KINGDOM OF CAMBODIA
Nation Religion King

Royal Government of Cambodia

STANDARD OPERATING PROCEDURES ON PROCUREMENT

FOR ALL EXTERNALLY FINANCED PROJECTS/PROGRAMS IN CAMBODIA

Volume I

Updated Version: December 2019

Prepared by the Ministry of Economy and Finance

ព្រះរាជាណាចក្រកម្ពុជា

ជាតិ សាសនា ព្រះមហាក្សត្រ

រាជរដ្ឋាភិបាលកម្ពុជា

លេខៈ ១៨១ អនក្រ.បក

អនុក្រឹត្យ

ស្តីពី

ការដាក់ឱ្យប្រើប្រាស់នីតិវិធីរួមសម្រាប់គ្រប់គ្រងការរៀបចំ និង តាមដានការអនុវត្តគម្រោងហិរញ្ញប្បទានពីដៃគូអភិវឌ្ឍន៍

រាជរដ្ឋាភិបាល

- បានឃើញរដ្ឋធម្មនុញ្ញនៃព្រះរាជាណាចក្រកម្ពុជា
- បានឃើញព្រះរាជក្រឹត្យលេខ នស/រកត/០៩១៨/៩២៥ ចុះថ្ងៃទី០៦ ខែកញ្ញា ឆ្នាំ២០១៨ ស្តីពីការតែងតាំងរាជរដ្ឋាភិបាលនៃព្រះរាជាណាចក្រកម្ពុជា
- បានឃើញព្រះរាជក្រមលេខ នស/រកម/០៦១៨/០១២ ចុះថ្ងៃទី២៨ ខែមិថុនា ឆ្នាំ២០១៨ ដែលប្រកាសឱ្យប្រើច្បាប់ស្តីពីការរៀបចំ និងការប្រព្រឹត្តទៅនៃគណៈរដ្ឋមន្ត្រី
- បានឃើញព្រះរាជក្រមលេខ នស/រកម/០១៩៦/១៨ ចុះថ្ងៃទី២៤ ខែមករា ឆ្នាំ១៩៩៦ ដែលប្រកាសឱ្យប្រើច្បាប់ស្តីពីការបង្កើតក្រសួងសេដ្ឋកិច្ច និងហិរញ្ញវត្ថុ
- បានឃើញព្រះរាជក្រមលេខ នស/រកម/០៥០៨/០១៦ ចុះថ្ងៃទី១៣ ខែឧសភា ឆ្នាំ២០០៨ ដែលប្រកាសឱ្យប្រើច្បាប់ស្តីពីប្រព័ន្ធហិរញ្ញវត្ថុសាធារណៈ
- បានឃើញព្រះរាជក្រមលេខ នស/រកម/០១១២/០០៤ ចុះថ្ងៃទី១៤ ខែមករា ឆ្នាំ២០១២ ដែលប្រកាសឱ្យប្រើច្បាប់ស្តីពីលទ្ធកម្មសាធារណៈ
- បានឃើញអនុក្រឹត្យលេខ ៤៨៨ អនក្រ.បក ចុះថ្ងៃទី១៦ ខែតុលា ឆ្នាំ២០១៣ ស្តីពីការរៀបចំ និងការប្រព្រឹត្តទៅនៃក្រសួងសេដ្ឋកិច្ច និងហិរញ្ញវត្ថុ
- បានឃើញអនុក្រឹត្យលេខ ៧៥ អនក្រ.បក ចុះថ្ងៃទី២៥ ខែឧសភា ឆ្នាំ២០១៧ ស្តីពីការកែសម្រួលអនុក្រឹត្យលេខ ៤៨៨ ចុះថ្ងៃទី១៦ ខែតុលា ឆ្នាំ២០១៣ ស្តីពីការរៀបចំ និងការប្រព្រឹត្តទៅនៃក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ
- យោងតាមសំណើរបស់រដ្ឋមន្ត្រី ក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ

សម្រេច

មាត្រា ១.-

ដាក់ឱ្យប្រើប្រាស់នីតិវិធីរួម សម្រាប់គ្រប់គ្រងការរៀបចំ និងតាមដានការអនុវត្តគម្រោងហិរញ្ញប្បទានពីដៃគូអភិវឌ្ឍន៍នានា ដូចមានខ្លឹមសារភ្ជាប់មកជាមួយអនុក្រឹត្យនេះ ជំនួសនីតិវិធីរួមបច្ចុប្បន្នកម្មសម្រាប់ការអនុវត្តគម្រោង

ហិរញ្ញប្បទានពីដៃគូអភិវឌ្ឍន៍ ដែលបានដាក់ឱ្យអនុវត្តដោយអនុក្រឹត្យលេខ ៧៤ អនក្រ.បក ចុះថ្ងៃទី២២ ខែឧសភា ឆ្នាំ២០១២។

មាត្រា ២.-

នីតិវិធីរួម ដែលត្រូវបានដាក់ឱ្យប្រើប្រាស់ក្រោមអនុក្រឹត្យនេះ រួមមានៈ

១ - នីតិវិធីរួមសម្រាប់ការគ្រប់គ្រងគម្រោង

២ - នីតិវិធីរួមសម្រាប់ការគ្រប់គ្រងហិរញ្ញវត្ថុគម្រោង

៣ - នីតិវិធីរួមសម្រាប់ការគ្រប់គ្រងលទ្ធកម្មគម្រោង

ក្រោមក្របខ័ណ្ឌហិរញ្ញប្បទានពីដៃគូអភិវឌ្ឍន៍នានានៅកម្ពុជា។

មាត្រា ៣.-

រដ្ឋមន្ត្រីទទួលបន្ទុកទីស្ដីការគណៈរដ្ឋមន្ត្រី រដ្ឋមន្ត្រីក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ រដ្ឋមន្ត្រី និងរដ្ឋលេខាធិការគ្រប់ក្រសួងស្ថាប័នពាក់ព័ន្ធ ត្រូវអនុវត្តអនុក្រឹត្យនេះឱ្យមានប្រសិទ្ធភាពខ្ពស់ ចាប់ពីថ្ងៃចុះហត្ថលេខានេះ តទៅ។

ថ្ងៃ ចន្ទ ៦ កើត ខែមិគសិរ ឆ្នាំកុរ ឯកស័ក ព.ស. ២៥៦៣

រាជធានីភ្នំពេញ ថ្ងៃទី ២ ខែ ធ្នូ ឆ្នាំ២០១៩

នាយករដ្ឋមន្ត្រី

សម្ដេចអគ្គមហាសេនាបតីតេជោ ហ៊ុន សែន

បានយកសេចក្ដីគោរពជម្រាបជូន

សម្ដេចអគ្គមហាសេនាបតីតេជោនាយករដ្ឋមន្ត្រី

សូមហត្ថលេខា

ឧបនាយករដ្ឋមន្ត្រី

រដ្ឋមន្ត្រីក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ

អគ្គបណ្ឌិតសភាចារ្យ

អូន ព័ន្ធមុនីរ័ត្ន

កន្លែងទទួល:

- ក្រសួងព្រះបរមរាជវាំង
- អគ្គលេខាធិការដ្ឋានក្រុមប្រឹក្សាធម្មនុញ្ញ
- អគ្គលេខាធិការដ្ឋានព្រឹទ្ធសភា
- អគ្គលេខាធិការដ្ឋានរដ្ឋសភា
- ខុទ្ទកាល័យសម្ដេចអគ្គមហាសេនាបតីតេជោ នាយករដ្ឋមន្ត្រី
- ខុទ្ទកាល័យសម្ដេច ឯកឧត្ដម លោកជំទាវ ឧបនាយករដ្ឋមន្ត្រី
- ដូចមាត្រា ៣
- រាជកិច្ច
- ឯកសារ-កាលប្បវត្តិ

[Unofficial Translation]

KINGDOM OF CAMBODIA

NATION RELIGION KING

Royal Government of Cambodia

No. 181 ANK.BK

SUB-DECREE

On

Promulgating the Standard Operating 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/RKT/0918/925, dated September 6, 2018 on the Formation of the Royal Government of Cambodia.
- Having seen the Royal Kram No. NS/RKM/0618/012, dated June 28, 2018 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/0508/016, dated May 13, 2008 on Promulgating the Law on the Public Finance System.
- 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. 488/ANK/BK, dated October 16, 2013 on the Organization and Functioning of the Ministry of Economy and Finance.
- Having seen the Sub-Decree No. 75/ANK/BK, dated May 25, 2017 on Amendment of Sub-Decree No. 488, dated October 16, 2013 on the Organization and Functioning of the Ministry of Economy and Finance.
- Pursuant to the request of the Minister of Economy and Finance.

Hereby Decides

Article 1:

Promulgate the Standard Operating Procedures for Implementing All Externally Financed Projects/Programs as attached to this Sub-Decree to replace the Updated Standard Operating Procedures for Implementing All Externally Financed Projects/ Programs, which was promulgated by Sub-Degree No.74 ANK.BK, dated May 22, 2012.

Article 2:

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

1- Standard Operating Procedures on Project Management for All Externally Financed Projects/Programs in Cambodia.
2- Standard Operating Procedures on Financial Management for All Externally Financed Projects/Programs in Cambodia.
3- Standard Operating Procedures on Procurement 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 2nd December 2019

Prime Minister

Samdach Akka Moha Sena Padei Techo HUN SEN

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

Signed and Sealed

AUN Pornmoniroth
Deputy Prime Minister
Minister of Economy and Finance

Recipients:

- Ministry of the Royal Palace
- Secretariat General of Constitutional Council of Cambodia
- Secretariat General of Senate
- Secretariat General of National Assembly
- Cabinet of Samdach Akka Moha Sena Padei Techo HUN SEN, Prime Minister
- Cabinet of Deputy Prime Ministers
- As Article 3
- Archives-Chronicles

ABBREVIATIONS

ADB	=	Asian Development Bank
ACU	=	Anti-Corruption Unit
AFD	=	Agence Française de Dévelopment
ALB	=	Abnormally Low Bid
APA	=	Alternative Procurement Arrangements
BDS	=	Bid Data Sheet
BAFO	=	Best and Final Offer
BEC	=	Bid Evaluation Committee
BER	=	Bid Evaluation Report
BOQ	=	Bill of Quantity
BTP	=	Biodata Technical Proposal
CEC	=	Consultants Evaluation Committee
CER	=	Consultants Evaluation Reports
CMP	=	Contract Management Plan
CMS	=	Consultants Management System
CPAR	=	Country Procurement Assessment Report
CPI	=	Consumer Price Index
CQS	=	Consultants' Qualifications Selection
CV	=	Curriculum Vitae
DC	=	Direct Contracting
DD	=	Detailed Design
DLP	=	Defects Liability Period
DP	=	Development Partner(s) *(includes Donor Agencies)*
DS	=	Data Sheet
EA	=	Executing Agency
EOI	=	Expression of Interest
EQC	=	Evaluation and Qualification Criteria
FA	=	Force Account
FBS	=	Fixed-Budget Selection
FMM	=	Financial Management Manual/ SOP
FTP	=	Full Technical Proposal
GCC	=	General Conditions of Contract
GDICDM	=	General Department of International Cooperation and Debt Management/ MEF
GDPP	=	General Department of Public Procurement/ MEF
GID	=	General Inspectorate Department/ MEF
GPN	=	General Procurement Notice
IA	=	Implementing Agency
ICB	=	International Competitive Bidding
ICS	=	Individual Consultants Selection
ICT	=	Information and Communications Technology
IDA	=	International Development Association
IFIs	=	International Financial Institutions
IFP	=	Invitation for Prequalification
IFB	=	Invitation for Bids
Incoterms	=	International Commercial Terms

IPF	=	Investment Project Financing
ISO	=	International Organization for Standardization
IT	=	Information Technology
ITB	=	Instructions to Bidders
JICA	=	Japan International Cooperation Agency
JV	=	Joint Venture
KPI	=	Key Performance Indicators
LC	=	Letter of Credit
LCB	=	Limited Competitive Bidding
LCS	=	Least-Cost Selection
MDBs	=	Multi-lateral Development Banks
MEF	=	Ministry of Economy and Finance
MIS	=	Management Information System
MOU	=	Memorandum of Understanding
NAA	=	National Audit Authority
NCB	=	National Competitive Bidding
NCDD	=	National Committee for Sub-National Democratic Development
NIA	=	Notification of Intention to Award *the Contract*
NOL	=	No Objection Letter
OCB	=	Open Competitive Bidding
PAM	=	Project Administration Manual
PBC	=	Performance-Based Contracting
PFMRP	=	Public Financial Management Reform Program
PIU	=	Project Implementation Unit
PMM	=	Project Management Manual/ SOP
PMTF	=	Procurement Monitoring and Tracking Form
PMU	=	Project Management Unit
PP	=	project Procurement Plan
PPM	=	Project Procurement Management
PPP	=	Public-Private Partnership
PPRA	=	Project Procurement Risk Assessment
PPSD	=	Project Procurement Strategy for Development
PRC	=	Procurement Review Committee
QBS	=	Quality-Based Selection
QCBS	=	Quality- and Cost-Based Selection
REOI	=	Request for Expressions of Interest
RFB	=	Request for Bids
RFP	=	Request for Proposals
RfQ	=	Request for Quotations
RGC	=	Royal Government of Cambodia
SBD	=	Standard Bidding Documents
SCC	=	Special Conditions of Contract
SOE	=	State Owned Enterprise
SOP	=	Standard Operating Procedures
SP	=	Standstill Period
SPD	=	Standard Procurement Documents
SPN	=	Specific Procurement Notice
SPP	=	Specific Procurement Plan
SSS	=	Single Source Selection
STEP	=	Systematic Tracking of Exchanges in Procurement
STP	=	Simplified Technical Proposal
TA	=	Technical Assistance

TER	=	Technical Evaluation Report
TOR	=	Terms of Reference
UNDB	=	UN Development Business
VfM	=	Value for Money
WB	=	World Bank
WHO	=	World Health Organization

CONTENTS

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1. INTRODUCTION

1.1. Introduction

1.1.1. Public Procurement in the Kingdom of Cambodia is governed by the Law on Public Procurement enacted on 14 January 2012. Under Article 3 of the Procurement Law, for the Development Partner (DP) financed projects procurement can follow the procurement guidelines and procedures of the DP as agreed in the Financing Agreement between the Royal Government of Cambodia (RGC) and the DP. This updated Standard Operating Procedures (SOP) on Procurement (referred to as "the Procurement Manual") is issued in compliance with the Law on Public Procurement (2012).

1.1.2. This Procurement Manual, which is the third updated edition, provides the implementing rules and regulations for procurement under all externally financed projects/programs, which include loans, credits and grants financed by both the Multilateral Development Banks (MDBs) and Bilateral DPs under the purview of the Ministry of Economy and Finance (MEF).

1.1.3. The Procurement Manual forms part of the updated Standard Operating Procedures for implementing all externally financed projects/programs promulgated under the Sub-Decree No. 181/ANK.BK, dated 2 December 2019, and must be read in conjunction with the Standard Operating Procedures on Project Management (referred to as "the PMM") covering the identification, preparation, implementation, monitoring and evaluation of projects; and the Standard Operating Procedures on Financial Management (referred to as "the FMM") covering the financial management of projects.

1.2. Applicability of the Standard Operating Procedures on Procurement

1.2.1. The procurement policy and regulations vary from DP to DP, and while the MDBs have made substantial progress in harmonization of their procurement procedures, differences still exist. In case of the Bilateral DPs, variations are much larger. The regulations prescribed under the Procurement Manual are mandatory for public procurement in all externally financed projects and programs with the explicit condition that the mandatory regulations of the DP, as agreed in the Legal/ Financing Agreements, will prevail over the provisions in the Procurement Manual when there is any conflict between the two.

1.2.2. The procurement for projects implemented under the Public-Private Partnership (PPP) model is governed by a separate set of Standard Operating Procedures for PPP and therefore this Procurement Manual will not be applicable to procurement for PPP projects. This Procurement Manual also does not apply to projects financed by the private sector.

1.2.3. The Procurement Manual does not apply to projects implemented by the sub-national administrations, as defined under the Law on De-concentration and Decentralization. These comprise the administrations of the capital city and provinces, administrations of municipalities, khans and districts, administrations of communes and sangkats. The procurement in projects implemented by these sub-national authorities follows the Project Implementation Manual updated in 2017 and issued by the National Committee for Sub-National Democratic Development (NCDD), commonly termed as the NCDD Guidelines. When the DPs are financing projects where different components are implemented both by the line ministries/agencies (and their provincial departments) and the sub-national administration, a project specific implementation manual must be agreed upon between all parties, which must include the procurement procedures that will be followed. For better clarity and in order to avoid confusion, procurement under the projects implemented by the provincial departments of the line ministries/agencies must follow this Procurement Manual and not the NCDD Guidelines.

1.3. Overriding Principle

1.3.1. This Procurement Manual incorporates the overriding principle, applicable to all the three Manuals comprising the SOP for implementing externally financed projects/programs, that the line ministries and specialized agencies of the RGC must take full responsibility and be held accountable for their actions in discharging procurement operations in public investment projects in their areas of mandate, as defined under the Law establishing them and the related Sub-Decrees on their functions. The roles and responsibilities of the relevant line ministries and RGC agencies are clearly defined in the Procurement Manual.

1.3.2. The MEF has an important role and responsibilities in public procurement, which are defined in the Law on Establishment of the Ministry of Economy and Finance (Royal Kram No. NS/RKM/0196/18), dated 24 January 1996, and the Sub-Decree No. 75/ANK/BK, dated 25 May 2017, on Amendment of Sub-Decree No. 488, dated 16 October 2013, on Organization and Functioning of the Ministry of Economy and Finance stating the following:

"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 plans …"

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

1.3.3. In the DP-financed projects, the MEF carries out this responsibility in public procurement by playing the key check-and-balance role to ensure the integrity of the procurement operations and the efficiency of public expenditures. In addition to this, it serves as the key knowledge center for procurement policies and regulations of the DP, provides guidance and support to the line ministries and other RGC agencies, and acts as the mentor and facilitator to ensure efficient and timely procurement.

1.3.4. The MEF has taken the lead role in coordinating the preparation of the Procurement Manual, and has the oversight responsibility to ensure that the procurement operations in the DP-financed projects/programs comply with the provisions of the Procurement Manual. The MEF is responsible for providing clarifications and guidance on the provisions under the Procurement Manual to users.

1.4. Purpose and Contents of the Procurement Manual

1.4.1. The main purpose of the Procurement Manual is to improve the quality of the procurement outcome, thereby improving the performance, effectiveness and efficiency of Cambodia portfolio of externally assisted projects, under the purview of the MEF, and contribute to the delivery of sustainable development. The Procurement Manual provides updated procurement regulations that will govern procurement operations under externally financed projects/programs in Cambodia, including good international practices, and in clear terms spells out the institutional roles, responsibilities and accountabilities. In summary, the Procurement Manual is to provide clear operating procedures and guidelines to all the users to achieve value for money in all project operations.

1.4.2. The Procurement 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 instructions for the procurement of goods, works and services.

1.4.3. The Procurement Manual sets out the standard procurement processes to be followed. The benefits of following these processes will be:

ECONOMY →	to achieve the 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;
EFFICIENCY →	to minimize delays to the procurement process through standardized procedures and consistent application of best procurement practices; and
ETHICAL STANDARDS →	to provide the staff involved in procurement with a set of standards and framework, under which procurement is to be undertaken, that represents the highest standards of ethics and honesty.

1.4.4. Consistent application of the procedures and provisions of this Procurement 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 in procurement, providing guidance based on good international practices.

1.4.5. The Procurement Manual consists of three Volumes. **Volume I** contains **the rules and regulations governing procurement operations and procurement arrangements and procedures,** including contract management; while **Volume II** provides the **Standard National Procurement/ Bidding Documents (SPD/ SBD)** for procurement of goods and works in Cambodia. **Volume III** provides **sample Procurement/ Bidding Documents** where the DPs do not have SBDs (for the Bilateral DP-financed projects).

1.4.6. However, when carrying out international competitive procurement, where the DPs have prescribed their Standard Procurement/ Bidding Documents, these must be used where required by the DP. For the World Bank, the SPDs/SBDs are available at *https://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework* and
for the Asian Development Bank (ADB), such documents are available at *https://www.adb.org/business/main#procurement*.

1.5. Users of the Procurement Manual

1.5.1. The Procurement Manual has been prepared in close consultation and cooperation with the key DPs of Cambodia, including the MDBs (the Asian Development Bank (ADB) and World Bank (WB)), and Bilateral DPs like the Agence Française de Développment (AFD) and Japan International Cooperation Agency (JICA). The ADB, WB and a number of Bilateral DPs like the AFD have agreed to the use of the Procurement Manual in all projects funded by them, and specify this in the Legal and Financing Agreements (for loans/ credits/ grants) together with an Annex, which lists out the modifications to specific provisions and/or additions when there is any variance between the provisions of the Procurement Manual and their mandatory procurement regulations.

1.5.2. The Procurement Manual will be applied to all DP-financed projects, under the purview of the MEF and should be read in conjunction with the mandatory procurement regulations of the DPs and the provisions of the loan/credit/grant agreements. *In case of a conflict between the Procurement Manual and the loan/ credit/ grant agreements including the respective procurement regulations, the legal agreements and regulations of the DP shall prevail.* In the case where any DPs, particularly the Bilateral DPs, do not have any procurement regulations, the provision of the Procurement Manual will be applicable as a mandatory requirement.

1.5.3. The Procurement Manual is for the use of (a) the line ministries and agencies of the RGC and their staff involved in the procurement of externally financed projects; (b) the DPs procurement practitioners; (c) Suppliers, Contractors and Consultants; and (d) non-governmental organizations and civil society. The

Procurement Manual will increase awareness of the procurement regulations and serve as a source of reference for all users.

1.5.4. The users of the Procurement Manual should be aware that all procurement of goods, works, non-consulting services and consulting services will be undertaken in accordance with the DP Procurement Guidelines/Regulations and this Procurement Manual with the condition that where a provision of the Procurement Manual conflicts with the DP Procurement Guidelines/Regulations, the later will prevail and must be used. The procurement arrangements for each project will be elaborated in the Project Administration/Implementation Manual, which should be used for project related procurement.

1.6. Changes to the Procurement Manual

1.6.1. Users of the Procurement Manual are not permitted to deviate from its provisions, which are based upon the mandatory regulations of the RGC and the DPs, as agreed between them.

1.6.2. However, it is recognized that the procurement function is an evolving process and provisions that may be correct at the time of the issuance of the Procurement Manual may not always hold true in the future. It is also possible that users of this Procurement Manual, when overcoming challenges in procurement, will identify alternative processes to those described in the Procurement Manual that may represent an improvement in existing processes and provisions. In both instances, the Executing and Implementing Agencies (EA/IA) and users are encouraged to raise the need for such improvements with the MEF, that will then review and evaluate the provisions in question for inclusion in future editions of the Procurement Manual.

1.7. Terminology

1.7.1. The terms and words used in this Procurement Manual are interchangeable between the Government, Asian Development Bank and World Bank or other Development Partners (DPs). The terms – "Loan", "Credit", "Grant", and "Trust Funds" and "Technical Assistance" all refer to the source of funds. "Local", "Domestic" and "National" all terms have the same meaning of being within Cambodia. "Shopping" and "Request for Quotations" have the same meaning. "Direct Contracting", "Direct Purchase" and "Single-" or "Sole Source Selection" have the same meaning.

2. PRINCIPLES OF THE GOVERNMENT PROCUREMENT POLICY

2.1. Rectangular Strategy

2.1.1. The Rectangular Strategy for Growth, Employment, Equity and Efficiency is the central Strategy, which has driven Cambodia development since 2004. The implementation of the Strategy under the last three phases has led to a profound structural economic transformation of Cambodia by way of sustainable growth, job creation, enhanced social equity, strengthened effective governance of state institutions and improved living conditions of the Cambodian people, propelling the country from low-income to lower-middle-income status. Phase IV of the *Rectangular Strategy for Growth, Employment, Equity and Efficiency: Building the Foundation Toward Realizing the Cambodia Vision 2025* was launched by the RGC in September 2018 for implementation under the Sixth Legislature of the National Assembly, which sets out concrete policy measures for laying the foundations for achieving the goals under the Cambodia Vision 2030 and 2050, progressing towards an upper-middle-income county status over the medium-term and a high-income status by 2050.

2.1.2. The Public Financial Management Reform Program (PFMRP), under implementation since 2004, will remain one of the key reform areas to deliver the strategic goals under Phase IV to further strengthen the capacity and governance of public institutions, both at national and sub-national levels, to ensure an effective and efficient delivery of public services aimed at better serving the people. The procurement policy framework is embedded in the Budget System Reform Strategy 2018-2025, approved by the RGC on 12 January 2018, under the PFMRP, with the objective of improving the competitiveness, transparency and efficiency of the public procurement processes, making the line ministries and RGC agencies accountable for procurement operations, and improving public expenditure efficiency. In this regard a Public Procurement Reform Strategy was approved on 8 May 2019.

2.1.3. Currently there is no "e-Procurement" (Electronic Procurement) used for public procurement in Cambodia. However, Phase IV of the Strategy has made transformation to a digital economy a priority with the aim of establishing the necessary legal framework, to support digital development and expanding the necessary supporting ICT infrastructure, which will create the enabling supporting infrastructure for the use of e-Procurement in Cambodia. The Law on Public Procurement envisages the introduction of e-Procurement when the ICT system is sufficiently strong and stipulates that the procedures for implementing it will be determined by a Prakas of the MEF. Going forward, e-Procurement will be an important tool for promoting transparency, competition, efficiency; and a mechanism to reduce corruption. Well-designed and implemented e-Procurement methodologies and applications will strengthen oversight and reduce opportunities for the improper exercise of discretion in procurement. It is important to understand that e-Procurement is not simply the application of a new technology to existing processes, but a reform process in itself that requires in many instances, that current traditional procurement processes be modified or abolished; that management processes, protocols and procedures be standardized, reformatted and often simplified;

all of which are conducive to greater transparency in procurement in Cambodia. Hence, it is envisaged that e-Procurement in Cambodia will be implemented in a phased manner under the Budget System Reform Strategy 2018-2025.

2.2. Core Procurement Principles

2.2.1. The ultimate objective of the Cambodia public procurement system is to achieve optimal benefits through the Value for Money (VfM) principle in the procurement of goods, works and services, and ensure that these deliver sustainable development. The principle of Value for Money refers to effective, efficient, and economic use of resources, which requires an evaluation of relevant costs and benefits and may include life-cycle costs and non-price attributes like environmental and social considerations. Price alone may not sufficiently represent Value for Money. Value for Money is further explained in **Annex V-a**.

2.2.2. All public procurement operations covered under the scope of the Procurement Manual are governed by and are consistent with the following six core principles.

2.3. Economy

2.3.1. 'Economy' is taking into account factors such as price, quality, and any non-price attributes as appropriate without adversely affecting the viability of the project. Typically, these factors are:

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

2.4. Efficiency

2.4.1. The EAs/IAs 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 there is a chance that funds are diverted away from meeting the project's primary objective. An example of the need for speed and 'efficiency' is demonstrated by the 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.

2.5. Fairness

2.5.1. 'Fairness' is achieved when capable, responsible Contractors, Suppliers and Consultants compete for the 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 between each other.

2.5.2. The Government 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 EAs/IAs.

2.6. Transparency

2.6.1. 'Transparency' enables everyone to understand the Government objectives and precise methods to be used to attain them. A transparent public procurement process requires that (a) the criteria for evaluation should be clear, open, and publicly disclosed; and (b) the basis for selection should be in accordance with the disclosed criteria.

2.6.2. Cambodian citizens entrust funds to the Executing Agencies for the delivery of public services, and are entitled to expect that the funds are being used solely for the purposes for which they have been entrusted. The public therefore has a right to the assurance that the correct procedures have been applied.

2.6.3. 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, but it also encourages Suppliers/Contractors/Consultants to compete for contracts awarded by the Government and Executing Agencies. Therefore, this would develop the national contracting environment, increase the level of competition, which would in turn exert downward pressure on prices.

2.7. Integrity

2.7.1. 'Integrity' requires the proper use of funds, resources and authority for the intended purposes in a well-informed manner in alignment with the public interest and broader principles of good governance. It requires the Government and project staff, Bidders, Contractors, Consultants, Suppliers etc. involved in the procurement process to observe the highest standards of ethics and honesty. They must fully refrain from fraud and corruption.

2.8. Fitness-for-Purpose

2.8.1. 'Fitness-for-purpose' requires procurement arrangements to appropriately reflect the strategic needs and circumstances of the situation. In case a standardized approach cannot effectively and efficiently meet project outcomes and development objectives, especially in capacity-constrained environment, a customized approach may be adopted, entailing transaction-specific methods and documentation. The specific methods that may be followed for procurement under a given project are specified in the procurement plan.

2.8.2. Adopting the core procurement principles stated above will help the RGC achieve Value for Money in all procurement. Open competitive bidding, properly administered and open equally to national and international Bidders, is likely to result in Value for Money in most cases, and is therefore recommended as the most appropriate method. In specific situations, other methods of procurement may be used.

2.8.3. All staff engaged in the procurement process shall use their best efforts to help deliver the best Value for Money from the financial resources employed.

3. PRINCIPLES OF THE GOVERNMENT GOOD GOVERNANCE AND ACCOUNTABILITY POLICIES

3.1. Governance in Procurement

3.1.1. Governance of public procurement is managed through clear and transparent lines of accountability, and a clear definition of the roles and responsibilities of all those involved in the procurement operations. The RGC and DPs, both have a role to play in the case of externally financed projects, as described in Chapter 6 on Procurement Roles and Responsibilities. This Chapter focuses on the good governance and accountability mechanisms that need to be in place to address procurement related fraud and corruption, complaints and conflict of interest.

3.1.2. The RGC has made 'good governance', which includes fighting corruption, the core of its Rectangular Strategy. The DPs also have very clear and strict policies on good governance, in particular, against fraud and corruption in public procurement financed projects supported by them. Cambodia, in addition to its own laws, regulations and institutional arrangements to address fraud and corruption, has agreed to apply the DPs policies without reservation to all procurement operations financed with support from the DPs.

3.2. Law on Anti-Corruption

3.2.1. The Law on Anti-Corruption No. NS/RKM/0410/004 was enacted in Cambodia on 19 April 2010, 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."

3.2.2. The purpose of the Anti-Corruption Law is to combat corruption through measures initiated to educate on, prevent and fight against corruption offenses, including public participation and international cooperation. The Law has also established the Anti-Corruption Commission and vested it with the powers to enforce the Law.

3.2.3. The Anti-Corruption Law applies to every person, whether engaged in public procurement or not, and carries severe penalties, both criminal and civil, for violations of its provisions. A corruption offense refers to criminal offenses stated in Chapter 3 of the Anti-Corruption 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 a public agency or public enterprise and any other public institutions, as stated in the Laws of the Kingdom of Cambodia.

3.2.4. The Law will therefore apply to public procurement carried out in externally financed projects and programs. Accordingly, the official engaged in the procurement operations in any capacity, who receives or learns of a communication alleging that a person or persons attempted to commit or have committed any act defined in the articles of the Anti-Corruption Law related to public procurement shall promptly report in writing the substance of the communication, and provide complete documentary evidence, to the Anti-Corruption Unit, at the address provided in **Annex IX**.

3.2.5. In response to this requirement, the official engaged in the procurement operations shall:

(a) Maintain a copy of all of the information provided to the Anti-Corruption Unit;

(b) Cooperate fully with the Anti-Corruption Unit.

3.2.6. Provisions in the Law, most particularly Chapter 2, require the Anti-Corruption Commission to keep confidential the identity of persons who report corruption, and take the necessary measures to provide security to corruption 'whistle-blowers'.

3.2.7. Allegations of criminal corruption are distinct from the improprieties addressed in the Complaints Handling Mechanisms under Section 3.5 of this Procurement Manual.

3.3. Prohibited Practices: Fraud and Corruption

3.3.1. The Government and DPs policies require the EAs and oversight agencies; Bidders; Potential Bidders; Suppliers; Contractors; Consultants; any Sub-contractors, Sub-consultants, Service Providers or Suppliers; any Agents (whether declared or not); and any of their personnel under the DP-financed contacts, to adhere to the highest standards of ethics during the procurement and execution of such contracts.

3.3.2. **Pursuant to these policies, the Government and DPs:**

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

(i) "**Corrupt Practice**" is the offering, giving, receiving, or soliciting directly or indirectly, of anything of value to influence improperly the actions of another party[1];

(ii) "**Fraudulent Practice**" 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[2];

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[1] For the purpose of this sub-paragraph, "another party" refers to a public official acting in relation to the selection process or contract execution. In this context "public official" includes Government and DP staff, and employees of other organizations taking or reviewing selection decisions.

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

(iii) "**Coercive Practice**" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party, or the property of the party to influence improperly the actions of a party[3];

(iv) "**Collusive Practice**" is an arrangement between two or more parties, designed to achieve an improper purpose, including to influence improperly the actions of another party[4];

(v) "**Abuse**" means theft, waste, or improper use of assets related to the DP-financed project activity, either committed intentionally or through reckless disregard;

(vi) "**Conflict of Interest**" means any 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;

(vii) "**Obstructive Practice**" is (a) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation, or making false statements to investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive practice by the competent Government and DP authority; 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 (b) acts intended to materially impede the exercise of the Government or DP inspection and audit rights provided for under sub-clause (e) below;

(viii) "**Integrity Violation**" is any act, as defined under the DP Integrity Principles accepted by the Government, which violates the Anti-Corruption Policies, where applicable, including points (i) to (vii), stated above and the following: violations of the Government and DP sanctions, retaliation against whistle-blowers or witnesses, and other violations of the Anti-Corruption Policies, including failure to adhere to the highest ethical standards;

(b) Will reject a recommendation for award of the contract if it is determined that the firm or individual recommended for the award or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees have directly or indirectly engaged in corrupt, fraudulent, coercive, collusive or obstructive practices, or other integrity violations in competing for the contract in question;

(c) Will cancel the portion of the financing allocated to a contract if it is determined at any time that representatives of the Government or of a beneficiary of the DP financing have engaged in corrupt, fraudulent,

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

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

coercive, collusive or obstructive practices, or other integrity violations during the procurement or the execution of that contract, without the Government having taken timely and appropriate action satisfactory to the DP to remedy the situation;

(d) Will sanction a firm or individual, at any time, in accordance with prevailing Government and/or DP sanctions procedures[5], including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded or otherwise benefit from a Government or a DP-financed contract, financially or in any other manner; (ii) to be a nominated[6] sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Government or a DP-financed contract; and (iii) to receive the proceeds of any loan made by the DP or otherwise to participate further in the preparation or implementation of any DP-financed project, if it is determined at any time that the firm or individual has engaged in corrupt, fraudulent, coercive, collusive or obstructive practices, or other integrity violations in competing for, or in executing, a DP-financed contract; and

(e) Will have the right to require that a clause be included in bidding documents and in contracts financed by the DP, requiring Bidders (Applicants/Proposers), Consultants, Contractors and Suppliers, and their Sub-contractors, Sub-consultants, Agents, personnel, Service Providers or Suppliers, to permit both the Government and the DP to inspect[7] all accounts, records and other documents relating to the procurement process, selection and/or execution of contract(s), and to have them audited by auditors appointed by the Government or the DP.

3.3.3. All staff involved in the procurement operations has a duty to report to the relevant Procurement Review Committee (PRC) established for the project or any other agency that they feel appropriate, including the Anti-Corruption Unit (ACU), any suspected instances of fraud, corruption and collusive or coercive practices when identified.

3.3.4. In the case of collusive behaviour, if the evidence suggests that all or some of the Bidders or Consultants are involved, the evidence should be reviewed by

[5] A firm or an individual may be declared ineligible to be awarded a contract upon (i) completion of the sanctions proceedings as per its sanctions procedures, including inter alia: cross-debarment as agreed by DP and other International Financial Institutions; and (ii) as a result of temporary suspension or early temporary suspension in connection with an ongoing sanction’s proceedings in accordance with the Government and DP guidelines.

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

[7] Inspections in this context usually are investigative (i.e., forensic) in nature. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

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.

3.4. Conflict of Interest

3.4.1. The Government and DPs consider 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 the DP Anti-Corruption Policy/Guidelines. However, a conflict of interest may not, in all cases, in and of itself, constitute a violation of the DP Policy/Guidelines, if appropriately addressed or mitigated.

3.4.2. It is the duty of all Government officials and Consultants engaged by the Government directly or indirectly involved in the procurement process and particularly the preparation of bidding documents, bid/proposal evaluation, approval of a contract award, contract negotiations, contract management and payments to declare any potential conflict 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.

3.4.3. If any Member of the Bid or Consultants Evaluation Committee and the Procurement Review Committee or an official who is directly involved in the procurement process feel that there is the potential for a conflict of interest due to their participation, they shall declare about this and remove themselves from the procurement process.

3.4.4. Any Government official or Consultants recruited by the Government, directly or indirectly involved in the procurement process under a project, that have been found to have a conflict of interest, but had not declared about this and not removed themselves from the procurement process, will be barred from any further involvement in the project and may face administrative actions in accordance with the respective statutes regarding the civil service.

3.4.5. Bidders and Consultants in a position of potential conflict of interest are ineligible to bid or submit their proposal(s). *A conflict of interest would exist when a firm or an individual that has been previously hired to provide services for the project design, preparation and implementation are engaged in further delivery of goods, works and services related to these earlier assignment(s)*. 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 them.

3.4.6. At the time of bidding, Bidders may be considered to be in a conflict of interest with one or more parties involved 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 the 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/Client; 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 has 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.

3.5. Procurement-Related Complaints Handling Mechanism

3.5.1. There are three distinct types of complaints[8] that are typically found in a project; i.e. (a) complaints concerning the bidding process (bidding-related complaints) from aggrieved Contractors, Suppliers, Service Providers and Consultants; (b) performance disputes during execution of contracts, which are governed by the General Conditions of Contract (GCC) and Special Conditions of Contract (SCC); and (c) non-procurement-related complaints from any party, for example, on safeguard issues. The Procurement Manual does not deal with complaint described under point (c).

3.5.2. Any complaints alleging issues relating to fraud, corruption and/or other prohibited practices will be handled in accordance with the provisions of the relevant DP Anti-Corruption or Integrity Policies/Guidelines.

3.5.3. For procurement/bidding-related complaints, a complainant may challenge**:**

(a) The EA selection documents, including: prequalification, initial selection, Request for Bids or Request for Proposals documents, which are lodged prior to submission of bids;

(b) The EA decision(s) to exclude an Applicant/ Bidder/ Proposer/ Consultant from the procurement process prior to award, which is announced after the submission of bids but prior to the award of contract i.e. when a Contractor fails to be prequalified if a prequalification exercise has been carried out, or fails to qualify under the two-stage or two-envelope bidding procedure; or a Consultant firm fails to meet the specified minimum technical score; and/or

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[8] **Complaint** is a statement in which a Bidder or any other parties express their dissatisfaction with a particular decision in the procurement process for a contract arising in connection with the procurement that a Bidder participates.

(c) The EA decision(s) to award the contract following transmission of the Notice of Intention to Award the Contract to unsuccessful Bidder(s)/ Proposer(s)/ Consultant(s).

3.5.4. A complaint can be submitted by an interested party, which is defined as an actual Bidder/Proposer/Consultant, seeking to obtain the contract at issue. It also includes Potential Applicants/Bidders/Proposers/Consultants in relation to complaints challenging the prequalification documents and any other RGC documents requesting for bids/proposals.

3.5.5. All complaints must be submitted in writing and shall identify the name, contact details and the address of the complainant. In addition, the content of complaints is subject to the following requirements:

(a) establish the complainant's status as an "interested party" and identify the exact stage of the bidding process where the violation allegedly occurred;

(b) identify the specific project, the procurement reference number, the current stage of the relevant procurement process;

(c) specify any previous communication between the complainant and EA on matters addressed in the complaint;

(d) identify and summarize the nature of the complaint, and the potential adverse impact on them; and

(e) state the alleged inconsistency with or violation of the applicable procurement rules.

3.5.6. The EA shall ensure the confidentiality of any complainant and shall hold harmless any person reporting a complaint. A complainant claiming retaliation can file a complaint with the General Department of Public Procurement (GDPP) of the Ministry of Economy and Finance within thirty (30) calendar days of an alleged violation. It acts as a regulator and has important function related to complaints handling. Any complaint that has not been resolved by the Project Manager, to the satisfaction of the complainant, can be referred by the complainant to the GDPP for review and final decision. The decision of the GDPP with regard to the complaint shall be final but without prejudice to any other recourse or remedies available under the Laws of the Kingdom of Cambodia.

3.5.7. Formal mechanism to satisfactorily respond to the complaints for the three types specified in Paragraph 3.5.2 above are as follows:

(1) ***For Complaints Challenging the Terms of Initial Selection Documents/ Request for Bids/ Request for Proposals*** *(defined under Paragraph 3.5.2 (a))*

The complaint (after seeking clarifications) must be lodged at least ten (10) business (working) days[9] prior to the deadline for the submission of the bids/proposals or five (5) business days after the issuance of any amended terms, whichever is the later. The Project Manager will

[9] **Business (working) day** means any day that is an official working day of the country. It excludes the official public holidays in the country.

acknowledge its receipt within three (3) business days and shall review the complaint and respond no later than seven (7) business days from the date of receipt of the complaint. If the EA decides to modify the selection documents, an addendum shall be issued to all Bidders/Proposers and if necessary, the deadline for submission will be extended.

(2) ***For Complaints Challenging the Exclusion from a Procurement Process Prior to the Contract Award*** *(defined under Paragraph 3.5.2 (b))*.

The complaint should be submitted to the EA within ten (10) business days following the EA transmission to the interested party of a notice of such exclusion. The EA will acknowledge in writing the receipt of the complaint within three (3) business days, and will review the complaint and respond to the complaint no later than seven (7) business days from the date of receipt of complaint. If as a result of the EA review of a complaint, the EA changes the results of the earlier stage/phase of the procurement process, the EA will promptly transmit a revised notification of evaluation of results to all relevant parties advising on the next steps.

(3) ***For Complaints Following Transmission of the Notification of Intention to Award the Contract*** *(defined under Paragraph 3.5.2 (c))*

The complaint can only be made after the complainant has received the EA Notification of Intention to Award the Contract. This complaint will be submitted to the EA within the Standstill Period[10] of ten (10) business days. The EA will acknowledge in writing the receipt of the complaint within three (3) business days; will review the complaint and respond to the complainant no later than fifteen (15) business days from the date of receipt of the complaint. The EA will not proceed with a contract award until the complaint has been addressed. If, as a result of the EA review of a complaint, the EA changes its contract award recommendation, it will notify the revised intent to award the contract to all previously notified Bidders/Proposers/Consultants, and shall proceed with the contract award.

3.5.8. Standstill Period is specified only where the DP procurement regulations make this mandatory. The adoption of a Standstill Period is not mandatory for national procurement and does not apply (i) in case of Direct Contracting or Single Source Selection, or (ii) when only one bid or proposal was submitted. *If no Standstill Period is applied, then any complaints must be submitted after the Notification of the Contract Award is issued and within the number of business days specified in the bidding documents.*

3.5.9. The following information, if a Standstill Period applies, must be inserted into the bidding documents at the appropriate point in the Invitation for Bids/Request for Proposals:

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[10] **Standstill Period (SP)** means the period following the Notification of Intention to Award the Contract. In order to allow unsuccessful Bidders/ Proposers/ Consultants time to examine the Notification of Intention to Award and assess whether to seek a debriefing, and/or submit a procurement-related complaint.

(i) ***For Complaints Challenging the Terms of Initial Selection Documents/ Request for Bids/ Request for Proposals.***

"Complaints shall be submitted at least ten (10) Business Days prior to the deadline for submission of Applications/ Bids/ Proposals. The Project Manager shall respond no later than seven (7) Business Days from the date of receipt of the complaint".

(ii) ***Notifying Applicant(s)/ Bidder(s)/ Proposer(s)/ Consultant(s) for the Exclusion from Consideration for a Contract; for the rejection of Bid(s) Submitted; or for the Intention to Award a Contract.***

"Complaints shall be submitted within ten (10) Business Days following the EA transmission to the interested party of notice of such exclusion. The Project Manager will acknowledge in writing the receipt of the complaint within three (3) Business Days, and will review the complaint and respond to the complaint no later than seven (7) Business Days from the date of receipt of the complaint".

(iii) ***For complaints Following Transmission of the Notification of Intention to Award the Contract.***

"Complaints shall be submitted within the Standstill Period. The Project Manager will respond no later than fifteen (15) Business Days from the date of receipt of the complaint".

3.5.10. Complaints must be submitted in writing by mail (courier or personal delivery), email or fax to the address or numbers specified in the bidding documents.

3.5.11. For contracts subject to prior review, the Project Manager shall promptly inform the DP of any complaints received and will provide all relevant information and documentation for the DP review, including a draft response to the complainant. The Project Manager should not proceed with the next stage/phase of the procurement process without receiving the DP confirmation of a satisfactory resolution of the complaint(s).

3.5.12. The role and responsibilities of the Project Manager in procurement-related complaints handling are to:

(a) Provide timely and sufficient information to Applicants/Bidders/ Proposers/Consultants. This includes information offered in the Notification of Intention to Award the Contract and debriefing. Applicants/ Bidders/Proposers/Consultants should be able to understand the basis for the Borrower/ Purchaser/ Employer/ Client decision and make an informed decision on whether to lodge a procurement-related complaint.

(b) Promptly acknowledge the procurement-related complaints received.

(c) Resolve procurement-related complaints promptly and fairly.

(d) Preserve the confidentiality and proprietary information of other Applicants/ Bidders/Proposers/Consultants, including their commercial and financial information and trade secrets.

(e) Maintain complete records of all debriefings and complaints, including how each complaint has been resolved.

(f) **For contracts subject to prior review by the DP:**

(i) Inform the DP promptly of any complaint submitted and provide the DP with a copy of all relevant documents and information.

(ii) Consult with the DP promptly and forthrightly throughout the complaint review and resolution process.

3.5.13. Each project should put in place an effective complaints review system in accordance with the Laws of the Kingdom of Cambodia that includes reviews by the Executing/Implementing Agencies and subsequent review by the GDPP, if not satisfied with the review of the EA/IA.

3.5.14. Current addresses for contacting the bodies mentioned above are provided in **Annex IX**.

3.6. Procurement Audits

3.6.1. For the RGC to achieve its good governance and accountability objectives, it is important that all procurement activities be undertaken in line with, and having a good understanding of roles and responsibilities in the public sector audit.

3.6.2. Procurement officials must familiarize themselves with the Cambodia public auditing arrangements, which encompass both an internal and external audit functions. The SOP on Project Management and Financial Management provide information about the detailed arrangements for internal and external audits.

3.6.3. Each EA/Line Ministry has an Inspectorate Department, which carries out investigations when any breach of the RGC rules and regulations occurs, which could be related to procurement transactions. The breach is investigated and a detailed report is submitted to the highest level of management in the EA for appropriate actions.

3.7. Department of Internal Audit

3.7.1. Each EA has an internal audit department as part of its organization, which carries out regular audits that may include procurement operations. Internal auditors report to the Minister of the EA and must maintain their professional independence by closely adhering to the audit standards.

3.8. General Inspectorate Department, MEF

3.8.1. The General Inspectorate Department (GID) under the MEF has the authority to carry out a post-award audit to examine and determine whether or not the procedural aspects of applicable procurement regulations were followed. It can also carry out an inspection of the procurement operations on instruction from the Minister of Economy and Finance, when any irregularity has been identified or reported.

3.8.2. When notified of an intended GID audit, the Project Director or, if the task has been delegated, the Project Manager has the overall responsibility to ensure that the project staff members cooperate fully with the GID, and respond to requests for information to enable the GID to carry out its functions. Typically, prior to the completion of a post-award audit, the GID will summarize key issues and provide the project implementation team with an opportunity to respond before the report is finalized and submitted to the Minister of Economy and Finance.

3.9. National Audit Authority

3.9.1. The National Audit Authority (NAA) is the constitutional authority in the Kingdom of Cambodia which is mandated to carry out independent audits of the Government 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 mitigated. The NAA therefore plays a very significant role in ensuring good governance in procurement operations. The NAA carries out its audits annually. The scope of the audit and other relevant details are provided in the SOP on Financial Management (December, 2019).

3.9.2. When notified of an intended audit by the NAA, the Project Director or, if the task has been delegated, the Project Manager has the overall responsibility to ensure that the project staff members cooperate fully with the NAA auditors and respond to requests for information to enable the NAA to carry out its functions. 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 of respective EA/IA with an opportunity to respond before the report is finalized and submitted to the National Assembly.

3.10. Ethical Standards and Good Governance Declarations

3.10.1. All public officials involved in carrying out procurement operations must conduct themselves with the highest standards of ethical behaviour and integrity at all times. No individual shall use his/her 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.

3.10.2. All Bidders, Suppliers, Contractors, Service Providers and Consultants, including their Agents, if any, are also required to adhere to the highest standard of ethical behaviour and integrity at all times when participating in public procurement.

3.10.3. A public official 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 spirit of:

(i) The Laws and regulations of the Kingdom of Cambodia;

(ii) Accepted professional ethics; and

(iii) Contractual obligations.

3.10.4. Conflict of Interest - A public official 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 3.4.

3.10.5. Disclosure of Personal Relationships – A public official 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.

3.10.6. Confidentiality and Accuracy of Information - A public official 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.

3.10.7. Honesty - Information given by a public official in the course of their duty shall be true, fair and not designed to mislead.

3.10.8. Competition - All Bidders, Suppliers, Contractors and Consultants shall be treated with fairness and impartiality; avoiding any business arrangements that might prevent the effective operation of fair competition.

3.10.9. Business Gifts - No business gifts will be accepted from the current or potential Government Suppliers unless such gifts are of very small intrinsic value such as a calendar or business diary.

3.10.10. Hospitality – A public official shall avoid any business hospitality that would be viewed by others as having an influence in making a Government business decision as a result of accepting that hospitality.

3.10.11. 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 process with any Bidder or Prospective Bidder outside the official rules and procedures for conducting procurement;

(c) Favouring or discriminating against any Bidder, Prospective Bidder or Consultant in the preparation of the technical specifications, terms of reference or standards, or in the evaluation of bids and proposals;

(d) Destroying, damaging, hiding, removing or improperly changing any formal procurement documents;

(e) Accepting or requesting money, travel, meals, entertainment, gifts, favours, discounts or anything of material value from Bidders or Prospective Bidders, Suppliers, Contractors, Service Providers or Consultants;

(f) Discussing or accepting future employment with Bidders or Prospective Bidders, Suppliers, Contractors, Service Providers 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.

3.11. Statement on Ethical Conduct and Fraud and Corruption

3.11.1. 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) are required to sign a copy of the declaration on the *Statement of Ethical Conduct and Fraud and Corruption* shown in **Annex III-a** of this Procurement 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.

3.11.2. All Bidders, Suppliers, Contractors, Service Providers and Consultants including their Agents, if any, are required to sign and seal with the company/firm seal the declaration on the *Statement on Ethical Conduct and Fraud and Corruption* shown in **Annex III-b** of this Procurement Manual, and submit it with their bid or proposal. In the case of an individual Consultant, a signature will be sufficient. Failure to submit a signed and sealed declaration will lead to the bid/proposal being declared as non-responsive and rejected.

4. DEVELOPMENT PARTNERS PROCUREMENT POLICIES

4.1. Development Partners Procurement Policies

4.1.1. The WB and ADB, the two main Multilateral DPs of Cambodia, have recently approved new procurement policies and regulations to support a modern, 'risk-based' and 'fit-for-purpose' procurement framework, which aim to provide greater flexibility, efficiency and transparency in the procurement process to better meet the changing needs of their Borrowers. Under these, Cambodia will have more choice in procurement arrangements and flexibility to adopt a "fit-for-purpose" procurement approach rather than the current rigid "one-size-fits-all" approach.

4.1.2. The WB approved its new procurement policy on 21 July 2015 and issued the procurement regulations for Investment Project Financing (IPF) Borrowers on 1 July 2016, while the ADB approved its new ADB procurement policy on 12 April 2017 and issued its procurement regulations for the ADB Borrowers in October 2017. The WB and ADB new procurement rules and procedures are guided by the core principles of Value for Money, economy, efficiency, transparency, integrity, fit-for-purpose, quality and fairness.

4.1.3. The procurement regulations and procedures prescribed in this Procurement Manual are fully aligned with the WB and ADB, as well as the other DPs, and guided by the same core procurement principles.

4.2. Key Procurement Policy Changes

4.2.1. **Expanded Vision**: The new procurement policies will ensure greater Value for Money on public spending, while enabling adaptation to the country context. It will also increase opportunities to build Cambodian national capacity, and promote the strengthening of national procurement systems.

4.2.2. **Increased Flexibility and Choice**: The new policies provide a wider range of procurement approaches and methods than is currently available. The policy also provides opportunity to use alternative procurement approaches, which may allow the use of Cambodia procurement system, if accredited by the DP. This is also helpful, particularly in case of projects that are co-financed by multiple DPs, where the APA will allow the use of one DP procurement regulations irrespective of the financing source for the procurement.

4.2.3. **Minimizing Risks**: The DPs will provide extra help to Borrowers on planning and contract management by assisting the EAs undertake upfront risk assessment and adopt the best fit-for-purpose procurement arrangements.

4.2.4. **Streamlined Prior Review:** There will be reduced reliance on prior review and 'no-objection' procedures to expedite decision-making and approvals. Depending on capacity, market context and corruption risks, prior review thresholds have significantly increased. In case of post review, this will be based on using a sampling methodology.

4.2.5. **Systematic Tracking of Exchanges in Procurement (STEP):** The introduction by the WB of a new electronic procurement planning and tracking platform for end-to-end online tracking procurement process. This will provide all the parties involved in procurement processes a real time access to relevant project information and data, thereby, reducing the need for protracted email exchanges. Through the STEP, all documentation submitted will be archived automatically, making project information more accessible to key stakeholders.

4.3. Eligible Source Countries

4.3.1. The source of goods, works and services, and the nationality of Suppliers, Contractors and Consultants, including Sub-contractors and Sub-consultants, must satisfy the eligibility requirements prescribed in the DP procurement regulations. The EA must ensure that all procurement of goods, works and services comply with both these requirements, which will be clearly stipulated in the bidding and contract documents.

4.3.2. There is no explicit policy on the eligibility in terms of the origin of financial institutions (normally a commercial bank) providing the bid, payment(s) and performance securities. 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. However, where the DPs specify any requirements for the origin of financial institutions, this must be followed by the EA.

4.4. Eligibility and Firms Declared Ineligible

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

4.4.2. All DPs have its own debarment/sanction procedures. The EAs/IAs must check whether any Bidder/Proposer who has submitted a bid/proposal is on the sanctioned list of the DP financing the project at the time of evaluation of bids/proposals. Most of the DPs provide access to their website to check on the disbarred list of firms and individuals. No firm or individual on the disbarred/sanction list will be eligible to be considered for an award of a contract.

4.4.3. Any firm or individual Consultant declared ineligible by the Government in accordance with the Laws of the Kingdom of Cambodia will be disbarred from providing goods, works and services, subject to the prior agreement of the DP financing the contract. The Government will establish its own website for publishing the information about firms/Contractors/Consultants blacklisted in Cambodia.

4.4.4. Bidders may be excluded if, 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, Cambodia prohibits any import of goods from, or payments to, a particular country, person or entity in respect of goods, works and services originating from that country.

4.5. Registration of Firms and Individuals

4.5.1. 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 the country of origin of this firm at the time of bidding. No other requirement to be registered with any other agency either inside or outside of Cambodia will be used as eligibility criteria.

4.5.2. However, the 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, and not eligibility, evaluation or post qualification. Any firm required to register as part of the contract award 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.

4.6. State Owned Enterprises (SOEs)

4.6.1. In the case of the DP-funded projects, the RGC-owned enterprises and corporations will only be considered eligible if they are (i) legally and financially autonomous (for example, they receive no public funds or subsidies, directly or indirectly, from the state budget); (ii) operate under the commercial Law; and (iii) are not under the supervision by the agency contracting them, that is, the EA (or its parent Ministry) undertaking the procurement. The SOEs will also be eligible to participate in bilaterally funded projects.

4.7. Standard Procurement/Bidding Documents

4.7.1. Some DPs, like the ADB, WB and JICA require the mandatory use of their Standard Procurement/Bidding Documents (SPDs/SBDs). These DPs insist on the use of their SBDs for procurement of goods, works and non-consulting services under the open competitive bidding in the international market. In case of the open competitive bidding in the domestic market, these DPs, as well as all other DPs, agree to the use of the Cambodian SBDs, as provided in this Procurement Manual (**Volume II**). In the case of consulting services, the ADB and WB insist on using their respective SBDs (Request for Proposals) for all international consulting services procurement, regardless of the method of selection.

4.7.2. The SBDs of these DPs are available on their websites. A current list of the Standard Bidding Documents for two of the RGC larger multilateral organizations, the ADB and World Bank, can be found at the following websites: http://www.adb.org/Business/main and http://www.worldbank.org. Bidding documents of other DPs can be found on the website of the respective DP.

4.7.3. In case of the DPs which do not prescribe the use of any SBDs for the international Open Competitive Bidding (referred to as the ICB – International Competitive Bidding), the samples of bidding documents for goods, works and consulting services are provided in this Procurement Manual (**Volume III**).

4.7.4. For Open Competitive Bidding in the domestic market (referred to as the NCB - National Competitive Bidding), Cambodia uses its own SDBs, which are commonly known as the Standard National Competitive Bidding Documents. The DPs have agreed to the use of the Standard NCB Documents with certain modifications, which are specified and included in the Financing Agreements for the projects. In addition, there are other standard templates that are used in Cambodia, for example, the contracts for individual Consultants. The Standard NCB Documents are provided in this Procurement Manual (**Volume II**) and their use is mandatory, except where the RGC, represented by the MEF, and the respective DP have agreed to amendments to any part of the documents.

4.8. Alternative Procurement Arrangements (APA)

4.8.1. Some DPs like the ADB and WB permit the procurement rules and procedures of certain agencies and partners to be used under an APA. Specifically, at the Government request, the DPs may review and agree to (i) apply the procurement rules and procedures of other DP(s) involved in the project, where such a DP is taking the leading role in providing implementation support and monitoring project procurement activities; or (b) may rely on the procurement rules and procedures applied by an EA accredited by the DPs, provided that in each case such arrangements are: (i) compatible with the value, risk, or complexity of the procurement; (ii) consistent with the core procurement principles; (iii) unless waived, the DP member country eligibility restrictions continue to apply; and (iv) the DP Anti-Corruption Policy, and Integrity Principles and Guidelines, and contractual remedies in applicable Financing Agreements with the Borrowers continue to apply.

4.8.2. The use of the APA for a specific loan or grant is determined at the project conceptualization and preparation stage of the procurement cycle, when an assessment to this effect is undertaken. The decision to use the APA is made during or prior to loan or grant negotiations and is reflected in the relevant Legal and Financing Agreements for the specific project.

4.8.3. Effective application of the APA may result in (i) faster implementation of co-financed development projects by permitting the use of one set of procurement rules and regulations; (ii) reduce delays in carrying out the procurement process by using well-developed procurement systems of the EA.

5. DISCLOSURE PROVISIONS

The Government recognizes that transparency and accountability are of fundamental importance to the procurement process. Transparency through disclosure of procurement information is essential to building increasing public awareness and confidence. Both the Government as part of its Rectangular Strategy and the DPs recognize that transparency in the procurement process is essential to ensure that the correct procedures are being employed, encourage firms in competing for contracts and provide an invaluable check against corrupt and collusive practices.

5.1. Advertising and Recording

5.1.1. The timely notification of procurement opportunities, which is essential in competitive procurement and the public disclosure of contract awards enhance the transparency in procurement operations.

5.1.2. As the public Information Technology (IT) infrastructure is expanded, it is expected that various public information websites will also contribute towards increasing transparency in the procurement process. The Government is continually increasing the use of IT, and over time, it will modernize its procurement systems including procurement through electronic or e-Procurement.

5.1.3. The Government has strict rules for advertising procurement opportunities which must be followed in all cases with the exception of Limited Competitive Bidding, Request for Quotations (below the threshold prescribed in **Annex IV**) and Direct Selection/Single Source contracting methods of procurement, which require seeking bids/proposals directly from one or a limited number of Bidders/Proposers.

5.2. Advertising of Opportunities

5.2.1. There are two (2) types of advertisements required for procurement opportunities under a project. The first is the General Procurement Notice (GPN) which is prepared by the project Executing/Implementing Agency at the start of the project and prior to the commencement of any procurement activity under the project. This is submitted to the DP that will arrange for its publication in the UN Development Business (UNDB online) and on its external website, where available. The GPN shall contain information on the project Executing/Implementing Agency, purpose and amount of financing, scope of procurement reflecting the Procurement Plan, the contact point and website established for the project. The standard format for the UNDB advertisement is provided in www.devbusiness.com .

5.2.2. The second type of advertisement is the Specific Procurement Notice (SPN) for each procurement package, also referred to as Invitation or Request for Bids. Each time there is a procurement requirement, it must be advertised as follows:

Specific Procurement Notices	
International Open Competitive Bidding for goods, works, and all consulting services. This includes the Invitation for Prequalification.	• UN Development Business (www.devbusiness.com) and the DP external website *(arranged by the DP)*. • Website of the project Executing/ Implementing Agency. • One (1) Khmer and one (1) English language newspaper of national circulation.
National Open Competitive Bidding - for goods, works and consulting services.	• One (1) Khmer and one (1) English language newspaper of national circulation. • Website of the project Executing/ Implementing Agency. • Free and publicly accessible website.
Request for Quotations for goods and works above the thresholds stated in **Annex IV**.	• One (1) Khmer language newspaper of national or provincial circulation. • Website of the project Executing/ Implementing Agency. • Free and publicly accessible website.

5.2.3. The Specific Procurement Notice in the newspapers of national circulation should be advertised at least twice and in case of large value contracts, the project Executing/Implementing Agency may advertise for longer times as it deems fit to attract more Bidders to participate in the procurement opportunity.

5.3. Recording Expressions of Interest

5.3.1. All Expressions of Interest (EOI) received as a result of the GPN should be recorded in the Expressions of Interest Register and placed in one of three (3) EOI files (one (1) 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 interested firms.

5.3.2. The Expressions of Interest Register will be in four (4) sections, one (1) each for goods, works, non-consulting services and consulting services. And will take the format shown below:

Expressions of Interest Register, Consulting Services Assignment(s) Ref. №...					
Name	**Contact Address**	**SPN Sent Date & Ref. #**	**SPN Sent Date & Ref. #**	**SPN Sent Date & Ref. #**	**SPN Sent Date & Ref. #**
Agro Consulting	57 Street 108 Phnom Penh Cambodia	16 Feb 2018 QCBS#001	1 April 2018 QCBS#002		

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

5.4. Contract Award Notice and Evaluation Summaries

5.4.1. To help deliver increased transparency, all procurement entities/PMUs of the project Executing/Implementing Agencies are required to compile the reports following the ***Summary of Evaluation, Contracts Awarded for Publication and Contracts Register***. Templates of these reports can be found at **Annex II-b**. In addition, every quarter, they must compile the PMTF reports mentioned in **Annex II-e** and submit them to the GDICDM/MEF, with a copy to the relevant DP.

5.4.2. All Contract Award Notices are required to be advertised in the project website or other acceptable freely accessible websites within fourteen (14) business days from expiry of the Standstill Period, where a Standstill Period is required (defined as ten (10) business days from the day on which the Notification of Intention to Award the Contract was sent to the winning Bidder/Consultant). In case complaints have been received, then the advertisement must be placed within fourteen (14) business days after the satisfactory resolution of complaints. The format for the publication of the Contract Award Notice is shown in **Annex II-b**.

5.4.3. The Award of Contract Notice will also be published on the UNDB online for contract awards under the ICB selection method of the ADB and WB, but not mandatory for other DPs.

5.4.4. The Contract Award Notice shall include the following information:

- Name and address of the PMU/PIU of the project Executing/ Implementing Agency.

- Name and reference number of the subject contract.
- Names of all Bidders/Proposers/Consultants that submitted bids/ proposals; their bid/proposal prices as read out at the bid/proposal opening; and the evaluated prices.
- Names of all Bidders/ Proposers/ Consultants whose bids/ proposals were rejected either as non-responsive or failing to satisfy the qualification/ evaluation criteria, and brief reasons.
- Name of the successful Bidder/Proposer/Consultant and the final contract price.

5.4.5. The project Executing/Implementing Agency will 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 II-b** of this Procurement Manual. The register shall be updated every quarter and an up to date register shall be posted on the website of the EA/IA within fourteen (14) business days from the end of the quarter.

5.4.6. Semi-annually, the project Executing/Implementing Agency 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, Contracts Awarded for Publication and Contracts Register*** published by the project. This notice shall use the following wording:

> The ______________________ *[insert name of the EA]* invites any interested member of the general public to inspect the Contracts Register for contracts placed by ______________ *[insert the name of project]*. Members of the public may also inspect Summaries of Evaluation and Contracts Awarded for Publication 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 and Contracts Awarded for Publication 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 Summaries of Evaluation, Contracts Awarded for Publication and Contracts Register may be inspected and the address for written requests is:
>
> ______________ *[insert the name address, with the contact name and contact number]*

5.4.7. The report templates that must be published each time after evaluation is completed are available in **Annex II-b** of this Procurement Manual.

5.4.8. The Contracts Register should capture all contracts awarded under the project. The Evaluation Summary and Contracts Awarded for Publication must include all bids and proposals received for each procurement package.

5.5. Debriefing[11]

5.5.1. All Bidders and Consultants whose offers are unsuccessful have the right to request and have a debriefing from the procurement entity/PMU, however *no debriefing will be provided until after the contract has been signed (except where a Standstill Period is applied).* Debriefing is separate from the procurement-related complaints, which are handled in accordance with the procedures prescribed in Chapter 3 of the Procurement Manual. No debriefing can be held for a complaint. 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 the ***Summary of Evaluation, Contracts Awarded for Publication and Contracts Register***. The reasons for debriefing 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 understand 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.

5.5.2. 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 the increasing level and quality of competition.

5.5.3. While conducting debriefing to 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. The debriefing shall not include:

- (a) point by point comparisons with another Bidder's/Proposer's/Consultant's bid(s)/proposal(s); and
- (b) Information that is confidential or commercially sensitive to other Bidders/Proposers/Consultants like proprietary information, trade secrets and commercially or financially sensate information.

5.5.4. Debriefing(s) should be requested in writing within three (3) business days after the Notification of Intention to Award the Contract or the Notice of the

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[11] Debriefing means that an unsuccessful Bidder has the right to have a meeting with the Project Manager about his bid during the Standstill Period, if this applies, or after the Notice of Contract Award has been issued where the Standstill Period does not apply. Standstill Period is defined as the period following the Notification of Intention to Award the Contract.

Contract Award has been issued. The debriefing can be done verbally or in writing but not both. In case of a verbal debriefing, it will be provided in a meeting chaired by the Project Manager or the Procurement Officer of the PMU. The minutes of the meeting must be prepared and signed by both parties and a copy of the minutes of the meeting placed on the relevant contract file. The Bidder/Proposer/Consultant will bear all the costs incurred in order to attend the debriefing. Where no Standstill Period is applied, the debriefing must be provided within fifteen (15) business days after the issuance of the Notice of the Contract Award. In case where the Standstill Period is applied, refer to Paragraph 5.5.6 below for the timeframe for debriefing.

5.5.5. In special circumstances, debriefing can be done in writing provided the request for debriefing by the unsuccessful Bidder can clearly indicate specific questions that are related to reasons given in the Notification of Intention to Award the Contract or Notice of the Contract Award for the rejection of its bid/proposal, or why it was unsuccessful.

5.5.6. **Debriefing Procedures when the Standstill Period Provisions Applied**. Where a Standstill Period provision applies, debriefing shall take place within that Standstill Period. Upon receipt of the *Notification of Intention to Award the Contract*, an unsuccessful Bidder will have three (3) business days to make a written request to the Project Manager for a debriefing. The Project Manager or the Procurement Officer will provide the debriefing within five (5) business days from the receipt of the request. In case the holding of debriefing is delayed beyond this period for justifiable reasons, the Standstill Period will be automatically extended by five (5) business days after the debriefing is provided. However, if more than one (1) debriefing is delayed, the Standstill Period shall not end earlier than five (5) business days after the last debriefing. Delays in debriefing should be avoided as this will result in extension of the Standstill Period, which will delay the signing of the contract as the project Executing/Implementing Agency cannot proceed to contract signing before the expiry of the Standstill Period.

5.5.7. Where a request for debriefing is received later than the three (3) business days, the debriefing will be provided after the issuance of the Notice of the Contract Award but no later than fifteen (15) business days from the publication of the same.

5.5.8. The debriefing of unsuccessful Bidders will normally be carried out in a face-to-face meeting and the unsuccessful Bidder must bear all expenditures that it may incur in attending the debriefing meeting. A separate meeting will be conducted for each unsuccessful Bidder who has submitted a request for debriefing. The *Notification of Intention to Award the Contract* sent to the unsuccessful Bidder/Proposer/Consultant will contain a statement of reason(s) why their bid/proposal was unsuccessful or rejected as non-responsive.

5.5.9. The provision and procedure for debriefing will be included on the bidding/Request for Proposals documents. *The debriefing process is separate from the compliant handling mechanism for procurement related complaints* and the handling of fraud and corruption, which will be stipulated in separate provisions in the bidding/Request for Proposals documents.

5.5.10. Where the Standstill Period provisions do not apply, the EA/IA will specify in the Notification of the Contract Award that any Bidders who wish to ascertain the grounds on which their bid/proposal was not selected should request an explanation from the EA/IA. The EA/IA shall promptly, in writing and/or in a debriefing meeting, provide an explanation of why the particular bid/proposal was not selected.

5.5.11. In case where a Standstill Period is applied, the following sample provision for debriefing will be included in the bidding/Request for Proposals documents:

"*On receipt of the Project's Notification of Intention to Award the Contract, an unsuccessful Bidder has three (3) Business Days to make a written request to the Project Manager for a debriefing. The Project Manager will provide a debriefing to all unsuccessful Bidders whose request is received within the deadline.*

Where a request for debriefing is received within the deadline, the Project Manager will provide a debriefing within five (5) Business Days, unless the Project Manager decides, for justifiable reasons, to provide the debriefing outside this timeframe. In that case, the Standstill Period shall automatically be extended until five (5) Business Days after such debriefing is provided. If more than one debriefing is so delayed, the Standstill Period will not end earlier than five (5) Business Days after the last debriefing takes place. The Project Manager will promptly inform, by the quickest means available, all Bidders of the extended Standstill Period.

Where a request for debriefing is received by the Project Manager later than the three (3) Business Day deadline, the Employer would provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of the Notice of the Award of Contract. Requests for debriefing received outside the three (3) day deadline will not lead to extension of the Standstill Period.

Debriefings of unsuccessful Bidders may be done in writing or verbally. The Bidders will bear their own costs of attending such a debriefing meeting."

6. PROCUREMENT ROLES AND RESPONSIBILITIES

6.1. Legal Rights and Responsibilities

6.1.1. The Legal/Financing Agreement governs the legal relationship between the Kingdom of Cambodia, represented by the MEF and the DP, which finances a project and **no other than these two parties** to the Legal/Financing Agreement shall derive any rights therefrom or have any claim to the proceeds of the financing. The Legal/Financing Agreement (Loan/Credit/Grant Agreement) specifies the procurement regulations that are applicable for the procurement of goods, works, non-consulting services and consulting services. The Suppliers/Contractors/ Service Providers/Consultants contracted under the project therefore cannot derive any rights from the Legal/Financing Agreement or make any claim to the proceeds of the financing.

6.1.2. The rights and obligations of the Kingdom of Cambodia and the Suppliers/Contractors/ Service Providers/Consultants are governed by the bidding documents and the contracts signed between them. Hence, the bidding and contract documents are *the legal binding documents,* which define the relationship between the Government and the Suppliers/Contractors/Service Providers/Consultants during the selection process and contract execution respectively. Project Executing/Implementing Agencies must ensure that the provisions of the bidding documents during the selection process leading to the signing of the contract and the signed contract agreement during execution of the contract are strictly enforced and no claims outside these provisions by the Bidders/Suppliers/Contractors/Service Providers/ Consultants will be entertained.

6.1.3. The responsibility for the implementation of the project, and therefore for carrying out procurement activities, including the award and signing of the contracts and contract execution, rests with the project Executing/ Implementing Agencies as designated by the Government and specified in the Legal/Financing Agreement.

6.1.4. The financing DP has obligation to ensure that the proceeds of the financing are used only for the purposes for which the financing is provided, and the DP discharges its fiduciary responsibilities through a procurement oversight function. The DP normally undertakes this oversight function by carrying out reviews of the procurement activities and decisions taken by the project Executing/Implementing Agencies.

6.1.5. The monitoring and oversight role of the DPs vary from DP to DP. Some DPs have defined the framework for prior or post review of procurement activities and decisions in their procurement regulations. Some DPs do not have specific frameworks and normally require the submission of only the procurement award decision for their review. The role and responsibilities of DPs, therefore vary and the EA/IA must ensure that their procurement activities comply with the specific prior and post review requirements of the DPs, where and as required.

6.2. Roles and Responsibilities of the Government Ministries and Agencies

(a) The Ministry of Economy and Finance

6.2.1. The MEF has the responsibility for the monitoring and procurement oversight of the procurement of goods, works, non-consulting services, and consulting services. It plays a critical check and balance role which is carried out by the General Department of International Cooperation and Debt Management (GDICDM) under the MEF. The oversight role is mostly delivered through the MEF representation on the PRC. When the MEF staff does not participate as Members of the PRC because the procurement is of low value, the MEF advises that it will not be attending the PRC deliberations, and no further approval needs to be sought from the MEF for the decision under review. The only exception to this is set out in the following Paragraph.

6.2.2. The MEF representative(s) at the PRC will be given sufficient delegated authority to sign the PRC Minutes. In any case, if consultation is needed with higher authorities in the MEF, the Minutes of the PRC Meeting, should be signed within five (5) working days from the date of circulation of the Minutes if there is the MEF agreement on the decision of the PRC. In case of disagreement and no unanimous decision could be reached by the PRC, the matter is submitted to higher management of the MEF for resolution.

6.2.3. The MEF also has review and approving functions at the procurement planning stage and monitoring of procurement activities during the implementation phase, which are defined in the SOP on Project Management and the relevant sections of this Procurement Manual.

6.2.4. The procurement methods/approach should be approved as part of the project Procurement Plan (PP). In the event procurement is for single sourcing, direct contracting, Performance-Based Contracting (PBC) or force account, the MEF prior approval is required before this method of procurement can be used. The initial PP which will spell out the methods/approach and other relevant details is approved by the MEF during the project processing stage and confirmed during the negotiations of the loan/credit/grant Financing Agreement. Subsequent PPs or revisions of approved PPs are approved by the MEF through its representation in the PRC. In this regard, the PRC Members from the MEF will be given the needed authority to approve the PPs or to revision of the PPs.

6.2.5. **The General Department of Public Procurement (GDPP)**, under the MEF plays the central role in developing policies, regulations and rules governing the public procurement in Cambodia. It acts as a regulator and has important function related to complaints handling. Any complaint that has not been resolved by the Project Manager to the satisfaction of the complainant can be referred by the complainant to the GDPP for review and final decision. The Government has approved the Public Procurement System Reform Strategy Plan 2019-2025 on 8 May 2019, under which the role and responsibilities of the GDPP as the regulator will be enhanced and the complaints handling mechanism strengthened.

(b) Line Ministries and Implementing Agencies

6.2.6. The different line ministries, specialized agencies and administrative offices of the RGC are the 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. These appropriate project implementation arrangements will be set out under the Legal/Financing Agreements signed between the Kingdom of Cambodia and the DP financing the project.

6.2.7. The responsibility for carrying out all procurement activities rests with the line ministry/agency of the Government as the designated EA/IA and they act as the procurement entities. The Head of the EA/IA normally sets up a dedicated PMU/PIU or similar arrangement to carry out the implementation of the project, including procurement. However, the EA/IA is ultimately accountable for all the implementation activities and this function is carried out through an oversight role by a dedicated Project Director. For large size procurement, the EA/IA is also represented in the PRC.

6.2.8. The Minister of the EA/IA, as required under the SOP on Project Management, will appoint the officials for the various positions in the PMU/PIU with their roles and responsibilities clearly defined under a Prakas. The 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 also stipulated in the Prakas. Sufficient authority shall be delegated to ensure that procurement decisions can be made in a timely and efficient manner. The Project Director and Project Manager can exercise the authority to sign contracts only after the PRC has approved the award of the contract for goods, works, non-consulting services or consulting services. The Prakas will include the level(s) of the contract value for which the authority is delegated to the Project Director and Project Manager for signing contracts.

6.2.9. Consultants engaged by the EA/IA, 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 (TOR) and contract. Where the TOR requires evaluation by Consultants, their evaluation report must be made available to the PRC together with the Bid/Proposal Evaluation Reports, as appropriate.

(c) PMUs/PIUs

6.2.10. The EA/IA will establish a dedicated PMU/PIU or a similar arrangement as per the project Financing Agreement with the necessary delegated authority to implement the project. The PMU/PIU acts as the focal point for project implementation and carries out the day-to-day project management and administration. It undertakes all of the procurement activities required under the project.

6.2.11. The role and responsibilities of each member of the PMU/PIU of the project Executing/Implementing Agency (EA/IA) covering all aspects of project management and implementation are provided in the PMM. The specific roles and responsibilities of the Project Director, Project Manager and other key staff in respect of procurement activities are described in more detail below. These capture the key responsibilities and may be modified to suit project specific circumstances.

6.2.12. Based on project institutional arrangement assessments, projects may be implemented using the existing institutional arrangements instead of the dedicated PMU/PIU approach depending on the capacity of the EA/IA and the nature of the project. This will be clearly spelled out in the Project Administration Manual (PAM) or similar document and agreed during the loan/ credit/ grant Financing Agreement negotiations stage. In case where project is implemented under the existing institutional arrangements, the roles and responsibilities described below will remain the same, except that the supervision and oversight role for different aspects of implementation will be carried out by the relevant departments assigned for them. For example, the department assigned for procurement operations will carry out the procurement activities under the project and similarly the department assigned for finance will carry out the financial management aspects. Under such an arrangement, the department assigned with the responsibility for the implementation of the project will need to establish an effective coordination mechanism and procurement monitoring system to ensure timely completion of the procurement activities.

6.2.13. The terms used for the key positions of staff responsible for the project procurement implementation as described in the SOP on Project Management, in this Procurement Manual and other Government regulations may be different. These terms are interchangeable and should be regarded as follows:

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

6.2.14. Detailed Terms of Reference (TOR) outlining the duties and responsibilities of each PMU/PIU officer position must be prepared and approved by the EA/IA management. The SOP on Project Management more fully describes the competitive selection process for these key positions which is conducted on the basis of qualifications and merit. The following procurement responsibilities of the key positions should be included in their TOR:

(a) Project Director

(i) Is responsible for ensuring all procurement activities comply with the relevant Government regulations, as specified in the Procurement Manual; and with the procurement oversight requirements of the DPs, as specified in the Legal/Financing Agreements with the DPs, and in their procurement regulations, if any.

(ii) Approves and signs contracts, invoices, contract amendments and other important procurement documents within the delegated authority specified in the Prakas or the letter of appointment/ instruction from the Head of the EA.

(iii) As the Chair or Member of a PRC, participates in the review and approval of bids/proposals evaluation reports for goods, works and consulting services, within the thresholds specified in **Annex IV** of this Procurement Manual.

(iv) As the Chair or Member of a CEC, carries out the evaluation of proposals for consulting services.

(v) Ensures that all mandatory reports are issued in a timely fashion.

(b) Project Manager

(i) Ensures that all procurement activities comply with the Government regulations, as specified in the Procurement Manual and the procurement oversight requirements of the DPs, as specified in the Legal/Financing Agreements with the DPs, and in their procurement regulations, if any.

(ii) Approves and signs contracts, invoices, contract amendments and other important procurement documents within the delegated authority specified in the Prakas or the letter of appointment/instruction from the Head of the EA.

(iii) As the Chair or Member of a PRC, participates in the review and approval of bids/proposals evaluation reports for goods, works and consulting services within the thresholds specified in **Annex IV** of this Procurement Manual.

(iv) As the Chair of a CEC for consulting services, carries out the evaluation of proposals for consulting services.

(v) Supervises all procurement activities.

(vi) Serves as the primary conduit for all formal communications relating to procurement with the EA, Bidders, Contractors, Suppliers, Consultants and DPs, where required.

(vii) Ensures that all procurement activities including complaints handling 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 monitoring and 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 preparation of the project Procurement Plan.

(ii) Assists the Procurement Officer in monthly updating of the overall project Procurement Plan.

(iii) Ensures that all records relating to procurement are compiled in conformance with the provisions of Chapter 21 of this Procurement Manual.

(d) Finance Officer

(i) Supervises the management, administration and recording of all financial transactions and payments under the signed contracts in accordance with the provisions of the FMM.

(ii) Reviews, verifies and endorses all payment requests received from a Supplier/Contractor/Consultant, in accordance with the procedures specified in the FMM and ensures that the payments comply with the terms and conditions of the contract.

(iii) Prepares the checks for payments for signing by the authorized personnel.

(iv) As a Member of the PRC carries out the review of financial aspects in the bids/proposals evaluation report prior to the approval of recommendation for an award of contract.

(v) Attends bid openings, checking and noting the presence or otherwise of any securities that may be required.

(vi) Verifies the validity 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, including the validation and certification of progress payments submitted for endorsement 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 evaluation 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, works, non-consulting services and consulting services.

(v) As a Member of the CEC carries out the evaluation of Expressions of Interest, technical proposals and combined evaluations in respect of consulting services.

(vi) Monitors and evaluates progress and performances of technical staff, Consultants and Contractors.

(f) Procurement Officer

The following provisions outline the Procurement Officer's general responsibilities. More detailed descriptions of each task are contained in the succeeding sections of this Procurement Manual.

(i) Prepares the project's General Procurement Notices (GPNs) and Specific Procurement Notices (SPNs), arranges their advertising and maintains the Register of Expression of Interests.

(ii) Prepares all procurement planning documents, including procurement packaging, selection methods, Specific Procurement Plans, and the project Procurement Plan.

(iii) Prepares the updated project Procurement Plan annually.

(iv) Prepares and maintains updated the Procurement Monitoring and Tracking Forms.

(v) Prepares specific bidding and RFP documents, using agreed Standard or Sample Bidding Documents.

(vi) When the DP prior review of the bidding or Request for Proposals document(s) is required, submits the document(s) through the Project Manager to the relevant DP for the review and 'no objection'.

(vii) Prepares and issues Requests for Proposals for consulting services.

(viii) Distributes the bidding documents to all firms purchasing the same.

(ix) Receives & responds to all clarification requests received during the bidding period on behalf of the Project Manager.

(x) Prepares amendments to the bidding documents as and when required and issues to all Bidders after 'no objection' from the DP.

(xi) Ensures that the venue for bids/proposals opening is adequate and that all logistical arrangements are in place.

(xii) Receives all bids and proposals and ensures their secure storage.

(xiii) Undertakes the public bids and proposals openings with the assistance of the Finance Officer and under the chairmanship of the Project Manager.

(xiv) Reviews and passes all bid securities to the Finance Officer for their secure storage, records amounts and validities, and ensures that validities do not expire prior to the notification of the contract 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.

(xv) As the Chair of a BEC carries out the evaluation of bids for goods and works contracts with the assistance of other Members (Technical Officer and Finance Officer) and other available resources such as Consultants.

(xvi) Through the Project Manager seeks clarifications on submitted bids and proposals as required to complete or facilitate the evaluation.

(xvii) Drafts the Bid Evaluation Reports (BERs) for review and approval by the Procurement Review Committee and issues the notification for the PRC meeting(s).

(xviii) 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 of technical and financial proposals.

(xix) Facilitates the preparation of the various evaluation reports for the PRC.

(xx) Assists the Project Manager or negotiating team in the contract negotiations for consulting services contracts, and prepares the Minutes of the Contract Negotiations.

(xxi) Prepares and issues the Notification of Intention to Award the Contract, when required and the Notification of the Contract Award and carries out the debriefing of Bidders/Proposers/Consultants, where necessary.

(xxii) Facilitates the complaints handling mechanism for procurement-related complaints.

(xxiii) Prepares drafts of contracts and related documentation after the approval of the PRC for signing by the Project Director or the Project Manager as per their delegated authority.

(xxiv) Issues the Notification of the Contract Award to the winning Bidder/ Consultant/ Contactor requesting the pre-requisite Performance and Advance Payment Securities.

(xxv) With the assistance of the Finance Officer drafts the documentary requirement for any Letter of Credit to be issued in favour of a Supplier or Contractor or Consultant.

(xxvi) 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.

(xxvii) Ensures that the Performance Securities provided by Suppliers and Contractors are valid and in the correct amount, and updated and amended, when necessary.

(xxviii) Certifies that all the conditions for the release of the Performance Security and retention monies have been met and recommends for their release to the Suppliers/Contractors, as applicable.

(xxix) Ensures the compliance of all procurement activities with the requirements of the procurement oversight functions of the DPs as mandated under their procurement regulations.

(xxx) Acts as secretary to the Procurement Review Committee.

(xxxi) Ensures the compilation of pre- and post-contract files in accordance with Chapter 21 of this Procurement Manual.

6.3. Chart of Roles

Procurement Staffing, Roles and Responsibilities

SCOPE/ POSITION	PMU	BID OPENING	PRC	BEC	CEC
	On a project by project basis depending on the capacity of the EA and the agreement with the DP, the EA will establish a PMU/PIU with the delegated authority to implement the project or TA in an efficient and effective manner. The PMU/PIU: ▪ 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 PMM/ Procurement Manual/ 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 Reports) for the contract award for goods, civil works, non-consulting services and consulting services procured under the project. The PRC is the only authority to approve the award of contracts. ▪ Review and approve the evaluation of individual Consultants. ▪ Review and approve draft bidding documents 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 Bid Evaluation Reports for goods and works shall be submitted by the BEC Chair to the PRC for review and final approval before the contract may be awarded.	The responsibilities of the Consultants Evaluation Committee (CEC) are as follows: ▪ Carry out evaluation of technical and financial proposals for consulting services. ▪ Prepare the Technical Evaluation Report (TER). ▪ Rank the firms after the combined evaluation of technical and financial proposals. ▪ Submit the TER and Combined Evaluation Reports and Recommendation for the Award of Contract(s) to the PRC for approval. ▪ Carry out evaluation

SCOPE/ POSITION	PMU	BID OPENING	PRC	BEC	CEC
			RFPs. ▪ Review and approve shortlists of Consultants (firms and individuals). ▪ Review and approve contract amendments and variations that increase the original contract value or increase the scope of works. ▪ Review and approve the updates of PPs.		of individual Consultants.
Project Director	✓		**✓ (Major)** **Chairs (General)**		
Project Manager	✓	✓ **Chairs**	**✓ (General)** **Chairs (Minor)**		**✓ Chairs (General, Major)**
Administrative Officer	✓				
Finance Officer	✓	✓	**✓ (alternate - Minor)**	✓	**✓ (alternate - Minor)**
Technical Officer	✓		**✓ (Minor)**	✓	**✓ (Major x 1, General x 1)** **Chairs (Minor)**

SCOPE/ POSITION	PMU	BID OPENING	PRC	BEC	CEC
Procurement Officer	✓	✓	✓ **(Secretary for Major, General, Minor)**	✓ **Chairs**	✓ **(Minor)**
EA Head			✓ **Chairs (Major)**		
EA Representative			✓ **(Major, General)** ✓ **(alternate Chair - Major, at a higher rank than the Project Director)**		
GDICDM/MEF Representative(s)			✓ **(Major x 2, General x 2, Minor x 1)**		✓ **(Major x 2, General x 2, Minor x 1)**

7. PROCUREMENT COMMITTEES

The governance framework in respect of public procurement requires a separation of functions between the evaluation and approval process to avoid any conflict of interest. This is achieved through the establishment of separate committees for the evaluation of the bids/proposals and the approval of the award of contracts, namely: (i) the Bid Evaluation Committee (BEC) and Consultants Evaluation Committee (CEC) for the evaluation function, and (ii) the Procurement Review Committee (PRC) for the approval function. The composition of these committees varies depending on the size of the procurement to allow for a faster decision-making process and subject only the larger size procurement to higher level of oversight. This Chapter describes the various committees, their composition, roles and responsibilities, and delegation of powers to them.

7.1. Responsibilities of the Procurement Review Committee (PRC)

7.1.1. The PRCs are vested with the authority to approve and make key procurement decisions, which are as follows:

(a) Review and reject or approve draft prequalification documents, the first set of draft bidding/Request for Proposals documents prior to the advertising of the Invitation for Prequalification and the SPN. As part of this, it will also review whether the scope and method of procurement are in accordance with the approved project Procurement Plan. The Committee will focus on the adherence of the draft documents to the Standard Procurement/Bidding Documents and examine the qualification and evaluation criteria to ensure they are fair. It will not review the technical specifications/aspects, which are the responsibility of the EA/IA. Subsequent bidding and Request for Proposals documents will not need the approval of the PRC.

(b) The PRC will not be required to review and approve the Request for Expressions of Interest (REOI) which will be approved by the Project Manager, but will need to be submitted to the GDICDM/MEF for review and confirmation.

(c) Review and reject or approve prequalification evaluation reports and Bid / Proposal Evaluation Reports for the award of contracts for goods, civil works, non-consulting services and consulting services procured under the project. The Evaluation Report of EOIs with the recommendation of shortlist of firms will be required to be approved by the PRC at the same time as the approval of the draft RFP.

(d) The authority to approve the award of contracts is vested with the PRC and do not require any other or higher authority approval except when the PRC does not reach a decision by consensus. In such cases, the matter is referred to the higher management of the MEF for resolution.

(e) Review any evidence of collusion and decide on disqualification of guilty parties from consideration for the award of contract.

7.1.2. The responsibility for preparing the Bid Evaluation Reports (BER) for goods, works and non-consulting services contracts and the Consultants Evaluation Reports (CER) 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 and will focus on (i) whether the BER/CER complies with the evaluation criteria specified in the bidding documents; (ii) whether the grounds for non-responsiveness or rejection of bids/proposals, including abnormally low bid prices are valid; (iii) whether the qualification/post qualification of the successful Bidder is substantiated with a valid documentations; and (iv) whether the award of contract price is reasonable.

7.1.3. The PRC Members are individually and jointly responsible for all decisions made by them within the thresholds set out in this Procurement Manual. In support of this, all 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. In case of the approval of bidding documents, the PRC may approve these electronically after the draft is delivered to the Members. In such cases, the Procurement Officer will prepare the minutes with the detailed date of submission and receipt of approval, and seek the signing of the same by the PRC Members. Each Member of the PRC must sign the *Declaration on Ethical Conduct and Fraud and Corruption* shown in **Annex III-a**.

7.1.4. The evaluation of bids for goods, works and non-consulting contracts and proposals for consulting services contracts will be undertaken by the BEC and CEC as detailed below in Sections 7.4 and 7.5 respectively. Each Member of the BEC and CEC must sign the *Declaration on Ethical Conduct and Fraud and Corruption* shown in **Annex III-a**. The evaluation reports cannot be shared or sent to the DP prior to their review and approval by the PRC.

7.1.5. The PRC is empowered to approve or reject the bidding documents and proposed contract awards and no further approval needs to be obtained before awarding a contract. However, if there are serious issues, which cannot be resolved in the PRC meeting and the MEF representative(s) informs the meeting that guidance will need to be sought from the MEF management, the PRC meeting may be adjourned until the matter is resolved.

7.1.6. Decisions of a PRC will be unanimous. If the PRC cannot reach a unanimous decision, the matter shall be referred to the higher management of the MEF for resolution.

7.1.7. Normally, the Procurement Officer, who is not a Member of the PRC, will provide any clarification on the BER/CER. However, the PRC, with the agreement of the Chair and Member(s) representing the MEF, may call on any resources available to provide an expert advice, when required, subject to no conflict of interest condition. Only one such expert each can be invited by the Chair and by the MEF Member(s). The experts will only provide advice and clarification to the PRC meeting and excuse themselves when the PRC is ready to make a decision. None of such experts can be considered as a Member of the PRC. However, their advice and clarification may be recorded in the Minutes of the PRC Meeting if requested by the Chairman or MEF Member(s).

7.1.8. The Procurement Officer will act in 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 provide a minimum of normally five (5) working days of notice in writing in case of the approval of bidding documents and ten (10) working days in case of the BER and reports of the CEC. The notice period will count from the date of receipt of the bidding documents or the evaluation reports by the Members of the PRC. These documents must be delivered in person to each Member of the PRC by the Procurement Officer in a sealed envelope and acknowledgement of the same signed. In case the delivery cannot be in person and is done by email, the transmission must be secured and the receipt confirmed by each Member. The notice period will count from the day after the latest date of confirmation of receipt by the PRC Member. In exceptional cases, a Member may request an extension of the date of meeting by email which shall not exceed an additional five (5) working days.

7.1.9. The secretary of the Committee will also be responsible for the recording and preparing the draft Minutes, which will be circulated to all the Members of the PRC on the same day or the following day by electronic mail for their review and comments, if any. The PRC Members must provide the comments or 'no objection' within two (2) working days from the date of receipt of the draft Minutes. The agreed Minutes will be submitted for signing by the Members of the PRC, which must be completed within two (2) working days after the 'no objection' to the draft Minutes has been provided to the Procurement Officer. This is for the purposes of recording only. The date of approval will be the date of the PRC meeting in which the approval was given by the PRC.

7.1.10. The PRC is responsible for reviewing and approving all contract variations or contract amendments which will change the contract amount or if the scope of goods supply/works/ services is increased. This is detailed in Chapter 20.

7.2. Procurement Review Committee Formation and Thresholds

7.2.1. Each project will normally have three (3) Procurement Review Committees as follows depending on the size of the procurement packages under the project.

Minor Procurement Committee

7.2.2. The Minor Procurement Committee is empowered to review and approve all goods, works, non-consulting services and consulting services procurement to the values set out in **Annex IV** of this Procurement Manual.

7.2.3. The committee will be chaired by the Project Manager and include the project Technical Officer and a representative from the GDICDM/MEF. At the discretion of the GDICDM/MEF, its representative may be replaced by the project Finance Officer. The Procurement Officer shall serve as the secretary to the Committee.

7.2.4. In case of projects that are implemented at the city/khan, district, commune or village levels of the provincial administration, the Minor Procurement Committee may be comprised of the Project Manager at the provincial level as the Chair; the provincial Technical Officer for the project as a Member; and a representative of the Provincial Department of the MEF as the third Member. The Procurement Officer at the provincial level will serve as the secretary of the Committee.

General Procurement Committee

7.2.5. The General Procurement Committee will be empowered to review and approve all goods, works, non-consulting services and consulting services procurement to the values set out in **Annex IV** of this Procurement Manual.

7.2.6. The committee will be chaired by the Project Director, or his/her duly authorized representative other than the Project Manager. The other Members will be the Project Manager, one (1) representative from the EA *(who is **not** a staff of the PMU/PIU)* and two (2) representatives from the GDICDM/MEF. The Procurement Officer shall serve as the secretary to the Committee.

Major Procurement Committee

7.2.7. The Major Procurement Committee will be empowered to review and approve all goods, works, non-consulting services and consulting services procurement above the limits of the General Procurement Committee. This Committee will be chaired by the Head of the EA or a representative, other than the Project Director, duly authorized to act on behalf of the Head of the EA, having the rank higher than the Project Director. The Project Director cannot act as the duly authorized representative of the Head of the EA and cannot chair the Major Procurement Committee apart from exceptional cases where the replacement of the Head of the EA is not available in rank higher than the Project Director. The other Members will be the Project Director, a second representative of the EA and two (2) representatives from the GDICDM/MEF. The Procurement Officer shall serve as the secretary to the Committee.

7.2.8. 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 that is under consideration of the PRC. In such cases, a suitable replacement will be decided by the Project Director.

7.2.9. The Project Director or the GDICDM/MEF may invite one observer each to participate in the Procurement Review Committee meeting, however the participation of these observers will be restricted to providing the expert advice and they shall not take part in the decision-making process.

7.2.10. The Members of the PRC should be of a higher rank than the Members of the BEC or CEC.

7.2.11. The composition of the various procurement committees and the indicative thresholds are shown in **Annex IV**. However, *higher thresholds* can be specified in the Prakas establishing the PRC, BEC and CEC depending on the capacity and previous experience of the PMU/PIU and agreed by the MEF.

7.3. Notification of Meeting

7.3.1. The Procurement Officer must send out notification of the meeting to all Members of the PRC together with a copy of the prequalification document, bidding documents or Prequalification/Bid/Consultants Evaluation Reports. In order to provide sufficient time for all Members to review the documents, at least five (5) working days for the bidding documents and ten (10) working days for the BER and CER from the date of receipt of the same must be provided to the Members representing the MEF in case of the General and Major Committee meetings. In case of the Minor Committee meetings, at least three (3) working days shall be provided.

7.3.2. A sample notification for invitation is shown on the following page at the end of this Chapter and should be sent to the GDICDM each time a respective Committee meets.

7.3.3. There is no quorum required for the Minor Committee meeting, which can proceed without any representation from the GDICDM/MEF, when it chooses not to participate. However, for the General and Major Procurement Committee meetings, the participation of the representatives from the GDICDM/MEF is mandatory unless the GDICDM/MEF confirms in writing by electronic mail that its representative(s) will not participate in the scheduled meeting. In such cases, the Committees can take a decision without the need for approval or confirmation of the GDICDM/MEF. However, if the GDICDM/MEF is not notified and there is no confirmation of receipt of the notification, the meeting cannot proceed without the participation of the representatives from the GDICDM/MEF.

7.3.4. The GDICDM/MEF may advise the secretary to postpone or reschedule the meeting of the General or Major Procurement Committee in which case the secretary will seek a suitable date from the GDICDM/MEF, but the postponement cannot exceed five (5) working days unless there is a complaint on fraud and corruption, which will require a resolution by the competent investigative authority before a PRC meeting can be convened.

7.4. Bid Evaluation Committee

7.4.1. The Bid Evaluation Committee (BEC) is responsible for the evaluation of prequalification Applicants/bids, the preparation of the Prequalification/Bid Evaluation Reports and providing the recommendation for the prequalification results/ award of contract(s) for goods, works and non-consulting services.

7.4.2. The Prequalification/ Bid Evaluation Reports (BER) shall be submitted by the Chair of the BEC to the PRC for review and final approval of the recommendation for prequalification/award of contract.

7.4.3. The BEC, which will be established under a Prakas/instruction from the Head of the EA, shall be comprised of three (3) Members: the Procurement Officer, the Technical Officer (in case the PMU/PIU has more than one Technical Officer, then the Technical Officer assigned for the contract) and the Finance Officer. The Procurement Officer shall chair the BEC. If the Technical Officer or the Finance Officer is a Member of the PRC, the Project Manager must appoint another Member of the PMU/PIU staff as a replacement 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.

7.4.4. The Technical Officer will be responsible for evaluating the technical compliance of bids and the Finance Officer responsible for compliance with the financial aspects under the overall guidance and direction of the Procurement Officer.

7.4.5. The Procurement Officer, as the Chair of the BEC, will be responsible for preparing the BERs in the format prescribed in the **Annex II-d** to this Procurement Manual or by the DP, whichever is applicable. The Procurement Officer may be assisted by external procurement Consultants, if financed under the project, to assist in carrying out the evaluation and preparation of the BER.

7.4.6. A Member who is involved in carrying out the evaluation of a bid cannot be a Member of the PRC, which will review and approve the Bid Evaluation Report to avoid possible conflict of interest.

7.5. Consultants Evaluation Committee

7.5.1. The Consultants Evaluation Committee (CEC), which shall be established under a Prakas by the EA, will be responsible for carrying out the evaluation of the technical and financial proposals and the recommendation for the award of contract.

7.5.2. The REOIs will be prepared by the Procurement Officer and approved by the Project Manager before it is advertised. However, evaluation of the Expression of Interests will be carried out by the CEC and the shortlist of firms will be approved by the PRC. Each project may have three (3) CECs depending on the size of the consulting services packages under the project as follows:

Minor CEC

7.5.3. The Minor CEC will be responsible for carrying out the evaluation of individual Consultants and the technical and financial proposals for consulting services with estimated value of up to the threshold set out in **Annex IV** of this Procurement Manual.

7.5.4. The Committee will be chaired by the project Technical Officer and include the Procurement Officer and a representative of the GDICDM/MEF as Members. At the discretion of the GDICDM/MEF its representative may be replaced by the project Finance Officer.

General CEC

7.5.5. The General CEC will be responsible for carrying out the evaluation of individual Consultants, and technical and financial proposals for consulting services with estimated value of up to the threshold set out in **Annex IV** of this Procurement Manual.

7.5.6. The Committee will be chaired by the Project Manager and include the project Technical Officer and two (2) representatives of the GDICDM/MEF as Members.

Major CEC

7.5.7. The Major CEC will be responsible for carrying out the evaluation of individual Consultants, and technical and financial proposals for consulting services with the estimated value of up to the threshold set out in **Annex IV** of this Procurement Manual.

7.5.8. The Committee will be chaired by the Project Manager and include the project Technical Officer and two (2) representatives of the GDICDM/MEF as Members.

7.5.9. Each CEC Member shall individually and independently undertake the evaluation of 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 Chapter 15 of this Procurement Manual.

7.5.10. In case the project has been provided with services of the 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, with the exception of the representatives of the GDICDM/MEF, with a staff who has suitable qualifications and experience.

7.5.11. A Member of the CEC cannot serve as a Member of the PRC. 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 CER. If a Member of the CEC is also a Member of the PRC, which will review and approve the CER, he/she should be replaced either in the CEC or PRC by the Project Director.

Dear Sir(s),

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 bidding documents

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 name and designation of your representatives in the Minor/General/Major Committee who will be attending. We understand that if you do not respond to this invitation that the Procurement Review Committee will undertake its deliberations without the attendance of the GDICDM/MEF representatives. Any decision reached will be regarded as final and not subject to a separate the GDICDM/MEF approval.

Yours faithfully

Signed
Chairperson of the Procurement Review Committee

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

8. PROCUREMENT METHODS AND ARRANGEMENTS

8.1. Introduction

8.1.1. The procurement process starts with the identification of the goods, works, non-consulting services and consulting services needs under the project and continues through planning, preparation of specifications/requirements, budget considerations, method, selection, contract award, and up to contract management. It ends on the last day of the warranty or the Defects Liability Period.

8.1.2. This Chapter briefly describes the various procurement selection methods, and how these should be selected to suit each procurement package that best fits the requirements and enables it to achieve the VfM. The selection methods for the procurement packages will be specified in the approved project Procurement Plan. The selection methods provided in this Procurement Manual represent those that are widely used. However, there are also other special 'fit-for-purpose' selection methods and approaches recommended by some DPs that provide optimal VfM. These selection methods and approaches that can be used are specified and approved in the project Procurement Plan.

8.1.3. Procurement is divided into four major categories, being:

(a) procurement of goods;

(b) procurement of civil works;

(c) procurement of non-consulting services;

(d) procurement of consulting services.

8.1.4. Each category of procurement uses slightly different procurement processes and documentation and requires different contract management methodologies to manage the resulting contracts. However, the same core principles described in Chapter 2 of the Procurement Manual apply to all the four categories. Open Competitive Bidding (OCB) is the preferred method of procurement to achieve the VfM with some exceptions that are described in this Chapter, and can be either competition in the international market or in the domestic market. Also, effective use of the OCB may increase efficiency and reduce procurement time and reduce risks. The decision on whether and how to apply the OCB, including whether to advertise nationally or internationally, is driven by the strategic procurement planning/development process. It does not depend on preconceived approaches or thresholds, but on the context of the project and the supply market.

8.1.5. The bidding for competition in the international market is referred to as the International Competitive Bidding (ICB) and in the domestic market as the National Competitive Bidding (NCB). In addition to the four categories mentioned above, based on procurement risk assessment, the estimated value and complexity of the procurement will also have an impact upon what procurement approach will be used. For example, hiring an individual Consultant for a short-term basis and hiring a firm of civil engineering

Consultants for a major construction project will require a different selection method and approach.

8.1.6. NCB is normally used when the procurement is unlikely to attract foreign competition and the advantages of approaching the international market are clearly outweighed by the administrative and financial burden involved. This will depend on a number of reasons like (i) the value of the contract; (ii) the goods/works/services are available locally at prices below international market; or (iii) activities are scattered geographically or spread over a longer time frame or are labour intensive. The various selection methods of procurement are described in the following sub-section Paragraphs.

8.2. Procurement of Goods

8.2.1. There are five primary procurement methods (also known as market approach options) to procure goods under a project. These are:

(a) International Competitive Bidding (ICB)

(b) National Competitive Bidding (NCB)

(c) Shopping (Request for Quotations (RfQ))

(d) Limited Competitive Bidding (LCB)

(e) Direct Contracting (DC).

8.2.2. **International Competitive Bidding**, also referred to as the OCB with international advertising **for goods**. In most cases, to achieve VfM, the ICB, properly administered, and with the allowance for preferences for domestically manufactured goods (if it applies) under prescribed conditions, is the most appropriate method. The ICB provides users a wide range of choices from competing Suppliers and provide the Suppliers (or Potential Suppliers) adequate, fair and equal opportunity for the goods being procured. The ICB procurement method is generally used when the estimated contract value(s) exceed the threshold stated in **Annex IV**. Procurement through the ICB is advertised both nationally and internationally and is open to all Suppliers/Manufacturers to bid. The international SBDs are used for procurement of goods in the international market. A number of the DPs require the mandatory use of the SBD for the ICB and where this is the case, their SBD must be used.

8.2.3. **National Competitive Bidding**, also referred to as the OCB with national advertising **for goods**. The NCB follows the national procedures of the Government and uses the Government own documentation. The NCB is generally used when the estimated contract value(s) are below the threshold set for the ICB and above the threshold set for the RfQ with advertisement as indicated in **Annex IV**. However, the NCB can be used for higher value contracts and this will be prescribed in the project Procurement Plan. The Standard NCB Document as prescribed in **Annex VI-a** in **Volume II** of this Procurement Manual sets out the terms and conditions that will apply to goods procured under the NCB method of procurement. The use of the Standard NCB Document is mandatory and any deviations will require the approval of the GDICDM/MEF. The SPN for the NCB procurement is advertised in the English and Khmer language newspapers of national circulation. All Suppliers, both foreign and national are eligible to bid, however no domestic preference is applicable. The normal period for the availability of bidding documents is thirty (30) calendar days.

8.2.4. **Shopping (RfQ) with advertisement** simply compares the price quotations from Suppliers and selecting the lowest for award. Its use is mandatory for all procurement where the estimated contract value(s) are below that stated in **Annex IV**. The SBD for the RfQ for goods can be found in **Annex VI-b**, **Volume II** to this Procurement Manual and its use is mandatory. The RfQ invitation can be advertised in the Khmer or English language in a provincial or national newspaper of wide circulation. Quotations must be submitted in a sealed envelope and the opening of all the quotations received before the deadline for submission will be held in public on the specified date and venue. The minimum period for the availability of the documents is fourteen (14) calendar days and the document will be issued free of charge. In addition to the advertising the Request for Quotations, this may also be sent directly to recognized Suppliers in the local market and effort should be made to invite authorized Suppliers/Dealers/Agents of Manufacturers to participate in the procurement opportunity. A minimum of three (3) quotations need to be obtained and evaluated. In case the minimum number of quotations is not received, the submitted quotations are not opened but kept in safe custody of the Procurement Officer while a second attempt is made to obtain quotations in writing from those Suppliers in the local market who failed to submit a quotation. Those Suppliers who submitted their quotation will be informed about the new date of opening by fax, email or phone. A further five (5) working day period is provided. Quotations submitted in the extended period, if any, and the earlier quotations are opened at the PMU/PIU office on the following day and the award made to the lowest price quotation.

8.2.5. **Shopping (RfQ) without advertisement** is appropriate for procuring limited quantities of readily available off-the-shelf goods of small value. Small value does not justify cost of more complex modalities. For this method, the requirement is not advertised. A minimum of three (3) known sources of supply are invited to submit their quotations by letter or e-mail. The minimum period allowed for firms to prepare their quotations shall be seven (7) calendar days. At least two (2) quotations are required and if this number is not reached, a second attempt will be made to seek quotations from the Suppliers that failed to submit by the due date. The threshold contract value for this method is given in **Annex IV**. The SBD for the RfQ without advertisement is provided in **Annex VI-e** (**Volume II**).

8.2.6. **Limited Competitive Bidding** is essentially the ICB but by direct invitation without open advertisement. The grounds for using the LCB could be that there are only a limited number of Suppliers, and the amount of the contract is not large enough to attract sufficient Bidders through the ICB, or there are other exceptional reasons that may justify departure from open advertisement, in which case all Suppliers capable of performing the resulting contract shall be invited. As the only difference between the LCB and ICB is the Invitation for Bids, all other procedures applicable to the ICB will also be applied to the LCB.

8.2.7. **Direct Contracting**, also called Single Source Procurement, is the contracting without competition and used only in special circumstances based on the proportional, fit-for-purpose and VfM considerations. A single Supplier is contacted for an offer and a contract negotiated based on that offer. It is used:

(a) When for standardization of equipment or spare parts compatible with existing equipment may justify additional purchases from the original Supplier.

(b) When required equipment is proprietary in nature and obtainable from only a single source.

(c) When additional items required under an existing contract which has been awarded through open competition and it can be justified that no better offer is likely to be received and the price is not more than the original contract price.

(d) In exceptional cases such as in response to a natural disaster.

8.3. Procurement of Works

8.3.1. The same methods of procurement for goods, except for the Limited Competitive Bidding, are used for procurement of works and non-consulting services. In addition, works may be procured under the Force Account (FA) method.

8.3.2. **International Competitive Bidding**, also referred to as the OCB with international advertising **for works**. The ICB method of procurement is normally used when the estimated contract value(s) exceed the threshold stated in **Annex IV**. However, there may be cases where the threshold may be different depending on the conditions listed in Paragraph 8.1.6 above. The ICB must be used when this method is prescribed in the project Procurement Plan. The procurement under the ICB is advertised both nationally and internationally and is open to all who purchase the bidding document. The SBDs that are internationally recognized are used for the ICB. A number of DPs require the mandatory use of their SBD for the ICB and where this is the case, their SBD must be used. In all other cases, the sample bidding documents for works under the ICB provided in **Volume III** of this Procurement Manual must be used. In case of large size or complex works procurement, a pre-qualification of Contractors is carried out prior to the bidding out the works contract. This is only used for procurement through the ICB. In such cases, the Request for Bids is not advertised and only the prequalified Contractors are directly invited to submit bids. The prequalification exercise is described later in this Chapter.

8.3.3. **National Competitive Bidding**, also referred to as the OCB with national advertising **for works**. The NCB follows the national procedures of the Government and uses the Government national documentation. The NCB is used when the procurement is unlikely to attract international competition or the conditions specified in Paragraph 8.1.6 prevails. The NCB is generally used when the size of the contract is small or when the domestic Contractor can offer better prices. The use of the NCB method is mandatory when the estimated contract value(s) are below the threshold set for the ICB and above the threshold set for the RfQ (Shopping)- with advertisement as indicated in **Annex IV**. However, it can be used for higher value contracts and this will be prescribed in the project Procurement Plan. The Standard NCB Document is prescribed in **Annex VI-c** (**Volume II**), sets out the terms and conditions that will apply to works procured under the NCB method of procurement. The use of the Standard NCB Document is mandatory and any deviations will require the approval of the GDICDM/MEF. The SPN for the NCB procurement is advertised in the English and Khmer language newspapers of national circulation. All Bidders, both foreign and national are eligible to bid, however no domestic preference is applicable. The normal period for the availability of bidding documents is thirty (30) calendar days.

8.3.4. **Shopping (RfQ) with advertisement** is used for small works and shall include the description, quantity, delivery period, location of the works, including any installation requirements, as appropriate. The RfQ, is a simplified competitive selection method, and it compares the price quotations from Contractors and the lowest quotation is selected for award. Its use is mandatory for all procurement where the estimated contract value(s) are below the threshold stated in **Annex IV**. The standard document for small works RfQ (Shopping) is prescribed in **Annex VI-d** (**Volume II**) and its use is mandatory. The SPN will be advertised in the Khmer language or English in a provincial or national newspaper of wide circulation. In addition to the advertising the SPN, a copy of the RfQ may also be sent directly to Contractors with proven experience in the local market. The quotations must be submitted in a sealed envelope. The minimum period for the availability of the RfQ documents shall be fourteen (14) calendar days and will be issued free of charge.

8.3.5. For the RfQ with advertisement, a minimum of three (3) quotations are required**.** In case this number is not reached, a second attempt will be made to seek quotations from the local Contractors that were approached directly and did not submit any quotation. Those Contractors who submitted quotations are informed by fax, e-mail or phone about the new date for opening of the quotations. A further five (5) working day-period will be provided and at the expiry of this period, all sealed quotations received will be opened in public at the PMU/PIU office location. In the event this result in a single quotation, the price must be compared with the estimate to determine the reasonableness of the quoted price. If the quotation is significantly higher than the estimate, negotiations may be conducted to seek justifications for the high price and where unjustified, a reduction must be sought. All efforts should be made by the project to ensure there is minimal delay in the whole procurement process for RfQ, both with and without advertisement.

8.3.6. **Shopping (RfQ) without advertisement**. If the value of the small civil works is estimated at below the threshold stated in **Annex IV**, a minimum of three (3) Contractors are selected based on proven experience and invited directly to submit their quotations by letter, e-mail or facsimile. The minimum period allowed for firms to prepare their quotations shall be seven (7) calendar days. At least two quotations must be received and if the number is not reached, a second attempt will be made to solicit the quotations from those Contractors who failed to submit their quotations. A five (5) working day period is provided and on the following day, all submitted quotations are compared and the lowest priced quotation selected for award. In the event that the quoted price is significantly higher than the estimate, negotiations must be conducted to determine the justification for the high price and where not justified, a price reduction sought. The SBD for the RfQ (without advertisement) is provided in **Annex VI-f** (**Volume II**).

8.3.7. **Direct Contracting (DC)** is contracting without competition and is used only in special circumstances based on proportional, fit-for-purpose, and VfM considerations. Under this method, a single Contractor is invited to submit a bid and a contract is negotiated with the Contractor. The DC is used:

(a) when the works are a natural extension of an earlier or ongoing works contract which was awarded following a competitive process and it can be shown that the engagement of the same Contractor will be more economical and no advantage can be obtained by competition;

(b) in exceptional cases, for example, a response to a national disaster or emergency situation.

8.3.8. It must be demonstrated that the selected Contractor has performed satisfactorily in the previous or ongoing contract; the works have been of quality; it has the necessary equipment and personnel to carry out the additional works; and the prices are reasonable at the prevailing market rates. In case the works are an extension of an earlier completed contract, the DC can be used only within a period of twelve (12) months from the date of the completion of the previous contract. A cost benefit analysis will be carried out to determine that no advantage can be obtained by competition. The use of the DC method will require the prior approval of the GDICDM/MEF, and the funding agency.

8.3.9. The selected Contractor will be requested to submit a bid and evaluated. In case the works is an extension of an ongoing contract, the quoted unit rated must not exceed the unit rates in the ongoing contract but adjusted as per the price escalation provision, if any, specified in the ongoing contract. In case the work is an extension of a completed contract, the unit rates will need to be justified and substantiated with documents to show they are comparable to prevailing market rates. In all cases, the contracts under the DC are negotiated and the prices are justified in the submission to the PRC for approval.

8.3.10. **Force Account (FA)** is used when the construction of works is carried out by a Government agency, largely using its own workforce, equipment and other resources. For this purpose, a Government-owned construction unit is considered a Force Account Unit if it is not financially or managerially autonomous i.e. it is managed and financially supported by the Government. The FA is suitable when:

(a) the quantities of works cannot be defined in advance;

(b) the works are scattered or in remote locations for which qualified construction firms are unlikely to bid at reasonable prices;

(c) the works need to be undertaken without interrupting ongoing operations;

(d) the risk of delay is better borne by the Government rather than a Contractor; and

(e) there is a natural disaster or similar emergency needing immediate attention.

8.3.11. The use of the FA must be agreed between the DP, EA/IA and GDICDM/MEF. The Force Account Unit will need to keep records of all the expenditures incurred, including hiring of equipment and Sub-contractors to supplement its own resources. The disbursements made for the expenditures will follow the relevant provisions of the FMM.

8.3.12. In addition to the above methods of procurement for works, there are a number of other procurement arrangements that may be used for the procurement of works. Community-Based Procurement, Framework Agreements, Performance-Based Procurement Arrangements, Best and Final Offer, Negotiations, and Competitive Dialogue, and these methods are explained below.

8.3.13. **Community-Based Procurement,** also known as Community-Driven-Development. This arrangement is used in the interest of project sustainability or to achieve certain specific social objectives through the participation of the local community and beneficiaries. It is ideally suited for procurement under projects implemented at the community and district level.

8.3.14. It will increase the use of local know how and employ labour-intensive technologies. In certain cases, local NGOs can be used to better deliver results. The participants, mainly local communities, NGOs and individuals must be chosen in a non-discriminatory process and fair price negotiated based on outputs. The contract documentation must be simple and suitably adapted to reflect local requirements. The use of the contract for the RfQ (Shopping) method of procurement will be used but modified to suit community participation and payments schedule based on agreed outputs.

8.3.15. **Performance-Based Procurement**, also referred to as Performance-Based Contract (PBC). This is also called 'Output-Based Procurement' and refers to a competitive procurement process resulting in a contract in which payments are made for measured outputs and not inputs. The outputs aim at satisfying functional needs in terms of quality, quantity, and reliability and payments are made in accordance with the quantity of outputs delivered at the specified level of quality. In works, the PBC is mostly used for rehabilitation, maintenance and operations of roads. This is essentially a type of contract and not a method of selection and can be procured using any of the selection methods mentioned in Paragraphs 8.3.2 through to 8.3.7.

8.3.16. The PBC can be adopted for:

(a) the provision of non- consulting services to be paid on the basis of outputs;

(b) design, supply of construction (or rehabilitation), and commissioning of a facility to be operated by the Borrower;

(c) design, supply, and construction (or rehabilitation) of a facility and provision of services of its *operation and maintenance* for a defined period of years after its commissioning;

(d) where the MEF has agreed to provide the funds for operation and maintenance when these are contracted beyond the financing closing date and are therefore not financed under the loan/credit/grant.

8.3.17. **Best and Final Offer (BAFO).** In international competitive procurement, subject to prior review, the DP may agree for the EA/IA use of the BAFO. The BAFO is an option under which the EA/IA invites Bidders/Proposers that have submitted substantially responsive bids/proposals to submit their best and final offer. Such a process may be appropriate when procurement process would benefit from Bidders/Proposers' having a final opportunity to improve their bids/proposals, including by reducing prices, clarifying or modifying their bid/proposal, or providing additional information. The EA/IA will inform Bidders/Proposers in the Request for Bids/Request for Proposals document:

(a) if a BAFO is to be used;

(b) that Bidders/Proposers are not obliged to submit a BAFO; and

(c) that there will be no negotiation after the BAFO.

8.3.18. If a BAFO is to be applied, the EA/IA will engage the services of a Probity Assurance Provider (Third Party) for validation and to oversee the integrity of the procurement process, agreed with the DP.

8.3.19. **Negotiations.** This is another innovative method where, in international competitive procurement subject to prior review, the DP may agree to the EA/IA use of Negotiations option following bid/proposal evaluations and before the final contract award. Negotiation may take place after the full evaluation of bids/proposals (both technical and financial parts) and before the Notice of Intention to Award the Contract. Normally, the decision to include Negotiation in the process is made as part of the Project Procurement Strategy for Development (PPSD) and project Procurement Plan development, and it should be stated in the RFB/RFP with details how the Negotiations will be done.

8.3.20. Negotiations must be held in the presence of an independent third party (called Probity Assurance Provider/Probity Auditor). Negotiations must not change the minimum requirements in the bid/proposal, however, they may involve terms and conditions, price, and aspects such as social, environmental, and use of innovation.

8.3.21. The EA/IA will negotiate first with the Bidder/Proposer that has the Most Advantageous Bid/Proposal. If the outcome is unsatisfactory or an agreement is not reached, the EA/IA may then negotiate with the next Most Advantageous Bid/Proposal, and so on down the list until a satisfactory outcome is achieved.

8.3.22. When the EA/IA has made the decision to award the contract, the Probity Auditor will prepare a Probity Report. The report will be provided to the EA/IA and a copy to the DP, and also sent to all proposers, and published in the project website.

8.3.23. **Competitive Dialogue** is also an option in international competitive procurement subject to prior review. It allows the EA/IA to thoroughly discuss key aspects of the procurement with proposers during structured confidential "dialogue" phase. This happens before finalizing the specifications and before inviting final proposals. The EA/IA should justify the use of Competitive

Dialogue in the PPSD. It may be used only for complex or innovative procurement. Due to the high costs to the project and the Bidder/Proposer, and the extended length of time to undertake the process, it is recommended that Competitive Dialogue is only used sparingly.

8.3.24. Competitive Dialogue may be appropriate:

(a) where a number of solutions that satisfy the EA/IA requirements may be possible, and where the detailed technical and commercial arrangements required to support those solutions require discussion and development between the parties; and

(b) due to the nature and complexity of the procurement, the EA/IA is not objectively able to:

(i) adequately define the technical or performance specifications and scope to satisfy its requirements, and/or;

(ii) adequately specify the legal and/or financial arrangements of the procurement.

8.4. Two-Stage Procurement

8.4.1. 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.

8.4.2. When this is the case, a "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. In the case of works procurement, it is called Prequalification of Bidders. This two-stage procurement is used for procurement of goods and works under the ICB method.

8.4.3. First stage is used to shape subsequent second-stage bidding using one or two envelopes procedure. When two stage bidding is used, Bidders are required to submit their unpriced technical bids in case of goods and prequalification documents in case of works contracts in the first stage. The technical proposals are reviewed and evaluated first and clarifications, if required, are sought from the Bidders. Based on this evaluation, the technical specifications and other related requirements are revised and the bidding documents amended accordingly. All the substantive responsive Bidders are invited to submit revised technical bid together with the priced bids. In case of Prequalification of Bidders, the bidding documents are not amended and only those Bidders that meet the qualification requirements are invited to submit the bids.

8.5. Prequalification of Bidders.

8.5.1. Prequalification of Bidders is used only in *very exceptional cases*, with the prior approval of the MEF, for very high value civil works contract which require very complex methodologies for its execution and procured through the ICB.

8.5.2. A two-step procedure is followed under which prospective contactors are first invited to submit applications for prequalification. The prequalification documents will clearly set out a pass/fail evaluation criterion for experience, financial status and technical capacity. Only those who pass all the criteria will be prequalified for participation in the bidding of contracts. Prequalification is followed by a closed competitive bidding procedure in which only those Bidders who have been prequalified are invited to submit a bid.

8.5.3. **The Prequalification Process**

(a) *Advertisement and Notification*: It is the project's responsibility to advertise the Invitation for Prequalification (IFP) on the project website as well as in a local newspaper, and a local English-language newspaper.

(b) *Preparing and Issuing a Prequalification Document*: The project is responsible for preparing and issuing the prequalification document. The draft prequalification documents must be approved by the PRC. It should use the DP SPD for the Prequalification of Bidders where available.

(c) *Preparation and Submission of Applications*: The Applicant is responsible for the preparation and submission of its application. The project should promptly respond to requests for clarifications from Applicants.

(d) *Opening and Evaluation of Applications*: The project is responsible for the opening and evaluation of applications. The evaluation of the applications is carried out by the BEC and the evaluation report with the recommended list of prequalified Bidders must be approved by the PRC.

(e) *Updating and Confirmation of Bidder's Qualifications*: The prequalified Bidders will be required to update the information pertaining to a Bidder's eligibility, pending litigation, and financial situation in their submission of bids.

8.5.4. **Single-Stage, Two-Envelope Procedure.** This procedure is typically used in a single-stage bidding process, where bids are submitted simultaneously in two separate envelopes, one containing the technical proposal and another containing the financial proposal. First, only the technical envelopes are opened, and financial envelopes not opened which are kept in safe custody until the second opening. After technical evaluation, the financial envelopes are opened. Normally, the financial proposals of Bidders whose technical proposals are determined to be not responsive shall be returned unopened. The reason for separate opening is because it supports the evaluation of technical/quality of the proposal without being influenced by price. This is commonly used in the recruitment of consulting firms.

8.5.5. **Single-Stage, One Envelope Procedure.** This requires submission of both technical and financial bids/proposals in one envelope. This procedure is most appropriate when specifications and requirements are sufficient to enable submissions of complete bids/proposals. This is the default procedure used for the procurement of goods and civil works under all methods of procurement.

8.6. Turnkey Contracting

8.6.1. 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. A variance of the turn-key contract is a semi-turnkey contract, where the design part is not included in the bid-like supply, installation and commissioning.

8.6.2. Turnkey contracting is used 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. When the procurement is bid out on a turn-key basis or semi-turnkey (when the designed has been complete separately). In both cases, the SBDs that are broadly accepted internationally can be used for such procurement in Cambodia.

8.6.3. **Non-consulting Services** like mapping, photography, satellite imagery, IT systems and any similar services are classified as non-consulting services. Procurement of such services follow the same procedures as for procurement of goods. Normally, the RfQ is used as the value size is generally small. In case of procurement of non-consulting services that are complex in nature, like the procurement of an IT based Public Financial Management Information System, the two-stage ICB procurement procedures will be more suitable.

8.7. Procurement of Consulting Services

8.7.1. The procurement of consulting services is distinct from the procurement of goods and works, and non-consulting services, primarily due to the significant differences between goods or works which are relatively simple to quantify in absolute terms, and the challenges 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 of the proposals rather than price alone (although price is often still a key factor). Also, rather than submitting *'bids'*, Consultants submit '*proposals'* and therefore, the SBD is called a 'R*equest for Proposals'*. The primary selection methods and arrangements for procuring consulting services are:

- Quality-Based Selection (QBS)
- Quality- and Cost-Based Selection (QCBS)
- Fixed-Budget Selection (FBS)
- Least-Cost Selection (LCS)
- Consultants' Qualifications Selection (CQS)
- Single Source Selection (SSS)
- Individual Consultants Selection (ICS).

8.7.2. The Open Competitive Bidding (OCB) also encompasses competitive recruitment methods for consulting services. All SPNs for consulting services procurement with the exception of Single Source (Direct) Selection must be advertised nationally and in the UNDB online for methods where foreign firms are invited to submit proposals. There is little difference in the procedures for the QBS, QCBS, FBS, LCS, CQS, and SSS. The same standard RFP documents are therefore used for all types of consulting services procurement except individual Consultants.

8.7.3. **Quality-Based Selection (QBS)**, also referred to as the OCB with international advertising using the QBS. This OCB method is appropriate when quality is the most important consideration in the selection process. It is used for complex or highly specialized assignments for which it is difficult to define the precise TOR and the input required from the firm, and for which the project expects the firm to demonstrate innovation in its proposals. An Expression of Interest for 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.

8.7.4. In the QBS, initially only the technical proposals are submitted. The EA/IA will evaluate the submitted technical proposals, applying the relevant technical proposal evaluation criteria, as appropriate (such as Full or Simplified Technical Proposal). The technical proposals are evaluated and ranked in terms of its technical score against a set of criteria included in the RFP document. To guide firms in preparing their proposals, the RFP will normally include either an estimate of the key-person months for the assignment or the estimated budget available. The firm with the highest technical score (1st ranked) is invited to submit its financial proposal. The financial proposal is opened and evaluated and the 1st ranked firm invited for negotiations of the contract. If the negotiation is successful, award the contract; otherwise, obtain the required approval for inviting the next ranked firm to negotiate.

8.7.5. The QBS 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, and 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 and 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).

8.7.6. **Quality- and Cost-Based Selection (QCBS)**, also referred to as the OCB with international advertising using the QCBS. Under this method, the quality and the costs of the proposed services are balanced to achieve the best outcome without compromising the quality of services and is the preferred method of selection for Consultants for large size contracts. The QCBS is appropriate when the scope of work, terms of reference, and timing, and other inputs are clearly defined.

8.7.7. The REOI is advertised both nationally and internationally and a shortlist is drawn up. A Letter of Invitation to submit proposals along with the RFP document is sent to all the shortlisted firms. The minimum period allowed for preparation and submission of proposals is thirty (30) calendar days. The technical and financial proposals shall be submitted in two (2) separate and sealed envelopes.

8.7.8. Quality and cost weightings are chosen based on complexity and impact of the assignment and typically range from 90% to 60% for quality. The financial weight can vary from 10 % to 40% of the overall score depending on the nature of the services. There may be exceptional circumstances where quality and cost weightings justify a 50:50 split, where services are relatively standardized and routine, and quality and cost are equally important, for example, selecting a construction supervision services, a procurement agent, etc. The quality and cost weightings will be clearly identified in the project Procurement Plan. Under the QCBS, the technical evaluation is undertaken based on the type of technical proposal used and application of a minimum qualifying mark (for example: 750 out of 1,000 points).

8.7.9. The evaluation of the technical proposals is carried out first and the scoring assigned as per the specified evaluation and scoring criteria. Quality will be evaluated in the same manner as in the QBS, i.e. each of the technical proposals will be scored against the scoring criteria listed in the RFP. Only the financial proposal of the firms that score a minimum of 750 out of 1000 points, and their technical proposals will be considered and opened in public.

8.7.10. The financial proposals will be evaluated and scored based on the scoring criteria specified in the RFP documents with the lowest priced proposal scoring the maximum points equal to the financial weightage stipulated in the RFP. For example, if the weightage is 20%, then the lowest price proposal will be allocated 20% of the overall score. The rest of the financial proposals will be scored on a pro-rata basis with the lower priced proposals scoring higher than the other. The firm are ranked based on the combined technical and financial score and the contract is negotiated with the 1st ranked firm. An example of the evaluation of proposals under the QCBS selection method is provided in Chapter 15 on Bid and Proposal Evaluation.

8.7.11. **Fixed-Budget Selection (FBS)**. Under this Open Competitive Bidding selection method, the highest quality Consultant within the available budget is selected. The procedures for the FBS selection are same as for the QCBS. The REOI is advertised both nationally and internationally. A shortlist is drawn up of those who submitted an Expression of 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 the QBS and QCBS. After the technical evaluation is completed, there is a public opening of the financial proposals only from those firms who received the minimum required score of 750 out of 1000 points for the technical proposal. The financial proposals that exceed the stated budget are rejected and 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.

8.7.12. **Least-Cost Selection (LCS)**. This Open Competitive Bidding 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 and a short list is drawn up. The shortlisted firms are invited to submit the RFP and the technical and financial proposals are submitted in separate envelopes at the same time. Technical proposals are opened first and evaluated, and all those which do not reach the minimum qualifying score of 750 out of 1000 points are rejected. The financial proposals of the rest that meets the minimum score of 750 are opened in public and a contract is negotiated with the firm that submitted the lowest priced proposal.

8.7.13. **Consultants' Qualifications Selection (CQS)**. This OCB method is suitable for small or simple specialized assignments where limited firms offer the services or emergency situations. In some cases, where only a few specialized firms are available, like procurement agents, and where payments are based on outputs, the CQS can be used irrespective of the value. The CQS does not focus on cost as part of the evaluation process, but on quality as reflected in the submission of EOIs. The REOI with the detailed TOR is advertised nationally or internationally. The EOI submissions that normally cover qualifications, experience, geographical exposure and other relevant factors are evaluated and ranked. The first ranked firm is invited to submit a technical and financial proposal. Both the technical and the financial proposals are reviewed and negotiated. The technical proposal usually focuses on Consultant's biodata. See Biodata Technical Proposal in Paragraph 8.7.18 below.

8.7.14. **Single Source Selection (SSS),** also referred to as Direct Selection. This selection method is appropriate when there is only one uniquely qualified firm or individual with exceptional worth for an assignment or when time is of essence. The EA/IA will need to seek prior approval of the GDICDM/MEF if this selection method is proposed to be included in the project Procurement Plan. The circumstances where it may be appropriate are:

(a) for tasks that represent a natural continuation of previous work carried out by the Consultant within the last twelve (12) months;

(b) in emergency situations when the services of the Consultant are urgently required; and

(c) when only one firm is qualified or has experience of exceptional worth for the assignment.

8.7.15. **Types of Technical Proposals** for procurement of consulting services include: (i) Full Technical Proposal (FTP); (ii) Simplified Technical Proposal (STP); (iii) Biodata Technical Proposal (BTP). Selecting the right technical proposal for submission is important and it is normally stated in the project Procurement Plan.

8.7.16. **Full Technical Proposal (FTP)** is used for assignments with complex TORs and cost estimates over US$1 million. Usually, firms are given thirty-five (35) calendar days to prepare proposals. The FTP would require detailed description of the approach, methodology, and work plan for performing the assignment, team composition, task assignments, and CV summary, work schedule, personnel schedule, CV of proposed experts, Consultant's organization and experience, comments or suggestions on the TOR and comments on the EA counterpart staff and facilities.

8.7.17. **Simplified Technical Proposal (STP**) is used for assignments with the well-defined TOR and a cost estimate ranging from US$600,000 to US$1 million. Consultants are given twenty-five (25) calendar days to prepare proposals. The STP would require everything that the FTP would ask except Consultant's organization and experience, comments or suggestions on the TOR and comments on the EA counterpart staff and facilities.

8.7.18. **Biodata Technical Proposal (BTP)** is used for assignments with well-defined, position-based TORs and cost estimates of up to US$600,000. Consultants are given fifteen (15) calendar days to prepare proposals. The BTP would require team composition, task assignments, and CV summary, work schedule, personnel schedule, and CVs of proposed experts.

8.7.19. **Individual Consultant Selection,** including individual Consultants from a firm, will require advertising in a national newspaper. The evaluation and selection of the individual will not involve any proposal (either technical or financial) but will be based on the assessment of the individual's capability, judged on the basis of academic background, relevant experience, expertise and, as appropriate, knowledge of the local conditions, such as language, culture, administrative system, and Government organization. Typically, the individual Consultant is asked to submit the EOI with a CV, which is used to carry out the assessment. The individual, judged best qualified from a minimum of three EOIs to carry out the assignment, specified in the TOR, will then be invited to negotiate a contract based on the samples of Individual Consultants Contract Forms shown at **Volume III**, **Annex VIII-b**. The evaluation will be carried out by the CEC, which will be reviewed and approved by the PRC.

8.7.20. Recruitment of general services staff like drivers and cleaners is not governed by the procedures for the selection of individual Consultants. These staff will be recruited through open advertisement. Interview and final selection for such positions will be carried out by a panel comprising the Project Manager, Administrative Officer and Procurement Officer; and will be approved by the Project Director. The salary of these contractual staff shall be comparable to the structure for similar staff in the Government services and subject to prior approval of the Minor PRC.

8.8. Procurement Process Thresholds

8.8.1. The method of selection for procurement of goods, works, non-consulting services and consulting services are largely based on 'fit-for-purpose' principle of procurement as per the procurement risk assessment and subsequent project Procurement Plan. The method which will best deliver the project outcomes and development objectives taking into account the context and risk, value and complexity of procurement is selected rather than the estimated value of the contract. The approach to each procurement is therefore different and estimated value of the contract, in itself, is not the only determining factor for the selection of the method of procurement. Normally, there is no threshold for different selection methods, and the project Procurement Plan will specify these.

8.8.2. During the project preparation stage, analysis will need to be carried out on the procurement requirements under the project and address how the procurement activities will support the development objectives and deliver the best AfM under a risked based approach. This will be decided, among others, what method of procurement will be used for each procurement package and not on the estimated contract value consideration alone. The selection method for each procurement package will be specified in the project Procurement Plan.

8.8.3. However, there is still a need to set the benchmark for values of contract for each method of procurement which will apply unless the project Procurement Plan specifies otherwise. The threshold values for the different selection methods for goods, works, and consulting services are stated in **Annex IV**. This will be mandatory, unless otherwise specified in the agreed project Procurement Plan which will prevail.

8.9. Selecting the Right Bidding Documents

8.9.1. For the purpose of this Section, the term bidding document also refers to consulting services documents (RFP). The first task is to determine what it is we are actually setting out to procure, i.e. is it goods, works, non-consulting services or consulting 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?

8.9.2. The next issue to address is the selection of the biding documents which is based on the method of procurement selected. The method will be specified in the project Procurement Plan. For each method, there is a separate and well-defined set of the bidding documents.

8.9.3. For the ICB, a number of DPs require the mandatory use of their SBDs for goods, works, non-consulting services and consulting services, which must be used. In case where mandatory SBDs are not prescribed by the DPs, the EAs/IAs must use the Sample Bidding Documents for procurement of goods, works and consulting services provided in **Annexes VII - VIII** of **Volume III** of this Procurement Manual.

8.9.4. For other methods of procurement comprising the NCB and National Shopping (RfQ with and without advertisements), the EAs/IAs must use the SBDs prescribed in **Annexes VI-a** to **VI-f**, **Volume II** of this Procurement Manual.

9. PACKAGING OF PROCUREMENT AND BIDDING STRATEGY

9.1. Definition

- A procurement ***lot*** is an item or number of similar items that are collected into one lot for the purpose of letting out as one single contract.
- A procurement ***package*** (also referred as bid or contract package) may be comprised of a single lot or a multiple number of lots – that are similarly grouped together to be treated as one procurement exercise (included in the same bidding document) which provides the option for the Bidder to bid for one or more lots. In other words, goods or works of the nature are included in a single contract or a single bid package with multiple lots.

9.1.1. For example, if the requirement is for the building of ten rural health centers scattered throughout the country, it would be time and cost efficient to divide the ten centers into individual lots so that small Contractors near the location of the proposed center will be able to bid while at the same providing larger Contractors the opportunity to bid for any combination of the lots. This will also ensure wider competition. The procurement package will be comprised of ten centers (each being a lot) and will be tendered out under one bidding document.

9.1.2. The objective in determining procurement packages is to divide the requirements of the project into manageable number of appropriate contracts that will produce the maximum competitive response from Bidders and that will deliver the project's development objectives in the most 'fit-for-purpose' manner while achieving VfM.

9.1.3. Packaging of lots is generally applied in the case of goods and works procurement. The identification of procurement requirements will normally come from the detailed project feasibility or appraisal documents during the project preparation phase, which in most circumstances, would have identified most or all significant procurement requirements. In cases where sub-projects or components are appraised after a project is approved, the packaging will need to be identified during their appraisal.

9.1.4. Once the requirements have been identified, a decision needs to be made on the most appropriate bidding strategy. The factors that are usually considered in determining the bid/contract packaging are provided below. However, there are other factors depending on the specific scope and nature of the requirements. The guiding rule to follow is to examine if the objective under Paragraph 9.1.2 can be achieved and this will be the key determinant on contract/bid packaging.

(a) Contract size should be as large as practical to attract Bidders in the market and to minimize the number of bid packages, while ensuring effective competition.

(b) Goods of the same or related nature should be included in a single contract or a single bid package with multiple lots even if they are to be delivered at different time frame and locations.

(c) Bidding by Manufacturers should be facilitated and same Manufacturer can provide all the times, in a lot or a number of lots.

(d) Works carried out in different locations even if they are of same nature, may be considered as separate packages, when they are of large size and can attract effective competition or a single package with multiple lots when they are of small size.

9.1.5. For example, where all the items to be purchased are of a similar nature (for example, similar types of furniture of office equipment or a small number of simple works in close proximity etc.), these items can be combined into different lots and bid out as one package with three lots.

9.1.6. However, if the items to be purchased include a wide range of different items such as office equipment and vehicles, it may not be practical to divide the items into separate lots under a single contract package. The vehicle Supplier or Manufacturer will not be able to provide office equipment and hence the purchase of vehicles should be in a single package. For office equipment, depending on the type of office equipment, the requirements can be separated into lots and bid out under one contract package with multiple lots.

9.2. Packaging Items into Biddable Lots

9.2.1. 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.

9.2.2. It is important to determine the optimal number of bid/contract packages based on the factors outlined in Paragraphs 9.1.4 and 9.2.1 as well as the capacity of the EAs/IAs to successfully complete the procurement and administer the contracts.

9.2.3. Lots are always to be packaged, so that they attract the maximum of competition. Desegregation into small lots to avoid a higher procurement method by reducing the estimated contract value below the stipulated threshold is strictly prohibited. For example, from the ICB to NCB or the NCB to Shopping is prohibited.

9.3. Contracting Strategy

9.3.1. For a bidding exercise, it is necessary to determine the optimal number of lots. For example, in the case of a competitive bid:

(a) Option 1 – Each item to be evaluated and compared with other bids separately and hence recommended for contract award separately; or

(b) 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

(c) Option 3 - Similar, or low-value items, to be grouped together to form several Lots that will each be awarded as separate contracts.

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

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 cost 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, for example, evaluators will not have to reject an otherwise competitive bid if it fails to offer or meet the requirements of one item. This option will also allow for awarding contracts on a combination of lots that offers the least costs to the EAs/IAs. Bidders normally offer discounts in case they are awarded the contracts for multiple lots which results in least cost when compared to awarding to lowest evaluated Bidder separately for each lot. This is common in works procurement.

Option 2 – One Contract: This option 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 cost. Furthermore, the EAs/IAs may also have to accept items that are not fully compliant with the required technical specifications, as it is unlikely that one bid will include a fully responsive offer for each item.

Option 3 – Several Contracts Grouping Like Items. This is a compromise of the above two options but does not provide least cost to the EAs/IAs and at the same time increase the burden on administering a large number of contracts.

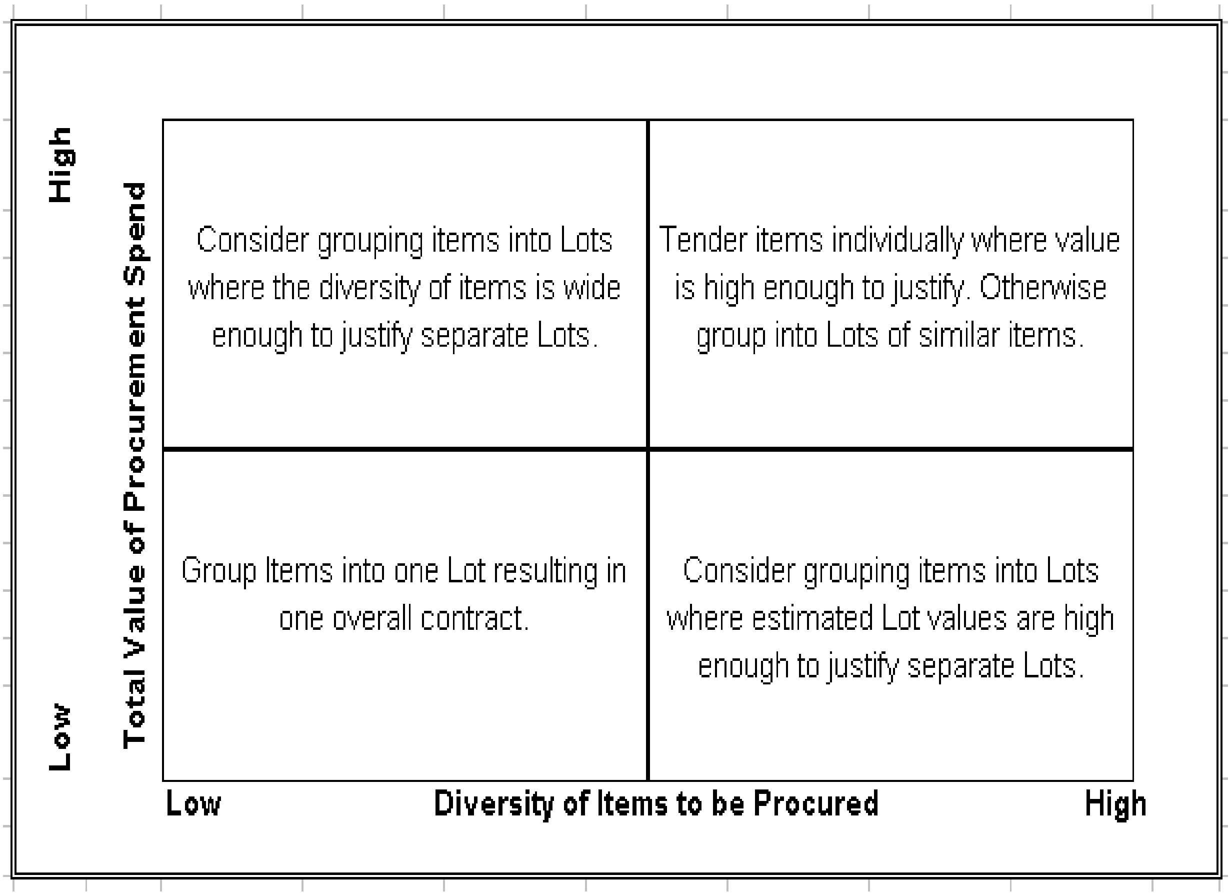
9.4. Decision Criteria

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

(a) Value of procurement package.

(b) Diversity of items to be procured.

This is demonstrated in the following diagram



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

(c) Technical complexity of items to be procured;

(d) Speed of delivery required;

(e) After-sales servicing requirements;

(f) Competitiveness of supply market;

(g) Critical milestones especially if the procurement is part of a larger project plan (for example, supplies for a hospital).

10.PLANNING FOR PROCUREMENT

10.1. Project Procurement Strategy for Development

10.1.1. Good procurement starts with good planning. Procurement planning is important for designing a "fit-for-purpose" project Procurement Plan. It is important to develop a procurement strategy for the project to determine procurement methods, bidding procedures, contracting strategy and the project procurement plan. This usually requires carrying out an analysis of the operating environment like the EAs/IAs capacity and capability; and market analysis to ensure that the contract packages are attractive to the market (international or national); will offer good competition to get the best price and other similar aspects. Such planning documents are referred to Strategic Procurement Planning or a Project Procurement Strategy for Development (PPSD) which provide the basis and justification for procurement decisions, including the market approach (international, national, direct, shopping etc.) and selection methods. As part of such strategic procurement planning, a Project Procurement Risk Assessment (PPRA) is also carried out and a mitigation plan developed. This normally leads to the decision where prior or post review by the DP will be necessary for the procurement operations carried out by the EAs/IAs.

10.1.2. The EA will need to prepare the PPSD/Strategic Procurement Planning or similar planning document and project Procurement Plan (PP) during project preparation, and the initial project PP covering about eighteen (18) months of the implementation period is finalized and agreed before the completion of loan/credit/grant negotiations. The planning documents will address how the procurement activities will support the project development objectives; manage risks at the project level during procurement planning and through contract implementation; and deliver the best VfM. It will also provide adequate justification for the procurement approaches and selection methods in the project PP. The level of detail and analysis shall be proportional to the risk, value and complexity of the project procurement.

10.1.3. When deciding which procurement method is most suitable for a project, the following may be considered during the strategic procurement planning:

(a) Identification of the specific project needs;

(b) Assessment of the adequacy, behaviour, and capabilities of the market to respond to the procurement;

(c) Assessment of the EA/IA resources and previous experience in procuring these types of activities;

(d) Justification of procurement decisions including an analysis of strengths and weaknesses of the procurement methods and selection methods for the delivery of the project development objectives; and

(e) Justification of the proposed qualification and evaluation methods in terms of market analysis, risk and country context, and the project's particular circumstances.

10.1.4. **Project Procurement Plan (PP).** Based on the outcome of the strategic procurement planning documents, the EA/IA prepares the initial project PP covering at least the first eighteen (18) months of the project implementation period. The initial project PP is reviewed by the GDICDM/MEF and agreed by the MEF management as part of the loan/credit/grant negotiations.

10.1.5. The project PP is generally updated annually or as and when needed to reflect any changes or modifications to the approved project PP or when new packages are planned to be procured. The requirement for a project PP is mandatory and no procurement of a package can commence unless it is prescribed in the approved project PP. The annual project PP must be reviewed and approved by the General PRC prior to submission with the Annual Work Plan and Budget to the MEF for approval.

10.1.6. All project PP updates need to be approved by the General PRC, except in case of changes to a less competitive procurement method (such as a Direct Contracting or Single Source Selection, etc.) or when a new procurement package is introduced with an estimated value falling within the major review thresholds, where a prior approval by the MEF is required.

10.1.7. The project PP should contain the following details: (i) the particular contracts of the goods, works, non-consulting services and consulting services required in carrying out the project; (ii) the proposed methods of procurement, cost estimates, and time schedules of such contracts; (iii) the type of bidding documents to be used; and (iv) related review procedures. The sample project PP Template will therefore include 'Contract No.', 'General Description', 'Selection Method', 'Type of Bidding Documents', 'Cost Estimate', 'Time Schedule', 'Prior or Post Review' (where required).

10.1.8. The Procurement Officer will be responsible for preparing the updated project PPs which will be submitted to the following:

(a) the Project Director;

(b) the Project Manager;

(c) The GDICDM/MEF.

10.1.9. The reasons for creating and managing procurement on the basis of pre-prepared plans are:

(a) They enable the PMUs/PIUs to effectively manage and track procurement.

(b) They can be used to report to end-users.

(c) Procurement can be tracked back from the delivery date required, ensuring that procurement activities start at the right time.

(d) They assist in calculating disbursement projections.

(e) They show peaks and troughs of work so that the PMU/PIU can assign appropriate resources.

(f) They identify delays and weaknesses in procurement that can then be eliminated or strengthened.

10.1.10. An illustrative example of a project PP templates is shown at the end of this Chapter. However, the sample project Procurement Plans for goods, works and consulting services are shown in **Annex II-c**, which should be used by the PMU/PIU.

10.2. Specific Procurement Plans

10.2.1. The next step after identifying a requirement and forming the requirement into packages to draft a Specific Procurement Plan (SPP) for each package. In order to create a meaningful project Procurement Plan, each procurement package must have its own SPP. The SPP is the working document which is used to fill in the relevant details in the project PP. Hence, there is no requirement to disclose or submit the SPPs, which will remain internal working document.

10.2.2. To prepare the SPP, the Procurement Officer will first need to determine each step in the procurement process specific to the procurement package. An illustrative example of SPP for procurement of office equipment showing an indicative list of steps in the procurement is shown at the end of this Chapter. However, the sample SPPs for goods, works and consulting services are provided in **Annex II-c** of this Procurement Manual and should be used in the preparation of the SPP. While the Procurement Officer is responsible for its preparation, inputs from other members of the PMU will be necessary such as the date for completion of detailed design in case of civil works, or technical specifications in case of equipment which are key pre-requisites for the preparation of bidding documents. The Project Manager of the PMU will coordinate the preparation of the SPP.

10.2.3. **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 the SPP 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. For example, if there is a delay in the issue of bidding documents to Bidders, we cannot simply reduce the time allocated to the other tasks or impose an unrealistic delivery period on Bidders. Therefore, the SPPs will need to be updated regularly to reflect the overall impact of a delay.

10.2.4. When the actual date for commencing the task is delayed, the original planned start date and the completion date are revised to reflect the actual situation. Any delay in the completion of the procurement must be informed to the Project Manager.

10.2.5. Different methods of procurement require greater and lesser time periods for each stage of the procurement process depending on value and complexity. **Annex II-c** of the Procurement Manual provides a guide on the maximum time periods that should be allocated for each step of the procurement process for different methods of procurement for goods, works, and consulting services. These time frames should be used in the preparation of the project PP and the SPPs. However, where possible, the PMU must use all its efforts in minimizing the time required for the activities that are within its control like preparation of bidding documents, evaluation of bids, etc.

10.2.6. Once the SPP is prepared for each procurement package to be procured under the project, it must be updated on a monthly basis when there has been a change in the planned or actual dates. There is no requirement for submission of an SPP to any party outside the PMU as this is only used for monitoring by the PMU/EA and to make the necessary updates and revisions in the project PP. The SPPs and any updates are however the key inputs for the reporting and tracking of procurement activities under the project. The data from the SPPs and updates, if any, is inputted into the Procurement Monitoring and Tracking Form (PMTF) which is discussed in Paragraphs below.

10.3. Project Procurement and Monitoring

10.3.1. The monitoring of the procurement activities under a Project is carried out thorough the PMTF. The main objective of the PMTF is to measure the progress and identify if there are delays or anticipate expected delays so that the PMU can evaluate the impact of the delay on the implementation and completion of the Project. The PMU will set up the PMTF in electronic form and all updates and submission of the PMTF must also be in the same form.

10.3.2. The PMTF will be discussed on a monthly basis between the Project Manager and the Procurement Officer to review the progress and identify the delays, if any. In case of any delay, the Project Manager and the Procurement Officer will evaluate the severity of the impacts on the completion of the Project, as well as on contract award and disbursement performance, and prepare a plan of action to mitigate the impact. The PMTF will be submitted to the EA and GDICDM/MEF on a quarterly basis with a summary of the expected impact on the completion of the Project and proposed actions to remedy the situation. A template of PMTF is provided in **Annex II-c**.

10.3.3. The first five columns of the PMTF represent the contract identification number, description of the planned procurement packages, the method of procurement, and the need for any prior or post review which will remain same and do not require any inputs for plan or actual dates. The sixth column contained two dates, namely the 'Planned', and 'Actual Dates', which will be inputted for the rest of the procurement activities shown in the PMTF. The 'Planned Date' is original date as planned and shown in the SPP and 'Actual Date' is the date on which the activity was completed. All the procurement activities/tasks are shown in the horizontal headlines. 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.

10.3.4. The PMTF is a mandatory requirement and must be submitted to the EA, GDICDM/MEF on a quarterly basis. In addition, it must be provided to the PRC every time the PRC meets to consider an evaluation report and recommendation for award of a contract. In the absence of the submission of an updated PMTF together with the evaluation report, the PRC may not be able to convene a meeting to consider and approve the recommendation for award of contract.

10.4. Specific Procurement Plan Template

10.4.1. The Specific Procurement Plan templates contained in **Annex II-c** of this Procurement Manual offers users a generic list of procurement actions. The templates can be modified to suit the specific needs of the project. Each project is unique and may have additional tasks that are not included in the templates.

10.4.2. **Estimates of Task Durations.** The time periods quoted shown in the templates are estimates of how long a task might take. When preparing the SPP, the PMU 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 scope of work will be much longer than a simple farm to market road. Similarly, the time for evaluation of the bids will differ depending on the complexity of the procurement package. These factors must be considered while estimating the time required for each step in the procurement process. However, the key objective is to ensure that the procurement is completed as quickly as possible and must meet the requirements of the project. For example, procurement of civil works must be completed prior to the plan date of start of construction to avoid delays in the completion of the project.

10.4.3. 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, for example, before June, as textbooks are designed for use over a complete academic year. Assuming that the delivery period required is two (2) months, then the commencement date should start at least twelve (12) months before June.

10.4.4. We also need to consider the delivery site. The ultimate delivery point is school, irrespective of who is undertaking the final delivery. During vacation period, say for the six (6) 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.

10.5. Sample Procurement Planning Templates

10.5.1. The sample Templates for the project PP, SPP and PMTF are provided in **Annex II-c** of this Procurement Manual. These templates should be used by the PMUs/PIUs/IAs/EAs.

10.5.2. The following formats provided below are only to illustrate the preparation of the revised SPP and project PP.

Specific Procurement Plan, PMO Office Equipment PMO 1 as at January 2011						
Procurment Method		**Estimated Amount**			**Contract Value**	
Activity	**Responsibility**	**Duration**	**Planned Start**	**Planned Finish**	**Actual Revised Start**	**Actual Revised Finish**
Requirement Identify	Project as a whol	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 Te Specification			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-Ja			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
Commuittee 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/supplyer	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/supplyer	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 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.

10.5.3. The sample project Procurement Plan on the following page shows how a Specific Plan is summarized on the project PP.

Project Procurement Plan

Pre-Implementation Period under the PPF Advance of Project

Project ID:
Start Date:
Project Manager:
Procurement Officer:

I. Goods and Works

Contract Package No	Description of Contract Package	Total Estimated Cost (USD)	Method of Procurement (ICB/ NCB/ Shopping)	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 (Filing Cabinets, working desks, PC desks		Shopping	NO	Post	MAFF	1-Feb-12	30-Jun-12	31-Aug-12	
2	Equipment (Package comprising 3 lots as below):		NCB	No	Post	MAFF	1-Feb-12	30-Jun-12	31-Aug-12	
	Lot 1: Office equipment (photocopy machines and scanners)									
	Lot 2: Computing equipment (desktop computers, 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 and audio sound recorded)									
TOTAL										

11. PREPARING SPECIFICATIONS AND TERMS OF REFERENCE

11.1. Technical Specifications

11.1.1. 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.

11.1.2. Specifications must be as open as possible, 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.

11.1.3. Technical Specification(s) can simply be described as one or more of the following:

(a) A statement of attributes of a product, a service or a process;

(b) The communication of a requirement;

(c) A means which enables the "like-for-like" comparison of bids;

(d) A description of the required performance.

11.2. Preparation of Technical Specifications

11.2.1. A Technical Specification is used to communicate to Prospective Bidders the good's or work's exact requirements with regard to each item to be supplied or works to be constructed. Unless a Two-Stage Bidding Strategy is being followed (see relevant section of this Procurement Manual), a conformance specification is usually used for this purpose.

11.2.2. Where the required level of technical expertise resides within the EA/IA, such as the technical officers or Consultants, they will be responsible for preparing the specifications to the accepted standards. If there is no expertise available for the particular goods, works, general or consulting services being procured, the EA/IA should first approach their GDICDM/MEF counterparts to establish if other projects have purchased similar items and if they have, consider using these specifications modified accordingly. If the GDICDM/MEF is unable to assist the project, with the agreement of the GDICDM/MEF and DP, the EA/IA 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.

11.2.3. When preparing, and checking the technical specifications, the following should be born in mind:

Completeness

11.2.4. 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).

11.2.5. Where appropriate, drawings, including site plans should be attached to the specifications.

Clarity

11.2.6. Precise and clear specifications will allow Bidders to respond accurately, realistically and competitively to the requirements without disqualifying their bids.

Competition

11.2.7. Care must be taken in preparing specifications to ensure that they are not unnecessarily restrictive to competition.

11.2.8. In the context of competitive bidding, the specifications must be drafted to permit the widest possible competition.

References to Brand and Trade Names

11.2.9. 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.

11.2.10. 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.

11.3. Format of Technical Specifications

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

(a) The left-hand column to specify the item number;

(b) The middle column to specify the technical specification(s);

(c) The final column for the Bidder to make a compliance statement against each line of the technical specifications.

Technical Specifications Format

Item	Specifications	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)	*Item 1 specification(s) to be inserted here.*	
2)	*Item 2 specification(s) to be inserted here.*	

11.4. Standards

11.4.1. 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.

11.4.2. 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 Organization for Standardization (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.

11.4.3. 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.

11.5. Latest Technology (when applicable)

11.5.1. 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.

11.5.2. 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.

11.6. Samples of the Items to be Procured

11.6.1. For certain items (for example, 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.

11.7. Types of Technical Specifications

Conformance Specifications

11.7.1. A Conformance-based specification describes in detail the technical requirements of the design, method of production, construction, services, and/or delivery. A Conformance Specification is usually the most appropriate type of specification. It does offer both advantages and disadvantages as can be seen below:

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

Performance Specifications

11.7.2. 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). Performance-based specifications describe the outcomes, results, or outputs required in terms of business or functional performance requirements.

11.7.3. Performance Specifications are usually used in Two-Stage Bidding where Bidders are first asked to submit unpriced 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 Procurement Manual.

Performance Specifications	
Advantages	***Disadvantages***
They encourage innovation and new approaches, which will enhance the Bidder's ability to provide innovative solutions that	*Make bids more difficult to evaluate and compare (unable to compare like with like) and can introduce subjectivity into the evaluation*

Performance Specifications	
Advantages	***Disadvantages***
offer added value (and quality) and save the Government both time and cost, in both the short and the long term	*process.*
Require the Bidder to undertake all design work.	

11.8. Terms of Reference for Consulting Services

11.8.1. 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 normally 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-section Paragraphs:

11.8.2. **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, then go on to describe the Government procurement policy, roles and responsibilities of relevant Government Ministries/Agencies and the DPs involvement.

11.8.3. 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 (CPAR) prepared jointly by the ADB and WB. This CPAR will prove a useful reference point to the consultants undertaking the assignment.

11.8.4. **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.

11.8.5. **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 Procurement 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.

11.8.6. **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 assignment focus on its overall objectives). The reason for this is that it will increase the skills and knowledge within Cambodia and reduce 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.

11.8.7. **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 GDICDM/MEF.

With the assistance of two GDICDM/MEF counterpart staff the consultant shall deliver two workshops of five (5) working days duration to procurement and project management staff from the PMUs

The expected duration of the assignment will be two calendar months

11.8.8. **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 Consultants will be unaware of the local conditions and are likely to estimate costs on the higher side to cover all eventualities, therefore, increasing cost 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 GDICDM/MEF 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

11.8.9. 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.

11.9. Guiding Principles on the Preparation of Cost Estimates

11.9.1. **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.

11.9.2. **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.

11.9.3. 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.

11.9.4. **Updated Cost Estimates:** 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 Database. 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 updating the estimates based on recent market rates and prices.

11.9.5. 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

11.9.6. 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 and is based on bench marking to recent similar past contracts.

11.9.7. Preliminary Design Estimate: These estimates are prepared during the preliminary level design work and before the detailed designs are completed. This is categorized as preliminary design estimate and is less accurate without the 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. This becomes known before the Invitation for Bids is issued and at this time, the cost estimate in the project Procurement Plan must be updated.

12. PREPARING THE BIDDING DOCUMENTS

12.1. Introduction

12.1.1. The quality of bidding documents plays a vital role both in the procurement and contract management stages of the projects. It is essential that the bidding documents provide all the information necessary for Bidders to prepare responsive bids, although the detail and complexity of the bidding documents may vary depending upon the kind of goods, works, or services to be procured and the size of the contract. The bidding document for goods and works is referred to as the Request for Bids (RFB), and in the case of procurement of consulting services, the bidding document is referred to as the Request for Proposals (RFP).

12.1.2. The RFB or 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.

12.1.3. The text of the bidding documents should be self-contained and comprehensive without any ambiguity. All essential information which a Bidder needs should be clearly written in simple language. This will enable the Bidder to prepare and submit their bids with confidence. A carefully prepared bidding document will promote greater participation, and avoid delays and complaints. The PMU is responsible for the preparation of draft bidding documents.

12.1.4. The quality, number, and competitiveness of bids and proposals received will all rely on how effectively the RFB or RFP are prepared to communicate the requirements. If it is unclear, offers will vary significantly based on each Bidder or Consultant's own interpretation rendering it impossible to evaluate the offers received in an equal and objective manner.

12.1.5. Where applicable, the bidding documents will clearly state the type of contract to be entered into and contain the relevant provisions. The most common types of contracts based on payment conditions are Lump Sum Contracts, Performance-based Contracts, Admeasurement Contracts (based on Unit Prices), Time-Based Contracts, and Reimbursable-cost Contracts. These are described in more detail in Chapter 16, Paragraph 16.10. Where applicable, the bidding documents 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.

12.1.6. 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.

12.1.7. 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 bidding documents. All Prospective Bidders and Consultants shall be provided with the same information, and shall be assured of equal opportunities to obtain additional information on a timely basis. The PMU shall provide reasonable access to project sites for visits by Prospective Bidders and Consultants and where necessary, arrange for a pre-bid conference.

12.2. Standard Bidding Documents

12.2.1. The Standard Bidding Documents (SBD), also referred to as Standard Procurement Documents (SPD), are used as the standardized documents for all procurement methods to promote consistency and legal certainty. The use of the SBD for the respective method of procurement provided in **Volume II** of this Procurement Manual is mandatory. Some of the DPs like the ADB, WB and JICA have policy requirements to use their SBD/SPD, in which case, these will need to be used for procurement under their financed projects. The SBDs specified in **Volume II** are mandatory for procurement under national bidding approaches. **Volume III** contains the Sample Bidding Documents for international competition, where DPs do not prescribe their own SPD. The SBDs in **Volume II** of this Procurement Manual comprise:

- Standard NCB Documents for Procurement of Goods (**Annex VI-a**);
- Standard RfQ (Shopping) Document for Procurement of Goods (**Annex VI-b**);
- Standard NCB Documents for Procurement of Works (**Annex VI-c**);
- Standard RfQ (Shopping) Document for Procurement of Works (**Annex VI-d**); and
- Standard RfQ (Shopping) Documents for Procurement of Goods and Works (Below Advertising Threshold) (**Annexes VI-e & VI-f** respectively).

12.2.2. The samples of bidding documents for international competition in **Volume III** of this Procurement Manual comprise:

- Sample ICB Documents for Procurement of Goods (**Annex VII-a**);
- Sample ICB Documents for Procurement of Works (**Annex VII-b**);
- Sample RFP for Procurement of Consulting Services (**Annex VII-c**);
- Sample Contracts for Individual Consulting Services (Lump Sum/Time-Based) (**Annex VIII-b**); and
- Performance Evaluation Form for Consulting Firms and Individual Consultants (**Annex V-c**).

12.3. Invitation or Request for Bids

12.3.1. The Invitation for Bids (IFB) or Request for Bids (RFB), which is not part of the bidding documents, is published before the issuance of the bidding documents to Prospective Bidders. These are also referred to as Specific Procurement Notice. Their purpose is to invite Potential Bidders to present their bids for the procurement package(s) at hand. The advertisement requirements are specified in Chapter 5.

12.4. Instructions to Bidders

12.4.1. The Instructions to Bidders (ITB) are intended to provide Bidders with the procedures that should be followed when preparing and submitting their bids. The ITB provides detailed information on the procedures for submissions, opening, evaluation of bids, and on the award of contract. The ITB provisions in the SBD are standard and based on international best practice and cannot be changed.

12.5. Bid Data Sheet

12.5.1. Bid Data Sheet (BDS) or Data Sheet (DS) in case of procurement of goods, works, and non-consulting services is used to specify provisions and requirements that are specific to each procurement. Its purpose is to supplement the information or change /amend the requirements specified in the standard provisions in ITB to accommodate the requirements of specific procurement. This will also save the Bidders who are familiar with the standard requirements of the ITB from having to read this lengthy section in the preparation of their bids, allowing them to focus on the provisions of the BDS/DS and prepare complying and competitive bids. The BDS/DS is therefore one of the most important part of the SBD as this will allow the PMU to incorporate data and requirements specific to the procurement package, including requirements of the Cambodian Laws and regulations.

12.6. Evaluation and Qualification Criteria

12.6.1. The bidding document will include all the Evaluation and Qualification Criteria (EQC) which will be used to carry out the evaluation of the Bids and to qualify Bidders through post-qualification. No other factors, methods or criteria should be used other than those specified in the bidding document. The Bidder must provide all the information requested in the Bidding Forms to enable the evaluation of its bid. Specifically, the section covers details on the experience, financial, key personnel and equipment criteria to determine the Most Advantageous Bid. The Most Advantageous Bid is defined as the bid that meets the qualification criteria and has been determined to be (a) substantially responsive to the bidding document; and (b) the lowest evaluated cost.

12.7. General Conditions of Contract

12.7.1. Attached to all of the SBD is a standard Form of Contract which sets out the General Conditions of Contract (GCC) and the Special/Particular Conditions of Contract (SCC). The GCCs are used without modification for all contracts for the supply of goods, works and non-consulting services. Any changes to the GCC are introduced in the SCC.

12.7.2. The GCCs are comprehensive and invariably contain standard clauses to make it self-explanatory. The GCCs in the bidding documents establish an accepted basis for similar procurement contracts under the project. The GCCs contain:

(i) **Operational Clauses:** These clauses establish the relationship between the Purchaser/Employer and the Suppliers/Contractors, and they contain information regarding:

- Definitions;
- Rights and obligations of both parties;
- Procedures for shipment and documentation;
- Delivery and transfer of risk;
- Terms and currencies of payment;
- Mode and form dispute settlement;
- Governing language; and
- Applicable Law.

(ii) **Protective Clauses:** These clauses establish protection against various risks and allocate them between the parties. They include instructions on:

- Performance Security;
- Retention of payments;
- Insurance;
- Inspection and tests;
- Warranty;
- Protection against third party infringement suits; and
- Force Majeure.

(iii) **Variations:** Unforeseen or planned changes during the life of the contract are identified and provided for under the GCC. They cover the following:

- Quantity changes;
- Adverse physical conditions;
- Price adjustments; and
- Changes in delivery requirements.

(iv) **Remedies:** These deal with the breach of contract by one of the parties. They include provisions on:

- Forfeiture of Performance Security;
- Procedure for damages and penalties for delays;
- Procedure for suspension and termination; and

- Non-payment or failure to provide required approvals and information.

12.8. Special Conditions of Contract

12.8.1. The 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 each contract. There is, therefore, a clear need for a method of introducing specific clauses into the contract documents.

12.8.2. 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 in case of works/consulting services, which are used to supplement the GCC. *It is also useful to keep in mind that where there is a conflict between provisions of the GCC and those of the SCC, the provisions of the SCC will prevail.* Therefore, the person drafting the SCC should be thoroughly familiar with the GCC provisions and the specific needs of the contract for the execution of the contract. For example, incorporating information, which complement the provisions of the General Conditions or amendments and/or supplements to meet specific circumstances of the purchase.

12.8.3. The recommended areas for addition or amendments/changes can be found in the SBD and the Sample Bidding Documents in **Volume II** and **Volume III** as well as in the DP SBD.

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

(a) Procurement staff will gain a firm understanding of the contract conditions.

(b) Contracted parties will become used to accepting standard conditions and not seek opportunities to amend contract conditions thus weakening the contract.

(c) Bidding documents and RFPs will be easier to compile, as a significant portion will remain the same for each and every exercise.

(d) 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.

(e) A greater degree of consistency will be introduced into the project and Government procurement operations.

12.9. Request for Proposals for Consulting Services

12.9.1. In the case of the ADB, WB and JICA, Request for Proposals (RFP) can be downloaded from their websites. For other DPs without a standard RFP, sample RFP is provided in **Volume III** of this Procurement Manual. The sample RFP is applicable to the selection of Consultants to provide consulting services. This RFP can be used with different selection methods including the Quality- and Cost-Based Selection (QCBS), Quality-Based Selection (QBS), Fixed-Budget Selection (FBS), and Least-Cost Selection (LCS).

12.9.2. For the Consultants' Qualifications Selection (CQS) or assignments under any selection method, relevant elements of this RFP may be used and further simplified for the purpose of a particular assignment.

12.9.3. Before preparing an RFP for a specific assignment, the user should choose an appropriate method and the appropriate type of contract form. The RFP will usually include standard forms for two types of contract: one for time-based assignments and the other for lump-sum assignments. User should choose the type that most appropriate for the said assignment. The standard RFP is comprised of:

Section 1: Letter of Invitation

Section 2: Instructions to Consultants and Data Sheet

Section 3: Technical Proposal – Standard Forms

Section 4: Financial Proposal – Standard Forms

Section 5: Eligible Countries

Section 6: Policy - Corrupt and Fraudulent Practices

Section 7: Terms of Reference (TORs)

Section 8: Standard Forms of Contract

Section 9: Notification of Intention to Award the Contract.

13. BIDDING PROCESS

13.1. Cost of the Bidding Documents

13.1.1. Bidding documents for the ICB and NCB are normally sold to Prospective Bidders to offset the costs of production, and the Request for Proposals documents 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 the RfQ (Shopping) documents, no charge.
- For the NCB documents, 20 cents (of US$) per page plus US$15 per document covering binding, advertising and distribution.
- For the ICB documents, 20 cents (of US$) per page plus US$50 to cover binding, advertising and international courier costs.

13.1.2. Therefore, a 100-page NCB document would be sold at US$35 and a 100-page ICB document at US$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.

13.1.3. If there are special printing requirements such as civil works drawings that cost more than 20 cents (of USD) per page to reproduce, the additional cost of reproduction should also be added to the overall cost of the bidding document.

13.1.4. 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. In the event that a Bidder is unable to obtain the bidding document through the PMU/PIU, they may approach the GDICDM/MEF in writing. In such cases, the GDICDM/MEF 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. The GDICDM/MEF may take other actions in the event that there is evidence that the sale of bidding documents was purposely being restricted by the PMU/PIU.

13.1.5. It is important to ensure any Potential Bidders who wish to review the bidding documents are allowed to do so. Hence one set of the bidding 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 Bidders should not be forced into purchasing documents before reviewing them – if once they purchase them and find that the products/works are outside of their manufacturing or supply/ construction capabilities, they will be reluctant to purchase bidding 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 procurement regulations are being followed.

13.1.6. Every time a bidding document is sold, the following data must be recorded:

(a) The name and address of the company purchasing the bidding document.

(b) Contact details- address, phone number 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 Supplier/Contractor's organization responsible for official communication for the bid.

(e) The date that the bidding document was dispatched to the Supplier/Contractor in case the bidding document is not collected in person.

(f) The receipt number issued to the company purchasing the bidding document.

13.1.7. The above information must be collected; firstly, as the inwards remittance for the sale of the bidding document must be recorded, and secondly it may be necessary to issue bid clarifications or amendments after the bidding document has been sold. It is also useful as it can be used by the EA/IA to build a Suppliers/Contractors database.

13.2. Availability of the Bidding Documents

13.2.1. For national procurement (NCB) of goods and works, the bidding documents should be available for a minimum of thirty (30) calendar days from the date of Invitation for Bids to the deadline for submission of bids. The bid opening date should be set for immediately after the deadline.

13.2.2. For international procurement of goods, works and consulting services, a minimum of forty-two (42) calendar days from the date of advertisement of the Invitation for Bids should be allowed, and longer if the consulting services, goods or works are particularly complex. A period of forty-two (42) calendar days may seem to be a long time, however, considering the time for transmission of bidding documents and the bid submission by international couriers and any need for site visits to Cambodia, the time-frame is appropriate. For complex and large civil works or turnkey type of contracts, site visits are essential for Bidders to assess and address the local components of their bid/ proposal. Hence, it is important to provide adequate time, which may exceed the recommended forty-two (42) calendar days, for these pre-bid/submission activities and the preparation of the bid/proposal.

13.2.3. For the RfQ (Shopping), the minimum time should be seven (7) calendar days from date of the RfQ issued to the opening of quotations, when advertisement is not required, and fourteen (14) calendar days when advertisement is required.

13.2.4. *The date set for bid opening, where international firms are bidding, should not be set on the 1st working day of the week or a day following a public holiday*. The international courier companies may not be able to deliver the bids on the 1st working day of the week or after a public holiday and there is a risk that the bids may not be delivered to the PMU/PIU by the deadline, thereby reducing competition as late bids and are rejected.

13.3. Content of the Advertisement

13.3.1. For international procurement, the PMUs/EAs are required to follow the format of the Invitation for Bids (IFB) or Request for Expressions of Interest (REOI) provided in the DP SBD and RFP. The sample text for other methods of procurement is included in each of the templates that can be found at **Annex VI**, **Volume II** of this Procurement Manual.

13.3.2. To maximize free and open competition, advertising of public procurement opportunities is mandatory, and must clearly stipulate where, when and how submission of bid/ proposal is to be made.

13.3.3. The following table summarizes the minimum advertising requirements (days are **calendar days**):

Advertising Requirements					
	ICB	NCB	RfQ (with advertisement)	RfQ (without advertisement)	REOI
DP website	✓				✓
CMS or UNDB online (the ADB- or WB-funded projects)	✓				✓
EA/IA website (if available)	✓	✓	✓		✓
National newspaper	✓	✓	✓		✓
Minimum period between (i) appearance of advertisement/ issue of Invitation for Bids/Request for Quotations, and (ii) deadline for responses	42 days	30 days	14 days	7 days	14/30 days

13.4. Clarifications and Amendments

13.4.1. Ideally there should be no need to clarify or amend the bidding documents or RFP. However, from time to time for a number of reasons, it may become necessary to either clarify or amend the bidding document after it has been issued to Bidder/Supplier/Consultant. Often, it will be because there is a lack of clarity on a particular provision that a Bidder or Consultant does not understand or sometime because there is an error or material gap in the bidding document.

13.4.2. 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 PMU/EA in writing, and 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 designated for preparation of bid/proposal (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.

13.4.3. 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.

13.4.4. The process, which is also reflected in the bidding documents, should outline that request for clarification must be made at least fourteen (14) calendar days before the deadline for submission. The PMU/EA will then reply within three (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 PMU/EA response. The response must be in writing and transmitted simultaneously by the fastest available means (facsimile and/or email) and confirmation of receipt demanded.

13.4.5. Frequently a request for clarification identifies the need to make an amendment i.e. actually change a provision or add in the document. The approach is identical to clarifications. Any amendment 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 issued should specifically mention the deletion of the existing provision or wording and state the replacement wording.

13.4.6. 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 Clauses:

The Deadline for Submission of Bids, ITB Clause 19.1 is hereby amended to read 10 AM, 25 November 20xx.

Accordingly, the time and date of Bid Opening in accordance with ITB Clause 22.1 is also amended to read 10 AM, 25 November 20xx.

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 forty-eight (48) hours of receipt.

Yours faithfully

[signed]

Project Manager

Complex Amendment to Bidding Documents

<table>
<tr><td>

The Ministry of Education

Amendment to Bid (Insert Bid Reference)

Amendment Number:

Insert Date

In accordance with Clause 11 of Instructions to Bidders, Amendment of Bidding Documents, the Ministry hereby amends the following:

Under the Special Conditions of Contract (GCC Clause 37 and 38) 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 Requirements, 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 two (2) calendar days of receipt.

Yours faithfully

[signed]

Project Manager

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13.4.7. 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:	*"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?"*
Response:	*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.*

13.4.8. The PMU/EA and Procurement Officers should note that if the original bidding document is subject to prior review by the DP and there is a requirement for obtaining 'no objection' for an amendment, then a copy of the amendment should be sent to the DP for the approval before issuance.

13.4.9. In the event that a clarification or amendment has a significant impact upon what is being contracted/purchased (changing specifications, terms of reference, delivery points etc.), the PMU/EA must also consider if the original deadline for submission remains reasonable or if this 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 'no objection' should be obtained at the same time as the draft amendment is submitted, where required.

13.4.10. However, when a complaint is received from a Potential Bidder challenging the selection of the bidding documents being used by the PMU/EA (Pre-Qualification documents; RFB; and RFP), it must be addressed in accordance with Section 3.5 on Procurement-Related Complaints Handling Mechanism under Chapter 3 of this Procurement Manual.

13.5. Receipt and Storage of Bids

13.5.1. When the bid/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). However, when the bids/proposals are required to be deposited into a tender box, no receipt is issued. Once a bid/proposal is received, the PMU/EA has a duty to ensure that they are kept in a safe and secure location where they cannot be tampered with.

13.5.2. The bids/proposals should be secured in a metal (or solid wood) lockable box. The box should have sufficient opening space to allow the bid/proposals packages to be deposited into the box. The box is always locked and the keys are kept by the Procurement Officer or the Project Manager. A spare key should be lodged with the Project Director in case the original is lost. Bids/proposals that are received by international courier, the Procurement Officer will ensure that it is deposited into the tender box and the receipt acknowledging the delivery of the package is signed with a copy retain as supporting document.

13.5.3. In the event that the bidding documents are very bulky and cannot fit into the tender box, the Procurement Officer must ensure these are locked in a safe location where access is restricted to him/her only.

13.5.4. If there is more than one procurement exercise running at the same time, separate boxes should be used for each procurement 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 the procurement reference and bid opening date.

13.5.5. The tender box or the bids/proposals kept in secured location should be transferred on the day of bid opening, still sealed, to the location selected for the bid opening – ensure that any bids delivered to the project office on the day of bid opening and before the deadline are transferred to the location of the bid opening.

14. BID OPENING PROCEDURES

14.1. Introduction

14.1.1. This is a very important aspect of the whole procurement process. Normally, bid/proposal opening is undertaken in public which ensures transparency. In some cases, when the Direct Selection, or BAFO, or Negotiations or Competitive Dialogue procurement arrangement is used, the bid/proposal is not opened in public.

14.1.2. Public bid openings are important as this helps 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 Bidders/Consultants to compete fully, resulting in a higher number of bids and greater competition.

14.1.3. The time set for bid opening should be the same as for the deadline for the receipt of bids/proposals or promptly thereafter, and should be specified together with the venue/place for bid/proposal opening in the bidding document. In case of single stage, two envelope process, the date and time and place for the opening of the second envelope shall also be stipulated in the bidding documents. Normally, the opening will commence on the day and the time stipulated in the bidding documents with a declaration of the expiry of the deadline for receipt of bids/proposals and there should be no gap between deadline for receipt and bid opening unless some time is required for transporting the tender box or bids/proposals to the opening venue. For this purpose, all attempts should be made to keep the venue for bid opening same as the location for receipt of the bids/proposals, which will allow the opening to proceed immediately after the deadline for submission of bids/proposals.

14.1.4. In case that the bids/proposals are required to be transported to a separate location or it is not practical to open at the same time as the time specified in the deadline for receipt, the opening can be set promptly after the time set for deadline for receipt but should not exceed a gap of thirty (30) minutes. The bids/proposals must be opened on the date specified in the bidding document unless there is an emergency situation beyond the control of the PMU/PIU, like severe flooding that makes the venue for opening inaccessible to Bidder's/Consultant's representatives to attend. In such cases, the bids/proposals must be kept secured in the sealed tender box or the secured location in case where a tender box is not used to ensure there can be no unauthorized access or tampering.

14.1.5. Bid opening should normally not be held on a Monday or a day immediately preceding a public holiday as many foreign Bidders will chose to submit their bids/proposals through an international courier company. These companies will collect the bids/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 PMU/PIU. However, if a Monday is unavoidable, the timing of the deadline for receipt and the opening must be set in the afternoon. In case of procurement under national competition, there is no such restriction and the bids/proposals opening can be set on any working day.

14.1.6. Bid opening is conducted by a Bid Opening Committee which shall be chaired by the Project Director or the Project Manager and comprised of the Procurement Officer, Finance Officer and at least one Member representing the GDICDM in the PRC. The Chair is responsible for reading out the relevant details of each bid/proposal. The Procurement Officer is responsible for physically opening the bids/proposals and handing them to the Chair one by one. The Finance Officer will be responsible for checking the presence, amount and form of any securities that are required. Each bid/proposal will be initialled by all the Members of the Bid Opening Committee.

14.1.7. The Procurement Officer is responsible for preparing the Minutes of Bid/Proposal Opening with the assistance of staff of the PMU/PIU or Consultant, if provided under the project.

14.2. Preparation

14.2.1. The venue should be checked on the day before bid opening to ensure that all arrangements are in place for the opening on the following day. The head table where Members of the Bid Opening Committee will be seated and 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.

14.2.2. The PMU/PIU must ensure there is adequate lighting and ventilation, and if a public address system is available, that this works properly. It is not possible to know in advance how many people apart from the Bidders/Consultants will turn up to a public bid opening as other participants from the public may attend. As a rule of thumb, the PMU/PIU should allow for three chairs for each of the bidding documents sold on the assumption that each Bidder will send about three (3) representatives and in addition to this, about six (6) spare chairs.

14.2.3. Signs to show the directions to the place of opening should be placed at all the entrances to the building and compound (in both Khmer and English languages) to guide the participants to the right location. Security personnel who control access to the location should be instructed to admit anyone who wishes to attend. For this reason, sensitive locations should not be selected for bids/proposals opening as access must not be restricted.

14.2.4. On the day of the bid opening, fifteen minutes before the deadline, the tender box should be transferred still locked and sealed to the venue for bid opening. One of the staff of the PMU/PIU must remain at the box's original location up to the time for the deadline for receipt so that any Bidder or Consultant delivering bids/proposals by hand can be directed to the tender box at the bid opening venue. All bids/proposals that are confirmed as received at the original location before the submission deadline by the staff deployed for this purpose cannot be considered as 'late bid' and rejected. The Bid Opening Committee will need to ensure this deployed staff is back at the opening venue before the formal bid opening process can proceed.

14.2.5. The Procurement Officer shall ensure that a register has been prepared in advance in a format, showing the name, title, address, email and phone number, and a table and chair is set up at the entrance of the location where the opening is being held to enable each attendee to record his/her presence.

14.3. Bid Opening

14.3.1. At the expiry of the time stipulated for the deadline for receipt of bids/proposals, the Chair of the Bid Opening Committee should declare the expiry of the deadline for receipt and that no further bids/proposals will be accepted or considered for any reason whatsoever. Late bids will not be accepted but will be returned to the Bidder unopened.

14.3.2. 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 inspection is completed and the attendees are seated, the Chair should announce the start of bid opening and the Procurement Officer is asked to break the seals on the tender box, unlocking it.

14.3.3. The Procurement Officer will remove each package from the tender box, carefully examining the seals of the packages to make sure that they have not been tampered and holding up each package, so that attendees can see that it is sealed and unopened. Each unopened package will then be placed on the head table until the tender box is empty. In case there is no tender box, the bids/proposals will be kept on the head table and the same process will be followed by the Procurement Officer.

14.3.4. The outer packaging and envelope of each bid/proposal 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/proposal was marked and sealed. The unopened inner original and copy bid/proposal envelopes of each Bidder will be placed in a pile together with the original on top and copies underneath.

14.3.5. 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/proposals 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.

14.3.6. 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. If the representative of the Bidder which has provided a withdrawal notice is present, the Chair may seek confirmation of the same from the representative. In case of any conflict, the written notice will prevail as it is valid i.e. signed by an authorized signatory of the Bidder.

14.3.7. The Procurement Officer with the assistance of any assistant, will then open the original of each bid/proposal in turn passing it to the Chair, who will read aloud and announce the following details:

(a) Name of the Bidder or Consultant.

(b) Nationality of the Bidder or Consultant.

(c) Details of any modifications.

(d) Total amount of the bid/proposal; (for goods and works only, as in case of consulting services, the price proposals are not opened). In case of bid/proposal is for multiple lots, then the amount for each Lot.

(e) Discount offered.

(f) The presence or absence of the Bid Security/Bid Securing Declaration.

(g) Alternate ids offered (if they have been requested or permitted).

14.3.8. The Chair will then pass the bid/proposal to the Finance Officer, who will announce the type and amount of the Bid Security or if the Bid Securing Declaration has been properly signed.

14.3.9. The Bid Opening Committee shall neither discuss the merits of any bid/proposal nor reject any bid/proposal that has been received on time. No other details other than those specified in Paragraph 14.3.7 above will be disclosed or discussed.

14.4. Consultants' Proposals

14.4.1. In case of proposals for consulting services, the single stage, two envelope system is used under which proposals are comprised of a technical proposal and a financial proposal, each of which will have different date and time of opening. The Bid Opening Committee will first open the technical proposals on the date and time and place stipulated in the Request for Proposals document and follow the same procedures outlined under Paragraphs 14.3.3 through to 14.3.6 above. The financial proposal is not opened and must be placed in a secured location in the original sealed form until the date of opening of the financial proposals. The Procurement Officer 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.

14.4.2. The Chair will read aloud and announce the following during the opening of the technical proposal:

(a) Name of the Consultant submitting the proposal.

(b) Nationality of the Consultant.

(c) Presence or absence of sealed envelope with the priced proposal (financial proposal).

(d) Any other information deemed necessary by the Chair.

14.4.3. The opening of the financial proposals is conducted after the evaluation of the technical proposals is completed by the CEC and approved by the PRC. An invitation to the opening of the financial proposals is issued to each of the firm which submitted the technical proposals, which will stipulate the date, time and place of the opening of the financial proposals. The technical scores of all the firms are provided in the invitation letter. In the case of the QCBS, Least-

Cost Selection and Fixed-Budget Selection, only those technical proposals achieving the minimum qualifying points score prescribed on the RFP will be opened. In the case of the 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.

14.4.4. The Chair will read aloud and announce the following during the public opening of the financial proposals:

(a) Read aloud and record the name of the Consultant, the total amount of the price proposal and any discount offered. Also record the technical score of each Consultant. and

(b) Inform the attendees that the unopened financial bids/proposals of those Consultants whose technical bids/proposals did not meet the requirements set for the technical bid/proposal, or were considered nonresponsive, will be returned unopened after the signing of the contract with the successful Consultant.

14.4.5. In a two stage, two envelope (multistage) process in which the first-stage submission does not include prices, the information to be read out is the same as in a single-stage, two-envelope process as explained in Paragraph 14.4.1 above.

14.4.6. This is because, in the multistage process, in the first stage, proposals are invited on the basis of a conceptual design or performance or functional specification for the project to learn about possible solutions. In the second stage, the Request for Proposals document may be amended to reflect changes based on the confidential meetings held, and issued to the qualified Consultants/Proposers, requesting them to submit final proposals. As required in the Request for Proposals document, the second stage may be submitted in one envelope, or two envelopes for the technical and financial parts respectively, where the two envelopes are opened and evaluated sequentially in the same manner as the proposals for consulting services.

14.5. Pages to be Initialled

14.5.1. Once a bid or proposal has been opened and its contents announced, the following parts of the original shall be initialled by the Chair and the Members of the Bid Opening Committee:

(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.

14.5.2. 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 marked or underlined or circled for later verification.

14.5.3. The Bid Security/ Bid Securing 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.

14.5.4. The record of bid opening shall be prepared by the Procurement Officer and signed by all the Members of the Bid Opening Committee. All Bidders' representatives should be requested to sign the record showing the bid/proposal prices as read out but this is not mandatory. If possible, the bid/proposal opening should be recorded on video or photographed for verification purposes in case of any complaints are received on the bid opening process.

14.6. Questions from Attendees

14.6.1. Representatives will sometimes ask for the details to be re-announced and the Chair should respond within reason. The Chair shall be aware that representatives 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.

14.6.2. A brief time shall be allowed after the envelopes have been opened for questions from the audience/attendees of the public bid/proposal opening.

14.6.3. 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.

14.6.4. Any question to which the answer is given in the bidding documents/RFP should be answered only with the simple statement: "Please refer to the bidding documents/RFP" with a reference to the applicable provision.

14.7. End of Bid Opening and Minutes of Bid/Proposal Opening

14.7.1. 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/proposal opening.

14.7.2. When the details of the last bid and proposals have been announced and all questions answered, the Chair should declare the bid opening complete, announcing that all who attended the opening will be sent a copy of the Bid Opening Minutes within five (5) working days to the email address provided in the register of attendance.

14.7.3. The Minutes must contain the details of all announcements made and any questions asked and the response given.

14.7.4. The Minutes shall be sent to all of the attendees and to the DP, where required and the GDICDM/MEF.

14.7.5. 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 regarding their bids/proposals or the bids/proposals of the other Bidders.

14.7.6. 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.

14.7.7. As mentioned in Paragraph 14.1.1, normally, bid/proposal openings are undertaken in public. However, in a multistage, two envelope-process for example, where the Best and Final Offer (BAFO), or Negotiations, or Competitive Dialogue procurement arrangement is used, the bid/proposal opening will not take place in public, but in the presence of a Probity Assurance Provider (third-party), where required by a DP, and acceptable to the EA.

15.BIDS AND PROPOSALS EVALUATION

15.1. Bid Evaluation Criteria

15.1.1. The aim of evaluation is to identify the substantially responsive bid offering the most advantageous bid and optimum VfM. 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 Request for Proposals. Evaluation criteria and methodology should be specified in detail in the Request for Bids/Request for Proposals document.

15.1.2. The Evaluation Criteria are a standard used in the evaluation of bids/proposals to select the Most Advantageous Bid/Proposal which best meets the requirements and offers the best VfM.

15.1.3. The evaluation criteria shall be appropriate to the nature and complexity of the procurement and should be: (i) appropriate and proportionate to the type, nature, market conditions, complexity, risk, value and objective of what is being procured; (ii) practicable and quantifiable (such as convertible to monetary terms); (iii) specified in the bidding document or Request for Proposals document; and (iv) applied consistently to all bids or proposals submitted. The evaluation criteria indicated in the bidding documents or Request for Proposals document, after these are issued can only be changed through an addendum or amendment and issued prior to the deadline for receipt of bids/proposals.

15.1.4. Evaluation criteria must be established in the early stages of the procurement to support transparency, VfM and integrity in the procurement process. After the contract requirements have been defined and the selection method decided, the evaluation criteria are set so that the project can evaluate which Bidder/Proposer is best able to deliver the requirements and maximize VfM. Specific application of evaluation criteria is detailed in the SBD.

15.1.5. In particular, the evaluation criteria shall reflect the nature of the procurement and the need to balance the cost and quality elements appropriately.

(a) Where quality standards of the technical requirements can be established and measured easily by reference to technical specifications or well-established industry standards, VfM will be achieved by applying evaluation based on lowest evaluated cost of goods, works and services substantially meeting those requirements. *This will be the case for standard off-the shelf goods and equipment and standard construction and other non-consulting services*. It is also referred to as the qualifying criteria, where the minimum requirements in the bidding documents are normally evaluated on pass/fail basis (quantitative) scoring.

(b) Where quality needs to be measured by comparison between providers based on an assessment of qualification, experience, and performance, *such as in the case of consulting services, or where complex solutions are required consisting of a combination of goods, works, and services*, VfM is more likely to be achieved by applying evaluation methods which allow for an assessment of the balance between cost and quality according to the needs of the project as well as intended project development objectives. It is also called as rated-type criteria (qualitative) or merit point-based scoring criteria, where non-price attributes are assessed and score by merit points. This type of criteria is used when benefits may not be quantifiable, and the benefits associated with these rated criteria are expected to vary among different bids/proposals.

15.1.6. *It should be noted that qualifying criteria (a simple pass/fail methodology) are suitable for evaluation of most of the procurement of goods and works*. Rated-type or merit point-based criteria should not be normally used for the procurement of goods or works. The only exception to this is the procurement of highly complex integrated industrial plant or for complex information technology systems where this type of criteria might be suitable. When rated-type or merit point-based scoring criteria used in case of goods and works procurement, this must be agreed by the DP and the GDICDM/MEF, through the representatives in the PRC, and specified in the project Procurement Plan.

15.1.7. Depending on the selection method that is chosen, for example, the RFB with or without Pre-qualification, or the RFP with Initial Selection, there are different approaches or processes (for example, the RFB One-envelope or Two-envelope Process without Prequalification) that can be used to initially select/qualify firms, and to evaluate their bids/proposals in order to select the Most Advantageous Bid/Proposal. Sample pass/fail (qualifying) evaluation criteria can be found in the SBDs in **Annexes VI**, **Volume II** of this Procurement Manual. Each of the methodologies and their uses are described in greater detail further on in this Section. Step by step guide for the evaluation of goods, works and services are also contained in the same Annexes.

15.1.8. The following requirements guides the bid/proposal evaluation criteria:

(a) the evaluation criteria shall be proportionate and appropriate to the type, nature, market conditions, complexity, risk, value and objective of what is being procured;

(b) to the extent practicable, evaluation criteria should be quantifiable (monetary terms);

(c) the Request for Bids/Request for Proposals document shall include the complete evaluation criteria and the specific manner in which they shall be applied;

(d) only the evaluation criteria, indicated in the Request for Bid/Request for Proposals document shall be applied;

(e) once the Request for Bids/Request for Proposals document have been issued, any change to the evaluation criteria shall be made only through addenda; and

(f) the evaluation criteria shall be applied consistently to all bids/proposals submitted.

(g) To achieve the VfM, the evaluation criteria may take into account such factors as the following:

(i) **Cost:** evaluation of cost using a methodology that is appropriate to the nature of the procurement including:

(a) adjusted bid price; or

(b) adjusted bid price plus the running/recurrent cost over the useful life time of the asset on net present cost basis (life-cycle costs). Evaluation of costs, shall be as specified in the Request for Bids/Request for Proposals document, and costs are evaluated on the basis of adjusted bid price (include arithmetic correction, discounts, adjustments, payments, etc.) or life-cycle costs.

(ii) **Quality:** evaluation of quality using a methodology to determine the degree to which the goods, works, non-consulting services or consulting services meet or exceed the requirements;

(iii) **Risk:** criteria that mitigate the relevant assessed risk;

(iv) **Sustainability:** criteria that take into account stated economic, environmental, and social benefits in support of the project objectives, and may include the flexibility of the proposal to adapt to possible changes over the life-cycle; and/or

(v) **Innovation:** criteria that allow assessment of innovation in the design and/or delivery of the goods, works, non-consulting services or consulting services that give Bidders/Proposers the opportunity to include, when appropriate, in their bids/proposals, solutions that exceed the requirements or alternative solutions that could deliver a better VfM.

15.1.9. Life-cycle costing should be used whenever possible, particularly when the costs of operation and/or maintenance over the specified life of the goods or works are estimated to be considerable compared with the initial cost, and may vary among different bids/proposals. It is evaluated on a net present cost basis.

15.2. Bid and Consultants Evaluation Committees

15.2.1. The Bid Evaluation Committee (BEC) shall conduct the evaluation of goods and works using the bid evaluation criteria stated in the bidding documents. Typically, the Chair shall direct the preparation of the evaluation report using the step by step guide for evaluation of goods and works, consistent with the evaluation criteria specified in the bidding documents. Member of the BEC will collectively carry out evaluation and record the same on the forms provided in the guide and the Procurement Officer, who is the Chair of the BEC, will be responsible for compiling the Bid Evaluation Report. *A Member of the PRC cannot be a Member of the BEC as this will result in a conflict of interest.*

15.2.2. The Consultants 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, and each Member will carry out the evaluation separately and record the scores in the forms. The Procurement Officer will be responsible for compiling the Consultants Evaluation Reports (CER).

15.2.3. The BEC and CEC, as an integral part of their evaluation, shall review all bids and proposals for possible violations of the Government Good Governance and

Accountability Policies, as stated in Chapter 3, paying particular attention to possible collusion. If Bidders and Consultants are found to have participated in possible collusion, this will be highlighted in a Bid/Consultants Evaluation Report and they shall not be considered in the recommendation for award. However, it should be noted that it is the PRC that will decide on the matter.

15.2.4. If the Bidder is found to have participated in collusion, the evidence to support this must be included in the Bid Evaluation Report (BER), and Technical Evaluation Report (TER) in the case of consulting services. 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 the award of contract. At the same time, the PRC will recommend any further sanction under the project for the approval of the Head of the EA/IA and MEF.

15.2.5. The EA/IA must also inform the DP of possible collusion and provide the available evidence contained in the BER/TER when it submits the BER/TER approved by the PRC, to the DP to seek a NOL for the recommendation of award. The DP will carry out its own review and decide on any sanctions based on its anti- corruption policy and established procedures.

15.2.6. Those Members in the BEC/CEC cannot serve as Members of the PRC, and this is to avoid conflicts of interest.

15.3. Evaluation Report

15.3.1. To facilitate the evaluation process, just as SBDs are used, a standard is used for evaluation. The evaluation should use the standard format of the funding DP, where available in case of the ICB. For procurement under the NCB and RfQ (Shopping) procedures, evaluation templates are provided in **Annex II-d**, **Volume I**. The template used for procurement under the NCB can also be used for procurement under the ICB where any DP does not have a standard template for the BER.

15.3.2. In the case of goods and works procurement, the evaluation report will be prepared by the Procurement Officer, as the Chair of the BEC, after the evaluation is completed by the BEC and may be assisted by project Consultants, if required and available. The draft evaluation report will then be submitted to the PRC for review and approval.

15.3.3. When consulting services are being procured, which use a merit point system or a combination of merit and cost as the evaluation criteria, all of the Members of the CEC will undertake the technical evaluation independently, and the Procurement Officer will consolidate each Member's technical evaluation scores and prepare the necessary evaluation report. In case of the evaluation of financial proposal, since this is on the basis of a standard quantitative formula, this is not done independently but calculated by the Procurement Officer.

15.4. Preliminary Examination and Determination of Substantial Responsiveness (Goods & Works)

15.4.1. The evaluation process should begin immediately after bid opening. The preliminary examination is carried out first to identify and reject bids that are incomplete, invalid or non-responsive to the bidding documents, and therefore are not to be considered further. The Instructions to Bidders (ITB) will clearly specify the reasons for rejecting the bid. The BEC can only reject a bid as non-responsive based on the reasons specified in the ITB. If a Bidder meets with all the specified requirements in the ITB, the bid cannot be rejected at this stage of the evaluation. In the case of procurement of goods, a bid is generally rejected if the following documents or information or condition is missing/not met:

(a) Eligibility Requirement;

(b) A signed Bid Form;

(c) A signed Bid Security or Bid Securing Declaration, as applicable;

(d) A signed Price Schedule;

(e) Manufacture's Authorization, where specified; and

(f) Other conditions specified as reason for rejection in the ITB such as missing or unsigned Statement on Ethical Conduct and Fraud and Corruption.

15.4.2. In case of civil works, a bid is generally rejected if the following documents or information or condition are missing/not met:

(a) Eligibility Requirement;

(b) A signed Bid Form;

(c) Bid Security or Bid Securing Declaration, as applicable;

(d) Signed Priced Bill of Quantities; and

(e) Other conditions specified in the ITB as reason for rejection.

15.4.3. The BEC will be guided by the provisions specified in the ITB as the basis for rejection and these must be strictly followed. Conditions for rejection which are not specified in the ITB cannot be used to reject a bid as non-responsive at the preliminary stage of evaluation.

15.4.4. 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 Bid Data Sheet, GCC and SCC in the event that a contract is awarded.

15.4.5. 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. Strong justification will need to be provided in the BER. Sound judgment must be used: for example, simple omissions or mistakes or errors cannot not be grounds for rejection of the bid if they can be corrected using the methods prescribed in the bidding documents. Another example is missing information that is historical in nature i.e. information applicable before the deadline for receipt of bids. Such information can be corrected and does not in any way provide any unfair advantage. Rarely is a bid perfect in all respects and hence there will be some deviation and the key issue is to determine if this will in any way have a material impact that cannot be corrected. For example, if a Bidder is proposing a deviation in the warranty requirement, then such a deviation cannot be corrected because a monetary value cannot be assigned to this type of deviation.

15.4.6. The signatures on the Bid Form must not be in question as this will lead to rejection as non-responsive. The deviation in validity period of the bid will normally lead to rejection unless the Bid Data Sheet allows for minor deviations.

15.4.7. If the Bidder is a joint venture, the letter of intent or joint venture agreement signed by all parties should be submitted. If this is not included in the bid, it shall be rejected as non- responsive.

15.4.8. 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 and the absence of such authorization, the bid is rejected as non-responsive.

15.4.9. 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. The original bid will prevail over copies and hence in case of any discrepancies, the copies must be corrected to match with the original.

15.4.10. Particular attention must be paid to eligibility of Bidders to participate in the procurement. Different DPs have separate requirements. For example, in case of the Multilateral DPs, eligibility is normally restricted to their member countries and for the Bilateral DPs, except for the JICA, only Bidders from their country are eligible. The eligibility criteria of the DPs will need to be followed without exception. The 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 at the preliminary examination stage.

15.4.11. Where a Bid Security or Bid Securing Declaration (where either has been requested) is not submitted, the bid will be rejected. The Bid Security or Bid Securing Declaration must also conform to the requirements of the ITB and Bid Data Sheet, in particular relating to the wording, the amount, and the validity period. The submission of a copy is not acceptable.

15.4.12. 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 to compensate for the additional expense caused to the EA/IA. In addition, other sanctions may also be enforced in such a case if this is specified in the bidding documents.

15.4.13. 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 and/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.

15.4.14. 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 thirty (30) calendar days after the expiry date of the bid validity. The Bid Security must substantially comply with the form, amount and validity period specified in the Bid Data Sheet. If minor deviation is allowed, this will be specified in the Bid Data Sheet.

15.4.15. Procurement of goods and works 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 SBDs. 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 three (3) years from the end of the validity period or, at the option of the Bidder, pay 2% of the its total bid price as penalty.*

15.4.16. **Completeness of Bid**. The purpose is to establish that the bid is a complete bid in accordance with the requirements of the bidding documents. The ITB will specify the documents comprising the bid and all the components specified must be submitted. If the ITB specifies that a bid will be rejected as non-responsive in case of any of these documents is not submitted, then the bid will be rejected as non-responsive. This is applied only where it is clearly specified in the ITB that non-submission will lead to rejection.

15.4.17. Unless the bidding documents have specifically allowed partial bids, permitting Bidders to quote for only selected items or for only partial quantities of a particular item, bids not offering all of the required items should normally be considered non-responsive unless price is missing for only a few items. The ITB will specify the method of evaluation for missing items which normally is adjusting the bid price by loading the price of the missing items by the highest price quoted for those items by other Bidders.

15.4.18. If any erasures, interlineations, additions or other changes have been made, the Bidder should have initialled these before bid submission.

15.4.19. Only those bids that pass the preliminary examination can be examined further for detailed evaluation to determine 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 subjected to detailed evaluation. In case all these bids fail the detailed evaluation, then the 4th lowest priced bid is evaluated for substantially responsiveness.

15.4.20. 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.

15.4.21. Major material deviations or restrictions to the commercial requirements and any major technical specifications are a basis for the rejection of bids. Generally, those major deviations that cannot be quantified or monetized (put value to it) are those that cannot be accepted. Examples of major deviations include:

(a) stipulating price adjustment when fixed price bids were called for;

(b) failing to respond to specifications by offering instead a different design or product that does not offer substantial equivalence in critical performance or output parameters or in other requirements;

(c) phasing of contract start-up, delivery, installation or construction not conforming to required critical dates or progress markers where no deviation from completion period is allowed;

(d) subcontracting in a substantially different amount or manner than permitted;

(e) refusing to bear important responsibilities and liabilities allocated in the bidding documents, such as performance guarantees, insurance coverage and warranty;

(f) taking exception to critical provisions such as applicable Law, taxes and duties, and dispute resolution procedures; and

(g) those that are specified in the ITB to require rejection of the bid (such as failure to submit an acceptable Bid Security).

15.4.22. The Bidder shall not be permitted to correct or withdraw such material deviations or reservations after bid opening. If the bid fails to be substantially responsive on any of the above, this must be clearly explained in the BER.

15.5. Evaluation of Substantially Responsive Bids (Goods and Works)

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

15.5.2. **Corrections of 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.

15.5.3. For example, if a Bidder offers a quantity of ten (10) calculators at a unit price of US$50.00 and states a total price of US$50.00, this line item price is corrected to US$500.00. This will lead to a change in the total price- increase of the difference i.e. US$450.00. The Total Bid Price will be corrected accordingly.

15.5.4. If there is no error but there is a discrepancy between words and figures, the amount in words shall prevail and bid price corrected accordingly.

15.5.5. 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. Such corrections are for the purpose of evaluation only to determine the winning Bidder. Where the correction lead to an increase in the quoted bid price, the winning Bidder will still be awarded the contract based on the quoted price. However, when it leads to a decrease in price, the contract is awarded based on the reduced price. If the winning Bidder refuses to accept the corrections to its bid price, its bid will be rejected and the contract awarded to the next ranked Bidder.

15.5.6. **Corrections for Provisional Sums and Contingencies**: Bids may contain provisional sums or contingencies for nominated Sub-contractors 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.

15.5.7. **Modifications and Discounts**: In accordance with the ITB, Bidders are allowed to submit modifications to their original bid prior to bid opening. 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.

15.5.8. Discounts offered in accordance with the ITB that are conditional on the simultaneous award of other contracts cannot be considered in the evaluation. However, in case of discounts on award of multiple lots, which are bided under one contract package (“cross-discounts”) comprising more than one lot, the discounts can be considered and award made on the basis of least cost to the EA/IA if this is specified in the bidding documents. The effect of such unconditional discounts must be shown in the Bid Evaluation Report.

15.5.9. **Evaluation Currency:** Bids received under open National Competitive Bidding procedures must be in Cambodian Riel (KHR) or US Dollars (USD) and evaluated in same currency. In case of the ICB bids, the bid prices may be quoted in a number of currencies. These currencies are converted to US$ at the prescribed exchange rate specified in the ITB for the purposes of evaluation only. If a contract is awarded, the payments to the Bidder/Contractor must remain same as the amounts and currencies of the quoted bid price.

15.5.10. **Taxes and Duties:** The ITB will specify the treatment of taxes and duties in the evaluation of bids and this must be strictly followed for the evaluation of the bids to determine the lowest priced and Most Advantageous Bid. However, it should be noted that the obligations for the payment of taxes and duties is different from how the taxes and duties are treated in the evaluation of bids. This obligation for payments will be specified in the Data Sheet or the SCC, and in the signed contract and the winning Bidder is required to comply with the specified requirement. Treatment of taxes and duties should be consistent with the Financing Agreement. If the Financing Agreement states the Contractors/Suppliers must be exempted from payment of taxes and duties, as in the case of some Bilateral DPs, then they are exempted from payment of taxes and duties, and the bidding documents will need to specify either (i) they are exempted from payment of taxes and duties or (ii) the taxes and duties will be reimbursed to them based on actual payments made by them to the Cambodian Tax Authorities. In case the Financing Agreement states that taxes and duties cannot be financed from the loan/credit/grant funds, in such cases the taxes and duties are not exempted and the Contractor/Supplier must pay the taxes and duties, as specified in the bidding documents. The EA/IA when claiming the expenditures from the DP, the withdrawal applications will be for the total amount paid minus the taxes and duties portion. The taxes and duties will be paid separately from the RGC counterpart fund account.

15.5.11. **Additions:** Bids that offer deviations may be considered substantially responsive if the deviations can be assigned a monetary value (an addition) that would be added as a penalty during the detailed evaluation process. 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. These are made only for the purpose of evaluation and comparison of bids, and the contract price cannot be changed from the quoted price. The winning Bidder will be required to provide missing items or remedy the deficiencies at own cost as a condition for award of contract. In the event that the Bidder does not agree with this, the contract award will be made to the next ranked bid.

15.5.12. Where items are missing in some bids but are present in other bids, the highest of the quoted prices should be used to complete the incomplete bids always provided that the omitted item is not a major and critical item – if it is a major or critical item, the bid should be rejected. In case a Bidder states in the priced schedule or Bill of Quantity (BOQ) 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.

15.5.13. **Adjustments**: If the ITB specifies any performance or service factors that will be taken into account in the bid evaluation and the methodology for their evaluation is clearly spelled out in the evaluation criteria, the adjustments can be made for them. 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.

15.5.14. **Bonuses or Additional Credits** that reduce the evaluated bid price will not be considered in the bid evaluation for features that exceed the requirements stated in the bidding documents, unless specifically provided for in the ITB.

15.5.15. **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. However, as explained in the adjustments for missing items or where the arithmetic error lead to a reduction in price, the award will be made on the basis of reduced price.

15.5.16. 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.

15.5.17. 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.

15.5.18. If a bid provides for a delivery or completion that is beyond the date specified in the bidding documents and the bidding documents specifically stipulate that later delivery is acceptable up to a certain limit, the deviation should be assessed and the bid price adjusted upwards based on the rate specified in the evaluation criteria. If the bidding document does not specify any provision for late delivery, then late delivery it is not acceptable.

15.6. Post Qualification of Bids (Goods and Works)

15.6.1. Post qualification will only be undertaken on the bid that has been determined as the *Most Advantageous Bid* which is lowest evaluated cost 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 evaluation process to verify and confirm if the Bidder submitting the Most Advantageous Bid is qualified to perform the contract.

15.6.2. 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 1st ranked Bidder fails to satisfy the qualification criteria stated in the bidding document then its bid shall be rejected – with the grounds for the rejection clearly stated in the evaluation report. The next lowest ranked 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, its bid 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 Bidder qualified to successfully perform the contract (as determined in the qualification criteria stated in the bidding document) is identified.

15.6.3. The determination must be based upon examination of documentary evidence of the Bidder's qualifications submitted by the Bidder as well as such information as deemed necessary. Only information that is historical in nature needs to be examined (i.e. showing status of qualifications of the Bidder prior to deadline of receipt of bids). In some cases, the information submitted may need to be validated. In case of goods, production/manufacturing capacity may need to be verified through visit to the production facility.

15.6.4. 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 unless there is a major change in the Bidder's status post-bidding like bankruptcy or involvement in any fraud or corruption that will pose severe restrictions on the capacity of the Bidder to perform the contract, if awarded.

15.6.5. Other key aspects that need to be considered during Post Qualification of Bids and to check for are; (i) seriously unbalanced or front-loaded bids/proposals; and (ii) abnormally low bids.

15.7. Seriously Unbalanced or Front-loaded Bids/Proposals

15.7.1. If the bid/proposal that results in the lowest evaluated cost/best evaluated bid/proposal is in the BEC opinion, seriously unbalanced or front-loaded, the BEC may require the Bidder/Proposer to provide written clarifications including detailed price analyses to demonstrate the consistency of the prices with the scope of works, proposed methodology, and relevant schedules. A seriously unbalanced or front-loaded bid/proposal is one that attempts to price the bid/proposal in such a way as to get higher payments for scope of work or activities that are carried out at the early stage, thereby improving the cash flow. For example, quoting higher unit rates for earthworks and lower for pavement which will result in higher payments for lower cost items. The bid/proposal may also be seriously unbalanced that there is a doubt if the Bidder will be able to carry out the scope of the contract. After carrying out the detailed price analyses, the BEC may recommend one of the following in the BER:

(a) accept the bid/proposal;

(b) require that the total amount of the Performance Security be increased, at the expense of the Bidder/Proposer, to a level not exceeding twenty percent (20%) of the contract price; or

(c) reject the bid/proposal.

15.7.2. If the bid is for an Admeasurement Contract, which results in the lowest evaluated cost, and is, in the BEC opinion, seriously unbalanced or front loaded, the BEC may require the Bidder to provide written clarifications. Clarifications may include detailed price analyses to demonstrate the consistency of the bid prices as with the scope of works, proposed methodology, schedule and any other requirements of the bidding document.

15.7.3. The BER will detail each of these options and the PRC will determine and approval of the preferred option.

15.7.4. The Purchaser or the Employer (the EA/IA) reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to Bidders. In case of annulment, all bids submitted and specifically, Bid Securities, must be promptly returned to the Bidders.

15.8. Abnormally Low Bids

15.8.1. An Abnormally Low Bid (ALB) used for goods, works and non-consulting services is one where the bid price, in combination with other constituent elements of the bid, appears unreasonably low to the extent that the bid price raises material concerns as to the capability of the Bidder to perform the contract for the offered bid price.

15.8.2. Identifying an ALB may not always be easy and there is no accepted predetermined formula for doing so. To determine that a bid price is abnormally low, several approaches can be considered and, if possible, they should be combined to minimize the scope for subjectivity: (i) comparing the bid price with the engineer's cost estimate. (ii) comparing the bid price with the bids offered by other Bidders submitting substantially responsive bids. (iii) comparing the bid price with prices paid in similar contracts in the recent past, either the Government- or Development Partner-funded. Any such potential cases must be reviewed on its own merits and there must be strong justification for recommending rejection on the grounds of ALB.

15.8.3. If a potentially Abnormally Low Bid is identified, the BEC shall seek written clarifications from the Bidder, including detailed price analyses of its bid price in relation to the contract, scope, proposed methodology, relevant schedule, allocation of risks and responsibilities, and any other requirements specified in the bidding document. If after examining the explanation given and the detailed price analyses provided by the Bidder, the BEC determines the Bidder/ Proposer has failed to demonstrate its capability to deliver the contract for the low level of price proposed, the BEC may recommend rejection of the bid/proposal in the BER for the consideration of the PRC.

15.8.4. The rejection of any bids determined to be the ALBs will require the DP prior review, regardless of the review procedures described in the project Procurement Plan. Due diligence to determine if any bid is abnormally low must, therefore, be carefully undertaken before submitting the Bid Evaluation Report to the DP for 'no-objection'.

15.9. Most Advantageous Bid/Proposal

15.9.1. The contract shall be awarded to the Bidder offering the Most Advantageous Bid/Proposal, in accordance with the applicable selection method. For goods, works and non-consulting services, when rated criteria not used, the Most Advantageous Bid is the bid that meets the qualification criteria and whose bid has been determined to be:

(a) substantially responsive to the bidding documents; and

(b) the lowest evaluated cost.

15.10. Rejection of All Bids

15.10.1. The bidding document always includes a provision that permits the EA/IA (as the Purchaser/Employer) to reject all bids. Rejection of bids is justified when there is a lack of effective competition, bids are not substantially responsive or when bid prices are substantially higher than the existing budget or cost estimate. When only one bid is submitted after the bid is satisfactorily and widely advertised, the bid process may be considered valid if the quoted prices are reasonable compared to the prevailing market prices. However, before rejecting all bids or single bid, the PRC may carry out negotiations with the Bidder who submitted substantially responsive and the lowest evaluated priced bid with the prior 'no objection' from the DP. Please see the Section on negotiations in Chapter 16.

15.10.2. When all bids are rejected, the EA/IA must review the causes justifying the rejection and consider making revisions to the design/specifications, conditions of contract, scope of works or a combination of these before inviting new bids. When re-bidding is called, the EA/IA shall request new bids from all who were supplied the bidding documents and open to others. In case there was sufficient number of bids submitted in the initial bidding process, the EA/IA may consider inviting bids from only those who had submitted bids in initial bidding process.

15.10.3. In the event the rejection is due to most or all of the bids being nonresponsive, the EA/IA may invite new bids from only (i) those who were prequalified (in case of prequalification was carried out) or (ii) those who submitted bids in the initial bidding process.

15.10.4. In all cases where rejection of bids is proposed by the BEC, the rejection and rebidding must be approved by the PRC and the DP.

15.11. Notification of Award or Intention to Award the Contract

15.11.1. The Notice to Award the Contract/Letter of Acceptance will be issued after the PRC has approved the award of contract and where necessary the DP 'no objection' to the award. In the cases where the DPs require Notification of Intention to Award (NIA) the Contract prior to award, the notice is transmitted to Bidders informing them of the intention to award the contract (in the case of Framework Agreements, the decision to conclude a Framework Agreement). The EA/IA shall send to each Bidder, the Notification of Intention to Award the Contract to the successful Bidder. For the DP projects, subject to prior review, 'no objection' to the BER will be required before sending the NIA. The Notification of Intention to Award the Contract shall contain, at a minimum, the following information:

(a) The name and address of the Bidder submitting the successful bid;

(b) The contract price of the successful bid;

(c) The names of all Bidders who submitted bids, and their bid prices as readout, and as evaluated;

(d) A statement of the reason(s) the bid (of the unsuccessful Bidder to whom the notification is addressed) was unsuccessful unless the price information in (iii) above already reveals the reason;

(e) The expiry date of the Standstill Period; and

(f) Instructions on how to request a debriefing and/or submit a complaint during the standstill period.

15.12. Evaluation of Expressions of Interest (EOI) for Consulting Services (Firms)

15.12.1. The first stage in the selection of Consultants is to draw up a short-list of qualified consulting firms, which will be invited to submit a proposal in response to an RFP, from a long list of consulting firms that respond to and submit an "Expression of Interest" (EOI). This is also referred to as the Initial Selection.

15.12.2. The EOI is advertised and all the EOIs are evaluated by the CEC against pre-stated criteria such as minimum levels of experience and qualifications of the firms using a scoring system. Those firms meeting the criteria from a "long list" and each of the firm in the long list is ranked. A shortlist of between three (3) to eight (8) number of firms is selected from the long list depending on the different requirements of the DP. Generally, the most appropriate number when seeking international firm is five (5). However, where there is low number of EOIs received or not enough qualified firms could be identified or the size or nature of the assignment does not justify wide competition, a smaller number of firms can be shortlisted. The firms are shortlisted based on the ranking achieved unless there are specific requirements of the DPs to spread out the shortlist to get wider geographical representation. For assignments open to national firms, the shortlist can be three (3). Similarly, for the CQS, the short list can be three (3).

15.12.3. The CEC Members will independently evaluate the EOIs. The Procurement Officer will be responsible for computing the scores given by the Members. Very low or high score cannot be automatically considered in averaging the score and the reasons for large variance must be discussed and the Member is required to provide the basis of the scoring. The Procurement Officer will prepare a short EOIs evaluation report and the Minutes of the Meeting leading to the agreed shortlist.

15.12.4. The Evaluation Report of the EOI and the draft RFP, will be submitted to the PRC for approval. The RFP is issued at the same time to all firms on the short-list after the PRC approval and DP 'no objection', where required.

15.13. Evaluation of Consultants Proposals

15.13.1. The evaluation of Consultant proposals follows a two-step procedure. The technical proposals are evaluated first, followed by the financial proposals. The technical proposals represent a different challenge to evaluators when compared to the evaluation of bids for goods and works. The compliance 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 bidding documents. In case of technical proposals, the assessment of a Consultant's Work Plan, Methodology, CVs of Key Staff and other information in the proposals cannot be evaluated in similar terms (other than minimum levels of experience and qualifications) and largely depends on assessment of quality aspects. Each of the factor/category in the evaluation criteria is allocated maximum score and the total score allocated is normally 100 or 1000. The quality of these factors/categories is rated as 'very good', 'good', 'above average', 'average' or 'unsatisfactory', each of which will carry a range of score expressed as a percentage (%). For example, 'very good' will have a score of 90% to 100%. Hence, the evaluation of the technical proposals is carried out based on the quality of the submission and scored according to scoring-criteria, which are established prior to the RFP is issued to the short-listed firms.

15.13.2. Each Member of the CEC will separately evaluate the technical proposals. Since the evaluation is based on qualitative assessment, the CEC must include Members knowledgeable about the type of consulting services being procured as explained in Chapter 8 of this Procurement Manual.

15.13.3. The Procurement Officer should draw up evaluation-spread sheets based on the evaluative criteria in the RFP and the scores allocated to each of the criteria and provide a copy to each Member of the CEC. The evaluation sheet is used by each Member to score each criteria and sub-criteria based on the Member's assessment.

15.13.4. The Chair with the assistance of the Procurement Officer will brief the CEC Members on the method of evaluation and the scoring criteria before the Members commence the evaluation. Each Member must carry out the evaluation independently – it is important that Members do not discuss specific points of each firm's proposal during the evaluation process with each other as this could impact on 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 the CEC.

15.13.5. 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 to carry out a thorough evaluation of about five (5) reasonably complex technical proposals, and therefore, their line managers or supervisors must excuse them from their usual duties. For particularly complex and high value assignments, the evaluation should be undertaken "in retreat" in a place away from distractions at home or office.

15.13.6. Members should first ensure that they are familiar with the terms of reference and the RFP before reading any of the submissions. They should then read each proposal once and record preliminary general notes but not awarding any scores.

15.13.7. At the second reading of the proposal, each Member should then rate each of the criteria (and any sub-criteria) for Approach and Methodology, Work Plan, CVs of Key Personnel, Firms Experience and Qualifications, and others as very good, good, satisfactory, average or unsatisfactory. This forms the basis of rating the percentage (%) for each of the criteria (and any sub-criteria). The score allocated for each criterion based on the agreed evaluation criteria is then multiplied by the percentage (%) rating to calculate the score.

15.13.8. The evaluation criteria should be appropriate to the nature and complexity of the procurement, and (i) be based on qualification, experience and performance; and (ii) be applied consistently to all proposals submitted.

15.13.9. Once the evaluation 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.

15.13.10. The Chair will call a meeting of the CEC after the Members have completed their evaluation and with the assistance of the Procurement Officer, collate all of the scores at the start of the meeting. Each of the Members will present their evaluation of each proposal. Since the scoring is mostly related to quality aspects, the points awarded may differ from Member to Member. However, the points variation should not be significant as the Members of the CEC are expected to have necessary experience as evaluators. For this reason, Members who do not have experience in evaluating technical proposals should not be included in the CEC and replaced with the agreement of the EA/IA. In case of the MEF representative(s), the replacement will be endorsed by the Director General of the GDICDM.

15.13.11. The Chair will use his/her best efforts to reach consensus on the overall quality rating i.e. rating of very good, good, above average, average and unsatisfactory.

15.13.12. Once this is agreed, the scores are compared and any high or low scores are justified to ensure consistency in the evaluation process. The Chair will attempt to ensure consistency in the scoring by all Members and in case there remains a wide variance in scores among the Members, the concern Member will be required to write a separate justification for his/her very high or low score compared to the scores given by other Members. The justification will be reflected in the evaluation report.

15.13.13. The Procurement Officer will then use the collated scores to complete the Technical Evaluation Report (TER). The Members of the CEC will sign the TER after which it will be submitted to the PRC for review and approval. The PRC does not act as a rubber stamp and must carry out the proper due diligence. While reviewing the TER, the PRC will carefully examine the very high/low score, if any, and the justification provided by the evaluator and may call upon an expert to provide a third-party opinion. It may refer the evaluation back to the CEC with its observations and request for revision of the TER and re-submission. After the PRC is satisfied and approves the TER, it will be submitted to the DP for its prior review and issuance of a NOL, where necessary. Each firm is ranked based on the score of its technical proposal.

15.13.14. The next steps in the procedures will differ depending on the selection method used as explained in the Paragraphs below.

15.13.15. **Quality-Based Selection.** – The Chair of the CEC will request the Project Manager/Procurement Officer, who is holding the financial proposals in a secured place, to bring the financial proposal of the highest ranked firm only on the specified time and date for the opening of the financial proposal. In the QBS, only the financial proposal of the highest ranked firm is opened publicly. Once the PRC has approved the TER, the Project Director will write to all of the firms informing them of the technical scores of all the firms, specifying the venue, time and date of the opening of the financial proposal of the highest ranked firm and inviting them to participate in the same. After the opening and recording the Minutes, the Project Director, assisted by supporting the

CEC Members, will then proceed and negotiate a contract on the basis of the highest ranked firm's technical and financial proposals.

15.13.16. **Quality- and Cost-Based Selection.** The Project Director will write to all the firms informing them of (i) the technical scores of all the firms; (ii) the firms that have achieved the qualifying scores over the minimum set out in the RFP; (iii) the venue, date and time of the opening of the financial proposals of only those firms that scored above the minimum and 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 opening of the financial proposal. 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.

15.13.17. After the opening of the financial proposals, the CEC will evaluate them and prepare the overall combined scores based on the Quality/Cost Weightings that were specified in the RFP. The Quality/Cost Weighting is explained in the next Paragraph. The Procurement Officer will prepare the final evaluation report showing the overall 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. The Project Director will invite the winning firm for contract negotiations and the PRC will conduct the negotiations with the highest ranked firm.

15.13.18. When using the QCBS, the scores of the quality and the cost scores are weighted appropriately to reflect the complexity of the assignments. This is agreed as part of the approval of the project Procurement Plan. The range of quality and cost score weighting that may be utilized in the QCBS is shown in Table below.

Table: Combined Quality/Cost Ratio for the QCBS (Consulting Services)

Description	Quality/Cost Weighting (%)
Highly Complex Assignments (or may use the QBS method)	90/10
Moderate Complexity Assignment	80/20; 70/30
Standard or Routine Assignment	60/40; 50/50

15.13.19. ***An example*** based on the weightings of 80 and 20 marks for Technical (Quality) and Financial (Cost) 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

15.13.20. For the QCBS, the proposal with the **lowest offered total price** is given a financial score of 100%, and other proposals given financial scores that are inversely proportional to their prices. The methodology to be used should be specified in the Request for Proposals document.

Table for Example Case: Combined Technical (Quality)/ Financial (Cost) Evaluation for the QCBS

Technical Score	Financial Score *	Total Score
Firm A, 83 points x.8 66.4	680,000 x100x.2 700,000 19.4	85.8
Firm B, 85 points x.8 68.0	680,000 x100x.2 850,000 16.0	84.0
Firm C, 78 points x.8 62.4	680,000 x100x.2 680,000 20.0	82.4
Firm D, 91 points x.8 72.8	680,000 x100x.2 1,100,000 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 specified 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. The formula is not used.

- If the selection was based on **Least-Cost Selection** method, then **Firm C** would be invited to negotiate a contract as it submitted the least cost financial proposal (US$680,000) from all the qualifying firms. The formula is not used.

15.13.21. **Consultants' Qualification Selection.** This selection method is appropriate for small and standard type of assignments or when the services are available from very limited specialized firms or emergency situations. After the evaluation of the EOI is completed by the CEC, and approved by the 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 technical and financial proposal. Both the proposals will be subject to negotiations. The PMU/PIU can ask for replacement of proposed experts and the remuneration rates agreed will need to be justified with supporting documents.

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

15.14. Rejection of Consultants Proposals

15.14.1. The rejection of all proposals is justified if (i) all proposals fail to respond to important aspects of the TOR or present major deficiencies in complying with the TOR or (ii) all proposals fail to achieve the minimum qualifying technical score or (iii) the offered price of the successful proposal is substantially higher than the available budget or a recently updated cost estimate based on market rates. All such rejections will require the approval of the PRC and DP.

15.14.2. In case of (i) or (ii), the EA/IA will re-invite proposals. However, in case of (iii) rather than re-inviting proposals, the EA/IA may consider scaling down the scope of services in case the offered price is substantially higher than the available budget with the prior approval of the PRC and DP.

16.CONTRACT AWARD, GOODS AND WORKS

16.1. Contract Award for Goods and Works

16.1.1. The EA/IA will award the contract to the Bidder offering the bid that has been determined to be:

(a) substantially responsive;

(b) lowest evaluated priced from the substantially responsive bids; and

(c) determined to have the capability and resources to effectively carry out the goods or works contract in accordance with the qualification criteria specified in the bidding documents.

16.1.2. The EA/IA, at the time of award, may vary the quantity of items ordered subject to the conditions/limits specified in the bidding documents.

16.1.3. 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 materially modify the bid as originally submitted.

16.1.4. After the PRC approved the award of contract and the DP provided 'no objection', where this is required, the EA/IA will issue a Letter or Notice of Contract Award to the winning Bidder where no Standstill Period is applicable.

16.1.5. In the case where a Standstill Period is applied, the EA/IA will issue a Notification or Notice of Intention to Award. At the end of the Standstill Period, if the EA/IA has not received any complaint from any unsuccessful Bidder, the EA/IA will proceed to award the contract as previously communicated through the Notification of Intention to Award the Contract by issuing a Letter or Notice of Contract Award.

16.2. Negotiations (Goods and Works)

16.2.1. Negotiations are allowed in the procurement of goods and works and non-consulting services, only in exceptional basis, when the bid prices substantially exceed the updated cost estimates based on prevailing market prices. However, before negotiations can take place, the approval of the PRC and the concurrence of the DP will be required. In some selection methods of procurement like Competitive Dialogue or Best and Final Offer, the bidding documents allow for negotiations and in such cases, negotiations will be held in the presence of a third party, and some DPs refer this as Probity Assurance Provider. In case of Direct Contracting/Purchase, negotiation is permitted when the evidence suggest that the price quoted is substantially above the estimated price and not in line with the prevailing market rate. The price negotiation is based on evidence of (i) the price previously paid by the EA/IA; (ii) the price paid for similar goods or works; or (iii) the cost of the same goods or works supplied to a different purchaser. All negotiations are held before the award of contract and conducted by the PRC.

16.2.2. In the procurement of goods, a provision is included in the bidding documents that specify the Purchaser's right to vary quantities (increase or decrease) within a percentage (%) range and that the unit cost offered by the Purchaser will remain same and valid for this change. The EA/IA can use this provision prior to contract signing and with the prior approval of the PRC. The increase or decrease proposed must be stated in the BER with the necessary justification. There is no negotiation required for this and the Bidder is advised in writing that the quantity has been varied during the issuance of the Contract Award Notice.

16.2.3. When the quantity of goods is varied, the total contract price will be proportionately (i) increased if the quantities are increased or (ii) decreased if the quantities is reduced. The increase or decrease must however be within the percentage (%) range specified in the bidding documents. As an example, if the bidding documents specify the quantities can vary by 10% and the supply is for a quantity of 100 units, then the Purchaser can increase the quantity up to 110 units or decrease up to 90 units without any change in the quoted unit price. If the quantity is increased to say 108 units, then the contract price will be 108 X Unit Cost or if it is decreased to say 95, then the contract price will be 95 X Unit Cost. Hence, the signed total contract amount will be either increased or decreased corresponding to the change in quantities.

16.2.4. The increase or decrease in the quantities must first be justified on the basis that project requirements have changed since the bidding documents were issued. When proposing an increase in quantities, it must be also established that there is sufficient budget available under the project to finance the increased contract price. When a decrease is proposed because of insufficient budget, it must also be established that the decrease will not have significant adverse impact on the objective and implementation of the project.

16.2.5. In the case of works procurement, there are no specific provisions in the bidding documents for the right to vary the contract requirements. However, when there is insufficient budget available to finance the entire scope of the contract, the scope may be reduced through negotiations if such reduction will not have any significant adverse impact on the objective and implementation of the project. The negotiations are carried out face to face.

16.2.6. 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 and the contract package should be rebid.

16.2.7. Negotiations are not permitted in good procurement that:

(a) Alter unit prices in any way;

(b) Reduce the contract price beyond the percentage (%) variance allowed in case of goods procurement;

(c) Change the technical specifications in any significant manner offered in the bid unless alternative bids were allowed;

(d) Alter the delivery schedule, unless the Bidder agrees to accelerate delivery at no cost – however a Bidder may refuse to do so; and

(e) 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.

16.2.8. Negotiations must be carried out face to face and only conducted by the PRC. Minutes of negotiation must be prepared and signed by both the PRC and the Bidder. In exceptional cases, negotiations may be conducted through correspondence in which communication must be addressed to the Chair of the PRC who will circulate to the Members of the PRC.

16.2.9. The BER must include details and scope of any proposed negotiations and approved by the PRC first before seeking the 'no objection' of the DP, where required. The negotiations can only proceed after such approval and 'no objection', where required, have been obtained. The EA/IA must ensure that there are no communications or attempt to negotiate with the Bidder as the authority is vested only with the PRC.

[letterhead paper of the Purchaser]

[insert date]

Identification No and Title of Contract: *[insert identification number and title of the Contract]*

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 fourteen (14) calendar days after receipt of this Letter of Notification of the Contract Award.

Authorized Signature: ____________________

Name and Title of Signatory: ____________________

Name of Purchaser: ____________________

16.2.10. The Notification of Award/Issuance 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 for effectiveness of the contract 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/Letter of Acceptance will be the effective date of the contract, i.e. the date from which both parties' contractual obligations start such as delivery periods.

16.2.11. If a Standstill Period is applied, then, at the end of the Standstill Period, the EA/IA will proceed to issue the Notification of Contract Award/Letter of Acceptance in accordance with the decision to award as previously communicated through the Notification of Intention to Award the Contract, if the EA/IA has not received any complaint from an unsuccessful Bidder. The

Notification of Contract Award/Letter of Acceptance is accompanied with the draft contract documents for the signing by the successful Bidder.

16.2.12. For contracts subject to prior review by a DP, where applicable, when no complaints have been received within the Standstill Period, no prior approval of the DP is required and the EA/IA can proceed with the issuance of the Notification of Contract Award/Letter of Acceptance. However, the EA/IA will need to inform the DP within three (3) working days of the issuance.

16.2.13. When a Standstill Period is applicable, the contract cannot not be awarded earlier than the expiry of the Standstill Period of ten (10) business (working) days. If a complaint has been received from an unsuccessful Bidder within the Standstill Period, then, the EA/IA will not proceed with issuance of the Notification of Contract Award/Letter of Acceptance until the complaint has been addressed, as explained under *Procurement-related Complaint Handling Mechanisms in Chapter 3*. The PRC must be informed about the complaints and the resolution of the same. The EA/IA cannot proceed with contract award without receiving the MEF/DP confirmation of satisfactory resolution of the complaint.

16.2.14. The EA/IA will normally ensure that the contract is awarded within the Bid Validity Period. In case there is a delay in the decision on award of contract and the award cannot be made within the Bid Validity Period, the EA/IA will need to seek the 'no objection' of the DP, where required, before seeking an extension by the successful Bidder. The extension of Bid Validity Period is requested from all the substantially responsive bidders and not only the successful bidder. The successful Bidder has the right to refuse the extension without incurring any penalty in which case the EA/IA will need to seek the PRC approval to award to the next ranked Bidder before issuing the Notification of Contract Award/Letter of Acceptance.

16.3. Preparation of the Contract

16.3.1. The Contract Agreement will follow the draft contract document format included in the bidding documents as this forms the basis on which the Bidders prepared their bids. The Contract Agreement is not amended except for filling in a number of relevant information that becomes known after the decision on award of the contract is made.

16.3.2. Procurement Officer will fill the relevant information in the Contract Agreement such as the following:

(a) Date of the Contract Form.

(b) Name and address of the Purchaser or Employer.

(c) 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.

16.4. Signing of the Contract

16.4.1. The Notification of Contract Award/Letter of Acceptance together with the Contract Agreement (together with the documents that constitute the contract) is sent to the successful Bidder by the Project Director or Project Manager. The successful Bidder shall sign, date and return the Contract Agreement to the Project Manager within seven (7) working days in case where the successful Bidder is a national Contractor/Supplier, and twenty-one (21) working days for international Contractors/Suppliers. In case of award to an international Supplier or Contractor, the Contract Agreement shall be sent via a reputable international courier. The contract will then be signed by an authorized representative of the EA/IA.

16.4.2. Three original copies of the Contract Agreement will accompany the Notification of Contract Award/Letter of Acceptance and the successful Supplier or Contractor is 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/IA. The EA/IA will submit one original copy to the DP, where required and keep the third original copy in a safe and secured place in the project office together with the other contracts awarded under the project. Sometimes, the original copies are sent unsigned by the EA/IA in which case all three originals are signed, dated and sealed by the successful Supplier or Contractor for signing by the EA/IA. One original copy of the signed Contract Agreement is sent to the Supplier or Contractor after signing by the EA/IA.

16.4.3. The EA/IA may also decide to hold a signing ceremony, particularly when the contract size is large, in which case the Supplier/Contractor is requested to participate in an official signing ceremony when both the Parties will sign the three original copies of the contract. The cost of participation will be at the own cost of the Supplier/Contractor.

16.5. Performance Security

16.5.1. The bidding documents for goods and works require the successful Supplier and Contractor to provide Performance Securities or Performance Securing Declaration in the form and amount set out in the bidding documents. This is mandatory for procurement under the NCB and ICB. For other selection methods of procurement, the bidding documents will specify if this is required and in what form and amount.

16.5.2. The Performance Security/Declaration is required to ensure that the successful Supplier or Contractor fulfil all its obligations under the contract and is intended to protect the EA/IA against default on the part of the Supplier or Contractor. When a Performance Security is required, it must be in the form of an irrevocable bank guarantee from a commercial bank in Cambodia. For Performance Security/Declaration, this is required to be signed by the authorized representative of the Supplier or the Contractor and must be affixed with its legal seal. It must be accompanied by a power of attorney that specifically states that the person signing the declaration is authorized to sign and commit the company to the declaration until its expiry date.

16.5.3. The amount of the Security will be specified in the special conditions of contract. The EA/IA must ensure that the successful Supplier or Contractor provide the Security in the amount specified in the special conditions of contract (which forms integral part of the Conditions of Contract in the bidding document).

16.5.4. The requirement for submission of the Performance Security/Declaration will be specified in the Notification of Contract Award/Letter of Acceptance with a copy of the Security Form. Depending on what has been stated in the bidding documents, the Performance Security will:

(a) 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;

(b) 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

(c) 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.

16.5.5. Other selection methods of procurement for goods and works such as RfQ (Shopping) do not require the Supplier or Contractor to provide a Performance Security and instead a combined Bid and Performance Security Declaration is required. Please refer to the sample bidding documents in **Volume II** of this Procurement Manual which will provide the guidance on this.

16.5.6. The successful Bidder is required to provide the Performance Security within twenty-one (21) calendar days of receipt of the Notification of Contract Award/Letter of Acceptance in the case of international Supplier/Contractor, and fourteen (14) calendar days in the case of a national Supplier/Contractor. The submission of the required Performance Security is also a condition for effectiveness of the contract.

16.6. Failure of a Bidder to Sign Contract or Provide Performance Security

16.6.1. Failure of the successful Bidder to sign the contract and returned to the EA/IA or provide a Performance Security when one is required within the stipulated time, form sufficient grounds for cancelling the proposed award and forfeiture of the Bid Security or execution of the Bid Securing Declaration as appropriate. However, the successful Bidder may seek an extension of time for submission in which case, based on the circumstances, the EA/IA can agree for a reasonable time not exceeding thirty (30) calendar days. If a successful Bidder is proposed to be rejected due to failure to comply with these requirements, the EA/IA will seek the approval of the PRC for (i) rejecting the Bidder and (ii) contract award to the next ranked Bidder. Thereafter, the 'no objection' of the DP, if required, will need to be obtained before issuance of the Notification of Contract Award/Letter of Acceptance to the next ranked Bidder.

16.6.2. Where a Bid Securing Declaration or a Bid and Performance Securing Declaration is provided, failure or refusal of the successful Bidder to sign the contract within the stipulated time, will result in the execution of the Bid Securing Declaration or Bid and Performance Securing Declaration, whichever is applicable. The Bidder will be disbarred from all public procurement for a period of three years from the date of expiry of the Bid Validity Period or the Bidder will be asked to pay a penalty of 2% of the value of the contract award to the next ranked winning Bidder to compensate the EA/IA.

16.6.3. All Performance Securities, the Performance Securing Declarations and the Bid Securing Declarations must be kept in safe and locked up in a secured location in the project office as only the original will have validity in law. The responsibility for this rests with the Finance Officer. Copies will need to be provided to the GDICDM/MEF and EA/IA for information.

16.7. Publishing the Contract Award Notice

16.7.1. Within ten (10) working days after the transmission of the Notification of Contract Award/Letter of Acceptance, the Project Manager will publish the Contract Award Notice in the project/Ministry's freely accessible website and one English newspaper with national circulation. Where the DP requires publication in any specific publication, the Project Manager will ensure that this is carried out.

16.7.2. The Contract Award Notice will include the following information:

(a) name and address of the EA/IA undertaking the procurement;

(b) name and reference No. of the contract being awarded, and the selection method used;

(c) names of all the Bidders that submitted bids and their bid prices as read out at bid opening, and as evaluated;

(d) names of all the Bidders that submitted bids whose bids were rejected either as nonresponsive or as not meeting qualification criteria, or were not evaluated, with reasons therefore; and

(e) the name of the successful Bidder, the final total contract price, the contract duration and a summary of its scope.

16.7.3. The EA/IA will maintain a Contract Register to record all the contracts signed under the project.

16.7.4. 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 GDICDM/MEF, oversight agencies and the DP, where required.

16.8. Debriefing Unsuccessful Bidders

16.8.1. Debriefing provides an opportunity for unsuccessful Bidders to recognize the areas of weakness in their bids and make improvements in bidding for future contracts which in turn will increase the competition in the bidding process. It must be noted that the process for complaints handling and debriefing are separate and addressed independent of each other. The provision for debriefing will be clearly spelt out in the bidding documents. The Notification to Award the Contract/Letter of Award is also sent to the unsuccessful Bidders at the same time as to the successful Bidder (as well as Consultants in case of consulting services) to facilitate the debriefing process. The Notification/Letter will contain a statement that any Bidder who wishes to ascertain the grounds on which it bid was not selected can request for a debriefing and an explanation from the EA/IA.

16.8.2. When a Standstill Period is applied, any unsuccessful Bidder can make a written request to the Project Manager for a debriefing with three (3) working days from the date of issuance of the Notification of Intention to Award the Contract. The Project Manager will provide a debriefing to all unsuccessful Bidders, whose request is received within this deadline. Debriefings of unsuccessful Bidders may be done in writing or verbally. The cost of attending a debriefing meeting is met by the unsuccessful Bidders.

16.8.3. When a request is received for a debriefing, the debriefing will be within fourteen (14) calendar days from the date of receipt. This can be provided through official communications or in a face to face meeting. More details on the debriefing process is described in Chapter 5 of this Procurement Manual.

16.9. Advance Payments

16.9.1. 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 or in case of output-based contracts where a percentage (%) of the contract amount is paid on signing of the contract. The Advance Guarantee Form is provided in the bidding documents and Suppliers/ Contractors are required to use this form. The Advance Guarantee is in the form of an irrevocable bank guarantee issued by a reputable commercial bank.

16.9.2. The advance payment amount will be stated in the bidding documents and should generally not exceed 15% of the contract value. The amount should reflect 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 amount on signing or after completion of the mobilization, such payment are not considered as advance payment and no advance guarantee will be required.

16.9.3. Advance payments are amortized, i.e. set off in equal amounts over a stipulated time, as specified in the contract documents, against payments due until fully offset. The amortization period must not exceed twelve (12) months.

16.9.4. Upon receipt of the signed contract forms and the successful Bidder's Performance Security (when required) the project will:

(a) Return the Bid Securities of the unsuccessful Bidders; and

(b) Publish the Contract Award Notice on the EA website.

16.10. Contract Types

16.10.1. This Section lists the different types of contracts and arrangements that may be used in procurement. Contract types and arrangements shall be selected based on their fitness-for-purpose, taking into account the subject matter of procurement and the risk to achieve Value for Money. The common contract types based on payment are listed below. The most common types of contracts provide for payments on the basis of a lump sum, time-based, or unit prices or a combination of these.

16.10.2. **Lump Sum Contracts**: Under a Lump Sum Contract, the Contractor/ Consultant agrees to perform the scope of services for a fixed contract amount. Payment percentages or amounts may be linked to the completion of contractual milestones or determined percentage of the value of the work to be done.

16.10.3. Lump Sum Contracts may be appropriate when:

(a) the scope of the procurement activity can be clearly and accurately specified and can be linked to milestone payments at the time of selection (for example, simple civil works, consulting services with clearly identifiable deliverables); and

(b) the Contractor is responsible for delivering the completed works, plant, or pre-built information technology solutions, as in turnkey contracts, and can be paid on a lump-sum basis as per contractual milestones.

16.10.4. **Performance-Based Contracts**: In a Performance-Based Contract, the payments are not made for inputs but for measured outputs that aim at meeting certain functional needs in terms of quality, quantity, and reliability.

16.10.5. Performance-Based Contracts may be appropriate for:

(a) rehabilitation of roads and operation and maintenance of the roads by a Contractor for a specific period of time;

(b) the provision of non-consulting services to be paid on the basis of outputs; and

(c) operation of a facility to be paid on the basis of functional performance.

16.10.6. **Admeasurement Contract, Based on Unit Prices:** This type of contract is based on estimated quantities of items and contractual unit prices for each of these items, and is paid on the actual quantities and contractual unit prices. This type of contract is appropriate for works, when the nature of the work is well defined, but the quantities cannot be determined with reasonable accuracy in advance of construction, as in roads, dams, or irrigation works. For goods and non-consulting services, this type is appropriate, when the required quantities are known and unit prices are sought from Bidders.

16.10.7. **Time-Based Contracts:** Under Time-Based Contracts, the payment is made on the basis of agreed rates and time spent, plus reasonable incurred reimbursable expenses. These types of contractual arrangements may be used for:

(a) emergency situations, and repairs and maintenance works; and

(b) consulting services, when it is difficult to define or fix the scope and duration of services (for example, complex studies, supervision of construction, advisory services, etc.).

Note: *This type of contract is not appropriate for goods and plant(s) procurement.*

16.10.8. **Cost-Reimbursable Contracts:** Under these types of contracts, payments cover all actual costs, plus an agreed fee to cover overhead and profit. These types of contracts maybe appropriate for situations such as emergency repairs and maintenance work. To minimize risk to the Employer:

(a) the Contractor makes all records and accounts available for inspection by the Employer or by some agreed neutral third party; and

(b) the contract includes appropriate incentives to limit costs.

16.10.9. **Framework Agreements -** These are contractual arrangements for fixed or variable volumes of products or services provided over a fixed period. To establish a Framework Agreement, the Employer may use open competitive bidding process with appropriate Request for Bids/Request for Proposals documents. Once the Framework Agreement is established, the Employer does not need to openly advertise individual contract opportunities to be awarded as "call-off" contracts. 'Call-off' contracts are finalized by using the RfQ (Shopping), or Competitive Bids or Proposals, or Direct Selection methods.

17.CONTRACT AWARD, CONSULTING SERVICES

17.1. General

17.1.1. Contracts and contract formation for consulting services follow a different process from that of goods and works. For the purposes of this Section the term "Client" is used to describe the EA/IA to be consistent with the term used in Standard Request for Proposals and other contract documents for consulting services.

17.1.2. Unlike goods and works, there is always some form of negotiation with Consultants when procuring consulting services. The key guiding principle in the negotiations for consulting services is that there is no negotiation on price (except for arithmetic errors) for any type of consulting contract when price has been a factor in the selection process. When price is not a factor in the evaluation process it may be subject to negotiation, as per the provisions contained in the Request for Proposals and the provisions of this Procurement Manual. However, when a Consultant uses rates that are much higher than those normally charged in the industry, this can be subject to negotiations with the 'no objection' of the DP, where required.

17.2. Negotiation Process

17.2.1. 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 (2) to five (5) 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. A sample Template for the Minutes of Contract Negotiations can be found in **Annex VIII-a**, **Volume III** of the Procurement Manual. Where DPs recommend the use of a standard template, this template can be used to facilitate easier and quicker review by the DP.

17.2.2. The template in **Volume III** of the Procurement Manual should 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, and these notes should be deleted and not shown to the Consultants.

17.2.3. The letter to the selected Consultants inviting it to a contract negotiation shall include a summary of the items to be discussed.

17.2.4. Negotiations will include discussion on the terms of reference in light of any suggestions that the consulting firm made in its technical proposal. The firm's proposed methodology, work plan and staffing, 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 can propose the replacement of any of the Consultants' personnel that has scored below average or unsatisfactory points. Financial negotiations may include the tax liabilities for the Consultants in Cambodia and the remuneration rates proposed by the Consultant(s), which often are much higher than those normally charged in the industry.

17.2.5. The substitution of key experts by the consulting firm is not allowed except where there has been a delay of more than 6 months in awarding the contract. In case of replacement agreed by the Client, the substituted expert(s) 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 Chair of the PRC and Member representing the GDICDM/MEF and decision taken on the proposed substitution prior to the start of the negotiations.

17.2.6. 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 PRC and DP, where required.

17.2.7. In the event that the Client intends to reduce or increase the proposed inputs beyond this limit, the invitation to the Consultant to commence negotiations must mention the approximate percentage by which the Client intends to amend the scope of the assignment. This is to enable the Consultant to prepare for negotiations or in the case of a reduction, decline the invitation, where such a reduction may have a significant impact upon the Consultants' financial arrangements with individual Consultants, associates and Sub-consultants.

17.2.8. If the negotiations with the highest ranked Consultant fail to result into an acceptable contract, the PRC shall terminate the negotiations and invite the next ranked firm for negotiations. However, prior to taking this step, a 'no objection' is required from the DP, and this must be obtained prior to the termination of the negotiations.

17.2.9. After the completion of the contract negotiations, the negotiated contract is initialled and submitted to the DP, where required, for 'no objection'. The contract is signed after the 'no objection' is obtained. In case where the DP 'no objection' is not required, the contract is signed by the EA/IA in the same process as that is specified for goods and works contract.

17.3. Notification of Intention to Award or Notice of the Contract Award (Consulting Services)

17.3.1. The similar process as described for goods and works contract is followed for Notification of Intention to Award and the Notice to Award except that the Notification of Intention to Award is sent out after the draft contract has been negotiated and initialled by the Client and the successful Consultant. Where the DP requires prior approval of the draft negotiated contract, the Notification of Intention to Award is sent after the 'no objection' of the DP is obtained. The EA/IA will provide the following information in this notification:

(a) The name and address of the Consultant with whom the EA/IA successfully negotiated the contract, and the contract price;

(b) The name of all the Consultants included in the short list, indicating those that submitted the proposals;

(c) Where the selection method requires, the price offered by each Consultant as read out and as evaluated;

(d) The overall technical scores of each Consultant;

(e) The final combined scores and the final ranking of the Consultants;

(f) A statement of the reason(s) why the recipient's proposal was unsuccessful. The EA/IA will not divulge any other Consultant's confidential or proprietary information such as: cost breakdown, trade secrets, methodology, business or financial information.

(g) Instructions on how to request a debriefing and/or submit a complaint during Standstill Period; and

(h) The date the Standstill Period is due to end.

17.3.2. The EA/IA must send the Notification of Intention to Award to each of the unsuccessful Consultants (whose financial proposal was opened) at the same time when it was sent to the successful Consultant. If any complaint is submitted by unsuccessful Consultants, this must be dealt in the manner prescribed in Chapter 3 of this Procurement Manual.

17.3.3. The EA/IA must respond to any requests for debriefing made by unsuccessful Consultants that submitted a proposal in response to an RFP. The debriefing follows the same process as for goods and works contracts described in Section 16.8 in Chapter 16 except that this must be provided within five (5) business days from the date of receipt of the request.

17.3.4. At the end of the Standstill Period, if the EA/IA has not received any complaint from any of the unsuccessful Consultant, the EA/IA will proceed to issue the Notice of Award and proceed with the signing of the contract without the need seeking any approval of the DP.

17.3.5. If the EA/IA receives a complaint from an unsuccessful Consultant within the Standstill Period, the EA/IA will not proceed with the contract award, until the complaint has been addressed.

17.3.6. There is no Standstill Period required for the following selection methods, and contact award can be made after the successful completion of the contract negotiations:

(a) Only one proposal was received;

(b) Direct Selection;

(c) 'Call-off' contract among firms holding Framework Agreements; and

(d) Emergency situation recognized by the DP, where applicable.

17.4. Publishing the Contract Award Notice (Consulting Services)

17.4.1. The EA/IA will publish Contract Award Notice in its website within ten (10) business days of the date of issuance of Notice of Award to the successful Consultant. The Contract Award Notice for consulting services to be published will be similar to the Notice for goods and works, and will cover the same relevant information. Where the DP requires the Notice to be published in any other publication, the PMU/EA will carry out this.

17.5. Performance Security and Advance Guarantee

17.5.1. There is no requirement of Performance Security for consulting contracts. The consulting contract, however, provides for an advance payment against an advance guarantee. The guarantee is the same as that for goods and works contract and the amount is calculated on the same basis - estimated cost to cover mobilization of the experts and establishment of field office. The provisions prescribed in Section 16.9 of Chapter 16 of this Procurement Manual will also apply to the advance payment in consulting services contract.

17.6. Individual Consultant(s) Contract

17.6.1. After the completion of the evaluation and ranking of the individual Consultants, the 1st ranked Consultant is sent a non-committal enquiry about the his/her availability for carrying out the assignment and at the same time requesting to submit his/her proposed remuneration rates with supporting documents by email. The remuneration rates are negotiated and agreed along with the other financial terms, including the per-diem, travel and in country transportation costs, etc. by the Chair of the PRC. After the financial terms and conditions are successfully negotiated by the two parties, the Client should request the Consultant to provide relevant information such as the address and bank account details which are required to complete the draft contract. The draft contract must follow the sample Contract Form provided in **Annex VIII-b** of **Volume III** of this Procurement Manual. The draft contract is sent to the Consultant for his/her acceptance and signature. The Consultant will sign three original copies of the contract and send these to the Client for necessary signature.

17.6.2. In the event that the terms and conditions cannot be agreed and the negotiations fail, the failure to conclude will be reported to the full PRC and approval sought to conduct negotiations with the next ranked Consultant. There must be valid justification for rejection of the financial terms proposed by the 1st ranked Consultant where the remuneration rates proposed are very high and exceed the budget or there are unreasonable demands by the Consultant. This negotiation process is repeated until a satisfactory contract is negotiated.

17.6.3. There is no requirement for face to face negotiations unless a Consultant who is already in Cambodia is selected. However, the selected Consultant can be interviewed by the CEC by social media to seek clarifications and ascertain his/her experience and technical knowledge. The negotiations must be carried out only with the 1st ranked Consultant. Minutes of the Interview must be prepared and kept in the contract file. It is also important that all the email and other correspondence are kept in the contract file.

17.6.4. Individual Consultants are not required to provide any 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 to cover the per diem and local transportation for a maximum period of thirty (30) calendar days can be provided if requested by the Consultant. The advanced amount will be recovered from the payment for the first month of services.

17.7. Types of Consultant Contracts

17.7.1. The Consultant contract can be either Time-Based Contract or Lump Sum Contract. These are described in more detail in Section 16.10 of Chapter 16. Time-Based Contract is appropriate when it is difficult to fix the scope and the duration of services. This type of contract is widely used for complex studies, supervision of construction, and advisory services. Payments are based on agreed daily or monthly rates. Time-Based Contracts need to be closely monitored and administered by the EA/IA to ensure the assignment is progressing satisfactorily and that payments claimed by Consultants are appropriate.

17.7.2. In the case of Lump Sum Contract, it is mainly used for assignments in which the content, the duration of services and the required output of the Consultants are clearly defined. Payments are linked to outputs (deliverables) such as reports, drawings, bidding documents, software programs, etc. Lump Sum Contracts are easier to administer compared with the Time-Based Contracts because payments are due on clearly specified outputs.

17.7.3. Where the DPs require the EA/IA to follow Standard Form of Contract (which is included as an integral part of the Standard Procurement Documents) for Time-Based and Lump Sum Contracts, these must be used. The General Conditions of Contract (GCC) provided in the Standard Form of Contract cannot be changed. Any change, amendment or supplement to the GCC is introduced through the Special Conditions of Contract (SCC). In case where a DP does not prescribe a Standard Form of Contract, the sample Standard Forms of Contract for Time-Based and Lump Sum Contracts are provided in **Volume III** of this Procurement Manual, which must be used.

18.CONTRACT MANAGEMENT

18.1. General

18.1.1. Contract management[12] is the monitoring and control of Contractor or Supplier performance to ensure optimal outcomes from a contract. It includes establishing communication procedures, monitoring progress toward delivery of contract deliverables, managing payments, controlling variations, measuring Contractor performance, and closing out the contract.

18.1.2. Effective contract management requires systematic and efficient planning, monitoring, and evaluation to optimize performance, while managing risks to ensure that both parties fulfil their contractual obligations with ultimate goal of achieving VfM and results on the ground.

18.1.3. The management of the contract will strictly follow the terms and conditions specified in the signed contract agreement and unless there are any amendments agreed between and signed by the two parties, both the parties will need to abide by the terms and conditions. Once the contract agreement is signed, there cannot be any changes unless an amendment is agreed and signed between the two parties. For this reason, the terms and conditions included in the draft contract during the preparation of the bidding documents/RFP are very critical. The level of details required in a contract depends on the risk and complexity of the contract. The terms and conditions shall be fit-for-purpose with appropriate allocation of risks, liabilities, roles and responsibilities of the contracting parties.

18.1.4. **Contract Management Plan (CMP)**. It is good practice to prepare a CMP for contracts that include construction which is used as a tool for monitoring the Contractor's performance. It is important to note that the CMP is an internal document used by the PMU/PIU and not a contract document. The PMU/PIU should have a contract management team for this purpose and not put too much reliance on works supervision team at the site. The CMP will contain a set of Key Performance Indicators (KPI) and milestone events which are aligned to the Contractor's obligation. This should be prepared prior to the contract agreement signing or soon thereafter prior to the mobilization of the Contractor.

18.1.5. Depending on the complexity, value, risk, and scope of the contract, the CMP should at least include:

(a) for simple contracts:

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[12] The terms "contract management" and "contract administration" are sometimes interchangeably used. To avoid ambiguity, in this Procurement Manual, contract management is used as encompassing all stages and activities aiming at the overall goal of ensuring optimal contract outcomes. Contract administration designates one stage of those activities focusing on the day-to-day interactions with the contractor as required under the contract. In case of a contract for supply, the contract administration functions are relatively simpler and focus on the delivery and acceptance and monitoring until the end of warranty period.

(i) key roles and responsibilities of the parties;

(ii) key contractual dates and delivery milestones;

(iii) budget and payment milestone; and,

(iv) record-keeping requirements.

(b) For high-value, high risk, or complex contracts, in particular for works contract, a summary of contract details such as:

(i) Identified potential risks (such as delays in the Contractor's right to access to site, payment delays, and other defaults in the project's contractual obligations that could potentially lead to contractual disputes) and their mitigation;

(ii) Key contacts, roles and responsibilities of the parties;

(iii) Communication and reporting procedures;

(iv) Key contractual terms and conditions;

(v) Contractual milestones, including critical path (identified to ensure early detection and mitigation of issues) and payment procedures consistent with contractual provisions;

(vi) Key contractual deliverables, identified and properly described so they can be easily monitored and updated to account for change orders during the execution of the contract;

(vii) Key performance indicators and description of the measurement process;

(viii) Contract variation/change control mechanisms; and

(ix) Record-keeping requirements.

18.2. Contract Monitoring

18.2.1. During contract execution, the PMU/PIU should use the contract and the Contract Management Plan to ensure that both contracting parties are complying with contractual provisions.

18.2.2. The PMU/PIU monitors the contract to ensure at least the following:

(a) Risks are managed or mitigated before they materialize;

(b) The contract is completed on time and within budget;

(c) Contract variations are properly justified;

(d) The outcome of the contract meets the objectives set at start;

(e) The PMU/PIU technical and commercial requirements are met or exceeded within the budget; and

(f) The final contract price compares favourably with comparable benchmarks.

18.2.3. The PMU/PIU will monitor the contracts on a regular basis in accordance with the CMP which will assist in identifying problems or likely future problems so that swift remedial or preventive actions can be taken. It will report and submit regular progress report on the KPIs and milestone events to the EA/IA. The

PMU/PIU must take immediate remedial action as soon as a problem is identified.

18.2.4. There are many contractual issues that need to be dealt with, monitored and resolved during the execution of the contract and before the contract reaches its conclusion, all of which are stipulated in the General Conditions of Contract as well as under the Special Conditions of Contract. Some of the key conditions include:

(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.

18.3. Contract Effectiveness

18.3.1. Although the Contract Agreement may have been signed by both parties, the legal effectiveness of the contract may be dependent on the conditions specified in the signed contract agreement. There are often referred to as conditions precedent to effectiveness. The conditions may generally be one of more of, but not limited to, the following:

(a) Receipt by the PMU/PIU of the Performance Security;

(b) Receipt by the PMU/PIU of an Advance Payment Security; and

(c) Receipt by the Supplier/Contractor/Consultant (firm) of the Advance Payment;

18.3.2. The conditions for contract effectiveness will be specified in the signed contract agreement and no deviations from these are allowed. The PMU/PIU must ensure that all the conditions are satisfied before declaring the contract effective.

18.3.3. If a Bidder for goods or works fails to provide the Performance Security or refuses to sign the contract agreement as requested, the PMU/PIU will execute the bank guarantee provided for as the Bidder's Bid Security and demand payment from the issuing bank, or if a Bid Securing Declaration, execute the actions stipulated in it. In such cases, with the prior approval of the PRC, the EA/IA will proceed to award the contract with the next ranked Bidder.

18.3.4. 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/IA. The advance payment guarantee must be in the form and amount set 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.

18.4. Contract Supervision and Administration (Goods)

18.4.1. Contract supervision and administration for goods will be undertaken by the PMU/PIU or the Acceptance and Inspection Committee (when there is one) as appropriate. The supervision and administration of goods contract which will mainly involve the monitoring delivery schedules, processing of documents and the inspection of goods. These are all essential to ensure that the correct goods are delivered and on time as contracted. The delivery and acceptance of goods are critical as late delivery will mean the PMU/PIU will seek liquidated damages from the Supplier. The PMU/PIU 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 and GDICDM/MEF of any failure by the Supplier in his contractual obligations;

(g) Ensure that the proper and valid Warranty Certificate is issued by the Manufacturer, where submission of warranty is specified in the bidding documents. Warranty Certificate from the Supplier is not acceptable unless the Supplier is the Manufacturer; and

(h) Issue the goods to the User Department after acceptance.

18.5. Pre-shipment Inspection of Goods

18.5.1. In the event that the goods being purchased are of high value, being purchased from a foreign Supplier and/or are of a complex nature, the use of a third-party inspection Agent or validation is recommended. Off-the-shelf items like cars, computers, and other similar equipment do not require third-party inspection or validation. The use of this will be guided by industry and standard international practice. The decision of whether to have inspection or not rests with the PRC at the time of the approval of the draft bidding documents and the requirement is specified.

18.5.2. The instances when pre-shipment inspection of foreign Suppliers for specially manufactured goods is recommended are:

(a) For all contracts with foreign Suppliers that exceed the equivalent of US$1,000,000 in value in case of plant and equipment which are not off the shelf items;

(b) All purchases of drugs that exceed US$100,000 in value and where the Manufacturer is not certified by the World Health Organization (WHO) or the industry ISO; and

(c) The purchase of all second hand and re-conditioned equipment when prior written authorization of the GDICDM/MEF is given.

18.5.3. 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.

18.5.4. 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.

18.5.5. 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.

18.5.6. The bidding documents will, when pre-shipment inspection is required, instruct the Bidder to nominate a reputable pre-shipment inspection company acceptable to the PRC 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 Bidder's bid as a separate item and included in any resulting contract but will not be included in the evaluation of bids. The pre-shipment inspection of drugs must include random sampling and analysis.

18.5.7. For basic pre-shipment inspection, the inspecting Agent (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 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 labelling 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/IA.

18.6. Collecting Goods from the Port of Entry

18.6.1. 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) Examine the packages to check if all of them are 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 for example, cases with broken seals, lose 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.

(e) If there are shortages, a Short-landed or Discrepancy Certificate should also be obtained to assist claims against the Supplier or insurances.

18.7. Receipt, Inspection and Acceptance of Goods

18.7.1. The PMU/PIU 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 Procurement Officer in the PMU/PIU will:

(a) Receive the goods into temporary storage.

(b) Examine the apparent condition of the goods and packing.

(c) Issue an interim delivery receipt, noting the apparent condition of the goods. The delivery receipt must include a provision that the issuance of the receipt does not confirm that the goods have been accepted; and

(d) Receive and register the invoices pending processing for payment.

18.7.2. Within three (3) calendar 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) Examine if the delivery complied with the delivery time specified in the contract and in case of late delivery, include this is in the report together with the calculation of liquidated damages that will be levied;

(c) Ask the Supplier to open the packages (or arrange opening of the packages at the Supplier's expense);

(d) Examine and analyze the goods for conformity with the contract specifications and/or the samples provided;

(e) Examine the Warranty Certificate issued by the Manufacturer for each item;

(f) Reject all goods that are damaged or do not conform to the required specifications; and

(g) Reject acceptance of items for which Manufacturer issued Warranty Certificates have not been provided.

18.7.3. The Procurement Officer will prepare an acceptance and inspection report for the signature of the Members, recording the delivery and descriptions, specifications and quantities of the goods examined and the reasons for accepting or rejecting the goods and in case of late delivery, the amount of liquidated damages that will need to be levied. The Acceptance and Inspection Committee for goods contracts normally is comprised of the Procurement Officer, and the Technical Officer. The conditions of payments will be provided in the Acceptance and Inspection Report, and no payment should be made without the Acceptance and Inspection Committee approval. In case of levy of Liquidated Damages, the GDICDM/MEF representative will ensure that the Liquidated Damages are deducted from the payment for the goods.

18.8. Payment for Goods

18.8.1. The payments must follow the provisions specified in the signed contract agreement. The payment provisions are simple for goods contracts and usually comprise three payments, an advance payment of about 10% on signing, about 80 % on shipment and delivery to site, and balance (about 10%) on acceptance of the goods. The PMU/PIU must ensure that the processing of the payments follow the procedures stipulated in the FMM. Normally these comprise the following:

(a) Review the Request for Payment/Invoice/Payment Certificate ensuring the deduction of any advance payments, retentions or liquidated damages are calculated.

(b) As appropriate, attach the:

- Original invoice from the Supplier;
- Shipping Documents or Airway Bill;
- Original of the Inspection Report;
- Original Store's 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.
- Report of the Acceptance and Inspection Committee.

(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.

18.8.2. Payments by Letter of Credit (LC) will depend on the terms and conditions of the LC specified in the contract agreement between the two parties. The Procurement Officer will draft the documentary requirements for the LC based upon the payment conditions listed in the Special Conditions of Contract. Refer to the SOP on Financial Management for guidance on the Letter of Credit.

18.9. Contract Supervision and Administration (Works)

18.9.1. Contract supervision and administration of works contracts is often complex and spread over a longer duration of time which require continuous on the site supervision of construction. This requires the appointment of Contract Project Manager as stipulated in the contract documents to manage the project site and supervise the day-to-day construction activities of the Contractor. This individual may be the Project Manager or Technical Officer depending on the number of contracts under management of the PMU/PIU but also may be a specialized supervision Consultant recruited for this purpose. For large size civil works contract that require a large number of expertise, a Consultant firm is recruited to supervise the construction and undertake contract administration functions within its delegated authority which will be specified in the TOR and the contract agreement of the consulting services. This delegated authority is limited when it involves approving variations which entails additional payments beyond a set limit, extension of completion period, change in design and similar substantive issues. Hence there will be many issues where decisions will need to be taken by the authorized representative of the EA/IA named in the contract documents. The PMU/PIU must ensure that the contract is administered in accordance with the terms and conditions of the contract documents and the necessary approval sought where required. For example, any variation that increases the contract value or extension of time, the prior approval of the PRC is obtained.

18.9.2. Where the construction is supervised by a team of technical experts from a consulting firm, the firm will ensure that the construction is carried out in accordance with the agreed detailed designs, specifications, codes, methodology and quality. The tasks, role and functions of the team will be spelt out in the GCC and SCC. Hence, the construction and contract management of the contract is carried out by the construction supervision Consultants with its representative designated as the Engineer/ Engineer's Representative under the contract who will administer the contract. The construction supervision Consultants will report the progress, achievements, issues, remedial actions and other information to the PMU/PIU on a regular monthly basis.

18.9.3. The Contract Project Manager/Engineer usually acts as the first level in settlement of disputes and he/she should ensure that the Project Manager or the Project Director of the PMU/PIU is informed of any disputes and their resolution. The disputes will be resolved under the dispute resolution mechanism prescribed in the GCC and SCC. 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 and GDICDM/MEF. Such amendments or addendum will require the prior approval of the PRC if they result in any increase in the contract amount or extension of time for the completion of the contract.

18.9.4. Claims by Contractors for additional work or costs which are not covered under the terms of the existing contract, must be referred to the PRC for approval. In case of changes in the BOQ carried out by the Contractor which lead to a variation order, if the change exceeds 20% of the original quantities or will result in an increase in contract price, the approval of the PRC will be required before the issuance of the variation order.

18.9.5. The Contract Project Manager/Engineer plays the key role in the issuance of the necessary completion certificates after physical completion of the works, the procedures of which will be specified in the GCC and SCC. The Contractor will request for a *Certificate of Completion* in case the contracts under the NCB or *Taking-Over Certificate* in contracts under the ICB when the works are completed. At this stage the Contract Project Manager/Engineer will carry out a site inspection of the quality and scope of the completed work jointly with the Contractor. This is to assess if the works have been completed in accordance with the designs, specifications and scope defined under the contract. If all the works are completed except for some minor works to the satisfaction of the Contract Project Manager/Engineer and there are no defects found, he/she can issue the *Certificate of Completion/Taking-Over Certificate*, as applicable. If defects are found, the Contract Project Manager/Engineer will instruct the Contractor to rectify them before any certificate can be issued. The date of issuance of these certificates is the start date of the Defects Liability Period (DLP). The GCC and SCC may use other titles to describe these certificates in which case, the PMU/PIU/ Contract Project Manager/Engineer must be guided by the titles specified in the GCC and SCC.

18.9.6. The Contract Project Manager/Engineer will be required to carry out periodic site inspections, at least once every three (3) months, during the DLP to assess if there any defects have occurred. If any defects are found, the Contract Project

Manager/Engineer will issue a *Defects Notification* to the Contractor pointing out the defects and the time frame for carrying out the rectification works. The rectification works will be inspected at least on a weekly basis until they are fully rectified. If the Contract Project Manager/Engineer estimates that the rectification works cannot be completed by the end of the DLP, he/she will issue the necessary notification to the Contractor that the DLP has been extended giving the exact number of days of extension. At the same time, the Contractor will be instructed to extend the expiry date of the bank guarantee for retention money, if there are any, as well as the validity date of the Performance Security.

18.9.7. The EA/IA will arrange for a *final inspection* by the Inspection and Acceptance Committee, which will be led by the EA/IA, at least one (1) month before the end of the DLP to determine if all the defects have been rectified and the completed works can be accepted to the satisfaction of the EA/IA, as *the owner* of the completed asset. The EA/IA will prepare a Final Inspection Report and ensure that any issues raised during this inspection have been addressed to the EA/IA satisfaction. A copy of the Final Inspection Report will be submitted to the GDICDM/MEF. The EA/IA can then issue the *Defects Liability Certificate* in the case of contracts under the NCB or *Performance Certificate* under the ICB. The GCC and SCC may use other titles to describe these certificates in which case, the PMU/PIU/ Contract Project Manager/Engineer must be guided by the titles specified in the GCC and SCC.

18.9.8. A Contract Management Note providing guidance on activities that need to be carried out during the construction is attached as **Annex V-b**.

18.10. Payment for Works

18.10.1. Payment for works contracts will depend on the type of contract used. Admeasurement type of contract, where the contract is based on unit prices, is normally used for works contracts. The other types of contracts used are Lump Sum Contracts; Performance-Based Contracts; and Cost-Reimbursable Contracts.

18.10.2. An Admeasurement Contract is based on estimated quantities of items (specified in a BOQ) with unit price for each of these items specified. The payment is based on the actual quantities executed by the Contractor multiplied by the unit rate stated in the signed BOQ in the contract. The payment is made progressively based on monthly progress of the construction. The quantities of the works completed every month will be measured and the Contractor will submit claim for payment based on the measured quantities and the agreed unit prices for each item of the BOQ. The Engineer's Representative or the Contract Project Manager will review the claim and certify an Interim Payment Certificate (IPC) for the works completed, which forms the basis for the payment to be made to the Contractor. For all works contracts, materials delivered to the site but which have not been used or incorporated into completed works, will be excluded from the measurement approved and the value of Payment Certificates unless specified otherwise in the GCC or SCC. The IPC is not a final payment and as the payments are made monthly on a progressive basis, any overpayment or underpayment under one IPC will be adjusted in the following months IPC. Under all circumstances, the certification of works completed and payments must follow the conditions specified in the GCC and SCC.

18.10.3. In a Lump Sum Contract, the Contractor agrees to perform the scope of works for a fixed contract amount. The payments are expressed as a percentage of the contract amount and linked to the completion of an output or activity. The payment is made when the Contract Project Manager or the Engineer's Representative (in case where consulting firm is responsible for construction supervision) certifies that the output/activity has been completed. The PMU/PIU will review and validate and satisfy itself that the output/activity has been completed before processing the payment to the Contractor.

18.10.4. Performance-Based Contracts also make payments based on measured outputs but the outputs are linked to satisfying functional needs in terms of quality, quantity and reliability. This type of contract is mostly used for rehabilitation or operation and maintenance of roads for a specific period of time. The Contract Project Manager or the Engineer's Representative will certify that the functional performance has been achieved before the payment for the output is processed and made.

18.10.5. Cost-Reimbursable Contracts make payments based on actual cost incurred by the Contractor in carrying out the works plus an agreed fee to cover overheads and profit. This type of contract is normally used for emergency repair and maintenance works. The Contractor keeps records and accounts of all the expenses and makes these available for inspection by the EA/IA or a third party, where a Consultant is recruited by the EA/IA for this purpose. The expenses are verified and validated by the EA/IA or the third party and payments made on the basis of eligible expenditures incurred plus the fee.

18.10.6. The Contract Project Manager or the Engineer's Representative will ensure that:

(a) Any retention is deducted from the value of the IPC before payment;

(b) Agreed deductions in respect of the repayment schedule for any advance payment are deducted from the value of the IPC before payment;

(c) On issue of the *Certificate of Completion* or *Taking-Over Certificate* by the Contract Project Manager/Engineer, 50 % of the total amount of retention money held will be paid to the Contractor.

(d) The balance of 50% will be paid after the issuance of the *Defects Liability Certificate* or *Performance Certificate* by the EA; subject to Paragraph 18.10.7 below or against an acceptable "on demand" bank guarantee with a validity period of thirty (30) calendar days beyond the expiry date of the DLP, if this is stipulated in the GCC or SCC or as decided by the GDICDM/MEF.

18.10.7. If the end of the DLP falls after the project closing date, the balance of the 50% of the retention money can only be paid against an unconditional on demand bank guarantee even if this is not specified in the GCC or SCC. This will ensure that all the retention money can be paid from the proceeds of the loan/credit/grant before their closing date.

18.10.8. To ensure the Contractor fully rectifies all defects to the satisfaction of the EA before the related bank guarantee expires, the following procedures should be strictly implemented by the PMU/EA:

(a) The rectification of all defects identified by the Contract Project Manager/Engineer and notified to the Contractor must be completed before the end of the DLP. If any of the defects are not rectified to the satisfaction of the Contract Project Manager/Engineer *one (1) month* before the end of the DLP or it is determined by the Contract Project Manager/Engineer that the rectification works will take time beyond the end of the DLP, he/she will issue a notification of extension of the DLP to the Contractor. The Contract Project Manager/Engineer will estimate the additional number of days that will be required to complete the rectification works and specify the new expiry date of the DLP accordingly. At the same time, he/she will instruct the Contractor to extend the validity of the bank guarantees for the retention money and the Performance Security for the same number of days within seven (7) calendar days from the date of notification.

(b) If the Contractor refuses or fails to extend the validity of the bank guarantee for retention money, the bank guarantee will be cashed by the PMU/PIU on the day after the end of seven (7) calendar day notice period and deposit the proceeds into the project bank account. This retention money will be paid after the Contractor has completed all the rectification works.

(c) If the Contractor fails or refuses to carry out the rectification works, the PMU/PIU will select a Contractor through direct contracting process or use Force Account to compete the works. The cost of these works will be deducted from the proceeds of the bank guarantee and the balance remaining, if any, will be paid to the Contractor after the issuance of the *Defect Liability Certificate* or *Performance Certificate.* If the estimated costs of the rectification work exceed the proceeds from the bank guarantee, the bank guarantee for the Performance Security will be cashed and the shortfall recovered from this. Any balance remaining from the proceeds of the Performance Security will be paid to the Contractor after the issuance of the *Defects Liability Certificate* or the *Performance Certificate*, as applicable.

(d) A final inspection of the completed and rectified works will be carried out by the Inspection and Acceptance Committee one month before the expiry of the DLP or extended DLP, where this has been extended through a notification by the Contract Project Manager/Engineer as explained in Paragraph 18.9.7 above. If all the defects have been fully rectified and the completed works are acceptable to the EA/IA as the owner of the completed asset, a Defect Liability Certificate or Performance Certificate will be issued to the Contractor by the EA/IA. After the issuance of these certificates, the retention money is paid or guarantee returned to the Contractor as follows: (i) the retention money or the balance remaining after paying rectification works not carried out by the Contractor or (ii) the original bank guarantee against which any retention money has been paid if this was not cashed; or (iii) balance remaining in the proceeds from cashing the bank guarantee for carrying out rectification works. The Performance Security Guarantee is also released after the issuance of the Defects Liability Certificate/ Performance Certificate, as applicable. In case, the Performance Security Bank Guarantee is cashed, the balance remaining from the proceeds of the Guarantee after deducting the costs for rectification works is paid to the Contractor.

18.11. Contract Supervision and Administration (Consulting Services)

18.11.1. 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.

18.11.2. There are a large number of issues, some of them related to quality of services, that may arise during the execution of the contract. For this reason, the supervision and administration of the contract is more complex. The key issues that must be carefully monitored during the execution of the contract are as follows:

(a) Delays in mobilization.

(b) Practical knowledge and experience of the experts are found to be inconsistent with their CVs.

(c) Team Leader fails to maintain good relations with the PMU/PIU.

(d) Substandard quality of deliverables.

(e) Deviations from the TOR.

(f) Frequent replacement of personnel.

(g) Variation claim with cost implication.

18.11.3. The PMU/PIU should ideally develop a Contract Management Plan to provide clear guidance on how these key issues will be addressed during the supervision and administration of the contract.

18.11.4. 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 PMU/EA are performed promptly and efficiently.

(c) Ensure that all deliverables (and especially reports) are reviewed and responded to in writing, where necessary.

(d) Conduct monthly meetings with the Team Leader of the Consultant and discuss any shortcomings in the performance of the team members and seek remedies to address these. Minutes of the Meeting must be prepared by the Consultant and submitted to the Project Manager and Project Director. The original Minutes must be kept in the relevant contract files.

(e) In case any shortcoming and non-performance is not rectified within a reasonable time, a formal letter should be sent to the Consultant's designated Representative detailing the complaint and seeking necessary actions to remedy the situation within fourteen (14) calendar days. In case any member of the Consultant team is not performing, the PMU/PIU must request for a replacement within this notice period.

(f) Report to the Project Manager any continued breach by the Consultant of their contractual obligations and inform the GDICDM/MEF in case of termination of the contract.

18.12. Payment for Consulting Services

18.12.1. Payment for consulting service contracts will be made according to the specific terms of each contract against claims by the Consultants. The types of contract used for consulting services are either Time-Based or Lump Sum Contracts. Under a Time-Based Contract, the monthly remuneration rates of the experts are agreed as well as the reimbursable expenses and the payments are made on the basis of the time inputs and the reimbursable expenses incurred. The Consultant firm will submit monthly invoice with the time sheet of each expert and supporting documents for reimbursable expenses which will be reviewed and processed for payment by the PMU/PIU. In case of Lump Sum Contract, payments are made on the basis of outputs/ milestones/ activities and not on the time inputs by the experts. On completion of the output/ milestone/ activity and on validation and acceptance of the same by the Project Manager of the PMU/PIU, the percentage (%) of contract amount prescribed in the contract against the output/milestone/activity will be paid to the Consultant on submission of a claim by the Consultant.

18.12.2. Lump Sum Contract is used for assignments where the deliverables can be clearly identified. This is widely used for individual Consultants under which the payments are made on the basis of deliverables. As a variance, contract for individual Consultants based on time inputs can also be paid on a monthly fixed lump-sum basis. The agreed remuneration rates and the reimbursable expenses are lumped into one amount and the payments are made monthly based on this fixed all-inclusive monthly lump-sum amount for the time inputs put in by the Consultant.

18.12.3. The Procurement Officer will ensure that:

(a) The invoice claim is substantiated 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) Deductions are made in the payments in respect of the repayment schedule for any advance payment. In all cases, 100% of advance payments must be off-set by the time 80% of the consulting services are completed, either 80% of the original contract amount is paid or 80% of the contract period has expired.

(c) Request or claim for payment is checked and then approved by the Project Manager or the Project Director before forwarding to the Finance Officer for processing of payment.

18.13. Delays in Performance

18.13.1. Delivery of goods, construction of works and the performance of consulting services should be completed by the Supplier/ Contractor/ Consultants in accordance with the time schedule prescribed in the contract. Where there is a delay from the prescribed schedule:

(a) The Supplier/Contractor/Consultant must notify the PMU/PIU/ Project Manager of the Contract/Contract Coordinator or the Engineer's Representative in writing of the conditions delaying performance, including full details of the delay, the likely duration and the cause(s).

(b) The PMU/PIU will assess the situation and may extend the Supplier or Contractor's time for performance with or without the imposition of liquidated damages in strict compliance with the provision under the GCC and SCC. In case of Consultant contracts, there is no provision for liquidated damages and the PMU/PIU will need to take the remedial actions strictly in accordance with the terms and conditions of the contract.

(c) If the time for performance is extended, both parties shall ratify such extension by a formal addendum to the contract.

18.13.2. In the case of goods and works contract, any delay in the contractual obligations by Supplier or Contractor will render him liable to liquidated damages up to a limit prescribed specified in the GCC and SCC. If the delays exceed the prescribed limit, the EA/IA may proceed to terminate the contract and claim the Performance Security, except where the delay is as a result of Force Majeure. Please refer to Chapter 19 on Termination of Contracts.

18.14. Performance Evaluation of Consultant Firms and Individual Consultants

18.14.1. The Project Director/Project Manager will evaluate the performance of all individual Consultants and Consultant firms engaged under the project on an annual basis. Contract renewal will be subject to good performance. The performance of the consulting firm is assessed based on technical, project specific and project management factors. Individual Consultants will be evaluated on their outputs, practical knowledge, experience, quality of work, ability to work with others, etc. The performance of the Consultants will be rated on a five-grade scale of "excellent", "very good", "satisfactory", "requires improvement" and "unsatisfactory". A sample Individual Consultant Performance Evaluation Form for Consulting Firms and Individual Consultants is shown in **Annex V-c**, **Volume I** of the Procurement Manual.

19. TERMINATION OF CONTRACTS

19.1. Termination

19.1.1. Termination of Contracts must be in accordance with the terms and conditions specified in the GCC and SCC of the contract. 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 EA/IA or a default on the part of the Contractor, Supplier or Consultant.

19.1.2. If the EA/IA finds a major breach of the terms and conditions of the contract and determines to proceed with the termination of the contract, the case will be brought to the PRC for endorsement of the termination. The PRC will review the grounds for termination and seek the approval of the Head of the EA/IA and MEF before the EA/IA can issue the Notice of Termination.

19.1.3. Termination of a contract for convenience does not hold a Contractor, Supplier or Consultant at fault. The RGC, represented by EA/IA, as a sovereign nation, has the right to terminate for convenience in its best interest. This decision should be taken only after serious consideration because it is potentially costly as the EA/IA will be liable to pay compensation. A decision to terminate a contract for convenience will be taken by the Ministers of the EA/IA and MEF.

19.1.4. 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. However, there should be a serious breach of contract or inability to continue to perform before termination is considered. As a general rule, termination must be a last resort as both parties suffer consequences of a termination of contract.

19.1.5. The termination of contract will require the prior 'no objection' of the DP, where this is stipulated in their procurement regulations or guidelines.

19.2. Goods Contracts

19.2.1. The grounds under which the EA/IA (normally defined as the Purchaser) may normally terminate a contract due to a default by the Supplier are as follows:

(a) If the Supplier fails to deliver any or all of the goods within the period(s) specified in the contract or within the extension granted by the EA/IA and incurs the maximum amount of liquidated damages.

(b) If the Supplier fails to perform any other obligation(s) under the contract such as commissioning of equipment and training, if required in the contract.

(c) If the Supplier, in the judgment of the EA/IA has engaged in corrupt, fraudulent coercive or collusive practices in competing for or in executing the contract.

(d) If the Supplier becomes bankrupt or otherwise insolvent.

19.2.2. In the event the EA/IA terminates the contract in whole or in part for any of the reasons listed above, the EA/IA may procure goods replacing those undelivered, and the Supplier shall be liable to the EA/IA 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 and not permitted to participate in any public procurement for a period of not less than three years.*

19.2.3. The EA/IA 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.

19.2.4. If the EA/IA decides to terminate for convenience, the following steps must be taken:

(a) A written notice must be sent to the Supplier to terminate the contract, in whole or in part. The notice of termination shall specify that termination is for the EA/IA 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 have been completed and ready for shipment, within the period of thirty (30) calendar days after the issuance of the notice of termination, shall be accepted by the EA/IA. For the remaining goods, the EA/IA 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 for materials and parts previously procured by the Supplier.

19.3. Works Contracts

19.3.1. 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/ Contract 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/IA (normally defined as Employer) may give notice of default referring to the relevant clause in the GCC and SCC.

(b) If the contractor has not taken all practicable steps to remedy the default within twenty-one (21) calendar days or the stipulated period in the GCC and SCC after the Contractor's receipt of the Engineer's/ Contract Project Manager's Notice, the Engineer/ Contract Project Manager may issue a second notice of termination. The Contractor shall then demobilize from the site leaving behind materials and plant and any Contractor's equipment which as the Engineer/ Contract Project Manager instructs in the second notice, which the EA/IA will retain until the completion of the works.

19.3.2. In the event the EA/IA terminates the contract in whole or in part for any of the reasons listed above, the EA/IA may procure works replacing those undelivered, and the Contractor shall be liable to the EA/IA for any excess costs the works. If the contract is only terminated in part, the Contractor will continue to be liable for the performance of the un-terminated portion of the contract. *Any Contractor who has a contract terminated in whole or part for any of the reasons listed above will be black listed and not permitted to participate in any public procurement for a period of not less than three (3) years.*

19.3.3. **Termination for Insolvency by the Employer**. If the Contractor is declared insolvent under any applicable law, the Engineer/ Contract Project Manager may by notice terminate the contract immediately. The Contractor shall then demobilize from the site leaving behind any Contractor's equipment which the EA/IA specify in the notice or separate instructions will be used until the completion of the works.

19.3.4. **The Contractors Right to Terminate.** The Contractor has the right to terminate the contract if there is a serious breach of a condition of contract and fails to remedy the breach after a written notice is issued to the EA/IA. Not all breaches of condition can lead to termination by the Contractor. The GCC and SCC must stipulate the breach that can lead to termination and the procedures to follow. For example, failure by the EA/IA to make payments based on the approved Interim Payment Certificate (IPC) within the time period stipulated in the GCC and SCC does not lead to termination automatically. The delay in payment can be remedied and interest paid in accordance with the rate stipulated in the GCC and SCC. The Contractor can terminate the contract only if the delayed payment is not remedied within the maximum number of days which will be stipulated in the GCC and SCC. In such a case, the Contractor will make a demand for payments after the latest date for payment has expired and if the EA/IA does not make the payment within seven (7) calendar days after the receipt of the notice by the EA/IA, the Contractor may suspend the execution of all or parts of the works. If the payment is not made within twenty-eight (28) calendar days after the EA/IA receipt of the Contractor's notice, the Contractor may, by a second notice given within a further twenty-one (21) calendar days, terminate the contract and demobilize from the site.

19.3.5. **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 EA/IA, demobilize the Contractor's equipment. If the event continues for a period of eighty-four (84) calendar days, either Party may then give notice of termination, which shall take effect twenty-eight (28) calendar days after the giving of the notice.

19.3.6. **Termination for Convenience by Employer**. The EA/IA may by notice terminate the contract for convenience. The EA/IA will issue the Notice of Termination to the Contractor. The termination of the contract will be effective after twenty-eight (28) days of the receipt of the Notice of Termination or the EA/IA returning the Performance Security to the Contractor, whichever is later.

19.3.7. **Payment on Termination**. The compensation payment on termination will be stipulated in the GCC and SCC and this must be strictly enforced. Normally, 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 EA/IA shall be entitled to receive from the Contractor a sum equivalent to 10% of the value of those parts of the works not executed at the date of the termination. This amount will be deducted from the unpaid balance of the value of works executed by the Contractor. In addition, the Contractor will forfeit the Performance Security.

(b) If the Contract has been terminated for reasons of default on the part of the EA/IA, the Contractor shall be entitled to the reasonable cost of demobilization of its equipment, personnel and costs of protecting and securing the works. This amount will be added to the unpaid balance of the value of works executed by the Contractor less any advance payments remaining unpaid.

(c) If the contract was terminated for reasons of Force Majeure, the contractor shall be entitled to payment of reasonable costs for the demobilization of its equipment and personnel and the costs for protecting and securing of the works. This will be added to the unpaid balance of the value of the works executed by the Contractor less any advance payments remaining unpaid.

19.4. Consulting Services Contracts

19.4.1. Consulting services contract may be terminated in case the conditions for effectiveness are not met within the stipulated time. Normally, the conditions for effectiveness of the contract are related to (i) the approval of the contract or the loan under which the contract will be financed by a DP, where required and (ii) the receipt of the advance payment by the Consultant. If these conditions are not satisfied within the time period stipulated in the GCC and SCC, either Party may by not less than twenty-two (22) calendar days send a written notice to the other Party, declaring the contract to be null and void, and neither Party shall have any claim against the other Party. However, termination on account of late effectiveness is rarely imposed as the parties can agree to extension. In the event that the DP fails to provide the loan, there is no option but to terminate the contract.

19.4.2. The EA/IA may by not less than thirty (30) calendar days issue a written notice of termination to the Consultant(s), and terminate a contract in any of the following circumstances:

(a) If the Consultant(s) fail to remedy a failure in the performance of their obligations within thirty (30) calendar days of receipt of notice of suspension or within such further period as the EA/IA may have subsequently approved in writing.

(b) If the Consultant(s) fail to comply with any final decision reached as a result of arbitration proceedings.

(c) If the Consultant(s) submit to the EA/IA a statement which has a material effect on the rights, obligations or interests of the EA/IA and which the Consultants know to be false.

(d) If the Consultant in the judgment of the EA/IA, has engaged in corrupt, fraudulent, collusive or coercive practices in competing for or in executing the contract. In such cases, the contract can be terminated in fourteen (14) calendar days after issuance of a written notice of termination;

(e) As the result of Force Majeure, the Consultant is unable to perform a material portion of the consulting services for a period of not less than sixty (60) calendar days;

(f) If the Consultant becomes (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.

(g) If the Consultant fails to confirm the availability of Key Experts within the stipulated time period before the commencement of services. Normally, ten (10) calendar days is the stipulated period.

(h) If the EA/IA, in its sole discretion and for any reason whatsoever, decides to terminate the contract by giving a written notice of not less than sixty (60) calendar days.

19.4.3. The Consultants may terminate the contract by not less than thirty (30) calendar days written notice to the EA/IA, such notice to be given after the occurrence of any of the events specified below:

(a) If the EA/IA 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 EA/IA 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 EA/IA of the Consultants' notice specifying such breach.

(c) If as the result of Force Majeure, the Consultant is unable to perform a material portion of the services for a period of not less than sixty (60) calendar days.

(d) If the EA/IA fails to comply with any final decision reached as a result of arbitration.

19.4.4. **Payment Upon Termination**. The EA/IA shall pay to the Consultant the following payment upon termination;

(a) Remuneration for services satisfactorily performed prior to the effective date of the termination:

(b) Reimbursable expenditures actually incurred prior to the effective date of termination; and

(c) In case of termination by the EA/IA under (e) and (h) of Paragraph 19.4.2 above, reimbursement of any reasonable cost incidental to the prompt and orderly termination of the contract including the cost of the return travel of the Experts.

19.4.5. The EA/IA will need to seek the endorsement of the PRC and the approval of the Head of the EA and MEF before the issuance of the Termination Notice.

20.CONTRACT AMENDMENT

20.1. General

20.1.1. When the total contract amount changes for any reasons, a contract amendment becomes necessary. Normally, contract amount changes to incorporate (i) additional or reduced input requirements/scope of works or supply; (ii) the application of price adjustments specified in the contract; (iii) accommodate any result from the resolution of disputes; and (iv) price impacts from extension of contract completion period. All amendments that increase the total contract price, including those arising from the price adjustment provisions in the contract, must be reviewed and approved by the PRC.

20.1.2. In case of contracts for supply of goods, contract amendments are rare. The increase or decrease in the scope of supply is determined prior to contract signing in accordance with the provision of the ITB. However, when the PRC has agreed to procure additional goods through a repeat order, a contract amendment will be necessary. In case of civil works and consulting services, contract amendments are required more often mainly to accommodate price adjustments provisions and changes in scope of works/services.

20.1.3. The proposal for amendment to contracts must be assessed by the Procurement Officer/Project Manager to determine the impact of the proposed change on the contract price as well as contract completion time. The proposed changes that do not have any impact on the increase of the total contract price are approved by the Project Director, and do not need the approval of the PRC. Copies of the signed contract amendment must be sent to the GDICDM/MEF within ten (10) working days from the date or signing. All other contract amendments that increase the total contract price require prior approval of the PRC.

20.1.4. Where the DP require its prior approval of contract amendments or variation that increase the total contract price under its mandatory procurement regulation, the approval of the DP will be sought by the EA/IA only after the approval of the PRC has been obtained. The EA/IA must not approach or engage with the DP directly on amendments and variations until after the PRC has considered and made a decision.

20.1.5. Whenever there is a need for contract change/amendment, the Procurement Officer/Project Manager will:

(a) Identify and agree with the Supplier, Contractor or Consultant the specific clauses in the contract which need to be changed or the change in the contract value, where applicable;

(b) Prepare a draft contract amendment document for approval by the Project Director or the PRC, as applicable, together with a report justifying the reasons for the amendment;

(c) After approval by the Project Director or the PRC, submit to the DP for 'no objection', where such a requirement is specified in the procurement regulations of the DP; and,

(d) After all approvals have been obtained, process the contract amendment for signing by the Project Director or Project Manager, according to their delegated authority, and the Supplier/Contractor/Consultant in two (2) originals and two (2) copies. The originals will be retained by the two (2) Parties and one (1) copy sent to the GDICDM/MEF and one (1) to the DP, where required.

20.1.6. After the contact amendment is signed, the Procurement Officer/Project Manager 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 Security and Advance Payment Security, where required; and

(d) File the original amendment documents in the contract file.

20.2. Procedures Specific to Works Contracts

20.2.1. The nature of works contracts is such, particularly as the BOQs are only best estimates and ground conditions cannot be accurately determined in advance, that there is a frequent need to address variations and amendments during the course of execution. For works contract with a duration of two (2) years or more, a price adjustment provision is included to address price escalation or decrease of the key construction inputs like steel, cement, fuel, etc. This will result in changes in the initial contract prices. In addition, there may be change in the quantities specified in the BOQ resulting in price change or additional works that are needed as a result of ground condition or design change. To facilitate these, the terms and conditions of the contract specify specific mechanisms for introducing changes to the contract. The key provisions are described below:

20.2.2. **Testing for Defects.** The contract provisions prescribe a number of tests that the Contractor is contractually bound to carry out within the original contract price. When the Engineer/ Contract 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 result confirm the defect, the Contractor shall pay for the test and any samples. However, if the defect is not confirmed, the cost of the additional test shall be a paid for by the Employer (the EA/IA) under the contract and a variation is issued for the increase in initial contract price.

20.2.3. **Contract Variation for Additional Works.** When the Engineer/ Contract Project Manager requires additional works to be carried out, the Contractor will be requested to provide a quotation for the same. The Engineer/ Contract Project Manager shall assess the quotation, which shall be provided by the Contractor within seven (7) working days of the request or within any longer period stated by the Engineer/ Contract Project Manager.

20.2.4. If the work in the variation corresponds to an item already included in the BOQ and in the opinion of the Engineer/ Contract Project Manager if (i) the quantity of work is above the limit of a single item by more than 25% and (ii) the change does not exceed 1% of the Initial Contract Price, then the unit rate in the BOQ shall be used to calculate the value of the variation. If (i) and (ii) are exceeded, then the unit rate will need to be negotiated with the Contractor. Also, if the variation does not correspond with any items in the BOQ, then the unit rates will need to be negotiated. When an agreement is reached, the Engineer/ Contract Project Manager will issue the Variation Order subject to approval of the PRC, where required. In case the Contractor does not agree, the variation will still be issued by the Engineer/ Contract Project Manager and the Contractor cannot refuse to carry out the additional works but has the option to refer the matter to disputes resolution mechanism specified under the contract.

20.2.5. If the Engineer/ Contract Project Manager decides that the works need to be carried out in an emergency situation, no quotation shall be sought and agreed with the Contractor 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.

20.2.6. **Price Adjustment.** Where the contract provides for price adjustments, which are usually applied to works that are completed from the thirteenth (13^{th}) month and onwards from the commencement date of the construction works, the adjustments are made to the monthly IPC and paid as part of the payment of the overall payment for the IPC. There is no need to issue a variation order every month. However, the amount as a result of price adjustment must be shown separately in the IPC and certified by the Engineer/ Contract Project Manager. The PMU/PIU must review the calculation and confirm the value prior to the processing of the payments for the IPC. At the end of the second (2^{nd}) year of contract execution, a Variation Order should be issued by designated Representative of the Employer (the EA/IA) to increase the contract amount by the total amount of the escalation paid as of end of the year. The same process will be followed for the third (3^{rd}) year. A copy of such Variation Order will be provided to the GDICDM/MEF. When the total amount of escalation results in an increase in the original contract amount, the approval of the PRC will be required.

20.2.7. **Compensation Events**. The following events will result in the Contractor being paid additional sums or the Contract being amended as appropriate:

(a) The EA/IA does not give access to the part of the site required for commencement of construction by the Site Possession Date stated in the contract.

(b) The Engineer/ Contract Project Manager orders a delay or does not issue drawings, specifications, or instructions required for execution of the works on time.

(c) The Engineer/ Contract Project Manager instructs the Contractor to uncover or to carry out additional tests on works completed, which is then found to have no defects.

(d) The Engineer/ Contract Project Manager gives an instruction for dealing with an unforeseen condition, or additional work required for safety or other reasons.

(e) Other Contractors, public authorities, utilities, or the EA/IA do not perform work or fulfil their contractual obligations within the time stated in the contract, and it can be ascertained that this has caused a delay in the completion of works by the Contractor. It is not necessarily true that such delays will have any impact on the Contractor particularly when it has not mobilized or has insufficient equipment to carry out the works at the affected site or there are sufficient unhindered sites where construction can continue. Each case will therefore need to be carefully assessed if there are any material impacts.

(f) If any 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.

20.3. Procedures Specific to Goods Contracts

20.3.1. Generally, there is no need for variations in goods contracts. However, in some special circumstances, the EA/IA may require the Supplier to make changes within the general scope of the contract in any one or more of the following:

(a) drawings, designs, or specifications, where goods to be furnished under the contract are to be specifically manufactured for the Purchaser;

(b) the method of shipment or packing;

(c) the place of delivery; and

(d) the related services to be provided by the Supplier.

20.3.2. If any such change causes an increase or decrease in price, or the time required for the Supplier's performance under the contract, an equitable adjustment should be made in the Contract Price or in the Delivery and Completion Schedule, or both, and the contract should accordingly be amended. Any claims by the Supplier for adjustment must be assessed and responded by the EA/IA within twenty-eight (28) calendar days from the date of the Supplier's receipt of the Purchaser's Change Order. The price will need to be negotiated and agreed between the two parties and will need the prior approval of the PRC before the issuance of the amendment.

20.4. Procedures Specific to Consulting Services Contracts

20.4.1. In consulting services contract, there are instances when there is a need for additional scope of services, replacement of expert, change in completion date of services etc. Each of such changes will require a contract amendment. All proposals for changes to a contract should be submitted by the Consultant, irrespective of the party initiating the change to the Project Manager. The Procurement Officer/Project Manager will assess the variation proposal and submit to the Project Director if there is no impact on the contract price, and to the PRC if there is a change in the contract price for its approval.

20.4.2. In the case of replacement of key personnel, the PRC will need to review if the replacement has same or better qualification and experience and provide its approval. The remuneration rate of the replacement cannot exceed the agreed rate of the original expert. The Consultant must provide documentary evidence of the remuneration rate paid to the replacement expert in the most recent contract within the last twelve (12) months for similar services. If the rate is lower than the agreed rate of the original expert, then the lower rate will be paid. If the rate is higher, the rate of the original expert will be paid. However, in assessing the remuneration rate, a review of the status of employment of the replacement, as a permanent employee of the Consultant firm or a contractual staff, must also be undertaken as the remuneration rate will differ with contractual staff getting a lower rate as the multiplier for social costs will be smaller. For contractual staff, the Consultant firm must submit a copy of the employment contract.

20.4.3. A contract amendment will need to be issued for replacing the expert and the change in contract price, if any.

20.4.4. In case of Lump Sum/ Output-Based Consulting Contracts, amendments are issued only for time extension or the EA/IA requires additional outputs to be carried out. In case of time extension, there is no change in the contract price as the payments are linked to the achievement of the outputs/milestones/activities. When additional outputs are required, this will result in an increase in the contract price and will need prior approval of the PRC. The additional outputs must be different and additional from the outputs defined in the original contract. The payment for the outputs defined in the original contract cannot change under any circumstances.

20.4.5. In case of price adjustment provision is included in the contract, the increase is only paid for the remuneration of the experts and applied to the services provided from the thirteenth (13th) month onwards after the commencement date. Unless otherwise required under mandatory Standard Procurement Documents of the DP, the price is adjusted by the official Consumer Price Index (CPI) published in (i) Cambodia for experts providing field services in Cambodia and (ii) the Consultant's country in case experts providing home office services. When the total amount paid for price escalation results in an increase in the original contract price, the approval of the PRC will be required.

20.4.6. The status of the personnel must be carefully assessed to substantiate that the remuneration is increased by a corresponding rate. The Consultant firm must demonstrate with supporting documents that the remuneration paid to the experts are also subject to price adjustment i.e. it must pass on the increase to the experts. For this, the Consultant firm must submit a written confirmation that the basic remuneration of the experts mobilized for the assignment are adjusted at the same rate in case of permanent employees and in case of experts who are recruited on a contractual basis (non-permanent employees) for the assignment, a copy of their contract or pay slip must be provided.

21.RECORDS MANAGEMENT

21.1. Records Management Responsibility

21.1.1. Record management is an important part of contract administration. This Chapter deals with the record management related to procurement. For other areas of project administration like financial management records, please refer to the SOPs on Project Management and Financial Management for more details.

21.1.2. Good records management requires the maintenance of accurate records (be it in digital format and/or paper format) that are accessible at all times. For certain projects, it may also be necessary to use an electronic document management system that enables storage, reference, exchange, and retrieval of documents through specific software.

21.1.3. All records pertaining to the procurement should be retained by the concerned EA/IA in the relevant Contracts File. The Procurement Officer with the assistance of the Administrative Officer will compile pre- and post-contract files of all procurement exercises, and maintain and secure same for the duration of the project. Some DPs require the maintenance of records for a specific duration after project completion.

21.1.4. A simple referencing system for all procurement files is necessary to achieve proper document control and archiving.

21.1.5. The Project Director has overall responsibility for ensuring that these files are handed over to the EA/IA at the completion of each project. The files are a matter of public record and may be subject to audit by the DP or Government and must be retained by the EA/IA for at least five years after the project completion.

21.2. The Pre-Contract File

21.2.1. The pre-contract files must contain copies 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.

21.2.2. The pre-contract files will contain copies of all amendments issued to the bidding documents; the Minutes of Bid Opening and the Bid Evaluation Reports complete with all the clarification requests issued and received; Minutes of the Procurement Review Committee Meetings and any subsequent 'no objection' issued by the DP. The file must also contain the Summary of Evaluation(s) as published by the project. It will be better to maintain separate files for the bidding process, the evaluation and award process documents. The original bids received should be kept in a box and marked with the contract description and number so that it will be easy to retrieve them if this becomes necessary.

21.2.3. The original copy of the winning Bidder must be maintained separately as there may be a need to refer to the bid during the execution of the contract. Bid Securities must also be securely stored in a separate file with access to only authorized staff. The Project Manager will be responsible for safe keeping until they are required to be returned.

21.2.4. There must also be a separate file for recording complaints under the procurement complaints handling mechanism. Complaints received, communications and the responses must all be filed. All complaints will also be recorded in the project MIS for easy tracking and monitoring.

21.3. The Post-Contract File

21.3.1. The post contract files 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 Certificates. The Performance Security Guarantees must be kept in a separate file and managed by the Finance Officer and secured in a safe place.

21.3.2. Some of the main common records that are required to be maintained through the record management system are as follows:

(a) Contract documents;

(b) Insurance policies;

(c) Bank guarantees and indemnities;

(d) Plans and schedules;

(e) Safety management plans;

(f) Environmental management plans;

(g) Variation schedules;

(h) Performance's review reports;

(i) Meeting minutes;

(j) Financial documents (Invoices, Purchase Orders);

(k) Communication on claims.

ANNEX I

GLOSSARY OF TERMS

This Section explains the common defined terms that are used in this Procurement Manual. It is not intended to be a complete reference guide

Term	Definition
Abnormally Low Bid	An Abnormally Low Bid/Proposal is defined as the bid/proposal price in combination with other elements of the bid/proposal appears so low it raises material concerns as to the capability of the Bidder to perform the contract for the offered price. In such situation, the EA/IA should seek written clarifications including the price analyses. If after price analyses, if the Bidder has failed to demonstrate its capability to deliver the contract for the offered price, the EA/IA may reject the bid/proposal.
BAFO	Best and final offer is an option under which the EA/IA invites Bidders to submit their best and final offer.
Bid	An offer, by a firm or joint venture, in response to a Request for Bids to provide the required goods, works or non-consulting services.
Bidder	A firm or joint venture that submits a bid for goods, works, or non-consulting services in response to a Request for Bids.
Business Days	Any day that is an official working day of the Borrower. It excludes the Country's official public holidays.
CIP	Incoterms meaning "Carriage and Insurance Paid to" (named place of destination).
Competitive Dialogue	A selection method for international procurement of goods, works or non-consulting services. It allows the EA/IA to thoroughly discuss key aspects of the procurement with Proposers during structured confidential "dialogue" phase. This happens before finalizing the specifications and before inviting final proposals. It may be used only for complex or innovative procurement.
Consulting Services	Covers a range of services that are of an advisory or professional nature and are provided by Consultants.
Core Procurement Principles	The core procurement principles are Value for Money, economy, integrity, fit-for-purpose, efficiency, transparency and fairness.

Term	Definition
Debriefing	Debriefing is conducted after awarding the contract or during the Standstill Period (after issuing the Notification of Intention to Award). An unsuccessful Bidder has three (3) business days to make a written request for a debriefing by the Project Manager. Within five (5) business days upon receipt of Bidder's request, the Project Manager will debrief the unsuccessful Bidder. Debriefings may be done in writing or verbally. When a debriefing request is received within three (3) business days, the Project Manager should provide the debriefing as soon as practicable, and no later than fifteen (15) business days from the date of publication of the Contract Award Notice.
Framework Agreement	A Framework Agreement is an agreement with one or more firms that establishes the terms and conditions that will govern any contract awarded during the term of the Framework Agreement (a 'call-off' contract). The terms and conditions will usually include the fee rate, charge rate or pricing mechanism. Framework Agreements may be established for the anticipated procurement of goods, works, or non-consulting services, as and when required, over a specified period of time. A Framework Agreement does not commit either party to procure or supply. Once established, a Framework Agreement provides a fast and efficient way to procure goods, works or non-consulting services. A multi-supplier Framework Agreement allows a Borrower to select from a number of firms, helping to ensure that each procurement represents best value for money.
Goods	A category of procurement that includes commodities, raw material, machinery, equipment, vehicles, plant and related services such as transportation, insurance, installation, etc.
Initial Selection	The shortlisting or prequalification process used prior to issuing a Request for Proposals in the procurement of goods, works or non-consulting services.
Insurance	The works Contractor must provide, in joint names of the Employer and the Contractor, insurance cover (such as loss or damage the works, plant, materials, equipment, property and personal injury or death) from the start date to the end of the Defects Liability Period. If the Contractor does not provide insurance cover, the Employer may affect the insurance and recover premiums from the Contractor from progress payments.

Term	Definition
Letter of Credit	A Letter of 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. Letters of Credit are normally "Irrevocable" and cannot be cancelled or amended without the consent of all concerned parties.
Most Advantageous Bid/ Proposal	The bid/proposal that meets the qualification criteria and has been determined to be substantially responsive to the Request for Bids/Request for Proposals document; and also the highest ranked (lowest evaluated cost) bid/proposal.
Non-consulting Services	Services which are not consulting services. Services are normally bid and contracted on the basis of performance of measurable outputs and for which performance standards can be clearly identified and consistently applied. Examples include photography, satellite imagery and similar operations.
Notification of Intention to Award	The notice transmitted to Bidders/ Proposers/ Consultants informing them of the intention to award the contract.
Notification of Award	Notification of award is made prior to the expiration of bid validity and upon expiry of the standstill period as specified in the ITB Clause, or upon satisfactory resolution of a complaint filed within standstill period.
Plant	The provision of equipped facilities, such as those executed on the basis of design, supply, installation and commissioning.
Prequalification	Prequalification is a process associated with open competitive bidding wherein the Borrower (or Grant Recipient) assesses the suitability of Applicants to carry out a specific contract before inviting them to submit bids.
Probity Assurance Provider	An independent third party that provides specialist probity services for concurrent monitoring of the procurement process.

Term	Definition
Procurement Documents	A generic term used in these procurement regulations to cover all Procurement Documents issued by the EA/IA. It includes the GPN, SPN, REOI, Prequalification documents, Initial Selection documents, RFB and RFP documents, Forms of Contract and any addenda etc.
Procurement Plan	The Procurement Plan, including its updates, shall include, a brief description of the activities/contracts, the selection methods to be applied, cost estimates, time schedules, DP review requirements; and any other relevant procurement information.
Procurement Process	The process that starts with the identification of a need and continues through planning, preparation of specifications/ requirements, budget, contract award and contract management. It ends the day of the warranty/ Defects Liability Period.
Proposal	An offer, in response to a Request for Proposals, which may or may not include price, by one party to provide goods, works, non-consulting services or consulting services to another party.
Shortlisting	The shortlisting process used prior to issuing a Request for Proposals in the procurement of consulting services.
Standard Procurement Documents (SPD)	Procurement documents issued by the DPs to be used by EA/IA for the DP-financed projects. These include the GPN, SPN, REOI, Standard Prequalification documents, Initial Selection documents, RFB and Request for Proposals documents.
Standstill Period	The period following the Notification of Intention to Award. The Standstill Period should last ten (10) business days after the NIA transmission. The contract should not be awarded either or before the Standstill Period. Standstill Period is not applicable when (i) only one bid/proposal submitted; (ii) direct selection; or (iii) emergency situations.
Value for Money (VfM)	VfM means the effective, efficient, and economic use of resources, which requires the evaluation of relevant costs and benefits, along with an assessment of risks and of non-price attributes and/or life-cycle costs, as appropriate. Price alone may not necessarily represent the VfM.

Term	Definition
Unbalanced or Front-Loaded Bids	Defined as the lowest evaluated bid price is seriously unbalanced or front loaded. After evaluation, the project may as appropriate: (i) accept the bid; or (ii) increase the Performance Security; or (iii) reject the bid.
Retention Money	Retention money is an amount held back from a payment made under a construction contract. It is generally held to ensure that a Contractor performs all of its obligations under the contract, and is then released either on practical completion or after the end of a defects notification period. In Works Contracts, 50% of retention money shall be paid to the Contractor on issuance of Contract Completion Certificate, and the remaining 50% upon issuance of the Defects Liability Certificate.
Life-cycle Costs	Adjusted bid price plus the running/recurrent cost over the useful life of the asset on net present value basis.
Value Engineering	It is systematic approach that promotes the reduction of time or substitution of materials, methods, or less expensive alternatives, all without sacrificing quality, performance, reliability and functionality.
Joint Ventures (JV)	Firms may form JV of two or more firms as partners to enhance their qualifications and capabilities. A JV may be for long-term or for a specific procurement. All JV partners shall be jointly liable for entire contract.
Taxes, Levies and Duties	Contracts shall have provisions on the treatment of taxes, duties and levies, including the responsibilities of the contracting parties. In general, in civil works contracts, the Contract Price shall be inclusive of all taxes, levies and duties. In goods contracts, the Contract Price shall be exclusive of all taxes, levies and duties. The Financing Agreement will stipulate the treatment of taxes, levies and duties.

ANNEX II

REPORTS TEMPLATES

ANNEX II-a

Expression of Interest Register

Register of Expression of Interest (Consulting Services) Template			
Project:		Date of REOI:	
Contract Description:			
Name	Address	Fax or Email	Date Received

ANNEX II-b

Summary of Evaluation, Contracts Awarded for Publication and Contract Register

GOODS AND WORKS

<table>
<tr><td colspan="4">Name of Project</td></tr>
<tr><td>Bid/Contract No</td><td></td><td>Scope of Contract</td><td></td></tr>
<tr><td>Procurement Method</td><td></td><td>Contract Signing Date</td><td></td></tr>
<tr><th colspan="4">Awarded Bidder</th></tr>
<tr><td>Name of Awarded Bidder</td><td colspan="2">Bid Price at Opening</td><td>Final Bid Price</td></tr>
<tr><td></td><td colspan="2"></td><td></td></tr>
<tr><th colspan="4">Other Evaluated Bidder(s)</th></tr>
<tr><td>Name of Evaluated Bidder</td><td colspan="2">Bid Price at Opening</td><td>Final Bid Price</td></tr>
<tr><td></td><td colspan="2"></td><td></td></tr>
<tr><td></td><td colspan="2"></td><td></td></tr>
<tr><td></td><td colspan="2"></td><td></td></tr>
<tr><td></td><td colspan="2"></td><td></td></tr>
<tr><th colspan="4">Rejected Bidder(s)</th></tr>
<tr><td>Name of Rejected Bidder</td><td colspan="2">Bid Price at Opening</td><td>Reason(s) for Rejection</td></tr>
<tr><td></td><td colspan="2"></td><td></td></tr>
<tr><td></td><td colspan="2"></td><td></td></tr>
</table>

CONSULTING SERVICES

Name of Project			
Bid/Contract No.		Scope of Services	
Procurement Method		Contract Signing Date	
Final Contract Price (Currency)		Duration of Contract	

Name of Consultant	Technical Score	Financial Score	Financial Proposal Amount (Currency)	Final Evaluated Price (Currency)	Total Score	Final Ranking
Awarded Consultant						
Evaluated Consultants						
Rejected Consultant(s)						
				Reason(s) for Rejection		

ANNEX II-c

Procurement Plan(s) Templates

Introduction

This Annex contains the format of sample project and Specific Procurement Plans and the Procurement Monitoring and Tracking Form templates. These should be completed in Excel format unless the EA uses a full project monitoring system. The templates can be obtained from the MEF or downloaded from the MEF website at the start of the project.

Sample Project Procurement Plan

Project Procrement Plan								
Project Name: Mountainous Provinces Transport Connectivity Project (MPTCP)								
Loan/Credit/Grant No: xxx xxx								
Date: 19 August 2019								
I. Goods and Works								
Contract Package No.	Description of Contract Package	Estimated Cost (USD)	Method of Procurement (ICB/NCB/Shopping etc.)	Review by DP(Prior/Post)	Estimated Date of Invitation for Bids	Estimated Contract Signing Date	Estimated Contract End Date	Comment
A) Component 1								
MPTCP-MPWT-G-VH1	Supply and Delivery of 3 Pick Ups	$ 150,000	NCB	Prior	Sep-19	Dec-19	Mar-20	
MPTCP-MPWT-G-TE1	Supply and Delivery of Technical Equipment for PIU	$ 32,000	Shopping with Advertisem.	Post	Sep-19	Oct-19	Jan-20	
MPTCP-MPWT-G-OE1	Supply, Delivery and installation of Office Equipment for PIU	$ 11,000	Shopping without Advertisem.	Post	Sep-19	Oct-19	Jan-20	
MPTCP-MPWT-G-OF1	Supply, Delivery and installation of Office Furniture for PIU	$ 6,000	Shopping without advert.	Post	Sep-19	Oct-19	Jan-20	
MPTCP-MPWT-CW1	Construction of 5-km Asphalt Concrete Provincial Town-A Bypass Road including related road structures	$ 2,000,000	NCB	Prior	Sep-19	Jan-20	Jan-21	
MPTCP-MPWT-CW2	Construction of 7-km Asphalt Concrete Provincial Town-B Bypass Road including related road structures	$ 3,500,000	ICB	Prior	Sep-19	Feb-20	Feb-21	1S1E Bidding Documents for Small Works
MPTCP-MPWT-CW3	Reconstruction of PC Bridge (PK80+200) on Provincial Road E75	$ 0.90	NCB	Post	Sep-19	Jan-20	Jan-21	
MPTCP-MPWT-CW4	Rehabilitation of 68-km Asphalt Concrete provincial Road E72 including 3 RC bridges with a total length of 170-m and related road structures	$ 25,580,000	ICB	Prior	Jun-20	Oct-20	Apr-22	1S1E Bidding Documents for Large Works
MPTCP-MPWT-CW5	Rehabilitation of 30-km Asphalt Concrete Provincial Road E73 including road structures	$ 13,280,000	ICB	Prior	Jul-20	Nov-20	Mar-22	1S1E Bidding Documents for Large Works
B) Component 2								
MPTCP-MRD-G-VH1	Supply and Delivery of 3 Pick Ups	$ 110,000	NCB	Prior	Sep-19	Dec-19	Mar-20	
MPTCP-MRD-G-TE1	Supply and Delivery of Technical Equipment for PIU	$ 23,000	Shopping without Advertisem.	Post	Sep-19	Sep-19	Dec-19	
MPTCP-MRD-G-OE1	Supply, Delivery and installation of Office Equipment for PIU	$ 5,000	Shopping without Advertisem.	Post	Sep-19	Sep-19	Dec-19	
MPTCP-MRD-G-OF1	Supply, Delivery and installation of Office Furniture for PIU	$ 5,000	Shopping without advert.	Post	Sep-19	Oct-19	Dec-19	
MPTCP-MRD-CW1	Upgrading 18-km existing road connecting district A to Provincial Road E72 from laterite to RC road.	$ 7,200,000	ICB	Prior	Sep-19	Feb-20	Feb-21	1S1E Bidding Documents for Small Works
MPTCP-MRD-CW2	Upgrading 7-km existing road connecting district B to Provincial Road E73 from laterite to RC road.	$ 2,900,000	NCB	Prior	Sep-19	Jan-20	Jan-21	
MPTCP-MRD-CW3	Upgrading 52-km existing road connecting district C to Provincial Road E72 from laterite to DBST road including road structures.	$ 6,240,000	ICB	Prior	Sep-19	Feb-20	Jul-21	1S1E Bidding Documents for Small Works
MPTCP-MRD-CW4	Upgrading 33-km existing road connecting district D to Provincial Road E73 from laterite to DBST road including road structures.	$ 4,500,000	ICB	Prior	Oct-19	Feb-20	Aug-21	1S1E Bidding Documents for Small Works
		$ 65,542,001						

II. Consultant Service

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)	Quality/Cost Score	Review by DP(Prior/Post)	Estimated Date of Invitation for Proposals	Estimated Contract Signing Date	Comment
A) Component 1									
MPTCP-MPWT-IC-CS1	International Procurement Specialist	IC	$ 100,000	Selection of Individual Consultant	NA	Prior	Aug-19	Nov-19	
MPTCP-MPWT-IC-CS2	National Procurement Specialist	IC	$ 50,000	Selection of Individual Consultant	NA	Post	Aug-19	Oct-19	
MPTCP-MPWT-IC-CS3	Financial Management Specialist	IC	$ 90,000	Selection of Individual Consultant	NA	Post	Aug-19	Oct-19	
MPTCP-MPWT-IC-CS4	Civil Engineer	IC	$ 90,000	Selection of Individual Consultant	NA	Post	Aug-19	Oct-19	
MPTCP-MPWT-IC-CS5	Environmental and Social Safeguards Specialist	IC	$ 90,000	Selection of Individual Consultant	NA	Post	Aug-19	Oct-19	
MPTCP-MPWT-F-CS1	Supervision Consultant for Civil Works for Asphalt Concrete Bypass Roads and PC bridge construction	Firm	$ 400,000	QCBS	60/40	Prior	Nov-19	Apr-20	
MPTCP-MPWT-F-CS2	Detailed Design and Implementation Supervision Consultant (DDIS) for Provincial Roads E72&E73	Firm	$ 3,500,000	QCBS	70/30	Prior	Nov-19	Apr-20	
B) Component 2									
MPTCP-MRD-IC-CS1	International Procurement Specialist	IC	$ 100,000	Selection of Individual Consultant	NA	Prior	Aug-19	Nov-19	
MPTCP-MRD-IC-CS2	National Procurement Specialist	IC	$ 50,000	Selection of Individual Consultant	NA	Post	Aug-19	Oct-19	
MPTCP-MRD-IC-CS3	Financial Management Specialist	IC	$ 90,000	Selection of Individual Consultant	NA	Post	Aug-19	Oct-19	
MPTCP-MRD-IC-CS4	Civil Engineer	IC	$ 90,000	Selection of Individual Consultant	NA	Post	Aug-19	Oct-19	
MPTCP-MRD-IC-CS5	Environmental and Social Safeguards Specialist	IC	$ 90,000	Selection of Individual Consultant	NA	Post	Aug-19	Oct-19	
MPTCP-MRD-F-CS1	Supervision Consultant for Civil Works for RC roads Construction	Firm	$ 400,000	QCBS	60/40	Prior	Nov-19	Apr-20	
MPTCP-MRD-F-CS2	Detailed Design and Implementation Supervision Consultant (DDIS) for Provincial Roads E72&E73	Firm	$ 700,000	QCBS	70/30	Prior	Nov-19	Apr-20	
TOTAL CONSULTANTS (INDIVIDUAL)			10						
TOTAL CONSULTANTSTHROUGH FIRM			4						
TOTAL CONSULTANTS SERVICES									
OVERAL PROCUREMENT PLAN			$5,840,014						

Sample Specific Procurement Plan
(Procurement of Goods/ Works by ICB/NCB)

<table>
<tr><td colspan="2">Project Name ___________________________</td><td colspan="3">Date of Preparation: _____________________[insert date]</td></tr>
<tr><td colspan="2">Contract/Package No. ____________________</td><td></td><td colspan="2"></td></tr>
<tr><td colspan="2">DP Loan/Credit/Grant ____________________</td><td colspan="3">Prior or Post Review _______________</td></tr>
<tr><td colspan="2">Description of Goods or Works___________________</td><td colspan="3">Procurement Method ICB/NCB</td></tr>
<tr><td colspan="2">Activity</td><td>Time Period

ICB/NCB</td><td>Planned Start</td><td>Planned Finish</td></tr>
<tr><td rowspan="3">Preparation</td><td>Bidding Document</td><td>3w/1w</td><td></td><td></td></tr>
<tr><td>Bidding Document Approved by PRC</td><td>1w</td><td></td><td></td></tr>
<tr><td>DP NOL Issued</td><td>1w</td><td></td><td></td></tr>
<tr><td rowspan="2">Bidding Period</td><td>Specific Procurement Notice IFB Issued</td><td>1d</td><td></td><td></td></tr>
<tr><td>Bid Closing Date</td><td>6w/4w</td><td></td><td></td></tr>
<tr><td rowspan="3">Evaluation</td><td>Evaluation of Bids by BEC</td><td>4w/2w</td><td></td><td></td></tr>
<tr><td>PRC Review and Approval</td><td>2w/1w</td><td></td><td></td></tr>
<tr><td>DP NOL Issued</td><td>1w</td><td></td><td></td></tr>
<tr><td rowspan="4">Contract Formation</td><td>Standstill Period</td><td>10d</td><td></td><td></td></tr>
<tr><td>Notification of Award Issued</td><td>1d</td><td></td><td></td></tr>
<tr><td>Performance Security Received</td><td>3w</td><td></td><td></td></tr>
<tr><td>Contract Signed</td><td>1d</td><td></td><td></td></tr>
</table>

The activities shown in italics are only applicable when prior review of the DP is required. The above standard time periods are shown both for the ICB and NCB procurement.

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 Consulting Services)

Project Name ___________________________		Date of Preparation _____________________*[insert date]*		
Contract/Package No. ______________		Prior or Post Review ______________		
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
	Preparation of TOR	2 w		
EOI/TOR	*DP NOL Issued*	1w		
	REOI Advertised	3d		
	EOI Closing Date	3w		
	Evaluation of EOI	1w		
Shortlist and RFP	*Preparation of RFP*	2w		
	DP NOL Issued (RFP and Shortlist)	1w		
	RFP Issued to Shortlisted Firms	1d		
	Proposals Received	4w		
Technical Evaluation	Technical Evaluation of Proposals by CEC	3w		
	DP NOL Issued	1w		
Financial Evaluation	Financial Evaluation by CEC	1w		
	Selected Firm Invited to Negotiate	3w/1w (when National Firm)		
Contract Formation	Contract Negotiations	1w		
	Draft Contract Approved/Initialled	1w		
	Draft Sent to DP	1d		
	DP NOL Issued	1w		
	Standstill Period	10 d		
	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 same except for period for notice of invitation for negotiations to the winning firm.

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

Sample Specific Procurement Plan
(Procurement of Goods/ Works by RFQ (Shopping) Through Advertisement)

Project Name _______________		Date of Preparation __________________ *[insert date]*		
Contract/Package No. ______________		Prior or Post Review _____________		
DP Loan/Credit/Grant _______________		Method of Procurement _____________		
Description of Goods or Works ________		Estimated Value		
Activity		Time Period Int./Nat	Planned Start	Planned Finish
Preparation	Draft Bidding Document	1w		
	Bidding Document Approved by PRC	1w		
	DP NOL Issued	1w		
Bidding Period	Specific Procurement Notice/IFB Issued	1d		
	Closing Date	2 to 3w		
	Opening of Quotations	1d		
Evaluation	Evaluation by BEC	1w		
	PRC Review and Approval	1w		
	Evaluation Sent to DP	1d		
	DP NOL Issued	1w		
	Standstill Period	1w		
	Contract Issued-Letter of Notification/Acceptance	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 a 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	Selection Method	Prior Review (Prior) or Post Review (Post)	Plan (P)/ Actual (A)	**Bidding Document and Bidding Process**		**Bid evaluation/Contract Award**					**Contract**		
						Cost Estimate/ Actual Cost	Approval of Bidding Documents by PRC	Advertisement of IFB	Bid submission Closing/Public Opening	Completion of Evaluation	Approval by PRC	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
					P										
					A										
					P										
					A										

Procurement Monitoring and Tracking Form (Works)

Project Name: ______________________ Loan/Credit/Grant No: ____________

Update:

Procurement Monitoring and Tracking Form

Works

												Bid evaluation/Contract Award					**Contract**		
No	Contract No.	Description of Works	Procurement Method	Prior Review (Prior) or Post Review (Post	Plan (P)/ Actual (A)	Cost Estimate/Actual Cost	Approval of Draft Bid Docs by PRC	Submission to DP for NOL	NOL by DP	Advertisement of IFB	Bid Closing /Bid Opening	Completion of Evaluation by BEC	Submission to PRC	Approval by PRC	Submission to DP	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
					P														
					A														
					P														
					A														

Procurement Monitoring and Tracking Form (Consulting Firms)

Project Name: ______________________ ____________

Update:

Procurement Monitoring and Tracking Form - Consulting Firms

						EOI Stage			**RFP Stage**						**Evaluation Stage**											
No	Contract No.	Description of Services	Selection Method	Prior Review (Prior)	Plan (P)/ Actual (A)	Cost Estimate/Actual Cost	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 & Short List by DP	RFP sent to shortlist	Opening of Technical Proposals	Completion of Technical Evaluation Report by CEC	Approval by PRC	Submission of TER to DP	NOL from DP	Financial Opening of Qualified Firms	Combined Evaluation Approved by PRC	Approved by PRC	Completed Draft Negotiated Contract	Submission to DP	Nol by DP	Contract Signing	Signed Contract 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
					P																					
					A																					
					P																					
					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	Plan (P)/ Actual (A)	TOR/EOI			Evaluation					Contract				
				Cost Estimate/Actual Cost	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	Draft Negotiated Contract Initialed	Submission to DP	NoI by DP	Contract Signing	Signed Contract to DP for Info
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
			P													
			A													
			P													
			A													

Sample of the Project Procurement Monitoring and Tracking Forms
(Filled in for Goods, Works, Consulting Services – Firms & Individual Consultants)

Project Name:		Mountainous Provinces Transport Connectivity Project (MPTCP)										Loan/Credit/Grant No:				
Update	19-Aug-19															
Procurement Monitoring and Tracking Form																
Goods																
							Bidding Document and Bidding Process		**Bid evaluation/Contract Award**					**Contract**		
No	Contract No.	Description of Goods	Procurement Method	Prior Review (Prior) or Post Review (Post)	Cost Estimate/ Actual Cost	Plan (P)/ Actual (A)	Approval of Bidding Documents by PRC	Approval of Bidding Documents by DP[1]	Advertisement of IFB	Bid submission Closing/Public Opening	Completion of Evaluation	Approval by PRC	NOL by DP[1]	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
A) Component 1																
1	MPTCP-MPWT-G-VH1	Supply and Delivery of 3 Pick Ups	NCB	Prior	$ 150,000	P	26-Aug-19	02-Sep-19	03-Sep-19	03-Oct-19	18-Oct-19	28-Oct-19	05-Nov-19	28-Nov-19	05-Dec-19	13-Dec-19
						A										
2	MPTCP-MPWT-G-TE1	Supply and Delivery of Technical Equipment for PIU	Shopping with Advertisem.	Post	$ 32,000	P	02-Sep-19	NA	03-Sep-19	17-Sep-19	25-Sep-19	03-Oct-19	NA	10-Oct-19	18-Oct-19	28-Oct-19
						A										
3	MPTCP-MPWT-G-OE1	Supply, Delivery and installation of Office Equipment for PIU	Shopping without Advertisem.	Post	$ 11,000	P	16-Sep-19	NA	17-Sep-19	25-Sep-19	03-Oct-19	08-Oct-19	NA	11-Oct-19	21-Oct-19	30-Oct-19
						A										
4	MPTCP-MPWT-G-OF1	Supply, Delivery and installation of Office Furniture for PIU	Shopping without advert.	Post	$ 6,000	P	23-Sep-19	NA	25-Sep-19	03-Oct-19	10-Oct-19	16-Oct-19	NA	21-Oct-19	30-Oct-19	06-Nov-19
						A										
B) Component 2																
1	MPTCP-MRD-G-VH1	Supply and Delivery of 3 Pick Ups	NCB	Prior	$ 110,000	P	26-Aug-19	02-Sep-19	03-Sep-19	07-Oct-19	22-Oct-19	31-Oct-19	07-Nov-19	25-Nov-19	17-Dec-19	24-Dec-19
						A										
2	MPTCP-MRD-G-TE1	Supply and Delivery of Technical Equipment for PIU	Shopping without Advertisem.	Post	$ 23,000	P	30-Aug-19	NA	02-Sep-19	09-Sep-19	12-Sep-19	17-Sep-19	NA	18-Sep-19	19-Sep-19	30-Sep-19
						A										
3	MPTCP-MRD-G-OE1	Supply, Delivery and installation of Office Equipment for PIU	Shopping without Advertisem.	Post	$ 5,000	P	05-Sep-19	NA	06-Sep-19	13-Sep-19	18-Sep-19	23-Sep-19	NA	25-Sep-19	26-Sep-19	04-Oct-19
						A										
4	MPTCP-MRD-G-OF1	Supply, Delivery and installation of Office Furniture for PIU	Shopping without advert.	Post	$ 5,000	P	10-Sep-19	NA	11-Sep-19	18-Sep-19	23-Sep-19	30-Sep-19	NA	01-Oct-19	02-Oct-19	09-Oct-19
						A										
Note	(1):	For Post-Review, submissions to DP for approval are not required. The column on DP approval will not be applied (leave blank)														

Project Name: Mountainous Provinces Transport Connectivity Project (MPTCP) — Loan/Credit/Grant No:

Update 19-Aug-19

Procurement Monitoring and Tracking Form

Works

No	Contract No.	Description of Works	Procurement Method	Prior Review (Prior) or Post Review (Post)	Cost Estimate/Actual Cost	Plan (P)/ Actual (A)	Bidding Documents and Bidding Process					Bid evaluation/Contract Award					Contract		
							Approval of Draft Bid Docs by PRC	Submission to DP for NOL	NOL by DP	Advertisement of IFB	Bid Closing /Bid Opening	Completion of Evaluation by BEC	Submission to PRC	Approval by PRC	Submission to DP	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
A) Component 1																			
1	MPTCP-MPWT-CW1	Construction of 5-km Asphalt Concrete Provincial Town-A Bypass Road including related road structures	NCB	Prior	$ 2,000,000	P	30-Aug-19	02-Sep-19	09-Sep-19	16-Sep-19	21-Oct-19	22-Nov-19	25-Nov-19	02-Dec-19	03-Dec-19	11-Dec-19	02-Jan-20	17-Jan-20	24-Jan-20
						A													
2	MPTCP-MPWT-CW2	Construction of 7-km Asphalt Concrete Provincial Town-B Bypass Road including related road structures	ICB	Prior	$ 3,500,000	P	10-Sep-19	11-Sep-19	18-Sep-19	26-Sep-19	13-Nov-19	12-Dec-19	13-Dec-19	20-Dec-19	23-Dec-19	30-Dec-19	22-Jan-20	05-Feb-20	12-Feb-20
						A													
3	MPTCP-MPWT-CW3	Reconstruction of PC Bridge (PK80+200) on Provincial Road E75	NCB	Post	$ 1	P	10-Sep-19	NA	NA	17-Sep-19	22-Oct-19	27-Nov-19	NA	04-Dec-19	NA	NA	26-Dec-19	03-Jan-20	13-Jan-20
						A													
4	MPTCP-MPWT-CW4	Rehabilitation of 68-km Asphalt Concrete provincial Road E72 including 3 RC bridges with a total length of 170-m and related road structures	ICB	Prior	$25,580,000	P	22-Jun-20	29-Jun-20	06-Jul-20	29-Jun-20	10-Aug-20	09-Sep-20	10-Sep-20	21-Sep-20	25-Sep-20	02-Oct-20	13-Oct-20	21-Oct-20	28-Oct-20
						A													
5	MPTCP-MPWT-CW5	Rehabilitation of 30-km Asphalt Concrete Provincial Road E73 including road structures	ICB	Prior	$13,280,000	P	10-Jul-20	17-Jul-20	24-Jul-20	17-Jul-20	28-Aug-20	05-Oct-20	06-Oct-20	12-Oct-20	16-Oct-20	23-Oct-20	05-Nov-20	13-Nov-20	20-Nov-20
						A													
B) Component 2																			
1	MPTCP-MRD-CW1	Upgrading 18-km existing road connecting district A to Provincial Road E72 from laterite to RC road.	ICB	Prior	$ 7,200,000	P	05-Sep-19	06-Sep-19	13-Sep-19	20-Sep-19	08-Nov-19	11-Dec-19	12-Dec-19	19-Dec-19	20-Dec-19	27-Dec-19	21-Jan-20	04-Feb-20	11-Feb-20
						A													
2	MPTCP-MRD-CW2	Upgrading 7-km existing road connecting district B to Provincial Road E73 from laterite to RC road.	NCB	Prior	$ 2,900,000	P	30-Aug-19	02-Sep-19	09-Sep-19	16-Sep-19	21-Oct-19	22-Nov-19	25-Nov-19	02-Dec-19	03-Dec-19	11-Dec-19	02-Jan-20	17-Jan-20	24-Jan-20
						A													
3	MPTCP-MRD-CW3	Upgrading 52-km existing road connecting district C to Provincial Road E72 from laterite to DBST road including road structures.	ICB	Prior	$ 6,240,000	P	10-Sep-19	11-Sep-19	18-Sep-19	26-Sep-19	15-Nov-19	16-Dec-19	17-Dec-19	24-Dec-19	25-Dec-19	02-Jan-20	24-Jan-20	07-Feb-20	14-Feb-20
						A													
4	MPTCP-MRD-CW4	Upgrading 33-km existing road connecting district D to Provincial Road E73 from laterite to DBST road including road structures.	ICB	Prior	$ 4,500,000	P	20-Sep-19	23-Sep-19	02-Oct-19	09-Oct-19	27-Nov-19	26-Dec-19	27-Dec-19	06-Jan-20	08-Jan-20	15-Jan-20	05-Feb-20	19-Feb-20	26-Feb-20
						A													

Note (1): For Post-Review, submissions to DP for approval are not required. The column on DP approval will not be applied (leave blank)

Project Name: Mountainous Provinces Transport Connectivity Project (MPTCP) | Loan/Credit/Grant No:

Update 19-Aug-19

Procurement Monitoring and Tracking Form

Consulting Services - Firm

							RFP Stage							Evaluation Stage							Contract				
No	Contract No.	Description of Services	Selection Method	Prior Review (Prior) or Post Review (Post)	Cost Estimate/Actual Cost	Plan (P)/ Actual (A)	Advertisement of REOI	Evaluation by CEC	Draft RFP & Short List to PRC	Approval by PRC	Submission to DP	NOL Draft RFP & Short List by DP	RFP sent to shortlist	Opening of Technical Proposals	Completion of Technical Evaluation Report by CEC	Technical Evaluation Report approved by PRC	Submission of TER to DP	NOL from DP	Financial Opening of Qualified Firms	Combined Evaluation Approved by PRC	Completed Draft Negotiated Contract	Submission to DP	NoI by DP	Contract Signing	Signed Contract to DP for
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
A) Component 1																									
1	MPTCP-MPWT-F-CS1	Supervision Consultant for Civil Works for Asphalt Concrete Bypass Roads and PC bridge construction	QCBS	Prior	$ 400,000	P	17-Sep-19	03-Oct-19	08-Oct-19	16-Oct-19	24-Oct-19	01-Nov-19	08-Nov-19	13-Dec-19	16-Jan-20	23-Jan-20	28-Jan-20	04-Feb-20	25-Feb-20	03-Mar-20	10-Mar-20	13-Mar-20	20-Mar-20	10-Apr-20	23-Apr-20
						A																			
2	MPTCP-MPWT-F-CS2	Detailed Design and Implementation Supervision Consultant (DDIS) for Provincial Roads E72&E73	QCBS	Prior	$ 3,500,000	P	26-Sep-19	11-Oct-19	17-Oct-19	25-Oct-19	04-Nov-19	13-Nov-19	20-Nov-19	23-Dec-19	24-Jan-20	31-Jan-20	05-Feb-20	12-Feb-20	04-Mar-20	11-Mar-20	18-Mar-20	23-Mar-20	30-Mar-20	24-Apr-20	04-May-20
						A																			
B) Component 2																									
1	MPTCP-MRD-F-CS1	Supervision Consultant for Civil Works for RC roads Construction	QCBS	Prior	$ 400,000	P	17-Sep-19	03-Oct-19	08-Oct-19	16-Oct-19	24-Oct-19	01-Nov-19	08-Nov-19	13-Dec-19	16-Jan-20	23-Jan-20	28-Jan-20	04-Feb-20	25-Feb-20	03-Mar-20	10-Mar-20	13-Mar-20	20-Mar-20	10-Apr-20	23-Apr-20
						A																			
2	MPTCP-MRD-F-CS2	Detailed Design and Implementation Supervision Consultant (DDIS) for Provincial Roads E72&E73	QCBS	Prior	$ 700,000	P	26-Sep-19	11-Oct-19	17-Oct-19	25-Oct-19	04-Nov-19	13-Nov-19	20-Nov-19	23-Dec-19	24-Jan-20	31-Jan-20	05-Feb-20	12-Feb-20	04-Mar-20	11-Mar-20	18-Mar-20	23-Mar-20	30-Mar-20	24-Apr-20	04-May-20
						A																			

Note (1): For Post-Review, submissions to DP for approval are not required. The column on DP approval will not be applied (leave blank)

Project Name: Mountainous Provinces Transport Connectivity Project (MPTCP) | Loan/Credit/Grant No:

Update 19-Aug-19

Procurement Monitoring and Tracking Form

Consulting Services - Individual Consultants

No	Contract No.	Description of Services	Selection Method	Prior Review (Prior) or Post Review (Post)	Cost Estimate/Actual Cost	Plan (P)/ Actual (A)	REOI		Evaluation				Contract				
							REOI Advertised	REOI Submission Closing Date	EOI Evaluation by CEC	Approval of Evaluation by PRC	Submission to DP	NOL from DP	Draft Negotiated Contract Initialed	Submission to DP	NoI by DP	Contract Signing	Signed Contract to DP for Info
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
A) Component 1																	
1	MPTCP-MPWT-IC-CS1	International Procurement Specialist	IC	Prior	$ 100,000	P	26-Aug-19	09-Sep-19	23-Sep-19	02-Oct-19	07-Oct-19	14-Oct-19	22-Oct-19	28-Oct-19	05-Nov-19	14-Nov-19	21-Nov-19
						A											
2	MPTCP-MPWT-IC-CS2	National Procurement Specialist	IC	Post	$ 50,000	P	26-Aug-19	09-Sep-19	23-Sep-19	02-Oct-19	NA	NA	09-Oct-19	NA	NA	17-Oct-19	25-Oct-19
						A											
3	MPTCP-MPWT-IC-CS3	Financial Management Specialist	IC	Post	$ 90,000	P	26-Aug-19	09-Sep-19	23-Sep-19	02-Oct-19	NA	NA	09-Oct-19	NA	NA	17-Oct-19	25-Oct-19
						A											
4	MPTCP-MPWT-IC-CS4	Civil Engineer	IC	Post	$ 90,000	P	26-Aug-19	09-Sep-19	23-Sep-19	02-Oct-19	NA	NA	09-Oct-19	NA	NA	17-Oct-19	25-Oct-19
						A											
5	MPTCP-MPWT-IC-CS5	Environmental and Social Safeguards Specialist	IC	Post	$ 90,000	P	26-Aug-19	09-Sep-19	23-Sep-19	02-Oct-19	NA	NA	09-Oct-19	NA	NA	17-Oct-19	25-Oct-19
						A											
B) Component 2																	
1	MPTCP-MRD-IC-CS1	International Procurement Specialist	IC	Prior	$ 100,000	P	26-Aug-19	09-Sep-19	23-Sep-19	02-Oct-19	07-Oct-19	14-Oct-19	22-Oct-19	28-Oct-19	05-Nov-19	14-Nov-19	21-Nov-19
						A											
1	MPTCP-MRD-IC-CS2	National Procurement Specialist	IC	Post	$ 50,000	P	26-Aug-19	09-Sep-19	23-Sep-19	02-Oct-19	NA	NA	09-Oct-19	NA	NA	17-Oct-19	25-Oct-19
						A											
1	MPTCP-MRD-IC-CS3	Financial Management Specialist	IC	Post	$ 90,000	P	26-Aug-19	09-Sep-19	23-Sep-19	02-Oct-19	NA	NA	09-Oct-19	NA	NA	17-Oct-19	25-Oct-19
						A											
1	MPTCP-MRD-IC-CS4	Civil Engineer	IC	Post	$ 90,000	P	26-Aug-19	09-Sep-19	23-Sep-19	02-Oct-19	NA	NA	09-Oct-19	NA	NA	17-Oct-19	25-Oct-19
						A											
2	MPTCP-MRD-IC-CS5	Environmental and Social Safeguards Specialist	IC	Post	$ 90,000	P	26-Aug-19	09-Sep-19	23-Sep-19	02-Oct-19	NA	NA	09-Oct-19	NA	NA	17-Oct-19	25-Oct-19
						A											

Note (1): For Post-Review, submissions to DP for approval are not required. The column on DP approval will not be applied (leave blank)

ANNEX II-d

Bid Evaluation Report(s) Templates (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: ________________________

Loan/ Credit/ Grant Number: ________________________

Contract Description: ________________________

Contract Number: ________________________

Date of Preparation: ________________________

[BER Page 1]

BID EVALUATION REPORT

Contents

[BER Page 2]

Tables

Attachments

[BER Page 3]

BID EVALUATION REPORT

Project Name: ________________

Contract Description and Number_______________

1. IDENTIFICATION, BIDDING PROCESS, AND BID SUBMISSION

1. The relevant project and procurement package details are provided in **Table 1** below:

TABLE 1: IDENTIFICATION

Name of EA/IA	
Loan/Credit/Grant Number	
Name of Project	
Project Closing Date (a) original (b) revised	
Contract/Bid Ref. Number	
Contract Description	
Cost Estimate	
Method of Procurement	
Prior /Post Review	

2. BIDDING DOCUMENTS

2. The bidding documents were prepared using the Standard National Competitive Bidding Documents for the Procurement of Goods as mandated under the RGC Standard Operating Procedures on Procurement for Externally Financed Projects/Programs. The NOL for the bidding document was provided by *[name of the funding DP]* on……………… *[applicable for prior review cases only]*.

3. The Invitation/ Request for Bids was advertised in _________________ newspaper on _____________ *[insert date]*. The copy of Specific Procurement Notice as advertised is attached as **Appendix 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 attach these as a separate **Appendix** 3A]*.

2.1. Bid Submission

5. The deadline for the submission of bids was set at _______________ *[insert time and date]*.

6. 'There was no extension of the deadline for bid submission'/ or 'The deadline for bid submission was extended to ....' *[delete which is not applicable]*. ____________ *[insert number]* Bidders submitted the bids before the submission deadline. The List of Bids Received is shown in the Record of Bids Submission (**Appendix 3**).

7. The relevant 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	

2.2. Bid Opening

8. 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]*.

9. 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.

10. **Table 3** below provides the bid prices and other relevant details as read out during the bid opening.

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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	

3. BID EVALUATION COMMITTEE

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

    Give Name and Designation, Chair

    Give Name and Designation, Member

    Give Name and Designation, Member.

12. 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.]*

13. All the Members signed the Statement of Ethical Conduct and Fraud and Corruption which is attached to this report as **Appendix 7**.

4. PRELIMINARY EXAMINATION OF BIDS

14. The preliminary examination of bids has been carried out following the provisions set forth under **ITB Clause 26** of the Instruction to Bidders. The details of preliminary examination for each bid are provided in **Appendix 5**. The summary is presented in the following sub-sections.

4.1. Completeness of Bid

15. The bids submitted were examined to verify that the Bidders had submitted all the documents and information specified in the bidding document. The following documents, were examined:

    - Signed (in original) Bid Form: *State here whether the Bidders signed the form properly. In case of non-compliant bids, give the name(s) and the deviations.*
    - Bid Security or Bid Securing Declaration**:** *State here whether the Bidders signed the form properly. In case not signed, give the name(s) and the deviations*.

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- The Price Schedule: *State here whether the Bidders have submitted and signed the Price Schedule, in accordance with **ITB Clause 13**. In case of non-compliant bids, give name(s) and deviation.*
- Written confirmation of authorization to commit the Bidder: *State here whether the bidders signed the form properly. In case of non-compliant bids, give the name(s) and the deviations*.
- Manufacturer's Authorization if required in accordance with **ITB Clause 14.2(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*.

4.2. Eligibility

16. *State here whether the Nationalities of all the Bidders [and the joint venture partners] are from eligible countries. State if the Goods are sourced from eligible countries. State here whether Bidders or partners have provided related consulting services on the project. State the name of Bidders who are Government-Owned Enterprises, if any. State whether any firms are declared ineligible by the DP as per the DP website.*

4.3. Bid Validity and Bid Securing Declaration

(a) The Bid Validity Period specified in **ITB Clause 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 and **BDS** 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 Clause 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]*

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

4.4. Compliance with Technical Specifications

18. The technical examination of the bids was undertaken to evaluate if 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.*

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

4.5. Substantial Responsiveness

19. **Table 4** shows the summary of Preliminary Examination Results. Based on the preliminary evaluation carried out and explained in **Section 4** 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 ________________

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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	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	Responsive/ Non Responsive
2	Bidder 2	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	Responsive/ Non Responsive
3	Bidder 3	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	Responsive/ Non Responsive
4	Bidder 4	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	Responsive/ Non Responsive

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

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5. DETAILED EXAMINATION OF BIDS

5.1. Bids for Detailed Evaluation

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

5.2. Discounts and Corrections

21. The substantially responsive 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.

22. *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.*

23. *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.*

24. The summary of arithmetic 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)

5.3. Additional Adjustments, and Price Deviations

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

26. *List each adjustment made for the Bidder and provide calculations.*

    (a) Omission

    (b) Priced Deviations

27. The summary of the adjustments *[if any]* and ranking of the Bidders are provided in **Table 6** below.

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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)*	

5.4. Clarifications

28. *State the clarifications, if any, that were sought from Bidders. Copies of the correspondences with Bidders and their responses are shown in* ***Appendix 6****.*

6. DETERMINATION OF AWARD

6.1. Qualification Evaluation

29. *[In order to reduce the volume of work involved in qualification evaluation, it was decided to evaluate initially only the First Ranked Bid. Subsequent bids would be evaluated only if the 1st Ranked Bidder is found not to meet qualification requirement].*

30. The qualifications of the 1st Ranked Bidder who submitted substantially responsive bid, namely _________ *[name of Bidder]* were evaluated in accordance with Post-Qualification Requirements specified in **ITB Clause 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 Manufacturer's Authorization, any litigation/ongoing disputes, etc.

    (d) Clarifications

    State any clarifications sought. Copies should be included in ***Appendix 7.***

    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 nature in the preceding three years of not less than __% *[insert percentage]* 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 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 ____% *[insert percentage]* of the bid price, net of other contractual commitments; <u>*OR*</u> - credit terms with vendors specifically for the goods to be supplied under the contract, and valid for at least ________ months *[insert figure]* 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 the same steps for 2nd Ranked Bidder and go on until the qualified Bidder is found.

6.2. Abnormally Low Bid

To determine that a bid price is abnormally low, use these three approaches:

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(i) *Compare the bid price with the Purchaser's cost estimate.*

(ii) *Compare the bid price with the bids offered by other Bidders submitting substantially responsive bids.*

(iii) *Compare the bid price with prices paid in similar contracts in the recent past, either Government- or Development Partner-funded.*

After evaluating the price analyses, if it is determined that the Bidder has failed to demonstrate its capability to deliver the contract for the offered price, the BEC/PRC may reject the bid.

6.3. Recommendation for Award

31. The Bid Evaluation Committee submits this report to *[insert one of the following: Minor Procurement Committee / General Procurement Committee / Major Procurement Committee]* for review and consideration of the 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]*.

32. *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*

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ATTACHMENTS TO BER

APPENDIX 1: SPECIFIC PROCUREMENT NOTICE

Advertisement of Invitation/ Request for Bids

Copy of Advertisement

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APPENDIX 2: LIST OF PURCHASERS OF BIDDING DOCUMENTS

Name	Address	Date of Purchase

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APPENDIX 3: RECORD OF SUBMISSION OF BIDS

List of Bids

Project Name:

Executing Agency:

Contract Name:

Contract Number:

Time and Date of Bid Openning:

Procurement Method:

No.	Name of Company	Name of Bidder's Representative	Signature

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APPENDIX 3A: RECORD OF AMENDMENTS TO BIDDING DOCUMENTS

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APPENDIX 4: MINUTES OF BID OPENING

Minutes of Bid Opening

Name of Project…………………………………………

Contract Name: Place of Bid Opening

Contract Number:

Submission Deadline and Bid Opening

Seq No.	Name of Bidder	Withdrawal/ Modifcation	Bid Form Completed and Signed	Bid Securing Declaration	Read Out Bid Price in Bid Submission From (USD)	Discount	Signature of Bidder	
							Name	Signature
	1	2	3	4	5	6	7	8

Agenda

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

Signature: Chair of the Bid Opening Committee

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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**

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APPENDIX 6: CORRESPONDENCE ON CLARIFICATIONS

[BER Page 20]

APPENDIX 7: STATEMENT ON ETHICAL CONDUCT AND FRAUD AND CORRUPTION BY THE BEC MEMBERS

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 *Standard Operating Procedures on Procurement 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

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THE KINGDOM OF CAMBODIA

Nation Religion King

Name of the Line Ministry/EA

*****

BID EVALUATION REPORT
AND
RECOMMENDATION FOR AWARD OF CONTRACT
(FOR WORKS)

Name of Project: ________________________

Loan/ Credit/ Grant Number: ________________________

Contract Description: ________________________

Contract Number: ________________________

Date of Preparation: ________________________

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BID EVALUATION REPORT

Contents

[BER Page 2]

Tables

Attachments

BID EVALUATION REPORT

Project Name: _________________

Contract Description and Number_______________

1. IDENTIFICATION, BIDDING PROCESS, AND BID SUBMISSION

1. The relevant project and procurement package details are provided in **Table 1** below:

TABLE 1: IDENTIFICATION

Name of EA/IA	
Loan/Credit/Grant Number	
Name of Project	
Project Closing Date (a) original (b) revised	
Contract /Bid Ref. Number	
Description of Works	
Cost Estimate	
Method of Procurement	
Prior /Post Review	

1.1. Bidding Documents

2. The bidding documents were prepared using the Standard National Competitive Bidding Documents for the Procurement of Works as mandated under the RGC Standard Operating Procedures on Procurement 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 the funding DP]* on ………………. *[applicable for prior review cases only]*.

3. The Invitation/Request for Bids was advertised in __________________ newspaper on ______________ *[insert date]*. A copy of the Invitation/Request for Bids, as advertised, is provided in **Appendix 1**.

4. ___________ [*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**.

[BER Page 4]

5. 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**]*.

1.2. Bid Submission

6. The deadline for the submission of bids was set at _______________ *[insert time and date]*. There was no extension of the deadline for bid submission/The deadline for bid submission was extended to .... *[delete which is not applicable]*.

7. ____________ *[insert number]* bidders out of the .... [*insert number*] Bidders who purchased the bidding documents submitted the bids before the submission deadline. The List of Bids received is shown in the Record of Bid Submission in **Appendix 3**.

8. The relevant 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	

1.3. Bid Opening

9. 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]*.

10. 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 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 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.

11. **Table 3** below provides the bid prices and other relevant details as read out during the bid opening.

[BER Page 5]

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 Form Submitted and Signed	Bid Securing Declaration	Modifications Discounts
	Name	Country	Lot 1	Lot 2	Lot 3			
1		Cambodia	Currency/ Amount			Yes/No	Yes/No	
2		Cambodia	Currency/ Amount			Yes/No	Yes/No	
3			Currency/ Amount			Yes/No	Yes/No	
4			Currency/ Amount			Yes/No	Yes/No	

2. BID EVALUATION COMMITTEE

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

Give Name and Designation, Chair

Give Name and Designation, Member

Give Name and Designation, Member.

13. 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.]*

14. 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**.

3. PRELIMINARY EXAMINATION OF BIDS

3.1. Completeness of Bid

(a) Contractor's 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

[BER Page 6]

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) Joint Ventures (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/ Memorandum of Understanding (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.

(g) 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

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

3.2. Bid Validity and Bid Securing Declaration

(a) The Bid Validity Period specified in **ITB Clause 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 **BDS** and 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 Clause 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 whether the Bidders have submitted all the required information and documentation:

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- Legal status *[This will lead to rejection];*

- Audited or Certified Financial Statements *[Bidder can be asked to submit within a given time];*

- Copies of completed/executed contracts *[This will lead to rejection];*

- Amount of Line of Credit/other Liquid Assets *[If not submitted, not considered in the evaluation];*

- Ownership or leasing agreement for construction equipment *[EA/IA can seek clarifications].*

3.3. Substantial Responsiveness

16. **Table 4** shows the summary of Preliminary Examination Results. Based on the preliminary evaluation carried out and as explained in **Paragraphs 3.1 and 3.2** 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 ________________

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TABLE 4: PRELIMINARY EXAMINATION RESULTS

No.	Name of Bidder		Signed Original Bid Form	Singed 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		C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	Responsive/Non Responsive
2	Bidder 2		C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	Responsive/Non Responsive
3	Bidder 3		C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	Responsive/Non Responsive
4	Bidder 4		C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	C/SC/NC	Responsive/Non Responsive

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

4. DETAILED EXAMINATION OF BIDS

4.1. Bids for Detailed Evaluation

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

4.2. Price Evaluation: Corrections and Discounts

(a) These bids were examined for corrections (arithmetic) and corrected in accordance with **ITB Clause 25**. Each price item in the Bill of Quantity of 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.

(c) State that Provisional Sum is not considered in the price 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		Corrected Bid Price for Evaluation	Unconditional Discounts		Corrected/ Discounted Bid Price
			Computational Errors	Provisional Sum		Percent	Amount	
		(1)	(2)	(3)	(4) = (1)+(2)-(3)	(5)	(6)	(7) = (4) - (6)

4.3. Additional Adjustments, and Price Deviations

18. *[State here if any adjustments were made for omission, minor deviations, etc.]*

List each adjustment made for each bid, if any and provide calculations.

(a) Omission

(b) Priced Deviations

(c) Deviation in Completion Time *(if allowed).*

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
		(7) *From Table 5*	*(8)*	*(9)*	*(7) + (8)+ (9)*	

4.4. Clarifications

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

[BER Page 11]

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

5. POST-QUALIFICATION AND DETERMINATION OF AWARD

5.1. Determination of Qualification

21. *[In order to reduce the volume of work involved in qualification evaluation, initially only the First Ranked Bid is evaluated. Subsequent bids would be evaluated only if the First Ranked Bid failed to meet the qualification requirements].*

22. The qualifications of 1st Ranked Bidder 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 and state the result].*

23. **Table 7** below provides the Summary of Qualifications of the First Ranked Bidder.

TABLE 7: SUMMARY OF QUALIFICATIONS

Qualification Criteria	1st Ranked Bidder
Specific Experience • Completion of two (2) contracts of similar nature and complexity over last five (5) years *(all works at least 70% complete and billed can be included).*	Pass/Fail
Financial Experience	
• Average Annual Volume of Construction Works over last three (3) years shall be .... *(insert amount specified in the BDS).*	Pass/Fail
• Minimum amount of liquid assets or credit facilities should be .... *(insert amount specified in BDS).*	Pass/Fail
Key Personnel *[Insert the list of Key Personnel]* **For example, Project Manager** *(B.Sc. Civil Engineering, five (5) years of work experience including no less than three (3) years of experience as Manager).*	Pass/Fail
Major Construction Equipment • (*Insert the list of Equipment*).	Pass/Fail
Overall Qualification	Qualified/ Unqualified

24. The 1st Ranked Bidder was found to meet all the qualification requirements and was subjected to post qualification evaluation *[use if 1st Ranked Bidder meets the qualification]* / The 1st Ranked Bidder failed to meet the qualification and therefore the qualification of the 2nd Ranked Bidder was evaluated. Then repeat 5.**1** for the 2nd Ranked Bidder *(use when 1st Ranked Bidder failed to meet the qualification).*

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5.2. Post-Qualification Evaluation

25. 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**.

5.2.1 General Experience

26. *Verify the documentary evidence submitted by the Bidder for meeting the General Experience requirement.*

5.2.2 Specific Experience

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

5.2.3 Average Annual Turnover

28. *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.*

5.2.4 Cash Flow

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

5.2.5 Construction Equipment

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

5.2.6 Key Personnel

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

5.2.7 History of Litigation

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

33. *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.*

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

5.3. Methodology and Work Schedule

5.3.1 Method Statement, Specifications and Performance

35. *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*

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*and performance requirements as specified in **Section V** of the Bidding Documents.*

36. *If there are any major deviations, which are not acceptable, state these and the reasons for non-acceptance [Bid is rejected only on the grounds of very substantial non-compliance, which clearly demonstrates that the Bidder has very poor understanding of the nature of works that will result in substandard work].*

5.3.2 Work Schedule

37. *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.*

38. "The 1st Ranked Bidder meets all the Post-Qualification Requirements and has demonstrated that they can perform the works satisfactorily"/or "The 1st Ranked Bidder failed to meet the Post-Qualification Requirements and demonstrate that they can perform the works satisfactorily" *[Select either one]*. The step was repeated for the 2nd Ranked Bidder *[Follow steps in **Table 7** for each Qualification Criteria above].*

5.4. Price Analysis and Comparison

39. *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 price comparison with the estimates item by item. 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.*

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

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

42. *If the analysis shows that the bid price is abnormally low or unbalanced, then carry out the following:*

<u>Abnormally Low Bid</u>

To determine that a bid price is abnormally low, use these three approaches:

(i) *Compare the bid price with the Employer's cost estimate.*

(ii) *Compare the bid price with the bids offered by other Bidders submitting substantially responsive bids.*

(iii) *Compare the bid price with prices paid in similar contracts in the recent past, either Government- or Development Partner-funded.*

43. *After evaluating the price analyses, if it is determined that the Bidder has failed to demonstrate its capability to deliver the contract for the offered price, the BEC/PRC may reject the bid.*

<u>Unbalanced Bids</u>

44. *After carrying out the detailed price analyses, and if it is determined that the bid is unbalanced, then the BEC may recommend one of the following in the BER:*

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(i) *accept the bid/proposal;*

(ii) *require that the total amount of the Performance Security be increased, at the expense of the Bidder/Proposer, to a level not exceeding twenty percent (20%) of the contract price; or*

(iii) *reject the bid/proposal.*

45. *When more than one Lot is bided at the same time and Bidders can bid for one or any combination of bids, the price analysis of all the Bidders for each Lot is carried out to determine if there is any possible sign of collusion. 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 action, if required.*

6. RECOMMENDATION FOR AWARD

46. The Bid Evaluation Committee submits this report to the *[insert one of the following: Committee on Minor Procurement/General Committee on Procurement/Major Committee on Procurement]* for its review and consideration of the 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]*.

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

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TABLE 8: PROPOSED CONTRACT AWARD

1.	Most Advantageous Bid (*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.		
		Currency	Amount
4.	Bid Price(s) (*Read-out*)		
5.	Proposed Contract Amount		

Signature

____________________ ____________________ ____________________

Name and Designation	*Name and Designation*	*Name and Designation*
Chair	Member	Member
Date	*Date*	*Date*

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ATTACHMENTS TO BER

APPENDIX 1: SPECIFIC PROCUREMENT NOTICE

Advertisement of Invitation/Request for Bids

Copy of Advertisement

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APPENDIX 2: LIST OF PURCHASERS OF BIDDING DOCUMENTS

Name	Address	Date of Purchase	Receipt No.

APPENDIX 3: RECORD OF BID SUBMISSIONS

LIST OF BIDDERS

Project Name:

Executing/Implementing Agency:

Contract Name:

Contract Number:

Opening Date and Time:

Procurement Method:

No	Name of Company	Name of Bidder's Representative	Signature

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APPENDIX 3A: RECORD OF AMENDMENTS TO BIDDING DOCUMENTS

[BER Page 20]

Appendix 4: Minutes of Bid Opening

Minutes of Bid Opening

Name of Project……………………………………………………………………

Contract Name:

Contract Number:

Time and Date of Bid Opening:

Venue of Bid Opening:

Seq No.	Name of Bidder	Withdrawal/ Modifcation	Bid Form Completed and Signed	Bid Securing Declaration	Read Out Bid Price in Bid From	Unconditional Discount	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

Signatures: Members of Bid Opening Committee

_________________ _________________ _________________ _________________

Chair Member Member Member

Names _____________ _____________ _____________ _____________

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Appendix 5: Statement on Ethical Conduct and Fraud and Corruption by the BEC Members

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 *Standard Operating Procedures on Procurement 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

[BER Page 22]

APPENDIX 6: CLARIFICATIONS

[BER Page 23]

ANNEX II-e

Project Procurement Reporting Requirements

Each EA/IA/PMU is required to submit the Procurement Monitoring and Tracking Form (PMTF) every Quarter to the GDICDM/MEF for monitoring purposes. Also, at each PRC meeting, the updated PMTF should be reviewed and attached with the Minutes of PRC Meeting.

The Procurement Officer is responsible for preparing and maintaining the PMTF under the guidance of the Project Manager. This is a mandatory requirement. The templates for the PMTF are provided in **Annex II-c**.

The summary of contract awards should also be submitted at the same time with the PMTF. The templates for the summary of contract awards are provided in **Annex II-b**.

ANNEX III

DECLARATIONS ON ETHICAL CONDUCT AND FRAUD AND CORRUPTION

ANNEX III-a

Declaration of the PRC, BEC and CEC

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 Evaluation 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 *Standard Operating Procedures on Procurement 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
	Chairman		
	Member		
	Member		

ANNEX III-b

Declaration of Bidders, Potential Bidders, Suppliers, Contractors, Service Providers or Consultants

This statement is already included in all bidding documents. It should also be introduced into all DP Standard ICB and Request for Proposals documents through the BDS and all Bidders and Consultants are required to submit a signed statement with their bid or proposal. Failure to submit may lead to rejection of the bid.

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, partners, consultants 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, we will report it immediately to the procuring organization.

(iii) 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 being 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, employer or client.

(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 Government of the Kingdom of Cambodia funded by the funding agency and/or other sources for a period to be determined by them.

Signed and Date

Name of Company/Firm and Seal

Name of Authorized Person

ANNEX IV

PROCUREMENT PROCESS AND REVIEW THRESHOLDS

Procurement Review Committee (PRC) Membership and Thresholds

Procurement of Goods, Works and Consulting Services

The membership of the three Procurement Review Committees for procurement of goods, works and consulting services and their respective threshold amounts are given below:

<table>
<tr><th colspan="12">Minor Procurement Committee</th></tr>
<tr><td colspan="12">Membership</td></tr>
<tr><td colspan="4">Project Manager
Chair</td><td colspan="4">Project Technical Officer
Member</td><td colspan="4">GDICDM/MEF Representative
(or Project Finance Officer)
Member</td></tr>
<tr><td colspan="12">Thresholds</td></tr>
<tr><td colspan="4">Goods ≤ US$50,000</td><td colspan="4">Works ≤ US$100,000</td><td colspan="4">Consulting Services < or = to US$50,000</td></tr>
<tr><th colspan="12">General Procurement Committee</th></tr>
<tr><td colspan="12">Membership</td></tr>
<tr><td colspan="3">Project Director
Chair</td><td colspan="3">Project Manager
Member</td><td colspan="3">EA Representative
Member</td><td colspan="3">GDICDM/MEF
(two (2) Representatives)
Members</td></tr>
<tr><td colspan="12">Thresholds</td></tr>
<tr><td colspan="4">> US$50,000 Goods <= US$1,000,000</td><td colspan="4">US$100,001> Works <= US$3,000,000</td><td colspan="4">US$50,000 < Consulting Services > or equal to US$1,000,000</td></tr>
<tr><th colspan="12">Major Procurement Committee</th></tr>
<tr><td colspan="12">Membership</td></tr>
<tr><td colspan="3">Head of the EA or Representative
Chair</td><td colspan="3">Project Director
Member</td><td colspan="3">Representative appointed by EA
Member</td><td colspan="3">GDICDM/MEF
(two (2) Representatives)
Members</td></tr>
<tr><td colspan="12">Thresholds</td></tr>
<tr><td colspan="4">Goods > US$1,000,000</td><td colspan="4">Works > US$3,000,000</td><td colspan="4">Consulting Services > US$1,000,000</td></tr>
</table>

Membership of the Bid Evaluation Committee (BEC)

Procurement of Goods and Works

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

Note: If the Technical Officer or the Finance 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) Membership and Thresholds

Procurement of 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	**GDICDM/MEF Representative** (or Project Finance Officer at discretion of the GDICDM/MEF) Member
Thresholds		
Consulting Services <= US$50,000		
General Consultants Evaluation Committee		
Membership		
Project Manager Chair	**Technical Officer** Member	**GDICDM/MEF** (two (2) **Representatives**) Members
Thresholds		
Consulting Services >US$50,000 but less than or equal to US$1,000,000		

Major Consultants Evaluation Committee		
Membership		
Project Manager Chair	**Technical Officer** Member	**GDICDM/MEF** (two (2) **Representatives**) Members
Thresholds		
Consulting Services > US$1,000,000		

Note: If a Member of the CEC is also a Member of the PRC, which will review and approve the Evaluation Report prepared by the CEC, he/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 GDICDM/MEF representative in the PRC should be of higher rank than the GDICDM/MEF representative in the CEC.

Indicative Procurement Thresholds

The thresholds provided for the different methods of procurement provided below will apply except where the RGC, represented by the MEF, and the DP have agreed to ***different thresholds***. This will be indicated in the project Procurement Plan. In all cases, the thresholds specified in the approved project Procurement Plan will apply.

Indicative Goods Procurement Thresholds

Method	Threshold
International Competitive Bidding	Procurement above US$1,000,000.
Limited International Bidding	Procurement above US$1,000,000. Only when specified in the project Procurement Plan or with a specific 'no objection' from the DP and MEF.
National Competitive Bidding	Procurement above US$100,000 and up to US$1,000,000 .
Request for Quotations (Shopping) (With Advertising)	Procurement above US$25,000 and up to US$100,000.
Request for Quotations (Shopping) (Without Advertising)	Procurement up to US$25,000.
Direct Contracting	No Threshold. Only when specifically stipulated in the project Procurement Plan or with 'no objection' by the DP and MEF on an exceptional basis.

Indicative Works Procurement Thresholds

Method	Threshold
International Competitive Bidding	Procurement above US$3,000,000.
National Competitive Bidding	Procurement above US$100,000 and up to US$3,000,000.
Request for Quotations (Shopping) (With Advertising)	Procurement above US$25,000 and up to US$100,000 .
Request for Quotations (Shopping) (Without Advertising)	Procurement up to US$25,000.
Direct Contracting	No threshold. Only when stipulated in the project Procurement Plan or with 'no objection' from the DP and MEF on an exceptional basis.
Force Account	No threshold. Only when stipulated in the project Procurement Plan or with 'no objection' from the DP and MEF on an exceptional basis.
Community Participation	No threshold. Only when stipulated in the project Procurement Plan or with 'no objection' from the DP and MEF.

Indicative Consulting Services Procurement Thresholds

Method	Threshold
Quality-Based Selection	No Threshold. Used only when stipulated in the project Procurement Plan.
Quality- and Cost-Based Selection	No Threshold. This is the default method to be used.
Fixed-Budget Selection	No threshold. Used only when stipulated in the project Procurement Plan.
Least-Cost Selection	No threshold. Used only when stipulated in the project Procurement Plan.
Consultants' Qualifications Selection	Not to exceed US$200,000 and used only when stipulated in the project Procurement Plan.
Single Source Selection	No threshold. Used only when stipulated in the project Procurement Plan or with 'no objection' by the DP and MEF on an exceptional basis.
Selection of Individual Consultants	No threshold.

ANNEX V

GUIDING NOTES ON VfM, CONTRACT MANAGEMENT & EVALUATION OF CONSULTANTS' PERFORMANCE

ANNEX V-a

Value for Money

VALUE FOR MONEY

1.0 Overview

1.1.1 **Value for Money** (VfM) means the effective, efficient, and economic use of resources, which requires the evaluation of relevant costs and benefits, along with an assessment of risks (such as technical, financial, institutional, etc.) and non-price attributes (such as Contractor's/Supplier's technical and managerial skills, relevant experience, etc.) and /or life cycle costs (such as asset purchase price, installation, operation and maintenance costs, residual value, etc.), as appropriate. *Price alone may not necessarily represent the VfM.* The VfM should be considered at all stages of the Procurement Process.

1.1.2 The VfM is achieved through the application of the following:

(a) Ensuring integrity throughout the procurement process;

(b) A clear statement of needs and procurement objectives;

(c) A procurement approach that is proportional to the risk, value, context, nature and complexity of the procurement;

(d) Appropriate specification of the requirements;

(e) Selection of appropriate contractual arrangements;

(f) Suitable evaluation criteria;

(g) Selection of the firm that best meets the needs and objectives of the procurement; and

(h) Effective contract management to ensure successful execution of the contract and ensure that the deliverables are met and agreed in the contract.

2.0 Planning

2.1.1 Optimal design of the procurement process through efficient Project Procurement Strategy and Planning is the first step in obtaining a VfM by deciding how to spend allocated funds to yield the best or most value.

2.1.2 The Strategic Procurement Planning process is used to state the needs and objectives and identify risks and opportunities in the market analysis and operating context of a project. The choice of selection methods and approaches to market are tailored to suit the risk and value of the procurement, the cooperating context, and market to enable VfM to be achieved. In other words, the threshold value of procurement no longer defines the selection methods.

3.0 Approaching the Market

3.1.1 Achieving the VfM requires a clear and focused approach to market to deliver the procurement objectives, with the following elements:

a. selection methods and arrangements that are most likely to attract a competitive response from the market and the right Bidders/Proposers;

b. requirements based on detailed technical specifications or performance/functional requirements, as appropriate;

c. evaluation criteria, including price, life-cycle costs, qualifying (pass-fail) and rated criteria as appropriate that best enable Bidders/Proposers to demonstrate the value they can offer, and the evaluation criteria designed by the EA to achieve the best VfM ;

d. standards and technical specifications that promotes the broadest possible competition; and

e. the contract type (for example, admeasurement, performance-based, time-based, etc.) that best suited for the specific procurement.

3.1.2 The recommended approach to market should be justified and documented during the Procurement Strategic Planning stage. This provides the basis and justification for procurement decisions, including the approach to market and selection methods and the finalization of the project Procurement Plan during project preparation.

4.0 Contract Management to ensure VfM

4.1.1 The EA/IA should determine the appropriate contract type and contract terms taking into account the nature, risk, and complexity of the activity, fit-for-purpose considerations, optimal allocation of risk and liabilities, and the roles and responsibilities of the contracting parties.

4.1.2 To effectively manage a contract, the EA/IA should develop a Contract Management Plan with key performance indicators and milestone events. The EA/IA should monitor the performance and progress of contracts, in accordance with the Contract Management Plan, and provide timely reports.

ANNEX V-b

Contract Management Guidance Notes

CONTRACT MANAGEMENT GUIDANCE NOTES

Works Contracts normally have the services of specialized firms to carry construction supervision. The EA/IA must instruct the firm to prepare a Construction Management Plan for its approval. The activities provided below are meant for guidance purposes and each works contract will have its own specific Construction Plan.

Main Activities During the Construction Stage

<table>
<tr>
<td><u>Activity 1:</u>

Pre-Mobilization</td>
<td>Pre-start-up meeting is important to establish good working relationship because it provides opportunity to the parties involved in the project to understand contractual obligations, understand each party's roles & responsibilities for the success of the project, and plan and discuss detailed arrangements necessary for project success. The meeting should be held before starting of the construction.

Points to note:
(a) Agenda for the meeting to be prepared.
(b) Written invitation to be sent with meeting agenda to the Contractor and other participants in advance with adequate time (fifteen (15) calendar days) for the Contractor to prepare the required submittals such as: Revised Program, Project Personnel, Authorized Person.
(c) Discuss/understand contractual requirements and submittals.
(d) Clarify role and responsibilities of Employer's, Consultant's and Contractor's personnel.
(e) Understand supervision arrangement, lines of authority and communication.
(f) Identify potential issues and the process for resolution.
(g) Identify potential sources of misunderstanding.
(h) Identify the main constraints which could have financial impacts (quote some clause in the contract and reinforcement of contract document).
(i) Update Construction Schedule.
(j) Identify submittals by the Contractor for the meeting.</td>
</tr>
<tr>
<td><u>Activity 2:</u>

Contract Organization</td>
<td>The contract documents will specify a number of requirements before the contract is declared effective. These must be checked before mobilization. In addition, a number of other important aspects will need to be discussed between the Parties, including the Construction Supervision Consultant (the Engineer).

Points to note:
(a) Performance Security.
(b) Advance Payment Guarantee.
(c) Notice to Commence.</td>
</tr>
</table>

	(d) Insurance Policies. (e) Communication procedures (valid in writing). (f) Identity the communication channel. (g) Sub-Contractor (possible nomination of Sub-contractor). (h) Delegated powers. (i) Site handover.
<u>Activity 3:</u> **Work Planning**	**Points to note:** (a) Monitoring progress. (b) Evaluating performance. (c) Set key milestones to meet. (d) Work Schedule. (e) Shop drawings and materials submission. (f) Procurement Schedules. (g) Sub-contracting. (h) Manpower and equipment. (i) Resources Schedules. (j) Materials (imported from oversea). (k) Schedule of submitting IPC.
<u>Activity 4:</u> **Surveys and Material**	**Points to note:** (a) Issue /verify drawings. (b) Assist in establishing control points. (c) Verify staked-out centerline, land demarcation, control points and bench marks. (d) Check adequacy of quarries: location, past approval, accessibility, haul distance, enough quantity, safe from UXO, no adverse environmental impacts. (e) Planned sources, supply and testing of construction materials.
<u>Activity 5:</u> **Plan for Site Organization**	**Points to note:** (a) Site facilities adequacy and organization. (b) Layout Plan for all temporary site facilities. (c) Check site accesses, temporary structures, site office, accommodation, laboratory. (d) Stocking yards, plant facilities, safety measures, service roads, parking areas.

	(e) Work only in the safe areas, cleared from Mine/UXO ordnances.
Activity 6: **Construction Methods**	**Points to note:** (a) Method Statement: method of construction, resources, safety plans. (b) Submission and approval before start of activities. (c) Confirmation of availability of construction materials. (d) Availability of construction equipment. (e) Availability of manpower. (f) Raining period, timing of high-water level.
Activity 7: **Time Control**	**Points to note:** (a) Monitor program, construction activities, resources. (b) Update and revise program monthly. (c) Periodic coordination meetings. (d) Identify potential problems like delay in land handover, lack of sufficient equipment, etc. (e) Prioritize the works (most important 3-5 items to deal with a time). (f) Possible application of liquidated damage due to late completion.
Activity 8: **Cost Control**	**Points to note:** (a) Interim Payments (summary and back-up documentation, person in charge of preparing IPC, pre-approval of VO, Contract Variation, schedule of repayment of Advance, request of material on site, retention for each claim, deduction of liquidated damage). (b) Timing for submitting IPC. (c) Cash-flow estimate. (d) Implement Variation Orders, control & monitor quantities and VOs with respect to cost. (e) Approval of VO and contract amendments. (f) When to use provisional sum, contingencies, who can approve. (g) Identify most costly works for close monitoring. (h) Identify possible areas for Value Engineering.
Activity 9: **Quality Control**	**Points to note:** (a) Project Quality Assurance/Quality Control Plan. (b) Compliance with safety and safeguards. (c) Review/approval of materials & shop drawings.

	(d) Inspection and testing of materials and plant. (e) Set frequency and time of testing. (f) Rejection (without pay for) of defected works if not satisfactorily rectified. (g) Third party testing, if required.
<u>Activity 10:</u> **Site Meetings & Record Keeping**	**Points to note:** (a) Daily record of progress of works. (b) Kick-off Site Meeting: procedures, methods for giving approvals. (c) Regular Site Meetings: monitor performance and progress based on Program, discuss problems, daily diary. (d) Maintain up-to-date information relevant to progress, performance, quality, quantities, resources & cost. (e) Maintain project records in retrievable form.
<u>Activity 11:</u> **Monthly Progress Reports**	**Points to note:** (a) Executive Summary. (b) General Information. (c) Progress Outline. (d) Physical Progress. (e) Financial Progress. (f) Schedules (detailed schedules). (g) Resource Control. (h) Cost Control. (i) Quality Control. (j) Contract Records; Progress Photographs. (k) Prioritized Issues to Resolve.
<u>Activity 12:</u> **Claims and Disputes**	**Points to note:** (a) Identify Potential Claims. (b) Settle Disputes or Differences . (c) Procedures to Minimize the Claims. (d) Settlement of time/cost claims Set time limit. Monitor and report on progress on claims and disputes.

Activity 13: **Completion of Works /Taking-Over**	**Points to note:** (a) Establish schedule and frequency for Testing and Commissioning. (b) Check Progressively "As-built Drawings". (c) Prepare List of Outstanding Works/Snag List. (d) Arrange for Inspection Committee to visit site and report on physical completion before issuance of Taking-Over Certificate. (e) Obtain Written Undertaking to Complete any outstanding work during the DLP.
Activity 14: **Outstanding Works Defect Correction**	**Points to note:** (a) Identify defects & issue instruction for correction. (b) Monitor/supervise implementation of outstanding and defects correction. (c) Extension of the DLP. (d) Use of Retention Money if Contractor does not rectify defects. (e) Issue Completion Certificate. (f) Check progressively "As-built Drawings". (g) Review "Operations and Maintenance Manuals". (h) Release of Retention Money.

ANNEX V-c

Performance Evaluation Form for Consultant Firms and Individual Consultants

Project Title:

Implementing Agency:

PERFORMANCE EVALUATION FORM FOR CONSULTANT FIRM

PART I. BASIC INFORMATION

Lead Firm :		Contract Date:	
Participating Firms:	1.________________________ 2.________________________	Contract Completion Date:	
Reporting Period:		Contract Original Amount ($):	
		Revised Contract Amount ($):	

PART II. ACTIVITIES PERFORMED

Description of Services:

Details of activities performed during the Reporting Period:

PART III. RATE THE FIRM'S FOLLOWING ATTRIBUTES

(To be completed by the Supervisor)

Attributes	Excellent	Very Good	Satisfactory	Requires Improvement	Unsatisfactory
Initiatives, Flexibility & Innovation	☐	☐	☐	☐	☐
Technical Skills	☐	☐	☐	☐	☐
Design Solutions	☐	☐	☐	☐	☐
Technology Transfer	☐	☐	☐	☐	☐

Attributes	Excellent	Very Good	Satisfactory	Requires Improvement	Unsatisfactory
Knowledge of Required Procedures	☐	☐	☐	☐	☐
Adherence to TOR	☐	☐	☐	☐	☐
Compliance with Work Program	☐	☐	☐	☐	☐
Quality of Outputs/Results	☐	☐	☐	☐	☐
Personnel Stability	☐	☐	☐	☐	☐
Team Leadership	☐	☐	☐	☐	☐
Competence/Conduct of Experts	☐	☐	☐	☐	☐
Contract Management Quality	☐	☐	☐	☐	☐
Relations with EA/IA/PMU	☐	☐	☐	☐	☐
Overall Performance Rating	☐	☐	☐	☐	☐

PART IV. SUPERVISOR'S OVERALL PERFORMANCE ASSESSMENT OF THE FIRM

(*Provide a brief narrative and recommendations based on Overall Rating*)

Supervisor's signature: ______________________________ Date: ___________________

Name:

Title:

Endorsed by: ___________________________

Project Title:

Implementing Agency:

PERFORMANCE EVALUATION FORM FOR INDIVIDUAL CONSULTANT

PART I. BASIC INFORMATION

Name:		Contract No.:	
Position:		Location:	
Reporting period:			

PART II. ACTIVITIES PERFORMED

Details of activities performed during my contractual period are summarized below:

PART III. RATE THE CONSULTANT'S FOLLOWING ATTRIBUTES

(to be completed by the supervisor)

Attributes	Excellent	Very Good	Satisfactory	Requires Improvement	Unsatisfactory
Creativity	☐	☐	☐	☐	☐
Quality of Work	☐	☐	☐	☐	☐
Technical Skills	☐	☐	☐	☐	☐
Initiative	☐	☐	☐	☐	☐
Knowledge of Required Procedures	☐	☐	☐	☐	☐
Teamwork	☐	☐	☐	☐	☐
Communication Skills	☐	☐	☐	☐	☐

Attributes	Excellent	Very Good	Satisfactory	Requires Improvement	Unsatisfactory
Overall performance rating	☐	☐	☐	☐	☐

PART IV. SUPERVISOR'S OVERALL ASSESSMENT

(*Provide a brief narrative*)

PART V.

RECOMMENDATION FOR

☐	Contract extension	Period: *day/ month/Year*
☐	Separation	Effective From: *day/ month/Year*___________________________
☐	Other recommendation related to assignment:	___________________________

Supervisor's signature: ______________________________ Date: __________________

Name:

Title:

Endorsed by: ___________________________

ANNEX VI

STANDARD NATIONAL COMPETITIVE BIDDING DOCUMENTS

(These SBDs are shown in Volume II)

ANNEX VI-a

Standard National Competitive Bidding Document for Procurement of Goods

(These SBDs are shown in Volume II)

ANNEX VI-b

Standard Request for Quotations (Shopping) Document for Procurement of Goods

(These SBDs are shown in Volume II)

ANNEX VI-c

Standard National Competitive Bidding Document for Procurement of Works

(These SBDs are shown in Volume II)

ANNEX VI-d

Standard Request for Quotations (Shopping) Document for Procurement of Works

(These SBDs are shown in Volume II)

ANNEX VI-e

Standard Request for Quotations (Shopping) Document for Procurement of Goods (Below Advertising Threshold)

(These SBDs are shown in Volume II)

ANNEX VI-f

Standard Request for Quotations (Shopping) Document for Procurement of Works (Below Advertising Threshold)

(These SBDs are shown in Volume II)

ANNEX VII

SAMPLE INTERNATIONAL COMPETITIVE BIDDING DOCUMENTS

(These SBDs are shown in Volume III)

ANNEX VII-a

Sample International Competitive Bidding Documents for Procurement of Goods

(These SBDs are shown in Volume III)

ANNEX VII-b

Sample International Competitive Bidding Documents for Procurement of Works

(These SBDs are shown in Volume III)

ANNEX VII-c

Sample
Request for Proposals for
Procurement of Consulting Services

(These SBDs are shown in Volume III)

ANNEX VIII

TEMPLATES FOR MINUTES OF CONSULTING CONTRACT NEGOTIATIONS & FOR CONTRACTS OF INDIVIDUAL CONSULTANTS

(These SBDs are shown in Volume III)

ANNEX VIII-a

Minutes of Contract Negotiations Template for Consulting Services Assignments

(Lump Sum or Time-Based Contracts)

(These SBDs are shown in Volume III)

ANNEX VIII-b

Sample Contracts for Individual Consulting Services

(Lump Sum/ Time-Based)

(These SBDs are shown in Volume III)

ANNEX IX

USEFUL ADDRESSES

USEFUL ADDRESSES

WORLD BANK
Procurement Policy and Services Group
Operations Policy and Country Services Vice Presidency
Washington, D.C. 20433 U.S.A.
https://www.worldbank.org/en/projects-operations/products-and-services/procurement-projects-programs
https://step.worldbank.org/

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Cambodia Country Office
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ASIAN DEVELOPMENT BANK
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Metro Manila, Philippines
Tel: +63 2 86324444; Fax: +63 2 86362444
https://www.adb.org/contacts/main

ASIAN DEVELOPMENT BANK
Cambodia Resident Mission
29 Suramarit Boulevard (Street 268)
Sangkat Chaktomuk, Khan Daun Penh,
Phnom Penh, Cambodia
Tel: +855 (23)-215805, -215806, -216417; Fax: +855 (23)-215807
https://www.adb.org/carm

MINISTRY OF ECONOMY AND FINANCE
General Department of International Cooperation and Debt Management
#60, Street 92, Sangkat Wat Phnom, Khan Daun Penh,
Phnom Penh, Cambodia
Fax: +855 (23)-725341
https://www.mef.gov.kh

MINISTRY OF ECONOMY AND FINANCE
General Department of Public Procurement
#60, St.92, Sangkat Wat Phnom, Khan Daun Penh,
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NATIONAL AUDIT AUTHORITY
#16, St. 240, Sangkat Chaktomuk, Khan Daun Penh,
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https://www.naa.gov.kh

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