



GOVERNMENT OF JAMAICA

**HANDBOOK
OF
PUBLIC SECTOR
PROCUREMENT
PROCEDURES**

VOLUME 3 OF 4

**PROCEDURES FOR
THE PROCUREMENT OF
CONSULTING SERVICES**

**Ministry of Finance & the Public Service
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ABBREVIATIONS

CV	Curriculum Vitae
CFR	Cost and Freight
CIF	Cost, Insurance and Freight
CIP	Carriage and Insurance Paid to
CPT	Carriage Paid to
DAF	Delivered at Frontier
DDP	Delivered Duty Paid
DDU	Delivered Duty Unpaid
DES	Delivered Ex Ship
DEQ	Delivered Ex Quay
FAS	Free alongside Ship
FCA	Free Carrier
FOB	Free on Board
GoJ	Government of Jamaica
ICC	International Chamber of Commerce
IFBs	Invitation for Bids
IS	International Shopping
ITB	Invitation to Bid
ITC	Information to Consultants
LCS	Least Cost Selection
LOI	Letter of Invitation
LCT	Local Competitive Tendering
QBS	Quality Based Selection
QCBS	Quality and Cost Based Selection
QCA	Quarterly Contract Awards Report
REI	Request for Expressions of Interest
RFP	Request for Proposals
SBCQ	Selection-Based on Consultant's Qualifications
SFB	Selection under a Fixed Budget
SSS	Single Source Selection
TOR	Terms of Reference
UNDP	United Nations Development Programme

DEFINITIONS

Accountable Officer	In accordance with Section 16 of the FAA Act, an Accountable Officer is any Public Officer, including an Accounting Officer, concerned with or responsible for the collection, receipt, custody, issue or payment of public moneys or other public property
Accounting Officer	In accordance with Section 16 of the FAA Act, an Accounting Officer is any person designated as such by the Minister and charged with the duty of accounting for expenditure on any service in respect of which moneys have been appropriated.
Approval Threshold	Monetary values at which a proposed contract must be referred to a designated Officer or body for approval
Bid/Tender	Terms used synonymously, which refer to the complete proposal or offer submitted by a contractor in response to an invitation
Business-Sensitive Procurement	Special procurement undertaken to take advantage of business opportunities that would impact the financial viability and core business of the entity
Consultant	A service provider whose services are primarily intellectual in nature
Contract Thresholds	
- Internal	Internal contract value thresholds are contract values above or below which specific procedures apply.
- International	International contract value thresholds are contract values above which participation in procurement opportunities are open to both domestic and foreign contractors.
Cost Overrun	A cost overrun is deemed to be an increase in the contract sum resulting from escalation in the price of labour and/or material.
Currency	Monetary unit of account
Day	Calendar day, unless otherwise specified

DEFINITIONS

Domestic Consultant	A consultant who is established in Jamaica
Domestic Margin of Preference	A measure by which a set percentage is added to bids from foreign suppliers
Fluctuation	For the purpose of this policy, fluctuation refers to changes in the price of labour, materials or other inputs under a contract.
Force Majeure	<p>An event which is beyond the reasonable control of a party, and which makes a party's performance of its obligations impossible, or so impractical as to be reasonably considered impossible in the circumstances.</p> <p>Force Majeure includes but is not limited to: war, riots, civil disorder; earthquakes, fire, explosions; confiscation or any other action by Government agencies; storms, floods or other adverse weather conditions; strikes, lockouts or other industrial action (except where such strikes, lockouts or industrial action are within the power of the party invoking Force Majeure).</p>
Force Account	Force account is a project implementation method where a government entity implements rehabilitative or developmental works by utilizing its internal resources and equipment rather than contracting the work to an external entity. In such instances, the government entity may be required to procure raw materials/ or engage temporary labour and equipment to carry out the work.
Foreign Consultant	A consultant who is not established in Jamaica
Goods	Objects of every kind and description (except land or interest in land), including raw materials, products and equipment and objects in solid, liquid or gaseous form, and electricity. This could include services incidental to the supply of the goods if the value of those incidental services does not exceed that of the goods themselves.
Government Asset	Any item of economic value, owned by the Government (tangible and intangible property) that can be converted into cash

DEFINITIONS

Life-Cycle Cost	The total cost to GOJ of procuring, operating supporting and (if applicable) disposing of the items being procured
Lowest Responsive Bid	One that conforms to all the terms, conditions and specifications in the Bid Documents without material deviations, reservations or omissions and has the lowest cost after evaluation
Mis-procurement	Where the procurement of a good/service was not consistent with the established rules/laws
National Contracts' Commission (NCC) Register of Public Sector Contractors	A register of Public Sector contractors who have satisfied prescribed criteria for placement in specified categories and grades of work
Offsets	Measures used to encourage local growth and development or improve balance of payments accounts by means of domestic content, licensing of technology, investment requirements, or similar arrangements
Pre-tender/Comparable Estimate	An estimate that is compiled from the same documentation which is made available to the contractors- The pre-tender/comparable estimate is used for the comparison of tenders.
Policies	Policies, as referred to in this manual are made by GoJ for the purpose of giving information and direction. Policies establish basic philosophies and climate, and determine the major values upon which GoJ Procurement functions must operate.
Procedures	Procedures are prescribed means of accomplishing policy. Their intent is to provide GoJ personnel with the guidelines and where appropriate, the specific action sequences to ensure uniformity, compliance and control of all policy-related activities.
Procurement	For GoJ purposes, <i>Public Sector Procurement</i> is the acquisition of goods, works, and services, by any method, using public funds, and executed by the Procuring Entity or on its behalf.

DEFINITIONS

Procurement Contract	A contract for the provision of goods, works, or services, between the Procuring Entity and a contractor resulting from a procurement process
Procurement Officer	A person with the authority to conduct procurement activities on behalf of the Procuring Entity, as delegated by the Accounting Officer
Procurement Plan	A plan that aligns a Procuring Entity policies with its resources through an annual and projected multi-year operational schedule, taking into account all lead times of the procurement process. There are two levels of procurement plans: (a) annual procurement plans and (b) project-specific procurement plans.
Procurement Planning	The process by which the efforts of all personnel responsible for procurement are coordinated and integrated to produce a procurement plan for fulfilling the Procuring Entity's need in a timely manner and at a reasonable cost
Procuring Entity	Any government Ministry, Department, Statutory Organization, Executive Agency, Local Government Authority, Public Company or any other Agency in which the government owns controlling interest, that is at least 51% , or in which the Government is in a position to influence the policy of the entity. This definition also applies to government-approved authorities acting on behalf of the Procuring Entity.
Public Sector Procurement	Acquisition of goods, works, or services, by any method, by or on behalf of Procuring Entities for their use
Sensitive Procurement	Any procurement of a national concern that is deemed confidential by Cabinet
Services	Any object of procurement other than goods or works
Shall	For the purposes of this Handbook, the term “shall” signifies a mandatory action.

DEFINITIONS

Turn-key	A contract generally covering complex works, in which the contractor is responsible for completing the entire work including design, procurement of equipment and construction
Variation	A variation is a change to the deliverable(s) under a contract caused by an increase or decrease in the scope of works to be performed, amount/type of goods to be supplied or services to be provided and must be specific to the specific contract.
Works	All work associated with construction, re-construction, demolition, repair or renovation, which includes civil, electrical, mechanical and other related engineering works - "Works" could include supply and installation of equipment and specialized engineering incidental services that are related to the works.
Works of Art	Works of Art include: <ul style="list-style-type: none">(a) a fine-art piece;(b) a designed object;(c) a musical composition, musical performance;(d) a literary or poetic composition; a performance in live theatre, ballet, opera, film;(e) a visual computer programme;(f) a conceptual art piece or performance art; and(g) items that are created and/or valued primarily for their "aesthetic/artistic" qualities, rather than practical or entertainment functions.

SECTION 1

PROCUREMENT OF CONSULTING SERVICES

The process of selecting a consultant is based on obtaining a limited number of proposals from a short-list of consultants who have expressed an interest and possess the relevant qualifications. It is time-consuming and expensive to invite and evaluate proposals from all consultants who wish to compete. Selection is, therefore, based on limited competition among qualified firms, which in the Procuring Entity's view, are capable of delivering the required services at the desired quality level.

In keeping with the principles of the Procurement Policy, Procuring Entities are required to ensure that the following considerations guide the selection process for the engagement of consultants:

- (a) high quality services;
- (b) economy and efficiency;
- (c) fairness and equity;
- (d) transparency in the selection process; and
- (e) equal opportunity for qualified consultants.

The procurement methods and procedures contained in Volume 2, Sections 1.1 - 1.1.5 are also applicable to the procurement of consulting services.

1.1 OVERVIEW OF CONSULTANT SELECTION METHODS

The appropriate method of selection for the procurement of services is related to the nature; size; complexity; likely impact of the assignment; technical; and financial considerations. Based on this, it is necessary to carefully define the assignment, in particular, the objective and scope of the services, before deciding on the selection method.

The types of selection methods are:

- (a) Quality Cost-Based Selection (QCBS);
- (b) Quality-Based Selection (QBS);
- (c) Selection Under a Fixed Budget (SFB);

(d) Least-Cost Selection (LCS); and

(e) Selection Based on the Consultants' Qualifications (CQS).

1.2 SELECTION METHODS

1.2.1 QUALITY AND COST-BASED SELECTION (QCBS)

SELECTION METHOD	SUITABLE APPLICATIONS
<p>Quality and Cost-Based Selection (QCBS)</p>	<ol style="list-style-type: none"> 1. QCBS is a competitive process among short-listed firms that are assessed both on the quality of the proposals and the cost of the services to be provided. This method is appropriate when: <ol style="list-style-type: none"> a. the scope of work of the assignment can be precisely defined, the Terms of Reference (TOR) are well specified; and b. the Procuring Entity and the consultants can estimate with reasonable precision, the staff time, as well as the other costs and inputs required of the consultant. 2. QCBS is appropriate for assignments such as: <ol style="list-style-type: none"> a. feasibility studies and designs, where the nature of the investment is clear and well defined, known technical solutions are being considered, and the evaluation of the project impacts are not difficult to estimate; b. preparation of detailed designs; c. supervision of construction works and installation of equipment; d. technical assistance services and institutional development; and e. procurement and inspection services.

1.2.1.1 OVERVIEW OF QCBS

To increase the likelihood of receiving responsive and comparable proposals, the Request for Proposals (RFP) under QCBS indicates the expected staff time estimated by the Procuring Entity to complete the assignment. However, this estimate does not bind the consultants, and they must propose the level of inputs they consider appropriate.

Under QCBS the technical and financial proposals are submitted at the same time in separate sealed envelopes (two-envelope system).

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Proposals received after the submission deadline must be rejected. Evaluation of the proposals is carried out in two stages: first quality, and then cost. The envelopes with the technical proposals are opened first in the presence of the bidders or their representatives. The financial proposals remain sealed until the technical evaluation is completed, and the technical scores are disclosed publicly to all firms that have submitted Proposals. The financial envelopes from the consultants who submitted responsive technical proposals, which meet the minimum qualifying mark, are opened in their presence or in the presence of their representatives. The proposals are then evaluated. Once the financial proposals are evaluated, a combined evaluation of the technical and financial proposals is carried out by weighting and adding the quality and the cost scores. Thereafter, the consultant receiving the highest combined score is invited for negotiations. As price is a factor of selection, staff rates and other unit rates shall not be negotiated.

QCBS permits the Procuring Entity to select a preferred trade-off between cost and quality and to benefit from price competition, even if only to a limited extent. Transparency is increased under QCBS with the public opening of the financial proposals. Another advantage is the possibility that contract negotiations will be easier because of the limited scope for financial negotiations.

The main disadvantage of QCBS is its rigidity. Since with QCBS consultants are required to compete on the basis of **price as well as quality**, discussion on the proposed remuneration rates for staff-months and for reimbursable expenses during contract negotiations will not be permitted.

1.2.1.2 EVALUATION OF PROPOSALS UNDER QCBS

For those firms which have passed the technical evaluation, it is recommended that the following methodology be used to determine the proposal with the highest total score (TS):

Step 1 - Technical (quality) Weighting

$$\text{Quality Score (Q)} = \frac{S \times q}{100}$$

Step 2 - Cost Score Weighting

$$\text{Cost Score (C)} = \frac{LT \times c}{XT}$$

Step 3 - Total Score

$$\text{Total Score} = Q + C$$

Where:

S	is	Score given out of 100 for <i>Technical (quality) Criteria</i>
q	is	Quality Weighting (%) - <i>as decided by the Procuring Entity</i>
c	is	Cost Weighting (%) - <i>as decided by the Procuring Entity</i>
LT	is	Lowest Tender
XT	is	Other Tender
Q	is	Quality Score
C	is	Cost Score

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A TYPICAL EXAMPLE

The weighting given for quality is: 75% (q)

The weighting given for cost is: 25% (c)

Step 1: Technical (quality) Weighting

Proposal	Score	Weighted Quality Score
A	96.0	$\frac{96 \times 75}{100} = 72$
B	93.5	$\frac{93.5 \times 75}{100} = 70$
C	100.0	$\frac{100 \times 75}{100} = 75$

Step 2: Cost Score Weighting

Proposal	Adjusted Financial Offer	Weighted Financial Score
A	\$8,288,108.00	$\frac{7,956,584.00 \times 25}{8,288,108.00} = 24$
B	\$7,956,584.00	$\frac{7,956,584.00 \times 25}{7,956,584.00} = 25$
C	\$9,041,572.00	$\frac{7,956,584.00 \times 25}{9,041,572.00} = 22$

Step 3: Total Score

Proposal	Total Score
A	72 + 24 = 96
B	70 + 25 = 95
C	75 + 22 = 97

1.2.2 QUALITY-BASED SELECTION (QBS)

SELECTION METHOD	SUITABLE APPLICATIONS
<p>Quality-Based Selection (QBS)</p>	<ol style="list-style-type: none"> 1. QBS is based on an evaluation of the quality of the proposals and the subsequent negotiations on the financial proposal, and the contract with the consultant who submitted the highest-ranked technical proposal. QBS is appropriate if: <ol style="list-style-type: none"> a. the downstream impact of the assignment is so large that the quality of the services becomes the overriding factor for the project outcome; b. the scope of work of the assignment and TOR are difficult to define because of the novelty or complexity of the assignment, or the need to select from among innovative solutions, or due to specific physical conditions; c. the assignment can be carried out in substantially different ways, so that cost proposals may not easily be comparable; and d. the introduction of cost as a factor of selection renders competition unfair.

1.2.2.1 OVERVIEW OF QBS

In some cases the choice between QBS and QCBS may be difficult. In situations of strong uncertainty and/or project risk, QBS must be adopted because quality is the key element.

One possibility which QBS affords is for the Procuring Entity to request the submission of the technical proposals only. After the technical evaluation, the consultant with the highest-ranking technical proposal is invited to present his/her financial proposal. However, the Procuring Entity may request that the financial proposals be submitted at the same time as the technical proposals - but in separate envelopes (two-envelope system). In that case, the financial proposals must be safely secured until the technical evaluation is finalized. Only the winning consultant's financial proposal is opened. The others are returned unopened after negotiations with the winning firm are successfully

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concluded. The Request for Proposals (RFP) usually provides the staff-months only as an estimate by the Procuring Entity. The staff effort indicated by the consultants may differ considerably from this estimate, depending on the particular methodology adopted by the consultant.

1.2.3 SELECTION UNDER A FIXED BUDGET (SFB)

SELECTION METHOD	SUITABLE APPLICATIONS
<p>Selection under a Fixed Budget (SFB)</p>	<ol style="list-style-type: none"> 1. SFB is based on disclosing the available budget to invited consultants in the Request for Proposals (RFP) and selecting the consultant with the highest-ranking technical proposal within the budget. Because consultants are subject to a cost constraint, they will adapt the scope and quality of their services to that budget. The Procuring Entity must, therefore, ensure that the budget is compatible with the TOR and that consultants will be able to perform the tasks within the budget. 2. SFB is appropriate only when: <ol style="list-style-type: none"> a. the budget is fixed and cannot be exceeded; b. the TOR are precisely defined; and c. the time and staff-month effort required from the consultants can be assessed with precision. 3. To reduce the financial risk to consultants and to avoid receiving unacceptable technical proposals or no technical proposals at all, SFB must only be used for well-defined and simple assignments, with a low financial risk (for the consultants). 4. Typical assignments for SFB are: <ol style="list-style-type: none"> a. sector studies, market studies, and surveys of limited scope; b. simple pre-feasibility studies and reviews of existing feasibility studies; c. reviews of existing technical designs and bidding documents; and d. project identification for which the level of detail can be matched with the available funds.

1.2.3.1 OVERVIEW OF SFB

Under SFB, consultants are requested to submit their technical and financial proposals in separate envelopes. The envelopes with the technical proposals are opened first in the presence of the bidders or their representatives. The proposals are then evaluated using the same procedure followed for QCBS and QBS. Following the evaluation of the Technical proposals, the financial envelopes are opened in the presence of representatives of the firms that submitted proposals. In cases where a proposal does not cover the minor technical aspects included in the TORs, the Procuring Entity shall calculate the evaluated price of that proposal, by adding to the offered price, the estimated cost of the missing activities or items. Proposals that exceed the indicated budget after adjustments and corrections are discarded. The consultant who has submitted the highest-ranked technical proposal among those remaining is selected.

As the budget is pre-determined, the consultant's TOR cannot change substantially, therefore, technical negotiations shall cover minor aspects. Financial negotiations will not include discussion on remuneration rates and other unit rates, but only minor re-arrangements of activities and staff for compatibility with the work-plan and clarification of any tax liability.

SFB allows the Procuring Entity to plan a budget well in advance, rather than waiting for the uncertain outcome of negotiations. Furthermore, it also allows the Procuring Entity to get better quality proposals than under QCBS, because it is easier for consultants to maximize quality under a fixed budget.

SFB requires a shorter negotiation timeframe than QBS. SFB is also convenient for consultants because the pre-established budget allows

them to determine in advance, whether they are interested in competing for the proposed assignment, and to develop the best proposal consistent with that budget.

More so than with QBS and QCBS, the SFB method requires the TORs to be consistent with the established budget and to contain a well-specified scope of work in order for consultants to present clear and responsive proposals. One risk of using the SFB is under-budgeting the TORs; and in so doing, discouraging competent consultants from participating, and ultimately getting poor performance from the award-winning consultants.

1.2.4 LEAST-COST SELECTION (LCS)

SELECTION METHOD	SUITABLE APPLICATIONS
Least-Cost Selection (LCS)	<p>1. The LCS method is more appropriate for small assignments of a standard or routine nature. In these circumstances, well-established practices and standards exist, from which a specific and well-defined outcome, which can be achieved at different costs is expected, for example:</p> <ul style="list-style-type: none"> a. standard accounting audits; b. engineering designs and/or supervision of simple projects; c. repetitive operations, maintenance work, routine inspections; and d. simple surveys.

1.2.4.1 OVERVIEW OF LCS

With this method, a minimum qualifying mark is established and indicated in the RFP. Short-listed consultants must submit their proposals in two envelopes. The technical proposals are opened first and evaluated. Proposals scoring less than the minimum technical qualifying mark are rejected, and the financial envelopes are returned unopened. The envelopes containing the financial proposals of the qualifying

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consultants are publicly opened, in the presence of representatives of the firms which made submissions; and the consultant with the lowest evaluated price is selected.

Procuring Entities shall adopt this selection method when they wish to harness cost benefits from mature technologies. This option is also useful when employing new methodologies for which quality risks in the final output are considered negligible.

As the minimum qualifying mark is based on quality, the Procuring Entity must set the mark within the region of 75 to 80 percent, to avoid the risk of selecting low-cost proposals of poor or marginally acceptable quality.

1.2.5 SELECTION BASED ON CONSULTANTS' QUALIFICATIONS (CQS)

SELECTION METHOD	SUITABLE APPLICATIONS
<p>Selection Based on Consultants' Qualification (CQS)</p>	<ol style="list-style-type: none"> 1. CQS may be used when individual consultants are being hired for small assignments, or for specialized consulting services related to specific mandates, for up to six (6) months, at a cost not exceeding the Jamaican equivalent of US\$100,000.00. 2. Assignments for IC may include: <ol style="list-style-type: none"> a. technical assistance in specialized services such as information technology and related fields, expert technical advice in engineering and/or technically related fields; and b. support for Procuring Entity personnel in short term assignments, for example, bid/proposal evaluation. 3. The consultant will be evaluated based on his/her experience and qualifications presented in the Curriculum Vitae. 4. Teamwork or a multidisciplinary approach is not necessary.

1.2.5.1 OVERVIEW OF CQS

CQS is the most appropriate method for small assignments where the need for preparing and evaluating competitive proposals is not justified, taking into consideration the nature and complexity of the process. However, such assignments shall not exceed the Jamaican equivalent of US\$100,000.00.

Individual consultants may be considered for advisory services, assignments or technical opinions on specific matters in which specialist, individual knowledge is the key issue. When hiring individual consultants, the Procuring Entity must first prepare a brief TOR for the assignment, including the scope of work and its estimated budget. Thereafter, the Procuring Entity shall solicit expressions of interest from suitable consultants, requesting them to submit their Curriculum Vitae. (Where necessary, Procuring Entities shall advertise). Individual consultants having expressed interest in the assignment, shall then be selected based on an assessment of qualifications for the particular assignment. The candidate's suitability must be evaluated on the basis of his/her academic background, experience, and where applicable, knowledge of local conditions. From time to time, permanent staff or associates of a consulting firm may be available as individual consultants. In such cases, the conflict of interest provisions will apply to the parent firm.

1.3 CONTRACT VALUE THRESHOLDS

CONTRACT THRESHOLDS	PROCUREMENT METHOD	PROCEDURES
In excess of J\$150 Million	International Competitive Bidding (ICB)	<ol style="list-style-type: none"> 1. Participation opportunities within this contract value range are open to both domestic and foreign contractors. Procuring Entities shall advertise the procurement opportunity nationally and internationally. Authority to enter into these contracts is obtained from the Cabinet, and then referred to the NCC and the portfolio Ministry, for approval of the award recommendation.
Above J\$40 Million up to J\$150 Million	Local Competitive Bidding (LCB)	<ol style="list-style-type: none"> 1. The Procuring Entity issues a general advertisement in daily newspapers inviting appropriately qualified consultants. 2. Standard Bidding Documents are to be used. 3. A valid TCC is required at bid submission. 4. Evaluation is carried out by the Evaluation Committee. 5. The contract is subsequently approved by the Head of the Procuring Entity and submitted to the NCC, through the NCC's Sector Committee. 6. The Award Recommendation is endorsed by the National Contracts' Commission. 7. Cabinet approval is obtained. 8. The contract is awarded by the Head of the Procuring Entity.

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CONTRACT THRESHOLDS	PROCUREMENT METHOD	PROCEDURES
Above J\$15 Million up to J\$40 Million	Local Competitive Bidding (LCB)	<ol style="list-style-type: none"> 1. The Procuring Entity issues a general advertisement in daily newspapers inviting appropriately qualified consultants. 2. A valid TCC is required at bid submission. 3. Standard Bidding Documents are used. 4. Evaluation is carried out by the Evaluation Committee. 5. The contract is subsequently approved by the Head of the Procuring Entity and submitted to the NCC through the NCC's Sector Committee. 6. The Award Recommendation is endorsed by the National Contracts' Commission. 7. The contract is awarded by the Head of the Procuring Entity.
Above J\$5 Million up to J\$15 Million	Local Competitive Bidding (LCB)	<ol style="list-style-type: none"> 1. The Procuring Entity issues a general advertisement in daily newspapers inviting appropriately qualified consultants. 2. A valid TCC is required at bid submission. 3. Standard Bidding Documents are used. 4. Evaluation is carried out by the Evaluation Committee. 5. The contract is subsequently approved by the Head of the Procuring Entity. 6. The contract is awarded by the Head of the Procuring Entity.
Above J\$500,000 Up to J\$5 Million	Limited Tender	<ol style="list-style-type: none"> 1. The Procuring Entity invites participation from a minimum of three (3) consultants. 2. A valid TCC is required for contracts above \$500,000 3. Evaluation is carried out by the Evaluation Committee. 4. The contract is approved and signed by the Head of the Procuring Entity.

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PROCUREMENT OF CONSULTING SERVICES

CONTRACT THRESHOLDS	PROCUREMENT METHOD	PROCEDURES
Up to J\$500K	Direct Contracting	<ol style="list-style-type: none">1. The Procuring Entity invites any qualified consultant.2. A TCC is not required.3. A Tax Registration Number (TRN) is required.

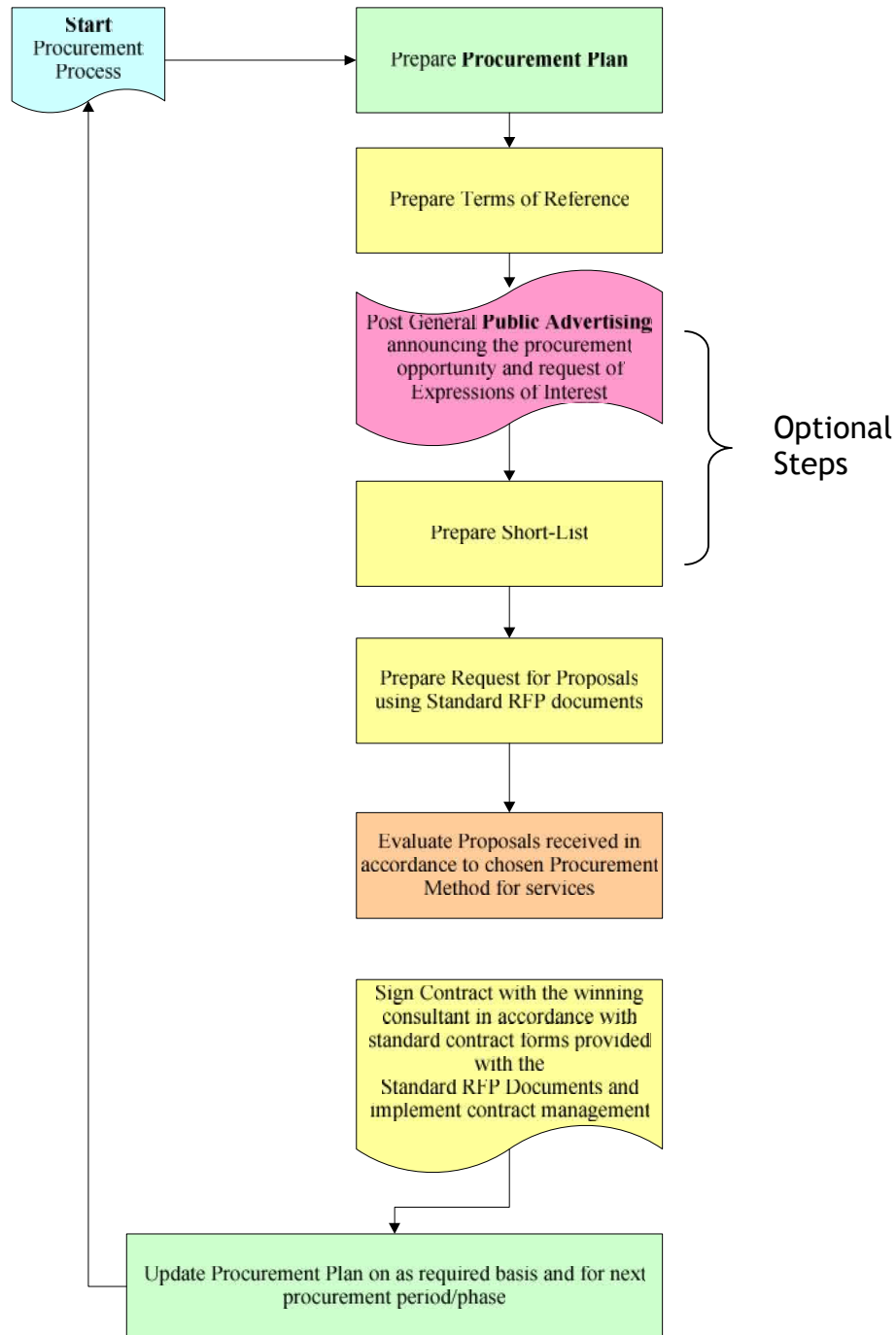
SECTION 2 PROCUREMENT CYCLE FOR CONSULTING SERVICES

2.1 KEY ELEMENTS OF THE PROCUREMENT CYCLE

These are the key elements of the procurement cycle for consulting services.

- (a) Preparing the Procurement Plan
- (b) Selection Methods
- (c) Contract Value Thresholds
- (d) Requesting Expressions of Interest
- (e) Compiling a Short-list
- (f) Notification of Consulting Service Opportunities
- (g) Procurement Notices
- (h) Conflict of Interest Situations
- (i) Developing Terms of Reference
- (j) Preparing Requests for Proposals
- (k) Setting the Evaluation Criteria
- (l) Evaluating Proposals
- (m) Negotiation and Award of Contract
- (n) Record Keeping

2.2 PROCUREMENT CYCLE FOR CONSULTING SERVICES



SECTION 3 OTHER VOLUMES OF THE HANDBOOK

Procedures for the various categories of procurement can be found in Volumes 1, 2, & 4 of the Handbook. These documents are available on the Ministry of Finance's website at www.mof.gov.jm.

Volume 1:

[General Provisions](#)

Volume 2:

[Procedures for the Procurement of Goods, Works, and General Services](#)

Volume 4:

[Special Procurement - General Insurance Services](#)

APPENDICES

**GUIDELINES FOR PROCURING CONSULTING
SERVICES**

APPENDIX 1

PROCUREMENT PLANNING FOR CONSULTING SERVICES

A1.1 THE PROCUREMENT PLANNING PROCESS

Procurement planning is identifying and scheduling the steps involved in the procurement process. Through procurement planning, Procuring Entities are provided with these answers:

- (a) What services are required?
- (b) When these services are required?
- (c) What is the scope of these services?
- (d) Are these services available locally or internationally?
- (e) How much to allocate for payments?

Procurement planning may follow a certain fundamental pattern, whether it is for a specific investment project or one of the on-going operations. Regardless of the type of project, however, it is essential to develop a plan that clearly sets out the framework in which the procurement will be done.

The conventional approach for both types of procurement, i.e. specific investment projects (finite projects of known design and content), and for on-going, supply-type operations, is to start by listing the required services and identifying their scope. This list then becomes the basis for deciding how and when these services will be required, which will lead to the scheduling of activities. Even this seemingly straightforward preparation of the list of needs already implies a strategic decision about how procurement and contracting will be done.

A1.2 PROCUREMENT PLAN PREPARATION

Once the scope of service has been identified, and the scheduling of the procurement assigned, the information must be recorded in the table at Appendix I. This will provide a consolidated list of the resources required for the procurement of services. Having completed the table, the Procurement Plan is ready.

APPENDIX 2

PROCUREMENT PROCEDURE FOR CONSULTING SERVICES

A2.1 EXPRESSION OF INTEREST

The Head of the Procuring Entity may decide that under the circumstances of the particular procurement, a request for an expression of interest would serve better to “test the market” for suitable consulting services. The information requested must be the minimum required for the Procuring Entity to make a judgment on the firm’s suitability, and not be so complex as to discourage potential consultants from expressing interest. Potential respondents must be given not less than 14 days from the date of circulation of the notice. After reviewing the responses, a short-list of suitable firms must be prepared and their representatives invited to participate in the full procurement process.

A2.2 IDENTIFICATION OF SHORT-LIST

In preparing a short-list, the Procuring Entity shall give first consideration to those firms expressing interest, which have the relevant qualifications. The short-list shall comprise no less than six (6) firms. However, in special circumstances, where only a few qualified firms have expressed interest in the specific assignment, or when the size of the contract does not justify wider competition - the short-list could consist of a smaller number.

It must be noted that for the purpose of establishing the short-list, the nationality of a firm is that of the country in which it is legally incorporated or constituted, and in the case of a Joint Venture, the nationality of the firm appointed to represent the Joint Venture. All firms that expressed interest in the assignment shall be provided with the final short-list.

Ideally, the short-list must comprise consultants of the same category, with similar capacity and business objectives. Consequently, it must be made up of firms of similar experience or of not-for-profit organizations (NGOs, universities, or specialized agencies), in the same field of expertise. If this combination is used, the

selection must be made using *Quality-Based Selection (QBS)* or *Selection Based on the Consultants' Qualifications (CQS)* (for small assignments). For the sake of transparency, the short-list of firms should be posted on the Procuring Entities website. (This list shall not include individual consultants).

A2.3 NOTIFICATION OF CONSULTING OPPORTUNITIES - SERVICES

Timely, appropriate notification of procurement opportunities for consulting services is essential for economic and efficient project execution, and is the basis for eliciting maximum competition with fair opportunities for all eligible, potential Bidders.

The advertising of procurement opportunities is necessary for the following service procurement methods:

CONTRACT THRESHOLD	PROCUREMENT METHOD	ADVERTISING REQUIREMENT	MINIMUM TIME ALLOTTED TO BID SUBMISSION
Above J\$150 Million	International Competitive Bidding (ICB)	Local and international newspapers and/or magazines	Minimum forty-five (45) days
Above J\$40 Million up to J\$150 Million	Local Competitive Bidding (LCB)	Through a general advertisement at least once in daily newspapers	Minimum twenty-one (21) days
Above J\$15 Million up to J\$40 Million	Local Competitive Bidding (LCB)	Through a general advertisement at least once in daily newspapers	Minimum fourteen (14) days
Above J\$5 Million up to J\$15 Million	Local Competitive Bidding (LCB)	Through a general advertisement at least once in daily newspapers	Minimum fourteen (14) days
Above \$500,000 up to J\$5 Million	Limited Tender	Direct invitation to three (3) consultants	Minimum five (5) days

APPENDIX 2
PROCUREMENT PROCEDURE FOR CONSULTING SERVICES

CONTRACT THRESHOLD	PROCUREMENT METHOD	ADVERTISING REQUIREMENT	MINIMUM TIME ALLOTTED TO BID SUBMISSION
Up to J\$500,000	Direct Contracting	Direct invitation to one(1) consultants	Minimum five (5) days

A2.4 PROCUREMENT NOTICES

To engage consultants, the first step is to advertise. Thereafter, a short-list of those who submitted expressions of interest in response to the advertisement must be prepared, and these consultants will be invited to present full proposals.

The main objective of the advertisement is to inform eligible consultants about the consulting opportunity, as advertising promotes transparency; enhances competition; and facilitates the participation of smaller firms, which might not otherwise have easy access to information on local contacts.

The Procurement Notice (PN) for services must include a brief description of the consulting services needed, and shall invite consultants to submit expressions of interest. The *Request for Expressions of Interest* (EOI) must call for sufficient information, so as to enable the Procuring Entity to assess the consultants' capabilities in relation to the assignment. For example, the response might include, descriptions of similar assignments conducted; experience in similar conditions; and the availability of appropriate staff. Given the large number of such submissions, the notification must be concise.

A sample of a Procurement Notice for consulting services is included in the Standard Bidding Documents (www.mof.gov.jm).

A2.5 CLARIFICATION/MODIFICATION OF THE RFP

Consultants may request from the Procuring Entity, clarification of the information contained in the RFP. These requests must be submitted to the Procuring Entity in writing, and the Entity shall respond to all such requests for clarification within seven (7) days of receipt. If the nature of the query demands more time, the Procuring Entity must acknowledge receipt and indicate a response timeframe. The response must be forwarded to all those who collected the Bid Documents, without identifying the sources of the clarification requests.

At any time prior to the deadline for submission of proposals, the Procuring Entity may for any reason - whether on its own initiative, or as a result of a request for clarification - modify the Bid Documents by issuing an addendum. The addendum must be communicated promptly *in writing*, and shall be binding.

If the Procuring Entity convenes a meeting of consultants in order to respond to clarification requests, it must prepare minutes of the meeting containing the requests submitted, and its responses to those requests, without identifying their sources. The minutes must be submitted to participating consultants within five (5) days of the meeting, so as to enable them to take the minutes into account in preparation of their proposals for submission.

A2.6 CONFLICT OF INTEREST SITUATIONS

GoJ policy requires that consultants provide professional, objective, and impartial advice, and at all times hold the client's interests paramount, without any consideration of future engagement. In providing advice they shall avoid conflicts with other assignments and their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of the Procuring Entity. Without limitation on the generality of the forgoing, consultants shall **not** be hired under the circumstances set out below.

- (a) **Conflict between consulting activities and procurement of goods, works or services (other than consulting services covered by these Guidelines¹):** Where a firm that has been engaged by the Procuring Entity to provide goods, works, or services (other than consulting services covered by these procedures) for a project, each of its affiliates shall be disqualified from providing consulting services related to those goods, works or services. If a firm is hired to provide consulting services for the preparation or implementation of a project, each of its affiliates shall be disqualified from

¹ See paragraph 1.7 of these Guidelines.

subsequently providing goods, works or services (other than consulting services covered by these Guidelines) resulting from, or directly related to the firm's consulting services for such preparation or implementation.

- (b) **Conflict among consulting assignments:** Neither consultants (including their personnel and sub-consultants), nor any of their affiliates shall be hired for any assignment which, by its nature, may be in conflict with another of his/her assignments. For example, consultants hired to prepare an engineering design for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project. Similarly, consultants assisting a client in the privatization of public assets shall neither purchase, nor advise purchasers of such assets. In the same vein, consultants hired to prepare Terms of Reference (TOR) for an assignment, shall not be hired for the assignment in question.

- (c) **Relationship with Procuring Entity's staff:** Consultants (including their personnel and sub-consultants) who have a business or family relationship with a member of the Procuring Entity's staff who are directly or indirectly involved in any part of: (i) the preparation of the TOR for the contract, (ii) the selection process for such a contract, or (iii) supervision of such a contract, may **not** be awarded a contract, unless the conflict stemming from this relationship has been resolved in the appropriate manner, in accordance with the procedures in this Handbook.

A2.6.1 PREVENTION OF CONFLICT OF INTEREST

The consultant must be free from any relationship or affiliation that would compromise his/her ability to perform the assignment in an objective manner. The potential effects of conflicts of interest must be addressed early and re-examined at every stage of the consultant selection process. If the Procuring Entity is not in a position to make a fully informed evaluation of a conflict of interest situation, the Head of the Entity must seek advice from the MoF's Procurement and Asset Policy Unit (PAPU).

To determine its materiality, a conflict of interest situation has to be reviewed - taking into consideration: the timing; the relatedness of the assignments; as well as the source; nature; potential impact of the conflict; and the circumstances under which it arises.

The risk of a conflict of interest deriving from the assignment of a consultant under consideration, must be identified in the Request for Proposals, (RFP) and the related provisions for its avoidance or mitigation (e.g. disqualification, cooling off periods, corporate separations), must be clearly stipulated in the Information to Consultants (ITC) and in the contract.

A2.6.2 EVALUATION OF TECHNICAL PROPOSALS

During the evaluation of technical proposals, the Evaluation Committee must ascertain that no new conflict of interest situations have arisen since the consultant was short-listed. For example, no consultant, his/her personnel, sub-consultants, or affiliates shall be hired for any assignment that by its very nature, might be in conflict with another assignment. The staff proposed by the consultant must not include the Procuring Entity's personnel or contractors already under contract to the Procuring Entity for related services, works or supplies.

If a conflict of interest is identified at this stage, it must be determined whether the specific conflict is substantive, and action taken, for example, by reducing the scope of work of the assignment, or excluding the consultants from the assignment. If the Evaluation Committee is unable to make a fully informed decision, the advice of the Head of the Procuring Entity must be sought.

If a consultant or his/her affiliate is found to be in a substantive conflict of interest during the technical evaluation, the Committee must review the case and recommend either the disqualification of the consultant, or that the

consultant remove the conflict and its causes. Failing this, the consultant must be excluded from the competition.

If a consultant has misled the Procuring Entity by neglecting to provide information, or by denying the existence of a major conflict of interest situation, the consultant's proposal must be rejected.

A2.6.3 CONTRACT NEGOTIATIONS

Before completing the contract negotiation, the Procuring Entity must review the draft contract to identify conflicts of interest that may not have been disclosed, or may have arisen after the proposal was submitted. For example, in a change of ownership, the winning financial consultants may have been absorbed by a financial institution interested in participating in the project. *In such a case, the Evaluation Committee must disregard the financial proposal from that institution and disqualify the consultants.*

A2.6.4 IMPLEMENTATION OF THE ASSIGNMENT

During implementation of the assignment, or while monitoring or reviewing the consultants' work, the Procuring Entity must check for any new circumstances that could create downstream substantive conflicts of interest. The most common conflict of interest during this phase of a project stems from affiliates of the consultant showing an interest in offering goods, works, or services to the Procuring Entity, related to the services rendered by the consultant.

When a substantive conflict of interest emerges (or is discovered) during execution of an assignment, the matter must be referred to the PAPU for possible corrective action.

A2.7 DEVELOPING TERMS OF REFERENCE

The Terms of Reference (TOR) is the key document in the RFP package. It explains the objectives; the scope of work; activities and/or tasks to be performed; the respective responsibilities of the Procuring Entity and the consultant; as well as the expected results and deliverables of the assignment. Adequate and clear TORs are important for understanding the assignment and its effective execution. The TOR helps to reduce the risk of unnecessary extra work, delays, and additional expenses. However, it helps to reduce the risk of ambiguities during the preparation of the consultant proposals, contract negotiation, and execution of services.

Drafting of the TOR requires expertise in the type of assignment and the needed resources, as well as familiarity with the project background. If the needed qualifications to produce the TOR are not available in-house, the Procuring Entity must hire a specialized, independent consultant. The TOR must be written by experts who have only the interest of the Procuring Entity in mind.

A2.7.1 DRAFTING TERMS OF REFERENCE

The following considerations must guide the preparation of the TOR:

- (a) the TOR must contain sufficient background information on the project to enable consultants to present responsive proposals;
- (b) the TOR, in particular the scope of work, must be consistent with the available budget; and
- (c) the TOR must take into account the Procuring Entity's level of technical expertise and institutional strength.

The level of detail and quality of information contained in the TOR will influence the selection method to be adopted. For example, if the TOR cannot be defined with adequate precision and detail, QBS may be more appropriate than QCBS, despite the fact that the latter is preferable when a defined scope of work and a reliable cost estimate are available.

The ‘authors’ of the TOR must be familiar with local, natural, and social conditions such as: climate; topography; institutions; people; customs; holidays; remuneration levels; and transportation systems. Seasonal variations, as well as peculiarities of the region where the assignment will take place, must be considered, in terms of their potential effect on the execution of fieldwork. Both project and logistic-related aspects of the assignment must, therefore, be researched.

If the transfer of knowledge and training are required as part of the assignment, the TOR must include a training programme. If a training programme is included, additional time and funds must be allocated.

The TOR must clearly define the output and deliverables required of the consultants, e.g., reports, maps, drawings, or software, and must list the information that the Procuring Entity will furnish to the consultants. This information may include past studies, aerial photographs, maps, or records of surveys carried out in the assignment area. The TOR must also identify the department within the Procuring Entity that is responsible for the project, and clarify institutional arrangements for the supervision of the consulting work. Additionally, the TOR must specify the facilities and counterpart staff to be provided by the Procuring Entity.

A2.7.2 GENERAL OUTLINE OF THE TERMS OF REFERENCE

The TOR normally consists of these elements:

- (a) Project Background
- (b) Assignment Objectives
- (c) Scope of Work
- (d) Transfer of Knowledge
- (e) List of Reports, Schedule of Deliveries, Period of Performance
- (f) Data, local Services, personnel, and facilities to be provided by the Procuring Entity
- (g) Institutional Arrangements

(a) PROJECT BACKGROUND

The background summarizes the main features of the project and describes the objectives and general purpose of the assignment. In particular, it must include:

- i. the name of the Procuring Entity's department;
- ii. project location;
- iii. rationale for the project;
- iv. project history (what has been done so far and by whom);
- v. list of relevant studies and basic data;
- vi. need for consultants in the project and issues to be resolved;
- vii. activities to be carried out by the consultants;
- viii. the source of Financing for the assignment; and
- ix. supervision arrangements.

(b) OBJECTIVES OF THE CONSULTING ASSIGNMENT

The TOR must describe the objectives and expected results of the assignment in detail, to avoid misleading the consultant. The typical objectives of the Procuring Entity's assignments include:

- i. preparation of development programmes;
- ii. determination of project feasibility before an investment is made;
- iii. design of projects;
- iv. preparation of Bid Documents;
- v. supervision of works;
- vi. provision of training;
- vii. collection and analysis of data; and
- viii. evaluation of assets for sale, such as in privatization projects.

(c) SCOPE OF WORK

This section of the TOR describes in detail, all main activities or tasks² to be conducted by the consultant and the expected results. The TOR must describe only the activities and not the approach or the methodology by which the results are to be achieved. Nevertheless, the TOR may provide suggestions on the approach or the methodology that consultants could or must use to execute the assignment, and under certain selection methods, it can indicate the estimated staff-months required.

Often the project may require phased consultancy assignments. In such cases, the TOR must be more detailed for the first phase and less detailed for the following ones. The TOR's details for the subsequent phases will be refined as needed on the basis of the outcomes of earlier phases.

In a TOR, the scope of work of the assignment is usually defined by addressing the following issues:

- i. definition, scope, limits and criteria of acceptance of the assignment;
- ii. desired level of detail (level of design, accuracy, and composition of cost estimates, etc);
- iii. span of projections (time horizon, life span of project components, etc);
- iv. the need to compare the assignment with similar projects;
- v. the main issues to be addressed;
- vi. alternatives to be considered;
- vii. the need for surveys, special analyses, and models;
- viii. the need for special equipment;

² In TORs covering self-contained assignments such as feasibility studies and project designs, consultants are generally required to describe the "activities" that they propose to carry out. In TORs of assignments consisting mainly of the provision of specialized staff to assist the Procuring Entity in certain functions, consultants are required to describe the "tasks" for which they will be responsible.

- ix. the institutional and legal framework of the project;
- x. transfer of knowledge, objectives, and scope;
- xi. language requirements;
- xii. need for continuity, e.g., data gathering; and
- xiii. quality management requirements (if needed).

Phased assignments are likely to require that the scope of work be modified, depending on intermediate results. For instance, the scope of work for a feasibility study originally covering a number of alternatives will be reduced, if during execution of the assignment, some alternatives do not prove to be viable. Similarly, the scope of work can be expanded if more accurate studies than initially anticipated become necessary. In such cases, the TOR must clearly indicate the circumstances under which a decision will be made by the Procuring Entity to modify the scope of work.

(d) REPORTS AND SCHEDULE OF DELIVERIES

The TOR must indicate the estimated duration of the assignment, from the commencement date,³ to the date the Procuring Entity receives and accepts the consultant's final report, or a specified completion date. Other dates may also be considered, such as the effective date of the contract. The assignment's reporting requirements must be clearly specified. Where inception and progress reports are concerned, there must be a balance between keeping the Procuring Entity well informed, and not forcing consultants to spend an excessive amount of time preparing minor reports. The TOR must indicate the format, frequency, and content of reports, as well as the number of copies, the language, and the names of the prospective recipients. For all major reports, an executive summary is recommended as a separate volume.

³ Date on which the consultants are expected to start the services.

Depending on the assignment, the following reports are usually required:

- i. **Inception Report:** This report must be submitted approximately six weeks after the commencement date. Any major inconsistency in the TOR - staffing problems, or deficiencies in the Procuring Entity's assistance that have become apparent during this period must be included. The inception report is designed to give the Procuring Entity the confidence that the assignment can be carried out as planned, and as agreed in the contract, as well as to bring to its attention, major problems that might affect the direction and progress of the work.

- ii. **Progress Reports:** These reports keep the Procuring Entity regularly informed on the progress of the assignment. They may also provide warnings of anticipated problems, or serve as a reminder for payment of invoices due. Depending on the assignment, progress reports may be delivered monthly or bi-monthly. For feasibility studies and design assignments, progress reports at two-monthly intervals are satisfactory. For technical assistance and implementation supervision (e.g., construction), progress reports are best made monthly. These reports may include a bar chart showing details of progress and any changes in the assignment schedule. Photographs are a quick and easy way of conveying the status of a project, and their use in progress reports is encouraged. For technical assistance services, progress reports also serve as a means of setting out the work programme for the following months. Each team member usually contributes to the preparation of the monthly report.

- iii. **Interim Reports:** If the assignment is phased, interim reports are required to inform the Procuring Entity of preliminary results, alternative solutions, and major decisions that need to be made. Since the recommendations of an interim report may affect later

phases of the assignment, and even influence the results of the project, the Procuring Entity must discuss the draft interim reports with consultants in the field. The Department responsible must not take more than 15 days to review and approve draft interim reports.

- iv. **Final Report:** The final report is due on completion of the assignment. The Procuring Entity and the consultants must discuss the report while it is still in draft form. The consultants are solely responsible for their findings. Although changes may be suggested in the course of the discussions, the consultants must not be forced to make changes. If the consultants do not accept the comments or recommendations of the Procuring Entity, these must be noted in the report; which must include, the reasons for not accepting such changes.

(e) DATA, LOCAL SERVICES, PERSONNEL, AND FACILITIES TO BE PROVIDED BY THE PROCURING ENTITY

The RFP must indicate the inputs to be provided by the Procuring Entity to the consultants in the section entitled *Information to Consultants (ITC)*. The TOR must complement the ITC by listing in detail all the information and services that will be made available by the Procuring Entity. The TOR must also describe the Procuring Entity's available software and computer models to be used by the consultants. Facilities to be provided by the Procuring Entity may include office space, vehicles, survey equipment, computer equipment, and telecommunication systems.

When needed, the Procuring Entity may provide vehicles for use by consultants during the course of their assignment. Otherwise, these must be provided for under the consultants' contract and turned over to the Procuring Entity on completion of the project. The same will apply to items such as office and computer equipment. To avoid difficulties caused by delays in allocating the Procuring Entity's counterpart staff to the project, the TOR must provide for such staff to be assigned to the consultants before the project begins. During

the initial drafting of the TOR, the Procuring Entity must determine which of its staff members can act as a counterpart. If the Procuring Entity provides support staff to work under the consultants' supervision, the TOR must clearly indicate that these persons will work the same hours as the consultants and will **not** be remunerated under the consultants' contract.

If the Procuring Entity's input is not well defined in advance, it is often a matter of contention for the duration of the assignment. Consultants tend to overestimate the Procuring Entity's contribution to reduce their proposal price, particularly if the method of selection takes price into account. It is, therefore, important that the Procuring Entity's inputs are outlined in the TOR as precisely and realistically as possible.

(f) INSTITUTIONAL ARRANGEMENTS

The TOR must define the institutional arrangements in relation to the assignment, clearly stating the role and responsibilities of everyone involved, and specifying the type, timing, and relevance of everyone's participation, including the Procuring Entity. The TOR must also define the hierarchy and level of authority of counterpart personnel, as well as the requested level of experience of the Procuring Entity's personnel who will be integrated into the consultants' team.

APPENDIX 3

PREPARING REQUEST FOR PROPOSALS (RFP)

The RFP for each assignment provides all the information necessary for the short-listed consultants to prepare their proposals. It identifies the evaluation criteria, selection method, and procedures that will be used to evaluate them. The RFP also contains the TOR and the draft contract for the assignment. A standard RFP format is contained in the *Standard Bidding Documents* as Annex 12 (www.mof.gov.jm), which can be adapted for any of the selection methods described in the Procurement Methods for Consulting Services.

A3.1 STANDARD RFP DOCUMENTS AND CONTRACTS

The standard RFP for the procurement of various services are found in the following annexes:

- (a) **Annex 12** - Procurement of Services - International & Local Competitive Bidding

Standard Request for Proposals for:

- i. Quality and Cost-Based Selection (QCBS)
- ii. Quality-Based Selection (QBS)
- iii. Selection Based under a Fixed Budget (SFB)
- iv. Least-Cost Selection (LCS)

- (b) **Annex 12^A** - Procurement of Services - International & Local Competitive Bidding

Standard Proposal Evaluation Report for:

- i. Quality and Cost-Based Selection (QCBS)
- ii. Quality-Based Selection (QBS)
- iii. Selection Based under a Fixed Budget (SFB)
- iv. Least-Cost Selection (LCS)

A3.2 SETTING THE EVALUATION CRITERIA

The project objectives and the TOR determine the qualifications and experience required of the consultants who will carry out the assignment. In adopting evaluation criteria, the Procuring Entity shall seek to ensure that the proposal selected will offer the best quality for the services required.

The following criteria shall be used as a basis for evaluation of technical proposals:

- (a) specific experience of the consultants relevant to the assignment;
- (b) adequacy of the proposed methodology and work plan in responding to the TOR; and
- (c) qualifications and competence of key staff for the assignment.

Depending on the particular objectives of the assignment, two additional criteria may be required:

- (d) suitability of the knowledge transfer programme (training), and
- (e) participation by Jamaican nationals with proposed key staff (for international assignments).

When the transfer of knowledge is important and the nature of the assignment allows, criterion (d) must be included, and the desired characteristics of the transfer must be specified in the TOR. Criterion (e) is applicable for international assignments, and must be included to encourage the participation of Jamaican nationals with key staff proposed by the consultants, where appropriate.

The Data Sheet contained in the ITC of the RFP discloses the points allocated to each of the evaluation criteria and sub-criteria. Table 1 shows a range of points that may be allocated to each criterion on a scale of 1 to 100, and the weights may be adjusted for specific circumstances. The actual distribution must depend on the type of assignment and the relative importance of each criterion to the success of the assignment. A good practice is to have those who prepared the TOR collaborate in the selection of sub-criteria and relative weights.

TABLE 1 - EXAMPLE OF CRITERIA AND RELATIVE WEIGHTING

Evaluation Criteria for Technical Proposals	Points (weights)
Specific experience of the consultants	5 to 10
Adequacy of the proposed methodology and Work Plan	20 to 50
Qualifications and competence of key staff	30 to 60
Suitability of the transfer of knowledge programme (training) - optional	Normally not to exceed 10
National participation (nationals among key staff) - optional	Not to exceed 10
Total	100

The criterion “Qualifications and Competence of Key Staff” is divided into the following three sub-criteria:

- (a) general qualifications;
- (b) adequacy for the assignment; and
- (c) experience in Region (for international assignments).

The other four evaluation criteria may also be divided into sub-criteria, although excessive detail must be avoided. However, given their relatively small assigned weight (in most cases maximum of 10 points out of 100), it may not be practical to adopt sub-criteria for the following three evaluation criteria:

- (a) specific experience of the consultants relevant to the assignment;
- (b) suitability of the transfer of knowledge programme (training); and
- (c) participation by nationals among proposed key staff (for international assignments).

When transfer of knowledge is a particularly important component of the assignment, more than 10 points may be allocated to this criterion and in such a case, sub-criteria may be provided.

When sub-criteria are provided, which is always the case for “Adequacy of the proposed methodology and work plan” and “Qualifications and Competence of key Staff” - for practical reasons, the number of sub-criteria must be kept to a minimum (typically no more than three for each criterion).

Since sub-criteria and their weighting determine the outcome of the evaluation, they must be chosen considering the aspects that are critical to the success of the assignment. Evaluation criteria, sub-criteria associated points and the rating system form an arithmetic model to assess the technical merit of the proposals. The more reliable the model, the more accurate the evaluation - thereby increasing the possibility that the Procuring Entity will select the proposal of the consultants who are best suited for the assignment.

All adopted sub-criteria must be specified in the RFP. The points allocated to each of the sub-criteria under “Qualifications and Competence of Key Staff” must be indicated. It is also recommended to disclose in the RFP, the points allocated to the sub-criteria - “Adequacy of the Proposed Methodology and Work Plan” and “Suitability of the Transfer of Knowledge Programme” (when more than 10 points are allocated to the latter), since it increases the transparency of the evaluation. If the points allocated to these sub-criteria are not disclosed in the RFP, the Evaluation Committee must allocate them before proposal submission, to reduce the risk of manipulation during the evaluation process. The weight of each sub-criterion will vary according to its relative importance to the specific assignment. To avoid over-detailed lists of sub-criteria, it is recommended that no fewer than three (3) points be allocated to each sub-criterion. Allocation of fewer than three (3) points would imply that the sub-criterion is only of minor importance to the overall evaluation.

APPENDIX 3
PREPARING REQUEST FOR PROPOSALS (RFP)

In defining the weights, there is an initial issue as to whether the methodology and work plan, or quality of staff, is more important. The answer depends on the nature of the assignment. Since methodology and work plan are usually less important in the final stages of the project (e.g., construction supervision) and deserve lower points, key staff weighting may be higher. On the contrary, since methodology and work plan are more important in the initial stages (e.g., master plans, feasibility studies) and deserve more points, fewer points are allocated to key staff.

When cost is a factor of selection, the RFP must indicate the relative weight assigned to the technical and financial proposals. For standard assignments, the weight for quality is normally of 75 to 80 percent, with 20 to 25 percent given to cost. The relative weighting to be given to quality and cost must be determined by the Procuring Entity in each case, depending on the nature of the assignment. In special circumstances and for assignments in which quality considerations are relatively important, QBS method is preferable to QCBS.

It is not mandatory to apply a pass or fail threshold when evaluating technical proposals. However, if cost is a factor of selection, a minimum technical qualifying mark may be provided in the RFP, to minimize the risk of accepting low-quality proposals at a very low cost. **A qualifying mark in the range of 70 and 80 percent is typical. Any technical proposal with a score below this threshold is rejected, and the financial envelope is returned unopened.** Setting the threshold too high increases the risk of rejection of the majority of the proposals. A non-responsive technical proposal shall be rejected, regardless of whether there is a pass or fail threshold.

The following paragraphs recommend “best” practices for selecting sub-criteria and allocating points (weights) to both criteria and sub-criteria for quality evaluation.

A3.2.1 SPECIFIC EXPERIENCE

A maximum of 10 points must be assigned to the specific experience of consultants in the field, as the Procuring Entity short-listed them on the basis of their capabilities, that is, relevant qualifications and experience in projects of similar nature. Ideally, there must be little difference in the level of quality among short-listed competitors, from the point of view of their specific experience. However, the experience of short-listed consultants must be evaluated to identify more specific aspects of their qualifications that make them suitable candidates for the assignment.

A3.2.2 METHODOLOGY AND WORK PLAN

The methodology and work plan is a key component of the technical proposal and must be evaluated carefully. Sub-criteria for evaluating this component of the proposal must include:

- (a) technical approach and methodology;
- (b) work plan; and
- (c) organization and staffing.

(a) TECHNICAL APPROACH AND METHODOLOGY

Here consultants explain their understanding of the objectives of the assignment, highlight the issues being addressed and their importance, and explain the technical approaches they would adopt to address them. They must then explain the methodologies they propose to adopt, to demonstrate the compatibility of those methodologies with the proposed approach (e.g., the methods of interpreting available data; carrying out investigations; analyses; and studies; comparing alternative solutions); and address any modifications to

the TOR proposed by the consultants. In a case where the TOR requires the consultant to provide a Quality Plan and to carry out the assignment according to its provisions - an outline of the Quality Plan (e.g., its list of contents) must be included in this section of the proposal.

(b) Work Plan

Here consultants propose the main activities of the assignment - their content and duration; phasing and interrelations; milestones (including interim approvals by the Procuring Entity); and delivery dates of the most important reports. The consistency of the technical approach and methodology with the proposed work plan, is a good indication that consultants have understood the TOR and are able to translate them into a feasible working plan. A list of the final documents, including reports, drawings, and tables to be delivered as final output, must be included here. The work plan will enable the consultants to prepare the Activity Schedule.

(c) Organization and Staffing

In this section the consultants propose the structure and composition of their team. They will list the main disciplines involved, the expert responsible, and proposed technical and support staff. The roles and responsibilities of key experts must be set out in job descriptions. In case of association, this section will indicate how the duties and responsibilities will be shared. Completion of the organization and staffing section will allow consultants to summarize the Team Composition and Task Assignments, and to prepare the Time Schedule for Professional Personnel. An organizational chart, illustrating the structure of the work team and its links to the Procuring Entity must be provided. The importance of organization and staffing increases with the size of the team. Larger teams, such as those required by multidisciplinary projects, are far more difficult to manage.

The methodology, work plan, and organization are all integrated. The work plan depends on the technical approach and methodology adopted, and those in turn, determine the required organization.

The total number of points that can be allocated to methodology and work plan (20 to 50) must be split among the sub-criteria, depending on their relative importance to the assignment. Even in these cases, the number of sub-criteria must be kept to a minimum. Otherwise, the features being evaluated may become individually irrelevant and render the evaluation a mechanical exercise, rather than an informed professional assessment of quality.

A3.2.3 QUALIFICATIONS AND COMPETENCE OF KEY STAFF

Key staff refers to the consultant's staff that has management responsibilities or have key qualifications needed for the assignment. The consultant's key staff is evaluated based on the qualifications and experience shown in their curriculum vitae (CV). *The evaluation is carried out using the three sub-criteria indicated in the ITC:*

- (a) **General Qualifications:** This sub-criterion covers the general experience of the candidate (total duration of professional activity), level of education and training, positions held by the candidate, time spent by the consultant as staff, and experience in the region where the assignment is to be carried out.
- (b) **Adequacy for the Assignment:** This relates to the candidate's education, training, and experience in the specific sector, field, subject directly relevant to the assignment and the proposed position. **This factor is critical and must be given the highest weight among the three sub-criteria.**
- (c) **Experience in the Region and Language (for international assignments):** This illustrates the candidate's knowledge of national or local conditions, including culture, administrative systems, and

government organizations, and his/her ability to communicate in the national language.

Suggested points allocated to the criterion “Qualifications and competence of key staff” are distributed among the above sub-criteria according to the percentages set out in Table 2 below:

**TABLE 2 - WEIGHTING OF SUB-CRITERIA FOR
“QUALIFICATION AND COMPETENCE OF KEY STAFF”**

Sub-criteria	Range of Percentage
General Qualifications	20% - 30%
Adequacy for the Project	50% - 60%
Experience in Region and Language	10% - 20%
Total	100%

The RFP must indicate the distribution of points and what fraction of the total refers to the team leader and to the remaining key staff. As the success of the assignment depends to a large extent on the performance of the team leader, in no circumstances must he/she be given less weight than any other staff member.

The evaluation of key staff may require interdisciplinary weighting, particularly for assignments requiring large teams. In this case, the RFP must indicate not only the weight relevant to the team leader, but also the weight given to each of the most relevant staff members. The proposal must group the experts by discipline (or activity), and the Evaluation Committee must evaluate them by applying the established weight to each group.

A3.2.4 TRANSFER OF KNOWLEDGE (TRAINING)

When transfer of knowledge is an important component of the assignment, more than 10 points can be allocated to this area, which may be divided into the following sub-criteria:

- (a) **Relevance of Programme:** Transfer of knowledge must cover in sufficient depth, the important developments in a given sector that will benefit the Procuring Entity.
- (b) **Training Approach and Methodology:** This refers to the methodology and work programme proposed to achieve the objectives specified in the TOR to ensure lasting results for the Procuring Entity.
- (c) **Qualifications of Experts and Trainers:** This covers the pedagogical qualifications and training of the proposed specialists.

A3.2.5 NATIONAL PARTICIPATION (FOR INTERNATIONAL ASSIGNMENTS)

GoJ encourages consultants to maximize the expertise of Jamaican nationals by factoring this into the evaluation of proposals with a specific criterion. Depending on the importance given to participation of Jamaican nationals and the characteristics of the assignment, a maximum of 10 points may be given to this criterion. National participation is assessed on the basis of the percentage share of national consultants covering key positions in terms of staff-months, over the total staff-months of key staff proposed for the assignment. Foreign consultants may satisfy national participation requirements either by associating (joint venture or sub-contract) with their national branch, if one exists, or with independent national firms, or by incorporating national experts into the work team. In all cases, for national participation to be effective and rewarded in the evaluation of proposals, national experts must be part of the key staff.

A3.2.6 THE POINT SYSTEM

The allocation of weights to the main evaluation criteria might fall within the suggested ranges indicated in Table 3, depending on the specifics of different assignment types.

TABLE 3 - MAIN EVALUATION CRITERIA AND WEIGHTING

TYPE OF ASSIGNMENT	SPECIFIC EXPERIENCE	METHODOLOGY WORK PLAN	STAFF QUALIFICATIONS	TRAINING (OPTIONAL)	NATIONAL PARTICIPATION (OPTIONAL)	TOTAL POINTS
	5-10	20-50	30-60	0-10	0-10	100
Technical Assistance/ Training	5-10	20-35	50-60	*0-10	0-10	100
Pre-investment Studies	5-10	35-50	40-50	0-10	0-10	100
Design	5-10	30-45	40-50	0-10	0-10	100
Implementation /Supervision	5-10	20-35	50-60	0-10	0-10	100
* When training is an important component of the assignment, more points can be given to this criterion and points of the other criteria are reduced accordingly.						

A3.2.7 EVALUATION CRITERIA AND SUB-CRITERIA

Table 4 summarizes the five evaluation criteria provided in the Standard Request for Proposals (SRFP) and gives examples of sub-criteria that could be adopted when preparing the RFP.

TABLE 4 - STANDARD EVALUATION CRITERIA

EVALUATION CRITERIA	EVALUATION SUB-CRITERIA
Specific experience of the consultants in the field of the assignment	- Specify
Adequacy of the proposed methodology and work plan in responding to the TOR	- Technical approach and methodology - Work plan - Organization and staffing Note: the number of sub-criteria may be increased depending on the characteristics of the assignment.
Qualification and competence of key staff proposed for the assignment	- General qualifications - Adequacy for the project - Experience in the region and language Note: these three sub-criteria are defined by the RFP and cannot be changed.
Suitability of the transfer of knowledge Programme (training)	- Relevance of programme - Training methodology and programme - Qualifications of training specialists
National participation (nationals among key staff)	- Specify

A3.3 EVALUATION OF PROPOSALS

Technical Proposals for consulting services are an intellectual product, therefore, their evaluation must be based on the professional judgment of competent evaluators and cannot be reduced to a purely mathematical exercise. The difficulty is to ensure that this judgment is not exercised in an unreasonable or arbitrary manner. Evaluators may, either consciously or unconsciously, manipulate the points awarded to specific factors in the evaluation for a number of reasons, including inadequate experience in the field of the assignment, or in evaluating proposals of this nature. *As such, it is important that subjectivity be mitigated to achieve the transparency, consistency, and fairness that must inform the exercise.* One way of ensuring this is by adopting a suitable rating system for the evaluation of technical proposals under the criteria and sub-criteria established in the Request for Proposals (RFP).

A3.3.1 RATING SYSTEM

The Standard Request for Proposals (RFP) specifies the five general criteria used to evaluate technical proposals and the points (or weights) given to each. The responsiveness of a proposal to the Terms of Reference (TOR) is determined by its responsiveness to the criteria and sub-criteria adopted for the evaluation indicated in the RFP. These criteria include:

- (a) specific experience of the consultants in the field of the assignment;
- (b) adequacy of the proposed methodology and work plan in responding to the TOR;
- (c) qualifications and competence of key staff proposed for the assignment;
- (d) suitability of the transfer of knowledge programme; and
- (e) local participation (for large and complex international assignments).

The transfer of knowledge criterion is included wherever it forms an explicit aspect of the assignment. The local participation criterion is optional when deemed necessary and for international assignments.

The RFP must specify the sub-criteria for the proposed key staff as indicated in the Standard RFP, as well as other adopted sub-criteria, together with the points to be allocated to each of them for evaluation.

In the RFP the points assigned to a particular criterion (or sub-criterion) indicate the maximum score (maximum number of points) that can be allocated to it when evaluating a proposal. The actual score given represents the degree to which the proposal being evaluated under that particular criterion (or sub-criterion) meets the requirements - i.e., its level of responsiveness. **The level of responsiveness for each criterion (and sub-criterion) is rated on a scale of 1 to 100.**

Each committee member scores the technical proposals in two steps.

1. The level of responsiveness of the proposals to each of the criteria or sub-criteria is rated on a percentage scale.
2. Each percentage rating is multiplied by the maximum number of points assigned to the relevant criterion (or sub-criterion) in the RFP to obtain the score (percentage rating x maximum number of points = score). For example, the criterion “Specific experience of the consultant in the field of the assignment” may have been allocated a maximum of 10 points in the RFP. A proposal with a good level of responsiveness to this criterion is given a 90 percent rating and, therefore, receives a score of nine (9) points.

To make the scoring easier and transparent, the rating scale of the level of responsiveness is usually divided into a number of discrete grades. It is a good practice to give scores based on the following grades: poor, satisfactory,

good and very good. Prior to receiving the technical proposals, the Evaluation Committee must agree on the definition of each grade for each criterion (or sub-criterion). That is, the Committee must establish what will be considered poor, satisfactory, good, and very good. Since each of the criteria (or sub-criteria) refers to a different aspect of the proposal, the definition of grades will differ from one criterion to another.

Advantages of scoring technical proposals using the method outlined:

- (a) It provides the Evaluation Committee with a shared definition of the grades, thus making the evaluation easier and comparable (this is particularly helpful for less experienced evaluators).
- (b) It minimizes the risk of subjectivity and inconsistencies.
- (c) It binds each committee member to justify his/her evaluation on the basis of a common definition of grades, thus discouraging intentionally biased evaluations.
- (d) It adds transparency and fairness to the evaluation process.

Defining the grades is a difficult exercise that requires a thorough knowledge of the terms of reference, the consultants' expected competency levels and the technical issues to be covered in the assignment. Rating proposals without using agreed, predefined grades of responsiveness leaves the definition of the grades to each evaluator, making the scoring subjective and difficult to compare.

A3.3.2 SPECIFIC EXPERIENCE OF CONSULTANTS RELATIVE TO THE ASSIGNMENT

(a) Rating Scale

A maximum of 10 points must be allocated to the specific experience of the firm. The suggested grades indicated in Table 5 are recommended for percentage ratings related to the evaluation of this criterion.

TABLE 5 - RECOMMENDED RATINGS FOR “SPECIFIC EXPERIENCE” CRITERIA

TYPICAL PERCENTAGE RATING FOR SPECIFIC EXPERIENCE	
GRADE (level of responsiveness)	RATING
Satisfactory	70%
Good	90%
Very Good	100%

As all the consultants have been short-listed based on experience, ideally their experience must not be rated less than satisfactory, that is, not less than 70 percent.

(b) Aspects to Consider for the Evaluation

The committee must consider the following aspects in evaluating the relevant experience of the consultants:

- i. experience in similar projects - evidence of having successfully carried out similar assignments;
- ii. experience in similar areas and conditions - evidence that they have worked in regions or countries with physical, cultural, social, and institutional characteristics comparable to those of the country of the assignment;

- iii. size, organization, and management - the consultants have the capacity, e.g., staff, organization, and managerial skills, to carry out the assignment. For some assignments, consider how long the consultants have been established;
- iv. specialization - for some assignments it may be important to evaluate the consultants' specialized skills and access to particular technologies related to the assignment;
- v. experience in transfer of knowledge and training - the consultants' experience in transfer of knowledge and training of the Procuring Entity's personnel (if relevant); and
- vi. quality management - the availability of a well-established QM system may be taken into account for large and complex assignments.

(c) Defining the Grades

As sub-criteria are usually not provided for the specific experience of the consultants, this shall be evaluated as a whole, using the grades set out in **Table 1**. A sample definition of these grades is given below, however, definitions will vary from case to case, depending on the characteristics of the assignment.

- i. **Satisfactory:** The consultants have relevant experience in the field of the assignment but have not dealt with critical issues specific to the assignment. The consultants are fully experienced in the use of standard approaches and methodologies required for the assignment. The permanent staff assigned to the consultants is adequate.

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- ii. **Good:** The consultants have extensive experience in the field of the assignment and have worked in countries with similar physical, institutional and social issues. They are also experienced in advanced approaches and methodologies for dealing with the specific requirements of the assignment. The permanent staff is adequate and highly specialized with the capacity to address the needs of the assignment. Moreover, the firm has additional resources available to cope with unexpected requirements.

- iii. **Very Good:** The consultants have outstanding, state-of-the-art expertise in assignments similar to the one being considered. They are regarded as world-class specialists in the approaches and methodologies specific to the assignment; and they operate according to well-established QM procedures.

Ratings must not be too rigid. In the event that a firm does not satisfy all the conditions set out in one of the grade definitions, but that particular grade appears to reflect the overall experience of the firm better than the lower grade, the upper grade may be assigned.

Under exceptional circumstances the Evaluation Committee may wish to take into account the possibility that a firm with less than satisfactory specific experience could be short-listed. As such, the Committee may decide to include in Table 1, an additional grade (“poor”), with a rating of or about 40%. Such a decision, however, must be made when the definition rating system is being developed - that is, *before the opening of the proposals*.

A3.3.3 ADEQUACY OF PROPOSED METHODOLOGY AND WORK PLAN

(a) Rating Scale

A range of 20 to 50 points must be allocated to the criterion - “Adequacy of Methodology and Work Plan”. The grades indicated in Table 6 are recommended for percentage ratings related to the evaluation of this criterion.

**TABLE 6 - RECOMMENDED RATINGS FOR
“ADEQUACY OF PROPOSED METHODOLOGY AND WORK PLAN” CRITERIA**

TYPICAL PERCENTAGE RATING FOR METHODOLOGY & WORK PLAN	
GRADE (level of responsiveness)	RATING
Poor	40%
Satisfactory	70%
Good	90%
Very Good	100%

The lowest grade is 40% instead of zero because:

- i. a zero rating is not realistic, as it would imply that the consultant had not responded at all to the proposal under this criterion; and
- ii. a zero rating given to “Adequacy of Methodology and Work Plan”, would have a negative effect on the remaining criteria, and could lead to the rejection of a proposal that is worthwhile in all its other aspects.

Where a proposal appears to be unacceptable under any criterion, but it does not deserve the rating “poor”, it may be considered non-responsive.

(b) Aspects to be Considered in the Evaluation

The Committee must evaluate the quality and the adequacy of the proposed methodology and work plan by considering such aspects as:

- i. **Understanding of the Objectives of the Assignment** - The extent to which the consultants' technical approach and work plan respond to the objectives indicated in the TOR;
- ii. **Completeness and Responsiveness** - Does the proposal respond exhaustively to all the requirements of the TOR?
- iii. **Creativity and Innovation** - Does the proposal suggest any new approaches to the assignment or new methodologies that may help to achieve better outcomes?
- iv. **Clarity:** Are the various elements coherent and the decision points well defined?
- v. **Efficiency and Resource Utilization** - Is the staffing schedule appropriate? Are there too many short term experts, or too many generalists? Is the proposed staff permanent or engaged by the external consultants? In the latter case, determine whether the consultants have worked on previous assignments with the permanent staff. This aspect must always be considered.
- vi. **Flexibility and Adaptability** - Is the methodology and work plan flexible, and easily adaptable to changes that might occur during implementation of the assignment? This aspect is especially relevant when the assignment takes place in potentially changing environments.
- vii. **Technology** - Does the methodology propose the use of appropriate technologies and the adoption of innovative solutions?

- viii. **Timeliness of Outputs** - Does the proposed activity schedule provide the requested outputs in a timely manner?
- ix. **Logistics** - If the consultants will be required to work at remote sites, their approach to logistics must also be assessed.
- x. **Quality Management** - In large and complex assignments, the TOR may include a requirement to provide a Quality Plan, or its detailed list of contents.

(c) Evaluation when Sub-Criteria are Provided

With the exception of small or simple assignments, the quality and adequacy of the proposed methodology and work plan are evaluated by means of the following three sub-criteria. Additional sub-criteria may be specified in the RFP when there is a need to focus on particularly important aspects of the assignment:

- i. Technical Approach and Methodology;
- ii. Work Plan; and
- iii. Organization and Staffing.

The Evaluation Committee shall develop a definition for each of the three sub-criteria above. An example of the definition of the four grades in Table 2 may include the following:

(A) TECHNICAL APPROACH AND METHODOLOGY

- i. **Poor** - The technical approach and or the methodology to carry out important activities indicated in the TOR are inappropriate or very poorly presented, suggesting that the consultant has misunderstood important aspects of the scope of work. The list of contents of the Quality Plan (required in the TOR) is missing.

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- ii. **Satisfactory** - The way to carry out the different activities of the TOR is discussed generically. The approach is standard and not specifically tailored to the assignment. Although the approach and methodology are suitable, they do not include a discussion on how the consultant proposes to deal with critical aspects of the assignment. The list of contents of the Quality Plan (if required in the TOR) is provided, but it is generic and does not reflect the specific features of the assignment.

- iii. **Good** - The proposed approach is discussed in detail. The methodology is specifically tailored to the characteristics of the assignment, and is flexible enough to allow for adaptation to changes that may occur during execution of the services. The list of contents of the Quality Plan (if required in the TOR) is tailored to the specific characteristics of the assignment.

- iv. **Very Good** - In addition to the defined grading for “good”, important issues are approached in an innovative and efficient way, indicating that the consultants have understood the main issues of the project and have outstanding knowledge of new solutions. The proposal discusses in detail ways to improve the results and the quality of the assignment by using state-of-the-art approaches, methodologies, and knowledge. A detailed description of the Quality Plan is provided in addition to its list of contents (if required).

(B) WORK PLAN

- i. **Poor** - The activity schedule omits important tasks. The timing of activities and correlation among them is inconsistent with the approach and/or methodology proposed. There is a lack of clarity and logic in the sequencing.

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- ii. **Satisfactory** - All key activities are included in the activity schedule, but they are not detailed. There are minor inconsistencies between timing, assignment outputs, and proposed approach.
- iii. **Good** - The work plan fits the TOR well. All the important activities are indicated in the activity schedule: their timing is appropriate; consistent with the assignment outputs; and the interrelation between the various activities is realistic and consistent with the proposed approach. There is a fair degree of detail which facilitates understanding of the proposed work plan.
- iv. **Very Good:** It surpasses the grading defined for “good”. In addition, the decision points are well-defined, as are the sequence and timing of activities, indicating that the consultants have optimized the use of resources. A specific chapter of the proposal explains the work plan in relation to the proposed approach, and the work plan permits flexibility to accommodate contingencies.

(C) ORGANIZATION AND STAFFING

- i. **Poor** - The organizational chart is sketchy; the staffing plan is weak in important areas; and the staffing schedule is inconsistent with the timing of the most important outputs of the assignment. There is no clarity in the allocation of tasks and responsibilities. The proposed specialists have never worked together as a team.
- ii. **Satisfactory** - The organizational chart is complete and detailed; the technical level and composition of the staffing arrangements are adequate; and staffing is consistent with both timing and assignment outputs.

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- iii. **Good** - In addition to meeting the requirements of the guidelines defining “satisfactory”, the staff is well balanced - showing good coordination. There is clear and detailed definition of duties and responsibilities: not too many short term experts; not too many generalists; precise blending of staff skills and needs; and efficient logistical support. Some members of the project team have worked together before to some extent.

- iv. **Very Good** - Besides meeting all the features for a “good” rating, the proposed team is integrated and several members have worked together extensively in the past. A detailed explanation of the Procuring Entity’s role and integration in the assignment is provided. The proposal contains a detailed discussion demonstrating that the consultants have optimized the use and deployment of staff from the point of view of efficiency and economy, based on the proposed logistics.

(D) EVALUATION OF SMALL AND SIMPLE ASSIGNMENTS

For small and simple assignments, the Procuring Entity may choose not to identify sub-criteria under the methodology and work plan. Instead, the proposed methodology and work plan are evaluated as a whole, using the four grades in Table 2. An example of how these grades could be defined, is given below. Definitions may differ from case to case, depending on the characteristics of the assignment.

- i. **Poor** - The methodology for important activities in the TOR is inadequate, indicating that the consultants may have misunderstood relevant aspects of the scope of work. The schedule of activities is incomplete; staffing is inadequate; and the staffing schedule is not fully consistent with the timing of the outputs. The proposed specialists have never worked together as a team.

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- ii. **Satisfactory** - Proposed methodologies are standard and generally suitable for the assignment, but no detailed discussion of the specific aspects of the assignment is provided. The activity schedule is complete and clear; the staff composition is adequate; and staff levels are consistent with established timing and outputs.

- iii. **Good** - Approach and methodology are well defined and respond to the assignment. The work plan is detailed and adequately addresses the TOR. All the important activities are indicated in the activity schedule and their timing is correct and consistent with the assignment outputs. Staffing is well-balanced with good coordination, and clear and detailed definition of duties and responsibilities. Some members of the proposed team have worked together on limited occasions.

- iv. **Very Good** - Besides meeting the criteria under “good,” the proposal includes important innovations in approach; relevant to the Procuring Entity; and makes practical suggestions on how to improve the overall quality and efficiency of the assignment - clearly indicating how they would be implemented. The implementation of key activities is explained in detail. The proposed team is well integrated and several of its members have previously worked together.

In the event that the consultants’ approach and methodology do not fully satisfy all the conditions outlined in one of the grade definitions, but that particular grade appears to reflect the overall adequacy of approach and methodology better than the lower grade - the upper grade may be assigned.

A3.3.4 QUALIFICATIONS AND COMPETENCE OF PROPOSED KEY STAFF

(a) Rating Scale

A range of 30 to 60 points must be allocated to “Qualifications and Competence of Key Staff”. The grades indicated in Table 7 below are recommended for percentage ratings related to the evaluation of the proposed Key Staff.

**TABLE 7 - RECOMMENDED RATINGS FOR
“QUALIFICATIONS AND COMPETENCE OF PROPOSED KEY STAFF” CRITERIA**

TYPICAL PERCENTAGE RATING FOR QUALIFICATIONS & COMPETENCE OF KEY STAFF	
GRADE (level of responsiveness)	RATING
Poor	40%
Satisfactory	70%
Good	90%
Very Good	100%

The lowest grade is 40 % instead of zero for the following reasons:

- i. A zero rating is not realistic, as it would imply that the consultant has not responded at all to the proposal under this criterion.
- ii. A zero rating given here may hardly be compensated for even by high scores for the remaining criteria. This could lead to the rejection of a proposal that is attractive in all its other aspects.

Grades in Table 3 apply to both individual staff members and to members grouped by discipline (or activity) when interdisciplinary weighting is required. When evaluating staff, it is recommended that only those proposed for key positions must be considered. Junior or clerical staff shall not be evaluated.

(b) Aspects to Consider for the Evaluation

The committee must evaluate key staff by considering the following aspects:

- i. **General Qualifications:** It is important to consider the number of years of professional experience of the consultants in the field to which they are assigned. For evaluation purposes, the value of previous university education diminishes with age. Experts with more than 10 years' experience must be evaluated on their current position and the level of responsibility entrusted to them in previous projects, rather than on their acquired university degrees. Since experience accumulates with age, staff members who are 60 years or older are often satisfactorily employed on complex or sensitive assignments. Long-term experience in consulting assignments may be advantageous but evaluators must not give points to older candidates when age is not especially relevant to the assignment. When knowledge of recent approaches, methodologies, and technologies is critical, younger experts may be preferable.
- ii. **Adequacy for the Assignment:** Is the expert suitable for the job and has he or she recently held similar positions? Has the proposed team leader been a successful team leader before, and has the team leader been proposed mainly because of leadership or professional skills? How well do the knowledge and skills of the staff offered meet the needs of the assignment? Appropriate capabilities, adequate professional skills, and experience must always be the key evaluation aspects.
- iii. **Experience in the Region and Language** When evaluating experience in the region, consider factors such as the number of assignments carried out in the country and/or in countries with

similar cultures, administrative systems, and government organizations.

Evaluate key staff in terms of their skill and suitability for the job. The qualifications of the team leader must be carefully evaluated because that position plays a crucial role in the success of the assignment. If the team leader is acting as both project manager and expert, evaluate his or her qualifications for each function and assign the scores to each function proportional to the time effort dedicated to each of them if the two functions overlap. Full marks to each function are assigned only if the functions can be clearly separated without affecting the quality of the services.

(c) Evaluation Using the Three Sub-criteria Specified in the RFP

The qualifications and competence of key staff shall be evaluated using the following three sub-criteria specified in the RFP:

- i. General Qualifications
- ii. Adequacy for the Assignment
- iii. Experience in the Region and Language

Under each of these sub-criteria, individual staff members are evaluated using the grades in Table 3. The Evaluation Committee shall determine for each of the three sub-criteria the definition for each of the grades indicated.

An example of the definition of the four grades in Table 3 for each of the three sub-criteria listed above may include the following:

A. GENERAL QUALIFICATIONS

- i. **Poor:** The proposed expert has less experience than that specified in the RFP or less than 10 years of relevant experience.

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- ii. **Satisfactory:** The proposed expert has 10 years or more of overall working experience relevant to the assignment, with relevant academic education and training.
- iii. **Good:** The proposed expert has more than 15 years of overall working experience - a substantial part of that experience relates to consulting assignments similar to the one in question. The expert's professional achievements, e.g., position within the firm and level of responsibility, have steadily increased over time.
- iv. **Very Good:** The proposed specialist has more than 20 years of specialized experience in the field of the assignment and is recognized as a top expert in his/her specialty. He/she is fully up to date in state-of-the-art methodologies relevant to the discipline.

B. ADEQUACY FOR THE ASSIGNMENT

- i. **Poor:** The proposed expert has never, or only occasionally worked in a position similar to the one required under the assignment. His/her qualifications do not 'match' the assignment position, e.g., the position requires a highly experienced project manager, whereas a relatively junior professional with limited experience is proposed.
- ii. **Satisfactory:** The experience of the proposed expert fits the assigned position. In the past 10 years or more he/she has successfully held positions similar to the one proposed for the assignment in at least one project of a similar nature. His/her skills (either professional or managerial as the proposed position may require) are adequate for the job.

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- iii. **Good:** The qualifications of the expert are suitable for the proposed position. Over the past 10 years he/she has held several similar positions in similar assignments. His/her skills (either professional or managerial) are fully consistent with the position and requirements of the assignment.
- iv. **Very Good:** In addition to meeting the criteria defined under “good,” the expert has qualifications and experience substantially exceed the requirements for positions similar to the one being considered.

C. EXPERIENCE IN THE REGION (FOR INTERNATIONAL CONSULTANTS)

- i. **Poor:** The proposed expert has never, or only occasionally worked in countries similar to the one of the assignment.
- ii. **Satisfactory:** The expert has worked in countries with cultural, administrative, and governmental organizations similar to Jamaica.
- iii. **Good:** In recent years the expert has worked in the region of the assignment for at least one year.
- iv. **Very Good:** In addition to meeting the criteria defined under “good,” the expert has gained detailed first-hand knowledge of Jamaica through years of professional work.

If the key staff contingent proposed by the consultants does not fully satisfy all the conditions set out in one of the grade definitions, but that particular grade appears to reflect the overall adequacy of the key staff better than the lower grade, the upper grade may be assigned.

A3.3.5 TRANSFER OF KNOWLEDGE (TRAINING)

(a) Rating Scale

A maximum of 10 points must be allocated to “Transfer of Knowledge”, except when training is an important component of the assignment. The grades indicated in **Table 8** are recommended for percentage ratings related to the evaluation of transfer of knowledge.

**TABLE 8 - RECOMMENDED RATINGS FOR
“TRANSFER OF KNOWLEDGE (TRAINING)” CRITERIA**

TYPICAL PERCENTAGE RATING FOR TRANSFER OF KNOWLEDGE (TRAINING)	
GRADE (level of responsiveness)	RATING
Poor	40%
Satisfactory	70%
Good	90%
Very Good	100%

The lowest grade is 40 % instead of zero for the following reasons:

- (a) A zero rating is not realistic since it would imply that the consultant has not responded at all to the proposal under this criterion.
- (b) A zero rating given here may hardly be compensated for, even by high scores of remaining criteria. This could lead to a rejection of a proposal that is attractive in all its other aspects.

In cases in which training is a particularly important component of the assignment, more than 10 points may be given to this criterion.

(b) Aspects to Consider for the Evaluation

The committee must evaluate the proposed transfer of knowledge programme by considering the following:

- i. **Methodology and Expected Outcome of the Programme:** Definition of outcome and results in keeping with the requirements of the TOR; type and approach to the transfer of knowledge (e.g., programme based on on-the-job training, or stand-alone training, or a combination) and methodology proposed to attain the objectives, are clearly explained and appropriate for the target audience; quality of learning materials proposed
- ii. **Organization of the Programme:** Degree of definition of the programme, that is, the activities that will be carried out under the assignment; definition of roles, duties, output, and organizational arrangements of the Procuring Entity's personnel; level of skill and effort required of such personnel; consultant's personnel involved and the expected level of effort; and allocation of responsibilities between the consultants and the Procuring Entity
- iii. **Experience in Transfer of Knowledge and Training:** The level of previous training experience of the consultant's experts involved
- iv. **Supervision and Evaluation:** Arrangements for supervision and implementation of the assignment, and the impact of transfer of knowledge programme, e.g., progress reports, progress evaluation, and evaluation of knowledge gained by the trainees.

(c) Evaluation when no sub-criteria are provided

When no sub-criteria are provided for transfer of knowledge, the programme for transfer of knowledge proposed by the consultants must be evaluated as a whole. An example is given below (definitions may differ from case to case, depending on the characteristics of the programme).

- i. **Poor:** Approach and methodology of the training programme respond only partially to the objectives indicated in the TOR, and resources allocated are insufficient.
- ii. **Satisfactory:** Programme objectives and approach are generally consistent with the requirements of the TOR; proposed methodology seems suitable, but there is no discussion of its important aspects; training programme is complete and well defined; allocated resources are commensurate with the objectives; functions and responsibilities are only broadly defined; and measures to supervise the programme are only generally indicated.
- iii. **Good:** The methodology is specifically tailored to the objectives of the programme and is discussed exhaustively. Timing of training activities is well defined and fully consistent with the time schedule of the activities on which the training is based. Quality and composition of consultant personnel involvement are very well thought out and balanced. Duties and responsibilities of consultant and the Procuring Entity personnel involved are clear and defined in detail. Measures to supervise the programme and minimize risks of abuses are clearly indicated.
- iv. **Very Good:** In addition to the meeting of the criteria defined under “good,” approaches and methods proposed represent new best practices.

In the event that the training programme does not fully satisfy all the conditions set out in one of the grade definitions, but that particular grade appears to reflect the overall adequacy of the training programme better than the lower grade, the upper grade may be assigned.

(d) Evaluation When Sub-Criteria Are Provided

There may be cases where training is an important component of the assignment, and the RFP has allocated to “Transfer of Knowledge” more than 10 points. In these cases sub-criteria may be established and points allocated in the RFP to each of them.

A3.3.6 LOCAL PARTICIPATION AS REFLECTED BY JAMAICAN NATIONALS AMONG KEY STAFF (INTERNATIONAL CONSULTANTS)

For assignments involving international consultants, a maximum of 10 points must be allocated to this criterion. In the evaluation these points will be allocated to each proposal in a proportion equal to the percentage share of national key staff in the total key staff time effort proposed. If, for example, eight (8) points are attributed to the criterion, and 50 percent of total staff-months or staff-hours of key staff is allocated by the consultants to national experts, the proposal will receive five (5) points. This criterion covers only the quantitative aspect of participation by nationals; qualitative aspects such as experience of national key staff are captured by the criterion “Qualification and competence of the key staff proposed”. The participation of national consultants as domestic consultants, or as local branches of foreign consultants, or as individual experts equally satisfies this criterion.

A3.3.7 EVALUATION REPORT

Upon completion of the evaluation of proposals, the Evaluation Committee shall prepare its report in accordance with the sample provided in the Standard Bidding Document Annex 12A (www.mof.gov.jm). All members of the Evaluation Committee must sign the report.

This procedure applies to the procurement of all consulting services.

APPENDIX 4

NEGOTIATION AND AWARD OF CONTRACT

A4.1 PROCEDURE

Unlike the procurement of goods, works and general services, where negotiation with the successful Bidder is not permitted due to the competitive nature of the procurement (except for direct contracting), **the objective of negotiations for consulting service contracts, is to arrive at a mutually satisfactory contract between the Procuring Entity and the selected consultants.** The parties will discuss the technical proposal submitted, agree on the detailed scope of work, negotiate financial terms, and discuss and finalize contract conditions. A good contract must protect the interests of both parties adequately.

A4.1.1 PREPARATIONS FOR NEGOTIATION

Subsequent to the approval of the Evaluation Report and completion of the recommendations, the Procuring Entity shall notify the successful consultant in writing, to invite the firm for negotiations. The Procuring Entity shall indicate the date and time set for the negotiations, and any issues or comments on the consultants' proposal to be discussed, so as to enable them to prepare a response. At this stage, the Procuring Entity shall also inform consultants whose proposals were not chosen, which firm was selected and that negotiations with that firm will begin.

To negotiate with the consultant, the Procuring Entity shall appoint a negotiating team whose members must be fully familiar with the TOR, the consultant's proposal, the comments and suggestions of the Evaluation Committee relating to the technical and financial Evaluation Reports, and the recommendations of the Evaluation Committee. At least one member of the Evaluation Committee shall take part in the negotiations. Both parties must appoint a chief negotiator and if required, the consultants' representative must submit a Power of Attorney.

The deliberations shall be based on a mutually agreed on agenda, comprising the main items to be negotiated, that is, methodology, work plan, proposed staff, inputs, financial terms, and special conditions of the contract.

A4.1.2 ITEMS SUBJECT TO NEGOTIATION

Depending on the selection method and proposed type of contract, technical and financial items that may be negotiated include:

- (a) the scope of Work;
- (b) Technical Approach And Methodology;
- (c) Work Plan and Activity Schedule;
- (d) organization and staffing, and time schedule for key staff;
- (e) deliverables;
- (f) counterpart staff;
- (g) counterpart facilities and equipment;
- (h) special conditions of the contract
- (i) staff unit rates;
- (j) reimbursable expenses; and
- (k) proposed contract price.

Under QCBS, SFB, and LCS, unit rates such as staff remuneration or unit rates proposed for reimbursable expenses and proposal price, cannot be negotiated unless there are exceptional reasons, as these methods are based on a competitive process.

A4.1.3 OUTLINE OF NEGOTIATION PROCEDURES

Contract negotiations for small assignments are usually completed within one or two days (usually these can be undertaken electronically - by fax and/or telephone). However, for large assignments, at least one full week must be allowed. Negotiations may even be carried out in phases when decisions are needed from other authorities.

The financial proposal is negotiated on the basis of the list of deliverables, scope and plan of work, and staff-months effort proposed by the consultant, including the agreed modifications.

The Procuring Entity Negotiating Team must take minutes of the negotiations. If the issues to be negotiated are many and complex, significant points can be initialled by the counterparts as negotiations progress. When cost is not a factor of selection, and the Procuring Entity's Team has reason to believe that the staff rates proposed by the consultants are higher than market rates, they may request the consultants to provide financial records that justify such rates (For example, rates of similar contracts).

If a consultant disagrees on several important issues, the Procuring Entity must invite the second-ranked consultant for negotiations. However, caution must be exercised in taking such a decision, and every effort must be made to eliminate contentious issues.

If the validity period of the proposals is about to come to an end, the Procuring Entity must ask all consultants for an extension. In that case, the consultants may propose staff modifications without changing their price, or may withdraw their proposal. As consultants' staff can only be replaced with personnel who are equally qualified or better; the 'new staff' must be evaluated using the criteria and points specified in the RFP, and must receive equal or better scores. It is, therefore, imperative that the procurement process be finalized during the validity period indicated.

A4.1.4 LIMITS OF NEGOTIATIONS

Negotiations must begin by considering the requests, comments and suggestions made by the Evaluation Committee on both the technical and financial Evaluation Reports, together with their recommendations.

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The technical aspects, e.g. “Approach and Methodology” may be discussed to reconcile the consultant’s proposal and the views or requirements of the Procuring Entity, Having regard to the fact that the technical negotiations impact on the quality and the cost of the services. The financial proposal (including remuneration rates when price is not a factor of selection), may also be negotiated, and this will impact on the financial proposal.

Since the quality of the technical proposal is the main factor in ranking the consultants, the discussion shall not substantially alter the quality to reduce the proposed price, as doing so may affect the basis of the technical evaluation on which the ranking was determined.

During negotiations the consultants may propose to trim the scope of work outlined in their proposal if the offered price exceeds the budget. This practice must not be accepted, and may require calling for new proposals.

There are also limits to financial negotiations. They must be used by the Procuring Entity’s Team to achieve consistency between the quality and the price of the offered services, and not merely a price reduction at all costs.

Under the terms of “Selection Under a Fixed Budget” (SFB), the cost of the services is indirectly taken into account, as the best technical proposal within the given budget is selected. Negotiations must, therefore, include only technical aspects.

Similarly, in “Least-Cost Selection” (LCS), negotiations also must include only technical aspects. However, a price increase related to technical improvements can be negotiated, on condition that the proposal remains the least costly.

A4.1.5 NEGOTIATION OF TECHNICAL ASPECTS

Technical negotiations can, within the limits imposed by the selection method, attempt to reduce the proposal price without affecting the quality or the scope of the services, by more productive use of proposed personnel, so as to reduce the “staff-months” effort (e.g., increasing the allocation of tasks to key experts in the work plan, creating a more efficient schedule of activities), or by simplifying the proposed methodology, or a combination of these strategies.

When the offered price exceeds the available budget and negotiations fail to bring the price within the budget, the Procuring Entity may negotiate a reduction in the scope of work of the services. In some cases, reductions in the scope of work may not be possible without affecting the outcome or quality of the services. In such cases, the Procuring Entity may need to increase the budget, or as a last resort, new proposals may be invited, after a revision of the TOR.

a) Technical Approach, Methodology, and Work Plan

The technical approach, methodology, and work plan proposed by the consultant must be discussed, taking into consideration the observations of the Evaluation Committee on the technical Evaluation Report and the consultants’ comments on the TOR. Any differences between the consultants’ understanding of the TOR and the position of the Procuring Entity must be examined in detail with a view to reconciliation.

The consultant’s technical proposal is not part of the contract. Therefore, once the discussions are completed, the TOR must be revised to include any modification of the scope of work agreed on between the Procuring Entity and the consultant. The final TOR is included in the contract with the “Description of the Services,” and shall supersede both the original TOR and the RFP. The methodology and work plan agreed on, including the activity schedule with the list of documents to be

delivered by the consultants and the staffing schedule, shall be annexed to the final TOR and also form part of the contract. If necessary, the Procuring Entity may suggest improvements to the work plan on the basis of ideas developed by competitors. It is not permitted, however, to disclose the proposals of competitors to the consultants selected.

When a training programme is a specific component of the assignment, it must also be discussed in detail, as any other component of the technical proposal.

b) Organization and Staffing

In the discussion on the organization and staffing, clarification must be obtained on the role of each key member of the consultant's team. *Substitutions must not be allowed except where justified by circumstances beyond the control of the consultant*, including, for example, undue delay in the selection process. If substitutions are unavoidable (e.g., an expert resigned from the firm or became ill), each replacement must be evaluated to ensure that the qualifications of the proposed candidates are equal to, or better than those of the staff being replaced. The remuneration rate charged by the consultant for the replacement shall not exceed the rate set out in the proposal.

The composition of the consultants' team, the assignment of tasks, and the time schedule must be reviewed, and agreement reached on the period of time each key member is expected to work in the field and at the home office.

c) Counterpart Staff, Facilities, and Equipment

The extent and timing of the provisions for counterpart staff and facilities must be agreed on. All equipment and supplies required for

carrying out the services and the necessary surveys must be identified, agreed on, and included in the contract.

A4.1.6 NEGOTIATION OF FINANCIAL CONDITIONS

Items to be discussed during financial negotiations will vary according to the selection method adopted (i.e., whether or not cost is a factor in selection) and the payment provisions provided for in the contract, (whether the contract is time-based or ‘lump-sum’). *When price is a factor of selection (QCBS, SFB, LCS), negotiation of unit rates is not allowed.* When price is not a factor of selection (QBS), negotiation of all financial conditions is allowed.

a) Time-Based Contracts

Under a time-based contract, the assignment must be completed within the time and the budget ceiling specified in the contract. These amounts are based on schedules that form part of the contract and give details on the inputs (staff, vehicles, etc.), as well as the cost of these inputs. A list of such schedules is given in the Appendices to the Contract Form attached to the RFP. With some limited flexibility, the contract requires consultants to adhere to these schedules. Fieldwork is billed at monthly, daily, or hourly staff rates. These rates shall be clearly stipulated in the contract to avoid any misunderstanding during implementation. Home office work is billed at staff hour or staff daily rates calculated on the basis of hours worked. If the selection method did not include price as a factor of selection, financial negotiations must include unit rates, and reimbursable expenses, and begin with a discussion on the billing rates in foreign currency for expatriate staff and in national currency for local staff.

b) Lump-Sum Contracts

Under a lump-sum contract, the consultant is paid an agreed amount based on scheduled payments linked to the delivery of outputs. The unit rates for personnel and reimbursable expenses used by the consultant to arrive at the

lump-sum are included at Appendices D and E of the contract. These rates shall be included in order to determine the remuneration due for any additional services beyond the agreed scope of work, for example, an extension. Consultants are paid according to the schedule specified in their contracts, which shows the assignment's specific outputs.

Since lump-sum contracts are frequently adopted with selection methods in which price is a factor of selection, financial negotiations are not allowed. The Procuring Entity can negotiate only the unit rates for personnel and reimbursables for additional services.

c) Staff Billing Rates

When price is a factor of selection (QCBS, SFB, LCS), negotiation of staff rates is not permitted. Billing rates offered by consultants typically depend on three factors: the internal structure of the rates, the ongoing market rates in the consultants' country of the consultants and the level of the technical, institutional.

A breakdown of staff rates includes the following elements:

- i. **Basic Salary:** Basic salary is the gross monthly salary paid to staff. Any overseas allowances must be identified separately, and not included in the basic salary. The basic salary shall not include any premium or bonus, except where required by law, or where it can be demonstrated that the bonus is part of the regular salary. The salaries of permanent staff are usually non-negotiable.
- ii. **Social Charges:** Social charges are the costs to the firm of non-monetary benefits paid to staff under legislation in the consultant's home country, or based on the consultant's own rates. Social charges include: vacation; official holidays; sick leave; pension; social security; medical and life insurance. These costs vary from country to country and to a lesser extent, from consultant to

consultant within the same country. Because most of the payments are required by law or by the consultants' own policies, they are not negotiable.

- iii. **Overheads:** Overhead costs are the firm's costs due to general expenses that are not directly related to the execution of the assignment, and cannot be reimbursed as separate items under the contract. Overheads include such items as: home office costs; the cost of staff not currently employed on revenue-earning projects; rent; support staff; marketing; and business development costs; as well as the preparation of proposals. Overheads vary from firm to firm and depend on the size and type of organization, and the firm's is core business. Some consultants charge different overheads for home office and for fieldwork, and distinguish between short or long term assignments.
- iv. **Profit:** This is the consultant's fee expressed as a percentage of the sum of his/her salary, social costs, and overheads.
- v. **Away from Headquarters and Overseas Allowance:** This amount is added to the salary paid to staff on overseas assignments or assigned to projects away from their home office. The allowance is normally calculated as a percentage of the basic salary and depends on the location of the assignment.

d) **Billing Time**

Time spent in the country of the assignment is generally billed monthly or as fraction of a month, while home office time is generally measured and billed in working days or hours. For billing purposes, a day worked is usually equal to $1/22^{\text{nd}}$ of a month and an hour is equal to $1/176^{\text{th}}$ of a month, but it can vary between countries depending on labour regulations. The "unit of account" (month, day, or hour) used for payment purposes must be

clearly stipulated for each key staff member contracted. Overtime for professional staff is not billed, whereas overtime for support staff at the home office and in the field is generally billable.

e) Reimbursable Expenses

A list of reimbursable expenses payable in foreign and local currencies is provided in the Special Conditions of Contract. The Procuring Entity must reimburse expenses at cost on presentation of receipts, invoices, etc. In certain cases, for example, in the acquisition and importation of equipment needed for the execution of services, and where the consultants incur additional administrative costs, they may be paid a fee or “handling charge” of five (5) to ten (10) percent of the invoice.

For short term assignments (usually less than six months,) the daily allowance for board and lodging may be based on the UNDP Daily Subsistence Allowances, or estimated on the basis of reasonable costs for hotels, meals, and local transportation.

f) Payment Provisions

The Procuring Entity must avoid delaying payments without due cause, to ensure that the consultants do not fall behind in their assignment for lack of funds.

In general terms, advance payments (for example, for mobilization costs) normally do not exceed 20 percent of the contract value. If the advance exceeds ten (10) percent of the contract sum, it must normally be backed by an advanced payment security - generally a commercial bank guarantee or other suitable guarantee issued by a reputable financial institution, acceptable to the Procuring Entity. When remuneration is on a lump-sum basis, payment against progress targets can be made when the consultants’ deliverables are produced at reasonable intervals, and are easy to identify.

The bank guarantee shall be released when total payments reach 50% of the lump-sum amount.

For smaller projects, the last payment may take place upon the delivery of final documents.

A4.1.7 NEGOTIATION OF CONTRACT CONDITIONS

After discussing the financial proposal, the parties must discuss the clauses of the draft contract. The General and Special Conditions of Contract must be reviewed to ensure that both parties understand the terms and conditions and that these terms faithfully and clearly reflect the parties' agreement. ***The General Conditions of Contract cannot be changed.*** Hence, special conditions are subject to negotiation. However, negotiations must be limited to specific and justified requirements made by the consultants.

Contract negotiations must end with both parties initialling the draft contract and its annexes.

The draft contract must include all appendices required by the applicable standard Contract Form (as annexed), providing the following information:

- (a) the negotiated TOR, including the scope of work of the services, agreed methodology, organizational chart, and programme of activities indicating dates for completion of the various tasks;
- (b) the list of required reports indicating format, frequency and content, submission dates, and approval procedures;
- (c) the job descriptions of key personnel and the staffing schedule;
- (d) the list of services, facilities, and counterpart personnel to be made available by the Procuring Entity;

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- (e) the estimated contract amounts in foreign and/or local currency, indicating monthly rates for foreign and local staff and reimbursable expenses; and
- (f) the detailed training programme, if training is a specific requirement of the TOR.

APPENDIX 5 RECORD-KEEPING

Without prejudice to the method of storage, and in accordance with the Financial Administration and Audit Act (FAA Act), the Procuring Entity shall maintain records of each contract action for a minimum of ten (10) years. The procurement process and expenditure records, although entrusted to the safeguard of Accounting Officers, are the property of the Ministry of Finance. These records shall be made available promptly, on the Ministry's request, as it seeks to carry out its expenditure and/or compliance monitoring mandates.

Procurement records shall include the following information:

- (a) a brief description of the services procured;
- (b) names and addresses of consultants;
- (c) the procurement procedure used and authorization reference;
- (d) name of the successful contractor;
- (e) date of approval;
- (f) contract price and actual completion cost;
- (g) contract duration;
- (h) information relative to consultants' qualifications;
- (i) summary of the evaluation and comparison of proposals;
- (j) any offsets applied and the corresponding authorization reference in keeping with the procedures outlined in the Handbook;
- (k) reason(s) for rejection of any or all proposals;
- (l) summary of requests for clarification/verification of RFP and any modifications made;
- (m) information relative to the successful consultant's performance on the contract; and
- (n) information relative to complaints, resolution decisions and appeals.

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