Standard Bid Evaluation Form

Procurement of Goods or Works

The World Bank

April 1996

Preface

This Standard Bid Evaluation Form has been prepared by the World Bank[1] for use by its Borrowers and their implementing agencies in the evaluation of bids, in accordance with the provisions of the Bank's *Guidelines: Procurement under IBRD Loans and IDA Credits*, January 1995, revised January and August 1996 and September 1997, referred to hereafter as "Guidelines" (see in particular para. 2.53 and Appendix 1, subparas. 2 and 4 of the *Guidelines*). All loans and credits negotiated after March 15, 1995 are governed by the 1995 edition.

This document is intended specifically for assisting in the evaluation of bids procured through International Competitive Bidding (ICB), as well as through Limited International Bidding (LIB), whether subject to prior or post review. It should also prove useful, with appropriate modifications, to Borrowers for evaluation under National Competitive Bidding (NCB) procedures.

Upon notification of contract award to the successful bidder by the Borrower, and in accordance with the General Conditions of the Loan or Credit Agreement, the Bank is authorized to publish a description of the contract, the name and nationality of the contract awardee, and the contract price.

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

Procurement Policy and Services Group
Operational Core Services Network
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.
pdocuments@worldbank.org
http://www.worldbank.org/html/opr/procure/contents.html
facsimile: 202/522-3317

[1] The "World Bank" refers to the International Bank for Reconstruction and Development (IBRD) and its affiliate, the International Development Association (IDA). Their procurement rules are identical. References to IBRD "loans" and IDA "credits" are interchangeable.

Table of Contents

How to Use These Forms **1**

Section I. Bid Evaluation Standard Forms **3**
Standard Cover 4
Letter of Transmittal 5
Table 1. Identification 6
Table 2. Bidding Process 7
Table 3. Bid Submission and Opening 8
Table 4. Bid Prices (as Read Out) 9
Table 5. Preliminary Examination 10
Table 6. Corrections and Unconditional Discounts 11
Table 7. Exchange Rates 12
Table 8. Currency Conversion (Multiple Currencies) 13
Table 9. Currency Conversion (Single Currency) 14
Table 10. Additions, Adjustments, and Priced Deviations 15
Table 11. Domestic Preference for Goods 16
Table 12. Domestic Preference for Works 17
Table 13. Proposed Contract Award 18

Annex I. Evaluation Guide **19**

Annex II. Bid Opening Checklist **33**

Annex III. Eligibility for the Provision of Goods, Works, and Services in Bank-Financed Procurement **35**

Annex IV. Example of Preliminary Examination **37**

Annex V. Bid Evaluation Summary Checklist **39**

How to Use These Forms

1. The evaluation forms and guide contained in this document provide step-by-step procedures for the evaluation of bids solicited through ICB. In all instances, the bidding and evaluation procedures described in the Instructions to Bidders (ITB) of the actual bidding document used should be followed.

2. ICB is conducted using the Standard Bidding Documents (SBDs)[1] issued by the Bank and required for use by Borrowers.[2] The following SBDs are currently available:

(a) Procurement of Goods (SBDG)
(b) Procurement of Works (referred to here as Larger Works) (SBDLW)
(c) Procurement of Works—Smaller Contracts (SBDSW)

Others are issued as Trial Editions or are yet in preparation. Bid evaluation procedures for the Trial Editions follow the procedures for the SBDG except for the SBD for Supply and Installation of Plant and Equipment, which is more similar to the SBDLW. The SBD for Commodities is based on modified ICB (see Section II.D of the *Guidelines*), in which bidding and evaluation procedures are based on one designated currency. The forms herein provided that deal with currency conversion may therefore be omitted.

3. Although each of the documents is different, their ITBs are very similar, particularly for the SBDG, SBDLW, and SBDSW, the most widely used documents. The following standard forms and guide are based on those ITBs, as well as on the Bid Data Sheets (BDSs), which follow the ITB and provide contract-specific information.

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

5. Special mention should be made of contracts that group together ("package") smaller contracts ("lots"—also called "slices" or "items"), which may be awarded as a package to one bidder, or as sub-packages of one or more lots to several bidders. In such instances the bid evaluation is to be done separately, including any allowances for domestic preference, for

[1] See *Guidelines*, para. 2.12. When the relevant documents are not available, the use of other international documents may be acceptable to the Bank.

[2] "Borrower" refers here to the implementing agency, which may also be called the "Purchaser" or the "Employer."

each lot, subject to any cross-discounting (see Annex I, para. 7(b)). Only Tables 1, 2, and 3 will be common to all.

6. Borrowers should study these evaluation forms and guide during project preparation, in order to properly assess the managerial and administrative conditions needed for bid evaluation. Bank staff are available to explain the procedures, including any modifications necessary for evaluation using bidding documents other than those SBDs presently available. The Bank encourages the employment of experienced consultants to help in evaluations for complex contracts (see *Guidelines*, Appendix 1, para. 2(c)). Consultant fees can be paid from loan funds, if allowed for in the loan agreement.

Section I. Bid Evaluation Standard Forms

Standard Cover

Bid Evaluation Report
and
Recommendation for Award of Contract

Name of Project: _____

IBRD Loan or IDA Credit No.: _____

Contract Name: _____

Identification Number: _____

Date of Submission: _____

Letter of Transmittal

If the contract is subject to prior review, the bid evaluation report should be attached with a Letter of Transmittal from the Borrower ministry, department, or agency responsible for communications with the Bank. The letter should highlight conclusions and offer any additional information that would help to expedite review by the Bank. In addition, any unresolved or potentially contentious issues should be highlighted. The letter should be sent to the Chief of the Sector Operations Division or the Country Operations Division responsible for the loan, unless another Bank official has been designated by the Bank for such correspondence.

Note: When subject to post review, the evaluation report and the signed contract should be submitted to the Bank before sending (or with) the pertinent Application for Withdrawal, Special Commitment, replenishment of the Special Account, or, in case of a Statement of Expenditures, retained for storage for eventual retrieval. (See *Guidelines*, Appendix 1, and the Loan Agreement.)

Table 1. Identification

1.1 Name of Borrower	_____
1.2 Loan/Credit number	_____
1.3 Date of effectiveness	_____
1.4 Closing date	
(a) original	_____
(b) revised	_____
1.5 Name of project	_____
1.6 Purchaser (or Employer)	
(a) name	_____
(b) address	_____
1.7 Contract number (identification)	_____
1.8 Contract description	_____
1.9 Cost estimate[1]	_____
1.10 Method of procurement (check one)	ICB _____ LIB _____ Other _____
1.11 Prior review required[2]	Yes _____ No _____
1.12 Domestic preference allowed	Yes _____ No _____
1.13 Fixed price contract	Yes _____ No _____
1.14 Cofinancing, if any:	
(a) agency name	_____
(b) percent financed by agency	_____

[1] Cite source and date if other than Staff Appraisal Report.
[2] If response is "no," items 2.2(b), 2.4(b), and 2.6(b) in Table 2 may be left blank, unless the Bank's prior review was specifically requested.

Table 2. Bidding Process

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

Table 3. Bid Submission and Opening

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

Note: Contracts under two-stage bidding will require the information requested for each stage to be filled out. Refer to *Guidelines*, para. 2.6, and SBD for Supply and Installation of Plant and Equipment.

[1] Refer to Annex I, para. 3 herein.

Table 4. Bid Prices (as Read Out)

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

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

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

Table 5. Preliminary Examination

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

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

Table 6. Corrections and Unconditional Discounts

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

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

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

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

Table 7. Exchange Rates

Currency Used for Bid Evaluation: _____

Effective Date of Exchange Rate: _____

Authority or Publication Specified for Exchange Rate: _____

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

Table 8. Currency Conversion (Multiple Currencies)

Specify Evaluation Currency: _____

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

Note: This table is to be used for SBDG and Option B of SBDLW. Columns *a*, *b* and *c* are from Table 6, columns *a*, *b* and *i*.

[1] Column *d* is from Table 7.

[2] Column *f* is the sum of bid prices in column *e* for each bidder.

Table 9. Currency Conversion (Single Currency)

Specify Evaluation Currency: _____

Bidder	Corrected/Discounted Bid Price (in specified currency)	Payment Composition[1]			Exchange Rate Used by Bidder[1]	Amounts in Currency of Payment	Exchange Rate for Evaluation[2]	Evaluation Currency	
		Currency of Payment	Percent of Total Bid	Amount in Evaluation Currency				Bid Prices	Total[3]
(a)	*(b)*	*(c)*	*(d)*	*(e) = (b) x (d)*	*(f)*	*(g) = (e) x (f)*	*(h)*	*(i) = (g) x (h)*	*(j)*
etc.									

Note: This table is used for SBDSW and Option A of SBDLW. Columns *a* and *b* are from Table 6, columns *a* and *i*.

[1] Columns *c*, *d*, and *f* are provided in the SBDLW Appendix to Bid and in the (Form of) Contractor's Bid in the SBDSW.

[2] Column *h* is from Table 7.

[3] Column *j* is the sum of bid prices in column *i* for each bidder.

Table 10. Additions, Adjustments, and Priced Deviations

Specify Evaluation Currency: _____

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

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

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

Table 11. Domestic Preference for Goods

Specify Evaluation Currency: _____

Bidder *(a)*	Domestic Preference Group[1] *(b)*	Total Price[2] *(c)*	Exclusions for Preference[3] *(d)*	Revised Total *(e) = (c) – (d)*	Prevailing Tariff (%)[4] *(f)*	Domestic Preference (%)[5] *(g)*	Preference Price[6] *(h)*	Total Comparison Price *(i) = (c) + (h)*
etc.								

[1] Column *b* refers to Groups A, B, or C, as indicated by bidder, subject to verification by Borrower.

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

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

[4] Column *f* is the sum of duties and import taxes on the particular items or group of similar items as a percent of the CIF or CIP price. Refer to para. 7(a) of Annex I.

[5] Column *g* will be the smaller of 15 percent or the prevailing tariff in column *f*.

[6] Column *h* for Group A bidders is zero. Group B bids at this stage should no longer be compared. For Group C bidders, column *h* is the product of columns *e* and *g*.

Table 12. Domestic Preference for Works

Specify Evaluation Currency: _____

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

[1] Column *b* refers to Group A (eligible domestic bidders) or Group B (others) as indicated by bidder, subject to verification by Borrower.

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

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

[4] Column *f* for Group A bidders is zero. For Group B bidders, column *f* is 7.5 percent of column *e*.

Table 13. Proposed Contract Award

1.	Lowest evaluated responsive bidder (proposed for contract award). (a) name (b) address	
2.	If bid submitted by agent, list actual supplier. (a) name (b) address	
3.	If bid from joint venture, list all partners, nationalities, and estimated shares of contract.	
4.	Principle country(ies) of origin of goods/materials.	
5.	Estimated date (month, year) of contract signing.	
6.	Estimated delivery to project site/completion period.	

		Currency(ies)	Amount(s) or %
7.	Bid Price(s) (Read-out)[1]		
8.	Corrections for Errors[2]		
9.	Discounts[3]		
10.	Other Adjustments[4]		
11.	Proposed Award[5]		
12.	Disbursement Category[6]		

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

Annex I. Evaluation Guide

1. Identification, Bidding Process, and Bid Submission

Tables 1, 2, and 3 provide for the filing of basic information on the procurement process. This information is necessary to monitor compliance with the Loan Agreement, and particularly paras. 2.7 and 2.8 on advertising and notification of the *Guidelines*.

2. Bid Opening[1]

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

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

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

3. Bid Validity

The duration of the validity of each bid should be the one specified in the ITB and should be confirmed in the signed (form of) bid. If exceptional circumstances occur in which award cannot be made within the validity period, extensions in writing should be requested of bidders, in accordance with the ITB (also *Guidelines*, para. 2.56). Extensions to the validity of bid security

[1] See *Guidelines*, para. 2.44. The record should be sent promptly to the Bank after bid opening and therefore does not usually accompany the bid evaluation report.

should also be requested of bidders, if necessary.[2] Note that for fixed price contracts subject to prior review, a no-objection by the Bank is necessary for extensions longer than sixty (60) days and for any subsequent extensions (*Guidelines*, Appendix 1, para. 2(d)).[3] Note any extensions in Table 3.

4. Principles of Evaluation

After the public opening of bids, information relating to the examination, clarification, and evaluation of bids shall not be disclosed to bidders or other persons not officially concerned with this process until the successful bidder is notified of the award of contract (*Guidelines*, para. 2.46). The Bank recommends appointment by the Borrower of an evaluation committee, consisting of a minimum of three qualified members who should work in a secure office where all bidding documents can be kept. There may be a considerable advantage if the same members participated in the preparation of the bidding documents.

On occasion, the Borrower may request clarifications of bidders concerning ambiguities or inconsistencies in the bid. As required in the ITBs, such requests shall be in writing, and no change in the price or scope of the originally offered goods, works, or services shall be sought or accepted, except for the correction of arithmetic error. The responses from bidders shall also be in writing. (Refer also to *Guidelines*, Appendix 4, para. 10.) No circumstances shall justify meetings or conversations between the Borrower (or its consultants) and bidders during the bid evaluation process.[4]

Bidders frequently attempt to contact the Borrower during bid evaluation, directly or indirectly, to query progress of evaluation, to offer unsolicited clarifications, or to provide criticisms of their competition. Receipt of such information should be acknowledged as to receipt only.[5] Borrowers must evaluate bids on the basis of the information provided in the respective bids. However, additional information provided may be useful in improving the accuracy, speed, or fairness of the evaluation. Nonetheless, no changes in the bid price or substance are allowed.

5. Preliminary

The evaluation process should begin immediately after bid

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

[3] Revised to eight (8) weeks, in the first (January 1996) reprint of the 1995 edition of *Guidelines*.

[4] See *Guidelines*, para. 2.6 for an explanation of two-stage bidding. If used, evaluation of the second-stage bidding follows the procedures in this *Annex I. Evaluation Guide*.

[5] On occasion, bidders approach the Bank with information. Bank policy is to acknowledge the correspondence and pass it on to the Borrower for its consideration (*Guidelines*, Appendix 4, paras. 11–14).

Examination of Bids

opening. The purpose of preliminary examination is to identify and reject bids that are incomplete, invalid, or substantially nonresponsive to the bidding documents and therefore are not to be considered further. The following checks should be applied:

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

(b) Eligibility: The bidder must be a national or a juridic entity from an eligible source country as defined in the *Guidelines*.[6] All partners to a joint venture shall be from an eligible source country, and the joint venture shall be registered in an eligible source country. All goods and services shall originate from eligible source countries. In the case of plant and equipment, this eligibility test is applied only to the finished product offered in the bid and to its major and clearly identifiable components. If prequalification has taken place, only bids from prequalified bidders can be considered.[7] The bidder (including all members of a joint venture and subcontractors) may be disqualified if affiliated with a firm that has provided related consulting services on the project, or if the bidder is a publicly owned enterprise from the Borrower's country, lacking legal and financial autonomy. (See the ITB for details.)

(c) Bid Security: The bidding document may require submission of a bid security. If so, the bid security must

[6] A list of eligible source countries and those subject to payment restrictions from the Bank loan are listed in Annex III.

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

conform to the requirements of the ITB, and it must accompany the bid. If the bid security is issued as a bank guarantee, it must be consistent with the wording of the bid security form provided in the bidding document. Submission of a copy of the security or submission of a counterguarantee naming the Borrower's bank instead of the Borrower is unacceptable. Furthermore, securities for an amount smaller or for a period shorter than the one specified in the ITB are not acceptable. The security for a bid submitted by a joint venture should be in the name of all of the partners of the joint venture.

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

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

(i) Stipulating price adjustment when fixed price bids were called for

(ii) Failing to respond to specifications by offering instead a different design or product that does not offer substantial equivalence in critical performance

parameters or in other requirements

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

(iv) Subcontracting in a substantially different amount or manner than that permitted

(v) Refusing to bear important responsibilities and liabilities allocated in the bidding documents, such as performance guarantees and insurance coverage

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

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

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

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

6. Detailed Examination of Bids

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

(a) Corrections for Errors: The methodology for correction of

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

(b) Corrections for Provisional Sums: Bids may contain provisional sums set by the Borrower for contingencies or for nominated subcontractors, etc. As these sums are the same for all bids, they should be subtracted from the read-out prices in Table 6, column *e* to allow for a proper comparison of bids in subsequent steps. However, those provisional sums set aside for Daywork,[8] where priced competitively, should not be included in the deductions.

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

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

[8] Refers to unforeseen work. For details, see SBDLW, Section B, or SBDSW, Section 7.

conversion calculations.

There are two different currency options for bidding/payment, each requiring a different conversion methodology:

(i) The SBDG and Option B of SBDLW use the multiple currency option, in which the bid price is expressed in a number of currencies. For this procurement, use Table 8.

(ii) The SBDSW and Option A of SBDLW use the single currency option, in which the bid price is expressed entirely in a specific currency, usually in the Borrower's currency, with other foreign currency requirements stated as percentages of the bid price, together with the exchange rates used by the bidder to determine the percentages. For SBDLW single currency bids, sections of the Works may require payment in different currencies and proportions. In such instances, the impact of any corrections found will require a lengthier analysis for each bid, based on the submitted Appendix to Bid. Table 9 is to be used for these calculations.

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

(f) Adjustments: The ITB specifies which, if any, performance or service factors will be taken into account in the bid evaluation (see, for example, para. 26 of SBDG). The methodology used in evaluation of these factors should be precisely described in the bid evaluation report and should be fully consistent with the ITB provisions. Bonuses or additional credits that reduce the evaluated bid price will not be given in the bid evaluation for features that exceed the requirements stated in the bidding documents, unless

specifically provided for in the ITB.[9] The value of adjustments will be expressed in terms of cost, for all works and most goods contracts, and should be shown in Table 10, column *d* and expressed in the evaluation currency.[10]

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

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

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

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

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

7. Determination of Award

In the comparison of bids for works and for most goods, the corrected and discounted bid prices, together with adjustments for

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

[10] The Bank on occasion may allow the use of the Merit Point System for the purchase of goods. If so, the adjustments will be expressed in points. Refer to ITB (para. 26.5) of the SBDG and to the Bank directly for details on bid evaluation using the point system.

omissions, deviations, and specified evaluation factors, have been noted in Table 10. The bidder with the lowest total is the lowest evaluated cost bidder at this stage, subject to:

- Application of domestic preference, if any is allowed;
- Application of any discounts, contingent on the simultaneous award of multiple contracts or lots; and
- Postqualification evaluation, or, if prequalification has occurred, confirmation of prequalification information.

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

(i) With respect to goods contracts, verification of the prevailing import duties and the related import taxes to a nonexempt importer must be made. If these duties and taxes are less than 15 percent of the CIF or CIP price,[11] they are to be used as to the amount of preference. Also, the eligibility of goods for domestic preference must be examined according to the criteria described in the ITB.[12]

The calculations for determining the lowest evaluated bidder are based on a two-step process. In the second step, if needed, the domestic preference is *added* (like a tariff) to the CIF or CIP bid prices of the goods offered from abroad.[13] Care should be taken to separate these prices from the overall bid prices, which may include the costs of internal transportation and related freight insurance, installation, training, and other costs incurred within the Borrower's country. Such costs are not to be adjusted for the preference. The CIF or CIP bid prices used will reflect corrections for errors and discounts and will be adjusted for omissions pertaining to the CIF or CIP prices (such as insufficient spare

[11] CIF is cost, insurance and freight for maritime transportation. CIP is cost, carriage and insurance in the case of multimodular transportation. For further definitions, refer to *INCOTERMS 1990*, International Chamber of Commerce, 38 Cours Albert 1er, 75008 Paris, France.

[12] In the case of single responsibility supply and installation of plant and equipment, the domestic preference applies to individual components of the bid. Procedures in such cases are described in the *Guidelines*, Appendix 2, para. 6, and if applicable to the procurement under review, would be embodied in the ITB.

[13] This occurs if the apparent low bidder from the first step is importing the goods.

parts). They will *not* reflect adjustments for deviations or specified evaluation factors. The preference tariff calculated will then be added to the corrected, discounted, and adjusted total prices tabulated in Table 11.

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

(ii) Any domestic preference eligibility allowed under works contracts is dependent on ownership criteria and on the share of work to be undertaken. The domestic preference is provided by adding 7.5 percent to the corrected and discounted bid prices of bidders not eligible for domestic preference. The ITB excludes domestic preference application to any provisional sums, as well as to adjustments or priced deviations. The lowest evaluated bidder is the bidder with the lowest total in column *g* of Table 12.

(b) Cross-Discounts: These are conditional discounts offered in the event that more than one contract or lot will be awarded to the same bidder. Bid evaluation in such cases can be quite complicated, particularly for goods contracts where domestic preference may apply. The sizes of cross-discounts offered by each bidder may vary with the potential number of contracts awarded. The ITB may also limit the number or total value of awards to a bidder on the basis of its financial and technical capacity.[14] Thus, a bidder offering the lowest evaluated bid on a particular contract may be denied award because of such a restriction. The Borrower shall select the optimum combination of awards on the basis of least overall cost of the total contract package, consistent with the qualification criteria. (Refer to *Guidelines*, para. 2.4.) Presentations of the calculations should be made on an attachment to the report, which should include the bid evaluation(s) for the other contracts, if they have been evaluated separately.

(c) Qualification: If prequalification was conducted, the bidder

[14] This restriction may originate with prequalification.

whose bid is the lowest evaluated should receive the award, unless the bidder's qualifications have since materially deteriorated or the bidder has since received additional work that overstresses its capacity. The Borrower should satisfy itself fully on both accounts.

Where prequalification has not occurred, the prospective awardee should be subjected to postqualification, the procedures for which are described in the ITB.[15]

If the lowest evaluated bidder fails postqualification, its bid should be rejected, and the next ranked bidder should then be subject to postqualification examination. If successful, this bidder should receive the award. If not, the process continues. (Refer to *Guidelines*, para. 2.57.)

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

(d) Alternative Bids: The ITB may request or allow the Borrower to accept alternative bids under the stipulation that only the alternative submitted by the lowest evaluated bidder and conforming to the bidding documents will be considered.

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

(ii) For goods, the ITB may allow for submission of an alternative payment schedule. The same ITB (paras. 11.2(b)(ii) or (iii)) may also require bidders to submit, in addition to any CIF or CIP bids, similar bids less transport or insurance, such as FCA or CFR.[16] The Borrower, if it is willing to accept the alternative bid offered by the lowest evaluated bidder, should provide justification for doing so.[17]

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

[15] The Annex in the Bank's Standard Prequalification Document is useful for postqualification evaluations.
[16] *INCOTERMS 1990*.
[17] If the contract is signed without insurance coverage, the Borrower must provide the Bank with evidence of alternative insurance payable in a freely usable currency to replace or repair such goods (*Guidelines*, para. 2.27, and General Conditions of the Loan or Credit Agreement).

(e) Proposed Award: The amount of the proposed award shall be the bid price as submitted by the winning bidder and adjusted as described in the ITB for corrections, any discounts (including cross-discounts), and acceptance by the Borrower of alternative offers from the lowest evaluated bidder. Adjustments to the final price and scope of the contract to correct for acceptable omissions and quantity variations in the bid may be negotiated with the lowest evaluated bidder.[18] Prior concurrence of the Bank with the proposed award is required before such negotiations may be entered into (*Guidelines*, para. 2.62). Table 13 should be filled out to establish the actual amount of the contract award.

If (a) none of the bids are found to be responsive, (b) bids are unreasonably high in price compared with earlier estimates, or (c) none of the bidders are qualified, the Borrower may consider rejection of all bids (prior Bank concurrence is required) (*Guidelines*, paras. 2.59–2.62).

(f) Report Submission

(i) *Prior Review*: In accordance with the loan agreement, the Borrower must submit the completed bid evaluation report containing the required summary to the Bank as soon as possible after bid opening, preferably no later than three (3) weeks prior to the expiration of the bid validity period. The report should include the appropriate items listed in Annex V.

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

(ii) *Post Review*: For contracts not subject to prior review, the Borrower may award the contract upon completion of bid evaluation (*Guidelines*, Appendix 1, para. 4). As stated therein, subsequent submission of the bid evaluation report to the Bank is required prior to delivery of a withdrawal application, or if a Special Account is used, prior to its first replenishment

[18] Note that SBDG—ITB para. 31 allows the Purchaser (Borrower) the right to unilaterally vary quantities within set limits at the time of award.

application. These provisions do not apply if Statements of Expenditures are used, whereby the evaluation and other documents are kept by the Borrower, subject to future review by the Bank.

(g) Review by the Bank: Upon receipt by the Bank, all contracts subject to prior review will be reviewed. Borrowers may be requested to provide additional information and justification for the recommendations. The Bank will not contact bidders. However, it may request the Borrower to do so for necessary clarifications. When the Bank is satisfied with the evaluation of bids and recommendations of award, a "no-objection" written communication will be issued by the Bank official designated for such correspondence.

For contracts subject to post review, any doubts about the justification for award should be raised with the Bank prior to award signing. Borrowers should ensure that all correspondence received from bidders concerning evaluation has been taken into account. The Bank does not finance contracts that have not been procured in accordance with the loan agreement.[19]

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

As mentioned in the Preface, upon confirmation by the Borrower that the award has been made, the Bank is authorized to publish a description of the contract, the name and nationality of the contract awardee, and the contract price. Any further information on the bids or on their evaluation, including the bid evaluation report, is held in confidence by the Bank. Unsuccessful bidders are allowed under the *Guidelines* (Appendix 4, para. 15) to seek a debriefing with the Borrower, and, additionally, with the Bank. In anticipation of this and/or any post reviews by the

[19] If funds from the loan have already been disbursed, the Bank may seek reimbursement. Refer to *Guidelines* para. 1.13 and Appendix 4, para. 3.

Bank, the Borrower should ensure that bidding documents and evaluations are securely stored.

Annex II. Bid Opening Checklist

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

Contract Reference: _____

Bid Opening Date: _____ Time: _____

Name of Bidder: _____

(a) Is outer envelope of bid sealed?

(b) Is bid form completed and signed?

(c) Expiration date of bid:

(d) Is documentary authority for signing enclosed?

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

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

(g) Describe any alternative bid made:

(h) Describe any discounts or modifications offered:

(i) Additional comments:[1]

(j) Name of bidder or representative present:

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

Signature of responsible official: _____ Date: _____

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

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

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

As of January 1998

For the information of borrowers and bidders, and with reference to paragraph 1.6, footnote 9, of the *Guidelines: Procurement under IBRD Loans and IDA Credits*, dated January 1995, revised January and August 1996, and September 1997, set forth below is a list of countries from which bidders, goods, and services are not eligible to participate in procurement financed by the bank or IDA.[1]

- Andorra
- Cuba
- Democratic People's Republic of Korea (North Korea)
- Liechtenstein
- Monaco
- Nauru
- San Marino
- Tuvalu

In addition, bidders, goods, and services from other countries or territories may be declared ineligible by a provision in bidding documents if the borrower's country has excluded them by a law, official regulation, or act of compliance meeting the requirements of paragraph 1.8(a) of the *Guidelines: Procurement under IBRD Loans and IDA Credits*.

The Loan Agreement also prohibits a withdrawal from the Loan 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. At the present time, this prohibition applies to:

- Iraq
- Libya

[1] Any questions regarding this list should be addressed to the Senior Manager, Procurement Policy and Services Group, Operational Core Services Network.

Annex IV. Preliminary Examination

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

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

Annex V. Bid Evaluation Summary Checklist

1. Attach bid opening record, if not previously submitted (refer to footnote 1, Annex I).

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

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

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

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

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

7. Eligibility for domestic preference as indicated in Tables 11 or 12 must be verified if the ranking of bids is affected. Provide details in an attachment. Exclusions to the calculations for preference should be explained if similarly significant.

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

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

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

11. An attachment to Table 13 should explain adjustments to the price provided on line 10. Explain any changes to scope of bid and contract conditions.

12. Provide evidence of alternative insurance (see footnote 17, Annex I).

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

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

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

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

17. Send by courier or by other swift means.