

Guidelines for Procurement
under Japanese ODA Loans

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Japan International Cooperation Agency

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Part I

GENERAL

Section 1.01 Introduction

(1) “Guidelines for Procurement under Japanese ODA Loans” are applicable to the ODA Loans provided by THE INCORPORATED ADMINISTRATIVE AGENCY-JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as “JICA”), under Clause (a), Item (ii), Paragraph 1, Article 13 of the ACT of THE INCORPORATED ADMINISTRATIVE AGENCY-JAPAN INTERNATIONAL COOPERATION AGENCY.

(2) These Guidelines set forth the general rules to be followed by Borrowers of JICA in carrying out the procurement of goods and services for a development project which is financed in whole or in part by Japanese ODA Loans. (The term "the Borrower" as used in these Guidelines also refers to the Executing Agency of the project and the term “goods and services” as used in these Guidelines includes related services other than consulting services.)

(3) The proceeds of Japanese ODA Loans are required to be used with due attention to considerations of economy, efficiency, transparency in the procurement process and non-discrimination among eligible bidders for procurement contracts.

(4) The application of these Guidelines to a particular project financed by an ODA Loan provided by JICA will be stipulated in the Loan Agreement between JICA and the Borrower.

(5) These Guidelines govern the relationship between JICA and the Borrower, who is responsible for the procurement of goods and services. No provision of these Guidelines shall be construed as creating any right or obligation between JICA and any third party, including those bidding for the procurement of goods and services. The rights and obligations of the Borrower vis-à-vis bidders for goods and services to be furnished for the project will be governed by the bidding documents which the Borrower issues in accordance with these Guidelines.

(6) JICA and the Borrower will agree on the schedule of procurement, either prior to or in the course of the negotiations relating to Japanese ODA Loans.

Section 1.02 International Competitive Bidding (ICB)

JICA considers that in most cases International Competitive Bidding (ICB) is the best method for satisfying the requirements regarding procurement of goods and

services for projects stated in Section 1.01 (3) above. JICA, therefore, normally requires Borrowers to obtain goods and services through ICB in accordance with the procedures described in Part II of these Guidelines.

Section 1.03 Procedures Other than International Competitive Bidding (ICB)

(1) There may be special circumstances in which ICB may not be appropriate, and JICA may consider alternative procedures acceptable in cases of the following:

(a) Where the Borrower wishes to maintain reasonable standardization of its equipment or spare parts in the interests of compatibility with existing equipment.

(b) Where the Borrower wishes to maintain continuity of services related to goods and services provided under an existing contract awarded in accordance with procedures acceptable to JICA.

(c) Where the number of qualified contractors, suppliers or manufacturers (hereinafter collectively referred to as "Contractor(s)") is limited.

(d) Where the amount involved in the procurement is so small that foreign firms clearly would not be interested, or that the advantages of ICB would be outweighed by the administrative burden involved.

(e) Where, in addition to cases (a), (b), (c) and (d) above, JICA deems it inappropriate to follow ICB procedures, e.g. in the case of emergency procurement.

(2) In the above-mentioned cases the following procurement methods, may, as appropriate, be applied in such a manner as to comply with the ICB procedures to the fullest possible extent:

(a) Limited International Bidding (LIB), which is essentially international competitive bidding by direct invitation without open advertisement.

(b) International Shopping, which is a procurement method based on comparing price quotations obtained from several (usually at least three) foreign and/or local suppliers to ensure competitive prices.

(c) Direct Contracting.

(3) These Guidelines will not apply in the case of procurement of goods and services which are to be financed by the local currency portion of the Loan.

Procurement of such goods and services shall, however, be effected with due attention to the considerations stated in Section 1.01 (3). JICA deems it appropriate that such procurement be effected through Local Competitive Bidding (LCB) among Contractors of the country of the Borrower.

Section 1.04 Eligibility

(1) A firm or an organization which has been engaged by the Borrower to provide consulting services for the preparation related to procurement for or implementation of a project, and any of its associates/affiliates (inclusive of parent firms), shall be disqualified from working in any other capacity on the same project (including bidding relating to any goods and services for any part of the project). Only in special cases and only with clear justification, and after taking into account all aspects and circumstances, may JICA and the Borrower agree to permit a firm and/or its associates/affiliates (inclusive of parent firms) to be invited to bid on a project financed by Japanese ODA Loans as a Contractor, when it is also employed on the same project as a consultant.

(2) The provisions of paragraph (1) of this Section also apply to Contractors who lend, or temporarily second, their personnel to firms or organizations which are engaged in consulting services for the preparation related to procurement for or implementation of the project, if the personnel would be involved in any capacity on the same project.

Section 1.05 JICA's Review

(1) JICA may review the Borrower's procurement procedures, documents and decisions. The Borrower shall submit to JICA, for JICA's reference, any related documents and information as JICA may reasonably request. The Loan Agreement will specify the extent to which review procedures will apply in respect of goods and services to be financed out of the proceeds of the Loan.

(2) JICA does not finance expenditures for goods and services which, in the opinion of JICA, have not been procured in accordance with the agreed procedures and JICA will cancel that portion of the Loan allocated to such goods and services that have been misprocured. JICA may, in addition, exercise other remedies under the Loan Agreement.

Section 1.06 Corrupt or Fraudulent Practices

(1) It is JICA's policy to require that bidders and Contractors, as well as Borrowers, under contracts funded with Japanese ODA Loans and other Japanese ODA observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, JICA;

(a) will reject a proposal for award if it determines that the bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;

(b) will recognize a Contractor as ineligible, for a period determined by JICA, to be awarded a contract funded with Japanese ODA Loans if it at any time determines that the Contractor has engaged in corrupt or fraudulent practices in competing for, or in executing, another contract funded with Japanese ODA Loans or other Japanese ODA.

(2) This provision shall be stated in the bidding documents and in the contract between the Borrower and the Contractor.

Part II

INTERNATIONAL COMPETITIVE BIDDING (ICB)

A. Type and Size of Contract

Section 2.01 Types of Contract

(1) Contracts may be concluded on the basis of unit prices for work performed or items supplied, a lump sum price, cost-reimbursable, or a combination thereof for different portions of the contract, depending on the nature of the goods or services to be provided. The bidding documents shall clearly state the type of contract selected.

(2) Cost-reimbursable contracts are not acceptable to JICA except in exceptional circumstances, such as conditions of high risk or where costs cannot be determined in advance with sufficient accuracy.

(3) Single contracts for engineering, supply of equipment and construction to be provided by the same party ("turnkey contracts") are acceptable if they offer technical and economic advantages to the Borrower, e.g. where a special process or considerable integration of the various stages is desirable.

Section 2.02 Size of Contract

In the interests of the broadest possible competition, individual contracts for which bids are invited shall, whenever feasible, be of a size large enough to attract bids on an international basis.

Section 2.03 Single-Stage: Two-Envelope Bidding and Two-Stage Bidding

(1) For works, machinery and equipment for which complete technical specifications are prepared in advance, a single-stage: two-envelope bidding procedure should be adopted. Under this procedure, bidders will be invited to submit technical and financial proposals simultaneously in two separate envelopes. The technical proposals are opened first and reviewed to determine that they conform to the specifications. After the technical review has been completed, the financial proposals of the bidders whose technical proposals have been determined to conform to the technical specifications are then opened publicly, with bidders or their representatives allowed to be present.

Opening of financial proposals shall follow the procedures stipulated in Section 5.02 of these Guidelines. Evaluation of financial proposals shall be consistent with Section 5.06 of these Guidelines. The financial proposals of the bidders whose technical proposals have been determined not to conform to the technical specifications shall promptly be returned unopened to the bidders concerned. The use of this procedure must be agreed upon by JICA and the Borrower.

(2) In the case of turnkey contracts or contracts for large and complex plants or procurement of equipment which is subject to rapid technological advances, such as major computer systems, for which it may be undesirable or impractical to prepare complete technical specifications in advance, a two-stage bidding procedure may be adopted. Under this procedure, bidders will first be invited to submit technical offers without prices on the basis of the minimum operating and performance requirements. After technical and commercial clarifications and adjustments, followed by amended bidding documents, the bidders will be invited to submit final technical proposals and financial proposals in the second stage. The use of this procedure must be agreed upon by JICA and the Borrower.

B. Advertising and Prequalification

Section 3.01 Advertising

In all cases of ICB contract, invitations to prequalify or to bid shall be advertised in at least one newspaper of general circulation in the Borrower's country. The Borrower should also promptly send copies of such invitations (or the advertisement therefor) to JICA.

Section 3.02 Prequalification of Bidders

(1) Prequalification is in principle required in advance of bidding for large or complex works and, exceptionally, for custom-designed equipment and specialized services to ensure that invitations to bid are extended only to those who are technically and financially capable.

(2) Prequalification shall be based entirely upon the capability of prospective bidders to perform the particular contract satisfactorily, taking into account, inter alia, their: (a) experience of and past performance on similar contracts, (b) capabilities with respect to personnel, equipment and plant, and (c) financial position. A sample of factors to be evaluated in prequalification is shown in Annex I. A clear statement of the

scope of the contract and the requirements for qualification (criteria) shall be sent to all those wishing to be considered for prequalification.

(3) All bidders meeting the criteria specified shall be allowed to bid.

C. Bidding Documents

Section 4.01 General

(1) The bidding documents shall provide all information necessary to enable a prospective bidder to prepare a bid for the goods and services to be provided. While the detail and complexity of these documents will vary with the size and nature of the proposed bid package and contract, they generally include: invitation to bid; instructions to bidders; form of bid; form of contract; conditions of contract (both general and special); technical specifications; list of goods or bill of quantities and drawings, as well as necessary appendices, detailing, for example, the type(s) of security required or acceptable. Guidelines on the principal components of the bidding documents are given in the following Sections.

(2) If a fee is charged for the bidding documents, it shall be reasonable and reflect the cost of their production and shall not be so high as to discourage qualified bidders.

Section 4.02 Reference to JICA

Bidding documents shall normally refer to JICA using the following language:
“... (name of Borrower).....has received (or where appropriate, ‘has applied for’) an ODA Loan from THE INCORPORATED ADMINISTRATIVE AGENCY-JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as “JICA”) in the amount of ¥_____toward the cost of (name of project, signed date of Loan Agreement), and intends to apply (where appropriate, ‘a portion of’) the proceeds of the loan to payments under this contract. Disbursement of an ODA Loan by JICA will be subject, in all respects, to the terms and conditions of the Loan Agreement, including the disbursement procedures and the ‘Guidelines for Procurement under Japanese ODA Loans’. No party other than (name of Borrower) shall derive any rights from the Loan Agreement or have any claim to loan proceeds. The above Loan Agreement will cover only a part of the project cost. As for the remaining portion, (name of Borrower) will take appropriate measures for finance.”

Section 4.03 Bid Securities

Bid bonds or bidding guarantees will usually be required, but they shall not be set so high as to discourage suitable bidders. Bid bonds or guarantees shall be released to unsuccessful bidders as soon as possible after the contract has been signed with the successful bidder.

Section 4.04 Conditions of Contract

(1) The conditions of contract shall clearly define the rights and obligations of the Borrower and the Contractor, and the powers and authority of the consultant as the engineer, if one is employed by the Borrower, in the administration of the contract and any amendments thereto. In addition to customary general conditions of contract, some of which are referred to in these Guidelines, special conditions appropriate to the nature and location of the project shall be included.

(2) In the conditions of contract, risks and liabilities among the parties shall be allocated in a balanced manner, and modification of such allocation in customary general conditions of contract shall be reasonable in view of smooth implementation of the project.

(3) Safety shall be emphasized in the implementation of the project. Safety measures taken by the Contractor shall be specified in the contract.

Section 4.05 Clarity of Bidding Documents

(1) Specifications shall set forth as clearly and precisely as possible the work to be accomplished, the goods and services to be supplied and the place of delivery or installation. Drawings shall be consistent with the text of the specifications. Where drawings are inconsistent with the text of the specifications, the text shall govern. The bidding documents shall specify any factors, in addition to price, which will be taken into account in evaluating and comparing bids, and how such factors will be quantified or otherwise evaluated. If bids based on alternative designs, materials, completion schedules, payment terms, etc., are permitted, conditions for their acceptability and the method of their evaluation shall be expressly stated. Invitations to bid shall specify the eligible source countries and other eligibility provisions, such as permissible import content from non-eligible source countries (as stated in Section 1.04). The specifications shall be so worded as to permit and encourage the widest possible competition.

(2) Any additional information, clarification, correction of errors or alteration of

specifications shall be sent promptly to all those who requested the original bidding documents. When original specifications are to be altered, added, or corrected due to reasons on the Borrower's side, notification of those modifications, etc., should be immediately sent to all the bidders, using an addendum, and if the change is considered to be major/substantial, bidders should be given additional time for the submission of their bids.

Section 4.06 Standards

If specific national or other standards with which equipment or materials must comply are cited, the bidding documents shall state that equipment or materials meeting the Japan Industrial Standards or other internationally accepted standards which ensure quality equivalent to or higher than the standards specified will also be accepted.

Section 4.07 Use of Brand Names

Specifications shall be based on performance capability and shall only specify brand names, catalogue numbers, or products of a specific manufacturer if either specific spare parts are required or it has been determined that a degree of standardization is necessary in order to ensure continuity for certain essential features. In the latter case, the specifications shall permit offers of alternative goods which have similar characteristics and provide performance and quality at least equal to those specified.

Section 4.08 Expenditures under Contracts

As the use of Japanese ODA Loans is limited to financing expenditures for goods and services from eligible source countries (including those with a permissible import content from non-eligible source countries), the bidding documents shall require the Contractor to use only such goods and services for the contract and to identify all expenditures related to non-eligible source countries (import content) in his statements or invoices.

Section 4.09 Currency of Bids

(1) ODA Loan of JICA is denominated in Japanese Yen and the bid price should normally be stated in Japanese Yen. Whenever necessary, however, other international trading currencies may also be permitted. In addition, any portion of the bid price which the bidder expects to spend in the Borrower's country may be stated in the currency of the country of the Borrower.

(2) The currency or currencies in which the bid price may be stated shall be specified in the bidding documents.

Section 4.10 Currency Conversion for Bid Comparison

(1) The bid price is the sum of all payments to be made to the bidder, in whichever currency.

(2) For the purpose of comparing prices, all bid prices shall be converted to a single currency selected by the Borrower and stated in the bidding documents. The Borrower shall effect this conversion by using the exchange (selling) rates for those currencies quoted by an official source (such as the Central Bank) for similar transactions on a date selected in advance and specified in the bidding documents, provided that such date shall not be earlier than thirty days prior to, nor later than, the date specified for the opening of bids.

Section 4.11 Currency of Payment

(1) Payment of the contract price shall be made in the currency or currencies in which the bid price is expressed in the bid of the successful bidder, except where a different arrangement is clearly justified and specified in the bidding documents.

(2) Where the bid price is to be paid, wholly or partly, in a currency or currencies other than the currency of the bid, the exchange rate to be used for purposes of payment shall be that specified by the bidder in the bid so as to ensure that the value of the currency or currencies used in the bid is maintained without any loss or gain.

Section 4.12 Price Adjustment Clauses

(1) Bidding documents shall state clearly whether firm prices are required or adjustment of bid prices is acceptable. In appropriate cases, provision will be made for adjustment (upwards or downwards) of the contract price, should changes occur in the

prices of major cost components of the contract, such as labor or important materials.

(2) Specific formulae for price adjustment shall be clearly stated in the bidding documents in order that the same provisions may apply to all bids. A ceiling on price adjustment shall be included in contracts for the supply of goods, but it is not usual to include such a ceiling in contracts for works. There should normally be no price adjustment provision for goods to be delivered within one year.

Section 4.13 Advance Payment

(1) The percentage of the total payment to be made in advance, upon entry into effect of the contract, for mobilization and similar expenses shall be reasonable and specified in the bidding documents. Other advances, such as for materials delivered to the site for use in works, shall also be clearly defined in the bidding documents.

(2) The bidding documents shall specify the arrangements for any security required for advance payments.

Section 4.14 Performance Securities and Retention Money

(1) Bidding documents for works shall require some form of security to guarantee that the work will be continued until it is completed. This security can be provided either by a bank guarantee or by a performance bond, the amount of which will vary with the type and size of the work, but shall be sufficient to protect the Borrower in the case of default by the Contractor. A portion of this security shall extend sufficiently beyond the date of completion of the works to cover the defects liability or maintenance period up to final acceptance by the Borrower. For such portion of the security extended beyond the date of completion of the works, contracts may provide for a percentage of each periodic payment to be held as retention money until final acceptance. The amount of the security required shall be stated in the bidding documents.

(2) In contracts for the supply of goods it is usually preferable to have a percentage of the total payment held as retention money to guarantee performance rather than to have a bank guarantee or bond. The percentage of the total payment to be held as retention money and the conditions for its ultimate payment shall be stipulated in the bidding documents. If, however, a bank guarantee or bond is preferred, it shall be of a reasonable amount.

Section 4.15 Insurance

The bidding documents shall state precisely the types and terms of insurance (e.g. liabilities to be covered and duration of the insurance) to be obtained by the successful bidder.

Section 4.16 Liquidated Damage and Bonus Clauses

Liquidated damage clauses shall be included in the bidding documents for delays in completion or delivery resulting in extra cost, loss of revenues or loss of other benefits to the Borrower. Provision may also be made for a bonus to be paid to Contractors for completion of work contracts by or in advance of times specified in the contract, when such earlier completion will be of benefit to the Borrower.

Section 4.17 Force Majeure

The conditions of contract included in the bidding documents shall, when appropriate, contain clauses stipulating that failure on the part of the parties to perform their obligations under the contract will not be considered a default under the contract if such failure is the result of force majeure as defined in the conditions of contract.

Section 4.18 Language

Bidding documents should be prepared in one of the following languages, selected by the Borrower: Japanese, English, French or Spanish. If a language other than Japanese, English, French or Spanish is used in the bidding documents, a full English text shall be incorporated in those documents and it shall be specified which is governing.

Section 4.19 Settlement of Disputes

Provisions dealing with the settlement of disputes shall be included in the conditions of contract. It is advisable that the provision be based on the "Rules of Arbitration" prepared by the International Chamber of Commerce.

Section 4.20 Applicable Laws

The contract shall stipulate which laws shall govern its interpretation and performance.

D. Opening of Bids, Evaluation and Award of Contract

Section 5.01 Time Interval between Invitation and Submission of Bids

(1) The time allowed for preparation and submission of bids shall be determined with due consideration of the particular circumstances of the project and the size and complexity of the contract. Generally, not less than 45 days shall be allowed for international bidding.

(2) Where large civil works or complex items of equipment are involved, generally not less than 90 days shall be allowed to enable prospective bidders to conduct investigations at the site before submitting their bids.

Section 5.02 Procedures relating to Opening of Bids

(1) The date, hour and place for the latest receipt of bids and for the opening of bids shall be announced in the invitations to bid and all bids shall be opened publicly at the stipulated time and place. Bids received after this time shall be returned unopened.

(2) The name of the bidder and total amount of each bid and of any alternative bids, if such have been requested or permitted, shall be read aloud and recorded when opened. This record shall be confirmed and signed by all bidders or their representatives present at opening of bids, and a copy of this record shall be promptly sent to JICA.

Section 5.03 Clarification or Alteration of Bids

Except as otherwise provided in Section 5.10 of these Guidelines, no bidder shall be requested or permitted to alter his bid after the bids have been opened. Only clarifications not changing the substance of the bid are acceptable. The Borrower may ask any bidder for a clarification of the bid, but shall not ask any bidder to change the substance or price of the bid.

Section 5.04 Process to be Confidential

Except as may be required by law, no information relating to the examination, clarification and evaluation of bids and recommendations concerning awards shall be communicated after the public opening of bids to any persons not officially concerned with this process until a contract has been awarded to a bidder.

Section 5.05 Examination of Bids

(1) Following the opening of bids, it shall be ascertained whether the bids are substantially responsive to the bidding documents, whether the required securities have been provided, whether documents have been properly signed and whether the bids are otherwise generally in order.

(2) If a bid does not substantially conform to the specifications, or contains inadmissible reservations or is otherwise not substantially responsive to the bidding documents, it shall be rejected.

(3) A technical analysis shall then be made to evaluate each responsive bid and to enable bids to be compared.

Section 5.06 Evaluation and Comparison of Bids

(1) The purpose of bid evaluation is to compare bids which conform to the technical specifications and are responsive to the bidding documents on the basis of their evaluated cost. Among the bids which conform to the technical specifications, the bid with the lowest evaluated cost, not necessarily the lowest submitted price shall be selected for award. Even when there has been prequalification of bidders, technical factors shall be given their full importance when evaluating bids.

(2) Bid evaluation shall be consistent with the terms and conditions set forth in the bidding documents.

(a) The bidding documents shall specify provisions for adjustment of a bid price to correct any errors in computation, the relevant factors to be considered in bid evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated bid.

(b) Factors which may be taken into consideration include, inter alia, the payment schedule, the time of completion of construction or delivery, the operating costs, the efficiency and compatibility of the equipment, the availability of service and spare

parts, the reliability of the quality control methods (including construction methods) proposed, safety, environmental benefits, and minor deviations, if any. To the extent practicable, factors other than price shall be expressed in monetary terms according to criteria specified in the bidding documents, or given a relative weight in accordance with the evaluation provisions in the bidding documents.

(c) Provisions for price adjustment included in a bid shall not be taken into consideration.

(3) For the purposes of evaluation and comparison of bids for the supply of goods to be procured on the basis of international bidding:

(a) Bidders will be required to state in their bids the CIP (place of destination) price for imported goods or the EXW (ex works, ex factory, or off-shelf) price plus cost of inland transportation and insurance to the place of destination for other goods offered in the bid;

(b) Customs duties and other import taxes levied in connection with the importation or sales and similar taxes levied in connection with the sale or delivery of goods pursuant to a bid shall not be taken into account in the evaluation of that bid; and

(c) The cost of inland freight and other expenditures incidental to the transportation and delivery of the goods to the place of their use or installation for the purposes of the project shall be included, if this is specified in the bidding documents.

(4) Where Contractors are responsible for all duties, taxes and other levies under civil works contracts, bidders shall take these factors into account in preparing their bids. The evaluation and comparison of bids shall be on this basis.

(5) Any procedure under which bids above or below a predetermined bid value assessment are automatically disqualified is not permitted.

Section 5.07 Postqualification of Bidders

(1) If there has been no prequalification of bidders, the Borrower shall determine whether the bidder whose bid has been evaluated the lowest has the capability and resources to carry out the contract concerned effectively.

(2) The criteria to be met shall be set out in the bidding documents and if the bidder does not meet them, the bid shall be rejected. In such an event, the Borrower shall then make a similar decision regarding the next-lowest evaluated bidder.

Section 5.08 Evaluation Report

A detailed report on the evaluation and comparison of bids setting forth the specific reasons on which determination of the lowest evaluated bid was based shall be prepared by the Borrower or its consultants.

Section 5.09 Award of Contract

The contract is to be awarded to the bidder whose bid has been determined to be the lowest evaluated bid and who meets the appropriate standards of capability and financial resources. A bidder shall not be required as a condition of award to undertake responsibilities or work not stipulated in the specifications or to modify the bid.

Section 5.10 Rejection of Bids

(1) Bidding documents usually provide that the Borrower may reject all bids. Rejection of all bids may be justified when (a) the lowest evaluated bid exceeds the cost estimates by a substantial amount, (b) no bid is substantially responsive to the bidding documents or (c) there is a lack of competition. However, all bids shall not be rejected solely for the purpose of obtaining lower prices in the new bids to be invited on the same specifications.

(2) If all bids are rejected, the Borrower shall review factors that made such rejection necessary and consider either revision of the specifications or modification of the project (or the amounts of work or items in the original invitation to bid), or both, before inviting new bids.

(3) Where exceptional circumstances justify this, the Borrower may, as an alternative to rebidding, negotiate with the lowest evaluated bidder (or, failing a satisfactory result of such negotiation, with the next-lowest evaluated bidder) to try to obtain a satisfactory contract.

Section 5.11 Notification to Unsuccessful Bidders and Debriefing

(1) Upon the furnishing by the successful bidder of a performance security, the Borrower shall promptly notify the other bidders that their bids have been unsuccessful.

(2) If any bidder who submitted a bid wishes to ascertain the reasons why its bid was not selected, such bidder should request an explanation from the Borrower. The

Borrower shall promptly provide an explanation as to why its bid was not selected.

Section 5.12 Information to be Made Public

(1) After a contract is determined to be eligible for JICA's financing, the names of all bidders, their bid prices, the name and address of successful bidder concerning the award of contract, the name and address of supplier, and the award date and amount of the contract may be made public by JICA.

(2) The Borrower shall have all provisions and measures necessary to ensure that the above information shall be available for being made public incorporated in documents related to procurement, such as bidding documents and contract

Annex I

Factors to be Evaluated in Prequalification

- The prequalification process is intended to prequalify Contractors with regard to the capabilities described below in advance of bidding so that invitations to bid are extended only to those who have the requisite technical and financial capability. The Borrower reserves the right to waive minor deviations, if they do not materially affect the capability of an applicant to perform the contract satisfactorily. Subcontractors' experience and resources shall not be taken into account in determining the Applicant's compliance with the qualifying criteria¹.
- This annex only gives examples of the factors to be evaluated in prequalification documents. The sample will require adaptation to a greater or lesser degree in actually preparing the prequalification documents, taking account of the scale and nature of the contract.
- The weight given to each of the following factors is to be determined on a project by project basis.

1. General Experience

The Applicant will submit the following information:

- Average annual turnover over the last __ years. The minimum requirement is \$____².
- Successful experience as prime Contractor in the execution of projects of a nature and complexity comparable to the proposed contract. The execution of at least ____ projects within the last __years is required³. Experience of execution of a project of a comparable nature and complexity refers to the execution of more than (e.g. One million cubic meters of rock placed in rockfill dams in one year) ⁴.
- Letters of reference from past customers, together with the contact address, etc., of each customer, in order to show past performance in the execution of projects of a comparable nature and complexity.
- Experience of project execution in the country concerned and of project execution abroad in similar countries will be taken into consideration when evaluating an Applicant's experience and capability.

2. Personnel Capabilities

- The Applicant must have suitably qualified personnel to fill the following

positions. The Applicant will supply information on a prime candidate and an alternate for each of the following positions, both of whom should meet the experience requirements specified below.

	Total experience (years)	In similar works (years)	As managers of similar works (years)
Project manager			
Other position			

(List only key management and specialist positions.)

3. Equipment Capabilities

- The Applicant should own, or have assured access to, the following key items of equipment in full working order, and should demonstrate that they will be available for use in the proposed contract. The Applicant may also list alternative equipment which he would propose for the Contract, together with an explanation of the proposal.

Equipment type and characteristics	Minimum number required
1.	
2.	

(This section applies mainly to construction works or contracts requiring production capacity. The items listed should be limited to major items of equipment crucial to the proper and timely execution of the contract, and which applicants may not readily be able to purchase, hire, or lease in the required time-frame.)

4. Financial Position

- (1) The Applicant should demonstrate that he has access to, or has available, liquid assets, unencumbered real assets, lines of credit, and other financial means sufficient to meet the construction cash flow for a period of __ months, estimated at US\$ __ equivalent, net of the Applicant's commitments for other contracts⁵.
- (2) The Applicant should submit the audited balance sheets for the last five years and demonstrate the soundness of its financial position. Where necessary, the Borrower will make inquiries of the Applicant's bankers.

5. Litigation History

- The Applicant is to provide accurate information on any litigation or arbitration

resulting from contracts completed or under execution by him over the last years. A consistent history of awards against the Applicant or any partner of a joint venture may result in failure of the application.

6. In the Case of a Joint Venture

- (1) The lead partner should meet not less than ___ % of all the qualifying criteria given in paragraphs 1 and 4(1) above⁶.
- (2) The other partners should meet not less than ___ % of all the qualifying criteria given in paragraphs 1 and 4(1) above⁷.
- (3) The joint venture should satisfy collectively the criteria of paragraphs 1, 2, 3, and 4(1), for which purpose the relevant figures for each of the partners shall be added together to arrive at the joint venture's total capability. Individual members should each satisfy the requirements of paragraphs 4(2) and 5.

- The formation of a joint venture after prequalification, and any change in a prequalified joint venture, will be subject to the written approval of the Borrower prior to the deadline for submission of bids. Such approval may be denied, if (a) as a result of the change in a prequalified joint venture, any of its partners individually or collectively does not meet the qualifying requirements or (b) in the opinion of the Borrower, a substantial reduction in competition may result.

¹ Subcontractors' experience and resources may be considered, however, when they perform essential work under the supervision of the main contractor(s).

² Usually not less than 2 1/2 times the estimated annual cash flow in the proposed contract or works. The coefficient may be smaller for large contracts.

³ It is essential to ensure that the criteria are drawn up in accordance with the realistic needs of the project. Execution of three projects over a period of five years may be required for normal projects, and over a period of ten years for large-scale projects. For projects of a special nature, the criteria are to be established on a case-by-case basis.

⁴ For example, indicate an annual production rate for the key construction activity. The annual rate should be a percentage (e.g. 80%) of the expected peak rate of construction for the key activity.

⁵ Calculate the cash flow for a number of months, determined as the total time needed by the Borrower to pay a contractor's invoice after the invoice has been issued.

⁶ Except for very large projects, the appropriate percentage should be not less than 40%.

⁷ Except for very large projects, the appropriate percentage should be not less than 25%.

* This annex is subject to change based on revisions made in the Sample Prequalification Documents under Japanese ODA Loans.