



North American Development Bank

**Model Bidding Document:
Procurement of Goods,
Works and Services**

Preface

These model bidding documents have been prepared by the North American Development Bank (the Bank) for use by borrowers in the procurement of goods, works and services (excluding consultant services) through open bidding.

These documents are derived from Standard Bidding Documents developed and in use by the World Bank and other International Financial Institutions (IFIs). The procedures and practices presented in them have been developed through broad international experience for use in contracts to be procured following open bidding that are financed in whole or in part by the IFIs.

Volume I.i, the Instructions to Bidders of these documents should be used without modification by simply copying them. The Bidding Data, attached to the Instructions to Bidders, should contain information and instructions specific to individual procurements. For Volume II.i, General Conditions of Contract, standard contract conditions appropriate to the contract should be used. Conditions specific to individual contracts and any amendments to the General Conditions of Contract should be covered in the special conditions of contract.

Borrowers or their consultants should complete the documents by entering data specific to the procurement in question in the relevant sections; in some cases, this necessitates a selection from different alternatives presented in the documents. These alternatives are illustrative and not necessarily comprehensive. Other customized provisions may be required in certain cases. The following guidelines should be observed:

- (a) Specific details, such as the "name of the Purchaser," "address for bidding submission," etc., should be entered where indicated.
- (b) Boxed guidance notes contain instructions which the drafter should follow. They are not part of the text and should not be included in the final document.
- (c) The criteria for bid evaluation and the methods for applying such criteria in evaluation should be reviewed carefully. It may be appropriate to delete or to modify some of the criteria given in this document, or to use additional criteria. In any event, criteria must be quantified in monetary terms except in rare occasions where that is not practical.
- (d) Standard conditions of contract appropriate to the procurement should be used. The special conditions of contract should be drafted specifically for each procurement and should cover all amendments and additions to the General Conditions and specific information and data related to the Conditions of Contract.

When submitting bidding documents for the Bank's review, Purchasers should state whether these model bidding documents have been used. If so, the Purchasers should:

- (a) confirm that the Instructions to Bidders have been used without change;
- (b) state which Standard Contract Conditions are being adopted;
- (c) highlight any proposed changes to the following:

- Bid form
- Bid security form
- Contract agreement and appendices
- Performance security form
- Advanced payment; guarantee

- (d) submit the following for review:

- Invitation for bids
- Bidding data
- General conditions of contract
- Special conditions of contract
- Price schedules
- Schedule of requirements
- Specifications
- Drawings (if relevant to the bid)
- Any additional sections to be incorporated in the documents

The Bidding Process

Stage	Activity
If prequalification of contractors is being applied:	
Prequalification Documents (PQ)	* prepare PQ documents using Model PQ Documents
Invitation to PQ	* publish invitation for PQ * make documents available * send documents to potential applicants by courier * maintain a log of all firms that receive the PQ documents * receive and respond promptly to requests for clarification * if applicable, hold clarification meeting and/or site visit
Receipt of PQ Applications	* make arrangements for receipt of applications * set up evaluation committee
Evaluation of Applications	* check applications * seek clarification if necessary * apply evaluation criteria and determine applicants which are not qualified * draft PQ evaluation report * inform applicants of outcome of evaluation
If no prequalification of contractors is being applied:	
Bidding Documents	* prepare bidding documents using Model Bidding Documents
Invitation for Bids	* if no prequalification, publish the invitation notice * if prequalification, send invitation notice to all prequalified applicants * make documents available for inspection * send documents to potential bidders by courier * maintain a log of all firms that received the bidding documents and make available * receive and respond promptly to requests for clarification * if applicable, hold prebid meeting and/or site visit * if necessary, amend the bidding documents * if necessary, extend the deadline for submission of bids
Receipt of Bids	* issue a dated/numbered receipt for all bids received and mark the incoming bids with the number of the receipt

Opening of Bids	<ul style="list-style-type: none"> * prepare an accessible, appropriate room for the opening * set up evaluation committee * maintain register of attendance * open bids and announce relevant details * draft minutes of bid opening
Examination of Bids	<ul style="list-style-type: none"> * identify errors, deviations, omissions and variations * determine substantially nonresponsive bids and reject
Clarifications	<ul style="list-style-type: none"> * request and receive clarification (in writing) from bidders at any time between opening of bids and award decision
Evaluation of Bids	<ul style="list-style-type: none"> * correct arithmetic errors * convert bids to common currency * adjust for nonmaterial deviations and omissions * apply evaluation criteria specified in the bid document * adjust corrected bid price to arrive at evaluated price
Comparison of Bids	<ul style="list-style-type: none"> * compare evaluated prices and rank * identify the lowest evaluated bid
Postqualification	<ul style="list-style-type: none"> * if bidders were prequalified, establish that the lowest evaluated bid is still qualified and capable of satisfactorily performing the contract * if bidders were not prequalified, apply qualifying criteria to determine that the lowest evaluated bidder is qualified to perform the contract
Evaluation Report	<ul style="list-style-type: none"> * prepare evaluation report with recommendation of award to the lowest evaluated bidder qualified to perform the contract * get the agreement of the client and the Bank (as necessary) to the evaluation/award recommendation
Notification of Award	<ul style="list-style-type: none"> * notify successful bidder of award (letter of acceptance) with copy of Contract Agreement
Contract	<ul style="list-style-type: none"> * sign contract agreement * receive performance security from the successful bidder * return bid security of unsuccessful bidders

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MODEL BIDDING DOCUMENTS

**Procurement of
Goods, Works and Services**

Volume I

The Bid

(Without Prequalifications)

INVITATION FOR BIDS

[*country*]
[*project title*]

INVITATION FOR BIDS

[*goods, works or services to be procured*]

This Invitation for Bids follows the General Procurement Notice for this project which was published in [*state publication, issue and date*].

[*Name of Purchaser*] (the Purchaser) intends using part of the proceeds of a loan from the North American Development Bank (the Bank) towards the cost of [*specify project*].

The Purchaser now invites sealed bids from [*suppliers / contractors*] for the following contract[s] to be funded from part of the proceeds of the loan:

- [*Include for each contract a concise description of the goods, works or services as applicable. State size and principal quantities. For contracts involving works, provide locations, estimated duration, and advise if any contracts are to be effective concurrently.*]

Bids are invited for one or more lots. Each lot must be priced separately. Bids for more than one lot may offer discounts and such discounts will be considered in the comparison of bids.

Delete the above paragraph if the bid does not involve more than one contract lot.

Bidding for contracts to be financed with the proceeds of a loan from the Bank is open to firms from any country.

To be qualified for the award of a contract, bidders must satisfy the following minimum criteria:

- [*Indicate any particular postqualification requirements.*]

The above paragraph re: minimum qualifying criteria should be omitted if not applicable.

Bidding documents may be obtained from the office at the address below upon payment of a non-refundable fee of [*state currency and value*]. [*Give instructions for payment by bank*]

transfer or the like]. If requested, the documents will be promptly dispatched by courier, but no liability can be accepted for loss or late delivery.

Only a nominal fee should be charged for bidding documents solely to cover the costs of reproduction and costs of dispatching by courier.

All bids must be accompanied by a bid security of [*state currency and amount deemed appropriate by the Purchaser. This should be consistent with paragraph 14 of the Instructions to Bidders*].

Delete the above paragraph if no bid security is required.

Bids must be delivered to the office at the address below on or before [*specify time and date of deadline for submission*], at which time they will be opened in the presence of those bidders' representatives who choose to attend.

The date for submission of bids should be not less than 45 days after the date of publication of this notice or the availability of the bidding documents, whichever is the later. A period of 60 days is normal and preferable. A longer period would be necessary for complex or large contracts and for bids requiring a pre-bid meeting or site visit. See the Bank's Procurement Note - Procurement Notices: Preparation and Publication.

A register of potential bidders who have purchased the bidding documents may be inspected at the address below.

Prospective bidders may obtain further information from, and inspect and acquire the bidding documents at, the following office:

[*Contact name*]
[*Purchasing entity*]
[*Address*]
[*Telephone:*]
[*Fax:*]

Date: _____

VOLUME I

THE BID

Notes on Vol. I - The bid

Volume I provides the information necessary for bidders to prepare responsive bids in accordance with the requirements of the Purchaser. It also gives information on bid submission, opening, evaluation and award of the contract.

Volume I.i - Instruction to Bidders includes provisions that are to be used unchanged.

Volume I.ii - Bidding Data consists of provisions that supplement, amend or specify information or changes to Volume I.i which are specific to each procurement.

The notes and examples in the bidding data are intended to assist the Purchaser in providing specific information about corresponding provisions in the Instructions to Bidders, which must be prepared for each specific procurement.

The Purchaser should provide in the bidding data information and requirements specific to the circumstances of the Purchaser, the processing of the procurement, the applicable provisions regarding the bid price and currency and the bid evaluation criteria that will apply to the bids. In preparing the bidding data the following aspects should be checked.

- (a) Information that specifies and complements the provisions of the Instructions to Bidders must be incorporated.*
- (b) Amendments and/or supplements, if any, to the provisions of the Instructions to Bidders, necessitated by the circumstances of the specific procurement, can be introduced only in the bidding data, as the Instructions to Bidders will remain unchanged.*

Matters governing the performance of the contractor under the contract, payments under the contract, or matters affecting the risks, rights or obligations of the parties under the contract are not included in these sections, but rather in the Conditions of Contract. If duplication of a subject is unavoidable in the different sections of the document, the Purchaser should exercise care to avoid contradiction or conflict between clauses dealing with the same topic. The Instructions to Bidders will not be part of the contract.

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VOLUME I.i INSTRUCTIONS TO BIDDERS

GENERAL

1. Scope

- 1.1 The Purchaser, as defined in the **bidding data**, invites bids for the goods, works and/or services, described in these bidding documents and summarized in the **bidding data**, in accordance with the procedures, conditions and contract terms prescribed in the bidding documents.
- 1.2 The successful bidder will be expected to complete its performance within the period stated in the **bidding data**.
- 1.3 Throughout these bidding documents the definitions in the Conditions of Contract shall apply.
- 1.4 Throughout these bidding documents Schedule of Requirements also refers to Bills of Quantities and Activity Schedule.
- 1.5 Purchaser also refers to employer, buyer, owner.
- 1.6 Contractor also refers to supplier, seller, vendor.

2. Source of funds

- 2.1 The Purchaser intends using part of the proceeds of a loan from the North American Development Bank (the Bank) for eligible payments under the Contract(s) for which this invitation for bids is issued. Payment by the Bank will be made only at the request of the Purchaser and upon approval by the Bank in accordance with the terms and conditions of the loan agreement and will be subject in all respects to the terms and conditions of that agreement. The proceeds of the Bank's loan will not be used for payments to persons or entities or for any import of goods if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

3. Eligibility and qualifications

- 3.1 Subject to paragraph 2.1 above, this invitation for bids is open to contractors from any country unless specified otherwise in the **bidding data**.
- 3.2 No affiliate of a purchasing entity shall be eligible to bid or participate in a bid in any capacity whatsoever, unless it can be demonstrated that there is not a significant

degree of common ownership, influence or control amongst the purchasing entity and the affiliate.

- 3.3 Where a firm, its affiliates or parent company, in addition to consulting also has the capability to manufacture or supply goods or to construct works, that firm, its affiliates or parent company normally cannot be a supplier of goods or works on a project for which it provides consulting services, unless it can be demonstrated that there is not a significant degree of common ownership, influence or control.
- 3.4 A bidder may submit or participate in any capacity whatsoever in only one bid for each contract. Submission or participation by a bidder in more than one bid for a contract (other than alternatives which have been permitted or requested) will result in the disqualification of all bids for that contract in which the party is involved. However, this does not limit the inclusion of the same subcontractor in more than one bid.
- 3.5 In the event that prequalification of potential bidders has been undertaken, only bids from prequalified bidders will be considered for award of the contract. A prequalified bidder should submit with its bid any information updating its original prequalification application or, alternatively, confirm in its bid that the original prequalification information submitted, remains essentially correct as of the date of bid submission.
- 3.6 If the Purchaser has not undertaken prequalification of potential bidders, to qualify for award of the contract, the bidder shall meet the qualifying criteria specified in the **bidding data**.

4. Cost of bidding

- 4.1 The bidder shall bear all costs associated with the preparation and submission of its bid, and the Purchaser will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

5. Pre-bid meeting or site visit

- 5.1 The bidder is advised to attend any pre-bid meeting or site visit scheduled in the **bidding data**.

BIDDING DOCUMENTS

6. Contents of bidding documents

- 6.1 The bidding documents comprise the documents listed below, other documentation or drawings specified in the **bidding data** and addenda issued in accordance with paragraph 8.

Vol.I Invitation for Bids

- .i Instruction to Bidders
 - .ii Bidding Data
 - .iii Bid Form
 - .iv Attachments to the Bid
 - .v Letter of Acceptance
- Vol.II
- .i General Conditions of Contract
 - .ii Special Conditions of Contract
 - .iii Contract Agreement
 - .iv Performance Security Form
 - .v Advance Payment Security Form
- Vol.III
- .i Schedule of Requirements
 - .ii Technical Specifications
 - .iii Drawings and Other Documentation

6.2 The bidder is expected to examine the bidding documents, including all instructions, forms, contract terms and specifications. Failure to furnish all information required by the bidding documents, or submission of a bid not substantially responsive to the documents in every respect, will be at the bidder's risk and may result in the rejection of its bid.

7. Clarification of bidding documents

7.1 A prospective bidder requiring any clarification of the bidding documents may notify the Purchaser in writing or by fax (hereinafter "fax" includes cable and telex) at the Purchaser's mailing address indicated in the **bidding data**. All requests for clarification must be received by the Purchaser no later than twenty-eight (28) days prior to the deadline for the submission of bids. The Purchaser will respond in writing to such requests for clarification of the bidding documents which it receives. Copies of the Purchaser's response (including a description of the esquire but without identifying its source) will be sent to all prospective bidders that have received the bidding documents.

8. Amendment of bidding documents

8.1 At any time prior to the deadline for submission of bids, the Purchaser may amend the bidding documents by issuing addenda.

8.2 Any addendum thus issued shall be part of the bidding documents and shall be communicated in writing or by fax to all prospective bidders that have received the bidding documents. Prospective bidders shall promptly acknowledge receipt of each addendum by fax to the Purchaser.

PREPARATION OF BIDS

9. Language of bid

- 9.1 The bid and all documents and correspondence relating to the bid exchanged by the bidder and the Purchaser shall be written in the language of the bid specified in the **bidding data**. Supporting documents and printed literature furnished by the bidder may be in another language provided they are accompanied by an accurate translation of its pertinent passages in the language of the bid, in which case, for purposes of interpretation of the bid, the translation shall govern.

10. Documents comprising the bid

- 10.1 The bid submitted by the bidder shall comprise the following:

- (a) a bid form [in the format indicated in Vol. I.iii,] completed in the manner and detail indicated therein and signed by the bidder;
- (b) Attach. 1 - The Price Schedules (in the format indicated in Volume I.iv, duly completed by the bidder in the manner and detail indicated therein and in accordance with the requirements of paragraphs 11 and 12;
- (c) Attach. 2 - A power of attorney, duly authorized by a Notary Public, indicating that the person(s) signing the bid have the authority to sign the bid and thus the bid is binding upon the bidder;
- (d) Attach. 3 - A bid security furnished in accordance with paragraph 14.
- (e) Attach. 4 - Documentary evidence as specified in the **bidding data**, establishing that the bidder satisfies the qualifying criteria referred to in paragraphs 3.5 or 3.6 and is otherwise qualified to perform the contract if its bid is accepted;
- (f) Attach. 5 - Documentary evidence as specified in the **bidding data**, establishing that the goods, works and/or services to be supplied by the bidder in its bid, conform to the bidding documents; and
- (g) any information or other materials required to be completed and submitted by the bidders in accordance with these bidding documents and specified in the **bidding data**.

- 10.2 The bidder shall submit offers which comply with the requirements of the bidding documents, including the basic technical requirements as indicated in the drawings and specifications. The attention of bidders is drawn to the provision of paragraph 6.2 regarding the rejection of bids which are not substantially responsive to the requirements of the bidding documents. Alternatives will not be considered unless permitted in paragraph 10.3 below.

10.3 When alternatives are explicitly invited or permitted, a statement to that effect will be included in the **bidding data**, as will the submission requirements and the methods for evaluating such alternatives.

11. Bid prices

11.1 Unless specified otherwise in the **bidding data**, the contract shall be for all the goods, works and/or services referred to in paragraph 1.1, based on the price schedules submitted by the bidder.

11.2 The bidder shall fill in prices for all items described in the drawings and specifications and listed in the Schedule of Requirements. Prices indicated on the price schedules shall be entered separately in the manner and detail specified therein and in accordance with the other requirements specified in these documents.

11.3 Unless specified in the **bidding data**, prices quoted by the bidder shall be fixed during the bidder's performance of the Contract and not subject to variations on any account. A bid submitted with an adjustable price quotation which is not consistent with this paragraph shall be rejected by the Purchaser as nonresponsive.

11.4 Unless specified otherwise in the **bidding data**, where bids are being invited for a number of contract lots, bidders offering to supply more than one lot may offer discounts for an award for more than one lot, and such discounts shall be considered in the evaluation of bids.

12. Currencies of bid

12.1 The prices shall be quoted by the bidder entirely in the currency or currencies specified in the **bidding data**.

13. Bid validity

13.1 Bids shall remain valid for the period specified in the **bidding data**. A bid valid for a shorter period shall be rejected by the Purchaser as nonresponsive.

13.2 In exceptional circumstances, the Purchaser may request that the bidders extend the period of validity for a specified additional period. The request and the bidders' responses shall be made in writing or by fax. A bidder may refuse the request without forfeiting the bid security. A bidder agreeing to the request will not be required or permitted to modify its bid, except as provided in paragraph 13.3 below. The bid security provided under paragraph 14 shall also be suitably extended.

13.3 Where the bid is for a fixed price contract (not subject to price adjustment), if the period of bid validity is so extended, the bid price of the successful bidder will be adjusted up to the date of award of the contract, as provided for in the **bidding data**,

to arrive at the contract price. Bid evaluation will be based on the bid prices without taking into consideration the above adjustment.

14. Bid security

- 14.1 If required in the **bidding data**, the bidder shall furnish, as part of its bid, a bid security in the amount specified therein.
- 14.2 The bid security is required to protect the Purchaser against the risk of the bidder's conduct which would warrant the forfeiture of the security, pursuant to paragraph 14.7.
- 14.3 The bid security shall be denominated in the currency of the bid and shall be, at the bidder's option, in the form of a cashier's or certified check, bank draft, stand-by letter of credit, or bank guarantee issued by a reputable bank located abroad or is in the country of the Purchaser. The format of the bank guarantee shall be in accordance with the sample form of bid security included in Volume I.iv or in another form acceptable to the Purchaser. The bid security shall be valid for twenty-eight (28) days beyond the validity of the bid.
- 14.4 Any bid not accompanied by an acceptable bid security shall be rejected by the Purchaser as nonresponsive pursuant to paragraph 23.
- 14.5 The bid security of unsuccessful bidders will be returned within twenty-eight (28) days of the expiration of the bid validity period.
- 14.6 The bid security of the successful bidder will be discharged when the bidder has signed the contract agreement and furnished the performance security, pursuant to paragraph 31.
- 14.7 The bid security may be forfeited:
 - (a) if a bidder:
 - (i) withdraws its bid during the period of bid validity, or
 - (ii) invalidates its bid pursuant to paragraph 21.3 or paragraph 23.5;
 - (b) in the case of a successful bidder, if the bidder fails to:
 - (i) sign the contract agreement pursuant to paragraph 30, or
 - (ii) furnish the required performance security within the time limits specified in paragraph 31.

15. Format and signing of bid

- 15.1 The bidder shall prepare one original of the documents comprising the bid as described in paragraph 10 of these Instructions to Bidders, bound with the section containing the Form of Bid, and clearly marked "ORIGINAL." In addition, the bidder

shall submit copies of the bid, in the number specified in the **bidding data**, and clearly marked "COPIES." In the event of a discrepancy between them, the original shall prevail.

- 15.2 The original and all copies of the bid shall be typed or written in indelible ink (in the case of copies, photocopies are also acceptable) and shall be signed by a person or persons duly authorized to sign on behalf of the bidder, pursuant to paragraph 10.1(c), as the case may be. The name and position held by each person signing the bid must be typed or printed below of the signature. All pages of the bid where entries or amendments have been made shall be initialed by the person or persons signing the bid.
- 15.3 The bid shall contain no alternations, omissions, or additions, except those to comply with instructions issued by the Purchaser or, as necessary, to correct errors made by the bidder. Any such correction shall be valid only if it is initialed by the person or persons signing the bid.

SUBMISSION OF BIDS

16. Sealing and marking of bids

- 16.1 The bidder shall seal the original and each copy of the bid in separate envelopes, duly marking the envelopes as "ORIGINAL" and "COPIES." The envelopes shall then be sealed in an outer envelope.
- 16.2 The inner and outer envelopes shall:
- (a) be addressed to the Purchaser at the address provided in the **bidding data**;
 - (b) bear the name and identification of the contract as defined in the **bidding data**;
and
 - (c) provide a warning not to open before the specified time and date for bid opening.
- 16.3 In addition to the identification required above, the inner envelopes shall indicate the name and address of the bidder to enable the bid to be returned unopened in case it is declared "late" pursuant to paragraph 18, and for matching purposes under paragraph 19.
- 16.4 If the outer envelope is not sealed and marked as required above, the Purchaser will assume no responsibility for the misplacement or premature opening of the bid. If the outer envelope discloses the bidder's identity, the Purchaser will not guarantee the anonymity of the bid submission, but this shall not constitute grounds for rejection of the bid.

17. Deadline for submission of bids

- 17.1 Bids must be received by the Purchaser at the address specified in paragraph 16, no later than the time and date specified in the **bidding data**.
- 17.2 The Purchaser may extend the deadline for submission of bids by amending the bidding documents in accordance with paragraph 8; in which case all rights and obligations of the Purchaser and the bidders previously subject to the original deadline will thereafter be subject to the deadline as extended.

18. Late bids

- 18.1 Any bid received by the Purchaser after the deadline prescribed in paragraph 17 will be returned unopened to the bidder.

19. Modification and withdrawal of bids

- 19.1 The bidder may modify, substitute, or withdraw its bid by giving notice in writing to the Purchaser before the deadline prescribed in paragraph 17.
- 19.2 The bidder's modification, substitution, or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with paragraph 16, with the outer and inner envelopes additionally marked "MODIFICATION," "SUBSTITUTION" or "WITHDRAWAL," as appropriate.
- 19.3 No bid may be modified by the bidder after the deadline for submission of bids.
- 19.4 Withdrawal of a bid between the deadline for submission of bids and the expiration of the period of bid validity may result in the forfeiture of the bid security pursuant to paragraph 14.7.

BID OPENING AND EVALUATION

20. Opening of bids

- 20.1 The Purchaser will open the bids, including withdrawals, substitutions and modifications submitted pursuant to paragraph 19, in the presence of the bidders' representatives who choose to attend, at the time and in the place specified in the **bidding data**. The bidder's representatives who are present shall sign a register evidencing their attendance.
- 20.2 No bid shall be rejected at bid opening, except for late bids, which shall be returned unopened to the bidder pursuant to paragraph 18.

- 20.3 Withdrawal, substitution and modification notices shall be opened and announced first. Bids for which a notice of withdrawal has been submitted pursuant to paragraph 19, shall not be opened, but will be returned to the bidders.
- 20.4 The bidders' names, the bid prices, the prices of any alternative (if alternatives have been requested or permitted) any discounts, bid deviations, the presence or absence of bid security and any such other details as the Purchaser may consider appropriate, will be announced by the Purchaser at the opening. Subsequently, all modifications shall be opened and the submission therein read out in appropriate detail. Any bid price, discount or modification that is not read out and recorded at bid opening will not be considered for bid evaluation, irrespective of the circumstances.
- 20.5 The Purchaser shall prepare minutes of the bid opening, including the information disclosed to those present, in accordance with paragraph 20.4.

21. Process to be confidential

- 21.1 The bid evaluation process up to the award of a contract is confidential.
- 21.2 Information relating to the examination, clarification, evaluation and comparison of bids, and recommendation for the award of a contract, shall not be disclosed to bidders or any other persons not officially concerned with such process until the award to the successful bidder has been announced.
- 21.3 Any effort by a bidder or its agents to influence the Purchaser's evaluation of bids or award decision, including the offering or giving of bribes, gifts, or other inducement, may result in the invalidation of its bid and the forfeiture of its bid security, pursuant to paragraph 14.7.

22. Clarification of bids

- 22.1 To assist in the examination, evaluation and comparison of bids, the Purchaser may, at its discretion, ask any bidder for clarification of its bid, including breakdowns of its prices. Such clarification may be requested at any stage up to the contract award decision. Requests for clarification and the responses shall be in writing or by fax and no change in the price or substance of the bid shall be sought, offered, or permitted except as required to confirm the correction of arithmetic errors discovered by the Purchaser in the evaluation of the bids in accordance with paragraph 23.

23. Examination of bids

- 23.1 Prior to the detailed evaluation of bids, the Purchaser will examine the bids to determine for each bid whether:
- (a) it is complete;

- (b) the documents have been properly signed;
- (c) it is accompanied by the required bid securities;
- (d) it is substantially responsive to the requirements of the bid documents; and
- (e) any computational errors have been made.

The Purchaser may require the bidder to provide any clarification and/or substantiation to determine responsiveness pursuant to paragraph 23.2.

23.2 A substantially responsive bid is one which conforms to all the terms, conditions, and specifications of the bidding documents without material deviation, reservation or omission. A material deviation, reservation or omission 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 bidders' obligations under the contract; or
- (c) the rectification of which would affect unfairly the competitive position of other bidders presenting substantially responsive bids.

23.3 The Purchaser may waive any minor informality, non-conformity or irregularity in a bid which does not constitute a material deviation, provided that such waiver does not prejudice or affect the relative ranking of any bidder. Wherever practicable and appropriate, the bid price will be adjusted for such deviations in accordance with paragraph 25.4(c) for evaluation purposes only.

23.4 If a bid is not substantially responsive, it will be rejected by the Purchaser and may not subsequently be made responsive by correction or withdrawal of the nonconformity.

23.5 Bids determined to be substantially responsive will be checked by the Purchaser for any arithmetic errors. Errors will be corrected by the Purchaser as follows:

- (a) where there is a discrepancy between the amounts in figures and in words, the amount in words will govern; and
- (b) other arithmetic errors will be dealt with in the manner specified in the **bidding data**.

If the successful contractor does not accept the correction of the errors pursuant to (a) and (b) above, this will be considered as invalidating its bid and the bid security may be forfeited pursuant to paragraph 14.7.

23.6 All items in the Schedule of Requirements must be priced. If a bidder has included the price of the main items this must be clearly stated and a price of zero must be entered for the respective associated items.

If a bidder fails to price items that are not the primary subject of the bid and the omission is judged to be non-material in accordance with 23.3, the bid price will be adjusted for such omission in accordance with paragraph 25.2(d) for evaluation purposes only.

24. Currency for bid evaluation

24.1 Unless specified otherwise in the **bidding data**, bids will be evaluated as quoted in the currency of the bid specified in paragraph 12.1.

25. Evaluation and comparison of bids

25.1 The Purchaser will evaluate and compare only the bids determined to be substantially responsive in accordance with paragraph 23.

25.2 The Purchaser reserves the right to accept or reject any variation, deviation, or alternative offer which is not submitted in accordance with the bidding documents. Variations, deviations, alternative offers, and other factors that are in excess of the requirements of the bidding documents or which otherwise result in unsolicited benefits for the Purchaser, shall not be taken into account in bid evaluation.

25.3 The estimated effect of any price adjustment provisions under the Conditions of Contract, applied over the period of execution of the contract, shall not be taken into account in bid evaluation.

25.4 In evaluating the bids, the Purchaser will determine for each bid, the evaluated bid price by adjusting the bid price as follows:

- (a) making any correction for errors pursuant to paragraph 23;
- (b) excluding provisional sums and the provision, if any, for contingencies in the price schedules;
- (c) making an appropriate adjustment for any other quantifiable acceptable non-material variations, deviations or alternative officers; and
- (d) making appropriate adjustments to reflect additional factors in the manner and to the extent indicated in the **bidding data**.

26. Postqualification

26.1 The Purchaser will determine to its satisfaction whether the bidder selected as having submitted the lowest evaluated responsive bid, meets the minimum qualifying criteria specified in paragraph 3.6 and on the basis of the bid submitted has demonstrated that it is capable of performing the contract satisfactorily.

- 26.2 The determination will be based upon an examination of the documentary evidence of the bidder's qualifications submitted by the bidder in its bid, as well as other information as the Purchaser deems necessary and appropriate.
- 26.3 An affirmative determination will be a prerequisite for award of the contract to the bidder. A negative determination will result in rejection of the bidder's bid, in which event, the Purchaser will proceed to the next lowest evaluated bid to make a similar determination of that bidder's capabilities to perform satisfactorily.
- 26.4 The capabilities of the subcontractors, including manufacturers and vendors proposed in the bid to be used by the lowest evaluated bidder, will also be evaluated for acceptability. Their participation should be confirmed with a letter of intent, as needed. Should a subcontractor be determined to be unacceptable, the bid will not be rejected, but the bidder will be required to substitute an acceptable subcontractor without any change to the bid price.
- 26.5 If the bid of the successful bidder is seriously unbalanced or front-loaded in relation to the Purchaser's estimate of the goods, works and/or services to be performed under the contract, the Purchaser may require the bidder to produce detailed price analyses for any or all items of the Schedule of Requirements, to demonstrate the internal consistency of those prices with the implementation schedule proposed. After evaluation of the price analyses, taking into consideration the schedule of estimated contract payments, the Purchaser may require that the amount of the performance security set forth in paragraph 31, be increased at the expense of the bidder to a level sufficient to protect the Purchaser against financial loss in the event of default of the bidder under the contract.

27. Purchaser's right to accept any bid and to reject any or all bids

- 27.1 Notwithstanding paragraph 28, the Purchaser reserves the right to accept or reject any bid, and to cancel the bid process and reject all bids, at any time prior to the award of contract, without thereby incurring any liability to the affected bidder or bidders, or any obligation to inform the affected bidder or bidders of the grounds for the Purchaser's action.

AWARD OF CONTRACT

28. Award criteria

- 28.1 Subject to paragraph 27, the Purchaser will award the contract to the bidder whose bid has been determined to be substantially responsive to the bidding documents and who has offered the lowest evaluated bid price, provided that such bidder has been determined to be qualified to perform the contract satisfactorily in accordance with the provisions in paragraph 26.

28.2 The Employer reserves the right at the time of award of the contract to increase or decrease the quantity of goods, works and/or services specified in the Schedule of Requirements, up to the percentage specified in the **bidding data**, without change in the unit prices for such goods, works and/or services, or other terms and conditions.

29. Notification of award

29.1 Prior to expiration of the period of bid validity, the Purchaser will notify the successful bidder by fax, confirmed by registered letter, that its bid has been accepted. The notification of award shall specify the sum which the Purchaser will pay the contractor in consideration of the execution and completion of the contract.

29.2 The notification of award (hereinafter called "the Letter of Acceptance") will constitute the formation of the contract.

30. Signing of contract agreement

30.1 At the same time that the Purchaser notifies the successful bidder that its bid has been accepted, the Purchaser will send the bidder the contract agreement in the form provided in the bidding documents, incorporating all agreements between the parties.

30.2 Within twenty-eight (28) days of receipt of the contract agreement, the successful bidder shall sign the contract agreement and return it to the Purchaser, together with the required performance security.

30.3 Upon fulfillment of paragraph 30.2, the Purchaser will promptly notify the other bidders that their bids have been unsuccessful and their bid security will be returned as promptly as possible, in accordance with paragraph 14.5.

31. Performance security

31.1 Within twenty-eight (28) days of receipt of the Letter of Acceptance from the Purchaser, the successful bidder shall furnish to the Purchaser a performance security in accordance with the Conditions of Contract and in the form stipulated in the **bidding data** or in another form acceptable to the Purchaser.

31.2 Failure of the successful bidder to comply with the requirements of paragraphs 30 or 31 shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security, in which event the Purchaser may make the award to the next lowest evaluated bidder or call for new bids.

32. Dispute resolution procedure

32.1 The method of dispute resolution is as indicated in the **bidding data** and the Conditions of Contract.

VOLUME I.ii
BIDDING DATA

Volume I.ii is intended to assist the Purchaser in providing specific information about corresponding clauses in the Instructions to Bidders included in Volume I.i, and has to be prepared for each specific procurement.

*The Purchaser should specify in the **bidding data** information and requirements specific to the circumstances of the Purchaser, the processing of the procurement, the applicable rules regarding bid price and currency, and the bid evaluation criteria that will apply to the bids. In preparing Volume I.ii, the following aspects should be checked:*

- (a) Information that specifies and complements provisions of Volume I.i must be incorporated.*
- (b) Amendments and/or supplements, if any, to provisions of Volume I.i as necessitated by the circumstances of the specific procurement, must also be incorporated.*

The following bid-specific data for the goods, works and/or services to be procured shall amend and/or supplement the provisions in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in the ITB.

*Instructions for completing the **bidding data** sheet are provided, as needed, in the notes in italics mentioned for the relevant ITB clauses.*

Instructions to Bidders

- | | |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| para. 1.1 Name of Purchaser | <i>[Specify the name of the Purchaser.]</i> |
| para. 1.1 Description of the Goods, Works and/or Services | <i>[Describe the scope of the contract briefly.]</i> |
| para. 3.1 Eligibility | <i>[Specify any restrictions on eligibility consistent with the Bank's Procurement Policies and Rules (if applicable).]</i> |

The Bank permits firms and individuals from all countries to offer goods, works and services for Bank-financed projects regardless of whether the country is a member of the Bank. Any conditions for participation shall be limited to those that are essential to ensure the firm's capability to fulfill the contract in question. Borrowers will not exclude a firm from open competition for a contract for reasons unrelated to its capability to perform the contract in question unless, as a matter of law or official regulation, the borrower's country prohibits commercial relations with the firm's country. Any such restriction must be explicitly specified in the eligibility criteria and is subject to the Bank's prior approval.

para. 3.6 Qualifying requirement

[Specify minimum qualifying criteria.]

Qualification requirements for bidders, including members of joint ventures, subcontractors or vendors. Minimum acceptable levels with regard to bidder's experience in supplying and installing works with comparable technical parameters, its manufacturing and installation capacity, its financial viability and other factors. These should be the same criteria used in the prequalification, if bidders were prequalified.

para. 5.1 Pre-bid meeting or site visit

[Specify date and location of pre-bid meeting or site visit, if any.]

EXAMPLE:

The bidder is advised to visit and examine the site of works and its surroundings and obtain for itself on its own responsibility all information that may be necessary for preparing the bid and entering into a contract for construction of the works. The cost of visiting the site shall be at the bidder's expense.

The bidder and any of its personnel or agents will be granted permission by the Purchaser to enter upon its premises and lands for the purpose of such visit, but only upon the express condition that the bidder, its personnel and agents, will release and indemnify the Purchaser and its personnel and agents from and against all liability in respect thereof, and will be responsible for death or personal injury, loss of or damage to property, and any other losses damage, costs, and expenses incurred as a result of the inspection.

para. 6.1 Other documents comprising the bid

[Specify all other documentation or drawings which are included in the bid document, if applicable.]

para. 7.1 Purchaser's mailing address

[Specify address of Purchaser, contact name, telephone, telex and facsimile numbers.]

para. 9.1 Language of bid

[Specify language of bid.]

Bid documentation (including prequalification) shall be prepared in either English or Spanish according to the location of the project, and the language of the bid (including prequalification) shall be the governing language.

para. 10.1(e) Documentary evidence of bidder’s qualification

[Specify documentary evidence to be submitted by the bidder as evidence of its qualifications to perform the contract.]

The following to be used if the bidders have been prequalified.

EXAMPLE:

The bidder must submit any information updating its original prequalification application and must confirm in a written statement that any original prequalification information which is not updated, remains essentially correct as of the date of the bid submission.

The following to be used if bidders have not been prequalified.

EXAMPLE:

The bidder must sign and submit, with their bid, all of the documentation required in the format indicated in Vol. I ___ completed in the manner and detail indicated therein.

para. 10.1(f) Documentary evidence of conformity of goods, works and/or services

[Specify documents to be submitted.]

para. 10.3 Alternatives

[State whether alternatives are requested of permitted.]

para. 11.3 Bid prices

[Specify whether the price shall be fixed, or the price shall be adjustable.]

EXAMPLE:

Prices quoted by the bidder shall be subject to adjustment during the performance of the contract to reflect changes in the cost of labor, material, transport and contractor’s

equipment, in accordance with the procedures specified in Appendix (2) to the contract agreement. A bid submitted with a fixed price quotation will not be rejected, but the price adjustment will be treated as zero. The price adjustment provision will not be taken into consideration in bid evaluation. Bidders are required to indicate the source of labor and material indices in the said Appendix (2).

para. 11.4 Packages with discounts

[State whether bids for a package of contracts with discounts are requested.]

para. 12.1 Bid currencies

para. 13.1 Period of bid validity

[Specify bid validity period.]

The period should be sufficient enough to permit the completion of evaluation and comparison of bids, the review of the recommended selection with the Bank (if so required), and the obtaining of all necessary approvals and notification of award. Normally, the validity period should be one hundred and twenty-eight (128) days. A realistic period should be specified in order to avoid the need for extensions.

para. 13.3 Extension of bid validity period

[Specify the adjustment factors to be used for fixed price contracts.]

EXAMPLE:

The adjustment of the bid price in accordance with paragraph 15.3 shall be from the original expiry date of bid validity, pro rata up to the date of award of the contract and shall be calculated using the official cost of living or consumer price index of the country of the currency of the bid.

para. 14.1 Bid security

[Specify amount of bid security.]

This amount should be the same as that quoted in the Invitation for Bids. To avoid disclosure of bidders' prices originating in the financial institution issuing the security, a fixed sum should be specified, preferably to a percentage of the bid price. The sum should range from the equivalent on one (1) percent of the estimated cost of the Works, for very large contracts of over US\$100 million, to three (3) percent of the estimated cost, for small contracts. Alternatively, if the Purchaser wishes to specify a percentage of the bid price, the percentage should be indicated as a "minimum of ____ percent" to enable bidders to provide in excess of the minimum and to thus conceal their prices.

para. 15.1 Number of copies of bid

[Specify number of copies of bid.]

para. 16.2(a) Address of Purchaser [Specify address of Purchaser.]

para. 16.2(b) Bid identification [Specify identification to be recorded on the bid envelopes.]

EXAMPLE:

The bidder shall enter the Purchaser’s name and address, the bid identification and the words “DO NOT OPEN BEFORE. [*the date and time prescribed for the opening of bids in paragraph 21.1*]”.

para. 17.1 Deadline for submission of bids [Specify time and date of bid submission.]

para. 20.1 Opening of bids by Purchaser [Specify time, date and place of bid opening.]

The opening of bids should take place immediately after the deadline for submission.

para. 23.5 Arithmetic errors [Specify how arithmetic errors will be handled]

para. 24.1 Currency for bid evaluation [Specify currency, if different from currency of bid]

The Purchaser shall state the currency to which prices will be converted. Conversion shall be at the selling exchange rate published by the Central Bank or any other commercial bank in the Purchaser’s country. The Purchaser must enter the name of the bank, and the date for which the exchange rate shall be used. That date must be no earlier than 30 days prior to the deadline specified for the submission of bids and no later than the expiry of the initial validity period specified in paragraph 15. It is customary to use the deadline specified for the submission of bids.

para. 25.4 Bid evaluation factors [Specify evaluation criteria in addition to the bid price which will be used in evaluation of bids.]

The following paragraphs are optional and should only be used if factors other than bid prices are to be considered in the evaluation. The examples illustrated here should only be used where appropriate and the others should be deleted. Additional factors may be necessary for certain

very specific bids. Evaluation factors should meet the following criteria:

- *the factor could have an impact on contract performance (including the rights and obligations of the Purchaser and the supplier) in terms of contract time, quality (including technical performance) and risk;*
- *there would potentially be a measurable variation between performance of different bids because of the factor;*
- *the factor variations and impact on performance can be reasonably quantified in a reliable, fair and objective manner.*

EXAMPLE:

The Purchaser's evaluation of a bid will take into account, in addition to the bid prices, the following costs and factors that will be added to each bidder's prices in the evaluation, using pricing information available to the Purchaser, in the manner and to the extent indicated below:

- (a) the cost of all quantifiable deviations and omissions from the contractual and commercial conditions and the Technical Specifications as identified by the bidder in its bid, and other deviations and omissions not so identified;
- (b) compliance with the time schedule called for in these Bid Documents and evidenced, as needed, in a milestone schedule provided in the bid;
- (c) the extra cost of services, works, etc., required to be provided by the Purchaser or third parties.

Pursuant to the above, the following evaluation methods will be followed:

- (a) Contractual, commercial and technical deviations [Specify factors]
- (b) Time schedule (program of performance) [Specify completion date and how alternatives will be evaluated.]

(i) Time to complete the Works from the effective date for determining Time for Completion of precommissioning activities.

The Completion time specified shall be for the entire Works or for parts of sections of the Works.

(ii) Adjustment rate in the event of delay.

Two (2) percent per month is a reasonable figure. Alternatively, the rate may be a fixed amount per month of delay related to the loss of benefits to the Purchaser. The percentage or amount of liquidated damages specified in the Special Conditions should be equal to or higher than the amount specified in GC 26.2.

(c) Works, services, etc., to be provided by the Purchaser

Where bids include for the undertaking of work and/or the provision of services by the Purchaser in excess of the provisions allowed for in the bidding documents, the Purchaser shall assess the costs of such additional work, and/or services during the duration of the contract.

para. 32.1 Dispute resolution procedure

[Specify procedure for resolution of disputes proposed by the Purchasers.]

EXAMPLE:

The Purchaser proposes that [*name of adjudicator*] be appointed as Adjudicator under the contract, at an hourly fee of [*specify hourly fee*]. A resume of the above person is attached to the **bidding data**, as well as a description of the expenses that would be considered reimbursable. If a bidder does not accept the Adjudicator proposed by the Purchaser, it should so state in its bid and make a counter proposal of an Adjudicator and an hourly fee. If, on the day the contract agreement is signed, the Purchaser and the contractor have not agreed on the appointment of an Adjudicator, the Adjudicator shall be designated by [*specify the appointing authority*] and confirmed in the Special Conditions of Contract at the request of either party. The Adjudicator shall be deemed to be jointly appointed by the Purchaser and the contractor.

OR

EXAMPLE:

The Purchaser proposes that the Adjudicator shall be designated by [*specify the appointing authority*]. The Adjudicator so designated shall be deemed to be jointly appointed by the Purchaser and the contractor.

The appointing authority should be an impartial, international technical organization recognized in the sector.

VOLUME I.iii

BID FORM

Date:

Name of Contract:

To: *[Name and Address of Purchaser]*

Ladies and/or Gentlemen,

Having examined the bidding documents, including Addenda Nos. [*insert numbers*], the receipt of which is hereby acknowledged, we, the undersigned, offer to [*specify scope of the contract*] under the above named Contract in full conformity with the said bidding documents for the sum of:

.....
(amount in the currency of the bid in words)

.....
(amount in figures)

or such other sums as may be determined in accordance with the terms and conditions of the Contract. The above amounts are in accordance with the price schedules attached herewith and are made part of this bid.

We undertake, if our bid is accepted, to commence performance and to achieve completion within the respective times stated in the bidding documents.

If our bid is accepted, we undertake to provide an advance payment security and a performance security in the form and amounts and within the times specified in the bidding documents.

We agree to abide by this bid for a period of [*specify number*] days from the date fixed for submission of bids as stipulated in the bidding documents, and it shall remain binding upon us and may be accepted by you at any time before the expiration of that period.

Until a formal contract is prepared and executed between us, this bid, which consists of the letter and Attachments 1 through [] hereto, together with your written acceptance thereof and your notification of award, shall constitute a binding contract between us.

We understand that you are not bound to accept the lowest, or any bid you may receive.

Dated this day of 19.....

.....
(signature)

In the capacity of

.....
(position)

Duly authorized to sign this bid for and on behalf of

.....
(name of bidder)

VOLUME I.iv

ATTACHMENTS TO BID

- Attach. 1. Price Schedules completed in accordance with paragraphs 11 and 12 of the Instructions to Bidders.
- Attach. 2. Power of attorney
- Attach. 3. Bid security
- Attach. 4. Documentary evidence of bidder's qualifications
- Attach. 5. Documentary evidence of conformity of goods, works and/or services.
- Attach. 6. Others:
 - Manufacturer's authorization
 - Work program and schedule
 - List of subcontractors
 - Design drawings and calculations
 - Technical alternatives
 - Commercial alternatives
 - Contract data
 - etc.

**VOLUME I.iv
PRICE SCHEDULES**

Price schedule for goods to be supplied from
within the Purchaser's country

Name of bidder _____

Page __ of __

Bid identification no. _____

1	2	3	4	5	6	7
Item	Description	Quantity	Unit Price EXW ref. 11.2(a)(i)	Import duties and taxes on directly imported components ref. 11.2(a)(ii)	Sales and other taxes payable if contract is awarded ref. 11.2(a)(iii)	Total price per item (3 x 4)
Total Amount (Goods)						

Signature of bidder _____

Notes:

1. In case of discrepancy between the unit price and total, these will be adjusted in accordance with paragraph 23.4(c) of the Instructions to Bidders.
2. Prices and currencies to be in accordance with paragraphs 11 and 12 respectively of the Instructions to Bidders.
3. All items in the Schedule of Requirements must be entered and priced in the appropriate price schedule. Items not priced will be treated in accordance with paragraph 23.4(c) of the Instructions to Bidders.

VOLUME I.iv

Price schedule for goods to be supplied from outside the Purchaser's country

Name of bidder _____

Page __ of __

Invitation to bid No. _____

1	2	3	4	5	6
Item	Description	Quantity	Unit price CIP (border) ref. 11.2(b)(i)	Unit price (other Incoterms) ref. 11.2(b)(ii)	Total price per item (3 x 4)
Total amount (Goods)					

Signature of bidder _____

Notes:

1. In case of discrepancy between unit price and total, these will be adjusted in accordance with paragraph 23.4(c) of the Instructions to Bidders.
2. Prices and currencies to be in accordance with paragraphs 11 and 12 respectively of the Instructions to Bidders.

3. All items in the Schedule of Requirements must be entered and priced in the appropriate price schedule. Items not priced will be treated in accordance with paragraph 27.4(b) of the Instructions to Bidders.

VOLUME I.iv

Price schedule for services to be supplied

Name of bidder _____

Page __ of __

Bid identification no. _____

1	2	3	4	5		6	
Item	Description	Quantity	Charges for inland delivery to final destination ref. 11.2(c)(i)	Price of associated services ref. 11.2(c)(ii)		Total	
				Foreign currency (A)	Local currency (B)	Foreign currency (5A)	Local currency (4 + 5B)
Total amount (Services)							

Signature of tenderer _____

Notes:

1. In case of discrepancy between the unit price and total, these will be adjusted in accordance with paragraph 25.5(b) of the Instructions to Bidders.
2. Prices and currencies to be in accordance with paragraphs 11 and 12 respectively of the Instructions to Bidders.
3. All items in the Schedule of Requirements must be entered and priced in the appropriate price schedule. Items not priced will be treated in accordance with paragraph 23.4(c) of the Instructions to Bidders.

4. Column 4 should only be used where prices are requested CIP/CIF (port of entry) and EXW (local suppliers).

ATTACHMENT 3

VOLUME I.iv

BID SECURITY FORM

Date:

Name of Contract:

To: [*Name and Address of Purchaser*]

WHEREAS [*name of bidder*] (hereinafter called "the Bidder") has submitted its Bid dated [*date of bid*] for the performance of the above-named contract (hereinafter called "the Bid")

KNOW ALL PERSONS by these present that WE [*name of bank*] of [*address of bank*] (hereinafter called "the Bank"), are bound unto [*name of Purchaser*] (hereinafter called "the Purchaser") in the sum of:

for which payment well and truly to be made to the said Purchaser, the Bank binds itself, its successors and assigns by these presents.

Sealed with the Common Seal of the said Bank this day of 19.....

THE CONDITIONS of this obligation are:

1. If the Bidder withdraws its Bid during the period of bid validity specified by the Bidder in the Bid Form, or
2. If the Bidder, having been notified of the acceptance of its Bid by the Purchaser during the period of bid validity:
 - (a) fails or refuses to sign the Form of Contract Agreement when required, or
 - (b) fails or refuses to issue the performance security in accordance with the bidding documents,

WE undertake to pay to the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by it is due it, owing to the occurrence of one or both of the two above-named CONDITIONS, and specifying the occurred condition or conditions.

This guarantee will remain in full force up to and including [*the date 30 days after the period of bid validity*], and any demand in respect thereof must reach the Bank not later than the above date.

For and on behalf of the Bank

.....
(Signature)

in the capacity of

.....

Common Seal of the Bank

VOLUME I.iv

MANUFACTURER'S AUTHORIZATION FORM

[See paragraph ____ of the Instructions to Bidders]

[Date]

TO: [Name of the Purchaser]

WHEREAS [name of the Manufacturer] who are established and reputable manufacturers of [name and/or description of the goods] having factories at [address of factory] do hereby authorize [name and address of Agent] to submit a bid, and subsequently negotiate and sign the contract with you for the above goods manufactured by us.

We hereby extend our full guarantee and warranty as per Clause 23 of the General Conditions of Contract for the goods offered for supply by the above firm against this Invitation for Bids.

(Signature for and on behalf of Manufacturer)

Note: This letter of authority should be on the letterhead of the manufacturer and should be signed by a person competent and having the power of attorney to bind the manufacturer. It should be included by the bidder in its bid.

VOLUME I.v

LETTER OF ACCEPTANCE

[See paragraph 29.2 of the Instructions to Bidders]

[Date]

TO: [Name of successful bidder]

[Address of successful bidder]

This is to notify you that your bid dated [enter date] for the execution of the [name of the contract as given in the bidding data] for the contract price of the equivalent of [amount in numbers and words, and name of currency/currencies], as corrected and modified in accordance with the Instructions to Bidders, is hereby accepted by our agency.

You are hereby required:

- (a) to submit the performance security [specify as provided in the bidding documents];
- (b) to sign the attached contract agreement and return [specify as provided in the bidding documents]; and
- (c) to commence performance of the said contract in accordance with the contract documents.

Authorized signature.....

Name and title of signatory.....

Name of agency.....

Attachment: contract agreement

Note: This letter of acceptance should be on the letterhead of the Purchaser and should be signed by a person competent and having power of attorney to bind the Purchaser.

MODEL BIDDING DOCUMENTS

Procurement of Supplies, Works and Services

Volume II

The Contract

Notes on the of Contract

The contract normally comprises the following:

- (a) Contract Agreement (with Appendices as appropriate)*
- (b) The General Conditions of Contract*
- (c) Special Conditions of Contract/Conditions of Particular Application/Contract Data*

A number of “model” Conditions of Contract have been developed. In selecting which contract would be most appropriate for the procurement, the situation prevailing and the Purchaser’s requirements need to be clearly articulated. The major factors influencing the choice of contract are:

- contractor’s responsibilities (e.g. supplies only, supply and associated services, construction management; construct, design and construct; etc.)*
- price provisions (e.g. unit price, lump sum price, target price, cost reimbursable, adjustable price etc.)*
- supervision and dispute resolution (e.g. the role of the independent engineer, adjudication, expert panel, etc.)*

The Bank requires that internationally used standard conditions of contract should be used. The following Conditions of Contract would be acceptable to the Bank for the situations and requirements listed against each.

<u>Type of Contract</u>	<u>Standard Conditions of Contract</u>
Goods (and associated services)	* World Bank Conditions of Contract - STD Goods
Supply and installation	* FIDIC Yellow Book (electrical & mechanical equipment); * World Bank - Conditions of Contract - STD Plant and Equipment
Design and construct	* FIDIC Orange Book (design & construct)
Turnkey plant	* ENNA - Process Plant Construction
Civil/building works	* FIDIC - Red Book (Civil Works); * World Bank - Conditions of Contract - STD Smallworks
Construction management	* Construction Management Assoc. of America

The Conditions of Contract, read in conjunction with the Special Conditions of Contract/Contract Data and other documents listed therein, should be a complete document expressing fairly the rights and obligations of both parties.

The use of standard conditions of contract for building and civil works throughout a country will ensure comprehensive cover, general acceptability of its provisions, savings in cost and time in bid preparation and review, and the development of a solid background of legal case histories.

MODEL BIDDING DOCUMENTS

**Procurement of
Supplies, Works and Services**

Volume III

The Requirements

TABLE OF CONTENTS

Volume III.i

- Schedule of Requirements
- Bill of Quantities
- Schedule of Activities

Volume III.ii

- Technical Specifications
- Performance Specifications

Volume III.iii

- Drawings

Volume III.ii

TECHNICAL SPECIFICATIONS

These notes for preparing technical specifications are intended only as information for the Purchaser or the person drafting the bidding documents. They should not be included in the final documents.

Notes for preparing specifications

Precise and clear specifications are a prerequisite for bidders to respond realistically and competitively to the requirements of the Purchaser without qualifying or conditioning their bids. In the context of open bidding, the specifications must be drafted to permit the widest possible competition and, at the same time, present a clear statement of the required standards of materials, plant, other supplies, and workmanship to be provided. Only if this is done will the objectives of economy, efficiency, and equality in procurement be realized, responsiveness of bids be ensured, and the subsequent task of bid evaluation facilitated. The specifications should require that all materials, plant, and other supplies to be incorporated in the works be new, unused, of the most recent or current models, and incorporate all recent improvements in design and materials unless provided otherwise in the contract. A clause setting out the scope of the works is often included at the beginning of the specifications, and it is customary to give a list of the drawings. Where the contractor is responsible for the design of any part of the permanent works, the extent of his obligations must be stated.

Samples of specifications from previous, similar projects in the same country are useful in this respect. The use of metric units is encouraged by the Bank. Most specifications are normally written specially by the Purchaser or engineer to suit the contract works in hand. There are no standard specifications for universal application in all sectors in all countries, but there are established principles and practices which are reflected in these documents.

There are considerable advantages in standardizing General Specifications for repetitive works in recognized public sectors, such as water supply, in the same country or region where similar conditions prevail. The General Specifications should cover all classes of workmanship, materials, and equipment commonly involved in construction, although not necessarily to be used in a particular works contract. Deletions or addenda should then adapt the General Specifications to the particular works.

Care must be taken in drafting specifications to ensure that they are not restrictive. In the specification of standards for materials, plant, other supplies, and workmanship, recognized international standards should be used as much as possible. Where other particular standards are used, whether national standards of the Purchaser's country or

other standards, the specifications should state that materials, plant, other supplies, and workmanship meeting other authoritative standards, and which ensure substantially equal performance than the standards mentioned, will also be acceptable. The following clause may be inserted in the Conditions of Particular Application or the specifications.

SAMPLE CLAUSE: Equivalency of Standards and Codes

Wherever reference is made in the contract to specific standards and codes to be met by the materials, plant, and other supplies to be furnished, and work performed or tested, the provisions of the latest current edition or revision of the relevant standards and codes in effect shall apply, unless otherwise expressly stated in these documents. Where such standards and codes are national, or relate to a particular country or region, other authoritative standards which ensure a substantially equal or higher performance than the standards and codes specified will be accepted subject to the Engineer's prior review and written approval. Differences between the standards specified and the proposed alternative standards must be fully described in writing by the contractor and submitted to the Engineer at least twenty-eight (28) days prior to the date when the contractor desires the Engineer's approval. In the event the engineer determines that such proposed deviations do not ensure substantially equal performance, the contractor shall comply with the standards specified in the documents.

Alternative Technical Proposals

The Purchaser should decide whether technical solutions to specified parts of the works are to be permitted. Alternatives are appropriate in cases where obvious (and potentially less costly) alternatives are possible to the technical solutions indicated in the bidding documents for certain elements of the works, taking into consideration the comparative specialized advantage of potential bidders. For example:

- pile foundations (proprietary methods and different materials)
- bridge foundations (open well, caissons, piles, etc.)
- columns, beams, decking (reinforced concrete, prestressed concrete, steel, etc.)
- proprietary methods for post-tensioning concrete
- lining of canals
- pipeline materials, coating, jointing
- road surfacing (asphalt, concrete, etc.)
- transmission tower design and erection
- street lighting
- offshore foundations

- offshore trestle spans

The Purchaser should provide a description of the selected parts of the works with appropriate references to drawings, specifications, bill of quantities, and design or performance criteria, stating that the alternative solutions shall be at least structurally and functionally equivalent to the basic design parameters and specifications.

Such alternative solutions shall be accompanied by all information necessary for a complete evaluation by the Purchaser, including drawings, design calculations, technical specifications, breakdown of prices, proposed construction methodology, and other relevant details. Technical alternatives permitted in this manner shall be considered by the Purchaser, each on its own merits and independently of whether the bidder has priced the item as described in the Purchaser's design included with the bidding documents.

In more complex cases, a "turnkey" or "design-and-construct" approach may be more appropriate, in which case a two-stage bid process is recommended in conformity with other Bank standard bidding documents.

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SECTION 10: DRAWINGS

These Notes for Preparing the Drawings are intended only as information for the Purchaser or the persons preparing the bidding documents. They should not be included in the final document.

It is customary to bind the drawings in a separate volume, which is often larger than other volumes of the documents. The size will be dictated by the scale of the drawings, which must not be reduced to the extent that details are rendered illegible.

A simplified map showing the location of the Site in relation to the local geography, including major roads, posts, airports, and railroads, is helpful.

The construction drawings, even if not fully developed, must show sufficient details to enable bidders to understand the type and complexity of the work involved, and to price the Bill of Quantities.