid evaluation. The methodology used in evaluation of these factors should be precisely described in the bid evaluation

report and should be fully consistent with the ITB provisions. Bonuses or additional credits that reduce the evaluated bid price will not be given in the bid evaluation for features that exceed the requirements stated in the bidding documents, unless specifically provided for in the ITB.[5] The value of adjustments will be expressed in terms of cost, for all works and most goods contracts, and should be shown in Table 10, column *d* and expressed in the evaluation currency.[6]

Priced Deviations: As discussed under para. 5(e), bids with minor deviations may be considered substantially responsive if their further consideration assigns a monetary cost or penalty to the bid for the purpose of bid comparison:

Requests for deviations that are expressed by the bidder in vague terms, such as "we would like an increase in the amount of mobilization advance" or "we wish to discuss changes in the completion schedule" should ordinarily be ignored in bid evaluation. However, a categorical statement by the bidders taking exception to a requirement in the bidding documents should be treated as a deviation.

If a bid requires a faster payment stream than specified in the bidding documents, the penalty is based on the prospective benefit to the bidder. This situation assumes use of a discounted cash flow using the prevailing commercial bank charge rates for the currencies of the bid, unless the ITB foresees the eventuality and specifies a rate.

If a bid provides for a delivery or completion that is beyond the date specified in the bidding documents but that is nonetheless technically acceptable to the Beneficiary, the time advantage given should be assessed a penalty specified in the ITB or, if one is not provided, based on the rate of liquidated damages specified in the bidding documents.

The deviations should be priced in the evaluation currency in Table 10, column *e*.

[5] Similarly, a bid offering a choice of different product models is evaluated on the basis of the lowest price offered by the bidder from among the models meeting the requirements of the bidding document.

[6] The IDB on occasion may allow the use of the Merit Point System for the purchase of goods. If so, the adjustments will be expressed in points.

Determination of Award

In the comparison of bids for works and for most goods, the corrected and discounted bid prices, together with adjustments for omissions, deviations, and specified evaluation factors, have been noted in Table 10. The bidder with the lowest total is the lowest evaluated cost bidder at this stage, subject to:

Application of any discounts, contingent on the simultaneous award of multiple contracts or lots; and

Post-qualification evaluation, or, if prequalification has occurred, confirmation of prequalification information.

Member Countries Preference: If domestic preference is allowed in bid evaluation, the ITB will so state and provide detailed procedures to be used in determining the eligibility for preference and the amounts.

(i) With respect to goods contracts, eligibility of goods for preference must be examined according to the criteria described in the ITB.

The calculations for determining the lowest evaluated bidder are based on a two-step process. In the second step, if needed, the preference margin is added (like a tariff) to the CIF or CIP bid prices of the goods offered from non-Member Countries. Care should be taken to separate these prices from the overall bid prices, which may include the costs of internal transportation and related freight insurance, installation, training, and other costs incurred within the Beneficiary's country. Such costs are not to be adjusted for the preference. The CIF or CIP bid prices used will reflect corrections for errors and discounts and will be adjusted for omissions pertaining to the CIF or CIP prices (such as insufficient spare parts). They will not reflect adjustments for deviations or specified evaluation factors. The preference tariff calculated will then be added to the corrected, discounted, and adjusted total prices tabulated in Table 11A.

All calculations involved in assessing preference should be clearly shown in Table 11A, together with accompanying explanations as necessary. The lowest evaluated bidder would be the bidder with the lowest price total in column *h*, unless note 2 of Table 11A applies.

(ii) Any preference eligibility allowed under works contracts is dependent on ownership criteria and on the share of work to be undertaken. The preference is provided by adding 10 percent to the corrected and discounted bid prices of bidders not eligible for preference. The ITB excludes preference application to any provisional sums, as well as to adjustments or priced deviations.

The lowest evaluated bidder is the bidder with the lowest total in column *g* of Table 11B.

Cross-Discounts: These are conditional discounts offered in the event that more than one contract or lot will be awarded to the same bidder. Bid evaluation in such cases can be quite complicated, particularly for goods contracts where domestic preference may apply. The sizes of cross-discounts offered by each bidder may vary with the potential number of contracts awarded. The ITB may also limit the number or total value of awards to a bidder on the basis of its financial and technical capacity.[7] Thus, a bidder offering the lowest evaluated bid on a particular contract may be denied award because of such a restriction. The Beneficiary shall select the optimum combination of awards on the basis of least overall cost of the total contract package, consistent with the qualification criteria. Presentations of the calculations should be made on an attachment to the report, which should include the bid evaluation(s) for the other contracts, if they have been evaluated separately.

Qualification: If prequalification was conducted, the bidder whose bid is the lowest evaluated should receive the award, unless after the bids were launched the bidder's qualifications have materially deteriorated or the bidder has received additional work that overstresses its capacity. The Beneficiary should satisfy itself fully on both accounts.

Where prequalification has not occurred, the bidder who would be selected for the award should be subjected to post-qualification, the procedures for which are described in the ITB.

If the lowest evaluated bidder fails post-qualification, its bid should be rejected, and the next ranked bidder should then be subject to post-qualification examination. If successful, this bidder should receive the award. If not, the process continues.

The rejection of a bid for reasons of qualification requires substantial justification, which should be clearly documented in attachments to the report. A history of poor performance may be considered a substantial justification.

Alternative Bids: The ITB may request or allow the Beneficiary to accept alternative bids under the stipulation

[7] This restriction may originate with prequalification.

that only the alternative submitted by the lowest evaluated bidder and conforming to the bidding documents will be considered.

For works, the ITBs may allow alternative technical solutions and/or alternative times for completion.

For goods, the ITB may allow for submission of an alternative payment schedule. The same ITB (paras. 11.2(b)(ii) or (iii)) may also require bidders to submit, in addition to any CIF or CIP bids, similar bids less transport or insurance, such as FCA or CFR.[8] The Beneficiary, if it is willing to accept the alternative bid offered by the lowest evaluated bidder, should provide justification for doing so.[9]

Calculations for the evaluation of alternatives should be provided in an attachment to the report.

Proposed Award: The amount of the proposed award shall be the bid price as submitted by the winning bidder and adjusted as described in the ITB for corrections, any discounts (including cross-discounts), and acceptance by the Beneficiary of alternative offers from the lowest evaluated bidder. Adjustments to the final price and scope of the contract to correct for acceptable omissions and quantity variations in the bid may be negotiated with the lowest evaluated bidder. Prior concurrence of the IDB with the proposed award is required before such negotiations may be entered into. Table 11 should be filled out to establish the actual amount of the contract award.

If (a) none of the bids are found to be responsive, (b) bids are unreasonably high in price compared with earlier estimates, or (c) none of the bidders are qualified, the Beneficiary may consider rejection of all bids (prior IDB concurrence is required).

Report Submission

Prior Review: In accordance with the Financing Agreement, the Beneficiary must submit the completed bid evaluation report containing the required summary

[8] *INCOTERMS 2010.*

[9] If the contract is signed without insurance coverage, the Beneficiary must provide IDB with evidence of alternative insurance payable in a freely usable currency to replace or repair such goods.

to the IDB as soon as possible after bid opening, preferably no later than three (3) weeks prior to the expiration of the bid validity period. The report should include the appropriate items listed in Annex V.

Beneficiaries are encouraged to request assistance as needed from the IDB in explaining the evaluation procedures. However, the IDB will not participate in the evaluation itself.

Post Review: The Financing Agreement may provide that for contracts up to an amount to be specified in the Financing Agreement, the Recipient may proceed with the appropriate procurement procedure without the prior review of IDB, *up to the stage of contract award*. At that stage, IDB will receive the minutes of opening of the bids, the bid evaluation report and the bids by the three lowest evaluated bidders, to determine if the evaluation procedure is in conformity with IDB's Guidelines and the contract can be awarded and signed as proposed by the Recipient.

Review by the IDB: All contracts will be reviewed by the IDB before contract award. Beneficiaries may be requested to provide additional information and justification for the recommendations for contract award. The IDB will not contact bidders. However, it may request the Beneficiary to do so for necessary clarifications. When the IDB is satisfied with the evaluation of bids and recommendations of award, a "no-objection" written communication will be issued by the IDB official designated for such correspondence.

Beneficiaries should ensure that all correspondence received from bidders concerning evaluation has been taken into account. The IDB does not finance contracts that have not been procured in accordance with the Financing Agreement.[10]

Award of Contract: Bid securities of unsuccessful bidders should be returned promptly after award has been made. However, if contract effectiveness is contingent on the receipt of a performance security or other condition, the Beneficiary may consider seeking an appropriate extension of time for the bid validity and the accompanying bid security of the next two lowest bidders.

[10] If IDB funds have already been disbursed, IDB may seek reimbursement.

As mentioned in the Information for Users, upon confirmation by the Beneficiary that the award has been made, the IDB is authorized to publish a description of the contract, the name and nationality of the bidder to whom the contract was awarded, and the contract price. Any further information on the bids or on their evaluation, including the bid evaluation report, is held in confidence by the IDB. Unsuccessful bidders are allowed to seek a debriefing with the Beneficiary, and, additionally, with the IDB. In anticipation of this and/or any post reviews by the IDB, the Beneficiary should ensure that bidding documents and evaluations are securely stored.

Annex II. Bid Opening Checklist

(To be filled out for each bid as it is read out)

Contract Reference: _____

Bid Opening Date: _____ Time: _____

Name of Bidder: _____

(a) Is outer envelope of bid sealed?

(b) Is bid form completed and signed?

(c) Expiration date of bid:

(d) Is documentary authority for signing enclosed?

(e) Amount of bid security (if required): _____ (state currency)

(f) Describe any "Substitution," "Withdrawal," or "Modification" submitted

(g) Describe any alternative bid made:

(h) Describe any discounts or modifications offered:

(i) Additional comments:[1]

(j) Name of bidder or representative present:

(k) Total bid price: _____ (list currencies and amounts or percentages)[2]

Signature of responsible official: _____ Date: _____

[1] Read out and record model numbers of equipment.

[2] If bid is for a package of contracts, the price for each lot or item should be read out.

Annex III. Eligibility for the Provision of Goods, Works, and Services in IDB-Financed Procurement

The IDB Guidelines for Procurement of Goods and Works state the following:

1.09 It is a fundamental policy of IDB that the bidding documents shall unequivocally stipulate that the providers of goods and works, and their associates and subcontractors, shall be in strict compliance with the Boycott Regulations of the Organization of the Islamic Conference, the League of Arab States and the African Union. The Beneficiary shall advise intending contractors and suppliers that bids will only be considered from contractors and suppliers who are not subject to said Boycott Regulations. Bidders, through an agent in the Member Countries concerned or through one of the Member Countries' Embassies in the country of origin of the bidder, may acquire a certificate which certifies that the bidder is not blacklisted.

1.10 For the boycott requirement, the eligibility of a supplier or contractor will be determined during the evaluation process. In cases where suppliers or contractors withhold information to evade disqualification on account of the boycott requirement, the Beneficiary will have the right to cancel the contract at any time and also to penalize such parties and claim compensation for losses incurred, as a consequence thereof, by the Beneficiary and IDB. IDB reserves the right not to honor any contract if the supplier or contractor involved is found to be subject to the boycott requirement.

Preliminary Examination

Bidder	Verification	Eligibility	Bid Security	Completeness of Bid	Substantial Responsiveness	Acceptance for Detailed Examination
Bidder A	Yes	Yes[1]	Yes	Yes	Yes	Yes
Bidder B	No[2]	Yes	Yes	Yes	Yes[3]	No
Bidder C	Yes[4]	Yes	Yes	Yes	Yes	Yes
Bidder D	Yes	Yes	No[5]	No[6]	Yes	No
Bidder E	Yes	No[7]	No[8]	Yes	Yes	No
Bidder F	Yes	Yes	Yes	Yes	Yes	Yes
Bidder G	Yes	Yes	Yes	Yes	Yes	Yes
Bidder H	Yes	Yes	Yes	Yes	Yes[9]	Yes

[1] Bidder is partly owned by government (of Beneficiary). It operates under commercial law and is financially and managerially independent of government.
[2] Joint venture agreement missing.
[3] Requires 25 percent mobilization advance; bid document states maximum of 15 percent. Deviation is minor and can be quantified.
[4] Bidder prequalified as local agent; bid is joint obligation with parent company. Bid deemed acceptable because increase in financial backing results.
[5] Bid security not in freely convertible currency.
[6] Does not include cost for required disposal of hazardous wastes found at the site.
[7] Source of plant from non-eligible country.
[8] Required validity period of security not met (8 weeks instead of 12 weeks).
[9] Contains several initialed changes substituting ISO standards in the specifications with DIN standards. This is acceptable to the Engineer-in-Charge.

Annex V. Bid Evaluation Summary Checklist

1. Attach bid opening record, if not previously submitted.

2. Explain any inconsistencies between prices and modifications to prices read out at bid opening (and written into the record) and presented in Table 4.

3. Provide details on eliminating any bids during preliminary examination (Table 5). Copy select pages from bids, as desirable, to show examples of objectionable features.

4. If provisional sums in Table 6 vary among bidders, explain. Explain any substantial corrections for computational errors that may affect the ranking of bidders.

5. Provide a copy of the rates requested for Table 7 and used in Tables 8 or 9.

6. The additions, adjustments, and priced deviations in Table 10 require detailed explanations where they may affect the ranking of bidders.

7. Explain any cross-discount (para. 7(b)) not read out and recorded at bid opening. In addition, attach copies of any evaluation reports for the other related contracts awarded to the same bidder.

8. Provide detailed reasons for refusing to award a contract to a party other than the lowest evaluated bidder (para. 7(c)).

9. If an alternative bid is accepted, provide a detailed explanation of the reasons for its acceptance, addressing issues of timeliness, performance, and cost implications (para. 7(d)).

10. An attachment to Table 11 should explain adjustments to the price provided on line 10. Explain any changes to scope of bid and contract conditions.

11. Provide evidence of alternative insurance.

12. Attach copies of any correspondence from bidders that raise objections to the bidding and evaluation process, together with detailed responses.

13. Attach copies of any letters to bidders requesting clarifications. Provide copies of responses.

14. Submit bid evaluation with separate evaluation report from consultant, if one was commissioned.

15. Ensure that the bid evaluation report is double-checked, paginated, and complete, and includes a Letter of Transmittal. The IDB will only review reports that are sent to it by the proper authorities.

167. Send by courier or by other swift means.