S T A N D A R D P R O C U R E M E N T D O C U M E N T

Prequalification Document for Procurement of Works

and

User's Guide



The World Bank
September 2011

September 2011

This document dated September 2011 makes a number of changes reflecting the experience of the Bank in using previous versions of this document (last updated version was dated September 2010), corrects inconsistencies within document clauses, and makes changes as per Bank Procurement Guidelines for Procurement of Goods, Works and Non-Consulting Services dated January 2011.

Foreword

The Standard Prequalification Document has been prepared by the World Bank, based on the Master Procurement Document "Prequalification Document for Procurement of Works and User's Guide" developed by the Multilateral Development Banks and International Financing Institutions which represents the best practices of these institutions. This September 2011 version will be discussed with the working group of the Multilateral Development Banks to finalize the changes in the Master Procurement Document.

The Standard Prequalification Document shall be used by the Borrower with minimum changes as may be necessary, and acceptable to the Bank, when a prequalification process takes place prior to the bidding process for procurement of Works through the International Competitive Bidding (ICB) procedure in projects that are financed in whole or in part by the World Bank. With suitable modifications, this Standard Prequalification Document may also be used for other types of procurements, including Information Systems and Plant Design, Supply, and Installation.

This Standard Prequalification Document is organized into two main components:

- Prequalification Document for Procurement of Works; and
- User's Guide.

Those wishing to submit comments or questions on these documents or to obtain additional information on procurement under World Bank-financed projects are encouraged to contact:

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Summary Description

This Standard Prequalification Document (SPD) consists of Prequalification Document for Procurement of Works (Prequalification Procedures and Works Requirements) and a "User's Guide".

A brief description of this document is given below.

Prequalification Document for Procurement of Works

PART 1 – PREQUALIFICATION PROCEDURES

Section I. Instructions to Applicants (ITA)

This Section provides information to help the Applicants in preparing and submitting their Applications for Prequalification ("Applications"). Information is also provided on opening and evaluation of Applications. **Section I contains provisions that are to be used without modification.**

Section II. Prequalification Data Sheet (PDS)

This Section includes provisions that are specific to each prequalification and supplement Section I, Instructions to Applicants.

Section III. Qualification Criteria and Requirements

This Section specifies the methods, criteria, and requirements to be used to determine how Applicants shall be prequalified and later invited to bid.

Section IV. Application Forms

This Section includes the Application Submission Form and other forms required to be submitted with the Application.

Section V. Eligible Countries

This Section contains information regarding eligible countries.

Section VI. Bank Policy – Corrupt and Fraudulent Practices

This Section provides the Applicants with the reference to the Bank's policy in regard to corrupt and fraudulent practices applicable to the prequalification process.

PART 2 -- WORKS REQUIREMENTS

Section VII. Scope of Works

This Section includes a summary description, delivery and completion schedules, and Site and other Data of the Works subject of this prequalification.

USER'S GUIDE [TO THE PREQUALIFICATION DOCUMENT FOR PROCUREMENT OF WORKS]

This User's Guide to the Prequalification Document for Procurement of Works contains detailed explanations and recommendations to Employers on how to prepare a Prequalification Document and evaluate Applications in connection with a specific process for procurement of works. The User's Guide is not a part of the Prequalification Document to be issued to prospective Applicants.

Prequalification Document for

Procurement of

[Insert Title of the proposed Works]

Invitation for Prequalification No.: *[insert number]*

ICB No.: *[insert number]*

Project: *[insert Project name]*

Employer: *[insert full name of Employer]*

Country: *[insert Country]*

Issued on: *[insert date]*

Preface

This Prequalification Document for Procurement of Works is based on the Standard Prequalification Document prepared by the World Bank[1]. This Prequalification Document incorporates the new features of the World Bank's *Guidelines: Procurement under IBRD Loans and IDA Credits*, dated January 2011.

[1] The Standard Prequalification Document is based on the Master Procurement Document "Prequalification Document for Procurement of Works and User's Guide" developed by the Multilateral Development Banks and International Financing Institutions and represents the best practices of these institutions.

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PART 1 – Prequalification Procedures

Section I. Instructions to Applicants

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Section I. Instructions to Applicants

A. General

1. Scope of Application

1.1 In connection with the Invitation for Prequalification[2] indicated in Section II, Prequalification Data Sheet (PDS), the Employer, as defined in the **PDS,** issues this Prequalification Document ("Prequalification Document") to prospective applicants ("Applicants") interested in submitting applications ("Applications") for prequalification to bid for the Works described in Section VII, Scope of Works. In case the Works are to be bid as individual contracts (i.e. the slice and package procedure), these are listed in the PDS. The International Competitive Bidding ("ICB") number corresponding to this prequalification is also provided in the **PDS.**

2. Source of Funds

2.1 The Borrower or Recipient (hereinafter called "Borrower") indicated in the **PDS** has applied for or received financing (hereinafter called "funds") from the International Bank for Reconstruction and Development or the International Development Association (hereinafter called "the Bank") towards the cost of the project named in the **PDS.** The Borrower intends to apply a portion of the funds to eligible payments under the contract(s) resulting from the bidding for which this prequalification is conducted. Payment by the Bank will be made only at the request of the Borrower and upon approval by the Bank, and will be subject, in all respects, to the terms and conditions of the loan (or financing) agreement. The loan (or financing) agreement prohibits a withdrawal from the loan (or credit) account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Bank, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. No party other than the Borrower shall derive any rights from the loan (or financing) agreement or have any claim to the proceeds of the loan (or credit).

3. Corrupt and Fraudulent Practices

3.1 The Bank requires compliance with its policy in regard to corrupt and fraudulent practices as set forth in Section VI.

3.2 In further pursuance of this policy, Applicants shall permit and shall cause its agents to permit the Bank to inspect all accounts, records and other documents relating to the submission of the Application, bid submission (in case prequalified), and contract performance (in the case of award), and to have them audited by auditors appointed by the Bank.

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[2] The Invitation for Prequalification (IFP) provided information for potential bidders to decide whether to participate, including the essential items listed in the Standard Prequalification Document and also any important or specialized prequalification requirements requested to qualify for the prequalification.

4. Eligible Applicants

4.1 Applicants shall meet the eligibility criteria as per clause 5.1. For the purpose of applying the eligibility criteria listed in this Clause 4 and 5, references to the "Applicant" include all entities involved or intended to be involved with the proposed Works (including all partners and any of their affiliates that directly or indirectly control, or are controlled by or are under common control with the firm), specialized sub-contractors, consultants, manufacturers or suppliers (as mentioned in Form ELI-1.2 Applicant's JV Member's Information Form), and the personnel of each, for any part of the contract including related services.

4.2 An Applicant may be a firm that is a private entity, a government-owned entity—subject to ITA 4.9 - or a combination of such entities in the form of a joint venture ("JV") under an existing agreement or with the intent to enter into such an agreement supported by a letter of intent. In the case of a JV, all members shall be jointly and severally liable for the execution of the Contract in accordance with the Contract terms. The JV shall nominate an authorized representative who shall have the authority to conduct all business for and on behalf of any and all the members of the JV during the prequalification process, bidding (in the event the JV submits a bid) and during contract execution (in the event the JV is awarded the Contract). Unless specified in the **PDS**, there is no limit on the number of members in a JV.

4.3 A firm may apply for prequalification both individually, and as part of a joint venture, or as a sub-contractor. If prequalified, it will not be permitted to bid for the same contract both as an individual firm and as a part of the joint venture or as a sub-contractor. However, a firm may participate as a sub-contractor in more than one bid, but only in that capacity. Bids submitted in violation of this procedure will be rejected.

4.4 A firm and any of its affiliates (that directly or indirectly control, are controlled by or are under common control with that firm) may submit its application for prequalification either individually, as joint venture or as a sub-contractor among them for the same contract. However, if prequalified only one prequalified applicant will be allowed to bid for the same contract. All bids submitted in violation of this procedure will be rejected.

4.5 An Applicant may have the nationality of any country, subject to the restrictions pursuant to ITA 5.1. An Applicant shall be deemed to have the nationality of a country if the Applicant is constituted, incorporated or registered in and operates in conformity with the provisions of the laws of that country, as evidenced by its articles of incorporation (or equivalent documents of constitution or association) and its registration documents, as the case may be. This criterion also shall

apply to the determination of the nationality of proposed specialized sub-contractors or suppliers for any part of the Contract including related Services.

4.6 Applicants shall not have a conflict of interest. Applicants shall be considered to have a conflict of interest, if they participated as a consultant in the preparation of the design or technical specifications or have been hired or proposed to be hired by the Employer or Borrower as Engineer for contract implementation of the works that are the subject of this prequalification.

4.7 An Applicant that has been sanctioned by the Bank in accordance with the above ITA 3.1, including in accordance with the Bank's Guidelines on Preventing and Combating Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants ("Anti-Corruption Guidelines"), shall be ineligible to be prequalified, to bid for, awarded a Bank-financed contract or benefit from a Bank-financed contract, financially or otherwise, during such period of time as the Bank shall have determined.

4.8 The list of debarred firms and individuals is available as specified in the **PDS**.

4.9 Government-owned enterprises or institutions in the Employer's Country may participate only if they can establish that they (i) are legally and financially autonomous (ii) operate under commercial law, and (iii) are not dependent agencies of the Employer[3]. To be eligible, a government-owned enterprise or institution shall establish to the Bank's satisfaction, through all relevant documents, including its Charter and other information the Bank may request, that it: (i) is a legal entity separate from the government (ii) does not currently receive substantial subsidies or budget support; (iii) operates like any commercial enterprise, and, inter alia, is not obliged to pass on its surplus to the government, can acquire rights and liabilities, borrow funds and be liable for repayment of its debts, and can be declared bankrupt; and (iv) is not bidding for a contract to be awarded by the department or agency of the government which under their applicable laws or regulations is the reporting or supervisory authority of the enterprise or has the ability to exercise influence or control over the enterprise or institution.

4.10 An Applicant shall not be under suspension from bidding by the Employer as the result of the execution of a Bid–Securing Declaration.

4.11 An Applicant shall provide such evidence of eligibility satisfactory to the Employer, as the Employer shall reasonably request.

[3] Other than Force Account units, as permitted under paragraph 3.9 of the Procurement Guidelines

5. Eligibility

5.1 Firms and individuals may be ineligible if they are nationals of ineligible countries as indicated in Section V. The countries, persons or entities are ineligible if (a) as a matter of law or official regulations, the Borrower's country prohibits commercial relations with that country, provided that the Bank is satisfied that such exclusion does not preclude effective competition for the supply of goods or the contracting of works or services required; or (b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's country prohibits any import of goods or contracting of works or services from that country, or any payments to any country, person, or entity in that country.

B. Contents of the Prequalification Document

6. Sections of Prequalification Document

6.1 This Prequalification Document consists of parts 1 and 2 which comprise all the sections indicated below, and which should be read in conjunction with any Addendum issued in accordance with ITA 8.

PART 1 Prequalification Procedures

- Section I. Instructions to Applicants (ITA)
- Section II. Prequalification Data Sheet (PDS)
- Section III Qualification Criteria and Requirements
- Section IV. Application Forms
- Section V. Eligible Countries
- Section VI. Bank Policy – Corrupt and Fraudulent practices

PART 2 Works Requirements

- Section VII. Scope of Works

6.2 Unless obtained directly from the Employer, the Employer accepts no responsibility for the completeness of the document, responses to requests for clarification, the minutes of the pre-Application meeting (if any), or Addenda to the Prequalification Document in accordance with ITA 8. In case of any discrepancies, documents issued directly by the Employer shall prevail.

6.3 The Applicant is expected to examine all instructions, forms, and terms in the Prequalification Document and to furnish with its Application all information or documentation as is required by the Prequalification Document.

7. Clarification of Prequalification

7.1 A prospective Applicant requiring any clarification of the Prequalification Document shall contact the Employer in writing at the Employer's address indicated in the **PDS.** The Employer will respond

Document and Pre-Application Meeting

in writing to any request for clarification provided that such request is received no later than fourteen (14) days prior to the deadline for submission of the applications. The Employer shall forward a copy of its response to all prospective Applicants who have obtained the Prequalification Document directly from the Employer, including a description of the inquiry but without identifying its source. If so indicated in the **PDS**, the Employer shall also promptly publish its response at the web page identified in the **PDS**. Should the Employer deem it necessary to amend the Prequalification Document as a result of a clarification, it shall do so following the procedure under ITA 8 and in accordance with the provisions of ITA 17.2.

7.2 If indicated in the **PDS**, the prospective Applicant's designated representative is invited at the Applicant's cost to attend a pre-Application meeting at the place, date and time mentioned in the **PDS**. During this pre-Application meeting, prospective Applicants may request clarification of the project requirement, the criteria for qualifications or any other aspects of the Prequalification Document.

7.3 Minutes of the pre-Application meeting, if applicable, including the text of the questions asked by Applicants, including those during the meeting (without identifying the source) and the responses given, together with any responses prepared after the meeting will be transmitted promptly to all prospective Applicants who have obtained the Prequalification Document. Any modification to the Prequalification Document that may become necessary as a result of the pre-Application meeting shall be made by the Employer exclusively through the use of an Addendum pursuant to ITA 8. Non-attendance at the pre-Application meeting will not be a cause for disqualification of an Applicant.

8. Amendment of Prequalification Document

8.1 At any time prior to the deadline for submission of Applications, the Employer may amend the Prequalification Document by issuing an Addendum.

8.2 Any Addendum issued shall be part of the Prequalification Document and shall be communicated in writing to all prospective Applicants who have obtained the Prequalification Document from the Employer. The Employer shall promptly publish the Addendum at the Employer's web page identified in the **PDS**.

8.3 To give prospective Applicants reasonable time to take an Addendum into account in preparing their Applications, the Employer may, at its discretion, extend the deadline for the submission of Applications in accordance with ITA 17.2.

C. Preparation of Applications

9. Cost of Applications

9.1 The Applicant shall bear all costs associated with the preparation and submission of its Application. The Employer will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the prequalification process.

10. Language of Application

10.1 The Application as well as all correspondence and documents relating to the prequalification exchanged by the Applicant and the Employer, shall be written in the language specified in the **PDS.** Supporting documents and printed literature that are part of the Application may be in another language, provided they are accompanied by an accurate translation of the relevant passages in the language specified in the **PDS,** in which case, for purposes of interpretation of the Application, the translation shall govern.

11. Documents Comprising the Application

11.1 The Application shall comprise the following:

(a) Application Submission Form, in accordance with ITA 12.1;

(b) documentary evidence establishing the Applicant's eligibility, in accordance with ITA 13.1;

(c) documentary evidence establishing the Applicant's qualifications, in accordance with ITA 14; and

(d) any other document required as specified in the **PDS**.

11.2 The Applicant shall furnish information on commissions and gratuities, if any, paid or to be paid to agents or any other party relating to this Application

12. Application Submission Form

12.1 The Applicant shall complete an Application Submission Form as provided in Section IV, Application Forms. This Form must be completed without any alteration to its format.

13. Documents Establishing the Eligibility of the Applicant

13.1 To establish its eligibility in accordance with ITA 4, the Applicant shall complete the eligibility declarations in the Application Submission Form and Forms ELI (eligibility) 1.1 and 1.2, included in Section IV (Application Forms).

14. Documents Establishing the Qualifications of the Applicant

14.1 To establish its qualifications to perform the contract(s) in accordance with Section III, Qualification Criteria and Requirements, the Applicant shall provide the information requested in the corresponding Information Sheets included in Section IV, Application Forms.

14.2 Wherever an Application Form requires an Applicant to state a monetary amount, Applicants should indicate the USD equivalent using the rate of exchange determined as follows:

For construction turnover or financial data required for each year - Exchange rate prevailing on the last day of the respective calendar year (in which the amounts for that year is to be converted) was originally established.

Value of single contract - Exchange rate prevailing on the date of the contract.

Exchange rates shall be taken from the publicly available source identified in the **PDS**. Any error in determining the exchange rates in the Application may be corrected by the Employer.

15. Signing of the Application and Number of Copies

15.1 The Applicant shall prepare one original of the documents comprising the Application as described in ITA 11 and clearly mark it "ORIGINAL". The original of the Application shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Applicant. In case the Applicant is a JV, the Application shall be signed by an authorized representative of the JV on behalf of the JV and so as to be legally binding on all the members as evidenced by a power of attorney signed by their legally authorized signatories.

15.2 The Applicant shall submit copies of the signed original Application, in the number specified in the **PDS,** and clearly mark them "COPY". In the event of any discrepancy between the original and the copies, the original shall prevail.

D. Submission of Applications

16. Sealing and Identification of Applications

16.1 The Applicant shall enclose the original and the copies of the Application in a sealed envelope that shall:

(a) bear the name and address of the Applicant;

(b) be addressed to the Employer, in accordance with ITA 17.1; and

(c) bear the specific identification of this prequalification process indicated in the PDS 1.1.

16.2 The Employer will accept no responsibility for not processing any envelope that was not identified as required in ITA 16.1 above.

17. Deadline for Submission of Applications

17.1 Applicants may either submit their Applications by mail or by hand. Applications shall be received by the Employer at the address and no later than the deadline indicated in the **PDS.** When so specified in the **PDS,** Applicants have the option of submitting their Applications electronically, in accordance with electronic application submission procedures specified in the **PDS.**

17.2 The Employer may, at its discretion, extend the deadline for the submission of Applications by amending the Prequalification Document in accordance with ITA 8, in which case all rights and obligations of the Employer and the Applicants subject to the previous deadline shall thereafter be subject to the deadline as extended.

18. Late Applications

18.1 The Employer reserves the right to accept applications received after the deadline for submission of applications, unless otherwise specified in the **PDS**.

19. Opening of Applications

19.1 The Employer shall open all Applications at the date, time and place specified in the **PDS**. Late Applications shall be treated in accordance with ITA 18.1.

19.2 Applications submitted electronically (if permitted pursuant to ITA 17.1) shall be opened in accordance with the procedures specified in the **PDS.**

19.3 The Employer shall prepare a record of the opening of Applications to include, as a minimum, the name of the Applicants. A copy of the record shall be distributed to all Applicants.

E. Procedures for Evaluation of Applications

20. Confidentiality

20.1 Information relating to the Applications, their evaluation and result shall not be disclosed to Applicants or any other persons not officially concerned with the prequalification process until the notification of prequalification results is made to all Applicants in accordance with ITA 28.

20.2 From the deadline for submission of Applications to the time of notification of the results of the prequalification in accordance with ITA 28, any Applicant that wishes to contact the Employer on any matter related to the prequalification process (except as specified in 20.1 above), may do so only in writing.

21. Clarification of Applications

21.1 To assist in the evaluation of Applications, the Employer may, at its discretion, ask an Applicant for a clarification (including missing documents) of its Application, to be submitted within a stated reasonable period of time. Any request for clarification from the Employer and all clarifications from the Applicant shall be in writing.

21.2 If an Applicant does not provide clarifications and/or documents requested by the date and time set in the Employer's request for clarification, its Application shall be evaluated based on the information and documents available at the time of evaluation of the Application.

22. Responsiveness of Applications

22.1 The Employer may reject any Application which is not responsive to the requirements of the Prequalification Document. In case the information furnished by the Applicant is incomplete or otherwise requires clarification as per ITA 21.1, and the Applicant fails to provide satisfactory clarification and/or missing information, it may result in disqualification of the Applicant.

23. Domestic Bidder Price Preference

23.1 Unless otherwise specified in the **PDS,** a margin of preference for domestic bidders[4] shall not apply in the bidding process resulting from this prequalification.

24. Sub-contractors

24.1 Unless otherwise stated in the **PDS,** the Employer does not intend to execute any specific elements of the Works by sub-contractors selected in advance by the Employer**.**

24.2 The Employer may decide to permit subcontracting for certain specialized works as indicated in Section III 4.2, Experience. The Employer may do so at its own initiative or at the request of the Applicants during the prequalification process (if justified). When subcontracting is permitted by the Employer, the specialized sub-contractors experience shall be considered for evaluation. Section III describes the qualification criteria for sub-contractors.

24.3 Applicants may propose subcontracting to the percentage of the total value of the contract or the volume of works mentioned in the **PDS** and as further described in ITA 25.2.

F. Evaluation of Applications and Prequalification of Applicants

25. Evaluation of Applications

25.1 The Employer shall use the factors, methods, criteria, and requirements defined in Section III, Qualification Criteria and Requirements, to evaluate the qualifications of the Applicants, and no other methods, criteria, or requirements shall be used. The Employer reserves the right to waive minor deviations from the qualification criteria if they do not materially affect the technical capability and financial resources of an Applicant to perform the contract.

25.2 Applicants planning to subcontract more than 10% of total volume of work shall specify, in the Application Submission Form, the activity (ies) or parts of the works to be subcontracted along with complete

[4] An individual firm is considered a domestic bidder for purposes of the margin of preference if it is registered in the country of the Employer, has more than 50 percent ownership by nationals of the country of the Employer, and if it does not subcontract more than 10 percent of the contract price, excluding provisional sums, to foreign contractors. JVs are considered as domestic bidders and eligible for domestic preference only if the individual member firms are registered in the country of the Employer, have more than 50 percent ownership by nationals of the country of the Employer, and the JV shall be registered in the country of the Borrower. The JV shall not subcontract more than 10 percent of the contract price, excluding provisional sums, to foreign firms. JVs between foreign and national firms will not be eligible for domestic preference.

details of the sub-contractors and their qualification and experience. The sub-contractors proposed shall be fully qualified for their work proposed, and meet the specified criteria in Section III, failing which such sub-contractors will not be permitted to participate. The qualification and experience of sub-contractors proposed by the Applicant under ITA 24.3 will not be considered for evaluation of the Applicant. The Applicant on its own (without taking into account the qualification and experience of the sub-contractor) should meet the prequalification criteria.

25.3 In case of multiple contracts, Applicants should indicate in their Applications the individual contract or combination of contracts in which they are interested. The Employer shall prequalify each Applicant for the maximum combination of contracts for which the Applicant has thereby indicated its interest and for which the Applicant meets the appropriate aggregate requirements. The Qualification Criteria and Requirements are mentioned in Section III. However, with respect to the specific experience under item 4.2 (a) of Section III, the Employer will select any one or more of the options as identified below:

N is the minimum number of contracts

V is the minimum value of a single contract

(a) Prequalification for one Contract:

Option 1: (i) N contracts, each of minimum value V;

Or

Option 2: (i) N contracts, each of minimum value V, Or

(ii) Less than or equal to N contracts, each of minimum value V, but with total value of all contracts equal or more than N x V;

(b) Prequalification for multiple Contracts

Option 1: (i) Minimum requirements for combined contract(s) shall be the aggregate requirements for each contract for which the applicant has applied for as follows, and N1,N2,N3, etc. shall be different contracts:

Lot 1: N1 contracts, each of minimum value V1;

Lot 2: N2 contracts, each of minimum value V2;

Lot 3: N3 contracts, each of minimum value V3;

----etc.

Or

Option 2: (i) Minimum requirements for combined contract(s) shall be the aggregate requirements for each contract for which the applicant has applied for as follows, and N1,N2,N3, etc. shall be different contracts:

Lot 1: N1 contracts, each of minimum value V1;

Lot 2: N2 contracts, each of minimum value V2;

Lot 3: N3 contracts, each of minimum value V3;

----etc, Or

(ii) Lot 1: N1 contracts, each of minimum value V1; or number of contracts less than or equal to N1, each of minimum value V1, but with total value of all contracts equal or more than N1 x V1

Lot 2: N2 contracts, each of minimum value V2; or number of contracts less than or equal to N2, each of minimum value V2, but with total value of all contracts equal or more than N2 x V2

Lot 3: N3 contracts, each of minimum value V3; or number of contracts less than or equal to N3, each of minimum value V3, but with total value of all contracts equal or more than N3 x V3

----etc.

Or

Option 3: (i) Minimum requirements for combined contract(s) shall be the aggregate requirements for each contract for which the applicant has applied for as follows, and N1,N2,N3, etc. shall be different contracts:

Lot 1: N1 contracts, each of minimum value V1;

Lot 2: N2 contracts, each of minimum value V2;

Lot 3: N3 contracts, each of minimum value V3;

----etc, Or

(ii) Lot 1: N1 contracts, each of minimum value V1;

or number of contracts less than or equal to N1, each of minimum value V1, but with total value of all contracts equal or more than N1 x V1

Lot 2: N2 contracts, each of minimum value V2; or number of contracts less than or equal to N2, each of minimum value V2, but with total value of all contracts equal or more than N2 x V2

Lot 3: N3 contracts, each of minimum value V3; or number of contracts less than or equal to N3, each of minimum value V3, but with total value of all contracts equal or more than N3 x V3

----etc, Or

(iii) Subject to compliance as per (ii) above with respect to minimum value of single contract for each lot, total number of contracts is equal or less than N1 + N2 + N3 +--but the total value of all such contracts is equal or more than N1 x V1 + N2 x V2 + N3 x V3 +---.

25.4 Only the qualifications of the Applicant shall be considered. In particular, the qualifications of a parent or other affiliated company that is not party to the Applicant under a JV in accordance with ITA 4.2 (or participating as a sub-contractor as per ITA 25.2) shall not be considered.

26. Employer's Right to Accept or Reject Applications

26.1 The Employer reserves the right to accept or reject any Application, and to annul the prequalification process and reject all Applications at any time, without thereby incurring any liability to the Applicants.

27. Prequalification of Applicants

27.1 All Applicants who's Applications substantially meet or exceed the specified qualification requirements will be prequalified by the Employer.

27.2 An Applicant may be "conditionally prequalified," that is, qualified subject to the Applicant submitting or correcting certain specified nonmaterial documents or deficiencies to the satisfaction of the Employer.

27.3 Applicants that are conditionally prequalified will be so informed along with the statement of the condition(s) which must be met to the satisfaction of the Employer before or at the time of submitting their bids.

28. Notification of Prequalification

28.1 The Employer shall notify all Applicants in writing of the names of those Applicants who have been prequalified or conditionally prequalified. In addition, those Applicants who have been disqualified will be informed separately.

28.2 Applicants that have not been prequalified may write to the Employer to request, in writing, the grounds on which they were disqualified.

29. Invitation for Bids

29.1 Promptly after the notification of the results of the prequalification, the Employer shall invite bids from all the Applicants that have been prequalified or conditionally prequalified.

29.2 Bidders may be required to provide a Bid Security or a Bid-Securing Declaration acceptable to the Employer in the form and an amount to be specified in the Bidding Documents, and the successful Bidder shall be required to provide a Performance Security as specified in the Bidding Documents.

30. Changes in Qualifications of Applicants

30.1 Any change in the structure or formation of an Applicant after being prequalified in accordance with ITA 27 and invited to bid (including, in the case of a JV, any change in the structure or formation of any member thereto) shall be subject to the written approval of the Employer prior to the deadline for submission of bids. Such approval shall be denied if (i) a prequalified applicant proposes to associate with a disqualified applicant or in case of a disqualified joint venture, any of its members; (ii) as a consequence of the change, the Applicant no longer substantially meets the qualification criteria set forth in Section III, Qualification Criteria and Requirements; or (iii) in the opinion of the Employer, the change may result in a substantial reduction in competition. Any such change should be submitted to the Employer not later than fourteen (14) days after the date of the Invitation for Bids.

Section II. Prequalification Data Sheet

A. General	
ITA 1.1	The identification of the Invitation for Prequalification is: [*insert number*] The Employer is: : [*insert full name, including name of Project Officer, and address]* The list of contracts is: *[insert number, names and identification numbers. If the works has not been divided into contracts, add the name of the works]* ICB name and number are: *[insert name and identification number]*
ITA 2.1	The name of the Borrower is: *[insert name of Borrower]* The name of the Project is: *[insert name of Project]*
ITA 4.2	Maximum number of members in the JV shall be: *[insert a number or insert "not limited"]*
ITA 4.8	A list of debarred firms and individuals is available on the Bank's external website: http://www.worldbank.org/debarr.
B. Contents of the Prequalification Document	
ITA 7.1	For **clarification purposes,** the Employer's address is: *[insert information or state "same as in ITA1.1 above"]* Attention: *[insert name and room number of Project Officer]* Address: *[insert street name and number]* *[insert floor and room number, if applicable]* City: *[insert name of city or town]* ZIP Code: *[insert postal (ZIP) code, if applicable]* Country: *[insert name of country]]* Telephone: *[insert telephone number including country and city codes]* Facsimile number: *[insert fax number including country and city codes]* Electronic mail address: *[insert e-mail address of Project Officer]*

ITA 7.1 & 8.2	Web page: [*In case used, identify the widely used website or electronic portal of free access where prequalification information is published]*
ITA 7.2	Pre-Application Meeting will be held: *[Yes/No]* *[If Yes, please add the address, date and time of the meeting]*
C. Preparation of Applications	
ITA 10.1	This Prequalification document has been issued in the *[Insert "English" or "French" or "Spanish"]* language. *[**Note:** In addition to one of the above languages, and if agreed with the Bank, the Borrower has the option to issue translated versions of the Prequalification document in another language which should either be: (a) the national language of the Borrower; or (b) the language used nation-wide in the Borrower's country for commercial transactions. In such case, the following text shall be added:]* *"In addition, the Prequalification document is translated into the [insert national or nation-wide used] language [if there are more than one national or nation-wide used language, add "and in the _____" [insert the second national or nation-wide language].* *Applicants shall have the option to submit their Prequalification Application in any one of the languages stated above. Applicants shall not submit Applications in more than one language.]"* All correspondence exchange shall be in _____ language. The Application as well as all correspondence shall be submitted in _____. *[Insert the language of the Prequalification document in case of one language]* *[**Note:** If the Prequalification document is issued in more than one language, the following text shall be inserted above: "in one of the above languages"]* Language for translation of supporting documents and printed literature is _____. *[Specify one language]*
ITA 11.1 (d)	The Applicant shall submit with its Application, the following additional documents: *[insert list of additional documents]*
ITA 14.2	The source for determining exchange rates is *[insert a publicly available source]*
ITA 15.2	In addition to the original, the number of copies to be submitted with the Application is: *[insert number of copies]*

D. Submission of Applications	
ITA 17.1	**The deadline for Application submission is:** Date: *[insert date]* Time: *[insert time]* *[The time allowed for preparation and submission of the prequalification document should be sufficient for Applicants to gather all the information required—preferably eight weeks, but in any case not less than six weeks after the date when the documents are available for distribution or the date of the advertisement, whichever is later. This period may be longer for very large projects, where time should be allowed for the formation of joint ventures and assembly of the necessary resources.]* Applicants *[insert "shall" or "shall not"]* have the option of submitting their Applications electronically. If electronic submission of Applications shall be permitted, the electronic application submission procedures shall be: *[insert description of the procedures]* For **application submission purposes only,** the Employer's address is: *[insert information requested below or insert "Employer's address is the same as that indicated in 1.1]* Attention: *[insert name and room number of Project Officer]* Address: *[insert street name and number]* *[insert floor and room number, if applicable]* City: *[insert name of city or town]* ZIP Code: *[insert postal (ZIP) code, if applicable]* Country: *[insert name of country]* Telephone: *[insert telephone number including country and city codes]* Facsimile number: *[insert fax number including country and city codes]* Email address: *[insert e-mail address of Project Officer]*
ITA 18.1	*[Choose one of the two options below:]* Late Applications will be returned unopened to the Applicants. *[or]*

	The Employer reserves the right to accept or reject late applications.
ITA 19.1	The opening of the Applications shall be at *[Insert date, time and address]*
ITA 19.2	If electronic submission of Applications shall be permitted, electronic Application opening procedures are: *[insert description of the procedures]*
E. Procedures for Evaluation of Applications	
ITA 23.1	A margin of preference *[insert "shall not" or "shall"]* apply for eligible domestic bidders. *[If applicable, domestic preference must be expressly permitted for eligible Borrowers in the Procurement Plan.]*
ITA 24.1	At this time the Employer *[insert "intends" or "does not intend"]* to execute certain specific parts of the Works by sub-contractors selected in advance. *[If the above states "intends" list the specific parts of the works and the respective sub-contractors]*
ITA 24.3	Maximum percentage of subcontracting permitted is _____% of the total value of the contract or _____% of the volume of works *[describe the work]*. Applicants planning to subcontract more than 10% of total volume of works shall specify, in the Application Submission Form, the activity (ies) or parts of the works to be subcontracted along with complete details of the sub-contractors and their qualification and experience. The qualification and experience of the sub-contractors must meet the minimum criteria for the relevant works to be sub-contracted failing which such sub-contractors will not be permitted to participate. Sub-contractors' qualification and experience will not be considered for evaluation of the Applicant. The Applicant on its own (without taking into account the qualification and experience of the sub-contractor) should meet the prequalification criteria.

Section III. Qualification Criteria and Requirements

This Section contains all the methods, criteria, and requirements that the Employer shall use to evaluate Applications. The information to be provided in relation to each requirement and the definitions of the corresponding terms are included in the respective Application Forms.

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2. Historical Contract Non-Performance 25
3. Financial Situation 26
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Eligibility and Qualification Criteria			Compliance Requirements				Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All Parties Combined	Each Member	One Member	
1. Eligibility							
1.1	**Nationality**	Nationality in accordance with ITA 4.5	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Forms ELI – 1.1 and 1.2, with attachments
1.2	**Conflict of Interest**	No conflicts of interest in accordance with ITA 4.6	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Application Submission Form
1.3	**Bank Eligibility**	Not having been declared ineligible by the Bank, as described in ITA 4.7 and 5.1	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Application Submission Form
1.4	**Government Owned Entity of the Borrower country**	Meet conditions of ITA 4.9	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Forms ELI – 1.1 and 1.2, with attachments
1.5	**United Nations resolution or Borrower's country law**	Not having been excluded as a result of prohibition in the Borrower's country laws or official regulations against commercial relations with the Applicant's country, or by an act of compliance with UN Security Council resolution, both in accordance with ITA 5.1 and Section V.	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Forms ELI – 1.1 and 1.2, with attachments

Eligibility and Qualification Criteria			Compliance Requirements				Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All Parties Combined	Each Member	One Member	
2. Historical Contract Non-Performance							
2.1	**History of Non-Performing Contracts**	Non-performance of a contract[5] did not occur as a result of contractor's default since 1st January *[insert year]*.	Must meet requirement6	Must meet requirements	Must meet requirement[6]	N/A	Form CON-2
2.2	**Suspension Based on Execution of Bid Securing Declaration by the Employer**	Not under suspension based on execution of a Bid Securing Declaration pursuant to ITA 4.10.	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Application Submission Form
2.3	**Pending Litigation**	Applicant's financial position and prospective long term profitability still sound according to criteria established in 3.1 below and assuming that all pending litigation will be resolved against the Applicant	Must meet requirement	N/A	Must meet requirement	N/A	Form CON – 2
2.4	**Litigation History**	No consistent history of court/arbitral award decisions	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Form CON – 2

[5] Non performance, as decided by the Employer, shall include all contracts where (a) non performance was not challenged by the contractor, including through referral to the dispute resolution mechanism under the respective contract, and (b) contracts that were so challenged but fully settled against the contractor. Non performance shall not include contracts where Employers decision was overruled by the dispute resolution mechanism. Non performance must be based on all information on fully settled disputes or litigation, i.e. dispute or litigation that has been resolved in accordance with the dispute resolution mechanism under the respective contract and where all appeal instances available to the applicant have been exhausted.

[6] This requirement also applies to contracts executed by the Applicant as JV member.

Eligibility and Qualification Criteria			Compliance Requirements				Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All Parties Combined	Each Member	One Member	
		against the Applicant[7] since 1st January *[insert year]*					
3. Financial Situation and Performance							
3.1	**Financial Capabilities**	(i) The Applicant shall demonstrate that it has access to, or has available, liquid assets, unencumbered real assets, lines of credit, and other financial means (independent of any contractual advance payment) sufficient to meet the construction cash flow requirements estimated as USD $ *[insert amount in US$]* for the subject contract(s) net of the Applicants other commitments	Must meet requirement	Must meet requirement	N/A	N/A	Form FIN – 3.1, with attachments
		(ii) The Applicant shall also demonstrate, to the satisfaction of the Employer, that it has adequate sources of	Must meet requirement	Must meet requirement	N/A	N/A	

[7] The Applicant shall provide accurate information on the related Application Form about any litigation or arbitration resulting from contracts completed or ongoing under its execution over the last five years. A consistent history of awards against the Applicant or any member of a joint venture may result in failure of the application.

Eligibility and Qualification Criteria			Compliance Requirements				Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All Parties Combined	Each Member	One Member	
		finance to meet the cash flow requirements on works currently in progress and for future contract commitments. (iii) The audited balance sheets or, if not required by the laws of the Applicant's country, other financial statements acceptable to the Employer, for the last *[insert number]* years shall be submitted and must demonstrate the current soundness of the Applicant's financial position and indicate its prospective long-term profitability.	Must meet requirement	N/A	Must meet requirement	N/A	
3.2	**Average Annual Construction Turnover**	Minimum average annual construction turnover of US$ *[insert amount in US$ equivalent in words and figures]*, calculated as total certified payments received for contracts in progress	Must meet requirement	Must meet requirement	Must meet *[insert number]* %, *[insert percentage in words]* of the requirement	Must meet *[insert number]* %, *[insert percentage in words]* of the requirement	Form FIN – 3.2

Eligibility and Qualification Criteria			Compliance Requirements				Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All Parties Combined	Each Member	One Member	
		and/or completed within the last *[insert number]* years, divided by *[insert number of years in words]* years					
4. Experience							
4.1 (a)	**General Construction Experience**	Experience under construction contracts in the role of prime contractor, JV member, sub-contractor, or management contractor for at least the last *[insert number]* years, starting 1st January _____ *[insert year]*.	Must meet requirement	N/A	Must meet requirement	N/A	Form EXP – 4.1
4.2 (a)	**Specific Construction & Contract Management Experience**	(i) A minimum number of similar[8] contracts specified below that have been satisfactorily and substantially[9] completed as a prime contractor, joint venture member[10],	Must meet requirement	Must meet requirement[11]	N/A	N/A	Form EXP 4.2(a)

[8] The similarity shall be based on the physical size, complexity, methods/technology and/or other characteristics described in Section VI, Scope of Works. Summation of number of small value contracts (less than the value specified under requirement) to meet the overall requirement will not be accepted.
[9] Substantial completion shall be based on 80% or more works completed under the contract.
[10] For contracts under which the Applicant participated as a joint venture member or sub-contractor, only the Applicant's share, by value, shall be considered to meet this requirement.

Eligibility and Qualification Criteria			Compliance Requirements				Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All Parties Combined	Each Member	One Member	
		management contractor or sub-contractor[10] between 1st January [insert year] and application submission deadline: (i) N contracts, each of minimum value V; Or (ii) Less than or equal to N contracts, each of minimum value V, but with total value of all contracts equal or more than N x V; *[insert values of N & V, delete (ii) above if not applicable]*. *[In case the Works are to be bid as individual contracts under a slice and package (multiple contract) procedure, the minimum number of contracts required for purposes of evaluating qualification shall be*					

[11] In the case of JV, the value of contracts completed by its members shall not be aggregated to determine whether the requirement of the minimum value of a single contract has been met. Instead, each contract performed by each member shall satisfy the minimum value of a single contract as required for single entity. In determining whether the JV meets the requirement of total number of contracts, only the number of contracts completed by all members each of value equal or more than the minimum value required shall be aggregated.

Eligibility and Qualification Criteria			Compliance Requirements				Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All Parties Combined	Each Member	One Member	
		selected from the options mentioned in ITA 25.3b]					
		[Add the following if specialized sub-contractor is permitted and describe nature and characteristics of specialized works:] "(ii) For the following specialized works, the Employer permits specialized sub-contractors as per ITA 24.2"	*"Must meet requirement for one contract (Requirement can be met through a Specialized Sub-contractor)"*	*"Must meet requirement"*	*"N/A"*	*"Must meet requirement (Requirement can be met through a Specialized Sub-contractor)"*	
4.2 (b)		For the above and any other contracts completed and under implementation as prime contractor, joint venture member, management contractor or sub-contractor[10] between 1st January *[insert year]* and application submission deadline, a minimum construction experience in the following key activities successfully	Must meet requirements	Must meet requirements	N/A	Must meet the following requirements for the key activities listed below**Error! Bookmark not defined.** *[list key activities and the corresponding minimum requirements]*	Form EXP – 4.2 (b)

Eligibility and Qualification Criteria			Compliance Requirements				Documentation
No.	Subject	Requirement	Single Entity	Joint Venture (existing or intended)			Submission Requirements
				All Parties Combined	Each Member	One Member	
		completed[12]: *[list activities indicating volume, number or rate of production as applicable]*[13]					

[12] Volume, number or rate of production of any key activity can be demonstrated in one or more contracts combined if executed during same time period. The rate of production shall be the annual production rate for the key construction activity (or activities). For the rate of production, either the average during the entire period or in any one or more years during the period should be specified.

[13] The minimum experience requirement for multiple contracts will be the sum of the minimum requirements for respective individual contracts.

Section IV. Application Forms

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Application Submission Form

Date: *[insert day, month, and year]*
ICB No. and title: *[insert ICB number and title]*

To: *[insert full name of Employer]*

We, the undersigned, apply to be prequalified for the referenced ICB and declare that:

(a) We have examined and have no reservations to the Prequalification Document, including Addendum(s) No(s)., issued in accordance with Instructions to Applicants (ITA) 8: *[insert the number and issuing date of each addendum]*.

(b) We have no conflict of interest in accordance with ITA 4.6;

(c) We meet the eligibility requirements as stated ITA 4.1, we have not been suspended by the Employer based on execution of a Bid Securing Declaration in accordance with ITA 4.10;

(d) We, in accordance with ITA 24.2, plan to subcontract the following key activities and/or parts of the works:

[Insert any of the key activities identified in Section III- 4.2(a) or (b) which the Employer has permitted under the Prequalification document and which the Applicant intends to subcontract along with complete details of the sub-contractors, their qualification and experience]

(e) We declare that the following commissions, gratuities, or fees have been paid or are to be paid with respect to the prequalification process, the corresponding bidding process or execution of the Contract:

Name of Recipient	Address	Reason	Amount
[insert full name for each occurrence]	*[insert street/ number/city/country]*	*[indicate reason]*	*[specify amount currency, value, exchange rate and US$ equivalent]*
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

[If no payments are made or promised, add the following statement: "No commissions or gratuities have been or are to be paid by us to agents or any third party relating to this Application]

(f) We understand that you may cancel the prequalification process at any time and that you are neither bound to accept any Application that you may receive nor to invite the prequalified Applicants to bid for the contract subject of this prequalification process, without incurring any liability to the Applicants, in accordance with ITA 26.1.

(g) All information, statements and description contained in the Application are in all respect true, correct and complete to the best of our knowledge and belief.

Signed *[insert signature(s) of an authorized representative(s) of the Applicant]*

Name [insert full name of person signing the Application]

In the capacity of *[insert capacity of person signing the Application]*

Duly authorized to sign the Application for and on behalf of:

Applicant's Name *[insert full name of Applicant or the name of the JV]*

Address *[insert street number/town or city/country address]*

Dated on *[insert day number]* day of *[insert month], [insert year]*

[For an a joint venture, either all members shall sign or only the authorized representative, in which case the power of attorney to sign on behalf of all members shall be attached]

Form ELI -1.1
Applicant Information Form

Date: *[insert day, month, year*]
ICB No. and title: *[insert ICB number and title]*
Page *[insert page number]* of *[insert total number]* pages

Applicant's name *[insert full name]*
In case of Joint Venture (JV), name of each member: *[insert full name of each member in JV]*
Applicant's actual or intended country of registration: *[indicate country of Constitution]*
Applicant's actual or intended year of incorporation: *[indicate year of Constitution]*
Applicant's legal address [in country of registration]: *[insert street/ number/ town or city/ country]*
Applicant's authorized representative information Name: *[insert full name]* Address: *[insert street/ number/ town or city/ country]* Telephone/Fax numbers: *[insert telephone/fax numbers, including country and city codes]* E-mail address: *[indicate e-mail address]*
1. Attached are copies of original documents of ☐ Articles of Incorporation (or equivalent documents of constitution or association), and/or documents of registration of the legal entity named above, in accordance with ITA 4.5. ☐ In case of JV, letter of intent to form JV or JV agreement, in accordance with ITA 4.2. ☐ In case of Government-owned enterprise or institution, in accordance with ITA 4.9 documents establishing: • Legal and financial autonomy • Operation under commercial law • Establishing that the Applicant is not dependent agency of the Employer 2. Included are the organizational chart, a list of Board of Directors, and the beneficial ownership.

Form ELI -1.2
Applicant's JV Information Form

[The following form is additional to Form ELI – 1.1., and shall be completed to provide information relating to each JV member (in case the Applicant is a JV) as well as any Specialized Sub-contractor proposed to be used by the Applicant for any part of the Contract resulting from this prequalification]

Date: *[insert day, month, year]*
ICB No. and title: *[insert ICB number and title]*
Page *[insert page number]* of *[insert total number]* pages

Applicant name: *[insert full name]*
Applicant's JV Member's name: *[insert full name of Applicant's JV Member]*
Applicant's JV Member's country of registration: *[indicate country of registration]*
Applicant JV Member's year of constitution: *[indicate year of constitution]*
Applicant JV Member's legal address in country of constitution: *[insert street/ number/ town or city/ country]*
Applicant JV Member's authorized representative information Name: *[insert full name]* Address: *[insert street/ number/ town or city/ country]* Telephone/Fax numbers: *[insert telephone/fax numbers, including country and city codes]* E-mail address: *[indicate e-mail address]*
1. Attached are copies of original documents of ☐ Articles of Incorporation (or equivalent documents of constitution or association), and/or registration documents of the legal entity named above, in accordance with ITA 4.5. ☐ In case of a Government-owned enterprise or institution, documents establishing legal and financial autonomy, operation in accordance with commercial law, and absence of dependent status, in accordance with ITA 4.9. 2. Included are the organizational chart, a list of Board of Directors, and the beneficial ownership.

Form CON – 2
Historical Contract Non-Performance, Pending Litigation and Litigation History

[The following table shall be filled in for the Applicant and for each member of a Joint Venture]

Applicant's Name: *[insert full name]*
Date: *[insert day, month, year]*
Joint Venture Member Name:*[insert full name]*
ICB No. and title: *[insert ICB number and title]*
Page *[insert page number]* of *[insert total number]* pages

Non-Performed Contracts in accordance with Section III, Qualification Criteria and Requirements			
☐ Contract non-performance did not occur since 1st January *[insert year]* specified in Section III, Qualification Criteria and Requirements, Sub-Factor 2.1. ☐ Contract(s) not performed since 1st January *[insert year]* specified in Section III, Qualification Criteria and Requirements, requirement 2.1			
Year	**Non-performed portion of contract**	**Contract Identification**	**Total Contract Amount (current value, currency, exchange rate and US$ equivalent)**
[insert year]	*[insert amount and percentage]*	Contract Identification: *[indicate complete contract name/ number, and any other identification]* Name of Employer: *[insert full name]* Address of Employer: *[insert street/city/country]* Reason(s) for non performance: *[indicate main reason(s)]*	*[insert amount]*
Pending Litigation, in accordance with Section III, Qualification Criteria and Requirements			
☐ No pending litigation in accordance with Section III, Qualification Criteria and Requirements, Sub-Factor 2.2. ☐ Pending litigation in accordance with Section III, Qualification Criteria and Requirements, Sub-Factor 2.2 as indicated below.			

Year of dispute	**Amount in dispute (currency)**	**Contract Identification**	**Total Contract Amount (currency), USD Equivalent (exchange rate)**
[insert year]	*[insert amount]*	Contract Identification: [indicate complete contract name, number, and any other identification] Name of Employer: *[insert full name]* Address of Employer: *[insert street/city/country]* Matter in dispute: *[indicate main issues in dispute]* Party who initiated the dispute: *[indicate "Employer" or "Contractor"]* Status of dispute: *[Indicate if it is being treated by the Adjudicator, under Arbitration or being dealt with by the Judiciary]*	*[insert amount]*
☐ No pending litigation in accordance with Section III, Qualification Criteria and Requirements, Sub-Factor 2.2. ☐ Pending litigation in accordance with Section III, Qualification Criteria and Requirements, Sub-Factor 2.2 as indicated below.			
Year of award	**Outcome as percentage of Net Worth**	**Contract Identification**	**Total Contract Amount (currency), USD Equivalent (exchange rate)**
[insert year]	*[insert percentage]*	Contract Identification: [indicate complete contract name, number, and any other identification] Name of Employer: *[insert full name]* Address of Employer: *[insert street/city/country]* Matter in dispute: *[indicate main issues in dispute]* Party who initiated the dispute: *[indicate "Employer" or "Contractor"]* Status of dispute: *[Indicate if it is being treated by the Adjudicator, under Arbitration or being dealt with by the Judiciary]*	*[insert amount]*

Form FIN – 3.1
Financial Situation and Performance

[The following table shall be filled in for the Applicant and for each member of a Joint Venture]

Applicant's Name: *[insert full name]*
Date: *[insert day, month, year]*
Joint Venture Member Name:*[insert full name]*
ICB No. and title: *[insert ICB number and title]*
Page *[insert page number]* of *[insert total number]* pages

1. Financial data

Type of Financial information in (currency)	**Historic information for previous** *_[insert number] years, [insert in words]* **(amount in currency, currency, exchange rate*, USD equivalent)**				
	Year 1	Year 2	Year 3	Year4	Year 5
Statement of Financial Position (Information from Balance Sheet)					
Total Assets (TA)					
Total Liabilities (TL)					
Total Equity/Net Worth (NW)					
Current Assets (CA)					
Current Liabilities (CL)					
Working Capital (WC)					
Information from Income Statement					
Total Revenue (TR)					
Profits Before Taxes (PBT)					
Cash Flow Information					
Cash Flow from Operating Activities					

* Refer ITA 14 for the exchange rate

2. Sources of Finance

[The following table shall be filled in for the Applicant and all parties combined in case of a Joint Venture]

Specify sources of finance to meet the cash flow requirements on works currently in progress and for future contract commitments.

No.	Source of finance	Amount (US$ equivalent)
1		
2		
3		

3. Financial documents

The Applicant and its parties shall provide copies of financial statements for *[number]* years pursuant Section III, Qualifications Criteria and Requirements, Sub-factor 3.1. The financial statements shall:

(a) reflect the financial situation of the Applicant or in case of JV member , and not an affiliated entity (such as parent company or group member).

(b) be independently audited or certified in accordance with local legislation.

(c) be complete, including all notes to the financial statements.

(d) correspond to accounting periods already completed and audited.

☐ Attached are copies of financial statements[14] for the *[number]* years required above; and complying with the requirements

[14] If the most recent set of financial statements is for a period earlier than 12 months from the date of application, the reason for this should be justified.

Form FIN - 3.2
Average Annual Construction Turnover

[The following table shall be filled in for the Applicant and for each member of a Joint Venture]

Applicant's Name: *[insert full name]*
Date: *[insert day, month, year]*
Joint Venture Member Name:*[insert full name]*
ICB No. and title: *[insert ICB number and title]*
Page *[insert page number]* of *[insert total number]* pages

Annual turnover data (construction only)			
Year	**Amount** **Currency**	**Exchange rate***	**USD equivalent**
[indicate calendar year]	*[insert amount and indicate currency]*		
		Average Annual Construction Turnover **	

* Refer ITA 14 for date and source of exchange rate.

** Total USD equivalent for all years divided by the total number of years. See Section III, Qualification Criteria and Requirements, Clause 3.2.

Form EXP - 4.1
General Construction Experience

[The following table shall be filled in for the Applicant and in the case of a JV Applicant, each Member]

Applicant's Name: *[insert full name]*
Date: *[insert day, month, year]*
Joint Venture Member Name:*[insert full name]*
ICB No. and title: *[insert ICB number and title]*
Page *[insert page number]* of *[insert total number]* pages

[Identify contracts that demonstrate continuous construction work over the past [number] years pursuant to Section III, Qualification Criteria and Requirements, Sub-Factor 4.1.List contracts chronologically, according to their commencement (starting) dates.]

Starting Year	Ending Year	Contract Identification	Role of Applicant
[indicate year]	*[indicate year]*	Contract name: *[insert full name]* Brief Description of the Works performed by the Applicant: *[describe works performed briefly]* Amount of contract: *[insert amount in currency, mention currency used, exchange rate and US$ equivalent*]* Name of Employer: *[indicate full name]* Address: *[indicate street/number/town or city/country]*	*[insert "Prime Contractor" or "JV Member" or "Sub-contractor" or "Management Contractor"]*
		Contract name: *[insert full name]* Brief Description of the Works performed by the Applicant: *[describe works performed briefly]* Amount of contract: *[insert amount in currency, mention currency used, exchange rate and US$ equivalent*]* Name of Employer: *[indicate full name]* Address: *[indicate street/number/town or city/country]*	*[insert "Prime Contractor" or "JV Member" or "Sub-contractor" or "Management Contractor"]*
		Contract name: *[insert full name]* Brief Description of the Works performed by the Applicant: *[describe works performed briefly]* Amount of contract: *[insert amount in currency, mention currency used, exchange rate and US$ equivalent*]* Name of Employer: *[indicate full name]* Address: *[indicate street/number/town or city/country]*	*[insert "Prime Contractor" or "JV Member" or "Sub-contractor" or "Management Contractor"]*

* Refer ITA 14 for date and source of exchange rate.

Form EXP - 4.2(a)
Specific Construction and Contract Management Experience

[The following table shall be filled in for contracts performed by the Applicant, each member of a Joint Venture, and Specialized Sub-contractors]

Applicant's Name: *[insert full name]*
Date: *[insert day, month, year]*
Joint Venture Member Name:*[insert full name]*
ICB No. and title: *[insert ICB number and title]*
Page *[insert page number]* of *[insert total number]* pages

Similar Contract No. *[insert number]* of *[insert number of similar contracts required]*	**Information**			
Contract Identification	*[insert contract name and number, if applicable]*			
Award date	*[insert day, month, year, i.e., 15 June, 2015]*			
Completion date	*[insert day, month, year, i.e., 03 October, 2017]*			
Role in Contract *[check the appropriate box]*	Prime Contractor ☐	Member in JV ☐	Management Contractor ☐	Sub-contractor ☐
Total Contract Amount	*[insert total contract amount in local currency]*		US$ *[insert Exchange rate and total contract amount in US$ equivalent]**	
If member in a JV or sub-contractor, specify participation in total Contract amount	*[insert a percentage amount]*	*[insert total contract amount in local currency]*	*[insert exchange rate and total contract amount in US$ equivalent]**	
Employer's Name:	*[insert full name]*			
Address: Telephone/fax number E-mail:	*[indicate street / number / town or city / country]* *[insert telephone/fax numbers, including country and city area codes]* *[insert e-mail address, if available]*			

* Refer ITA 14 for date and source of exchange rate.

Form EXP - 4.2(a) (cont.)
Specific Construction and Contract Management Experience (cont.)

Similar Contract No. *[insert number]* of *[insert number of similar contracts required]*	**Information**
Description of the similarity in accordance with Sub-Factor 4.2(a) of Section III:	
1. Amount	*[insert amount in local currency, exchange rate, US$ in words and in Figures]*
2. Physical size of required works items	*[insert physical size of items]*
3. Complexity	*[insert description of complexity]*
4. Methods/Technology 5. Construction rate for key activities	*[insert specific aspects of the methods/technology involved in the contract]* *[insert rates and items]*
6. Other Characteristics	*[insert other characteristics as described in Section VII, Scope of Works]*

Form EXP - 4.2(b)
Construction Experience in Key Activities

Applicant's Name: *[insert full name]*
Date: *[insert day, month, year]*
Applicant's JV Member'sName: *[insert full name]*
Sub-contractor's Name[15] (as per ITA 24.2 and 24.3): *[insert full name]*
ICB No. and title: *[insert ICB number and title]*

Page *[insert page number]* of *[insert total number]* pages

All Sub-contractors for key activities must complete the information in this form as per ITA 24.2 and 24.3 and Section III, Qualification Criteria and Requirements, Clause 4.2.

1. Key Activity No. One: *[insert brief description of the Activity, emphasizing its specificity]*

Total Quantity of Activity under the contract: _____

	Information			
Contract Identification	*[insert contract name and number, if applicable]*			
Award date	*[insert day, month, year, i.e., 15 June, 2015]*			
Completion date	*[insert day, month, year, i.e., 03 October, 2017]*			
Role in Contract *[check the appropriate box]*	Prime Contractor ☐	Member in JV ☐	Management Contractor ☐	Sub-contractor ☐
Total Contract Amount	*[insert total contract amount in contract currency(ies)]*		US$ *[insert exchange rate and total contract amount in US$ equivalent]*	
Quantity (Volume, number or rate of production, as applicable) performed under the contract per year or part of the year *[Insert extent of participation indicating actual quantity of key activity successfully completed in the role performed]*	Total quantity in the contract (i)	Percentage participation (ii)		Actual Quantity Performed (i) x (ii)
Year 1				
Year 2				
Year 3				
Year 4				

[15] If applicable

Employer's Name:	*[insert full name]*
Address: Telephone/fax number E-mail:	*[indicate street / number / town or city / country]* *[insert telephone/fax numbers, including country and city area codes]* *[insert e-mail address, if available]*

2. Activity No. Two

3. ……

	Information
Description of the key activities in accordance with Sub-Factor 4.2(b) of Section III:	
	[insert response to inquiry indicated in left column]

Section V. Eligible Countries

Eligibility for the Provision of Goods, Works and Services in Bank-Financed Procurement

In reference to ITA 5.1, for the information of the Applicants, at the present time firms and individuals, supply of goods, or contracting of works or services, from the following countries are excluded from this prequalification process:

Under ITA 5.1 (a) *[insert a list of the countries following approval by the Bank to apply the restriction or state "none"]*

Under ITA 5.1 (b) *[list the countries or state "none"]*

Section VI. Bank Policy - Corrupt and Fraudulent Practices

Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, dated January 2011

"**Fraud and Corruption**

1.16 It is the Bank's policy to require that Borrowers (including beneficiaries of Bank loans), bidders, suppliers, contractors and their agents (whether declared or not), sub-contractors, sub-consultants, service providers or suppliers, and any personnel thereof, observe the highest standard of ethics during the procurement and execution of Bank-financed contracts.[16] In pursuance of this policy, the Bank:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

(i) "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;[17]

(ii) "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;[18]

(iii) "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;[19]

(iv) "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;[20]

(v) "obstructive practice" is

(aa) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in

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16 In this context, any action to influence the procurement process or contract execution for undue advantage is improper.

17 For the purpose of this sub-paragraph, "*another party*" refers to a public official acting in relation to the procurement process or contract execution. In this context, "*public official*" includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

18 For the purpose of this sub-paragraph, "party" refers to a public official; the terms "benefit" and "obligation" relate to the procurement process or contract execution; and the "act or omission" is intended to influence the procurement process or contract execution.

19 For the purpose of this sub-paragraph, "parties" refers to participants in the procurement process (including public officials) attempting either themselves, or through another person or entity not participating in the procurement or selection process, to simulate competition or to establish bid prices at artificial, non-competitive levels, or are privy to each other's bid prices or other conditions.

20 For the purpose of this sub-paragraph, "party" refers to a participant in the procurement process or contract execution.

order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or

(bb) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 1.16(e) below.

(b) will reject a proposal for award if it determines that the bidder recommended for award, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;

(c) will declare misprocurement and cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement or the implementation of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;

(d) will sanction a firm or individual, at any time, in accordance with the prevailing Bank's sanctions procedures,[21] including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; and (ii) to be a nominated[22]

(e) will require that a clause be included in bidding documents and in contracts financed by a Bank loan, requiring bidders, suppliers and contractors, and their sub-contractors, agents, personnel, consultants, service providers, or suppliers, to permit the Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Bank;"

[21] A firm or individual may be declared ineligible to be awarded a Bank financed contract upon: (i) completion of the Bank's sanctions proceedings as per its sanctions procedures, including, inter alia, cross-debarment as agreed with other International Financial Institutions, including Multilateral Development Banks, and through the application the World Bank Group corporate administrative procurement sanctions procedures for fraud and corruption; and (ii) as a result of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding. See footnote 14 and paragraph 8 of Appendix 1 of these Guidelines.

[22] A nominated sub-contractor, consultant, manufacturer or supplier, or service provider (different names are used depending on the particular bidding document) is one which has either been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

PART 2 – Works Requirements

Section VII. Scope of Works

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1. Description of the Works

2. Construction Period

3. Site and Other Data

STANDARD PROCUREMENT DOCUMENTS

User's Guide
for
Prequalification Document
for
Procurement of Works

Introduction

The Standard Prequalification Document for Procurement of Works (SPD) and User's Guide have been designed to: (i) simplify the Employer's preparation of a specific Prequalification Document (PQD) for Procurement of Works; (ii) minimize the Bank's time required for the prior review of the PQD; (iii) reduce the Applicants' preparation time and effort; and (iv) facilitate and simplify the Employer's evaluation of applications. Borrowers shall use SPD with minimum changes as may be necessary and acceptable to the Bank when prequalification is required prior to bidding under international competitive bidding procedures.

The purpose of this User's Guide is to help the Employers in preparing the prequalification documents for works based on the Standard Prequalification Document and prepare the Invitation for Prequalification (IFP). The provisions in **Section I, Instructions to Applicants (ITA) of the SPD must be used without any modification to its text or format.** Any data and provisions that this section requires for a specific prequalification shall be included in **Section II, Prequalification Data Sheet.**

The remaining sections of the SPD, which are also explained in the Guide, are: **Section III, Qualification Criteria and Requirements; Section IV, Application Forms; and Section VI, Scope of Works.**

At the end of each section of the Guide, **"Guidance Notes for Users,"** explain the rationale for certain clauses of the SPD, and provide guidance for executing agencies and their consultants to prepare a particular prequalification questionnaire and evaluating the submissions of Applicants. The last section of this Guide provides guidance to evaluate the applications.

Procurements under projects financed by the International Bank for Reconstruction and Development and the International Development Association (hereinafter interchangeably called "the Bank") are carried out in accordance with policies and procedures laid down in the Bank's *Guidelines: Procurement under IBRD Loans and IDA Credits,* hereinafter referred to as the "Guidelines."

The Standard Prequalification Document in this publication has been prepared for use by the Bank's Borrowers and their implementing agencies in the procurement of works primarily through International Competitive Bidding (ICB). These principles may also be applied if prequalification is to be carried out under National Competitive Bidding (NCB). The procedures presented are based on good international practice, and are in compliance with the Bank's Guidelines.

When ICB is the appropriate method for procurement, the use of the Bank's Standard Bidding Documents (SBDs) is mandatory. The Bank's SBD for the Procurement of Works has been prepared on the basis that prequalification, in accordance with this document, will have taken place prior to bidding. The Bank has also issued an SBD for smaller contracts or simple Works, for which prequalification is optional. If prequalification is required for smaller contracts or simple works, it should be carried out in accordance with this document.

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Acronyms & Abbreviations

PDS	Prequalification Data Sheet
FIDIC	Federation Internationale des Ingénieurs-Conseils; an association based in Switzerland that produces Conditions of Contract for different classes of works construction.
ICB	International Competitive Bidding
IFB	Invitation for Bids
IFP	Invitation for Prequalification
ITA	Instructions to Applicants
JV	Joint Venture
NCB	National Competitive Bidding
PQ	Prequalification
PQD	Prequalification Document
SBD	Standard Bidding Documents
SPD	Standard Prequalification Document

Glossary

Employer	One of the two parties to a works contract, the other party being the "Contractor."
Contractor	The legal entity that is party to and performs a works contract, the other party to the contract being the "Employer."
Joint Venture	An ad hoc association of firms that pool their resources and skills to undertake a large or complex contract in the role of "Contractor," with all firms (members in the JV) being legally liable, jointly and severally, for the execution of the contract in the event of a member's withdrawal.
Management Contractor	A firm, acting in the role of "Contractor," that does not normally usually perform contract construction work directly, but manages the work of other (sub) contractors, while bearing full responsibility and risk for price, quality, and timely performance of the work contract.
Construction Manager	A consultant, acting as agent of the Borrower/Employer, engaged to coordinate and monitor the timing of preparation, bidding award, and execution of a number of different contracts comprising a project, but does not take on the responsibility for price, quality, or performance of those contracts.
Specialized Subcontractor	A specialized enterprise approved by the Employer to provide pre specified works included in the Bill of Quantities and nominated as subcontractor to the main Contractor for such purpose.
Post qualification	An assessment made by the Employer after the evaluation of bids and immediately prior to award of contract, to ensure that the lowest-evaluated, responsive, eligible Bidder is qualified to perform the contract in accordance with previously specified prequalification requirements.
Prequalification	An assessment made by the Employer before inviting bids, of the appropriate level of experience and capacity of firms expressing interest in undertaking a particular contract, before inviting them to bid.
Prime Contractor	A firm that performs a substantial part of a contract construction work itself and the balance, if any, by subcontractors, while bearing full responsibility for the whole contract.
Provisional Sum	A sum included provisionally in the Bill of Quantities of a contract, normally for a specialized part of the Works or for contingencies, which shall be used only on the instructions of the Employer/Engineer for payments to the contractor and/or to nominated subcontractors.
Slice and Package	A procedure whereby a large homogeneous project is sliced into smaller similar contracts, which are bid simultaneously so as to attract the interest of both small and large firms; firms offer bids on individual contracts (slices) or on a group of similar contracts (packages), and award is made to the combination of bids offering the lowest cost to the Employer. Slices comprising a number of similar

	construction units together in a small area are sometimes referred to as "lots," which are bid concurrently with other similar "lots" as part of the larger "package.
Turnover	The gross earnings of a firm (in this context, a construction contractor), defined as the billings for contract work in progress and/or completed, normally expressed on an annual basis, and excluding income from other sources.
Works	The total work involvement in a construction contract, including the "Permanent" Works or finished product as specified, and the "Temporary" Works required in by the Contractor for the execution and completion of the contract.
In writing	For the purpose of this document, means authenticated handwritten, typed, or printed; a document prepared in writing can be transmitted by telex, electronic mail, facsimile, with proof of receipt; and in the form requested by the sender.

Why Prequalification?

Introduction

1. The successful execution of contracts for large buildings, civil engineering, supply and installation, turnkey, and design and build projects requires that contracts be awarded only to firms, or combinations of firms, that are suitably experienced in the type of work and construction technology involved, that are financially and managerially sound, and that can provide all the equipment required in a timely manner. The assessment by an implementing agency of the suitability of firms to carry out a particular contract **prior** to being invited to submit a bid is a process called **prequalification.**

The Requirement for Prequalification of Bidders

2. Most multilateral financing institutions require the prequalification of firms for the construction of large or complex works contracts, followed by a competitive bidding procedure in which only those firms meeting specified prequalification criteria are invited to submit a bid. The Procurement Guidelines applicable to contracts financed by the World Bank state the requirements for prequalification in paras 2.9 and 2.10.

3. Prequalification is usually necessary for large or complex works, or in any other circumstances in which the high costs of preparing detailed bids could discourage competition, such as custom-designed equipment, industrial plant, specialized services, some complex information and technology and contracts to be let under single responsibility (including turnkey,), design and build, or management contracting. This also ensures that invitations to bid are extended only to those who have adequate capabilities and resources.

4. The decision whether to carry out prequalification is a matter of professional judgment based upon a number of considerations about the contract itself, and about the actual process of prequalification. Contract considerations include its size, complexity, cost of preparing bids, limitations on completion time, the critical nature of the works, environmental impact, associated risks, etc. Considerations regarding the process of prequalification should weigh the potential benefits against the potential disadvantages, which are topics discussed in para 10 and 11 below.

5. Prequalification shall be based entirely upon the capability and resources of prospective eligible bidders to perform the particular contract satisfactorily, taking into account objective and measurable factors, including: (a) relevant general and specific experience, and satisfactory past performance and successful completion of similar contracts over a given period; (b) financial position; and, where relevant, (c) capability of construction and/or manufacturing facilities.

6. It is Bank policy that all Applicants meeting the specified criteria shall be allowed to bid. Therefore, prequalification should not be used for limiting competition to a predetermined number of potential bidders.

7. The bidding documents shall be made available to the qualified prospective bidders as soon as the prequalification process has been completed. For prequalification for groups of contracts to be awarded either at the same time or over a period of time, a limit for the number or total value of awards to any

one bidder may be made on the basis of the bidder's technical capability and financial resources to meet qualification criteria for the combined contracts.

8. When the time elapsed between the Borrower's decision with regard to the list of prequalified firms and the issuance of bid invitations is longer than 12 (twelve) months, the Bank may require that the a new prequalification process be conducted through re-advertisement. The verification of the information upon which bidders were prequalified, including their current commitments, shall be carried out at the time of the award of contract, along with their capability with respect to personnel and equipment.

9. The award may be denied to a bidder that is judged to no longer meet the required qualification criteria with respect to technical capability and financial resources to successfully perform the contract. If none or very few Applicants are found to be prequalified, which would result in a lack of competition, the Borrower may issue a revised prequalification invitation subject to the Bank's prior no objection.

Benefits of Prequalification

10. The prequalification process may be of benefit to both bidders and Borrowers[23] alike, in that:

(a) prequalification enables prospective bidders, who may be insufficiently qualified on their own, to avoid the expense of bidding. Conversely it is an incentive for such potential bidders to form a joint venture that may give them a better chance of success;

(b) after being prequalified, well-qualified firms will price their bids with the knowledge that they are competing against other qualified bidders meeting realistic minimum competence criteria; the assurance that inadequately qualified competitors will be excluded from submitting unrealistic low bids thus encourages leading contractors to bid;

(c) prequalification enables Borrowers to assess the interest from qualified firms generated by the contract and, in the event that only a limited number of applications are received, to make any necessary adjustments in the procurement process (including, in particular, the special conditions of contract—sharing of risk, payment terms, liquidated damages, or completion times, which may be perceived as onerous by potential bidders);

(d) prequalification helps to expose potential conflicts of interest by identifying contractors who may have a business association with consultants to the project;

(e) prequalification reduces the amount of work and time involved by Employers in evaluating bids from unqualified contractors;

(f) prequalification also encourages local firms to form joint ventures with other local or international firms, thereby benefiting from their resources and experience;

(g) prequalification enables the Employer to assess the likelihood of contractors' eligibility for domestic bidder price preference in borrowing countries where this is applicable; and

(h) prequalification reduces significantly, if not eliminates, problems of rejection associated with low-priced bids submitted by bidders of doubtful capability; and.

[23] "Borrower" denotes a Bank Borrower or the executing agency delegated by the Borrower to execute the project, normally the Employer in a Works contract.

(i) prequalification gives the Bank some indication of an Employer's ability to manage an important, early procurement function.

Disadvantages of Prequalification

11. Prequalification may have some potential disadvantages:

(a) prequalification may increase procurement lead time. This can be minimized by good procurement planning, e.g., undertaking the prequalification process while Bidding Documents are being prepared;

(b) the Borrower is required to review all prequalification applications, whereas postqualification requires the review of the qualifications of, usually only the lowest evaluated bidder;

(c) collusion (and the possibility of price-rigging) is easier among a limited number of identified bidders, particularly if they are of the same nationality;

(d) the element of subjective judgment required by evaluators when applying the prequalification criteria to a number of Applicants, and the discretionary rights reserved to the Employer, provide opportunities for externally influenced deviations from the expected high standards of ethics and impartiality in prequalifying Applicants.

12. Procurement plans should identify the contracts that will be subject to prequalification. In order to avoid delays in implementation, advance actions for prequalification should be agreed with the Bank at an early stage of the project cycle.

The Prequalification Process

The prequalification process includes four main phases: (i) Advertising, (ii) Preparation and Issuing of the Prequalification Document, (iii) Application Preparation and Submission, (iv) Application Evaluation, and Prequalification of Applicants.

Advertising (Procurement Guidelines; paras 2.7 and 2.8)

The Employer is required to prepare and submit to the Bank, a General Procurement Notice (GPN). The GPN shall contain information concerning the Borrower (or prospective Borrower), amount and purpose of the loan, scope of procurement reflecting the Procurement Plan, and the name, telephone (or fax) number, and address(es) of the Borrower's agency(ies) responsible for procurement, and the address of a widely used electronic portal with free national and international access or website where the subsequent Specific Procurement Notices (SPN) will be posted. If known, the scheduled date for availability of prequalification or bidding documents should be indicated.

The related prequalification documents shall not be released to the public earlier than the date of publication of the General Procurement Notice. The Bank will arrange for publication of the GPN in UN Development Business[24] on-line (UNDB on line) and on the Bank's external website.

Invitations to prequalify shall be advertised as IFP in:

(a) at least one newspaper of national circulation in the Borrower's Country or in the official gazette, or on a widely used website or electronic portal with free national and international access, and

(b) UNDB online, and in well-known technical magazines *(the latter being mandatory if specified in the Loan or Credit Agreement)*

Notification shall be given in sufficient time to enable prospective bidders to obtain prequalification and prepare and submit their Applications. The Bank will arrange the simultaneous publication of all SPNs prepared and submitted by the Borrowers on the Bank's external website.

Preparation and Issuing of the Prequalification Document

The Employer and the Applicant should keep in mind that:

- The Employer is responsible for the preparation and issuance of the Prequalification Document (PQD).
- The Employer shall use the Standard Prequalification Document for Procurement of Works

[24] Advertising inquiries about the U.N. Development Business publication can be directed as shown: Development Business, 1818 H Street, N.W., Washington, D.C. 20433 U.S.A.; Telephone: 1-202-4582397; Facsimile: 1-202-522-3316; Internet: dbusiness@worldbank.org.

(SPD) issued by the Bank, as this is mandatory for ICB contracts to be financed by the Bank.

- The Employer shall prepare the PQD using the published version of the SPD without suppressing or adding text in Section I Instructions to Applicants (ITA) and Section VI Bank Policy - Corrupt and Fraudulent practices, which does not allow modifications. All information and data specific to an individual prequalification process must be provided by the Employer in the following sections of the PQD:
  - Section II, Prequalification Data Sheet
  - Section III, Qualification Criteria and Requirements
  - Section IV, Application Forms
  - Section V, Eligible Countries
  - Section VII, Scope of Works
- The Employer shall allow Applicants sufficient time for studying the prequalification documents, preparing complete and responsive applications and submitting the applications (see Advertising above).

Preparation of Application and Submission

The Applicant is responsible for the preparation and submission of its application. During this stage, the Employer shall:

- Promptly respond to requests for clarifications from Applicants and amend, as needed, the PQD,
- Amend the PQD only with the Bank's "no objection" in contracts subject to the Bank's prior review.

Evaluation of Applications and Prequalification

The Employer is responsible for the evaluation of applications and the prequalification of Applicants. To that effect, the Employer shall appoint experienced staff to conduct the evaluation of applications. Mistakes committed at the application evaluation stage may later prompt complaints from Applicants, hence requiring reevaluation of the applications, with the consequent delays and waste of time and resources.

The Employer, in observance of best practices, shall:

- Maintain the application evaluation process confidential;
- Reject any attempts or pressures to bias the evaluation, including through fraud and corruption;
- Comply with the prior-review requirements of the Bank; and
- Apply the qualification criteria specified in the Prequalification Document Section III,

Qualification Criteria and Requirements in a consistent manner.

The Evaluation report should be sufficiently informative instead of merely stating "*complied*", "*yes*" or "*no*". Past experience and achievements of the Applicants should be described in sufficient detail, e.g. amounts for average annual turnover, liquid assets, contracts performed in the past, rates of production, etc. In case the evaluation report is found deficient, the Bank may ask the Employer to revise the report to the Bank's satisfaction.

Section I. Instructions to Applicants (ITA)

The Instructions to Applicants (ITA) specify the procedures that regulate the prequalification process. The ITA contains standard provisions that have been designed to remain unchanged, and therefore their wording should not be modified. On the other hand, the ITA refer those clauses that need to be complemented to suit the conditions of a particular prequalification process to the Prequalification Data Sheet (PDS); the PDS provides such additional information.

Section II. Prequalification Data Sheet (PDS)

General

The Prequalification Data Sheet (PDS) contains information and provisions that are specific to a particular prequalification process. The Employer must specify in a PDS clause only the information that the corresponding ITA requests. All requested information shall be provided; **no clause of the PDS shall be left blank.**

To facilitate the preparation of the PDS, its clauses are numbered with the same numbers as the corresponding ITA clause. Section II, Prequalification Data Sheet, provides information to the Employer on how to enter all required information.

Guidance Notes

1. Slice and Package of Similar Contracts (ITA 1.1 and 25.3)

Where a project is divided into separate contracts, Applicants may be prequalified through a single prequalification exercise. Applicants will be asked to indicate in their Applications the individual contract or combination of contracts in which they are interested. The Employer shall prequalify each Applicant for the maximum combination of contracts for which the Applicant has thereby indicated its interest and for which the Applicant meets the appropriate aggregate requirements.

In the case the separate contracts are dissimilar, the nonstandard, contract specific parts of the bidding documents (Bill of Quantities, Drawings, etc.) shall be prepared for each individual contract (slice) in the event that award of individual contracts will be made to different bidders. In the prequalification document, Section III should state the prequalification requirements for each slice based upon the Employer's cost estimates, including contingencies. Applicants will be asked to indicate in their submissions the individual contract (slice) or combination of contracts (package) in which they are interested, and will be invited to bid on those or similar contracts for which their assessed capacity is sufficient (see (g) below).

<u>Basic Philosophy</u>

(b) The Procurement Guidelines in para 2.5 refer to bidding on a slice and package basis as follows:

"For a project requiring similar but separate items of equipment or works, bids may be invited under a slice and package procedure that would attract the interest of both small and large firms, which could be allowed, at their option, to bid for individual contracts (slices) or for a group of similar contracts (package). All bids and combinations of bids shall be received by the same deadline and opened and evaluated simultaneously so as to determine the bid or combination of bids offering the lowest evaluated cost to the Borrower."

(c) The essential requirement for breaking a large Works construction project into a package of similar individual contracts or "slices" is that the Works, in the first instance, must be reasonably homogeneous, and that the execution of individual slices by different contractors on a "single responsibility" basis would still result in a timely and satisfactory completion of the whole package. For example: a number of similar building types (such as health clinics, schools, houses, etc.); irrigation canals; pipelines; rural roads; highways in similar terrain, etc.

(d) The manner in which the Works are sliced is of importance. A highway sliced "horizontally" into separate radically different elements such as earthworks, culverts, bridges, road foundation, and paving is not suited for bidding such individual elements as separate contracts on a "slice and package" basis, because of potential problems with contract interfacing and assigning responsibility for any subsequent defects. However, a highway sliced "vertically" into sections with similar features is suited, since each slice is a complete, self-contained entity in itself.

(e) The procurement strategy for complex projects, where the risk of planning and coordinating the phasing and site relationships between contractors is high and where such risk is assumed by the Employer, should be discussed with the Bank before starting the preparation of the prequalification documentation. Works under these projects are often divided up in separate contracts of a different nature and with critical completion dates. Potential contractors for these separate contracts may be simultaneously prequalified and the contracts may also be simultaneously bid, but their packaging for prequalification and bidding purposes may become very complicated. As an example, the construction of a port could be divided up into several separate contracts for access roads, breakwater and quays, dredging, buildings, etc., with prequalification and bidding each carried out at the same time and the possibility of multiple awards to one or more contractors.

Number of Slices

(f) The number of slices or individual contracts into which the project is divided is also of importance, and will affect the complexity of the prequalification evaluation and, subsequently, the bid evaluation and contract administration. The complexity of the prequalification and bid evaluation increases very rapidly with the number of slices. The number of combinations of individual contracts above three may require a complex matrix for evaluation purposes. Therefore up to three slices or individual contracts are recommended. A large number of small slices, while encouraging small domestic contractors, may discourage larger and more efficient contractors from bidding on a package of small contracts. Even with a reasonable number of slices, the evaluation of different combinations may be somewhat complex, particularly if different time periods are permitted for package construction.

Determining appropriate aggregate requirements of the Applicant

(g) Prequalification for one contract

N is the minimum number of contracts

V is the minimum value of a single contract in this lot and is about 80% of the estimated value of respective Contract (Lot).

Option 1: (i) N contracts, each of minimum value V;

Or

Option 2: (i) N contracts, each of minimum value V, Or

(ii) Less than or equal to N contracts, each of minimum value V, but with total value of all contracts equal or more than N x V;

Example 1: if the requirement is minimum 3 contracts of minimum value of $70 million each, the Applicants may be deemed qualified if any one of the following conditions have been met:

- 3 contracts of equal or more than $70 million each, Or
- 2 contracts including 1 contract of equal or more than $70 million and 1 contract of equal or more than $140 million, Or
- 1 contract of equal or more than $210 million

The following are not acceptable:

- 3 contracts of $70 million, $70 million and $45 million
- 2 contracts of $70 million and $110 million
- 1 contract of value $180 million each

(h) Prequalification for multiple contracts

Minimum requirements for combined contract(s) shall be the aggregate requirements for each contract for which the Applicant has applied for as follows, and N1,N2,N3, etc. shall be different contracts:

Option 1: (i) Minimum requirements for combined contract(s) shall be the aggregate requirements for each contract for which the applicant has applied for as follows, and N1,N2,N3, etc. shall be different contracts:

Lot 1: N1 contracts, each of minimum value V1;

Lot 2: N2 contracts, each of minimum value V2;

Lot 3: N3 contracts, each of minimum value V3;

----etc.

Or

Option 2: (i) Minimum requirements for combined contract(s) shall be the aggregate requirements for each contract for which the applicant has applied for as follows, and N1,N2,N3, etc. shall be different contracts:

Lot 1: N1 contracts, each of minimum value V1;

Lot 2: N2 contracts, each of minimum value V2;

Lot 3: N3 contracts, each of minimum value V3;

----etc, Or

(ii) Lot 1: N1 contracts, each of minimum value V1; or number of contracts less than or equal to N1, each of minimum value V1, but with total value of all contracts equal or more than N1 x V1

Lot 2: N2 contracts, each of minimum value V2; or number of contracts less than or equal to N2, each of minimum value V2, but with total value of all contracts equal or more than N2 x V2

Lot 3: N3 contracts, each of minimum value V3; or number of contracts less than or equal to N3, each of minimum value V3, but with total value of all contracts equal or more than N3 x V3

----etc.

Or

Option 3: (i) Minimum requirements for combined contract(s) shall be the aggregate requirements for each contract for which the applicant has applied for as follows, and N1,N2,N3, etc. shall be different contracts:

Lot 1: N1 contracts, each of minimum value V1;

Lot 2: N2 contracts, each of minimum value V2;

Lot 3: N3 contracts, each of minimum value V3;

----etc, Or

(ii) Lot 1: N1 contracts, each of minimum value V1; or number of contracts less than or equal to N1, each of minimum value V1, but with total value of all contracts equal or more than N1 x V1

Lot 2: N2 contracts, each of minimum value V2; or number of contracts less than or equal to N2, each of minimum value V2, but with total value of all contracts equal or more than N2 x V2

Lot 3: N3 contracts, each of minimum value V3; or number of contracts less than or equal to N3, each of minimum value V3, but with total value of all contracts equal or more than N3 x V3

----etc, Or

(iii) Subject to compliance as per (ii) above with respect to minimum value of single contract for each lot, total number of contracts is equal or less than N1 + N2 + N3 +--but the total value of all such contracts is equal or more than N1 x V1 + N2 x V2 + N3 x V3 +---.

Example 2:

Lot 1: 1 contract (N1) of minimum value of $120 million (V1) each;
Lot 2: 2 contracts (N2) of minimum value of $70 million (V2) each;
Lot 3: 3 contracts (N3) of minimum value of $30 million (V3) each;

The Applicants may be deemed qualified if any one of the following conditions have been met:

Lot 1: 1 contract of equal or more than $120 million
Lot 2: 2 contracts of equal or more than $70 million each
Lot 3: 3 contracts of equal or more than $30 million each

Or

Lot 1: 1 contract of equal or more than $120 million
Lot 2 : 2 contracts of equal or more than $70 million, **or** 1 contract of equal or more than $140 million
Lot 3: 3 contracts of equal or more than $30 million, **or** 2 contracts of equal or more than $30 million each and total value equal or more than $90 million, **or** 1 contract of equal or more than $90 million

Or

Lot 1, 2 and 3:

6 contracts of which 1 contract equal or more than $120 million, 2 contracts equal or more than $70 million each, and 3 contracts equal or more than $30 million each, **or**

5 or less contracts of which 1 contract equal or more than $120 million, 2 contracts equal or more than $70 million each, and total of all contracts is equal or more than $350 million, **or**

4 contracts of which 1 contract equal or more than $120 million, 2 contracts equal or more than $70 million each, and total of all contracts is equal or more than $350 million, **or**

3 contracts of which 1 contract equal or more than $120 million, 2 contracts equal or more than $70 million each, and total of all contracts is equal or more than $350 million, **or**

2 contracts of which 1 contract equal or more than $120 million, and total of all contracts is equal or more than $350 million, **or**

1 contract equal or more than $350 million

Example 3:

Applicants to meet the following conditions:

Contract 1: 2 contracts each of minimum value $20 million
Contract 2: 2 contracts each of minimum value of $50 million
Contract 3: 2 contracts each of minimum value of $42 million
(for combination of contracts applicant shall be required to meet aggregate of the respective requirement for each contract as above)

Alternately, Applicants may be deemed qualified if any of the following conditions have been met:

Contract 1: 1 contract of a minimum of $40 million
Contract 2: 1 contract of a minimum of $ 100 million
Contract 3: 1 contract of a minimum of $84 million
(for combination of contracts applicant shall be required to meet aggregate of the respective requirement for each contract as above)

Or

Subject to completion of

2 contracts each of minimum for $20 million or 1 contract of minimum $40 million for Contract 1

2 contracts each of minimum $50 million or 1 contract of minimum $100 million for Contract 2; and

2 contracts each of minimum $42 million or 1 contract of minimum $84 million for Contract 3, the total number of contracts completed is 6 or less for combined qualification of all 3 contracts and total number of contracts completed is 4 or less for combined qualification of any 2 contracts such that the total value of all such contracts is equal or more than $ 140 million (20x2+50x2) for Contracts 1+2, $124 million (20x2+42x2) for Contracts 1+3, $184 million (50x2+42x2) for Contracts 2+3, and $224 million (20x2+50x2+42x2) for Contracts 1+2+3.

In all the examples above, each substantially completed contract shall be different from the other.

2. Documents comprising the Application (ITA 11.2)

If agreed with the Bank, and in accordance with Para 1.17 of the Guidelines, the Employer may require the Applicants to include a statement of undertaking of the Applicant to observe, in competing for and executing a contract, the Borrower country's laws against fraud and corruption (including bribery). This may be specified in the prequalification datasheet.

3. Domestic Bidders Preference (ITA 23.1)

(a) If the Loan/Credit Agreement allow a margin of preference for domestic contractors, and the Employer wishes to use the preference for the award of contract(s) subject to this prequalification, the PQD (and subsequent Bidding Documents) should include basic information on the preference (eligible countries, reference to the Guidelines Appendix 2 for its application). In particular:

A domestic bidder is one that meets the following criteria:

(i) for an individual firm:

(A) is registered in the country of the borrower;

(B) has more than 50 percent ownership by nationals of the country of the Borrower;

(C) does not subcontract more than 10 percent of the contract price, excluding provisional sums, to foreign contractors.

(ii) for a joint venture (JV) of domestic firms:

(A) individual member firms shall satisfy (i) and (ii) above;

(B) the JV shall be registered in the country of the Borrower;

(C) the JV shall not subcontract more than 10 percent of the contract price, excluding provisional sums, to foreign firms.

(b) JVs between foreign and national firms will not be eligible for domestic preference.

4. Subcontractors (ITA 24.1, 24.2 and 24.3)

In large, complex Works contracts, the construction strategy of the Employer may provide for the execution of certain specialized parts of the Works by Specialized Subcontractors in accordance with the provisions of the FIDIC General Conditions of Contract.[25] A typical example would be the supply and installation of the ventilation and lighting systems for a tunnel contract.

The experience and financial resources of subcontractors proposed by the Applicants, unless permitted by the Employer, will be disregarded for purposes of evaluation of prequalification. The cumulative experience and capacity of an Applicant gained as a former sub-contractor may qualify it as an Applicant for certain works. Applicants may propose subcontracting up to the percentage of the total value of the contract or the volume of works as mentioned in the PDS.

[25] Copies of the FIDIC Conditions of Contract can be obtained from: FIDIC Secretariat, P.O. Box 86, 1000 Lausanne 12. Switzerland. Facsimile: 41 21 653 5432. Telephone: 41 21 653 5003

5. Prequalification of Applicants (ITA 27.1)

If the qualification of the Applicant falls short of the required parameter by a marginal amount (say 10% or less), the Employer may consider such an Applicant to be substantially responsive. However, this may not be applicable for critical parameters where a reduction in the requirement may impact the ability of the Applicant to perform.

Section III. Qualification Criteria and Requirements

The purpose of Section III. Qualification Criteria and Requirements is to specify the criteria and corresponding requirements that the Employer shall use to evaluate the applications and prequalify the Applicants.

III.1 Guidance notes

Qualification Criteria and Requirements (Table)

The Employer shall specify the "Qualification Criteria and Requirements" in the table below. The four main qualification criteria are:

1. Eligibility
2. Historical Contract Non-Performance
3. Financial Situation
4. Experience

Eligibility and Qualification Criteria			**Compliance Requirements**				**Documentation**
No.	**Subject**	**Requirement**	**Single Entity**	**Joint Venture**			**Submission Requirements**
				All Parties Combined	**Each Member**	**One Member**	
1. Eligibility							
1.1	**Nationality**	Nationality in accordance with ITA Sub-Clause 4.5	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Forms ELI – 1.1 and 1.2, with attachments
1.2	**Conflict of Interest**	No conflicts of interest in ITA Sub-Clause 4.6	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Application Submission Form
1.3	**Bank Ineligibility**	Not having been declared ineligible by the Bank, as described in ITA Sub-Clause 4.7 and 5.1	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Application Submission Form

Eligibility and Qualification Criteria			**Compliance Requirements**				**Documentation**
No.	**Subject**	**Requirement**	**Single Entity**	**Joint Venture**			**Submission Requirements**
				All Parties Combined	**Each Member**	**One Member**	
1.4	**Government Owned Entity of the Borrower country**	Applicant required to meet conditions of ITA Sub-Clause 4.9	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Forms ELI – 1.1 and 1.2, with attachments
1.5	**United Nations resolution or Borrower's country law**	Not having been excluded as a result of the Borrower's country laws or official regulations, or by an act of compliance with UN Security Council resolution, in accordance with ITA 5.1	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Forms ELI – 1.1 and 1.2, with attachments
2. Historical Contract Non-Performance							
2.1	**History of Non-Performing Contracts**	Non-performance of a contract[26] did not occur as a result of contractor's default since 1st January *[insert year]* .	Must meet requirement[27]	Must meet requirement	Must meet requirement[27]	N/A	Form CON-2
2.2	**Suspension Based on Execution of Bid Securing Declaration by the Employer named in the**	Not under suspension based on execution of a Bid Securing Declaration pursuant to ITA 4.10.	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Application Submission Form

[26] Non performance, as decided by the Employer, shall include all contracts where (a) non performance was not challenged by the contractor, including through referral to the dispute resolution mechanism under the respective contract, and (b) contracts that were so challenged but fully settled against the contractor. Non performance shall not include contracts where Employers decision was overruled by the dispute resolution mechanism. Non performance must be based on all information on fully settled disputes or litigation, i.e. dispute or litigation that has been resolved in accordance with the dispute resolution mechanism under the respective contract and where all appeal instances available to the Applicant have been exhausted.

[27] This requirement also applies to contracts executed by the Applicant as JV member.

Eligibility and Qualification Criteria			**Compliance Requirements**				**Documentation**
No.	**Subject**	**Requirement**	**Single Entity**	**Joint Venture**			**Submission Requirements**
				All Parties Combined	**Each Member**	**One Member**	
	IFP						
2.3	**Pending Litigation**	Applicant's financial position and prospective long term profitability still sound according to criteria established in 3.1 below and assuming that all pending litigation will be resolved against the Applicant	Must meet requirement	N/A	Must meet requirement	N/A	Form CON – 2
2.4	**Litigation History**	No consistent history of court/arbitral award decisions against the Applicant[28] since 1st January *[insert year]*	Must meet requirement	Must meet requirement	Must meet requirement	N/A	Form CON – 2
Years should usually be one or two years prior.							
3. Financial Situation							
3.1	**Financial Capabilities**	(i) The Applicant shall demonstrate that it has access to, or has available, liquid assets, unencumbered real assets, lines of credit, and other financial means (independent of any contractual advance payment) sufficient to meet the construction cash flow requirements estimated as USD $	Must meet requirement	Must meet requirement	N/A	N/A	Form FIN – 3.1, with attachments

[28] The Applicant shall provide accurate information on the related Application Form about any litigation or arbitration resulting from contracts completed or ongoing under its execution over the last five years. A consistent history of awards against the Applicant or any member of a joint venture may result in failure of the application.

Eligibility and Qualification Criteria			**Compliance Requirements**				**Documentation**
No.	**Subject**	**Requirement**	**Single Entity**	**Joint Venture**			**Submission Requirements**
				All Parties Combined	**Each Member**	**One Member**	
		[insert amount in US$] for the subject contract(s) net of the Applicants other commitments (ii) The Applicant shall also demonstrate, to the satisfaction of the Employer, that it has adequate sources of finance to meet the cash flow requirements on works currently in progress and for future contract commitments. (iii) The audited balance sheets or, if not required by the laws of the Applicant's country, other financial statements acceptable to the Employer, for the last *[insert number]* years shall be submitted and must demonstrate the current soundness of the Applicant's financial position and indicate its prospective long-term profitability.	Must meet requirement Must meet requirement	Must meet requirement N/A	N/A Must meet requirement	N/A N/A	

	Eligibility and Qualification Criteria			**Compliance Requirements**			**Documentation**
No.	**Subject**	**Requirement**	**Single Entity**	**Joint Venture**			**Submission Requirements**
				All Parties Combined	**Each Member**	**One Member**	
Time period usually specified is 5 years; it may be reduced to three years minimum (in agreement with the Bank) under special country circumstances, such as to provide opportunity for a newly privatized construction industry with limited period of existence, but with suitable experience, etc. Firms owned by individuals and partnerships may not be required to maintain audited balance sheets by the laws of their countries of origin; in such cases, the Employer may relax the audit requirement, but should request other acceptable financial statements.							
3.2	**Average Annual Construction Turnover**	Minimum average annual construction turnover of US$ *[insert amount in US$ equivalent in words and figures]*, calculated as total certified payments received for contracts in progress or completed, within the last *[insert number]* years, *[insert number in words]* years	Must meet requirement	Must meet requirement	Must meet *[insert number]* %, *[insert percentage in words]* of the requirement	Must meet *[insert number]* %, *[insert percentage in words]* of the requirement	Form FIN – 3.2
*The amount stated should normally not be less than twice the estimated annual turnover in the proposed Works contract (based on a straight-line projection of the Employer's estimated cost, including contingencies, over the contract duration). The multiplier of 2 may be reduced for very large contracts (say, greater than US$200 million equivalent) but should not be less than 1.5.** *The time period is normally five years or more, but may be reduced to not less than three years (in agreement with the Bank) under special country circumstances, such as to provide opportunities for a newly privatized construction industry with only a short record of experience, etc.* *An asterix(*) means that some information on the matter is provided in III.2 Guidance Notes.*							
4. Experience							
4.1 (a)	**General Construction Experience**	Experience under construction contracts in the role of prime contractor, JV member, sub-contractor, or management contractor for at least the last *[insert number]* years, starting 1st January _____ *[insert year]*.	Must meet requirement	N/A	Must meet requirement	N/A	Form EXP – 4.1

	Eligibility and Qualification Criteria		**Compliance Requirements**				**Documentation**
No.	**Subject**	**Requirement**	**Single Entity**	**Joint Venture**			**Submission Requirements**
				All Parties Combined	**Each Member**	**One Member**	
As for 3.2, The time period is normally five years or more, but may be reduced to not less than three years (in agreement with the Bank) under special country circumstances, such as to provide opportunities for a newly privatized construction industry with only a short record of experience.							
4.2 (a)	**Specific Construction & Contract Management Experience**	(i) A minimum number of similar[29] contracts specified below that have been satisfactorily and substantially[30] completed as a prime contractor, joint venture member[31], management contractor or sub-contractor[31] between 1st January [insert year] and application submission deadline: (i) N contracts, each of minimum value V; Or (ii) Less than or equal to N contracts, each of minimum value V, but with total value of all contracts equal or more than N x V; *[insert*	Must meet requirement	Must meet requirement[32]	N/A	N/A	Form EXP 4.2(a)

[29] The similarity shall be based on the physical size, complexity, methods/technology and/or other characteristics described in Section VI, Scope of Works. Summation of number of small value contracts (less than the value specified under requirement) to meet the overall requirement will not be accepted.

[30] Substantial completion shall be based on 80% or more works completed under the contract.

[31] For contracts under which the Applicant participated as a joint venture member or sub-contractor, only the Applicant's share, by value, shall be considered to meet this requirement.

[32] In the case of JV, the value of contracts completed by its members shall not be aggregated to determine whether the requirement of the minimum value of a single contract has been met. Instead, each contract performed by each member shall satisfy the minimum value of a single contract as required for single entity. In determining whether the JV meets the requirement of total number of contracts, only the number of contracts completed by all members each of value equal or more than the minimum value required shall be aggregated.

Eligibility and Qualification Criteria			**Compliance Requirements**				**Documentation**
No.	**Subject**	**Requirement**	**Single Entity**	**Joint Venture**			**Submission Requirements**
				All Parties Combined	**Each Member**	**One Member**	
		values of N & V, delete (ii) above if not applicable]. *[In case the Works are to be bid as individual contracts under a slice and package (multiple contract) procedure, the minimum number of contracts required for purposes of evaluating qualification shall be selected from the options mentioned in ITA 25.3b]*					
		[Add the following if specialized sub-contractor is permitted and describe nature and characteristics of specialized works:] *"(ii) For the following specialized works, the Employer permits specialized sub-contractors as per ITA 24.2"*	*"Must meet requirement for one contract (Requirement can be met through a Specialized Sub-contractor)"*	*"Must meet requirement"*	*"N/A"*	*"Must meet requirement (Requirement can be met through a Specialized Sub-contractor)"*	
The range of contract numbers should be one to three (and is normally two), depending on the size, value, nature and complexity of the subject contract, the exposure of the Employer to risk of contractor default, country conditions and history of similar works constructed in the past. For example, for small- to medium-sized contracts in a country with newly privatized, but lack of participation of construction firms, an Employer may be prepared to risk an award to an Applicant with only one previous similar contract completed. For contracts in a developed environment with high potential supply of construction services, three similar contracts may not limit applications, but would reduce the risk of Contractor default. For very large and complex contracts, competition may be reduced substantially in case three similar contracts are required if not many such contracts were completed in the past five to ten years.							

	Eligibility and Qualification Criteria		**Compliance Requirements**				**Documentation**
No.	**Subject**	**Requirement**	**Single Entity**	**Joint Venture**			**Submission Requirements**
				All Parties Combined	**Each Member**	**One Member**	
4.2 (a) (ii) should be inserted only if the Employer permits specialized sub-contractors. If not, then that row should be deleted. *The time range is normally five to ten years, and should be related to the number of similar contracts stated above.*							

Eligibility and Qualification Criteria			**Compliance Requirements**				**Documentation**
No.	**Subject**	**Requirement**	**Single Entity**	**Joint Venture**			**Submission Requirements**
				All Parties Combined	**Each Member**	**One Member**	
4.2 (b)		For the above and any other contracts completed and under implementation as prime contractor, joint venture member, management contractor or sub-contractor**Error! Bookmark not defined.** between 1st January *[insert year]* and application submission deadline, a minimum construction experience in the following key activities successfully completed[33]: *[list activities indicating volume, number or rate of production as applicable]*[34]	Must meet requirements	Must meet requirements	N/A	Must meet the following requirements for the key activities listed below[34] *[list key activities and the corresponding minimum requirements]*	Form EXP – 4.2 (b)
List the monthly or annual production rate for the key construction activity (or activities) in the proposed contract or works, e.g., "one million m^3 of rock placed in rockfill dams in one year; X tons of asphalt concrete per month place in road paving; Y m^3 of concrete place in … etc." The rates should be a percentage (say about 80 percent) of the estimated production rate of the key activity (or activities) in the contract or Works as needed to meet the expected construction schedule with due allowance for adverse climatic condition.							

[33] Volume, number or rate of production of any key activity can be demonstrated in one or more contracts combined if executed during same time period. The rate of production shall be the annual production rate for the key construction activity (or activities). For the rate of production, either the average during the entire period or in any one or more years during the period should be specified.

[34] The minimum experience requirement for multiple contracts will be the sum of the minimum requirements for respective individual contracts.

III.2 Guidance Notes

Qualification Criteria

1. The Bank's policy on prequalification is that all potential bidders that meet predefined minimum requirements regarding (inter alia): general construction experience; particular or specialized experience; financial capabilities; personnel capabilities, and equipment availability should be invited to bid. The procedure requires the implementing agency (Employer) to set pass/fail criteria which, if all are not met substantially by the Applicants, would cause them to be disqualified.

2. The criteria adopted must relate to characteristics that are essential to ensure satisfactory execution of the subject contract (or each contract in case of slice and package bidding), and they must be precisely stated. Basically, the criteria must be chosen so that only Applicants that are qualified to carry out the work are permitted to bid. It is in the interest of the Employer to have maximum competition at the prequalification stage. Therefore, the Employer should not set the prequalification criteria too high so as to limit the number of eligible firms to be prequalified. Similarly, the criteria should not be set too low so that otherwise unqualified firms may get included. It is in this respect that the Employer should consult with their technical experts to obtain the right market information. All Applicants that meet the criteria should be invited to bid.

3. The verification of availability of resources (key personnel and equipment) should be made at the time of contract award, rather than at the qualification stage. Therefore, such criteria have not been included in the SPD.

4. Whereas it is important that the Applicants submit the required documentation with their application, at times there may be information and/or documentation that has not been submitted. If the missing information and/or documentation are historical information or data, it is in the Employer's interest to ask for such information and/or documents instead of rejecting the Application for lack of these details.

Average Annual Construction Turnover (sub-criterion 3.2)

5. The Applicant's general capabilities in managing construction contracts should be related to its record of the Applicant's recent experience and the value of work undertaken. Experience requirements should be stipulated as a minimum annual value of general construction work carried out over a stated period (normally five years), calculated by applying an appropriate multiplier to the projected annual construction rate on the subject contract. The recommended multiplier is 2.0, and may be reduced to 1.5 for contracts over about US$200 million.

6. **Example:** Estimating required minimum "Average Annual Turnover"

Subject Contract

Description:	Port Facility
Estimated Cost (Including contingencies):	US$120m
Duration:	4 years
Contract:	SBDW Unit Rate

(a) Average expected annual construction billings (turnover), assuming a straight-line projection: $120 ÷4 = $30m per year.

(b) Applying the normal multiplier of 2.0
Required minimum turnover: $30m × 2.0 = $60m per year.

7. The detailed calculation for minimum Average Annual Turnover shall be provided to the Bank when the prequalification document is submitted for Bank review.

Similar Construction Experience (Sub-criterion 4.2)

8. Applicants should demonstrate that they have successfully carried out works, substantially of a nature, size, value, and complexity similar to that of the contract in question. There are two principal criteria for prequalification.

(a) The Applicant should have carried out similar works of a size comparable to that of the package of Works for which prequalification is sought. Depending on the nature of the Works to be bid, the requirement should be for the Applicant to have completed or substantially completed one or more contracts each of an amount (not less than about 80 percent) close to that of the proposed contract, over the last five to ten years.

(b) The Applicant (or a subcontractor designated in Forms ELI-1.2 and EXP4.2b) should have performed operations of a volume, quality, and rate of execution similar to those required for the timely completion of the subject contract. For example, where large-volume earthmoving, tunneling, or concrete placing is involved, the Applicant should demonstrate experience in those operations, having performed them at the rates necessary to meet a percentage (e.g., 80 percent) of the estimated monthly peak and/or annual rates required for the subject contract.

9. Applicants should not be required to have had direct experience in the Employer's country or region, but only under similar climatic, geological, and other general conditions.

10. The Employer shall decide if the experience of the Applicant shall be accepted under only one contract or under different contracts. The prequalification criteria shall be set accordingly. For example, for highway construction, which includes structures such as bridges, the Applicant may be required to have experience in construction of highways and bridges. It is possible that the experience for these be required under a single contract (highways and bridge construction together in a same contract) or under different contracts (a separate contract for highway construction and separate for badge construction) . In certain other cases, it may be necessary to have separate contracts awarded for highways and bridges in which case the prequalification shall be carried out separately.

Section IV. Application Forms

The Employer shall include in the PQD all application forms that Applicants must complete and submit together with their applications. These forms are as specified in Section IV of the prequalification document:

- Application Submission Form
- Applicant Information Form
- Applicant's JV Information Form
- Historical Contract Non-Performance
- Financial Situation
- General Construction Experience
- Average Annual Construction Turnover
- Similar Construction Experience
- Construction Experience in Key Activities

Section V. Eligible Countries

The Employer shall provide the list of ineligible countries by filling paras 2(a) and (b).

Section VI. Bank Policy - Corrupt and Fraudulent practices

This Section provides the Applicants with the reference to the Bank's policy in regard to corrupt and fraudulent practices applicable to the prequalification process and contains standard provisions that have been designed to remain unchanged, and therefore their wording should not be modified.

Section VII. Scope of Works

The Scope of Works should provide sufficient information for an Applicant to decide whether or not to compete for that type of works, and whether it will need to use subcontractors for specific parts of the Works, and/or form a Joint Venture. It should provide information on the three following aspects:

1. Description of the Works

Describe the Works in sufficient detail to identify location, nature, and complexity. Indicate the estimated quantities of major components of the works should be indicated in the bill of quantities.

2. Construction Period(s)

State expected construction period and time in weeks or months; if alternative time schedules are permitted, give the range of acceptable construction periods. The period allowed should be reasonable and flexible.

3. Site and other Data

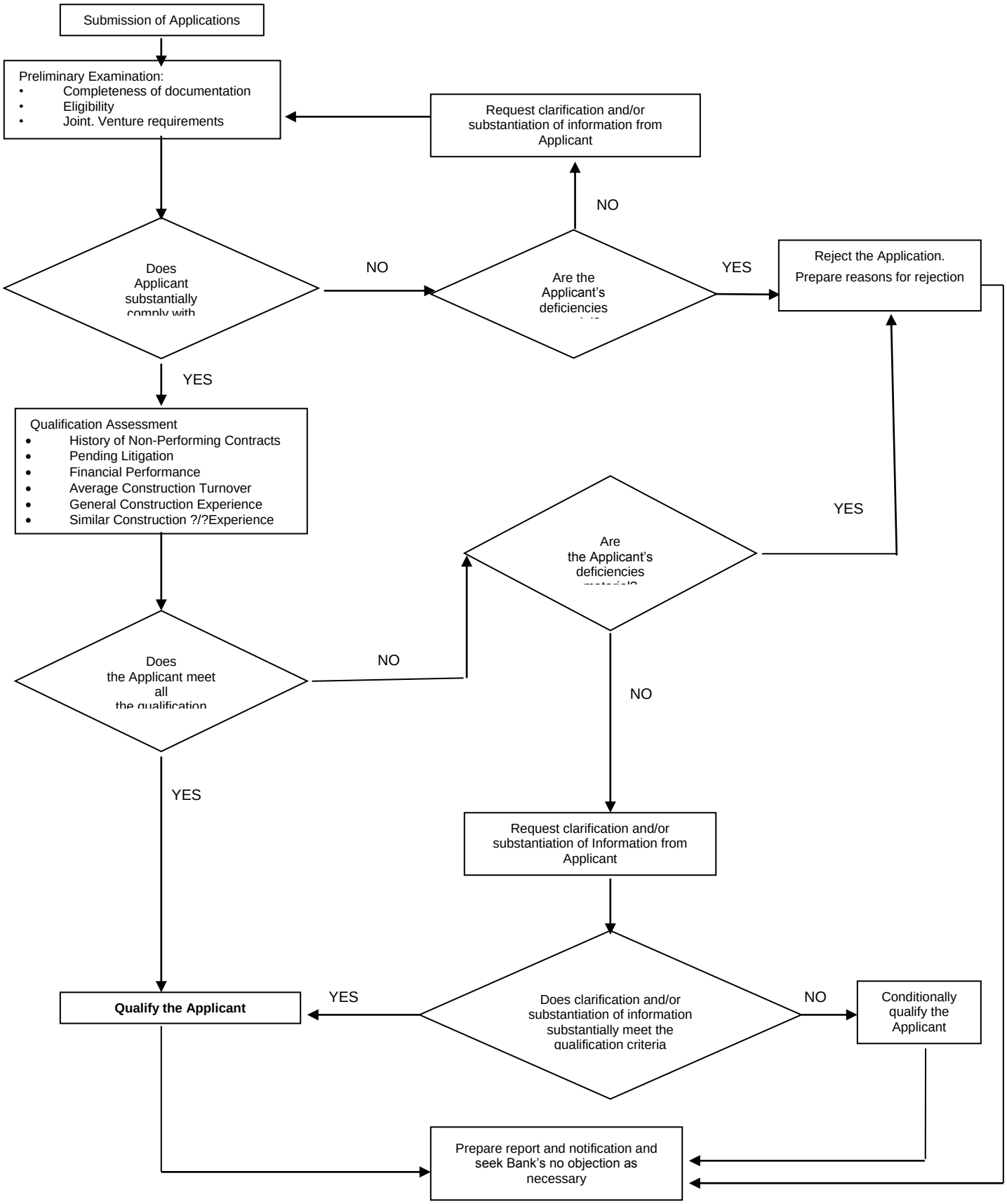
Provide general information on the climate, hydrology, topography, geology, access to site, transportation and communications facilities, medical facilities, project layout, facilities, services provided by the Employer, and other relevant data.

Evaluation of Applications

Prequalification Evaluation Flow Chart

The attached flow chart indicates the successive steps of the evaluation process. The process is consistent with (i) Sections I and II, Instructions to Applicants and Prequalification Data Sheet and (ii) Section III, Qualification Criteria and Requirements. The flow chart should be reviewed by the evaluation team prior to the evaluation, and used as a Guide during the evaluation, concurrently with Section III

Prequalification Evaluation Flow Chart



Guidance Notes

The following notes are intended to give guidance on some of the principal issues confronting the evaluating team. They cover:

1. Single and multiple contract evaluation (slice and package)
2. The assessment of an Applicant's financial soundness
3. Analysis of litigation history
4. Conditional prequalification
5. Prequalification evaluation summary
6. Notification to Applicants

1. Single and Multiple Contract Evaluation (Slice and Package) 1.1

Single Contract Evaluation (Slice)

(a) The average annual amount of the Applicant's past turnover on general construction stated by the Applicants in FIN-3.2 should be equal to or greater than that stated in Section III-3.2. If there has been a downward trend in turnover in more recent years over the specified period, a clarification should be sought by the evaluator with a view to a possible weighting of the more recent years in determining the annual average (see example below).

Example:

Year	Turnover	US$ equivalent ($m)
1. 2011 (to end June)	(completed in different currencies)	20
2. 2010	"	40
3. 2009	"	80
4. 2008	"	120
5. 2007	"	100
Totals: 4.5 years		$360m
Average T/O p.a.:	360/4.5 =	$80m p.a.
Minimum Average Requirement stated in Section III-3.2:		$60m p.a.

Note: Although appearing to pass the qualifying criterion, the Applicant has only averaged $56m/p.a. (140/2.5) in the last two and one-half years, with decreasing turnover. In such cases, the Employer should make a thorough investigation of the financial soundness of the Applicant (from data submitted with FIN-3.1) and, failing a satisfactory resolution, the Applicant could be disqualified.

The particular experience on similar contracts, and minimum key production rates (number of contracts) as stated in Section III-4.2, should be compared with information provided in EXP-4.2a and 4.2b. For certain case, the contribution of named specialized subcontractors may be a factor in satisfying these criteria.

1.2 Multiple Contract Evaluation (Package) Alternative I

If Applicants have applied for prequalification on more than one particular contract, the procedure in "(1.1) Single Contract Evaluation (slice)" above may be used for evaluation by aggregating the specific requirements for each contract, and comparing the totals of different combinations with the information provided in relevant forms.

Alternative II[35]

The procedure uses the basic information supplied by Applicants to assess the threshold limits (ceilings) for the aggregated total of contract value (or bidding capacity) for which Applicants are considered prequalified by the Employer.

The information provided by the Applicant in FIN-3.2 gives the average annual turnover; this amount is then divided by the multiplier of two (or other factor) as used by the Employer in Section III-3.2, and gives the limit of annual capacity of the Applicant for construction on the subject contracts.

The information provided in EXP-4.2a and 4.2b regarding similar contracts and the annual/monthly key production rates (number of contracts) may lead to a reduction of the ceiling or condition the prequalification.

After refining the initial maximum annual contract amount in the manner stated above, it should be extended over the duration of individual contracts, or over the average durations for multiple contract construction, to provide an indicator of the Applicant's maximum bidding capacity on individual or a group of contracts.

2. The Assessment of Financial Situation and Performance (Section III-3.1)

General Information

2.1 The purpose of assessing the financial capabilities of the Applicants is to reassure the Employer that the individual Applicant's financial standing in its whole does not have structural weaknesses that may result in the Applicant's financial inability to perform, and to give an indication of the scope and value of the work the Applicant would be able to undertake. To place a detailed analysis in context, it is necessary to look at trends in key figures over a number of years and to make comparisons of the firm's annual activities to the same firm's results from previous years.

2.2 Because of differing international accounting practices and tax laws, published information on the financial position of companies and financial ratios derived there from do not provide a uniform and satisfactory basis to compare the financial standing of an Applicant with other Applicants for prequalification purposes. Nevertheless, audited financial statements or balance sheets should be

[35] A similar, simpler, procedure can be used that consists of compiling registers of contractors for different categories of works under National Competitive Bidding procedures

sought as a general guide to the financial situation of the Applicant. Firms owned by individuals and partnerships may not be required to maintain audited accounts by the laws of their countries of origin. In such cases, balance sheets should be certified by a registered accountant and supported by tax returns.

2.3 In any case, the Borrower should require Applicants to provide the following background information to support the presentation in the Information Forms:

- audited or certified financial statements for the last five years or for the period stated in the Section III-3.2, supported respectively by audit statements or tax returns; and
- names and addresses of the Applicant's banker(s), as well as the names and addresses of clients or organizations familiar with its financial standing.

Financial Indicators

2.4 The financial information provided by an Applicant should be reviewed in its entirety to allow a truly informed judgment, and the ***pass–fail decision*** on the financial position of the Applicant should be given on this basis. To assist in this review, the indicators used are most frequently are **working capital** and **net worth.** The following table summarizes the financial information of an example firm as would be reported by an Applicant in FIN-3.1, as well as an evaluation by the Employer of the Applicant's **working capital** and **net worth.**

EXAMPLE

Financial Information (US $ million equivalent)

	Actual: previous five years				
	5	4	3	2	1 0
1. Total assets	18.5	19.0	20.0	23.0	25.0
2. Current assets	12.0	13.0	14.5	14.0	15.0
3. Total liabilities	9.0	10.5	10.0	11.0	11.5
4. Current liabilities	7.0	6.5	7.0	7.5	7.8
5. Profits before taxes	1.4	1.3	1.3	1.4	1.8
6. Profits after taxes	1.0	0.9	0.9	1.0	1.3
7. Net worth (1) - (3)	9.5	8.5	10.0	12.0	13.5
8. Current ratio (2)/(4)	1.7	2.0	2.1	1.9	1.9
9. Return on equity %		13.7	15.3	14.0	15.0
(5)/(7 of prior year)					

2.5 **Working capital** is the difference between current assets and current liabilities, and measures the firm's ability to generate cash in the short term. Current assets are cash and other assets suitable for conversion into cash within one year. Current liabilities are monetary obligations that must be paid out within the current year. To help in the interpretation of the adequacy of **working capital,** the **current ratio,** which compares the current assets with the current liabilities, is more helpful than a figure for working capital. In the example, the current ratio of the firm varies from 1.7 to 2.1 over the previous five years and the projected ratios for the next two years are also

within this range. This indicates that the firm has had a consistent record of its working capital with at least $1.7 in current assets to back each dollar of its current liabilities. Construction firms normally have small inventories and accounts receivable are easy to collect; they can therefore operate safely with a low current ratio. The example firm appears healthy from its **working capital** point of view.

2.6 **Net worth** is the difference between total assets and total liabilities. The **net worth** measures a firm's ability to produce profits over the long run as well as its ability to sustain losses[36].

2.7 Any discontinuities or abnormal features in the above indicators or ratios should alert the Employer to potential financial problems and the need to seek expert professional advice for further review and interpretation.

3. The Analysis of Litigation History (Section III-2)

3.1 The execution of any construction contract will normally result in the payment by the Employer of a number of reasonable claims from the Contractor, e.g., for defaults of the Project Manager, delays, unforeseeable ground and climatic conditions, etc. However, some Contractors have an established business practice of bidding low to obtain award of contract; and then flooding the Employer with excessive or frivolous claims to increase their income. Employers should be on guard against any Contractor who habitually resorts to excessive claims, arbitration, and litigation in the execution of contracts.

3.2 Applicants with a consistent and significant history of excessive contract arbitrations and litigation resulting in awards or decisions against them should not be qualified to bid. So that the litigation history may be evaluated, Applicants should be required to list all contracts over a stated period of time (normally five years) that resulted in litigation or arbitration proceedings, with an indication of the matters and amounts in dispute, the parties involved, and the resolution of the dispute.

3.3 The criterion for rejection should be that of numerous arbitral awards or court decisions against the Applicant in relation to awards for the Applicant, taking the number and amount of contracts executed. As an indicative example, the occurrence of one or two adverse cases over five years for a Contractor handling, on average, ten construction jobs simultaneously, should not be a cause for rejection. If dispute resolution is found relatively frequently in the business of the Applicant, it may indicate an attitude of the management of the firm that could be dangerous for the Employer if the Applicant were awarded the contract, and further investigation with previous Employers may be warranted.

4. Conditional Prequalification

4.1 Applicants may not fully meet all the prequalification criteria with their initial applications. Provided the deficiencies do not materially affect the ability of the Applicant to perform the proposed

[36] Although the yearly figures for the net worth indicate the growth of the firm, the return on equity gives a better indication of the efficiency with which equity is employed within the firm. This is obtained by dividing the annual profit before taxes by the net worth of the previous year and expressed as a percentage. In the example, for every dollar of equity, the firm made 13.7 to 15.3 cents during the five-year period. The example firm shows a rather consistent net worth record.

contract, Applicants should be conditionally prequalified. In this case, Applicants should be notified of the deficiencies that they must correct to the satisfaction of the Employer before submitting their bids.

4.2 Typical circumstances for which conditional prequalification of Applicants may be appropriate are, inter alia:

- the provision of additional critical information such as cash flow which, in any case, needs to be updated at the time the bids are submitted
- the revision of a preliminary JV Agreement
- proposals for subcontracting specialized elements of the Works (unless subcontractors' qualification are to be considered for the purpose of evaluation and determination of qualification of the Applicant).
- questionable ability to undertake the subject contract, together with other pending contract awards

4.3 The prequalification process should not restrict competition at the time of bidding. Therefore, it is in the interest of the Employer to qualify larger number of applicants. The Employer shall not reject any Applicant, without giving an opportunity to clarify or furnish a document, when information is lacking in the Application unless the Application has major deficiencies or most of the critical information is lacking.

5. Prequalification Evaluation Summary

5.1 After evaluating the applications received, the implementing agency of the Borrower should prepare a summary to be submitted to the Bank for review and comment. The summary should address each of the pass–fail criteria set in the documents. Disqualification of Applicants who fail to meet the criteria should be explained, and details of any conditional prequalified Applicants should be submitted. The Bank may ask the Borrower to justify the evaluation and provide further information or clarification.

6. Notification to Applicants (ITA 28.1)

6.1 The implementing agency of the Borrower should await the Bank's "no objection" to the proposals in the evaluation summary before notifying Applicants of its decisions. After receiving the Bank's no objection, the implementing agency should:

- notify each Applicant not qualified, giving an indication of the reasons for not being qualified, and
- invite all qualified and conditionally qualified Applicants to bid (see 6.2 below).

6.2 All Applicants, whatever their classification, should be provided with a list (and addresses) of the qualified category and the conditionally qualified category of Applicants (without disclosing details of the conditions). Generally, conditionally qualified Applicants should be invited to submit a bid upon satisfactory compliance with the related conditions. However, in certain circumstances, they may be invited to bid and provide required information or documents as per the details of conditions along with the bid.

6.3 Bid documents should be issued only to prequalified Applicants or both prequalified and conditionally prequalified Applicants as the case may be. Verification of critical information provided in the submission for prequalification shall be confirmed at the time of award of contract, and award may be denied to a bidder that is judged to no longer have the capability or resources to successfully perform the contract.

6.4 After prequalification, all Applicants are deemed to have the necessary capabilities to carry out the subject contract or contracts. Within the period specified under ITA 30.1 and in accordance with the provisions therein, the Employer in deciding to agree or reject any request for changes in the formation or composition of the Applicants shall consult the Bank for a no-objection.

Invitation for Prequalification

The IFP provides information for potential bidders to decide whether to participate. Apart from the essential items listed in the Prequalification Document, the IFP shall also indicate any important or specialized prequalification requirements requested to qualify for the prequalification. Notification and advertising of the IFP shall be conducted in accordance with para 2.7 and 2.8 of the Procurement Guidelines.

The IFP shall follow the Sample Format indicated hereafter, and shall be issued as a Specific Procurement Notice in (a) at least one newspaper of national circulation in the Borrower's Country and in the official gazette, or on a widely used website or electronic portal with free national and international access, and (b) UNDB online and, at the option of the Employer, in well-known technical magazines and trade publications of wide international circulation (especially for complex and highly specialized projects).

Upon completion of an IFP for publication as described above, the implementing agency should forward it to the appropriate World Bank staff (the Task Team Leader or Procurement Specialist) for review and subsequent submission for publication.

Sample Format

SPECIFIC PROCUREMENT NOTICE
Invitation for Prequalification

[Insert: name of Country]

[Insert: name of Project]

[Insert: Title and Brief Description of Works]

[Insert: Loan/Credit No.]

This invitation for prequalification follows the general procurement notice for this project that appeared in *Development Business* No. *[insert number]* of *[insert date]*[1] on-line.

The *[insert name of borrower] [has received/has applied for/intends to apply for]* a *[loan/credit]* from the *[International Bank for Reconstruction and Development (IBRD)/International Development Association (IDA)]* toward the cost of the *[insert name of project]*, and it intends to apply part of the proceeds of this *[loan/credit]* to payments under the contract for *[insert name/no. of contract if prequalification is being invited for more than one contract, describe each contract and indicate whether applications may be made for prequalification for one or more of the contracts]*.[2] The *[insert name of implementing agency]* intends to prequalify contractors and/or firms for *[insert description of Works or goods to be procured]*.[3] It is expected that invitations for bid will be made in *[insert month and year]*.[4]

Prequalification will be conducted through prequalification procedures specified in the World Bank's *Guidelines: Procurement under IBRD Loans and IDA Credits*, January 2011, and is open to all bidders from eligible source countries, as defined in the guidelines.[5]

Interested eligible Applicants may obtain further information from and inspect the prequalification document at the *[insert name of agency]* (address below) *[state address at end of document]* from *[insert office hours]*.[6] A complete set of the prequalification document in *[insert name of language]* may be purchased by interested Applicants (a) on the submission of a written application to the address below and upon payment of a nonrefundable fee[7] of *[insert amount in local currency]* or in *[insert amount in specified convertible currency]*. The method of payment will be *[insert method of payment]*.[8] The document will be sent by *[insert delivery procedure], [insert "alternatively the PQD can be purchased electronically under the procedures described in the attachment to this IFP" if electronic purchase and delivery is an option]*.

Applications for prequalification should be submitted in sealed envelopes, delivered to the address below[9] by *[insert date]*,[10] and be clearly marked "Application to Prequalify for *[insert name of project and the contract name(s) and number(s)]."*

[Insert name of office]

[Insert name of officer]
[Insert postal address] and/or *[Insert street address]*
[Insert telephone number, indicate country and city code]
[Insert facsimile or cable number]
[Insert Email address]

Notes for preparation

1. *Day*, month, *year; for example 31 January 2011*
2. *[Insert the following if applicable]*. This contract will be jointly financed by *[insert name of cofinancing agency]*. Bidding will be governed by the World Bank's eligibility rules and procedures.
3. A brief description of the works or goods should be provided, including quantities, location of project, and other information necessary to enable *potential* bidders to decide whether or not to respond to the invitation. Bidding documents may require bidders to have specialized experience or capabilities; such requirements should also be included in this paragraph.
4. Insert this sentence if applicable.
5. Occasionally, contracts may be financed out of special funds that would further restrict eligibility to a particular group of member countries. When this is the case, it should be mentioned in this paragraph. Also indicate any margin of preference that may be granted as specified in the loan or credit agreement and set forth in the bidding documents.
6. For example, 0900 to 1200 hours.
7. The fee, if any, shall be to defray printing and mailing/shipping costs and shall be nominal.
8. For example, cashier's check, direct deposit to specified account, etc.
9. The office for bid opening may not necessarily be the same as that for inspection or issuance of documents or for bid submission. If they differ, each address must appear at the end of the notice and be numbered; as, for example, (1), (2), (3). The text in the paragraph would then refer to address (1), (2), etc. Only one office and its address may be specified for submission, and it should be near the place where bids will be opened.
10. The time allowed for preparation of the prequalification submission should be sufficient for Applicants to gather all the information required, generally not less than six weeks after the date the documents are available or the last date of the advertisement, whichever is later. This period may be longer for very large projects, for which more time may be needed for the formation of joint ventures and assembly of the necessary resources.