

KINGDOM OF CAMBODIA

Procurement Manual

Volume I

For All Externally Financed
Projects/Programs in Cambodia



Updated Version
May 2012

KINGDOM OF CAMBODIA

PROCUREMENT MANUAL

Volume I

Policies and Procedures

For Externally Financed Projects/Programs in
Cambodia

May 2012



ଉଦ୍ଦେଶ୍ୟ: ଖେଳ, ଜୀବନ, ପଢ଼

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គម្រោងហិរញ្ញប្បទានសហប្រតិបត្តិការពីដៃគូអភិវឌ្ឍន៍

រាជរដ្ឋាភិបាលកម្ពុជា

- បានឃើញរដ្ឋធម្មនុញ្ញ នៃព្រះរាជាណាចក្រកម្ពុជា
- បានឃើញព្រះរាជក្រឹត្យលេខនស/រកម/០៩០៨/១០៥៥ ចុះថ្ងៃទី២៥ ខែកញ្ញា ឆ្នាំ២០០៨ ស្តីពីការតែងតាំងរាជរដ្ឋាភិបាល នៃព្រះរាជាណាចក្រកម្ពុជា
- បានឃើញព្រះរាជក្រមលេខ០២/នស/៩៤ ចុះថ្ងៃទី២០ ខែកក្កដា ឆ្នាំ១៩៩៤ ដែលប្រកាសឱ្យប្រើច្បាប់ស្តីពីការរៀបចំ និងការប្រព្រឹត្តទៅនៃគណៈរដ្ឋមន្ត្រី
- បានឃើញព្រះរាជក្រមលេខ នស/រកម/០១៩៦/១៨ ចុះថ្ងៃទី២៤ ខែមករា ឆ្នាំ១៩៩៦ ដែលប្រកាសឱ្យប្រើច្បាប់ស្តីពីការបង្កើតក្រសួងសេដ្ឋកិច្ច និងហិរញ្ញវត្ថុ
- បានឃើញព្រះរាជក្រមលេខ នស/រកម/០១១២/០០៤ ចុះថ្ងៃទី១៤ ខែមករា ឆ្នាំ២០១២ ដែលប្រកាសឱ្យប្រើច្បាប់ស្តីពីលទ្ធកម្មសាធារណៈ
- បានឃើញអនុក្រឹត្យលេខ០៤ អនក្រ.បក ចុះថ្ងៃទី២០ ខែមករា ឆ្នាំ២០០០ ស្តីពីការរៀបចំ និងការប្រព្រឹត្តទៅនៃក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ
- បានឃើញអនុក្រឹត្យលេខ ៧៨/អនក្រ/បក ចុះថ្ងៃទី១៨ ខែវិច្ឆិកា ឆ្នាំ២០០៤ និង អនុក្រឹត្យលេខ២០/អនក្រ/បក ចុះថ្ងៃទី២៩ ខែមីនា ឆ្នាំ២០០៨ ស្តីពីការបំពេញបន្ថែម និងកែសម្រួលនាយកដ្ឋានមួយចំនួននៃក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ
- បានឃើញអនុក្រឹត្យលេខ ១៣៤/អនក្រ/បក ចុះថ្ងៃទី១៥ ខែកញ្ញា ឆ្នាំ២០០៨ ស្តីពីការដំឡើងទីភ្នាក់ងារគយនិងរដ្ឋាករ នាយកដ្ឋានពន្ធដារ និងរតនាគារជាតិនៃក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ ឱ្យទៅជាអគ្គនាយកដ្ឋានគយនិងរដ្ឋាករកម្ពុជា អគ្គនាយកដ្ឋានពន្ធដារ និងអគ្គនាយកដ្ឋានរតនាគារជាតិ ស្ថិតក្រោមការគ្រប់គ្រងរបស់ក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ
- យោងតាមសំណើរបស់រដ្ឋមន្ត្រីក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ

សម្រេច

មាត្រា ១._

ដាក់ឱ្យប្រើប្រាស់នីតិវិធីរួមបច្ចុប្បន្នកម្ម សម្រាប់អនុវត្តគម្រោងហិរញ្ញប្បទានសហប្រតិបត្តិការពីដៃគូអភិវឌ្ឍន៍នានា ដូចមានខ្លឹមសារភ្ជាប់មកជាមួយអនុក្រឹត្យនេះ ជំនួសនីតិវិធីរួមសម្រាប់ការអនុវត្តគម្រោងហិរញ្ញប្បទានសហប្រតិបត្តិការពីធនាគារពិភពលោក និងធនាគារអភិវឌ្ឍន៍អាស៊ី ដែលបានដាក់ឱ្យអនុវត្តដោយអនុក្រឹត្យលេខ ១៤ អនក្រ.បក ចុះថ្ងៃទី២៦ ខែកុម្ភៈ ឆ្នាំ២០០៧ ។

មាត្រា ២._

នីតិវិធីរួមបច្ចុប្បន្នកម្ម ដែលត្រូវបានដាក់ឱ្យប្រើប្រាស់ក្រោមអនុក្រឹត្យនេះ រួមមាន៖

- ១- នីតិវិធីរួមបច្ចុប្បន្នកម្មសម្រាប់ការគ្រប់គ្រងរដ្ឋបាលគម្រោង
- ២- នីតិវិធីរួមបច្ចុប្បន្នកម្មសម្រាប់ការគ្រប់គ្រងហិរញ្ញវត្ថុគម្រោង
- ៣- នីតិវិធីរួមបច្ចុប្បន្នកម្មសម្រាប់ការគ្រប់គ្រងកិច្ចលទ្ធកម្មគម្រោង

សម្រាប់គម្រោងហិរញ្ញប្បទានពីដៃគូអភិវឌ្ឍន៍នានានៅកម្ពុជា ។

មាត្រា ៣._

រដ្ឋមន្ត្រីទទួលបន្ទុកទិស្តីការគណៈរដ្ឋមន្ត្រី រដ្ឋមន្ត្រីក្រសួងសេដ្ឋកិច្ច និងហិរញ្ញវត្ថុ រដ្ឋមន្ត្រី និងរដ្ឋលេខាធិការគ្រប់ក្រសួង ស្ថាប័នពាក់ព័ន្ធ ត្រូវអនុវត្តអនុក្រឹត្យនេះឱ្យមានប្រសិទ្ធភាពខ្ពស់ ចាប់ពីថ្ងៃចុះហត្ថលេខានេះ តទៅ ។

រាជធានីភ្នំពេញ ថ្ងៃទី ២១ ខែ កក្កដា ឆ្នាំ ២០១២



សម្តេចអគ្គមហាសេនាបតីតេជោ ហ៊ុន សែន

កន្លែងទទួល៖

- ក្រសួងព្រះបរមរាជវាំង
- អគ្គលេខាធិការដ្ឋានព្រឹទ្ធសភា
- អគ្គលេខាធិការដ្ឋានរដ្ឋសភា
- អគ្គលេខាធិការដ្ឋានរាជរដ្ឋាភិបាល
- ខុទ្ទកាល័យសម្តេចអគ្គមហាសេនាបតីតេជោ
- ខុទ្ទកាល័យឧបសម្ព័ន្ធរដ្ឋមន្ត្រី
- គ្រប់ក្រសួង ស្ថាប័ន
- ដូចមាត្រា ៣
- ឯកសារ-កាលប្បវត្តិ

ធានយកសេចក្តីជម្រាបជូន

សម្តេចអគ្គមហាសេនាបតីតេជោ ហ៊ុន សែន



នាយករដ្ឋមន្ត្រី ជឿម្បីចុះហត្ថលេខា

គាត ឈន់

រដ្ឋមន្ត្រីក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ

**KINGDOM OF CAMBODIA
NATION – RELIGION – KING**

Royal Government of Cambodia
No. 74 ANK. BK

SUB-DECREE

On

**Promulgating the Updated Standard Procedures
for Implementing All Externally Financed Projects/Programs**

The Royal Government of Cambodia

- Having seen the Constitution of the Kingdom of Cambodia
- Having seen the Royal Decree No. NS/RKM/0908/1055, dated September 25, 2008 on the Formation of the Royal Government of Cambodia
- Having seen the Royal Kram No. 02/NS/94, dated July 20, 1994 on Promulgating the Law on the Organization and functioning of the Council of Ministers
- Having seen the Royal Kram No. NS/RKM/0196/18, dated January 24, 1996 on Promulgating the Law on the Establishment of the Ministry of Economy and Finance
- Having seen the Royal Kram No. NS/RKM/0112/004, dated January 14, 2012 on Promulgating the Law on the Public Procurement
- Having seen the Sub-Decree No. 04/ANK/BK, dated January 20, 2000 on the Organization and Functioning of the Ministry of Economy and Finance
- Having seen the Sub-Decree No. 78/ANK/BK, dated November 18, 2004 and Sub-Decree No. 20/ANK/BK, dated March 29, 2008 on the Fulfillment and Restructuring of Certain Departments of the Ministry of Economy and Finance
- Having seen the Sub-Decree No. 134/ANK/BK, dated September 15, 2008 on the Promotion of the Department of Customs and Excise, the Department of Taxation, the Department of National Treasury of the Ministry of Economy and Finance to the General Department of Customs and Excise, the General Department of Taxation, the General Department of National Treasury under the Administration of the Ministry of Economy and Finance
- Pursuant to the request of the Minister of Economy and Finance

Hereby Decides

Article 1:

Promulgate the Updated Standard Procedures for Implementing All Externally Financed Projects/Programs in Cambodia as attached to this Sub-Decree to replace the Standard Procedures for implementing the Asian Development Bank and the World Bank Financed Projects/Programs in Cambodia, which was promulgated by the Sub-Decree No. 14 RNK/BK, dated 26th February, 2007.

Article 2:

The Updated Standard Procedures for Implementing All Externally Financed Projects/Programs promulgated under this Sub-Decree comprise of:

- 1- Updated Standard Operating Procedures for All Externally Financed Projects/ Programs in Cambodia
- 2- Updated Procurement Manual for All Externally Financed Projects/Programs in Cambodia
- 3- Updated Financial Management Manual for All Externally Financed Projects/ Programs in Cambodia.

Article 3:

Minister in charge of the Cabinet of the Council of Ministers, Minister of Economy and Finance, Ministers and Secretaries of State of all concerned Ministries and Institutions shall implement this Sub-Decree effectively from the date of signature herein.

Signed and sealed in Phnom Penh on the 22nd Day of May, 2012

Prime Minister
Samdach Akka Moha Sena Padei Techo HUN SEN

Have submitted to Samdech Akka Moha Sena Padei Techo HUN SEN for signature

Signed and sealed
Keat Chhon
Minister of Economy and Finance

Recipients:

- Ministry of the Royal Palace
- Secretariat General of the Senate
- Secretariat General of the National Assembly
- Secretariat General of the Royal Government
- Cabinet of Samdech Akka Moha Sena Padei Techo HUN SEN, Prime Minister
- Cabinet of Deputy Prime Ministers
- All concerned Ministries and Institutions
- As Article 3
- Archives-Chronicles

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1 ABBREVIATIONS

ACU	= Anti-Corruption Unit
ADB	= Asian Development Bank
AM	= Aide Memoire
BD	= Bidding Document
BDF	= Bidding Forms
BDS	= Bid Data Sheet
BEC	= Bid Evaluation Committee
BER	= Bid Evaluation Report
BTP	= Bio-data Technical Proposal
CRAM	= Consultant Recruitment Activity Monitoring
CSC	= Consultants Selection Committee
DPs	= Development Partners (includes Donor Agencies)
DCS	= Delivery and Completion Schedule
DS	= Direct Selection
EA	= Executing Agency (the Ministry receiving the loan or grant, who if they don't have expertise internally may delegate the work to an IA)
EOI	= Expression of Interest
EQC	= Evaluation and Qualification Criteria
ETP	= Evaluated Total Price
FIDIC	= Fédération Internationale des Ingénieurs-Conseil
FP	= Financial Proposal
FTP	= Full Technical Proposal
GCC	= General Conditions of Contract
IA	= Implementing Agency
ICB	= International Competitive Bidding
ICC	= International Chamber of Commerce
IFB	= Invitation for Bids
IG	= Inspectorate General
Incoterms	= International Commercial Terms
ITA	= Instruction to Applicants
ITB	= Instruction to Bidders
JV	= Joint Venture
LC	= Letter of Credit
LCB	= Local Competitive Bidding
LGRS	= List of Goods and Related Services
MEF	= Ministry of Economy and Finance
MOU	= Memorandum of Understanding
NAA	= National Audit Authority
NBC	= National Bank of Cambodia
NCB	= National Competitive Bidding
NOL	= No Objection Letter

PIU	= Project Implementation Unit (in manual term includes PMU)
PMU	= Project Management Unit
PCC	= Particular Conditions of Contract
PQ	= Prequalification
PPP	= Project Procurement Plan or Public Private Partnership (depending on context)
PRC	= Procurement Review Committee
PMTF	= Procurement Monitoring and Tracking Form
PTF	= Procurement Tracking Form
QBS	= Quality Based Selection
QCBS	= Quality Cost Based Selection
RFP	= Request for Proposal
RGC	= Royal Government of Cambodia
SAI	= State Auditor and Inspector
SBD	= Standard Bidding Documents
SBQ	= Schedule of Bidders Qualification
SCC	= Special Conditions of Contract
SOP	= Standard Operating Procedures
SPP	= Specific Procurement Plan
SS	= Schedule of Supply
SSS	= Single Source Selection
STP	= Simplified Technical Proposal
TER	= Technical Evaluation Report
TOR	= Term of Reference
TP	= Technical Proposal
TS	= Technical Specifications
VFM	= Value for Money
WB	= World Bank

2 INTRODUCTION

In accordance with the Law to Establish the Ministry of Economy and Finance (Kram NS/RKT/0196/18) dated 24 January 1996 and the Sub Decree on The Organization and Functioning of the Ministry of Economy and Finance (04/ANK/BK) dated 20 January 2000, the Ministry of Economy and Finance has the responsibility and a mandate:

“To participate in mobilizing aid and the preparation of plans for borrowing and payment of foreign loans and follow up and monitor the performance of such plan.....

.....To manage and control public procurement transactions of the ministries/institutions, provinces/municipalities and state managed or publicly owned autonomous institutions”

This Procurement Manual is issued both to ensure users are aware of the Government’s policies on procurement funded in whole or part by Cambodia’s Development Partners (DP) and to provide a training and reference tool for those practicing public procurement.

2.1 Guiding Principles

- 2.1.1 The overriding principle in developing these processes is that the line ministries and specialized agencies of the Royal Government of Cambodia (RGC) must take full responsibility for the activities mandated by law under the Royal Decrees and Sub-Decrees that created them. They should be accountable and responsible for their actions in discharging their functions.
- 2.1.2 The role of MEF, in addition to the responsibility to manage and control public procurement, is to provide guidance and support and play a mentor and facilitator’s role in the identification, formulation, implementation and completion of development projects in Cambodia.
- 2.1.3 MEF will closely monitor the performance of the executing and implementing agencies and provide them with the appropriate support and guidance to enable them to be efficient and effective in the performance of their mandate.
- 2.1.4 The procurement goal of the Royal Government of Cambodia is to deliver the identified inputs, be they goods, works or services, at the right time, at the right place, at the right price, at the right quality and at the right quantity.

2.2 The Purpose of This Manual

- 2.2.1 The main purpose of this Manual is to improve the effectiveness and efficiency in Cambodia’s management and administration of its portfolio of externally assisted projects, under the purview of the MEF, specifically procurement, by clarifying institutional roles, responsibilities, and accountabilities, as well as streamlining related procedures and interactions between and among the institutions and officers/staff involved. The Manual aims to clarify and streamline those

Government and DP procedures where there are presently overlaps and inefficiencies so that operations are implemented more efficiently.

2.2.2 The contents of the Manual and its annexes have been reviewed by Cambodia's primary DPs, the World Bank and ADB, and agreed and accepted by them as a single harmonized procurement manual approved for use on all projects funded by them. The manual supplements and should be read in conjunction with the applicable Procurement and Consultant Guidelines of the concerned Development Partner (DP), as applicable, which are incorporated in the loan/credit/grant agreements and binding for all projects financed by the DP. In case of conflict between this Manual and the loan/credit/grant agreements, including the respective Procurement and Consultant Guidelines, the legal agreements and Guidelines of the DP shall prevail.

2.2.3 Improving aid portfolio management is intended to:

- Optimize the social and economic benefits to be derived from external aid;
- Expand the levels of external assistance available to Cambodia to accelerate the development process; and
- Support the move from donor-led development towards development led by Cambodia and its people.

2.2.4 This Manual sets out standard processes to be followed in the procurement. The processes for financial management can be found in the "Financial Management Manual for Externally Financed Projects/Programs in Cambodia, 2012". The benefits of following these processes will be:

ECONOMY →	to achieve best value through open and fair competition
TRANSPARENCY →	to promote transparency in the procurement process;
ACCOUNTABILITY →	to ensure the accountability of those involved with the procurement process;
EQUITY →	to create an equitable environment for competition through uniform policies and procedures for procurement
EFFECTIVENESS →	to facilitate optimum effectiveness in procurement operations so that they deliver the desired outcomes, and
EFFICIENCY →	to minimize delays to the procurement process through standardized procedures and consistent

application of best procurement practices.

ETHICAL STANDARDS →

to provide staff involved with procurement a set of standards and framework under which procurement is to be undertaken that represents the highest standards of ethics and honesty.

- 2.2.5 Consistent application of the procedures and provisions of this Manual will:
- Remove or minimize the necessity for making new decisions every time a comparable situation arises;
 - Provide a point of reference against which principles and practices in the procurement operations can be evaluated; and
 - Serve as a reference and training material for staff involved with procurement, providing guidance based on best international practices.

2.3 Public Procurement Covered by this Manual

- 2.3.1 The Manual is intended for all officers and staff of the Ministry of Economy and Finance (MEF), line ministries, and specialized agencies implementing externally assisted projects that comes under the purview of MEF. The processes complement those special provisions of the Royal Government of Cambodia (hereinafter referred to as the Government or RGC) on the use of external resources.
- 2.3.2 The Manual is structured so that it takes the user through the procurement process sequentially starting with the planning of procurement. It also contains step by step guides for the procurement of goods, works, and services. The Standard Bidding Documents, which are for procurement of Goods and Works under National Competitive Bidding (NCB) and National Shopping (NS) methods, are included as annexes to this manual. When carrying out procurement under International Competitive Bidding (ICB) and for consultancy services, the standard bidding documents/request for proposals issued by the applicable DP shall be used.

2.4 Changes to the Manual

- 2.4.1 Users of this Manual are not permitted to deviate from the provisions of this Manual as the provisions are based upon the mandatory processes and procedures agreed between DP and the Government.
- 2.4.2 However it is recognized that the procurement function is an evolving process and provisions that may be correct at the time this Manual is issued may not always hold true in the future. It is also possible that users of this manual when overcoming challenges in procurement will identify alternative processes to those described in this Manual that may represent in improvement in an existing process and provision. In both instance EAs and users are encouraged to raise the

issue with MEF who will review and evaluate the provision in question for inclusion in future editions of the Manual.

2.5 Terminology

- 2.5.1 The terms and words used in this Manual are interchangeable between the Government, Asian Development Bank and World Bank or other development partners. The terms Loan, Credit, Grant and Trust Funds and Technical Assistance all refer to the source of funds. Local, domestic and national all refer to Cambodia have the same meaning being within Cambodia. Canvassing and shopping have the same meaning as do direct contracting, direct purchase and single or sole source, i.e. procurement without competition.

3 PRINCIPLES OF THE GOVERNMENT'S PROCUREMENT POLICY

3.1 The Rectangular Strategy

- 3.1.1 The Government is developing a policy of public sector best practice in its procurement operations as outlined in the Government's Rectangular Strategy (RS) presented by the Prime Minister Samdech Hun Sen at the First Cabinet Meeting of the Third Legislature of the National Assembly on 16 July 2004. The Prime Minister launched the Phase II of the RS on 26 September 2008. Improved public procurement will contribute significantly to the first of the four cornerstones of the Strategy, Fighting Corruption by improving effectiveness, transparency, and accountability in the management and expenditure of public financial resources.
- 3.1.2 Improved public sector procurement will also contribute to the goals expressed in the third cornerstone – Public Administration Reform in that it will contribute towards improving the delivery of public services relating to the expenditure of the State. **The Law on Public Procurement** No. NS/RKM/0112/004, which was enacted on 14 January 2012, governs public sector procurement in Cambodia. The manual, with its suggested delegation of procurement authority also contributes to the transfer of authority from the upper to lower levels of the bureaucracy.

3.2 Four Fundamental Procurement Principles

- 3.2.1 The primary objective of a fully developed, well functioning public procurement system is to acquire, in accordance with the principles of the SOP/PM/FMM, needed public goods, works and services at fair and reasonable prices set by a free market. Social objectives; such as to ensure the growth and development of Cambodian suppliers, consultants and other service providers, are secondary objectives.
- 3.2.2 A system that consistently acquires needed public goods and services at fair and reasonable prices is one indicator that it is well functioning and well managed. Another indicator is free and open competition among private sector firms who have confidence in the fairness and integrity of the system. Fraud, waste and abuse will be minimized. The four keystones that follow are needed for a fully developed, well-functioning system, and one that Cambodia is developing.

3.3 Competition

- 3.3.1 **Competition is the default requirement for all procurement**, unless use of non-competitive methods on exceptional basis is justified on the basis of specific circumstances listed in this Manual and approved by the MEF and the concerned DP. Competition must be fair and open competition. The first step to maximize

free and open competition is through widely-circulated public advertising which opens-up and instills greater confidence in the procurement process, encourages more contractors to compete for government contracts, and promotes economy in the procurement process.

- 3.3.2 Public procurement should, even in the planning stage, be the presumptive way to competitively tender procurements for good, works and services (both general services and consultancies).

3.4 Transparency

- 3.4.1 **Transparency** enables everyone to understand the Government's objectives and the precise methods to be used to attain them. A transparent public procurement process requires (a) the criteria for evaluation should be clear, open, and publicly disclosed and (b) basis for selection should be in accordance with the disclosed criteria.
- 3.4.2 Cambodian citizens entrust funds to the executing agencies for the delivery public services and expect, and are entitled to expect, that the funds be used solely for the purposes for which they have been entrusted. The public therefore has a right to assurances that the correct procedures have been applied.
- 3.4.3 The primary tool used to deliver this assurance is transparency in the procurement process. Not only does transparency in procurement assure the public that the correct procedures are being employed it also encourages suppliers/contractors/consultants to compete for contracts awarded by the Government and executing agencies therefore, developing the national contracting environment, increasing levels of competition which in turn exerts downwards pressure on prices.

3.5 Fairness

- 3.5.1 **Fairness** is achieved when capable, responsible contractors, suppliers and consultants compete for government contracts because they have confidence in the fairness and integrity of the overall process; i.e., all participants are treated fairly and consistently over time and as between each other.
- 3.5.2 The Government's aim is to ensure that all eligible suppliers/contractors/consultants are provided equal opportunity to compete for all goods, works, and consulting services procured by the EA.

3.6 Accountability

- 3.6.1 **Accountability** is an essential element of good governance and ensures that the Government staff involved in carrying out and overseeing the procurement and contract execution processes, as well as providers of goods, works, and consulting services fulfill their fiduciary duties with the highest standards of integrity and

they are also held accountable for their actions. This also applies to the internal/external audit function. The newly-enacted Law on Anticorruption No. NS/RKM/0410/004 dated 19 April 2010, as well as the DP's Procurement, Consultant and Anti-Corruption Guidelines provide the basis and remedies for safeguarding integrity and enforcing accountability.

- 3.6.2 For this reason, this Manual incorporates policy provisions and procedural guidelines with checks and balances, defined responsibilities of government staff, separation of powers and functions, and delegation, approval and authorization procedures, which together with the enforcement of the Government's Anti-Corruption Law and the DP's Procurement, Consultant and Anti-Corruption Guidelines will promote accountability in the management of procurement and contract execution.

3.7 Supporting Procurement Acquisition Concepts

Economy

- 3.7.1 Economy can also be referred to as value for money (VFM) and is a measure of the efficiency with which the financial resources of the Government are converted. Users of this manual should always bear in mind that value for money is represented by a number of factors, not only the price paid for the goods. Typically these factors are:

- The suitability of the goods/equipment/services purchased.
- The useful life of the goods/equipment/services.
- Operating, maintenance and servicing costs.
- The administrative cost of the selected purchasing method.
- The delivery period.
- Onwards transportation costs.
- Storage costs.
- The time taken to procure the goods.

- 3.7.2 All staff engaged in procurement process shall use their best efforts to help deliver best value for money from the financial resources employed.

Effectiveness

- 3.7.3 The ultimate objectives of a specific procurement exercise should always be remembered. Procurement is only a means to achieve a specific objective. For example the objective for the procurement of textbooks is to facilitate the education of a student – any procurement of textbooks that fails to facilitate the education process is ineffective.

Efficiency

- 3.7.4 EAs should never overlook the need for speed and efficiency in the procurement process. The more non-essential administration there is in the procurement process the more that funds are diverted away from meeting the project's primary objective. An example of the need for speed and efficiency is demonstrated by DP assisted projects - as soon as an international loan is effective the Government starts paying interest, commitment and administration charges and incurring project management costs. Therefore the longer the procurement process takes the higher the real cost to the Government.

3.8 Regulatory Framework Governing Procurement

- 3.8.1 The Law on Public Procurement No. NS/RKM/0112/004, which was enacted on 14 January 2012, governs public procurement in Cambodia. In addition, the current regulatory frame work governing public procurement consists of a number of Sub Decrees which are explained in this section. The provisions of the Law will prevail in case there is conflict with other provisions under the Sub Decrees.
- 3.8.2 The Sub Decree No. 105/ANK/BK on Public Procurement was promulgated on October, 18, 2006. The Implementing Rules and Regulations for Public Procurement (IRRPP), which were first issued in August 1995, have now been updated through Prakas No. 381 MEF/BK on June 15, 2010. The expenditures from the general budget and special treasury account are governed by these set of IRRPP.
- 3.8.3 The Sub Decree No. 14/ANK/BK on the Procurement Manual for Externally Financed Projects/Programs in Cambodia was promulgated on February 26, 2007 which governs the public procurement mainly under ADB and WB financed projects/programs.
- 3.8.4 The Sub Decree No. 74/ANK/BK under which this Procurement Manual for Externally Financed Projects/Programs in Cambodia has been promulgated on 22 May 2012. This Sub Decree will apply to all externally assisted projects and programs where the DPs have agreed to its use.

4 PRINCIPLES OF THE GOVERNMENT'S GOOD GOVERNANCE AND ACCOUNTABILITY POLICIES

4.1 Good Governance and Accountability Policies

- 4.1.1 Cambodia's DPs have very clear and strict policies aimed at removing fraud and corruption from the procurement process. The RGC has made Good Governance, which includes fighting corruption, the core of its Rectangular Strategy. The Law on Anti- Corruption, No. NS/RKM/0410/004 was enacted on 19 April 2010, which also provides for the implementing regulations and an Anti-Corruption Commission to enforce the Law. The Anti-Corruption Law is complimentary to the existing policies of the DPs. The Government shares the views of the DPs and for the purpose of procurement on externally financed projects has adopted the DPs policies without reservation.
- 4.1.2 The relevant provision of the Law, as applicable to public procurement, is summarized in Section 4.2 of this Manual.

4.2 Prohibited Practices

- 4.2.1 It is the Government's and DPs policy to require that EAs and oversight agencies, as well as bidders, potential bidders, suppliers, contractors and consultants under externally financed contracts, observe the highest standard of ethics during the selection and execution of such contracts.

Pursuant to this policy, the Government and the DPs:

- (a) define, for the purposes of this provision, the terms set forth below as follows:
- (i) "Corrupt Practices" mean the offering, giving, receiving, or soliciting directly or indirectly of anything of value to influence improperly the actions of another party.
 - (ii) "Fraudulent Practices" is any act or omission including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation. ;
 - (iii) "Collusive Practices" is an arrangement between two or more parties, designed to achieve an improper purpose, including to influence improperly the actions of another party;
 - (iv) "Coercive Practices" 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.

- (v) “Obstructive Practices” mean: deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a DP 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 acts intended to materially impede the exercise of the DP’s inspection and audit rights provided for under sub-clause (e) below.
 - (b) will reject a proposal for award if it determines that the bidder or consultant recommended for award, or any of its personnel. Or its agents, or its sub-consultants, subcontractors, 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) The DP will declare miss-procurement and cancel the portion of the loan allocated to the 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, coercive, collusive or obstructive practices during the procurement or implementation of the contract in question without the borrower having taken timely and appropriate action satisfactory to the DP to address such practices when they occur, including failing to inform the DP in a timely manner at the time they knew of the practices.
 - (d) will declare a consultant or firm ineligible, either indefinitely or for a stated period of time, to be awarded a DP’s financed contract if it at any time determines that the bidder, supplier, contractor, service provider or consultant has engaged in corrupt, fraudulent, coercive, collusive or obstructive practices in competing for, or in executing, a DP -financed contract; and
 - (e) will have the right to require that, in contracts financed by DPs, a provision be included requiring supplier, contractor or consultants to permit both the Government and the DP to inspect their accounts and records relating to the performance of the contract and to have them audited by auditors appointed by the either the DP or Government.
- 4.2.2 All staff involved in the procurement process has a duty to report to the procurement review committee or any other agency that they feel appropriate including the Anti-Corruption Unit (ACU) all suspected instances of fraud, corruption and collusive or coercive practices when identified.
- 4.2.3 In the case of collusive behavior, if the evidence suggests that all or some of the bidders or consultants are involved, the evidence should be reviewed by the PRC and if necessary the procurement process cancelled and all of the involved firms or individuals disbarred. If the evidence, after review by the PRC shows that only

some of the firms or individuals are implicated only those implicated will be disbarred and the procurement will continue with those that are not implicated.

4.3 Anticorruption Law

- 4.3.1 Cambodia's Law on Anticorruption No. NS/RKM/0410/004 was enacted on 19 April 2010, and consists of nine (9) Chapters and fifty-seven (57) Articles, and establishes an Anticorruption Commission to implement the Law.
- 4.3.2 The stated subject of the newly enacted Anticorruption Law is to "promote effectiveness and good governance in leadership and state management as well as to maintain fairness and justice which is fundamental for social development and poverty reduction."
- 4.3.3 The stated purpose of the Anticorruption Law is "to combat corruption through measures to educate, prevent, and implement to combat corruption offenses including public participation and international cooperation."
- 4.3.4 The stated extent of the Anticorruption Law is to combat all forms, all natures and all levels of corrupt practices in the Kingdom of Cambodia that have occurred after the law was promulgated.
- 4.3.5 The Anticorruption Law applies to every person, whether engaged in public procurement or not, and carries severe penalties, both criminally and civilly, for violations of its provisions. A corruption offense refers to criminal offenses stated in Chapter 6 of the Anticorruption Law. A public official is defined as:
 - (a) Any person holding a legislative, executive branch, or judicial office who is appointed by any legal letter whether permanent or temporary, whether paid or unpaid, regardless of his or her status or age.
 - (b) Any person holding a public office including public agency or public enterprise and any other public institutions as stated in the law of the Kingdom of Cambodia.
- 4.3.6 The Law will therefore apply to public procurement carried out in externally financed projects and programs. Accordingly, any procurement official who receives, or learns of, a communication alleging that a person or persons attempted to commit or committed any act defined in the articles in the Law related to public procurement shall promptly report, in writing, the substance of the communication, and provide complete documentary evidence, to the Anticorruption Unit, at the address provided in Annex VI.
- 4.3.7 Provisions in the Law, most particularly Section 2, provide for the Anti Corruption Commission for keeping confidential the identity of persons who report corruption and taking necessary measures to provide security to corruption whistleblowers.

- 4.3.8 In the investigative framework, Article 85 (the power of judicial police officer in real investigative offences) Article 91 (checking) Article 94 (subpoena in the case of exact investigation) and Article 114 (subpoena for preliminary investigation) of the code of criminal procedure, the chairperson of Anti-corruption Unit or assigned representative leads and coordinates the investigation up until the arrest of the suspect.
- 4.3.9 Everyone is subject to the Law, and public procurement officials should be very familiar with its provisions and avoid even the appearance of a violation. Any procurement official who receives, or learns of, a communication alleging that a person or persons attempted to commit or committed any act defined in the articles related to public procurement shall:
- (a) Promptly report, in writing, the substance of the communication, and provide complete documentary evidence, to the Anticorruption Unit, at the address provided in Annex II:
 - (b) Maintain a copy of all of any and all information provided to the Anticorruption Unit;
 - (c) Cooperate fully with the Anticorruption Unit.
- 4.3.10 Allegations of criminal corruption are distinct from the improprieties addressed in the Complaints Handling Mechanisms under Section 4.6 of this Manual.

4.4 Good Governance and Good Governance Framework (GGF)

- 4.4.1 It is generally agreed that the term “Governance” includes four fundamental principles that are particularly important to further Cambodia’s development objectives:
- participation,
 - accountability,
 - predictability and
 - transparency.
- 4.4.2 Under **participation**, Cambodia’s citizens can achieve greater self-determination as they are involved in the development process, help identify the need to acquire needed public goods and services; resulting in them having a strong, influential voice in the decisions of their government.
- 4.4.3 Accountability will help to ensure that policies adopted by the government are supported by its citizens and have the optimum chance to achieve their desired effect.
- 4.4.4 Developing appropriate legal and regulatory frameworks to facilitate and sustain economic growth, particularly in public procurement that consumes an estimated forty percent of public sector expenditures, will ensure predictability.

- 4.4.5 Publishing public procurement regulations and administrative rulings will assure the private sector that a contemplated transaction is permitted, and once entered in too; the transaction will be enforced on all parties by a free and independent judiciary. Accurate and timely information concerning government public procurement policies and the condition of the economy can be vital for private-sector decision-making. Transparency, therefore, helps to ensure that information concerning government policies, rules, and decisions are available to the general public.
- 4.4.6 The Good Governance Framework (GGF) is a subset of Governance, and a recent introduction to the project portfolio assisted by the World Bank in Cambodia. The process aims to supplement the traditional supply side interventions (such as procurement, financial management) with demand side (such as role of civil society, complaints and grievance mechanisms) to enhance project transparency and accountability in the implementation of projects, as set forth in the SOP.
- 4.4.7 The GGF itself is essentially a matrix that summarizes the range of enhanced procurement, financial management, public participation, transparency, third party verification and other measures that will be applied to projects to reduce and mitigate risks. The general GGF measures are derived from country and sectoral experience with corruption and other aspects of governance. In addition to providing a mechanism to assess the sum of actions being taken, the GGF provides a tool for strengthening supervision and evaluation by both the Government and the DPs of the key activities required to prevent corruption and misuse of project resources. This supervision and evaluation component also provides the Government with the opportunity to test the effectiveness of the GGF measures for eventual incorporation into strengthened country systems.
- 4.4.8 The GGF matrix is centered on eight categories, namely: (1) Procurement; (2) Financial Management; (3) Disclosure; (4) Civil Society Role; (5) Complaints and Remedies; (6) Code of Ethical Conduct; (7) Sanctions; and (8) Project Specific Elements. The matrix also outlines salient risks that are common to most, if not all, EAs/IAs and to the project as a whole.
- 4.4.9 The same template based on the above eight categories has been adopted to prepare a similar 'Good Governance Plan' (GGP) for each EA/IA. This adds another layer of safeguards for ensuring open and clean management of all activities related to DP-financed Projects.
- 4.4.10 As successful achievement of good governance environment largely depends on project leaders, staff and all other external participants (contractors, suppliers, consultants etc.), the overall project GGF and the IA GGPs have each been adopted and signed by their respective Project Director (PD) and senior management level officials in the concerned agencies. In projects where the Government and the DP have agreed on the use of the GGF, the project implementation team must comply with the requirements. In addition, an ethical

code of conduct has been prepared for staff working on DP-financed projects, which also need to be adopted and adhered to. It is essential that all actors involved in project implementation understand the behavior expected of them, agree voluntarily to follow the expected standards behavior by the ethical code of conduct, and agree to fully cooperate with investigation in case of allegations of breach of conduct.

4.5 Public Sector Auditing and Accountability Arrangements

Overview:

- 4.5.1 For the RGC to achieve its good governance and accountability objectives, it is important that all procurement activities be undertaken in cooperation with, and an understanding of, public sector audit roles and responsibilities.
- 4.5.2 Procurement officials must familiarize themselves with Cambodia's public auditing arrangements, which encompass both an internal and an external audit function. The SOP and FMM provide the detailed arrangement for internal and external audits.

Procurement and Internal Audit:

- 4.5.3 Either through routine or special audits, the Inspectorate General (IG) typically notifies the Ministry of the intended internal audit, which may include an audit of the procurement function as a post-award audit (an audit conducted by the IG to examine and determine whether or not the procedural aspects of applicable procurement regulations were followed).
- 4.5.4 While internal audit is still part of the organization in which it carries out audits, internal auditors must maintain their professional independence by closely adhering to the audit standards
- 4.5.5 When notified of an intended IG audit, the Project Director or, if the task has been delegated, Project Manager has the overall responsibility to ensure that project staff cooperate fully with IG auditors, and respond to requests for information to enable the IG to carry out its function. Typically, prior to the completion of a post-award audit, the IG will summarize key issues and provide the project implementation team with a chance to respond before the report is finalized and submitted to the Minister.

Procurement and External Audit:

- 4.5.6 Throughout the world, modern governments depend on public accountability and rely heavily on their SAIs to ascertain that public funds are spent judiciously; that public programs achieve their intended goals; and that areas of waste, fraud and inefficiency are identified and eliminated. Accordingly, SAIs have become important tools of good government and powerful agents of change. NAA

auditors are, therefore, those who are outside of, and independent from, the ministry subject to audit.

- 4.5.7 When notified of an intended NAA audit pertaining to the procurement function, the Project Director or, if the task has been delegated, Project Manager has the overall responsibility to ensure that project staff cooperate fully with NAA auditors, and respond to requests for information to enable the NAA to carry out its function. Prior to the completion of an external audit, the NAA will, but is not required to, summarize key issues and provide the project implementation team and the Ministry with a chance to respond before the report is finalized and submitted to the National Assembly.

4.6 Complaint Handling Mechanisms (CHM)

- 4.6.1 There are three distinct types of complaints that are typically found in a Project; i.e., (a) complaints concerning bid protest from aggrieved contractors, suppliers, service providers and consultants, which are addressed in this Section 4.6 of the Manual, (b) performance disputes, which are governed by the General Conditions of Contract (GCC) and Special Conditions of Contract (SCC/PCC), and, (c) non procurement related complaints from any parties, which are addressed in the SOP.
- 4.6.2 A complaint is any notification regarding an alleged illegal or improper procurement action and/or conduct of procurement officials, consultants, and/or sub-contractors directly or indirectly supporting a project or associated with its implementation, which the complainant believes is wrong, either under the law or on the grounds of unacceptable behavior.
- 4.6.3 The RGC shall ensure the confidentiality of any complainant and shall hold harmless any person reporting a complaint, oftentimes referred to as a “whistle blower”, with provisions to shield complainant(s) or public official(s) from retaliation when they provide information that they reasonably believe to be a violation of Cambodian law or implementing regulations, including the Sub-Decree under which this Manual has been promulgated.
- 4.6.4 A complainant claiming retaliation can file a complaint with the DPP, Ministry of Economy and Finance and the Anti-Corruption Unit within thirty (30) days of an alleged violation, and may file suit in the appropriate court.
- 4.6.5 The complainant need not be personally aggrieved or impacted, and may be acting merely in accordance with a sense of civic duty, such as an NGO or private citizen, in bringing an occurrence to the attention of project authorities.
- 4.6.6 All complaints, whether notified by persons who feel personally aggrieved or acting out of a sense of civic duty, will be acknowledged and acted upon by responsible authorities in accordance with the procedures specified in this section.

- 4.6.7 Concerning bid protests, from time to time, with and without justification bidders, suppliers, contractors, service providers and consultants may choose to lodge a complaint concerning some aspect of the contract award process. In the event the contract has been awarded and a contractual relationship exists between the parties, there are established dispute mechanisms in the GCC that shall be followed, up to and including judicial review.
- 4.6.8 A formal mechanism to satisfactorily respond to bid protest complaints must be followed, consistent with this Manual and the steps to be followed by aggrieved bidders, suppliers, contractors and consultants in the complaints procedure will be specified in the Bid/Request for Proposal documents
- 4.6.9 There is now a complaints mechanism built into the NCB documents. However the standard ICB and requests for proposal documents of the DPs do not contain such a mechanism for a bidder, supplier, contractor or consultant to lodge a complaint. Therefore the wording detailed below must be inserted into the bidding documents at the appropriate point in the Invitation for Bids, Bid Data Sheet, Bidding Data or Proposal Data Sheet as appropriate.

“Any bidder, supplier, contractor or consultant has the right to submit a written and signed complaint at any stage in the procurement process. The complaint will be addressed to the procuring entity’s Project Manager (insert name, title and address of the designated Project Manager within the procuring entity).

The Project Manager will, first, acknowledge the receipt of the complaint by the complainant and, secondly, chronologically log, by date, the complaint, together with other complaints received.

The Project Manager will review the complaint within ten (10) working days and render a written decision to the complainant.

If the complaint is submitted during bid evaluation the procuring entity will only acknowledge receipt and take the merits of the complaint into consideration in the evaluation process. The procuring entity will respond to the complaint immediately after contract award. In cases of contracts subject to prior review by the DP the complaint, as well as the Project Manager’s proposed action or remedy, will be referred to the DP as part of the prior review process.

If the complainant is not satisfied with the answer received from the Project Manager, the complainant has the right to lodge a written appeal within a further ten (10) working days, commencing from the date of the complainant’s receipt of the Project Manager’s response, to have the Project’s decision reviewed by the Department of Public Procurement (DPP), Ministry of Economy and Finance.

The DPP will, first, acknowledge the receipt of the complaint by the complainant and, secondly, chronologically log, by date, the complaint, together with other complaints received.

The DPP will review the complaint within ten (10) working days and render a written decision to the complainant.

The findings of the DPP with regard to the complaint shall be final but without prejudice to any other recourse or remedies available under the laws of Cambodia"

- 4.6.10 The Complaint Handling Mechanism provided for in Section 4.6 is also applicable to donor assisted projects. If, in the event DP procedures conflict with the provisions in Section 4.6, the Bid/Request for Proposal Document must clearly specify the procedures to be followed, and these will prevail over those procedures provided for in section 4.6, above.
- 4.6.11 Current addresses for contacting the bodies mentioned above are found in Appendix VI.

4.7 Conflicts of Interest

- 4.7.1 It is the duty of all project staff and any other public employee directly or indirectly involved with the procurement process and particularly the preparation of bid documents, bid evaluation, contract negotiations, contract management and payments to declare any potential conflicts of interest. A conflict of interest arises when the individual has a direct or indirect relationship with a bidder, consultant, contractor, service provider or supplier.
- 4.7.2 In the event that a member of the PRC or an employee who is directly involved with the procurement process feels that there is the potential for a conflict of interest they shall declare it to the PRC and remove themselves from the procurement process.
- 4.7.3 Bidders and consultants with potential conflicts of interest are ineligible to bid or submit a proposal. A conflict of interest will exist when a firm or an individual that has been previously hired to provide services for the project design, preparation and implementation. This firm and all of its affiliates will not be eligible to provide goods, works or services for any contracts that relate in whole or in part to the earlier services provided by it.
- 4.7.4 The Government and DPs consider a conflict of interest to be a situation in which a party has interests that could improperly influence that party's performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations, and that such conflict of interest may contribute to or constitute a prohibited practice under DPs Anticorruption Policy. In pursuance of DP's Anticorruption Policy's requirement that Borrowers (including beneficiaries of DP-financed activity), as well as bidders, suppliers, and contractors under DP-financed contracts, observe the highest standard of ethics. DP will take appropriate actions to manage such conflicts of interest which may include rejecting a proposal for award if it determines that a conflict of interest has flawed the integrity of any procurement process. At the time of bidding,

bidders may be considered to be in a conflict of interest with one or more parties if they, including but not limited to:

- (a) have controlling shareholders in common; or
- (b) receive or have received any direct or indirect subsidy from any of them; or
- (c) have the same legal representative for purposes of their Application; or
- (d) have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or to influence the bid of another Applicant in the subsequent bidding process or influence the decisions of the Employer; or
- (e) participated as a consultant in the preparation of the design or technical specifications of the works that are the subject of procurement. Where a firm, or a firm from the same economic or financial group, in addition to consulting, also has the capability to manufacture or supply goods or to construct works, that firm, or a firm from the same economic or financial group, may not normally be a supplier of goods or works, if it provided consulting services for the contract corresponding to this procurement, unless it can be demonstrated that there is no significant degree of common ownership, influence or control

4.8 Ethical Standards and Good Governance Declarations

- 4.8.1 To promote the practice of ethical standards and accountability, each member of the Bid Evaluation Committee (BEC), Consultants Evaluation Committee (CEC) and the Procurement Review Committee (PRC) shall be required to sign a copy of the declaration shown in Annex II of this Manual. This declaration will be attached to each evaluation report and signed by each member of the BEC, CEC, Minor Procurement Committee, General Procurement Committee and Major Procurement Committee, as applicable. In the event that it is found that a member has made a false declaration, he/she will be immediately and temporarily suspended from the project implementation team and the matter referred to the respective Head of the Ministry for appropriate actions.
- 4.8.2 All bidders, suppliers, contractors, service providers and consultants; including their agents, if any, are also required to adhere to the ethical standards and the Government's policies set out in this Manual. In support of this bidders, suppliers, contractors and consultants are required to complete the declaration shown in Annex II b of this Manual and submit it with their bid or proposal as may be the case
- 4.8.3 All involved in procurement activities covered by this Manual must comply with the following Code of Business Ethics.
- 4.8.4 No individual shall use his authority or office for personal gain. Personal gain includes accepting or requesting anything of material value from bidders,

prospective bidders or suppliers for the individual, his or her spouse, parents, children or other close relatives, or for other persons from whom the individual might gain direct or indirect benefit of the gift.

- 4.8.5 An individual shall seek to maintain and enhance the reputation of the Government by:
- (a) Maintaining the highest standards of honesty and integrity in all relationships both inside and outside the Entity in which he works;
 - (b) Developing the highest standards of professional competence;
 - (c) Using funds and other resources for which he is responsible to provide the maximum benefit to the Government; and
 - (d) Complying both with the letter and the spirit of:
 - (i) The laws and regulations of the Kingdom of Cambodia;
 - (ii) Accepted professional ethics; and
 - (iii) Contractual obligations.
- 4.8.6 Conflict of interest - An individual shall declare any personal interest that may affect or might reasonably be deemed by others to affect impartiality in any matter relevant to their duties. This is defined in more detail in Section 4.6.
- 4.8.7 Disclosure of personal relationships – an individual shall declare any relationship with a bidder, supplier, contractor, service provider or consultant and shall take no part in either the decision making process or the implementation of any contract where such a relationship exists. A personal relationship is defined as consanguinity or affinity up to the third civil degree.
- 4.8.8 Confidentiality and accuracy of information - An individual shall respect the confidentiality of information gained in the course of duty and shall not use such information for personal gain or for the unfair benefit of any bidder, supplier, contractor or consultant.
- 4.8.9 Information given by an individual in the course of their duty shall be true, fair and not designed to mislead.
- 4.8.10 Competition - All bidders, suppliers, contractors and consultants shall be treated with fairness and impartiality, and avoid any business arrangement that might prevent the effective operation of fair competition.
- 4.8.11 Business gifts - No business gifts will be accepted from current or potential Government suppliers unless such gifts are of very small intrinsic value such as a calendar or business diary.
- 4.8.12 Hospitality - An individual shall avoid any business hospitality would be viewed by others as having an influence in making a government business decision as a result of accepting that hospitality.

- 4.8.13 Reporting - All individuals have a moral and ethical responsibility to report any unethical conduct by a colleague, a bidder or a supplier to their superiors, oversight agencies, DP or to the auditors.
- 4.8.14 Examples of Unethical Conduct - The following are examples of the type of conduct prohibited by this Code of Ethics:
- (a) Revealing confidential or “inside information” either directly or indirectly to any bidder or prospective bidder;
 - (b) Discussing a procurement with any bidder or prospective bidder outside the official rules and procedures for conducting procurements;
 - (c) Favoring or discriminating against any bidder, prospective bidder or consultant in the Preparing of technical specifications, terms of reference or standards or the evaluation of bids and proposals;
 - (d) Destroying, damaging, hiding, removing, or improperly changing any formal procurement document;
 - (e) Accepting or requesting money, travel, meals, entertainment, gifts, favors, discounts or anything of material value from bidders or prospective bidders, suppliers, contractors or consultants;
 - (f) Discussing or accepting future employment with a bidder or prospective bidder, suppliers, contractors or consultants;
 - (g) Requesting any other person to violate the public procurement rules or procedures;
 - (h) Ignoring evidence that the Code of Ethics has been violated; and
 - (i) Ignoring illegal or unethical activity by bidders or prospective bidders, suppliers, contractors, service providers or consultants, including any offer of personal inducements or rewards or otherwise.
- 4.8.15 Any private sector executive, or contractor, supplier, service provider or consultant proven to have violated any provision of the Code of Business Ethics shall be sanctioned by DPP in accordance with DPP’s rules of investigation and sanction. They may also be investigated and sanctioned by the ACU in accordance with its procedures.

5 DEVELOPMENT PARTNERS' PROCUREMENT POLICIES

5.1 Development Partner's Procurement Policies

- 5.1.1 Open competition is the basis for efficient public procurement. The DPs require the EAs/IAs to select the most appropriate method for the specific procurement. In most cases, International Competitive Bidding (ICB), properly administered, and with the allowance for preferences for domestically manufactured goods and, where appropriate, for domestic contractors for works under prescribed conditions is the most appropriate method. In most cases, therefore, the DPs requires their Borrowers to obtain goods, works and non-consulting services through ICB open to eligible suppliers, service providers and contractors. Where ICB is not the most appropriate method of procurement, other methods of procurement may be used.
- 5.1.2 In essence the DP's procurement policies are the same as those of the RGC and these policies are reflected in this Manual. Cambodia's DPs are committed to promoting open competition as the most efficient basis for public procurement. The way that DPs implement this policy is through the advertising of procurement opportunities and the inclusion of all eligible bids for the provision of goods, general services and works in the evaluation process. In the case of consulting l services, all eligible consultants are invited to express their interest as a result of the specific advertisement for expressions of interest and a shortlist is drawn up from those that expressed interest. Major DP like the WB and ADB are committed to harmonizing their policies and processes. There are still however some areas where they have not yet harmonized and users of this manual need to bear these in mind when undertaking procurement as they have an impact upon the process. They are outlined in the following sub-sections.

5.2 Eligible Source Countries

- 5.2.1 Procurement of goods, works and services must follow the DP's policy on eligibility of source countries. There is a significant difference between the policies of the ADB and the WB. The WB recently opened up its eligibility rules to allow all countries with the following exceptions and states¹

Firms of a country or goods manufactured in a country may be excluded if, (i) as a matter of law or official regulation, 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, works, or non-consulting services required, or (ii) 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 from, or payments to, a particular country, person, or entity Where

¹ See 1.10 of the WB Procurement Guidelines dated January 2011

the Borrower's country prohibits payments to a particular firm or for particular goods by such an act of compliance, that firm may be excluded.

5.2.2 Whereas the ADB states

Bidding documents shall state that payments from the proceeds of Bank loans will be limited, in the case of loans from ordinary capital resources, to goods produced in, and services supplied by, member countries of the Bank, and in the case of loans from Special Funds resources, to goods produced in, and services supplied by, developed member countries which have contributed to such resources and all developing member countries.

5.2.3 Both of the above extracts come from the Guidelines for goods and works, however exactly the same eligibility criteria is applicable to consultants services. On the face of it the ADB rules on eligibility may seem limiting. However users should bear in mind that the membership of ADB includes all of the major industrialized and Asian nations. Projects should ensure that they are aware of the relevant eligibility criteria when financing comes from Special Funds resources - the World Bank may at times also impose eligibility restrictions when there are restrictions on a trust fund being administered by them.

5.2.4 There is no explicit policy on the eligibility in terms of origin of financial institutions (normally a commercial bank) providing bid, payment and performance securities. As it is common for the bidder or consultant to choose a financial institution located either in its home country of Cambodia this issue is not expected to be common. Given that there is no contract between the financing institution and the purchaser/employer or client generally there is no restriction placed on the origin of financing institutions. In the event that a bidder or consultant does provide a guarantee from an institution in an ineligible country the guidance of the DP should be sought on a case-by-case basis.

5.2.5 EAs/IAs must ensure that the DP's policy on eligibility of sources countries must be followed.

5.3 Eligibility and Firms Declared Ineligible

5.3.1 In addition to eligibility on the grounds of nationality DPs will consider any firm that has been declared ineligible by it for the time period determined by the DP at the time of declaration on ineligibility.

5.3.2 "Cross debarment" is a process whereby one DP sanctions a firm or individual consultant, another DP may choose to also declare the firm or individual consultant ineligible; however, the debarment of the firm or individual consultant is not automatic. In essence, if the ADB sanctions a firm and notifies other DP like the WB, the WB will not automatically deem the firm or individual consultant ineligible to compete.

5.3.3 DP's specific eligibility guidelines will apply, for example, a firm will only be ineligible for a WB financed contract if the WB has declared it ineligible and

likewise for the ADB. Therefore a firm declared ineligible by the WB may still be considered eligible for a contract financed by the ADB and vice-versa. A firm or individual consultant can be declared ineligible by a DP if it determines the firm or individual consultant has directly or through an agent engaged in corrupt, fraudulent, collusive, or coercive practice in competing for or in executing a contract financed by the DP. Such firms or individual consultants will not be eligible to participate in or be awarded the DP financed contract either indefinitely or for a specific period of time.

- 5.3.4 Any firm or individual consultant declared ineligible by the Royal Government of Cambodia in accordance with its Laws will be disbarred from providing goods, works, and services subject to the prior agreement of the DP financing the contract.

5.4 Registration of Firms and Individuals

- 5.4.1 There is no requirement on the part of the DP for firms (suppliers, contractors, service providers or consultants) to be registered with any agency other than for the purpose of legal incorporation in firms' country of origin. No other requirement to be registered with any other agency either inside or outside of Cambodia will be used as eligibility criteria.
- 5.4.2 Cambodian Law requires registration of a firm in order to carry out business in the country. Any such registration, where required by law, must form part of the contract awarding procedure, not eligibility, evaluation or post qualification. Any firm required to register as part of the awarding process must be allowed sufficient time and all reasonable assistance to complete the registration process. The period for contract signature and the provision of any securities shall be extended to allow for any registration process.

5.5 State Owned Enterprises

- 5.5.1 Government owned enterprises and corporations will only be considered eligible if they are legally and financially autonomous (for example, they receive no public funds or subsidy, directly or indirectly, from the state budget), operate under the prevailing commercial law and are not dependent agencies of either the MEF or the EA (or its parent Ministry) undertaking the project. The EA is regarded as the parent body of the project implementing unit

5.6 Standard Bidding Documents

- 5.6.1 DPs, such as the ADB and WB, insist that their own standard bidding documents, as harmonized between themselves, be used for the procurement of goods and works on an ICB basis. They also insist that their own standard services bidding document (Request for Proposals, RFP) be used for all international services procurement, regardless of the method of selection. In such cases, the DP standard bidding documents must be used unless they agreed otherwise.

- 5.6.2 The Government has developed, in consultation with its DPs, a complete set of harmonized national bidding documents (NCB and NS) for use on projects funded by DPs. These documents form annexes to this Manual and their use is mandatory except where the RGC, represented by MEF, and respective DP have agreed to amendments to any part of the documents
- 5.6.3 A current list of the standard bidding documents for two of RGC's larger multilateral organizations, the ADB and World Bank, can be found on the following pages for those DPs. Users of this manual should check from time to time at the following websites <http://www.adb.org/Business/Opportunities/default.asp> and <http://www.worldbank.org> as both from time to time update the existing documents and in the case of the World Bank develop bidding documents for specialized procurements.

6 DISCLOSURE PROVISIONS

6.1 Advertising and Recording

- 6.1.1 Both the Government as part of its Rectangular Strategy and DPs recognize that transparency in the procurement process is essential to ensure that the correct procedures are being employed, to encourage firms in competing for contracts and to provide an invaluable check against corrupt and collusive practices. There are currently two tools in use to help build transparency into the procurement process. The first being the advertising of procurement opportunities and the second being the publication of evaluation results and contract awards. As the public IT infrastructure grows it is expected that various public information websites will also contribute towards increasing transparency in the procurement process.
- 6.1.2 Users of this manual who are already familiar with WB and ADB will note that the advertising requirements set out below are more stringent than those required by either of DPs and are the Government's own policy. The Government's policy must be followed in full.
- 6.1.3 Users of this manual should note that unlike the Guidelines of DPs' all shopping opportunities must be advertised (with the exception of procurement below the values stated in Annex III) and the invitations sent to all who respond without limitation. This is not a conflict with DPs' Guidelines and is the policy of the Government of Cambodia and as such must be followed.

6.2 Advertising of Opportunities

- 6.2.1 There are two types of advertisements required under projects funded by DP. The first is the General Procurement Notice (GPN) that appears at the start of each project and should be updated annually to reflect all procurement that has not yet been completed. These must appear in UN Development Business online (UNDB online) and on the Bank's external website (in the case of WB) and ADB's website which can be found at www.adb.org. The GPN shall list all ICB, all procurement of services that is expected to require international expertise or advertising, and all contracts with value in excess of US\$ 1 million irrespective of the procurement method. The GPNs should also appear simultaneously in one English language and one Khmer language newspaper of national circulation within Cambodia.
- 6.2.2 The second type of advertisement is the specific procurement notice. Each time there is a procurement requirement it must be advertised as follows:

<i>Specific Procurement Notices</i>	
International Competitive Bidding Goods, and Works, all consulting services (...)	<i>UN Development Business (UNDB online) and World Bank's external website - WB, www.adb.org– ADB</i> One English language and one Khmer language newspaper
National Competitive Bidding, Goods, Works and Services	One Khmer language newspaper of national circulation
Shopping, Goods and Works above The threshold stated in Annex III	One Khmer language newspaper national or provincial circulation

6.2.3 There is no requirement on the part of the ADB or WB to publish a specific advertisement more than once, however if the EA wishes to do so the advertisement can be published as many times as it is felt necessary.

6.2.4 For WB finance projects any invitations to pre-qualify must also be published in UNDB online.

6.2.5 As stated above all procurement must be advertised, there are however a few exceptions which are:

- Direct Contracting of goods and works
- Single Source Selection of Consultants,

However all evaluations and contract awards including those not originally advertised through a specific procurement notice must still be made public as described in the following sub-sections.

6.2.6 In addition to the advertisements above, the DP and EAs/IAs (where available) will publish the agreed project procurement plan on their websites.

6.3 Recording Expressions of Interest

6.3.1 All expressions of interest received as a result of the GPN should be recorded in expressions of interest (EOI) register and placed in one of three EOI files (one each for goods, works and consulting services). Firms that express interest as a result of the GPN do not have to be sent copies of specific procurement notices, however any expressions of interest received will provide the project useful information on possible sources of supply.

- 6.3.2 The Expressions of interest register will be in three sections, one each for goods, works and services. And will take the format shown below:

Expressions of Interest Register, Services							
Name	Address	Contact	Fax & Email	SPN Sent Date & Ref	SPN Sent Date & Ref	SPN Sent Date & Ref	SPN Sent Date & Ref
Agro Consulting	57 Street 108 Phnom Penh Cambodia	Brian Thugee	+855 123 456 789 bthugee@agro.com.kh	16 Feb 2012 QCBS#001	1 April 2012 QCBS#002		

The register should be drawn up using either MS Word or Excel so that it is easy to update. A hard copy of the template can be found at Annex I a.

6.4 Periodic Contract and Evaluation Summaries

- 6.4.1 To help deliver increased transparency all Procurement Entities/PMUs are required to compile the following two reports: Summary of Evaluation and Contracts Register. Templates of these reports can be found at Annexes I b and I c respectively. In addition every quarter all Procurement Entities/PMUs must compile the 3 reports in Annex I g and submit them to MEF/DIC, with a copy to the relevant DP.
- 6.4.2 All Contracts are required to be advertised locally. Within 14 calendar days after the necessary approvals for the award of contracts have been received, the project shall post the Summary of Evaluation on the Project and/or the EAs website (when the project or EA has one) and in a prominent public place within the EA. The summary of evaluation shall include all firms or individuals who submitted bids/proposals and will contain the information shown on the following page and the template shown at Annex I b of this Manual.
- 6.4.3 When the funding is from the WB, the DP has complex rules for advertising, which must be followed exactly. These are in the WB's latest guidelines on procurement, which can be found at <http://go.worldbank.org/9KQZWXNOI0>. In the case of ADB assisted projects/programs, the information can be found at <http://beta.adb.org/documents/procurement-guidelines>. In case of other DPs, the requirements for advertising are given in the guidelines of the respective websites of the development partners.

- 6.4.4 In addition to compiling and publishing the results of each evaluation the project shall also compile a Register of Contracts, i.e. a list of all contracts placed since the start of the project. The format and information shall be in accordance with the example on the following page and template shown in Annex I c of this Manual. The Register shall be updated each time a contract is placed and an up to date Register shall be posted on the Project and/or EAs website (when the project or EA has one) at the end of each month
- 6.4.5 At the end of each quarter the project shall issue a notice to the general public through a Khmer language newspaper of national circulation. The notice shall invite any interested party to review and inspect all Summaries of Evaluation and Register of Contracts published by the project. The wording of the notice shall use the following wording:

The_____ [insert name of EA] invites any interested member of the general public to inspect the Contracts Register for contracts placed by_____ [insert name of project]. Members of the public may also inspect Summaries of Evaluation for all contracts placed by the project. Anyone wishing for a hard copy of the Contracts Register may request one in person or by written request. Summaries of Evaluation will also be provided in hard copy either by request in person or through a written request identifying which specific Evaluation Summary is required.

The location where the Contracts Register and Summaries of Evaluation may be inspected and the address for written requests is:

_____ [insert name address, with contact name and contact number]

- 6.4.6 The report templates that must be published each time an evaluation is completed are available in Annex Ib of this Manual. The Contracts Register or Summary of Contracts in Execution Template is available in Annex I c.
- 6.4.7 The Contracts Register should capture all contract awarded by the Project. The Evaluation Summary must include all bids and proposals received for each procurement exercise.

7 DEBRIEFING OF BIDDERS AND CONSULTANTS

7.1 Debriefing

7.1.1 All bidders and consultants whose offers are unsuccessful have the right to request a de-briefing from the Project Manager, however no debriefing will be delivered until after the contract has been signed. The debriefing will be limited to the content of the bidder's bid or consultants' proposal and in no way will cover the content of any other firms offer or provide any information on the details of such other than information in the public domain such as minutes of opening and the Summary of Evaluation. The reasons for this are four-fold:

- (a) It increases the levels of transparency in the procurement process,
- (b) It will provide essential guidance (especially to local firms) on the relative strengths and weaknesses in their offers. Local firms will be able to take the opportunity to strengthen their bids and proposals in the future leading to a more competitive local market.
- (c) The more equitable potential bidders and consultants feel the process to be, the more likely they are to submit bids or pursue shortlisting again increasing the overall levels of competition.
- (d) It will provide a benchmark for unsuccessful bidders and/or consultants, i.e. they will become aware of the quality and pricing levels required to win contract awards.

7.1.2 The overall goal of this debriefing process is to improve competition both from international and national sources. The primary benefit of increasing both national and international competition as stated above is increasing the level and quality of competition.

7.1.3 When de-briefing bidders and consultants care should be taken to ensure that no commercial confidences are breached, i.e. it is acceptable to give an indication of where a bid or proposal was weak but not acceptable to disclose details of other bids and proposals received. Debriefing's should be requested in writing and may either be delivered in writing or in a meeting chaired by the Project Manager at the Project Manager's option. If a meeting is held it must be minuted and signed by both parties and a copy of the minutes of the meeting placed on the relevant contract file.

7.1.4 To facilitate the de-briefing process simultaneously to the notice of award or award of contract (services) being sent to the successful bidder or consultant, all un-successful bidders and consultants will be sent a in a Notice of an Awarded Contract, the following details:

- The name of each bidder or consultant submitting an offer

- Bid prices as read out at bid opening²
- When services the technical points score of each consultant
- The name and evaluated price of each bid or proposal and in the case of services the financial score
- The name of bidders or consultants whose bids or proposals were rejected and the grounds for the rejection
- Name of the winning bidder or consultant, the amount of the contract, the duration and final scope of the contract.
- Details of how to request a de-briefing from the Project.
- The following wording will also be contained in the covering letter

“An unsuccessful bidder or consultant may request a de-briefing from [insert name and address of the Project Manager]. Who will either respond in writing within five working days or schedule a de-briefing meeting.

In the event that the response from the Project Manager does not satisfy the unsuccessful bidder or consultant or there is no response within 14 calendar days the issue should be referred to MEF with a copy sent to the Task Team Leader [insert address of the Project Team Leader of the DP], Country Director (if DP has country office), and in the case of the World Bank the Regional Procurement Advisor.

In addition to the above an unsuccessful bidder or consultant feels that it has valid grounds for a complaint regarding the procurement process it may lodge a complaint in accordance with the process outlined in the Bidding Document or Request for Proposals as the case may be. The submission of a complaint under this procedure is without prejudice to any other recourse or remedies available under the laws of Cambodia”

- 7.1.5 Users of this manual who are employed on projects funded by the World Bank should also take note that the details listed above (except the final point) must also be published in UNDB online in accordance with Section 6.4 of this Manual.

² Except in Quality Based Selection of Services where only the highest ranked firm's financial proposal is opened.

8 PROCUREMENT ROLES AND RESPONSIBILITIES

8.1 Roles and Responsibilities

- 8.1.1 The role and responsibilities of each member of the project implementation team covering all aspects of project management and implementation are provided in the SOP. This section further defines, in more detail, the specific roles and responsibilities of the Project Director, Project Manager and other key staff in respect of procurement.
- 8.1.2 The delegation of authority in respect to the authority of procurement decisions will be issued by a Prakas from the implementing ministry at the beginning of the project.
- 8.1.3 The Minister of the EA, as required under the SOP, will appoint the officials for the various positions in the project implementation team with their roles and responsibilities clearly defined under a Prakas. The Project Director and the Project Manager have the authority to sign contracts but only after the PRC has approved the award of the contract in case of goods and works and CEC in case of consulting services. The Prakas will also include the level of the contract value for which the authority is delegated to the Project Director and the Project Manager for signing contracts.
- 8.1.4 Accordingly, there is no need for the Minister or the management of the EA to sign the contract if the authority has been delegated to the Project Director and Project Manager. After the PRC has approved the contract, and where necessary NOL is received from the DP, then either the Project Director or designated Project Manager can approve the contract documentation and sign the contract.
- 8.1.5 The following provisions deal with the roles of the MEF, EAs, DP's and relevant committees in regard to the procurement process and are supplemental and complimentary to the SOP.
- 8.1.6 The primary body in the decision making process is the Procurement Review Committee (PRC) for goods and works contracts and for consulting services contracts. Once the PRC has made its decision no further approvals are deemed necessary from either the EA or MEF. The only exception to this is the "no objection letter" (NOL) of the DP, when required.

8.2 The Ministry of Economy and Finance

- 8.2.1 Depending on the value of procurement being undertaken and the type (goods, works or consulting services) the MEF will also undertake an oversight role. This oversight role will be delivered through MEF representation on the PRC. When MEF do not participate as members of the PRC because the procurement is of low value or MEF advises that they will not be attending the PRC's deliberations, no

further approval needs to be sought from MEF for the decision under review. The only exception to this is set out in the following paragraph.

- 8.2.2 In the event procurement is for single sourcing, direct contracting or force account, in addition to any DP approvals required, MEF's prior approval is required before this method of procurement can be used. MEF and any other RGC approvals should be obtained before seeking the DP's no objection.

8.3 Line Ministries and Implementing Agencies

- 8.3.1 The different line ministries, specialized agencies and administrative offices of RGC are designated EAs and assume responsibility for the implementation, management and administration of specific projects under their area of expertise and function as mandated to them under their respective Royal Decree or Sub-Decrees. This will be set out under project agreements, subsidiary loan agreements, TA agreements and similar legal documents between the DP and the Government.
- 8.3.2 The members of the PRC from both inside and outside of the Line Ministry (LM) or Executing/Implementing Agency (EA/IA) are individually and jointly responsible for all decisions made by them within the thresholds set out in this Manual. In support of this, all of the deliberations of the Committee must be recorded in writing in the form of agreed minutes and each Committee member in attendance must sign all minutes.
- 8.3.3 The division of procurement roles and responsibilities and the delegated levels of authority and review thresholds, i.e. the financial limit at which procurement decisions can be taken by the Minister or Head of the EA, the Project Director, and the Project Manager shall be determined at the beginning of each project and sufficient authority shall be delegated to ensure that procurement decisions can be made in a timely and efficient manner. Where such authority is not delegated the approving official shall ensure that reviews and approvals when requested and required are granted in such a way that the procurement process is not unduly delayed.
- 8.3.4 Consultants, unless hired expressly as project and contract managers or as procurement and inspection agents shall have no formal approving authority unless such authority is included in their terms of reference and contract. Where TOR requires evaluation by consultants, their evaluation report must be made available to the PRC together with the Bid/Proposal Evaluation Reports, as appropriate.

8.4 Project Management Units (PMU)

- 8.4.1 On a project-by-project basis, depending on the capacity of the EA/IA and the agreement with the DP, the EA/IA will establish a Project Management Unit/Office (PMU/PMO) with the delegated authority to implement the project

or TA in an efficient and effective manner. The PMU acts as the focal point for project implementation and carries out the day-to-day project management and administration. It undertakes all of the core procurement activities required under the project.

8.4.2 Some projects use different terms to those used in this Manual and the SOP. In certain cases the various expertise requirements listed in this Section can also be found within various departments of ministries and government agencies and can be relied upon for project implementation without the creation of a PMU. These terms are interchangeable and should be regarded as follows:

- Project Director – the senior official in overall charge of the project
- Project Manager – the full time manager of the project with day to day responsibility for the project’s activities
- Administration Officer – the individual in charge of all administrative and support functions
- The Financial Officer – the person in charge of keeping and maintaining the project accounts and effecting payments
- The Technical Officer – the senior engineer or technical specialist employed by the project (but not a consultant).
- The Procurement Officer – the individual responsible for undertaking procurement activity under the project.

8.4.3 Detailed terms of reference (TOR) outlining the duties and responsibilities of each PMU officer position must be prepared and approved by the EA management. The SOP more fully describes the competitive process that is to be carried out by the ministry to select personnel, and selections will be conducted on the basis of qualifications and merit. The TOR of the key positions should also include the following procurement role and responsibilities:

(a) Project Director

- (i) Approves and signs contracts, invoices, contract amendments and other important procurement documents within thresholds specified in the letter of appointment/instruction from the Head of the EA.
- (ii) As the chair or a member of a PRC participates in the review and approval of bid/proposal evaluation reports for goods, works and consulting services, within the thresholds specified in Annex III of this Manual.
- (iii) As chair or member of the CEC, carries out the evaluation of proposals for consulting services
- (iv) Has overall responsibility for ensuring that the Government and DP’s procurement guidelines are followed and the correct procurement documents are used.
- (v) Ensures that all mandatory reports are issued in a timely fashion.

- (vi) Ensures that all auditable records in respect to procurement are compiled in accordance with Section 25 of this Manual and that these records are passed to the EA on the completion of the project.

(b) Project Manager

- (i) Approves and signs contracts, invoices, contract amendments and other important procurement documents within thresholds specified in the letter of appointment/instruction from the Head of EA.
- (ii) As chair or a member of a PRC, participates in the review and approval of evaluations reports for goods, works, and consulting services within the thresholds specified in Annex III of this Manual.
- (iii) As chair and member of the CEC for consulting services, carries out the evaluation of proposals for consulting services
- (iv) Supervises all procurement activities.
- (v) Ensures that the Government and DP's procurement guidelines are followed and the correct procurement documents are used.
- (vi) Serves as the primary conduit for all formal communications relating to procurement with the EA, bidders, contractors, suppliers, consultants and DPs
- (vii) Ensures that all procurement activities are carried out correctly and in a timely manner.
- (viii) Ensures that all procurement monitoring and reporting is undertaken in a timely and accurate fashion and the mandatory procurement tracking forms are completed and maintained at all times.
- (ix) Chairs all negotiations with contractors, suppliers and consultants including those led by the PRC.
- (x) Chairs and supervises all bid openings.

(c) Administrative Officer

- (i) Assists the Procurement Officer in the preparation of the project procurement plan.
- (ii) Assists the Procurement Officer in the monthly updating of the overall project procurement plan.
- (iii) Ensures that all records relating to procurement are compiled in conformance with the provisions of Section 23 of this Manual.

(d) Financial Officer

- (i) Supervises the management and administration of all financial transactions and payments under the project.

- (ii) Reviews and approves all payment requests received from a supplier/contractor/consultant confirming (or otherwise) that the contractual payment is due obtaining validation and approval of the payment request as necessary and confirming that the conditions of contract triggering the payment have been met.
- (iii) As a member of the PRC carries out the review of financial aspects in the bid evaluation report prior to approval of a recommendation for an award.
- (iv) Attends bid openings checking and noting the presence or otherwise of any securities that may be required.
- (v) Verifies the bona-fides of, and receives, then records and arranges for the safe keeping of all securities received from suppliers, contractors and consultants.

(e) Technical Officer

- (i) Manages and administers the implementation of contracts from a technical perspective, under the direction of the Project Manager.
- (ii) Preparing, or supervising the preparation of, all specifications, scopes of work and terms of reference.
- (iii) Assists the Procurement Officer in selecting the most appropriate evaluative criteria, special conditions of contract and contractual performance indicators for inclusion in bidding documents.
- (iv) As a member of the BEC undertakes and certifies (or otherwise) the technical compliance of all bids for goods, general services and works received
- (v) As a member of the CEC carries out the evaluation of the expressions of interest, technical proposals and combined evaluation in respect of consulting services
- (vi) Monitors and evaluates progress and performances of technical staff, consultants, and contractors.

(f) Procurement Officer

The following provision outlines the Procurement Officer's general responsibilities. More detailed descriptions of each task are contained in the succeeding sections of this manual.

- (i) Prepares the project's general procurement notice (GPN) updating it on an annual basis, and submits it through the Project Manager for national and international publication.
- (ii) Collates by area of expertise all expressions of interest received in response to the GPN.

- (iii) Quantifies the goods works and services required by the project.
- (iv) Groups the goods works and services required into packages so that they will attract the maximum of competition
- (v) Prepares the overall project procurement plan and updates it, if required, every month.
- (vi) Prepares and maintains the Procurement Monitoring and Tracking Form.
- (vii) Prepares specific bidding and RFP documents, using agreed standard bidding documents.
- (viii) Prepares and issues through the Project Manager specific procurement notices
- (ix) When the DP's prior review of the bidding or proposal document is required, submits the document through the Project Manager to the relevant DP for its review and 'no objection'.
- (x) Prepares and issues requests for proposals for consulting services.
- (xi) Distributes the bidding documents to all firms purchasing same.
- (xii) Receives & responds to all clarification requests received during the bidding period on behalf of the Project Manager.
- (xiii) Prepares amendments to the bidding documents as and when required and issues to all bidders after no objection from the DP.
- (xiv) Ensures that the venue for bid opening is adequate and that all logistical arrangements are in place.
- (xv) Receives all bids and proposals ensuring their secure storage.
- (xvi) Undertakes the public bid and proposal openings with the assistance of the Financial Officer and under the chair of the Project Manager.
- (xvii) Reviews and passes all bid securities to the Financial Officer for secure storage, recording amounts and validities and ensures that validities do not expire prior to notification of award and requests extensions as and when required. All bid securities must clearly show the date the security expires rather than state a specified number of days after bid submission.
- (xviii) Chairs the Bid Evaluation Committee for goods, general services and works contracts.
- (xix) As chair of the BEC carries out the evaluation of bids for goods, general services and works contracts with the assistance of other members (Technical Officer and Financial Officer) and other available resources such as consultants.
- (xx) Through the Project Manager seeks clarifications to submitted bids and proposals as required to complete or facilitate the evaluation.

- (xxi) Drafts the Bid Evaluation Report (BER) for review and approval by the Procurement Review Committee.
- (xxii) Serves as a member of the CEC and participates in carrying out the evaluation of expressions of interest, evaluation of technical proposals and combined evaluation.
- (xxiii) Facilitates the preparation of the various evaluation reports for the PRC.
- (xxiv) Responds, through the Project Manager, to any queries raised on the evaluation report from oversight agencies or DPs.
- (xxv) Assists the Project Manager in the contract negotiations for consulting services contracts and prepares the minutes of negotiations.
- (xxvi) Drafts contracts in accordance with the recommendation for award contained in the 'no objected' evaluation report and in the case of consultants services in accordance with the minutes of contract negotiation.
- (xxvii) Ensures that the relevant oversight agencies are provided with copies of contracts and in the case of prior review submits copies of draft contracts to the reviewing agency with a request for 'no objection'.
- (xxviii) Issues the notification of award to the winning bidder/ consultant/ contractor requesting the pre-requisite performance and advance payment securities.
- (xxix) With the assistance of the Financial Officer drafts the documentary requirement for any letter of credit to be issued in a supplier's or contractor's or consultant's favor.
- (xxx) Monitors the performance of suppliers/ contractors/ consultants against the contract, with the support of the Technical Officer and any other resources available such as consultants.
- (xxxi) Ensures the FO reviews all payment requests received from a supplier/contractor/consultant confirming (or otherwise) that the contractual payment is due obtaining validation and approval of the payment request as necessary and confirming that the conditions of contract triggering the payment have been met.
- (xxxii) Ensures that either the performance security or retention monies are in place to adequately protect the Government for the period of the supplier's warranty period or a contractor's defects liability period.
- (xxxiii) In the event that the period for contractual performance is extended or the amount of the contract changed ensures that any performance securities held are amended to reflect the change in the conditions of the contract

- (xxxiv) Ensures that all performance securities and retention monies are passed to the supplier or contractor upon the satisfactory expiry of their contractual obligations.
- (xxxv) Acts as Secretary to the Procurement Review Committee.
- (xxxvi) Compiles pre and post contract files in accordance with Section 25 of this Manual.
 - a. In the event that the Project or EA has a separate unit for the management of contracts, all of the Procurement Officer's responsibilities after the award of contract shall pass to this unit.

(g) Procurement Assistant

Larger, more complex projects with significant amounts of procurement activities may require one or more procurement assistants. The procurement assistant is to work under the direct supervision of the Procurement Officer and provide assistance with the tasks set out above as directed by the procurement officer.

8.5 CHART of ROLES

Procurement Staffing, Roles and Responsibilities

SCOPE	PMU	BID OPENING	PRC	BEC	CEC
	On a project by project basis depending on the capacity of the EA and the agreement with the DA the EA will establish a Project Management Unit (PMU) with the delegated authority to implement the project or TA in an efficient and effective manner. The PMU acts as the focal point for project implementation and carries out the day-to-day project management and administration. It undertakes all of the core procurement activities required by the project.	The process of transparently receiving, storing and processing bid openings in accordance with the SOP/PM/FMM	- The exclusive duty of the Procurement Review Committee (PRC) is to review, consider and approve bid and proposal evaluation reports (BER/TER/Combined Evaluation Report) for the award of goods, and civil works, and consulting services procured under the project. The PRC is the only authority to approve the award of contracts. - Review and	- The responsibility of the Bid Evaluation Committee (BEC) is to review all bids submitted and prepare Bid Evaluation Reports for the consideration of the PRC in respect of goods, and works - The BEC's Bid Evaluation Reports for goods and works shall be submitted, by the BEC Chair to the PRC for review and final	- The responsibility of CEC is as follows: - Evaluate all Expression of Interests and select short list of firms. - Carry out evaluation of technical and financial proposals for consulting services - Prepare the Technical Evaluation Report. - Rank the firms after combined evaluation of technical and

SCOPE	PMU	BID OPENING	PRC	BEC	CEC
			approve evaluation of individual consultants Review and approves draft bid documents and RFPs ▪ Review and approve shortlist of consulting firms ▪ Reviews and approves contract amendments and variations that increase original contract value or increase scope of works	approval, before the contract may be awarded.	financial proposals. ▪ Submit the TER and combined Evaluation Reports and Recommendation for award of contracts to PRC for approval. ▪ Carry out evaluation of individual consultants
Project Director	✓		✓ (Major) Chairs (General)		
Project Manager	✓	✓ Chairs	✓ (General) Chairs (Minor)		Chairs (General, Major)

SCOPE	PMU	BID OPENING	PRC	BEC	CEC
Administration Officer	✓				
Financial Officer	✓	✓	✓ (alternate General, alternate Minor)	✓	✓ (alternate General, alternate Minor)
Technical Officer	✓		✓ (Minor)	✓	✓ (Major x 2, General x 2) Chairs (Minor)
Procurement Officer	✓	✓	✓ (Secretary for Major, General, Minor)	✓ Chairs	✓ (Minor)
EA Head			✓ Chairs (Major)		
EA Representative			✓ (Major, General)		
MEF/DIC Representative(s)			✓ (Major x 2, General x 2, Minor)		✓ (Major x 2, General x 2, Minor)

9 PROCUREMENT COMMITTEES

9.1 The Duties of the Procurement Review Committee (PRC)

9.1.1 The duties of the Procurement Review Committee (PRC) are to:

- (a) Review the scope of procurement packages prior to commencement of any procurement activity to ensure this is in accordance with the agreed Project Procurement Plan. The purpose of this review is to ensure that requirements have not been split (disaggregated) or consolidated to either avoid process and review thresholds or place the procurement activity at an inappropriate level.
- (b) Review and approve all bidding documents/RFPs produced under the project. In this respect the Committee will focus upon adherence to the procurement guidelines rather than the technical specifications. The PRC will not be required to review and approve Request for Expression of Interests which will be approved by the Project Manager.
- (c) Review and approve bid / proposal evaluation reports for the award of goods and civil works and consulting services procured under the project. The PRC is the only authority to approve the award of contracts for goods, works and consulting services. Routinely, the PRC will rely upon Evaluation Reports prepared by the Bid Evaluation Committee (BEC) and the Consultant Evaluation Committee (CEC).
- (d) Review evidence of collusion and decide on disqualification of guilty parties from consideration for award of contract.

9.1.2 The responsibility for preparing Bid Evaluation Reports for goods and works contracts and the Technical/Combined Evaluation Reports for consulting Services rests with the (BEC) and CEC respectively. The PRC is not required to review the detailed technical aspects of each bid/proposal or the preliminary evaluation but shall focus on adherence to the guidelines and the reviewing grounds for the rejection of any bid/proposal to establish if the deviation is major or minor, and that all bids/proposals have been treated equally.

9.1.3 The evaluation of bids for goods and works contract and proposals for consulting services contracts will be undertaken by the BEC and CEC as detailed below in Section 9.5

9.1.4 MEF and all other representative(s) on the PRC will be empowered to approve bidding documents and proposed contract awards and no further approval need be obtained before awarding a contract other than the DP's No Objection Letter (NOL), when required. In the event that there are serious issues, which cannot be resolved in the PRC meeting and MEF representative informs the meeting that

guidance will need to be sought from management, the PRC meeting may be adjourned until this is obtained.

- 9.1.5 Decisions of a PRC will be unanimous for an evaluation report and recommendation to award a contract to be considered approved. If the PRC cannot reach a unanimous decision, then the matter shall be referred to MEF/DIC for disposition.
- 9.1.6 The PRC may call on any resources available to it such as EA staff, experts in the items being procured from other agencies or project consultants. None of these parties are considered members of the PRC and will advise solely on the basis of their own areas of expertise. Such advice will however be recorded in the Minutes.
- 9.1.7 The Procurement Officer will fill the role of Secretary to the Committee. The Secretary of the Committee will be responsible for the coordination and calling of all Committee meetings and shall in all but exceptional circumstances when directed by the Project Director, provide a minimum of three working days notice in writing of any scheduled meetings to all members of the Committee. The Secretary of the Committee will also be responsible for the recording of all minutes and obtaining the signature of all members of the committee on the agreed version of the minutes. The minutes will be distributed to all members of the Committee within five working days of the meeting.
- 9.1.8 The PRC is responsible for reviewing and approving all contract variations or contract amendments if the contract amount changes or if the scope increases (regardless of whether or not the contract amount changes). This is detailed in Section 20. The PRC is not required to approve no-cost extensions of contracts, which have no cost implication beyond the original contract amount.

9.2 Procurement Review Committee Formation and Thresholds

- 9.2.1 Each project will form three procurement review committees as follows

Minor Procurement Committee

The Minor Procurement Committee will be empowered to review and approve all goods, works and consulting services procurement to the values set out in Annex III of this Manual.

The committee will be chaired by the Project Manager and include the Project Technical Officer and a representative from MEF/DIC. At the discretion of the MEF/DIC the Project Financial Officer may replace him/her. The PO shall serve as Secretary to the Committee.

General Procurement Committee

The General Procurement Committee will be empowered to review and approve all goods, works and consulting services procurement to the values set out in Annex III of this Manual. This Committee must also approve all bid packages prior to the commencement of any procurement activity.

The committee will be chaired by the Project Director, or his/her fully authorized representative. The members will be the Project Manager, one representative from the EA (and not a member of the PMU/PIU) and two representatives from MEF/DIC. At the discretion of the MEF/DIC the second representative of the MEF/DIC may be replaced by the Project Financial Officer. The PO shall serve as Secretary to the Committee.

Major Procurement Committee

The Major Procurement Committee will be empowered to review and approve all goods, works and consulting services procurement above the limits of the General Committee. The Committee will be chaired by the Head of the EA or a representative duly authorized to act upon their behalf. The members will be the Project Director and one other representative appointed by the head of the EA and two representatives from the MEF/DIC. The PO shall serve as Secretary to the Committee.

- 9.2.2 In the event that the individual project design means that there is no Project Manager or other such staff member as described above, the Project Director shall appoint an official from the EA to fill the position on the PRC.
- 9.2.3 A member of the BEC or CEC - cannot serve as a member of the PRC where he/she had participated in carrying out the evaluation of bids or proposals under consideration of the PRC. In such cases, a suitable replacement will be decided by the Project Director in accordance with his/her delegated powers under the Prakas establishing the project management/implementation arrangements.
- 9.2.4 The Project Director or MEF/DIC may invite any number of observers to the meetings of each Procurement Review Committee meeting, however the participation of these observers will be restricted to providing expert advice and they shall take not part in the decision making process.
- 9.2.5 In the event that a Committee member from their parent organization requires authority or approval, the Chair of the Committee will set a deadline for obtaining the decision or approval of the parent organization. Should the Committee member be unable to obtain the decision on or before the deadline, they will advise the Chair in writing stating the reason for the delay and the time by which the decision will be made or approval granted.

- 9.2.6 The member of the PRC should be of a higher rank than the member of BEC or CEC.
- 9.2.7 The composition of the various procurement committees and the thresholds are shown in Annex III.

9.3 MEF/DIC Representation

- 9.3.1 The MEF/DIC at their sole discretion may replace one of its representatives by the Project Financial Officer serving on the Minor and General Procurement Review Committees. This is expected to be on an exceptional basis rather than as a standard practice.
- 9.3.2 The project must notify the MEF/DIC's Department of Investment and Cooperation (DIC) of each scheduled meeting of the PRC. For Minor Procurement Committee, General and Major Committee meetings notifications must be sent together with copy of the bidding document / bid evaluation report and received by MEF/DIC at least three working days prior to the scheduled meeting. In order to ensure that the notification has been received by the DIC, the project should advise the Chief of the respective DIC Division by electronic mail.
- 9.3.3 When MEF/DIC does not respond to an invitation to attend a meeting the project will assume that there will be no MEF/DIC representation. Irrespective of whether MEF/DIC take part in the Committee's meeting and decision-making process the decision of the Committee will be final and not subject to further MEF/DIC review. The only exception to this is if MEF/DIC is not notified in accordance with the above time frames or MEF/DIC has informed the Secretary of the Committee to postpone the date of the meeting. In the case where MEF/DIC was not notified of the meeting, MEF/DIC may suspend the procurement process to facilitate a review of the procurement being undertaken.
- 9.3.4 A sample invitation to MEF/DIC is shown on the following page and should be sent to the DIC each time a Committee meets. The invitation may be sent by letter, email or fax and must be delivered at least three working days prior to the scheduled meeting.

9.4 Bid Evaluation Committee

- 9.4.1 The Bid Evaluation Committee (BEC) is responsible for the evaluation of bids, the preparation of the Bid Evaluation Reports and recommendation for the award of contract for goods and works.
- 9.4.2 The Bid Evaluation Reports (BER) for goods and works shall be submitted, by the Chair of the BEC, to the PRC for review and final approval of the recommendation for award of contract.

- 9.4.3 The BEC, which will be established under a Prakas/instruction from the head of the EA, shall comprise of three officials: the Procurement Officer, the Technical Officer and the Financial Officer and other external experts if necessary. The Procurement Officer shall chair the BEC. If the Technical Officer or the Financial Officer is a member of the PRC, the Project Manager must appoint a member of his/her staff to be a member of the BEC. In the case of a conflict of interest the Project Manager or Project Director shall be authorized to appoint a replacement member of the BEC.
- 9.4.4 The Technical Officer will be responsible for evaluating the technical compliance of the bids and the Financial Officer responsible for compliance with the financial aspects.
- 9.4.5 The Procurement Officer, as the Chair of the BEC, will be responsible for preparing the Bid Evaluation Reports in the format prescribed in the Annex to this Manual or by the DP, whichever is applicable.
- 9.4.6 The Bid Evaluation Report, after the approval of the PRC, will be submitted by the Project to the DP for prior review and NOL, where required. In case of procurement where post review has been agreed with the DP, the Project Director or the Project Manager will proceed with the preparation of the contract documentation and signing of the contract as per his/her delegated authority.
- 9.4.7 A number of the BEC cannot same as a number of the PRC where there is a conflict of interest. If a member is involved in carrying out the evaluation of a bid, he/she cannot be a member of the PRC, which will review and approve the Bid Evaluation Report.

9.5 Consultant Evaluation Committee

- 9.5.1 The Consultant Evaluation Committee (CECs), which shall be established under a Prakas by the EA, will be responsible for carrying out the review and approval of the RFP, the evaluation of the expressions of interest and recommendation for the selection of the short list, the evaluation of the technical and financial proposals and the recommendation for award of contract
- 9.5.2 Each project will have three consultant evaluation committees as follows:

Minor CEC

The Minor CEC will be responsible for carrying out the evaluation of expressions of interest and the evaluation of the technical and financial proposals for consulting services with estimated value of up to the threshold set out in Annex III of this Manual.

The Committee will be chaired by the Technical Officer and include the Procurement Officer and a representative of MEF/DIC as members. At the discretion of MEF/DIC, its representative may be replaced by the Finance Officer.

General CEC

The General CEC will be responsible for carrying out the evaluation of expressions of interest, technical and financial proposals for consulting services with estimated value of up to the threshold set out in Annex III of this Manual

The Committee will be chaired by the Project Manager and include two Technical Officers and two representatives of MEF/DIC as members. At the discretion of MEF/DIC, one of its representatives may be replaced by the Finance Officer.

Major CEC

The Major CEC will be responsible for carrying out the evaluation of expressions of interests, technical and financial proposals for consulting services with the estimated value of up to the threshold set out in Annex III of this Manual.

The Committee will be chaired by the Project Manager and include two Technical Officers and two representatives of MEF/DIC as members.

- 9.5.3 The CEC shall conduct the evaluation of proposals using the evaluation criteria stated in the RFP. Typically, the Chair shall direct the preparation of a form, consistent with the RFP and sample provided by DPs, to record the bidders' responses and the evaluation of the same by each member of the CEC.
- 9.5.4 Each CEC member shall individually and independently undertake the evaluation of the expressions of interest, the technical and financial proposals in accordance with the evaluation criteria specified in the RFP. More detailed guidance on the evaluation of proposals is given in Section 17 of this Manual.
- 9.5.5 In case the Project has been provided by project management consultants or other external technical experts, the Chair of the CEC may seek their assistance in the evaluation of the technical proposals. In the event that any of the members of the CEC do not have sufficient knowledge in the field or expertise being sought under the consulting services, the Project Director may replace the members, other than the representatives of MEF/DIC, with suitable qualification and experience.
- 9.5.6 A member of the CEC cannot serve as a member of the PRC where there is a conflict of interest. If a member is involved in carrying out the evaluation of proposals, he/she cannot be a member of the PRC, which will review and approve the Evaluation Report.

Dear Sirs,

Invitation to Participate In the Review of Procurement of Goods and Works

Insert Name of the Project

You are invited to attend the meeting of the *Major/General/Minor* *[insert as appropriate]* Procurement Review Committee. The meeting will be held at *[insert time date and location]*.

The Committee will be undertaking *[select as appropriate]*

A review of the Procurement Plan

A review of the Bidding Documents

The public opening of Bids

A review of the Bid Evaluation Report for goods or works

]

For *[insert contract name and reference]*. The estimated cost is *[insert estimated cost in US\$]*

The following documents are attached for your information *[select as appropriate]*:

The Procurement Plan

The Bidding Documents

The Bid Evaluation Report

The Draft Contract

Please advise by return the names and designation of your representatives who will be attending. We understand that if you do not respond to this invitation that the Procurement Review Committee is to undertake its deliberations without the attendance of MEF/DIC. Any decision reached will be regarded as final and not subject to a separate MEF/DIC approval.

Yours faithfully

Signed

Chairperson of the Procurement Review Committee

Note: For consulting services, a similar invitation letter should be sent

10 METHODS OF PROCUREMENT AND THEIR USE

10.1 Introduction

- 10.1.1 This section briefly describes the various methods of procurement and how a method should be selected to suit each procurement exercise. The methods of procurement applicable to each project are specified in the loan/credit agreement and procurement plan, which will govern all procurement under the project and will take precedence in case of any conflicts with the procurement manual.
- 10.1.2 Procurement is divided into three major categories, being:
- (a) The Procurement of Goods
 - (b) The Procurement of Civil Works
 - (c) The Procurement of Consulting Services
- 10.1.3 Each category of procurement uses slightly different processes and documentation to arrive at a contract and require different contract management methodologies to manage the resulting contract. However the same fundamental principles apply to each category, being those described in detail in Section 3 of this Manual.
- 10.1.4 The basic rule that must be followed is that all procurement is to be subject to open competition, be fair and transparent.
- 10.1.5 In addition to the three categories mentioned above, the estimated value and complexity of the procurement will also have an impact upon what procurement processes will be used. Obviously hiring an individual consultant for a short-term basis and hiring a firm of civil engineering consultants for a major construction project will, whilst the fundamental principles remain unchanged, require a different approach. The various methods of procurement are described in the following sub-sections.
- 10.1.6 Users of this Manual should ensure that they are familiar with the NCB Annex or references made in the legal agreement with the DP in case of DP funded projects. The NCB annex or references will list the changes to be made to the national procurement procedures and to this Manual and the process described herein to make it acceptable to the DP and broadly consistent with their Guidelines. In the case of a conflict between this Manual and the NCB Annex or the references in the legal agreement, the later shall take precedence.

10.2 The Procurement of Goods

- 10.2.1 There are four primary methods to procure goods under a project which will be used in all but exceptional circumstances.

These are:

- International Competitive Bidding (ICB)
- National Competitive Bidding (NCB)
- Shopping ³
- Procurement using petty cash or purchase orders

10.2.2 International Competitive Bidding. In most cases, International Competitive Bidding (ICB), properly administered, and with the allowance for preferences for domestically manufactured goods under prescribed conditions is the most appropriate method. ICB is the preferred method of procurement as it will provide users a wide range of choices from competing suppliers and provide the suppliers (or potential suppliers) adequate, fair and equal opportunity for the goods and works being procured. Its use is mandatory when the estimated contract value(s) exceed the threshold stated in Annex III. ICB is advertised both nationally and internationally and is open to all who purchase the bidding document. The ICB process is fully described in step by step guides published by the DPs.. When ICB is to be used the standard bidding documents of the DP must be used. The harmonized standard bidding documents in respect of ADB and WB are listed in Section 5.5 of this Manual.

10.2.3 National Competitive Bidding. National Competitive Bidding (NCB) follows the national procedures of the government and uses the government's own documentation. For DP Financed Projects in Cambodia, an NCB annex is provided in the legal agreement for each project, listing the applicable improvements in national procedures, which are required to make them broadly consistent with the DP's Procurement Guidelines. The NCB Annex can be found at Annex IV g or IV h of this Manual. NCB must be used when the estimated contract value(s) are below the threshold set for ICB and above the threshold set for shopping as indicated in Annex III. Bid securities are not required and the Bid Securing Declaration takes its place, although bid security remains an option and is recommended by some DPs. It is advertised as with ICB except that it needs only be advertised in a National Newspaper. All suppliers both foreign and national are eligible to bid, however no domestic preference is applicable. The standard National Competitive Bidding document is shown at Annex IV. The use of this document for NCB is mandatory for all externally assisted projected funded by either the ADB or WB. The minimum period for the availability of documents is 30 days. The document cannot be sold on the day of Bid Opening

10.2.4 Shopping method (also known as canvassing). Shopping simply compares the price quotations, selecting the lowest for award. Its use is mandatory for all procurement where the estimated contract value(s) are below that stated in Annex III. The standard document for national shopping for goods can be found at Annex IV to this Manual and its use is mandatory. The invitation to bid can be

³ Sometimes known as canvassing or request for quotations

advertised in the Khmer or English language in a provincial or national newspaper of wide circulation that has been continuously published for a period of not less than two years, with all that express interest invited to submit a sealed quotation requested and a public opening held. The minimum period for the availability of the documents is 14 calendar days and the document will be issued free of charge. In addition to the advertising requirement, a copy of the Request for Quotations advertisement may also be sent directly to recognized suppliers in the local market and in such case effort should be made where possible to invite authorized dealers/agents of manufacturers. A minimum of 3 quotations need to be obtained and evaluated, otherwise a special no objection must be obtained from the DP.

- 10.2.5 When the value is estimated at below that indicated in Annex III, the requirement is not advertised. A minimum of three known sources of supply are invited to submit their quotations by letter or facsimile. The minimum period allowed for firms to prepare their quotations shall be 7 days.
- 10.2.6 Procurement using **Petty Cash or a Purchase Order System**. From time to time it may be appropriate to purchase items valued at below the threshold shown in Annex III using either petty cash or a purchase order system. This modality of purchase is covered in the Financial Management Manual.
- 10.2.7 In exceptional circumstances and subject to the provisions of the DP's procurement guidelines, the loan or development credit agreement and any procurement plan attached thereto and subject to their specific prior no objection the following procurement methods may be used:
1. Limited International Bidding (LIB)
 2. Direct Contracting (DC)
- 10.2.8 **Limited International Bidding**. This method is almost identical to ICB, the same standard document of the DP is used modified (basically removing the invitation for bids and any provision for domestic preference) LIB is not advertised. The grounds for using LIB could be that are only a limited number of suppliers, in which case all suppliers capable of performing the resulting contract shall be invited. As the only difference between LIB and ICB is the Invitation for Bids users should refer to the step-by-step guide for ICB published by the relevant DP.
- 10.2.9 **Direct Contracting (DC)**. As a procurement method DC is used as little as possible as it does not provide for either transparency or competition. It always requires the no objection of both the DP and the MEF/DIC before it is used. A single supplier is contacted for an offer and a contract negotiated based on that offer. Direct Contracting is the only procurement method for goods where negotiations on price are permitted. It may be suitable:
- (a) when for standardization equipment is available from only a single proprietary source

- (b) in exceptional cases such as in response to a natural disaster
- (c) when the goods represent the natural continuation of an ongoing or recently completed contract and it can be demonstrated that lower prices will not be obtained through further bidding.

10.3 The Procurement of Works

10.3.1 The methods of procuring works are very similar to those of procuring goods. There are three primary methods of procuring works that shall be used in all but exceptional circumstances. These are set out below;

- International Competitive Bidding (ICB)
- National Competitive Bidding (NCB)
- Shopping (Small Works)

10.3.2 **International Competitive Bidding.** In most cases, International Competitive Bidding (ICB), properly administered, and with the allowance for preferences for domestic contractors for works under prescribed conditions is the most appropriate method. ICB is the preferred method of procurement, as it will provide users a wide range of choices from competing contractors and potential contractors adequate, fair and equal opportunity for the works being procured. Its use is mandatory when the estimated contract value(s) exceed the threshold stated in Annex III. ICB is advertised both nationally and internationally and is open to all who purchase the bidding document (civil works contractors registration is not a pre-condition to bidding but may be to contract award). The ICB process is fully described in a step-by-step guide issued by the respective DP. When ICB is to be used some DPs like the ADB and the WB require that their standard bidding documents are used.

10.3.3 **National Competitive Bidding.** National Competitive Bidding (NCB) usually follows the national procedures of the government and uses the government's own documentation. For World Bank and ADB financed projects in Cambodia, an NCB annex is provided in the legal agreement for each project, listing the applicable improvements in national procedures, which are required to make them broadly consistent with the DP's Procurement Guidelines. The NCB Annex can be found at Annex IV g or IV h of this Manual. NCB must be used when the estimated contract value(s) are below the threshold set for ICB and above the threshold set for shopping as indicated in Annex III. Bid securities are not required and the Bid Securing Declaration takes its place. The invitation to bid is advertised in a National Newspaper. All contractors both foreign and national are eligible to bid, however no domestic preference is applicable. The use of the National Competitive Bidding document, which is at Annex IV, is mandatory. The minimum period for the availability of documents is 30 calendar days. The document cannot be sold on the day of Bid Opening.

- 10.3.4 **Shopping** (sometimes referred to as “small works”) Shopping simply compares the price quotations, selecting the lowest for award and its use is mandatory for all procurement where the estimated contract value(s) are below that stated in Annex III. The standard document for works shopping which can be found at Annex IV to this Manual must be used. If the estimated value is above threshold stated in Annex III it will be advertised in the Khmer language or English in a provincial or national newspaper of wide circulation that has been continuously published for a period of not less than two years, with all that express interest invited to submit a sealed quotation requested and a public opening held. In addition to the advertising requirement, a copy of the Request for Quotations advertisement may also be sent directly to recognized contractors in the local market. In this instance the minimum period for preparing quotations shall be 14 calendar days. The document will be issued free of charge. A minimum of 3 bids must be received and evaluated, otherwise a special no objection must be obtained from the DP.
- 10.3.5 If the value is estimated at below the threshold stated in Annex simply select a minimum of three known contractors and invite them to submit their quotations by letter or facsimile. The minimum period allowed for firms to prepare their quotations shall be 7 calendar days. The lowest price quotation is selected.
- 10.3.6 In exceptional circumstances and subject to the provisions of the DP’s procurement guidelines, the loan or development credit agreement and any procurement plan attached thereto and subject to their specific prior no objection the following procurement methods may be used:
- Direct Contacting (DC)
 - Force Account
 - Community Participation in Procurement
- 10.3.7 **Direct Contracting** (DC). This shall always require the DP’s and MEF/DIC’s prior no objection and should be used as little as possible as it does not provide for either transparency or competition. A single contractor is contacted for an offer and a contract negotiated based on that offer. DC is the only procurement method for works where negotiations on price are permitted. It may be suitable for use when the works to be procured are a natural continuation of a completed or ongoing contract or in exceptional cases such as in response to a natural disaster.
- 10.3.8 **Force Account** This method is used when the Government’s own workforce, equipment and resources are used to complete a works project. It always requires the DP’s and MEF/DIC’s prior no objection. It may be suitable when:
- (a) The quantities of works cannot be defined in advance
 - (b) the works are small and at scattered locations that competent construction firms are unlikely to bid for at reasonable prices
 - (c) the works need to be undertaken without interrupting ongoing operations

- (d) the risk of delay is better born by the Government rather than an individual contractor
- (e) there is a natural disaster or similar emergency needing immediate attention

10.3.9 **Community Participation** in the implementation of some projects is a way to increase the efficiency and effectiveness of the procurement process. IAs and EAs are encouraged to consider this alternative when appropriate. The participants, communities and individuals must be chosen in a non-discriminatory process ensuring the RGCs good governance and accountability policies are followed. DP approval is required before implementing any community participation and the DP procurement guidelines should be consulted before deciding on whether to use this method.

10.4 Two Stage Procurement

- 10.4.1 At times it is not possible or desirable to prepare comprehensive specifications in advance as they may prevent bidders from preparing their best technical offer harnessing the bidder's expertise and technical knowhow such as turnkey contracts for large complex facilities, plant or works of a special nature or complex information communication technology systems.
- 10.4.2 When this is the case, "two-stage procurement" can be used for both goods and works as it offers particular advantages when the items being procured are particularly complex such as large turnkey of complex works or complex information technology systems where bids are likely to be technically diverse and impossible to compare on a like-for-like basis. When two stage bidding is used, bidders are required to submit their un-priced technical bids. These will then be evaluated technically. Each technical proposal is then reviewed and clarified through formal correspondence with each bidder as necessary.
- 10.4.3 Taking care to ensure that the specifications remain as open as possible the project will then amend the bidding document and re-issue it to all of the bidders inviting technical and priced bids. Thereafter the evaluative process is identical to the normal ICB methods.
- 10.4.4 During two stage procurement it is preferable to hold two pre-bid meetings. One within three weeks of the issue of the first bidding documents, when bidders will be able to obtain information that will increase their understanding of the requirement. The second meeting should be held two weeks after the issue of the revised bidding document so that bidders can further refine their understanding of the requirement and the revised specification.
- 10.4.5 In essence what two stage bidding does is harness the bidders' technical know-how to develop a draft technical specification into one that captures the current cutting edge of the technologies involved.

10.5 Turnkey Contracting

- 10.5.1 Turnkey is a method of contracting by which a civil works contractor is made responsible for the design, supply and installation of a complete facility or works., or for the supply and installation of equipment This type of contract will only be used on an exceptional basis when the facility or works involved are both of high value and high complexity.
- 10.5.2 Another reason to use “turnkey” contracting is when the EA/IA lacks the capacity to tender and manage multiple contracts simultaneously. Although the net price of a turnkey contract may be higher, savings in processing and in management (as well as cost related to eventual delays) tend to offset the increased cost. The use of this method will require the prior approval of MEF and the DP.

10.6 The Procurement of Consultancy Services

- 10.6.1 The procurement of consultancy services is distinct from the procurement of goods and works, primarily due to the significant differences between goods or structures which are relatively simply to quantify in absolute terms and the challenge of quantifying a consulting service. Because of this difference consulting services procurement differs from the procurement of goods and works. The primary difference is that a significant emphasis is placed on quality rather than price alone (although price is often still a factor). Also, rather than submitting ‘bids’, consultants submit ‘proposals’ and therefore the standard bidding documents are called a ‘request for proposals’. The primary methods of procuring consultants services are:
- *Quality Based Selection (QBS)*
 - *Quality Cost Based Selection (QCBS)*
 - *Selection Under a Fixed Budget (FBS)*
 - *Least Cost Based Selection (LCS)*
 - *Selection Based Upon Consultants Qualifications (CQS)*
 - *Single Source Selection (SSS)*
 - *Selection of Individual Consultants.*
- 10.6.2 All services procurement with the exception of single source must be advertised nationally and on the DP’s website(s) (and on UNDP online for WB funded projects). Advertising on the DP’s website counts as advertising internationally. When the PRC determines that there will not be a sufficient number of appropriate skilled national consultants to guarantee competition, irrespective of the value of the procurement, it may instruct the PMU to place an international advertisement even if the value is below the threshold stated in Annex III.

10.6.3 Irrespective of the amount and method used, the following stages in the procurement of services must, in addition to any DP approval, be reviewed and approved by the PRC:

- The method of procurement (where it differs from that set out in the procurement plan)
- EOI evaluation and shortlist
- The Request for Proposals
- The Technical Evaluation
- Combined Technical and Financial Evaluation
- Draft Negotiated Contract

The approval of the MEF/DIC will usually be granted by its representative who forms part of each PRC.

For WB financed contracts, the combined technical and financial evaluation report is sent only for information and does not require any prior approval by the WB.

10.6.4 There is little difference in the processes for QBS, QCBS, FBS, LCS, CQS, and SSS - the DPs use the same standard RFP document for all types of services procurement excepting individual consultants.

10.6.5 **Quality Based Selection (QBS).** This method is appropriate when quality is the most important consideration in the selection process. It may also be used when mixed consultants from different categories (different business objectives, corporate capacity, experience and field of expertise) are expected to be shortlisted. The assignment will be advertised both nationally and internationally and a shortlist will be drawn up from those firms that expressed interest. Shortlisted consultants are then asked to submit a technical proposal, or both a technical and financial proposals at the same time, but in different envelopes and each technical proposal is ranked in terms of its technical score against a set of criteria included in the request for proposals. To guide firms in preparing their proposals the RFP will normally include either an estimate of the key-person months the assignment is estimated to take or the funds available. It is recommended that the funds available normally be indicated as this information is already in the public domain through the DP's various publications. The firm with the highest technical score is invited to submit its financial proposal (or its submitted financial proposal is used) and a contract is negotiated on the basis of the firm's technical and priced proposal. It is suitable for:

- (a) National economic or sector studies, multi-sectoral feasibility studies, design of a hazardous waste remediation plant or of an urban master plan, financial sector reforms
- (b) Assignments that have a high downstream impact and in which the objective is to have the best experts (for example, feasibility and structural engineering

design of such major infrastructure as large dams, policy studies of national significance, management studies of large government agencies

- (c) Assignments that can be carried out in substantially different ways, such that proposals will not be comparable (for example, management advice, and sector and policy studies in which the value of the services depends on the quality of the analysis).

- 10.6.6 **Quality and Cost Based Selection (QCBS).** This is the standard form of procurement of services and with the exception of those circumstances where QBS has been approved by the DP and MEF/DIC. QCBS should be employed for all services procurement other than those approved to use another method. It is advertised both nationally and internationally and a shortlist is drawn up. Quality will be evaluated in the same manner as QBS, i.e. each of the technical proposals will be ranked against the criteria listed in the RFP. There will also be a financial weighting assigned of which shall normally be 20 marks, the balance of 80 marks being available for the technical marks. In exceptional cases 30 marks may be made available for the financial weighting when the consulting assignment is very simple. For highly complex assignments 10 marks may be available for the financial weighting – both of these instances require the prior concurrence of the DP. After the ranking (evaluation of quality) is complete and the DP's no objection is obtained, if required by specific project agreements, a public opening is scheduled and the firms representatives invited to attend. At this public opening the firm's technical scores are announced and their financial proposals (which will have been held still sealed in a secure location) are opened and their financial proposals are read out. After the opening of financial proposals they are checked for errors and an overall technical and financial score determined for each of the proposals. That with the highest score is the one recommended to be invited to negotiate a contract and will be awarded the contract if the contract negotiation is successful.
- 10.6.7 When it is expected that the shortlist will be made up of only national consultants unless the DP approval is given for the use of the National Standard Document that can be found at Annex IV, the QCBS process above will be followed and Standard RFP of the DP used. The request for expression of interests (REOI) only needs to be advertised in national newspapers, but must also be placed on the DP's website.
- 10.6.8 **Fixed Budget Selection (FBS).** The assignment is advertised both nationally and internationally (depending on its value, if it is below the threshold stated in Annex III, it may only be advertised nationally). A shortlist is drawn up of those that express interest and the RFP is sent to them. The RFP will disclose the budget available and firms will be invited to submit their best technical proposal within that budget. The technical proposals are then evaluated as with QBS and QCBS. After the technical evaluation is completed and no objection (NOL) obtained from the DP, where necessary, there is a public opening of the financial proposals only from those firms who received the minimum required score for the technical

proposal. Again these proposals will have been held sealed at a secure location. At the opening the firms' technical scores are announced and financial proposals opened. All firms that are above the stated budget are rejected; the firm with the highest technical score and within budget is invited to negotiate a contract. This method of selection is appropriate when the services are straightforward and the budget is fixed.

10.6.9 **Least Cost Based Selection (LCS).** This method is suitable for very well defined and standard consulting services such as standard audits and engineering design of non-complex works where well-established standards already exist. The request for expression of interest is advertised nationally and internationally (on the DP's website(s) including UN Development Business online (UNDB online) for WB financed contracts) and a short list is drawn up. The RFP will establish a minimum technical qualifying mark. The proposals are then evaluated and all those who do not reach the minimum qualifying mark are rejected. The remainder has their financial proposals opened in public and a contract is negotiated with the lowest evaluated cost consultants.

10.6.10 **Consultants Qualifications Selection (CQS).** This method can be used for small and simple assignment where the estimated contract value is below the threshold specified in Annex III. An advertisement is placed nationally (and on the DP's website(s)) calling for expressions of interest with detailed information on the consultants' experience and competence relevant to the assignment. The best-qualified and experienced firm shall be selected. Only the selected firm shall be asked to submit a combined technical and financial proposal and, if such proposal is responsive and acceptable, will be invited to negotiate a contract. Both technical and financial aspects of the proposal may be negotiated.

10.6.11 **Single Source Selection (SSS).** This method of procurement is recognized by some DPs such as the ADB and WB, and it requires the express prior no objection of the DP and MEF/DIC before it is used. This type of procurement can also be used to select and hire individual consultants. It is not common and should only be used in exceptional circumstances as it does not have any competitive element to it and it is not transparent. The circumstances where it may be appropriate are:

- For tasks that represent a natural continuation of previous work carried out by the firm,
- In emergency cases, such as in response to disasters and for consulting services required during the period of time immediately following the emergency, or
- When only one firm is qualified or has experience of exceptional worth for the assignment.

10.6.12 **Individual Consultant Selection (including individual consultants from a firm).** This will require advertising in a national newspaper. The evaluation and selection of the individual will not involve a proposal (either technical or financial) but will be based on the assessment of the individuals capability,

judged on the basis of academic background, experience, and, as appropriate, knowledge of the local conditions, such as language, culture, administrative system, and government organization. Typically the individual is asked to submit a CV which is used to carry out the assessment. The individual judged best qualified from a minimum of three consultants qualified to carry out the assignment will then be invited to negotiate a contract based on the Individuals Contract Form shown at Annex V. The evaluation will be carried by the CEC which will be reviewed and approved by the PRC.

- 10.6.13 Recruitment of general services staff like drivers and cleaners is not governed by the procedures for the selection of individual consultants but will follow the relevant administrative procedures used by the Government. Interview and final selection will be carried out by the Minor CEC for the project.

10.7 Procurement Process Thresholds

- 10.7.1 Different DPs (for example ADB and WB) set different thresholds for the types of procurement method used. These are separate from both the prior review thresholds and the thresholds for PRC discussed in Section 9 of this Manual and outlined in Annex III. The project documents will all have procurement thresholds which dictate the method of procurement dependent on the estimated value. Generally speaking they will follow the amounts set out in Annex III.

10.8 Selecting the Right Bidding Documents

- 10.8.1 For the purposes of this section the term bidding document also includes services documents (RFPs). The first task is to determine what it is we are actually setting out to procure, i.e. is it goods, works or services as each have their own specific bidding documents? This is normally but not always a very simple task – for example when does the procurement of goods with an element of installation services cease to be the procurement of goods and become the procurement of works? There is no definite answer; however, the simplest way to answer the question will usually be who do I expect to bid – suppliers, contractors, or consultants? Some DPs have their own rules which must be followed. Depending on the answer, it may be possible to identify the procurement as goods, works or consulting services. However the Project Procurement Plan will provide this information.
- 10.8.2 The next issue to address the estimated cost of the procurement. If the procurement is over the thresholds stated in Annex III in the case of the ADB or the WB assisted projects, the use of their Goods/Works ICB document or RFP is mandatory. There are a number of options for works ICB, especially high value complex works (see Section 5.5) – each of the standard bidding documents should be assessed to see which one is the most suitable.
- 10.8.3 If the funding is from the WB for medical supplies, textbooks or IT systems, their standard ICB bidding documents for such procurement should be used. For the

same commodities funded by the ADB, consideration should also be given to modifying the WB documents to meet with the ADB guidelines. This should be only undertaken in consultation with the ADB. In all cases, the DP's standard documents, if they exist, must be used either in its standard or modified form.

- 10.8.4 If the procurement is for goods or works and the value is below the thresholds stated in Annex III, the use of the Standard National Competitive Bidding Documents shown in Annex IV a – Goods NCB, Annex IV c, Works NCB is mandatory.
- 10.8.5 For estimated values below the thresholds stated in Annex III for goods or works the shopping documents shown in Annex IVb and IVd respectively should be used.

11 PACKAGING OF PROCUREMENT AND BIDDING STRATEGY

11.1 Definitions:

- A procurement lot is an item or number of similar items that are collected into one lot for the purpose of letting one single contract
- A procurement package is composed of a number of lots – that are similarly grouped together to be treated as one procurement exercise (included in the same bidding document).

11.1.1 For example, if the requirement is for the building of ten rural health centers scattered throughout the country it would be sensible to divide the ten centers into individual lots so that small contractors near the location of the proposed center will be able to offer. The ten centers are the package and the lots are each center individually.

11.1.2 The identification of lots and their packaging is only generally used to refer to goods and works procurement, however it can be applied in part to the procurement of consulting services if we regard each output of a set of terms of reference as an individual item then the integration of these outputs into a single term of reference becomes the lot or phase.

11.1.3 The identification of procurement requirements will normally come about in one of two ways. The first and simplest is through the project or loan documents. The Government along with the DPs will have undertaken a comprehensive appraisal of the project in advance of the project being agreed and financing identified and made available. This appraisal will, in most circumstances, have already identified most or all significant procurement requirements. The second and less common way is for the requirements to flow from implementing agencies – such as livelihood projects where the appraisal documents will have identified the requirement in a general sense but not specific items.

11.1.4 Once a requirement has been identified a decision needs to be on the most appropriate bidding strategy. Where all the items to be purchased are of a similar nature (e.g. similar types of furniture or a small number of simple works in close proximity etc.) it may prudent to form them into one lot.

11.1.5 However, the items to be purchased may include a wide range of different items such as office equipment and vehicles. In this instance it is practical to divide the items into separate lots as each of the groups is fundamentally different. Each is likely to attract competition from specialist suppliers; also each will attract differing contractual terms and conditions..

11.1.6 Combining and separating items for inclusion in single or multiple bidding exercises is called packaging items into biddable lots.

11.2 Packaging Items into Biddable Lots

- 11.2.1 The following general rules should be followed when packaging and separating items into biddable lots.
- (a) Items that are to be procured by the same procurement method may be allocated to the same bidding exercise.
 - (b) Items that are subject to the same conditions of contract may be allocated to the same bidding exercise.
 - (c) Items that are ready for procurement at the same time may be allocated to the same bidding exercise.
 - (d) Items of a similar nature or that are for delivery to the same end-user may be allocated to the same bidding exercise.
- 11.2.2 Breakdown of items in biddable lots. Once that it has been decided which items will be procured under a procurement exercise, it is then necessary to decide the contracting strategy. Should bidding result in one or many contracts? Should each item be contracted separately?
- 11.2.3 Lots are always to be packaged so that they attract the maximum of competition. Desegregation into small lots to avoid procurement process and review thresholds is strictly prohibited. Also artificially consolidating of lots to avoid delegation to decentralized units is prohibited.

11.3 Contracting Strategy

- 11.3.1 For a bidding exercise it is necessary to determine how many lots⁴ there will be. For example, in the case of a competitive bid:
- Option 1 - Each item to be evaluated and compared with other bids separately and hence recommended for contract award separately; or
 - Option 2 - All items to be grouped together to form one complete Lot that will be awarded to one bidder to form one complete contract; or
 - Option 3 - Similar, or low-value items, to be grouped together to form several Lots that will each be awarded as separate contracts.

There are advantages and disadvantages to each of the above strategies.

- 11.3.2 **Option 1 - Separate Contracts for each Item** This will probably result in many contracts causing a high management and administration cost. However, as each item will be compared separately, the lowest overall procurement spend may be achieved. Furthermore, as each line item will be technically evaluated separately, the comparison may be of only those items that are fully compliant with the required specification, e.g. evaluators will not have to reject an otherwise competitive bid if it fails to offer or meet the requirements of one item.

⁴ A Lot is a group of items that will be evaluated and contracted as a group.

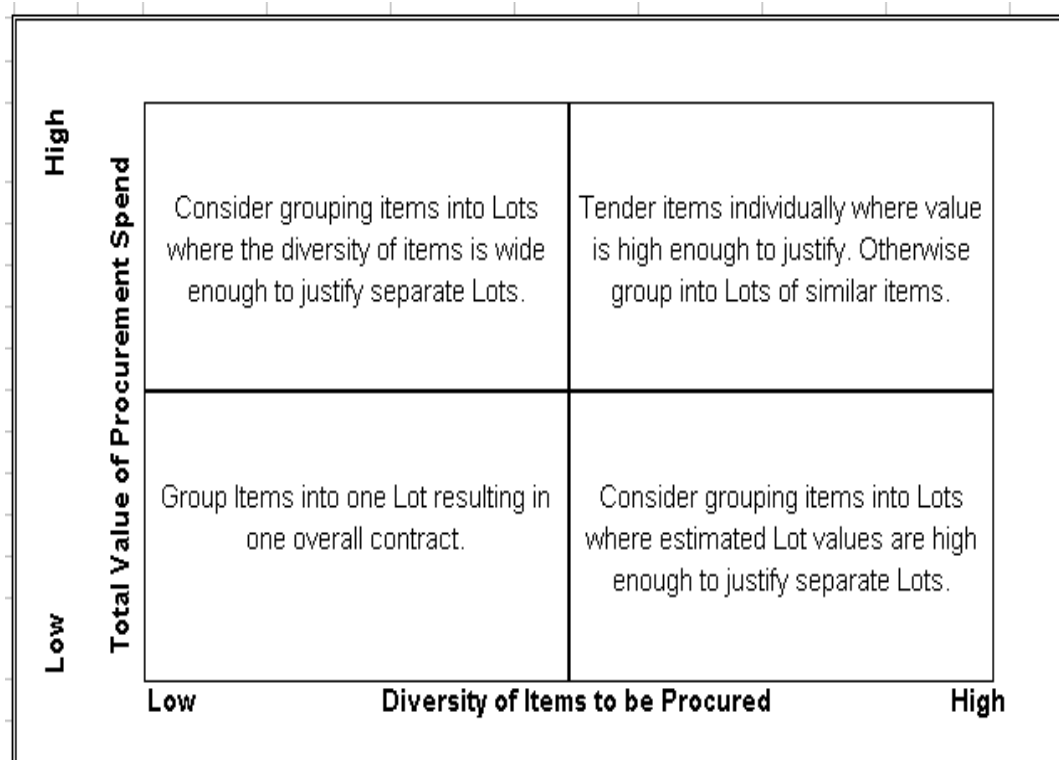
- 11.3.3 **Option 2 – One Contract** This will achieve the minimum management and administration cost as only one contract will be placed. However, if the items are too dissimilar this option will attract trading houses (non-manufacturers) that specialize in supplying many diverse items after adding a premium. For this reason, it will probably result in the highest overall procurement spend. Furthermore, the Purchaser or Client may also have to accept items that are not fully compliant with the required technical specification, as it is unlikely that one bid will include a fully responsive offer for each item.
- 11.3.4 **Option 3 – Several Contracts grouping like Items** This is a compromise of the above two options and is likely to be the most appropriate option in the majority of cases.

11.4 Decision Criteria

11.4.1 The criteria for deciding upon the most appropriate contracting strategy shall include the following:

- Total value of procurement spend
- Diversity of items to be procured.

This is demonstrated in the following diagram



11.4.2 Other criteria which may need to be considered are as follows:

- Technical complexity of items to be procured;
- Speed of delivery required;
- After-sales servicing requirements;
- Competitiveness of supply market.
- Critical Milestones especially if the procurement is part of a larger project plan (e.g. supplies for a hospital)

12 PLANNING FOR PROCUREMENT

12.1 Mandatory Procurement Plans

- 12.1.1 The next step after identifying a requirement and forming the requirement into lot(s) is to draft a specific procurement plan.
- 12.1.2 During the processing of a Project, a Project Procurement Plan (PPP) is prepared by the project preparation team with the assistance of the DP. This can be found in both the Project Appraisal Report/Document and the Project Administration/Implementation Manual. DPs like the ADB and WB require the preparation of the PPP for the first 12 to 18 months of the project implementation period. The PPP is agreed between the DP and the RGC (Borrower) during loan negotiations. The requirement for a PPP is mandatory and no procurement can commence unless it is shown in the approved PPP.
- 12.1.3 The PPP is generally updated as and when necessary, including during project review missions undertaken by the DPs. There are times when an approved PPP needs to be amended due to changed circumstances. All updated PPPs require the approval of MEF and DP. It is the responsibility of the Procurement Officer to ensure that they are prepared and the Project Manager to ensure that they are issued to the following:
- (a) The Project Director
 - (b) The Project Manager
 - (c) MEF/DIC representative
 - (d) DP representative
- 12.1.4 The reasons for creating and managing procurement on the basis of pre-prepared plans are:
- They enable PMUs to effectively manage and track procurement.
 - They can be used to report to end-users.
 - Procurement can be tracked back from the delivery date required ensuring that procurement activities start at the right time.
 - Once procurement is planned managers can manage limited cash resources.
 - They show peaks and troughs of work so that managers can assign appropriate resources.
 - They identify delays and weaknesses in procurement that can then be eliminated or strengthened.
- 12.1.5 The template of the PPP and the information contained therein are shown at the end of this section of the Manual.

12.2 Specific Procurement Plans

- 12.2.1 In order to create a meaningful Project Procurement Plan, each procurement package must have its own Specific Procurement Plan.
- 12.2.2 To prepare a Specific Procurement Plan (SPP) the Procurement Officer will first need to analyze each step in the procurement process specific to the Project. An indicative list of steps in the procurement process and samples of SPP are set out in the following pages.
- 12.2.3 Updating and using the SPP. The SPP shows the estimated or planned dates for completion of each task in the procurement process. It is fairly common for plans to need revision at various times in the procurement process as tasks will often be completed either earlier or later than originally planned. This has a knock on effect on all subsequent tasks and ultimately the delivery of the goods, works or consulting services. E.g. if there is a delay in the issue of a bidding document to bidders we cannot simply reduce the time allocated to the other tasks or impose an un-realistic delivery period on bidders. Therefore the SPP will need to be updated regularly to reflect the overall impact of a delay.
- 12.2.4 The actual date for commencing the task should be input into the actual/revised start and finish dates fields. The revised date is one that has not yet happened but has been changed from the original plan because an earlier task has been completed earlier or later than originally planned. The template of an updated SPP is shown at the end of this Section of the Manual.
- 12.2.5 Different methods of procurement and different values of procurement require greater and lesser time periods for each stage of the procurement process depending on value and complexity. Guideline time periods based on the method of procurement and what is being procured (goods, works or consulting services) are contained in Annex I d. In developing the time frame for various procurement activities in the PPP and SPP, the time guideline should be used.
- 12.2.6 Once the SPP is prepared for each procurement package on the project (or estimated number of packages if the exact procurement profile is uncertain) all active procurement packages must be updated on a monthly basis. An active procurement package is one for which a specific requirement has been identified. In some instances the requirement will be identified in the loan or credit agreement in advance of project start up, in others the project itself will identify the requirement. There is no requirement for submission on an SPP as this is only used by the EA/PMU to make the necessary updates and revisions in the PPP and the Procurement Monitoring and Tracking Form, which is further discussed in this Section of the Manual.

12.3 Updating Project Procurement and Monitoring.

- 12.3.1 Once the SPPs have been prepared, the PPP will be updated by using the required information provided in the SPPs.
- 12.3.2 A Procurement Monitoring and Tracking Form (PMTF) is used to monitor the progress of all procurement activities in a Project. A template of PMTF is provided in Annex 1 d. The first four columns of PMTF represent the description of the planned procurement packages, the method of procurement, and the need for prior or post review of the DP and the estimated cost respectively. The fifth column contained three dates, namely the Planned, Schedule and Actual Dates. The Planned Date is original date as planned and shown in the SPP; the Schedule Date is the date shown in the updated SPP and Actual Date is the date on which the activity was completed. All the procurement activities/tasks are shown in the horizontal headlines. Once the planned procurement is input into the PMTF it is never changed, as the main point of the PMTF is to show actual progress against the original plan. The PMTF therefore shows the real time progress of all the active procurement under a Project. The PMTF must be maintained and updated on a monthly basis by the Procurement Officer with the assistance of a full time procurement assistant, if any.
- 12.3.3 The PMTF is a mandatory requirement and must be submitted to EA, MEF/DIC and the DP on a quarterly basis. In addition, it must be provided to the PRC every time the PRC meets to consider an evaluation report and approve a recommendation for award of a contract. In the absence of the submission of an updated PMTF together with the evaluation report the PRC will not be able to convene a meeting to consider and approve the recommendation for award of contract.
- 12.3.4 Note that when the agreement has been reached on the PPP or updated PPP with the DP, the DP will publish it on their website. The EA should also publish the PPP on their website. Annual updates to the PPP must be approved by MEF/DIC at the time of submission of the Annual Budget and Work Plan. Any changes to an agreed PPP will also need the prior approval of the MEF/DIC,

12.4 The Basics of Procurement Planning

- 12.4.1 Identify each step in the procurement process. The first stage in preparing any procurement plan is to identify each step in the procurement process in advance. Procurement can be broken down into four main stages as follows.
- (a) Preparation
 - (b) Bidding
 - (c) Evaluation, and
 - (d) Contracting

- 12.4.2 The specific procurement plan templates contained in Annex I d of this Manual offers users a generic list of procurement actions. However users should take care that these templates are modified to suit their own project. Each project is unique and may have additional tasks that are not included in the templates.
- 12.4.3 Estimates of Task Durations. The time periods quoted shown in the templates are simple estimates of how long a task might take. When preparing the SPP the user should consider the complexity of what is being purchased, the value and the method. For example, for large turnkey civil engineering procurement the time allowed for preparing technical specifications or scopes of work should be much longer than a simple farm to market road. Both the PRC and the DP for complex and high value procurement should allocate greater time for review.
- 12.4.4 Experience will provide solid data on which to base estimates, therefore users should update the estimates and their own templates for each of the tasks identified to reflect the actual time taken at their location.
- 12.4.5 Plan for when the inputs are required. Assuming an academic year (school year) starts in June, and we are buying textbooks, and we know that the ICB procurement cycle takes ten months. The books should be delivered to school sites before they are needed, e.g. before June as textbooks are designed for use over a complete academic year. Assuming that the delivery period required is two months, then the commencement date should start at least 12 months before the June.
- 12.4.6 We also need to consider the delivery site. The ultimate delivery point is the school irrespective of who is undertaking the final delivery. During vacation period, say for the six weeks before June, many schools are closed with no one available to receive goods. The deliveries should be planned so that they arrive during school time unless exceptional arrangements for receiving goods have been made in advance.

12.5 Planning Templates

The sample Templates for the PPP, SPP, and the PMTF are provided in Annex 1 d of this Manual. These templates should be used by PMU/PIU/IA/EA.

The following formats are provided only to illustrate the preparation of the revised SPP and PPP.

Specific Procurement Plan, PMO Office Equipment PMO 1 as at January 2011						
Procurement Method		Estimated Amount		Contract Value		
Activity	Responsibility	Duration	Planned Start	Planned Finish	Actual Revised Start	Actual Revised Finish
Requirement Identify	Project as a whole	0d	03-Jan-11		03-Jan-11	
Draft Bidding Document	Procurement Officer	2w	03-Jan-11	17-Jan-11	03-Jan-11	17-Jan-11
Prepared Technical Specification	Procurement Officer	2w	07-Jan-11	17-Jan-11	07-Jan-11	28-Jan-11
Received Bid Document			17-Jan-11	24-Jan-11	28-Jan-11	07-Feb-11
IDA Review	IDA	1w	24-Jan-11			08-Feb-11
Issue Advertisement	Procurement Officer	2w	08-Feb-11			
Copy Lead Time	Newspaper	3w	08-Feb-11	28-Feb-11	21-Feb-11	14-Mar-11
Bidding Period	Procurement Officer	4w	03-Mar-11	04-Apr-11	24-Mar-11	24-Apr-11
Evaluation Period	Procurement Officer	3w	24-Apr-11	26-Apr-11	26-Apr-11	06-May-11
Committee Review	Procurement Committee	2w		03-May-11	10-May-11	13-May-11
IDA Review	DA	2w		12-May-11	19-May-11	24-May-11
Notification of award issued	Procurement Officer	2d		26-May-11	07-May-11	31-May-11
Contract Finalized	Procurement Officer/supplier	1w		06-Jun-11	13-Jun-11	16-Jun-11
Letter of Credit Establish	Procurement Officer/Finance	2w		16-Jun-11	28-Jun-11	30-Jun-11
Make Advance Payment	Procurement Officer/Finance	1w		08-Jul-11	12-Jul-11	18-Jul-11
Delivery period	Procurement Officer/supplier	8w		18-Sep-11	20-Sep-11	29-Sep-11
Inspection and Acceptance	Inspection Committee	1w		29-Sep-11	06-Oct-11	13-Oct-11

This is the end of the time line for 'Planned', so the line should be shown as of 3 Jan to 28 Sep.

This is the start of the time line for 'Actual/Revised'

This is the end of the time line for 'Planned', so the line should be shown as of 3 Jan to 28 Sep.

This is the end of the time for 'Actual/Revised', so the time line should be shown as of 3 Jan to 28 Sep.

12.5.1 The sample Project Procurement Plan on the following page shows how a Specific Plan is summarized on the PPP.

Project Procurement Plan

Pre-Implementation Period under the PPF Advance of Project

[illegible]

Start Date:									
-------------	--	--	--	--	--	--	--	--	--

Project Manager:								
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Procurement Officer:								
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I. Goods and Works

[illegible]

13 PREPARING SPECIFICATIONS AND TERMS OF REFERENCE

13.1 The Technical Specification

- 13.1.1 The “Technical Specifications” is the section of the Bidding Document that communicates to the prospective bidders the Project’s exact requirements with regard to each item to be supplied or works to be completed. The Technical Specifications section should include a full commentary of the intended use of the items as well as a list of all the required attributes, variables and parameters.
- 13.1.2 Specifications must as open as possible, i.e. so that they attract the widest possible competition, however they must not be so open that the required standards of workmanship, materials, and performance of the goods, works and consulting services are compromised.
- 13.1.3 A Technical Specification can simply be described as one or more of the following:
- A statement of attributes of a product, a service or a process;
 - The communication of a requirement;
 - A means which enables the “like-for-like” comparison of bids;
 - A description of the required performance.

13.2 Preparation of the Technical Specifications

- 13.2.1 A Technical Specification is used to communicate to prospective bidders the Project’s exact requirements with regard to each item to be supplied. Unless a Two-Stage Bidding strategy is being followed – see relevant section of this Manual) a conformance specification is usually used for this purpose.
- 13.2.2 Where the required level of technical expertise resides within the Project staff, such as the technical officer or consultants, they will be responsible for preparing the specifications. If there is no expertise in the Project for the particular goods, works, general or consulting services being procured the project should first approach their MEF/DIC counterparts to establish if other Projects have purchased similar items and if they have, consider using these specifications modified accordingly. If the MEF/DIC are unable to assist the Project, with the agreement of the MEF/DIC and DP should consider the hiring of a consulting firm or individual to draft the specifications bearing in mind that the consultant should also be retained to assist with the technical aspects of the evaluation.
- 13.2.3 When Preparing, and checking the technical specifications, the following should be born in mind:

Completeness

- 13.2.4 Where applicable the specification should include:
- (a) a full commentary of the intended use of each item;
 - (b) the required performance; and
 - (c) a full description of all the required attributes, variables and parameters (including local operating conditions).
- 13.2.5 Where appropriate, drawings, including site plans should be attached to the specifications

Clarity

- 13.2.6 Precise and clear specifications will allow bidders to respond accurately, realistically and competitively to the requirements without disqualifying their bids.

Competition

- 13.2.7 Care must be taken in preparing specifications to ensure that they are not unnecessarily restrictive to competition.
- 13.2.8 In the context of competitive bidding, the specifications must be drafted to permit the widest possible competition.

References to Brand and Trade Names

- 13.2.9 References to brand names, catalogue numbers or similar classifications should be avoided whenever possible as they potentially limit competition. When there is no other alternative to clarify an otherwise incomplete specification, the words "or equivalent" must be added after such reference.
- 13.2.10 When the specifications refer to trade or brand names the bidding document and specification must make it clear that the purchaser or employer will accept items that have similar characteristics and which provide performance at least substantially equivalent to those specified.

13.3 Format of the Technical Specifications

- 13.3.1 The Technical Specification for goods, works and associated services should follow the format shown on the next page:

Technical Specification Format

- (a) The left-hand column to specify the item number
- (b) The middle column to specify the technical specification

- (c) The final column to be left blank. The bidder shall be required to make a compliance statement, in this column, against each line of the technical specifications.

Item	Specification	Statement of Compliance
		* Bidders must enter hereunder 'comply' or 'Non-comply' against each paragraph of this specification, comment as necessary on non-compliances, and sign and stamp each page.
1)	<i>Item 1 specification to be inserted here.</i>	
2)	<i>Item 2 specification to be inserted here.</i>	

13.4 Standards

- 13.4.1 When standards are used, as they will need to be especially in the case of works contracts, the specifications must present a clear statement of the required standards of workmanship, materials, and performance of the goods, works and consulting services to be procured. Metric units should be used whenever possible
- 13.4.2 Recognizable and accessible standards for equipment, materials, and workmanship, recognized international standards should be used as much as possible, such as those issued by the International Standards Organization (ISO). National standards, unless they are substantially equivalent to international standards, should not be used When they are used, both the national and international standard should be included in the specification but it must be absolutely clear which provisions from each standard apply to the particular procurement..
- 13.4.3 When any standard is used, the specifications should state that equipment, materials, and workmanship that meet other authoritative standards, and which ensure at least a substantially equal quality to the standards mentioned, will also be acceptable.

13.5 Latest Technology (when applicable)

- 13.5.1 The specifications should always state that all goods and materials to be incorporated in the goods be new, unused, and of the most recent or current models.
- 13.5.2 The specifications should incorporate all recent improvements in design and materials unless provided for otherwise in the contract. The two statements are incorporated in the standard warranty clause in the GCC of the ICB documents.

13.6 Samples

- 13.6.1 For certain items (e.g. printed items, uniforms) it may be appropriate to send the bidders a sample of the item(s) to be procured. This is sometimes the best way of achieving exact compliance with the specification.

13.7 Types of Technical Specification

Conformance Specification

- 13.7.1 A Conformance Specification is usually the most appropriate type of specification. It does offer both advantages and disadvantages as can be seen below:

<i>Conformance Specifications</i>	
<i>Advantages</i>	<i>Disadvantages</i>
<i>Comprehensively communicate the requirement;</i>	<i>Can be extremely lengthy and detailed, and therefore time-consuming to prepare, if they are to fully communicate the requirement;</i>
<i>Makes bids easier to evaluate and compare;</i>	<i>Do require the Project to undertake all of the design work.</i>

Performance Specification

- 13.7.2 A Performance Specification is a description of the required use and performance of an item without the inclusion of a full description of all the required attributes, variables and parameters (i.e. as is included in a conformance specification). The characteristics of a performance specification are:
- 13.7.3 Performance Specifications are usually used in Two-Stage Bidding where bidders are first asked to submit un-priced technical proposals based on a performance specification. These are reviewed and second stage priced bids invited on the basis of an agreed specification with each bidder. See the relevant section in this manual.

<i>Performance Specification</i>	
<i>Advantages:</i>	<i>Disadvantages</i>
<i>They encourage innovation, which will enhance the bidder's ability to provide innovative solutions that offer added value (and quality) and save the Government both time and cost, in both the short and the long term</i>	<i>Make bids more difficult to evaluate and compare (unable to compare like with like) and can introduce subjectivity into the evaluation process.</i>
<i>Require the bidder to undertake all design work.</i>	

13.8 The Terms of Reference for Consulting Services

13.8.1 As stated above consulting services are distinct from both goods and works in that they present different challenges when we try to quantify them. Instead of using a specification, "Terms of Reference" are used. Terms of reference are broken down into seven standard parts:

- (a) Background,
- (b) Objectives,
- (c) Scope of the Consulting Services,
- (d) Training (when appropriate),
- (e) Outputs and Time Schedule,
- (f) Reporting Requirements, with detailed lists and timelines of report submission dated; and
- (g) Data, Local Services, Personnel, and Facilities to be provided by the Client.

Each of these aspects will now be described in greater detail in the following sub-sections:

13.8.2 The **background** should describe the circumstances and the environment in which the consulting services are required. For example the terms of reference to draft a procurement manual for Cambodia will first outline the current challenges facing the procurement process in Cambodia which might include a brief history of the UN transitional administration and the subsequent elected administrations. Then go on to describe the Government's procurement policy, MEF/DIC's overall role in procurement and the DP's current involvement.

- 13.8.3 The background should also mention the source of funds for the particular assignment. If other prior assignments of a similar nature have already been completed then the outputs of that assignment should be used as inputs to the new assignment. For example, specific reference should be made to the prior assignment if the TOR or other recommendations are relevant to the new assignment (if the document is available on the web, simply refer to the website). A sample introduction can be seen in the following example:

1. Background

The Royal Government of Cambodia (the RGC) has received a grant from the International Development Association (IDA) for Project Management Capacity Building. It is intended to apply part of these funds to the recruitment of an experienced international procurement consultant (the Consultant) to prepare a manual of Project Procurement Management (PPM) which will be incorporated in a manual of Standard Operating Procedures (SOP) which is being prepared by another consultant under separate Terms of Reference (TOR).

At present the projects that are being financed by ADB, the World Bank and other International Financial Institutions (IFIs) use different procurement manuals and procedures for each project financed by the agencies.

The need for a single procurement manual was identified in the recent Country Procurement Assessment Report prepared jointly by the ADB and WB. This CPAR will prove a useful reference point to the consultants undertaking the assignment

- 13.8.4 **Objectives.** This is what we expect the assignment to achieve. To use the example of a procurement manual for Cambodia again, the objectives could be to improve procurement performance through the provision of a comprehensive step-by-step guide to the procurement process. Also to further develop procurement capacity by developing training materials based upon the content of the procurement manual.

2. Objectives

The overall objective of these TORs is to improve upon project procurement performance through the design of a standard manual of Project Procurement Management which will be used by all externally funded projects. The procurement capacity of the projects will also be increased by the design and delivery of procurement training based upon the final version of the manual.

- 13.8.5 **Scope of the Consulting services.** This section will describe the specific areas that we expect the consulting services to address. It is important to be as precise as possible in this section as the information it contains will indicate to the consultants how much effort or person days the assignment is expected to take.

3. Scope of Work

The consultant is required to refer to, and become familiar with, all relevant RGC laws and implementing rules and regulations that relate to public procurement and also donor procedural guidelines on procurement. The Consultant will be required to undertake a number of presentations and training sessions to ensure that RGC staff who are involved in procurement activities on externally funded projects are able to effectively utilize the PPM manual in their specific projects. To this end, he/she will develop a short-term and long-term training program together with the training materials for the programs

- 13.8.6 **Training.** Often training will form an important aspect of the assignment and it is important to list and quantify what training is expected to be delivered from the assignment. Some assignments will not include training – for example audit services will not. Whenever possible it is always preferable to have a large training component (but never so that it detracts from an assignments focus on its overall objectives). The reason for this is that it will increase the skills and knowledge within Cambodia decreasing the levels of long term dependence on expensive foreign consulting firms and individuals.

4. Training

For the duration of the assignment the consultant will be assigned two counterparts. The consultant will train these counterparts throughout the development of the manual ensuring that they become familiar with all aspects of it so that at the end of the assignment the counterparts can take ownership of the manual and continue with its development over time.

In addition to the training of the counterparts the consultant will also be required to develop training materials based upon the manual and deliver two one week courses to procurement staff in the Project Management Units in workshops of 30 delegates each.

- 13.8.7 **Outputs and Time Schedule.** The outputs of an assignment are normally quantified by documents, often inception, monthly and final reports coupled with specific reports that contain recommendations. In the case of the example we are using the key output (or deliverable) a procurement manual. Ensure that the outputs are quantified as precisely as possible as it will make the resulting contract much easier to manage. The time schedule for relatively straight forward assignments such as the one used as an example are fairly easy to set down. More complex assignments that involve various stakeholder and client approvals beyond the direct control of the consultants have to allow more time. However the mechanisms for managing these more complex timelines can be dealt with through contractual conditions

5. Outputs and Time Schedule

Within the first two weeks of the assignment the consultants shall produce a work plan (inception report) outlining the scheduled activities under the assignment.

At the end of the first month of the assignment the consultants will issue a draft manual for project procurement management for stakeholder review and comment.

Within two weeks of receiving the stakeholders comments the consultants shall issue a final draft manual addressing the comments made by the stakeholders.

Concurrent to the preparation of the final draft manual the consultants shall develop training materials based on the draft for presentation, review and acceptance of the MEF/DIC

With the assistance of two MEF/DIC counterpart staff the consultant shall deliver two workshops of five working days duration to procurement and project management staff from the PMUs

- 13.8.8 **Services and Facilities to be Provided by the Client.** This section will deal with what, if anything, will be provide by the project or Government to the consultants to assist them in delivering the assignment. There is always a temptation to place the entire responsibility with the consultants. This should be avoided whenever possible as consultants, especially international ones will be unaware of the local conditions and are likely to estimate costs on the higher side to cover all eventualities therefore increasing cots of the overall assignment. The more the project can support the consultants the better, however when specifying the services and facilities that the client will provide always make sure that they are actually available – if they are not, or are not available when required, there is a danger that a number of expensive consultants could sit around doing nothing or at least not working as effectively as they could.

6. Services and Facilities to be provided by the Client

The Client shall make available office accommodation with air conditioning, administrative equipment (computer, printer, photocopier, fax machine, email and internet connection) and office supplies.

The Client will meet all international communications costs associated with the assignment.

The Client will provide official transportation between the consultant's residence in Phnom Penh and the offices of MEF/DIC for any other official travel necessary during the course of the assignment.

The Client will provide a suitable venue (and refreshments) for the delivery of the assignment and reproduce the training materials for distribution to delegates

- 13.8.9 The example of the terms of reference for preparing a procurement manual is a fairly simple one, however it does indicate the way that the terms of reference should be structured irrespective of the complexity, duration and scope of any assignment.

13.9 Guideline Principles on the Preparation of Cost Estimates

- 13.9.1 **Importance of Quality Cost Estimates:** The reliability of project cost estimates at every stage in the project development process is necessary for responsible fiscal management. Unreliable cost estimates result in severe problems in programming, budgeting, and planning. It is therefore very important to prepare accurate cost estimates for procurement packages under the project.
- 13.9.2 **Prepare Reasonable Cost Estimates.** Estimating is not an exact science; however, estimators are expected to prepare reasonable cost estimates that represent the market conditions at the time of the preparation of the estimates and projected to include likely adjustments that may be needed at the planned time of bidding.
- 13.9.3 Cost estimates must be thoroughly compiled by diligently using all of the available data, modifying that data with good judgment and using past cost estimating experience so that the cost estimates can be used with confidence. Coordination between the project planning cost estimates, the project design cost estimates, and the specifications and policies that will be in place during the implementation of the project is required.
- 13.9.4 **Cost Estimates are not static:** Cost estimates, in a sense, are never completed. They are not static, but have to be reviewed continually to keep them current. The

Project Manager will ensure that the project cost estimates are up-to-date throughout the project development process, reviewing all project cost estimates and ensuring that the current project cost estimates are entered into the Project Management data base.. The Technical Officer will be responsible for calculating the estimates of construction contracts during the preliminary design and the detailed design stages. For goods and consulting services contracts, the Procurement Officer is responsible for the updating the estimates based on recent market rates and prices.

- 13.9.5 In procurement there are essentially three estimates- a very general estimate at time of planning of procurement, an estimate based on preliminary design and an estimate based on detailed design.

Categories of Estimating Levels

- Planning Level Estimate- Generally these estimates are developed at the time of the preparation of the Project Procurement Plan and before any design work is completed. This therefore represents a very preliminary estimate.
- Preliminary Design - These estimates are prepared during the preliminary level design work and before the detailed designs are completed. This is categorized as preliminary design (PE) estimate and is less accurate without detailed design (DD).
- Detailed Design Estimate -This is categorized as detailed design estimates when detailed design is available. This therefore, represents the most reliable estimate.

14 PREPARING THE BIDDING DOCUMENTS

14.1 Introduction

- 14.1.1 The basic method for preparing a bidding document is the same irrespective of which document is selected (see Section 10.8). Each document has a number of sections that are to be used un-amended and each has sections and data sheets where the project and procurement specific details are input.
- 14.1.2 For all forms of ICB procurement, including selection and recruitment of consultants, users should refer to the notes contained on the draft documents and the user guides published by DPs. The ADB and WB have their user guides for goods, works and consulting services available at their websites. For the preparing of national procurement documents, EAs/PMUs should refer to Annex II to IV for a step by step guide for completing and using the documents.
- 14.1.3 The Bidding Document (BD) or Request for Proposals (RFP) is the most important document in the procurement process. It translates requirements into specifications, bill of quantities, terms of reference and contractual conditions. It should contain all the information necessary for a prospective bidder or consultant to prepare its offer. The content, detail and complexity will vary with the size and nature of whatever is being procured and according to the procurement method selected.
- 14.1.4 The qualities, numbers, competitiveness of bids and proposals received will all rely on how effectively the bidding document or RFP communicates the requirements. If it is unclear, offers will vary significantly based on each bidder or consultant's unique interpretation rendering it impossible to evaluate the offers received in an equal and objective manner.
- 14.1.5 Where applicable, the bidding documents will define the tests, standards, and methods of inspection and assessment that will be employed to judge the conformity of equipment as delivered, or works as performed, with the specifications.
- 14.1.6 All drawings shall be consistent with the text of the specifications, and an order of precedence between the two shall be specified.
- 14.1.7 The bidding documents shall specify any factors, in addition to price, which will be taken into account in evaluating and comparing bids and proposals, and how such factors will be quantified or otherwise evaluated.
- 14.1.8 If bids based on alternative designs, materials, completion schedules, payment terms, etc., are permitted, conditions for their acceptability and the method of their evaluation shall be expressly stated in the bid documents.

- 14.1.9 All prospective bidders and consultants shall be provided the same information, and shall be assured of equal opportunities to obtain additional information on a timely basis. The project shall provide reasonable access to project sites for visits by prospective bidders and consultants and if necessary arrange for a pre-bid conference.

14.2 Instructions

- 14.2.1 The Instructions to Bidders and Consultants are intended to provide the information necessary needed by bidders/consultants to prepare responsive bids and proposals, in accordance with the requirements of the project, including information on submission, opening, evaluation and comparison and award of contract

- 14.2.2 As a minimum they should include the following information:

- A general description of the goods, works and consulting services to be purchased
- A description of the Government and the DP's policies in respect to fraud, corruption, coercion and collusion
- The scope of bids and proposals, e.g. if bidding, evaluation and contracting is to be on a per-item, per-lot or per-package basis.
- The procedures for submission.
- Dates, times and venues for submission and opening.
- The number of original and copies required.
- The validity periods.
- The procedures for contract formation.
- The method and criteria for evaluation.
- The venue, time and date of the pre-bid or proposal conference.
- Instructions for completing forms.
- Acceptable currencies and methods of conversion.
- Documentation required establishing eligibility of goods, works consultants and suppliers.
- Procedures for clarifying and amending the bidding documents and request for proposals.
- Instructions for the sealing and marking of bids and proposals.
- Details of bid and proposal modification.
- The opening procedures followed by the project.
- The projects right to vary quantities.
- Conditions for contract effectiveness.

14.3 Bid Data Sheet

14.3.1 In the standard bidding documents, the section on Instructions to Bidders is not to be amended by the purchaser. This is to save the bidders who are familiar with the requirements from having to read this lengthy section every time they bid, allowing them to concentrate their efforts during the bid period on preparing a competitive bid. The documents therefore include a Bid Data Sheet where the EA/IA can put all the changes they need to the standard requirements and the data specific to the particular procurement.

14.4 General Conditions of Contract

14.4.1 Attached to all of the Standard Bidding Documents is a standard set of General Conditions of Contract (GCC) to be used without modification for all of the Project's contracts for the supply of goods works and consulting services. The GCCs are standard and generally based on international best practises.

14.4.2 The benefits of employing one single standard set of general conditions are:

- Procurement staff will gain a firm understanding of the contract conditions.
- Contracted parties will become used to accepting standard conditions and not seek opportunities to amend contract conditions thus weakening the contract.
- Bidding documents and RFPs will be easier to compile, as a significant portion will remain the same for each and every exercise.
- The Project will be able to ensure that it has the appropriate level of contractual safeguards for each and every contract that it enters into.
- A greater degree of consistency will be introduced into the Project and Government's procurement operations.

14.4.3 These GCC should, as a minimum, contain standard clauses covering the following:

- Legal definitions
- The status of the general conditions versus other parts of the bidding document and contract document.
- The contracting parties and the DP's rights and obligations in respect to fraud, corruption, coercion and collusion
- Origin of the goods, works and services.
- The use of standards
- The Government's right to undertake or commission audits
- The supplier's obligation to treat all information received during the course of the contract in the strictest confidence.

- Indemnification of the Government by the supplier for any infringement of patent rights.
- The performance security
- The test and inspect the goods and works.
- Packing and marking of goods.
- Delivery terms.
- Insurance to be taken out.
- Transportation.
- Incidental services.
- Spare Parts.
- General warranty obligations.
- Terms of payment.
- Contract prices.
- Change orders
- Contract amendments.
- Assignment.
- Sub-contracting
- Delays in performance.
- Liquidated damages
- Termination for default.
- Termination for convenience.
- Termination for insolvency.
- Force Majeure.
- Resolution of disputes.
- Governing language
- Notices.
- Taxes and duties.

14.5 Special Conditions of Contract

- 14.5.1 GCC should always be used un-amended; however each procurement exercise is a unique one and will require specific terms and conditions that will only apply to one contract. There is therefore a clear need for a method of introducing specific clauses into the documents.
- 14.5.2 The most effective way of doing this is through the use of Special Conditions of Contract (SCC, sometimes referred to as Particular Conditions of Contract) which are used to supplement those in the GCC. The SCC takes precedence over the GCC in the event of a conflict between the two.

14.5.3 A set of generic special conditions should be employed. Users should select from the generic conditions, those that apply to the particular procurement exercise and amended to suit the particular contract. The list of clauses that should be selected from but not restricted to the following (as there may be other clauses in the GCC that may need to be amended) :

- Definitions
- Country of Origin
- Performance Security
- Inspections and Tests
- Packing
- Delivery and Documents
- Insurance
- Incidental Services
- Spare Parts
- Warranty
- Payment
- Prices
- Liquidated Damages
- Settlement of Disputes
- Governing Language
- Applicable Law
- Notices

14.5.4 In case of the ADB and the WB, the standard bidding documents and RFPs provide a guide to the sections of the GCC that may need to be amended or further clarified. EAs/PMUs should use these as a guide to prepare the SCC.

15 THE BIDDING PROCESS

15.1 The Cost of the Document

- 15.1.1 Bidding documents for ICB and NCB are normally sold to prospective bidders to offset the costs of production, Request for Proposals are issued to the shortlisted firms at no cost. The cost of the documents should be a reflection of the actual cost of production and cost of posting/delivery, when required. The following is to be used as a guide:
- For Shopping Documents, no charge.
 - For NCB 20 cents per page plus \$15 per document covering binding, advertising and distribution.
 - For ICB 20 cents per page plus \$50 to cover binding, advertising and international courier costs.
- 15.1.2 Therefore a 100-page NCB document would be sold at \$35 and a 100-page ICB document at \$70. The Project Director may, at his own discretion waive the fee for the bidding document and make it available free of charge to all who request it.
- 15.1.3 There must be two designated officers from the PMU/PIU assigned with the responsibility for sale of the bidding documents to ensure that these are available at all times after the invitation for bids is issued and one day before the deadline for submission of bids. In the event that a bidder is unable to obtain the bidding document through the EA/PMU, they may approach the MEF/DIC in writing. In such cases, MEF/DIC will write to the Project Director and/or the EA giving instructions to provide the bidding document directly to the bidder. In the event that the Project Director and/or the EA fails to provide the bidding documents in time, the deadline for submission of bids will be extended to allow for sufficient time for the bidder to prepare the bid. MEF/DIC may take other actions in the event that there is evidence that the sale of documents are purposely being restricted by the PMU/PIU.
- 15.1.4 If there are special printing requirements such as civil works drawings that cost more than 20 cents per page to reproduce, the additional cost of reproduction should also be added to the overall cost of the bidding document.
- 15.1.5 It is important that any potential bidders who wish to review the document are allowed to do so. Hence one set of the Bid Documents, marked Sample, will be made available for inspection at the place specified for buying the documents before a potential bidder makes a purchase. There are two reasons for this:
- (a) Potential Bidder's should not be forced into purchasing documents before reviewing them – if once they purchase them they find that the products are outside of their manufacturing or supply capabilities they will be reluctant to

purchase documents in the future perhaps depriving the Project of a competitive source, and

- (b) Members of the general public should be actively encouraged to take an interest in the procurement process as a means of promoting greater transparency and providing a useful check helping to ensure that the Government's procurement regulations are being followed.

15.1.6 Every time a document is sold the following data must be recorded:

- (a) The name and address of the company.
- (b) The telephone and facsimile numbers and email address (plus website if applicable).
- (c) The name of the representative purchasing the document.
- (d) The name of the contact person within the suppliers/contractors organization responsible for official communication for the bid.
- (e) The date that the document was dispatched to the supplier/contractor in the case documents is not collected in person.
- (f) The receipt number issued to the supplier/contractor.

15.1.7 This information must be collected; firstly as the inwards remittance for the sale of the document must be recorded, and secondly it may be necessary to issue bid clarifications or amendments after the document has been sold. It is also useful as it can be used by the EA/PMU to build a supplier/contractor database.

15.2 Availability of Documents

15.2.1 For international procurement of goods, works and consulting services the absolute minimum should be 42 calendar days – and longer if the assignment, goods or works is particularly complex. 42 calendar days may seem a long time especially when a project is working to tight deadlines. In reality it is not: approximately 14 calendar days have to be allowed for international couriers; in the case of civil works contractors and consulting firms, both will need to visit Cambodia to assess and address the local components of their bid or proposal. Sufficient time should be allowed for these pre bid/submission activities and the preparation of the bids/proposals.

15.2.2 The minimum for shopping should be 7 calendar days from invitation to opening when advertisement is not required and 14 calendar days when advertisement is required; for National Competitive Bidding the minimum should be 30 calendar days and the bid opening set for immediately after the deadline.

15.2.3 Forcing bidders and consultants to meet tight deadlines could deprive them of the time needed to compile and submit their best offer (as they need time to negotiate with their sub-suppliers/contractors and investigate transport and shipping costs etc.)

- 15.2.4 The date set for bid opening that will involve international firms should never be set on the first working day of the week or a day following a public holiday. The international courier companies will collect documents arriving over the weekend and public holidays but will only deliver on the first working day. If this is not taken into account there is a danger that a number of bids will be delivered late and rejected.

15.3 The Content of the Advertisement

- 15.3.1 For international procurement, EAs/PMUs must follow the Invitation for Bids (IFB) or Request for Expressions of Interest (REOI) that are provide in the DP's standard bidding documents and RFPs. The sample text for other methods of procurement is included in each of the templates that can be found at Annex IV.
- 15.3.2 To maximize free and open competition, advertising of public procurement opportunities is mandatory, and must clearly stipulate where, when and how submission of bids or proposals are to be made.
- 15.3.3 The following table summarizes the minimum advertising requirements (days are calendar days):

Advertising Requirements					
	ICB	NCB	Shopping (with ad)	Shopping (without ad)	EOIs
DP website	✓				✓
UNDB online (WB funded projects)	✓				✓
EA/PMU website (if available)	✓	✓	✓		✓
National newspaper	✓	✓	✓		✓
Minimum period between (i) appearance of advertisement/issue of Invitation for Quotations and (ii) deadline for responses	42 days	30 days	14 days	7 days	14/30 days

15.4 Clarifications and Amendments

- 15.4.1 Ideally there should be no need to clarify or amend a bidding documents or RFPs. However from time to time for a number of reasons it will be necessary to either clarify or amend a document after it has been issued to bidder/consultant. Often

it will be because a bidder or consultant does not understand a certain part of the requirement, or sometime because there is an error in the document.

- 15.4.2 If a bidder or consultant raises the issue whilst reviewing the document, or informally on the telephone, they should be instructed to put their question to the EA/PMU in writing – no answer should ever be given verbally as that will give the bidder or consultant in question an unfair advantage over the other firms or the verbal clarification may be misunderstood. In fact, as far as possible, there should be no informal correspondence with any bidder or consultant during the time for preparation of bids and proposals (and none whatsoever during the evaluation process) as this could easily be misconstrued as a bidder or consultant trying to influence the outcome of the bidding process.
- 15.4.3 Irrespective of the issue that requires clarification or amendment it is very important that all the potential bidders and consultants involved are treated equally and fairly when the response is made. A standard process must be employed for all types of procurement.
- 15.4.4 The process, which is also reflected in the bidding documents, should outline that request for clarification must be made at least 14 calendar days before the deadline for submission. The project will then reply within 3 working days to all of the firms that purchased or were issued the documents detailing the content (but not the source) of the clarification request and the project's response. The response must be in writing and transmitted simultaneously by the fastest available means (facsimile and /or email) and confirmation of receipt demanded.
- 15.4.5 Frequently a request for clarification identifies the need to make an amendment i.e. actually change something in the document. The approach is identical to clarifications. Any amendment made must be made in writing and should be numbered sequentially. The amendment should be clear, concise, numbered and dated and include specific reference to the clause or portion of the document being amended. If the amendment being made is straight forward, such as a change to a date or unit quantity, a simple statement to that effect should form the basis for the amendment. When the amendment is to a contractual clause, drawing or part of the specification, the amendment should delete the existing provision or wording and replace it with wording detailed in the amendment.
- 15.4.6 Sample wording for a clarification, a simple amendment and a complex amendment can be seen in the following boxes:

Sample Clarification of Bidding Document

The Ministry of Economy and Finance

Clarification to Bid *(Insert Bid Reference)*

Clarification Number:

Insert Date

A bidder has raised the following query:

“Insert the exact wording of the bidder’s question without identifying the bidder using quotation marks”

Our clarification is as follows:

Insert the Project’s response to the bidder’s question

Yours faithfully

[signed]

Project Manager

Sample Amendment to Bidding Document

The Ministry of Economy and Finance

Amendment To Bid (*Insert Bid Reference*)

Amendment Number:

Insert Date

In accordance with Clause 7 of Instructions to Bidders, Amendment of Bidding Documents, the Department (name of Purchaser/Employer) hereby amends the following Clause:

The Deadline for Submission of Bids, ITB Clause 19.1 is hereby amended to read 10 AM November 25 2011.

According the time and date of Bid Opening in accordance with ITB Clause 22.1 is also amended to read 10 AM November 25 2011.

All other terms, conditions and instructions remain unchanged.

You are required to acknowledge receipt by facsimile or email [fax number (02) ### #####] of this Amendment Number ____ within 48 hours of receipt.

Yours faithfully

[signed]

Project Manager

Complex Amendment to Bidding Documents

The Ministry of Rural Development

Amendment to Bid (Insert Bid Reference)

Amendment Number:

Insert Date

In accordance with Clause 7 of Instructions to Bidders, Amendment of Bidding Documents, the Department hereby amends the following Clause:

Clause 4 of the Special Conditions of Contract (GCC Clause 8) Inspection and Tests is hereby deleted and replaced with the following:

“Inspections and tests will be conducted at the delivery sites, i.e. at public elementary and secondary schools as defined in Section VI, Schedule of Requirement, by the Ministry’s Authorized Representative. The Ministry’s right to inspect the goods in no way relieves the supplier of its performance and warranty obligations under the contract.”

All other terms, conditions and instructions remain unchanged.

You are required to acknowledge receipt by facsimile or email [fax number (02) ### ####] of this Amendment Number ____ within 2 calendar days of receipt.

Yours faithfully

[signed]

Project Manager

- 15.4.7 It is important to recognize the difference between a clarification and an amendment. A clarification is the provision of additional information that will assist the bidders in completing their bids. Clarifications are often used to provide additional technical information to bidders, and example would be:

Bidder’s Question:	<i>“The dimensions of the table are shown in metric measurements (centimeters), our manufacturing process uses timber that is sized with imperial measurements (inches). Is the imperial equivalent measurement acceptable?”</i>
Response:	<i>Our understanding is the timber produced to imperial standard measurements has its exact equivalent to a metric standard. Therefore provided that the exact imperial equivalent to the metric dimensions is used the dimensions will be accepted.</i>

- 15.4.8 EAs/PMUs and Procurement Officers should note that if the original document was subject to prior review by the DP a copy of any amendment should be sent to the DP for its no objection.
- 15.4.9 In the event that a clarification or amendment has a significant impact upon what is being purchased (changing specifications, terms of reference delivery points etc.) the EAs/PMUs must also consider if the deadline for submission is OK as it is or should be extended to allow bidders or consultants additional time to address the clarification or amendment. If the extension of the deadline for submission is proposed, the DP's no objection should be obtained at the same time as the draft amendment is submitted.

15.5 Receipt and Storage of Bids

- 15.5.1 What should be done when a bid or proposal is received? The first step, if the document is delivered by hand is to issue a simple receipt describing the package and from whom it has been received (international courier companies will simply ask the recipient to sign their receipt). Once a bid or proposal is received the EA/PMU has a duty to ensure that they are kept in a safe and secure location where they cannot be tampered with.
- 15.5.2 The documents should be secured in a metal (or solid wood) lockable box into which packages can be posted much like a post box with only the Procurement Officer or the Project Manager having a key. A spare key should be lodged with the Project Director in case the original is lost. In the event that the bidding documents are very bulky and cannot be dropped into the tender box, the Procurement Officer must ensure these are locked in a safe location where access is restricted to him/her only.
- 15.5.3 If there is more than one exercise running at the same time, separate boxes should be used for each exercise to avoid mixing up the bids and proposals and inadvertently opening the wrong one at a bid opening. The common term for this box is a "Tender Box" and all Projects, if they do not have one, should purchase one or more depending on the amount of procurement they are undertaking. On or before the issue of the Invitation for Bids or the request for proposals the tender box should be sealed in such a way that any evidence of tampering will be obvious – such as the pasting of a signed length of paper signed and dated by the Project Manager and Procurement Officer across both the lock and opening. The tender box should also be clearly marked to indicate what is being stored within i.e. the procurement reference and bid opening date.
- 15.5.4 As an interim measure bids may be stored in a lockable cabinet, however as only the Project Manager or Procurement Officer should have the key there will be no way of depositing bids and proposals received when they are absent from the office. Also the cabinet would have to be re-sealed each and every time a new bid or proposal is received.

- 15.5.5 The tender box should be transferred on the day of bid opening, still sealed, to the location selected for the bid opening – make sure that any bids delivered to the Project office on the day of bid opening and before the deadline are transferred to the tender box.

16 BID OPENING PROCEDURES

16.1 Introduction

- 16.1.1 This is a very important aspect of the whole procurement process. It is through public opening that the public, whose money is funding the procurement, can see that the Government and Project is following its obligation to ensure the maximum of free and fair competition in public procurement. Public Bid/Proposal Openings should always be exactly that; Public i.e. with anyone who wishes to attend being allowed to do so.
- 16.1.2 The date, time and location of bid opening must be clearly stated in the Bid Document and adhered to for bid opening.
- 16.1.3 Public bid openings are also important in that they help to reassure bidders and consultants that the procurement process is being undertaken fairly and that all who submit an offer has an equal chance of securing a contract – this encourages the participants to compete fully resulting in a higher number of bids and greater competition.
- 16.1.4 The time set for bid opening should, without exception, be that set as the deadline for submission with no gap between the two. Since the bid opening will commence with a declaration of the expiry of the deadline for submission, there is no gap between deadline for submission and bid opening. For this purpose, it is therefore necessary that the venue for bid opening is at the same or very near to the location used for receiving the bid documents.
- 16.1.5 Bid opening should never be on a Monday or a day immediately preceding a public holiday as many foreign bidders will chose to submit their bids through an international courier company. These companies will collect the bids and proposals over the weekend or holiday period but they will not deliver them until the next working day. Therefore time should be allowed for the courier company to make the delivery to the project.
- 16.1.6 Bid Opening shall be chaired by the Project Manager, assisted by the Procurement Officer and Financial Officer of the Project. The Chair is responsible for reading out the relevant details of each bid or proposal. The Procurement Officer is responsible for physically opening the bids and passing them to the Chair and recording details in the minutes (if there are a large number of bids another person from the EA/PMU or project consultant can be tasked with taking down the minutes). The Financial Officer will be responsible for checking the presence, amount and form of any securities that are required. The members of the PRC and CEC will also be invited to attend the bid or proposal opening respectively.
- 16.1.7 The Bid Opening Report form must be prepared in conformance with the bid requirements stated in the Bid Document.

16.2 Preparation

- 16.2.1 The venue should be checked on the day before bid opening to ensure that everything thing is in order for the following day. The top table where the bids will be opened should be arranged so that it is facing the attendees. The nearest chairs for attendees should be at least three meters away from the top table – so that they cannot read confidential details of their competitors’ bids.
- 16.2.2 Ensure that there is adequate lighting and ventilation, and if a PA system is available that it works properly. It is not possible to know in advance how many people will turn up to a public bid opening, it depends of the amount of commercial and public interest the procurement has generated. As a rule of thumb allow for three chairs for each of the bid documents sold
- 16.2.3 Make sure that signs describing the bid opening with directions to the room are shown on all the entrances to the building and compound (in both the Khmer and English languages) where the opening is taking place. Also ensure that any security personnel who control access to the location are instructed to admit anyone who wishes to attend – for his reason sensitive locations should not be selected for bid openings as access must not be restricted.
- 16.2.4 On the day of the bid opening, twenty minutes before the deadline, the tender box should be transferred still locked and sealed to the venue for bid opening – make sure that someone stays at the box’s original location up to the deadline for submission so that any bidder or consultant delivering by hand can by directed to the tender box at the bid opening venue.
- 16.2.5 The Chair, or his or her designee, shall ensure that a register has been prepared in advance showing the name, title, address email and facsimile number and a table and chair is set up at the entrance of the location where the bid opening is being held to enable each attendee to record his/her presence –so that they can be sent copies of the minutes of bid opening.

16.3 Bid Opening

- 16.3.1 At exactly the time scheduled for the deadline for submission of bids, the Chair of the Bid Opening should declare the expiry of the deadline for submission of bids and that no further bids will be accepted or considered. From this moment on no new bids can be accepted for any reason whatsoever. Late bids will not be accepted but will be returned to the bidder unopened.
- 16.3.2 Attendees should be invited to inspect the tender box to ensure that its seals remain intact, but they should not be allowed to touch the box. Once this review is completed and the attendees are seated the Chairman should announce the start of Bid Opening and break the seals on the tender box, unlocking it.
- 16.3.3 The Procurement Officer should remove each package from the tender box carefully examining the seals of the packages to make sure that they have not

been tampered with, holding up each package so that attendees can see that it remains unopened. Each unopened package will then be placed on the top table until the tender box is empty. Any attendee that wants to take a closer look at any of the envelopes submitted may do so. However attendees should never be allowed to touch any of the bids or enter into a conversation with any official attending the bid opening that cannot be clearly heard by all and recorded in the bid opening minutes.

- 16.3.4 The outer packaging and envelope of each bid will then be removed making sure that no documents are discarded that should be retained like courier dockets or outer envelopes as evidence of how a bid was marked and sealed. The unopened original and copy bid envelopes of each bidder will be placed in a pile together with the original on top and copies underneath.
- 16.3.5 The Procurement Officer will identify any envelopes marked either "WITHDRAWAL" or "MODIFICATION", removing the outer packing and envelope in the same way as the main bids discarding nothing that should be retained like courier dockets or outer envelopes as evidence of how a bid was marked and sealed and place the unopened inner envelope with the corresponding Bid.
- 16.3.6 The Procurement Officer will then open in turn each envelope (if any) marked "WITHDRAWAL". Any bid with what appears to be a valid withdrawal notice will not be opened and the original and all copies of the bid will be returned unopened to the bidder.
- 16.3.7 The Procurement Officer with the assistance of any assistant, will then open each original bid in turn passing it the Chair who will announce the following details:
- Name of the bidder or consultant.
 - Country of the bidder or consultant.
 - Which lot(s) are offered or items in the case of itemised bidding.
 - Details of any modifications.
 - Total price (for goods and works only).
 - Discount offered.
 - The presence or absence of the bid security/bid securing declaration (if applicable).
- 16.3.8 The Chair will then pass the bid to the Financial Officer who will announce the type and amount of the bid security or if the bid securing declaration has been properly signed.
- 16.3.9 No bid is to be rejected at bid opening even if it appears to contain a major deviation such as the absence of a security/declaration when one is required. However, any apparent major deviation that is noted during the bid opening should be announced and recorded in the bid opening report.

16.4 Consultants' Proposals

- 16.4.1 The Consultants' Evaluation Committee (CEC) shall be responsible for the evaluation of all consulting services proposals; however, the proposal opening shall be conducted in accordance with opening procedures as explained below.
- 16.4.2 EAs/PMUs should take note that only the technical envelopes of consultant proposals should be opened at the first opening – the financial envelopes, still sealed, must be placed in a secured location until the date of opening of the financial proposals. The Project Manager will be responsible for ensuring this.. Only when the technical evaluation is completed, will the financial envelopes be opened and all consultants who submitted a proposal invited to attend a public opening of the financial envelopes.
- 16.4.3 When inviting consultants to the public opening of financial proposals they should be informed of their technical points score based on the evaluative criteria in the RFP and whether or not their financial proposal will be opened – for QCBS, Least Cost Based Selection and Fixed Budget Selection, all financial proposals achieving the minimum points score are required will be opened. In the case of QBS only the highest ranked technical proposal will have its financial proposal opened but the financial proposals of other consultants are retained unopened until a contract is satisfactorily agreed with the winner.

16.5 Pages to be initialed

- 16.5.1 Once a bid or proposal has been opened and its contents announced, the original shall be initialed by the Chair, Procurement Officer and Financial Officer and other officials participating in Bid Opening as follows:
- (a) Goods and Works
 - The Bid Form.
 - The Price Schedule.
 - The Covering Letter.
 - Any other pages that are deemed necessary by the Chair
 - (b) Consulting Services, Technical Proposals
 - Covering Letter
 - Each page of the Work plan
 - The first page of each CV submitted
 - Any other pages that are deemed necessary by the Chair
 - (c) Consulting Services, Financial Proposal
 - Financial Proposal Submission Form
 - Breakdown of costs by activity
 - Any other pages that are deemed necessary by the Chair

- 16.5.2 The reading should be from the original version of each bid and proposal, and the actual amounts and other key details read-out should be circled for later verification.
- 16.5.3 The Bid Security/Declaration must never be marked in any way. Certain types of financial documents become invalid if they are marked, annotated or amended in any way from their original state.
- 16.5.4 The record of bid opening shall be prepared along with the bid opening and shall be signed by all bid opening committee members. All bidders' representatives shall sign closely next to the read out price of their bids.

16.6 Questions from Attendees

- 16.6.1 Representatives will sometimes ask for the details to be re-announced. This shall be complied with within reason. The Chair shall be aware that representative may take notes and that it is therefore essential that information should be conveyed and recorded clearly. As far as possible, the recorded information must be displayed such that all attendees can clearly see them.
- 16.6.2 A brief time shall be allowed after the envelopes have been opened for questions from the audience/attendees of the public bid opening.
- 16.6.3 However, questions regarding the specific details of any bid shall not be answered unless it is simply a request to repeat an earlier announcement. Specific discussions should not be entered into with any of the representatives concerning any of the bids or proposals. It is acceptable, if asked, to provide a general timeframe of how long the evaluation may take
- 16.6.4 Any question to which the answer is given in the Bid Document/RFP should be answered only with the simple statement: "Please refer to the bidding documents/RFP" with a reference to the applicable provision.

16.7 The End of the Opening and Minutes of Bid/Proposal Opening

- 16.7.1 Before the session is declared closed and representatives asked to leave the Procurement Officer should carefully check all discarded packaging, envelopes, boxes and other like containers to ensure that no documents have been overlooked. In the event that an important document, modification or entire bid has been overlooked it cannot be subsequently included in the evaluation unless it was identified and the appropriate announcements made during the bid opening.
- 16.7.2 When the details of the last bid and proposals have been announced and all questions answered, the Chair should declare the Opening complete, announcing that all who attended the opening will be sent a copy of the bid opening minutes within two working days.

- 16.7.3 The minutes must contain the details of all announcements made and any questions asked and the response given.
- 16.7.4 The Minutes, in addition to being sent to all of the attendees, should be sent to bidders or consultants who either purchased or were issued the document (even if they did not submit a bid or proposal) but did not attend the opening. Copies of the bid opening minutes must also be submitted to the DP and MEF/DIC counterpart. In addition to sending a copy of the minutes to the DP and MEF/DIC, the PMU must post all minutes of bid opening in a conspicuous place accessible to the general public within the premises of the EA. The Minutes must remain on display until the Summary of Evaluation is posted.
- 16.7.5 The attendees should be encouraged to leave the room as quickly as possible and participating officials should not engage in any formal or informal discussions with them as now as the evaluation process is underway there should be no contact whatsoever with bidders or consultants other than written requests for clarification and responses to these requests.
- 16.7.6 The opened bids, which are highly confidential, should now be transferred to the Project Manager who shall place them under lock and key until the evaluation process starts.

17 BID AND PROPOSAL EVALUATION

17.1 Bid Evaluation

- 17.1.1 The basic principles of evaluation are really quite simple. It can only be undertaken on the basis of the criteria stated in the bidding document or RFP. Even if an additional criterion suggests itself during the evaluation process that it would be desirable to apply, it cannot be used. Therefore it is essential that the criteria expressed in the document is correct and covers all the important aspects of the bids and proposals received. Secondly, the evaluation process is entirely confidential and evaluators must ensure that there is no interference or influence by any party. Evaluators should strictly adhere to the confidentiality provisions specified in the Bidding document and RFP.
- 17.1.2 There are three types of evaluation methodology that can be used and these will depend entirely on the criteria stated in the bidding documents or RFPs. The methodologies are:
- Conformance
 - Performance
 - Merit Points
- 17.1.3 It should be noted that merit point systems should not be used for the procurement of goods or works and a simple pass fail (conformance) methodology is suitable for almost all procurement of goods and works. The only exception to this is the procurement of highly complex integrated industrial plant or for complex information technology systems when a merit point evaluation might be suitable. Merit point evaluation of goods and works should only be considered in consultation with, and with the agreement of the DP and MEF/DIC.
- 17.1.4 Sample conformance and merit point evaluation criteria can be found in Annexes II to IV Each of the methodologies and their uses are described in greater detail further on in this Section. Step by step guides for the evaluation of goods, works and services are contained in the same Annexes.

17.2 The Bid Evaluation Committee and Consultants Evaluation Committee

- 17.2.1 The Bid Evaluation Committee (BEC) shall conduct the evaluation of goods and work using the bid evaluation criteria stated in the Bidding Document. Typically, the Chair shall direct the preparation of a form, consistent with the Bid Document, to record the bidders' responses and the members' evaluation of same. A member of the PRC cannot be a member of the BEC as this will result in a conflict of interest.

- 17.2.2 The Consultant Evaluation Committee (CEC) shall conduct the evaluation of consulting services using the evaluation criteria stated in the RFP. Typically, the Chair shall direct the preparation of a form, consistent with the RFP, to record the bidders' responses and the CEC member's evaluation of same.
- 17.2.3 The BEC and CEC, as an integral part of their evaluation and as a separate section in their Evaluation Report, shall review all bids and proposals for possible violations of the Government's Good Governance and Accountability Policies, as stated in Section 4, paying particular attention to possible collusion, and those bidders and consultants that are found to have participated in collusion shall not be considered for award.
- 17.2.4 If the bidder is found to have participated in collusion, the evidence to support this must be included in the Bid Evaluation Report (BER)/ Technical Evaluation Report (TER). The PRC, when reviewing the BER /TER and approving the recommendation for award, will also review the evidence of collusion and determine the disqualification of the guilty parties from award of contract. At the same time, the PRC will recommend any further sanction under the Project for approval of the Head of the EA and MEF
- 17.2.5 The EA/PMU must also inform the DP of possible collusion and provide the available evidence when it submits the PRC approved BER/TER to the DP to seek NOL for the recommendation contained in the BER/TER.

17.3 The Evaluation Report

- 17.3.1 To facilitate the evaluation process, just as standard bidding documents are used, a standard is used for evaluation. The evaluation should use the standard format of the funding DP. For procurement under NCB and Shopping procedures, evaluation templates are provided in Annex I e
- 17.3.2 In the case of goods and works procurement the evaluation report will be prepared by the Procurement Officer under the guidance of the Bid Evaluation Committee calling on the support external resources and consultants if required and available. The draft evaluation report will then be presented to the PRC for review and approval.
- 17.3.3 When consulting services are being procured and a merit point system is used, all of the members of the Consultant Evaluation Committee will undertake the evaluation independently and the Procurement Officer will consolidate each member's evaluation scores and prepare the necessary evaluation report.

17.4 Preliminary Examination and Determination of Substantial Responsiveness (goods & works)

- 17.4.1 The evaluation process should begin immediately after bid opening. The purpose of preliminary examination is to identify and reject bids that are incomplete,

invalid or substantially non-responsive to the documents and therefore are not to be considered further. To this end the evaluator shall ascertain whether the bids and proposals received:

- Meet the eligibility requirements specified in the ITB.
- Have been properly signed.
- Are accompanied by the required securities.
- Include all pre-requisite eligibility documents.
- Are substantially responsive to the requirements
- Are otherwise generally in order.

17.4.2 If a bid is not substantially responsive, that is, it contains material deviations from or reservations to the terms, conditions and specifications in the bidding documents, it shall not be considered further. The bidder shall not be permitted to correct or withdraw material deviations or reservations after opening.

17.4.3 The BEC must check that the bid is a properly authorized bid from a bidder that has intentionally committed itself to the terms and conditions of the bidding process and to the GCC and SCC in the event that a contract is awarded.

17.4.4 Attention should be directed toward deficiencies that, if accepted, would provide unfair advantages to the bidder, and a bid containing such deficiencies should be rejected as non-responsive. Sound judgment must be used: for example, simple omissions or mistakes or errors should not be grounds for rejection of the bid if they can be corrected using the methods prescribed in the bidding documents. Rarely is a bid perfect in all respects.

17.4.5 The validity of the bid itself and signatures on the Bid Form must not be in question.

17.4.6 If the bidder is a joint venture, the letter of intent or joint venture agreement signed by all parties should be submitted.

17.4.7 If the bidder is an agent, an authorization from the manufacturer should be provided as required (except in the case of common off the shelf goods) in the ITB

17.4.8 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.

17.4.9 Particular attention must be paid to eligibility of bidders to participate in the procurement, if required by the DP. BEC must also check that the bidder is not on any DPs list of disbarred firms. Bidders who are either from ineligible source countries or on the debarment list will be ineligible for award of contract and their bids will therefore be rejected.

17.4.10 Bid Security or Bid Securing Declaration (where either has been requested). The purpose is to determine the compliance of the submitted Bid Security or Bid

Securing Declaration. When one has been requested but not submitted, the bid must be rejected. The Bid Security or Bid Securing Declaration must conform to the requirements of the Instructions to Bidder (ITB), in particular relating to the wording and the period covered and it must accompany the bid. The submission of a copy is not acceptable.

- 17.4.11 Bid Security is typically obtained from a commercial or other bank, for which the bidder shall bear the cost. Bid Security is called on by the EA/IA if the bidder refuses to accept the proposed award or withdraws its bid during the validity period as partial compensation for the additional expense caused to the EA/IA. Depending on the circumstances, other sanctions may be enforced as laid out in the bidding documents.
- 17.4.12 A Bid Securing Declaration is an undertaking from the bidder to assure the EA/IA that the bidder will not withdraw the bid within the validity period of the bid or reject the contract if offered. If a bidder fails to honour a Bid Securing declaration it may cease to be eligible for any RGC contracts for a period of time or be asked to pay a penalty, both of which will be specified in the declaration.
- 17.4.13 The Bid Security expiry date is a typical problem in evaluating bids and proposals. The Bid Security must specify the date on which the Bid Security expires, rather than a certain number of days after bid/proposal submission. This should normally be 30 calendar days after the expiry date of the bid validity to allow for those cases where the lowest evaluated bidder refuses to accept a contract. Bids that offer an earlier date should be rejected. This is usually specified in the Bid Data Sheet.
- 17.4.14 Procurement of goods and works under NCB procedures allows the option of the submission of a Bid Securing Declaration rather than Bid Security. The Bid Securing Declaration Form is provided as an appendix to the Standard NCB Documents annexed to this Manual. In the event a bidder submits a Bid Securing Declaration, and then withdraws the bid within the bid validity period; or fails or refuses to execute a Contract when offered within the bid validity period; or fails or refuses to provide the specified performance security, the bidder will face an automatic suspension from being eligible for any bidding of any contracts for a period of 3 years from the end of the validity period or, at the option of the bidder, pay 2% of the total bid price. The purpose of the bid securing declaration is to promote the use of local contractors and suppliers who may not have the resources to obtain bank guarantees
- 17.4.15 Completeness of Bid. The purpose is to establish that the bid is a complete bid in accordance with the requirements of the bidding documents.
- 17.4.16 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 non-responsive.

- 17.4.17 If any erasures, interlineations, additions or other changes have been made, the bidder should have initialled these before bid submission.
- 17.4.18 Missing pages in the original copy of the bid may be cause for rejection of the bid, as can contradictions in model numbers or other designations of critical supply items.
- 17.4.19 Only those bids that pass the preliminary examination can be examined further for substantial responsiveness. All other bids are rejected at this stage and excluded from further evaluation. In the interest of the efficiency, the three lowest priced bids that passed the preliminary stage are evaluated for substantive responsiveness. In case any of the three lowest priced bids are found to be substantially non responsive, it will be replaced by the next lowest bid which has passed the preliminary evaluation.
- 17.4.20 A substantially responsive Bid is one which conforms to all the terms, conditions, and specifications of the bidding documents, without material deviation or reservation. A material deviation or reservation is one
- (a) which affects in any substantial way the scope, quality, or performance of the Contract;
 - (b) which limits in any substantial way, inconsistent with the bidding documents, the Purchaser's rights or the Bidder's obligations under the Contract; or
 - (c) whose rectification would affect unfairly the competitive position of other bidders presenting substantially responsive bids
- 17.4.21 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 fulfil the purposes for which the bid is requested, or, will prevent a fair comparison with bids that are properly compliant with the bidding documents. Examples of major deviations include:
- Stipulating price adjustment when fixed price bids were called for.
 - 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.
 - Phasing of contract start-up, delivery, installation or construction not conforming to required critical dates or progress markers.
 - Subcontracting in a substantially different amount or manner than permitted.
 - Refusing to bear important responsibilities and liabilities allocated in the bidding documents, such as performance guarantees, insurance coverage and warranty.
 - Taking exception to critical provisions such as applicable law, taxes and duties, and dispute resolution procedures.

- Those that are specified in the ITB to require rejection of the bid (such as failure to submit an acceptable bid security).

17.4.22 If the bid fails to be substantially responsive, the reasons must be clearly explained in the BER and also included in the periodic contract summary described in Section 6.3.

17.5 Evaluation of Substantially Responsive Bids (Goods and Works)

17.5.1 Only bids that have been determined to be substantially responsive to the requirements of the bidding documents will be evaluated and compared.

17.5.2 Corrections for Errors. The methodology for correction of computational errors should be adequately described in the ITB and followed in the evaluation of the bids. Generally, computational errors occur when bidders make mistakes in the multiplication of the unit price with the quantity, or when aggregating the totals of each line item to form the total bid price. The general rule for correcting such errors is to recalculate the total line item prices and the total bid price on the basis of the unit price for each item specified by the Bidder in the price schedule and the quantity requested in the schedule of requirements.

17.5.3 For example, the bidder offers a quantity of 10 telephones at a unit price of US\$ 50.00 and at a total price of US\$50.00. In correcting this error the evaluators will recalculate the total line item price to US\$500.00. The Total Bid Price will be corrected accordingly. The amount stated in the both in figures and words in the Bid Form/Submission Form will be changed accordingly

17.5.4 If there is a discrepancy between words and figures, the amount in words shall prevail and bid price corrected accordingly

17.5.5 The corrections, if made in accordance with the procedure outlined in the bidding document, are considered binding on the bidder. All corrections should be explained in footnotes of the evaluation report.

17.5.6 The corrections are considered binding on the winning bidder who is required to accept the corrections to its bid price, failing which its bid will be rejected and the contract awarded to the second lowest evaluated substantially responsive, after the approval of DP and PRC.

17.5.7 Corrections for Provisional Sums and Contingencies: Bids may contain provisional sums or contingencies for nominated subcontractors especially in the case of larger works contracts. As these sums are the same for all bids, they are excluded from the evaluation of the Bids.

17.5.8 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. Only discounts offered, read out and recorded during the bid opening can be considered in the evaluation.

- 17.5.9 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 must be shown in the evaluation report.
- 17.5.10 Evaluation Currency. Bids received under national competitive bidding procedures must be in US\$, however ICB bids may be in a number of currencies (up to three) Exchange rate details are recorded in the evaluation report and their effect shown.
- 17.5.11 The exchange rates to be used in the calculations are to be listed in the evaluation report.
- 17.5.12 Additions. 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 (an addition) that would be added as a penalty during the detailed evaluation process and if such deviations would be acceptable in the eventual contract. Therefore, additions may sometimes be made to bids, for evaluation and comparison purposes, to compensate for omissions by adding the estimated costs for remedying the deficiency.
- 17.5.13 Where items are missing in some bids but are present in other bids, the highest of the quoted prices should be used to complete incomplete bids always provided that the omitted item is not a major deviation – if it is a major deviation, the bid should be rejected. In case a bidder states that the price of a missing item is included in the price of another item, then no adjustment is required to be made for the missing item.
- 17.5.14 Adjustments. The ITB specifies what, if any, performance or service factors will be taken into account in the bid evaluation (only adjustments already specified either the evaluation criteria in the ITB or in the technical specifications can be applied). The methodology used in evaluation of these factors should be precisely described and should be fully consistent with the ITB provisions. The value of adjustments must be expressed in terms of cost and should be shown in the evaluation report and expressed in the evaluation currency.
- 17.5.15 Bonuses or additional credits that reduce the evaluated bid price will not be considered or given in the bid evaluation for features that exceed the requirements stated in the bidding documents, unless specifically provided for in the ITB.

- 17.5.16 Priced Deviations. Bids with minor deviations may be considered substantially responsive if their further consideration can be assigned a monetary cost or penalty to the bid for the purpose of bid comparison. However the contract price will not be increased on this account and award will be made at the quoted Bid price.
- 17.5.17 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 which should either lead to the rejection of the bid or the pricing of the deviation to facilitate evaluation.
- 17.5.18 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.
- 17.5.19 If a bid provides for a delivery or completion that is beyond the date specified in the bidding documents but that is nonetheless acceptable, the time disadvantage should be assessed a penalty already specified in the evaluation criteria, if one is not provided, the deviation must either be accepted without reservation or the bid rejected.

17.6 Post Qualification of Bids (Goods and Works)

- 17.6.1 Post qualification will only be undertaken on the bid that has been determined as the lowest evaluated and substantially responsive bid after all corrections and adjustments have been made to take into account any errors or adjustment factors included in the evaluative criteria. It shall always be undertaken as the last step in the evaluative process as to undertake it for all bids received is time consuming and inefficient.
- 17.6.2 The post qualification process shall focus upon the bidder’s capacity to successfully perform a contract based upon the qualification criteria stated in the bidding document. In the event that the lowest evaluated responsive bidder fails to satisfy the qualification criteria stated in the bidding document that bid shall be rejected – with the grounds for the rejection clearly stated in the evaluation report. –The next lowest evaluated bidder’s qualifications shall then be reviewed based upon the qualification criteria stated in the bidding document. In the event that this bidder satisfies the qualification criteria, it shall be recommended for award. In the event that it does not satisfy the criteria stated in the bidding document, the process shall be repeated until the lowest evaluated responsive bid from the bidder qualified to successfully perform the contract (as determined in the qualification criteria stated in the bidding document) is identified.

- 17.6.3 Criteria that were not stated in the bidding document cannot be used as part of the qualification criteria used to establish a bidder's qualifications.

17.7 Evaluation of Expressions of Interest (EOI) for Consulting Services

- 17.7.1 If it has been decided to use one or more individual consultants, the procedure in 10.6.12 should be followed.
- 17.7.2 When it has been decided that a firm will be used, the first stage of awarding a consulting contract is to draw up a short-list of consulting firms to be sent the RFP from a long list of consulting firms that respond to and submit an "expression of interest" (EOI).
- 17.7.3 The evaluation of EOIs shall be undertaken by the Consultants' Evaluation Committee (CEC). The evaluation will be carried out against pre-stated criteria such as minimum levels of experience and qualifications of the firms. Those meeting the criteria form a "long list". In order to reduce the long list to the number of firms specified by the DP for the shortlist (normally 6), further selection may be made using the rules of the DP concerning the mix of countries and selecting those who have the highest qualification scores. In a case where the DP guidelines require participation from firms originating only from the DP country, then the shortlist will comprise entirely of firms from that country.
- 17.7.4 The CEC members will independently evaluate the EOIs and score the firms. The Procurement Officer will be responsible for computing the scores after averaging the scores given by the members provided that any very low or high score will need to be discussed and justified. The Procurement Officer will prepare a short EOI evaluation report and the minutes of the meeting leading to the agreed shortlist.
- 17.7.5 The Evaluation Report of the EOI and the draft RFP, will be submitted to the PRC for their approval after which these will be submitted to the DP, where required, for its NOL. The RFP is issued at the same time to all consultants on the short-list.

17.8 Evaluation of Consultants Proposals

- 17.8.1 The evaluation of technical proposals represents a different challenge to evaluators, and shall be undertaken by the Consultant Evaluation Committee (CEC). The compliance or otherwise of a bid for goods or works can be assessed in absolute terms, i.e. a piece of equipment or structure either does or does not meet with the specifications set out in the bid document. The assessment of a consultants' Work plan, Methodology, CVs of key staff and other information in the proposal cannot be evaluated in such terms (other than minimum levels of experience and qualifications).
- 17.8.2 Therefore a different approach to the evaluation of proposals is required. Based on the evaluation criteria, each member of the CEC will independently evaluate the technical proposals. The CEC must include at least a minimum of three

members knowledgeable about the type of consulting services being procured as explained in Section 9.5 of this Manual.

- 17.8.3 The Procurement Officer should draw up evaluation-spread sheets based on the evaluative criteria in the Request for Proposals and issue each member of the evaluation committee a copy.
- 17.8.4 After an initial briefing of members by the Chair, each member should commence their evaluation independently of each other – it is important that members do not discuss specific points of each firm’s proposal during the evaluation with each other as this could impact their judgment. In the event that the project has recruited consultants for project management, the Chair may direct the consultant to provide assistance, as necessary, to the members of CEC.
- 17.8.5 It is recommended that members find a quiet place away from their normal desks and day-to-day distractions to undertake the technical evaluation. Generally it will take a week or more of continuous work to evaluate five reasonably complex technical proposals and therefore they should agree this time away from their usual duties with their line managers. For particularly complex, high value and strategically important assignments the evaluation should be undertaken “in retreat” i.e. outside of the office and the home, perhaps at a hotel.
- 17.8.6 Members should first ensure that they are familiar with the terms of reference and request for proposals before reading any of the submissions. They should then read each proposal once, just making general notes but not awarding any points.
- 17.8.7 At the second reading of the proposal, each member should then award points for each of the individual CVs, the Work plan, Methodology, Firms Experience and Qualifications in accordance with the points allocated to each of these factors in the RFP.
- 17.8.8 Because each individual member is evaluating the technical proposals in accordance with the criteria specified in the RFP, there will, naturally, be differences of opinion and this serves as the basis for the ranking of bidders.
- 17.8.9 Once this has been completed for each proposal, the member should then add up the total points awarded for each proposal and read each one again, adjusting scores awarded in each category as necessary to ensure that the basis for awarding points is consistent across all of the proposals.
- 17.8.10 Once all of the members have completed their technical evaluation, the Chair will collate all of the scores and call a meeting of all of the members. Each of the members will present their evaluation of each proposal.
- 17.8.11 The Chair will use his/her best efforts to reach consensus on the overall rating as very good, good, above average, average and unsatisfactory (the detailed evaluation criteria has these categories and the range of scores for each).

- 17.8.12 Once this is agreed, the scores are compared and any high or low scores are justified to ensure consistency in the evaluation process.
- 17.8.13 Members may make necessary adjustments to their score on their own choice but are not required to do so. However, a member will be required to write a separate justification if his/her score is very high or low compared to the scores given by other members. The justification will be reflected in the evaluation report.
- 17.8.14 The Procurement Officer will then use the collated scores to complete the Technical Evaluation Report (TER) using the DPs standard forms. The members of the CEC will sign the TER after which it will be submitted to the PRC for review and approval. After the approval by the PRC the TER will be submitted to the DP for its prior review and issuance of NOL, where necessary.
- 17.8.15 Subject to receiving the NOL for the TER that may be required, the next steps in the procedures will differ depending on the procurement method used.
- 17.8.16 **QBS.** – The Project Director will request the Project Manager, who is holding the financial proposals in a secured place, to provide the financial proposal of the highest ranked firm only. In QBS, only the financial proposal of the highest ranked firm is opened publicly. The Project Director will write to all of the firms informing them of their respective technical scores and the scores of the other firms and inviting them all to the public opening of the highest ranked firm's financial proposal. The Project Director, assisted by supporting CEC members will then proceed and negotiate a contract on the basis of the highest ranked firm's technical and financial proposal.
- 17.8.17 **QCBS.** The Project Director will write to all the firms; informing them of their respective technical scores and the scores of the other firms; informing them of the firms that achieved scores over the minimum set out in the RFP and that only their financial proposals will be opened publically; and finally inviting all the firms that submitted the proposals to the public opening of the financial proposals. The Project Director will request the Project Manager to bring the financial proposals which have been stored in a secured place at the venue on the date of the financial opening. Financial proposals of the firms that failed to meet the minimum score will not be opened but will be kept in secured place and returned unopened after the contract has been signed with the winning bidder.
- 17.8.18 After the opening of the financial proposals, the CEC will evaluate the financial proposals and prepare the overall combined scores based on the respective weightings of the technical and financial proposals. The Procurement Officer will prepare the final evaluation report showing the ranking of all the firms and the recommendation to invite the highest ranked firm based on the combined (total) score for negotiations. The final evaluation report will be submitted to the PRC for review and approval and to the DP for information only. There is no requirement to seek NOL from the DP. The Project Director will invite the

winning firm for contract negotiations and the CEC will conduct the negotiations with the highest ranked firm.

17.8.19 An example based on the weightings of 80 and 20 marks for technical and financial proposal is provided below:

Firm A Technical Score 83 Points
 Firm A Financial Proposal US\$ 700,000
 Firm B Technical Score 85 Points
 Firm B Financial Proposal US\$ 850,000
 Firm C Technical Score 78 Points
 Firm C Financial Proposal US\$ 680,000
 Firm D Technical Score 91 Points
 Firm D Financial Proposal US\$ 1,100,000

Technical Score	Financial Score *	Total Score
Firm A, 83 points x .8 66.4	$\frac{680,000}{700,000} \times .2$ 19.4	85.8
Firm B, 85 points x .8 68.0	$\frac{680,000}{850,000} \times .2$ 16.0	84.0
Firm C, 78 points x .8 62.4	$\frac{680,000}{680,000} \times .2$ 20.0	82.4
Firm D, 91 points x .8 72.8	$\frac{680,000}{1,100,000} \times .2$ 12.4	85.2
	* footnote – divide the lowest price proposed among all the firms by the actual price of each firm.	

- Based on these weightings **Firm A** would be invited to negotiate a contract.
- Using the same example as above for selection under a Fixed Budget Selection method and assuming the budget to be US\$ 1,000,000, then **Firm D** would be rejected as its financial proposal exceeded the stated budget and **Firm B** selected to negotiate a contract as it achieved the highest technical score within the stated budget.
- If the selection was based on Least Cost Based Selection method, then , Firm C would be invited to negotiate a contract as it submitted the least cost financial proposal (\$680,000)

17.8.20 **Consultants Qualification Selection.** This selection method should only be used for small assignments or when the services are available from very limited specialized firms. After the evaluation of the EOI is completed by the CEC, approved by PRC and NOL received from the DP (where necessary), the RFP will be sent only to the first ranked firm for the submission of its proposal..

17.8.21 The Project Director with the assistance of the PRC will carry out the negotiations with this firm.

18 CONTRACT AWARD, GOODS AND WORKS

18.1 Award Criteria Goods and Works

- 18.1.1 The EA will award the contract to the bidder whose bid has been determined to be:
- Substantially responsive.
 - Lowest priced responsive bid and
 - Determined to be qualified to be able to perform the contract in accordance with the qualification criteria specified in the Bidding Documents
- 18.1.2 The EA, at the time of award, may vary the quantity of items ordered subject to the conditions/limits specified in the bidding documents.
- 18.1.3 A bidder shall not be required, as a condition of award, to undertake responsibilities for goods and works not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.

18.2 Negotiation, Goods and Works

- 18.2.1 In general terms there are no grounds for negotiation in the procurement of goods and works. Price negotiations with bidders on a competitive bid are not allowed. When procurement is undertaken on the basis of DC the EA will determine the prevailing market rate for the goods or works based on evidence of; the price previously paid by the EA; the price paid for similar goods or works; or the cost of the same goods or works supplied to a different purchaser. The EA will only hold negotiations on price under DC when the evidence suggests that the price quoted is not in line with the prevailing market rate, with the prior No Objection Letter (NOL) of the DP and with the approval of the MEF/DIC.
- 18.2.2 The purchaser or employer's right to vary quantities is not a negotiable issue. Either it is exercised within the tolerances allowed in the bidding documents or it is not. The right to vary quantities is assessed in terms of its impact on the original bid price and total contract price, not unit quantities i.e. the purchaser may increase or decrease quantities including the deletion of an item in its entirety or increasing quantities of an item by more than the percentage allowed in the right to vary quantities - provided that the difference between the total amount bid and actual contract amount is equal to or less than the percentage allowed.
- 18.2.3 No change to the substance of the bidders bid is ever sought or permitted – if the bid requires significant negotiations to render it acceptable, it should have been rejected during the evaluation as non-responsive.

18.2.4 However, in cases where sufficient budget is not available under the Project for the financing of the entire contract the scope of the contract may be reduced, beyond the percentage specified under the bidding document, with the prior no objection of the PRC and the DP. The bidder, however, will have the right to reject any decrease beyond the percentage specified in the bidding document without any penalty or action imposed by the EA/PMU.

18.2.5 Negotiations are not permitted that:

- Alter unit prices in any way;
- Reduce the contract price beyond that allowed
- Change the technical specifications offered in the bid unless alternative bids were allowed;
- Alter the delivery schedule, unless the bidder agrees to accelerate delivery at no cost – however a bidder may refuse to do so;
- Significantly alters the project or delivery sites – for goods, minor changes such as a change of location within the same city or town is acceptable, delivery to a different city or town is not.

18.2.6 The limitations on negotiations do not mean that the contract can be awarded at very high prices. If the proposed contract price exceeds the pre tender estimates by a significant margin, the possible causes for the cost differential should be assessed by the Technical Officer. Approval of the PRC and the DP should be obtained for next steps which may include re invitation after revisions to the bidding documents are made to address the identified causes or any other steps.

18.2.7 Face to face negotiations can only be conducted by the PRC and minutes of negotiation must be taken and signed by both the EA and the bidder. Negotiations conducted through correspondence must pass through the Chair of the PRC and be signed by him/her.

18.2.8 The BER must include details and scope of any proposed negotiations and approved by both the PRC and the DP before negotiations can be conducted.

18.3 The Notification of Award/Letter of Acceptance

18.3.1 The award must be notified (or bid accepted in the case of works) to the successful bidder prior to the expiry of the period of bid validity. The form of the notification of award for goods should follow the wording below or the form provided in the bidding documents:

<i>[letterhead paper of the Purchaser]</i>
<i>[insert date]</i>
Identification No and Title of Contract: <i>[insert identification number and title of the Contract]</i>

To: *[insert name and address of the Supplier]*

This is to notify you that your Bid dated *[insert date]* for execution of the *[insert name of the Contract and identification number, as given in the SCC]* for the Contract Price of *[insert currency and amount in numbers and words]* as corrected and modified in accordance with the Instructions to Bidders is hereby accepted.

You are hereby instructed to (a) sign and return the attached Contract Documents, and (b) forward the performance security within 14 calendar days after receipt of this Letter notification of award.

Authorized Signature: _____

Name and Title of Signatory: _____

Name of Purchaser: _____

18.3.2 The Letter of Acceptance for works and the Notification of Award are included in the bidding document.

18.3.3 The Notification of Award/Issue of the letter of Acceptance will constitute the acceptance of the bidder's bid and represents the formation of the contract. In the absence of any other conditions of contract effectiveness such as the opening of a letter of credit or advance payment or submission of required performance security, the date of the supplier or contractor's receipt of the notification/acceptance will be the effective date of the contract, i.e. the date from which both parties contractual obligations start such as delivery periods.

18.4 Preparation of the Contract

18.4.1 The form included in the bidding documents is always the basis of the actual contract as it is the basis on which bidders prepared their bids.

18.4.2 The Procurement Officer will edit the Contract Form to:

- (a) Include the date of the Contract Form.
- (b) The name and address of the Purchaser or Employer.
- (c) The name and address of the Supplier or Contractor.
- (d) A brief description of the goods and works to be contracted.
- (e) The Total Contract Price in words and figures.
- (f) Any other specific information required paying particular attention to the special conditions of contract ensuring that contract specific information is inserted such as the name of the employer's project manager, the recipient of notices on the part of a supplier or contractor etc.

18.5 Signing of the Contract

- 18.5.1 The approval of the bid evaluation report and recommendation for award of contract by the PRC empowers the Project Director or the Project Manager to sign the contract on behalf of the EA, i.e. there is no requirement to seek additional approvals from any organization or individual once the evaluation report has been approved with the exception of any no objection that may be required from a DP. Three original copies of the contract should be prepared and signed by either the Project Director or the Project Manager depending on the level of delegation of authority stated in their letter of appointment or in an instruction from the Head of the EA.
- 18.5.2 The three original copies of the contract will accompany the notification of award. Suppliers and contractors are required to sign and witness all three original copies retaining one original copy for their own record and returning the other two original copies to the EA. There are some cases where the Contractor/Supplier may be requested to come for an official signing ceremony at which time both the parties will sign the three original copies of the contract. National suppliers and contractors will be allowed 7 calendar days to return the signed contract forms and international ones will be allowed 21 calendar days. In the event that the supplier or contractor is an international one, the contract forms shall be sent to them via a reputable international courier. A copy of the duly signed contract between the EA and the bidder, or supplier shall be provided to the financing DP.
- 18.5.3 One original copy of the contract is to be filed with other original contracts in a secure fireproof location at a separate site to the Project office. The second original is to be stored in a secure fireproof location within the project office.

18.6 The Performance Security

- 18.6.1 Procurement of goods and works by both ICB and NCB methods requires suppliers and contractors to provide performance securities in the form and amount set out in the bidding documents.
- 18.6.2 The performance security is required to ensure that the supplier or contractor fulfill its obligations under the contract and is intended to protect the EA against default on the part of the supplier or contractor.
- 18.6.3 The amount will be determined in the special conditions of contract and as a general note the amount of the security should be the maximum amount deductible for liquidated damages for delay.
- 18.6.4 The notification of award shall outline the requirements in respect of the performance security in terms of amount, form and validity. Depending on what has been stated in the bidding documents the security will:

- Be in a fixed amount, expressed as a percentage of the contract value valid thirty (30) calendar days beyond the expiry of any warranty or latent defects period or defects liability period for construction contracts;
 - Be in a fixed amount, expressed as a percentage of the contract value valid for thirty (30) calendar days beyond the delivery date or the works completion date and then in a lesser amount valid for thirty (30) calendar days beyond the expiry of any warranty or latent defects period, or
 - Be in a fixed amount, expressed as a percentage of the contract value valid for thirty (30) calendar days beyond the acceptance of the works or goods by the employer to be replaced with retention monies taken from stage payments made to the supplier or contractor.
- 18.6.5 Other forms of procurement for goods and works such as shopping do not require the supplier or contractor to provide a security although shopping does require the bidder to provide a bid and performance securing declaration at the time of bidding.
- 18.6.6 The successful bidder is required to provide the performance security within 21 calendar days of receipt of the notification of award/letter of acceptance in the case of international suppliers/contractors. National suppliers/contractors will be allowed 14 calendar days, as there is no international transit time to take into account.

18.7 Failure of a bidder to sign the Contract or provide the Performance Security

- 18.7.1 Failure of the successful Bidder to return the signed contract or provide a performance security when one is required constitutes sufficient grounds for cancelling the proposed award and forfeiture of the bid security or execution of the Bid Securing Declaration as appropriate. In which event the PRC will, after review of the evaluation report and obtaining DP no objection, award the contract to the next lowest evaluated bidder.
- 18.7.2 When the procurement has been undertaken on the basis of NCB or shopping using the documents contained as annexes to this Manual, the bidders failure to sign the contract will result in the execution of the bid securing declaration or bid and performance securing declaration, whichever is applicable, and the bidder being disbarred from all public procurement for a period of three years from the date of expiry of the bid validity period or the bidder paying a penalty of 2% of the contract award value of the winning bidder to compensate the EA. Once again the PRC will, after review of the bid evaluation report and obtaining DP no objection, award the contract to the next lowest evaluated bidder.

18.8 Advance Payments

- 18.8.1 From time to time the contract will allow for an advance payment to be made to a supplier or contractor. No advance payment must ever be made without first

securing an advance payment guarantee (except in the case of individual consultants, who are not expected to provide an advance payment guarantee).

- 18.8.2 The advance payment amount will be stated in the bidding documents and should generally not be more than 15% of a contract's value and should be an accurate estimate of the supplier or contractor's mobilization and start up expenses. In case of output based/lump sum contracts, if the payment terms provide for payment of some sums after completion of the mobilization, such payment will be in addition to the advance payment.
- 18.8.3 Advance payments are amortized, i.e. set off in equal amounts, against following payments until fully offset.

18.9 Notification of the Unsuccessful Bidders

- 18.9.1 Upon receipt of the signed contract forms and the successful bidder's performance security (when required) the Project will:
- Notify the unsuccessful bidders that their bids have been unsuccessful.
 - Return the bid securities of the unsuccessful bidders.

18.10 Advertising the Award

- 18.10.1 For DP-financed procurement, the DP, after receiving confirmation from the borrower that the award has been made, may publish a notice informing the international community of the contract award. This may include a description of the contract, the name and nationality of the supplier and the contract price.
- 18.10.2 Irrespective of the DP's actions, the EA should publish details of all contract awards and unsuccessful bidders for each bidding exercise on its own website and maintain details of the contract on the site for the duration of the project.
- 18.10.3 All other information of the evaluation process should be held in the strictest confidence and not released to any third party with the exception of the MEF/DIC, oversight agencies and the DP.

18.11 De-briefing Unsuccessful Bidders

- 18.11.1 Upon their express request for a Debriefing, the de-briefing of unsuccessful bidders is important, especially for national bidders as it will enable them to recognize weaknesses in their bids and address them on future opportunities increasing the overall levels of competition.
- 18.11.2 It is also an important factor making procurement more efficient. The de-briefing process is described in Section 6 of this manual and the NCB and shopping documents included as Annexes.

19 CONTRACT AWARD, CONSULTING SERVICES

19.1 General

- 19.1.1 Contracts for consulting services and their formation will follow a different process for that shown for goods and works because of the fundamental differences in what is being purchased.
- 19.1.2 For the purposes of this section the term “client” is used to describe the EA/PMU so that it is consistent with the DPs’ standard request for proposals and other national contract documents for consulting services.
- 19.1.3 Unlike goods and works it is usual to enter into some form of negotiation with consultants when procuring consulting services. One principle that must always be adhered to is that there is no negotiation on price for any type of contract when price has been a factor in the selection process. When price has not been a factor in the evaluation process it may be subject to negotiation subject to the provisions contained in the request for proposals and the provisions of this Manual and its annexure.

19.2 The Negotiation Process

- 19.2.1 For larger contracts that are advertised internationally, the usual practice is to hold face to face formal negotiations with the selected consulting firm which will normally last between two and five working days. The aim of these negotiations is to arrive at a draft contract acceptable to both the consultants and the client. All aspects of these negotiations must be recorded in the form of minutes of negotiation which will be prepared for each day of negotiations and agreed at the start to the following day by the parties to the negotiations. Some DPs provide templates for the Minutes of Negotiations to guide the EA in the negotiation process. A sample Template can be found in Annex V. In case of international procurement funded by ADB and WB, the sample Templates for different method of selections can be found in their respective web sites.
- 19.2.2 The template must be followed during the negotiation process and the details of the negotiations recorded. A copy of the minutes of negotiations must always be kept in the contract file. The template contains guidance notes for clients in italics which are for information only – these comments should be deleted and not shown to the consultants.
- 19.2.3 The letter to the selected consultant inviting it to a negotiation shall include a summary of the items to be discussed.
- 19.2.4 Negotiations will include discussion on the terms of reference in light of any suggestions that the consulting firm made on them in its proposal. The firm’s proposed methodology, the work plan and staffing proposed, identifying and

refining the roles and responsibilities of counterparts (if any), the services, facilities and exemptions to be provided by the client and any other significant issue identified during the evaluation process will also be discussed. However the negotiations shall not fundamentally alter the terms of reference, work plan, and methodology or team composition as included in the original proposal. The client shall not propose the replacement of any of the consultants' personnel without the prior agreement of the DP. Financial negotiations may include the tax liabilities for the consultants in Cambodia and the use of rates which are much higher than those charged normally in the industry.

- 19.2.5 The substitution of key experts is not allowed except where there has been a delay in awarding the contract. In this case the substitutes must be as well qualified as the experts they are replacing. For this purpose, a comparison of the experience and qualifications of the substitute and the original candidate must be made by the members of the CEC and decision taken on the substitution prior to the start of the negotiations.
- 19.2.6 When price is a factor in selection no alterations in the work plan, methodology or inputs shall be made during negotiations that reduce or increase the consultants' original financial proposal in respect of remuneration (fees) by more than 15% without the prior agreement of the DP.
- 19.2.7 In the event that the DP agrees and the client intends to reduce or increase the proposed inputs beyond this limit, the invitation to the consultants to commence negotiations must mention the approximate percentage by which the client intends amending the scope of the assignment. This is to enable the consultants' to prepare for negotiations or, in the case of a reduction, decline the invitation – as such a reduction may have a significant impact upon the consultants' financial arrangements with individual consultants, associates and sub-consultants.
- 19.2.8 If the negotiations with the highest rank consultant fail to resolve into an acceptable contract, the PRC shall terminate the negotiations and invite the next ranked firm for negotiations. However prior to taking this step, the NOL must be obtained for the termination of the negotiations with the highest ranked firm from the DP, where required.

19.3 Individual Consultants Contract

- 19.3.1 For the employment of individual consultants the contract form included in Annex Vb should be used. The client should request the details required from the consultant such as their address and bank details and send the draft contract with the details completed by email to the consultant for their review and acceptance. In the event that the consultant accepts the contract they should print and sign three copies of the contract and send them to the client.
- 19.3.2 Individual consultants are not expected to provide advance payment guarantees. No advance payments are made in respect of remuneration. However at the

commencement of services by an individual international consultant at the duty station, an advance for a maximum amount to cover the DSA including any allowance for local transportation for 30 calendar days can be made. Refer to the FMM for details on this.

- 19.3.3 There will be no face to face negotiations unless a consultant who is already in Cambodia (or who has representation) is selected. It is therefore important that all negotiations are recorded and the email and any other correspondence included in the contract file.

20 CONTRACT MANAGEMENT

20.1 General

- 20.1.1 Effective management of contracts is essential to ensure that the objectives of the procurement process are achieved and that all contractual obligations and activities are completed efficiently by both parties to the contract.
- 20.1.2 The PMU/PIU must ensure that routine monitoring of all current contracts is maintained so that swift remedial can be taken when problems arise, or preventative action taken when problems are foreseen.
- 20.1.3 There are many contractual issues that need to be dealt with, monitored and resolved as the contract is being implemented, and before the contract reaches its conclusion, all of which are covered in the General Conditions of Contract as well as under the Specific/Special Conditions of Contract, including:
- (a) Contract Effectiveness;
 - (b) Delivery and Inspections of Goods;
 - (c) Insurance Claims;
 - (d) Payments to the Supplier or Contractor;
 - (e) Performance Monitoring for Consulting services and Works;
 - (f) Contractual Disputes;
 - (g) Delays in Performance;
 - (h) Claims for Damages;
 - (i) Initial and Final Takeover of construction works;
 - (j) Installation and Commissioning of Equipment;
 - (k) Acceptance of Consultants' Deliverables;
 - (l) Release of Performance Securities and Retentions;
 - (m) Contract Closure.

20.2 Contract Effectiveness

- 20.2.1 Although the Contract Form may have been signed by both parties, the legal effectiveness of the Contract may be dependent on one or more of the following conditions:
- (a) Receipt by the EA/PMU of the Performance Security;
 - (b) Receipt by the EA/PMU of an Advance Payment Security;
 - (c) Receipt by the Supplier/Contractor/Consultant (Firm) of the Advance Payment;

- (d) Receipt by the Supplier/Contractor of an acceptable Letter of Credit, if required.
- 20.2.2 If a bidder for goods or works fails to provide the performance security or refuses to sign the contract as requested, the EA/PMU will call the proceeds of the bidder's Bid Security or execute its Bid Securing Declaration as appropriate and award the contract with the next best evaluated bidder.
- 20.2.3 In the event that the bidding document allows for an advance payment and the supplier or contractor wishes to avail of the advance payment, the supplier or contractor will be paid the advance once the advance payment bank guarantee is received, reviewed and accepted by the EA/PMU. The advance payment guarantee must be in the form and amount laid out in the bidding document. The advance payment will be amortized (reduced pro rata) against the future payments until it is completely off-set at the rate described in the bidding document and special conditions of contract. The advance must be off-set before a maximum of eighty percent of the contract amount is paid to the contractor or supplier.

20.3 Contract Supervision and Administration - Goods

- 20.3.1 Contract supervision and administration for goods will be undertaken by the PMU or the Acceptance and Inspection Committee (when there is one) as appropriate. Supervision and administration is straightforward in most procurement of goods but monitoring delivery schedules, processing of documents and the inspection of goods are all essential to ensure that the correct goods are delivered on time. The PMU will:
 - (a) Monitor the delivery schedules of all purchases to ensure that they are dispatched, delivered or collected on time.
 - (b) Receive reports on pre-shipment inspection of goods and contact the Supplier in writing requesting rectification of any discrepancies or deficiencies.
 - (c) Contact the Supplier or shipper to identify the causes of any delay in delivery;
 - (d) Coordinate the receipt and inspection of goods;
 - (e) Initiate and supervise any process for claims against insurance or the supplier.
 - (f) Report to the Project Director any failure by the Supplier in his contractual obligations;
 - (g) Issue the goods to the User Department after delivery.

20.4 Pre-shipment Inspection of Goods

- 20.4.1 In the event that the goods being purchased are of high value, being purchased for a foreign supplier and or are of a complex nature the use of a third party inspection agent is recommended. The decision of whether to have inspection or not rests with the Procurement Review Committee at the time of the approval of the draft bidding documents.
- 20.4.2 The instances when pre-shipment inspection of foreign suppliers is recommended are:
- (a) For all contracts with foreign suppliers that exceed the equivalent of US\$1,000,000 in value.
 - (b) All purchases of drugs that exceed US\$100,000 in value
 - (c) The purchase of all second hand and re-conditioned equipment when prior written authorization of the DA is given. Before second-hand or re-conditioned goods may be procured, DP approval is required.
- 20.4.3 The actual scope of the pre-shipment inspection required will vary depending on the goods. For example bulk commodities such as basic foodstuffs will only require a simple quantity check and a random sample tested for quality.
- 20.4.4 Drugs will also require a quantity check, in addition to this the packing and marking will have to be verified as correct and analysis of a number of random samples undertaken to ensure that the active ingredient is present in the amounts stated in the contract.
- 20.4.5 Complex engineered equipment may be subject to staged inspection and testing during the manufacturing process as otherwise it is impossible to verify that the some of the specified components in terms of capacity and quality are being used in the assembly of the final item.
- 20.4.6 It is also recommended that all second hand reconditioned engineered equipment, if approved by the DP, irrespective of value be inspected to ensure its proper functioning before shipment.
- 20.4.7 The bidding documents will, when pre-shipment inspection is required, instruct the bidder to nominate a reputable pre-shipment inspection company acceptable to the tender committee based at or close to the location of the goods to be supplied, it will also specify the type of inspection and tests to be carried out. The cost of the pre-shipment inspection will be shown in the bidders bid as a separate item and included in any resulting contract but not be included in the evaluation of bids. The pre-shipment inspection of drugs must include random sampling and analysis. The pre-shipment inspection of second hand and re-conditioned equipment must include the start up and running of the equipment.

20.4.8 For basic pre-shipment inspection the inspector (who must be experienced and appropriately skilled) will carry out the following tests – on a random sampling basis where appropriate - to ensure that the goods and packing are in strict conformity with the requirements. Pre-shipment Inspection may include but not be limited to:

- (a) Obtaining and verify Suppliers' Certificates of Analysis or Compliance to verify physical characteristics and chemical details, type, batch numbers and shelf life as appropriate.
- (b) Where appropriate, check that the consignment has a shelf life not less than that specified in the contract from arrival in Cambodia, and that all necessary instructions and manuals are enclosed and are printed in the required language.
- (c) Check that all packages are serially numbered and complete and that labeling and marking is exactly as specified in the contract.
- (d) Check that dimensions of the packing are as specified in the contract and that pallet markings and handling descriptions are clearly displayed to ensure proper handling in transit and at the delivery destination.
- (e) Check that all individual items, internal packing and external packages are exactly as specified in the contract.
- (f) Check that the primary packing is not damaged, opened or tampered with and that the shipping mark requirements are correct.
- (g) Check the packing against appropriate transportation and commodity regulations, and ensure that it is adequate for the safe shipment of goods by the contracted mode of transport.
- (h) Check the stability of cartons/pallets and that all waterproofing of the packing is sufficient if the consignment is to be transported by open truck, or left exposed during transit.
- (i) Prepare a detailed report against each of the above items and arrange for those present at the inspection to sign the report in agreement of the findings.
- (j) Take photographs wherever possible and relevant and attach these to the report.
- (k) Submit the report immediately to the EA.

NB: Any discrepancies found in the course of the inspection must be reported immediately.

20.5 Collecting Goods from the Port of Entry

20.5.1 Physical collection and customs clearance of goods at the Port of Entry may be necessary in some circumstances depending on the Incoterm used. Before accepting the consignment:

- (a) Carefully examine the packages to check they are all present according to the Shipping Documents or Airway Bill and to look for signs of any physical damage.
- (b) Look also for signs of tampering with any of the packages e.g. cases with broken seals, loose or open tops.
- (c) Have the packages re-weighed if there is any suspicion that items have been removed, and compare the result with the shipping documents.
- (d) Note any deficiency either in quantity or in condition on the receipt given in exchange for the goods (a clausured receipt).
- (e) If there are shortages, in addition to a clausured receipt, a short-landed or discrepancy certificate should also be obtained to assist claims against the Supplier or insurances (see Section 24).

20.6 Receipt and Inspection and Issue of Goods

20.6.1 The PMU/Acceptance and Inspection Committee is responsible for the receipt of goods except under works contracts where construction materials are delivered direct to the site. On delivery by a Supplier or carrier, the recipient will:

- (a) Receive the goods into temporary storage.
- (b) Examine the apparent condition of the goods and packing.
- (c) Issue an interim receipt, noting the apparent condition, of the goods.
- (d) Receive and register the invoices pending processing for payment.

20.6.2 Within three days following the arrival of the goods the Acceptance and Inspection Committee, in the presence of the Supplier's representative if they choose to attend, will:

- (a) Examine the documentation and packaging for compliance with the contract.
- (b) Ask the Supplier to open the packages (or arrange opening of the packages at the Supplier's expense).
- (c) Examine and analyze the goods for conformity with the contract specifications and/or the samples provided.
- (d) Examine the warranty certificate issued by the Manufacturer for each item
- (e) Reject all goods that are damaged or do not conform to the required specifications or samples.
- (f) Reject items for which Manufacturer issued warranty certificates have not been provided

20.6.3 Prepare a report and three copies, recording the delivery and descriptions, specifications and quantities of the goods examined and the reasons for accepting or rejecting the goods.

20.7 Payment for Goods

20.7.1 For simple payments against invoices the Project will follow the processes set out in the Financial Management Manual:

- (a) Review the request for payment/invoice/payment certificate ensuring the deduction of any advance payments, retentions or damages are calculated.
- (b) As appropriate, attach the:
 - Original invoice from the Supplier;
 - Shipping documents or airway bill;
 - Original of the Inspection Report;
 - Original Stores Receipt;
 - Results of any laboratory analysis;
 - Calculation of any penalties for rejected goods not removed by the Supplier and liquidated damages if allowable under the contract;
 - Copies of relevant information from the contract document, records of approval and financial authorizations.
 - Warranty Certificate from the Manufacturer, when specified as a requirement in the bidding documents.
- (c) Submit the payment for approval to the Project Manager or Director, who once approved will forward the documents to the Finance Officer for payment.

20.7.2 Payments by Letter of Credit will depend on the contract agreement between the Supplier and the Project for the terms and wording of the LC. The Procurement Officer will draft the documentary requirements for the letter of credit based upon the payment conditions listed in the special conditions of contract. Refer to Section 23 for guidance on letter of credit.

20.8 Contract Supervision and Administration - Works Contracts

20.8.1 Contract supervision and administration of works contracts is often complex due to factors which could not be foreseen at the start of the work. This requires the appointment of contract project managers as stipulated in the contract documents to manage the project site and day to day activities of the contractor. This individual may be the Technical Officer but also may be a specialized consultant recruited for this purpose or another appropriately skilled individual from the EA. The EA/PMU must ensure that it is kept informed of progress and problems which arise through routine reports.

20.8.2 Day to day supervision of a works contract is carried out by the Supervising Project Manager for the contract (normally a Technical Officer/Engineer from the PMU) who acts for the EA/PMU to supervise and administer the contract. For large contracts, procured under ICB procedures, this may involve a consulting firm with a team of engineers, inspectors, quantity surveyors etc.

- 20.8.3 The Contract Project Manager usually acts at the first level in settlement of disputes and he should ensure that the Project Manager or the Project Director of the PMU is informed of any disputes and their resolution. Any serious disputes which may require an amendment or addendum to the original contract must be reported immediately to the Project Manager or the Project Director.
- 20.8.4 Claims by Contractors for additional work or costs which are not covered under the terms of the existing contract and total contract value, must be referred to the Procurement Review Committee for approval.
- 20.8.5 Claims for extension of time, with or without additional costs, or for additional payment to the contractor must be resolved quickly.

20.9 Payment for Works

- 20.9.1 Payment for works contracts will normally be made against Payment Certificates certified by the Project Manager as named in the contract. For all works contracts materials delivered to the site but not yet used being unutilized materials will be excluded from the measurement approved and the value of Payment Certificates.
- 20.9.2 The contract's Project Manager will ensure that:
- (a) Any retention is deducted from the value of the Certificate before payment;
 - (b) Agreed deductions in respect of the repayment schedule for any advance payment are deducted from the value of the Certificate before payment;
 - (c) On issue of the Completion Certificate, 50 % of the total amount of retention money held will be repaid to the Contractor and the balance will be paid at the end of the defects liability period or against an acceptable "on demand" bank guarantee;
 - (d) On issue of a final takeover certificate by the Inspection and Acceptance Committee, the balance of the retention monies is paid to the contractor or the related bank guarantee returned.
- 20.9.3 Attach to the payment certificate;
- (a) Verification by the site engineer and certified by the Contract Project Manager that the works claimed by the Contractor have been carried out;
 - (b) Calculations of any retentions, liquidated damages or other penalties applicable under the contract;
 - (c) Copies of relevant information from the contract document, records of approval and financial authorizations.
 - (d) Submit the payment for approval to the Project Manager or Project Director, who once approved will forward the documents to the Finance Officer for payment.

20.10 Contract Supervision and Administration - Consultants Contracts

20.10.1 The contract may specify payments on the basis of inputs (time), deliverables, retainers, unit rates or commission fees. The administrative and supervision activities must therefore be based on the specific terms of each contract.

20.10.2 The Procurement Officer, Technical Officer or any other individual nominated by the Project will:

- (a) Monitor the activity and performance in accordance with the contract to ensure that levels of service are maintained and that deliverables are submitted or completed on time. For consulting services the contract may specify key reports to be submitted, or timesheets and routine reports to be submitted on a monthly or quarterly basis.
- (b) Ensure that all contractual obligations of the EA are performed promptly and efficiently.
- (c) Ensure that all deliverables (and especially reports) are reviewed immediately and responded to in writing where necessary.
- (d) Contact the Consultants' to identify the causes of any failings in performance or failure to meet targets.
- (e) Issue a formal letter to the Consultants' when necessary detailing the complaint if the explanation given is unsatisfactory or if performance is not improved within a reasonable period of time.
- (f) Report to the Project Manager any continued breach by the Consultants' of their contractual obligations.

20.11 Payment for Consulting Services

20.11.1 Payment for service contracts will be made according to the specific terms of each contract against invoiced claims by the Consultants'.

20.11.2 The Procurement Officer will ensure that:

- (a) The invoice claim is justified by the evidence of timesheets, submission and acceptance of deliverables, or other criteria as specified in the contract including supporting documents as evidence of expenditures/payments for items for reimbursements;
- (b) Agreed deductions in respect of the repayment schedule for any advance payment are deducted from the value of the invoice before payment and in any event advance payments must be off-set in their entirety before more than 80% of the consulting services are completed or before 80% of the contract period has expired ;
- (c) Any retention sum specified in the contract is deducted from the value of the invoice before payment.

- (d) Submit the payment for approval to the Project Manager or Director, who once approved will forward the documents to the Finance Officer for payment.

20.11.3 The Procurement Officer will attach to the invoice;

- (a) Calculations of any retentions, liquidated damages or other penalties applicable under the contract;
- (b) Copies of relevant information from the contract document, records of approval and financial authorizations.

20.12 Delays in Performance

20.12.1 Delivery of goods, construction of works and the performance of consulting services should be completed by the Supplier or Contractor or the Consultants in accordance with the time schedule prescribed in the Schedule of Requirements. Where this is not the case:

- (a) In accordance with the contract conditions, the Supplier/Contractor/Consultant must notify the EA/PMU/Project Manager of the Contract/Contract Coordinator in writing of the conditions delaying performance, including full details of the delay, the likely duration and the cause(s).
- (b) The EA/PMU will immediately assess the situation, and may at its discretion extend the Supplier or Contractor's time for performance, with or without liquidated damages as specified in the Contract. In case of Consultant contracts, the EA/PMU will take the necessary actions in accordance with the Conditions of Contract.
- (c) If the time for performance is extended, both parties shall ratify such extension by a formal addendum to the Contract.

20.12.2 A delay by the Supplier or Contractor in the performance of his obligations will render him liable to liquidated damages or performance security, except where the delay is as a result of Force Majeure.

21 TERMINATION OF CONTRACTS

21.1 Termination

- 21.1.1 Normally, neither of the parties to the contract have the right to terminate the contract unless for just cause, either for the convenience of the RGC, represented by EAs/IAs or a default on the part of the contractor, supplier, or consultant. The PRC's and the DP's prior approval are always required before the EA/PMU may terminate a DP-financed contract.

Termination of a contract for convenience does not hold a contractor, supplier, or consultant at fault. The RGC, represented by EAs/IAs, as a sovereign nation, has the right to terminate for convenience if in its best interest, e.g. due to requirement changes or insufficient funds. This decision should be taken only after serious consideration because it is potentially costly.

Termination of a contract for default holds a contractor, supplier or consultant at fault due to an actual or anticipated failure to perform obligations, breach of contract conditions, or breaking the law.

21.2 Goods Contracts

- 21.2.1 The grounds under which the EA/PMU (normally defined as the Purchaser) may normally terminate a contract are as follows:
- (a) If the Supplier fails to deliver any or all of the Goods within the period(s) specified in the Contract plus the maximum period allowed for liquidated damages or within any extension that may have been granted provided that the delay was not caused by force majeure; or
 - (b) If the Supplier fails to perform any other obligation(s) under the Contract such as commissioning of equipment and training if so required in the contract.
 - (c) If the Supplier has engaged in corrupt, fraudulent coercive or collusive practices in competing for or in executing the Contract.
- 21.2.2 In the event the Purchaser terminates the Contract in whole or in part for any of the reasons listed above the Purchaser may procure goods replacing those undelivered, and the Supplier shall be liable to the Purchaser for any excess costs the goods. If the contract is only terminated in part the Supplier will continue to be liable for the performance of the un-terminated portion of the contract. Any supplier who has a contract terminated in whole or part for any of the reasons listed above will be black listed for a period of not less than three years.
- 21.2.3 The Purchaser may at any time terminate the Contract by giving written notice to the Supplier if the Supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Supplier, provided that

such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Purchaser.

21.2.4 If the Purchaser decides to terminate for convenience the following steps must be taken:

- (a) The Purchaser by written notice sent to the Supplier, may terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the Purchaser convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon which such termination becomes effective.
- (b) The Goods that are complete and ready for shipment within thirty (30) days after the Supplier's receipt of notice of termination shall be accepted by the Purchaser at the Contract terms and prices. For the remaining Goods, the Purchaser may elect:
 - (i) to have any portion completed and delivered at the Contract terms and prices; and/or
 - (ii) to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and Consulting services and for materials and parts previously procured by the Supplier.

21.2.5 To protect the Purchaser, the advice of the MEF/DIC should always be sought if the Purchaser is considering such action. Contracts should not normally be terminated without examining all possible alternatives, unless the termination is agreed by all parties to the contract. Examine the Contract carefully to be aware of all contract conditions and penalties relating to the Termination of Contract.

21.3 Works Contracts

21.3.1 Generally a contract may be terminated in the following circumstances

- (a) If the Contractor abandons the Works, refuses or fails to comply with a valid instruction of the Engineer/Project Manager under the Contract or fails to proceed expeditiously and without delay or is, despite a written complaint, in breach of the Contract, the EA (normally defined as Employer) may give notice referring to the clause in the contract document, stating the default.
- (b) If the Contractor has not taken all practicable steps to remedy the default within 14 calendar days after the Contractor's receipt of the Engineer's/Project Manager's notice, the Engineer/Project Manager may, by a second notice given within a further 21 calendar days, terminate the Contract. The Contractor shall then demobilize from the Site leaving behind Materials and Plant and any Contractor's Equipment which, as Engineer/the Project Manager instructs in the second notice, which the Employer will retain until the completion of the Works.

- 21.3.2 Termination for Insolvency by the Employer. If the Contractor is declared insolvent under any applicable law, the other Employer may by notice terminate the Contract immediately. The Contractor shall then demobilize from the Site leaving behind any Contractor's Equipment which the Employer instructs in the notice is to be used until the completion of the Works.
- 21.3.3 The Contractors Right to Terminate. If the Employer fails to pay in accordance with the Contract, or is, despite a written complaint, in breach of the Contract, the Contractor may give notice referring to the Contract and stating the default. If the default is not remedied within 7 calendar days after the Employer's receipt of this notice, the Contractor may suspend the execution of all or parts of the Works. If the payment is not made, or the reason for non-payment established and not within the contractual rights of the Employer to withhold, within 28 calendar days after the Employer's receipt of the Contractor's notice, the Contractor may, by a second notice given within a further 21 calendar days, terminate the Contract. The Contractor shall then demobilize from the Site
- 21.3.4 Termination for reasons of Force Majeure. If a Party is or will be prevented from performing any of its obligations by Force Majeure, the Party affected shall notify the other Party immediately. If necessary, the Contractor shall suspend the execution of the Works and, to the extent agreed with the Employer, demobilize the Contractor's Equipment. If the event continues for a period of 84 calendar days, either Party may then give notice of termination, which shall take effect 28 calendar days after the giving of the notice.
- 21.3.5 Termination for Convenience by Employer. The Employer may, by notice, terminate the contract for convenience.
- 21.3.6 Payment on Termination. After termination, the Contractor shall be entitled to payment of the unpaid balance of the value of the Works executed and of the Materials and Plant reasonably delivered to the Site, adjusted by the following:
- (a) If the contract has been terminated for reasons of default or insolvency on the part of the Contractor, The Project shall be entitled to a sum equivalent to 10% of the value of those parts of the Works not executed at the date of the termination.
 - (b) If the Contract has been terminated for reasons of default on the part of the Employer the Contractor shall be entitled to the Cost of his suspension and demobilization together with a sum equivalent to 10% of the value of those parts of the Works not executed at the date of termination.
 - (c) If the contract was terminated for reasons of force majeure after termination, the Contractor shall be entitled to payment of the unpaid balance of the value of the Works executed and of the Materials and Plant reasonably delivered to the Site plus the Cost of his suspension and demobilization less any sums that may be due to the Employer such as the balance of any unutilized advance or stage payments.

21.4 Consultants Contracts

- 21.4.1 If a Contract has not become effective within any time period after the date of the Contract signed by the Parties specified in the Contract, either Party may, by not less than 28 calendar days written notice to the other Party, declare the Contract to be null and void, neither Party shall have any claim against the other Party
- 21.4.2 The Project may, by not less than thirty (30) calendar days' written notice of termination to the Consultants, terminate a Contract in any of the following circumstances:
- (a) If the Consultants fail to remedy a failure in the performance of their obligations hereunder, as specified in a notice of suspension, within thirty (30) calendar days of receipt of such notice of suspension or within such further period as the Project may have subsequently approved in writing.
 - (b) If the Consultants fail to comply with any final decision reached as a result of arbitration proceedings
 - (c) If the Consultants submit to the Project a statement which has a material effect on the rights, obligations or interests of the Project and which the Consultants know to be false.
 - (d) If the Consultant, in the judgment of the Client, has engaged in corrupt, fraudulent collusive or coercive practices in competing for or in executing the Contract.
 - (e) As the result of Force Majeure, the Consultants are unable to perform a material portion of the Consulting services for a period of not less than sixty (60) calendar days
 - (f) If the Consultants become (or, if the Consultants consist of more than one entity, if any of their Members becomes) insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary
- 21.4.3 Termination for Convenience by the Client (EA/PMU is defined as the Client). The Client may, by a written notice of not less than sixty (60) calendar days at its sole discretion and for any reason whatsoever, may terminate a Contract.
- 21.4.4 The Consultants may, by not less than thirty (30) calendars days' written notice to the Client, such notice to be given after the occurrence of any of the events specified below, terminate a Contract
- (a) if the Client fails to pay any money due to the Consultants not subject to dispute within forty-five (45) calendar days after receiving written notice from the Consultants that such payment is overdue;
 - (b) If the Client is in material breach of its obligations under the Contract and has not remedied the same within forty-five (45) calendar days (or such

longer period as the Consultants may have subsequently approved in writing) following the receipt by the Client of the Consultants' notice specifying such breach;

- (c) If, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Consulting services for a period of not less than sixty (60) calendar days; or
- (d) if the Client fails to comply with any final decision reached as a result of arbitration

21.4.5 Payment for Termination Upon termination The Client shall pay to the consultants remuneration for Consulting services satisfactorily performed prior to the effective date of termination;

- (a) Reimbursable actually incurred prior to the effective date of termination; and
- (b) Except in the case of termination in accordance with i), through iv) of 21.3.2, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract including the cost of the return travel of the Personnel and their eligible dependents.

21.4.6 To protect the Client, the advice of MEF/DIC should always be sought if the Client is considering such action.

21.4.7 Contracts should not normally be terminated without examining all possible alternatives, unless the termination is agreed by all parties to the contract. The Client should examine the Contract carefully to be aware of all contract conditions and penalties relating to the Termination of Contract.

21.4.8 EA/PMU should follow the advice of the MEF/DIC in the preparation of any correspondence and settlement of any contractual penalties.

22 CONTRACT AMENDMENT

22.1 General

- 22.1.1 Contract amendment may become necessary as a result of the application of price variations specified in the contract, the resolution of disputes, additional or reduced requirements, agreements to extend the time schedule, or from accepted increases or decreases in prices. All amendments that change the contract value except for those already provided for in the contract must be reviewed and approved by the Procurement Review Committee and as required under the DPs guidelines.
- 22.1.2 The Procurement Officer/Project Manager/Client Coordinator nominated in the contract is responsible for assessing the effect and impact on the components of the Contract and time period and either make a decision them self or refer the matter to the Procurement Review Committee.
- 22.1.3 In the event that the deliberations cause a delay in the execution of the Contract the EA/PMU will assess the period of the delay and add the corresponding time period and amend the contract accordingly.
- 22.1.4 The EA/PMU will:
- (a) Identify and agree with the Supplier, Contractor or Consultants the specific clauses in the contract which need to be changed, and the new values or terms and conditions which are to apply;
 - (b) Prepare a draft contract amendment document for approval by the Procurement Review Committee, together with a report justifying the reasons for the amendment:
- 22.1.5 Following approval by the Procurement Review Committee, the Procurement Officer will:
- (a) Record any change in contract value in the Commitment Register and in the Contract Register;
 - (b) Record any other contractual changes in the Contract Register;
 - (c) Obtain from the supplier/contractor/consultants any necessary addition or extensions to the performance and advance payment security;
 - (d) Arrange for signature of the contract amendment in three copies;
 - (e) Distribute copies in the same way as the original contract,

22.2 Procedures Specific to Works

- 22.2.1 The nature of works contracts mean that during the course of execution there is often the need to address minor variations and introduce minor amendments in

the contract to ensure the smooth completion of the works. To facilitate this, the terms and conditions of the contract specify specific mechanisms for introducing changes to the contract. These are described below:

- 22.2.2 Testing for Defects. The Engineer/Project Manager under the Contract shall check the Contractor's work and notify the Contractor of any Defects that are found. Such checking shall not affect the Contractor's responsibilities. The Engineer/Project Manager may instruct the Contractor to search for a Defect and to uncover and test any work that the Engineer/Project Manager considers may have a Defect
- 22.2.3 If the Engineer/Project Manager instructs the Contractor to carry out a test not specified in the Contract to check whether any work has a Defect and the test shows that it does, the Contractor shall pay for the test and any samples. If there is no Defect, the test shall be paid for by the Employer.
- 22.2.4 Variations. The Contractor shall provide the Engineer/Project Manager with a quotation for carrying out the Variation when requested to do so by the Engineer/Project Manager. The Engineer/Project Manager shall assess the quotation, which shall be given within seven days of the request or within any longer period stated by the Engineer/Project Manager and before the Variation is ordered.
- 22.2.5 If the work in the Variation corresponds with an item description in the Bill of Quantities and if, in the opinion of the Employer, the quantity of work above the limit of a single item by more than 25 percent, provided the change exceeds 1 percent of the Initial Contract Price or the timing of its execution do not cause the cost per unit of quantity to change, the rate in the Bill of Quantities shall be used to calculate the value of the Variation. If the cost per unit of quantity changes, or if the nature or timing of the work in the Variation does not correspond with items in the Bill of Quantities, the approved quotation by the Contractor shall be in the form of new rates for the relevant items of work.
- 22.2.6 If the Contractor's quotation is unreasonable, the Engineer/Project Manager may order the Variation and recommend to the Procurement Review Committee a change to the Contract Price, which shall be based on the Employer's own forecast of the effects of the Variation on the Contractor's costs.
- 22.2.7 If the Employer decides that the urgency of varying the work would prevent a quotation being given and considered without delaying the work, no quotation shall be given and the Variation shall be treated as a Compensation Event and the contractor paid at cost. The Contractor shall not be entitled to additional payment for costs that could have been avoided by giving early warning.
- 22.2.8 Compensation Events. The following events will result in the contractor being paid additional sums or the Contract being amended as appropriate:

- (a) The Employer does not give access to a part of the Site by the Site Possession Date stated in the Contract.
- (b) The Engineer/Project Manager modifies the Schedule of Other Contractors in a way that affects the work of the Contractor under the Contract.
- (c) The Engineer/Project Manager orders a delay or does not issue Drawings, Specifications, or instructions required for execution of the Works on time.
- (d) The Engineer/Project Manager instructs the Contractor to uncover or to carry out additional tests upon work, which is then found to have no Defects.
- (e) The Engineer/ Project Manager unreasonably does not approve a subcontract to be let.
- (f) Ground conditions are substantially more adverse than could reasonably have been assumed before issue of the Letter of Acceptance from the information issued to bidders (including the Site Investigation Reports), from information available publicly and from a visual inspection of the Site.
- (g) The Engineer/Project Manager gives an instruction for dealing with an unforeseen condition, or additional work not reasonably foreseeable required for safety or other reasons.
- (h) Other contractors, public authorities, utilities, or the Employer do not perform work within the dates and other constraints stated in the Contract, and they cause delay or extra cost to the Contractor
- (i) The advance payment is delayed.
- (j) The effects on the Contractor of any of the Employer's Risks.
- (k) The Employer unreasonably delays issuing a Certificate of Completion.
- (l) If and of the events described above would cause additional cost or would prevent the work being completed before the Intended Completion Date, the Contract Price shall be increased and/or the Intended Completion Date shall be extended. The Employer shall decide whether and by how much the Contract Price shall be increased and whether and by how much the Intended Completion Date shall be extended.

23 LETTERS OF CREDIT

23.1 Definition

- 23.1.1 A Letter of Credit (or documentary credit) is a written undertaking given by the Purchaser's bank to pay a Supplier for goods shipped or consulting services rendered, provided specified documents are presented in compliance with the credit terms. Usually the authority is given by the Purchaser's bank (the issuing bank) to another bank (the intermediate or respondent bank) in the Supplier's country, to pay, accept or negotiate bills of exchange, or offer deferred payment terms, against presentation of the documents. The terms confirming or advising bank are used to identify the intermediate bank or a third bank when they agree to undertake one of the confirming or advising roles.
- 23.1.2 Payment of suppliers using letters of credit for goods is not encouraged and no contracts with Cambodian suppliers should include payment by letter of credit.
- 23.1.3 However when an open tender is issued on an international basis payment by letter of credit must be allowed for in the bidding document. Foreign suppliers generally will not bid unless payment is assured through an irrevocable letter of credit. In these instances to ensure competition on an equal basis both foreign and Cambodian suppliers should be allowed avail of payment by letter of credit at their own option. The bidding document must state that all letter of credit charges both inside and outside of Cambodia will be to the beneficiaries (supplier's) account and will be deducted from the value of payments made.

23.2 Advantages of a Letter of Credit (LC)

- 23.2.1 By issuing a credit through the banking system, the Purchaser ensures that no payment is made for goods or consulting services unless the specified documents are presented.
- 23.2.2 Suppliers are guaranteed payment by a bank against presentation of the specified documents and therefore the supplier is not solely dependent on the Purchaser willingness or ability to pay. Letters of Credit are normally "Irrevocable" and cannot be cancelled or amended without the consent of all concerned parties. All presentations for payment will be honored by the issuing bank provided the terms and conditions of the credit are met.
- 23.2.3 Under a Letter of Credit, banks deal in documents and not in goods - any disputes over goods are matters for the Purchaser and the Supplier to resolve and should not involve the banks concerned.

23.3 Issue of a Letter of Credit

23.3.1 Once the Purchaser and Supplier have signed the Contract for which payment is to be by Letter of Credit:

- (a) The Purchaser will instruct its bank (the Issuing Bank) to prepare a credit in favor of the Supplier to be advised through the Intermediate Bank.
- (b) The Purchaser and Supplier will have agreed on the terms of settlement as stated in the Contract, whether this be:
 - By payment at sight or acceptance at tenor or usance;
 - Negotiation at sight or tenor; or
 - On deferred payment terms.

23.4 Payment under a Letter of Credit

23.4.1 The Supplier will present all the required documents to the advising bank and receive payment of the amount due under the terms of the Letter of Credit.

23.4.2 Alternatively, the Supplier may discount the Letter of Credit with the advising bank and receive early payment in a reduced sum, but must still present all the required documents to the bank when they become available.

23.4.3 The Purchaser's bank account will be debited directly by the issuing bank unless the Commitment Procedures as described in the Financial Management Manual have been followed in which case the negotiating or advising bank will make payment to the supplier directly and receive reimbursement from the DP.

23.5 Amending a Letter of Credit

23.5.1 Irrevocable credits cannot be amended without the consent of all parties.

23.5.2 Amendments are rarely refused simply because they are essential to the working of a credit. Reasons for amendments may include the following:

- (a) The Purchaser may require more goods and wish to increase the amount and quantity of the credit;
- (b) The Supplier cannot ship goods or present documents within the existing latest shipment and expiry dates;
- (c) Something essential may have been omitted from the original credit, such as a document or an instruction.
- (d) Most credits are amended at least once during their validity.
- (e) Revocable credits may be amended or cancelled by the Purchaser almost at will, but are therefore unlikely to be accepted by the Supplier as a means of payment.

24 INSURANCE FOR GOODS

24.1 General

- 24.1.1 Under all 'C' terms, that is CIF, CIP etc. as defined in INCOTERMS, the risk and title of the goods pass to the purchaser when the goods pass into the custody of the first carrier, i.e. the purchaser takes ownership of the goods at this point, not when the goods arrive at their intended destination. The first carrier is normally the truck that collects the goods for delivery to an airport or seaport from the supplier's facility. Under CIF and CIP the supplier is responsible for taking a contract of carriage and a contract of insurance in the name of the purchaser. As goods in transit are at the highest risk and under C terms are owned by the Purchaser insurance must be taken out to cover the risks involved, such as "Fire", "Strikes", "War" and "Warehouse to Warehouse". The Purchaser is responsible for all customs duties, tariffs taxes and handing charges after the goods leave the country of the supplier, including any that may be levied in transit and customs clearance in Cambodia.
- 24.1.2 If the goods are contracted on ex-works the purchaser will have to arrange for packing, collection and transit of the goods and insurance. If the Goods are contracted on FOB terms the supplier is responsible for loading the goods on the vessel nominated by the purchaser, all other costs such as sea freight, insurance all customs duties, tariffs taxes and handing charges after the goods leave the country of the supplier, including any that may be levied in transit and customs clearance in Cambodia will be to the account of the purchaser.
- 24.1.3 Evidence of insurance cover is provided by an original copy of the Certificate of Insurance.
- 24.1.4 Insurance worldwide is arranged through 'Lloyds of London' which takes its name from a 17th Century London coffee house where merchants used to meet to agree to arrange insurance of cargoes on the high seas from the East and West Indies and American Colonies. It has now evolved into the worldwide stock market that deals in insurance policies and insurance cover. As a result insurance companies worldwide float their insurance policies at Lloyds of London either directly if they are a 'Name', a name basically being an authorized broker at Lloyds or through an intermediary company represented by a name.
- 24.1.5 As London is the location for all major insurance policies (some Governments and a few massive multi-national companies self insure) all insurance companies issue policies that include the standard London Institute of Underwriters Clauses. Lloyds also maintains a worldwide network of agents in all major ports and airports to assess insurance claims.

24.2 Periods of Insurance Cover

- 24.2.1 Normally insurers are on risk until delivery at the final destination (the place mentioned in the Shipping Mark) or on the expiry of 60 days from offloading from the ocean vessel if this is before actual delivery.
- 24.2.2 For airfreight shipments, only 30 days after arrival of the aircraft is allowed.
- 24.2.3 If the Purchaser decides to purposely halt the normal course of transit at an intermediate point before delivery at final destination, insurance cover may also stop at that particular point.
- 24.2.4 Where or when insurance cover ends can sometimes be modified by agreement prior to commencement of the journey.

24.3 Insurance Claims

- 24.3.1 Where there is loss or damage to imported goods, and the Supplier is directly responsible for insurance, write immediately to request replacement or repair of the goods.
- 24.3.2 If the Purchaser has directly arranged the insurance, it must write a claim letter to the local insurance company to inform them of the loss or damage.
- 24.3.3 Under the more usual circumstances of CIF or CIP terms, the Purchaser must immediately write to the local office of the Shipping Company, or to their local agent, holding them responsible.
- 24.3.4 Claims letters should include the following:
 - (a) An exact explanation what was wrong with the consignment;
 - (b) A clear statement that they are being held responsible;
 - (c) A request for an amount of money in compensation. (If the actual amount is not known at the time, state that a valued claim will follow when the details are known);
 - (d) A request that the letter is acknowledged in writing.
- 24.3.5 Attach the following documents:
 - (a) A copy of the Bill of Lading/ Air Waybill for reference purposes;
 - (b) A copy of the claused receipt and/or the short-landed or discrepancy certificate;
 - (c) If the claim is likely to exceed the equivalent of GBP £4,500 (USD \$7,000 equivalent) an original copy of the Lloyds Survey Report will be required.
- 24.3.6 When serious or very expensive damage is apparent, invite the carrier to be present during a joint inspection survey.

- 24.3.7 It is usual to pay for the Survey Fee in the first instance, but this cost may be added to the claim against insurance.
- 24.3.8 The Lloyds agent may also assist with the claims procedure; send the Lloyds agent the Original Lloyds Survey Report (where appropriate) together with copies of all other claim documents that may be available, e.g. copy receipts, copy correspondence to and from the carrier, repair estimates etc.
- 24.3.9 It is essential to act quickly when a claim is necessary, otherwise it may be rejected by the carrier or the insurers because it has become time-barred.

24.4 Claims against a Sea Carrier

- 24.4.1 Only three days are allowed to report any loss or damage that was not apparent at the time of collection (when a clean receipt may have been given).
- 24.4.2 Where a claused receipt or discrepancy certificate was given, nine months is usually allowed from the date of cargo offloading from the ocean vessel to lodge a claim against the carrier.
- 24.4.3 Claims not resolved within this period may become time barred unless a time extension has been agreed with the carrier before actual expiry of the nine months period.
- 24.4.4 The nine-month claim period is sometimes extended to 12 months depending on the conditions printed on the Bill of Lading.

24.5 Claims against an Air Carrier

- 24.5.1 Where there are shortages in the number of packages received or in the case of damage, claims should be made within 7 calendar days from the arrival of the aircraft.
- 24.5.2 For non-delivery of the whole consignment, written claims must be made within 120 calendar days from the date of the Air Waybill.
- 24.5.3 All air claims must normally be resolved within 2 years.

25 RECORDS MANAGEMENT

25.1 Records Management Responsibility

- 25.1.1 The Procurement Officer with the assistance of the Administrative Officer will compile pre and post contract files of all procurement exercises, and maintain secure same for a period of five (5) years.
- 25.1.2 The Project Director has overall responsibility for ensuring that these files are passed to the EA at the completion of each project. These files are a matter of public record and may be the subject of audit by the DP or government and must be retained by the EA for ten years after the project's completion.

25.2 The Pre-Contract File

- 25.2.1 The pre-contract file must contain a copy of both the general and specific procurement notice as published in the newspaper. In addition to this the file will contain a copy of the bidding document or request for proposals as issued to firms and copies of the no objection issued by the Procurement Review Committee and when appropriate the DP.
- 25.2.2 The pre-contract file will contain copies of all amendments issued to the bidding document, the minutes of bid opening and the evaluation report complete with all the clarification requests issued and received, Minutes from the Procurement Review Committee's review and any subsequent no objection issued by the DP. The file must also contain the Summary of Evaluation as published by the project. Attached to the file by webbing straps if necessary should be a copy of all of the bids received including the winning bid including copies of bid securities when required (the originals must be returned to the bidders).
- 25.2.3 Copies of any complaints received and their response must also be included in the pre-contract file.

25.3 The Post-Contract File

- 25.3.1 The post contract file must include a copy of the contract and copies of all contractual correspondence including consultants' reports, letters of credit issued, shipping documents, invoices contract amendments, insurance certificates, taking over and warranty certificate.

ANNEX I

Report Templates

ANNEX I a

Expression of Interest Register

Register of Expressions of Interest, Services					
Name	Address	Contact	Fax and Email	Date of Request for Expression of Interest (REOI)	Date Received

ANNEX I b

Summary of Contracts Awarded For Publication

Goods and Works

Name of Project		Project ID	
Bid/Contract No		Scope of Contract	
Procurement Method		Contract Signature Date	
Awarded Bidder			
Name of Awarded Bidder	Bid Price at Opening		Final Bid Price
Evaluated Bidder(s)			
Name of Evaluated Bidder	Bid Price at Opening		Final Bid Price
Rejected Bidder(s)			
Name of Rejected Bidder	Bid Price at Opening		Reason(s) for Rejection

Services

Name of Project		Project ID			
Bid/Contract No.		Scope of Services			
Procurement Method		Contract Signature Date			
Name of consultant/firm	Technical Score	Financial Score	Financial Proposal Amount	Total Score	Final Ranking

ANNEX I c

Summary of Contracts in Execution

[illegible]

ANNEX I d

Procurement Plan Templates

Introduction

This Annex contains the project and specific procurement monitoring and tracking templates. These should be completed in Excel format unless the EA uses a full project system. The templates can be obtained from MEF or downloaded from the MEF website at the start of the project.

Sample Project Procurement Plan

Project Procurement Plan										
Project Name:										
Loan/Credit/Grant No:										
Project ID:										
Date:										
I. Goods and Works										
Contract Package No.	Description of Contract Package	Total Estimated Cost (USD)	Method of Procurement (ICB/NCB/Shopping etc.)	Domestic Preference (for ICB only) Yes/No	Review by DP (Prior / Post)	Procuring Agency's Name	Estimated Date of Invitation for Bids	Estimated Contract Signing Date	Estimated Contract End Date	Comment
1	Office Furniture (Filling Cabinets Working Desks, PC Desks)	\$50,000	Shopping	No	Post	MAFF	Jan-12	Mar-12	Apr-12	
2	Equipment (Package comprising 3 lots as below)	\$125,000	NCB	No	Post	MAFF	Jan-12	Apr-12	May-12	
	Lot 1- Office equipment (Photocopy machines and scanners)									
	Lot 2- Computing equipment (desktop and laptop computers, printers, and computer accessories such as external HDD, flash drives, and other accessories)									
	Lot 3- Audio and Visual equipment (LCD, digital and video cameras, audio sound recorders)									
TOTAL		\$175,000								

Project Procurement Plan										
Project Name:										
Loan/Credit/Grant No:										
Project ID:										
Date:										
II. Consultant Services										
Contract Package No.	Description of Contract Package	Firm or Individual	Total Estimated Cost (USD)	Method of Procurement (QCBS/QBS/LCS, etc for firms and IC for individuals)	Review by DP (Prior / Post)	Procuring Agency's Name	Estimated Date of Invitation for Proposal/CVs	Estimated Contract Signing Date	Estimated Contract End Date	Comment
1	National Consultant for Identification of Production Potential for Enhanced Rice Productivity and Marketing Opportunities	IC	\$18,000	Selection of Individual Consultant	Post	MAFF	Mar-12	Jul-12	Sep-12	
2	National Consultant for Assessment of the potential and agri-business opportunities of agriculture cooperative in rice value chains in Cambodia	IC	\$18,000	Selection of Individual Consultant	Post	MAFF	Mar-12	Jul-12	Sep-12	
3	National Consultant for the study to map the existing informal farmers' groups, farmer organizations and cooperatives, assess their maturity and their potential for further development and eligibility for project assistance	IC	\$18,000	Selection of Individual Consultant	Post	MAFF	Mar-12	Jul-12	Sep-12	
4	National Consultant for the study to assess (i) the number of VAHWs in the five target provinces; and (ii) number of VEWs in the five target provinces	IC	\$12,000	Selection of Individual Consultant	Post	MAFF	Mar-12	Jul-12	Sep-12	
5	International Consultant for Preparation of Operational Manual	IC	\$6,000	Selection of Individual Consultant	Prior	MAFF	Apr-12	Jul-12	Sep-12	
6	International Consultant for Preparation of Environmental and Social Management Framework	IC	\$18,000	Selection of Individual Consultant	Prior	MAFF	Mar-12	Jul-12	Sep-12	
7	International Consultant for Preparation for Resettlement Policy Framework	IC	\$18,000	Selection of Individual Consultant	Prior	MAFF	Mar-12	Jul-12	Sep-12	
8	International Consultant for Preparation for Indigenous People Development Plan if applicable	IC	\$18,000	Selection of Individual Consultant	Prior	MAFF	Mar-12	Jul-12	Sep-12	
9	Consultant for Socio-economic assessment of smallholder production systems in project areas and baseline survey	Firm	\$75,000	QCBS	Prior	MAFF through IPA	Mar-12	Jul-12	Sep-12	
TOTAL CONSULTANTS (INDIVIDUALS)		8								
TOTAL CONSULTANTS THROUGH FIRM		1								
TOTAL CONSULTANTS SERVICES		9								
OVERALL PROCUREMENT PLAN		9	\$201,000							

Sample Specific Procurement Plan, Procurement of Goods and Works by ICB/NCB

Project name: _____		As At _____ <i>[insert date]</i>				
Contract No. _____						
DP Loan/Credit/Grant _____		Prior or Post Review _____				
Description of Goods or Works _____		Procurement Method ICB/NCB				
Activity		Time Period	Planned Start	Planned Finish	Actual Start	Actual Finish
		Int./Nat				
Preparation	Specification and cost estimate prepared after Detailed Design	3w/1w				
	Bidding Document drafted	3w/1w				
	Bidding Document Approved by PRC	1w				
	<i>Bidding Document Submitted to DP</i>	1w				
	<i>NOL Issued</i>	1w				
Prequalification (When applicable)	Advertisement issued	1d/NA				
	Invitation to pre-qualification period	6w/NA				
	Applications received	1d/NA				
	Applications evaluated by BEC	2w/NA				
	Pre-qualification evaluation approved by PRC					
	Pre-qualification evaluations sent to DP	1d/NA				
	NOL Issued	1w/NA				
Bidding Period	Specific Procurement Notice Issued	1d				
	Bidding Period	6w/4w				
	Bid Closing Date	1d				
	Bid Opening Minutes Distributed	2d				

Evaluation	Evaluation of Bids by BEC	4w/2w				
	PRC Review and Approval	2w/1w				
	<i>Evaluation Sent to DP</i>	1w				
	<i>NOL Issued</i>	1w				
Contract Formation	Notification of Award Issued	1d				
	Performance Security Received	3w				
	Contract Signed	1d				

The activities shown in italics are only applicable when prior review of the DP is required. . The above standard time periods are applicable to international procurement. When procurement is undertaken through NCB the second period is to be used. Pre qualification will only be used in exceptional cases and with the DP's no objection.

For contracts that are subject to post review, the above standard times will apply except for those activities that are shown as requiring a NOL by the DP.

Sample Specific Procurement Plan, Procurement of Services

Project name: _____		As At _____ <i>[insert date]</i>				
Contract No. _____		Prior Review _____		or _____		Post _____
DP Loan/Credit/Grant _____		Method of Selection QCBS/QBS/LCS/FBS/CQS/SSS				
Description of Services _____		Estimate Value				
Activity		Time Period	Planned Start	Planned Finish	Actual Start	Actual Finish
		Int./Nat				
	<i>Preparation of TOR</i>	2 w				
EOI/TOR	<i>TOR and Request for EOI sent to DP for NOL</i>	1d				
	<i>DP's NOL</i>	1w				
	<i>Request for EOI advertised</i>	3d				
	<i>EOI Closing date</i>	6w/4w				
	<i>Evaluation of EOI and drafting of RFP</i>	3w/2w				
Shortlist and RFP	<i>Shortlist and RFP sent to DP</i>	1d				
	<i>DP's NOL</i>	1w				
	<i>RFP Issued to Shortlisted Firms</i>	1d				
	<i>Proposals Received</i>	6w/4w				
Technical Evaluation	<i>Technical Evaluation of Proposals by CEC</i>	4w/2w				
	<i>Technical Evaluation sent to DP</i>	1d				
	<i>DP's NOL</i>	1w				
	<i>Firms Invited to Financial Opening</i>	2w/1w				
Financial	<i>Financial proposal Publicly Opened</i>	1d				

	Financial Evaluation by CEC	1w				
	<i>Financial Evaluation sent to DP for Information</i>	1d				
		1w				
	Selected Firm invited to Negotiate	3w/1w				
Contract Formation	Contract negotiations	1w				
	Draft Contract Approved/Initialed	1w				
	<i>Draft Sent to DP</i>	1d				
	<i>DP's NOL</i>	1w				
	Contract Signature	3w/1w				

The activities shown in italics are only applicable when prior review by the DP is required. The above standard time periods are applicable to international procurement. When procurement is undertaken only with national consulting firms the recommended time period is shown as the second period.

For contracts that are subject to post review, the above standard times will apply except for the activities that are shown as requiring NOL by the DP.

Sample Specific Procurement Plan, Procurement of Goods and Works by Shopping

Project name: _____		As At _____ <i>[insert date]</i>				
Contract No. _____						
DP Loan/Credit/Grant _____		Prior or Post Review _____				
Description of Goods or Works _____		Estimated Value _____				
Activity		Time Period	Planned Start	Planned Finish	Actual Start	Actual Finish
		Int./Nat				
Preparation	Specification and cost estimate prepared	1w				
	Bidding Document drafted	1w				
	Bidding Document Approved by PRC	1w				
	<i>Bidding Document Submitted to DP</i>	1d				
	<i>NOL Issued</i>	1w				
Bidding Period	Specific Procurement Notice/IFB Issued	1d				
	Closing Date	2 to 3w				
	Opening of Quotations	1d				
	Minutes distributed	1d				
Evaluation	Evaluation by BEC	1w				
	PRC Review and approval	1w				
	<i>Evaluation Sent to DP</i>	1d				
	<i>NOL Issued</i>	1w				
	Contract issued-Letter of Notification/Acceptance issues	2d				
	Contract Signed	1w				

The activities shown in italics are only applicable when prior review is required by the DP.

For contracts that are subject to post review, the above standard times will apply except for the activities that are shown as requiring NOL by the DP.

Procurement Monitoring and Tracking Form – Goods

Project name: _____												Loan/Credit/Grant No: _____											
Update: _____																							
Procurement Monitoring and Tracking Form Goods																							
No	Contract No.	Description of Goods	Procurement Method	Prior Review (Prior) or Post Review (Post)	Plan (P) / Schedule (S) / Actual (A)	Bidding Documents (BD) and Bidding Process							Bid Evaluation/Contract Award							Contract			
						Cost Estimate / Actual Cost	Completion of Draft Bid Documents	Submission to PRC	Approval of Draft Bid Docs by PRC	Submission to DP for NOL	NOL by DP	Advertisement of IFB	Bid Submission Closing / Public Opening	Issue of Minutes to DP/Bidders	Completion of BER	Submission to PRC	Approval by PRC	Submission to DP for NOL to BER	NOL by DP	Issue of Notification of Award	Contract Signing	Signed Contract to DP	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
					P																		
					S																		
					A																		
					P																		
					S																		
					A																		

Procurement Monitoring and Tracking Form – Works

Project Name: _____												Loan/Credit/Grant No: _____											
Update: _____																							
Procurement Monitoring and Tracking Form Works																							
No	Contract Number	Description of Works	Procurement Method	Prior review (Prior) or Post Review (Post)	Plan (P) / Schedule (S) / Actual (A)	Bidding Documents (BD) and Bidding Process							Bid Evaluation/Contract Award							Contract			
						Cost Estimate / Actual Cost	Completion of Design	Completion of Draft Bid Documents	Submission to PRC	Approval of Draft Bid Docs by PRC	Submission to DP for NOL	NOL by DP	Advertisement of IFB	Bid Closing/Bid Opening	Issue of Minutes to DP/Bidders	Completion of Evaluation by BEC	Submission to PRC	Approval by PRC	Submission to DP	NOL by DP	Issue Letter of Acceptance	Contract Signing	Signed Contract to DP
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
					P																		
					S																		
					A																		
					P																		
					S																		
					A																		

Procurement Monitoring and Tracking Form – Consulting Firms

Project Name:																						Loan/Credit/Grant No:													
Update:																																			
Procurement Monitoring and Tracking Form - Consulting Firms																																			
No	Contract No.	Description of Services	Procurement Method	Prior review (Prior) or Post Review (Post)	Plan (p)/Schedule(S)/Actual (A)	EOI Stage					RFP Stage						Evaluation Stage						Negotiation and Contract Signing Stage												
						Cost Estimate / Actual Cost	Completion of draft TOR and REOI	NOL by DP for TOR	Advertisement of REOI	REOI Closing Date and Evaluation by CEC	Submission of Draft RFP & Short List to PRC	Approval by PRC	Submission to DP	NOL Draft RFP & Shortlist by DP	RFP sent to shortlist	Proposed Submission Closing Date	Opening of Technical Proposals	Completion of Technical Evaluation Report & Sent For Approval to PRC by CEC	Approval by PRC	Submission of TER to DP	NOL from DP	Invitation to Shortlisted Firm for Financial Proposal Opening	Opening of Financial Proposal of Qualified Firms	Completion of Combined Technical & Financial Evaluation by CEC & Approval by PRC	Approval by PRC	Submission to DP for Info	Invitation for Negotiations Sent	Start of Negotiations	Draft Negotiated Contract Initialed	Submission to DP	NOL by DP	Contract Signing	Submission to DP for Info		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34		
					P																														
					S																														
					A																														
					P																														
					S																														
					A																														

Procurement Monitoring and Tracking Form – Individual Consultants

Project Name:																	Loan/Credit/Grant No:					
Update:																						
Procurement Monitoring and Tracking Form - Individual Consultants																						
No	Contract No.	Description of Services	Procurement Method	Prior review (Prior) or Post Review (Post)	Plan (p)/Schedule(S)/Actual (A)	TOR/EOI					Evaluation					Contract						
						Cost Estimate / Actual Cost	Completion of draft TOR and REOI	NOL by DP for TOR	REOI Advertised	REOI Submission Closing Date	EOI Evaluation by CEC	Evaluation Submitted to PRC	Approval of EOI Evaluation by PRC	Submission to DP	NOL from DP	Start of Contract Negotiations	Draft Negotiated Contract Initialled	Submission to DP	NOL by DP	Contract Signing	Submission to DP for Info	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
					P																	
					S																	
					A																	
					P																	
					S																	
					A																	

ANNEX I e

Evaluation Report Templates

(BER for Goods and Works)

THE KINGDOM OF CAMBODIA

Nation Religion King

Name of the Line Ministry/EA

BID EVALUATION REPORT

AND

RECOMMENDATION FOR AWARD OF CONTRACT

(FOR GOODS)

Name of Project: _____

Credit/Loan/Grant Number: _____

Contract Description: _____

Contract Number: _____

Date of Preparation: _____

BID EVALUATION REPORT

Project Name: _____

Contract Description and Number _____

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BID EVALUATION REPORT

1. IDENTIFICATION, BIDDING PROCESS, AND BID SUBMISSION IDENTIFICATION

The relevant project and procurement package details are provided in Table 1 Below

TABLE 1: IDENTIFICATION

Name of Purchaser	
Loan/Credit/Grant Number	
Name of Project	
Project Closing Date (a) original (b) revised	
Contract Number (identification)	
Contract Description	
Cost Estimate	
Method of Procurement	
Prior /Post Review	
Approval of the Bid Documents By PRC	
Date of NOL by ... (insert name of DP)	In case of prior review, state Date In case of post review, state Not Applicable

1.1. Bid Documents

The bid documents were prepared using the Standard National Competitive Bidding Documents for the Procurement of Goods as mandated under the RGC's Procurement Manual for Externally Financed Projects/Programs. The NOL for the Bidding Document was provided by *[name of funding DP]* on..... *[applicable for prior*

review cases only].

1.2. The Invitation for Bids was advertised in _____newspaper on
_____ [insert date]. **Refer to**

Attachment to BER

1.3. Appendix 1: Specific Procurement Notice as advertised.

- 1.4. _____ [insert number] bidders purchased the bidding documents before the deadline for submission of bids. The list of Purchasers is shown in Appendix 2. No amendment to the bidding document was issued [if any amendments were issued, state the numbers and dates of issue and attached these as a separate Appendix 3A].

2. BID SUBMISSION

- 2.1. The deadline for the submission of bids was set at _____ [insert time and date].
- 2.2. There were no extension of the deadline for bid submission/The deadline for bid submission was extended to..... [Delete which is not applicable] The Bids were submitted on or before the deadline at _____ [insert time] on _____ [insert day and date]. _____ [insert number] bidders submitted the bids before the submission deadline. The Record of Submission of Bids is attached as Appendix 3.
- 2.3. The data of bid submission and opening are summarized in Table 2 below:

TABLE 2: BID SUBMISSION AND OPENING

1. Bid Submission Deadline	
(a) Original Time and Date	
(b) Extensions, if any	
2. Bid Opening Time and Date	
3. Venue of Bid Opening	
4. Number of Bids Submitted [by Lots if more than one Lot]	
(a) Lot 1	
(b) Lot 2	
5. Bid Validity Period (Calendar Days)	
(a) Original	
(b) Extensions, if any	
6. Submission of Minutes of Opening to DP and to Bidders	

3. BID OPENING

- 3.1.** The bids were opened in accordance with ITB Clause 23 in the presence of the bidders' representatives and others who chose to attend at _____ [state venue, date and time].
- 3.2.** All Bids were opened, prices read out and details recorded one by one and relevant pages initialled by the Bid Opening Committee, chaired by _____ [give name of chairperson]. There were no clarifications or query sought by any attendee/the clarifications and queries sought by the attendees are provided in the Minutes of the Bid Opening [Delete which is not applicable]. The Minutes of Bid Opening were signed by all members of the Bid Opening Committee. Copies of the Minutes were distributed to the attendees on _____ [date of opening or give date when this was sent to them]. The Minutes are provided in Appendix 4: Minutes of Bid Opening, which include the record of Bid Prices as Read Out and signed by bidders' representatives who attended the bid opening.

Table 3 below provides the bid prices and other relevant details as read out during the Bid Opening.

TABLE 3: SUMMARY OF BID PRICES (AS READ OUT)

No	Name of Bidder		Read Out Bid Price (by Lot if more than one Lot)			Bid Securing Declaration	Modifications Discounts Comments
	Name	Country	Lot 1	Lot 2	Lot 3		
1		Cambodia	Currency/ Amount			Yes/No	
2		Cambodia	Currency/ Amount			Yes/No	
3		Cambodia	Currency/ Amount			Yes/No	
4		Cambodia	Currency/ Amount			Yes/No	

4. BID EVALUATION COMMITTEE

- 4.1.** The submitted bids were evaluated by the Bid Evaluation Committee comprising of:

Give Name and Designation, Chair

Give Name and Designation, Member

Give Name and Designation, Member

- 4.2.** The Bid Evaluation Committee was assisted by the project consultants in carrying out the evaluation of bids and their comments have been considered, as appropriate, by the Committee in preparing this report. *[Delete if there are no project consultants]*
- 4.3.** All the members signed the Statement of Ethical Conduct and Fraud and Corruption which is attached to this report as Appendix 7.

5. PRELIMINARY EXAMINATION OF BIDS

At the first step, a preliminary examination of bids was undertaken to determine whether they:

- (a) were Signed (in original) Bid Form;
- (b) included Bid Security or Bid Securing Declaration;
- (c) included The Price Schedule;
- (d) included written confirmation of authorization to commit the Bidder, and;
- (e) included a Manufacturer's Authorization if required in accordance with ITB 14.2(b).

5.1. Completeness of Bid

(a) Bid Submission Form

State here whether the bidders signed the form properly. In case of non compliant bids, give the name(s) and the deviations

(b) Statement of Ethical Conduct and Fraud and Corruption

State here whether the bidders signed and submitted the statement. In case of non-compliant bids, give name(s) of bidders and the deviations

(c) Price Schedule

State here whether the Bidders have submitted and signed the Price Schedule, in accordance with ITB 13. In case of non complaint bids, give name(s) and deviation

(d) Eligibility

State here if the bidders meet the eligibility:

- (i) Nationality
- (ii) Origin of Goods
- (iii) Conflict of Interest
- (iv) Barred or Sanctioned by Funding Agency or RGC

5.2. Bid Validity and Bid Securing Declaration

- (a) The bid validity period specified in ITB 18 is _____ [number of calendar days] after the bid submission deadline date of _____ [date from Table 2 above]. The examination revealed that [chose one of the following]:

The bid validity of all _____ bidders is compliant with the requirement as specified in the bidding document.

The bid validity of _____ [give name] bidders is not compliant with the requirement as specified in the bidding document because _____ [give details of the deviation for requirements]

- (b) The submission of a **Bid Securing Declaration** using the form included in Section VII, Bidding Forms as specified in ITB 19 was a mandatory requirement. All bidders submitted the Bid Securing Declaration in the form and substance as specified. [if any bidder has not complied with this requirement, then list the bidder and the deviation from the requirement]

The summary of compliance is shown in **Table 4: Preliminary Examination Results**

5.3. Compliance with Technical Specifications

The technical examination of the bids was undertaken to evaluate that the technical aspects comply with the requirements under Section V, Technical Specification and Section VI, Schedule of Requirements of the bidding documents. The evaluation is shown in **Appendix 5: Compliance with Technical Specifications**.

State here if any bid deviations, giving name of bidder and the details of deviations.

Classify them as minor or major and rejecting as non responsive those bids that have major deviations.

In case of minor deviations, state if any monetary adjustments will be made in the evaluation of the bid.

6. SUBSTANTIAL RESPONSIVENESS

Based on the preliminary evaluation carried out and explained in Para 5 above, the list of Non responsive and substantially responsive bidders is as follows:

a) Non Responsive Bidders

1 _____

2 _____

b) Substantially Responsive Bidders

1 _____

2 _____

3 _____

TABLE 4: PRELIMINARY EXAMINATION RESULTS

No.	Name of Bidder	Signed in original Bid Form	Price Schedule	Bid Validity and Bid Securing Declaration	Completeness of Bid	Eligibility	Written confirmation of authorization to commit bidder	Statement of Ethical Conduct & Fraud & Corruption	Manufacturer's Authorization	Substantial Responsiveness
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Bidder 1	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
2	Bidder 2	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
3	Bidder 3	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
4	Bidder 4	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No

* Note: C = Compliant, SC = Substantially Compliant, NC= Non-Compliant

7. DETAILED EXAMINATION OF BIDS

7.1. Bids for Detailed Evaluation

Only the bids that passed the preliminary examination were subjected to detailed evaluation.

7.2. Discounts and Corrections

Those bids were examined for corrections (arithmetic) and corrected in accordance with ITB Clause 27. Each price schedule of these bids was checked for arithmetic errors and omissions.

State here, for each Bid, the arithmetic corrections as well as corrections for omissions. Give the calculations of the corrections.

If no corrections were needed for any bid, then state this.

State if any discounts were offered giving the amount and methodology for its application and if these were unconditional and read out in the Bid Opening. Conditional discounts cannot be considered for evaluation.

The summary of corrections and unconditional discounts, if any are given in Table 5 below:

TABLE 5: CORRECTIONS (ARITHMETIC) AND UNCONDITIONAL DISCOUNTS

No.	Bidder	Read-Out Bid Price	Correction of Computational errors	Corrected Bid Price	Unconditional Discounts		Corrected/ Discounted Bid Price
					Percent	Amount	
		(1)	(2)	(3)=(1)+ (2)	(4)	(5)	(6)= (3)-(5)

7.3. Additional Adjustments, and Price Deviations

State here if any adjustments were made for omission, minor deviations, etc

List each adjustment made for the bidder and provide calculations.

(a) Omission

(b) Priced Deviations

The summary of the adjustments, if any and ranking of the bidders are provided in Table 6 below.

TABLE 6: ADDITIONS, ADJUSTMENTS, AND PRICE DEVIATIONS

No.	Bidder	Corrected/ Discounted Bid Price	Addition for Omission	Priced cost of minor deviation	Final Evaluated Bid Price	Ranking
		(6) From Table 5	(7)	(8)	(6) + (7)+ (8)	

7.4. Examination of Possible Collusion

Examine the all submitted bids for similarities that may point to possible collusion among the bidders.

Do a price analysis to determine if there are any indications of collusive behaviour.

If there are none, state this.

In case BER determines there may be some indications, these must be pointed out with a recommendation that the PRC consider the evidence and decide on any action, if necessary

7.5. Clarifications

State the clarifications, if any, that were sought from bidders. Copies of the correspondences with bidders and their responses are shown in Appendix 5.

8. DETERMINATION OF AWARD

8.1. Qualification Evaluation

The qualifications of the lowest evaluated bidder who submitted substantially responsive bids, namely_____ [name of bidder] evaluated in accordance with Post-Qualification Requirements **specified in ITB 29.**

(a) Experience

State the experience of the 1st ranked bidder and compare with the requirements

(b) Financial Capacity

State the financial capacity of the 1st ranked bidder and compare with the requirements

(c) Others

State compliance with other requirements like submission of Manufacturers Authorization, any litigation/ongoing disputes, etc

(d) Clarifications

State any clarifications sought. Copies should be included in **Appendix 6.**

The summary of the results of the post qualification is shown in Table 7 below.

TABLE 7: SUMMARY OF POST QUALIFICATION EVALUATION

Bidder: _____		
Post-Qualification Requirement	Bidder's submit documentary evidence	Compliance
ITB _____ That the Bidder has satisfactorily completed at least one contract for supply of similar _____ furniture in the preceding three years of not less than __% <i>[insert percentage]</i> of the bid price, which will be the cumulative bid price if bidder bids for more than one.		
ITB _____ The bidder required to submit the following documentary evidence with the bid in the format provided in Section VII: Manufacturer's Authorization in the form provided in Section VII of the bidding documents, or a general certificate issued by authorized distributor of the manufactured goods that the bidder is authorized of Dealer/Agent.		
ITB _____ that the Bidder has availability of liquid assets through either: - access to a line of credit or cash in bank account of an amount at least __% <i>[insert percentage]</i> of the bid price, net of other contractual commitments; OR - credit terms with vendors specifically for the goods to be supplied under the contract, and valid for at least _ months <i>[insert figure]</i> after the deadline date for submission of bids specified in ITB Clause _____		

Note: If the 1st ranked bidder does not meet the qualification, then carry out same steps for 2nd ranked bidder and go on until the qualified bidder is found.

8.2. Recommendation for Award

The bid evaluation committee submits this report to (the Procurement Review Committee insert one of the following: Minor Procurement Committee / General Procurement Committee / Major Procurement Committee) for review and consideration of the our recommendation to award the contract to *[name of bidder]*, who has been determined to have submitted the lowest evaluated substantially responsive bid, for a contract price of _____ *[insert the bid price in figures and words]*.

In case the BEC has found possible indicators of collusive behaviour, this must also be stated here and submitted for review of evidence by the PRC and for its determination of any actions, if required

Signature

Name and Designation:

Name and Designation

Name and Designation

Chair of BEC

Member

Member

Date

Date

Date

ATTACHMENT TO BER

APPENDIX 1: SPECIFIC PROCUREMENT NOTICE

Advertisement of Invitation for Bid

Copy of Advertisement

APPENDIX 2: LIST OF PURCHASERS OF BID DOCUMENTS

Name	Address	Date of Purchase	Receipt No.

APPENDIX 3: RECORD OF SUBMISSION OF BIDS

Record of Submission of Bids

Project Name:

Executing Agency:

Contract Name:

Contract Number:

Opening Date and Time:

Procurement Method:

No	Company Name	Delivery Mode	Date	Time	Name	Signature
		Hand/Courier/Postage				Signed By Bidders Representative

APPENDIX 3A: RECORD OF AMENDMENTS TO BID DOCUMENTS

APPENDIX 4: MINUTES OF BID OPENING

Minutes of Bid Opening

Name of Project.....

Contract Name:

Contract Number:

Submission Deadline and Bid Opening:

Contract Name:										Place of Bid Opening	
Contract Number:										Procurement Method	
Submission Deadline and Bid Opening:						Date					
Seq No.	Name of Bidder	Bid Receive on Time	Bid Sealed	Withdrawal/ Modification	Bid Form completed and signed	Bid Securing Declaration	Read Out Bid Price in Bid Submission Form (USD)	Discount	Additional Comment	Signature of Bidder	
		1	2	3	4	5	6	7	8	9	10

Agenda

1. Opening Remarks
2. Clarification/Questions Raised
3. Closing Remarks

Signature: Member of Bid Opening Committee

APPENDIX 5: COMPLIANCE WITH TECHNICAL SPECIFICATIONS

TECHNICAL REQUIREMENT	Bidders' Specification Offered			
	Bidder No. 1	Bidder No. 2	Bidder No 3	Bidder No. 4
Delivery Period				
Warranty				
Minor Deviations				
Major Deviations				
Substantially Compliant	Yes/No	Yes/No	Yes/No	Yes/No

APPENDIX 6: CORRESPONDENCES ON CLARIFICATIONS

APPENDIX 7: STATEMENT ON ETHICAL CONDUCT AND FRAUD AND CORRUPTION

We the undersigned confirm that:

1. During the procurement process and the evaluation of bids and proposals, that we have adhered to the ethical standards set out in the Procurement Manual for Externally Financed Projects/Programs in Cambodia.
2. We have gained in the execution of our duties, no benefit either monetary or in kind from any outside agency, bidder or consultant other than the official remuneration that we have received as public servants
3. To the best of our knowledge that no colleague, associate or relative has received any benefit monetary or in kind from any outside agency, bidder or consultant other than official remuneration.
4. We are unaware of any fraudulent, corrupt, collusive or coercive practices that have taken place during this procurement process and fully understand our moral and ethical obligation to report such should we be aware of it.
5. No conflict of interest exists either on our part or the part of the bidder or consultant recommended for an award of contract, or as far as we are aware the part of our immediate colleagues, associates and relatives.

Name	Position	Signature	Date

THE KINGDOM OF CAMBODIA

Nation Religion King

BID EVALUATION REPORT

AND

RECOMMENDATION FOR AWARD OF CONTRACT

(FOR WORKS)

Name of Project: _____

Credit/Loan/Grant Number: _____

Contract Description: _____

Contract Number: _____

Date of Preparation: _____

BID EVALUATION REPORT

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BID EVALUATION REPORT

Project Name: _____

Contract Description and Number _____

1. IDENTIFICATION, BIDDING PROCESS, AND BID SUBMISSION IDENTIFICATION

The relevant project and procurement package details are provided in Table 1 Below

TABLE 8: IDENTIFICATION

Name of Purchaser	
Loan/Credit/Grant Number	
Name of Project	
Project Closing Date (a) original (b) revised	
Contract Number (identification)	
Contract Description	
Cost Estimate	
Method of Procurement	
Prior /Post Review	
Date of Approval of the Bid Documents By PRC	
Date of NOL by ... (insert name of DP)	For Post Review Cases, state Not Required. For Prior Review Cases, state the date

1.1. Bid Documents

The bid documents were prepared using the Standard National Competitive Bidding Documents for the Procurement of Civil Works as mandated under the RGC's Procurement Manual for Externally Financed Projects/Programs and as approved by..... [name of the funding DP]. The NOL for the Bidding Document was provided by [name of funding DP] on.....[applicable for prior review cases only].

- 1.2.** The Invitation for Bids was advertised in _____ newspaper on _____ [insert date]. **A copy of the Invitation for Bids, as advertised, is provided in Appendix 1.**
- 1.3.** _____ [insert number] bidders purchased the bidding documents before the deadline for submission of bids. A list of the bidders that purchased the Bidding Documents is provided in Appendix 2.
- 1.4.** No amendment to the bidding document was issued [if any amendments were issued, state the numbers and dates of issue and attached these as a separate Appendix 3 A].

2. BID SUBMISSION

- 2.1.** The deadline for the submission of bids was set at _____ [insert time and date]. There were no extension of the deadline for bid submission/The deadline for bid submission was extended to..... [Delete which is not applicable].
- 2.2.** _____ [insert number] bidders out of the[insert number] bidders who purchased the Bidding Documents submitted the bids before the submission deadline. The Bids were submitted on or before the deadline at _____ [insert time] on _____ [insert day and date].

The Record of Submission of Bids is attached as Appendix 3: Record of Submission of Bids.

- 2.3.** The data of bid submission and opening are summarized in Table 2 below:

TABLE 9: BID SUBMISSION AND OPENING

1. Bid Submission Deadline	
(a) Original Time and Date	
(b) Extensions, if any	
2. Bid Opening Time and Date	
3. Venue of Bid Opening	
4. Number of Bids Submitted [by Lots if more than one Lot]	
(a) Lot 1	
(b) Lot 2	

5. Bid Validity Period (Calendar Days)	
(a) Original	
(b) Extensions, if any	

3. BID OPENING

3.1. The bids were opened in accordance with ITB Clause 21 in the presence of the bidders' representatives and others who chose to attend at _____ [state Venue and time].

3.2. All Bids were opened, prices read out and details recorded one by one and relevant pages initialed by the Bid Opening Committee, chaired by _____ [give name and designation of chairperson]. There were no clarifications or query sought by any attendee/The clarifications and queries sought by the attendees are provided in the Minutes of the Bid Opening [Delete which is not applicable]. The Minutes of Bid Opening were signed by all members of the Bid Opening Committee. Copies of the Minutes were distributed to the attendees on..... [same day or give date when this was sent to them]. A copy of the Minutes is shown in Appendix 4 which includes the record of Read Out Bid Prices signed by bidders' representatives who attended the bid opening.

Table 3 below provides the bid prices and other relevant details as read out during the Bid Opening.

TABLE 10: SUMMARY OF BID PRICES (AS READ OUT)

No	Name of Bidder		Read Out Bid Price (by Lot if more than one Lot)			Bid Securing Declaration	Modifications Discounts	Remarks
	Name	Country	Lot 1	Lot 2	Lot 3			
1		Cambodia	Currency/ Amount			Yes/No		
2		Cambodia	Currency/ Amount			Yes/No		
3			Currency/ Amount			Yes/No		
4			Currency/ Amount			Yes/No		

4. BID EVALUATION COMMITTEE

4.1. The submitted bids were evaluated by the Bid Evaluation Committee comprising of:

Give Name and Designation, Chair

Give Name and Designation, Member

Give Name and Designation, Member

4.2. The Bid Evaluation Committee was assisted by the project consultants in carrying out the evaluation of bids and their comments have been considered, as appropriate, by the Committee in preparing this report. *[Delete if there are no project consultants]*

4.3. All the members signed the Statement of Ethical Conduct and Fraud and Corruption which is attached to this report which is attached as Appendix 5.

5. PRELIMINARY EXAMINATION OF BIDS

At the first step, a preliminary examination of bids was undertaken to verify if they included:

- (a) Signed (in original) Contractor's Bid Form;
- (b) Bid Security or Bid Securing Declaration;
- (c) The Priced Bill of Quantities;
- (d) Written confirmation of Authorization to commit the Bidder;
- (e) Joint Venture Agreement (JV)/Intent to enter into JV;
- (f) Signed Statement of Ethical Conduct and Fraud and Corruption
- (g) Completed Qualification Information Form

5.1. Completeness of Bid

(a) Contractors Bid Form

State here whether the bidders signed the form properly. In case of non compliant bids, give details of the deviation.

(b) Bid Security or Bid Securing Declaration

State here whether the bidders submitted bid security or bid securing declaration. This is reviewed separately in paragraph 5.3 below.

(c) Priced Bill of Quantities

State here whether the bidders have submitted signed priced bill of quantities. In case of non complaint bids, give details of the deviation.

(d) Written Confirmation of Authorization

State whether the bidders have submitted written authorization to commit the bidders. Explain the form of authorization like Power of Attorney, etc. In case of non compliant bid, give details of the deviation.

(e) JV

State if any of the bidders are JV. In case any of the bidders is a JV, state whether the bidder has submitted a JV Agreement or Letter of Intent (MOU) to enter into a JV arrangement and signed by all parties of the JV. In case of non compliant bid, give details of the deviation.

(f) **Statement of Ethical Conduct and Fraud and Corruption**

State here whether the bidders signed and submitted the statement. In case of non compliant bids, give details of the deviation.

5.2. Eligibility

State here if the bidders meet the eligibility:

- (a) Nationality
- (b) Origin of Goods
- (c) Conflict of Interest
- (d) Barred or Sanctioned by Funding Agency or RGC

The summary of compliance is shown in **Table 4: Preliminary Examination Results**

5.3. Bid Validity and Bid Securing Declaration

- (a) The bid validity period specified in ITB 15 is *[number of calendar days]* after the bid submission deadline *[date from Table 2 above]*. The examination revealed that *[chose one of the following]*:

The bid validity of all _____ bidders is compliant with the requirement as specified in the bidding document. The bid validity of _____ *[give name]* bidders is not compliant with the requirement as specified in the bidding document. The deviation was as follows: *[state details of the deviations of each bidder separately]*

- (b) The submission of a **Bid Securing Declaration** using the form included in Section VII, Bidding Forms as specified in ITB 19 was a mandatory requirement. All bidders submitted the Bid Securing Declaration in the form and substance as specified. *[if any bidder has not complied with this requirement, then list the bidder and give details of the deviation from the requirement]*

- (c) Qualification Information Form and Supporting Documents

State here is whether the bidders have submitted all the required information and documentation:

- Legal status
- Audited or Certified Financial Statements

- Copies of completed/executed contracts
- Amount of Line of Credit/other Liquid Assets
- Ownership or leasing agreement for construction equipment

5.4. Substantial Responsiveness

Based on the preliminary evaluation carried out and as explained in Para 5.1, 5.2 and 5.3 above, the list of Non responsive and substantially responsive bidders is as follows:

a) Non Responsive Bidders

1 _____

2 _____

b) Substantially Responsive Bidders

1 _____

2 _____

3 _____

Table 11: Preliminary Examination Results

No.	Name of Bidder	Signed in original Bid Form	Priced Bill of Quantities	Bid Validity or Bid Securing Declaration	Completeness of Bid	Eligibility	Written confirmation of authorization to commit bidder	Statement of Ethical Conduct & Fraud & Corruption	Substantial Responsiveness
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Bidder 1	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
2	Bidder 2	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
3	Bidder 3	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
4	Bidder 4	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No

* Note: C = Compliant, SC = Substantially Compliant, NC= Non-Compliant

6. DETAILED EXAMINATION OF BIDS

6.1. Bids for Detailed Evaluation

Only the bids that passed the preliminary examination were subjected to detailed evaluation.

6.2. Price Evaluation: Corrections and Discounts

- (a) These bids were examined for corrections (arithmetic) and corrected in accordance with ITB Clause 25. Each price items in the Bill of Quantity of these bids was checked for arithmetic errors and omissions.

State here, for each Bid, the arithmetic corrections as well as corrections for omissions. Give the calculations of the corrections.

If no corrections were needed for any bid, then state this.

- (b) State if any discounts were offered giving the amount and methodology for its application and if these were unconditional and read out at the Bid Opening. Conditional discounts cannot be considered for evaluation.

The summary of corrections and unconditional discounts, if any are given in Table 5 below:

TABLE 12: CORRECTIONS (ARITHMETIC) AND UNCONDITIONAL DISCOUNTS

No	Bidder	Read-Out Bid Price	Correction of Computational errors	Corrected Bid Price	Unconditional Discounts		Corrected/ Discounted Bid Price
					Percent	Amount	
		(1)	(2)	(3)=(1)+ (2)	(4)	(5)	(6)= (3)-(5)

6.3. Additional Adjustments, and Price Deviations

State here if any adjustments were made for omission, minor deviations, etc

List each adjustment made for the bidder and provide calculations.

(a) Omission

(b) Priced Deviations

The summary of the adjustments, if any and ranking of the bidders are provided in Table 6 below.

TABLE 13: ADDITIONS, ADJUSTMENTS, AND PRICE DEVIATIONS

No.	Bidder	Corrected/ Discounted Bid Price	Addition For Omission	Priced cost of minor deviation	Final Evaluated Bid Price	Ranking
		(6) From Table 5	(7)	(8)	(6) + (7)+ (8)	

6.4. Examination of Possible Collusion

Examine all submitted bids for similarities that may point to possible collusion among the bidders.

Do a price analysis to determine if there are any indications of collusive behaviour. A spread sheet showing the quoted unit rates in the BOQ of all the bidders can be prepared and examined if there are any patterns that show the prices being manipulated.

If there are none, state this.

In case BER determines there may be some indicators of collusion, these must be pointed out with a recommendation that the PRC consider the evidence and decide on any action, as necessary

6.5. Clarifications

State the clarifications, if any, that were sought from bidders *[which must be in line with ITB Clause 23]*.

Copies of the correspondences seeking clarifications with bidders and their responses are shown in Appendix 6.

7. POST QUALIFICATION AND DETERMINATION OF AWARD

7.1. Determination of Qualification

The qualifications of 1st, 2nd and 3rd ranked bidders were further examined in accordance with the Qualifications specified in ITB Clause 6 and BDS. Carry out step by step assessment of each criterion listed in the Qualification Requirements on a work sheet which can be submitted as an additional Appendix.

Table 7 below provides the Summary of Qualifications of the first three ranked bidders.

TABLE 14: SUMMARY OF QUALIFICATIONS

Qualification Information	Bidder 1	Bidder 2	Bidder 3
Specific Experience Completion of 2 contracts of similar nature and complexity over last 5 years (all works at least 70% complete and billed can be included)	Score Pass/Fail		
Financial Experience - Average Annual Volume of Construction Works over last 3 years shall be(put amount specified in BDS) - Minimum amount of liquid assets or credit facilities should be..... (put amount	Value Pass/Fail		

specified in BDS)			
Key Personnel Contracts Manager B.Sc Civil Engineering , 5 years of work experience including no less that 3 years as Manager	Score Pass/Fail		
Major Construction Equipment - The list is	Pass/Fail		
Overall Qualification	Qualified/ Unqualified		

7.2. Post Qualification Evaluation

The qualifications on the bidder [*insert name of bidder*] whose bid was determined to be 1st Ranked and the lowest evaluated and substantially responsive were further examined and verified in accordance with the Post Qualification Requirement specified in the ITB Clause 27.

7.2.1 General Experience

Verify the documentary evidence submitted by the bidder for meeting the General Experience requirement.

7.2.2 Specific Experience

Verify the documentary evidence (like the copies of completed contracts, copied of payments) submitted by the bidder for meeting the Specific Experience Requirements.

7.2.3 Average Annual Turnover

State if the average turnover is calculated from the Audited/Certified Financial Statements or from list of completed contracts and verify the authenticity of the submitted documents.

7.2.4 Cash Flow

Verify the authenticity of the submitted bank statements/letters/ other forms of liquid assets (like cash balances in the bank account).

7.2.5 Construction Equipment

Verify the documentary evidence to show that the major equipment is owned, or leased or proposed to be purchased by the bidder.

7.2.6 Key Personnel

Verify the documentary evidence submitted in respect of the qualifications of the proposed key personal.

7.2.7 History of Litigation

Verify if there has been a history of litigation and give details

There may be a need for seeking clarifications from the bidder on the documents submitted by the bidder in support of its qualification for the award of the contract. In this process, only additional documentation submitted by the bidder that is historical in nature (i.e. the information provided is related to the position of the bidder prior to the deadline for submission of bids) can be accepted.

All the correspondence seeking clarifications from the bidder or others and responses received must be shown in Appendix 6.

7.3. Methodology and Work Schedule

7.3.1 Method Statement, Specifications and Performance

Review the construction method statement to determine if this is in accordance with the normal civil works construction for the same nature of works. Also review if the bid meets with the specifications and performance requirements as specified in Section V of the Bidding Documents.

If there are any major deviations which are not acceptable, state these and the reasons for non acceptance.

7.3.2 Work Schedule

Review the proposed Work Schedule to determine the reasonableness of the proposed schedule- right sequence of activities, sufficient time allowed for each activity, if it meets the completion date specified, etc

7.4. Price Analysis and Comparison

Reproduce the BOQ and the unit cost estimates in a spread sheet and insert the unit rates quoted by the 1st Ranked Bidder. Then carry out the comparison. In cases where there is a long period between the preparation of the estimates and the time of evaluation (6 months or more), the comparison should be carried out against revised estimates.

In the event that the bid price is excessively higher than the cost estimate, the reasons for this must be analysed and justification provided. For example, there may have been a sharp increase in global prices of oil, steel, cement, etc.

If analysis shows that the rates are reasonable and the prices were competitive, conclude with such a statement.

In the event that the 1st Ranked Bidder fails to meet the post qualification requirements, give the details of these.

Then proceed with the determination of the post qualification of the 2nd Ranked Bidder. The process should continue until the bidder that meets with the post qualification requirements is determined.

8. RECOMMENDATION FOR AWARD

The bid evaluation committee submits this report to the Procurement Review Committee for *[insert one of the following: Committee on Minor Procurement/General Committee on Procurement/Major Committee on Procurement]* for its review and consideration of our recommendation to award the contract to *[name of bidder]* who has been determined to have submitted the lowest evaluated and substantially responsive bid for a contract amount of *[bid price after corrections in figures and words]*.

In case the BEC has found possible indicators of collusive behavior, this must also be stated here and submitted for review of evidence by the PRC and for its determination of any action, if required.

The details of the proposed Contract Award are shown in Table 8 below.

Table 8: Proposed Contract Award

1. Lowest evaluated responsive bidder (proposed for contract award). (a) Name (b) Address		
2. If bid from joint venture, list all partners and estimated share of contract.		
3. Estimated date (month and year) of contract signing.		
4. Estimated Date of Completion		
	Currency(ies)	Amount(s)
5. Bid Price(s) (Read-out)		
6. Corrections for Errors		
7. Discounts		
8. Other Adjustments		
9. Proposed Award Price		

Signature

Name and Designation

Chair

Member

Member

Date

APPENDIX 3: RECORD OF SUBMISSION OF BIDS

Project Name:

Executing Agency:

Contract Name:

Contract Number:

Opening Date and Time:

Procurement Method:

No	Company Name	Delivery Mode	Date of Receipt	Time of Receipt
		Hand/Courier/Postage		

Attachment to BER

APPENDIX 1: SPECIFIC PROCUREMENT NOTICE

Advertisement of Invitation for Bid

Copy of Advertisement

APPENDIX 2: LIST OF PURCHASERS OF BID DOCUMENTS

Name	Address	Date of Purchase	Receipt No.

APPENDIX 3 A: RECORD OF AMENDMENTS TO BID DOCUMENTS

APPENDIX 4: MINUTES OF BID OPENING

Minutes of Bid Opening

Name of Project.....

Contract Name:

Contract Number:

Submission Deadline and Bid Opening:

Venue of Bid Opening:

Seq No.	Name of Bidder	Bid Sealed	Withdrawal/ Modification	Bid Form Completed and Signed	Bid Securing Declaration	Read Out Bid Price in Bid Form	Unconditional Discount	Additional Comment	Bidder	
									Name	Signature

Agenda

1. Opening Remarks by Chairman declaring the close of the bid submission and opening of the bids
2. Clarification/Questions Raised
3. Closing Remarks

Signature: Members of Bid Opening Committee

Chair

Member

Member

Member

Name _____

APPENDIX 5: STATEMENT ON ETHICAL CONDUCT AND FRAUD AND CORRUPTION

We the undersigned confirm that:

1. During the procurement process and the evaluation of bids and proposals, that we have adhered to the ethical standards set out in the Procurement Manual for Externally Financed Projects/Programs in Cambodia.
2. We have gained in the execution of our duties, no benefit either monetary or in kind from any outside agency, bidder or consultant other than the official remuneration that we have received as public servants.
3. To the best of our knowledge that no colleague, associate or relative has received any benefit monetary or in kind from any outside agency, bidder or consultant other than official remuneration.
4. We are unaware of any fraudulent, corrupt, collusive or coercive practices that have taken place during this procurement process and fully understand our moral and ethical obligation to report such should we be aware of it.
5. No conflict of interest exists either on our part or the part of the bidder or consultant recommended for an award of contract, or as far as we are aware the part of our immediate colleagues, associates and relatives.

Name	Position	Signature	Date

APPENDIX 6: CLARIFICATIONS

ANNEX I f

Project Procurement Reporting Requirements

Each EA/IA/PMU is required to submit the Procurement Monitoring and Tracking Form (PMTF) every Quarter to MEF/DIC and the relevant DP for monitoring purposes. The Procurement Officer is responsible for preparing and maintaining the PMTF under the guidance of the Project Manager. This is a mandatory requirement.

The following summary of contract awards should also be submitted at the same time with the PMTF.

Summary of Procurement Achievement

Project Name:

Loan/Credit/Grant No:

Project ID:

Reporting Period:

Category	Plan/ Achievement	Invitation for BID Advertised/ Issued	Total Estimated value of Packages	BID Evaluation Report Completed	Total value of Contracts Evaluated	Signed Contracts	Total value of Contracts Signed
		No.	USD	No.	USD	No.	USD
GOODS	Plan						
	Achievement						
WORKS	Plan						
	Achievement						
SERVICES	Plan						
	Achievement						
TOTAL	Plan						
	Achievement						

Level of Participation in Public Procurement

Separate for ICB and NCB

IA/EA:

Name of Project Loan/Credit/Grant No:

Project ID:

Reporting Period:

Contract No.	Description by Lot	Estimated Value US\$	IFB Advertisement Date	Opening Date	No of bids received	Number of Substantially Responsive/Qualified Bids	Contract Award Value

Information supplied by Project Manager, PMU/PIU (Name/Sign):

Date:

ANNEX II

Declarations on Ethical Conduct and Fraud and Corruption

ANNEX II a
Procurement Review Committee and Bid
Evaluation Committee and Consultants'
Evaluation Committee Declaration on Ethical
Conduct and Fraud and Corruption

This statement is to be signed by all members of the procurement review committee for the procurement, members of the bid evaluation committee and members of the consultants' selection committee.

Statement on Ethical Conduct and Fraud and Corruption

We the undersigned confirm that:

- 1) During the procurement process and the evaluation of bids and proposals, we have adhered to the ethical standards set out in the Procurement Manual For Externally Assisted Projects/Programs in Cambodia.
- 2) We have gained in the execution of our duties, no benefit either monetary or in kind from any outside agency, bidder or consultant other than the official remuneration that we have received as public servants
- 3) To the best of our knowledge that no colleague, associate or relative has received any benefit monetary or in kind from any outside agency, bidder or consultant other than official remuneration.
- 4) We are unaware of any fraudulent, corrupt, collusive or coercive practices that have taken place during this procurement process and fully understand our moral and ethical obligation to report such should we be aware of it.
- 5) No conflict of interest exists either on our part or the part of the bidder or consultant recommended for an award of contract, or as far as we are aware the part of our immediate colleagues, associates and relatives.

Signature 1 Signature 2 Signature 3 Signature 4 Signature 5

Name Name Name Name Name

Committee: [... committee for ...]

Date:

ANNEX II b
**Bidders/Consultants Declaration on Ethical
Conduct and Fraud and Corruption**

This statement is already included in the harmonized NCB and shopping documents. It should also be introduced into all DP standard ICB and Request for Proposal documents through the instruction data sheets and all bidders and consultants are required to submit a signed statement with their bid or proposal.

Statement on Ethical Conduct and Fraud and Corruption

We the undersigned confirm in the preparation of our bid or proposal, that:

- i) Neither we, nor any of our employees, associates, agents, shareholders, consultants, partners or their relatives or associates have any relationship that could be regarded as a conflict of interest as set out in the bidding document.
- ii) Should we become aware of the potential for such a conflict will report it immediately to the procuring organization.
- iii) That neither we, nor any of our employees, associates, agents, shareholders, partners consultants or their relatives or associates have entered into corrupt, fraudulent, coercive or collusive practices in respect of our bid or proposal.
- iv) We understand our obligation to allow the Government or the funding agency to inspect all records relating to the preparation of our bid or proposal and any contract that may result from such irrespective of if we are awarded a contract or not.
- v) no payments in connection with this procurement exercise have been made by us our associates, agents, shareholders, partners or their relatives or associates to any of the staff, associates, consultants, employees or relatives of such who are involved with the procurement process on behalf of the purchaser, client or employer.
- vi) We understand that if we are found to be in breach of this declaration we will be ineligible to be considered for any contracts by the Royal Government of Cambodia funded by the funding agency and/or other sources for a period to be determined by them.

Signed

Name

Annex III

Procurement Process and Review Thresholds

Procurement Review Committee Membership and Thresholds

Goods, Works and Consulting Services Procurement

The membership of the three Procurement Review Committees for procurement of Goods, Works and Consulting Services and their respective threshold amounts are given below:

Minor Procurement Committee				
Membership				
Project Manager, Chair		Project Technical Officer		MEF/DIC representative (or Project Financial Officer)
Thresholds				
Goods ≤ \$50,000		Works ≤ \$100,000		Consulting Services < or = to \$50,000
General Procurement Committee				
Membership				
Project Director, Chair	Project Manager	EA Representative	MEF/DIC Representative	MEF/DIC Representative (or Project Financial Officer)
Thresholds				
> \$50,000 Goods <= \$1,000,000		\$100,001> Works <= \$3,000,000		\$50,000 < Consulting Services > or equal to \$1,000,000
Major Procurement Committee				
Membership				
Head of EA or representative, Chair	Project Director	Representative appointed by EA	MEF Representative	MEF Representative
Goods > \$1,000,000		Works > \$3,000,000		Consulting Services > \$1,000,000

Membership of Bid Evaluation Committee

Goods and Works Procurement

Bid Evaluation Committee		
Membership		
Procurement Officer	Technical Officer	Financial Officer
Chair	Member	Member
Thresholds		
For ALL values of contract		

Note: If the Technical Officer or the Financial Officer is a member of the PRC, the project director or the project manager, in accordance with his/her delegated authority, will select a suitable replacement.

Consultants' Evaluation Committees (CEC)

All Consulting Services

The three CECs will be responsible for carrying out the evaluation of expressions of interest and the evaluation of the technical and financial proposals for consulting services with estimated values between the thresholds given below:

Minor Consultants’ Evaluation Committee				
Membership				
Project Technical Officer Chair	Procurement Officer Member		MEF/DIC Representative (or Project Financial Officer at discretion of MEF/DIC) Member	
Thresholds				
Consulting Services <= \$50,000				
General Consultants’ Evaluation Committee				
Membership				
Project Manager Chair	Technical Officer Member	Technical Officer Member	MEF/DIC Representative Member	MEF/DIC representative (or Project Financial Officer at discretion of MEF/DIC) Member
Thresholds				
Consulting Services >\$50,000 but less than or equal to \$1,000,000				

Major Consultants' Evaluation Committee				
Membership				
Project Manager	Technical Officer	Technical Officer	MEF/DIC Representative	MEF/DIC representative
Chair	Member	Member	Member	Member
Thresholds				
Consulting Services > \$1,000,000				

Note: If member of the CEC is also a member of the PRC, which will review and approve the Evaluation Report prepared by the CEC, he/she should be replaced either in the CEC or PRC. The Project Director or the Project Manager, in accordance with his/her delegated authority, will determine this and carry out the replacement.

The members of the PRC should be of a higher rank than the members of the CEC. For example, the MEF/DIC representative in the PRC should be of higher rank than the MEF/DIC representative in the CEC.

Procurement Thresholds

The thresholds provided for the different methods of procurement provided below will apply except where the RGC, represented by MEF, and the DP have agreed to different thresholds. In such cases, the thresholds specified in the specific project legal/financing agreements will prevail and apply.

Goods Procurement Thresholds

Method	Threshold
International Competitive Bidding	All procurement above US\$300,000
Limited International Bidding	Only when specifically allowed under the Project's legal agreements or with a specific no objection from the DP and MEF on an exceptional basis
National Competitive Bidding	All procurement above US\$100,000 and up to US\$ 300,000
Shopping With Advertising	All procurement above US\$25,000 and up to US\$100,000
Shopping Without Advertising	All procurement above \$500 and up to US\$25,000
Petty Cash/Purchase order	All procurement US\$500 and below but subject to Petty Cash limits set out in the FMM
Direct Contracting	Only when specifically allowed under the Project's legal agreements or with a specific no objection by the DP and MEF on an exceptional basis.

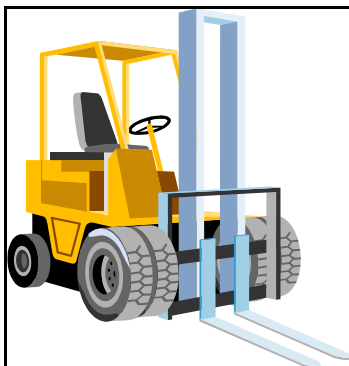
Works Procurement Thresholds

Method	Threshold
International Competitive Bidding	All procurement above US\$1,000,000
National Competitive Bidding	All procurement above US\$100,000 and up to US\$ 1,000,000
Shopping With Advertising	All procurement above US\$25,000 and up to US\$100,000
Shopping Without Advertising	All procurement up to US\$25,000
Direct Contracting	Only when specifically allowed under the Project's legal agreements or with a specific no objection from the DP and MEF on an exceptional basis
Force Account	Only when specifically allowed under the Project's legal agreements or with a specific no objection from the DP and MEF on an exceptional basis
Community Participation	Only when specifically allowed under the Project's legal agreements or with a specific no objection from the DP and MEF on an exceptional basis

Consulting Services Procurement Thresholds

Method	Threshold
All DP-funded consulting services procurement must be advertised on the DP's website(s) regardless of value. All contract awards must be advertised in accordance with the DP's procedures.	
Quality Based Selection	No Threshold. Used only when specifically allowed under the Project's legal agreements or with a specific no objection by the DP and MEF on an exceptional basis.
Quality Cost Based Selection	No Threshold. This is the default method to be used. The ratios for technical and financial score to be used are 70:30, or 80:20 (default), or 90:10 as approved by the DP.
Fixed Budget Selection	No threshold. Used only when specifically allowed under the Project's legal agreements or specifically no objected by the DP and MEF on an exceptional basis.
Least Cost Based Selection	No threshold. This method is used only when specifically allowed under the Project's legal agreements or with a specific "No Objection" by the DP and MEF on an exceptional basis. This option is not based on value but rather on the nature of services required. Used where there are few qualified firms or the services are of a highly specialized nature.
Consultants Qualifications Selection	Threshold not to exceed \$200,000 and used only when specifically allowed under the Project's legal agreement or specifically not objected by DP and MEF.
Single Source Selection	No threshold. Used only when specifically allowed under the Project's legal agreements or specifically no objected by the DP and MEF on an exceptional basis.
Selection of Individual Consultants	No threshold. Used only when specifically allowed under the Project's legal agreements or specifically no objected by the DP and MEF on an exceptional basis.

Annex IV a Standard National Competitive Bidding Document Procurement of Goods



Kingdom of Cambodia
(These SBDs are shown in Volume II)

Annex IV b

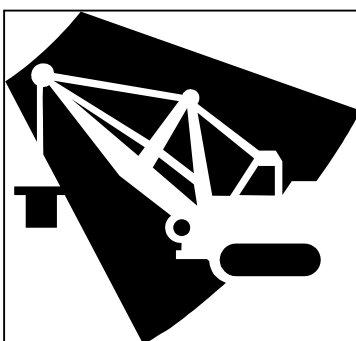
National Shopping Document Procurement of Goods



(These SBDs are shown in Volume II)



Annex IV c
Standard National Competitive
Bidding Document
Procurement of Works



Kingdom of Cambodia
(These SBDs are shown in Volume II)

Annex IV d National Shopping Document Procurement of Works



(These SBDs are shown in Volume II)

ANNEX IV e
National Shopping Documents
for Use Below Advertising
Threshold

(These SBDs are shown in Volume II)

ANNEX IV f
National Shopping Documents
When Procurement is Below
Advertising Threshold

(These SBDs are shown in Volume II)

Annex V

Minutes of Negotiation Guides and Templates

(These SBDs are shown in Volume II)

Annex V a
Minutes of Negotiation Template,
Consulting Services Assignments
for Lump Sum or Time-Based
Contracts

(These SBDs are shown in Volume II)

Annex V b Contract for Individual Consulting Services

(These SBDs are shown in Volume II)

Annex VI

Useful Addresses

The World Bank
Procurement Policy and Services Group
Operations Policy and Country Services Vice Presidency
Washington, D.C. 20433 U.S.A.
pdocuments@worldbank.org
<http://www.worldbank.org/procure>

The World Bank
Cambodia Country Office
113 Norodom Boulevard
Phnom Penh
Cambodia
Fax +855 (23) 210504/210373

The Asian Development Bank
Cambodia Resident Mission
29 Suramarit Boulevard (Street 268)
Sangkat Chaktomuk Khan Daun Penh,
Phnom Penh, Cambodia
Fax: +855 23-215807
<http://www.adb.org/carm>

Ministry of Economy and Finance
Department of Investment and Cooperation
Street 92, Phnom Penh, Cambodia
Fax (855-23) 725 341

Ministry of Economy and Finance
Department of Public Procurement
#60, St.92, Sangkat Wat Phnom, Phnom Penh, Cambodia
Phone No.

National Audit Authority
#16, St. 240, Sangkat Chaktouk Muk,
Khan Daun Penh, Phnom Penh, Cambodia
Phone No.

Anti-Corruption Unit

