

(3D) RAP3 Procurement Procedures

Presentation for LRN Training

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Introduction

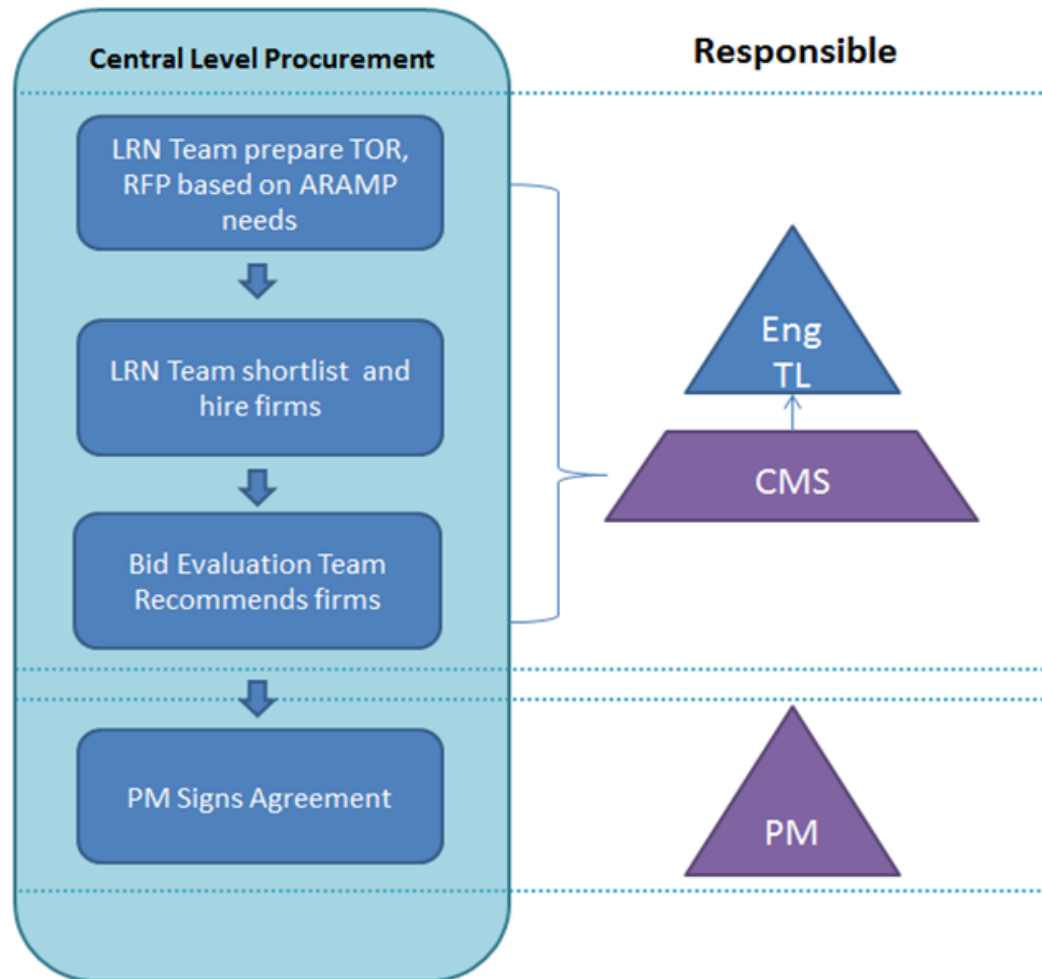
- ❖ Different procurement processes at central and district level
- ❖ Central Level Procurement: Year-1 for Services Consultants for survey, design, and construction supervision, new road construction, road improvement works, and goods / supplies
- ❖ District Level Procurement: Maintenance (DDF)

CENTRAL LEVEL PROCUREMENT



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Central Level Procurement



Central Level Procurement Contd.

- ❖ Managed by the LRN team
- ❖ Relates to the expenditure of direct funding from the RAP3 programme budget
- ❖ The Engineering Team Leader is responsible for the management of the procurement process (reports to RAP3 Programme Manager)

Central Level Procurement Contd.

❖ Central level procurement:

- ❑ The management of the process is delegated to the CMS
- ❑ For Maintenance and Improvement works the Asset Management Specialist takes the lead, and
- ❑ For New Construction the Construction Specialist takes the lead

❖ The CMS shortlist the firms, and the Bid Evaluation Team (led by the CMS) recommends the winning firm to the PM, who signs the agreement with the firm

Central Level Procurement Contd.

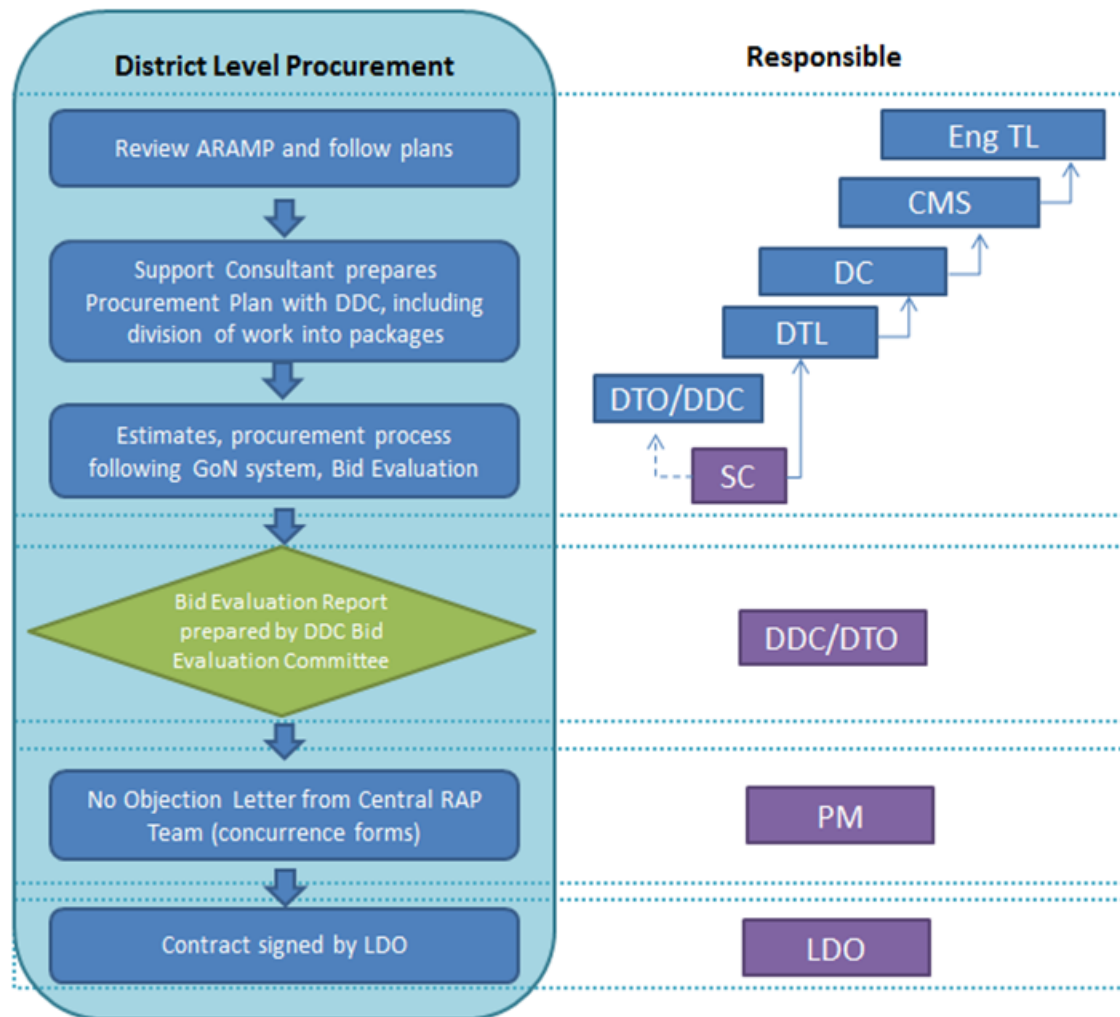
- ❖ Procurement process must be documented in following documents:
 - ❑ Tender documentation
 - ❑ Meeting minutes
 - ❑ Evaluation Report
 - ❑ Contract Agreement

DISTRICT LEVEL PROCUREMENT



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District Level Procurement



District Level Procurement

- ❖ Ownership and responsibility with the DDC
- ❖ LRN team, at central and district level, provide technical and systems support through the Support Consultant (SC)
- ❖ Covers procurement of works and goods, but not services. The SC supports the DDC/DTO and reports to the DTL

District Level Procurement Contd.

- ❖ SC estimates costs and manages the procurement process through the government system
- ❖ DDC forms a Bid Evaluation Committee:
 - ❑ Evaluates all bids, and
 - ❑ Produces a Bid Evaluation Report recommending the favoured firm
- ❖ DTA reviews Bid Evaluation Report and forwards document with his check list
- ❖ Prior to signing any agreement, a **No Objection Letter** from the RAP3 Programme Manager is required

District Level Procurement Contd.

- ❖ Once the NoL is received by the DDC/DTO, the contract is signed by the LDO
- ❖ Procurement process must be documented in following documents:
 - ❑ Tender documentation
 - ❑ Meeting minutes
 - ❑ Bid Evaluation Report
 - ❑ No Objection Letter
 - ❑ Contract Agreement

RAP3 PROCUREMENT PROCEDURES



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Overview of Procurement Steps

1. Procurement Plan
2. Timetable
3. Requirement Finalisation
4. Bidding Document
5. Cost Estimate
6. Invitation for Bid
7. Clarification / Amendments
8. Submission of Bid
9. Withdrawals
10. Bid Opening
11. Bid Evaluation Team
12. Determination of Bidder's eligibility and substantial responsiveness
13. Financial Evaluation (Comparison study)
14. Negotiation
15. Letter of Intent
16. Cooling Period
17. Contract Agreement

Cost Estimate

- ❖ The cost estimate is prepared prior to Invitation for bid
- ❖ The SC is responsible for preparing the cost estimate
- ❖ PPR 10, rates for construction works – rate fixation committee
- ❖ PPR Rule 11, rates for goods
- ❖ The cost estimate is approved by the authorised authority before Invitation for bid

Bid Documents

- ❖ Bid documents differ for:
 - ❑ Works with value less than 6M,
 - ❑ Works with value more than 6M
 - ❑ (and for goods supply)
- ❖ Samples issued by TMO to DTA for reference in order to prepare the bid document
- ❖ Depending upon the cost of the project, SC shall determine which type of bid documents shall be prepared

Bid Documents Contd.

❖ In general the bid documents shall consist of:

- Invitation for Bid
- Instruction to Bidders
- Evaluation and Qualification Criteria (bid > 6M)
- Bidding Forms
- General Condition of Contract
- Special Condition of Contract
- Works Requirement (bid >6M)
- Technical Specification
- Drawings
- Bill of Quantities
- Forms of Securities
- Rules for Adjudication

Invitation of Bids

- ❖ DDC requests quotations from 3 advertising agencies and tender publishing authority is awarded to the lowest bidder
- ❖ Invitation for bid advertised in:
 - ❑ National newspaper in case of NCB (min 30 days for bid submission time)
 - ❑ Local or national newspaper for sealed quotation (min 15 days for bid submission time)

Invitation of Bids Contd.

- ❖ Information to be included in invitation of bids has already been discussed in module 3B, the key elements are:
 - ❑ Date of first publication
 - ❑ Cost estimates for works valued up to 6M
 - ❑ Pre-bid meeting (10 days before date of submission for NCB and 7 days for sealed quotation)
 - ❑ Pre-qualification document if required (>6M)

Invitation of Bids Contd.

- Provision for E-bid submission and mandatory documents
 - **All eligibility criteria**
 - Criterion for bidders bidding for more than 1 packages
- Orientation to Bidders
- ❖ **Note:** Each Bidder shall submit only one bid, either individually or as a partner in a Joint Venture

Clarifications and Amendments

- ❖ Required if bid documents are missing information or information within the documents needs to be amended
- ❖ A clarifications/amendments notice must be published in a daily newspaper of national circulation, within the period for the submission of bids
- ❖ May lead to the deadline for the submission of tenders being extended
- ❖ Bidders who fail to submit the documents based on the amendments/clarifications will not be evaluated

Submission of Bids

- ❖ Bids must be submitted:
 - ❑ In the specified form,
 - ❑ Signed by the bidder or their authorised agent,
 - ❑ In a sealed envelope delivered by the bidder himself, the bidder's authorised agent, by post, or by courier
- ❖ All bids must be submitted to the location specified in the tender notice and by the date and time specified
- ❖ Bids received after the deadline shall not be processed and such bids shall be returned unopened to the concerned bidder

Withdrawal of Bids

- ❖ A Bidder may make a sealed application for modification to, or withdrawal of, a bid that has already been submitted
- ❖ The 24 hour rule, as included in all RAP3 central procurement bid documents, states that modification to, or withdrawal of, submissions must take place one day (24 hours) before the last date of bid submission
- ❖ The 24 hour rule has diminished the occurrence of circular formations amongst Bidders

Opening of Bids

- ❖ All bids must be opened:
 - ❑ As prescribed at the time and place specified in the bidding documents
 - ❑ On the same day, immediately after expiry of the deadline for the submission of bids (PPA Section 22)
- ❖ RAP3 practice is for the Evaluation Committee to open the bids at the place and time set in the bid documents
- ❖ Participation in the bid opening session is restricted to representatives of the bidders that have submitted a bid

Opening of Bids Contd.

- ❖ The public entity shall open the tenders:
 - ❑ In the presence of the bidders or their representatives
 - ❑ Bids can be opened even if the bidder, or the bidder's representative, is not present (PPR Rule 59 (1))
- ❖ “WITHDRAWAL” applications shall be opened and read out first and then the related bids shall be returned unopened to the relevant Bidders
- ❖ Next, envelopes marked “MODIFICATION” shall be opened and read out

Opening of Bids Contd.

- ❖ The record of opening of each bid submitted must include, as a minimum:
 - ❑ The name of the Bidder
 - ❑ Details of withdrawal, or modifications
 - ❑ The Bid Price
 - ❑ Details of any discounts and alternative offers
 - ❑ The presence or absence of a bid security
 - ❑ Details of any discrepancies between figure and words
 - ❑ Signature of bidder or their representative

Opening of Bids Contd.

- ❖ The omission of a Bidder's signature on the record shall not invalidate the contents or effect the record
- ❖ At the time of bid opening, no decision may be made either accepting or rejecting a bid

No Objection Letter (NoL)

- ❖ DDC request NoL from RAP through letter from LDO
- ❖ Request is supported by
 - ❑ Bid evaluation report (incl. meeting minutes, recommendation to award to the lowest responsive bidder, safeguards if any in case of low bids)
 - ❑ RAP-DTL check list (2 forms : works / goods, UC)
- ❖ Confirmation of Bid Evaluation:
 - ❑ Signed by RAP3 DC
 - ❑ Checked by CMS
 - ❑ Recommended by ETL
- ❖ Then RAP3 PM issues the No Objection Letter

E-PROCUREMENT



E-Procurement

- ❖ Used to be managed through DoLIDAR web site
- ❖ Managed through (single door) e-procurement section of PPMO website – <https://www.bolpatra.gov.np/ppmo/> (to use this portal PE's staffs need E-procurement training)
- ❖ First step for Bidders is to register on the website
- ❖ Mandatory documents are (scans of original documents in pdf format):

- Form of Bid
- Bid Security
- Company Registration
- VAT Registration
- Tax Clearances Certificate
- Power of Attorney for Bid Signatory
- Joint venture agreement (in case of JV)
- Qualification information
- BoQ (rate, amount, and total amount)
- Declaration form
- Bank voucher

- ❖ “Original plus one copy of bid” not mandatory

E-Procurement Contd.

- ❖ All Bidder's electronic bids and original bids in hard copy, will be accepted for evaluation provided that bid price in BoQ is same in both
 - ❑ In case of discrepancy in price it will be treated as two separate bids from one Bidder and shall be disqualified
- ❖ Modification or Withdrawal: Only e-submitted bids can submit modification or withdrawal notifications through e-submission or through hard copy

E-Procurement Contd.

❖ Bid opening:

- ❑ Electronically submitted bids shall be opened at the same time and date as specified in Bid Documents
- ❑ Employer can download and open the e-submitted bid only after the time and date for opening the bids
- ❑ Unreadable or partially submitted bids shall be considered incomplete and be rejected
- ❑ After opening of e-submitted bids, all files shall be printed and recorded at the time of bid opening
- ❑ In case of withdrawal or modification through e-submission, it shall be opened and read out first. Bids for which there is an acceptable notice of withdrawal shall not be opened

E-Procurement Contd.

- ❖ Clarification of Bids: For clarification and verification purposes, the Employer may request the E-Bidder to submit further documents/clarifications
- ❖ Upon notification from the employer the Bidder shall be required to submit the original completed bid including:
 - ❑ Bid Forms
 - ❑ Qualification Information
 - ❑ Special Conditions of Contract
 - ❑ Bill of Quantities
 - ❑ Supplementary Information

E-Procurement Contd.

- ❖ Employer evaluates the bids based on the information as per the e-submitted bid
- ❖ If so requested by the Public Entity, E-Bidders who cannot provide documents/clarifications to prove the information provided in e-submitted bid, the bid shall not be considered for further evaluation and forfeiture of bid security shall be applicable
- ❖ In case of a system failure the decision to extend the bid closing time will be taken by the authority responsible for the individual projects
- ❖ If time extension is to be provided, notification must first be provided on the website, then in national/local newspaper

COMMON ERRORS

Common Errors Encountered

- ❖ Bidders not attending Pre-Bid meeting
- ❖ Many bidders are found to be non-responsive simply because they have not read the Bid documents
- ❖ Public Entity not making their Invitation & Advertisement clear, e.g. sometimes things are hidden away in the docs and not mentioned in the advertisement
- ❖ Lack of clarity on language to be used:
 - ❑ PPR Rule 41, Nepali/English
 - ❑ Bid < 6M, English (PPMO)
 - ❑ Bid > 6M, English/Nepali

Common Errors Contd.

- ❖ As part of RAP3, pre-conformance meetings are always held, but it is not possible to make it compulsory and many bidders do not attend
- ❖ Bidders must make sure to fully read the bid documents
- ❖ PE's Invitation and Advertisement must clearly outline the bid requirements
- ❖ Pre-conformance meetings offers bidders struggling with English bid documents an opportunity to determine exactly what they need to prepare

END

