Section III. Evaluation and Qualification Criteria

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1. Scope

1.1.1 Local Handling and Inland Transportation

If the Purchaser wishes to consider during bid evaluation the costs for inland transportation, insurance, and other services within the Purchase’s country incidental to delivery of the goods to their final destination, then

(a) The purchaser must define these service items in section VI, Schedule of Supply, List of Goods and Related Services; and

(b) Bidders must be required to quote for these service items as part of their bid price in the PRICE SCHEDULE FOR RELATED SERVICES TO BE OFFERED FROM OUTSIDE AND WITHIN THE PURCHASER’s COUNTRY provided in section IV, Bidding Forms.

Cost for inland transportation, insurance, and other incidental costs for delivery of the goods from the EXW premises, or port of entry, or border point to the project site as defined in section VI, Schedule of supply, shall be quoted in the PRICE SCHEDULE FOR RELATED SERVICES TO BE OFFERED FROM OUTSIDE AND WITHIN THE PURCHASER’s COUNTRY provided in section VI, Bidding forms. If a Bidder fails to include such costs in the Bid, then these costs will be estimated by the purchase on the basis of published tariffs by the rail or road transport agencies, insurance companies, or other appropriate sources, and added to EXW or CIF or CIP price.

1.1.2 Minor Omissions or Missing Items

The Cost of minor omissions or mission items in the scope of supply, services, etc. should be added to the bid price to allow for the bid comparison on an equal basis. The price adjustment should be based on a reasonable estimate of the cost by the executing agency, engineer, consultant and bid evaluation committee, taking into consideration the corresponding quoted prices from other confirming bids. The price adjustment should be based on the fair price of the omitted item. The most frequently used method is to use the price equal to the highest price quoted for the same item by the other bidders.

Pursuant to sub-clause 31.3 of the Instructions to Bidders, the cost of all quantifiable nonmaterial nonconformities or omissions from the contractual and commercial conditions shall be evaluated. The Purchaser will make its own assessment of the cost of any nonmaterial nonconformities and omissions for the purpose of ensuring the fair comparison of bids.
1.2 **Multiple Contracts:**

Goods are grouped in lots. The purchaser will evaluate and compare bids on lot basis.

1.3 **Technical Criteria**

The cost of all quantifiable deviations or deficiencies from the technical requirements as specified in Section VI, Schedule of Supply shall be evaluated. The Purchaser will make its own assessment of the cost of these deviations or deficiencies for the purpose of ensuring fair comparison of Bids.

However, a minor deficiency in technical compliance may not cause for rejection of the bid but the Purchaser shall have the right to inspect/test the goods/materials to confirm their conformity to the specification.

1.4 **Economic Criteria**

Price will not be the only criteria, as there could be other criteria that may be expressed in monetary terms. The financial cost for these adjustments shall be made in the manner stipulated.

1.4.1 **Opening of Price Proposals**

The Purchaser will open the Price Proposals of all the Bidders who submitted substantially responsive Technical Proposals at the time and date at the location advised to the Bidders. The Bidders’ representatives who are present shall sign a register evidencing their attendance.

The Bidder’s names, the bid price, the total amount of each bid, any discounts, and such other details as the Purchaser may consider appropriate, will be announced and recorded by the Purchaser at the opening. The Bidder's representatives will be required to sign this record.

Any bid price or discount not read out and recorded at the bid opening shall not be considered in bid evaluation.

1.4.2 **Preliminary Evaluation of Price Proposal and Determination of Responsiveness**

The Purchaser will examine the Price Proposals to determine whether they are complete, whether the documents have been properly signed, whether the Price Proposals are substantially responsive to the requirements of the bidding documents; and whether the Price Proposals provide any clarifications and /or substantiation that the Purchaser may require pursuant to relevant clause.

The amount stated in the Form of Bid for Price Proposal will be adjusted by the Purchaser in accordance with the above procedure for the correction of errors and shall be considered as binding upon the Bidder. If the Bidder does not accept the corrected
amount of the bid, its bid will be rejected and the Bid Security may be forfeited in accordance with relevant clause.

If a Price Proposal is not substantially responsive, it will be rejected by the purchaser, and may not subsequently be made responsive by correction or withdrawal of the non-conforming deviation or reservation.

Bid shall be considered non-responsive and rejected if any condition is proposed in the price proposal that has not been included in the technical proposal.

1.4.3 Evaluation and Comparison of Price Proposals

The Purchaser will evaluate and compare only the Price Proposals determined to be substantially responsive pursuant to relevant clause.

The Purchaser’s evaluation of a bid will exclude and not take into account:

a. in the case of Goods partially or wholly manufactured within the Purchaser’s country or Goods of foreign origin already located in the Purchaser’s country, sales and other similar taxes which may be levied on the finished Goods if the Contract is awarded to the Bidder;
b. in the case of Goods to be offered from outside the Purchaser’s country, customs duties and other similar import duties and taxes which may be levied on the goods if the contract is awarded to the Bidder; and
c. Any allowance for price adjustment during the period of execution of the contract, if provided in the bid.
d. The comparison shall be of the Ex-factory/Ex-warehouse/Off-the-shelf price of the Goods to be offered from within the Purchaser’s country (such price to include all costs as well as duties and taxes paid or payable on components and raw material incorporated or to be incorporated in the goods) and the CIP (delivery at purchaser’s warehouse) port-of-entry price of the Goods to be offered from outside the Purchaser’s country.

The Purchaser’s evaluation of a Bid will take into account in addition to the bid price, the following factors, in the manner and to the extent indicated in this clause.

a. Adjustment for deviations from the Terms of Payment

Deviations from the terms of payment as specified in special conditions of contract, subclause 16.1 are not permitted.

b. Delivery Schedule

The goods covered by the bidding process are required to be delivered in accordance with, and completed within, the Delivery and completion schedule specified in Section VI, Schedule of Supply. No credit will be given to earlier completion. Bids offering late delivery schedule will be acceptable, but the bids shall be adjusted in the evaluation by adding the bid price at the rate of one-tenth of one percent (0.1%) for each day of delay.
for comparison purpose only. Bids offering delivery schedule beyond thirty (30) days of the date specified in section VI, Schedule of Supply, shall be rejected.

c. Margin of Preference

In supply-only contracts, a margin of preference will be granted to goods manufactured in the purchaser’s country in accordance with the following provisions.

i. For comparison, responsive bids shall be classified in one of the following three groups:

(a) Group-A: bids exclusively offering goods manufactured in the country of the borrower if the bidder establishes to the satisfaction of the borrower and ADB that (i) labour, raw material, and component from within the country of the borrower will account for 30% (thirty percent) or more of the EXW price of the product offered, and (ii) the production facilities in which those goods will be manufactured or assembled has been engaged in manufacturing/assembling such goods at least since the time of bid submission.

(b) Group B: all other bids offering goods manufactured in the country of the borrower.

(c) Group C: bids offering goods manufactured abroad that have been already imported or that will be directly imported

ii. The price quoted for goods in bids of groups A and B shall include all duties and taxes paid or payable on the basis of materials or component purchased in the domestic market or imported, but shall exclude the sales and similar taxes (if applicable) on the finished product. The price quoted for goods of group C shall be on CIP (delivery at purchaser’s ware-house), which is exclusive of custom duties and other import taxes already paid or to be paid.

iii. In the first step, all evaluated bids in each group shall be comparing to determine the lowest bid in each group. Such lowest evaluated bids shall be compared with each other and if, as a result of this comparison, a bid from group A or group B is the lowest, it shall be selected for the award.

iv. If as a result of the comparison under paragraph three above, the lowest evaluated bid is a bid from group C, the lowest evaluated bid from group C shall be further compared with the lowest evaluated bid from group A after adding to the evaluated price of goods offered in the bid from group C, for the purpose of this further comparison only, an amount equal to 15 percent of the CIP (delivery at purchaser’s ware-house) bid price. The lowest evaluated bid determined from this last comparison shall be selected.
2.0 Qualification Criteria

2.1 Financial Criteria

2.1.1 For determining the financial capability of the bidder, the following requirement shall be furnished with the bid:

a. (Current Assets - Current Liabilities), not less than US$ 2.75 Million for Lot-2 & US$ 2.00 million for Lot-6 (based on latest balance sheet, if inadequate, the working capital can be supplemented with confirmed letter of credit from a reputable bank). No conditional Credit Facility from bank shall be accepted;

In case of bid submitted by Joint Venture (JV), each partner shall meet at least 25%, one partner shall meet at least 40% and all partners shall combinedly meet 100% of the above requirement.

b. Annual Turnover: US$ 22.00 Million for Lot-2 & US$ 16.00 Million for Lot-6 (Average for last 3 years).

In case of bid submitted by Joint Venture (JV), each partner shall meet at least 25%, one partner shall meet at least 40% and all partners shall combinedly meet 100% of the above requirement.

c. Submission of audited balance sheets and income statements or, if not required by the law of the bidder’s country, other financial statements acceptable to the employer, for the last 03 years to demonstrate the current soundness of the bidder’s financial position and its prospective long term profitability. As a minimum, a bidder’s net worth calculated as the difference between total assets and total liabilities should be positive.

Failure to meet the above requirements shall cause rejection of bid.

2.1.2 As part of the above information/documents, the Bidder shall submit the following:

a. Copies of legal documents defining constitution or legal status, place of registration and principal place of business of the bidder.

b. Detail of similar supply order in hand and contractual commitments of the Bidder.

c. Credits or other qualifications issued by the supplier’s bank or banks.

d. Transcripts of registration of the incorporation of the bidder.

e. Authority to seek reference from the bidder’s banks.

f. Information regarding the current litigation in which the bidder is involved, the parties concerned and disputed amount.

2.2 Experience Criteria

(i) Contractual Experience:
Participation as a supplier/contractor in at least 01 (one) contract, with a value of at least:
- US$ 6.60 million for Lot-2
- US$ 4.85 million for Lot-6
those have been successfully or are substantially completed within last 05 years. The documentary evidence of contractual experience along with mentioning the contract value shall be submitted with the bid document. **Failure to meet this requirement shall cause rejection of bid.**

(ii) **Specific Experience:**

**Lot-2 of Package-2:**
The bidder shall have executed supply contracts for at least 12000 nos. offered type SPC pole, 3500 nos. of offered type steel poles and 19700 sets of different type of pole fittings in not more than 03 contracts within last 5 (five) years. The documentary evidence in support of specific experience issued by at least 02(two) Electric Utilities as end-users in shall be submitted along with the bid.

**Lot-6 of Package-2:**
The bidder shall have executed supply contracts for at least 1,00,000 nos. of Pre-paid Meter and or Pre-paid Metering System in not more than 03 contracts within last 5 (five) years. The documentary evidence in support of specific experience issued by at least 02 (two) Electric Utilities as end-users of which at least 1(one) from outside the bidder’s own country, shall be submitted along with the bid.

In case of bidder who offers to supply items which the bidder does not manufacture or produce, the manufacturer or producer’s experience shall be considered against requirements of specific experience as mentioned in clause 2.2(ii) for all 02 lots. **Failure to meet these requirements shall cause rejection of bid.**

(iii) **Performance of Offered Goods:**

**Lot-2 of Package-2:**
The offered type poles, pole fittings and line hardware shall have record of satisfactory performance in similar climate conditions as of the Purchaser’s country. Satisfactory Performance Certificates issued by at least 02 electric utilities as end-users shall be submitted along with the bid.

**Lot-6 of Package-2:**
The similar type of pre-paid meters shall have record of satisfactory performance in similar climate conditions as of the Purchaser’s country. Satisfactory Performance Certificates issued by at least 02 electric utilities as end-users of which at least 1(one) from outside the manufacturers own country, shall be submitted along with the bid.
Failure to meet these requirements shall cause rejection of bid.

(iv) **Overseas Supply Record:**

The bidder shall have export track record in the countries with similar climatic conditions for similar goods of minimum 25% of the offered quantity for each lot in a single contract within last 3 (three) years. However, the experience of the bidder from within the Purchaser’s country for supply of similar goods in the Purchaser’s country shall also be considered for each Lot.

Failure to meet these requirements shall cause rejection of bid.

2.3 **Supply Capacity:**

The bidder and/or its manufacturer(s) shall have supply capacity of minimum 18,000 nos. poles per annum under lot-2 & 1,50,000 (one hundred fifty thousand) pre-paid meters per annum under lot-6.

2.4 **Litigation History:**

Bidders are requested to submit details of all litigation, arbitration, or other claims, whether pending, threatened or resolved in last five years, with the expectation of immaterial claims with cumulative possible impact of more than US$ 50,000.00 or equivalent. The purchaser may disqualify bidders in the event that the total amount of pending or threatened litigation, arbitration or other represents more than thirty percent (30%) of the total assets for each Lot.