



**North American Development Bank**

**Model Bidding Document:  
Consultant Services**

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## **MODEL DOCUMENTS**

Sample letter of invitation

Outline for typical Terms of Reference

Supplementary information for consultants

Standard forms for financial proposal

## SAMPLE LETTER OF INVITATION TO CONSULTING FIRMS

[ *letterhead* ]

[ *Date* ]

[ *Name of Firm and Address* ]

Dear Sirs:

RE: [ *name of project* ]

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1. The [ *Executing Agency* ] is planning [ *state briefly the nature of the project and what is expected to be accomplished* ]. The cost of the Project will be financed in part from [ *source of funds if known* ]. The [ *name of the Executing Agency* ] is the Executing Agency for the Project.

2. In order to carry out the project, the Executing Agency will engage a qualified consulting firm to [ *describe briefly scope of consulting services* ]. The Consultant will be selected and engaged in accordance with the Procurement Policies and Rules of the North American Development Bank, a copy of which is attached.

3. If you are interested in undertaking this assignment, you are invited as one of the following [ *number* ] firms to submit a proposal in accordance with the outline given in the attached "Supplementary Information for Consultants" for the services required under the Terms of Reference.

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4. To enable you to submit a proposal, attached are:

- (i) Terms of Reference,
- (ii) Supplementary Information for Consultants, and
- (iii) A draft of the contract under which the services will be engaged.

Please note that your proposal must be prepared in accordance with the instructions given in the Supplementary Information for Consultants.

5. Your proposal will be considered on its merits in accordance with the evaluation criteria outlined in the Supplementary Information attached and, if selected, could form eventually the basis for negotiations and, ultimately, a contract between your firm and the Executing Agency. It is anticipated that contract negotiations with the selected firm would commence around [ *specify date* ] and the assignment would commence around [ *specify date* ].

6. You are requested to hold your proposal valid for sixty (60) days from the date of submission, during which time you will maintain, without change, the personnel proposed for the assignment and your proposed price. The Executing Agency will make its best efforts to select a consulting firm within this period.

7. Please note that the Executing Agency is not bound to select any of the firms submitting proposals. Further, as quality is an important selection criteria, the Executing Agency does not bind itself in any way to select the firm offering the lowest price.

8. If your firm does not have the necessary expertise for a specific task, you may associate with another firm or engage specialists or experts to enable presentation of a full range of expertise required for the assignment. In order to assure the effective use of local knowledge, support institutional development and transfer of technology, you are encouraged to associate with qualified organizations and/or individual specialists from with [ *country of assignment* ] for one or more tasks, in part or in full, but firm shall be the price consultant.

9. You should note that (i) if you combine the functions of consulting with those of contractors or manufacturers or (ii) if you are associated with, affiliated to, or owned by a contractor or manufacturer, you should include in your proposal relevant information of such relationships along with a statement to the effect that you limit your role to that of consultant and disqualify yourself and your associates/affiliates from work in any other capacity (including bidding on any part of the project) except that of consulting services for follow on services such as detailed design and supervision. The contract with the Consulting Firm selected to undertake the project will contain an appropriate provision to this effect.

10. In order to familiarize yourselves with the project and the local conditions you may wish to visit the project area. In this case you should make contact with [ *local agency* ] and ensure that they are advised of your visit in adequate time to allow them to make appropriate arrangements. However, it should be clearly understood that any costs incurred by you for collection of preliminary information, for preparation of the proposal or for the subsequent negotiations will not be reimbursable as a direct cost of the assignment.

11. If you request additional information, we would endeavor to provide such information expeditiously, but any delay in providing such information will not be considered a reason for extending the submission date of your proposal.

12. After selection, the firm submitting the first-ranked proposal will be invited to negotiate financial and other terms of the contract without delay. The representatives conducting

negotiations on behalf of the consulting firm must have written authority to negotiate the financial and other terms and to conclude a binding agreement. Should the negotiations prove unsatisfactory, the firm submitting the next-ranked proposal will be invited for negotiations (and so on, if necessary, until an agreement is concluded). As soon as the contract is signed with the finally selected consulting firm, other short-listed firms will be advised of the fact.

13. Your detailed technical proposal should be prepared in [ *specify language* ], and should be submitted in [ *number* ] copies, and your financial proposal one copy, in separate sealed envelopes, to reach the following address not later than [ *specify date* ]:

[ *address of Executing Agency* ]  
[ *Attention: (name and designation of officer  
with overall responsibility for project)* ]  
[ *Telephone No.* ]  
[ *Telefax No.* ]

It is recommended that you send your proposal by international courier.

In addition, you should advise by fax or telex the executing agency of the dispatch of your proposal, including details of shipment and expected date of arrival of the documents.

14. You are requested to acknowledge receipt of this letter by fax/telex to [ *full fax or telex address of executing agency* ] and to indicate whether or not you intend to submit a proposal.

Yours sincerely,

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Attachments:

1. Terms of Reference
2. Supplementary Information for Consultants
3. Draft of the contract under which the services will be performed
4. Procurement Policies and Procedures for Projects Financed by the NADBank.

## OUTLINE FOR TYPICAL TERMS OF REFERENCE

1. There is no standard format for the Terms of Reference.
2. The terms of reference should define precisely the task required of the Consultant. The clarity of the Terms of Reference is the key to quality proposals and ultimately a sound contract.
3. The Terms of Reference should clearly set out the project's:
  - (a) **Background:** such as the beneficiary institution, any sectoral and other related programs, relevant addresses;
  - (b) **General objectives:** including those which are not the Contractor's responsibility but are part of the Project as a whole;
  - (c) **Scope of work and expected output:** a report to be submitted addressing problems and recommendations and/or man-days and skills to be supplied for a certain period of assistance and acquired by the recipient through transfer of know-how and training;
  - (d) **Implementation arrangements and required inputs:** such as staff, equipment, transport, and how the responsibility for these inputs is divided between the Executing Agency, the beneficiary institution, and the Consultant; and
  - (e) **Project schedule:** such as estimated start and completion dates for all phases and activities, indicative calendar for specific events in the fields or elsewhere, such as briefing or review meetings, etc.
4. The Terms of Reference also indicate the various types of expenditure and costs in the budget, such as:
  - (a) Costs directly and only related to the services supplied and the Consultants' work;
  - (b) Current expenditures for running the project or for investment by the project;
  - (c) Equipment and materials to be purchased through the project; and
  - (d) Contributions to the project by the counterpart institution in the beneficiary state.

The Terms of Reference should be flexible enough to encourage proposals of original methodology.

[ *Project name* ]

## **SUPPLEMENTARY INFORMATION FOR CONSULTANTS.**

### **Submission of Proposals**

1. Consultants shall submit technical and financial proposals in clearly marked separate envelopes. Financial proposals shall be submitted in sealed envelopes. Six copies of the technical proposal and one copy of the financial proposal shall be submitted and marked "Technical Proposal" and "Financial Proposal," as appropriate. No financial data of any sort shall be included in the technical proposal. Only Technical Proposal envelopes shall be opened on the date of the submission of proposals. Financial proposals shall be kept sealed in safe custody until the technical evaluation is complete.

### **Technical Proposal**

2. Your technical proposal should demonstrate your firm's knowledge of the project requirements and its understanding of the requisite tasks set forth in the scope of work and terms of reference. Information must be provided for your firm and any firms with which you intend associating for the purpose of the assignment. Provision of the requested information, in full, must be set in the following sequence:
  - (a) A brief description of the firm, an outline of the firm's recent experience on assignments of a similar nature and specifically the firm's work experience, especially in USA/Mexico and/or other similar areas of the world. The experience claimed should be limited to those projects for which your firm (or your associate firm(s)) were legally contracted to carry out for clients as corporate entities. Assignment(s) completed by individual experts working privately or through other firms cannot be claimed as the experience of your firm, or your associate(s), but can be claimed by the individuals themselves (refer to (d) below). You should be prepared to substantiate the claimed experience by providing contractual or other evidence as proof, if so requested by the Executing Agency any time prior to, or, if selected, during contract negotiations. Information on the current workload of the firm in the relevant areas of this assignment should also be presented.
  - (b) General approach or methodology which you propose for carrying out the services, including such detailed information as you deem relevant. For each task separately, the description of the manner in which the consultants plan to execute the task, approach and work plan, personnel to be employed, staff-months, etc.

- (c) Comments or suggestions, if any, on the Terms of Reference designed to improve performance in carrying out the assignment are welcome.

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- (d) Composition of the team which the consultants would provide in the field and in the home office, together with CVs of individual team members, and the specific task(s) to which each team member would be assigned. The team leader should be specifically identified. If it is proposed to have a member of the consultant's home office responsible for the supervision of the team in the field, similar details should be given with CV of that member.
- (e) Work program including an organization chart, a bar-chart and a staffing schedule. The bar-chart should indicate estimates of the duration and total staff-months that would be provided for each task. The staffing schedule should indicate clearly the estimated duration (separately in the home office and in the field) and the probable timing of the assignment of each professional to be used (both foreign and domestic).
- (f) Comments, if any, on the data, services and facilities to be provided by the Executing Agency and/or local counterpart (see the Terms of Reference).
- (g) Proposed association arrangement (if any).
- (h) Estimate of office space, vehicles, equipment, local counterpart support, etc. required in the field for carrying out the proposed services.
3. In preparing the proposals, the consultants should give particular attention to the following:
- (a) Members of the team should have the requisite experience outside their own country, preferably under conditions similar to those prevailing in the country of the assignment. A good working knowledge in [ *specify language of the country of the assignment* ] is essential for key personnel in [ *country of assignment* ]. Reports must be produced in [ *specify language* ].
- (b) The majority of the personnel comprising the consultant's team should be drawn from the permanent staff of the firm.
- (c) While a limited number of inspection visits [ *to the country of the assignment* ] should be made by partners or senior officials of the firm during the course of the assignment, short-term visits to [ *the country of assignment* ] should generally be kept to a minimum.

**Financial Proposal**



4. Your financial proposal should be submitted in the following manner. Foreign costs can be denominated in [ *specify currency* ] and accompanied by supporting documents to justify the elements involved. Local costs must be denominated in the local currency. The costs shown should include a breakdown of the monthly remuneration rate for each professional staff to be assigned and a general

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breakdown of out-of-pocket expenses (such as international travel, per diem and report preparation, etc.). Should you be selected for negotiations, you will be expected to submit detailed breakdowns for remuneration, including social charges and overhead costs, certified by an independent auditor and supported by copies of the firm's annual statements of income and expenditure. This information would be treated as confidential by the Executing Agency.

5. Financial proposals as submitted by your firm will be considered in evaluation and selection of consultants. However, each element of the financial proposal of the selected firm will be reviewed during contract negotiations to determine the final contract price.
6. The Executing Agency retains the right to audit, during and after the services, the selected firm's accounts and time and cost records relevant to the services, including accounts and records as will enable verification of the breakdown of billing rates and the costs related to the project.

### **Budget**

7. The funds available for this assignment are limited to [ *specify amount* ] equivalent. This includes a provision of [ *specify amount* ] for contingencies. The budget estimate covers all foreign and local costs of services for this assignment including costs of staff in the field and home office. The estimate is based on a minimum of home office effort during the study. The budget also covers international travel, preparation of final reports, equipment, insurance, office supplies, subsistence, local transport, facilities, equipment, and all related expenses.
8. Please note that the remuneration which you receive from this contract will (not) be subject to normal tax liabilities.

### **Evaluation of proposals**

9. A two-stage procedure will be adopted for evaluating the proposals. The technical proposals will be evaluated first, merit points awarded, and the proposals ranked in order of their merit points prior to opening and evaluation of financial proposals. The quality of the technical proposal, particularly that of the personnel proposed, shall be the principal criterion in the evaluation of the proposal and selection of consultants.

10. Technical proposals shall be evaluated and merit points awarded based on the following:

(i) The firm's general experience in the disciplines forming part of the total assignment, with specific reference to experience in the country of assignment or similar (\_\_\_\_points).

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(ii) The adequacy and quality of the proposed work plan. Approach and methodology in responding to the Terms of Reference (\_\_\_\_points).

(iii) The qualifications, experience and competence of the interdisciplinary team of personnel proposed for the assignment. Higher rating will be given to firms which assign the team leader and the majority of proposed personnel from it's own and associated firms (\_\_\_\_points).

11. Curriculum Vitae (CV) for all consultants' personnel proposed for the assignment shall be included with the proposal. Each member of the team shall be rated on the basis of the following and average points evaluated for the team as a whole:

(i) educational and professional qualifications (\_\_\_\_points);

(ii) adequacy for the assignment (\_\_\_\_points); and

(iii) experience (and language where appropriate) in the country of assignment or similar (\_\_\_\_points).

12. A proposal may be treated as nonresponsive if any of the items as requested above, which are required for the evaluation, are omitted. Only firms awarded a minimum of eighty (80) technical merit points shall be considered for financial evaluation. In case no firm scores the minimum of eighty (80) technical points, the Executing Agency reserves the right to reject all proposals or negotiate with the firm scoring the highest technical points.

13. A firm will also be excluded from the evaluation if, in the judgment of the Executing Agency, the firm has been or might be placed in a position where its judgment in the execution of the project may be biased. Firms which believe such a situation may exist should seek guidance from the Executing Agency prior to preparing its technical proposal.

14. Since the selection will be undertaken on a competitive basis, the Executing Agency will not entertain subsequent requests to change the personnel proposed, following receipt of the proposals. The Executing Agency, therefore, reserves the right to immediately consider appointment of the next-ranked proposal if substitutions of personnel have become necessary in the first-ranked proposal, other than any that are proposed by the Executing Agency. Exceptions will only be made in cases of significant delays arising in the planned commencement of services.

15. Financial proposals shall be opened and evaluated only after the technical evaluation has been completed and merit points awarded to each proposal. The price envelopes of only those firms scoring at least eighty (80) technical points shall be opened for financial evaluation. The price envelopes of the remaining firms shall remain unopened and will be returned to them after the Executing Agency has signed a contract with the selected firm. For the purpose of proposal evaluation, prices shall be converted to a single currency using the selling (exchange) rates for the currencies of the price quoted by an official source for similar transactions. In the

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final evaluation, the technical merit score will be given a weight of eighty (80) percent and the total evaluated price shall be given a weight of twenty (20) percent. The firm with the highest evaluated weighted score shall be selected and invited for contract negotiations.

### **Negotiations**

16. Please note that the cost of preparing a proposal and of negotiating a contract, including trips to the project site or to the locale of the Bank is not reimbursable as a direct cost of the study.
17. Having selected a firm partly on the basis of an evaluation of personnel presented in the firm's proposal, the Executing Agency expects to negotiate a contract on the basis of the experts named in the proposal and will require assurances that these experts can, in fact, be made available. As the expected date of mobilization is given in the letter inviting proposals, the Bank will consider substitutions after contract negotiations only in cases of unexpected delays in the starting date or exceptionally because of incapacity of an expert for reasons of health. The desire of a firm to use an expert on another project will not be accepted for substitution of personnel.
18. After selection, the firm submitting the first-ranked proposal will be invited to negotiate financial and other terms of the contract without delay. Negotiations will commence with a discussion of the technical proposal, the proposed approach and work plan, staffing and any suggestions consultants may have made to improve the work plan, staffing and any suggestions consultants may have made to improve the terms of reference. Agreements will be reached, first, on the final terms of reference, work program, time schedule, the personnel to be employed and their periods in the field and home office, and next, on the facilities and services to be provided by local counterparts. Thereafter, financial negotiations will begin with discussions of the proposed staff-month rates for each team member, and of other costs as indicated by the consultants. While the Executing Agency's financial evaluation for purposes of selection of consultants only will be based on the total costs in the financial proposals as submitted by the consultants, subsequently the Executing Agency will assess the reasonableness of each time included in the financial proposal of the selected firm. Consultants should be prepared to disclose during negotiations data backing up the consult fees and other costs and be

aware and accept that the proposed rates and other costs will be subject to scrutiny by the Executing Agency and possible negotiations.

19. The representatives conducting negotiations on behalf of the consulting firm must have written authority to negotiate the financial and other terms to conclude a binding agreement. Should the negotiations prove unsatisfactory, the firm submitting the next-ranked proposal will be invited for negotiations (and so on, if necessary, until an agreement is concluded). As soon as the contract is signed with the finally selected consulting firm, other short-listed firms will be advised of the fact.

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## **Contract**

20. The consultants should note that the contract for this study will be with the Executing Agency. Under the terms of the contract, payments to the consultants will be made periodically in accordance with a schedule, agreed during negotiations, assuring the consultants regular payments in local and foreign currency as long as the work proceeds as planned.
21. The consultants and their personnel will normally be liable for the cost of taxes, duties, levies and other impositions in the country of the assignment related to:
  - (a) payments to the consultants or their personnel in connection with carrying out the services;
  - (b) equipment, materials, and supplies brought into the country of the assignment for purposes of carrying out the services; and
  - (c) property brought into the country of the assignment for the personal use of the consultants' personnel and/or their dependents.

**MAJOR WORK DURING LAST TEN YEARS WHICH BEST ILLUSTRATES QUALIFICATIONS**

The following information should be provided for each reference project in the format indicated below.

Project name:		Country:
Project location within country		Professional staff provided No. of staff:
Name of client:		No. of person-months:
Start date (month/year)	Completion date: (month/year)	Approx. value of services:
Name of association firm, if any:		No. of Person-months of professional staff provided by associated firm:
Senior staff involved and functions performed:		
Detailed narrative description of project and services provided:		

Firm's Name: \_\_\_\_\_

**BIODATA FORMAT TO BE SUBMITTED WITH PROPOSAL**

1. PROPOSED POSITION :
2. NAME :
3. DATE OF BIRTH :
4. NATIONALITY :
5. EDUCATION :
6. OTHER TRAINING :
7. LANGUAGE & DEGREE OF PROFICIENCY :
8. MEMBERSHIP IN PROFESSIONAL SOCIETIES :
9. COUNTRIES OF WORK EXPERIENCE :
10. EMPLOYMENT RECORD : (Starting with present position. List in reverse order **every employment** held.)
 

FROM	:	TO
EMPLOYER	:	
POSITION HELD AND DESCRIPTION OF DUTIES	:	
11. DETAILED TASKS ASSIGNED IN THIS PROJECT : Work undertaken which best illustrates capability to handle the tasks assigned
 

:	List project name, location, year, position held, (i.e. Team Leader, Hydrologist, Agricultural
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Economist, etc.), exact duties rendered, and time spent on each project.



**BREAKDOWN OF PROPOSED RATES OF REMUNERATION**  
 (This detailed breakdown of proposed rates is not required with the financial proposal,  
 but should be made available by the selected firm for negotiations)

Currency: \_\_\_\_\_

Project: \_\_\_\_\_

Firm: \_\_\_\_\_

EXPERT		(1) Basic Salary	(2) Social Charge	(3) Overhea d	(4) Subtotal	(5) Fee	(6) Home Office Rate	(7) Other	(8) Field Rate per
Name	Position	Per Cal. Month	(% of 1)	(% of 1)	(1+2+3)	(% of 4)	Per Month (4+5)	Allowances	Month (6+7)

Notes:

- Item 1: Basic salary is actual gross salary paid to the expert on a regular basis before any deductions or supplemental payments. ACTUAL PAYROLL SHEETS FOR EACH PROPOSED EXPERT MAY BE REQUIRED.
- Item 2: Social charges include employers' contributions to; social security, paid vacation, average sick leave and other direct personnel costs paid by the company. A breakdown of the proposed charge should be submitted and supported.
- Item 3: Overhead includes *inter alia*: general administration costs, rent, clerical and other non-billable staff costs, business marketing expenses, etc. Breakdown of proposed percentage charge for overhead should be submitted and supported.

Item 5: Fee includes company profit and any actual or deemed profit distribution paid by way of salary or benefits to partners or directors.

Item 7: Other applicable costs relating to billing rates, such as field allowances for which adequate justification and supporting documentation are provided.

**COST ESTIMATES<sup>1</sup>**

**REMUNERATION**

**SERVICES IN HOME OFFICE**

Name	Number of Staff-months	Home Office Monthly Rate	Estimated Amount
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Home Office Total

**SERVICES IN FIELD<sup>2</sup>**

Name	Number of Staff-months	Field Monthly Rate	Estimated Amount
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Field Total

<sup>1</sup> specify currency used

<sup>2</sup> including travel time

**OUT-OF-POCKET EXPENSES:**

Prepare a schedule of other expenses using the following indicative headings. If necessary, prepared upon separate sheet(s).

**1. Travel**

**2. Miscellaneous travel expenses**

**3. Per diem allowances**

**4. Communications**

**5. Reproduction & shipment of bidding documents, reports, etc.**

**6. Equipment and other items**

**Other Expenses**  
**TOTAL**

\_\_\_\_\_  
\_\_\_\_\_