



WORKSHOP FOR PROSPECTIVE BIDDERS ON MiDA/MCC PROCUREMENT OPPORTUNITIES AND PROCEDURES

“Enhancing Effective Participation in MiDA Contracts”

Procurement of Works

Outline of Presentation

- ▶ **Types of Standard Bidding Documents (SBDs) for Procurement of Works**
- ▶ **Sections of SBDs (and discuss common errors by Bidders)**
- ▶ **Conclusions and Recommendations**

Types of SBDs for Procurement of Works

1) Standard Bidding Documents for Pre-Qualification for Procurement of Works (PQD)

- ✓ pre-qualification will take place before bidding for the procurement of large works contracts of value of **USD 10 million or greater** through competitive Bidding (CB)
- ✓ may be used for the procurement of small works, should MiDA elect to pre-qualify construction companies for small works procurement
- ✓ Pre-qualification is not a mandatory requirement under the MCC PPG but when used it must be conducted in accordance with the PQD

Types of SBDs for Procurement of Works con't

2) Standard Bidding Document for the Procurement of Small Works (SBD-SW)

- ✓ for use when procuring an a measurement type or fixed price type works contracts through CB procedures with a value of less than USD 10 million
- ✓ SBD-SW assumes that pre-qualification has NOT taken place before bidding and can also be used with pre-qualification with relatively minor modifications

Types of SBDs for Procurement of Works cont'd

3) Standard Bidding Document for Procurement of Large Works with Pre-qualification (SBD-LW)

- ✓ for use when procuring an admeasurement type of works contracts through CB procedures with a value of USD 10 million or greater
- ✓ may be used for lower value works procurements **with prior** MCC approval
- ✓ SBD-LW is not appropriate for use in design-build projects and assumes that pre-qualification has taken place before bidding.

Types of SBDs for Procurement of Works cont'd

4) Standard Bidding Documents for Procurement of Large Works without Pre-qualification (SBD-LW)

- ✓ for use when procuring an admeasurement type of works contracts through CB procedures
- ✓ intended for projects involving Large Works with a value of USD 10 million or greater and may be used for lower value works procurements **with prior** MCC approval.
- ✓ SBD-LW assumes that pre-qualification has NOT taken place before bidding

Types of SBDs for Procurement of Works cont'd

5) Standard Bidding Document for Pre-Qualification for Procurement of Design-Build (PQD)

- ✓ for use when procuring works through CB procedures which are designed **largely** by the Contractor who will then construct the works in accordance with the approved designs,
- ✓ prepared based on the assumption that pre-qualification will take place before bidding
- ✓ intended for projects involving works of a value of USD 10 million or greater
- ✓ may be used for lower value design-build procurements **with** prior MCC approval

Types of SBDs for Procurement of Works cont'd

- ✓ Pre-qualification is not a mandatory requirement under the MCC PPG for the procurement of design-build but when used it must be conducted in accordance with the PQD

6) Standard Bidding Document for Procurement of Design-Build with Pre-qualification (SBD-DB)

- ✓ for use when procuring works through CB procedures which are designed **largely** by the Contractor who will then construct the works in accordance with the approved designs of a value of USD 10 million or greater
- ✓ may be used for lower value works procurements **with prior** MCC approval.
- ✓ SBD-DB assumes that pre-qualification has taken place before bidding

Types of SBDs for Procurement of Works cont'd

7) Standard Bidding Document for Procurement of Design-Build without Pre-qualification (SBD-DB)

- ✓ for use when procuring works through CB procedures which are designed **largely** by the Contractor who will then construct the works in accordance with the approved designs of a value of USD 10 million or greater
- ✓ may be used for lower value works procurements **with prior** MCC approval.
- ✓ SBD-DB assumes that pre-qualification has NOT taken place before bidding

Types of SBDs for Procurement of Works cont'd

8) Bidding Documents for Indefinite Delivery/Indefinite Quantity (IDIQ)

- ✓ firm and fixed priced contract based on the concepts of Framework Contracts/Blanket Purchase Agreements to sign IDIQ contracts for an agreed period subject to Task Order assignments with construction companies for small works procurement.

Sections of SBDs

Standard Bidding Documents for Procurement of Large Works

1) Invitation for Bids without Pre-qualification

2) Part 1 – Bidding Procedures

- ✓ Section I Instructions to Bidders (ITB)
- ✓ Section II Bid Data Sheet (BDS)
- ✓ Section III Bid Review, Evaluation Criteria, and Bidder Qualification Requirements
- ✓ Section IV Bidding Forms

Sections of SBDs cont'd

3) Part 2 – Works Requirements

- ✓ Section V Works Requirements

4) Part 3 – Conditions of Contract and Contract Forms

- ✓ Section VI General Conditions of Contract (GCC)
- ✓ Section VII Particular Conditions of Contract (PCC)
- ✓ Section VIII Form of Notice of Intent to Award
- ✓ Section IX Annex to the Particular Conditions - Contract Forms

Sections of SBDs cont'd

Bid Documents – ITB Clause 12

The Bid shall comprise the following:

- Letter of Bid and Appendix to Bid,
- All Bid forms in accordance with Bidding Forms, including priced Bills of Quantities,
- Bid Security,
- Written confirmation authorizing the signatory of the Bid to commit the Bidder,
- Documentary evidence of the Bidder's qualifications to perform the Contract if its Bid is accepted,
- Technical Offer, and
- Any other document required in the BDS
- Bid shall be signed

Common Errors by Bidders

Invitation for Bids without Pre-qualification

Note the details/insights of invitation as per Specific Procurement Notice and invitation to treat may include the following:

- City, Country, Month, Day, Year, Name and ID number of procurement
- Brief Background, Funding and Payments under the Compact and where to locate related documents
- Brief description of the general and specific goals and strategies of the Compact Program,
- General areas of focus and the specific projects proposed,

Common Errors by Bidders cont'd

- ▶ Expected duration and other background information that would be helpful to potential Bidders
- ▶ Requests to interested Bidders to submit sealed Bids
- ▶ Emphasis on Competitive Bidding procedures as governed by MCC Program Procurement Guidelines
- ▶ Notice of a pre-Bid meeting will/will not be held as described in the BDS
- ▶ Importance of Bid Security in the form and amount specified
- ▶ Bids delivery address/location, time and date and in the manner specified

Common Errors by Bidders cont'd

- ▶ Attention to distance and customs formalities and longer than expected delivery time
- ▶ Late Bids will not be accepted under any circumstances and will be returned unopened at the written request and cost of the Bidder.
- ▶ Electronic Bids shall not be accepted.
- ▶ Sign-off with Address, Telephone number, Fax number and Email address
- ▶ The Invitation for Bids issued by the Employer is **not** part of the Bidding Document

Common Errors by Bidders cont'd

➤ Part 1 – Bidding Procedures

- Definitions section lists and defines terms that are used in Part 1 and appear in initial capitalization.

➤ Section I - Instructions to Bidders (ITB)

- Information to assist Bidders prepare Bids

- Describes the procedures for the submission, opening and evaluation of Bids and the award of Contracts.

- **General** - Scope of Bid, Source of Funds, Corrupt and Fraudulent Practices, Trafficking in Persons, **Eligibility, Eligible Materials, Equipment and Services**

- **Contents of Bidding Document** - Sections of **Bidding Document, Clarification of Bidding Document, Site Visit, Pre-Bid Meeting** and Amendment of Bidding Document

Common Errors by Bidders cont'd

- ▶ **Preparation of Bids** - Cost of Bidding, Language of Bid, **Documents Comprising the Bid**, Letter of Bid and Schedules, No Alternative Bids, Bid Prices and Discounts, Currencies of Bid and Payment, **Documents Comprising the Technical Offer**, **Documents Establishing the Qualifications of the Bidder**, **Period of Validity of Bids**, **Bid Security**, **Format and Signing of Bid**
- ▶ **Submission and Opening of Bids** - **Sealing and Marking of Bids**, **Deadline for Submission of Bids**, **Late Bids**, **Withdrawal**, **Substitution and Modification of Bids**, **Bid Opening**,

Common Errors by Bidders cont'd

- **Evaluation and Comparison of Bids –**
- **Confidentiality, Clarification of Bids,**
- **Deviations, Reservations, and Omissions,**
- **Bid Review, Evaluation of Bids, and Qualification of Bidders, Determination of Responsiveness and Nonmaterial Nonconformities, Correction of Arithmetical Errors, Conversion to Single Currency,**
- **Price Reasonableness, No Margin of Preference, Past Performance and Reference Check, Employer's Right to Accept Any Bid and to Reject Any or All Bids**

Common Errors by Bidders cont'd

- ▶ Award of Contract - Award Criteria,
- ▶ Notification of Intent to Award,
- ▶ Signing of Contract, Applicable Compact Conditions
Performance Security,
- ▶ Posting of Award Notice,
- ▶ Commencement Date,
- ▶ The text of six (6) Sections and forty-seven (47) Clauses shall not be modified

Common Errors by Bidders cont'd

- MiDA is **not** responsible for the completeness of Bidding Document and its Addenda if they were **not** obtained directly from the source stated by the Employer in the Invitation for Bids
- Bidder is expected to **examine** all instructions, forms, terms and specifications in the Bidding Document. **Failure** to furnish all information or documentation required by the Bidding Document may result in the **rejection** of the Bid.

Common Errors by Bidders cont'd

- **Section II - Bid Data Sheet (BDS)**
- Sets out the particular requirements for the specific procurement
- Supplements the information included in Section I, Instructions to Bidders.
- Introduction: ITB 1.1 - **Name of Employer, Name of CB procurement, Identification number of the CB procurement. The lots comprising the CB procurement**
- B. Bidding Document: ITB 8.1, ITB 8.1, ITB 8.2, ITB 8.4, ITB 8.5, ITB 8.6 - **Clarification of Bidding Document, Site Visit, Pre-Bid Meeting**

Common Errors by Bidders cont'd

➤ C. Preparation of Bids:

- ITB 10.1 - **Cost of Bidding,**
- ITB 12.1 (g) - **Any other document required in the BDS,**
- ITB 15.1, ITB 15.5 - **Bid Prices, Discounts and Adjustment,**
- ITB 16.1 - **Currencies of Bid and Payment,**
- ITB 19.1 - **Period of Validity of Bids,**
- ITB 19.3 (a) - **Award Delays exceeding eighty four (84 days) beyond the expiry of the initial Bid validity,**
- ITB 20.1, ITB 20.2 - **Bid Security** (Guarantee subject to the Uniform Rules for Demand Guarantees, 2010 Revision, ICC Publication No. 758, except may otherwise be stated)
- ITB 21.1, ITB 21.2 - **Format and Signing of Bid**

Common Errors by Bidders cont'd

- D. Submission and Opening of Bids:
 - ITB 23.1 - **Deadline for Submission of Bids,**
 - ITB 26.1 - **Bid Opening**

- E. Evaluation and Comparison of Bids:
 - ITB 27.3 - **Confidentiality** and **contact with the Employer,**
 - ITB 33.1 - **Conversion to Single Currency**

- F. Award of Contract: ITB 40.1 - **Bid Challenges**

Common Errors by Bidders cont'd

Section III - Bid Review, Evaluation Criteria and Bidder Qualification Requirements

- Describes the **criteria and requirements** to determine the lowest evaluated responsive Bid and the **qualifications of the Bidder** to perform the Contract.

Bid Review

- Administrative Review - to determine that the Bid is **complete**, including **submission of additional information or documentation** within a reasonable period of time and/or **correction of nonmaterial nonconformities**
- Responsiveness Determination - to determine if the Bid is **substantially responsive**

Common Errors by Bidders cont'd

Section III - Bid Review, Evaluation Criteria and Bidder Qualification Requirements

- ▶ Technical Review for Responsiveness Determination
- ▶ Documents **comprising** Technical Offer - Technical Offer comprising statement of work methods, equipment, personnel, schedule and other information as
- ▶ Assessment of **adequacy** of Technical Offer - assessment of technical method and approach as regards key equipment and personnel, method and approach to satisfy the **environmental, social, gender, health and safety** requirements

Common Errors by Bidders cont'd

Evaluation Criteria

- Price Review – to determine the **Evaluated Bid Price**
- Price Reasonableness Determination - **significantly unbalanced or front loaded** for a detailed **price analysis**

Qualification Review

- Qualification Review - to determine satisfaction of the **qualification requirements** including Multiple lots
- References and Past Performance Review – review of **performance on earlier contracts**

Common Errors by Bidders cont'd

Section IV - Bidding Forms

- Provides the forms which are to be **completed** by the Bidder and submitted **as part** of its Bid.
- **Bid Submission Forms** - Letter of Bid, Appendix to Bid, **Form of Bid Security (Bank Guarantee)**
- **Bidder Qualification Forms** - ELI-1: Bidder Information Sheet, ELI-2: JV/Association/Sub-contractor Information Sheet, **ELI-3: Government-Owned Enterprise Certification Form**, CON-1: Historical Contract Non-Performance, FIN-1: Financial Situation, FIN-2: Average Annual Construction Turnover, FIN-3: Financial Resources, FIN-4: Current Contract Commitments/Works in Progress, EXP-1: General Construction Experience,

Common Errors by Bidders cont'd

EXP-2: Similar Construction Experience (value), EXP-3: Specific Construction Experience (activities), EXP-4: Environmental and Social (E&S) Management Experience, EXP-5: Health and Safety (H&S) Management Experience, REF-1: References of MCC Funded Contracts

► **Technical Offer Forms** - Tech 1: Method Statement, Tech 2: Environmental, Social, Gender, Health & Safety Staffing Methodology, Tech 3: Program, Tech 4: Cash Flow Projection, Tech 5: **Project Management Organization**, Tech 6: Construction Equipment, **Tech 7: CVs of Key Personnel**

Common Errors by Bidders cont'd

Part 2 – Works Requirements

- **Section V - Works Requirements**
- **Technical Specifications** - reference applicable standards and codes for materials, plant, supplies, and workmanship, key personnel requirements, environmental, social, health, safety, and gender requirements,
- **Drawings** - Design drawings in sufficient detail to understand the type and complexity of the work involved and to price the Bills of Quantities

Common Errors by Bidders cont'd

- **Bills of Quantities** - itemized descriptions measured in accordance with a method of measurement of the Works based upon the Technical Specifications and Drawings for the periodic valuation of Works executed
- Supplementary information that describe the Works to be procured
- Requirement to prepare a **site-specific** Contractor's Environmental & Social Management Plan (CESMP) and Health and Safety Management Plan (HSMP)

Common Errors by Bidders cont'd

Part 3 – Conditions of Contract and Contract Forms

- ▶ **Section VI - General Conditions of Contract (GCC)**
- ▶ The **Form of Contract** to be entered into by MiDA for the construction of Large Works
- ▶ General Conditions of Contract used with Standard Bidding Document are FIDIC Conditions of Contract for Construction, First Edition, 1999, **prepared and copyrighted** by the **International Federation of Consulting Engineers** and **licensed** to MCC
- ▶ Often referred to as the **FIDIC Red Book** for Works designed by MiDA/Plant and Design Build – **FIDIC Yellow Book**
- ▶ The text of the clauses in GCC shall **not** be modified

Common Errors by Bidders cont'd

- **Section VII - Particular Conditions of Contract (PCC)**
- Particular conditions of contract developed by MCC to **supplement** the GCC and that shall be used by MiDA in contracting for Large Works
- Provisions under **GoG's and the MiDA's obligations** under the Compact included
- **Text of the PCC Clauses must not be modified** except in limited circumstances, only where noted in the introduction to PCC with the prior approval of MCC
- Additional project-specific conditions may be developed by MiDA with the approval of MCC

Common Errors by Bidders cont'd

Section VIII - Form of Notice of Intent to Award

- ▶ Intended to be used by MiDA to notify the successful Bidder in anticipation upon the expiration of the period for timely filing of bid challenges and resolution there-of
- ▶ Notice of Intent to Award is **not intended to form** the Contract
- ▶ **Section IX - Annex to the Particular Conditions - Contract Forms**
- ▶ Forms which once completed will be part of the Contract
- ▶ Forms for **Letter of Acceptance, Contract Agreement, Performance Security, Advance Payment Security and Retention Money Guarantee**, when required, shall be completed only by the successful Bidder after award

Conclusions and Recommendations

Conclusions

- Mistakes, slips and errors could be made, no doubt
- Errors in action, calculation, opinion or judgment may be caused by poor reasoning, carelessness, **insufficient knowledge**, ignorant or imprudent deviation
- Need for familiarity with SBDs and particularly MCC documentation
- Pay attention to details as the devil is in the details
- Need for good judgment

Conclusions and Recommendations

Recommendations

- Read the Bidding Documents carefully and thoroughly
- Need to be circumspect with the understanding of Bidding Documents
- Prepare checklist of qualification criteria, bid submission requirements and assessment of risks
- Attend the Pre-Bid Meeting/Conference for specific capacity building
- Seek clarifications by submitting clarification questions before the stated deadline.
- Read all of the clarification question responses and ensure your Bid incorporates the detail responses provided
- Overconfidence should be avoided as it kills



Thank You