

Training Manual

on

“Public Procurement Procedures (Goods, Works & Services)”



Department of Training
Planing, Training & Communication Division
Bangladesh Jute Research Institute
Manik Mia Avenue, Dhaka-1207
www.bjri.gov.bd



গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
বাংলাদেশ পাট গবেষণা ইনস্টিটিউট
মানিক মিয়া এভিনিউ, ঢাকা-১২০৭
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কৃষিই সমৃদ্ধি

প্রশিক্ষণ মডিউল

প্রশিক্ষণের নাম	: “Public Procurement Procedures (Goods, Works & Services)” শীর্ষক প্রশিক্ষণ।
সম্ভাব্য তারিখ	: ৩১ অক্টোবর-০১ নভেম্বর ২০২০ খ্রিঃ।
প্রশিক্ষণের স্থান	: সম্মেলন কক্ষ, বিজেআরআই।
প্রশিক্ষণের পরিচালক	: ড. মোঃ মাহবুবুল ইসলাম, পরিচালক (পিটিসি), বিজেআরআই।
প্রশিক্ষণ সমন্বয়কারী	: জনাব মোঃ আবুল খায়ের মোল্লা, এসএসও (প্রশিক্ষণ), পিটিসি বিভাগ, বিজেআরআই।
প্রশিক্ষণের মেয়াদ	: ০২ (দুই) দিন।
প্রশিক্ষণার্থীর সংখ্যা	: ৪০ (চল্লিশ) জন বিজ্ঞানী/কর্মকর্তা।

1 st Day (31.10.2020)		
Time	Subject	Trainers Name and Designation
9.00-9.30	Registration	Course Co-ordinator
9.30-10.30	Introduction of “Public Procurement Procedure (Goods, Works & Services)”	Dr. A. S. M. Anwarul Huq Director General, BJRI
10.30-11.00	Tea Break	
11.00-12.00	Overview of of Public Procurement Reforms, PPA’ 2006 and PPR’2008	Md. Aziz Taher Khan Director (Joint Secretary), CPTU, IMED
12.00-1.00	Public Procurement Aspects (Procurement Planning)	Md. Aziz Taher Khan Director (Joint Secretary), CPTU, IMED
1.00-2.00	Lunch Time	
2.00-3.00	Procurement Related Committees, and Procurement Opportunities (Advertisement)	Md. Aziz Taher Khan Director (Joint Secretary), CPTU, IMED
3.00-4.00	Procurement Methods and its Procedures	Md. Aziz Taher Khan Director (Joint Secretary), CPTU, IMED
4.00-5.00	Enlishment, Pre-Qualification and Shortlisting	Md. Aziz Taher Khan Director (Joint Secretary), CPTU, IMED
2 nd Day (01.11.2020)		
9.30-10.30	Standard Procurement Related Documents and its Preparation, Advertisement	Md. Shamimul Haque Director (Joint Secretary), CPTU, IMED
10.30-11.00	Tea Break	
11.00-12.00	Tender/ Proposal Opening, Validity and Security	Md. Shamimul Haque Director (Joint Secretary), CPTU, IMED
12.00-1.00	Public Procurement Aspects (JVCA, Principles of Evaluation, Delegation of Financial Powers and Approval)	Md. Shamimul Haque Director (Joint Secretary), CPTU, IMED
1.00-2.00	Lunch Time	
2.00-3.00	Contract Negotiations, Contract Award, Contract Performance and Closing	Md. Shamimul Haque Director (Joint Secretary), CPTU, IMED
3.00-4.00	Complaints and Appeals	Md. Shamimul Haque Director (Joint Secretary), CPTU, IMED
4.00-5.00	Discussion and Clossing “Public Procurement Procedure (Goods, Works & Services)”	Dr. Md. Mahbubul Islam Director (PTC), BJRI

**Training Module on “Public Procurement
Procedures (Goods, Works & Services)”**

Day-1

Session 1

**Overview of Public
Procurement Reforms,
PPA-2006 & PPR-2008**

Why Public Procurement System

Public Procurement System is a function of government that involves using government resources (public funds) to obtain goods, works and services to meet the needs of the government as it carries out its responsibilities to the citizens.

Procurement & Public Procurement

Procurement means the purchasing or hiring of Goods, or acquisition of Goods through purchasing and hiring, and the execution of Works and performance of Services by any contractual means.

Public Procurement is the acquisition/procurement by "Public Authorities/ Entities" of goods, works and services using "public money".

Public Procurement Reforms

In 1999, WB and ADB conducted joint review of the country portfolio performance and prepared an action plan for government on public procurement

Country Procurement Assessment Report (CPAR)

CPAR, 2002 prepared by WB, in agreement with the GoB, identified several deficiencies in the procurement system of the GoB:

- **Absence of sound legal framework governing public sector procurement**
- **Complex bureaucratic procedure causing delay**
- **Lack of adequate professional competence of staff to manage public procurement**
- **Generally poor quality bidding documents and bid evaluation**
- **Ineffective administration of contracts**
- **Absence of adequate mechanism for ensuring transparency and accountability**

CPAR Key Recommendations To GoB

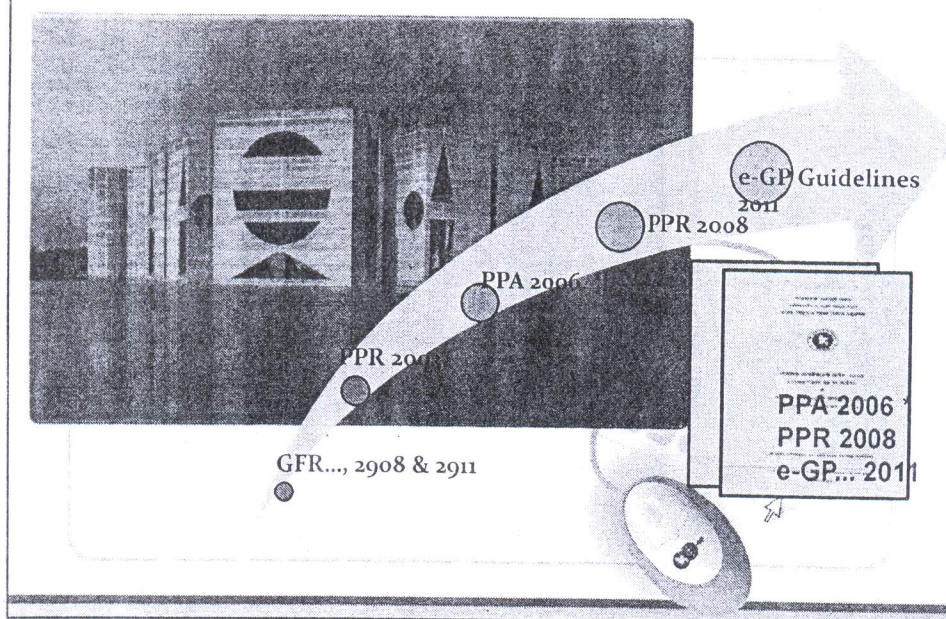
- **Set up a Public Procurement Policy Unit**
- **Issue Public Procurement Rules**
- **Streamline Proc. Process & Financial Delegation**
- **Develop Procurement Management Capacity**
- **Publish Contract Awards**
- **Introduce Appeal Procedures**

Main Elements of Reforms

- **Establishing Procurement Policy Unit (CPTU)**
- **Creating Legal Framework**
- **Improving Procurement Management Capacity**

Governance, transparency, accountability

Legislatives Chronicles



Public Procurement Reforms in Bangladesh Legal Framework

- Public Procurement Regulations 2003
- Public Procurement Act, 2006
(with up-to-date amendment)
- Public Procurement Rules, 2008
(with up-to-date amendment)
- Bangladesh e-GP Guidelines 2011
- Standard Tender Documents (STDs)
- Delegation of Financial Powers (DoFP)
Subsequent amendments

Remember

***PPA-2006 & PPR -2008
Supersede All Orders
/Instructions / Directives in
Public Procurement***

Principal Role of CPTU

PPA Section 67

CPTU performs the following:

- **monitoring compliance with and implementation of PPA**
- **arranging for performance of functions & responsibilities incidental thereto**
- **any other responsibilities**

www.cptu.gov.bd

Fundamentals of PP Systems

1. Decentralized Procurement Competence
PE in compliance with DoFP;
1. Standardized Performance
Legal framework, STDs, RFPs, e-GP;
3. Enhancing Competition
"Value for Money"
Leads to sound business environment
4. Monitoring/ CPTU (PROMIS, e-PMIS)
5. Complaints Mechanisms
Administrative level, Review Panel

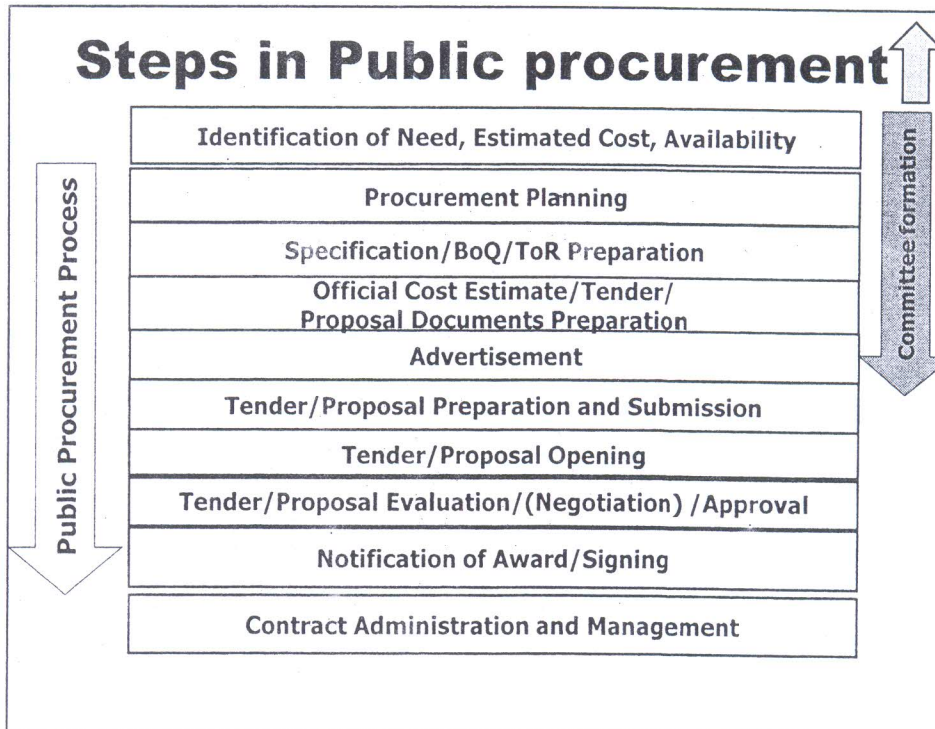
Role of Public Procurement

- PP is one of the major economic activities of the public sector;
- 10-20 % of GDP, 45% government spending (World Bank, OECD);
- % of Bangladesh's government spending?
- Over 75pc of ADP allocation spent on public procurement;
- ADP implementation largely depends on efficient and effective public procurement.

Objectives of PPA-2006

- Ensure Transparency and Fairness ;
- Ensure Accountability ;
- Providing equitable treatment to all tenderer's;
- Competition among tenderers;
- Ensure value for money (i.e.
the right quantity,
of the right quality,
at the right price,
for the right place,
at the right time)

Steps in Public procurement

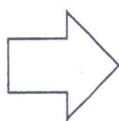


Session 2

Procurement Aspects (Procurement Planning)

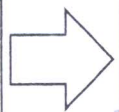
Procurement Planning is Regulated by

**PPA-
2006**



- ▶ Frequency
- ▶ Approval
- ▶ Publication
- ▶ Splitting into packages/lots

**PPR-
2008**



- ▶ Nature and size of the procurement
- ▶ Source of Funding
- ▶ Limits and Conditions
- ▶ Forms

Act [Section-11], Rules[Rule-16]

Approaches to Planning

In order to stimulate thinking, to create options and to assist planning consider the following questions;

- What is to be done?
- When it is to be done?
- How it is to be done?
- Who is to do it?
- What resources are required?
- Who should know about it?
- Who is to approve?
-
-

❖ If you plan, you will be in control of the situation, rather than having the situation in control of you.

Benefits of Procurement Planning

Preparation of PP shall be mandatory for all PEs

Procurement Planning should aim at attracting maximum competition for the benefits of the PE

Careful & detailed procurement planning is essential for timely and quality project execution

Speeds up the procurement process & reduces project implementation delays

Reduces possibility of error & reduces subsequent work

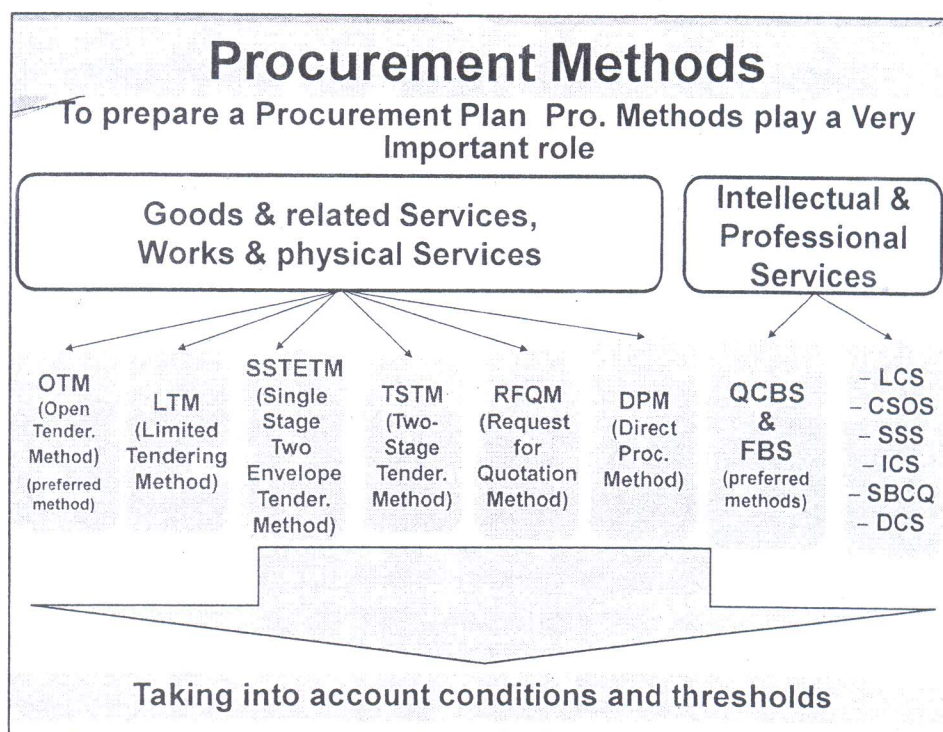
Contributes to enhanced project quality & efficiency

Timing, Approval and Formats

- PE Prepares the annual Procurement Plan for Development budget at each beginning FY;
- PE prepares the annual Procurement Plan for Revenue Budget at each beginning FY;
- Classified by category such as Goods, Works and Services;
- Formats prescribed in Part A, Part B, Part C, Part D, & Part E as applicable of Schedule V;
- Annual and updated annual Procurement Plan requires approval of HOPE or AO
- Total Procurement Plan for the entire project period in the Formats prescribed by the Government from time to time for DPP or TPP.

Publications and Updating

- Procurement Plans to be published on notice boards, and where applicable on websites, bulletins and reports;
- Procurement Plan to be updated on a quarterly basis to accommodate delays, re-tendering & other unforeseen changes or constraints;
- CPTU web-site is mandatory for
Goods & Works : 10 million and above
Services: 5 million and above
- CPTU to be posted online or off-line, if online is not possible, with the Procurement Plans, above the specified threshold

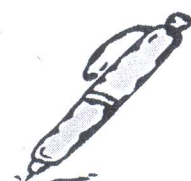


Splitting Procurement Object

Four key terms (Item, Lot, Package and Contract)

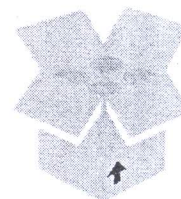
Item

- ▶ A single article or unit in a list
- ▶ With an identified quantity 1,2,3,..... etc.



Lot

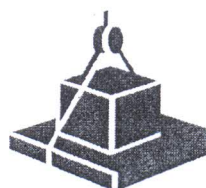
- ▶ A multiple number of items grouped together.
- ▶ Any number of items can form a lot.



Splitting Procurement Object

Package

- A multiple number of Lots grouped together.
- No package can have more than 5 lots.



Contract

- ▶ Agreement through which
- ▶ the Item/Lot/ Package is purchased



Splitting Procurement Object

- ▶ PE shall not generally split a project component/procurement object with the intention to avoiding either method or the approval of a higher authority;
- ▶ PE shall not usually split a package;
- ▶ PE shall take into account the following aspects for splitting single object of procurement;
 - ▶ the capacity of the local & international markets in submitting responsive tender;
 - ▶ the convenience of implementation with due regards to geographical location of sites for potential works contract.

Important Action for Splitting

HOPE or AO shall approve splitting smaller packages & lots on justifiable grounds

Single object or Procurement split into more than one Package & Packages when split into more than one (1) Lot-

- ▶ Tenders for each of those packages or lots shall be placed for approval before the authority competent to approve the sum total of those packages or lots –
- ▶ prior to the issuance of NOA for any one (1) of those packages or lots

Few & Large or More & Small Packages

Grouping into large Procurement Packages

- ▶ Benefits from economies of scale– achievement of economy & efficiency;
- ▶ Management aspects (PE's capacity to manage the whole project);
- ▶ Risk aspect (where failure of a sub-Contractor may unduly affect critical path);
- ▶ Benefits from participation of large international Tenders.

Splitting into small Procurement Packages

- ▶ Time element (Procurement items are needed at different times);
- ▶ Business structure (some Goods, works or services are not available from a single sources);
- ▶ Administrative costs of tendering;

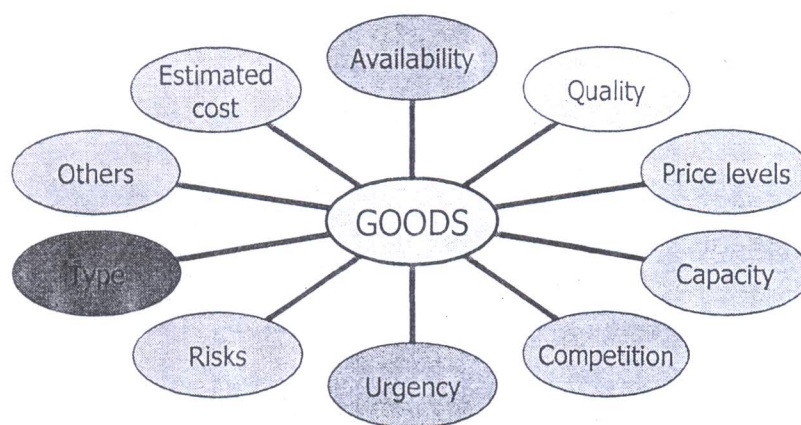
Few & Large or More & Small Packages

- ▶ Do large packages improve participation or favour of collusion among Tenderers ?
- ▶ Does splitting items into small lots encourage maximum competition from local suppliers or facilitate Tenderers in 'sharing the cake'?

Answers to these questions depend on a careful analysis of the underlying Market structure

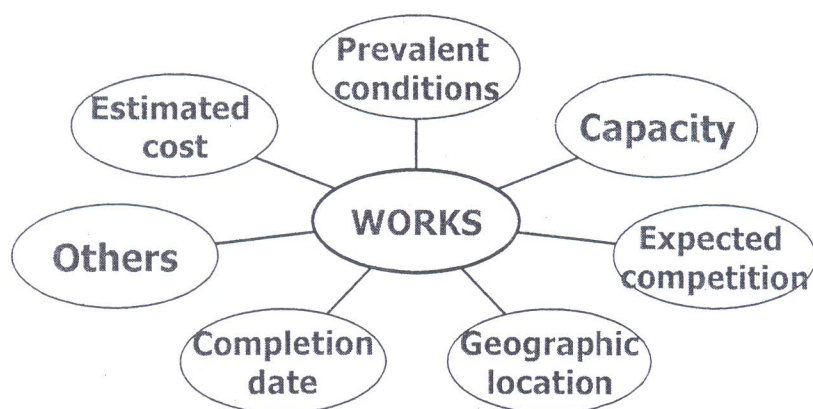
...in the case of Goods

PE takes into account the following when determining the method of Procurement & consolidating of Goods packages



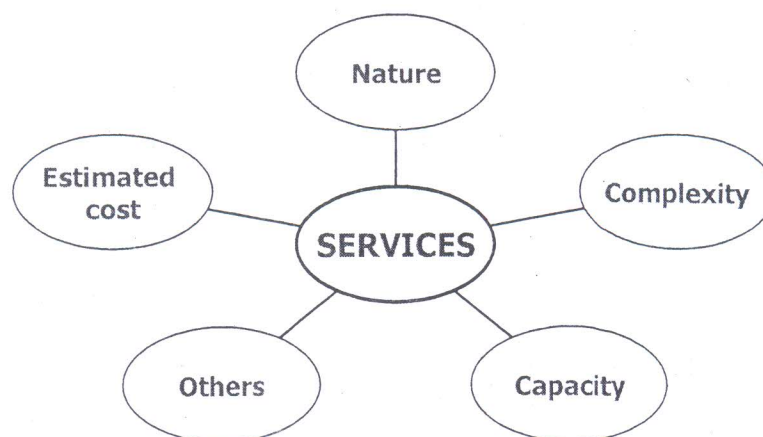
...in the case of Works

PE considers the following, in the case of determining the method of Procurement for Works



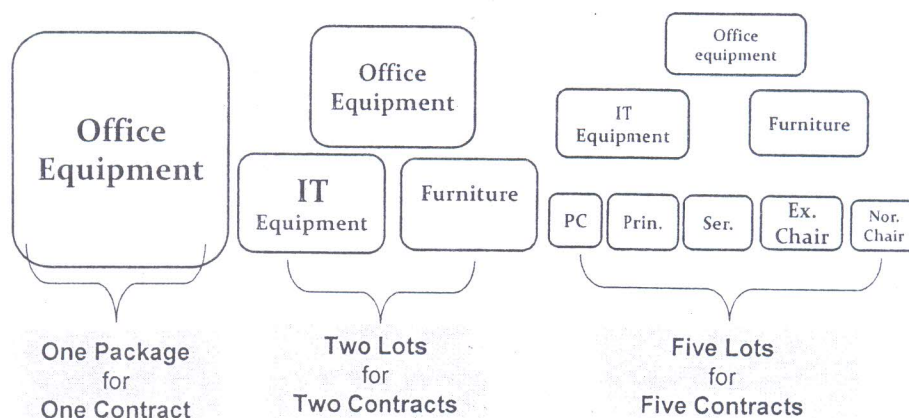
...in the case of Services

PE considers the following, in the case of determining the method of Procurement for Intellectual & Professional Services



An Example on Package/Lot Options

Procurement of Office equipment consisting of 36 items, namely 10 PC, 5 Printers, 1 Server, 4 Executive desks, 6 Office desks, 4 Executive chairs and 6 Office chairs



Total Procurement Plan for Development Project/Programme

Schedule V – Part A in the Rules shows how to complete the Total Procurement Plan, which identifies the packages for Goods, Works and Services that are required under the development project/programme. It identifies each Procurement package, giving it a unique code and considers the expected cost of the package (as per the DPP/TPP), as well as the anticipated dates when the Procurement package will be supplied.

A separate Schedule, completed as shown in the next slides, should be provided for Goods, Works and Services.

Total Procurement Plan (Dev.)		
Col No.	Activity	Note
1	Package Number	In ascending numerical order. (e.g. GD1, GD2, GD3; WD1, WD2, WD3; or SD1, SD2, SD3 etc)
2	Description of Procurement Package	Brief description of the Procurement package, expressed in quantifiable terms. (as per DPP/TPP)
3	Unit	The unit of supply. (e.g. 1, set, sqm, lump sum)
4	Quantity	The quantity of the unit required (e.g. 1,2,3 etc; or 1,500 etc)
5	Procurement Method & Type	Procurement Method (e.g. OTM (NCT); LTM (NCT), DP, etc.)
6	Contract Approving Authority	State here the approving authority that gave approval to the Tender / Proposal Evaluation Report.
7	Source of Funds	Source of Funds (GoB or Own) or Development Partners (IDA, ADB, EU etc)
8	Estimated cost in Tk million	Express the anticipated cost in Taka million as per the DPP/TPP. e.g. 50 Lakh would be 5 million, 1 Crore 50 Lakh 10 thousand would be 150 million 10 thousand

Total Procurement Plan (Dev.) (Cont.)		
Col No.	Activity	Note
	Indicative Dates	These are the three key dates of any Procurement activity, the date at which the Procuring Entity invites Tenders, the date at which a Contract is expected to be signed and the expected date of completion of the Contract.
9	Pre-Qualification / Expression of Interest	Not generally used in Goods, so this shaded column is left blank Pre-Qualification (if applicable) may be used in Works. EOI is used in Services
10	Invitation for Tender / Proposal	State the anticipated date when the Advertisement will be placed and when the Tender Document will be ready for issue. For Services this is the issue date of the RFP
11	Signing of Contract	State the anticipated date when the Contract will be signed.
12	Completion of Contract	State the anticipated date when the Contract will be completed, excluding any warranty period or defects liability period.

Annual Procurement Plan (Dev. &Rev.) (Cont.)		
Col No.	Activity	Note
1	Package Number	In ascending numerical order. (e.g. GD1, GD2, GD3; WD1, WD2, WD3; or SD1, SD2, SD3 etc)
2	Description of Procurement Package	Brief description of the Procurement package, expressed in quantifiable terms. (as per DPP/TPP)
3	Unit	The unit of supply. (e.g. 1, set, sqm, lump sum)
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Annual Procurement Plan (Dev. &Rev.) (Cont.)		
Col No.	Activity	Note
9	Indicative Dates	These are the three key dates of any Procurement activity, the date at which the Procuring Entity invites Tenders, the date at which a Contract is expected to be signed and the expected date of completion of the Contract.
10	Pre-Qualification / Expression of Interest	Not generally used in Goods, so this shaded column is left blank. Pre-Qualification (if applicable) may be used in Works. EOI is used in Services
11	Invitation for Tender / Proposal	State the anticipated date when the Advertisement will be placed and when the Tender Document will be ready for issue. For Services this is the issue date of the RFP
12	Opening of Tender / Proposal	
13	Evaluation of Tender / Proposal	The date for each activity will automatically be calculated and appear in the "Planned Dates" box

Annual Procurement Plan (Dev. &Rev.) (Cont.)		
Col No.	Activity	Note
14	Approval of Award	
15	Notification of Award	
16	Signing of Contract	State the anticipated date when the Contract will be signed.
17	Completion of Contract	Planned Dates & Planned Days For each Procurement package, consider the Date on which the Goods, Works or Services are required to be completed and enter the date in Planned Dates (Column 17). Then show the expected duration of the Contract (in Days) in Planned Days immediately under the above Date (Column 17).
18	Total Time (in Days)	This is automatically calculated by adding together all the predetermined number of "Planned Days", it will change if any of the Planned Days are changed.

Exercise on Procurement Planning

EXERCISE

You have been requested by your Procuring Entity to prepare the Annual Procurement Plan under the Development Budget for the incoming fiscal year. Procurement objects relate to:

- 1) Construction of a 40 km rural road including tree plantation both side of the road;
- 2) Purchase of office equipment (computer equipment + furniture);
- 3) Consultancy Services for design and Supervision(firm).



PREPARATION OF PROCUREMENT PLAN



TASK for Preparation of PP

- Your group is required to complete the Annual Procurement Plan form(s) for your Procuring Entity, complying with all the related Rules and Schedules;
- The exercise is to be discussed in 3 groups of 7-8 participants (preferably mixed with respect to goods, works and services expertise) and the Annual Procurement Plan is to be agreed by the group and will be the basis for a simple presentation and discussion at the next session;
- The time allowed for preparing the Annual Procurement Plan will be 30 minutes

TASK for Preparation of PP (Cont.)

- The group should present their procurement plan ensuring fullest participation. Apart from compliance with the Rules, the group will be expected to provide explanations for their decisions on:
 - splitting of an object of procurement into more than one package;
 - choosing the procurement method;
 - approving authority, source of funds (assume) and planned days/dates with respect to timely delivery, participation, competition and savings;
- The allocated time is 10 minutes for each group and the presentations will be timed to maintain the allocation;

Total Procurement Plan (Dev.& Rev.) [Goods]

Ministry/Division:		Budget:
Agency:		
Procuring Entity Name & Code		
Project/ Programme Name & Code		

Package No	Description of Procurement Package GOODS	Unit	Quantity	Procurement Method & (Type)	Contract Approving Authority	Source of Funds	Est'd Cost in Million Tk.	Time Code for Process	Not Used in GOODS/Pre-Qua/RED	Invite/ Advertise Tender	Signing of Contract	Completion of Contract
1	2	3	4	5	6	7	8		9	10	11	12
GD1	Purchase of ten(10) steel fabricated water towers	No.	10	OTM (ICT)	Ministry	ADB	215	Planned Dates		6-Jan-09	9-Jun-09	10-Jun-10
								Planned Days		0	28	366
								Actual Dates				
	Total Value of Goods Procurement						280					

Annual Procurement Plan Development & Revenue Budgets (Goods)

Ministry/Division:		Budget:
Agency:		
Procuring Entity Name & Code		
Project/ Programme Name & Code		

[illegible]

Total Procurement Plan for (Dev.&Rev.) (Works)

Ministry/Division												
Agency												
Procuring Entity Name & Code												
Project/ Programm Name & Code												
Package No	Description of Procurement Package WORKS	Unit	Quantity	Procurement Method & (Type)	Contract Approving Authority	Source of Funds	Estd.Cost in Million Tk.	Time Code for Process	Advertise Prequal (if applicable)	Invite/ Advertise Tender	Signing of Contract	Completion of Contract
1	2	3	4	5	6	7	8	9	10	11	12	13
WD1	Construction of five (5) concrete bridges	No.	5	OTM (ICT)	Board of Directors	ADB	120	Planned Dates		10-Mar-09	4-Aug-09	31-May-10
								Planned Days		0	28	300
								Actual Dates				
WD2	Construction of two (2) flood regulators	No.	2	OTM (NCT)	HOPE	GoB	60	Planned Dates		6-Jun-09	12-Sep-09	31-Mar-10
								Planned Days		0	28	200
								Actual Dates				
	Total Value of Works						180					

Annual Procurement Plan for (Dev. & Rev.) Budgets (Works)

[illegible]

Total Procurement Plan for (Dev. & Rev.) (Ser.)

Ministry/Division												
Agency												
Procuring Entity Name & Code												
Project/ Programme Name & Code												
Budget:												
Package No	Description of Procurement Package SERVICES	Unit	Quantity	Procurement Method & (Type)	Contract Approving Authority	Source of Funds	Est'd Cost in Million Tk.	Time Code for Process	Advertise EOI	Issue RFP	Signing of Contract	Completion of Contract
1	2	3	4	5	6	7	8	9	10	11	12	13
SD1	Study & design of Hydro-power Dam including preparation of Tender Document, Bills of	m/m	260	QCBS (International)	CCGP	ADB	57	Planned Dates	30-Jul-09	13-Sep-09	7-Feb-10	4-Dec-10
								Planned Days	9	45	21	300
								Actual Dates				
SD2								Planned Dates				
								Planned Days				
								Actual Dates				
	Total Value of Services Procurement						61					

Total Procurement Plan for (Dev. & Rev.) (Ser.)

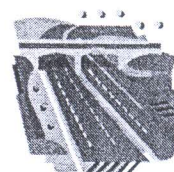
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PP Exercise

Exercise:1 Construction of 40 km Rural Road including Tree Plantation

Description

- The projected rural road will cross four different Sub-Districts according to the following:
 - 15 km in Sub-District 1
 - 12 km in Sub-District 2
 - 8 km in Sub-District 3
 - 5 km in Sub- District 4.



Time of completion

- It is due for completion by 300 days from the beginning of the incoming fiscal year

Construction of 40 km rural road including tree plantation

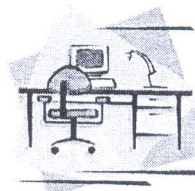
Market Structure

- The market for constructing roads is made up of:
 - Few large road builders operating at a national level (i.e. able to take charge of the whole 40 km construction), with cost per km averaging between Tk. 20 to 2.5 million and time of completion per km averaging between 5 and 7 days
 - Many small road builders operating in each district (i.e. able to take charge of the road km construction only in the district where they are established), with cost per km averaging between Tk.25 to 30 million and time of completion per km averaging between 7 and 10 days

Exercise-2: Purchase of office equipment

Description

- Office equipment needed consists of:
 - 20 computers
 - 40 office desks



Time of completion

- It is due for completion within (4) four months from the beginning of the incoming fiscal year

Purchase of office equipment

Market Structure

The market for office equipment is made up of:

-Many large office equipment suppliers, with cost averaging between:

- Tk. 80 to 90 thousand per computer
- Tk. 25 to 30 thousand per desk
- Tk. 100 to 110 thousand per combination of 1 computer + 2 desks

20



+

-A multiple number of small IT or furniture dealers (i.e. able to deliver only one kind of good), with cost averaging between:

- Tk. 100 to 120 thousand per computer
- Tk. 30 to 40 thousand per desks

40



Exercise-3: Consultancy Services for Design and Supervision (Firm)

Description

- Consultant needed for the following:
 - Civil Engineer;
 - Design Expert;
 - Monitoring and Supervision Expert;



Time of completion

- A nine storied office building will (appro. cost 8 crore) construct and its completion time is (10) ten months from the beginning of the incoming fiscal year. The firm involvement at least one year

Consultancy Services for Design and Supervision (Firm)

Market Structure

The market for Consultancy services is available of:

- Few large firms for consultancy services with permanent experts cost averaging between:

- 10-15% of the estimated cost of the building for overhead charges;
- Tk. 400 to 500 thousand per engineer;

1



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- Many small firms for consultancy services with few temporary experts cost averaging between:

- Tk. 450 to 550 thousand per civil engineer;
- Tk. 400 to 500 thousand per design engineer;
- Tk. 400 to 550 thousand per supervision engineer;
- 5-8% of the estimated cost of the building for overhead charges;

2



Session 3

Act [Section- 6 & 7]

Public Procurement Committees

Rules [Rule- 7, 8, 9, 10 & 52]

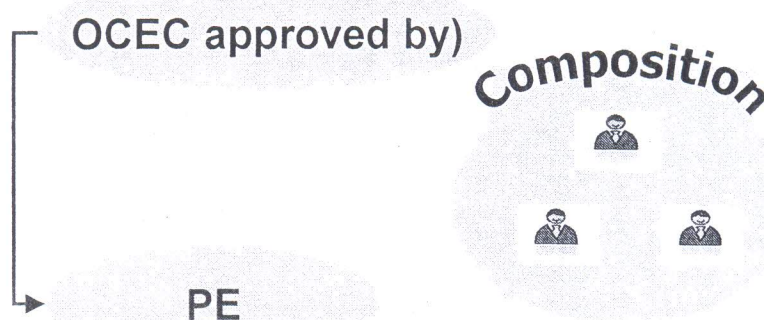
PP Committees (R-7, 8, 16 & 52)

5 different types of committees

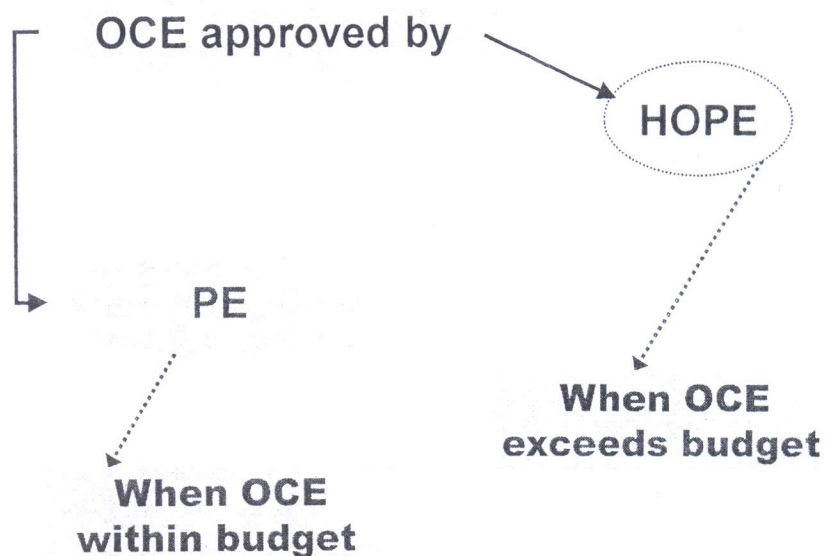
- **Official Cost Estimate Committee (OCEC)**
- **Tender/Proposal Opening Committee (TOC)/(POC)**
- **Tender/Proposal Evaluation Committee (TEC)/(PEC)**
- **Technical Sub Committee (TSC)**
- **Enlistment Committee (EC)**

Constitution of OCEC [Rule- 16.5(Ka) (Kha)]

3 Member (1 from the other PE & 2 From concerned PE)

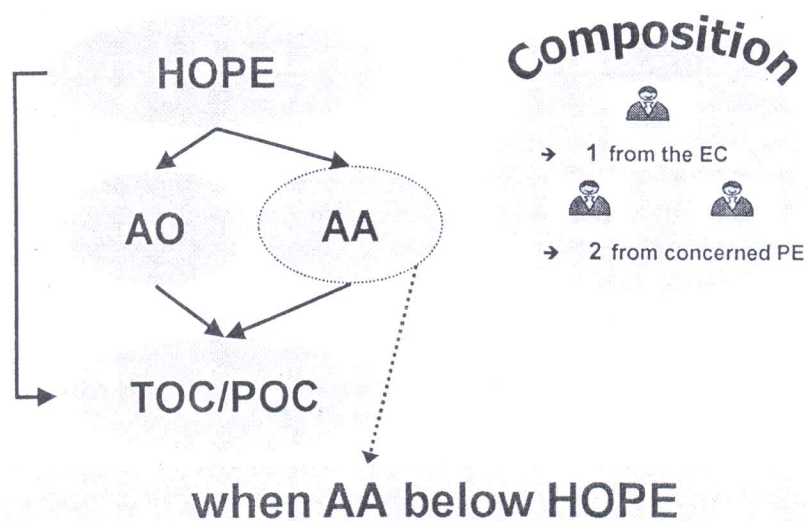


Approval of OCE [Rule- 16.5(Kha)]



Constitution of TOC/POC

Rule- 7 (Constitution & Approval)



Constitution of TEC/PEC

Rule- 8(3)

AA
↓
TEC/PEC

BoD, Ministry/
Division or CCGP

Rule- 8(4)

- one ;when annual proc. limited
- may be more than one
- may be separate for specific requirement

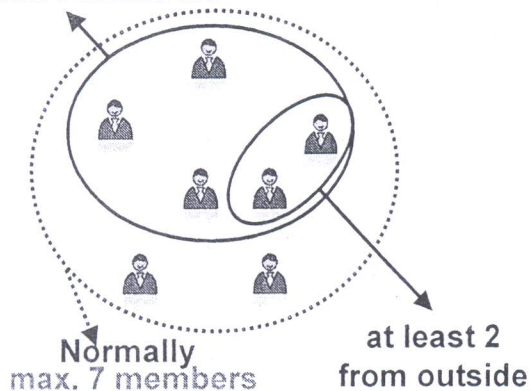
prior to the invitation but must
before submission deadline

in case AA above HOPE, approval of Chairperson of the BOARD or
Secretary of the Ministry or Division required

Composition of TEC/PEC [Rule- 8(5-6)]

Rule- 8(1): Schedule II

min. 5 members

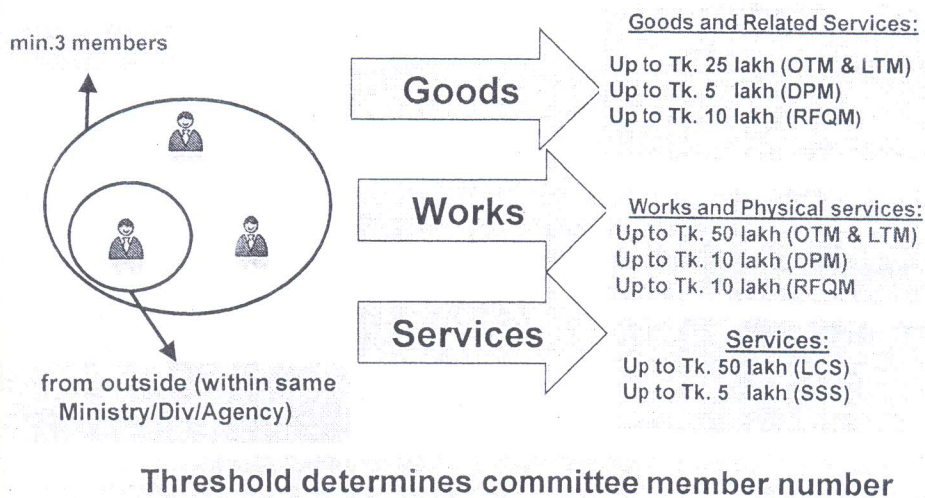


- PE's officers from Finance, Commercial, Technical units
- officers from line Min./Div./Ag.
- officers from end-users or beneficiaries
- officers or specialists from other Min./Div./Agcy or Universities
- externals by designations

with knowledge, qualification & high integrity: Officers?

Composition of TEC/PEC

Rule- 9 Schedule II → For low value procurement



External Members of TEC/PEC[Rule- 9]

General principle

- External members never from within the units of the same PE/Ministry/Agency with exception
- In case of special nature of evaluation external member from-
 - Government
 - autonomous or semi-autonomous organisations
 - universities
 - reputable professional bodies
 - eminent specialists

Externals are key members → No conflict of interests

Chair of TEC/PEC

Rule- 10: AA shall never chair

General Principle

AA	Chair
PD, PM, AO	an officer immediate below the rank of AA
HOPE, CEO	
BoD, Ministry, CCGP	HOPE, CEO

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AA	Chair
Upazilla with no other Class I	AA self
Secretary (as HOPE)	immediate below AA
In case of Proposal if AA is above HOPE, then one immediate below chair	
HOPE or CEO when unable to attend a particular meeting for any reason, the immediate below chairs that meeting	

Validity, Evaluation & Honorarium

Rule- 8(8) Schedule II

Meetings valid only when

- 5 including 1 of 2 externals;
- 3 of 3 is present.

Attend the evaluation and then signs the ER

All participating TEC/PEC members will mention their names with designations

Rule- 8(10, 15-16)

EC members themselves on their own:

- examines & evaluates
- prepares ER with recommendations
- submits ER directly to AA

NEVER DELEGATES

OC/EC members entitled to honorarium at specified rates
Budget provisions required

TEC/PEC Members Removal

Rule- 8(11-13)

Removal of EC member by AA

- does not disclose links/connection with Applicant or Tenderer
- remains absent in 2 consecutive EC meetings
- in direct breach of Section 64 of the Act
- transfer, death or absence from the country

TEC/PEC member signs:

- individually a declaration of impartiality in specified format
- collectively the ER specifying the evaluation compliance with the Act and the Rules

Keep records using checklists as Schedule IV where applicable

Other Committees

Rule- 8 (14)

Technical Sub Committee
(TSC)



AA may appoint Max. 3 members or include other experts in the EC subject to the number-limitation in EC, if so required

TSC is procurement specific

Rule- 52 (3)

Enlistment Committee



Min. 3 members, of which:
Min. 1 from PE
Min. 1 from PE's technical units
Min. 1 from outside PE

HOPE or AO approves the list and PE updates on annual basis

Updates also need approval

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only

Session 4**Procurement
Methods****G+W (National + International)****Why Procurement Method?**

Procurement methods for goods & related services and works & physical services is required to meet the procuring entity's specific needs. Choosing method depending on the conditions of procuring entity's. It's a technique for procurement process and also contract strategy.

Methods (G., W., Phy. Service)

- ☐ Open Tendering Method (OTM) with or without Pre-qualification;
- ☐ One Stage Two Envelopes Tendering Method (OSTETM);
- ☐ Limited Tendering Method (LTM) with or without Threshold/Enlistment;
- ☐ Direct Procurement Method (DPM);
- ☐ Two Stage Tendering Method (TSTM);
- ☐ Request for Quotation Method (RFQM);

Methods for I. & P. Services

Preferred	QCBS	Quality and Cost Based Selection Short listed consultants compete on the basis of quality and cost
	FBS	Fixed Budget Selection Simple and specific nature of services with a fixed budget
Prior Approval of HOPE or AO	LCS	Least Cost Selection Standard or routine nature, and where the cost of the service is within the prescribed price limit
	SSS	Single Source Selection Continuation of on-going or just completed, low value, speedy selection in emergency situation, rare experience/qualification, urgent need (catastrophic event)
	CSOS	Community Service Organization Selection Overall knowledge of community needs, local issues and community participation are paramount
	ICS	Individual Consultant Selection Qualified individual expert while no team work is required
	SBCQ	Selection Based on Consultants Qualifications Very small high quality assignments, preparation & evaluation of competitive proposal is not justified
	DCS	Design Contest Selection Technical excellence and innovation are of prime considerations

Features of OTM (A-31 & R-61)

- ▶ **Most preferred method to procure goods + related services; works + physical services;**
- ▶ **Providing opportunity for competition with equal and non-discriminatory terms;**
- ▶ **Tender invited through public advertisement;**
- ▶ **Govt. own factories or enterprises may participate in the public tenders;**
- ▶ **Minimum time allowed for tenderers to prepare and submit the tenders;**
- ▶ **An urgent national need time may be reduced;**
- ▶ **Only to pre-qualified applicant, if pre-qualification is done;**
- **Sign contract with the lowest evaluated responsive tenderer;**
- **Flow chart should be followed as per schedule;**

Qualification of Persons [Rule- 48]

Qualifications relate to:

- **Professional and ethical standards as set out in PPA/PPR**
 - **Legal capacity**
 - **No conflict of Interest**
- **Ability to implement the contract**
 - **Technical qualifications & experience**
 - **Financial capability**

Eligibility

Act [Section- 26]

Rules- [48, 49]

All participants must be "eligible":

- **Possessing the required minimum professional/ ethical qualifications**
 - **Providing necessary documentary evidence of being qualified**
- as detailed in the Procurement Documents**

Pre-Qualification

Act [Section- 41]; Rules- [51]

- **Determination of qualified persons can be performed as separate "Pre-qualification" process**
- **In such case, only Pre-qualified candidates may participate in the Tender Process**

OTM with or without pre-qualification

Open (Competitive) Method

- OTM: No pre-qualification:
Mandatory requirements mentioned in TD, qualifications of tenderers evaluated under evaluation process
- OTM: Yes Pre-qualification:
Mandatory requirements mentioned in the PQD, qualifications of applicants evaluated under separate pre-qualification process, Rule- 91-93

OTM : International(R-83)

Terms and Conditions:

- ▶ Technical specifications should be on the basis of international standard;
- ▶ Technical specifications should be compatible with national requirement;
- ▶ TD shall be in English and may include Domestic Preference;
- ▶ Payment shall be in quoted currencies;
- ▶ If Bangladesh standard to be unique the words "equivalent" shall be added to allow wider competition;
- ▶ Tender price, Tender or performance securities to be presented as mentioned in TD;

OTM : International(R-83) (cont.)

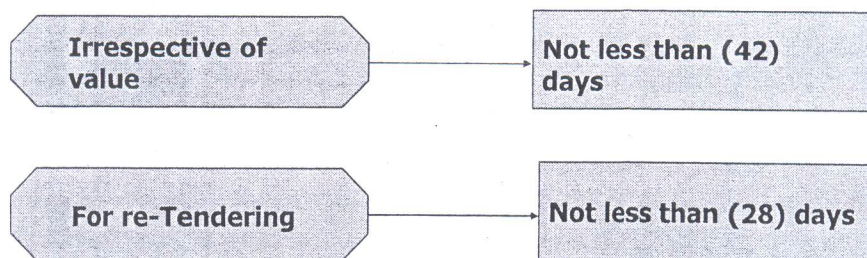
Terms and Conditions:

- ▶ Minimum time allowed for tenderers to prepare and submit the tenders;
- ▶ INCOTERM shall be introduced, if needed;
- ▶ General and particular conditions of contract are similar to those used in international trade are act;
- ▶ Encourage local JVCA, but not as mandatory Req.;
- ▶ JVCA (L & F) must be registered in BD;
- ▶ Complaint resolved mechanism as an intl. standard;
- ▶ Local manufacturers, Suppliers and Contractors with a price advantage over their international competitors
 - ❑ Max 15% of Delivered Price for Goods
 - ❑ Max 7.5% of Contract Price for Works

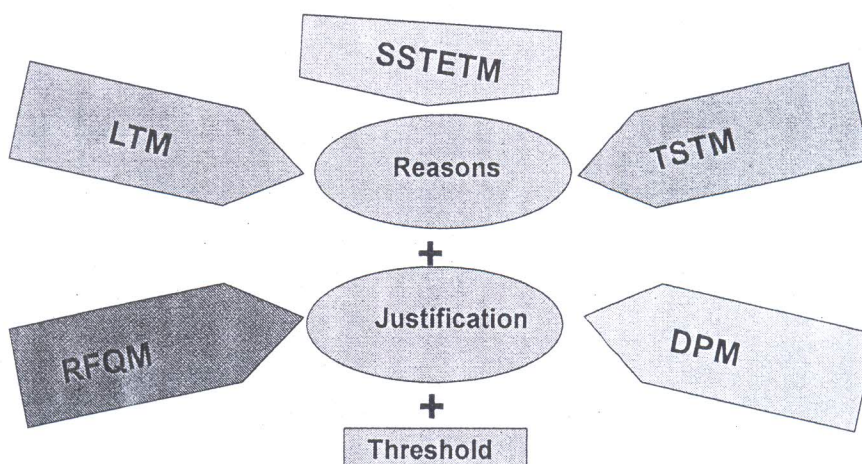
Time-frame for OTM (Goods and works) -National {Rule:61(4)}

Up to Tk. 20 million	Not less than (14) days
Above Tk. 20 million and up to Tk. 50 million	Not less than (21) days
Tk. 50 million and above	Not less than (28) days
For re-Tendering	Not less than (14) days

Time-frame For OTM (Goods and works) -International [Rule:83(1)(KA)]



Condition for Other Methods (G+W)



Requires Prior Approval with Justifications: Compliance with Rules

Limited Tendering with Threshold

Enlistment– Act- [Section 32]

This method presupposes list of approved, qualified suppliers/contractors

Enlistment means engaging or securing a Person/Undertaking for his/her service or support for a possible future contract in the procurement proceedings

Threshold values were presented earlier...

Limited Tendering Method (LTM) [R-63]

Options:

- **For Goods and works of specialized nature: invite offers from the potential Contractors/ Suppliers directly;**
- **For Goods and Works under Rule- 63 (2): invite offers from enlisted Suppliers/ Contractors**

Simultaneously adv. in PE's website, if any, and in brief in the local publications preferred.

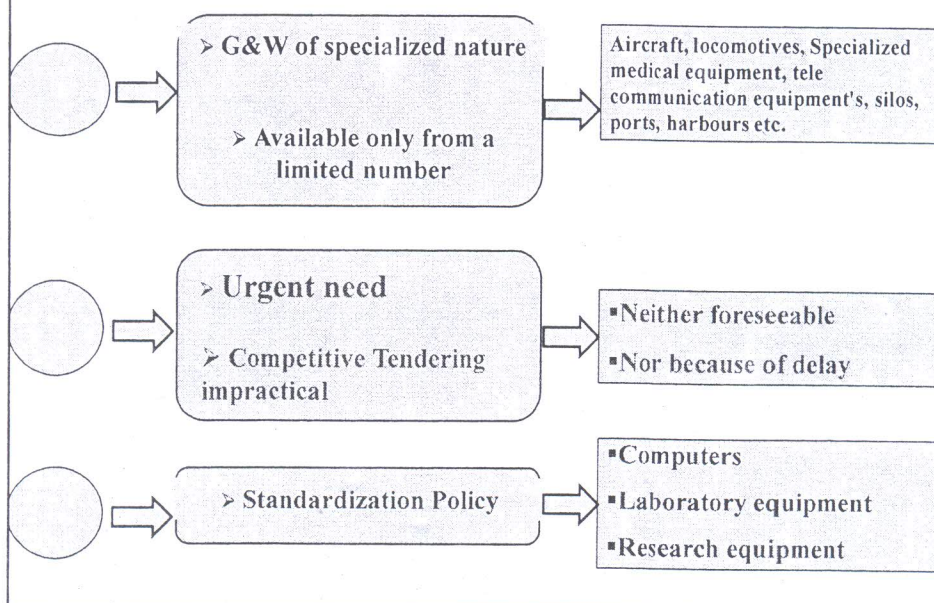
Enlistment LTM [R-63]

Activities:

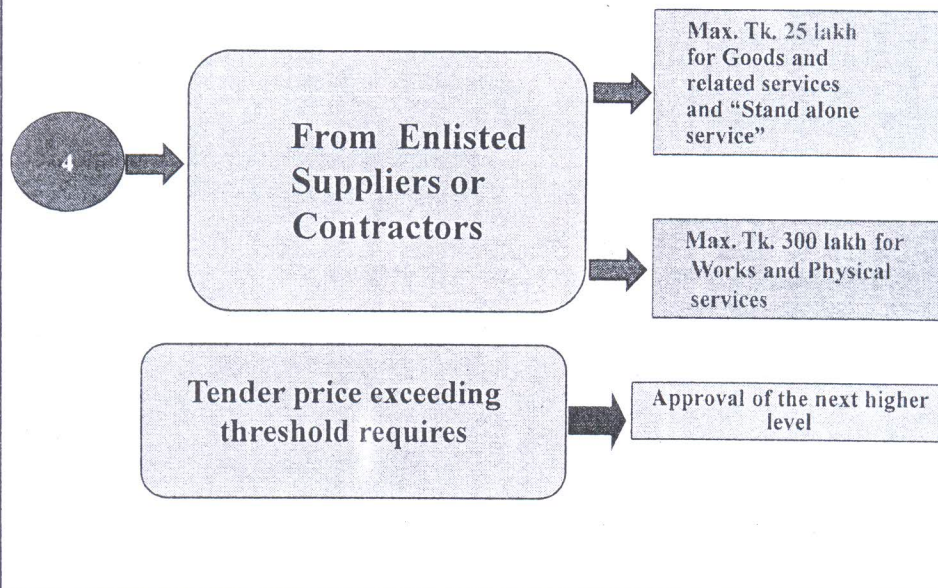
- PE invites for enlistment from potential tenderers;
- list by types and categories of Goods or Works prepared by Enlistment Committee;
- List approved by HOPE;
- PE updates list on annual basis through advertisement;

Committee Constitution has specific procedures

LTM : No Threshold {63(1)}



LTM: Threshold {63(2)}



Request For Quotation Method (RFQM) {R:69-73}

- ▶ Basis for Quotations: Readily Off-the-shelf Goods;
- ▶ Low value simple works and Physical Services:
 - * Unit rate (If quantity fixed)
 - * Cost + Fee (If quantity not fixed)
 - * Lump-sum (If cost fixed)
- ▶ Publish advertisement in NB, PE's own website;
- ▶ At least 3 responsive quotations required

PO for Goods & Contract for Works

RFQM: Threshold(R:69)

Readily Off-the-shelf Goods

R

Tk. 3 lac (Each proc.)
Annual Tk. 15 Lac

D

Tk. 5 Lac (Each proc.)
Annual Tk. 30 Lac

Low value simple Works

R

Tk. 6 Lac (Each proc.)
Annual Tk. 25 Lac

D

Tk. 10 Lac (each proc.)
Annual Tk. 60 Lac

RFQM: International (R:85)

Other Circumstances:

In the case of Procurement of divisible commodities in bulk RFQ Method following the Section 34(2) shall be used

Commodities:

food grains, sugar, fertilizer, edible oils, fuel and animal feed and quoted in established commodity markets

Direct Procurement Method

Rule- 74

- Procurement from one source
- Not competitive & not transparent process
- Could encourage abuse or fraud
- Never use for favoring a supplier/contractor or to discriminate among suppliers/contractors

HOPE shall strictly control use of DPM

Forms of Direct Procurement

Rule- 75

Forms of DPM as mentioned ...

- Direct Contracting
- Additional Delivery, Repeat Order
- Variation Order
- Extra Work Order

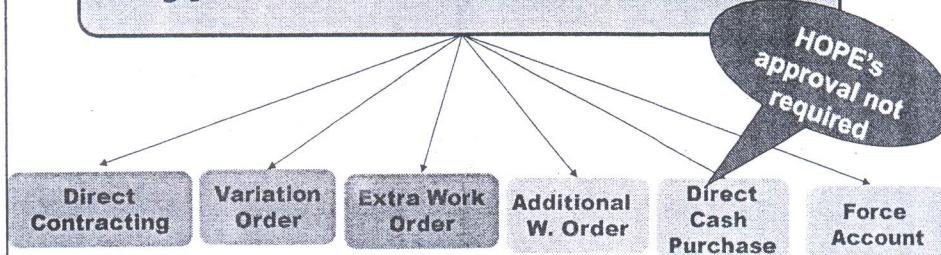
Apart from these:

- Cash Purchase
- Force account

Direct Procurement Method (DPM)

{R:74-80}

Type of Direct Procurement



Direct Procurement Method (DPM)

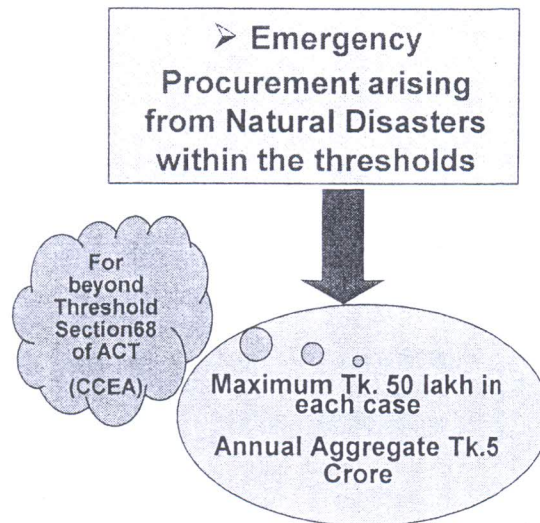
Used for direct contracting {R:76}

Only one
Supplier or
Contractor to
submit offer



- ▶ Proprietary nature which can be obtained only from the proprietary source;
- ▶ Critical plant components according to precedent Contract conditions;
- ▶ Exclusive dealer or manufacturer which does not have any sub-dealers;
- ▶ From a Government-owned industry or factory using government own funds;
- ▶ Specialized product, specification approved by agencies ;
- ▶ Not interchangeable with existing equipment in case of spare parts.

Direct Contracting {76(10)(11)}



Direct Contracting {76(10)(11)}

➤ Very urgent or essential nature, such as transportation services, event management

Non-Development Budget:

- ✓ Min./Div.: Max. Tk. 5 lakh or Tk. 20 lakh in each case (Min/Div. appr.);
- ✓ Dep./Dir.: Max. Tk. 2 Lakh or Tk. 10 lakh in each case (HOPE appr.)
- ✓ Div./Reg.: Tk. 1 Lakh or Tk. 5 lakh in each case (HOPE appr.)
- ✓ Dist.: Tk. 50 thou. or Tk. 2 lakh in each case (HOPE appr.)

Development Budget:

- ✓ Min./Div.: Max. Tk. 5 lakh or Tk. 20 lakh in each case (Min/Div. appr.);
- ✓ Dep./Dir.: Max. Tk. 2 Lakh or Tk. 10 lakh in each case (HOPE appr.)
- ✓ PD -A Category: Tk. 1 Lakh or Tk. 5 lakh in each case (HOPE appr.)
- ✓ PD -B Category: Tk. 50 thou. or Tk. 2 lakh in each case (HOPE appr.)

Direct Contracting{R: 76(3)}

Direct contracting with local communities in Projects with poverty alleviation objectives



Mentioned in the Project Document



PIC procure small works, material and direct labour

Direct Contracting

Rule-76

- LGI may, procure small works, goods and direct labour through PIC,SIC,LCS or other

Following guidelines issued , by the LGD

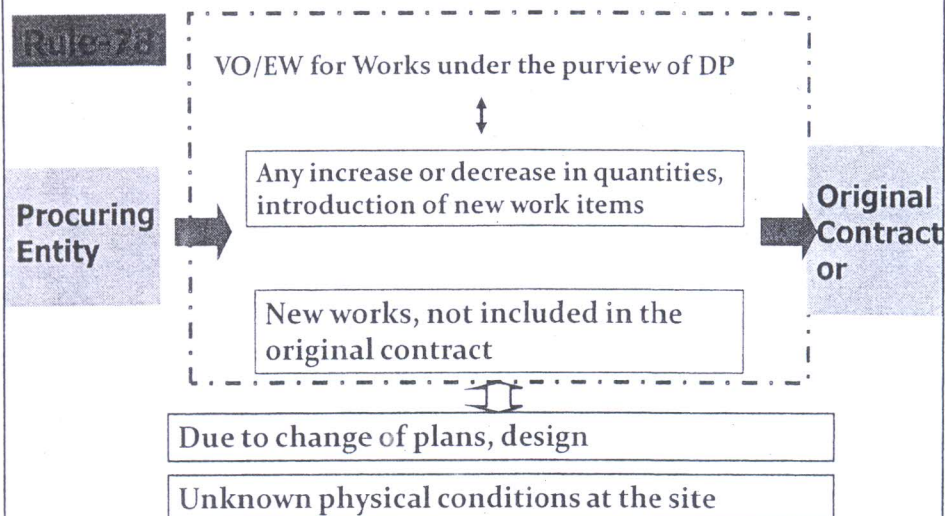
- Contracts for Physical Services may be renewed on annual or term basis. [(Rule 76(5))]

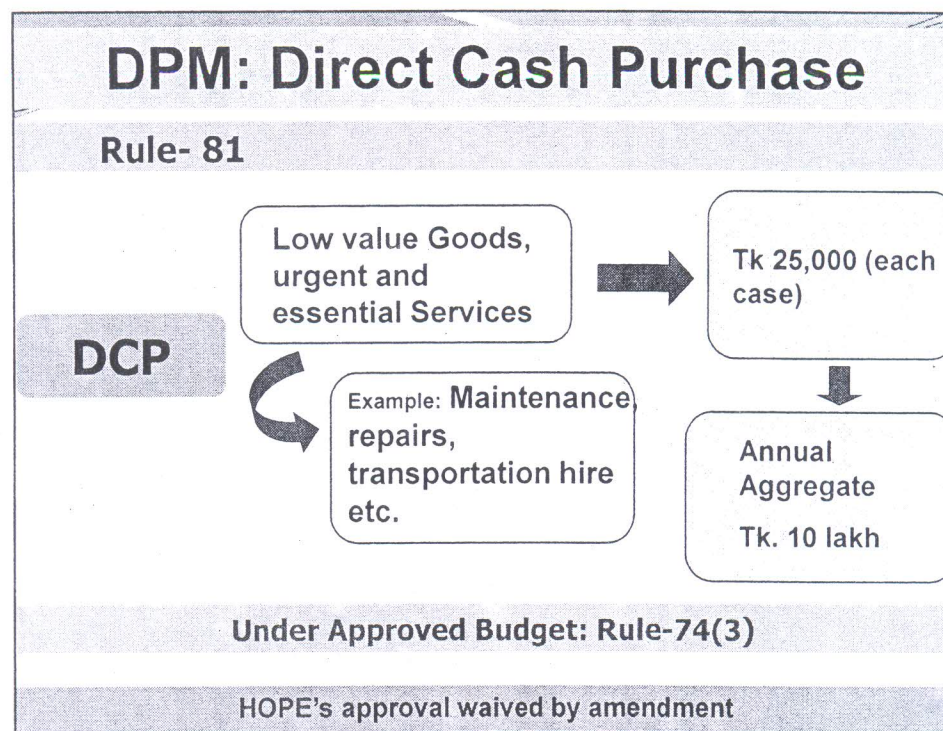
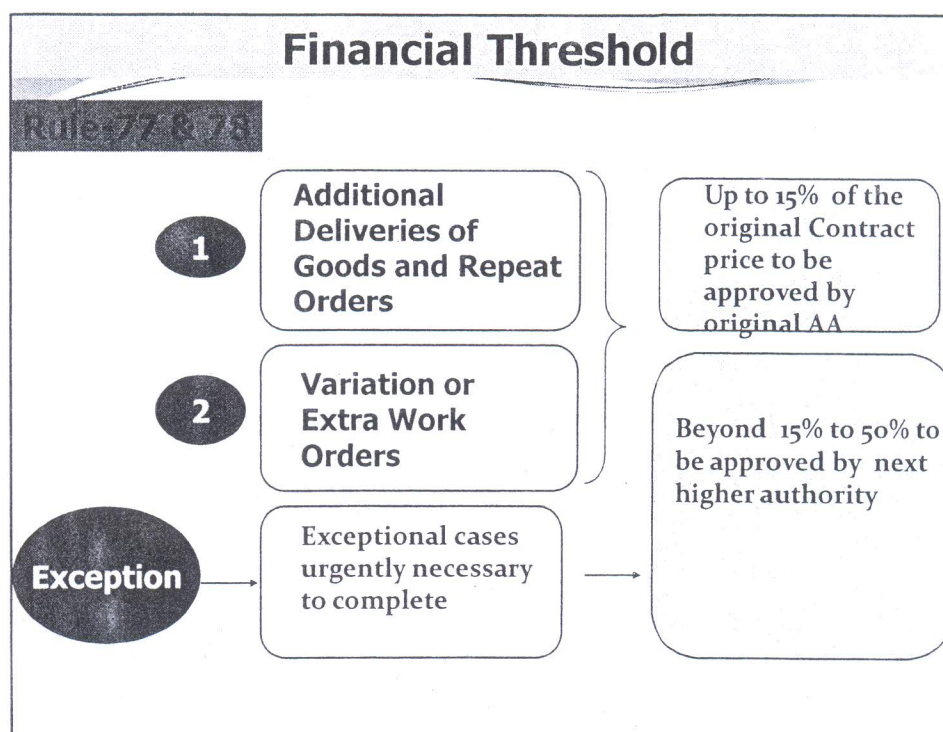
Additional delivery or Repeat Order

Rule- 77

- Additional deliveries of Goods & related Services
- Repeat order of similar nature
- Contract within threshold as in Schedule II
- Most advantageous after price verification
- Following a competitive procurement process

Variation (VO) or Extra Work Orders





DPM: Force Account

Rule- 82

FA

May be used for hiring of direct Labour for departmental needs



Each case
Max. Tk. 3 lakh

Purchase of Materials, tools and rental of additional equipment required to perform departmental work: Use other methods (RFQ, Direct Contracting etc.)

Under Approved Budget: Rule-74(3)

Two Stage Tendering Method (TSTM)

Rule-65

Turnkey contracts or Contracts for large complex nature of plants



Supply, installation and commissioning of Processing Plants or works of complex nature, Communication Technology

- Not possible complete technical specifications in advance;
- PE lacks the capability to prepare specifications;
- Alternative Tech. approaches may not be available within the knowledge of PE;

Two-Stage Tendering Method (Competitive)

Two Stage Tendering Method (TSTM)

Procedures

- ▶ **First Stage (Only Technical);**
- ▶ **Discussion Meeting With Each Tenderer;**
- ▶ **Agreed Minutes With Each Tenderer;**
- ▶ **Process Confidential;**
- ▶ **Second Stage(Technical + Financial**
- ▶ **Evaluation like other methods**

One Stage Two Envelop Tendering Method (OSTETM)

Applicable for same contracts as TSTM, but PE is capable of preparing the complete tender documents, incorporating full specifications, Bill of Quantities, Schedule of Requirements, Designs etc.

**One-Stage-Two-Envelope Tendering Method
(Competitive)**
For National and International procurement

Preferred Methods

Rules [Rule-103(4)]

Two options according to nature & complexity

(a) **Quality & Cost Based Selection (QCBS):**

Consider the quality & cost of the services

(b) **Fixed Budget Selection (FBS):**

Available budget is fixed

Other Methods follow

Preceded by short-listing

Other Methods

Rules [Rule-104]: Relates to PE's requirements

- Least Cost Selection (LCS)
- Community Service Organization Selection (CSOS)
- Single Source Selection (SSS)
- Individual Consultant Selection (ICS)
- Selection Based on Consultants Qualifications (SBCQ)
- Design Contest Selection (DCS)

Prior approval of HOPE or AO required

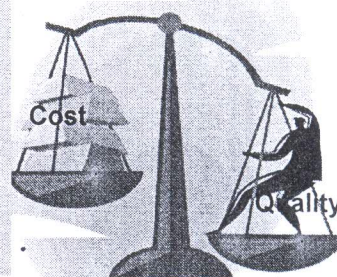
Quality & Cost Based Selection (QCBS)

Rule-103(4)(a) Key considerations

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Takes into account-

- (i) the quality of the Proposal
- (ii) the cost of the Services



Quality Over-weighs

Used in most cases

Fixed Budget Selection (FBS)

Rule-106: Procedure

Same as of QCBS except followings-

- RFP shall provide the available budget (excluding applicable taxes)
- TOR prepared with due regard to budget
- consultants provides breakdown of costs in designated place

Highest Ranked Technical Proposal within Budget for Negotiation

Least Cost Selection (LCS)

Rule-104(a): Key considerations

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- In cases where service is-
- (i) Standard or routine nature. e.g.- audits, architectural & engineering design of non-complex works where established practice & standard
 - (ii) Cost within the threshold



Threshold: max^m Tk. 5 m

Least Cost Selection (LCS)

Rule-107: Procedure

Same as of QCBS except followings-

- Technically qualified lowest evaluated proposal invited for negotiation

Proposal Passing Minimum TS treated equally

Cost is the main

Main Stages

Quality & Cost Based Selection (QCBS)



**Technical Proposal
&**



Financial Proposal



Combined Proposal

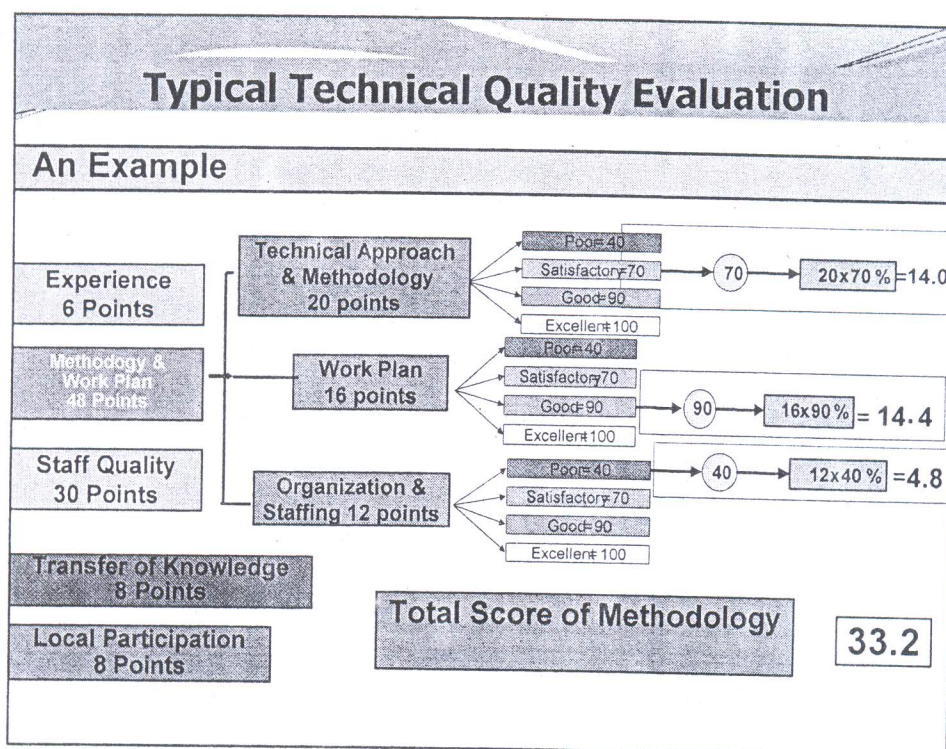
Technical Proposal

5-General Criteria for Evaluation

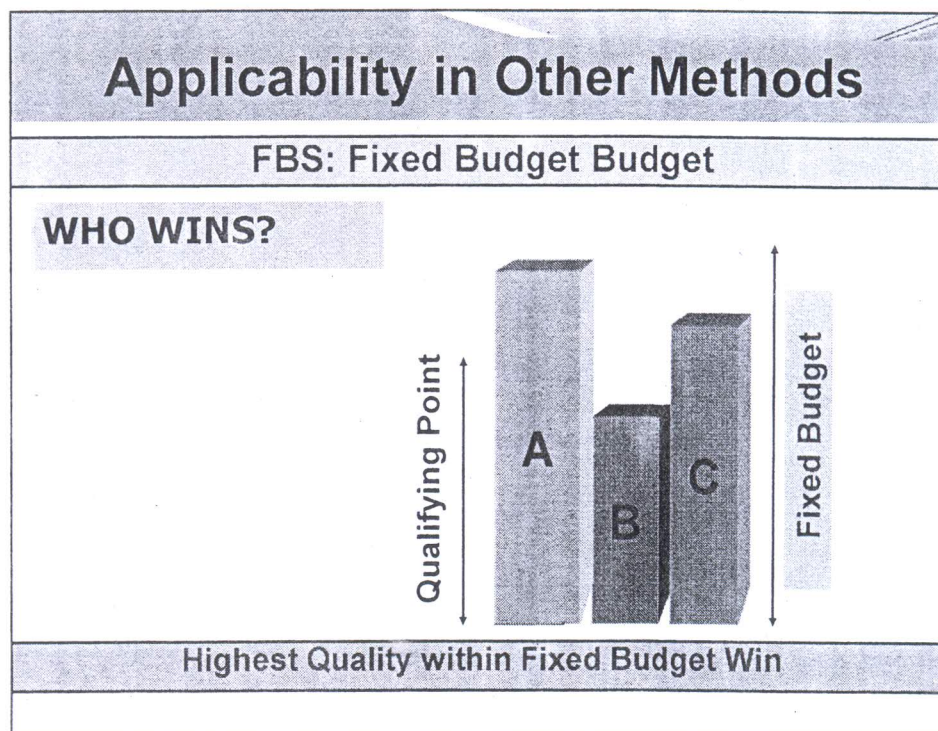
- Specific experience
- Adequacy of the proposed Methodology & Work plan
- Key Staff's Qualification and Competence
- Transfer of knowledge i.e. training, if any
- National participation; in case of International Procurement

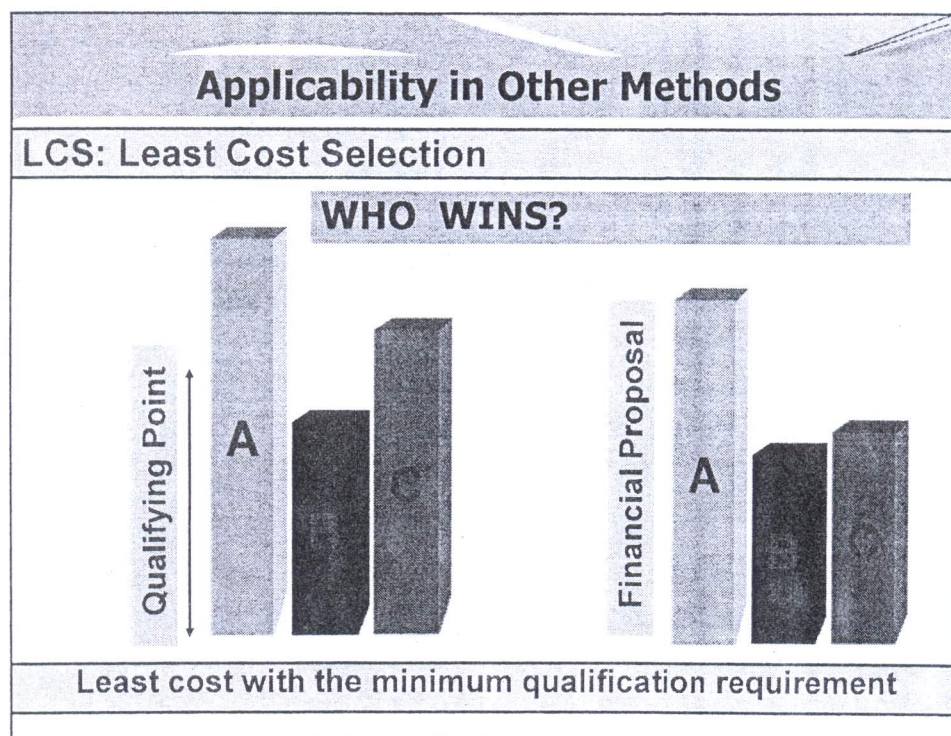
May be sub-criteria

Good Practice of Grading	
Traditional Scoring	
POOR	= 40%
SATISFACTORY	= 70%
GOOD	= 90%
EXCELLENT	= 100%



Combined Scores						
Example in Tabular Form						
Consultant	Technical Score (max 100)	Weighting 80%	Price in Million Tk.	Financial Score (max 100)	Weighting 20%	Combined Score
A	85	68	54	100	20	88
B	82	65.6	64.8	83.3	16.66	82.26
C	90	72	81	66.6	13.3	85.3
Provides ranking						





Single Source Selection (SSS)
Rule-110: Procedure
Upon issuance of RFP ✓ the Selected Consultant submits a Technical and Financial Proposal ✓ negotiations between the PEC and the Selected Consultant ✓ negotiations on all aspects of Proposals (i.e. Technical and Financial)
Aspects of negotiations are defined

Community Service Organization Selection (CSOS)

Rule-109: Procedure

Depending on-

- i. size of the assignment
- ii. knowledge of the inputs required

follow any of the methods -

- a. QCBS
- b. LCS
- c. FBS
- d. SSS

Implementation aspects of community activities and experience
& local knowledge may carry more points

Individual Consultant Selection (ICS)

Rule-112: Procedure

- May be selected following an EOI
 - > through advertisement
 - > approaching directly by the PE

ICs judged & evaluated on the basis of

- > academic background
- > experience in the field of assignment
- > knowledge of local conditions (as appropriate), as well as language & culture

The short listed Applicants be interviewed & selected Applicant be negotiated on fees or reimbursable, the inputs available from PE, etc.

Sign the contract

Alternate Candidates in order

ICS With Three CVs

Rule-112: Procedure

Employment of Individual Consultant without EOI

The conditions are -

- if the assignment is a continuation of the previous
- if the duration is less than 6 months
- if it becomes necessary to accomplish the assignment on urgent basis due to natural disaster

Selection Based on Consultant Qualification (SBCQ)

Rule-108: Procedure

PE

- selects the consultants with the best possible qualifications
- prepares the TOR and then REOI from Consultants' data base
- short-list the Consultants based on their experience, competence relevant to the assignment
- select the consultant with best qualification

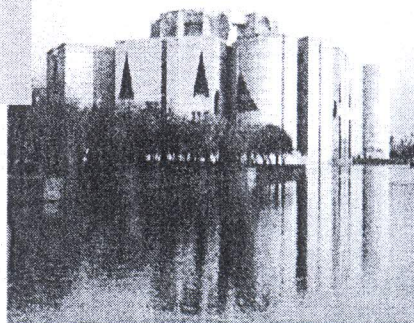
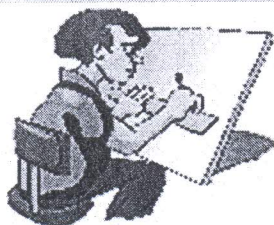
Selected consultant submits Technical and Financial Proposal

Design Contest Selection (DCS)

Rule-111(1)

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Technical
excellence &
innovation are of
prime considerations

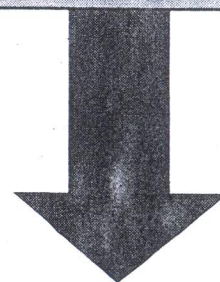


Conceptual design for monument, research centre, HQs. etc.

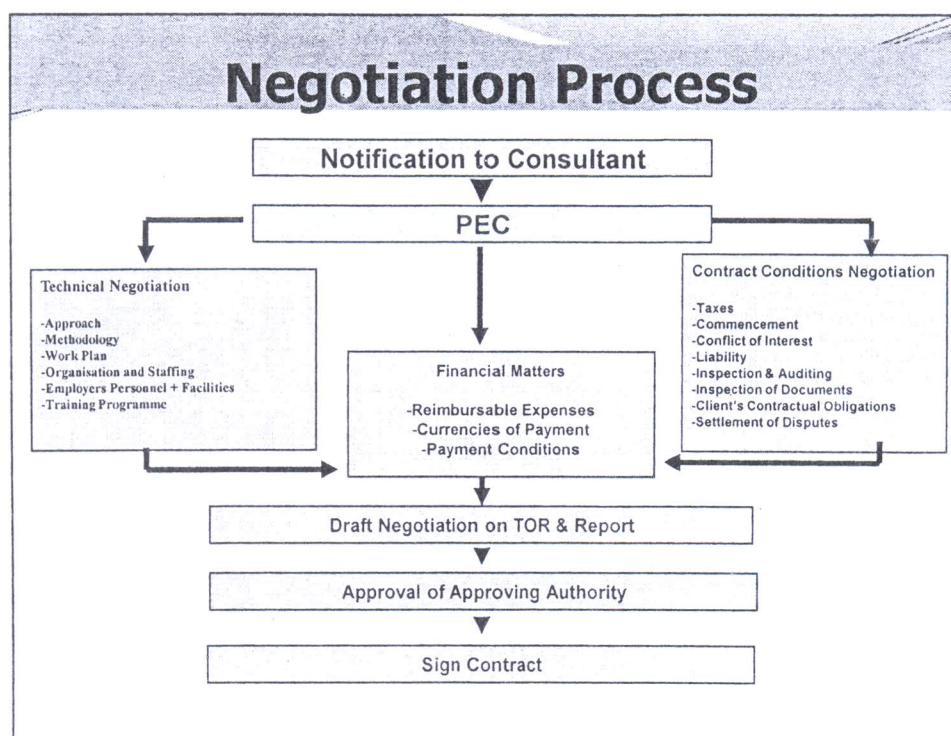
Negotiations

Who Negotiate ?

WHAT	Process
WHY	Secure Quality, Cost & Adds value
HOW	Win/Win
WHO	Empowered Team
WHEN	After the combined Technical and Financial



PEC



Other issues	
Rule-124, 125 : Award & Sign	
➤	Successful Consultant to sign Contract
➤	Contract can come into force before the prescribed Proposal validity date expires
➤	No Performance Security
➤	But, re-perform the Services at their own expense or to indemnify the Procuring Entity for losses
Provision for contractual obligation	

Completion Process

Rule-126: After Award & Sign

- Inform all the other Consultants whose Proposal was technically responsive that they have been unsuccessful
- Publish the name of the successful consultant in PE's website, if any
- Posted on the CPTU's website, above specific threshold

Tk. 5 (five) million & above

Session 5

Enlistment, Pre-Qualification and Shortlist

Enlistment Process

Rule- 52

- **PE invite Applications for Enlistment or Renewal of Enlistment by Annual Advertisement (Schedule X)**
- **Sell Application Documents based on Standard Application for Enlistment (SAFE) with minimum qualification requirements**
- **At least 7 days time for preparation and submission of application**
- **PE provides for Enlistment Committee (EC) of at least 3 members for Applications Evaluation**

Enlistment Process

Rule- 52

- **PE invite Applications for Enlistment or Renewal of Enlistment by Annual Advertisement (Schedule X);**
- **Sell Application Documents based on Standard Application for Enlistment (SAFE) with minimum qualification requirements;**
- **At least 7 days time for preparation and submission of application;**
- **PE provides for Enlistment Committee (EC) of at least 3 members for Applications Evaluation;**

Enlistment Process (cont'd)

Rule- 52

- **EC evaluates the Applications on basis of the qualification requirements set out in Documents and prepares list of qualified Applicants**
- **HOPE or AO approves the list of qualified Applicants**
- **PE updates on annual basis by applying same procedure**
- **PE maintains list(s) of enlisted/qualified potential Tenderers for use in Limited Tendering Method (with Threshold)**

Updating also needs approval

Applicants' Eligibility

General Requirements

- ☐ **Valid Trade License**
- ☐ **Tax Identification Number (TIN)**
- ☐ **Bank Solvency Certificate**
- ☐ **Any Others (as specified by PE)**
- ☐ **Past experience in Works shall NOT be necessary [Rule- 52 (4)]**

Guidelines in SAFE

Some Critical Points

- **Enlistment shall be PE-wise**
- **A PE not maintaining lists of potential Tenderers/ Suppliers may use lists maintained by other key PEs, and those posted for such purpose on CPTU's website**
- **Price of Application Documents shall be determined based on its reproduction and administrative costs by each individual PE, shall be non-refundable and in the form of A/C Payee Postal Order in favor of the PE inviting**
- **Annual Enlistment Fee shall be Tk.5000 and Renewal of Enlistment Fee shall be Tk.2000 in the form of PO/DD in favor of the concerned PE**

Purpose of Pre-Qualification

**Pre-qualification is crucial
to submission of Tenders
where requirements to experience
&
financial and technical capabilities
are high**

Benefits of Pre-Qualification

- **Protects PEs from tenders submitted by unqualified tenderers**
- **Expedites PE's task of evaluating tenders by limiting Invitation to Tender to capable tenderers only**
- **Provides an indication of whether there are adequate number of tenderers**
- **Saves unqualified applicants from the costs of tendering**
- **Increases chances for the qualified tenderers (they will compete with qualified competitors only)**

Nature and thresholds

Pre-qualification may be undertaken for different procurements of specific nature and specified thresholds in Schedule II

Pre-Qualification large and complex

- **Management Contracts > above Tk. 350 million;**
- **Construction Works > above Tk. 350 million;**
- **Maintenance Works > above Tk. 35 million;**
- **Supply and installation of Plant and Equipment > above Tk. 150 million;**
- **Design and Build infrastructure > above Tk. 350 million;**
- **Custom Designed Equipment > above Tk. 35 million.**

Pre-Qualification Process

Main steps

Rule- 90-93

- Invite Eligible Applicants through public advertisement
- Sell Pre-qualification Documents and/or make them available on web-site
- Allowing min. time for submission of Applications
- Public opening of Applications
- Applications Evaluation (pass/fail test based on pre-disclosed qualification criteria)
- All applicants having passed the requirements shall be pre-qualified (and invited to tender)
- Notification to all applicants, Publication

Pre-Qualification Forms

- Form of Invitation for advertisement, Schedule X
- Standard PQD for preparation of Pre-qualification Document, stating qualification requirements
- Opening of timely submitted Applications by TOC
- Evaluation of Applications by TEC

More on pre-qualification under Module Four...

Day-2

Session 1

Procurement Related Standard Tender Document and Its Preparation, Advertisement

Standard Tender/Proposal Documents

Objective

Encourage eligible
potentially qualified
Tenderer/Applicants to
participate, by making
reasonable demands
for
information and form-
filling

Provide a clear, objective
means of evaluating the
Tenderer/Applicants

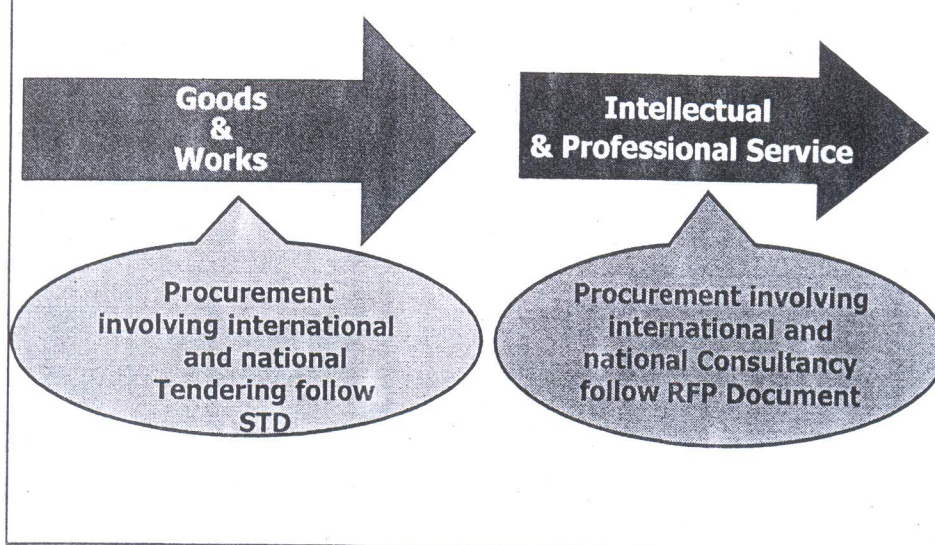
Procurement Related Documents

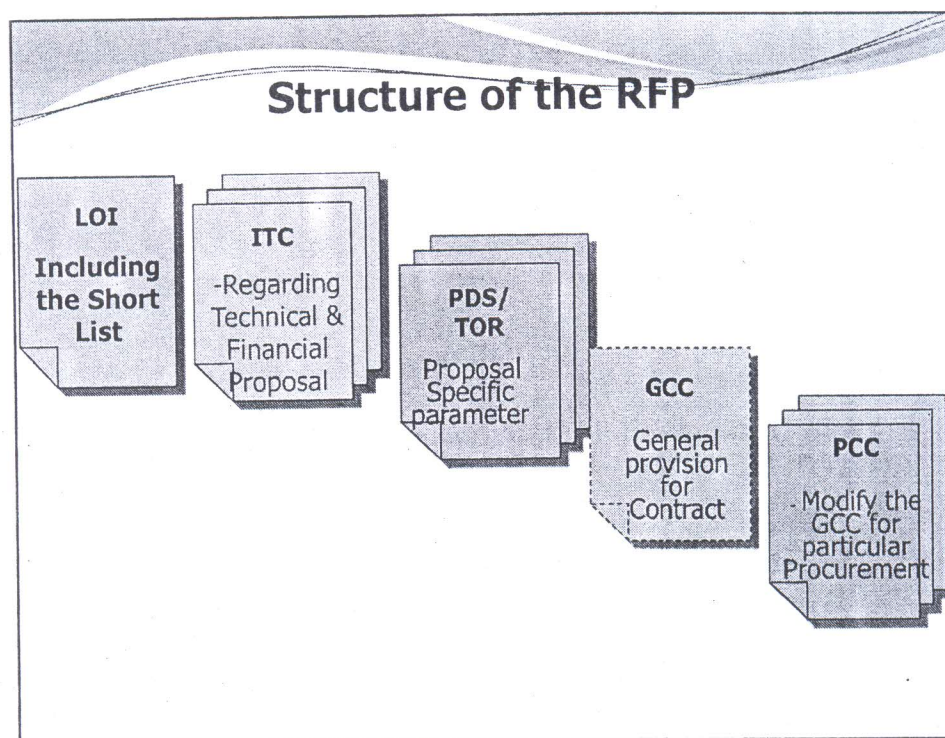
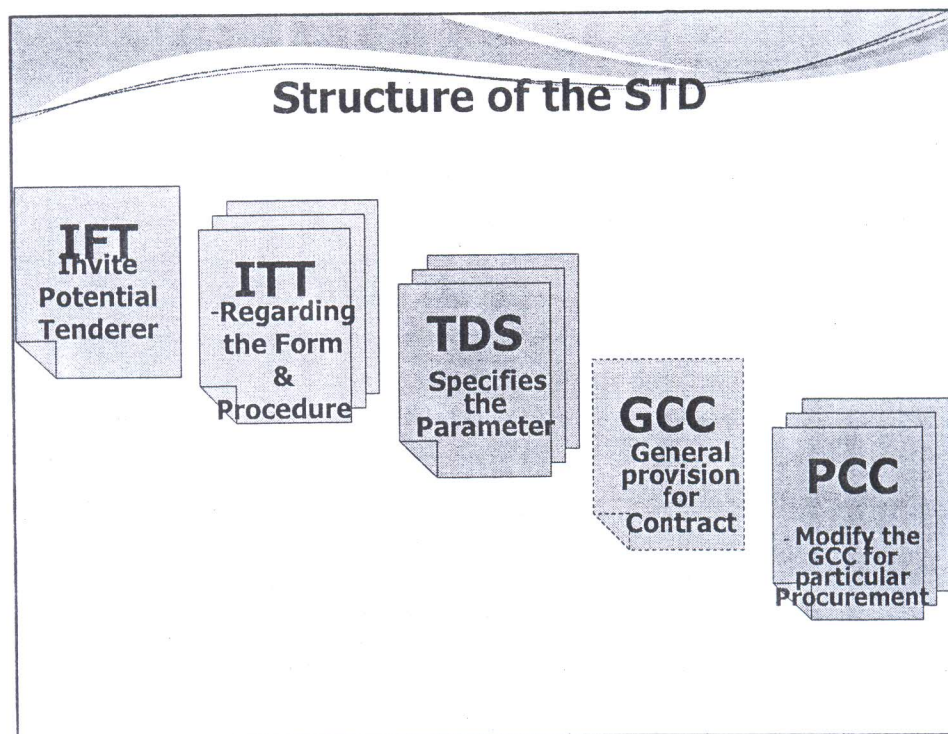
Rule 4(1) Schedule I : Some Sample STDs and RFPs

PG3	National Procurement	STD for Procurement of Goods under OTM
PG4	International Procurement	STD for Procurement of Goods under OTM
PW3	National Procurement	STD for Procurement of Works under OTM
PQW5	International Procurement	SPQD for large and complex Works
PW5	International Procurement	STD for large and complex Works
PS7	National Procurement	SRFP for Procurement of Intellectual and Professional Services

Web-site: www.cptu.gov.bd

Standard Tender/Proposal Documents





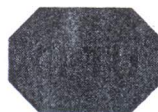
Issues in STD

PE may make necessary adjustments in the TDS or PCC, such adjustment shall not contradict with any provisions of the Act and Rules

PE follows the Standard Documents issued by CPTU listed in Schedule

Concession Contract like BOO, BOT etc will be guided by Model Contract Documents

Procedure for Post Procurement Review and Evaluation Guideline and Format are used



The CPTU shall publish on their website the Standard Documents

Tender Documents Include

Rule-4(2)

- Instruction for preparation of the Tender
- Information on receipt & Public Opening
- Tender submission sheet
- Format for TS, PS and authorization

For the purpose of Evaluation & Post Qualification the qualification and other criteria

Conditions of Contract

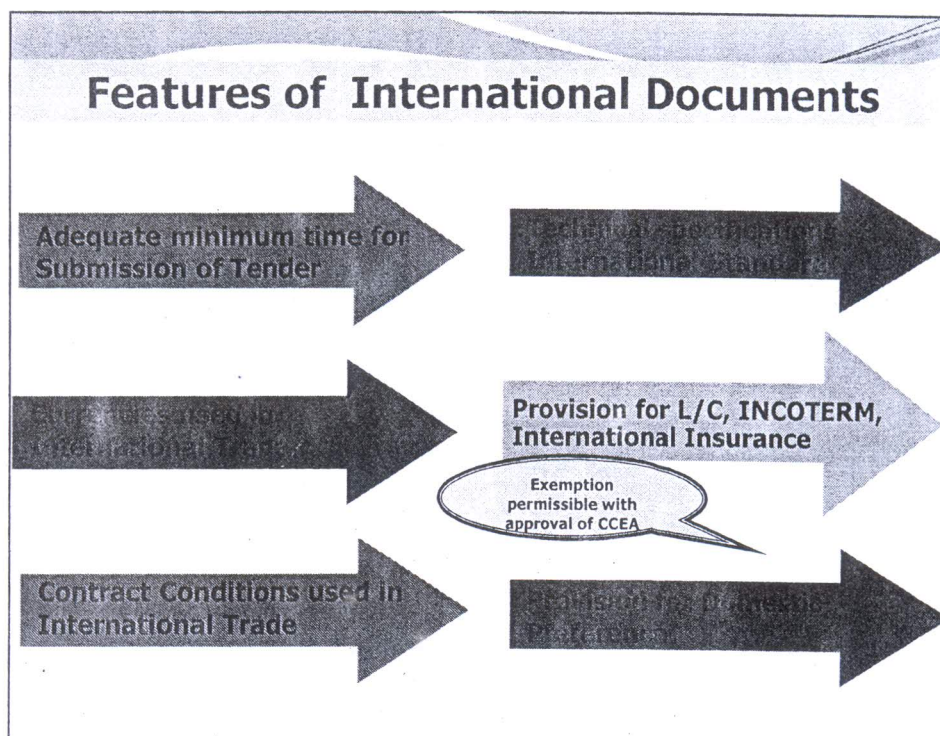
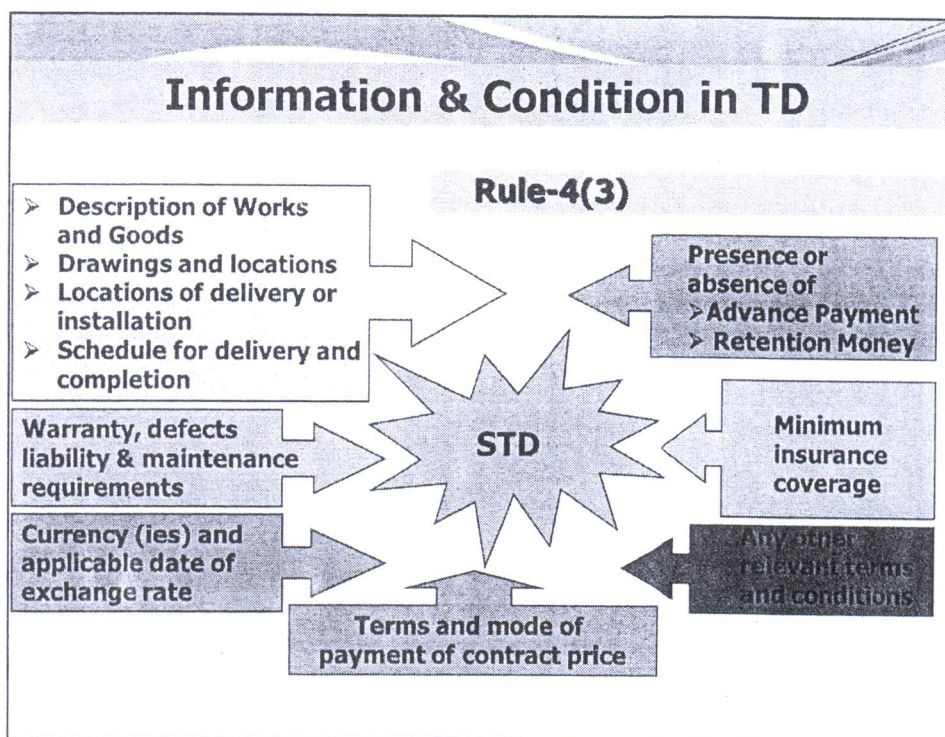
Direction in the TDS for lodging complaint

Specification for Goods and Works

Provision for M, S, W of tender

Tender Validity period

STD



Session 2

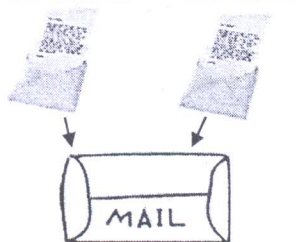
Tender/Proposal Submission, Opening, Validity and Securities

Tender Submission(Rule-96)

All Methods except
SSTETM

1 inner
envelope for
the Original

1 inner
envelope for
the Copies



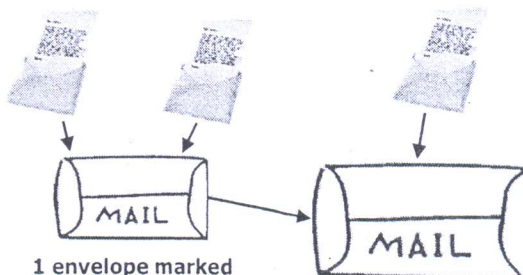
1 outer envelope to enclose
both inner envelopes

SSTETM/Services

Original
Technical
Proposal

Copies of
Technical
Proposal

Financial
Proposal



1 envelope marked
"TECHNICAL PROPOSAL"

1 final outer envelope

Submission on the basis of PE's Tender/RFP Documents

Tender Opening (Rule-97)

TOC constituted under Rule-7 shall open, all Tenders received on or before the submission deadline, in public and in only one place

- Steps to be followed in Part D of Schedule IV of the PPR, 2008
- Immediately after submission deadline at the primary place but no later than ONE HOUR after expiry of the submission deadline at the same primary place
- "Withdrawn" and "Substituted" Tenders shall not be opened, but returned unopened at a later stage

Constitution of TOC discussed in earlier sessions

TOC shall ensure (Rule-97)

- Examination and verification of authenticity of 'W', 'S', 'M' or 'O', if any;
- Chairperson of TOC will read aloud each Tender and record in the TOS;
- Only those Modification, Discounts read aloud at the Tender opening will be considered in evaluation;
- All pages of the original, will be initialed by TOC;
- No delayed opening on the plea of absence of Tenderers;
- Representative shall be duly authorized;

No Tender will be rejected at the Tender opening

Upon completion of Opening (Rule-97)

TOS signed by:

- All TOC Members
- Attending Tenderers / Representatives

TOS issued to:

- HOPE or AO
- Members of TOC
- Authorized Consultant
- Tenderers having submitted timely (on request);

Member Secretary (Rule-97)

- Ensures opening procedure is followed;
- Certifies that TDs are sent to PE;

PE (Rule-32, 97.10)

- Ensures safe custody of Tender Documents;
- Hands over to EC Chairperson;

Omission of a Tdr's signature not invalidate the Tender

Tender/ Proposal Validity

• To determine validity Period:

- Complexity of Tender
- Time for evaluation
- Time for approval

Schedule II {Rule 19(10)}

Between sixty (60) and one hundred twenty (120) days
another or longer periods authorized by HOPE

Remember

- Validity Period Starts after the date of Tender Submission Dateline
- Tenders shall remain valid for the period specified in the TDS
- Reasonable validity period ensure participation
- NOA within validity period

Tender Security

- Fixed amount not more than 3% of the official estimate
- Exception
 - One tender security, @ 2% of the sum total of the lots value offered by the tenderer
 - One tender security, @2% of the sum total items value offered by the tenderer

Form of Tender Security (National & International)

For National

- Bank draft
- Pay order
- Bank guarantee

For international

- Only in the form of Bank guarantee
- Issued by an internationally reputable bank
- Endorse by correspondent by located in Bangladesh

All are Tenderer option except up to 2 Crore .

Performance Security

- For Goods 10% of the contract price
- For Works Up to 5-10% of the contract price
- For Physical Service 5-10% of the contract price
- For Divisible Commodities 5% of the contract price
- It may increase up to 20% for front loading
- Performance Security for I&P Service 3%-5% for firms (Optional) and also indemnification
- No performance security for Individual Consultant but indemnification.

TS and PS(National+ International) (R:22, 27)

	Methods	Tendering	Contracting
TS A fixed amount within 3% of the official estimate.		TS	PS
	OTM	✓	✓
PS For RFQM (Int.) (Divisible: 5%) Goods:10 % Works:5%-10% FD/LP: up to25%	LTM	✓ x	✓
	SSTETM	✓	✓
	TSTM	✓	✓
	DPM	x	x ✓
	RFQM	x	x

Extension of Tender Security

- Consenting to extend tender validity
- Not agree no subsequent evaluation
- Extend at least 28 days beyond new tender validity period

Authenticity of Tender Security

- Verified by TEC prior finalization
- Not authentic no subsequent evaluation
- Action in accordance with 64 (5) of Act

Forfeit of Tender Security

- Withdraw tender within the validity
- Refuse to except a NOA
- Fail to furnish performance security
- Does not except arithmetical correction
- Refuse to sign the contract

Return of Tender Security

- Not to return by TOC
- No, before contract sign (except non responsive)
- Yes, non responsive, after TER approved
- Yes, responsive, after contract signing

Session 3

**Public Procurement Aspects (JVCA,
Principles of Evaluation, Delegation of
Financial Powers and Approval)**

Joint Venture/Consortium and Association (Rules-54)

- **JVCA for contracts involving of works, physical services and intellectual and professional services;**
- **Letter of intents shall not prove JVCA;**
- **JVCA agreement shall be executed on a non-judicial stamp of a certain nature;**
- **JVCA signed by each partners;**
- **JVCA shall nominate a representative to conduct all business.**

Joint Venture/Consortium and Association (Rules-54) (Contd.)

- **Minimum qualification required equally;**
- **All partners are equally liable for any activities;**
- **National partner gets domestic preference**
- **Alternation may be done subject to prior approval of HOPE**
- **Alternation shall required higher qualifications;**
- **Debarment shall be equally applicable for each partners;**

Joint Venture/Consortium and Association (Rules-54) (Contd.)

- For a particular component minimum qualifying requirement added in total qualifying requirements of that JVCA
- Specific technical experience of JVCA/key staff may not aggregated.
- Performance security, insurance coverage, indemnity contracting and sub-contracting shall be furnished of JVCA.

Principles of Evaluation (Rule-98)

General:

- Expertise and skills of TEC/PEC and well defined functions of TEC/PEC
- Minimum qualified members as specified participating in evaluation
- Team coherence and awareness
- Prepare ER with recommendation and submit to AA in a prescribed manner

Clarifications:

- Ambiguities or inconsistencies
- No change in price or scope acceptable
- Correction of arithmetical errors
- Not directed towards creating undue opportunities for Tenderer/Consultant

Communication:

- No engagement in meetings or conversation: exceptions are COMPLAINTS

Unsolicited queries:

- Acknowledge receipt but no further correspondence

Principles of Evaluation (Cont.)

- **Criteria:**
 - Application of criteria from TD only, Rule 98(2)
 - Follow exact procedures specified in TD, Rule 98(3)
- **Timescale Schedule III (flow chart) Rule-8(14):**
 - Complete evaluation and award contract within Period of Validity of Tenders (Rule 102)
 - Be mindful of other functions of TEC
 - Availability of resources Responsiveness
- **Responsiveness:**
- **Determination of responsiveness Shall be based only on contents of Tender (Rule-98.16)**

Principles of Evaluation (Cont.)

Rule- 98(5)

- Compliant with mandatory requirements
 - Based on documentary evidence as requested without recourse extrinsic evidence
 - Apparently non-responsive Tenders shall not be made responsive by correction of Deviation
 - Info not requested shall not be considered
- ←
without
material
(major)
deviation,
reservation
←

Tender Clarification [Rule- 98(8)]

- TEC can seek clarification in writing
- No changes in the prices or substance of the Tender permitted
- Neither the clarification nor the response shall be directed to make an apparently non-responsive Tender responsive
- Tenderer not responding to TEC's request shall not be considered for evaluation

Principles of Evaluation (Cont.)

- **Confidentiality(R-98.10):**
 - Security of the whole operation
 - Team awareness
 - Clarification questions be held secret by Tenderer
- **Use of Committee :**
 - The need for minimum 5 qualified members (Rule -8)
 - Evaluation to be carried out by TEC Members themselves (Rule-8)
 - TEC members participating shall sign Evaluation Report with name(R-98.3b)

Main Stages of Evaluation Process(Rule-98)

➤ Preliminary Examination ➤ Technical Examination & Responsiveness ➤ Financial Evaluation & Price Comparison ➤ Negotiations if necessary ➤ Post-qualification	4 different Forms TER 1 Preliminary Examination TER 2 Technical Examination TER 3 Financial Evaluation TER 4 Working Sheets ↓ ↓ TER & Recommendation for Award of Contract
Who Evaluates?	
PE's T E C	

Preliminary Examination-Purpose

To identify and reject Tenders that are incomplete, invalid or in other formal way not in compliance with the requirements of the TD and therefore are not to be considered further.

Preliminary Examination-Procedure

Step1: Completeness of Tender {Check: Documents provided and signed, Tender Submission Letter: confirmation attached, tender information sheet, documents on eligibility attached, documents on qualifications attached, Price Schedule, Specifications Submission and Compliance Sheet: documentary evidence, Manufacturer's Authorization (if required), Tender Security provided & Signed}

Step 2: Verification of eligibility of Tenderer {Thorough examination of documents concerning eligibility provided (Authentic, genuine and adequate, Compliant to requirements of TD)}

Step 3: Tender Validity {Verify that Tenders are remaining valid for the period specified in the TDS after the date of Tender Submission deadline, declared in Tender Submission Letter}

Step 4: Tender Security (Amount as specified in TDS, Tender Security validity period as required by TD, Format in compliance with TD)

Step 5: Notices for W.S.M. (Withdrawal, Substitution, Modification)

Next: Technical Examination-Purpose

- To Identify and reject Tenders that are non-compliant with the mandatory technical requirements and therefore are not to be considered further,
- Only those Tenders "surviving" the preliminary examination need to be examined under Technical Examination.

Technical Examination-Procedure

Step 6: Country of Origin Declaration {Verification of completeness of the country of origin declaration to establish eligibility of Goods and Related Services}

Step 7: Technical Specifications and documentary evidence {Verification and examination of documentary evidence and completed Specification Submission Sheet}

Step 8: Tenderer's Qualifications {Verification and examination of documentary evidence that the Tenderer's qualifications conform to the TD and that the Tenderer meets all minimum qualification criteria}

Step 9: Scope of supply {Verification and examination of documentary evidence that the Tender has met all requirements in regards to Scope of Supply as specified by PE in Schedule of Requirements and stated in TD}

Financial Evaluation Procedure

- Step 10: Conform to requirements {Tender prices and discounts quoted in Tender Submission Letter & Price Schedule, Tender prices and discounts conforming to Schedule of Requirements prepared by PE, All lots and items listed and priced separately (Item-by-item basis, one lot, lot-by-lot basis)}
- Step 11: Check of tax, VAT etc. {Tender prices inclusive of taxes, customs duties and VAT for national procurement of Goods & exclusive for international tender}
- Step 12: Correction of A. Errors {Words prevail over figures Unit price prevail}
- Step 13: Price modifications, discounts {Any price modifications read out at Tender opening, Adjustments due to unconditional or conditional discounts}
- Step 14: Factors affecting economic value {Delivery Schedule
Cost of mandatory Spare Parts}
- Step 15: Unpriced items {80% of the items, lots etc.}

Post Qualification(Rule-100)

➤ **Based on the qualification criteria specified in the TD, the TEC shall verify to its satisfaction that the successful tenderer is qualified to perform the contract satisfactorily by:**

- ✓ **Contacting references**
- ✓ **Obtaining up-to-date info**
- ✓ **Visiting premises, if needed**

Never try with 2nd lowest Tenderer

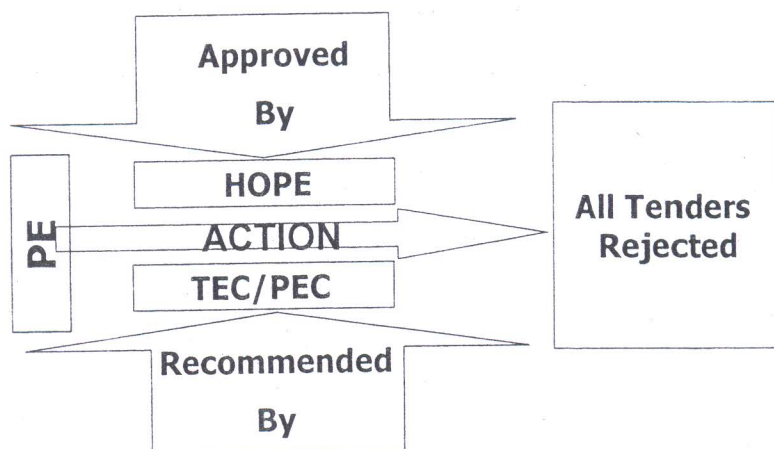
Tender Evaluation completion

- **TEC prepare Tender Evaluation Report**
- **All members shall sign**
- **Certification by TEC**
- **TEC member may provide note of dissent**

Submission of Report

TEC Chairperson shall submit the Tender Evaluation Report along with recommendations for award of contract to the AA following Rule 36

Rejection of All Tenders (Rule-101)



HOPE's approval not required when AA above HOPE so instructs

Sign, Debriefing and Publication (Rule- 102)

PE shall send the draft Contract Agreement & all documents forming the Contract to successful Tenderer

PE signs Contract

If supplier/ Contractor

Accept NOA

Submit PS

If not then as per Rule- 102

Debriefing status and weakness

Post-Signing Contract

- Inform all other Tenderers/Consultants who have been unsuccessful
- Publish the name of successful Tenderer/Consultant in PE's website, if any
- Post on the CPTU's website, above specified threshold

Approving Authorities As Per DoFP

MIN./DIV.
DEPARTMENT
DIRECTORATE

COR., AUTO. BODY,
SEMI-AUTO. BODY

COMPANIES

* CCGP
* MIN./DIV.
* HOPE
* PD/PM/AO/LD (Dev.)
* Div. Level (Rev.)
* Dist. Level (Rev.)
* UZ. Level (Rev.)

* CCGP
* MIN./DIV.
* BOD
* HOPE (CEO, SECY.)
* PD/PM/AO/LD (Dev.)
* Div. Level (Rev.)
* Dist. Level (Rev.)
* UZ. Level (Rev.)

AS DESIGNATED
BY COMPANY'S
OWN
ADMINISTRATIVE
AND
FINANCIAL
DELEGATIONS

Determined by DoFP/Sub-Delegation except CCGP

Approval of Tender or Proposal

Rule-11 (Decision making)

- AA decides in compliance with the provisions of the Act and Rules on the recommendations of EC
- AA considering the overall recommendations of the TEC/PEC, may either
 - (a) approve the recommendations; or
 - (b) seek any clarification from the TEC/PEC through PE on any specific issues in connection with such recommendations; or

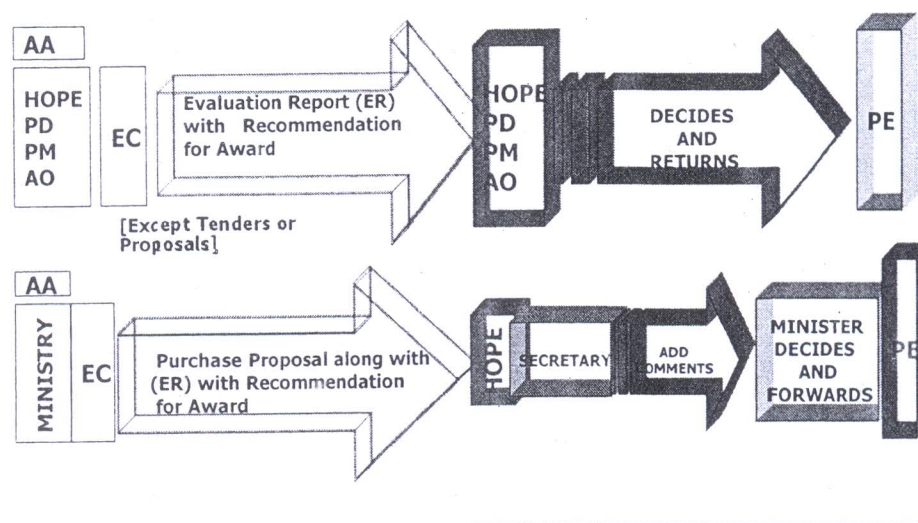
explaining the reasons –

- (i) reject the recommendations for a re-evaluation; or
- (ii) reject the recommendations with instructions to reprocess

Approval of Tender or Proposal

Rule-36(3)(a)

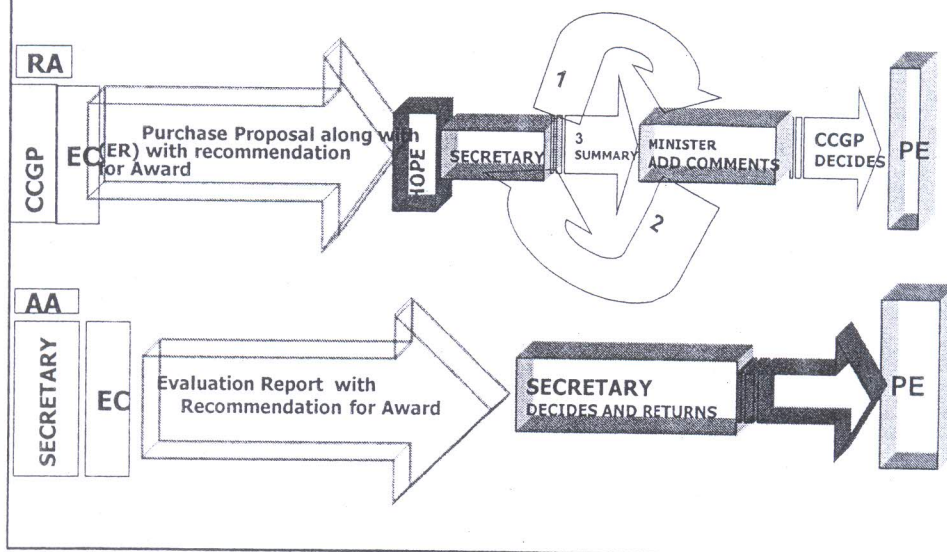
Ministry/Division/Department/Directorate



Approval of Tender or Proposal

Rule-36(3)(a)

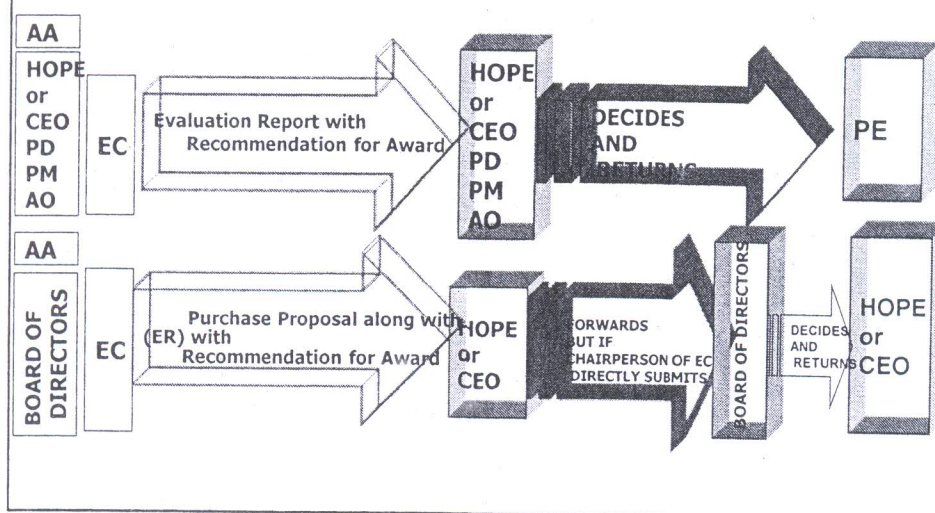
Ministry/Division/Department/Directorate

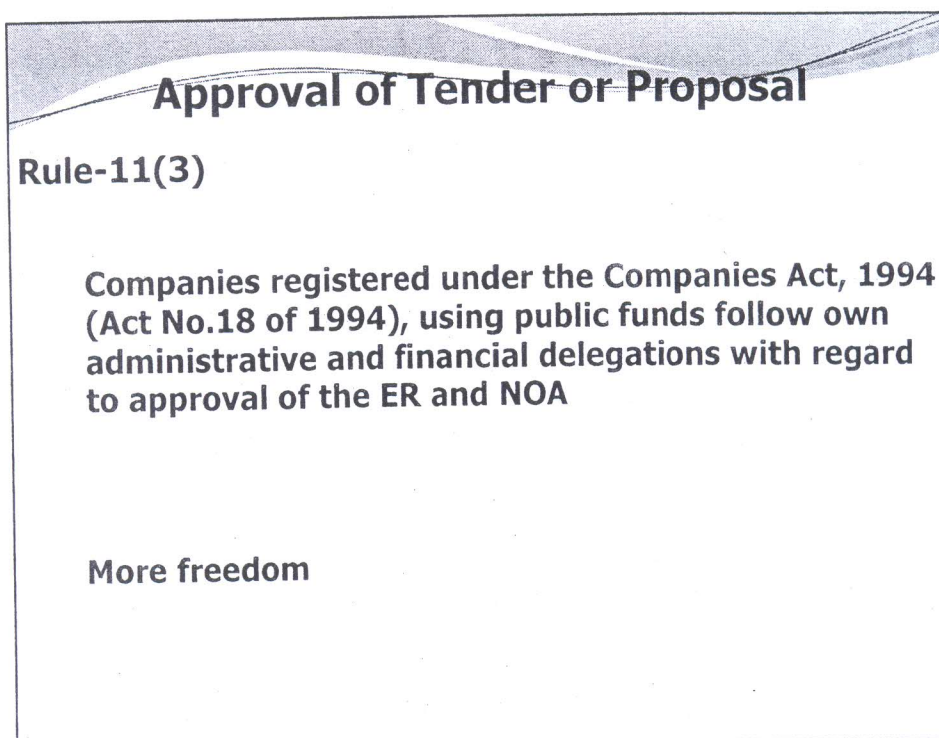
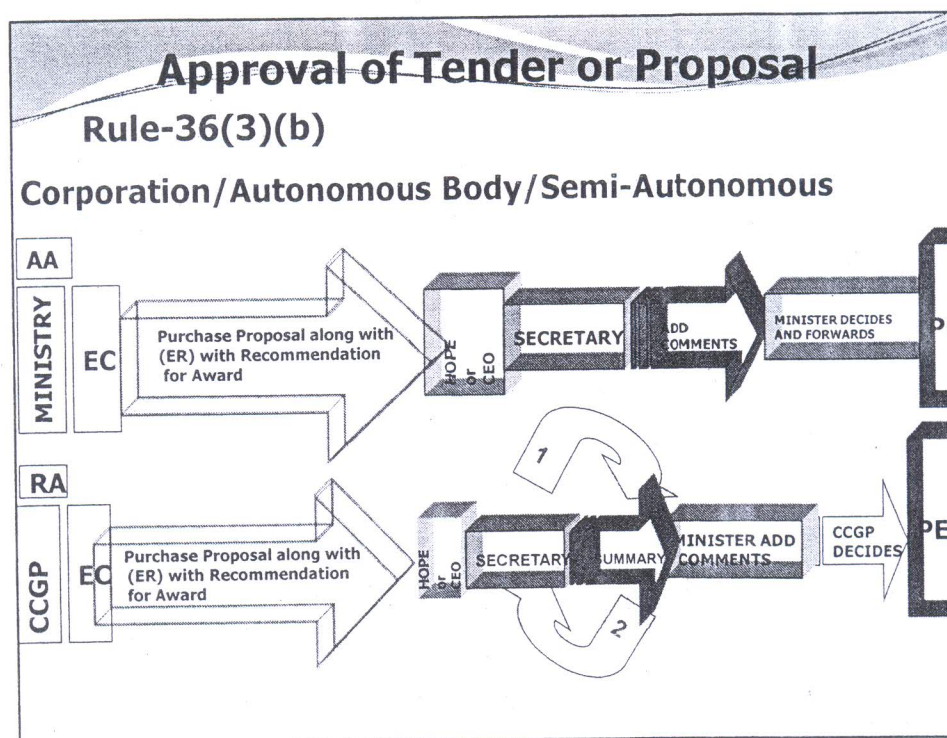


Approval of Tender or Proposal

Rule-36(3)(b)

Corporation/Autonomous Body/Semi-Autonomous Body





Approval of Tender or Proposal

Rule-36(4) : Upon receipt of approval, PE

- issues NOA within 7 working days but before the validity period provided that no complaint or appeal is pending
- ensures confidentiality in regard to approval by all officers and staff concerned with the process either directly or indirectly

Tender validity date is the toe-line

Session 4

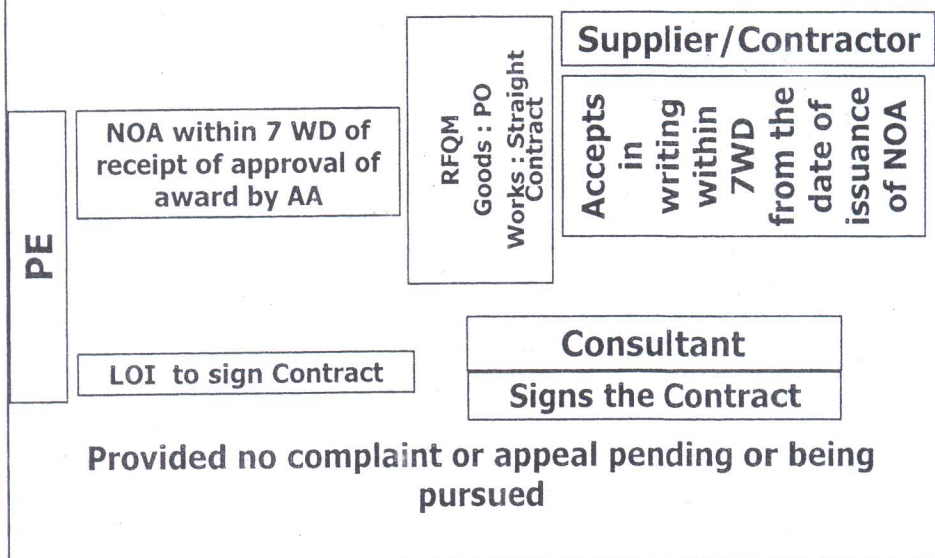
Contract Negotiations, Contract Award, Contract Performance and Closing

Negotiations (Rule-99)

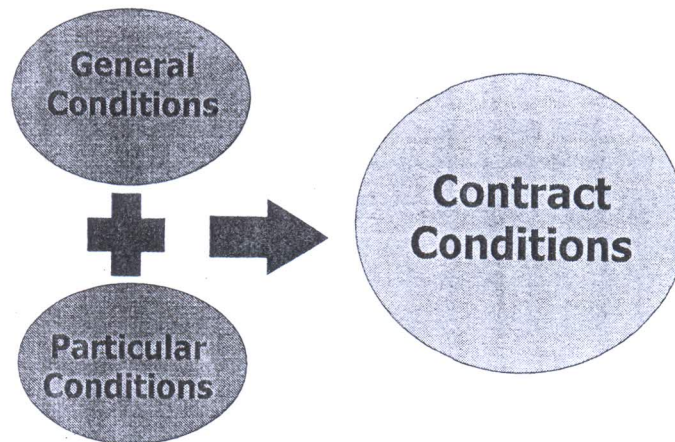
- No negotiation is permissible; Except Direct Procurement, Procurement of bulk divisible Commodities etc.
- Engage in conversation to reduce Tender price by reducing scope of works and reallocation of risks & responsibilities: when price is significantly higher than estimate;
- Lowest remains lowest, in any case;
- Tenderer may refuse and for so may not be penalized;

Goods and Works :NOA /Services :LOI(R-102)

Validity date is the toe-line



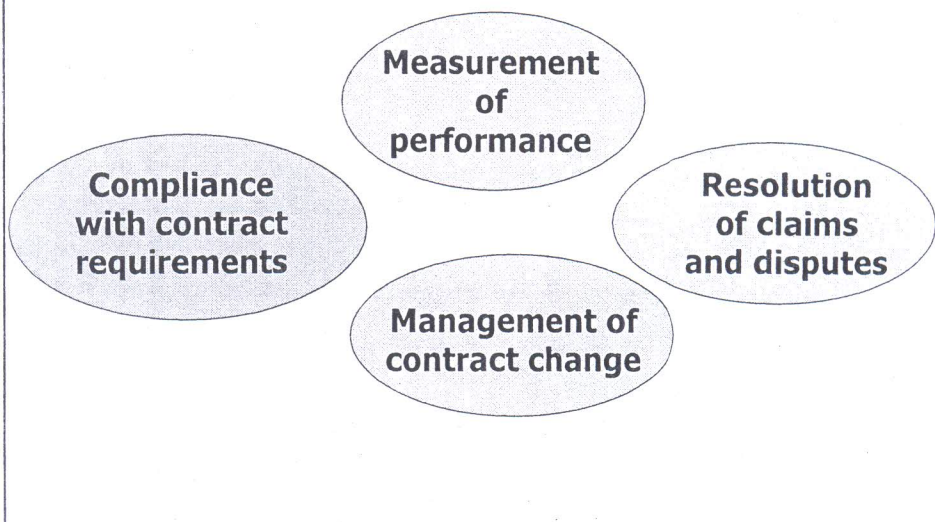
Contract Performance



Objective

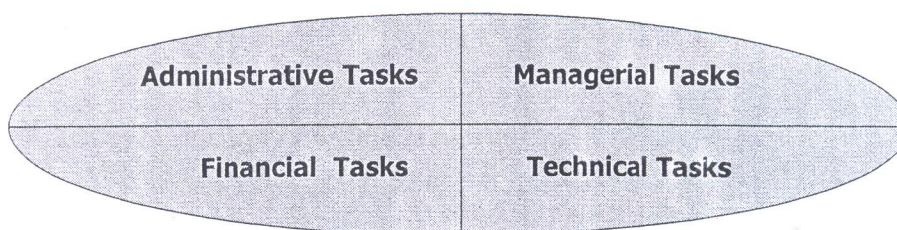
- Implementation of Contract Clauses (GCC & PCC) in terms of activity
- Define the allocations of duties and risks related to the performance of the Contract betⁿ Supplier and PE

Scope of Task[Post-award phase]



Scope of Contract Adm. & Magt.

Rule- 38(1): PE will involve



Contract Award

Contract Conclusion

Payment

Duration

Dispute/Claim

Session 5

Complaints and Appeals

Act:29, 30; Rules: 56-60

Key Objectives

- **Test of Transparency;**
- **Accountability;**
- **Credibility;**
- **Public Confidence; and**
- **Trust.**

Who can complain ?

A Person suffers or is likely to suffer loss or damage due to failure of a PE to fulfill its obligations, may lodge a complaint.

Right to Complain

Grounds:

- Pre-qualification documents not ready or available;
- Failure to respond promptly to request for clarifications;
- Failure by TEC to evaluate qualifications in accordance with criteria set out in pre-qualification document;
- Perceived unfair denial of pre-qualification;
- Possible corrupt or collusive practice;
- Adv. Procedures not as per Act and Rules;
- Framing tech. spec. For small no. Of sup./manu./cont. etc.

No complain can be lodged on

- Choice of procurement methods for Goods, Works and Services;
- Refusal to short-list an Applicant;
- Decision to reject applications for pre-qualification, tenders, quotations or proposals;
- Decision to award a contract approved by CCGP.

Levels of Complain

Rule- 57

→
T
W
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L
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V
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L

→

1

Administrative Level

- PE (PD/PM/PO/AO/LD) issuing TD/RFP
- HOPE
- Secretary of the Ministry/Division/Department

2

Review Panel Level

- Only when a Person-
- has exhausted all his or her options of complaints at the Administrative Level
 - &
 - is still dissatisfied

An aggrieved Person may complain at Two Levels

Administrative Authority

Complaint within 7 CD of Awareness

Decision by

Proc. Entity : 5 WD
HOPE : 5 WD
Secretary : 5 WD

Decision unsatisfactory:

HOPE : 3 WD after elapse of 5 WD with PE
Sec. : 7 WD after elapse of 5 WD with HOPE

No decision:

**within subsequent 3 WD after elapse of 5 WD
from the date of lodging the complaint to the
authority below the next.**

Complaints to Review Panel

**Only when a Person has exhausted all
his or her options of complaints at the
Administrative Level he may complaint
to RP.**

Mode of Complaint for Review

From of Complaint

- Addressed to Chairperson of RP duly sealed & confidential through DG, CPTU, IMED, Planning Commission, Dhaka;
- Covering Letter to the address of DG, CPTU shall mention the type of complaint;
- Appeal shall include Registration Fee & Security Deposit of specified amount in favor of DG, CPTU;
- Opened only by the Chairperson of RP.

Threshold for Registration Fee & Security Deposit

RF & SD required to submit a complaint

- Below Tk.10 million, the RF is Tk.10,000 & SD is Tk.50,000
- From Tk.10 million to Tk.50 million, the RF is Tk.15,000 & the SD is Tk.100,000
- Above Tk.50 million & up to 100 million, the RF is Tk.20,000 & the SD is Tk.200,000
- Above Tk.100 million, the RF is Tk.25,000 & the SD is Tk.500,000
- For complaints on issues prior to Tender Opening, the RF is Tk.10,000 & the SD is Tk.50,000

Review Panel Formation

Specialists:

CPTU establishes a list of well-known specialists with maximum of 10 from each of :

- **Legal Experts**
- **Technical Experts on Public Procurement**
- **Specialists on Contract Management
(may be from FBCCI)**

Review Panel Formation

Three to five Review Panels

- **Each Review Panel shall have at least one member from each of the 3- category of Experts;**
- **Each Review Panel shall have a minimum of 3 members, one of whom is nominated Chairperson;**
- **No officers of the Republic shall be included.**

Review Panel Formation

Appointment:

- The CPTU appoints the Review Panel Members & Chairperson on appropriate Terms & Conditions, with prior approval of the Ministry of Planning;
- The Review Panel may request the CPTU to co-opt maximum 2 members on a case-by-case basis, from the lists of specialists.

Complaint for Review

Processing the complaint

- Upon receipt of RF and SD from the complainant select the Review Panel on rotational basis & forward the complaint within 5 working days;
- No complaint shall be entertained without RF & SD; keeping the Complainant informed.

Commencing Review

Processing the complaint

- Upon receipt of a complaint or appeal in a due manner, RP shall issue written notice to PE to continue suspension of issuance of NOA
- RP's decision within 12 working days informing the Secretary of the Ministry or Division, CPTU, PE and Complainant.

Suspension of NOA while complaint under Review

- CPTU instructs PE to suspend issuance of NOA under intimation to the Secretary of the concerned Ministry or Division & the Complainant
- NOA shall not be issued by PE until disposal of the complaint or appeal, being pursued

Tender evaluation & approval process shall however continue

Exception to Suspension of NOA

- ▶ Suspension of issuance of NOA shall not be applicable even if complaint or appeal being pursued; provided that the HOPE, Secretary or the Minister certifies that the particular procurement is inevitable in public interest
- ▶ Basis of certification shall be specifically recorded in the procurement proceedings & such certification shall be considered final except for judicial review

Decisions Making

Except dismissal of the complaint or appeal, & forfeiture of SD, for the reason the complaint being frivolous , RP may take decisions separately or in combination as follows

- reject with reasons;
- refer to provisions in Act and Rules advising parties to act;
- advise PE to take remedial measures for actions contrary to;
- suggest annulment of PE's actions in whole or part;
- suggest payment of compensations to complainant;
- recommend procurement proceedings be completed.

Assistance Function by CPTU

- Issues a detailed work procedure of the Review Panel;
- Maintains the list of Review Panels and Specialists;
- Makes provision for payment of honorarium to RP members @ maximum of Tk. 5,000 per meeting, but not exceeding 5 meetings in total for one complaint;
- Provides necessary logistic support to the Review Panel;
- Under no circumstances be involved in the review proceedings.

Q&A
Thank You