

***GUIDE FOR EVALUATION PROCEDURES
FOR EMPLOYMENT OF CONSULTANTS
UNDER JAPANESE ODA LOANS***

***Japan International Cooperation Agency
(JICA)***

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INTRODUCTION

In order to aim for further sustainable development, it is indispensable for developing countries to improve various sections of their economic and social infrastructure. With proper attention to soft components such as education, human resources development, health, poverty alleviation, social development, and environmental conservation, the greater benefits of sustainability of infrastructure development can be ensured. Although infrastructure development needs the use of various technologies and substantial funding, these technologies and funds are not available locally. In many cases, the required technology and funds are provided from outside the country through international funding agencies or bilateral financial assistance.

Often, specialized consultants possessing sufficient expertise in specific fields and skills for comprehensive management are outsourced by the executing agencies to implement infrastructure development projects. Technology transfer and human resources development for the executing agencies are recently an important component especially for the international multilateral or bilateral financial assistance schemes.

Consultants hired by the executing agency provide the necessary advice and specific services for the benefit for their client and for the successful completion of the project. Especially for public sector projects, a consultant needs to advise and work impartially and introduce alternate solutions without bias for the economic and efficient implementation of the project. The fields of consulting services required have recently expanded into soft areas, such as education, healthcare, poverty reduction and environment improvement, from the original hard areas such as structural design.

For successful completion of the project, appropriate and efficient operation of the facility or system, sustainability of the project and technology necessary for the project, need to be carefully considered to take into account the real needs of the project and the environment in the specific country or region. Consultants provide various services in their specialized fields in accordance with their conditions of appointment from the executing agency. In addition it is most important that the consultants exercise their functions impartially in accordance with the highest standard of ethics.

For projects financed by Japanese ODA Loan, the executing agency properly and promptly employs consultants with international work experience and sufficient qualifications, experience, and competence for the project, in accordance with the Loan Agreement and the Guidelines for

the Employment of Consultants under Japanese ODA Loans, March 2009 (hereinafter referred to as “Guidelines”).

This Guide has been prepared to provide the borrower of Japanese ODA Loans and the executing agency (herein after referred to as “Borrower”) with a clear understanding of the evaluation methods and procedures for the procurement of consultants. It is consistent with the Guidelines..

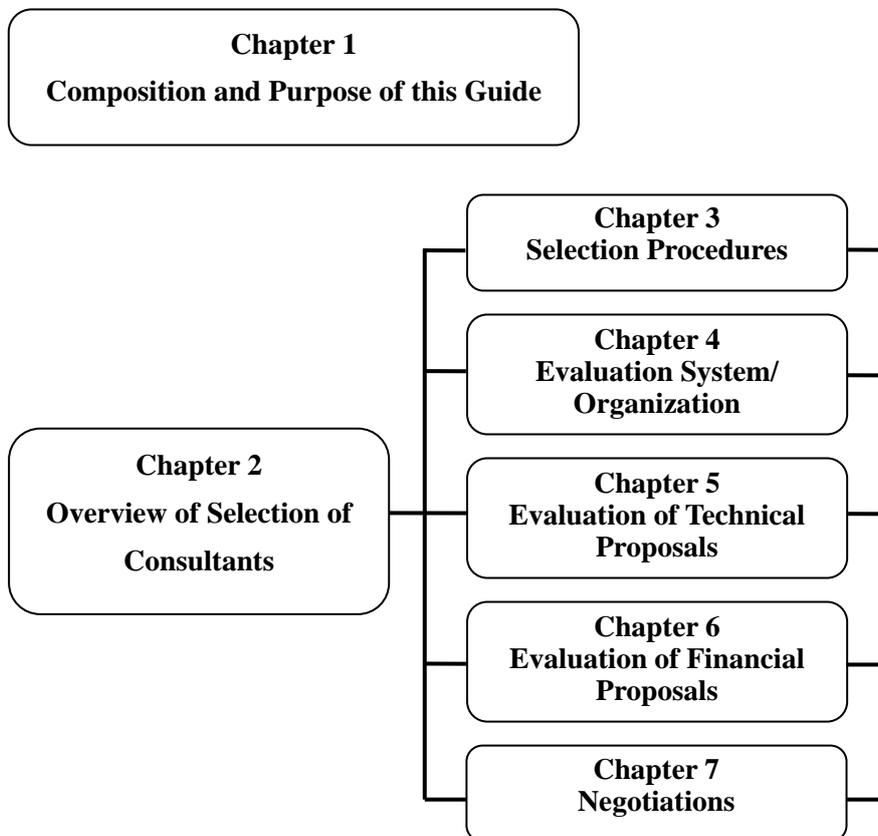
CHAPTER 1 COMPOSITION AND PURPOSE OF THIS GUIDE

The required procedures for the evaluation and selection of consultants are set out in Part III of the Guidelines.

The purpose of this Guide is to provide a supplementary explanation to assist in fully understanding the application and intent of the Guidelines and the HANDBOOK for Procurement under Japanese ODA Loans (hereinafter referred to as “Handbook”). To ensure that selection of consultants is undertaken smoothly and properly, Japan International Cooperation Agency (hereinafter referred to as “JICA”) recommends the Borrower to refer to this Guide for employment of consultants under Japanese ODA Loans.

In case an individual consultant or a nongovernmental organization etc. is procured, some procedures defined in this Guide are not applicable.

The content of this Guide is summarized below:



CHAPTER 2 OVERVIEW OF SELECTION OF CONSULTANTS

2.1 General Consideration

The keys to the successful implementation of various infrastructure and social development projects are; responding to diversified public needs, attention to safety considerations and a minimized project life-cycle cost by introducing innovative methods or alternate solutions. For project planning and implementation, not only the Borrower and beneficiaries in the country but also all the other stakeholders related to the project must be taken into consideration. With these points in mind, a consultant has to give appropriate advice to the Borrower at each project stage such as project preparation, studies, design, construction supervision, operation and maintenance.

The fee paid to a consultant is a small fraction of the total project life-cycle cost and yet a consultant plays a most important role in the successful implementation and maximized effectiveness of any project. A consultant must provide high quality services in their areas of technical competence and focused attentiveness to the main issues.

The Borrower may, in the case of supervision of work and/or project management, delegate to a consultant a greater or lesser degree of authority to act on the Borrower's behalf. The consultant may be given full responsibility to make decisions in the role of an independent engineer or may act only as an advisor to the Borrower with less authority to make decisions. The nature of, and the limits to, the authority delegated to the consultant, as well as the scope and the nature of the responsibilities which the consultant is to assume, shall be clearly defined in the Terms of Reference agreed between the Borrower and JICA and in the contract between the Borrower and the consultant.

As indicated in Section 1.01(3) of the Guidelines, main considerations in selecting consultants are quality, efficiency, transparency in the selection process and non-discrimination among eligible consultants for contracts. In the majority of cases, these considerations can best be addressed through competition among qualified shortlisted consultants in which the selection is based on the quality of the proposal and, where appropriate, on the cost of the services to be provided.

2.2 Methods for Selection of Consultants

[Section 3.02 of the Guidelines]

The methods that are used for the selection of consultants under a Japanese ODA Loan shall be agreed by the Borrower and JICA before the start of the selection process.

2.2.1 Quality- and Cost-Based Selection

< Commonly recommended method >

Quality- and Cost-Based Selection (QCBS), a method that takes into account the quality of the proposal and the cost of the services, is the commonly recommended method for the selection of consultants under a Japanese ODA Loan. However, for cases where QCBS is not the most appropriate, other methods of selection are applied.

2.2.2 Quality-Based Selection

Quality-Based Selection (QBS) is a method based on evaluating only the quality of the technical proposals and the subsequent negotiation of the financial terms and the contract with the highest ranked consultant.

QBS should be applied only for the following types of assignments:

- (a) Complex or highly specialized assignments for which it is difficult to define precise Terms of Reference (hereinafter refer to as “TOR”) and the required input from the consultants;
- (b) Assignments where the downstream impact is so large that the quality of the service is of overriding importance for the outcome of the project (for example, engineering design of major infrastructure);
- (c) Assignments that can be carried out in substantially different ways such that financial proposals maybe difficult to compare; and
- (d) Assignments including supervision of large and complex construction works for which it is particularly important to take safety measures.

2.2.3 Single Source Selection

Single-source selection (SSS) shall be used only in exceptional cases. The justification

for SSS shall be examined in the context of the overall interests of the Borrower and the project, and JICA's responsibility to ensure efficiency and transparency in the selection process and non-discrimination among eligible consultants for contracts. SSS may be appropriate only if it presents a clear advantage over competition:

- (a) for tasks that represent a natural continuation of previous work carried out by the firm;
- (b) in emergency cases, such as in response to disasters;
- (c) for very small assignments; or
- (d) when only one firm is qualified or has experience of exceptional worth for the assignment.

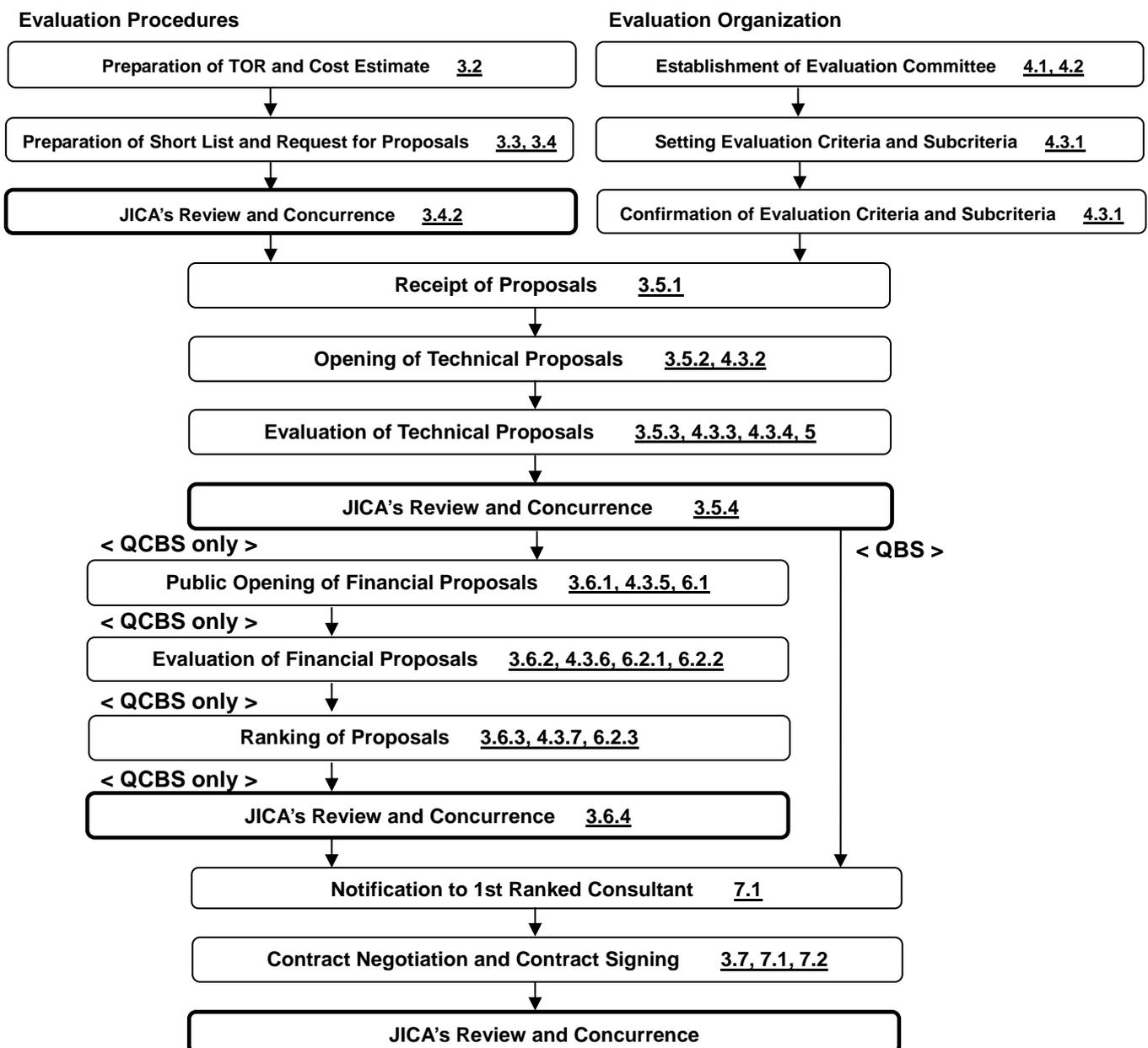
If the downstream assignment is substantially larger in value, a competitive process acceptable to JICA shall normally be followed in which the consultant carrying out the initial work is not excluded from consideration.

CHAPTER 3 SELECTION PROCEDURES

3.1 Overview of Selection Procedures

A flow chart of QCBS and QBS methods is presented in Figure 3.1 below (Underlined numbers are the specific chapters of this Guide for reference). The evaluation procedures relating to financial proposals are applicable only to QCBS. Under QBS, after evaluation of the technical proposals has been completed, the highest-ranked consultant is invited for negotiations.

Figure 3.1 Flow Chart of Consultant Selection



3.2 Preparation of Terms of Reference and Cost Estimate

[Section 3.03 of the Guidelines]

3.2.1 Terms of Reference

The TOR is the key document to be prepared for the selection of consultants. The TOR shall describe the scope of the consulting services and the expected output of the services in as much detail as possible. It shall also include information on the background of the project, specifications to be used in its design, and all the conditions under which services shall be executed and performed. The Borrower shall prepare the TOR based on the principles agreed with JICA in the appraisal. If the TOR needs to be substantially changed from the principles agreed in the appraisal, the Borrower should seek JICA's consultation for such change.

The items required to be included in the TOR are detailed in Annex I of the Guidelines. The relevance of an item will depend on the nature of the project.

3.2.2 Cost Estimate

The cost estimate for consulting service shall be made by adding the remuneration for consultant staff and the direct expenses incurred by them during the execution of their assignment. Those figures are built up by computing the staff time (expert per unit of time, hour, month) required to carry out the services and an estimate of each related cost component. Since this estimate is derived from the information contained in the TOR, the more exhaustive and detailed the TOR is, the more precise the estimate will be. A mismatch between the cost estimate and the TOR may generate problems during the execution of consulting services and the implementation of the project. The adequacy of the cost estimate should be agreed between the Borrower and JICA by fully taking into account the contents of the project and the TOR.

The Borrower should not compel the consultants to provide their services with an underestimate and all required cost for execution of consulting services needs to be appropriately estimated.

The cost estimate of consulting services made by the Borrower should be based on the cost estimate agreed between the Borrower and JICA at the appraisal.

In general, a cost estimate includes items relating to the following:

- ◆ Consultant staff remuneration
- ◆ Mobilization, demobilization, travel and transport
- ◆ Per diem charge and cost of accommodation
- ◆ Communications

- ◆ Office rent, supplies, operation and maintenance
- ◆ Surveys and training programs
- ◆ Report printing
- ◆ Contingencies, etc.

The cost estimate should not be disclosed until evaluation of the proposals has been completed.

3.3 Preparation of Short List

[Section 3.04 of the Guidelines]

Once the Borrower and JICA have agreed on the TOR, the Borrower shall prepare a short list of the consultants who are to be invited to submit proposals (hereinafter referred to as “Short List”). The Guidelines require the Short List to normally consist of not less than three and not more than five consultants. Should the Borrower find it difficult to compile a satisfactory Short List of qualified consultants from the information available from its own past experience and other sources, JICA will, at the request of the Borrower, make available information on consultants.

As emphasized in the Handbook, consultants on the Short List have to meet three important criteria:

- (i) Consultants have satisfactory overseas experience of the consulting services concerned (e.g., detailed design, supervision) in the sector in question (in a narrow sense, e.g., ports other than fishing ports, irrigation). However, if the consultant is from a developing country and is to provide the consulting services in that country, it need not have any overseas experience in the area of the consulting services concerned.
- (ii) Consultants must have experience in a developing country.
- (iii) The number of the short-listed consultants is 3 to 5.
- (iv) Experience with Japanese ODA projects is preferable.

In addition to these four essential attributes, the following items, but not limited to them, may also be considered in evaluating the qualifications of the consultants for the Short List:

- ◆ Experience and capability of the consultant’s available staff but only those in the sector related to the required services;

- ◆ Managerial capacity of the consultants organization to perform the services required;
- ◆ Quality Assurance System established in the consultant's organization; and
- ◆ Compliance System established in the consultant's organization.

The Borrower may consult with JICA on short-listing criteria, if necessary.

In cases where the Borrower prepares a Short List by itself, the Borrower may request the consultants to submit their Expression of Interest or prequalification documents. Evaluation of the capacity and qualification of the consultants is then conducted using the Borrower's own criteria which should be established in accordance with the Guidelines and with due attention to the above three criteria for short-listing. The Borrower should carry out evaluation of the prequalification only without any discussion of the cost.

3.4 Preparation of Request for Proposals

[Sections 3.05, 3.06, 3.07 of the Guidelines]

3.4.1 Documents Comprising Request for Proposals

The Borrower shall prepare a Request for Proposals (hereinafter refer to as "RFP") to be provided to the consultants included in the Short List. The RFP shall consist of the following documents:

Section 1: Letter of Invitation

Section 2: Instructions to Consultants (including Data Sheet)

Section 3: Technical Proposal – Sample Forms

Section 4: Financial Proposal – Sample Forms

Section 5: Terms of Reference

Section 6: Sample Form of Contract

Section 7: List of Eligible Source Countries

Section 2: Instructions to Consultants (including Data Sheet) is the most important document of the RFP. The Instructions to Consultants (hereinafter referred to as "ITC") provide the consultants with more detailed information on how the proposal should be written and presented. The ITC shall contain all the necessary information that would help the consultants prepare responsive proposals.

The items required to be included in the ITC are detailed in the Sample RFP. Without limiting the scope of the information to be given in the ITC, the following is essential:

- ◆ Summary description of the services which the consultant is required to provide
- ◆ Contact person of the Borrower when and if necessary for the consultants to communicate with and refer to the Borrower
- ◆ Details and status of any external financing
- ◆ Request for information on the receipt of the RFP and whether the shortlisted (invited) consultant will be submitting a proposal alone or in association
- ◆ Method for the selection of consultants (QCBS or QBS)
- ◆ Statement of encouragement to visit the site and meet the Borrower, in order to better evaluate the scope of consulting services, and the conditions for such visits
- ◆ Statement that the consultant and any of its affiliates shall be disqualified from providing goods, works or services which would have a conflict of interest with the intent and purpose of the contract
- ◆ Formalities in preparing and submitting the technical and financial proposals, such as:
 - ✧ Language, number of copies, recommended number of pages, size, format or other limitations on the submissions
 - ✧ Sample forms for the technical and financial proposals (for presentation of experience, methodology, curriculum vitae, summary of cost, remuneration, reimbursable expenses, etc.)
 - ✧ Separate envelopes for technical and financial proposals, the labeling or other identification
 - ✧ Whether the financial proposals to be submitted together with the technical proposals
 - ✧ Deadline date and time for submission and details of opening procedures of the technical proposals
 - ✧ Only for QCBS, expected date and procedures of public opening of the financial proposals
 - ✧ Address for submission
 - ✧ Method or means of submission

- *The examples stipulated above shall be included when and if those are judged to be appropriate as the ITC.*
- ◆ Deadline for clarification from the consultants, method of response from the Borrower and the period needed to response to the clarifications
- ◆ Information required from the consultants to be stated in the technical proposals, normally including details on:
 - ◇ Consultant's experience
 - ◇ Comments on the TOR and counterpart staff and facilities
 - ◇ Approach and methodology for the proposed consulting services
 - ◇ Staffing and organization
 - ◇ Curriculum vitae of the proposed staff
 - ◇ Estimates of the total staff inputs to be provided to carry out the services
- *There should be a definite correspondence between the information to be provided by the consultants and the technical evaluation criteria for selecting the consultants.*
- ◆ Information required from the consultants to be stated in the financial proposals, normally including details on summary of costs, remuneration rate and breakdown of reimbursable expenses, and, only for QBS, breakdown of remuneration
- ◆ For QCBS, minimum man-months of international and local consultants and, for QBS, estimated man-months of international and local consultants
- ◆ Amounts for provisional sums and contingency
- ◆ Whether the consultant is subject to payment of any local taxes
- ◆ Details of the technical and financial evaluation and selection procedures to be followed
- ◆ List of the evaluation criteria of technical proposals and the weight given to each criterion
- ◆ Minimum technical score to pass the technical evaluation
- ◆ Only for QCBS, formula for determining the financial score, and weights given to the technical and financial proposals

- ◆ Any conditions on subcontracting a part of the assignment (if applicable)
- ◆ Period for which the consultants' proposals shall remain valid (normally between 60 and 90 days)
- ◆ In the case of extension of the validity of the proposal, a statement that consultants who agree to such extension shall maintain the availability of the proposed staff, or could submit new staff in replacement, and factors to determine the amounts payable under the Contract by adjusting the price of the financial proposals
- ◆ Procedures of contract negotiations and items to be discussed during technical and financial negotiations
- ◆ Expected date of commencement of the assignment

3.4.2 JICA's Review and Concurrence on Request for Proposals

The RFP and the Short List need to be reviewed and concurred by JICA. Once the RFP and the Short List have been prepared, the Borrower shall request JICA the review and concurrence of those documents. Upon concurrence given by JICA on the RFP and the Short List, the Borrower shall invite all the consultants on the Short List to submit proposals by mailing to them the RFP.

3.5 Evaluation of Technical Proposals

[Section 3.08 of the Guidelines]

3.5.1 Receipt of Proposals

The technical and financial proposals shall be submitted in separate sealed envelopes at the same time. The financial proposals shall remain sealed until evaluation of the technical proposals is completed. When QBS is applied, a financial proposal can be requested to submit only to the highest-ranked consultant for contract negotiation. [refer to RFP ITC 4.5, Data Sheet 4.5]

3.5.2 Opening of Technical Proposals

The technical proposals shall be opened immediately after the deadline for their submission. Any proposal received by the Borrower after the deadline for submission shall be returned unopened. [refer to RFP ITC 4.6]

3.5.3 Evaluation Criteria of Technical Proposals

The evaluation criteria of technical proposals are summarized in this Chapter. For more detailed methods for setting the technical evaluation criteria, refer to Chapter 5.

The criteria for the evaluation of technical proposals shall normally include the following items:

- (a) Experience of the consultants
Consultant's general experience and record in the field covered by the TOR;
- (b) Adequacy of methodology and work plan
Adequacy of the proposed approach, methodology and work plan;
- (c) Qualifications and competence of staff
Experience and records of the staff members to be assigned to the work.

The criterion (c) shall be further divided into the following subcriteria:

- (c)-(i) General qualifications (education, length of experience, types of position held, length of service with the firm, etc.);
- (c)-(ii) Suitability for the project (experience of performing the duties which will be assigned to them in the project);
- (c)-(iii) Familiarity with the language and the conditions of the country
Familiarity with the language and the conditions of the country in which the work is to be performed or experience in similar environments.

[refer to RFP ITC 5.2, Data Sheet 5.2]

The technical evaluation report shall normally give detailed information on the following items, supplementing the summary evaluation sheet:

- ◆ Evaluation Committee or other similar organization, if any, responsible for the evaluation, and the domestic laws, ordinances or orders which govern the establishment and/or functioning of the Committee or other similar organization;
- ◆ Evaluation criteria and relative weight distribution, with reasons for adopting each criterion and the basis for deciding the weight distribution;
- ◆ Rating: reason for arriving at the rating given for each item for each firm.

A proposal shall be rejected at the stage of evaluation of the technical proposals, if the technical proposal fails to achieve the minimum technical score or is considered non-responsive to the invitation requirements.

3.5.4 JICA's Review and Concurrence on Results of Evaluation of Technical Proposals

The results of evaluation of the technical proposals shall be reviewed and concurred by JICA. In the case of QCBS, JICA's review and concurrence shall be given before public opening of the financial proposals (refer to Chapter 3.6). In the case of QBS, JICA's review and concurrence shall be given before opening the financial proposal of the highest-ranked consultant, and initiating contract negotiations with it (refer to Chapter 3.7). [refer to RFP ITC 5.3]

3.6 Evaluation of Financial Proposals

[Sections 3.09, 3.10 of the Guidelines] <Applicable only to QCBS>

For detailed procedures for financial evaluation, refer to Chapter 6.

3.6.1 Public Opening of Financial Proposals

The consultants that have secured the minimum qualifying technical score will be advised of the location, date, and time for opening of the financial proposals. The financial proposals shall be opened publicly in the presence of the consultants' representatives who choose to attend. The name of the consultants, the technical quality scores, and the proposed prices shall be announced and recorded. [refer to RFP ITC 5.4, 5.5, Data Sheet 5.4]

3.6.2 Evaluation of Financial Proposals and Determination of Financial Score

In determining the financial score, the Borrower shall review the congruency of the technical and financial proposals, make adjustments as appropriate, and correct arithmetical or computational errors. The lowest evaluated financial proposal will receive the maximum score of 100 points. The score for each other financial proposal is inversely proportional to its evaluated total price. [refer to RFP ITC 5.6, 5.7, Data Sheet 5.6]

3.6.3 Determination of Total Score and Ranking of Proposals

The total score shall be obtained by weighting and adding the technical and financial scores; this will determine the overall ranking of the consultants' proposals. The weight for the "cost" shall be chosen, taking into account the complexity of the assignment and the relative importance of quality. It shall normally be 20%. The weight for quality and cost, and the methodology to calculate the total score shall be expressed in the RFP. [refer to RFP ITC 5.7, Data Sheet 5.7]

3.6.4 JICA's Review and Concurrence on Final Results of Evaluation of Proposals

The final results of evaluation of proposals shall be reviewed and concurred by JICA before initiating contract negotiations with the highest-ranked consultant.

3.7 Negotiations

[Section 3.11 of the Guidelines]

The Borrower shall invite the highest-ranked consultant to enter into negotiations on the conditions of a contract between them. When QCBS is applied, the negotiation will be started after JICA's review and concurrence on the final results of evaluation of the proposals, and, in the case of QBS, it will be started after JICA's review and concurrence on evaluation of the technical proposals. [refer to RFP ITC 6.1, 6.2, 6.3, Data Sheet 6.1]

For more detailed procedures for negotiation, refer to Chapter 7.

CHAPTER 4 EVALUATION SYSTEM / ORGANIZATION

4.1 Establishment and Organization of Evaluation Committee

The establishment of an Evaluation Committee is crucial in ensuring a fair and objective evaluation of the technical and financial proposals. As each member of the Evaluation Committee is required to be familiar with the TOR and the evaluation criteria, it is recommended that the Evaluation Committee is established before the preparation of the TOR.

The evaluation of proposals must be based on the professional judgment of competent and impartial evaluators. Although all the members of the Evaluation Committee need not be experts in specific fields covered by the project, individuals who do not have any knowledge of the areas related to the project should not be appointed. It is preferable that the members of the Evaluation Committee should have experience in the evaluation of proposals.

Members of the Evaluation Committee are required to maintain the highest standards of integrity when carrying out the evaluation and should not have any communication with shortlisted consultants from the date of their appointment to the date on which the contract is awarded, except in cases of official clarification related to the proposal.

4.2 Involvement of Observer and/or Independent Consultant

To ensure transparency of the evaluation process, an independent observer may participate in meetings of the Evaluation Committee. If the Borrower lacks the expertise to carry out the evaluation, it can hire an independent consultant to assist the Evaluation Committee. In that case, JICA can suggest to the Borrower the necessity of involvement of the observer and/or independent consultant before the evaluation is carried out by the Evaluation Committee.

4.3 Outline of Evaluation Procedures Performed by Evaluation Committee

4.3.1 Setting Evaluation Criteria

After the Evaluation Committee has been appointed, its members should establish the evaluation criteria and subcriteria for the technical proposals. The evaluation criteria and subcriteria shall be specified in the ITC. The Evaluation Committee should meet before the

deadline for submission of proposals to confirm that there is a common understanding of the evaluation process and method for the technical proposals, including evaluation criteria, subcriteria, and definition of the rating system and the grade. When the Evaluation Committee defines the evaluation criteria and subcriteria, they should define the grade of each criterion or subcriterion, by establishing what will be considered 'Poor', 'Below Average', 'Average', 'Good' and 'Excellent' (refer to Chapter 5.2.1).

It is important for the meeting to be held prior to the deadline for submission of proposals for ensuring that the rating system is not biased which can be a danger once the members of the Evaluation Committee have read the contents of the technical proposals.

4.3.2 Opening of Technical Proposals

The Evaluation Committee must open the technical proposals in the presence of all its members. The Evaluation Committee shall first review each proposal to confirm whether required documents have been provided and whether each proposal is prepared in accordance with the instructions of the RFP.

4.3.3 Evaluation of Technical Proposals

After the opening of the technical proposals, the evaluation should be carried out independently by each member of the Evaluation Committee in accordance with the criteria specified in the RFP (refer to Chapter 5), and then the Evaluation Committee should meet to review all the evaluation results. In case that scores given by each member for each proposal are different, the Evaluation Committee should examine the differences and some members may revise their scores, if necessary. The Evaluation Committee should then calculate the average of the scores allocated by all members under each of the criteria and establish the ranking of the technical proposals. The above process should be meticulously recorded.

4.3.4 Evaluation Report of Technical Proposals

The Evaluation Committee prepares the evaluation report of technical proposals. The decision making authority designated to give an approval to the evaluation results, may ask the Evaluation Committee to give the details or supplemental explanation, but should not ask for any change in the evaluation results made in accordance with the evaluation criteria stipulated in the RFP.

4.3.5 Public Opening of Financial Proposals

<Applicable only to QCBS>

The financial proposals shall be opened publicly (refer to Chapter 6.1). The Evaluation Committee verifies that the financial proposals have remained sealed until they are opened publicly. The name of the consultants, the technical quality scores, and the proposed prices shall be announced, and recorded when the financial proposals are opened.

4.3.6 Evaluation of Financial Proposals and Ranking of Proposals

<Applicable only to QCBS>

The Evaluation Committee should review the detailed content of each financial proposal, and the scores of the evaluated prices should be calculated (refer to Chapter 6.2). The Evaluation Committee should weight and combine the scores of the technical and financial proposals to obtain a final ranking of the proposals.

4.3.7 Final Evaluation Report

<Applicable only to QCBS>

The Evaluation Committee prepares the final evaluation report and determines the recommendation for award.

CHAPTER 5 EVALUATION OF TECHNICAL PROPOSALS

5.1 Evaluation Criteria and Weighting for Technical Proposals

[Section 3.08, Annex IV of the Guidelines]

5.1.1 Evaluation Criteria for Technical Proposals

As mentioned in Chapter 3.5, Section 3.08 of the Guidelines stipulates that the following criteria be used in the evaluation of proposals:

(a) Experience of the consultants

Consultant's general experience and record in the field covered by the TOR;

(b) Adequacy of methodology and work plan

Adequacy of the proposed approach, methodology and work plan;

(c) Qualifications and competence of staff

Experience and records of the staff members to be assigned to the work.

The criterion (c) shall be further divided into the following subcriteria:

(c)-(i) General qualifications (education, length of experience, types of position held, length of service with the firm, etc.);

(c)-(ii) Suitability for the project (experiences of performing the duties which will be assigned to them in the project);

(c)-(iii) Familiarity with the language and the conditions of the country

Familiarity with the language and the conditions of the country in which the work is to be performed or experience in similar environments.

The relative importance of the three criteria (a) (b) and (c) will vary with the type of consulting services to be performed, but in the overall rating of the proposals most weight should normally be given either to (c) qualifications and competence of staff, or (b) adequacy of methodology and work plan, rather than to the fame or reputation of the consultant. Among the criteria (a), (b) and (c), less weight is given to (a) experience of the consultants, since the consultants on the Short List have been selected by the Borrower based on their experience and qualification. [refer to RFP ITC 5.2, Data Sheet 5.2]

Additional criteria may be applied depending on the nature of the assignment. In such case, additional criteria may include, but not limited to, the following:

(d) Suitability of transfer of knowledge

Suitability of the transfer of knowledge (training) programs,

(e) Support facilities and organization

Support facilities and organization of the consultants including support resources at Head office,

(f) Proposal presentation

Overall quality of the presentation of the proposal.

The weight distribution of additional criteria should be determined by taking into account their relative importance to the criteria (a), (b) and (c), and each additional criterion should normally not exceed 10 points out of 100 points.

Table 5.1 below shows the general examples for the range of points allocated to the criteria on a scale of 1 to 100. The actual weight may be adjusted to the characteristics of the specific project. The points allocated to each evaluation criterion and subcriterion should be specified in the RFP.

Table 5.1 Point Distribution of Evaluation Criteria for Technical Proposals

<i>Evaluation Criteria</i>	<i>Points (weights)</i>
(a) Experience of the consultants	10 to 20
(b) Adequacy of methodology and work plan	20 to 50
(c) Qualifications and competence of staff	30 to 60
(d) Suitability of the transfer - <i>optional</i>	Normally not exceed 10
(e) Support facilities and organization - <i>optional</i>	Normally not exceed 10
(f) Proposal presentation - <i>optional</i>	Normally not exceed 10
Total	100

The evaluation criteria other than (c), i.e., (a), (b), (d), (e) and (f) may also be divided into subcriteria, but such division should be limited only to the essential factors. The use of excessively detailed lists of subcriteria may render the evaluation a mechanical exercise more than a professional assessment of the proposals. It is recommended that the number of subcriteria be kept to a minimum (typically no more than three for each criterion) and that no fewer than three points be allocated to each subcriterion.

Table 5.2 below summarizes evaluation criteria and sample subcriteria.

Table 5.2 Evaluation Criteria and Sample Subcriteria for Technical Proposals

Evaluation Criteria	Evaluation Subcriteria (select a maximum of three)
(a) Experience of the consultants	(i) Experience of international projects of comparable size, complexity and technical specialty (ii) Experience in developing countries under comparable conditions (iii) Experience in Japanese ODA projects
(b) Adequacy of methodology and work plan	(i) Technical Approach and methodology (ii) Work plan (iii) Organization and staffing
(c) Qualifications and competence of staff	(i) General qualifications (ii) Suitability for the project (iii) Familiarity with the language and the conditions of the country
(d) Suitability of the transfer – <i>optional</i>	(i) Relevance of program (ii) Training approach and methodology (iii) Qualifications of experts and trainers
(e) Support facilities and organization – <i>optional</i>	(i) Relevance of support facilities and organization (ii) Support approach and methodology (iii) Qualifications of support specialists
(f) Proposal presentation – <i>optional</i>	(i) Intellectual and technical soundness (ii) Organization and completeness

➤ The evaluation subcriteria (c)(i)(ii)(iii) are stipulated in the Guidelines.

➤ The evaluation criteria and subcriteria should be defined in the RFP and cannot be changed.

5.1.2 Experience of the Consultants

The relative importance of the criterion on consultant's general experience and record in the field covered by the TOR will vary according to the type of consulting services to be performed. In general, points allocated to the criterion should be 20 points at a maximum. [refer to RFP ITC 5.2, Data Sheet 5.2]

5.1.3 Adequacy of Methodology and Work Plan

The criterion on adequacy of the proposed approach, methodology and work plan should be evaluated carefully as it is the key factors for evaluating the proposals. [refer to RFP ITC 5.2, Data Sheet 5.2]

Subcriteria for evaluating this component of the proposal should include the following:

- (i) Technical approach and methodology

- (ii) Work plan
- (iii) Organization and staffing

5.1.4 Qualifications and Competence of Staff

The Borrower should evaluate the experience and record of the staff members proposed to the assignment based on the qualifications and experience stated in their curriculum vitae (CV). When evaluating staff members, only those conducting essential part of the assignment are recommended to be evaluated. Evaluating staff members with relatively low importance is not recommended, because the relative importance of the essential members will decrease.

As mentioned in Chapter 5.1.1, the qualifications and competence of staff shall be evaluated using the following three subcriteria to be set up according to the required qualifications and tasks for each position:

- (i) General qualifications (education, length of experience, types of position held, length of service with the consultant, etc.);
- (ii) Suitability for the project (experiences of performing the duties which will be assigned to them in the project);
- (iii) Familiarity with the language and the conditions of the country
Familiarity with the language and the conditions of the country in which the work is to be performed or experience in similar environments.

A sample range of percentage for the above subcriteria is shown in Table 5.3 below.

Table 5.3 Sample Range of Percentage in Point Distribution of Staff Qualification and Competence Subcriteria

Subcriteria	Range of percentage
General qualifications	20 - 30
Suitability for the project	50 - 60
Familiarity with the language and the conditions of the country	10 - 20
Total	100

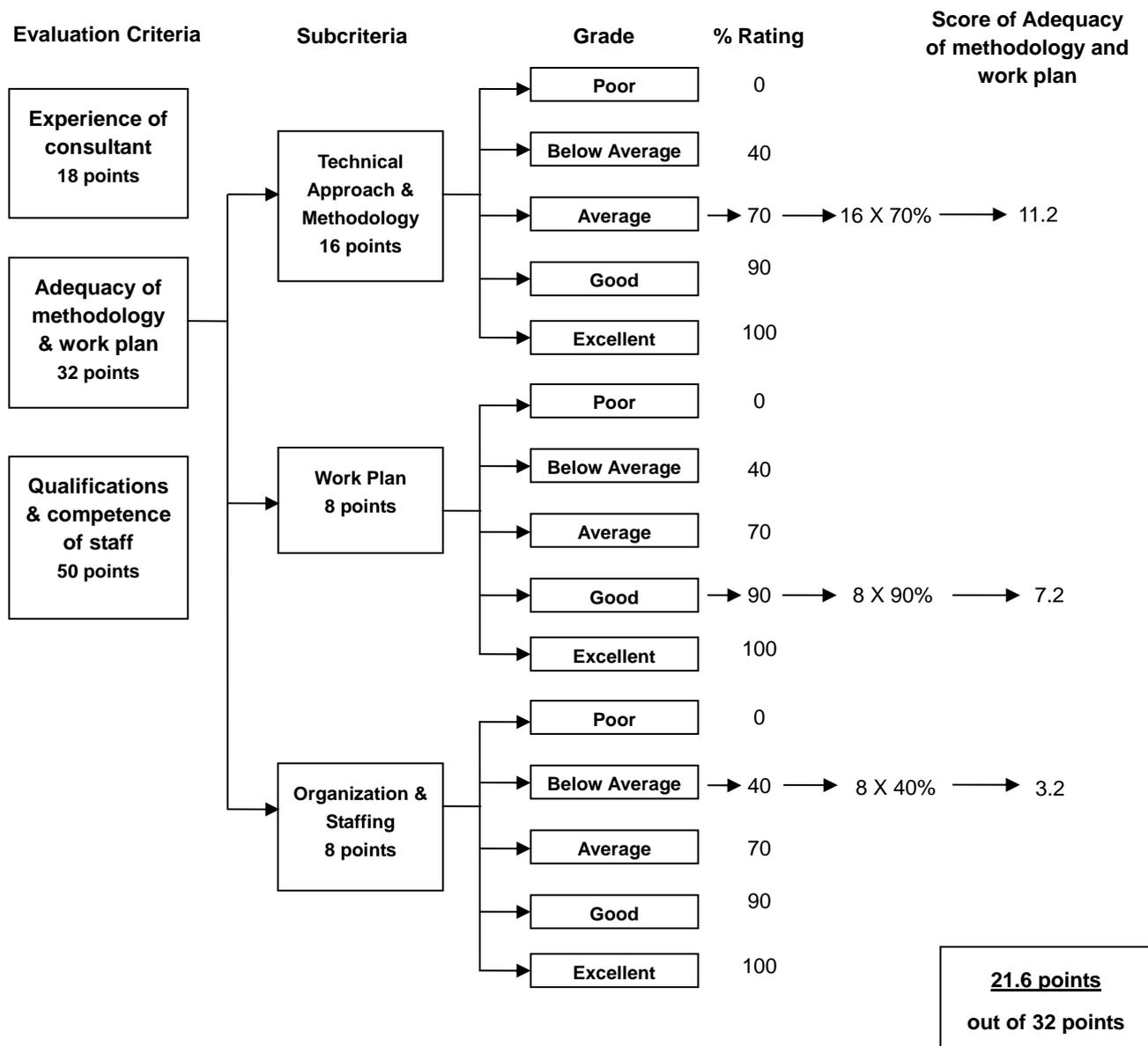
The weight or percentage of the points allocated to each member of staff should be determined by examining its expertise and/or role in the assignment. In general, the Team Leader should be given more weight than any other experts. [refer to RFP ITC 5.2, Data Sheet 5.2]

5.2 Scoring System and Minimum Technical Score

5.2.1 Scoring System

The detailed scoring method is illustrated in Figure 5.1 below, by giving a sample evaluation for adequacy of methodology and work plan.

Figure 5.1 Scoring System



As mentioned in Chapter 5.1.1, each criterion has been allocated the points in the range of 1 to 100. Each percentage rating is multiplied by the points assigned to the relevant criterion or subcriterion to obtain the final score.

An example is shown below:

Points of experience of the consultants	: 10 points (out of 100 points)
Grade (% rating) of Consultant A's proposal	: Good level (90%)
Score of Consultant A's experience of the consultants	: 10 points × 90% = 9 points

It is recommended that the rating scale of the level of responsiveness be divided into a number of discrete grades. While scoring, it is a good practice to estimate the responsiveness on a percentage scale based on the following grades:

Grade (level of responsiveness)
Poor
Below Average
Average
Good
Excellent

Sample definitions of each grade for each evaluation criteria or subcriteria are given in Chapter 5.3, 5.4 and 5.5.

5.2.2 Minimum Technical Score

It is important that a minimum technical score shall be clearly stipulated in the RFP. It is normally recommended that a minimum technical score be determined in the range of 70 to 80 points out of 100 points for each case depending on the nature of the assignment. Any change of the minimum technical score during the evaluation process shall not be allowed. When QCBS is applied, moreover, it is important to secure that financial proposals must be compared only among the proposals achieving the minimum qualifying technical score in order to maintain the acceptable level of quality. [refer to RFP ITC 5.2, Data Sheet 5.2]

5.3 Experience of the Consultants

5.3.1 Setting the Grades

Since all consultants are on the Short List based on their experience, they are not normally rated at less than "Average", that is not less than 70%. The recommended grades and percentage rating for the consultant's general experience and record in the field covered by the TOR are shown in Table 5.4 below.

Table 5.4 Recommended Grades and Percentage of Rating for the Experience of the Consultants

<i>Grade</i>	<i>Percentage rating</i>
Average	70%
Good	90%
Excellent	100%

5.3.2 Defining the Grades

Sample definitions of each grade are given below.

➤ *Sample definitions are examples and introduced for reference purpose only.*

Excellent: The consultant has outstanding experience in respect of:

- (i) projects of a similar nature with the complexity and technical specialty of the assignment,
- (ii) projects of a comparable in size (e.g. volume of man-months, volume of contract amount, etc.), and
- (iii) projects in a region or a country with physical and institutional conditions similar to those of the project location.

Good: The consultant has experience in respect to all three aspects mentioned above but experience in one aspect could be considered insufficient.

Average: The consultant has experience in respect to all three aspects mentioned above but experience in two or more aspects could be considered insufficient.

5.4 Adequacy of Methodology and Work Plan

5.4.1 Setting the Grades

The recommended grades and percentage rating for the adequacy of the proposed approach, methodology and work plan are shown in Table 5.5 below.

Table 5.5 Recommended Grades and Percentage Rating for the Adequacy of Methodology and Work Plan

<i>Grade</i>	<i>Percentage rating</i>
Poor	0%
Below Average	40%
Average	70%
Good	90%
Excellent	100%

5.4.2 Defining the Grades

As mentioned in Chapter 5.1.3, subcriteria for evaluating this component of the proposal should usually include the following:

- (i) Technical Approach and methodology,
- (ii) Work plan,
- (iii) Organization and staffing.

Sample definitions of each grade are introduced below:

➤ *Sample definitions are examples and introduced for reference purpose only.*

- (i) Technical approach and methodology

Excellent: The consultant properly understands the current situation, draws attention to all main issues related to the assignment and raises other important issues that have not been considered in the TOR. The proposal details ways to solve all issues by using advanced and innovative approach and methodology.

Good: The consultant properly understands the current situation and the main issues related to the assignment. The approach and methodology to solve the issues are discussed in detail.

Average: The consultant understands the requirement indicated in the TOR. The approach and methodology to solve the issues are consistent. However, the approach and

methodology are standard and not discussed in detail or not specifically tailored to the assignment.

Below Average: The consultant does not have a proper understanding of the TOR and the issues are not appropriately discussed. The approach and methodology do not have consistency and are inappropriately presented.

Poor: The consultant misunderstands the requirement indicated in the TOR and important aspects of the scope of consulting services. Approach and methodology do not comply with the requirement in the TOR.

(ii) Work plan

Excellent: In addition to the requirements stated below under “Good”, the proposal includes an impressive presentation of the work plan for efficient execution of the assignment. The proposed work plan is consistent with the approach and methodology.

Good: The work plan responds well to the TOR. The timing and duration of all activities are appropriate and consistent with the assignment output, and the interrelation between various activities is realistic and consistent with the proposed approach and methodology.

Average: The work plan responds to the TOR and all required activities are indicated in the activity schedule, but they are not detailed.

Below Average: Some activities required in the TOR are omitted in the work plan or the timing and duration of activities are not appropriate. There are minor inconsistencies between timing, assignment output, and proposed approach and methodology.

Poor: There are major inconsistencies between the requirements in the TOR and the proposed work plan.

(iii) Organization and staffing

Excellent: In addition to the requirements stated below under “Good”, the proposal includes an impressive presentation of a well thought out organization and staffing plan. The proposed team is well integrated and has good support organization.

Good: The organization chart and staffing schedule is complete and detailed, and the technical level and composition of the staffing arrangements are very well balanced. The definition of duties and responsibilities are very clear. The staffing schedule is consistent

with the work plan and the timing and duration of each staff's assignment are adequate.

Average: The proposed organization and staffing arrangement is complete and detailed enough to meet all the requirements of the TOR.

Below Average: The proposed organization and staffing arrangement is not detailed and the assignment schedule of each staff is not adequate. For instance, there are inconsistencies between the staffing schedule and the required output. The organization and staffing arrangement is not tailored to the proposed approach, methodology and work plan.

Poor: The organization and staffing arrangement is not responsive to the requirement of the TOR at all. It is assumed that the required output cannot be appropriately prepared within the period of the assignment.

5.5 Qualifications and Competence of Staff

5.5.1 Setting the Grades

The recommended grades and percentage rating for the experience and records of the staff members to be assigned to the work are shown in Table 5.6 below.

Table 5.6 Recommended Grades and Percentage Rating for the Qualifications and Competence of Staff

<i>Grade</i>	<i>Percentage rating</i>
Poor	0%
Below Average	40%
Average	70%
Good	90%
Excellent	100%

5.5.2 Defining the Grades

As mentioned in Chapter 5.1.4, subcriteria for evaluating this component of the proposal shall include the following:

- (i) General qualifications (education, length of experience, types of position held, length of service with the firm, etc.);
- (ii) Suitability for the project (experiences of performing the duties which will be assigned to them in the project);

(iii) Familiarity with the language and the conditions of the country

Familiarity with the language and the conditions of the country in which the work is to be performed or experience in similar environments.

Sample definitions of each grade are enumerated below:

➤ *Sample definitions are examples and introduced for reference purpose only.*

(i) General qualifications

Excellent: The proposed expert has 20 years or more of professional experience and an educational background or a professional qualification in the field of assignment.

Good: The proposed expert has 15 years or more of professional experience and an educational background or professional qualification in the field of assignment.

Average: The proposed expert has 10 years or more of professional experience and educational background or a professional qualification in the field of assignment.

Below Average: The proposed expert has less than 10 years of professional experience but has an educational background or a professional qualification in the field of assignment.

Poor: The proposed expert has less than 3 years of professional experience and does not have an educational background or a professional qualification in the field of assignment.

➤ *Required years of professional experience will be determined for each case depending on the nature of the assignment.*

(ii) Suitability for the project

Excellent: In addition to the requirements stated below under “Good”, the majority of the proposed expert's experience on previous assignments in the past 10 years has been in positions similar to the one proposed for the assignment.

Good: The proposed expert has held positions similar to the one proposed for the assignment in more than 3 projects of a similar nature in the past 10 years.

Average: The proposed expert has held positions similar to the one proposed for the assignment in 2 projects of a similar nature in the past 10 years.

Below Average: The proposed expert has held positions similar to the one proposed for the assignment in at least 1 project of a similar nature in the past 10 years.

Poor: The proposed expert does not have any experience in holding positions similar to the one proposed for the assignment in the past 10 years.

(iii) Familiarity with the language and the conditions of the country

Excellent: The proposed expert has experience working in the country of the assignment or the surrounding countries with cultural, administrative, and governmental organizations similar to the ones of the country of the assignment for more than 3 years in total.

Good: The proposed expert has experience working in the country of the assignment or the surrounding countries with cultural, administrative, and governmental organizations similar to the ones of the country of the assignment for 2 years or more but less than 3 years in total.

Average: The proposed expert has experience working in the country of the assignment or the surrounding countries with cultural, administrative, and governmental organizations similar to the ones of the country of the assignment for 1 year or more but less than 2 years in total.

Below Average: The proposed expert has experience working in the country of the assignment or the surrounding countries with cultural, administrative, and governmental organizations similar to the ones of the country of the assignment for less than 1 year in total.

Poor: The proposed expert does not have any experience working in the country for the assignment or the surrounding countries with cultural, administrative, and governmental organizations similar to the ones of the country of the assignment.

5.6 Completion of Evaluation of Technical Proposals

The evaluation results of technical proposals are detailed in an evaluation report including a summary technical evaluation sheet and evaluation sheets for staff members of each consultant. After the technical quality is evaluated, consultants whose technical proposals did not meet the minimum qualifying score, or were considered non-responsive to the invitation requirements, will be advised and their financial proposals will be returned unopened.

An example of a completed summary technical evaluation sheet is shown in Table 5.7 below.

Table 5.7 Summary Technical Evaluation Sheet

Consultant		XXX		YYY		ZZZ		
Evaluation Criteria		Points (P)	Rating (R)%	Score (P x R)	Rating (R)%	Score (P x R)	Rating (R)%	Score (P x R)
I	Consultant's general experience and record in the field covered by the TOR	20		14.40		19.20		18.80
	(i) Experience of international projects of comparable size, complexity and technical specialty	8	70	5.6	90	7.2	100	8.0
	(ii) Experience in developing countries under comparable conditions	8	90	7.2	100	8.0	90	7.2
	(iii) Experience in Japanese ODA projects	4	40	1.6	100	4.0	90	3.6
II	Adequacy of the proposed approach, methodology and work plan	30		19.20		25.80		23.40
	(i) Technical Approach and methodology	12	70	8.4	90	10.8	70	8.4
	(ii) Work plan	12	70	8.4	90	10.8	90	10.8
	(iii) Organization and staffing	6	40	2.4	70	4.2	70	4.2
III	Experience and records of the staff members to be assigned to the work	50		35.30		43.48		39.52
	International							
	(i) Team leader	15		11.10		13.80		12.90
	(ii) Road engineer	7		6.02		7.00		6.30
	(iii) Transport economist	5		3.20		4.10		3.50
	(iv) Environment specialist	5		3.50		4.10		3.70
	Local							
	(i) Road engineer	6		4.44		5.52		4.80
	(ii) Transport economist	4		2.96		2.96		3.12
	(iii) Environment specialist	4		2.24		2.96		2.96
(iv) Social specialist	4		1.84		3.04		2.24	
Total		100		68.90		88.48		81.72

- The rating and score of each member of staff based on the three subcriteria are shown in the technical evaluation sheet for staff members, and the relevant scores are transferred to the summary technical evaluation sheet.
- The minimum technical score is 70 point, in this example.

Consultant XXX, which fails to achieve the minimum technical score, is rejected at the stage of evaluation of the technical proposals.

Evaluation sheets for staff members are prepared for each consultant to show the evaluation results based on the three subcriteria on qualifications and competence of staff. The score of

each expert in the evaluation sheet for staff members of each consultant is transferred to the summary technical evaluation sheet.

An example of a completed evaluation sheet for staff members of Consultant YYY is shown in Table 5.8 below.

Table 5.8 Evaluation Sheet for Staff Members

Consultant YYY

Subcriteria		General qualifications (20%)			Suitability for the project (60%)			Familiarity with the language and the conditions of the country (20%)			Sub-Total
Position	Total Points	Points (P)	Rating (R)%	Score (P x R)	Points (P)	Rating (R)%	Score (P x R)	Points (P)	Rating (R)%	Score (P x R)	
International											
(i) Team leader	15	3.0	100	3.00	9.0	90	8.10	3.0	90	2.70	13.80
(ii) Road engineer	7	1.4	100	1.40	4.2	100	4.20	1.4	100	1.40	7.00
(iii) Transport economist	5	1.0	70	0.70	3.0	90	2.70	1.0	70	0.70	4.10
(iv) Environment specialist	5	1.0	70	0.70	3.0	90	2.70	1.0	70	0.70	4.10
Local											
(i) Road engineer	6	1.2	90	1.08	3.6	90	3.24	1.2	100	1.20	5.52
(ii) Transport economist	4	0.8	70	0.56	2.4	70	1.68	0.8	90	0.72	2.96
(iii) Environment specialist	4	0.8	70	0.56	2.4	70	1.68	0.8	90	0.72	2.96
(iv) Social specialist	4	0.8	70	0.56	2.4	70	1.68	0.8	100	0.80	3.04
Sub-Total	50			8.56			25.98			8.94	43.48

CHAPTER 6 EVALUATION OF FINANCIAL PROPOSALS

6.1 Public Opening of Financial Proposals

[Section 3.09 of the Guidelines] <Applicable only to QCBS>

Consultants that have secured the minimum qualifying technical score will be advised of the location, date, and time for opening of financial proposals.

Financial proposals shall be opened publicly in the presence of the Consultants' representatives who choose to attend. The name of the consultants, the technical quality scores, and the proposed prices shall be announced and recorded. [refer to RFP ITC 5.4, 5.5, Data Sheet 5.4]

6.2 Evaluation of Financial Proposals and Ranking of Proposals

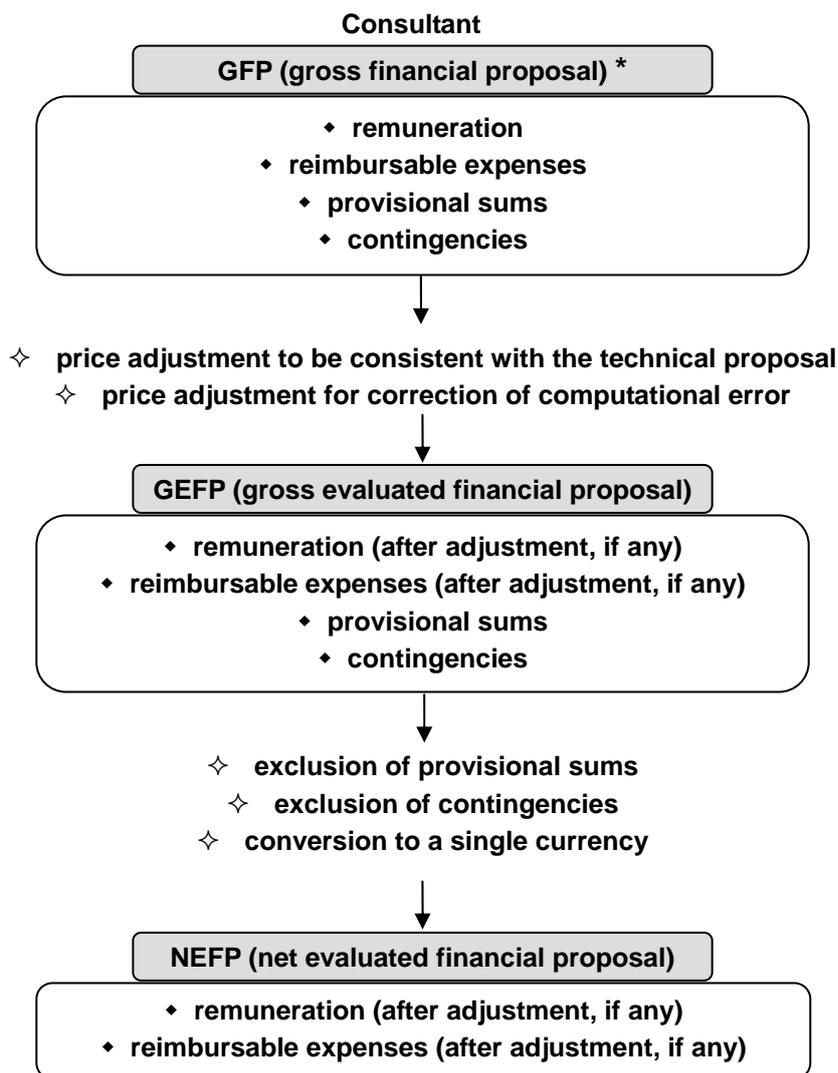
[Section 3.10 of the Guidelines] <Applicable only to QCBS>

6.2.1 Evaluation of Financial Proposals

With regard to the issues of local taxes, for the purpose of evaluation, "cost" shall exclude local identifiable indirect taxes (all indirect taxes levied on the contract invoices, at National, State (or Provincial) and Municipal levels) on the contract and income tax payable to the country of the Borrower on the remuneration of services rendered in the country of the Borrower by non-resident staff of the consultant, as indicated in the Guidelines.

The evaluation procedures of financial proposals are shown in Figure 6.1 below.

Figure 6.1 Evaluation Procedures of Financial Proposals



(*) Any local taxes shall be excluded in the financial proposal as they will not be evaluated, but they will be discussed at contract negotiations, and applicable amounts will be included in the contract. [refer to RFP ITC 3.7, Data Sheet 3.7]

The financial proposal submitted by the consultant is referred to as the “gross financial proposal” (GFP). During the verification process, GFPs are first checked for compliance with the Data Sheet included in the ITC. Each GFP must include provisional sums and contingencies in the amounts specified on the Data Sheet and must be exclusive of local taxes, and the validity period of the proposals must accord with the validity period set down in the Data Sheet.

A review is then made to ensure that the figures provided in each GFP are consistent with the details of the corresponding technical proposal (e.g., personnel schedule inputs, number and duration of field trips, applicable per diems, etc.). The following are taken into account to ensure a fair competition among price proposals:

- ◆ If the inputs shown in the GFP for any expert do not match those shown on the personnel schedule in the technical proposal, the personnel schedule inputs shall prevail and adjustments will be made to the financial proposal accordingly.
- ◆ If an expert included in the technical proposal is omitted from the GFP, then the cost of that expert is included in the consultant's financial proposal at the highest rate for that position among all the financial proposals.
- ◆ When QCBS is applied, a minimum of man-months required for international consultants and local consultants is included in the Data Sheet. If the total international and/or local inputs shown on the personnel schedule are below those indicated in the Data Sheet, an adjustment will be made for the missing man-months using the highest remuneration rate per month.
- ◆ If the number of international trips and per diems calculated from the personnel schedule does not match the quantities for these items shown in the GFP, adjustments will be made to the GFP inputs in accordance with the personnel schedule.

Finally, a review is made for computational errors, and the final amount is considered as the “gross evaluated financial proposal” (GEFP).

GEFPs will be converted into “net evaluated financial proposals” (NEFPs). NEFPs include only variable cost items such as remuneration and reimbursable expenses. Fixed cost items such as provisional sums and contingencies are not included. NEFPs are calculated by subtracting the provisional sums and contingencies (noncompetitive components) shown in the Data Sheet from the GEFPs, and by converting to a single currency using the selling rates of exchange, source and date indicated in the Data Sheet.

6.2.2 Determining Financial Score

The lowest NEFP is then given a maximum score of 100 points. This is then used as a basis to calculate the score of the other financial proposals. The financial score for each proposal is inversely proportional to its NEFP, that is, the higher the NEFP, the lower the financial score. [refer to RFP ITC 5.7]

The financial score is computed as follows:

Financial Score

- ◇ NEFP of the lowest priced proposal = 100 points
- ◇ Each other NEFP = 100 points x $\frac{\text{NEFP of the lowest priced proposal}}{\text{NEFP of the proposal under considerations}}$

An example is shown below:

NEFP of lowest priced proposal = JPY 80 million

NEFP of second lowest priced proposal = JPY 85 million

◇ Financial score of the lowest priced NEFP = **100** points

◇ Financial score of the second lowest priced NEFP = 100 points x $\frac{\text{JPY 80 million}}{\text{JPY 85 million}} = \mathbf{94.118}$ points

Using this methodology, all proposals are given a financial score.

6.2.3 Ranking of Proposals

The total score shall be obtained by weighting and adding the technical and financial scores; this will determine the overall ranking of the consultants' proposals. The weight for the "cost" shall be chosen, taking into account the complexity of the assignment and the relative importance of quality. It shall normally be 20%. [refer to RFP ITC 5.7, Data Sheet 5.7]

If financial proposals contain unreasonably low price, the Borrower should ask the consultant concerned for clarification of such an offer and should receive answers from the consultant to ensure appropriate execution during the contract stage, before concluding the evaluation.

The total score is computed as follows:

Total Score

Technical score x Weight + Financial score x Weight

An example is shown below:

- ◇ Weight for quality: 80%, Weight for cost: 20%
- ◇ Minimum qualifying technical score: 70 points

Technical Score

Consultant XXX: [Technical score] **68.900** points ==> disqualified

Consultant YYY: [Technical score] **88.480** points, [NEFP] JPY 85 million

Consultant ZZZ: [Technical score] **81.720** points, [NEFP] JPY 80 million

(refer to Table 5.7 in Chapter 5.5.2)

In this case, the total score of Consultant No. 2 and Consultant No. 3 are computed as follows:

Financial Score

Consultant YYY: **94.118** points

Consultant ZZZ: **100.000** points (refer to Chapter 6.2.2)

Total Score

Consultant YYY: **88.480** points x 80% + **94.118** points x 20% = **89.6076** points

Consultant ZZZ: **81.720** points x 80% + **100.000** points x 20% = **85.3760** points

Once the final scores for each proposal have been calculated, they can be ranked from highest to lowest. In the event two or more proposals have the same scores in the final ranking of proposals, the proposal with the highest technical score will be ranked higher and the next highest technical score will be ranked lower. After the final ranking, the highest-ranked consultant will be invited for contract negotiations.

The final evaluation results are summarized in an evaluation sheet.

An example of a completed summary evaluation sheet is shown in Table 6.1 below.

Table 6.1 Summary Evaluation Sheet

Consultant	Technical Score (T)	Weight (W)	T x W	Price	Financial Score (F)	Weight (W)	F x W	Total Score	Ranking
XXX	68.900	0.8		-	-	-	-	-	-
YYY	88.480	0.8	70.784	85 million JPY	94.118	0.2	18.824	89.608	1
ZZZ	81.720	0.8	65.376	80 million JPY	100.000	0.2	20.000	85.376	2

Note: Consultant XXX which fails to achieve the minimum technical score is rejected at the stage of evaluation of the technical proposals.

CHAPTER 7 NEGOTIATIONS

7.1 **Outline of Negotiation Procedures**

[Section 3.11 of the Guidelines]

The Borrower shall invite the highest-ranked consultant to enter into negotiations on the conditions of a contract between them, in the case of QCBS, after JICA's review and concurrence on the final results of evaluation of the proposals, and, in the case of QBS, after JICA's review and concurrence on evaluation of the technical proposals. [refer to RFP ITC 6.1, Data Sheet 6.1]

When QBS is applied, discussions concerning costs and other financial matters shall be conducted only with a consultant who has been selected to be invited to enter into contract negotiations. In the event that the financial proposal of the consultant was not submitted together with the technical proposal, the Borrower notifies the consultant with the highest technical score in writing and requests that the consultant submit its financial proposal.

When QCBS is applied, the Borrower notifies in writing the consultant whose proposal has obtained the highest total score and invites the selected consultant for negotiations.

The Borrower indicates in the notification letter the date and time set for negotiations and any issues or comments on the consultant's proposal to enable it to prepare a response and make any necessary arrangements. The Borrower also informs consultants whose proposals were not chosen that negotiations will begin with the highest-ranked consultant.

Negotiations may be carried out in phases, when decisions are needed from other authorities. The Borrower should prepare minutes of the negotiations.

If the Borrower and the highest-ranked consultant are unable to reach agreement on a contract within a reasonable time, the Borrower shall terminate the negotiations with the first consultant and invite the consultant who ranked second in the evaluation to enter into negotiations. The Borrower shall consult with JICA prior to taking this step. This procedure shall be followed until the Borrower reaches agreement with a consultant.

7.2 **Items Subject to Negotiation**

7.2.1 **Technical Negotiation**

The technical negotiations will not substantially alter the Terms of Reference attached to

the RFP and the technical proposals submitted by the consultant. [refer to RFP ITC 6.2]

Negotiations will include clarifications of the following:

- ◆ Scope of work
- ◆ Technical approach and methodology
- ◆ Work plan and schedule
- ◆ Organization and personnel
- ◆ Deliverables
- ◆ Counterpart staff and facilities
- ◆ Contract special conditions

While there should be some flexibility in work plans, staff assignment and major work inputs which have been previously agreed on as appropriate for the assignment, they shall not be materially modified to meet a budget. The Borrower and the consultants will finalize the Terms of Reference, personnel schedule, work schedule, logistics, and reporting. These documents will then be incorporated in the contract as “Description of Services.” Special attention will be paid to clearly defining the inputs and facilities required from the Borrower to ensure satisfactory implementation of the assignment.

Before contract negotiations, the consultant assures that the staff will be actually available. The Borrower will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or for reasons such as death or medical incapacity. Any proposed substitute shall have equivalent or better qualifications and experience than the original candidate. [refer to RFP ITC 6.4]

7.2.2 Financial Negotiation

The financial negotiations shall be reasonable in order to keep consistency between the quality and the price of the services. The financial negotiations will include a clarification (if any) of the consultant’s tax liability in the Borrower’s country, and the manner in which it will be reflected in the contract; and will reflect the agreed technical modifications in the cost of the services. If applicable, the Borrower will identify the local tax amount to be paid by the consultant under the contract. The RFP states whether the consultant is subject to payment of any local taxes. In such case, any such amounts of the local tax to be paid by the consultant shall be excluded in the financial proposal as they will not be evaluated, but they will be discussed at contract negotiations, and applicable amounts will be included in the Contract. [refer to RFP ITC 3.7, 6.3]

When QCBS is applied, proposed unit rates for remuneration shall not be altered since they

have been factors in the selection process. The financial negotiations will, as necessary, fine-tune duration of the expert's inputs and quantities of items of reimbursable expenses that may be increased or decreased from the relevant amounts shown or agreed otherwise in the financial proposal but without significant alterations.

When the QBS method is used, the financial negotiations will include a detailed review of all the consultant's proposed costs including a review of all documentation provided by the consultant in support of proposed costs. In particular, the consultants shall provide full details of the remuneration of all nominated experts. However, unless there are exceptional reasons, the financial negotiations will not involve the remuneration rates for experts.

References

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