



PROCUREMENT POLICY

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1. INTRODUCTION

1.1 Policy Statement

This document sets out the Central Bank of Seychelles' (hereafter referred to as 'the Bank') policy with respect to procurement.

Procurement undertaken by the Bank shall be governed by the following fundamental principles:

- a. transparency;
- b. competition;
- c. economy;
- d. efficiency;
- e. fairness; and
- f. accountability.

1.2 Definition

The following terms as used in this Policy shall have the following meaning:

“approvals authority” means the body or individual with power to grant prior authorisation of certain key steps in the procurement process;

“best evaluated bidder” means the bidder ranked as first, following the application of the specified evaluation methodology and criteria;

“bid” means an offer to provide goods, works or services submitted by a bidder in response to an invitation for procurement and includes a tender, proposal and request for quotation;

“bidder” means a person or group of persons that offers to provide goods, works or services in response to an invitation from the Bank and includes, where applicable, a potential bidder;

“bidding document” means any document on the basis of which bidders prepare bids and includes any document which contains instructions to bidders, specification, maps, designs, terms of reference, work schedules, evaluation criteria, bills of quantities, conditions of contract and other similar items;

“close relative” means a parent, sibling, spouse, child, legal guardian or legal children;

“coercive practice” means harming or threatening to harm, directly or indirectly, a person or a person's property, in order to influence that person's participation in a procurement process or affect the execution of a contract;

“collusive practice” means a scheme or an arrangement between two or more bidders, with or without the knowledge of the Bank, designed to establish bid prices at an artificial or non-competitive levels;

“competitive bidding” means open bidding, open selection, limited bidding or limited selection;

“conflict of interests” means circumstances in which the personal knowledge and official status of a person might benefit, directly or indirectly, that person in another capacity;

“consultant” means a person under contract to provide consultancy services to the Bank in relation to a procurement contract;

“consultancy services” means services of an intellectual or advisory nature, not incidental to the provision of goods or services or the execution of works, such as reports, drawings or designs including engineering designs, supervision, accountancy, auditing, financial services, procurement services, training and capacity building services, management advice, policy studies and advice, assistance with institutional reforms and software development;

“contract” means an agreement between the Bank and a supplier, contractor or consultant resulting from a procurement proceeding;

“corrupt practice” means to give, confer, procure, or promise or offer to give or confer, or to procure or attempt to procure, directly or indirectly anything of value to an employee, to influence his or her action in a procurement process or in the execution of a contract;

“direct bidding” means a procurement method where a bid is obtained directly from a single bidder, without any competition;

“due diligence” means the assessment of a bidder or supplier's technical, financial and managerial capabilities, or a bidder or supplier's governance record to effectively execute a contract;

“extreme urgency” situations include:

- a. where Seychelles is seriously threatened by or actually confronted with a disaster, catastrophe, or an event of force majeure;
- b. life or the quality of life or the environment may be seriously compromised;
- c. the condition or quality of goods or equipment or building may seriously deteriorate unless action is urgently taken to maintain these capital goods in their actual value or usefulness; or
- d. an investment project may be seriously delayed for want of an item of a minor nature.

“foreign bidder or supplier” means a bidder or supplier who is not licensed to undertake business activities in Seychelles;

“fraudulent practice” means a misrepresentation or omission of facts in order to influence a procurement process, or an execution of a contract;

“goods” means objects of every kind and description including raw materials, manufactured products and equipment, objects in solid, liquid or gaseous form, electricity, as well as works or services or both, incidental to the supply of the goods, if the value of those incidental works or services or both do not exceed that of the goods themselves;

“international competitive bidding” means bidding open to all bidders, including citizens of Seychelles, local and foreign bidders;

“limited bidding” means a procurement method for goods, works and non-consultancy services, where bids are obtained by direct invitation to a shortlist of bidders, without open advertisement;

“limited selection” means a procurement method for consultancy services, where bids are obtained by direct invitation to a shortlist of bidders, without open advertisement;

“local bidder or supplier” means a bidder or a shortlist of bidders, without open advertisement, or supplier who is licensed to undertake business activities in Seychelles;

“national competitive bidding” means bidding which is limited to citizens of Seychelles and local bidders or suppliers;

“non-consultancy services” means services other than consultancy services, for the carrying out of works of any kind, with or without the use of vehicles, machinery or equipment, or the provision of operators, technicians or drivers;

“open bidding” means the procurement method for goods, works and non-consultancy services which is open to participation on equal terms to all bidders through advertisement of the opportunity;

“open selection” means the procurement method for consultancy services which is open to application for shortlisting on equal terms to all bidders through advertisement of the opportunity;

“post-qualification” means the conduct of due diligence to determine whether a bidder is qualified to perform a contract effectively;

“procurement” means acquisition by purchase, lease, tenancy, hire purchase, licence, franchise or by any other contractual means of any type of works, assets, services or goods;

“Procurement Committee” means the Procurement Committee of the Bank;

“Procurement Units” means the divisions/units in the Bank that are responsible for the initiation and execution of procurement functions.

“relevant person” means a member of the Bank’s Board of Directors or an employee of the Bank;

“responsive” in relation to a bid, means responsive to the basic requirements of a bid in relation to the ability to perform and complete on time;

“services” means any object of procurement, other than goods or works, which involve the furnishing of labour, time or effort;

“solicitation document” means a bidding document, request for proposals, request for quotation and, where applicable, pre-qualification document or document of any kind issued by the Bank, inviting bidders to participate in procurement proceedings;

“supplier” means a contractor, consultant, service provider or natural person or incorporated body that is party to a contract with the Bank for the provision of goods, works or services;

“Technical Evaluation Team” means an adhoc team set up by the Procurement Committee to evaluate bids from a technical standpoint;

“unauthorised person” means a person who should not be privy to certain information;

“works” means works associated with the construction, re-construction, demolition, repair or renovation of a building, road, structure or works, such as site preparation, excavation, erection, building, installation of equipment or materials, decoration and finishing, as well as services incidental to construction, such as drilling, mapping, and similar services provided pursuant to a contract, if the value of those services does not exceed that of the works themselves.

2. CODE OF CONDUCT

The purpose of this section is to focus on the principles that need to prevail to ensure that the Bank’s procurements are conducted ethically. The requirements stated in this Policy are intended to complement other policies that the Bank may have on acceptable conduct and ethics.

2.1 Ethical principles

A relevant person shall not use his or her authority or office for personal gain. Personal gain includes accepting or requesting anything of material value from bidders, prospective bidders or suppliers for the relevant person, his/her close relatives, or for other persons from whom the relevant person might gain direct or indirect benefit.

2.2 Conflict of interest

A relevant person shall disclose any personal interest to do with him/her or the relevant person’s close relative that may either directly or indirectly affect or might reasonably be

deemed by others to affect impartiality in any matter relevant to his/her duties. In a situation of this nature, the relevant person should not participate in any way in the procurement process, so as not to compromise the integrity of the process.

Where the approvals authority or a close relative of that individual, has, or intends to acquire, a direct or indirect personal interest in any matter submitted to that authority for consideration and decision, the approvals authority shall:

- a. Disclose such interest, as soon as possible after notification of a matter being brought to the attention of the approvals authority, and
- b. Not act as the approvals authority in relation to the matter in question. The matter shall be considered by another applicable approvals authority.

2.3 Confidentiality and accuracy of information

A relevant person shall not publish or disclose to an unauthorised person, otherwise than in his/her course of duties, the contents of any document, communication or information whatsoever, which relates to or which has come to the knowledge of that person in the course of that person's duties under this Policy.

A relevant person shall respect the confidentiality of information gained in the course of duty and shall not use such information for personal gain or for the unfair benefit of any bidder or supplier. Information given by a relevant person in the course of his/her duty shall be true, fair and not designed to mislead.

2.4 Competition

A relevant person shall treat all bidders and suppliers with fairness and impartiality, and avoid any business arrangement that might prevent the effective operation of fair competition.

2.5 Business Gift or Hospitality

A relevant person shall refrain from accepting any business gift or hospitality that might be viewed as having an influence in making a business decision as a result of accepting

that gift or hospitality. If in doubt, the relevant person should seek advice from a member of Senior Management.

2.6 Statement and Declaration by the Bidder

For open bidding or selection the bidder shall include a statement attesting to the fact that the person is not debarred from participating in the procurement proceedings, and a declaration that the person shall not engage in any corrupt practice.

2.7 Reporting of Unethical Conduct

Relevant persons are required to report any unethical conduct of another relevant person, a bidder or a supplier to Senior Management such that this can be investigated further and appropriate actions taken.

2.8 Examples of Unethical Conduct

The following are examples of the type of conduct prohibited by the Code of Conduct under this Policy:

- a. Revealing confidential or “inside information” either directly or indirectly to any bidder or prospective bidder;
- b. Discussing a procurement with any bidder or prospective bidder outside the official rules and procedures for conducting procurements;
- c. Favouring or discriminating against any bidder or prospective bidder in the drafting of technical specifications or standards or the evaluation of bids;
- d. Destroying, damaging, hiding, removing, or improperly changing any official procurement document;
- e. Accepting or requesting money, travel, meals, entertainment, gifts, favours, discounts or anything of material value from bidders or prospective bidders;
- f. Requesting any other relevant person representing the Bank in a procurement to violate this Policy or the procurement procedures;
- g. Ignoring evidence that the Code of Conduct has been violated by a relevant person;

- h. Ignoring illegal or unethical activity by bidders or prospective bidders, including any offer of personal inducements or rewards.

3. PROCUREMENT PLANNING AND FUNDING

Procurement planning and prioritisation are necessary for undertaking procurement efficiently and effectively. Procurement planning and budgeting are explained in more details below. The Procurement Units shall revise or update their procurement plans, as appropriate, based on the feedback from the Procurement Committee and the budgeting process.

3.1 Procurement Planning

The Bank's annual procurement plan shall be prepared by the Procurement Units and presented by end of May before the Procurement Committee for consideration.

The annual procurement plan shall include the following:

- (a) A detailed breakdown of the goods, works and services required, their priorities and an indication as to whether it will be necessary to carry out a prior study for tenders of works;
- (b) A schedule of the delivery, implementation or completion dates for all goods, works and services required;
- (c) An estimate of the value of the goods, works and services required;
- (d) An indication of the anticipated procurement method for each procurement requirement, including any need for pre-qualification, and the anticipated time for the complete procurement cycle, taking into account the applicable approval requirements;
- (e) An indication of the resources available for managing the procurement workload;
- (f) Indicating local or international preferences for certain types of tender, if so required;
- (g) Specifying planning schedules under which different processes for tendering shall be undertaken;
- (h) Specifying schedules for the execution of contracts;

- (i) Details of any committed or planned procurement expenditure under existing multi-year contracts.

3.2 Budgeting

A Procurement Unit shall ensure that adequate funds are budgeted under the appropriate budget period, budget category and budget head prior to initiating procurement proceedings, taking into account all costs involved in the procurement.

The costs involved may, in addition to the total contract price, include the following:

- a. contingencies, including any anticipated contract variations, exchange rate fluctuations or allowance for price adjustment;
- b. other costs relating to the successful delivery of a procurement requirement and for which the Bank will be liable, such as freight, insurance, customs clearance, inland delivery, import taxes or duties, inspection, installation or any costs relating to service or maintenance agreements;
- c. costs relating to facilities, services or resources to be provided by the Bank, such as office space or communication facilities for consultants or other counterparts; and
- d. the cost of any linked contract, which is necessary for the successful implementation of the procurement, such as a contract for engineering supervision of a construction contract.

A Procurement Unit shall also ensure that adequate funds are available for managing the procurement proceedings, including any funds required for publication of notices.

4. DOCUMENTARY RECORDS

Documentary records, both in print or electronic format, are essential for efficient and effective management of activities, provide evidence in support of decisions and actions taken, and provide an audit trail for verification of the fundamental principles underlying procurement.

The Bank shall maintain records of all procurement proceedings. All documentation and data relating to procurement proceedings shall be preserved for a period of at least eight years from the date of-

- a. the completion of a contract or its termination;
- b. the decision to terminate procurement proceedings;
- c. the settlement of any dispute under a contract; or
- d. the resolution of a challenge or appeal made under this Policy;

whichever is later.

As far as possible, all notifications, decisions and other communications, including electronic communications, referred to shall be in writing, with any of the three official languages being the accepted language of communication. Meetings between the Bank and a bidder shall be minuted and any agreements confirmed in writing. The language of communication shall be specified in the bidding documents.

Procurement Units shall ensure they obtain, retain and maintain appropriate documentation, supporting the activities for which they are responsible. Approvals authority shall ensure that any transactions they approve or authorise are backed by appropriate supporting documentation.

The file pertaining to a particular procurement should at a minimum contain the records set out in Annex (i).

5. APPROVED PROCUREMENT METHODS

The Bank may undertake procurement, in the following manner:

- a. Competitive Bidding;
- b. Direct Bidding;
- c. Request for quotation; and
- d. Direct sourcing from a particular supplier.

The choice of a procurement method shall be determined taking into account:

- a. the estimated value of the procurement;
- b. whether the procurement is of goods, works, or services;
- c. any special circumstances, such as a limited number of potential sources or an extreme urgency situation; and
- d. whether national or international competitive bidding is required.

The Bank shall not split up procurement requirements with the intention of avoiding a particular method.

5.1 Competitive Bidding

5.1.1 Open Bidding or Selection

The Bank's preferred procurement method is open bidding or selection, which may be national or international. International bidding is to be used when the goods, works or services are not available under competitive prices and other conditions from at least three suppliers in Seychelles.

Where open bidding or selection is used, a bid notice must be published on the Bank's website and the publication must be made at least three times in at least one local newspapers of wide enough circulation. Where the Bank considers it necessary to ensure wider competition, it may, after the date of publication of the notice, send invitation notices directly to potential bidders, who may be registered bidders, past suppliers or any other identified association. The notice may also be published on websites of regional or local bodies that are frequently accessed. The record of any bidder or organisation to whom an invitation notice is sent directly, shall be kept as record and shall form part of the procurement record.

Where the circumstances or the value of the goods, works or services do not justify or permit the use of open bidding or selection, the other procurement methods may be used. The selection of any procurement method other than open bidding or selection must be recorded stating the reason/justification for the method selected.

5.1.2 Limited Bidding or Selection

Limited bidding or selection is to be used where:

- a. the goods, works or services are only available from a limited number of suppliers;
or
- b. there is an urgent need for the goods, works or services and engaging in open bidding or selection would be impractical. The shortlist in this case shall include at least three bidders, except where this is not possible.

5.2 Direct Bidding

Direct bidding should be limited to instances where:

- a. the goods, works or services are available only from a single source and no reasonable alternative or substitute exists;
- b. due to extreme urgency, there is urgent need for the goods, works or services, making it impractical to use other methods of procurement because of the time involved in using those methods;
- c. additional goods, works or services must be procured from the same source because of the need for compatibility, standardisation or continuity;
- d. an existing contract could be extended for additional goods, works or services of a similar nature and no advantage could be obtained by further competition; or
- e. the estimated value of the goods, works or services do not exceed SCR25,000.

5.3 Request for Quotation

Procurement may be undertaken by means of the Request for Quotation method when discussions with bidders are not required (mainly when the specifications and quality of the goods or services are already known) and when price is the main or only factor in selecting the successful bidder. At least three quotations shall be sought, except where this is not possible.

This method may be used for the procurement of:

- a. readily available commercially standard goods not specially manufactured to the particular specification of the Bank;

- b. small works; or
- c. other small services.

The quotation with the lowest evaluated price, which is substantially responsive to the requirements of the Bank, shall be recommended for award of contract.

5.4 Direct Sourcing

In cases of extreme urgency, goods, works or services may be purchased from a single supplier without competitive bidding. This method should as far as possible be limited to the period of extreme urgency.

6. BIDDING DOCUMENT AND BID SUBMISSION FOR OPEN BIDDING OR SELECTION

This section relates to open bidding or selection, aimed at ensuring competition and transparency. However, it is encouraged that where feasible the practices are adopted for other procurement methods.

The Procurement Committee shall ensure that bidding document contains at a minimum certain information which are deemed essential and that the most appropriate process is selected.

6.1 Pre-qualification

The Bank may use pre-qualification method to obtain a shortlist of bidders who have been assessed to be capable of effectively performing the proposed contract.

Pre-qualification may be used where-

- a. the goods, works or services are highly complex, specialised or require detailed design or methodology;
- b. the costs of preparing a detailed bid would discourage competition; or
- c. the evaluation is particularly detailed and the evaluation of a large number of bids would require excessive time and resources from the Bank.

The Bank shall allow sufficient period of time, to enable applicants to prepare and submit their applications to pre-qualify, which shall except in extreme urgency be:

- a. two weeks where the publication of notice is national only; or
- b. three weeks where the publication of notice is international.

Evaluation shall be on a pass or fail basis against the criteria in the pre-qualification document. Records shall be prepared, stating which applicants were determined to be qualified and which were not and the reasons therefor.

6.2 Bid Notice and Bidding Document

A bid notice published by the Bank shall contain the minimum requirements specified in Annex (ii).

The bidding document shall provide bidders with all the information that they require in order to submit bids that are responsive to the needs of the Bank. The minimum information to be included in the document is depicted in Annex (iii).

The bidding document shall irrespective of the bid submission method state that bids shall be securely sealed in such a manner that opening and resealing cannot be achieved undetected. Whilst bidders are at liberty to choose their preferred method of envelope sealing, the Procurement Committee may reject at the opening, any envelope that is unsealed. The bidding document shall contain instructions on the details of labelling and references to be detailed on each envelope.

The currency for procurement shall be Seychelles Rupee or any foreign currency specified in the bidding document.

The Bank may organise:

- a. pre-bid conference calls in order to brief bidders or to offer them an opportunity to seek clarification;

- b. site visits, to enable bidders to gain access to the site for delivery of any proposed works or services;
- c. site visits, to enable the Bank to inspect related work completed or being performed by the bidders.

The bidding document shall state the details of the pre-bid conference calls and site visits, including the date, time and location. The request for the pre-bid conference calls or site visits may be issued as an addendum.

The pre-bid conference calls or site visits shall be held during the early stage of the bidding period to enable bidders to take into account the information gathered at the pre-bid conference calls or site visits in preparing their bids.

The Bank shall without identifying the source of the inquiry, prepare responses to the queries raised and circulate to all bidders, to whom the bidding document has been issued.

The Bank shall, following any pre-bid conference or site visit, where required, issue clarifications or amend the bidding document.

6.3 Minimum Bidding Periods

A bidding period shall commence on the date of the first publication of the bid notice or issue of the bidding document to all pre-qualified or shortlisted bidders and shall end on the date of the bid submission deadline.

The minimum bidding period shall except in situation of extreme urgency, be:

- a. two weeks for open national bidding;
- b. six weeks for open international bidding.

In determining the appropriate bidding period, the Bank shall take into account in addition to the minimum bidding period:

- a. the time required for preparation of bids, taking into account the level of detail required and the complexity of bids;
- b. any need for bidders to submit authenticated legal documents or similar documents as part of their bids and the time required to obtain such documents;
- c. the location of shortlisted or potential bidders and the time required to obtain the bidding document and for the delivery and submission of bids to the Bank;
- d. the extent of anticipated sub-contracting; and
- e. any restrictions relating to the time the goods, works or services are required.

6.4 Bidding Submission

When selecting a bid submission method, this shall take into account the evaluation methodology to be used, and the circumstance of the procurement requirement.

The envelope containing the submission should have the bidder's name and address clearly marked on the outside. The submission shall be placed in an outer envelope and sealed, with the outer envelope, bearing no indication of the bidder and clearly identifying the subject of the bid.

The following bid submission method may be used:

- a. one stage-single envelope method, in which a bid, containing both technical and financial information, is submitted in one sealed envelope, which is opened on the specified date and time in a single bid opening;

This method is to be used where all stages of the evaluation are to be conducted together and a combined technical and financial evaluation performed.

- b. one stage-two envelope method, in which a bid is submitted in an outer sealed envelope, containing two separately sealed and labelled technical and financial bids, which are opened separately;

This method may be used where the technical evaluation is to be conducted without reference to financial information.

- c. two stage method, in which separate technical and financial bids are submitted on different dates.

This method may be used where alternative technical bids are possible and the Bank needs to evaluate the initial technical bids in order to determine a single technical standard with which all bidders are invited to conform by submitting revised technical bids and supplementary financial bids.

6.5 Cost of Bidding

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

7. BID CLARIFICATION, EXTENSION, CANCELLATION AND TERMINATION FOR OPEN BIDDING OR SELECTION

This section relates to open bidding or selection, aimed at ensuring competition and transparency. However, it is encouraged that where feasible the practices are adopted for other procurement methods.

7.1 Bid Clarification and Amendment of Bidding Document

Requests for clarification received after the date indicated in the bidding document may be ignored unless they relate to a serious flaw. In all cases, any response to a bidder must be communicated to all bidders who received the bidding document, in writing. The clarification provided shall include a description of the inquiry, without identifying the source.

With the approval of the Governor, the Bank may at any time prior to the deadline for submission of bids, at its own initiative or in response to a request for clarification from a bidder, amend the bidding document by issuing an addendum. Any addendum shall be issued in writing, and shall be communicated to all bidders at the same time. The addenda shall be numbered sequentially. All clarification and addenda to the bidding document shall be binding on all bidders.

7.2 Alternative Bids

The Bank shall not permit alternative bids, except where specifically indicated in the bidding document.

The Bank may permit alternative bids:

- a. where it is anticipated that bidders may be able to offer goods, works, or services, which do not conform precisely to the statement of requirements, but which meet the objectives of the procurement in an alternative manner;
- b. in areas of rapidly changing technology; or
- c. where the procurement could be made in different ways and the procuring entity wishes to encourage cost efficient and technically innovative approach to bidders.

Where alternative bids are permitted, the bidding document shall state that the alternative bids need not conform precisely to the statement of requirements, but shall:

- a. meet the objectives or performance requirements prescribed in the statement of requirements;
- b. be substantially within any delivery or completion schedule, budget and other performance parameters stated in the bidding document; and
- c. state the benefits of the alternative bid over any solution which conforms precisely to the statement of requirements, in terms of technical performance, price, operating costs or any other benefit.

Alternative bids shall be evaluated in the same manner as other bids, except that the technical evaluation shall take into account only the objectives or performance requirements prescribed in the statement of requirements.

7.3 Extension of Bid Closing Date

The Bank may through the issuance of an addendum, prior to the deadline for submission of bids, extend the deadline for the submission of bids. The closing date for the

submission of bids may be extended at the discretion of the Bank for practical or justifiable reason including:

- a. modification to the bidding document after issue;
- b. additional research or effort is required by bidders to submit a responsive bid;
- c. request for time extension by one or more bidders; and
- d. unforeseen administrative issues which force a postponement of the proposed bid opening.

Extension of bid closing date shall be communicated to all bidders who received the bidding document.

7.4 Cancellation of Procurement Proceedings

The cancellation of procurement proceedings shall be avoided whenever possible, but may be approved by the Governor on recommendation of the Procurement Committee where:

- a. the procurement need has ceased to exist or changed significantly;
- b. sufficient funding is no longer available for the procurement;
- c. there is a significant change in the required technical details, bidding conditions, conditions of contract or other details, such that the re-commencement of proceedings is necessary;
- d. no responsive bids are received;
- e. there is evidence of collusion among bidders;
- f. it is otherwise in the public interest; or
- g. there is evidence of corrupt practices by the Bank's employees.

A request for authorisation to cancel any procurement proceeding shall be in writing, stating:

- a. detailed reasons for recommending cancellation;
- b. the status of procurement proceeding, including whether the bids have already been opened; and

- c. whether new procurement proceedings are recommended and, if so, the modifications recommended.

Where procurement proceedings are cancelled prior to bid opening, any bids received shall be returned unopened and all bidders shall be notified of the cancellation.

7.5 Termination of Procurement Proceedings

The Bank may, at any time with the approval of the Governor, terminate procurement proceedings without entering into a contract, giving prompt notice of termination of procurement proceedings to every person who submitted a bid.

If procurement proceedings involved bids and the proceedings are terminated before the bids are opened, the Bank shall return the bids unopened.

8. RECEIPT OF BIDS AND BID OPENING FOR OPEN BIDDING OR SELECTION

This section relates to open bidding or selection, aimed at ensuring competition and transparency. However, it is encouraged that where feasible the practices are adopted for other procurement methods.

8.1 Receipt of Bids

All bids shall be addressed to the Chairperson of the Procurement Committee. Upon receipt, bids shall be securely stored. Bids specifically required to be submitted electronically shall be submitted to an email inbox specially created for that purpose, which is under dual password control. The Bank shall not disclose the number and identity of bids received prior to bid opening.

The Bank shall not be held liable for the loss or delay in delivery of any bid delivered by mail or courier.

8.2 Corrections or Withdrawal of Bids

Corrections or withdrawal of inadvertently erroneous bids shall be permitted up to the deadline for submission of bids, after which no change in bid prices or other provisions shall be permitted, provided the Procurement Committee may authorise the waiver of irregularities or the correction of obvious calculation errors.

The bidder's withdrawal, modification or substitution notice shall be prepared, sealed, marked, and delivered by the submission's deadline, with the outer envelope additionally marked "WITHDRAWAL", "MODIFICATION" or "SUBSTITUTION," as appropriate.

8.3 Bid Closing

Usually, any bid received after the date and time of the deadline for submission of bids shall not be accepted, but shall be declared late. However, on a case by case basis the Procurement Committee may, prior to starting the evaluation process, decide on and consider a late submission from a bidder that can clearly show proof of its best efforts to have the submission delivered to the Bank before the closing date and time but for some unforeseen reason beyond its control the submission failed to reach the Bank on time or its whereabouts remains unknown. Proof of advance dispatch of the submission can be in the form of a copy of the delivery or dispatch receipt obtained from the agent with the date and time sent clearly indicated on it, or the electronic record of the document dispatch tracer system showing the tracking information of the submission.

For late bids, the outer envelope may be opened for the purpose of identifying the name and address of the bidder on the inner envelope, and the inner envelope shall be returned unopened to the bidder or left unopened and destroyed. Any late bid which is not labelled with the bidder's name shall be left unopened for seven days after which the unopened envelope shall be destroyed.

8.4 Public Opening of Bids

The Bank shall permit bidders or their representative, to attend the opening of bids. The Bank shall open, in public, all bids received on time, at the date, time and location

indicated in the bidding document. The time for bid opening shall be the same as, or immediately after, the time of the deadline for submission of bids. The opening of bids shall be organised by the secretary of the Procurement Committee. Bids shall be opened on a working day (other than weekends or public holidays). An acknowledgement of receipt shall be sent by the secretary of the Procurement Committee to the address provided by the bidder as proof that the submission has been received by the Bank. In the case that different addresses are given, the electronic address provided will be the preferred option used by the Bank.

The envelope with the technical proposal shall be opened and the key pages including the signed pages shall be stamped by the secretary of the Procurement Committee.

First, envelopes marked "WITHDRAWAL" shall be opened and read out. Next, envelopes marked "SUBSTITUTION" shall be opened and read out and exchanged with the corresponding bid being substituted. This will be followed by envelopes marked "MODIFICATION" which shall then be opened and read out with the corresponding bid. The Procurement Committee needs to ensure that the request for withdrawal, substitution or modification has been properly authorised by the bidder. All other envelopes shall be opened one at a time and the details indicated in the bidding document shall be read out, including the name of the bidder and whether or not a separately sealed financial proposal has been submitted, if required.

The record of the bid opening of the technical proposal shall include the details read out and the names of all relevant persons and bidders' representatives attending the opening. Bidders or their representatives will be required to sign the attendance record.

The technical proposals shall be immediately taken to a secured location, where they shall be kept until the evaluation begins. Any financial proposals shall be kept unopened in a secured location, until the time for opening of financial proposals.

The Bank shall permit bidders or their representative, to attend the opening of financial proposals and request them to sign the attendance record.

Key pages of the financial proposals including at least prices and signed pages shall be stamped by the secretary of the Procurement Committee and the following information read out and recorded when the bids are opened:

- a. Name of bidder and
- b. The total bid price.

The opened financial proposals shall be taken immediately to a secured location, where they shall be kept until the financial evaluation begins.

9. EVALUATION AND CONTRACT AWARD FOR OPEN BIDDING OR SELECTION

This section relates to open bidding or selection, aimed at ensuring competition and transparency. However, it is encouraged that where feasible the practices are adopted for other procurement methods.

9.1 Evaluation of Bids

The Procurement Committee and if required the Technical Evaluation Team shall evaluate bids and make recommendations, aimed at selecting the bidder which will be awarded the contract.

Before making its recommendation, the Procurement Committee shall ensure that any written complaints by bidders have been reviewed and responded to. If the complaint reveals a serious breach of the Policy, the Governor may call for a new bidding process.

9.2 Preliminary Examination of Bids

The purpose of the preliminary examination is to identify and reject bids that are incomplete, invalid or substantially non-responsive to the bid documents and are therefore not to be considered further.

To pass the preliminary examination, bids must:

- a. be correctly submitted in all general respects;
- b. be properly signed;
- c. meet the eligibility criteria specified in the document; and
- d. be substantially responsive to the bid documents.

9.3 Technical Evaluation

Only bids that have passed the preliminary examination and are considered to be substantially responsive to the bid documents shall be considered for further evaluation.

Prior to the commencement of the technical evaluation, the Procurement Committee shall discuss the criteria in order to ensure that all members have a common understanding and interpretation of the criteria and their relative importance.

The Procurement Committee shall conduct a technical evaluation by comparing each bid to the technical requirements of the statement of requirements in the bidding document. The factors taken into account in a technical evaluation shall be those indicated in the bidding document and may include:

- a. conformity to specifications, standards, drawings or terms of reference, without material deviation or reservation;
- b. satisfactory understanding of an assignment, as demonstrated by any methodology or design; or
- c. suitable staffing or arrangements for supervision or management of an assignment.

The Procurement Committee shall not take into account any requirement which were not included in the bidding document.

During bid evaluation, the Procurement Committee may ask any bidder for a clarification of its bid. As far as possible, the request for clarification and the response shall be in writing.

Each member of the Procurement Committee shall independently conduct a technical evaluation of each proposal, awarding scores against each criterion for which the scores shall be recorded and the score sheets signed by the members. The scores from each member shall be compiled and an average score for each proposal shall be calculated from the individual scores awarded by members. Any significant deviations from the average score or inconsistencies in scoring will be considered and the Committee members may be required to justify the scores awarded. Where the member has misunderstood a proposal or the criteria or has evaluated proposals in an inconsistent manner, the member may be permitted to adjust those scores, but no member shall be obliged to make adjustments to scores or permitted to adjust scores without justification. The signed and dated score sheets shall be kept as part of the record of the evaluation, with the reasons for making any adjustment also recorded.

9.4 Financial Evaluation

Only bids passing the technical evaluation shall be considered for financial examination. The Procurement Committee may decide to shortlist bids which have attained a minimum technical score, to undergo the financial evaluation, thereby rejecting the rest of the bids.

The Procurement Committee shall determine the valuated price of each proposal by:

- a. Correcting any arithmetic error;

The following procedure needs to be followed when correcting arithmetical errors:

- i. Where there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and the quantity and frequency, the unit rate shall prevail and the total price shall be corrected;
- ii. Where there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected;
- iii. Where there is a discrepancy between the rates in figures and in words, the amount in words shall prevail, unless the amount

expressed in words is related to an arithmetical error in which case the amount in figures shall prevail subject to i. and ii. above.

- b. Determining whether financial proposals are complete and have priced all corresponding inputs in the technical proposal, pricing any missing items and adding them to the proposal price; and
- c. Converting all proposals to a single currency for the purposes of evaluation, using an exchange rate for conversions that is consistent across proposals.

9.5 Approval of Recommendation for Contract Award

The Procurement Committee may at the final stages of the evaluation invite shortlisted bidders to submit their final offer, by putting the same general questions and propositions to all shortlisted bidders. This may include the opportunity to:

- a. improve the solution tendered and
- b. reduce the costs in a last and final offer.

Following such negotiations, each bidder will submit further information so as to clarify its bidding position.

The technical and financial scores of each proposal shall be weighted, using the weights agreed by the Procurement Committee. The weighted technical and financial scores shall be added together, to give a total score for each proposal. The proposal with the highest total score shall be the best awarded bid and shall be recommended for award of contract, subject to any further negotiation required.

10. NEGOTIATION FOR OPEN BIDDING OR SELECTION

This section relates to open bidding or selection, aimed at ensuring competition and transparency. However, it is encouraged that where feasible the practices are adopted for other procurement methods.

Negotiation may be authorised by the Procurement Committee to refine and improve the bids in order to ensure that prices, delivery or associated terms of the contract are competitive.

The following is a non-exhaustive list of areas that may be subject to negotiation:

- a. terms of payment;
- b. quality of goods or services;
- c. earlier delivery or completion dates;
- d. warranties and guarantees;
- e. documentation requirements;
- f. maintenance and support, repair or after-sales service;
- g. compensation for failure to meet specified requirements (e.g. of delivery, quality etc.); and
- h. procedures for remedial action for unsatisfactory service.

Negotiation must not be used so as to unfairly trade off one bidder against another by using the lowest tender to seek a reduction in costs from the other bidders. It must not be conducted so as to substantially change the specifications, terms and conditions of the original bid. Competition must not be distorted by allowing a bidder, not clearly in the lead, a chance to improve its offer. At all stages the competing bidders must be treated in an honest, fair and ethical manner, whilst retaining confidentiality of their bids. The justification and details of any negotiation should be duly recorded and documented.

11. RIGHT TO ACCEPT ANY BID AND REJECT ANY OR ALL BIDS

The Bank reserves the right to accept or reject any bid, and to annul, in whole or in part, or to suspend the bidding process and reject all bids at any time and without reason prior to the award of contract, without thereby incurring any liability to the affected bidder or bidders.

12. AWARD OF CONTRACT FOR OPEN BIDDING OR SELECTION

This section relates to open bidding or selection, aimed at ensuring competition and transparency.

An award of contract shall be recommended to the best evaluated bidder.

The Bank shall, within seven working days of making a contract award decision, prepare a notice indicating the best evaluated bidder and the value of the proposed contract, and send the notice to all bidders who submitted bids and to the extent permitted place a copy on the website. The notice shall specify:

- a. the name and address of the bidder recommended for the award;
- b. the proposed contract price; and
- c. a statement that this does not constitute an award of contract.

An award of a contract shall not be made for a period of ten working days following the completion of the afore-mentioned requirement. Provided no application for review has been received within the ten-day period, the Bank shall award the contract by issuing a letter of bid acceptance to the recommended bidder. A notice of all contracts awarded which exceed SCR5 million shall be published on the Bank's website.

13. COMPLAINTS BY BIDDERS

A bidder may, at any time before the entry into force of the procurement contract, challenge the procurement proceedings by making a complaint in writing to the Governor.

A complainant must identify the specific decision, act or omission being challenged.

A complaint must be lodged within ten days of the complainant being informed of or becoming aware of the circumstances giving rise to the complaint or from the date the complainant should have become aware of those circumstances, whichever is earlier.

Unless a complaint is dismissed or resolved by mutual agreement, the Governor or the Board as the case may be shall ensure that no contract award is made prior to the resolution of the complaint.

A written decision shall be issued to the complainant within five working days after the submission of the challenge. The decision shall state:

- a. whether the complaint is upheld, in whole or in part or dismissed;
- b. the reasons for the decision; and
- c. any corrective measures that are to be taken.

In determining the appropriate remedy, the Governor shall consider all circumstances surrounding the procurement, including –

- a. the seriousness of the breach;
- b. the degree of prejudice to other parties or to the integrity of the procurement system;
- c. the good faith of the parties;
- d. the cost to the Bank;
- e. the urgency of the procurement; and
- f. the impact of the remedies on the fulfilment of the Bank's functions.

Where investigations indicate that the bidder has a valid complaint that may have affected the award of contract, it may be preferable to cancel and restart the bid process.

14. PAYMENT TERMS

The period for payment shall be stated in a contract and the applicable currency. The contract shall also provide for interest to be paid to the supplier, where the Bank fails to make payment within the period specified in the contract; stating the interest rate to be applied, the manner for calculating interest payments and any other conditions relating to payment of interest. Where applicable, the source of exchange rates shall be stated.

14.1 Advance Payment

A contract may provide for advance payments to the supplier, where this is necessary to ensure effective implementation of the contract or to obtain competitive prices. Advance payments may be made for costs such as mobilisation, start up, the purchase of material or costs related to goods which are specially or custom manufactured for the Bank.

Advance payment, where applicable, shall not exceed 25% of the total consideration payable under the contract, unless approved otherwise by the Governor. The Bank may consider the provision by the supplier of an advance payment guarantee, covering the full amount of the advance payment.

The contract shall state that materials, equipment and personnel for which an advance payment is received, shall be used only for performance of that contract and a works contract may require that materials, equipment and personnel for which an advance payment is received, must be committed to the site or sites of the work.

Where so specified in the contract, advance payments may be recovered from subsequent payments to the supplier, which shall be subject to a percentage deduction equal to the percentage paid as the advance payment.

14.2 Progress Payments

- a. A contract may provide for progress payments to the supplier, which may be either: of a specified percentage or amount of the contract value following particular events, milestones or submission of deliverables specified in the contract; or
- b. payment for the actual quantities of goods, works or services delivered or completed.

Progress payments shall not exceed the cost or value of the goods, works or services delivered or completed and shall only be made against interim certificates or other

documentation proving delivery or completion of the goods, works or services subject to the progress payment or submission of the deliverables specified.

14.3 Final Payment

Final payment shall only be made once all the deliverable requirements stipulated in the contract have been satisfied.

Before making a final payment, the person overseeing the relevant Procurement Unit from which the procurement originates shall get the employee responsible, to certify that all deliverable items have been received, inspected, and accepted as being in conformity with the contract specifications.

14.3.1 Retentions

A contract may provide for a specified percentage or amount of payment to the supplier to be retained; specifying:

- a. the percentage or amount to be retained;
- b. the period or event at which the retention is to be released, which may include, but not be limited to installation of goods, completion of the contract or expiry of a warranty period; and
- c. the documents required to prove completion of the event at which the retention is to be released. Where specified in the contract, the supplier may substitute a payment security for a retention period.

14.4 Prompt Payment

The Bank has the responsibility to make payments promptly. All written contracts shall include a standard payment term of 30 days from the date of receipt of invoice. This payment term shall be included in the bidding document.

15. CONTRACT

The form of contract to be used must be appropriate to the objectives and circumstances of the matter. Contract conditions shall be drafted so as to allocate the risks associated with the contract fairly, with the primary aim of achieving the most economic price and efficient performance of the contract. The contract shall clearly define the scope of goods, works or services to be supplied or performed, the rights and obligations of the client and of suppliers and contractors and may include, inter alia, appropriate provisions for guarantees of performance¹ and warranties, liability and insurance, acceptance, payment terms and procedures, price adjustment, force majeure, termination², settlement of disputes, governing law and contract amendments³. Wherever appropriate, standard forms of contract shall be used.

16. NON-COMPLIANCE

The Bank strives to observe the highest standards of ethics in procurement. Hence, violation of this Policy may result in disciplinary actions.

If it has been proven that the bidder/supplier has engaged in fraudulent or corrupt practices, the Bank may, but is not limited to:

- a. Reject a proposal to award a contract;
- b. Declare that the bidder/supplier is ineligible, either indefinitely or for a stated period of time, to participate in future bids/become one of the Bank's registered suppliers;
- c. Suspend, cancel or terminate a bidding process/contract.

¹ A contract may state that the Bank has the right to inspect goods, works and services at any reasonable time or place. The right of inspection shall be extended to sub-contractors. The Bank may employ an independent third party to undertake technical inspections. All requirements related to inspections e.g. type, location, who would carry it out, when, who will be paying for the cost of inspection, notification or document required from suppliers, samples to be tested to be provided free of charge by the supplier and where the goods, works or services fail an inspection the supplier is liable for correction at his own expense and for the cost of re-inspection if required.

² A contract document shall specify the grounds on which the contract may be terminated and specify the procedures applicable to termination.

³ Any amendment to the contract shall only be valid when signed by authorised representatives of both the Bank and the supplier.

ANNEXES

Annex (i) - Minimum Content of Procurement File

As a minimum the procurement file shall contain the following:

- a. a brief description of the goods and related services, works and physical services or intellectual and professional services being procured and the justification for using any method of procurement other than open bidding or selection method;
- b. a copy of the Invitation for Tender, Request for Proposals, Request for Quotations, including any amendments issued by the Bank and a copy of the published advertisement, if any;
- c. the names and addresses of bidders who submitted bids, proposals or quotations and the name and address of the bidder to whom the contract was awarded, including the awarded contract price;
- d. a copy of any Invitation for Pre-qualification, Request for Expressions of Interest or other invitation documents;
- e. records of the bids received and bid opening;
- f. all correspondence with bidders;
- g. the evaluation criteria detailed in the bid/proposal document and the Bid/Proposal/Quotation and evaluation documents;
- h. information concerning any decision to suspend or cancel the proceedings after they have been initiated;
- i. documentation with regards to any complaint concerning the procurement proceedings;
- j. delivery/acceptance reports and completion report for procurement of goods and/or works, and completion report for procurement of services; and
- k. all payment documentation including copy of the bills and/or invoices for procurement of goods, works and services.

Annex (ii) - Minimum Contents of Bid Notices

Bid notices as a minimum shall include the following information:

- a. the name and contact details of the Bank;
- b. the nature of the procurement requirement, including the quantity of goods, works or services and the location and timeframes;
- c. an indication of the procurement method being used;
- d. restrictions of eligibility to citizen and local bidders under open national bidding;
- e. instructions on obtaining the bidding document; and
- f. instructions on location and deadline for submission of bids.

Annex (iii) - Minimum Contents of Bidding Document

The bidding document shall include as a minimum:

- a. a statement of requirement for the goods, works or services;
- b. the language in which bids are to be submitted;
- c. instructions on the preparation of bids, including any standard forms to be submitted and the documentary evidence and information required from bidders;
- d. a statement of whether alternative bids are permitted and any instructions relating to alternative bids;
- e. instruction on the sealing, labelling and submission of bids, including the location and deadline for submission and procedures for the withdrawal, modification or submission of bids;
- f. a statement that allows a bidder to seek for clarification of the bidding document and shall include the final date after which such clarification may not be sought but such date shall allow adequate time for bidders, including foreign bidders, to receive and study the bidding document;
- g. the eligibility criteria and any documentation required as evidence of eligibility;
- h. any qualification criteria and the procedure for post-qualification or verification of pre-qualification information;
- i. information on the methodology for the evaluation of bids, any evaluation criteria to be applied and the manner in which the criteria shall be applied;
- j. information on the procedure for contract award, including the requirements for publication of notice of best evaluated bidder;
- k. the type of contracts to be awarded;
- l. the terms and conditions of the proposed contract;
- m. information on the bidder's right to review;
- n. a requirement that a bidder shall, in the form specified in the bid documents, pledge not to engage in any corrupt, fraudulent, collusive or coercive practices;
- o. a statement to the effect that the Bank may reject all bids at any time prior to the acceptance of a bid.