

Section 3: Evaluation and Qualification Criteria

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1. Technical Evaluation

1.1 Technical Criteria

The cost of all quantifiable deviations or deficiencies from the technical requirements as specified in Section 6 (Schedule of Supply) shall be evaluated. The Purchaser will make its own assessment of the cost of these deviations or deficiencies for the purpose of ensuring fair comparison of Bids.

1.2 Margin of Preference

Margin of Preference shall be applicable as per procedures explained below;

1.2.1 Method of Application

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

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

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

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

2. The price quoted for goods in bids of groups A and B shall include all duties and taxes paid or payable on the basic materials or component purchased in the domestic market or imported, but shall exclude the sales and similar taxes on the finished product. The price quoted for goods in bids of group C shall be on CIF or CIP (place of destination), which is exclusive of customs duties and other import taxes already paid or to be paid.

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

4. If as a result of the comparison under paragraph 3 above, the lowest evaluated Bid is a Bid from group C, the lowest evaluated bid from group C shall be further compared with the lowest evaluated Bid from group A after adding to the evaluated price of goods offered in the Bid from group C, for the purpose of this further comparison only, an amount equal to 15% of the CIF or CIP bid price. The lowest evaluated Bid determined from this last comparison shall be selected.

1.3 Economic Criteria

1.3.1 Adjustment for Scope

1.3.1.1 Local Handling and Inland Transportation

Costs for inland transportation, insurance, and other incidental costs for delivery of the goods from the EXW premises, or port of entry, or border point to Project Site as defined in Section 6 (Schedule of Supply), shall be quoted in the Price Schedule for Related Services to Be Offered from Outside and Within the Purchaser's Country provided In Section 4 (Bidding Forms). These costs will be taken into account during bid evaluation. If a Bidder fails to include such costs in its Bid, then these costs will be estimated by the Purchaser on the basis of published tariffs by the rail or road transport agencies, insurance companies, or other appropriate sources, and added to EXW or CIF or CIP price

1.3.1.2 Minor Omissions or Missing Items

Pursuant to ITB 32.3, the cost of all quantifiable nonmaterial nonconformities or omissions from the contractual and commercial conditions shall be evaluated. The Purchaser will make its own assessment of the cost of any nonmaterial nonconformities and omissions for the purpose of ensuring fair comparison of Bids

1.3.2 Adjustment for Deviations from the Terms of Payment

Deviations from the Terms of Payment as specified in SCC 16.1, are not permitted.

1.3.3 Adjustment for Deviations in the Delivery and Completion Schedule

The Goods covered by this bidding process are required to be delivered in accordance with, and completed within, the Delivery and Completion Schedule specified in Section 6 (Schedule of Supply). No credit will be given for earlier completion.

1.3.4 Spare Parts

Only those spare parts and tools that are specified on an item-wise basis in the Section 4 and Section 6 "List of Goods and Related Services (Schedule of Supply), shall be taken into account in the bid evaluation. Bidder recommended spare parts for a specified operating requirement shall not be considered in bid evaluation.

1.4 Multiple Lots (Contracts)

Goods are grouped in three lots. The Purchaser will evaluate and compare Bids on the basis of a lot, or a combination of lots, or as a total of lots to arrive at the least cost combination for the Purchaser by taking into account discounts offered by Bidders. Multiple lots discount shall not be applicable.

If a Bidder submits successful Bids for multiple lots (lowest evaluated substantially responsive Bids), the evaluation will also include an assessment of the Bidder's capacity to meet the aggregated qualifying requirements relating to ;

- a) average annual turnover;
- b) Technical capacity
- c) Production capacity
- d) cash flow

2. Qualification Criteria

A bidder must demonstrate meeting the requirements for:

- | | |
|-------------------------------------|---|
| 2.1.1 Eligibility | 2.3.1 Historical Financial Performance |
| 2.1.2 Pending Litigation | 2.3.2 Size of Operation (Average Annual Turnover), and |
| 2.2.1 Contractual Experience | 2.3.3 Cash Flow Capacity |
| 2.2.2 Technical Experience | |
| 2.2.3 Production Capacity | |

If Bidder is not a manufacturer:

If a Bidder is not a manufacturer, but is offering the Goods on behalf of the Manufacturer under Manufacturer's Authorization Form (Section 4, Bidding Forms), the Bidder shall demonstrate meeting the requirements for

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|-------------------------------------|---|
| 2.1.1 Eligibility | 2.3.1 Historical Financial Performance |
| 2.1.2 Pending Litigation | 2.3.2 Size of Operation (Average Annual Turnover), and |
| 2.2.1 Contractual Experience | 2.3.3 Cash Flow Capacity |

but its proposed Manufacturer shall separately demonstrate meeting

- 2.1.1 Eligibility**
2.2.2 Technical Experience, and
2.2.3 Production Capacity.

The specific requirements follow.

Bidders shall meet the following qualification criteria set by the Purchaser on a pass-fail basis. It is the legal entity or entities comprising the Bidder and not the Bidder's parent companies, subsidiaries or affiliates that must satisfy these criteria.

2.1 Eligibility and Pending Litigation

2.1.1 Eligibility

Criteria	Compliance Requirements				Documents
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	

2.1.1.1 Nationality

Nationality in accordance with ITB Sub clause 4.2.	must meet requirement	must meet requirement	must meet requirement	not applicable	Technical Bid Submission Sheet; Forms ELI – 1 and ELI - 2
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2.1.1.2 Conflict of Interest

No conflicts of interest in accordance with ITB Sub clause 4.3.	must meet requirement	must meet requirement	must meet requirement	not applicable	Technical Bid Submission Sheet
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2.1.1.3 ADB Eligibility

Not having been declared ineligible by ADB, as described in ITB Sub clause 4.4.	must meet requirement	must meet requirement	must meet requirement	not applicable	Technical Bid Submission Sheet
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2.1.1.4 Government-Owned Enterprise

Bidder required to meet conditions of ITB Sub clause 4.5.	must meet requirement	must meet requirement	must meet requirement	not applicable	Technical Bid Submission Sheet; Forms ELI – 1 and ELI - 2
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2.1.1.5 United Nations Eligibility

Not having been excluded by an act of compliance with a United Nations Security Council resolution in accordance with ITB Sub-clause 4.7.	must meet requirement	must meet requirement	must meet requirement	not applicable	Technical Bid Submission Sheet
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2.1.2 Pending Litigation

Pending litigation and arbitration criterion shall apply.

2.1.2.1 Pending Litigation and Arbitration

Criteria	Compliance Requirements				Documents
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
All pending litigation and arbitration, if any, shall be treated as resolved against the Bidder and so shall in total not represent more than 50% percent of the Bidder's net worth calculated as the difference between total assets and total liabilities.	must meet requirement by itself or as partner to past or existing Joint Venture	not applicable	must meet requirement by itself or as partner to past or existing Joint Venture	not applicable	Form LIT - 1

2.2 Experience and Technical Capacity

2.2.1 Contractual Experience

Criteria		Compliance Requirements				Documents
Requirement		Single Entity	Joint Venture			Submission Requirements
			All Partners Combined	Each Partner	One Partner	
Successful completion as main supplier within the last three (03) years, for		must meet requirement	must meet requirement	not applicable	not applicable	Form EXP - 1
Lot No	One Contract Valued at US\$ million					
3	1.28					
with nature, and complexity similar (Insulator for Lot-3) to the scope of supply described in Section 6 (Schedule of Supply).						

2.2.2 Technical Experience

Criteria	Compliance Requirements				Documents
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
The Bidder shall demonstrate that the goods offered have (i) been in production for at least two years, and (ii) sold a minimum of following numbers of similar type and specification of Insulator (for Lot-3) over the last 3 years. Lot-3: 12,29,000. (iii) been in operation for a minimum of two years	must meet requirement	must meet requirement	not applicable	not applicable	Form EXP - 2

2.2.3 Production Capacity

Criteria	Compliance Requirements				Documents
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
The Bidder or manufacturer shall demonstrate ^a that it can supply the type, size, and quantity of the goods as required by Purchaser in accordance with the Delivery and Completion Schedule in Section 6 (For Lot-3: Section 6, 1-2).	must meet requirement	must meet requirement	not applicable	not applicable	Form EXP - 3

- Note -

^a Bidder or Manufacturer shall provide evidence of production output.

2.3 Financial Situation

2.3.1 Historical Financial Performance

Criteria	Compliance Requirements				Documents
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
Submission of audited financial statements or, if not required by the law of the Bidder's country, other financial statements acceptable to the Purchaser, for the last three (3) years to demonstrate the current soundness of the Bidder's financial position. As a minimum, the Bidder's net worth for the last year calculated as the difference between total assets and total liabilities should be positive.	must meet requirement	Not Applicable	must meet requirement	Not Applicable	Form FIN - 1

2.3.2 Size of Operation (Average Annual Turnover)

Criteria	Compliance Requirements				Documents
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
Minimum average annual turnover of US\$ 3.22 million for Lot-3, calculated as total payments received by the Bidder for contracts completed or under execution over the last 3(three) years.	must meet requirement	must meet requirement	must meet 25% of the requirement	must meet 40% of the requirement	Form FIN - 2

2.3.3 Cash Flow Capacity

If the bid evaluation process and the decision for the award of the Contract takes more than one (1) year from the date of bid submission, Bidders shall be asked to re-submit their latest information on financial resources supported by latest audited accounts/audited financial statements, or if not required by the law of the Bidder's country, other financial statements acceptable to the Purchaser, and the Bidders' financial capacity may be reassessed on this basis.

Criteria	Compliance Requirements				Documents
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
Availability of or access to liquid assets, lines of credit, and other finances sufficient to meet cash flow requirement which is US\$ 0.6 million for Lot-3.	must meet requirement	must meet requirement	must meet 25% of the requirement	must meet 40% of the requirement	Form FIN - 3