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FEDERATION INTERNATIONALE DES INGENIEURS-CONSEILS
INTERNATIONAL FEDERATION OF CONSULTING ENGINEERS
INTERNATIONALE VEREINIGUNG BERATENDER INGENIEURE
FEDERACION INTERNACIONAL DE INGENIEROS CONSULTORES

TENDERING PROCEDURE

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Second edition 1994



FIDIC is the international Federation of Consulting Engineers comprised of National Associations whose members comply with FIDIC's Code of Ethics

FIDIC was founded in 1913 by three national associations of independent consulting engineers within Europe. The objectives of forming the federation were to promote in common the professional interests of the member associations and to disseminate information of interest to members of its component national associations. Today FIDIC membership numbers more than 60 countries from all parts of the globe, representing most of the independent consulting engineers in the world.

FIDIC arranges seminars, conferences and other events in the furtherance of its goals: maintenance of high ethical and professional standards; exchange of views and information; discussion of problems of mutual concern among member associations and representatives of the international financing institutions; and development of the engineering industry in developing countries

FIDIC publications include proceedings of the various conferences and seminars, information for consulting engineers, project owners and international development agencies, standard pre-qualification forms contract documents and client/consultant agreements. They are available from the FIDIC Secretariat in Switzerland. Full details are available on the FIDIC website FIDIC.org

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Foreword

The International Federation of Consulting Engineers (FIDIC) published the first edition of Tendering Procedure in 1982. The first edition primarily addressed procedures which FIDIC recommended for the selection of tenderers and the preparation and evaluation of tenders for civil engineering contracts. The document reflected the provisions of the then current (third edition) of the FIDIC Conditions of Contract (International) for Works of Civil Engineering Construction.

Following the publication of the 4th edition of the Conditions of Contract for Works of Civil Engineering Construction and the 3rd edition of the Conditions of Contract for Electrical and Mechanical Works in 1987, and taking into account current thinking of the major international financing institutions (IFIs), FIDIC decided to review and up-date the 1982 edition, reflecting current practice in the industry.

In view of the wide acceptance and acknowledged usefulness of the first edition, it was further decided to retain, as far as possible, the basic layout and format in order that users of the document would still be familiar with the procedures described.

Much of the up-dating work has involved modification of terminology and procedures to make the document equally applicable in respect of both civil works and electrical and mechanical projects. In addition, the document more closely reflects the procedures recommended by the IFIs, and draws attention to those areas where the IFI provisions are mandatory.

The document provides a freedom and flexibility which is not found in all similar documents. This means that the procedures described can be adapted and used in conjunction with, for example, procedures normally adopted by employers or procedures required by the IFIs. Users should however be aware of the prevailing requirements and/or restrictions introduced when using parallel procedures and ensure that all mandatory provisions of such procedures are properly incorporated.

A useful addition to be found in this new edition is the first chapter entitled Project Strategy, which provides guidelines and practical suggestions on how to establish an effective and appropriate method for project procurement. This chapter is supported by a new appendix (Appendix I) which shows, in tabular form, the different models commonly used for project implementation.

FIDIC believes that the new edition provides a comprehensive and complete procedure, compatible with other recognised tendering procedures, which will encourage and enhance the ultimate objective of receiving responsive and competitive tenders.

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Acknowledgements

FIDIC extends special thanks to Lars Holten Petersen and Carsten Petersen of Carl Bro Group A/S, Denmark, for acting as principal drafters of this document. This contribution to FIDIC and the profession is highly appreciated.

The draft was reviewed initially by Hans T. Kristensen of Sweden and Tom Knott of the UK and subsequently by the World Bank and the International Bar Association, all of whom provided valuable comments.

The preparation was carried out under the general direction of the FIDIC Contracts Committee comprising K.B. (Tony) Norris, Consulting Engineer, UK; Michael Mortimer-Hawkins of SwedPower AB, Sweden; and John Bowcock of Sir Alexander Gibb & Partners Ltd., UK.

FIDIC wishes to record its appreciation of the time and effort devoted by all the above.

The ultimate decision on the form and content of the document rests with FIDIC.

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Introduction

This document presents a systematic approach for tendering and awarding of contracts for international construction projects. It is intended to assist the employer/engineer to receive sound competitive tenders in accordance with the tender documents so that they can be quickly and efficiently assessed. At the same time, an effort has been made to provide the opportunity and incentive to contractors to respond easily to invitations to tender for projects which they are qualified to implement. It is hoped that the adoption of this procedure will minimise tendering costs and ensure that all tenderers receive a fair and equal opportunity to submit their offers on a reasonable and comparable basis.

Experience has shown that for projects involving international tendering, prequalification is desirable since it enables the employer/engineer to establish the competence of companies subsequently invited to tender. It is also in the interest of contractors since, if prequalified, they will know that they are competing against a limited number of other firms, all of whom possess the required competence and capability.

The model procedure described in the text is accompanied by notes which, for ease of reference, follow each clause. The notes, in italics, are added to the text in order to expand upon the more important aspects of each clause and, where appropriate, give alternative courses of action that may have to be considered according to circumstances. The text is illustrated by a flow chart which follows this introduction and serves as a summary. Both the text and the notes have been kept as brief as possible in order that the booklet can be easily used as a working document.

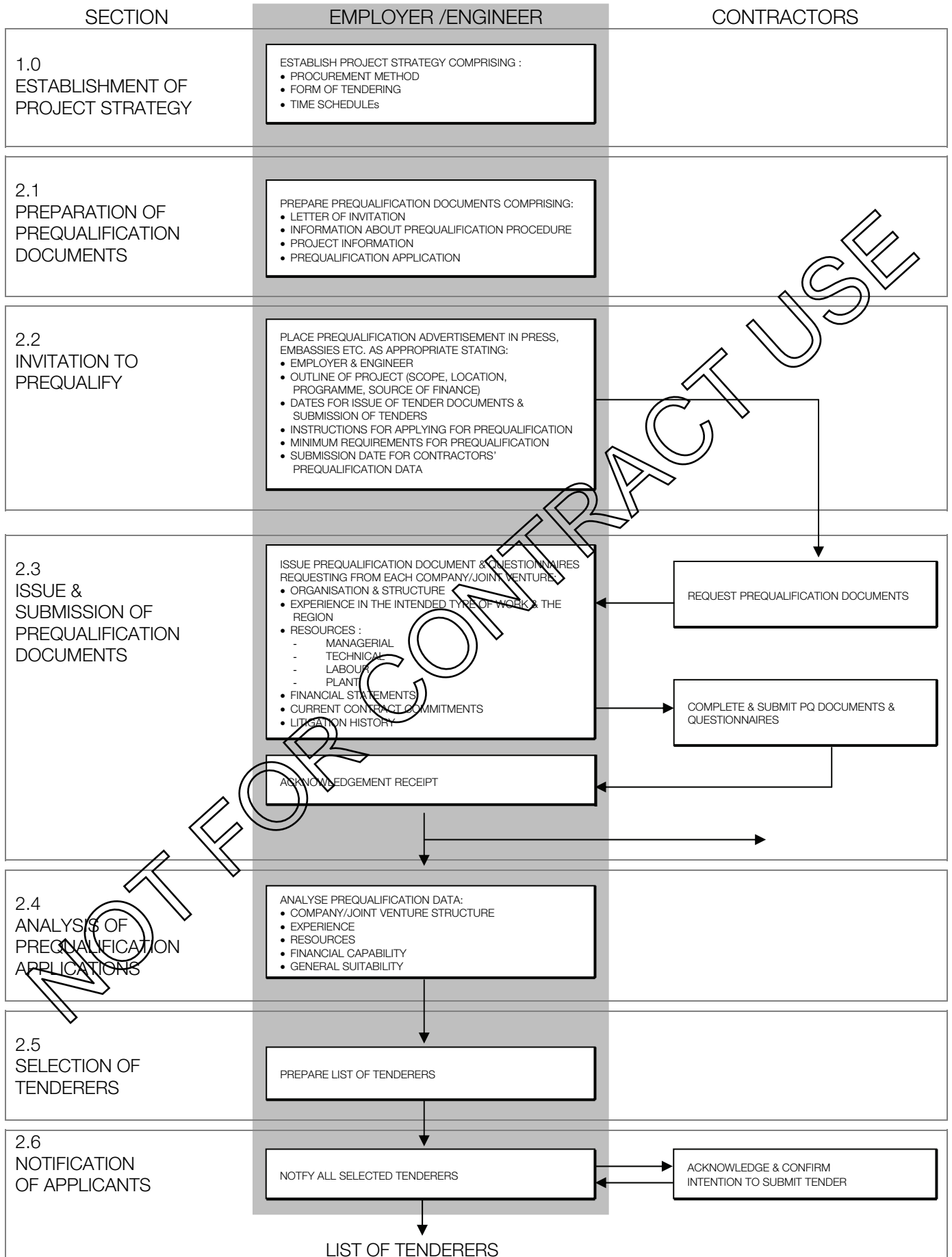
The procedure is suitable for tendering for most international construction works, but it may be adapted to suit the particular requirements occasioned by the size and complexity of a project, and any special conditions imposed by the established procedures of the employer or the financing institutions. It reflects good current practice. FIDIC recommends its use by employers, engineers, contractors and others involved in the international construction industry.

The procedure is related to FIDIC's "Conditions of Contract for Works of Civil Engineering Construction" and "Conditions of Contract for Electrical and Mechanical Works" but can be readily adapted to any acceptable contract form.

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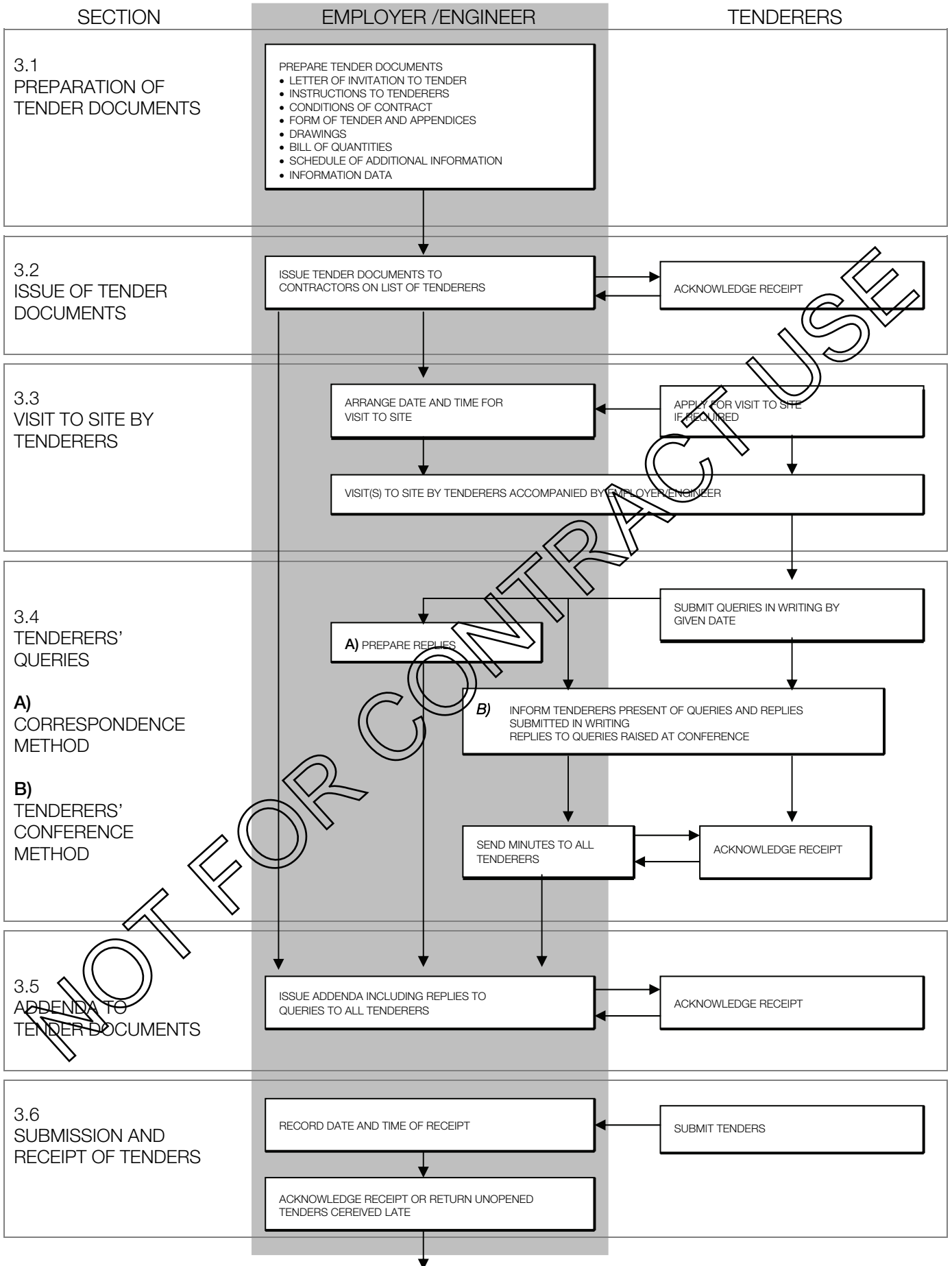
PROCEDURAL FLOWCHARTS

RECOMMENDED PROCEDURE FOR THE PREQUALIFICATION OF TENDERERS



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RECOMMENDED PROCEDURE FOR OBTAINING TENDERS



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RECOMMENDED PROCEDURE FOR THE OPENING AND EVALUATION OF TENDERS

SECTION	EMPLOYER /ENGINEER	TENDERERS/CONTRACTOR
4.1 OPENING OF TENDERS	TENDER OPENING BY PUBLIC OR RESTRICTED OPENING <ul style="list-style-type: none"> ANNOUNCE AND RECORD THE NAMES OF TENDERERS AND PRICES, INCLUDING PRICES FOR ALTERNATIVE TENDERS IF APPROPRIATE ANNOUNCE AND RECORD NAMES OF TENDERERS (IF ANY) DISQUALIFIED DUE TO LATE OR NON-ARRIVAL OF TENDERS 	
5.1 REVIEW OF TENDERS	ESTABLISH CONFORMITY AND COMPLETENESS OF TENDERS <ul style="list-style-type: none"> REJECT SUBSTANTIALLY UNRESPONSIVE TENDERS 	
5.2 TENDERS CONTAINING DEVIATIONS	EVALUATE DEVIATIONS, SEEK CLARIFICATION & RANK TENDERS AS EVALUATED	PROVIDE CLARIFICATION
5.3 ADJUDICATION OF TENDERS 5.4 REJECTION OF ALL TENDERS	ASSESS TENDERS IN ACCORDANCE WITH EVALUATION CRITERIA RAISE FURTHER POINTS REQUIRING CLARIFICATION, IF ANY COMPLETE EVALUATION CHECK WITH FUNDING AGENCY REJECT NON-CONFORMING TENDERS & ADVISE TENDERER(S) CONCERNED	PROVIDE CLARIFICATION
6.0 AWARD OF CONTRACT	DECIDE ON CONTRACT AWARD, IF NECESSARY AFTER PRE-AWARD DISCUSSIONS	ATTEND PRE-AWARD DISCUSSIONS, IF REQUIRED
6.1 ISSUE LETTER OF ACCEPTANCE	ISSUE LETTER OF ACCEPTANCE	ACKNOWLEDGE RECEIPT
6.2 PERFORMANCE SECURITY	OBTAIN PERFORMANCE SECURITY FROM CONTRACTOR	PROVIDE PERFORMANCE SECURITY
6.3 PREPARATION OF CONTRACT AGREEMENT	PREPARE CONTRACT DOCUMENTS SIGNING OF CONTRACT	SIGNING OF CONTRACT
6.4 NOTIFICATION OF UNSUCCESSFUL TENDERS	ADVISE UNSUCCESSFUL TENDERERS AND RETURN TENDER SECURITY (IF PROVIDED)	UNSECESSFUL TENDERERS ACKNOWLEDGE RECEIPT

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Procedure and Notes

1.0 PROJECT STRATEGY

1.1 Establishment of Procurement Method and Form of Tendering

In the context of this document the word “project” covers all the stages from the initial idea to construct a given physical asset to the final taking-over by the employer of the completed work.

Projects may be organized and implemented in accordance with different strategies. A brief description of some of these is given in Appendix I. Which strategy is best suited for the purpose depends on, for example, the nature and complexity of the project, the access to finance, life cycle costs of the project, the technical and administrative capability of the employer and the general political and economic environment.

The project strategy defines the way in which the project will be implemented, determines the role of each party involved and, where appropriate, specifies the way the project will operate. To a large degree contractual relationships between the parties and their individual rights, duties and risks are thereby also determined by the project strategy.

At the implementation stage of a project, tendering serves as a method to ensure that the work is procured at competitive terms.

The choice of strategy is a major decision which has far-reaching consequences. Once a strategy has been settled it is of great importance that it be followed throughout the implementation of the project. Lack of strict adherence to the strategy may lead to flaws in the procurement process, resulting in claims, disputes and extra costs for all concerned.

Any part of a project which can be covered by a separate contract may in principle be made subject to tendering.

As soon as the project strategy has been decided, the employer, assisted by his engineer, should establish procurement methods and forms of tendering to be used in the project.

The procurement method and forms of tendering are established by determining.

- i) The parts of the project for which tenders are to be sought.

It is important that the scope of a particular contract is clearly defined and that interfaces with other parts of the project are accounted for.

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A contract may comprise design, delivery of plant and machinery, construction or a combination of these.

- ii) The conditions of contract to be adopted.

Only widely recognized standard conditions of contract which specifically cover the works and services to be rendered by the contractor, should be used.

- iii) The award criteria.

The award criteria should cover all elements on which the employer wishes the tenderers to compete.

The factors other than price to be used in the award criteria should to the extent practicable be expressed in monetary terms.

The award criteria may include costs, quality/performance, time, ingenuity and environmental effects, and it may be necessary to apply weightings to each criterion to reach a basis which will be used when evaluating the tenders.

- iv) The tendering procedure.

This document contains what FIDIC regards as a fair and systematic approach for obtaining and evaluating tenders. The basic procedure described in this document can be used for tendering for all types of contracts in connection with international and domestic construction projects.

The criteria which shall be used to prequalify tenderers.

In principle, prequalification should always be carried out to ensure that only those who are qualified to undertake the work invest resources in the preparation of a tender.

Once these basic preconditions have been determined and agreed between the employer and his engineer, the planning of when and how the tendering can be carried out may commence.

If, for unforeseen reasons, changes in principle and form have to be made at a later stage in the project the implications of such changes have to be considered and assessed carefully.

Financing institutions may require to approve the project strategy.

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1.2 Preparation of Programmes

The tendering procedure, as described in this document, implies that certain activities have to be carried out in connection with each part of the project for which a separate tender is to be called.

It is important that these activities are carried out in a systematic and timely manner. They should therefore be planned carefully and incorporated in the programme for the project.

Normally, a preliminary overall programme covering all major activities of the project is prepared in the initial stage of the project. As a minimum, such programme should comprise the main phases of the project, that is:

- project definition
- tendering procedure
- design
- construction
- taking-over

and should establish all milestones of significance in connection with each phase.

Calling tenders for a given part of the project should be carried out in compliance with the overall programme.

In order to ensure this compliance, detailed programmes should be made for implementing the tendering procedure for each part of the project. As a minimum, these programmes should specify duration and deadlines for the following activities in connection with each potential contract.

- Preparation of tender documents
- Preparation of prequalification documents
- Prequalification of tenderers
- Obtaining tenders
- Opening of tenders
- Evaluation of tenders
- Award of contract

Time should be allowed in each programme for the employer to make necessary decisions and give required approvals.

Further information about content and scope of each of these activities is given in the following sections of this document.

When preparing the programme for each contract, it is important to ensure that the sequence of activities is such that all necessary data and information are available when each activity is to be carried out. This applies in particular to the order in which the activities forming "Preparation of tender documents" and "Preparation of prequalification documents" are carried out. Consideration should be

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given as to what extent the tender documents should be prepared and agreed, before the prequalification documents can be finalized and issued. This has to be decided for each intended contract, since key information from the tender documents will often have to be incorporated in the prequalification documents in order to give adequate information to those seeking prequalification.

Financing institutions will generally require time for scrutiny and approval of tender documents.

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2.0 PREQUALIFICATION OF TENDERERS

2.1 Preparation of Prequalification Documents

2.1.1 General

Prequalification is recommended to ensure that tenders are sought only from contractors whom the employer/engineer has already established as having the requisite resources and experience to perform the intended work satisfactorily.

The aim of prequalification is to establish a list of capable firms whilst ensuring that a proper level of competition is safeguarded. To achieve these objectives and to give added encouragement for contractors to respond to invitations to tender, no more than seven organisations should be prequalified unless the rules of the employer or financing institution otherwise dictate.

It is the policy of some financing institutions that all applicants who possess the qualifications to perform the proposed contract should be prequalified.

2.1.2 Prequalification Documents

Prequalification documents should give information about the project, the tendering procedure and the prequalification procedure. They should also specify what data is required from contractors wishing to prequalify.

The documents are prepared by the employer/engineer and will normally include the following:

- Letter of invitation to prequalify
- Information about the prequalification procedure
- Project information
- Prequalification application

The prequalification procedure should:

- *Be based on questionnaires. A standard questionnaire will help to maintain conformity of information sought, thus making the responses quicker and cheaper to provide, and at the same time making them more readily comparable.*
- *Be relatively simple and yet flexible so as to permit consideration of new organisations.*
- *Take account of both the technical and the financial aspects of projects.*
- *Allow for the updating of information previously provided by contractors to the same employer for an earlier project, thus avoiding unnecessary duplication of effort.*
- *Authorize the employer/engineer to seek supplementary information from other sources.*

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In order to ensure orderly and easily appraised responses, the standard prequalification form referred to in Appendix II may be used.

The documents should include inter alia the following:

- Name and address of the employer.
- Name and address of the engineer.
- Location of the project.
- Description of the project and scope of work included in the contract.
- Anticipated programme, indicating the tender period, contract award date, design/construction/commissioning periods and any other relevant key dates.
- Conditions of contract to be used.
- Criteria for evaluation of tenders.
- Criteria for prequalification.
- Details of any work intended to be undertaken by nominated subcontractor(s).
- Anticipated sources of finance (including any requirement for contractor financing).
- Payment arrangements envisaged (including currencies).
- Any financial guarantees to be given by contractor.
- Whether price escalation arrangements will be included.
- Language and law of the contract.
- Any aspect of the intended work which is unusual and would thus have a bearing on the contractor's obligations.
- Charges for purchase of tender documents, if applicable.

Applicants should also be advised of:

- The policy of the employer concerning domestic preference.
- The attitude of the employer to joint ventures. It is recommended that joint ventures should be allowed to prequalify but that the subsequent formation of joint ventures from amongst prequalified organisations should be controlled as this reduces the breadth of competition. A prequalified organisation should be allowed to strengthen its capability by the subsequent incorporation, during the tender period, of non-prequalified firm(s), subject to the approval of the employer.
- The number of copies of prequalification applications to be submitted.
- The name, address and latest date for receipt of submissions, including any particular instructions for labelling.
- The language to be used for the submission. The currency to be used for presenting financial information.

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2.2 Invitation to Prequalify

The employer/engineer should publish a notice inviting interested contractors to apply for prequalification documents, stating that tender documents will be issued only to a limited number of companies/joint ventures selected by the employer/engineer as having the necessary qualifications to perform the work satisfactorily.

The notice should be published in appropriate newspapers and journals to give sufficient publicity according to the particular circumstances of the project. The notice may also be issued to financing institution representatives, if relevant, and to government agencies responsible for foreign trade so that the international community receives timely notification of the proposed project and instructions on how to apply.

The notice should be reasonably brief and where feasible contain:

- Name of the employer.
- Name of the engineer.
- Location of the project.
- Description of the project and scope of work.
- Source of finance.
- Anticipated programme (i.e. award of contract, completion and any other key dates).
- Planned dates for issue of tender documents and submission of tenders.
- Instructions for applying for prequalification documents.
- Date by which applications to prequalify must be submitted.
- Minimum qualification requirements and any particular aspects which could be of concern to prospective tenderers.

The period between the notice of invitation to prequalify and the latest date for the return of completed applications should not be less than four weeks.

For most projects, the notice of invitation should be published between ten to fifteen weeks before the planned date for the issue of tender documents and completed prequalification applications should be submitted to the employer/engineer four to eight weeks before that date.

2.3 Issue and Submission of Prequalification Documents

On receipt of requests from contractors, the employer/engineer should issue the prequalification documents.

The letter of invitation to prequalify should state how the application is to be packaged and sent.

The employer/engineer should acknowledge receipt of the completed prequalification applications from the contractors.

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It is customary to issue tender documents free of charge. If it is intended to charge, details should be given in the prequalification documents.

2.4 Analysis of Prequalification Applications

The employer/engineer should evaluate the prequalification applications to identify those companies/joint ventures whom they consider to be suitably qualified and experienced to undertake the project.

The evaluations should determine, for each company or joint venture,

- Structure and organisation.
- Experience in both the type of work and the country or region in which it is to be undertaken.
- Available resources, in terms of management capability, technical staff, construction and fabrication facilities, maintenance and training facilities, or other relevant factors.
- Quality assurance procedures and environmental policy.
- Extent to which any work would be likely to be subcontracted.
- Financial stability and resources necessary to execute the project.
- General suitability, taking into account any potential language difficulties.
- Litigation or arbitration history.

Evaluation of the suitability of potential contractors should be made on the basis of the prequalification application. This may be supplemented by previous experience of the employer/engineer and by confidential enquiries made to previous employers, trade associations and directories or national company registers. Where appropriate and feasible, discussions may be held with applicants.

2.5 Selection of Tenderers

If the resulting list, after those firms who were found unsuitable have been excluded, exceeds six potential tenderers and there are no special regulations or conditions imposed on the employer, the selection procedure should be continued to eliminate the less well-qualified in order to arrive at no more than six.

2.6 Notification of Applicants

When the list of selected tenderers has been prepared, successful applicants should be notified and requested to confirm their intention to submit a tender. This should ensure, as far as possible, an adequate number of competitive tenders. If a potential tenderer wishes to drop out at this stage, the next best-placed should be invited and asked to confirm as above. Following this, all applicants should be notified of

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the list of selected tenderers without giving explanation for the decisions.

It should be noted that some financing or other institutions require that all contractors possessing the stipulated experience and resources should be prequalified without any restriction on the total number.

The employer/engineer should advise successful applicants when they can expect to receive tender documents, and should notify unsuccessful applicants that they have not been prequalified.

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3.0 OBTAINING TENDERS

3.1 Preparation of Tender Documents

3.1.1 General

The tender documents prepared by the employer/engineer will normally include the following:

- Letter of invitation to tender.
- Instructions to tenderers.
- Tender form and appendices.
- Conditions of contract (Parts I and II) together with any requisite forms.
- Specification.
- Drawings.
- Bill of quantities or schedule of prices.
- Information data.
- List of additional information required from tenderers.

The scope of the contract and an outline of the tender documents should be prepared before the prequalification documents in order to achieve consistency between these two sets of documents.

Some of the above items, such as “Letter of invitation to tender” and “Instructions to tenderers” will normally not form part of the contract agreement (see chapter 6.2) and consequently requirements and conditions applying to matters arising after award of contract must be incorporated elsewhere in the tender documents.

Essential features of the tender documents are described below.

3.1.2 Letter of Invitation to Tender

The letter of invitation to tender should be on employer's headed paper and should include:

- Tender reference and title.
- List of documents issued.
- Receipt form for the tender documents (to be signed and returned by the tenderers)
- Instruction to inform the employer/engineer, in writing, of any significant changes to the data supplied in the prequalification application.
- Date and place of tender submission and tender opening.

The letter of invitation should be kept as short as possible. Detailed information should be contained in the instructions to tenderers

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3.1.3 Instructions to Tenderers

General

Instructions to tenderers should be prepared by the employer/engineer to meet the particular requirements of individual contracts. The purpose of the document is to convey information and instructions that will govern the preparation, submission and evaluation of tenders.

When determining the tender period, the employer/engineer must ensure that adequate time is available for tenderers to prepare their tenders taking into account the size, complexity and location of the project in question.

Tenderers should be notified of the number of copies of their tender that are required, stipulating that one set of the documents should be clearly marked "Original Tender" and the others (which should be photocopies) marked "Copy" and that, in the event of discrepancy, the "Original Tender" shall take precedence.

If a power of attorney is required, details of the precise requirements should be given.

The tenderers' attention should be drawn to any requirement for documents to be notarised and legalised at the embassy or consulate of the employer's country.

Tenderers should be informed whether the successful tenderer will be required to establish a locally registered company for the purpose of the contract.

The instructions to tenderers should state that the employer does not bind himself to award a contract to any of the tenderers.

If remuneration is to be made to tenderers who submit responsive tenders, the sum should be advised. If not, it should be stipulated that all costs and expenses associated with the preparation and submission of tenders shall be borne by the tenderers.

Consideration should be given to offering some remuneration to tenderers if they, in order to provide a responsive tender, have to undertake studies or carry out design work of a conceptual nature. This will normally be the case in "Design, Build, Operate and Transfer" projects or "Design, Build and Operate" projects, see Appendix I.

Documents

The instructions to tenderers should contain a list of the documents required to form a complete tender.

Tenderers should be informed that a tender will be rejected unless it is substantially responsive.

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It should be made clear to tenderers that any corrections must be initialled. Data presented by tenderers in the form of computer print-outs, where appropriate, should normally be accepted.

Alternative Tenders

Tenderers should be informed of whether alternative tenders will be considered or not. A compliant tender is normally a precondition for considering alternative tenders.

Alternative tenders must include a comprehensive and precise description of the parts of the tender documents which have been altered. The alternative tender should include full details of contractual conditions, specification, drawings, calculations, environmental impacts and costs for the parts of the works that have been altered in order to allow a fair technical and financial evaluation of the alternative proposal.

Modification to Tenders

The tenderer should be informed that, if he has delivered, posted or dispatched his tender prior to the formal submission date he has the right to modify or make corrections to it, provided that any such modifications or corrections are received by the employer/engineer in writing prior to the time specified for submission of tenders. The original tender thus modified or corrected would then be considered as the official tender.

Financing Arrangements

Tenderers should be advised of the source of finance and related conditions.

Where tenderers are required to provide financing they should be instructed to provide information as to source of finance and the conditions which will apply.

Currencies and Payments

Specific instructions should be given concerning the currencies to be used in the preparation of the tender. Tenderers should also be advised in which currency/currencies payments will be effected.

Where tenderers are required to express their tenders in a single currency (usually the currency of the country in which the works are to be carried out), it is necessary to define the rates of exchange which have been used to convert the various currencies in which payment is required into a single currency unit. As more than one tenderer may request part payment in one particular currency, it is preferable that the exchange rates to be used should be consistent and, therefore, that they should be defined by the employer/engineer and notified to each tenderer a reasonable time before the date of submission. Normally, these rates should be the selling prices quoted by the local central bank, and the rates should be those quoted at the time of closing 28

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days before the tender submission date. The rates quoted are incorporated in the contract when awarded.

Domestic Preferences

Tenderers should be advised if and how domestic preferences will be applied in the evaluation of tenders.

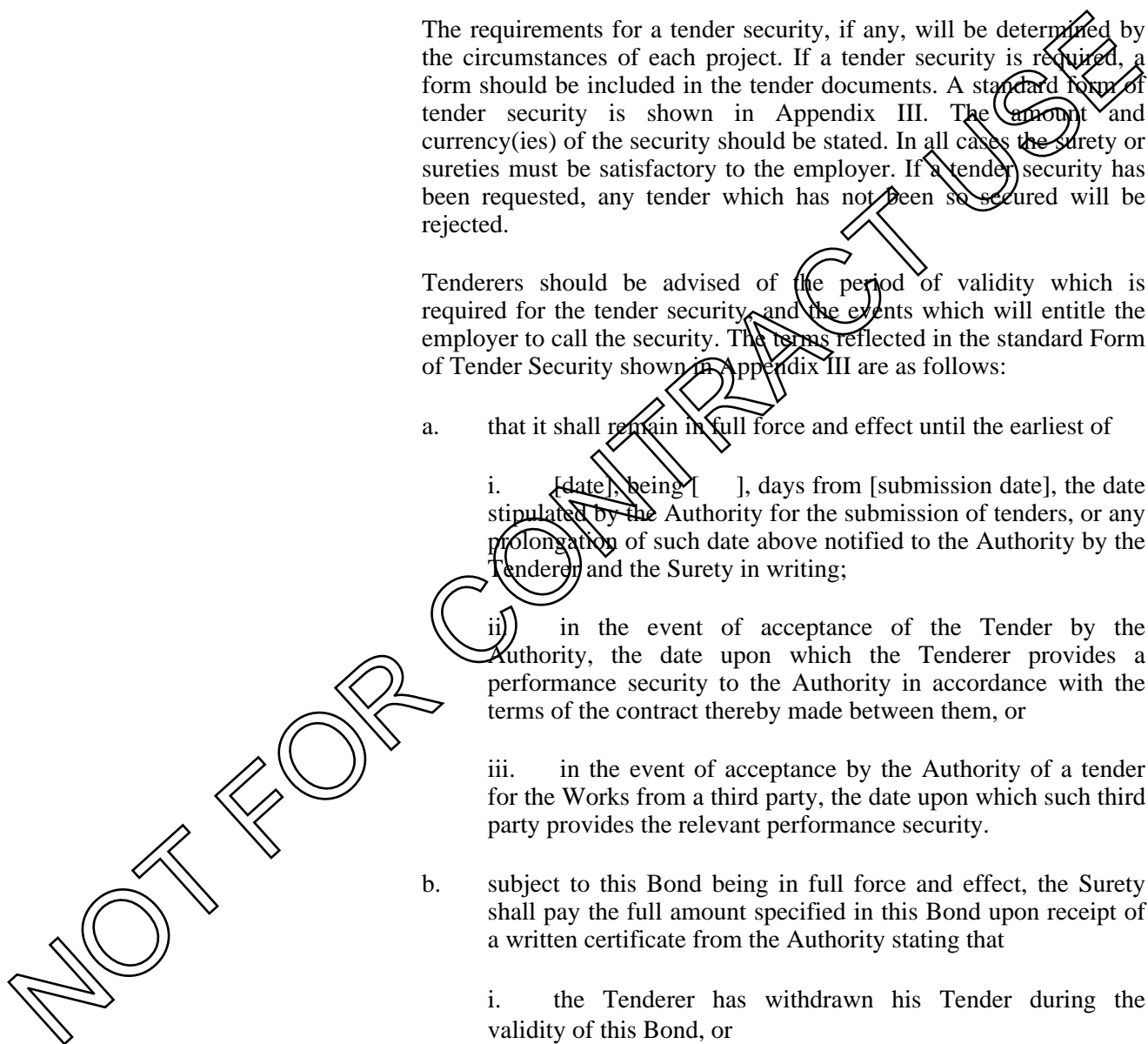
Tender Securities

The requirements for a tender security, if any, will be determined by the circumstances of each project. If a tender security is required, a form should be included in the tender documents. A standard form of tender security is shown in Appendix III. The amount and currency(ies) of the security should be stated. In all cases the surety or sureties must be satisfactory to the employer. If a tender security has been requested, any tender which has not been so secured will be rejected.

Tenderers should be advised of the period of validity which is required for the tender security, and the events which will entitle the employer to call the security. The terms reflected in the standard Form of Tender Security shown in Appendix III are as follows:

- a. that it shall remain in full force and effect until the earliest of
 - i. [date], being [], days from [submission date], the date stipulated by the Authority for the submission of tenders, or any prolongation of such date above notified to the Authority by the Tenderer and the Surety in writing;
 - ii. in the event of acceptance of the Tender by the Authority, the date upon which the Tenderer provides a performance security to the Authority in accordance with the terms of the contract thereby made between them, or
 - iii. in the event of acceptance by the Authority of a tender for the Works from a third party, the date upon which such third party provides the relevant performance security.
- b. subject to this Bond being in full force and effect, the Surety shall pay the full amount specified in this Bond upon receipt of a written certificate from the Authority stating that
 - i. the Tenderer has withdrawn his Tender during the validity of this Bond, or
 - ii. the Tenderer has failed to provide a performance security to the Authority in accordance with the terms of the contract between them upon acceptance of the Tender.

It is recommended that the period of validity of the security (Bond) shall equal the period of validity of the tender plus the time allowed for the tenderer to provide his performance security under the terms of the eventual Contract between the contractor and the employer. Tenderers should be advised that their tender securities will be returned to them as soon as the security is no longer in full force and effect as covered in sub-paragraph (a) above.



The employer/engineer should select the type and amount of security most appropriate to the contract to be awarded. It is preferable that the amount of security should be stated as a specific sum rather than as a percentage of the tender price.

Evaluation Criteria

The evaluation criteria, which will form the basis for the selection of the most advantageous tender, should be specified.

If a specific method of evaluation is to be used in selecting the successful tender, the method should be described in the instructions to tenderers.

While adjudication generally will be primarily on the basis of tender price, other factors which may be relevant include:

- time for completion
- suitability of technology
- life cycle costs of construction and plant
- environmental impact during the lifetime of the project
- avoidance of hazardous materials
- quality and serviceability of plant
- project financing
- operation and maintenance costs

These factors shall be, to the extent practicable, expressed in monetary terms or given a weight in the evaluation provision of the tender documents.

Performance Securities

If a security (guarantee or bond) for performance is required, the type and terms should be specified in the conditions of contract. The terms should include the period of validity of the security, the procedure to be followed if the security is forfeit, arrangements for its release and the currency of any monetary transactions involved.

Checklist

The following checklist is included to assist in the preparation of instructions to tenderers and shows subjects which should be covered:

- The language of the tender.
- The number of copies of the tender that are required.
- Which documents have to be filled in by the tenderer and returned by the submission date and which have to be signed.
- The requirement for each tenderer to provide a power of attorney for the signature(s) to the tender.

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- Any special rules regarding treatment of taxes, duties and other fiscal matters in the tender.
- Validity period of the tender.
- Any documents other than those issued as part of the tender documents which the tenderer must include with his tender (e.g. technical description or drawings, proposed methods of construction, proposed environmental protection measurements, proposed programme, schedule of key staff, quality control).
- Procedure for issuing addenda to the tender documents.
- Procedure for dealing with queries raised by tenderers.
- Instructions for packing, labelling and addressing the tender (including a supply of standard labels if this is the practice of the employer).
- Procedure to be adopted for tenderers to inspect the site of the works.
- Procedure for inspecting any special documents not issued with the tender documents (e.g. site investigation reports).
- Circumstances under which alternative offers may be submitted.
- Confidentiality of tender documents.
- Procedure for the return of tender documents by unsuccessful tenderers (if required).
- Procedure for dealing with requests for extension of time by tenderers.
- Arrangements for the opening of tenders.
- Procedure for dealing with arithmetic errors found in tenders during evaluation.
- Rules relating to disqualification/rejection of tenders (e.g. late arrivals, altered figures, incomplete submissions and deviations).
- Any unusual features of the particular tendering process. Information about the evaluation criteria

3.1.4 Conditions of Contract

The conditions of contract should be based on widely recognised conditions of contract such as “Conditions of Contract for Works of Civil Engineering Construction” and “Conditions of Contract for Electrical and Mechanical Works” published by FIDIC.

These documents comprise:

Part I: General Conditions (and Preamble, if applicable).

Part II: Conditions of Particular Application or Special Conditions.

Tender form.

Agreement form.

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If one of the above mentioned conditions is specified, guidance in its use is given in one of the following two publications “Guide to the use of FIDIC Conditions of Contract for Works of Civil Engineering Construction” and “Guide to the use of FIDIC Conditions of Contract for Electrical and Mechanical Works”.

It should be noted that the conditions have been prepared to provide a fair sharing of responsibility and risk between employer and contractor and contain many interdependent clauses. They should therefore be adopted with as few alterations as possible.

3.1.5 Specification

The specification will define the scope and technical requirements of the contract, including any requirements for training and the transfer of technology. The quality of materials and the standards of workmanship to be provided by the contractor must be clearly described, together with requirements for quality assurance to be performed by the contractor and the required safety, health and environmental measures to be observed during the execution of the works. The extent, if any, to which the contractor will be responsible for the design of the permanent works should also be specified. Details should be included of samples to be provided and tests to be carried out by the contractor during the course of the contract. Any limitations on the contractor's freedom of choice in the order, timing or methods of executing the work or sections of the works should be clearly set out and any restrictions in his use of the site of the works, such as interface requirements with other parts of the work, or provision of access or space for other contractors, should be given.

The specification shall promote the broadest possible competition and as far as possible follow international standards such as those issued by ISO.

3.1.6 Drawings

The drawings included in the tender documents should provide tenderers with sufficient detail to enable them, in conjunction with the specification and the bill of quantities, to make an accurate assessment of the nature and scope of the works included in the contract. The drawings should be listed in the specification.

3.1.7 Bill of Quantities/Schedule of Prices

The bill of quantities/schedule of prices should provide identifying descriptions and estimated quantities of work comprised in the execution of the works.

If the tenders are based on lump sums, a break-down of such sums into constituent parts should be provided by the tenderer.

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3.1.8 List of Additional Information required from the Tenderers

The employer/engineer should specify any additional information that tenderers are required to submit with their tenders. To ensure completeness and uniformity between tenderers, a suitable form should be prepared and issued as part of the tender documents.

Information should not be sought on matters which affect neither the evaluation of tenders nor the subsequent contract.

In order to assist the employer in forward budgeting, tenderers may be requested to provide with the tender an estimate of disbursements (excluding provisional sums) to be made by the employer during the period of the contract. The instructions should state the periods to be adopted for this estimate.

The estimates of cash flow will not become part of the contract as the figures may have to be reviewed and adjusted as the work proceeds. Expenditure under provisional sums will affect the figures, and so also will changes in the source of supply of goods and modifications to the programme or the extent of the works.

Depending on the particular requirements of a project, such additional information may include some of the following:

- *Tenderer's organisation for executing the contract.*
- *Tender programme for execution of the works.*
- *Breakdown of prices.*
- *Estimates of cashflow.*
- *List of proposed major subcontractors, together with details of those parts of the works which the tenderer would propose to subcontract.*
- *Details of key staff who would be employed on the project.*
- *Proposed sureties for performance securities.*
- *Proposal for accommodation of contractor's employees.*
- *Projected build-up of labour on site, both local and foreign.*
- *Contractor's estimated electrical power requirements on site.*
- *List of construction equipment proposed.*
- *Update of prequalification information, e.g. financial status and projects in hand.*

The list is not exhaustive. It should be clearly stated which items form part of the evaluation and which items are to be incorporated into the contract.

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3.2 Issue of Tender Documents

Tender documents should be issued by the employer/engineer to those firms who have been selected to tender.

If a charge for documents is to be raised, issue should only be made against payment.

As an alternative to posting, or despatching by other means, tenderers should always be given the option of collecting tender documents from the employer/engineer on the due despatch date. Tenderers should be asked whether they wish to collect the documents and instructed as to the time and place for collection.

3.3 Visit to Site by Tenderers

Visits to the site of the works should be arranged with the employer/engineer as laid down in the instructions to tenderers.

The primary purpose of the visit is to enable each tenderer to inspect the site and obtain all relevant information required for the preparation of his tender.

Tenderers should be advised of the probable duration of the visit, the period during which the visit may be made and the maximum number of persons from each tenderer allowed to participate.

The arrangements for the site visit should be determined so that equal opportunities are open to all tenderers. The visit should take place at approximately the end of the first half of the tender period and should include a tenderers' conference.

Tenderers should make their own travelling arrangements and bear the costs, including fares, accommodation and subsistence and they should be advised of this in the instructions to tenderers.

It is the responsibility of the employer/engineer to make only those arrangements necessary for the actual inspection of the site.

The employer/engineer should make a record of tenderers' representatives visiting the site.

The employer/engineer may require tenderers visiting the site to indemnify the employer/engineer against any claims for damage, injury or death as a result of the visit.

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3.4 Tenderers' Queries

Tenderers' queries can be handled by correspondence or by tenderers' conference or by a combination of these methods.

The intended method or methods should be described in the instructions to tenderers.

Correspondence Method

Any tenderer requiring clarification of the tender documents should submit his queries to the employer/engineer in writing.

The employer/engineer should prepare and despatch written replies to queries. These replies, together with the text of the queries should be issued to all tenderers without quoting the source of the queries, and the tenderers should be required to acknowledge receipt of the information.

Tenderers should be instructed that queries will not be accepted by the employer/engineer unless received 28 days before the date for submission of tenders.

Replies to queries should, where appropriate, be issued as addenda to the tender documents.

Tenderers' Conference Method

With the conference method, queries from the tenderers to the employer/engineer are dealt with at a tenderers' conference arranged by the employer/engineer to take place at the time of the site visit.

Tenderers' queries should be in writing and should identify the party raising the query.

As far as possible oral answers should be given by the employer / engineer during the conference.

Within a reasonable time after the conference, the employer/engineer should send all tenderers, whether present at the conference or not, a full set of minutes recording both the queries and formal replies. Where appropriate, an addendum to the tender document should be issued.

Receipt of the minutes should be acknowledged by the tenderers.

Representation from each tenderer should be limited to two or three persons at the conference.

3.5 Addenda to Tender Documents

Each addendum should, when issued, carry a serial number for reference purposes and contain a receipt slip which should be signed by the tenderers and returned immediately to the employer/engineer.

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Addenda should be complete in themselves and should not rely on tenderers having to appreciate the implications and decide whether other changes to the documents are required as a consequence.

Addenda become part of the tender documents.

It is possible that explanations, revisions, additions or deletions to the tender documents may be necessary during the tender period and these should be notified in accordance with the procedure shown above.

The employer/engineer should avoid, if possible, the issue of addenda during the latter part of the tender period. If unavoidable, the employer/engineer should consider extending the tender period to allow tenderers a reasonable time for their incorporation. It should also be remembered that changes of a minor nature can usually be dealt with in discussions with the selected tenderer prior to award.

The tender period should not be extended unless the circumstances are exceptional. In considering the need for extensions which might arise, either as the result of major amendments to the tender documents or as a direct request from one or more tenderers, the following criteria should be applied:

- *Is there a convincing reason for granting an extension?*
- *Would the refusal of an extension reduce the number of tenders to be submitted?*
- *Would an extension give preferential treatment to those tenderers who are unable to meet the original tender submission date?*
- *Would an extension create unacceptable delay to the project programme?*

Submission and Receipt of Tenders

It is the responsibility of tenderers to ensure that their tenders are delivered to the employer/engineer by the due submission date and time, properly signed by authorised signatories.

Tenderers should be instructed to return their tenders double-wrapped in plain envelopes or packages using pre-addressed labels provided by the employer/engineer. The labels should identify the particular tender and should carry a code to enable the employer/engineer to identify the tenderer (for example, for use in the event of late tenders having to be returned unopened). Labels should preferably be distinctive and carry the words "Tender Document - To remain sealed until official opening".

The employer/engineer should mark all tenders with the time and date of receipt and ensure that they are kept secure and unopened until the date and time appointed for the official opening.

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If tenders are delivered by hand, tenderers should obtain a receipt from the employer/engineer recording the date and time of delivery.

Tenders received after the appointed time should be immediately returned, unopened, to tenderers, accompanied by an explanatory letter giving the date and time of receipt.

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4.0 OPENING OF TENDERS

4.1 Opening of Tenders

At the date and time fixed for the official opening, the employer/engineer should check and display the sealed condition of each tender prior to its being opened.

As each tender envelope is opened, the employer/engineer should announce:

- Tenderer's name
- Tender price.
- Price of alternative tenders, if appropriate.
- Tender security

Following this, the employer/engineer should announce the names of any tenderers disqualified due to late or non-receipt of tenders.

The foregoing information should be recorded on a suitable form signed by the opening officer and appropriate witnesses.

The official opening of tenders may be carried out in one of two ways as appropriate to the circumstances.

- *In Public: The date, time and place of opening should be advertised in the press and notified to tenderers.*
- *Restricted: In the presence of those tenderers wishing to attend, or having been advised of the date, time and place of the opening.*

In addition to the above, any persons specifically invited by the employer may also attend, as may representatives of any government or other authority who are required so to do.

Unless required otherwise by financing or other institutions, tender openings should be "Restricted" and the opening should be held on the same day as tenders have to be submitted.

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5.0 EVALUATION OF TENDERS

5.1 Review of Tenders

Following the opening, tenders should be checked by the employer/engineer to establish that they are arithmetically correct, are responsive without errors and omissions and consistent with the invitation to tender.

Where arithmetical errors are found, these should be corrected in accordance with the provisions in the instructions to tenderers.

Tenders that are considered to be substantially unresponsive should be rejected and returned to the tenderers.

5.2 Tenders containing Deviations

Where a tender contains deviations, the monetary value of the deviations should be determined by the employer/engineer and added to or subtracted from the tender price to arrive at the anticipated real cost of the tender for comparison with other tenders received. The calculations should be carried out using information contained in the tender or, if appropriate information is not given, by applying commercial rates and prices.

If the nature of the deviations is such that it is not possible to determine their monetary value, it is recommended that the tender should be judged to be substantially unresponsive and returned to the tenderer.

The employer/engineer should make a detailed assessment of all responsive tenders. The assessment should be based on the evaluation criteria as specified in the tender documents.

On completion of the above procedures the tenders should be placed in order of evaluated cost.

At this stage, the employer/engineer may wish to seek clarification of information contained in the lowest evaluated tender and possibly the second and even the third lowest. The employer/engineer should not raise queries in such a manner as to elicit supplementary information beyond the minimum required for clarification and should state that any such further information given will be disregarded. At the same time, a summary of any arithmetical corrections made by the employer/engineer should be submitted to tenderers for agreement.

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5.3 Adjudication of Tenders

If the lowest evaluated tender as clarified still contains deviations which are unacceptable to the employer/engineer, the tenderer should be notified and given the opportunity of withdrawing such deviations in writing. The tenderer may do so only if he confirms in writing that the withdrawal makes no change to the tender price. If no such confirmation is received the tender should be rejected and the next lowest evaluated tender as clarified should be considered, and so on.

The employer should then make his decision on which tender to accept. Unless there are exceptional circumstances, the award should be made to the tenderer submitting the lowest evaluated responsive tender.

The procedure for dealing with deviations will depend on the employer's policy towards tenders which do not comply fully with the instructions to tenderers. The procedure described above is the one recommended by FIDIC as most likely to ensure fairness to both employers and tenderers and in the long term to ensure that employers receive compliant competitive tenders. Certain employers, particularly those who receive a number of tenders each year, may prefer to adopt a stricter approach and to reject any tenders which contain deviations. If this is the case, a statement to this effect should be included in the instructions to tenderers and this procedure should then be strictly observed.

Where financing institutions are involved, their procedures may prescribe strict rules for dealing with deviations and in particular are likely to prohibit any change in tender price.

The instructions to tenderers should have stated the policy regarding alternative tenders. If alternative tenders are to be considered, the employer/engineer should examine any alternative submitted to see if it is acceptable. If it is, then its cost should be evaluated and ranked in the order of evaluated costs. The finally accepted tender for an alternative design may not be that from the tenderer submitting the lowest conforming tender and the employer should be permitted to accept the alternative design if it is in his interests to do so. However, alternatives should only be considered if a compliant tender has also been submitted, otherwise there is a risk that all tenderers might submit tenders for alternative designs only, none of which might be acceptable to the employer.

During tender evaluation, any apparent high or low pricing should be identified and drawn to the attention of the employer.

The appropriate key factors and method of evaluation should have been established in the instructions to tenderers so that the subsequent evaluation and comparison of tenders leads to an objective judgement.

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The evaluation of tenders can generally be considered to have three components. The components may include:

- *Technical evaluation*
 - : *conformity with specifications and drawings*
 - : *comparison of any proposed alternatives (if allowable)*
 - : *with the requirements of the tender documents*
 - : *design aspects for which the contractor is responsible*
 - : *methods of construction and temporary works*
 - : *environmental considerations*
 - : *quality assurance*
 - : *programme*
- *Financial evaluation*
 - : *capital cost*
 - : *discounted cash flow and net present value*
 - : *programme of payments*
 - : *financing arrangements*
 - : *currencies*
 - : *securities*
 - : *interest rates*
 - : *downpayments/retentions*
 - : *daywork rates*
 - : *contract price adjustment proposals*
- *General contractual and administrative evaluation*
 - : *conformity with instructions to tenderers*
 - : *completeness of tenders*
 - : *validity of tenders*
 - : *exclusions and deviations - stated or implied*
 - : *insurance*
 - : *experience of proposed key staff*
 - : *shipping, customs, transport*
 - : *working hours*
 - : *labour build-up, run-down and source*

5.4 Rejection of all Tenders

In the unlikely event of rejection of all tenders, the tenderers should be advised of the reason. If new tenders are to be invited, the employer/engineer should carefully review the causes leading to the rejection and should consider modifying the tender documents or adding to the list of selected tenderers before inviting new tenders. It is also recommended that any new tender documents should be updated to incorporate any modifications previously issued as addenda to tender documents and/or replies to tenderers' queries.

Tenders should not be rejected and completely new tenders invited against the original tender documents for the express purpose of trying to obtain lower prices.

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The release of tender securities should not be withheld, even if it is the intention of the employer/engineer to invite some or all of the tenderers to re-tender against new tender documents.

If the employer is considering the rejection of all tenders because the lowest tender exceeds the cost estimates or the employer's budget by a significant amount, the employer/engineer may negotiate with the most favourably placed tenderer.

In conducting such negotiations, the guiding principle must be to ensure that the confidentiality and fairness of tendering is preserved. In the event of a satisfactory contract not being negotiated, all tenders may be rejected.

Rejection of all tenders is also justified when:

- *Tenders are not substantially responsive to the tender documents.*
- *Too few tenders received to ensure competition.*

NOT FOR CONTRACT USE

6.0 AWARD OF CONTRACT

6.1 Issue of Letter of Acceptance

The employer will normally seek to award the contract to the tenderer submitting the lowest evaluated responsive tender. The award must be made during the period of tender validity or any extension thereto accepted by the tenderers.

Where the lowest evaluated tender contains deviations from the requirements of the tender documents which are not deemed to render the tender as non-responsive and which have not been dealt with under clause 5.3, it is normally necessary for the employer/engineer and tenderer to meet, prior to any decision being made concerning the award of the contract, in order to determine and agree whether such deviations are acceptable and shall be incorporated in the contract, or whether they shall be withdrawn by the tenderer.

Following such discussions, and assuming that agreement has been reached on all points, the employer/engineer should prepare a memorandum of understanding giving details of the agreements made. This memorandum should be submitted to the tenderer for his agreement and signature. Once this agreement has been obtained the employer/engineer should issue a letter of acceptance, attaching the signed memorandum, to the tenderer. Where it has not been possible to reach agreement with the tenderer submitting the lowest evaluated tender, the above procedure should be repeated with the tenderer submitting the next lowest evaluated tender.

The letter of acceptance should identify the contract and the works to be executed by the contractor as well as the contract price which the employer will pay to the contractor in accordance with the terms of the contract. Where the contract includes FIDIC Conditions of Contract for Works of Civil Engineering Construction, Fourth Edition, the general terms of the insurance policies must be agreed with the selected tenderer before the letter of acceptance is issued.

The notification by the letter of acceptance will constitute the formation of the contract.

The memorandum of understanding should be a factual statement recording all decisions and agreements reached during the pre-award discussions. It should normally not be necessary to record the detail of the discussions. The memorandum will become one of the documents forming part of the contract agreement and will take precedence over all other contract documents. It is thus essential that it is signed by both parties.

Where it is not immediately possible to issue a formal letter of acceptance to the successful tenderer, the issue of a letter of intent to enter into a contract may in some circumstances serve a useful purpose. Care should be exercised in formulating a letter of intent so that it is not construed as being the letter of acceptance.

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If a letter of intent is issued, it should normally contain:

- *A clear statement that it is intended to accept the tender together with any conditions precedent.*
- *If the employer is prepared for the contractor to commence any part of the works (e.g. mobilisation, ordering of materials, letting of subcontracts, etc.) then details of such work.*
- *The basis of payment for work authorised and a limit (if any) to the financial liability which may be incurred before formal acceptance of the tender.*
- *A statement that if the contract is subsequently not awarded to the tenderer, the properly audited costs incurred by him in performing work authorized by the letter of intent will be paid by the employer.*
- *A request to the tenderer to acknowledge receipt of the letter of intent and to confirm his acceptance of its conditions.*

6.2 Performance Security

It is normally a requirement of the contract that the contractor shall furnish a performance security within the time, and in the amount, currency and form, prescribed in the contract documents. The performance security should be furnished before the expiry of the validity period of the tenders.

Tenderers should be advised, in the tender documents, of the consequences of failing to produce a performance security according to the stated requirements.

Such consequences would normally be that the contract is declared null and void and the contractor forfeits his tender security.

The employer is then free to award the contract to the next lowest tenderer.

The successful tenderer's tender security must be returned to him promptly once he has furnished his performance security.

Where employers are relying on project funding from external financial institutions, they should confirm the form of performance security to be used with that institution.

If the timing is such that it will be impossible for the contractor, in compliance with the terms of the contract, to provide the performance security before the validity period of the tenders has expired, the employer/engineer should protect himself by asking the other tenderers to extend the validity period of their tenders accordingly. Refusal by any tenderer to extend the validity period of his tender for this reason would not entitle the employer to call his tender security.

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6.3 Preparation of Contract Agreement

The contractor should normally be required to sign a contract agreement with the employer. The employer/engineer should prepare the contract agreement which should include the following documents:

- Letter of Acceptance and Memorandum of Understanding
- Letter of Intent (if applicable)
- The Tender
- Conditions of Contract
- Specification
- Drawings
- Bill of Quantities
- and such other documents that are intended to form the contract

Although the signing of (or failure to sign) a contract agreement does not affect the validity of the contract established by the issue of the letter of acceptance, it is very common for the contract to be formalized in this way. Such formalization may have a legal effect under certain legal systems (e.g. contract under seal). The initiative lies with the employer and the contract agreement, if required, should normally be signed in conjunction with, or shortly after, the issue of the letter of acceptance.

6.4 Notification of Unsuccessful Tenderers

Upon the furnishing of the performance security by the successful tenderer in accordance with the provisions of the conditions of contract, the employer/engineer should promptly notify the other tenderers in writing that their tenders have been unsuccessful.

At the same time, if tender securities have been provided by tenderers, the employer/engineer must arrange for the return of such securities to the unsuccessful tenderers.

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APPENDIX I

TENDERING PROCEDURE

MODELS FOR IMPLEMENTATION OF PROJECT (page 1 of 2)

IMPLEMENTATION MODEL	REFERENCE	TENDERING BASIS	EMPLOYER'S/ENGINEERS ROLE IN EVALUATION PHASE
BUILD	"BDD"	Detailed design	Prepare tender documents incl. Detailed design specification and schedules of cost/bills of quantities
BUILD	"BDP"	Preliminary design	Prepare tender documents incl. Preliminary design, specification and bills of quantities
DESIGN AND BUILD	"DB"	Performance requirements	Prepare tender documents incl. conceptual design, performance requirements, specification and schedules of costs
DESIGN, BUILD, OPERATE AND TRANSFER	"DBOT"	Outline of the project and performance requirements	Prepare tender documents incl. conceptual design, performance requirements, specification and schedules of costs
DESIGN, BUILD AND OPERATE	"DBO"	Outline requirements and output requirements	Prepare tender documents, performance requirements, specification and schedules of cost per unit of output

NOT FOR CONTRACT USE

APPENDIX I

TENDERING PROCEDURE

MODELS FOR IMPLEMENTATION OF PROJECT (page 2 of 2)

IMPLEMENTATION MODEL	TENDERER'S ROLE IN TENDER PHASE	EMPLOYER'S / ENGINEERS ROLE IN EVALUATION PHASE	AWARD CRITERION ¹⁾
BUILD	Submit tender price for construction based on schedules of costs/bills of quantities prepared from the detailed design	Evaluate incoming tenders based on the tender evaluation criteria	Lowest evaluated price
BUILD	Submit tender price for construction based on bills of quantities prepared from estimated quantities from the preliminary design	Evaluate incoming tenders based on the tender evaluation criteria	Lowest evaluated price
DESIGN AND BUILD	Submit preliminary design and tender price for construction	Evaluate incoming tenders based on the tender evaluation criteria	Economically or financially most advantageous offer
DESIGN, BUILD, OPERATE AND TRANSFER	Submit preliminary design and tender price for construction, operation and maintenance, and transfer	Evaluate incoming tenders based on the tender evaluation criteria	Economically or financially most advantageous off
DESIGN, BUILD AND OPERATE	Submit conceptual design and costs per unit of output	Evaluate incoming tenders based on the tender evaluation criteria	Lowest evaluated price per unit of output

¹⁾ The award criterion is to be determined by the employer.

APPENDIX II

Standard Prequalification form for contractors

comprising pages :

- A Title page
- B Note to applicants
- C Structure and organisation 1
- D Structure and organisation 2
- E Financial statement
- F Joint Venture
- G Resources: personnel 1
- H Resources: personnel 2
- I Resources: plant
- J Resources: other
- K Experience: geographical
- L Experience: relevant projects completed
- M Experience: all projects in progress
- N Additional information

Comprising i.a.


- Quality Assurance Systems
- Environmental Policy
- Litigation History

Note:

Supplies of this form are available
in A-4 size from
FIDIC Secretariat, P.O. Box 311, 1215 Geneva 15, Switzerland.
Tel. +41 21 799 49 00, Telefax +41 22 799 49 01
E-mail: fidic@fidic.org, WWW: <http://www.fidic.org>

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Page of Total pages



FEDERATION INTERNATIONALE DES INGENIEURS-CONSULTANTS
INTERNATIONAL FEDERATION OF CONSULTING ENGINEERS
INTERNATIONALE VEREINIGUNG BERATENDEN INGENIEURE
FEDERACION INTERNACIONAL DE INGENIEROS CONSULTORES

Standard prequalification form for contractors

Name and address of the contractor:

Name of the employer:


Title and location of the project:

Name of the engineer:

Date:

Page A

Page of total pages



Prequalification form

Project: _____

Company: _____

Note to applicants

- 1 Please answer all questions.
- 2 Supplementary pages may be photocopied or copied and inserted if required.
- 3 Please number each page in the space provided at the top of each page.
- 4 Please retain a copy of your complete submission.
- 5 If a joint venture is proposed, all companies are to respond to all questions
- 6 Project financial data is to be given in US dollar unless otherwise requested.


Standard pages

A. Title page	H. Resources: personnel 2
B. Notes	I. Resources: plant
C. Structure and organization 1	J. Resources: other
D. Structure and organization 2	K. Experience: geographical
E. Financial statement	L. Experience: relevant projects completed
F. Joint Venture	M. Experience: project in progress
G. Resource: personnel 1	N. Additional information

Please list below any additional pages attached to each standard page.

Page B

Page of total pages



Prequalification form

Project: _____

Company: _____


Structure and organization 1

- 1 Name of company: _____
Address: _____
Telephone number: _____
Registered office address: _____
- 2 Description of company (for example, General Civil Engineering Contractor): _____
- 3 Number of years experience as a general contractor - in own country: _____
- internationally: _____
- 4 Number of years experience as a subcontractor - in own country: _____
- internationally: _____
- 5 Names and addresses of associated companies to be involved in the project – and whether parent/subsidiary/other: _____

If the company is a subsidiary, what involvement, if any, will the parent company have in the project?

Page C

Page of total pages



Prequalification form

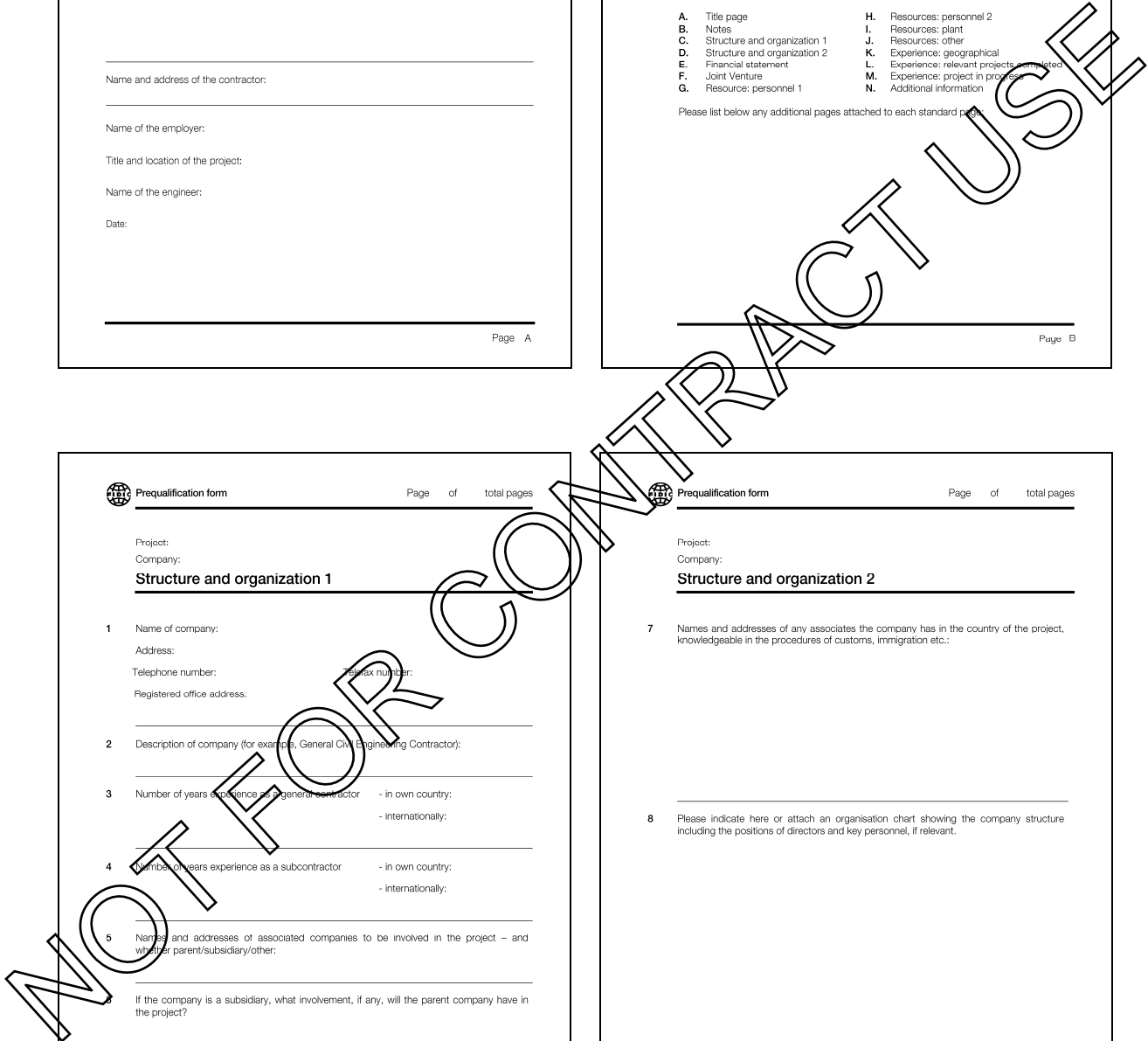
Project: _____


Company: _____

Structure and organization 2

- 7 Names and addresses of any associates the company has in the country of the project, knowledgeable in the procedures of customs, immigration etc.: _____
- 8 Please indicate here or attach an organisation chart showing the company structure including the positions of directors and key personnel, if relevant. _____

Page D



 Prequalification form Page _____ of _____ total pages

Project:
Company:

Financial statement

1 Capital:
Authorised:
Issued:

2 Annual value of construction work undertaken for each of the last five years and projected for current year:


Year	Current				
Home					
Abroad					

3 Approximate value of work in hand:

4 Please attach copies of the company's previous three years' accounts (profit/loss, assets/liabilities) and other financial data which you consider to be useful.
List all attachments below:

5 Name and address of bankers from whom references can be obtained:

Page E

 Prequalification form Page _____ of _____ total pages

Project:
Company:

Joint Venture


If the company intends to enter into a joint venture for the project, please give the following information, otherwise state "not applicable":

1 Names and addresses of joint venture partners:

2 Name of company leading the joint venture:

3 Name and address of bankers to the joint venture:

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 Prequalification form Page _____ of _____ total pages

Project:
Company :


Resource: personnel 1

1 Number of staff: Technical: Administrative:

2 Please list present executive directors:

Name	Present position	Years of experience with the company/in construction

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 Prequalification form Page _____ of _____ total pages

Project:
Company:

Resources: personnel 2

List information about other key personnel below:

Name: _____ Present position: _____

Years of experience: - with the company: _____
 - in construction: _____

Major works for which responsible (type and value): _____

Linguistic ability relevant to project:

Name: _____ Present position: _____

Years of experience - with the company: _____
 - in construction: _____

Major works for which responsible (type and value): _____

Linguistic ability relevant to project:


Name: _____ Present position: _____

Years of experience - with the company: _____
 - in construction: _____

Major works for which responsible (type and value): _____

Linguistic ability relevant to project

Page H



Prequalification form
Page _____ of _____ total pages

Project:
 Company:

Resources: contractor's equipment and facilities

On the basis of the information provided in the prequalification documents please indicate the equipment and facilities considered by the company to be necessary for undertaking the project and whether this is already in the company's ownership or will be purchase or hired:

Page J


Prequalification form
Page _____ of _____ total pages

Project:
 Company:

Resources: other

1 If it is foreseen that any part of the contract will be subcontracted state the type of work to be undertaken by the subcontractor(s) and, if known, give the name and address of the subcontractor(s) to be used.

2 Fabrication facilities (to be completed only if relevant to the project):
 Summary:


Description:

Location:

Capacity:

Annual throughput:

Page J


Prequalification form
Page _____ of _____ total pages


Project:
 Company:

Experience: geographical

1 Countries in which work similar to the project has been undertaken:

2 Summary of experience of company in the country of the project and/or neighbouring states:

Page K


Prequalification form
Page _____ of _____ total pages

Project:
 Company:

Additional information

Please describe:

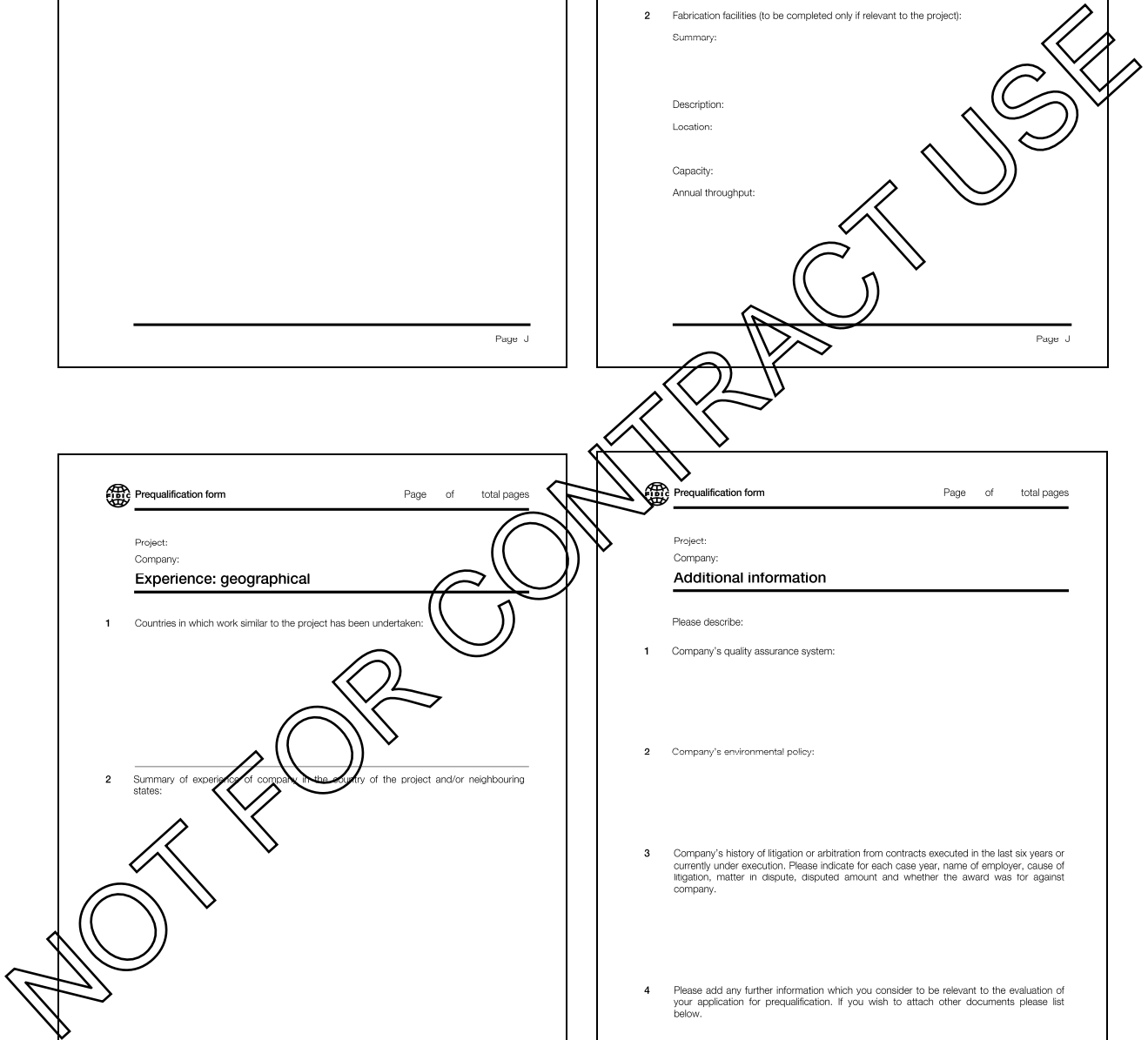
1 Company's quality assurance system:

2 Company's environmental policy:


3 Company's history of litigation or arbitration from contracts executed in the last six years or currently under execution. Please indicate for each case year, name of employer, cause of litigation, matter in dispute, disputed amount and whether the award was for against company.

4 Please add any further information which you consider to be relevant to the evaluation of your application for prequalification. If you wish to attach other documents please list below.

Page N



FEDERACION INTERNACIONAL DE INGENIEROS-CONSEJOS
INTERNATIONAL FEDERATION OF ENGINEERS-CONSULTANTS
INTERNATIONALE VEREINIGUNG ERERATER INGENIEURE
FEDERACION INTERNACIONAL DE INGENIEROS CONSULTORES

 **Standard
prequalification form
for contractors**

Name and address of the contractor: _____

Name of the employer: _____

Title and location of the project: _____

Name of the engineer: _____
Date: _____

NOT FOR CONTRACT USE

Prequalification form

Page of total pages



Project: **Experience: relevant projects completed**

Company:

Please fill in information about the relevant projects completed over the past six years

Name of the employer	Name, location and type of project	Name of (consulting) engineer responsible for supervision	Contract price and date	Percentage of participation of company in project	Was contract satisfactorily completed including time provision

Page L

NOT FOR CONTRACT USE

APPENDIX III

FORM OF TENDER SECURITY

By this Bond We, _____

(hereinafter called "the Tenderer") and We (name of bank or insurance company) whose registered office is at _____

(hereinafter called "the Surety") are held and firmly bound unto _____

(hereinafter called "the Authority") in the sum of _____ for the payment of which sum the Tenderer and the Surety bind themselves their successors and assigns jointly and severally by these presents.

Whereas the Authority has invited the Tenderer and other persons to complete tenders in similar terms for the construction/supply and installation of _____

and works associated therewith (hereinafter called "the Works") and to submit the same for the consideration of the Authority, and the Tenderer proposes to submit to the Authority a tender (hereinafter called "the Tender") in accordance with such invitation, this Bond shall provide security to the Authority that the Tenderer will honour certain obligations to be undertaken by him in the Tender in accordance with the following conditions.

Now the Conditions of this Bond are:

- a. that it shall remain in full force and effect until the earliest of
 - i. [date], being [] days from [submission date], the date stipulated by the Authority for the submission of tenders, or any prolongation of such date above notified to the Authority by the Tenderer and the Surety in writing;
 - ii. in the event of acceptance of the Tender by the Authority, the date upon which the Tenderer provides a performance security to the Authority in accordance with the terms of the contract thereby made between them, or
 - iii. in the event of acceptance by the Authority of a tender for the Works from a third party, the date upon which such third party provides the relevant performance security.
- b. subject to this Bond being in full force and effect, the Surety shall pay the full amount specified in this Bond upon receipt of a written certificate from the Authority stating that
 - i. the Tenderer has withdrawn his Tender during the validity of this Bond, or
 - ii. the Tenderer has failed to provide a performance security to the Authority in accordance with the terms of the contract between them upon acceptance of the Tender.

No alteration in the terms of the Tender, nor any forbearance or forgiveness in or in respect of any matter or thing concerning the Tender on the part of the Authority, nor any objection from the Tenderer shall in any way release the Surety from any liability under this Bond.

The benefit of this Bond shall not be assignable by the Authority and upon its ceasing to be in full force and effect the Authority shall return the same to the Tenderer.

This Bond shall be governed by the laws of []

Executed as a Deed this [] day of [] 20[]

For and on behalf of the Tenderer _____ For and on behalf of the Surety _____

Signed by _____ Signed by _____

in the capacity of _____ in the capacity of _____

and by _____ and by _____

in the capacity of a _____ in the capacity of _____

Seal (where applicable) _____ Seal (where applicable) _____

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