

Guidance for International Competitive Bidding

Dos

- If estimated purchase value exceeds more than USD One Million or for items for which manufacturers are not available in India make procurement through ICB.
- Club all the equipments under different schedule/lots and invite consolidated ICB
- Notice/Bid invitation notices should be prepared and forwarded to PIU NAIP, minimum 60 days prior to the date of sale of bidding documents.
- The Invitation for Bid should also be published in at least one National news paper having wide circulation in all regions of the country and posted on the website of department and NAIP. Bid Documents should be available for sale at the time of publication advertisement in the newspapers.
- The bid invitation should be open to all bidders from eligible source countries.
- Publish bid invitation in United Nation Development Business online (UNDB online) and in the Development Gateway's dgMarket through PIU NAIP.
- Standard Bidding Documents (SBDs) issued by the Bank should only be used with minimum changes, as per guidelines of World Bank. Bid documents can be downloaded from NAIP website.
- Changes should be introduced only through Bid Data Sheets or through Special Conditions of Contract and not by changing the standard wording of the Instruction to bidders and General Conditions of Contract.
- Bid document should clearly specify the criteria for arriving at the lowest acceptable bid.
- Bidding documents should specify the relevant factors as well as the price to be considered in the bid evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated bid.
- Ask for sufficient Bid validity period (90 to 180 days) to prepare comparative statements, evaluation of bids, recommendations of award to get World Bank's approval etc for release of contract depending upon the complexity of items procured.
- Documents and bids should be only in English language or translation should be available.
- Provide international or national standards for technical specifications and should be broadest possible and not restrictive.
- Use the words "equivalent" for specifications, if brand name or catalogue number is unavoidable for the goods to be supplied.
- Bidding documents in the case of goods should specify the inspection and tests the purchaser requires, where and who will conduct the tests.
- For all pre-review cases, the prior clearance of the World Bank must be taken for each bidding document.
- Bidding documents shall clearly specify whether bid prices are required to be fixed or price adjustments will be allowed. In case price adjustment is permitted, the necessary formula need to be detailed in the bid documents.
- Suitable Bid Security be asked from bidder, 2 to 5 % for Goods.
- The amount of bid security should be computed based on estimated cost and rounded off to the nearest thousand or hundreds. Bid Security should be mentioned in both USD & INR

- Bid Security has to be in one of the acceptable forms (including Bank guarantee) and should be valid for 45 days beyond the bid validity period.
- Bidding documents should be made available for sale till a day prior to the last date of receipt of bids.
- Last date for receipt of bids and opening of bids should be the next day, following the date of closing of sale of bidding documents.
- Make a proper arrangement for receipt of tenders at scheduled date and time through tender box. If tender box is not possible, nominate receiving officer in the bidding document.
- If necessary arrange pre-bid conference after 21 days of start of sale of bid documents and send a call attention to likely suppliers with copy of IFB.
- Allow maximum upto 21 days prior to Bid submission to bidders for any clarifications/complaints in the Bidding Document.
- In order to give equal opportunity to all the bidders and to maintain sanctity of tendering system, Minutes of pre-bid conference and any change/amendment in the tender terms and conditions, specifications and opening date etc. to be notified and dispatched to all the bidders (without disclosing the identity of the bidder, to one another), sufficiently in advance of the tender opening dates. Minutes and Amendment also to be put in department/NAIP website and attach in unsold documents. If an amendment contains material change in specification or in commercial terms then extend due date for submission & opening, to give sufficient time to all bidders.
- The time of bid opening should be the same as for the deadline for receipt of bids or promptly thereafter (15 to 30 minutes later to allow sufficient time to take the bids to the venue announced for public bid opening).
- Allow minimum 45 days to bidders for bidding.
- All bids received should be opened in the presence of bidder's representatives who choose to attend and shall sign a register evidencing their attendance.
 - Envelopes marked “WITHDRAWAL” should be opened first, and the name of the bidder shall be read out.
 - Subsequently, all envelopes marked “MODIFICATION” should be opened and the submissions therein read out in appropriate detail.
 - All cuttings and/ or overwriting observed in the bid Form and Price Schedule should be authenticated by the officers of the Bid opening committee by encircling and initialing the cuttings/overwriting.
 - The minutes of the bid opening should be prepared in the specified format.
 - No bid should be rejected at the bid opening except for late bids which should be returned unopened to the Bidder.
 - Bids for which an acceptable notice of withdrawal has been submitted should not be opened.
 - All terms and conditions having financial implications should be read out, signed and encircled.
 - Bids and modifications that are not opened and read out at the bid opening should not be considered further for evaluation, irrespective of the circumstances.
 - Withdrawn bids to be returned unopened to the bidders.
 - Bidding documents should state either that (i) bid prices will be fixed or (ii) that price adjustments will be made to reflect any changes (upwards or downwards) in major cost of

components of the contract such as labour, equipment, material and fuel as per standard formula approved by World Bank.

- Before proceeding for evaluation, it should be ascertained whether the bids :
 - i) meet the eligibility requirements,
 - ii) have been properly signed,
 - iii) are accompanied by the required authorization/undertakings (for agents and subsidiaries as specified in the documents),
 - iv) Are accompanied by the required bid securities,
 - v) Are substantially responsive to the requirements of the bidding documents,
 - vi) Provide any clarification and or substantiation that the Purchaser/ Employer is required to determine responsiveness; and
 - vii) Are otherwise generally in order.
 - viii) If a bid is not substantially responsive, that is, it contains material deviations from or reservations to the terms, conditions and specifications in the bidding documents, it should not be considered further. The bidder must not be permitted to correct or withdraw material deviations or reservations once bids have been opened. 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 (i) which affects in any substantial way the scope, quality or performance of the works; (ii) which limits in any substantial way, inconsistent with the bidding documents, the Borrower's rights or the bidder's obligations under the Contract.
- Value & validity of Bid Security (ITB Clause 15), Applicable Law (GCC Clause 30), Taxes and Duties (GCC Clause 32) technical requirements, Delivery terms (if specifically asked) delivery period will be deemed to be a material deviation.” In addition, Deemed Export Benefits [ITB Clause 11.2], Performance Security [GCC Clause 7], Warranty [GCC Clause 15], Force Majeure [GCC Clause 25], Limitation of Liability [GCC Clause 29]
- Non submission of/unsigned Bid form & lesser Bid validity are also to be treated as critical provisions for the evaluation purpose.
- Custom Duty, Excise duty, Sales tax & any other similar taxes should not be taken into consideration for evaluation.
- Use standard Price Schedule applicable for ICB.
- Give Domestic preference to Domestic bidders, who manufacture locally and contribute minimum 30% value addition.
- The bid price is the sum of all payments in various currencies (maximum 3 currencies required to be made to the bidder. To facilitate evaluation and comparison of bids, the department should convert the amounts in various currencies in which the bid price is payable to Indian Rupees at the BC selling rates for similar transactions published by any SBI, as on date of Bid opening.
- Any minor informality or nonconformity or irregularity may be waived off in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any bidder.
- Price terms as CIP (name place of destination) for imported goods and EXW (Ex-works, ex-factory or off-the-shelf) plus inland transportation and insurance cost to the place of destination, for domestic supplied goods.

- Use always global purchase INCOTERMS 2000 in import contracts for the terms of delivery which cover both cost and risk aspects
- Insurance should cover 110% of the contract amount. For works, a contractor's "All Risk" form of Insurance policy shall be specified.
- Use payment terms of 80% against supply of goods and 20% after acceptance.
- For goods/equipments to be installed and commissioned, payments terms should be 70% against supply, 20% after acceptance and 10% after installation and successful commissioning of the equipments.
- For imports use "Letter of Credit" terms for the payment methods.
- Clearly indicate the conditions for offering "Alternative Bids" in the bid document.
- Provide details regarding applicable law and dispute settlement methods in the bidding document.
- Make a checklist for preparation of bidding document.
- Maintain confidentiality regarding details about finalization of the contract until the publication of contract award.
- Insist for bid security validity period also, while seeking extension of bid validity period from bidders.
- Consider the bidder's capacity and resources as post qualification criteria in bid documents before awarding the contract.
- Information of Historical nature essentially required for evaluation purposes may be called from the bidder in one go only.
- Performance Bank Guarantee should be 5 % - 10% of value of contract.
- The validity of PBG should also include warranty obligations period plus 60 days.
- Publish, within two weeks of award of contract, in UNDB online & in dgmarket, all details of bid evaluation, scope of contract awarded, such as successful bidder, unsuccessful bidders and the reasons thereof for rejection of bids. This should be done through PIU NAIP.
- Release the bid securities to unsuccessful bidders, once the contract is awarded and performance security is obtained from the successful bidders.
- If the bids received are not responsive in all respects, and in case of very high prices quoted, after getting approval from the World Bank, all bids can be rejected and re-invited.
- If unsuccessful bidder makes a written request to know the reasons for rejection, provide written reply or arrange for a de-briefing meeting.
- Examine fax, phone and addresses on all quotations to find out possible collusion.
- If collusion is determined the parties involved should be disqualified and accept next lower offer. If no evidence of collusion can be confirmed than fresh quotations may be invited.
- In case of doubt, get verified the performance from client to whom bidder had supplied the goods.
- In Bid Evaluation Report, discuss the bids, one by one in ascending order and record full reasons if any bid is passed over.
- All complaints received after bid opening and before evaluation should be properly commented in Bid Evaluation Report.

Don'ts

- Fraction the different/similar requirements to avoid ICB.
- Allow submission of samples along with bid by bidders
- Exceed Liquidated damages 0.5% per week (for goods) and 0.05% per day (for civil works) of the value of the delayed goods, services, or works, subject to a maximum of 10% of the contract value
- Offer exemption of Bid Security or Security Deposit to any bidder or class of bidders.
- Enter into negotiation.
- Give counter offers.
- Reject bids on account of non-submission of historical information
- Call important information from the bidder during evaluation in piece meal.
- Pass over the lowest technically suitable bid, when higher bids are offering goods of superior specification than asked for.
- Allow bidders to do material change in their quotations after opening of bids
- Use brand names or catalogue numbers for the goods to be supplied
- Use price adjustment provision for simple contracts involving delivery of goods or completion of works within eighteen months.
- Include conditional discounts in the evaluation.
- Give advance payments without security in the form of Bank Guarantee
- Give confirmation to the letter of credit for imports, unless the supplier accepts to bear the bank confirmation charges
- Consider the bids which are not responsive, not properly signed, not accompanied with required bid security/signed declaration
- Ask the successful bidder to undertake additional works not stipulated in the bid documents as a condition of award
- Reject all bids, solely for the purpose of obtaining lower prices
- Re-invite bids without prior approval of World Bank.
- Place repeat orders.
- Allow bidder to extend validity of bid security, in cases where they have submitted bid security of shorter validity along with bid. Such bids are to be rejected.
- Split quantity of schedules/lots into 2 or more bidder.
- Suppress any information/avoid comment on complaints in BER.