

GUIDE TO THE TENDER & EVALUATION PROCESS



**FIJI PROCUREMENT OFFICE
MINISTRY OF FINANCE
RO LALABALAVU HOUSE
SUVA**

DECEMBER 2010

Preface

The Fiji Government has adopted a new procurement policy framework that is established by the Fiji Procurement Regulations 2010. The new procurement policy framework focuses on five key principles:-

- Value for money;
- Maximising economy, efficiency and the ethical use of Government resources;
- Promoting open and fair competition amongst suppliers and contractors;
- Promoting the integrity of, fairness and public confidence in the procurement process; and
- Achieving accountability and transparency in the public sector.

This Guide is part of a series of Guides prepared to assist government agencies in understanding the new procurement policies and processes established by the Procurement Regulations 2010. It focuses on the tender process, the tender evaluation and the subsequent Government Tender Board approval.

Acknowledgement

This Guide has been prepared after wide research on other countries and organizations best practices and experiences. We would like to acknowledge that some of the information used has been adapted from the Australian Government (both federal and various states) Guides on procurement as well from the UNICTRAL Procurement Guidelines and best practices.

Assistance

If you require further assistance or clarification on this Guide, please contact:

Fiji Procurement Office
Level 4
Ro Lalabalavu House
Suva

Phone: (679) 330 7011
Fax: (679) 331 3135

TABLE OF CONTENTS

1.0	INTRODUCTION	- 5 -
2.0	PURPOSE	- 5 -
3.0	APPLICABILITY OF GUIDELINES	- 5 -
4.0	LEGISLATIVE REQUIREMENTS	- 5 -
4.1	International Obligations of Fiji Relating to Inter-Governmental Agreements	- 5 -
4.2	Qualifications of Bidders	- 6 -
5.0	SELECTING A PROCUREMENT METHOD FOR PURCHASES GREATER THAN \$30,000.....	- 7 -
5.1	Open Tenders as the Preferred Procurement Method	- 7 -
5.2	Two-Stage Tendering	- 8 -
5.2.1	Expression of Interest	- 9 -
5.3	Prequalified Tenders	- 9 -
5.4	Selective Tenders	- 10 -
5.5	Single Source Procurement.....	- 10 -
6.0	REQUESTING AND RECEIVING A TENDER OR PROPOSAL	- 11 -
6.1	Developing the Statement of Requirements	- 12 -
6.2	Statement of Requirements and Evaluation Criteria.....	- 15 -
6.3	Tender Document Details	- 15 -
6.4	Advertising an Open Tender	- 16 -
6.5	Tender Document Charge	- 16 -
7.0	EVALUATING, SELECTING AND RECOMMENDING TENDERS	- 18 -
7.1	Functions of the Evaluation Committee	- 19 -
7.1.1	Purpose	- 19 -
7.1.2	Composition.....	- 19 -
7.1.3	Role of the Evaluation Committee.....	- 19 -
7.1.4	Quorum.....	- 19 -
7.1.5	Declaration of Non Conflict of Interest.....	- 19 -
7.2	Evaluation of Tenders	- 20 -
7.2.1	First Stage – Assessing Mandatory and Administrative Requirements	- 20 -
7.2.2	Second Stage – Technical/Quality and Price Analysis.....	- 21 -
7.2.3	Clarifications	- 25 -
7.3	Post-Evaluation	- 26 -
7.3.1	Minutes	- 26 -
7.3.2	Standard Reporting Format	- 26 -

7.3.3	Updates.....	- 26 -
7.3.4	Confidentiality.....	- 26 -
8.0	GOVERNMENT TENDERS BOARD APPROVAL PROCESS	- 26 -
8.1	GTB Membership	- 26 -
8.2	GTB Process Guidelines.....	- 27 -
	APPENDIX 1 – REQUEST FOR TENDER/PROPOSAL TEMPLATE.....	30
	APPENDIX 2 – REQUEST FOR TENDER OR PROPOSAL TEMPLATE.....	31
	APPENDIX 3 - TENDER EVALUATION TEMPLATE.....	40
	APPENDIX 4 - THE GOVERNMENT TENDERS BOARD PROCESS MAP	41

1.0 INTRODUCTION

Agency procurement of goods, services and works greater than \$30,000 carries a higher risk to Government. Such procurement often involves greater complexity both through the procurement process and in agreeing and managing contractual terms and conditions, thus requiring higher skills and experience from management and staff and increased levels of review and approval.

The following sections summarise the processes for procurement greater than \$30,000. These sections comprise:

- Selecting a procurement method for purchases above \$30,000;
- Requesting and Receiving a Tender or Proposal;
- Evaluating, selecting and awarding tenders; and
- Government Tenders Board (GTB) approval process.

2.0 PURPOSE

The purpose of these Guidelines is to inform all officials in government agencies of the procurement process to be complied with when procuring goods, services and works with a value of greater than \$30,000.

3.0 APPLICABILITY OF GUIDELINES

These Guidelines shall apply to all ministries and departments and excludes city/town councils, local authorities, government companies and statutory authorities that are governed by their own sets of financial rules and procedures.

4.0 LEGISLATIVE REQUIREMENTS

The Fiji Procurement Regulations 2010 sets the legal framework in which all Government procurement must be undertaken. Regulation 30 requires that a tender must be called for the procurement of any goods, services or works valued at over \$30,000.

4.1 International Obligations of Fiji Relating to Inter-Governmental Agreements

If these guidelines conflict with an obligation of the Fiji Government under or arising out of any

- (a) Treaty or other form of agreement to which it is a party with one or more other Governments;

- (b) Agreement entered into by the Fiji Government with an inter-Governmental international financing institution; or
- (c) Agreement between the Fiji Government and any such subdivision or subdivisions of Fiji or between any two or more such divisions,

the requirements of the treaty or agreement shall prevail; but in all other respects tenders shall be governed by these Guidelines.

4.2 Qualifications of Bidders

Regulation 36 of the Procurement Regulations provides the general qualifications of potential suppliers and contractors that are interested in participating in government procurement contracts.

Potential bidders/tenderers must meet the following criteria:

- (i) that they have the legal capacity to enter into the contract;
- (ii) that they possess the necessary professional and technical qualifications, professional and technical competence, financial resources, equipment and other physical facilities, managerial capability, reliability, experience and reputation and the personnel to perform the contract;
- (iii) that they are not insolvent, in receivership, bankrupt or being wound up, their business activities have not been suspended, and they are not the subject of legal proceedings for any of the foregoing;
- (iv) that they have evidence of a business relationship in the form of a partnership agreement, joint venture agreement, supply contracts or like documentation, if bidding in conjunction with another person, that would necessitate the demonstration to fulfil the contract.

In addition, potential bidder/ tenderers must:

- (v) fulfill their obligations to pay taxes and other regulatory payments such as employees contributions to the Fiji National Provident Fund.

Procuring agencies can also include other criteria that is considered appropriate for that particular tender but it should not discriminate or unfairly limit potential bidders from taking part in government procurement.

5.0 SELECTING A PROCUREMENT METHOD FOR PURCHASES GREATER THAN \$30,000

There are several procurement methods that can be used when undertaking procurement of goods, service or works greater than \$30,000. These are:-

- (i) Open tenders, which is the preferred method of procurement;
- (ii) Two stage tendering
- (iii) Pre-qualified tenders;
- (iv) Selective tenders;
- (v) Single source procurement.

Each agency must identify the procurement method to be used for each of their procurement needs during the formulation of the agency's Annual Procurement Plan (APP). The choice of procurement method is critical to achieving the best value for money, ensuring fairness and probity in a competitive procurement environment and in planning a timely and resource efficient procurement process.

Prior to the beginning of the procurement process, the nominated procurement method should be reconsidered and confirmed.

5.1 Open Tenders as the Preferred Procurement Method

The preferred procurement method for all procurement greater than \$30,000 is open tender [*Regulation 30-2, Fiji Procurement Regulations 2010*]. It is expected that the vast majority of procurements requirements greater than \$30,000 will be met through open tender. An open tender is publicly advertised, open to all qualified bidders and is competitive on the basis of both price and quality. It is the appropriate procurement method to use when there are a number of suppliers in the market that are able to supply the goods, services or works.

There are two main ways in which agencies can invite potential suppliers to participate in procurement. A Request for Tender can be issued for goods and simple service procurement requirements and a Request for Proposal, is used for service procurement requirements that are outcome focused and cannot be comprehensively described in a statement of

requirements, and where innovative solutions are encouraged [*Regulations 37 & 38, Fiji Procurement Regulations 2010*].

The two envelope tender may also be considered as a form of open tender. It is normally used as part of the Asian Development Bank (ADB) or other donor organizations tender requirements. In this type of tender, bidders are requested to submit their bids in two separate envelopes, one containing their technical proposal and the second containing their price. The first envelope containing their proposals is first evaluated to determine their responsiveness to the technical specifications. After this is completed, the price envelopes for only those conforming bids are opened. This tender method ensures that quality is judged separately prior to judgement on price. This approach is typically appropriate for high value procurements where:

- Performance is critical but solution is not tightly defined; and
- Innovative solutions are encouraged.

5.2 Two-Stage Tendering

A two stage tender process is normally used for goods, services or works that are of high value and high risk. It is used in more complex procurement activities where the procuring agency needs to learn more about the goods or services in the market. The tender is conducted in two stages:-

Stage 1: An Expression of Interest is issued to find out more about the goods, services or works or the market and the capability of suppliers to satisfy the procurement need. Responses received are then evaluated against set criteria or minimum requirements. An agency may then tailor make their technical specifications after evaluating responses and request FPO to proceed with stage 2 of this tender process.

Stage 2: an RFP or RFT is issued by FPO requesting suppliers to submit an offer for goods or services or to propose a solution.

The two stage tendering process is time consuming and expensive and should only be used for high value and high risk procurements. The prequalified tenders and selective tenders mentioned below are also forms of the two stage tendering process.

5.2.1 Expression of Interest

There has been much confusion in Government over the use of an Expression of Interest (EOI). It must be noted that an EOI is not a tender and should not be used as a means of obtaining quotations or offers for the procurement of goods, services or works. An EOI is only a preliminary step to a tender and is used to gauge whether there are potential suppliers in the market that are interested in, and capable of satisfying the procurement need.

An expression of interest shall be advertised by the procuring ministry/department. It provides basic information about the procurement need and requests information on the capability of suppliers/contractors to satisfy the procurement need. The statement of requirements are likely to be more brief with a focus on outcomes than those suitable for an RFT or RFP. It must also be made clear to suppliers that an EOI will not necessarily result in procurement.

Responses received are then evaluated against set criteria to determine the ability of interested bidders to satisfy the procurement needs. Ministries and departments must ensure that a representative from the FPO is a member of the Committee/Taskforce responsible for evaluating responses to the EOI.

5.3 Prequalified Tenders

The procuring agency may engage in pre-qualified tenders for high valued and complex tenders with a view towards identifying, prior to the submission of tenders, bidders that are qualified. Prequalification proceedings are intended to eliminate, early in the procurement proceedings, suppliers or contractors that are not suitably qualified to perform the contract.

The pre-qualification proceedings are usually advertised as an expression of interest and shall include, at a minimum the following information:

- (i) instructions for preparing and submitting pre-qualification applications;
- (ii) a summary of the principal required terms and conditions of the tender contract to be entered into as a result of the tender proceedings;
- (iii) any documentary evidence or other information that must be submitted by Bidders to demonstrate their qualifications; and
- (iv) the manner and place for the submission of applications to pre-qualify and the deadline for the submission, expressed as a specific date and time and allowing

sufficient time for tenderers to prepare and submit their applications, taking into account the reasonable needs of the procuring agency;

- (v) any other requirements determined by the agency to be submitted.

The procuring agency shall then evaluate these applications to prequalify based only on the criteria set out in the prequalification documents. All bidders who submitted an application for pre-qualification must be informed of the decision accordingly. Only Bidders that have been prequalified are entitled to participate further in the tender proceedings.

Once a tender is called, the procuring agency may require a prequalified bidder to demonstrate again its qualifications in accordance with the same criteria used to pre-qualify such Bidder. The procuring agency shall disqualify any tenderer that fails to demonstrate again its qualifications if requested to do so.

5.4 Selective Tenders

Selective tendering allows the agencies to select the suppliers eligible to tender. This tendering method should only be used when there is known to be a limited group of appropriate suppliers and/or where there is an approved list of contractors/suppliers.

There are three main methods permitted for conducting a selective tender. Agencies may advertise an expression of interest and use the list of potential suppliers who lodge a compliant submission as the basis for inviting potential suppliers to submit tenders. Second, agencies may select from an approved list of suppliers/contractors that has been predetermined by the agency concerned. And third, agencies can select from a potential list of suppliers/contractors that have met certain requirements/criteria or performance standards that are a requirement for that particular procurement needs.

Agencies must ensure that the process used to select potential suppliers/contractors is non discriminatory and that the largest practicable number of potential suppliers should be used under the selective tender process.

5.5 Single Source Procurement

Single source tenders are used in exceptional conditions where there is only one supplier capable of supplying the goods, services or works as determined after undertaking a market sourcing exercise. Single source procurement can also be used when the procurement

involves the replacement or maintenance of parts where there is a need to purchase from the same supplier or manufacturer for compatibility purposes.

When applying for a single source procurement, the procuring agency must show evidence that their company/business is the manufacturers of that particular good or service or is the sole distributor of that particular good in the region.

6.0 REQUESTING AND RECEIVING A TENDER OR PROPOSAL

The APP and detailed procurement timeframe planning will identify when to start the procurement process for the goods, services or works required. The timeframe for each procurement is based on when the goods, services or works need to be delivered and the lead times required. Lead times will depend on the type and complexity of the goods, services or works and the method of procurement.

All Requests for Tender (RFT) must contain all necessary information to enable potential bidders to prepare and submit responsive tenders, including the specifications of that particular procurement and the evaluation criteria for the selection of the best tender. Where goods, services or works to be procured cannot be described in detail in the advertisement, additional information must be readily available from the ministry or department or a government website.

The RFT documents will typically include the following components:

- Conditions of tendering – organisational;
- Tender form and/or pricing schedule(s) giving the basis for the tender price or prices/rates (*specific to the RFT but using common form components*);
- Respondable schedules of information to be completed by the tenderers (*lodged either with the tender or post tender*) using specific and form questions;
- Standard conditions of contract (*i.e. common to all such contracts*);
- Special conditions of contract, possibly including a proposed contract (*using common form components*);
- Statement of requirements;
- Background documents including drawings, diagrams or samples – where applicable; and
- Selection criteria.

When preparing RFT documents, agencies must ensure they include a clear and unambiguous description of the proposed procurement process, including the:

- proposed contract conditions, as described above;
- works, assets and services to be delivered through the contract;
- information to be lodged in the tender;
- tendering process, including the basis for evaluating tenders; and
- decisions that will flow from the tendering process.

All requests to tender must be issued so as to encourage an open and competitive bidding process.

6.1 Developing the Statement of Requirements

The statement of requirements is the key component of the RFT and should be prepared by the person or team at the agency that best understands the requirements. This might be the end user or a technical specialist. External assistance from another agency or from firms with appropriate expertise should be sought when there is no appropriate in-house expertise.

Agencies will seek to draft their specifications in a clear, concise and logical manner.

- (i) Agencies must not prepare a technical specification that deliberately limits or puts up barriers for supply for either domestic or international firms.
- (ii) Agencies should emphasise on performance standards rather than specifying design characteristics. These may include recognised international or national standards and codes.
- (iii) Agencies should not refer to particular brands or trademarks, or refer to seeking equivalent products to brands or trademarks, in specifications.

Depending on the level of technical complexity or any uncertainty about feasible performance of or outcomes from procurement, it may be appropriate to use third party assistance in developing specifications. Agencies must avoid seeking advice on specification from any party that may have an interest in bidding for the procurement as this will result in a conflict of interest.

Technical or other specialist procurement information for the statement of requirements in any tender documentation can be of three main types:

- Functional specifications set the proposed function to be fulfilled by the product or other deliverables required, for example, provision of sewerage treatment works that treats the specified input, or service to be provided, for example, the provision of event management services or the design of a product for a specified function;
- Performance specifications set the performance standards to be met by the product or other deliverables, for example, the reliability of a patient monitoring system, the strength and durability of concrete to be supplied or service quality or other performance attributes;
- Detailed specifications define the product's or deliverables detailed technical and physical characteristics, including physical dimensions, detail design such as reinforcement details, plant power input and output, controls and instruments, materials to be used and so forth.

These types of specifications can be used singularly or in combination.

The products or service specifications should:

- state the requirement clearly, concisely, logically and unambiguously;
- contain enough information for Bidders to decide on and cost their tender proposals; and
- permit the offered procurement solutions to be evaluated against defined technical criteria by examination, trial, test or documentation.

The statement of requirements will vary significantly in scale and complexity depending on the size, subject matter and risk level of the contract but may contain some or all of the following:

Services:

- required outputs and/or outcomes
- performance measures and targets
- transfer of assets and personnel and any hand-over process

Goods:

- design and performance criteria
- functional performance and technical characteristics
- compliance with relevant national and international standards
- compatibility and standardisation with existing equipment and systems
- acceptance testing

Works:

- list drawings and other guidance provided
- details of access, ground conditions and preparation work
- performance criteria including contractors' designs
- relationships with subcontractors and suppliers
- employer's contractual and legal requirements
- insurances of works and indemnities
- works management including completion and defects
- control of time and cost
- quality control, standards and checks required
- health and safety
- temporary facilities

Other specific issues that need to be dealt with could include:

- Technology, systems and management techniques – the statement of requirements may need to state where the agency expects improvement in the use of systems and other management techniques. This will help ensure that the supplier continues to adopt best practice throughout the course of the contract.
- Whole of life support – This section should state what maintenance is required and any modifications or upgrades that may be required in the future plus any warranties required.
- Security – if security is an issue then this section should ask suppliers about how the confidentiality of personal and commercial information will be handled.
- Training – any training which is required for the product or service in question should be clearly identified and the supplier should be required to state what will be provided, plus the cost of any additional training requirements that may be required above the levels agreed in the tender process.
- Implementation timetable – The implementation timetable should be fully detailed including the commencement date, delivery date(s), milestones and a completion date.

6.2 Statement of Requirements and Evaluation Criteria

The specification process will feed into the development of evaluation criteria and contract management requirements.

6.3 Tender Document Details

Once the requirements have been proposed, the full RFT can be completed. The RFT must describe the tender process requirements in the conditions of tendering and:

- nominate a person and their contact details who will deal with enquiries from tenderers and provide any additional information required;
- explain where, when and how tenders must be lodged (*for example by physical delivery, or electronic tendering; and the use of two-envelope arrangements separating price and non-price information, or other special requirements*);
- indicate any supporting information required from Bidders, and how and when it must be submitted;
- state the evaluation criteria, and in most cases the broad weightings, on which the assessment of tenders will be based;
- allow, where applicable, for further information to be required after close of tenders (*normally sought from Bidders in contention*) to assist the evaluation process (*such as evidence of licences, accreditation status, information for the financial assessment of Bidders and their legal entity*) and how and when such information should be submitted;
- indicate what information will be made public during and after the tendering process and what information on service provider performance may be exchanged between agencies and others;
- draw attention to any special conditions or obligations under the proposed contract which may depart from the agency's normal practice;
- where appropriate encourage Bidders to offer alternative bids, and also clearly state the basis upon which they are to be submitted and considered;
- include mandatory tender process requirements only where they are essential for the evaluation of the tenders (*these should be kept to a minimum as non-compliance will lead to disqualification of the bid*); and
- if the nature of the procurement is such that a Best and Final Offer could be sought, the agency must indicate in the RFT that it can, at its sole discretion, request short-

listed tenderers to submit a best and final offer at any time during the evaluation process.

Tender documents must be approved and signed-off by the senior manager responsible in the procuring agency.

6.4 Advertising an Open Tender

The conditions for advertising of tenders is specified in the Regulations. All requests to tender must be advertised by the Fiji Procurement Office once specifications have been formulated and submitted by the respective agencies.

All requests to tender shall be published for a minimum of two (2) occasions in at least one newspaper circulating in Fiji and where appropriate in relevant trade journals circulating in other countries.

Request for tenders must also be advertised on the Ministry of Finance/Fiji Procurement Office website or any other government website or through any other means deemed appropriate to encourage an open and competitive bidding process.

Advertising in special publications may also be desirable where the subject of the procurement is highly technical or specialised.

6.5 Tender Document Charge

Tender documentation should be supplied to any interested or potential bidder either free of charge if emailed or downloaded from a government website.

Where tender documentation is supplied in hard copy and is a significant document or set of documents, e.g. plans, technical specifications, schedules, etc, as found in a tender for works, a reasonable fee may be charged as determined by the Fiji Procurement Office.

6.6 Supplier Briefings

Where procurement is complex, unusual, sensitive, highly strategic and/or with some uncertainty about the specification, or where relationships will be particularly important, a supplier briefing may be appropriate.

In the interest of equity, all participants must be notified of the time for group briefings and all questions and answers must be recorded and supplied to all participants.

FPO and agencies can undertake individual briefings but these must be reserved for significant strategic procurements where the supplier market is limited. All potential suppliers must be made aware of non-commercial questions and answers as part of the tender process. FPO and agencies must respect the privacy of commercially confidential information disclosed by providers during this process.

6.7 Managing Requests for Additional Information

A clear point of contact is required for questions and answers from suppliers. A contact person and contact details must be included in the RFT, as well as how questions should be submitted and how they will be answered. The contact person shall respond to any request by a bidder for clarification of tender documents within a reasonable time so as to enable the bidder to submit a timely bid. The response to any request that might reasonably be expected to be of interest to other bidders shall, without identifying the source of the request, be communicated to all bidders to which the procuring agency has provided the tender documents. The tender process must be fair to all participants, thus any information given to one participant must be given to all other participants (*unless the question is considered commercial in confidence to the participant who has made a request for information, and disclosure would compromise the participant's competitive advantage*).

6.8 Receipt of Tender Documents

The process for the receipt of tender documents is set out in Regulation 41 of the Fiji Procurement Regulations 2010. This section requires that:

- (1) Procedures to receive and open all submissions must guarantee fairness and impartiality and must ensure submissions are treated with confidence.
- (2) All bidders or their representatives are welcome to attend the opening of the tender-box.
- (3) The Board Secretary and one other board member shall open and register all bids received by the final date and time and record all details in a Tender Register.

Bidders shall not be permitted to alter their bids after the deadline except under the provisions of Regulation 43.

6.9 Late Submissions

The late submissions for tenders are set out in Regulation 40 of the Fiji Procurement Regulations 2010. These are outlined below:

- (1) Late submissions will not be accepted.
- (2) Late submissions will be recorded and returned unopened to the bidder after the tender opening. Late submissions shall only be opened if the bidders details are not recorded on the envelope or cover and shall be resealed and returned to the bidder accordingly.

6.10 Withdrawal of Tenders

The process requirements for withdrawal of a tender are set out in Regulation 47 of the Fiji Procurement Regulations 2010:

- (a) the procuring agency has sought to amend the terms of reference to a large extent that requires a fresh tender to be put out;
- (b) there has been evidence of collusion and improper tender practices;
- (c) the tender process (*from the advertisement of the tender to the Board approval*) has gone on for over a period of three months and has thereby compromised the fairness and impartiality of the procurement process;
- (d) if inadequate bids, quotations or proposals have been received in response to an request to tender;
- (e) in the event of any occurrence deemed by the Director to have a significant impact on the tender.

7.0 EVALUATING, SELECTING AND RECOMMENDING TENDERS

Regulation 42 clearly specifies that all bids must be evaluated in accordance with the evaluation criteria that were set for that particular tender as determined during the tender specification process.

The overall evaluation criteria shall be “value for money” which shall not necessarily be the lowest cost.

7.1 Functions of the Evaluation Committee

7.1.1 Purpose

An Evaluation Committee (EC) must be established by the agency or FPO to evaluate responses to each RFT or RFP. Members of the EC should have the expertise to evaluate proposals and make recommendations that could lead to the selection of one or more suppliers who will provide goods, services or works to government in an acceptable manner pursuant to the RFT. A representative from the FPO shall serve on the committee to provide advice and facilitate tender negotiations if required.

7.1.2. Composition

An evaluation committee should comprise of representatives from the following Ministries/Departments:

- Host Ministry/Department to provide Chair and Secretarial services for the EC;
- Ministry of Commerce;
- Fiji Procurement Office; and
- A representative from an agency with relevant technical expertise for technical tenders. For example a representative from ITC for all computer equipment related purchases, or a representative from Works for all infrastructure related contracts.

7.1.3 Role of the Evaluation Committee

The EC has authority to review and evaluate proposals received by the agency in response to a specific RFTor RFP for the purpose of identifying the most competitive proposals from responsive and responsible suppliers.

7.1.4 Quorum

A Minimum of three (3) Ministries/Departments are to be represented.

7.1.5 Declaration of Non Conflict of Interest

Once the proposals have been received and it is clear which entities are involved, each member of the evaluation committee must complete a “Non-Conflict of Interest” declaration (see Appendices). This will be provided by the Secretariat of the Evaluation Committee. These forms must be signed before any committee members begin their initial evaluation of the tenders.

The secretariat will collect and return the completed forms to FPO on submission of their Evaluation Report.

7.2 Evaluation of Tenders

The Evaluation is to be carried out in two (2) stages:

- 1) Assessing Mandatory and Administrative Requirements;
- 2) Technical/Quality and Cost Analysis.

7.2.1 First Stage – Assessing Mandatory and Administrative Requirements

The first stage of evaluation involves assessing the mandatory and administrative requirements of the tender. The Evaluation template to be used in this first stage is attached in the Appendices. It includes mandatory requirements which are being enforced by Government in cooperation with statutory authorities like the Fiji Islands Revenue and Customs Authority and the Fiji National Provident Fund.

The mandatory requirements include:

- The bidder must have the legal capacity to enter into contract. The company must be legally set up and registered in the country of origin. Bidders will be required to submit evidence of this;
- The bidder is not insolvent, in receivership, bankrupt or being wound up. This criteria may be difficult to verify but has been included to signify its importance. Procuring officers must familiarise themselves with potential suppliers in the market and their capabilities. However, any disqualification of tender on this grounds must be supported with written evidence;
- The bidder must have fulfilled their obligations to pay taxes and superannuation contributions in Fiji (may not be applicable to overseas based companies). Arrangements have been made with both the FIRCA and FNPF for the release of compliance letters from both organizations stating whether the bidder has fulfilled these statutory obligations. This letter must be submitted as part of their bidding documents;
- The bidder must have paid tender fees and tender deposits at the time of the opening of the tender. Although the tender fees are to be paid before the collection of the tender documents, there are instances as in the case of overseas bidders where the documents are sent to potential bidders via email and they are informed to include their tender fees with their tender submission. All bidders that have not satisfied these two requirements at the time of opening should be eliminated.

The Evaluation template also identifies the Administrative requirements which are normally part of the General Terms and Conditions of the tender. This includes general requirements regarding the submission of the bid, the conditions for taking part in a government tender, pricing arrangements and other administrative requirements.

Instructions for filling in the Evaluation template are as follows:-

- The evaluation template is filled in by using crosses (x) and ticks (v) where appropriate;
- If any of these mandatory requirements is not fulfilled by the bidder, this results in an invalid bid and the bidder should not proceed to the next stage of evaluation;
- Bids which do not meet more than 50% of the requirements (including both mandatory and administrative) should not proceed to the next stage of evaluation. Any recommendations to the contrary must be clearly justified and mitigated;
- Assessment should be based on what is stated in writing. That is, compliance should not be based on assumptions or personal knowledge about the bid/bidder. Such assumptions and personal knowledge may be stated separately, if they are viewed to carry weight; that is, if the information is seen as potentially substantial that it might influence the decision to support/decline a bid.

Whilst undertaking evaluation, it is encouraged that evaluation score-sheets be completed in advance, by the Secretariat, for verification by the Committee.

7.2.2 Second Stage – Technical/Quality and Price Analysis

The second stage involves evaluating the technical or quality aspects of the bid as compared to the tender terms and specifications and price. The percentage split between the technical/quality and the price factor will differ for each tender. These are generally determined by the procuring Ministry/Department when preparing their tender specifications.

Tenders are normally evaluated against the following general criteria.

- **Technical/Quality** - overall level of compliance with the agency technical specifications.
- **Price** – consider whole-of-life costs and best value-for-money
- **Qualification of suppliers** - business capability and capacity, including viability, staff resources, commercial management, commercial terms, risk management, and company quality systems

- **Relevant experience** – includes proven ability to supply or deliver the goods, services or works including referees, reference sites, etc that can be checked by the EC
- **Support service/warranty** – providing warranty and long-term service support over the duration of the contract, life of the product, etc.

As a general rule, the weighting given to cost and quality is dependent on the risk and value of the contract to be awarded.

Other criteria that can also be considered are listed below:

Experience	After sales service	Delivery time
Capacity (HR and Financial)	Methodology/Approach	OHS Compliance
Past Performance	Benchmarks/Standards	Financial Stability
Price	Stock Availability	Product Compatibility
Warranty	Regulatory Compliance	Conflicts of Interest
Maintenance	Sole Manufacturer/Supplier	Samples
Duration of the Contract	LabReport/TestCertification	Alternative(Back-up)Suppliers

There are two main methods of evaluation that can be used for this stage. These are:

- Simple Scoring method
- Two Stage Scoring method

(i) Simple Scoring method

An example of the simple scoring methods is illustrated below:

Tender Evaluation			Weight	Score			Total score		
				Tenders from:					
				Coy 1	Coy 2	Coy 3	Coy 1	Coy 2	Coy 3
Criteria	1	Technical/Quality	40%	9	7	5	3.6	2.8	2
	2	Price	30%	6	9	7	1.8	2.7	2.1
	3	Qualification of suppliers	10%	8	7	7	0.8	0.7	0.7
	4	Relevant experience	10%	8	6	5	0.8	0.6	0.5
	5	Support service/warranty	10%	7	8	5	0.7	0.8	0.5
Totals			100%				7.7	7.6	5.8

Score - 1 to 10 (1 poor and 10 excellent)

Price score - the lowest price scoring highest points

Awarding - company with highest points to be awarded the contract

(ii) Two-stage scoring method

Scoring “Non-price” criteria

The evaluation procedures are as follows;

1. Add the individual scores for each non-price criterion. Each criterion is given a point score from 0 (poor) to 10 (excellent) in increments of 0.5.
2. Weigh the individual scores for each non-price criteria according to the pre-determined weightings set out in the RFT. The weighted score is calculated by multiplying the score by the weight . In the example given below, the weighted score for tender 1, criteria 1 is calculated as $9 \times 20\% = 1.80$.
3. The sum of non-price scores for each tender is then normalised to 10. Normalising is a simple statistical method that allows data on different scales to be compared, by bringing them to a common scale.
4. The following formula is applied to normalize the non-price scores;
$$= \frac{\text{sum of non-price score for each tender} \times 10}{\text{Highest sum of non-price scores}}$$
5. This score is then adjusted for the total weightings of all the non-price criteria to obtain the overall weighted non-price score.

The example below shows how the weighted non price scores are calculated and normalised.

Example

		Tender 2	Tender 3	Tender 1
		X coy	Y coy	ZZ coy
Criteria 1, weight 20%	Score	9.0	8.0	9.0
	Weighted score	1.8	1.6	1.8
Criteria 1, weight 10%	Score	7	8	7.5
	Weighted score	0.7	0.8	0.75
Criteria 1, weight 10%	Score	7	6	9
	Weighted score	0.7	0.6	0.9
Total weighted sum = 40%	Weighted score	3.2	3	3.45
Normalised non-price		3.2 X 10/3.45	3.00 X 10/3.45	3.45 X 10/3.45
		9.28	8.70	10
Weighted non-price	40%	3.71	3.48	4.00

The highest non-price total score is given a score of 10 and other sums are ranked accordingly in proportion.

Scoring Price

Scores for price are based on the same method as the non price scores. (Note the lower the price, the higher the score).

Normalised price score = $\frac{\text{Lowest tender price} \times 10}{\text{Tender price}}$

Tenderer	Tenders (Price) (in ascending order)	Normalised
1	FJD 1,282,000	10.00
2	FJD 1,333,000	9.62
3	FJD 1,925,000	6.66

Total scores

		Tender 1	Tender 2	Tender 3
		X coy	Y coy	ZZ coy
Criteria 1, weight 20%	Weighted score	1.8	1.6	1.8
Criteria 2, weight 10%	Weighted score	0.7	0.8	0.75
Criteria 3 weight 10%	Weighted score	0.7	0.6	0.9
Total non-price = 40%		3.2	3	3.45
Normalised non-price		3.2 X 10/3.45	3.00 X 10/3.45	3.45 X 10/3.45
		9.28	8.70	10
Weighted non-price	40%	3.71	3.48	4.00
Normalised price		10.0	9.62	6.66
Weighted price	60%	6.00	5.77	4.00
Totals	100%	9.71	9.25	8.00

Equivalency Rule

When the difference between the first and second ranked total scores is less than 3%, the lowest price tender of the two is taken as the preferred tender unless there are extraordinary reasons for not doing so.

The “3% rule” is based on statistical review of the variances in the subjectivity of the evaluation committee’s individual scoring.

Alternative tenders

When the Conditions of the Request for Tender (RFT) or, more likely, a Request for Proposal allow for the submission of an alternative tender, provided the alternative tender conforms to the conditions of the RFT, it will be accepted and evaluated in the same way as all of the other tenders.

7.2.3 Clarifications

When there are ambiguities in a tender proposal, the evaluation committee may exercise its discretion to request clarification

All such requests are to be made in writing through the host Ministry/Department; however, a copy thereof is to be forwarded to the Director of the Fiji Procurement Office for reference

7.3 Post-Evaluation

7.3.1 Minutes

Prior to hard-copy distribution, it is encouraged that an electronic copy of the Minutes be circulated to all members of the evaluation committee for comments

7.3.2 Standard Reporting Format

For ease of reporting, a suggested format is attached which users are welcome to build upon (*Refer Appendix XX*)

7.3.3 Updates

It is courteous that Host Ministries/Departments that require additional time, keep the Board updated of the status of the evaluation

Proposed requirements are as follows:

- Cut-off time: by mid-day every Friday;
- Reason for delay to be documented;
- Advise as to foreseeable completion date or otherwise; and
- Endorsement by Departmental Head

7.3.4 Confidentiality

Members are duty-bound to maintain the highest standards of professionalism and refrain from divulging information to bidders and other parties

8.0 GOVERNMENT TENDERS BOARD APPROVAL PROCESS

The Government Tenders Board (GTB) now combines the previously established Major Tenders Board and the Public Works Tenders Board and has the authority to approve all procurement of goods, services and works valued at over \$30,000.

The GTB shall consider tenders, indents or orders for the supply of goods, services or works and may:

- Award tenders or approve indents and orders;
- Reject tenders and indents; or
- Ask for additional information from procuring agencies with regards to that particular procurement so as to assist them in making a decision.

8.1 GTB Membership

The GTB members are as follows:

- 1) The Permanent Secretary for Public Enterprises or nominee, as Chair
- 2) The Permanent Secretary for National Planning or nominee;
- 3) The Permanent Secretary for Works or nominee;
- 4) The Permanent Secretarion for Health or nominee;
- 5) The Permanent Secretary for Provincial Development or nominee;
- 6) The Deputy Secretary for Finance or nominee;
- 7) Director, Fiji Procurement Office;
- 8) An independent person from an anti-corruption institution or similar body appointed by the Minister.

Any nominee appointed by the respective PS should have professional expertise to evaluate proposals and approve tenders that could lead to the selection of one or more offeror(s) who will provide products/services to government in an acceptable manner.

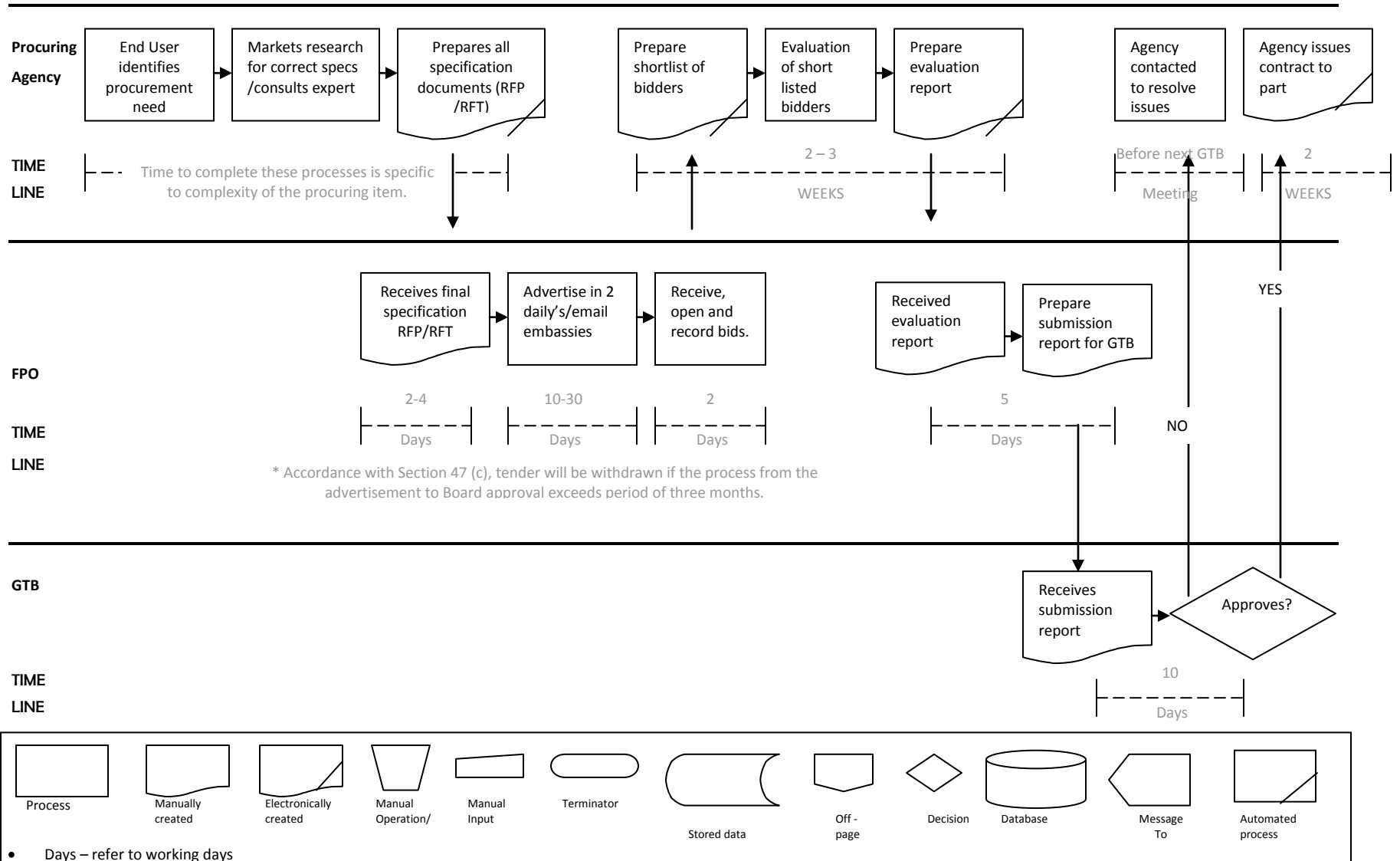
8.2 **GTB Process Guidelines**

Following the RFT process and the agency evaluation recommendation, the following processes are undertaken:

STEPS	PROCESS	DESCRIPTION
1	Agency forwards evaluation report to FPO.	Evaluation committee secretariat forwards evaluation report by the evaluation committee together with the scores, justification and rationale for its decision to the FPO Tenders Unit. Evaluation Report must be signed by all members of the evaluation committee as well as the minutes of all evaluation meetings held.
2	FPO reviews, compiles tender summary and issues to GTB members.	FPO reviews recommendations, scores, justification and rationale for its decision, ensures documentation follows a consistent format and is complete and accurate and forwards the same to the GTB members at least 3 - 4 days prior to the next GTB meeting.
3	GTB meet and review applications for tender approval.	GTB members discuss tender recommendations and approve/endorse recommended tender or hold over the application or decline the application.
4	Final recommendation.	Board secretary documents final approval as to who tender should be awarded and prepares the minutes of the meeting. Chairperson signs off approvals and minutes.

APPENDICES

APPENDIX 1 – REQUEST FOR TENDER/PROPOSAL TEMPLATE



APPENDIX 2 – REQUEST FOR TENDER OR PROPOSAL TEMPLATE

Government of Fiji Islands

Ministry of *[name of Government Agency]*

Request for Proposal (RFP) for: *[description of goods or services]*
Reference number: *[RFP number]*
Issue Date: *[date the RFP was issued]*
Place for lodgement: *[details of where to lodge Bidder's responses]*

Bidders are advised to register at the tenders' page of the Government of Fiji Tenders and Contracts website (info.fpo@mnfp.gov.fj) in order to receive any further information such as amendments, addenda, and further conditions that may apply to this RFP.

The Bidder's Response (Part D) must be completed in the format specified and submitted *[insert method by which the tender is to be submitted (e.g. tender box, electronically and/or e-mail)]*.

Document Contents

Part A – Invitation to Bid Documentation

Part B – Bid Rules

Part C – Contract Terms and Conditions

Part D – Response and Contract Schedules

CONTENTS

REQUEST FOR PROPOSAL

1. DOCUMENT STRUCTURE
2. BACKGROUND
3. INFORMATION/SCOPE
4. CONTACT PERSON
5. PRE-TENDER MEETING/SITE VISITS
6. FORMAT, CONTENT AND SUBMISSION OF BIDS
7. CLARIFICATION
8. SUBMISSION OF PROPOSAL
9. EVALUATION PROCESS
10. STATEMENT OF REQUIREMENTS
11. AGENCY SPECIFIC BID RULES
12. AGENCY SPECIFIC CONTRACT TERMS AND CONDITIONS

PART A

REQUEST FOR PROPOSAL

You are invited to submit a proposal to (insert Government party) (“Principal”) in accordance with the Instructions for the (insert subject matter) (“Project Requirements”).

1. DOCUMENT STRUCTURE

This Request for Proposal consists of four parts and (insert number) schedules:

Part A Invitation

This part contains:

1. Invitation – a brief background and general information concerning the request for proposal process (“the process”).
2. Statement of Requirements – this part sets out the project requirements.
3. Agency specific amendments to bid rules.
4. Agency specific amendments to contract terms and conditions.

Part B Bid Rules

This part sets out the procedures for submitting a proposal. This part is available from the following link:

http://www.fpo.gov.fj/site/policies_guides/procurement_process/specification_and_tender

Part C Contract Terms and Conditions

This part contains the contract requirements including a draft copy of the indicative terms of any contract that may ultimately be entered into for the project requirements.

For this tender the (insert one of 6 options) standard contract will be used. This part is available from the following link:

http://www.fpo.gov.fj/site/policies_guides/procurement_process/specification_and_tender

Part D Response and Contract Schedules

2. BACKGROUND

Insert a statement about the agency, background information, a description of the project requirements, the objectives of the project and any other relevant information.

3. INFORMATION/SCOPE

The following information is provided for your assistance:

Insert information

4. CONTACT PERSON

The only person authorised by the Principal/agency to communicate with you is the contact person. Therefore you cannot rely on communications with any other person. Any communication with the contact person should be in writing and addressed to the contact person.

Please nominate your contact person for your proposal at the time of submitting the proposal.

5. PRE-TENDER MEETING/SITE VISITS

You are invited to have a representative attend a pre-proposal meeting to be held at (insert location) on (insert date and time).

OR

A condition of submitting a proposal is attendance of insert details briefings, site visits to be held at (insert location) on (insert date/time).

AND/OR

A condition of submitting a proposal is that the Principal representative undertakes a site visit at the premises of tenderers.

6. FORMAT, CONTENT AND SUBMISSION OF BIDS

You are requested to prepare your proposal as stated in the bid rules.

7. CLARIFICATION

If there are parts of the document that you do not understand, you should contact the nominated contact officer detailed in the bid document prior to the last queries date.

The last date for queries is (insert date).

8. SUBMISSION OF PROPOSAL

The closing time for submitting a proposal is (insert date) at (insert time).

The proposal should be prominently endorsed with the nominated tender number and the nominated closing date, enclosed in a sealed envelope prominently marked:

“Proposal for (insert description of tender) and posted or delivered to the tender submission delivery address by the required closing time.

All proposal responses must:

- (i) be submitted electronically www.tenders.fpo.gov.fj; or
- (ii) be sent in a sealed envelope or package by Registered Post, or delivered by hand to:
“Tender Box”
Chairman Government Tender Board
Ro Lalabalavu House
Victoria Parade
Suva
Fiji Islands.

All electronic copies must be virus checked before electronic lodgement.

Electronic lodgements once lodged will be regarded as final. Where a proposal response is received via electronic lodgement, each response to a request for proposal will be regarded as full and complete.

Respondents planning to lodge their proposal electronically are encouraged to do so at least two (2) hours before the proposal closing time.

Paper copies must include an electronic copy of the proposal on CD-ROM, together with an Original and two (2) unbound duplicates of the response. Paper copies must be numbered "Original", "Copy No. 1", "Copy No. 2".

9. EVALUATION PROCESS

Proposals will be evaluated for full compliance with any mandatory requirements identified in the Statement of Requirements and/or Specifications.

Respondents are reminded that any requirements identified as mandatory are considered to be of fundamental importance to the satisfactory delivery of the goods and/or service, and a fully compliant response is required.

Short listed respondents will be required to (insert description or instruction on follow up processes).

9.1 Evaluation Criteria

Respondents will be evaluated against the following general criteria:

- Overall level of compliance with the Statement of Requirements and/or Specifications.
- Overall level of compliance with the draft Contract Agreement.
- Business capability and capacity, that could include viability, prior performance, staff resources, commercial management, commercial terms, risk management, and company quality systems.
- Respondents shall provide supporting information to enable these criteria to be assessed by completing every section of the request for proposal response.
- A value for money determination.

AND/OR

This following list of specific criteria is not extensive but is indicative of what may be considered:

- Demonstrated ability to provide the proposed goods or services in accordance with timelines;
- Methodology or project management experience;
- Proposed personnel or capability of staff;
- Ability to manage risk;
- Pricing; and
- Compliance with stated contract conditions.

9.2 **Request for Proposal Shortlist Process**

The Principal/FPO/Procuring Agency reserves the right to short list a limited number of respondents, based on its initial value-for-money assessment, and continue detailed evaluation of this smaller group of respondents to the exclusion of all others.

9.3 **Secondary Evaluation Process**

There are occasions when a secondary evaluation process is required. This may occur as a part of the original plan or be necessary to differentiate between short listed submissions.

A secondary process may include, but not limited to:

- Presentation of the intended project/methodology;
- Clarification of particular aspects of the submission;
- Additional information on some aspect of the submission;
- Responses to additional requirements; or
- Negotiations on personnel, project delivery, milestones and price.

Shortlisted suppliers will be notified of the secondary process.

10. **STATEMENT OF REQUIREMENTS**

10.1 **Statement of Requirements**

Description:	
Quantity:	(insert amount required)

Specific Outcomes Sought:	
Performance Criteria:	
Scope:	
Location:	(insert Delivery point or area for service)
Date for Delivery	(insert Date required for delivery or start)

11. AGENCY SPECIFIC BID RULES

The following agency specific tender rules are to be read with the Standard Tender Rules and will take precedent over the specifically related clauses.

Nothing in the agency specific tender rules removes or reduces the rights vested in the tender rules other than specifically identified by the agency specific tender rules.

New Clause for Bid Rules	Relates to Clause of Bid Rule	Text of additional clauses
1		
2		
3		

12. AGENCY SPECIFIC CONTRACT TERMS AND CONDITIONS

The following agency specific contract terms and conditions are to be read with the Standard Contract Terms and Conditions and will take precedent over the specifically related clauses.

Nothing in the agency specific contract terms and conditions removes or reduces the rights vested in the Standard Contract Terms and Conditions other than specifically identified by the agency specific contract terms and conditions.

New Clause for Contract Terms and Conditions	Relates to Clause of Contract Terms and Conditions	Text of additional clauses
1		
2		
3		

APPENDIX 3 - TENDER EVALUATION TEMPLATE

EVALUATION TEMPLATE (Initial Stage)

- Please refer to the Tender Terms and Conditions for clarification
- Proposals which conform to the given requirements are eligible for progression to the next phase
- This template must be used at all times, unless justified otherwise by the Evaluation Committee
- It is encouraged that this form be completed in advance, by the Secretariat, for verification by the committee
 - The verifying officer must be of a senior rank to that of the preparing officer

Scoring Criteria

Where Bidder's Proposal is Satisfactory: 1 point

Where Bidder's Proposal is Unsatisfactory/Ambiguous: Nil

Otherwise/Not-Applicable: N/A

(The awarding of points is at the discretion of the Evaluation Committee)

Clause	GENERAL TENDER TERMS AND CONDITIONS	Company 1	Company 2	Company 3	Company 4	Company 5
2	Background/History of the Company					
3	Local Bidders are to provide quotes which include Duty, VAT and delivery-to-site on an "as and when required" basis. Overseas Bidders are to provide quotes which include Cost and Freight to Suva					
5	Furnish prescribed forms (if any) and any other relevant documentation					
7a	Separate Quoting for each item					
7b	Price must be valid for 60 days from the Closing Date of Tender					
8	A recent written statement from a Chartered Accountant who holds a certificate of Public Practice, registered with the FIA, detailing the percentage ownership of the company by Ethnicity					
9	The business relationship between the Bidder(s) and their Partner(s)/Supplier(s) must be confirmed in writing					
20	Payment should be upon satisfactory execution of the order in compliance with the tendered prices, delivery time and full supply of quantity ordered					
22	Bids are to be clearly written or typed on official letter-heads, signed and designating all relevant contact details					
24	Contract Price after award should be for a period of at least 12 months					
25	Product samples and technical literature/brochures					
26	Warranty Period					
	MJTB Form					
Total Score(s)		/	/	/	/	/

Prepared by

Confirmed by

Name: _____ Signature: _____

Name: _____ Signature: _____

Date: _____ Designation: _____

Date: _____ Designation: _____

APPENDIX 4 - THE GOVERNMENT TENDERS BOARD PROCESS MAP

