



CRIDF Procurement Policy

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Disclaimer

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Terms, definitions and abbreviations

Bond: A **performance bond**, is issued by an insurance company to guarantee satisfactory completion of a project by a contractor.

Conflict of interest: any situation in which:

- a) someone in a position of trust has competing professional or personal interests which make it difficult for him to fulfil his duties impartially,
- b) an individual or organization is in a position to exploit a professional or official capacity in some way for his personal or for corporate benefit, or
- c) incompatibility or contradictory interests exist between an employee and the organization which employs that employee.

Construction procurement strategy: selected packaging, contracting, pricing and targeting strategy, and procurement procedure for a particular construction procurement.

Contract data: document that identifies the applicable conditions of a contract and states the associated contract-specific data.

Contract manager (resident engineer): person appointed by CRIDF to retain oversight of all CRIDF projects under implementation by a management contractor or implementing agent.

Contractor: company that contracts to provide goods, services or engineering and construction works covered by the contract.

Contracting strategy: strategy that governs the nature of the relationship between employer and contractor. It determines the risks and responsibilities between the parties to the contract and the payment methods.

Engineering and construction works contract: contract for the provision of a combination of goods and services for the development, extension, refurbishment, rehabilitation or demolition of engineering infrastructure or a building.

Prequalification questionnaire: request for respondents to register their interest in undertaking a specific contract and to submit their credentials so they may be invited to submit a tender offer should they qualify with the criteria set.

Approval point: a point within a procurement process where a decision is required before proceeding from one activity to another.

Gratification: an inducement to perform an improper act.

Irregular conduct: conduct that is not in accordance with the provisions of this document.

Implementing agent: In relation to CRIDF, an implementing agent is a contractor that takes on design and construction responsibility for a particular project.

Management contractor: In relation to CRIDF, a management contractor is a contractor or service provider that takes an employer provided design and takes responsibility for construction works on a particular project.

Work package: works which have been grouped together for delivery under a single contract or a work package order

Packaging strategy: organization of work packages into contracts

Pricing strategy: strategy which is adopted to secure financial offers and to remunerate contractors in terms of the contract

Procurement: process which creates and fulfils contracts relating to the provision of goods, services, engineering and construction works or disposals.

Procurement document: documentation used to initiate or conclude a contract (e.g. tender documentation, etc.).

Procurement procedure: selected procedure for a procurement process.

Procurement strategy: selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement

Respondent: person or organization that submits a prequalification questionnaire in response to an invitation.

Scope of work: document that specifies and describes the goods, services, or engineering and construction works which are to be provided, and any other requirements and constraints relating to the manner in which the contract work is to be performed

Secondary procurement policy: procurement policy that promotes objectives additional to those associated with the objective of the procurement itself.

Services contract: contract for the provision of labour or work, including knowledge-based expertise, carried out by hand, or with the assistance of equipment and plant.

Supply contract: contract for the provision of goods, including materials or commodities made available.

Targeting strategy: the strategy which is adopted to promote secondary procurement policy objectives e.g. promoting use of local labour in a contract etc.

Tender data: document that establishes the tenderer's obligations in tender submission and employer's undertakings in administering the tender process and evaluating tender offers.

Tenderer: person or organisation that submits a tender offer.

List of Acronyms

Acronym	Long-Form
CPS	Country Procurement System
CRIDF	Climate Resilient Infrastructure Development Facility
DFID	Department for International Development
DD	Due Diligence
FIDIC	International Federation of Consulting Engineers (commonly known as FIDIC, acronym for its French name Fédération Internationale Des Ingénieurs-Conseils)
IA	Implementing agent
ISO	International Standards Organisation
MC	Management contractor
PDMP	Project Development and Monitoring Plan
PEA	Political Economy Assessment
PQQ	Pre-qualification
SADC	Southern African Development Community

1.0 Introduction

1.1 Background to CRIDF

Procurement is the process which creates and fulfils contracts. CRIDF is required to undertake and manage procurement of projects in 10 mainland SADC countries. This document sets out the overall procurement policy of CRIDF and procedures to be applied. This is a living document that will be reviewed and updated at least every 6 months to reflect requirements and lessons learned. The Procurement Manger has responsibility for making updates and the Chief Engineer and Principal Programme Manager will check and approve these.

Where possible, CRIDF will implement through country procurement systems (CPS). Due Diligence will be carried out to ensure CPS compliance with minimum procurement standards. Where this is not possible this CRIDF procurement policy will be used. The procurement system has been developed with reference to international best practice, to be auditable and to provide a framework for transparency.

2.0 Procurement Principles

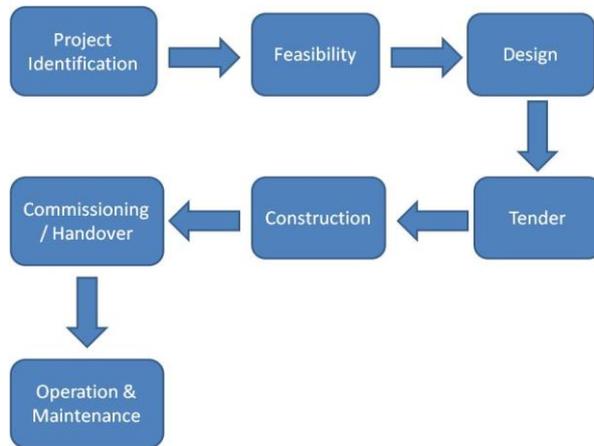
The purpose of the CRIDF Procurement Policy is to support projects and activities related to infrastructure delivery. This document outlines the procurement system that will be used when procuring goods, services, and construction works that are funded by CRIDF. The principles are outlined in Table 1.

Table 1 Principles of the Procurement System

Principle	CRIDF Objective
Fair	Impartial. Parties receive simultaneous access to information. Terms and conditions for performing the work do not unfairly prejudice the interests of the parties.
Equitable	The only grounds for not awarding a contract to a tenderer who complies with all requirements are restrictions from doing business with CRIDF, legal impediments and conflicts of interest.
Transparent	The procurement process and criteria upon which decisions made are recorded for audit purposes. The requirements of procurement documents are presented in a clear, unambiguous, comprehensive and understandable manner taking account of the ability of tenderers. Those involved in procurement processes must always act with integrity when conducting duties.
Competitive	The process provides for appropriate levels of competition to ensure cost-effective and best-value outcomes taking account of the relative values of the projects.
Value for Money	The processes, procedures and methods are standardised with sufficient flexibility to attain best-value outcomes in terms of quality, timing and price, and the least resources to effectively manage, control and deliver procurement and implementation processes.
Approvals	Clear definition of roles and responsibilities and approval points.

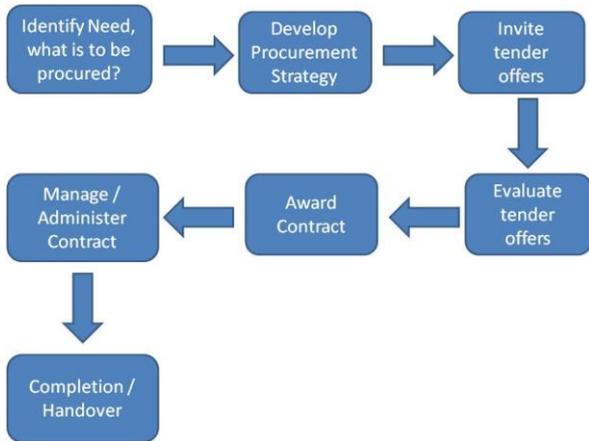
Figure 1 provides an overview of the stages in infrastructure development.

Figure 1 **General Infrastructure Project Stages**



There are 6 key stages in procurement and implementation as outlined in Figure 2.

Figure 2 **Key Procurement and Implementation Stages**



A procurement process commences once a need is identified and ends on the award of a contract. There are various types of procurement required in delivery of an infrastructure project – services, goods and works. Although procurement can occur at any stage in a project lifecycle, it is most likely to occur on CRIDF projects after and/or during Financial Closure (the stage where a project can proceed to implementation).

2.1 CRIDF Professional Services Procurement

Professional services under CRIDF are performed by the team procured by DFID under the contract with ASI. The first step is to identify if the service can be provided by a resource in the PMU, or through the CRIDF pool of consultants.

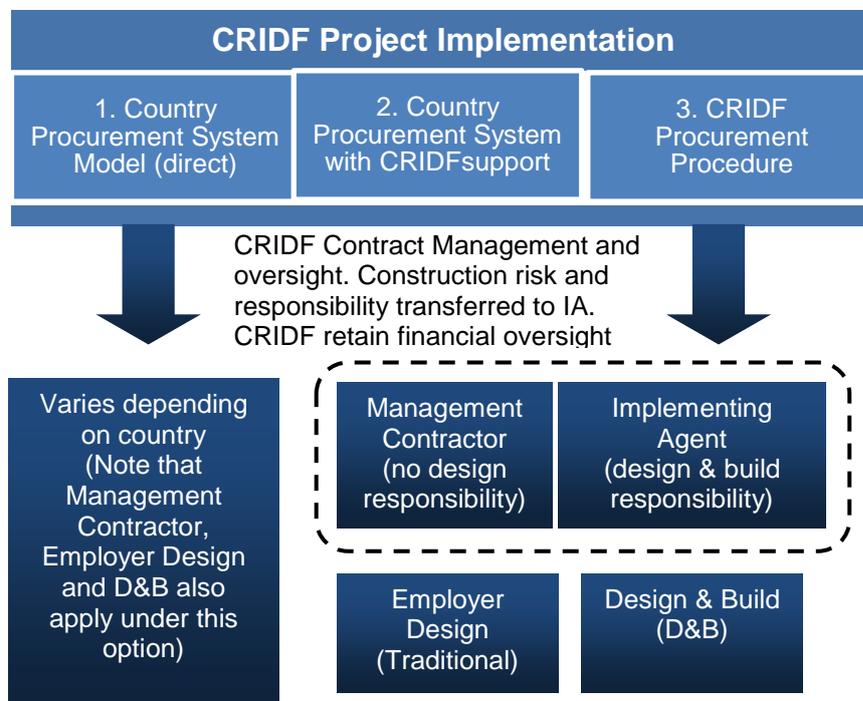
Where an expert is identified that is not available in the CRIDF pool, their CV is added following approval by DFID. In instances where services are required that do not exist within the CRIDF pool or ASI's consortium partners, for example, LiDAR survey, then this service may be outsourced through a procurement process. If this requirement is encountered the Portfolio Team should discuss with the Procurement Manager and agree the approach in line with the procedures set out in this document.

2.2 CRIDF Project Implementation

The first choice for implementation of a CRIDF project will be through the CPS. Due diligence (DD) and political economy assessment (PEA) as outlined in CRIDF Due Diligence Guidelines will be required to assess the suitability of the CPS and ensure that risks can be managed. If the CPS is found to be deficient, CRIDF will offer support or implement the project as defined through the project procurement strategy. **The decision on whether CRIDF will implement through CPS or CRIDF procurement methods is determined by the outcome of DD and PEA. The Chief Engineer has the final decision in terms of procurement strategy chosen.**

Figure 3 provides an overview of the options for implementing CRIDF projects. The majority of CRIDF implemented projects will be undertaken using the Employer Design (Traditional) method. The Short Procurement Guide provides an explanation of the different contracting arrangements for CRIDF projects.

Figure 3 Options for Implementing CRIDF Projects



2.2.1 Risk Management for CRIDF

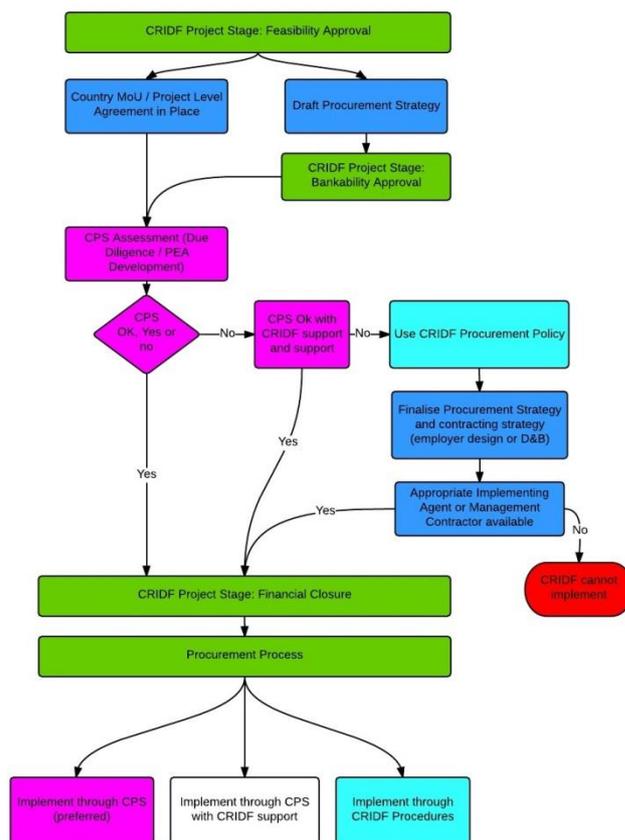
To manage risk effectively CRIDF prefers not to sign works contract direct with contractors. Implementation will be undertaken using the methods set out in Figure 3. As noted above, the preferred methods are through CPS (with or without support) where the contract will be between the beneficiary entity and the contractor with CRIDF retaining oversight and providing support. If it is not possible to use CPS then the CRIDF procedure of appointing an MC or IA will be adopted. CRIDF has developed the procedure to implement through a MC or IA to ensure appropriate risk transfer to entities that are able to manage this effectively. The selection of the MC or IA route will depend on the project specific requirements and whether the provision of an employer design or design & build is more appropriate. This will depend on the complexity of the project and how much control CRIDF requires over the design outputs.

In following CRIDF principles of risk management the Project Leads must identify an appropriate Employer for the project. This should be completed as early as possible in the project and prior to discussions with the Procurement Manager on procurement process.

The IA and MC will be responsible for placing sub-contracts with contractors, with CRIDF retaining oversight and providing support if necessary

Figure 4 provides an overall decision process for using CPS or CRIDF implementation methods.

Figure 4 **CRIDF Procurement Strategy Decision Process**



2.3 Roles and Responsibilities

An essential element of a procurement system is the definition of roles and responsibilities and the approval process to proceed to the next stage. Table 2 below provides an overview of the broad roles and responsibilities within the CRIDF procurement processes.

Table 2 **Roles and Responsibilities in CRIDF Procurement**

PMU Member	Description of Role in Procurement Process
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DFID Representative	<p>Provides no objections at defined points in the process. DFID “no objection” points are summarised as follows:</p> <ul style="list-style-type: none"> • A change to Procurement Policy – No objection • Procurement Strategy – No objection • Single Sourcing – No objection • Tender Evaluation Report, following contract negotiations and prior to award – No objection • Variation of 50% or more on contract value and / or programme during construction phase. <p>*DFID is kept informed through the PDMS and can make comments at any time they deem fit.</p>
Programme Director	Signs contracts on behalf of CRIDF (ASI) above or equal to £100,000 GBP
Principal Programme Manager	Provides approvals at defined points in the procurement process. Signs contracts on behalf of CRIDF (ASI) under £100,000 GBP.
Finance Director	Financial oversight, undertakes budget and financial approvals, payment authorisations.
Technical Director	Sits on the Procurement Committee to undertake final approval of final tender evaluation report.
Chief Engineer	Oversight of the procurement process, responsibility for technical approval of outputs from the procurement tasks. Appoints teams to undertake procurement activities on individual projects and approves procurement and contracting strategies, procurement documents, tender evaluation report, for each project.
Procurement Manager	Reports to Chief Engineer. Maintains the PDMS and liaises with the Programme Management team. Develops the procurement strategy for a project. Develops procurement documents (tender packages, PQQs), runs tender evaluations, develops tender evaluation reports (or mentors others in this process). Mentors portfolio teams and IA / MC through the procurement process. Provides support to implementation through CPS.
Portfolio Lead	Identifies the need for procurement. Provides updates to the Procurement Manager on programme and issues. Oversight of design and specification production. Provides technical information to Procurement Manager for procurement document compilation (drawings, specifications). QA's technical deliverables for tender packages.
Contract Manager (aka Resident Engineer)	Responsible for all contract administration following contract award. Reports on progress and issues to the Procurement Manager and Chief Engineer. This person may be from CRIDF or may be seconded by a Beneficiary Entity depending on contract / project.
Procurement Committee	The Principal Programme Manager, Chief Engineer, Technical Director, Finance Director will form the Procurement Committee with the Procurement Manager as secretary. This committee will be responsible for sign off of the final Tender Evaluation Report prior to contract signing . The

	Chief Engineer will undertake his review and approval in advance confirming that technical matters are in order. The committee will either meet in person, or the sign off will be undertaken through SharePoint (depending on the sensitivity and complexity of the project).
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The procurement system requires checks and approvals to ensure the integrity and transparency of the system. Approval points are set out against activities in Table 5. A person may delegate approval to another person, this must be done in writing to ensure audit trail.

The Chief Engineer will designate an appropriate expert to conduct DD / PEA.

2.3.1 Communications and Reporting to DFID on Procurement Progress

The PDMS provides an overview of all projects under development by CRIDF. This is used to keep track of projects planned for procurement by CRIDF and for reporting to DFID on a quarterly basis and allows them to review and highlight projects for which they would like further information. In addition, it is considered good house-keeping to keep DFID informed at key procurement stages shown in Table 5. “No objection” from DFID is required at the points outlined in Table 2 (Table 5 shows these in the context of the overall procurement activities). DFID will provide “no objections” within 5 working days of submission. The PDMS is maintained by the Procurement Manager and checked and approved by the Chief Engineer and Principal Programme Manager.

2.3.2 Conflict of Interest

All potential conflicts of interest shall be reported to the Procurement Manager immediately. This applies to CRIDF PMU members, consultants and implementing agents. Note that a conflict can occur even when there are no improper acts occurring, as the perception can result in an undermined confidence.

2.3.3 Ethics and Code of Conduct

The infrastructure sector is one of the most vulnerable to corruption. All CRIDF PMU members, consultants and implementing agents, managing contractors appointed by CRIDF shall abide by the following:

- CRIDF Standard Operating Procedures (SOPs), https://adamsmithinternational.sharepoint.com/CRIDF/_layouts/15/WopiFrame.aspx?sourcedoc={D4A524FC-C7A8-4C83-B28A-9217BBCFB3BE}&file=CRIDF%20SOPs%20-%2013052014.docx&action=default.
- Prevention of Corruption Act and the UK Bribery Act 2010, <http://www.legislation.gov.uk/ukpga/2010/23/contents>.
- UK Anti-Corruption Forum “Guidance on the Bribery Act 2010 for the Infrastructure Sector” http://www.britishexpertise.org/bx/upload/Events/ACF_Abridged.pdf.

Staff shall behave with integrity, equitably, honestly and transparently at all stages of procurement while exercising due care and skill at all times. All staff and implementing agents must respect confidentiality of procurement processes.

CRIDF require implementing agents to supply their anti-bribery policy / code of conduct to demonstrate their commitment to acting with integrity. CRIDF will also require for Implementing Agents to obtain the same from their sub-contractors.

CRIDF contracts must include provision for abiding by these requirements.

2.3.4 Non-disclosure Agreements

Non-disclosure agreements shall be entered into with agents and potential contractors to protect CRIDF's confidential information and interests where this is deemed necessary by the Procurement Manager. CRIDF standard format shall be used for this. NDAs will require signature by the Principal Programme Manager.

2.3.5 Placing Contractors Under Restrictions

CRIDF may place a contractor under restrictions in the following situations. Any contractor who has:

- Failed to commence the contract after being notified of acceptance;
- Had a contract terminated for reasons within his control;
- Offered or given a bribe in relation to the obtaining or the execution of a contract;
- Acted in a fraudulent manner.

In this situation, the Procurement Manager shall prepare a recommendation for consideration by the Chief Engineer. The Chief Engineer may suspend the contractor in writing from contracting with CRIDF for a period. These conditions should be stated in the contract documents.

2.3.6 Secondary Procurement Policy

CRIDF may utilise its procurement to promote work opportunities for target groups (including women, local communities where projects are being implemented, e.g. labour based technologies). Bespoke preference requirements will be considered by the Procurement Manager on a project by project basis in consultation with implementing agent and / or stakeholders.

CRIDF projects will be attractive to local contractors given their small size and uncomplicated nature. The use of local labour should be encouraged where possible and provisions built in for mentoring and supervision. Where International Contractors are engaged, between 5 and 10% local preference for works contracts can be allowed. Designs should also seek to increase employment through construction and O&M as it is often technically feasible and cost effective to increase employment through using more labour intensive technologies. Using labour based approaches mean that local enterprises are more likely to be successful in the works. PQQ can be used as a tool to ensure that local contractors with the right expertise have a chance of winning the contracts. Through use of CPS it may be possible to use a database of already pre-qualified contractors to increase the local content in a project.

2.3.7 Requests for Information

All requests for information on procurement activities will be made formally in writing to the Procurement Manager. The Procurement Manager will retain these on file and respond formally to requests.

2.3.8 Procurement Thresholds

CRIDF has approved the procurement thresholds set out in Table 3. Dividing projects to reduce the value to below the threshold is not permitted. The use of a procedure outside of the thresholds will require prior permission from Chief Engineer, Principal Programme Manager and DFID before proceeding. If this situation materialises, the person proposing the alternative must submit a description in writing of the reasons for this to the Procurement Manager.

It is CRIDF policy that goods, services and works should generally be procured from the open market. However, a confined market may be used where the activity falls below the open tender threshold values in Table 3 or where it can be established that only a sole contractor (negotiated procedure) or a limited number of contractors (qualified procedure) are able to provide goods, services or works to the required standard. If there is any doubt over which procedure to use, the Open Tender process should be adopted.

Table 3 **Thresholds relating to different procurement procedures**

Procedure and description of applicable situation for use	Goods and Equipment	and Outsourced Services	Infrastructure Delivery (Works)
Negotiated Procedure			
<p>Negotiated* - where a tender offer is solicited from a Single Source. Permitted in the following situations:</p> <ol style="list-style-type: none"> 1. Rapid response required due to imminent risk or extreme emergency situation (human injury, death, suffering, deprivation of human rights, serious damage to property or financial loss, livestock or animal injury suffering or death, serious environmental damage, interruption of essential services). 2. Works cannot be separated from another contract by same contractor. 3. Only one contractor identified as having skills / qualifications. 4. Below Shopping Procedure procurement threshold 5. Works procured is similar to works previously executed by contractor on CRIDF in last 2 years and not in interests to solicit other offers. 6. Nature of construction works, goods, services or risks do not permit prior overall pricing e.g. insufficient detail for pricing. 7. Only one responsive tender received. 8. Special conditions exist that disadvantage open or other methods of procurement. This will be identified in the DD/PEA. 	<p>DFID prior written consent required to proceed with this procurement procedure. The Chief Engineer or Procurement Manager must secure this permission, setting out clear reasons why this is required. DFID approval timeline is 5 working days.</p>		
	Goods	and	Infrastructure

Procedure and description of applicable situation for use	Equipment		Delivery (Works)
Competitive Selection Procedures			
<p>Nominated Procedure* - where Tenderers that satisfy prescribed criteria are entered into a database. Tenderers are invited to submit tender offers based on search criteria and their position in the database. This will only be used if under CPS there is a pre-existing shortlist. It is very unlikely to be used under CRIDF procurement.</p>	<p>DFID prior written consent required to proceed with this procurement procedure. The Chief Engineer or Procurement Manager must secure this permission, setting out clear reasons why. DFID approval timeline is 5 working days.</p>		
<p>Open Tender - this will generally be the default procurement approach for goods, services or construction works over the specified threshold value unless:</p> <ol style="list-style-type: none"> 1. Special conditions or considerations pertain, which indicate the Negotiated Procedure should be followed, or; 2. An expected large tender response will be such that the cost of evaluation will be excessively high in proportion to the value of the contract. In this case a Restricted Tender or Qualified Procedure may be more appropriate. 	Over GBP 25,000	Over GBP 25,000	Over GBP 50,000
<p>Restricted Tender* - this procurement route will only be used with the approval of the Chief Engineer and only in the case under CPS where the Employer in a beneficiary state has an approved restricted tender list <u>in which CRIDF has full confidence</u>.</p>	Over GBP 25,000	Over GBP 25,000	Over GBP 50,000
<p>Qualified Procedure - a call for Prequalification is advertised, with those meeting the criteria (at least 3) invited to submit a response to the Invitation to Tender (ITT). Generally used where:</p> <ol style="list-style-type: none"> 1. A contractor requires a high degree of specialised input or requires skills and expertise that is not readily available; 2. A contractor requires exceptional management skills or quality; 3. It is desirable, in a large programme, to link packages of work to tenderers who have the appropriate capacity and capability to compete against each other; 4. The time and cost required to examine and evaluate a large number of tender offers would be disproportionate to the procurement under consideration; 5. For practical reasons, it is necessary to limit the number of tender submissions that are received, or the goods or services are not freely available in the market. <p>This is less likely to be used on CRIDF procurement, however, provision is included in the event that it is selected for certain projects. Where this process is proposed over the Open Tender process, the Procurement Manager will set out a robust motivation for this.</p>	Over GBP 25,000	Over GBP 25,000	Over GBP 50,000
	Under GBP 25,000	Under GBP 25,000	Under GBP 50,000

Constrained Quotation Procedure (minimum 4 quotes) - used for goods, consultancy services and works. May be used where there are a limited number of companies offering the required service. Short / simplified procurement documents will require to be prepared to allow prices to be obtained.			
Quotation Procedure (minimum 3 quotes) - used for goods and consultancy services only. Simple invitation by email / letter required with outlined scope and defined deliverables to be priced.	Under GBP 12,500	Under GBP 12,500	n/a
Shopping Procedure - this is Single Sourcing for low value items e.g. purchase of a new computer, consultancy services such as supply contracts which involve readily available goods, or very simple minor works, all below the specified thresholds.	Under GBP 2,500	Under GBP 5,000	Under GBP 10,000

Values quoted are anticipated contract values, including all taxes.

*Prior approval from DFID will always be sought

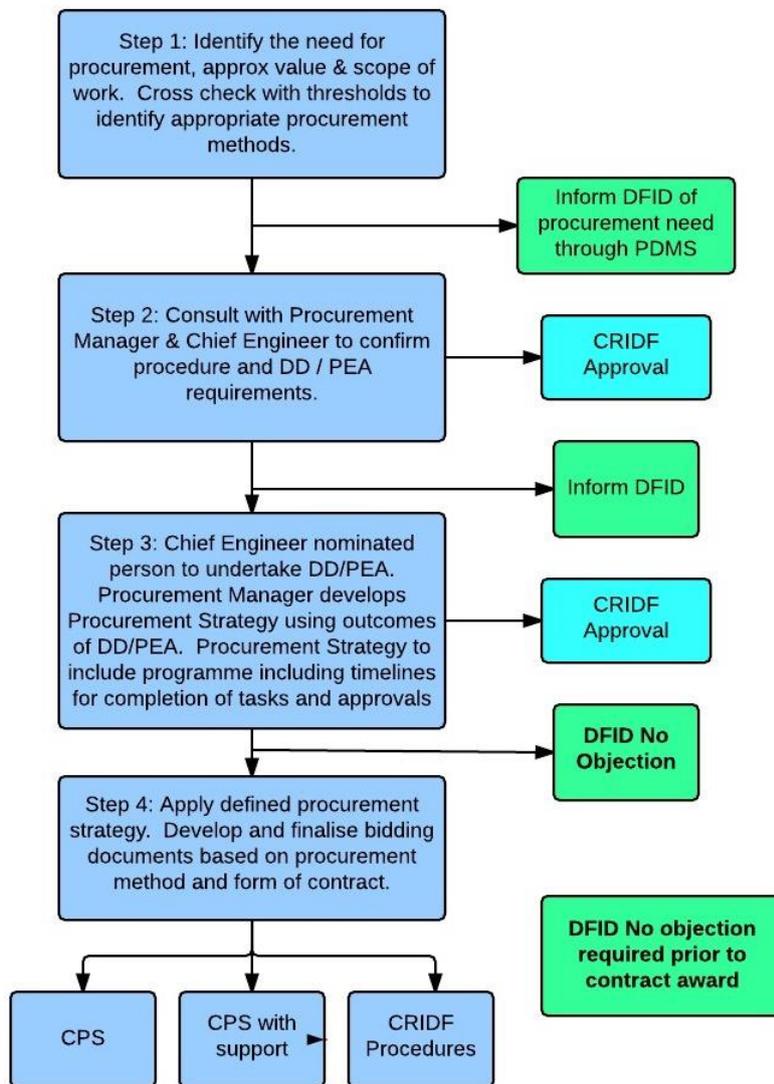
2.4 Procurement Process

This section sets out the general procurement process for the procurement of goods and works relating to the delivery of CRIDF infrastructure projects. Procurement will be undertaken in accordance with this a procurement strategy developed in compliance with this document, country legislation and the procedures embedded in the adopted form of contract for a project.

2.4.1 Goods and Works

Figure 5 shows the high level steps in the overall procurement process:

Figure 5 Overall Procurement Process



2.4.2 Procurement Strategy

The DD and PEA informs the development of the procurement strategy for a project. The Procurement Manager will develop a procurement strategy for each project, drawing on technical and other project information inputs from the portfolio leads. The purpose of the procurement strategy is to set out the strategy for a particular project, confirm the form of contract, highlight specific risks and mitigation, programme and planning. It will nominate persons to undertake key roles in the procurement process and outline the tendering procedure / timelines in line with this document. Once the procurement strategy is agreed the tender preparation can commence. The procurement strategy will be checked and approved by the Chief Engineer and Principal Programme Manager. Unless this is a repeat of similar works for similar beneficiary(ies) in the same country, a DFID no-objection must be secured.

2.5 Procurement Procedures

2.5.1 Shopping Procedure

A written or verbal offer for goods shall be obtained. This is suitable for low value items as set out in Table 3.

2.5.2 Quotation Procedure

This may be used for low value procurements as set out in Table 3. A minimum of three written or verbal offers will be obtained, followed up with a written offer from the lowest.

2.5.3 Constrained Quotation Procedure

Offers will be obtained from more than three companies using a brief scope of work. The procurement document preparation process is as in Figure 7. In this situation, tenderers should be given at least three working days to respond for a simple scope. The acceptable timelines for tender returns will be determined by the Procurement Manager based on the project complexity. The responsibilities under this process are summarised below:

- Preparation of Procurement Documents: Procurement Manager (Portfolio Lead to provide procurement manager with technical inputs, e.g. specification, scope, drawings or sketches and 'Employer' information);
- Review and Approval of Procurement Documents: Chief Engineer;
- Approval of Budgets: Finance Director;
- Issue of invitation to provide quotation: Procurement Manager or Implementing Agent (depending on specific contracting mechanisms being used on a particular project);
- Evaluation: at least 2 people will evaluate based on financial offer and technical offer and draft evaluation recommendation for submission to Chief Engineer.

2.5.4 Qualified Procedure

This is a 2 stage process. The PQQ process will result in a minimum of 6 and a maximum of 10. Submissions will be evaluated against the criteria set out in the invitation to submit. The tender documents will then be issued to shortlisted companies and the standard tender process followed (Figure 7). In the case where CPS is used, a beneficiary entity shortlist of bidders may be used. In such a case, the number of tenderers shall generally not be less than 5.

2.5.5 Open Tender

Refer to Figure 7 for an outline of this process.

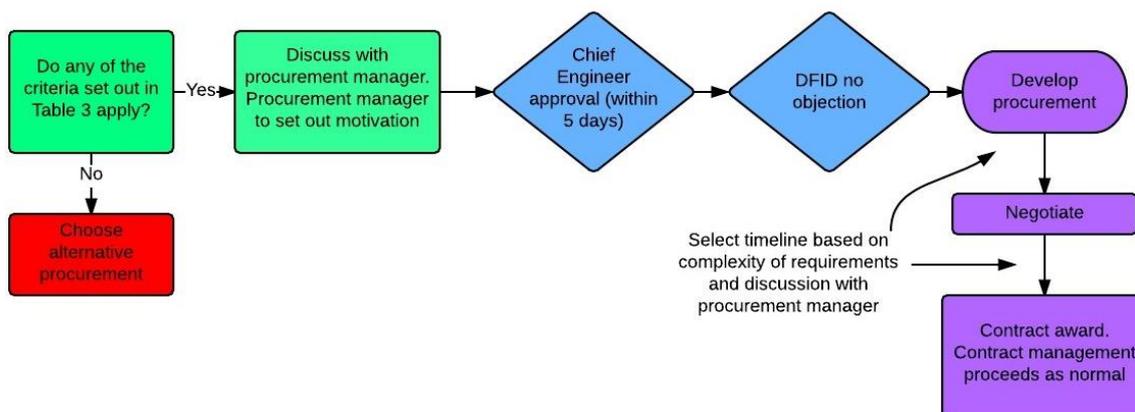
2.5.6 Nominated Procedure (Applies generally to CPS procurement only)

As noted in Table 3, this procedure is unlikely to be used by CRIDF unless it included as an option under a CPS. This process may differ in accordance with country specific procedures and so a diagram is not included.

2.5.7 Negotiated Procedure (can apply to CPS or CRIDF Procurement)

Figure 6 outlines the process and approval points required when using this procedure. See also Table 3:

Figure 6 **Negotiated Procedure Overview**



The preparation of the procurement documents will proceed as normal and this will serve as the basis for negotiation with the contractor. The Chief Engineer shall appoint a team of two people to develop the documentation and negotiate the contract. The timeline will be set by the procurement manager and depending on the complexity, a minimum of 1 week will be provided for response, this will be extended if the project complexity dictates. This decision will be taken by the Procurement Manager and approved by the Chief Engineer. Minutes of the negotiations meeting will be recorded on file, along with the approval and reason for using the procedure. DFID no objection is required before adopting this method.

2.5.8 Unsolicited Proposals

In the unlikely event that an unsolicited proposal is received, it should be forwarded to the Procurement Manager for review and action. It is not CRIDF policy to accept unsolicited proposals.

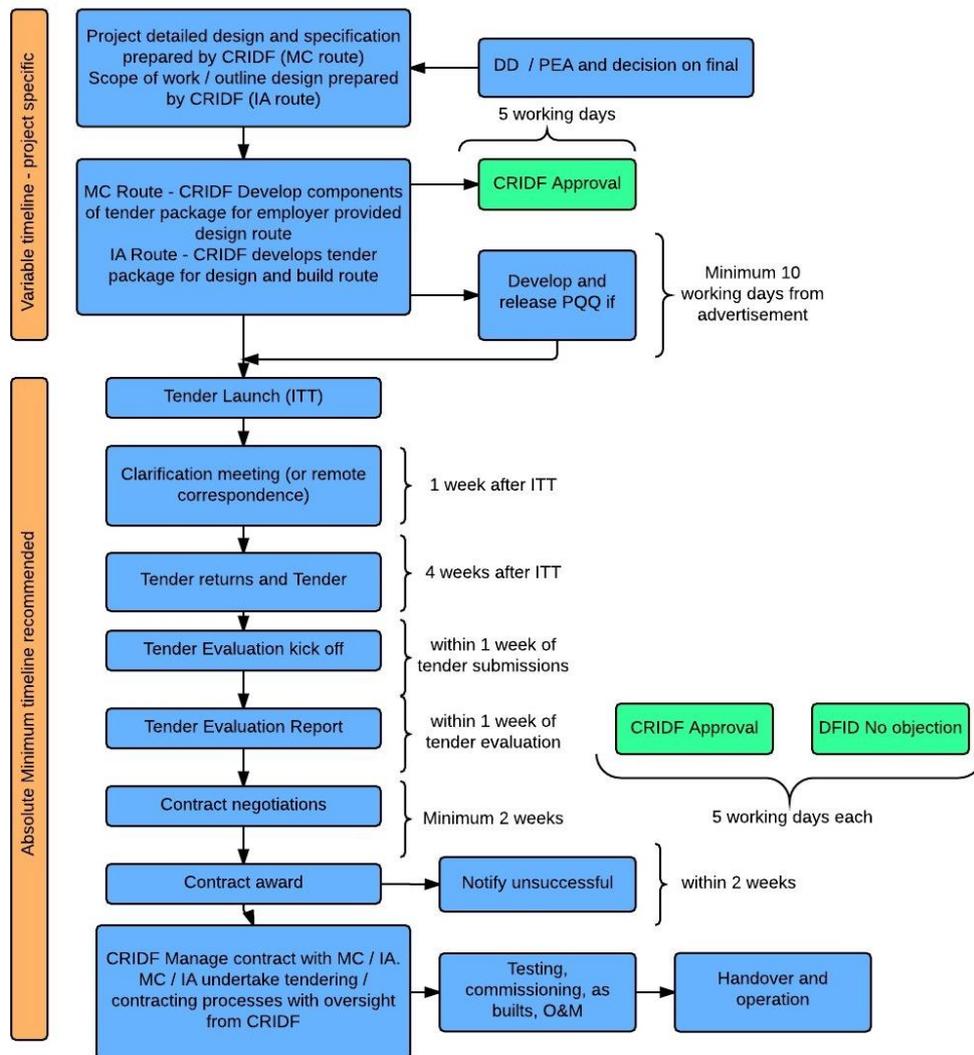
2.6 Procurement Document Development - General

Once the procurement strategy has been approved, the development of procurement documents can proceed. Procurement documents shall be developed in accordance with CRIDF templates and all procurement documents and communications shall be in English. The CRIDF Procurement Manager will provide templates.

CRIDF will generally use a single stage open tender process; however on some larger projects a 2-stage process may be required, involving a PQQ as an initial stage prior to the tender stage. This policy therefore covers the full 2-stage process.

The Figure 7 outlines the process and the absolute minimum timelines.

Figure 7 Tender Process



2.6.1 Procurement Document Development – PQQ Stage

This stage may be adopted where many (greater than 10-15) tender responses are anticipated and there is a requirement to ensure that only companies fulfilling certain credentials are allowed to bid. The aim is to establish a list of capable companies. On CRIDF projects, no more than 6 companies should generally be prequalified. As noted previously, this stage is unlikely to be required on the majority of CRIDF projects.

The PQQ documents should provide a brief overview of the project, tender procedure and qualifying criteria.

The PQQ procedure should be based on a simple questionnaire to maintain consistency and ensure that responses are easy to review. The FIDIC standard pre-qualification form can be adapted for use on CRIDF projects. A minimum of 14 days should be allowed for responses.

2.6.2 Issue / Submission of PQQ Documents

Advertisements for tenders or PQQs shall be prepared by the Procurement Manager, and submitted to the Chief Engineer and Principal Programme Manager for review prior to placing. Advertisements should be published in English in a newspaper in the country, or other agreed media and contain the following:

- the tender, project or contract reference number, title of project;
- brief description of the requirements;
- brief description of eligibility criteria, if any;
- closing date, place and time for submission;
- time and place for collecting procurement documents (or if these are to be issued by email).

Responses will be acknowledged by Procurement Manager or Implementing Agent. Procurement documents shall be issued free of charge.

2.6.3 Evaluation of PQQ Applications

The evaluation of a PQQ should determine the following:

- Structure and organisation of company;
- Experience in type of work and location of project;
- Resources, management and technical staff;
- Quality assurance procedures and other policies such as health and safety;
- Sub –contracting arrangements;
- Financial standing;
- Overall suitability;
- Any history of litigation or arbitration.

The evaluation should be made on the basis of the response received and will be completed by a team of 3 (as nominated in the Procurement Strategy with at least one technical team member). A short evaluation report will be prepared using CRIDF format (approx. 2 pages). Once completed by the team, this report will

be sent to the Chief Engineer and Principal Programme Manager for approval before submitting to DFID for their no objection.

2.6.4 Shortlisting

Once Chief Engineer approval is received, CRIDF can formally shortlist companies.

When the shortlist has been prepared, successful participants will be notified in writing and asked to confirm their intention to submit. If a potential tenderer does not wish to participate the next best should be invited to join. The shortlisted tenderers should be provided with final list and be informed when the procurement documents will be issued.

2.6.5 Procurement Document Development (Tender Document Development)

Where a CPS is used, the procurement regime of that country will be followed. If the drafters of the procurement documentation require support or assistance, then the CRIDF templates and procedures can be used as required and appropriate. The Procurement Manager will provide support in the use of the CPS and assistance on the drafting of procurement documentation if required.

In the situation where CRIDF is delivering through an MC / IA, CRIDF will undertake procurement of the MC or IA using the procedures set out herein. In this case, CRIDF will develop the tender documents and contract documents for this procurement in the manner outlined in Figure 7. The MC and IA will be responsible for preparing procurement documents for their sub-contractors using CRIDF approved templates (with CRIDF support if necessary). The MC and IA must follow this CRIDF procurement policy in preparation of their procurement documents for sub-contracts and these will be subject to CRIDF. The IA / MC will provide the Chief Engineer with draft procurement documents prepared. The Chief Engineer and Procurement Manager will review these to check compliance with CRIDF procurement policy and provide their no objection prior to launch of tenders for sub-contractors. The Finance Director will approve and confirm budgets are in place prior to tender launch. The development of procurement documents will take account of the chosen strategy, e.g. employer design or design and build.

The Chief Engineer will retain oversight of the production of tender documents. The Procurement Manager will have responsibility for preparation and collation of tender documents. The Portfolio Lead will provide drawings, scope, specification and any specific conditions of contract that are required to fulfil the technical requirements. Where CRIDF are handing over the implementation to a management contractor, the management contractor will prepare the documentation (with the necessary support from CRIDF procurement manager). The level of support and approach required will be determined through due diligence assessments and will be defined in the procurement strategy for the project. The final package will then be submitted to the Chief Engineer for approval through the same CRIDF approval process. The procurement strategy should outline the programme assigned for preparation and approval based on the project complexity.

On completion, the tender package shall be submitted to the Chief Engineer, Principal Programme Manager and Finance Director for CRIDF approval. This team will confirm that the documents are prepared in line with the procurement strategy, evaluation criteria chosen is appropriate and included, the selected form of contract

is as agreed and forms are all completed, approval for additional clauses / variations to the standard clauses and that the scope of work adequately describes the requirements. The Chief Engineer will undertake the overall approval of the documentation with the Finance Director inputting on financial aspects and the Principal Programme Manager providing oversight to the approvals and providing final sign off.

Once CRIDF approval has been secured, the package will be submitted to DFID for their “no objection”.

The tender package shall include:

- Letter of invitation to tender; (will not form part of the contract): This should include the tender reference, title, list of documents included, receipt form to be returned by tenderers, date and place of tender submission and opening. The letter will be short and should only include essential information.
- Instructions to tenderers; (will not form part of the contract): This will differ for each project. This document will convey instructions to tenderers. Adequate time should be allowed for the tender returns allowing for the size and complexity of the project. Refer to Figure 7 for minimum timelines. Other aspects to be considered and included here include: procedure for returning tenders – email or in tender box. State that all costs of preparation are to be borne by the tenderers. It should also be stated that a tender will be rejected unless it is substantially responsive Modifications allowed up to date of submission. A statement should also be included to indicate whether or not alternative tenders are acceptable. The financing arrangements should also be set out and instructions for currencies to be used in the tender preparation. This should usually be the currency of the country where the works are being undertaken with a stated rate of exchange to USD that will apply. These will be the rates quoted by the local central bank 28 days prior to tender submission deadline. The evaluation criteria for selection should be included and any specific restrictions on timeline etc. Details of pre-tender site visits to be held should also be defined.
- Tender form and appendices;
- Conditions of Contract (General Conditions, Particular / Specific Conditions, Agreement Form and Tender Form). Any requirements for guarantees and performance bonds shall be specified, validity, arrangements for release; limited modifications of general conditions will be allowed as the conditions in their general form allow for sharing of risk between parties in a fair manner. Contract data outlining return date, location.
- Specification. This will define the complete scope and technical requirements. Consideration should be given to the inclusion of any training requirements, for contractor or beneficiaries. The quality and materials to be used will be clearly set out and requirements for quality assurance and health, safety and environmental aspects to be observed during construction. It is also important here to specify any contractor-designed elements (other than the usual temporary works). Any suppliers of equipment stipulated by the employer should also be covered as well as any restrictions on access or use of the site. The specification should follow

international standards where possible. Only relevant items should be included in the specification;

- Drawings. These should provide sufficient detail to allow an accurate response to be developed. It is good practice to list the drawings in the specification and make reference to important sections. Where possible specification items should be included on drawings using the specification for items where this is not possible – this will assist contractors in this type of environment to understand the scope more easily;
- Bill of quantities or activity schedule prices (depending on pricing strategy): the template should provide sufficient detail to allow the contractor to relate this to the drawings.
- Information data;
- List of additional information required from tenderers: the requirements for this will be determined by the Procurement Manager based on the project complexity, scope of work – programme, details of key staff, list of equipment proposed, breakdown of prices, tender programme, tenderers' proposed organisation for the project. Items which form part of the evaluation and which items are to be incorporated into the contract will be clearly stated in the information.

The above shall be prepared using CRIDF standard templates. In addition, an advertisement shall be prepared. If a 2 stage process is being followed, it is important to ensure consistency between the PQQ and Tender documents.

The timeline for preparation of the tender package will be project specific and should be defined based on project requirements in the PDMP and as outlined in the Procurement Strategy.

A list of requirements that should be included in the Instructions to Tenderers is included below:

- Language;
- Number of copies to be returned;
- Which documents require completion and where signatures are required;
- Requirement for power of attorney;
- Any special taxation rules;
- Validity period of tender;
- List of documents that must be provided with response;
- Procedure for addenda to tender documents;
- Procedure for dealing with clarifications;
- Instructions for packing, labelling etc.;
- Confidentiality;
- Procedure for return of tender documents if tenderers are unsuccessful;

- Procedures for dealing with extension of time;
- Arrangements for opening of tenders;
- Procedures for dealing with arithmetical errors found during evaluation;
- Rules for disqualification (late submissions, deviations and incomplete submissions).
- Evaluation criteria;
- Any additional information on tendering process.

Additional requirements regarding the preparation of procurement documents are outlined in subsequent sections:

2.6.5.1 Health and Safety

CRIDF shall not appoint a contractor to provide works or service contracts who cannot demonstrate an ability to manage occupational health & safety risks. This will be demonstrated at tender submission through the inclusion of project health and safety plan/ management arrangements. The detail of submission requirement on each project will be agreed with the Procurement Manager based on the scope of work.

In recognition of the environment that CRIDF works, it is anticipated that mentoring may be required either by CRIDF or implementing agent on health and safety matters. This will be built into the contract management if appropriate.

Where a contractor is providing design services (either through design and build, management contractor arrangements) the procurement documents should specify the contractor's health and safety responsibilities and inputs, risk mitigations associated with their designs.

2.6.5.2 Bonds and Guarantees

CRIDF will always prefer guarantees rather than bonds. The use of bonds shall be discouraged, only to be used with specific approval of the Chief Engineer. The figure will be defined by the Procurement Manager and Chief Engineer, ranging from 5 to 15 % of the contract value, excluding VAT, and will generally be fixed at original contract value. Bonds, which guarantee performance with a stated financial benefit in the event of non-performance, will not be used in professional service and supply contracts.

Advance payment may only be made to contractors against the lodging of an advance payment guarantee. Permission to provide an advance payment shall be obtained from the Principal Programme Manager and Chief Engineer prior to making such provisions in a contract. DFID's no objection will also be required. At present, it is not anticipated that CRIDF will use advance payments, however, provision is included in this policy in the event it is required.

The requirements for guarantees should be carefully balanced against the ability of local contractors to obtain such facilities.

2.6.5.3 Retention

Retentions held shall not exceed 10% of any amount due to a contractor. The total amount of retention held at beneficiary takeover shall not exceed 5% of the contract or work package price.

2.6.5.4 Delay Damages

Delay damages will not exceed a reasonable pre-estimate of the damage which CRIDF might suffer as a result of the contractor's failure to complete the works on time. The level will be set by the Procurement Manager in developing the procurement documents taking account of the project circumstances. The damages should generally not exceed 10% of the Contract Value.

2.6.5.6 Price Adjustments for Inflation

Price adjustment for inflation will not generally be used on CRIDF contracts as they will be sufficiently short duration. However, in the event that a contract with an implementing agent requires this, it shall be based on appropriate indices published centrally by the country where the project is being implemented, due regard being had to the currency of the project. The base date for indices will be set in the month during which the closing date for tenders occurs.

Major material price components in a construction contract may be increased or decreased by the net amount of any documented variation incurred after the base date on the basis set out in the contract data provided by the contractor.

2.6.5.7 Insurance

Levels of insurance cover will be determined on a country specific and project-by-project basis, however they will not be less than the values identified in Table 4. Insurances will be contractor controlled and set out in the procurement documents. In all cases, the Project Lead shall ensure the cover is no less than amounts in force, legally or as norm, in the project country.

The insurance cover in construction contracts for loss of or damage to property (except the works, plant and materials and equipment) and liability for bodily injury to or death of a person (not an employee of the contractor) caused by activity in connection with a contract shall in general not be less than the value stated in Table 4. Lateral earth support insurance in addition to such insurance shall be taken out when required.

Values for insurance cover in professional services and service contracts for damage to property or death or bodily injury to employees of the contractor arising from their employment in connection with a contract shall not be less than the value stated in Table 4 for any one event.

Professional service appointments will be subject to proof of current professional indemnity insurance being submitted by the consultancy firm. The minimum amounts are stated in Table 4 in respect of each claim, without limit to the number of claims.

CRIDF (Adam Smith International) shall take out professional indemnity insurance cover where necessary.

Table 4 **Minimum insurance cover**

Type of insurance	Value
Engineering and construction contracts - loss of or damage to property (except the works, plant and materials and equipment) and liability for bodily injury to or death of a person (not an employee of the contractor) caused by activity in connection with a contract <i>Third Party Liability</i>	Not less than 80,000 USD
Professional services and service contracts - death of or bodily injury to employees of the service provider arising out of and in the course of their employment in connection with a contract or damage to property	Not less than USD 0.16 million
Professional indemnity insurance required by service firms: for Geotechnical, civil, structural, electrical, mechanical engineering	475,000 USD
Construction Works Insurance <i>Contractors All Risks</i>	To the Contract Value

Special risk insurance (riot, commotion, war etc.) does not exist in all of the countries where CRIDF works. If this is deemed to be required at any point an appropriate cover will be sourced based on the ability to obtain.

2.6.5.8 Disposals

Disposal of assets is unlikely to be required on CRIDF due to the nature of the projects. In the event a disposal is required, the Procurement Manager will refer to ISO standards and follow the process set out therein.

2.6.5.9 Intellectual Property Rights

CRIDF shall own the rights over the materials prepared by a contractor in relation to a contract.

2.6.5.10 Disputes

Disputes arising during the performance of a contract may be referred to an adjudicator appointed as set out in the contract data. Adjudication may only commence after consultation with and approval of the Chief Engineer and Principal Programme Manager, taking into account timescales in the contract.

Disputes raised by a contractor shall be referred by the Contract Manager to the Procurement Manager and Chief Engineer in the first instance to obtain advice on how to respond within the time period.

Disputes may finally be resolved by arbitration or in a court of law as provided for in the contract.

2.6.5.11 Standard Forms of Contract

CRIDF prefers not to sign contracts directly with construction contractors where possible. CRIDF will always seek to have the “owner” sign as the Employer in CRIDF model of procurement. In this case CRIDF will be both the Financier and Procurement Agent, even though these functions are separate. The PLA and FA for a project will spell out these arrangements for each project.

The standard forms of contract for use on CRIDF projects will generally be the FIDIC forms. FIDIC is preferred, with NEC being used where contractor capacity is proven. CRIDF has purchased these for use in the PMU, held by the Procurement Manager. The form of contract will be selected based on the method of procurement.

Where CRIDF retains the design responsibility (employer design), a MC will be engaged following this Procurement Policy. Where it is preferred that design and build responsibility is transferred to the contractor, then an IA is engaged, again following CRIDF Procurement Policy.

Where the MC / IA route is adopted the contract will be confirmed on a case by case basis.

For Management Contractor / Implementing Agent Appointment one of the following will generally be adopted:

- NEC Option F, Management Contractor
- FIDIC Silver Book, 1999 (EPC, Turnkey)
- FIDIC Green Book, 1999 (Short Form) (can be used on employer design or design & build)
- Framework Contract

CRIDF may advise a management contractor or implementing agent on which contracts to use for his sub-contractors (e.g. FIDIC Green Book, NEC3 Short Form), but as risk is being transferred this will be the MC / IA's final decision. CRIDF will prefer MC / IA to engage construction contractors using FIDC Green Book where possible. The FIDIC Green Book, 1999 can be used for a contract value of up to £0.5m. Where the value of the works exceeds £0.5m the Procurement Manager should be consulted to check suitability for the specific situation.

FIDIC Red Book, 1999 (may be used occasionally, but most likely to be used under CPS rather than CRIDF procurement policy).

In CRIDF's case, the engagement of an IA (or MC in some cases) will be through Framework Contracts, i.e. zero value main contracts with package orders (aka task orders) constituting priced draw down contracts for defined scope of services, goods or works. These draw down contracts maybe based on short forms for service or works contracts, or bespoke framework contracts.

In both MC and IA cases, separation of material supply, labour only, plant hire and other service contracts are preferred to ensure value for money. 'Supply and fix" contracts are not preferred. This promotes CRIDF's secondary objectives of poverty alleviation and capacity building through employment of locals.

The use of other standard forms of contract will require approval from the Procurement Manager and Chief Engineer. In all cases the form of contract proposed for a project shall be set out in the procurement strategy and approved through that.

Standard forms of contract shall be used with minimal specific conditions to meet the needs of a project. Specific conditions or variations to the standard clauses will be made by the Procurement Manager and approved by the Chief Engineer during procurement document development.

It is important that specifications and contract documentation is developed with the ability of the contractor base in mind.

2.6.5.12 Sub-contracting

Sub-contracting will be allowed. CRIDF prefers MC / IA to sub contract on the basis of separated labour only, material supply, plant hire contracts to promote value for money.

2.6.5.13 Inspection and Testing Requirements

Procurement documents shall include requirements for:

- A quality management system or quality management plan;
- Nature of any tests and inspections required and timing;
- Where testing is to be performed;
- Who is responsible for the testing;
- The objectives of the tests / inspections and the testing procedures to be applied.

2.6.5.14 Provisional Sums

Provisional sums should be avoided. Where unavoidable, estimates of the likely costs may be included in the contract to cover work or services to be performed.

2.6.5.15 Payment Schedules

CRIDF shall agree a fair payment schedule for contracts in recognition that smaller contractors may incur cash flow difficulties with payment schedules which are back loaded. This will be balanced against the risks of the project and delivery. In some cases there may be opportunities to include smaller interim payments based on work done to further assist with short term cash flow.

2.6.5.16 Training

CRIDF shall consider the opportunities for mentoring and training of contractors / beneficiaries on a particular project and make this a contractual requirement if deemed beneficial.

2.7 Tender Process

2.7.1 Issue of Tender Documents / Advertisement

Once CRIDF approvals and DFID no objection is in place the tender launch can take place.

Advertisements will be published in English in a suitable newspaper in the country, notice board or other media at launch of ITT. The person responsible for placing the advert will be defined in the procurement strategy, based on the implementation method, it will generally be the Procurement Manager. Advertisements will be prepared by the Procurement Manager, and submitted to the Chief Engineer and

Principal Programme Manager for review, together with the completed tender documentation. The advert will include:

- Project title and reference number;
- Brief description of the goods, services or works required;
- Closing date, place and time for submission;
- Time and place for collecting procurement documents, or date of issue by email.

Procurement documents shall be issued free of charge to tenderers through the CRIDF partner representatives in each country and / or DFID representative office in the country. A register shall be kept by the Procurement Manager recording the names and contact details of those who obtained or were sent procurement documents. Procurement documentation shall be prepared electronically, and the final document will be compiled into PDF format. Procurement documents will mainly be issued by email. Where documents are not distributed by CRIDF directly, the implementing agent will be required to maintain a record and submit to the Procurement Manager for audit purposes.

2.7.2 Clarification Stage

The procurement strategy shall set out the method for dealing with clarifications based on the complexity of the project. This may either be through clarification meeting, or through email correspondence.

Clarification meetings are preferred for works contracts. This is important in the environment which CRIDF works to ensure understanding of the documentation and explain and answer questions that the tenderers may have on the tender documents or procurement process, helping to ensure that compliant tenders/responses are received. The clarification meeting should include a short presentation on the project by a technical team member, outlining the project, procurement process and expectations in implementation of the contract, followed by a question and answer session. Minutes will be drafted and distributed by CRIDF or the implementing agent. The Procurement Manager will chair the meetings and take minutes and be responsible for managing and undertaking the clarification process. Where it is decided not to hold a clarification meeting (i.e. due to the scope of work being small or straightforward) clarification by email will be used.

All requests for clarification shall be consolidated and answers provided to all tenderers via email simultaneously. Where queries result in the issuing of a clarification that makes significant changes to the documentation e.g. the amending of clauses, an extension of the tender period should be considered. The Procurement Manager will take the decision on any extension.

Any complaints regarding the procurement system shall be made in writing and addressed to the Procurement Manager. The Procurement Manager shall investigate all complaints regarding the procurement system and proposed actions to be taken to the Chief Engineer who will approve the decision.

A register of tender addenda issued will be kept by the Procurement Manager.

2.7.3 Tender Returns / Opening

Tenders shall close at a defined location as outlined in the procurement documents. A labelled tender box with 2 locks shall be made available to receive all submissions. Tenders will be received through the CRIDF partner representatives in each country.

It is the responsibility of the tenderer to ensure that the tenders are delivered by the submission date and time. It is CRIDF policy that tenders should be returned in sealed envelopes with name to allow identification. Envelopes should read "Tender Document – To remain sealed until official opening". The returned documents should be marked with the date and time received and kept secure until the opening. For tenderers that deliver by hand, a receipt should be provided with the date and time of delivery. Any tenders received after the deadline should be returned unopened with a letter stating the time and date of receipt. This process will be coordinated and completed by the nominated tender opening panel consisting of two persons unconnected with the procurement process as nominated in the procurement strategy. The opening panel will be appointed based on the location for the return of tenders. The tender opening will take place on the same day as tender returns.

The official opening will be undertaken in a restricted manner, inviting those tenderers that wish to be present, DFID and CRIDF representatives will also be present as required.

Submissions shall be safeguarded from the time of receipt until the conclusion of the procurement process. Tender opening and evaluation will be undertaken in the place of tender document return. The Procurement Manager and necessary technical staff will travel for these meetings.

Any submission that is received after the closing date and time shall be treated as a late submission regardless of the date and time of posting or the time of email.

2.7.4 Tender Evaluation

The PDMS will be used to inform DFID of upcoming tender evaluations (at least 5 working days before commencement). DFID may nominate a staff member to observe the process.

The tender evaluation panel will consist of a minimum of 5 people and the process shall be conducted confidentially. This group will meet to evaluate submissions where these are above the threshold for quotations. The membership of the evaluation panel shall comprise a minimum of the following:

1. The Procurement Manager, who shall provide oversight to the process.
2. A member of the Design Team
3. A member representing the Beneficiary entity
4. Two non-voting members, one to be Chair and the other secretary.
5. DFID may have an observer in any evaluation panel at their election.

At the outset of the tender evaluation meeting the team will confirm the following:

- Confirm no conflict of interest, or declare an interest;

- Evaluate submissions in accordance with the procurement documents and CRIDF templates;
- Confirm that tenderers are not eligible for participation.

Communications with tenderers during the procurement process (to obtain clarifications) will be made in writing and controlled through the Procurement Manager (or managing contractor in situations where they manage the process).

The tender evaluation team will score technical submissions in accordance with CRIDF templates. The marking should include notes to substantiate the scoring. These can be scored individually, averaged, or collectively amongst the team. Evaluations will be undertaken based on material requested in the submissions only. Evaluation documents should be retained on the project files as an audit trail for the process. The tender evaluation team shall prepare an evaluation report in the CRIDF template. Once checked by the Procurement Manager it shall be submitted to the Chief Engineer for approval. All submissions and any information provided with a submission shall be kept confidential at all times and shall not be copied unless copies are required for evaluation purposes. The tender evaluation will follow World Bank procedures, based on four essential pillars: post qualification, substantial responsiveness, technical compliance and finally, price. It is CRIDF policy to award the contract to the tender evaluated as delivering best value.

2.7.5 Tender Evaluation Report Approval

The Chief Engineer, Technical Director, Principal Programme Manager and Finance Director constitute the CRIDF Procurement Committee, with the Procurement Manager as Secretary. The Procurement Committee shall give a final decision on the tender evaluation report within 5 days of submission. This team will review the recommendations set out, verify that the correct process has been followed, confirm the validity of the recommendations, confirm that financing is in place and review risks. If there are substantial comments the report will be fed back to the tender evaluation team for update and resubmission. The tender evaluation report approval will be completed through SharePoint.

2.7.6 Contract Negotiations

It may be necessary to undertake contract negotiations to deal with minor elements in the tender response prior to award. This should take place through face to face meeting, CRIDF Principal Programme Manager, Procurement Manager and Chief Engineer will attend. Following this, CRIDF should issue a letter of acceptance to the tenderer.

Where contract negotiations fail, discussions should be entered with the second ranked tenderer. Issue of the letter of acceptance will constitute the formation of the contract, subject to any conditions set out in that letter. If it is not possible to issue the formal letter of acceptance to the tenderer immediately, a letter of intent may be issued in the meantime.

It will generally be a requirement that the contractor provides a performance guarantee. This must be provided prior to the expiry of the tender validity. If a contractor fails to produce the necessary performance security then CRIDF can revert to the second ranked tenderer and enter negotiations.

2.7.7 Contract Award

CRIDF will prepare the contract agreement including the following. The Chief Engineer and Principal Programme Manager shall review the agreement prior to signature.

- Letter of acceptance;
- Letter of intent (if applicable);
- Post –tender correspondence
- Tender;
- Conditions of Contract (General and Special);
- Specification (General and Special);
- Drawings;
- Bill of Quantities / Activity schedule / Pricing document
- Any other documents that are intended to form part of the contract.

The Procurement Manager shall prepare drafts of letters to unsuccessful tenderers to notify them of outcome and thank them for their interest using the CRIDF template.

The original signed copy of the contract shall be retained in the CRIDF PMU. An electronic copy of the signed contract shall be kept by the Procurement Manager who will ensure that the hard copy and electronic copy are filed. The Procurement Manager shall maintain a record of the essential contract data in CRIDF files. Tenderers may be debriefed (in writing) if they request a debriefing in writing.

2.7.8 Contract Management

Day to day communication between CRIDF and a contractor shall be in accordance with the contract. The Contract will nominate a contract manager with appropriate experience to undertake the role. The contract manager (aka Resident Engineer or Project Manager) is responsible for administering the contract and will interact with the Procurement Manager to obtain CRIDF approvals for any variations, submit progress reports etc. The Procurement Manager shall obtain and store the original insurance and guarantee/bond certificates.

2.7.9 Record Keeping

All original documents generated during the contract should be retained in hard copy format and will be transferred to CRIDF on completion. All original submission documents shall be stored until the expiry of Defects Liability Period of the contract. The original signed contract document shall be stored physically by ASI for 15 years after the final completion of the contract, and will be filed electronically using CRIDF SharePoint system.

The quarterly updated PDMS will be kept as a record of procurement and implementation progress for CRIDF.

2.7.10 Appointment of Implementing Agent / Management Contractor

An IA / MC may be appointed to procure works on behalf of CRIDF. In this situation CRIDF will run the CRIDF tender process to appoint the implementing agent for a period of time. The Implementing agent will be required to run tender processes (using CRIDF procedures) for works that he contracts. CRIDF will provide oversight to the IA / MC tender process.

Table 5 **Activities & Approvals During Project Development and Procurement Process**

Ref	Sub-Activity	CRIDF Responsibility			DFID
		Developed by	Checked by	Approved by	DFID Approval
Activity 1: Identify what is to be procured and applicable procedures					
1.1	Scope and Value (DFID approved broad scope of work, estimated financial value and timing). Level of detail at this stage will depend on individual project.	Portfolio Team	Portfolio Team	Chief Eng / Tech. Director	
1.2	Discuss procurement requirement with Procurement Manager	Portfolio Team	N/A	N/A	
Activity 2: Conduct Due Diligence and PEA					
2.1	Complete DD and PEA assessment	Nominated by Chief Eng.	Chief Eng	Chief Eng / Snr Prog. Mgr	
Activity 3: Develop Procurement Strategy					
3.1	Develop and approve Procurement Strategy based on DD outcome – Include contracting strategy, pricing strategy, scope, value, programme (detailed procurement plan), secondary objectives to be met (inclusion of local labour etc), evaluation criteria. Use CRIDF template. This is done as part of Financial Closure	Procurement Manager	Chief Eng	Chief Eng / Tech Director / Snr Prog Mgr	DFID No objection
Activity 4: Prepare Procurement Documents					
4.1	Prepare procurement documents in line with Procurement Strategy Collate technical inputs from Portfolio Team Develop tender package Prepare advert	Procurement Manager (or Implementing Agent with support from Procurement Manager. This is determined by contracting strategy)	Chief Engineer	Chief Eng / Snr Prog Mgr	
4.2	In the case where implementing agent / MC prepares documentation the Procurement Manager will be involved in the review as an additional step.		Procurement Manager	Chief Eng / Principle Prog Mgr	
4.3	Confirm that budgets are in place prior to issue of procurement documents	Portfolio Team	Portfolio Team	CRIDF Finance Director	
Activity 5: Invite PQQ or Tender submissions					
5.1	Invite PQQ or Tender offers Advertise tenders or call for PQQ in media / invite contractors to make submissions and issue procurement documents	Procurement Manager	Chief Engineer	Snr Prog Mgr	

Ref	Sub-Activity	CRIDF Responsibility			DFID
		Developed by	Checked by	Approved by	DFID Approval
	Communicate with tenderers up until closing time for submissions through clarification stage (meeting or remote)	Procurement Manager	N/A	N/A	
	Clarification Meeting (set up, record minutes and attendance)	Procurement Manager	N/A	N/A	
Activity 6: Tender Evaluation / PQQ Evaluation					
6.1	Inform DFID of upcoming evaluation through PDMS	Procurement Manager	N/A	N/A	
6.2	Receive expressions of interest or tender offers (through paper submissions in tender box)	Nominated country representative - 2 persons nominated in the procurement strategy	N/A	N/A	
6.3	Open and register responses received	Procurement Manager & Nominated country representative - 2 persons nominated in the procurement strategy	Procurement Manager	N/A	
6.4	Evaluate PQQ / Evaluate Tender Responses Tender evaluation meeting: Are tenders complete Are tenders responsive Evaluate against CRIDF criteria Review risks	Minimum 3 person evaluation team as nominated in Procurement Strategy – “Employer” Rep, Procurement Manager and Technical team member must be on panel	N/A	N/A	
6.5	Prepare evaluation report on short-listing process (PQQ), Prepare tender evaluation report (tender)	Minimum 3 person evaluation team as nominated in Procurement Strategy “Employer” rep Procurement Manager and Technical team member must be on panel	Procurement Manager	Chief Eng / Snr Prog Mgr / Technical Director / Finance Director (Procurement Committee)	DFID No objection

Ref	Sub-Activity	CRIDF Responsibility			DFID	
		Developed by	Checked by	Approved by	DFID Approval	
6.6	If PQQ process is used, Invite tender offers from short-listed tenderers and repeat Activity 5	Invite tender offers from shortlisted tenderers	Procurement Manager or Implementing Agent (determined by contracting strategy)	N/A	N/A	
		Communicate with tenderers up until closing time for submissions	Procurement Manager	N/A	N/A	
Activity 7: Contract Award						
7.1	Compile contract document	Procurement Manager	Chief Engineer	Chief Eng / Principal Prog Mgr		
7.2	Approval to sign contract	N/A	N/A	Chief Engineer / Finance Director / Programme Director		
7.3	Contract signing and acceptance	N/A	N/A	See end of table		
7.4	Record contract award data	Procurement Manager	N/A	N/A		
7.5	Notify unsuccessful tenderers	Procurement Manager	N/A	N/A		
7.6	Update PDMS and keep track of performance issues / spend	Procurement Manager / Finance Director	Chief Engineer	Principal Prog. Mgr		
Activity 8: Manage Contract						
8.1	Administer contract and report to CRIDF.	Resident Engineer	N/A	N/A		
8.2	Capture contract completion data. Keep contract on files.	Resident Engineer, Procurement Manager / Finance Director	N/A	N/A		
8.3	Prepare reason and seek approval to levy or waive penalties or damages.	Resident Engineer, Contract Manager	Procurement Manager	Chief Engineer / Snr Prog. Mgr		
8.4	Prepare variations and obtain approval for variations which increase the total of price or the time for completion by more than 20%.	Contract Manager	Procurement Manager	Chief Engineer / Snr Prog. Mgr	Inform DFID	

Ref	Sub-Activity	CRIDF Responsibility			DFID
		Developed by	Checked by	Approved by	DFID Approval
8.5	Obtain approval to cancel or terminate a contract (dictated by the terms of the contract)	Resident Engineer (develops motivation)	Procurement Manager	Chief Engineer / Tech Director/ Snr Prog. Mgr	DFID No Objection
8.6	Obtain approval to amend a contract	Resident Engineer (prepares case in line with contract)	Procurement Manager	Chief Engineer / Snr Prog. Mgr	Inform DFID
8.7	Final Sign off (deal with any defective work, retentions)	Contract Manager	Procurement Manager	Chief Engineer	Inform DFID
	Award Contract	≥ GBP 100 000*		Signed by Programme Director	
	Award Contract	< GBP 100 000		Signed by Principal Programme Manager	

CRIDF 

