

Overall Duration		1 hour 15 mins
Total Number of Slides		24
Plan for Practical Exercises	No.	0
	Duration	
	Timing within Presentation	
Reference Material		PPMO Clause 40

Slide Headings	Bullet Points	Key Messages	Time (mins)
1. Title Slide	<u>(3F) Pre-Contract Award Procedures</u> <i>Presentation for LRN Training</i> Presenter's Name Date of Presentation	Presenter introduces themselves and the module – 'Pre-contract award procedures'	1
2. Module Contents	<ul style="list-style-type: none"> • Review of Bids • Negotiation/Clarification of Bids • Pre-Award Formalities • Signing of Contracts 	<ul style="list-style-type: none"> • The module contents are as per the list on the slide • Pre-contract award procedures refers to the formalities which follow the Bid Evaluation but precede the contract signing • These procedures are directly related to District Level Procurement 	3
3. Bid review and Clarification: Procedures and Scope	Start of new section (sub-title slide)	Introduce new section – 'Bid review and Clarification: Procedures and Scope'	1
4. Bid Review	<ul style="list-style-type: none"> • Bids are thoroughly checked during the bid evaluation • The Employer shall award the contract to the Bidder: <ul style="list-style-type: none"> ○ With the lowest evaluated bid, ○ Who is substantially responsive to the Bidding Document, and ○ Is qualified to perform the Contract. • If the bid selected is in order the next step is the Letter of Intent, if not a clarification meeting may be held 	<ul style="list-style-type: none"> • If the bids are in order, the Public Entity (PE) shall issue a Letter of Intent to the lowest substantially responsive Bidder • If the bid selected during evaluation is not in order there are steps that the PE can follow to confirm the lowest Bidder can perform the job • These are covered in the next slides 	4
5. Negotiation	<ul style="list-style-type: none"> • Can be negotiation of price and/or terms and conditions • Only allowed for: 	• Negotiation as per slide	3

Slide Headings	Bullet Points	Key Messages	Time (mins)
	<ul style="list-style-type: none"> ○ Consultancy Services ○ Direct Procurement (PPR 86.2) ○ User Committee engagements 	<ul style="list-style-type: none"> ● Negotiation meeting can be called for Consultancy services, Direct procurement and User Committee packages 	
6. Clarification	<p>Clarification Letter:</p> <ul style="list-style-type: none"> ● This procedure is only used in very special cases where there are serious doubts that cannot be satisfied by correspondence alone ● Issued to substantially lowest bidder to invite them to clarification meeting ● Letter includes <ul style="list-style-type: none"> ○ Date, time, and location of clarification meeting ○ Likely agendas to be discussed in the meeting 	<ul style="list-style-type: none"> ● Clarification letter is issued only in very special cases where there are serious doubts about the lowest bidder ● Letter issued to notify bidder about clarification meetings 	3
7. Clarification Contd.	<p>Clarification Meeting:</p> <ul style="list-style-type: none"> ● Clarification meeting held between Evaluation team and Bidder at the date, time and place as described in the clarification letter ● PPR 65 (2), Evaluation committee shall carry out an examination only if: <ul style="list-style-type: none"> ○ They are concerned that the contractor <u>cannot carry out the work satisfactorily</u> ○ Quoted low rate demonstrates <u>misunderstanding of technical specification of work</u> ○ <u>High front</u> loading for preliminary stage work ○ For <u>low price</u> (shall ask clarification) 	<ul style="list-style-type: none"> ● Clarification meetings are only held if the bid evaluation committee finds that the lowest bid demonstrates the contractor cannot carry out the work satisfactorily, misunderstands the technical spec, has high front loading of costs, or has a price substantially below the estimate ● Clarification does not mean negotiation of rates or specifications, meeting is held simply to gain greater understanding of a particular bid 	3
8. Clarification Contd.	<ul style="list-style-type: none"> ● Some common agendas for the meeting could be: <ul style="list-style-type: none"> ○ Background/purpose ○ Bid amount ○ Advance money ○ Mobilisation to the site (for construction work) ○ Schedule or works/delivery of goods ○ Transportation means (for goods supply) ○ Intermediate Milestones ○ Quality management ○ Technical specifications etc. 	<ul style="list-style-type: none"> ● Common agenda points for clarification meetings are as per list on slide ● Minutes of clarification meetings must be kept and all “negotiation” / clarification must be well recorded 	2

Slide Headings	Bullet Points	Key Messages	Time (mins)
	<ul style="list-style-type: none"> ○ Pre-contract samples (for good supply) for low rate items ○ AOB ● Note if there is any 'negotiation' (clarification of terms included) minutes of this meeting must be kept (Rule 149(2)k) 		
9. Pre-Award Visits	<ul style="list-style-type: none"> ● Only in special/extreme cases ● Visit of warehouse, yard, factory, workshop, company, Offices, observation of equipment, etc. ● Used to clarify and confirm the bidder can perform the Contract, e.g. where a low works bid comes in and PE is trying to form an opinion on whether the bidder's evidence of performance is valid 	<ul style="list-style-type: none"> ● Pre-award visits as per list on slide 	3
10. Pre-Award Formalities	Start of new section (sub-title slide)	Introduce new section – 'Pre-Award Formalities'	1
11. Letter of Intent	<ul style="list-style-type: none"> ● RAP Std. Bid Doc >6M, ITB 37.1 ● PPA Section 27 is the leading authority ● The Employer shall notify the Bidder, through the Lol: <ul style="list-style-type: none"> ○ Within 7 days of selection of Bid ○ That it intends to accept the bid ● Employer must also inform all other bidders of the name, address, and price of selected Bidder ● The letter must mention evaluated bid price ● Letter of Intent shall address the completion of bid evaluation process 	<ul style="list-style-type: none"> ● Once the bid evaluation committee have selected the winning bid, the PE issues a letter of intent to the winning bidder ● All other bidders must also be informed 	4
12. Cooling Period	<ul style="list-style-type: none"> ● The 7 days following the issuing of the Letter of Intent (Lol) is the cooling period ● Unsuccessful bidders can submit complaints (Application) during this period 	<ul style="list-style-type: none"> ● 7 day cooling period is allowed after the letter of intent has been issued ● During this period unsuccessful bidders who wish to lodge complaints can do so 	3
13. Complaints and Review	<ul style="list-style-type: none"> ● PPMO clause 40 ● Complaints must be lodged within <u>7 days of the Lol being issued</u> ● The Public Entity has <u>5 days to respond</u> 	<ul style="list-style-type: none"> ● Complaints and review as per the points on the slide ● If required to present details of the procurement proceedings to the GoN review committee the PE 	5

Slide Headings	Bullet Points	Key Messages	Time (mins)
	<ul style="list-style-type: none"> • If the Bidder is not satisfied with the response, or the PE does not respond, they can apply to the <u>GoN Review Committee</u> • PE must provide Review Committee with details of the procurement proceedings • Review Committee makes a decision <u>within one month</u> of the Bidder lodging their complaint 	<p>must have full documentation and records – importance of records / documenting each step in procurement process</p> <ul style="list-style-type: none"> • Will have to clearly demonstrate transparency 	
14. Notification of Award	<ul style="list-style-type: none"> • Letter of Acceptance, RAP Std. Bid Doc >6M, ITB 37.2, PPMO document • If no Bidders submit complaints within 7 days of notice (LoI), the Employer will: <ul style="list-style-type: none"> ○ Accept the bid ○ Issue LoA prior to expiration of Bid validity period to furnish the performance security and sign the contract within 15 days. LoA must state the Contract price ○ Issue a public notice on result of Award • Note: PPR 84 (10), The Public Entity shall: <ul style="list-style-type: none"> ○ Accept the sealed quotation within 15 days from its opening ○ Issue notice thereof to all those who have submitted it 	<ul style="list-style-type: none"> • If no complaints are lodged during cooling period, the PE will issue the letter of acceptance (LoA) • A public notice must be issued regarding the award of the contract • For sealed quotations, PE has 15 days from opening of quotes to accept bidder and then a notice must be issued to all bidders regarding the decision • 15 days for sealed quotations is limit, but if there are real concerns evaluation committee should not feel rushed to make a decision, should still take time for clarification if required 	4
15. Public Notice	<ul style="list-style-type: none"> • Issued on result of Award • Employer shall post a notice detailing result of award: <ul style="list-style-type: none"> ○ On its website ○ On DoLIDAR's website (now on PPMO website) ○ (Present practice: publication in newspaper) • The Public Entity shall fix a public notice on the result of award (district procurement) <ul style="list-style-type: none"> ○ On its notice board ○ On the notice board of DDC ○ District Administration Office ○ District Treasury 	<ul style="list-style-type: none"> • Public notice should be issued as per lists on slide 	4

Slide Headings	Bullet Points	Key Messages	Time (mins)
	<ul style="list-style-type: none"> ○ Controller Office 		
16. Public Notice Contd.	<ul style="list-style-type: none"> ● The notice shall include: <ul style="list-style-type: none"> ○ Name of each Bidder who submitted a Bid ○ Bid prices as read out at Bid Opening ○ Name and evaluated prices of each bid ○ Name of bidders whose bids were rejected and the reasons for their rejection ○ Name of the winning Bidder, and the Price it offered, as well as the duration and summary scope of the Contract Awarded 	<ul style="list-style-type: none"> ● The information that must be included in the public notice is as per the list on the slide 	2
17. Performance Security	<ul style="list-style-type: none"> ● Within 15 days, or number of days specified in SCC, of the receipt of LoA from the Employer, the successful Bidder shall furnish the performance security (Ref Doc: RAP Std. Bid Doc >6M, ITB 38 and PPR 110) <ul style="list-style-type: none"> ○ From a Commercial Bank or a Bank in Nepal acceptable to Employer ○ Using Sample Form as in Contract Form or other Form acceptable to Employer ○ 5% of the contract amount ○ The validity period (unless otherwise provided in contract doc) shall exceed more than one month ○ To warranty period (goods) ○ DLP (construction works) 	<ul style="list-style-type: none"> ● Performance security is a sum of money which is issued by an insurance company or a bank to guarantee satisfactory completion of a project by a Contractor / Supplier ● Performance security must meet criteria as listed on slide 	5
18. Performance Security Contd.	<ul style="list-style-type: none"> ● The performance security shall be payable <ul style="list-style-type: none"> ○ As compensation for any loss resulting from the Supplier's failure to complete its obligations under the Contract. ● Failure to submit performance security or sign the Contract Agreement will result in: <ul style="list-style-type: none"> ○ Cancellation of Contract ○ Forfeiture of bid security 	<ul style="list-style-type: none"> ● Performance security is payable in situations listed on slide ● Failure to provide performance security results in cancellation of contract and forfeiture of bid security 	2

Slide Headings	Bullet Points	Key Messages	Time (mins)
19. Discharge Bid Security	<ul style="list-style-type: none"> • Upon the successful Bidder furnishing performance security, the Public Entity will promptly notify each unsuccessful Bidder and will discharge its bid security 	<ul style="list-style-type: none"> • Once the successful bidder has provided their performance security, the Bid Security of the unsuccessful Bidders will be released • The conditions under which bid security can be forfeited are described in the next slide 	4
20. Discharge Bid Security Contd.	<p>A bidder will lose their bid security:</p> <ul style="list-style-type: none"> • If they have withdrawn their Bid during the period of bid validity specified by the Bidder in the Form of Bid; or • If they do not accept the correction of errors in accordance with the ITB; or • Having been notified of the acceptance of its Bid by the Employer during the period of bid validity, the Bidder: <ul style="list-style-type: none"> ○ Fails or refuses to execute the Contract Agreement, or ○ Fails or refuses to furnish the performance security, in accordance with the ITB 	<ul style="list-style-type: none"> • Bidders will lose their bid security in situations listed on slide 	2
21. Signing of Contracts	Start of new section (sub-title slide)	Introduce new section – ‘Signing of Contracts’	1
22. Signing of Contracts	<ul style="list-style-type: none"> • Upon the submission of performance security the Employer and the Successful Bidder shall sign the contract within 15 days, or the period mentioned in the bid documents • Two original copies of the contract documents must be prepared • The authorised representative of both parties (Employer and the Contractor) sign the contract with a minimum of one witness from each party 	<ul style="list-style-type: none"> • Once the performance security has been submitted by the successful bidder the contract must be signed within 15 days (or the duration mentioned in the bid documents) • Must prepare two original copies of the contract documents for signature – one copy for the PE, one copy for the successful bidder • Authorised representatives sign contract with a minimum of one witness from each party 	3
23. Signing of Contracts Contd.	<ul style="list-style-type: none"> • After signing and stamping the contract documents, each party receives one original copy • <u>Note:</u> For Central procurement or any direct procurement, the Contractor / the Supplier has to sign RAP3 code of Conduct and Ethics 	<ul style="list-style-type: none"> • One copy of contract for employer, one copy for contractor • For RAP3, all contracts must be accompanied with signed RAP3 code of conduct and ethics • All staff working on RAP3 must also individually sign the RAP3 code of conduct and ethics 	2

Slide Headings	Bullet Points	Key Messages	Time (mins)
24. End	End of Presentation	10 minutes are allowed at the end of the presentation for questions	10