



TDEA Procurement Manual

Free and Fair Election Network (FAFEN) is a network of Pakistani civil society organizations, governed by the Trust for Democratic Education and Accountability (TDEA).

Contents

1.	Definition of procurement	5
2.	Procurement principles	5
2.1	Best value for money	5
2.2	Fairness, integrity, and transparency	5
2.3	Effective competition	6
2.4	Interest of TDEA.....	6
3.	Procurement authority.....	6
3.1	Delegation of authority.....	6
3.1.1	Levels of delegated authority	6
3.1.2	Responsibilities of the Procurement Authority	8
3.1.3	Authorizations of the Procurement Authority	8
4.	Accountability	8
5.	Segregation of duties	8
6.	Procurement ethics.....	9
6.1	Gifts and Hospitality.....	9
6.2	Ethical behavior of suppliers and supplier suspension	10
7.	Code of Conduct for Suppliers:	10
8.	Documentation of the procurement process	10
9.	Procurement planning and needs assessment.....	11
9.1	Requirement definition.....	12
9.1.1	Receipt of requisitions	12
9.1.2	Requirements.....	12
10.	Sourcing of suppliers	12
10.1	Market research.....	13
10.2	Advertisement of business opportunity	13
10.3	Request for Expression of Interest (EOI)	13
10.4	Advertisements in the case of open competitive processes	13
10.5	External sources	13
10.6	Internal sources.....	14
10.7	Pre-qualification	14
11.	Principles for supplier selection for short list.....	14
11.1	Approval of short list.....	15
12.	Solicitation methods.....	15
12.1	Selection of solicitation method.....	15
12.1.1	Petty Purchases (requirement below PKR 25,000)	15
12.1.2	Request for Quotation (RFQ - requirement above (PKR 25,000).....	15
12.1.3	Invitation to Bid (ITB - requirement equal or above PKR 100,000)	16
12.1.4	Request for Proposal (RFP - requirement above PKR 100,000)	16
13.	Long Term Agreements (LTAs).....	17
14.	Selecting the type of competition	17
14.1	Open local and national competition	17
14.2	Limited local and national competition	18
15.	Exceptions to the use of formal methods of solicitation.....	19
15.1	Exceptions.....	19
16.	Solicitation process.....	20
16.1	Preparation of solicitation documents	20
16.1	Types of solicitation documents.....	20
16.1.1	RFQ.....	21
16.1.2	ITB.....	21

16.1.3	RFP	21
16.2	Solicitation of offers in situations of direct contracting	21
16.3	Solicitation of offers against LTAs.....	21
17.	Approval and issuance of solicitation documents	21
17.1	Approval of solicitation documents	21
17.2	Distribution of solicitation documents.....	22
17.3	Conditions for the sale of solicitation documents	22
17.4	Confidentiality of the short list.....	22
17.5	Electronic tendering (e-tendering).....	22
18.	Tender Period.....	23
18.1	Queries from suppliers, pre-bid conference and site inspection	23
18.2	Amendments to solicitation documents	24
19.	Receipt and opening of offers.....	24
19.1	Receipt of offers	24
19.2	Opening of offers.....	25
19.3	Bid opening panel.....	25
19.3.1	Opening of quotations (RFQ – above 25,000).....	25
19.3.2	Opening of bids (ITB).....	25
19.4	The Comparative Statement template	26
19.5	Opening of proposals (RFP) and of two-envelope ITBs	26
19.6	Rejection of offers	26
19.7	Withdrawal of submissions	26
19.8	Modification of submissions.....	26
20.	Evaluation.....	27
20.1	Evaluation criteria	27
20.1.1	Formal criteria	27
20.1.2	Technical and qualification criteria	27
20.1.3	Financial criteria	28
20.2	Selection and Award.....	28
20.3	Evaluation Methodologies.....	28
20.4	Evaluation Process.....	29
20.4.1	Establishment of evaluation team	29
20.4.3	Preliminary examination	29
20.4.4	Technical evaluation.....	29
20.4.5	Price evaluation.....	30
20.4.6	Supplier qualification	30
20.4.7	Clarifications from suppliers.....	31
20.4.8	Complaints and representations	31
20.4.9	Indication of potential fraud.....	31
20.4.10	Identification of the winning offer.....	31
20.4.11	Negotiations.....	32
20.4.13	Comparative Statement Report.....	32
21.	Procurement review and award of contract	32
21.1	Award.....	32
22.	Contracting.....	33
22.1	Contract preparation	33
22.1.1	Contract negotiations with suppliers.....	33
22.1.2	Policy on advance payments	33
22.2	Contract Documents	34
22.2.1	Contract requirements	34

22.2.2	Technical specifications, TOR, SOW, BOQ and/or drawings.....	35
22.3	Signature, Issuance and Documentation	35
22.4	Types of Contractual instruments	35
22.4.1	Purchase order (PO)	35
22.4.1.2	Repeat Order.....	351
22.4.2	Long Term Agreements	36
22.4.3	Amendments to contracts and agreements.....	36
22.5	Protest procedures	36
22.6	Posting of Awarded Contracts	36
23.	Contract administration.....	36
23.1	Monitoring and control of contract performance	37
23.1.1	Inspections	38
23.1.2	Acceptance of the final product.....	38
23.1.3	Evaluation of supplier performance.....	38
23.1.4	Contract filing and documentation.....	38
23.2	Change management	39
23.2.1	Contract amendments	39
23.3	Remedies	39
23.4	Dispute resolution.....	40
23.5	Financial management and payments	40
23.5.1	Payments	40
23.5.2	Advance payments	40
23.5.3	Third party payments	40
23.5.4	Taxes	41
23.5.5	Performance securities	41
23.6	Contract completion and close out.....	41

Procurement Manual

TDEA, in its management of public funds, is expected to comply with regulations, rules and public procurement principles. Its clients expect the highest level of fairness, transparency, integrity, economy and effectiveness for all procurement activities. Indeed its services must be delivered with a high level of professionalism which justifies TDEA involvement and adds value to all stakeholders.

This Section points out the principles of TDEA's procurement. It outlines the applicable policies and procedures and also explains the responsibility and accountability of those involved in the procurement process, in relation to the overall procurement principles.

The aim of the Procurement Manual is to establish the TDEA's procurement procedures as well as provide instructions and further guidance for carrying out the procurement activities effectively and efficiently in compliance with TDEA's Financial Regulations and Rules and other applicable normative documents.

1. Definition of procurement

Procurement is a process of the acquisition of property, and/or equipment, goods, works or services through purchase, hire, lease, rental or exchange from any source other than the member organizations of the Free and Fair Election Network (FAFEN). Actions undertaken to carry out procurement are defined as **procurement activities**, which include all actions from planning and forecasting, identification of needs, sourcing and solicitation of offers, evaluation of offers, review and award of contracts, contracting and all phases of contract administration until delivery of the goods, the end of a contract, or the useful life of an asset. Procurement is about ensuring the goods or services get to the user at the right time, price, quality, quantity, and place.

The forms, protocols, or conditions that regulate the conduct of procurement activities are defined as **procurement modalities**.

A specified series of procurement activities, which have to be executed in the same manner in order to obtain the same result under the same circumstances, is thereby defined as **procurement procedures**.

The scope of procurement is limited to commercial activities, and does not include TDEA's agreements, grants and public private sector partnerships, which are subject to other relevant policies and procedures of the TDEA.

2. Procurement principles

TDEA adheres to the following principles in all its procurements and allied activities:

2.1 Best value for money

It is the trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria. Application of the 'best value for money' principle in the procurement process, means selection of the offer which presents the optimum combination of factors such as appropriate quality, service, life-cycle costs and other parameters to best meet the defined needs.

The above statement is not necessarily the same as selecting the lowest initial price option, but rather represents the best return on the investments, taking into consideration the evaluation criteria specified in the solicitation documents. It requires an integrated assessment of technical, commercial, organizational, and pricing factors in light of their relative importance. Social, environmental, and strategic objectives defined in the legal agreement with the client must also be taken into account.

The principle of best value for money is applied throughout the procurement process in order to attract the offer that most effectively meets the stated requirements of the end user.

2.2 Fairness, integrity, and transparency

To achieve best value for money the procurement process must guard against collusion and be conducted on the basis of clear and appropriate regulations, rules and procedures that are applied consistently to all potential suppliers. The manner in which the procurement process is carried out must give all internal and external stakeholders of the organization the assurance that the process is fair.

In order to give assurance of fair process, the organization and its personnel must first of all maintain fairness while carrying out the procurement process. TDEA defines Fairness for its procurement would be as the process that is "free from favoritism, self-interest, or preference in judgment". The process should be just, equitable, impartial, unprejudiced, unbiased, objective and dispassionate.

Another important principle necessary to guarantee best value for money is 'integrity'. This relates to soundness of moral character, having sense of honesty and truthfulness in regard to the motivations for personal and organizational behavior, adherence to commonly accepted moral and ethical principles, impartiality and incorruptibility, and avoiding any behavior that may be construed as 'sharp practice'.

The assurance of a fair process can be given to all interested parties through transparency, which means the unimpeded visibility and openness in all transactions. It ensures that all information on procurement policies, procedures, opportunities and processes are clearly defined and made known simultaneously to all interested parties.

A transparent system has clear rules and mechanisms to ensure compliance with those rules (unbiased specifications, objective evaluation criteria, standard solicitation documents, equal information to all parties, confidentiality of offers, etc.). Records are open, as appropriate, to inspection by auditors, unsuccessful suppliers can be briefed on the strengths and weaknesses of their own offers, contract information is disclosed publicly, etc.

2.3 Effective competition

Effective competition is best explained as a situation in which at least three independent contractors acting on their own (not in collusion) effectively compete for the same business opportunity and submit a responsive bid. TDEA fosters effective competition in all procurement processes as a means of ensuring fairness, integrity, transparency and achieving best value for money. Such competition is often referred to as the heart of public procurement.

2.4 Interest of TDEA

The definition of this principle is derived from the ultimate objective of the procurement, which is to add value to the organization in fulfilling their goals and objectives. Undertaking procurement in the interest of TDEA means carrying out procurement activities in the manner that best enables TDEA to reach the general and specific objectives of the project agreements in compliance with applicable procurement procedures.

3. Procurement authority

In accordance with the Trust Deed, the TDEA Board of Trustees has delegated the procurement authority to the Chief Executive Officer (CEO), who exercises overall oversight in respect of all TDEA procurement. The CEO has the authority to award and sign contracts on behalf of the organization and such authority is hereby defined as the Procurement Authority (PA).

3.1 Delegation of authority

'Delegation of Authority' is defined as the written statement of conditions, procedures, and terms that a TDEA personnel must follow in executing a delegated task. TDEA personnel who are in possession of a delegation of authority to perform authorized actions within specified monetary values and time frames are called authorized personnel. A delegate is a person in possession of a valid delegation of authority issued by authorized personnel.

The CEO may delegate the Procurement Authority (PA) to a number of individuals. The individuals who have been delegated the authority to conduct specific procurement transactions and award resulting contracts on the basis of certain conditions and depending on the value of the procurement activity become accountable for the actions and potentially liable for errors and misconduct when exercising such delegated authority.

The PA is delegated by the CEO to individuals and not to Units/Departments. Therefore, the individuals in acting capacity (e.g. Director, Project Heads, etc.) must be granted proper delegation of authority in order to be able to exercise this authority.

The authority of approval of TDEA's funds (Endowment, Reserve) will be with CEO and Direct Operations. The process of procurement will remain the same as defined in in this manual.

3.1.1 Levels of delegated authority

The levels of delegated authority for different types of procurement activities in TDEA are summarized in the below table.

Sr. No.	Procurement Activity	Thresholds		Approval Authority
1	Six Monthly Procurement Plan	For all procurements <ul style="list-style-type: none"> Project will submit the consolidated procurement plan for approval comprising all procurements following the procedure as under. The Procurement Plan will be on the needs raised by all units and must be in line with the approved budgets. Any requirement that is not covered by any budget must be specifically indicated with a justification. The Plan must be submitted to TDEA-Secretariat on the TDEA Prescribed Format before a month of the begging of procurements. 		Project Director/ Project Lead/ COP of Grade 4.5 or above
2	Requisition	Up to Rs. 25,000		Designated Manager (Grade 4)
		Up to Rs. 100,000		Project Director/ Project Lead/ COP of Grade 4.5 or above
		More than Rs. 100,000		Project Director/ Project Lead/ COP of Grade 4.5 or above
3	Amendment to Requisition (Prescribed Request Format)	Up to 100,000		Project Director/ Project Lead/ COP of Grade 4.5 or above
		More than 100,000		CEO or his designated staff of grade 4.5 or above
3	Sourcing of suppliers	Up to 1,000,000	Shortlisting through Open market (Existing vendor list, market research, internet), pre-qualification	
		More Than 1,000,000	Shortlisting through Open market (Existing vendor list, market research, internet), pre-qualification and Shortlisting through Advertisement for Business Opportunities, Internal Sources, External Sources, EOI	
4	Mode of Procurement	Up to Rs. 25,000	Petty Purchases (Open Market)	
		Up to Rs. 100,000	RFP/RFQ	
		More than 100,000	RFP/RFQ	
5	Preparation and issuance of Solicitation Documents	up to Rs. 1,000,000	To be prepared by Procurements Officer and Reviewed by Relevant Unit Manager	Project Director/ Project Lead/ COP of Grade 4.5 or above
	Any Amendments to the solicitation papers to be approved by the CEO	More than Rs. 1,000,000		CEO or his designated staff of grade 4.5 or above
6	Bid Receiving	All bids	Any designated official	Project Director/ Project Lead/ COP of Grade 4.5 or above

7	RFQ, RFP and ITB	TDEA-[Project] Procurement Committee	Up to Rs. 100,000	Opening, Evaluation	Designated by Project Lead/ COP (at least 2 staff member of Grade 3.5 & above 1 subject expert and procurement officer as non-voting member.)
8	RFQ, RFP and ITB	TDEA Procurement Committee	More Than Rs. 100,000	Opening, Evaluation	Designated at least 1 staff member from TDEA secretariat by CEO as the member of project procurement committee.
9	RFQ/RFP/ITB		Up to 100,000	Award	To be appointed by Project Director/ Project Lead/ COP of Grade 4.5 or above
			More than 100,000		CEO or his designated staff of grade 4.5 or above

3.1.2 Responsibilities of the Procurement Authority

The Procurement Authority (PA) is expected to exercise duties and responsibilities with utmost care, efficiency, impartiality and integrity. Prior to any commitment being made, the PA has to ensure that:

- 1) The procurement activity strictly complies with all TDEA policies and procedures, organizational directives, and administrative instructions or with the procurement procedures of TDEA donors or funding sources (when such procedures have been agreed to by TDEA through signature of the legal agreement between TDEA and the funding source).
- 2) Sufficient funds are available for the commitment.
- 3) Based on the information available at the time and documented in the procurement file, the procurement activity is in the best interest of TDEA.
- 4) All activities undertaken are reported as per the reporting requirements set-up to monitor the use of the Delegation of Authority.

3.1.3 Authorizations of the Procurement Authority

The Procurement Authority (PA) is authorized to perform the duties and responsibilities listed in Table 1 above, for all projects.

To uphold the principle of segregation of duties, the PA may not award contracts or purchase orders or amendments thereto in instances where he has been directly involved in the carrying out of the procurement process. In such cases, all contract documents, purchase orders, or amendments thereto, must be referred upwards to the next level of Procurement Authority for award. Notwithstanding the above, the PA may exercise the remaining delegated authorities (e.g. approve short lists, sign solicitation documents, etc. see Table 1 above) in instances where he has undertaken the procurement process. Further segregation should always be applied if feasible, see Section 3.1.1 below.

4. Accountability

All TDEA personnel are accountable to the CEO for the regularity of actions undertaken by them in the course of official duties. TDEA personnel involved in any action that is contrary to the TDEA policies and procedures, or to organizational directives, or administrative instructions, may be held personally responsible and financially liable for the consequences of such action.

When TDEA, through its operations and projects, is using funds in the procurement process, due care must be taken to ensure funds are utilized only for the intended use. Individuals holding a Delegation of Authority must be particularly careful to ensure actions undertaken by themselves or persons under their supervision, are in compliance with the TDEA policies and procedures, or to organizational directives, or administrative instructions.

5. Segregation of duties

Segregation of duties is an important basic principle of internal control and must be observed in all TDEA procurement processes.

The respective procuring entity within TDEA should be organized according to an administrative structure based on the segregation of responsibilities for the various steps of the procurement process.

Typically, such a structure separates the functions of the requisitioner, the buyer and the payer, in order to provide appropriate organizational checks and balances, but also to permit specialization. These various phases of the procurement process should be carried out by separate individuals:

- a) Formulation of the procurement requirement/request, including certification of availability of funds
- b) Processing of the request
- c) Solicitation of offers from suppliers
- d) Receipt of offers
- e) Opening of offers
- f) Evaluation of offers and identification of the winning offer
- g) Review and recommendation for award
- h) Award of purchase contract
- i) Disbursement of funds

As a minimum, three individuals must be involved in carrying out the procurement process. Under no circumstance shall one person be responsible for all of the above mentioned functions. The functions of the buyer and the payer shall always be completely separated, and carried out by separate individuals. The receipt function shall not be undertaken by the payer.

6. *Procurement ethics*

Ethics is the discipline relating to right and wrong, moral duty and obligation, moral principles and values, and to moral character. Most procurement related principles, such as fairness, integrity, transparency and accountability are based on ethics.

Given that TDEA undertakes procurement using funds entrusted to the organization by a funding source or beneficiary, it is imperative that all activities conform to the highest standards of ethical conduct. All TDEA personnel must observe the highest standards of ethics throughout the procurement process.

All procurement personnel shall maintain an unimpeachable standard of integrity in all business relationships, both inside and outside TDEA. Ethical conduct shall apply in all dealings with TDEA clients, donors, Governments, partners and the general public. Procurement personnel shall never use their authority or office for personal gain and will seek to uphold and enhance the standing of TDEA.

The standard of conduct for all personnel involved in procurement actions includes, but is not limited to:

- a) Personnel shall not allow any supplier(s) to have access to information on a particular acquisition before such information is available to the business community at large;
- b) Personnel shall not intentionally use unnecessarily restrictive or "tailored" specifications, terms of reference or statements of work that can discourage competition;
- c) Personnel shall not solicit or accept, directly or indirectly any promise of future employment from anyone who has sought or is seeking to obtain TDEA business;
- d) Personnel shall not have a financial interest in any supplier(s) responding to a TDEA bidding exercise and are prohibited from any involvement in the procurement action if they do;
- e) Personnel shall not disclose proprietary and source selection information, directly or indirectly, to any person other than a person authorized to receive such information.

A conflict of interest occurs when TDEA personnel's private interests, such as outside professional relationships or personal financial assets, interfere or appear to interfere with the proper performance of his or her professional functions or obligations as a TDEA official. Within the procurement environment, a conflict of interest may arise in connection with such private interests as personal investments and assets, political or other outside activities and affiliations while in the service of TDEA, employment after retirement from TDEA service or the receipt of a gift that may place TDEA personnel in a position of obligation. A conflict of interest also includes the use of TDEA assets, including human, financial and material assets, or the use of TDEA office or knowledge gained from official functions for private gain or to prejudice the position of someone TDEA personnel does not favour. A conflict of interest may also arise in situations where TDEA personnel is seen to benefit, directly or indirectly, or allow a third party, including family, friends or someone they favor, to benefit from TDEA personnel's decisions.

If any TDEA personnel believe that he may have a conflict of interest, he shall promptly and fully disclose the conflict to the TDEA Human Resource Unit and shall refrain from participating in any way in the matter to which the potential conflict relates, until the conflict has been resolved satisfactorily by the Human Resource Unit. In some cases, it may be determined that, after full disclosure to those concerned, TDEA interests are best served by participation of the individual, despite the conflict.

6.1 *Gifts and Hospitality*

TDEA has adopted a zero tolerance policy on gifts and therefore, it is of overriding importance that procurement personnel should not be placed in a position where their actions may constitute or could be reasonably perceived as reflecting favorable treatment of an individual or entity by accepting offers of gifts, hospitality or other similar favors. Personnel should at all time behave in a way that upholds the values, integrity and good reputation of TDEA and that never gives the impression of impropriety.

Because of TDEA's zero tolerance policy on acceptance of gifts and hospitality, procurement or other personnel involved in any aspect of procurement are prohibited from accepting any gift including drinks, meals, tickets, hospitality, transportation, or any other form of benefits, even if it is in connection with an official working visit, from any person who would not have made the gift or provided hospitality if the personnel had not been working for TDEA regardless of the value and of whether the outside source is or is not soliciting business with TDEA.

Exceptions to this rule are invitations to lunches, dinners, receptions, etc. from governments, funding sources, or other partner organizations that may be accepted when such invitations are part of TDEA personnel's official functions.

All items received from vendors, even of nominal value, shall be reported to the Human Resources Unit and returned to the vendor.

6.2 Ethical behavior of suppliers and supplier suspension

The TDEA only conducts business with Suppliers who upholds the following:

7. Code of Conduct for Suppliers:

1. Suppliers must uphold the human rights of workers, and treat them with dignity and respect as understood by the international community.
2. Suppliers shall not discriminate against any worker based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, or marital status in hiring and employment practices.
3. Suppliers must be committed to a workplace free of harassment. Suppliers shall not threaten workers with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion and verbal abuse.
4. Suppliers shall not use any form of forced, bonded, indentured, or prison labor. All work must be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice.
5. Child labor is strictly prohibited. Suppliers shall not employ any children.
6. Under no circumstances the workweek shall exceed the maximum permitted under applicable laws and regulations in Pakistan. Suppliers must offer vacation time, leave periods, and holidays consistent with applicable laws and regulations in Pakistan
7. Suppliers must pay all workers at least the minimum wage required by applicable laws and regulations of Pakistan and provide all legally mandated benefits.
8. Suppliers must respect the right of workers to associate freely, form and join workers organizations of their own choosing, seek representation, and bargain collectively, as permitted by and in accordance with applicable laws and regulations. with applicable laws and regulations of Pakistan
9. Suppliers must be committed to creating safe working conditions and a healthy work environment for all of their workers.
10. Suppliers must be committed to reducing the environmental impact of their designs, manufacturing processes, and waste emissions.
11. Suppliers must be committed to the highest standards of ethical conduct when dealing with workers, suppliers, and customers.
12. Corruption, extortion, and embezzlement, in any form, are strictly prohibited. Suppliers shall not engage in corruption, extortion or embezzlement in any form and violations of this prohibition may result in immediate termination as a TDEA Supplier and in legal action.
13. Suppliers must disclose information regarding its business activities, structure, financial situation, and performance in accordance with applicable laws and regulations and prevailing industry practices.
14. Suppliers shall not offer or accept bribes or other means of obtaining undue or improper advantage.
15. Suppliers must uphold fair business standards in advertising, sales, and competition.
16. Suppliers are encouraged to engage the community to help foster social and economic development and to contribute to the sustainability of the communities in which they operate.
17. Suppliers must respect intellectual property rights, safeguard customer information, and transfer of technology and know-how must be done in a manner that protects intellectual property rights.
18. Suppliers must adopt or establish a management system designed to ensure compliance with this Code and applicable laws and regulations in Pakistan.

8. Documentation of the procurement process

In line with the procurement principles of transparency and accountability, and in order to facilitate internal and external audits of TDEA operations, every step in the procurement process shall be documented and kept on file (hard copy or electronic).

A standard filing system, as well as a numbering system to enable tracking of files, must be established in order to create an audit trail and to facilitate the management of the procurement activities.

A procurement file must be opened by procurement personnel. Procurement files are to be kept for five years after the completion of the last transaction of a procurement activity. Typically, procurement files would include, if relevant, the following information/documentation, in original and signed by the appropriate parties, when applicable:

- Requisition
- Signed solicitation document, including attachments such as specifications/Terms of Reference (TOR)/Statement of Works (SOW) and proof of issuance (copies of cover letters, copies of emails, fax receipts, etc.)
- Amendments to solicitation documents (including PA approval of amendments), and any other clarifications and correspondence with suppliers
- All offers received (technical and financial)
- Copies of any bid security received from the supplier (the originals to be kept in the safe)
- Comparative Report
- Minutes of clarifications (if any) and relevant communication with supplier
- Purchase Order or Contract
- Bid protests
- Correspondence with contractor if any
- Amendments to contracts/POs
- Any required progress reports and/or other proof of delivery of milestones as provided for in the contract
- Goods Receipt Note or Certification of Partial or Full Completion in case of contracts
- Certificate of substantial completion

The establishment of proper routines for documentation of the procurement process is the responsibility of the PA.

9. Procurement planning and needs assessment

Procurement planning is the process of assessing and projecting the procurement needs of the organization, programme or project in order to determine its procurement strategy. Developing a strategic approach to procurement through appropriate and timely procurement planning is a key element for successful acquisition of goods and services necessary for punctual implementation of projects/operations.

Procurement planning may enable the identification of areas where proactive measures can be taken. It can be the basis for identifying areas in which to invest in training, pre-positioning of procurement personnel, and identification of relevant procurement strategies aiming at reducing transaction costs, taking advantage of volume effect and reducing lead times. Additionally, statistics generated from procurement planning can show the frequency of purchase for any given item, thus underpinning strategic decisions such as establishing Long Term Agreements or other blanket purchase mechanisms, pre-qualifying suppliers, etc.

Needs assessment, cost estimation and requirement definition are the first steps in the procurement process, and are essential components in the planning of a specific procurement activity.

Even though procurement planning is complex and last-minute operations will always occur, the advantages listed above make it clear that, if successfully implemented as a management tool, the benefits of procurement planning outweigh the disadvantages. Thus, procurement planning on a quarterly basis is a mandatory requirement for all TDEA operations and projects for procurement activities of a value exceeding PKR 25,000.

The procurement plan is always based on estimates of procurement activities to be carried out in the next three months. Some procurement needs cannot be anticipated, and the plans can therefore never be entirely accurate. However, a procurement plan based on estimates is better than no procurement plan whatsoever, and heads of various units are asked to provide whatever information they have access to at the time of reporting.

Based upon the input from TDEA personnel, TDEA Procurements and Acquisitions Unit shall be responsible for compiling the TDEA quarterly procurement plans, analyze the data provided, and take the appropriate action as described above.

Procurement Plan

9.1 Requirement definition

Requirement definition is a systematic approach aimed at defining the procurement requirements, and stating them in the product specification.

Requirement definition is the first step in the implementation of a procurement activity, and an integrated step in its planning. However, often requirement definitions are done in parallel with the sourcing and market research in order to let information from the market research influence the requirement definition. Requirement definition and market research are also known as pre-solicitation activities.

9.1.1 Receipt of requisitions

A TDEA procurement activity usually begins with a requisition for the purchase of a particular product. The requisition can come from any TDEA personnel. The requisition must include a complete description of what should be purchased, documentation that funds are available, as well as justification of the purchase with reference to the project agreement with the funding agency, beneficiary, etc. (or administrative budget, in the case of internal TDEA procurement).

A requisition must at a minimum include:

- a) A detailed description of goods, works or services sought
- b) Confirmation of funds availability
- c) Quantity to be procured
- d) Required delivery date or startup/completion date
- e) Delivery location or location of works/services to be performed
- f) Estimated price, and
- g) any additional information (e.g. standardization, preferred method of shipment, etc.)

Requisition form – template

9.1.2 Requirements

Defining the requirements is a systematic approach aimed at clearly defining the need to be covered by the product to be procured. The requirements are defined based on the requisition (see Section 9.1.1 Receipt of requisitions).

The requisitioner is responsible for defining the requirements, however, the procurement individual responsible for the process in question shall evaluate the requirements received from the former, and identify any issues that do not seem appropriate from a procurement point of view (e.g. branding without justification, over specification, unrealistic delivery dates, restricted competition, etc.). The procurement individual responsible for the process and the requisitioner shall then jointly finalize the requirement definition.

The general purpose of all requirement definition is to identify the precise needs of the requisitioner, and to search for the best solution to meet those needs. The needs must be described in the requirement definition in a way that will facilitate the procurement process. The requirements are specified in either:

- a) **Technical Specification** is the description of what the purchaser wants to buy and consequently what the supplier is required to provide. Specifications can be simple or complex depending on the need.
- b) **Terms of Reference (TOR)** are mainly used for contracting of services. TOR defines the work required of a supplier to provide the solicited services. However, they can be used for goods and works when the requirement cannot be quantitatively defined. TORs usually include background for requesting the service, objective of the service and overall impact, expected output from the service, activities required to reach this output, inputs required to perform activities, deliverables, timing, etc.

10.Sourcing of suppliers

All purchases above PKR 25,000 must be carried out via open competition and advertised in accordance with the procedures established by this Manual. Where open advertisement is not possible, the reasons must be properly explained and documented in the case file. In such cases, procurement may be conducted through limited competition, with Tender Bids and Request for Proposals only to short-listed suppliers. The short lists may be established based on market research, calls for EOI or pre-qualification.

The sourcing process enables identification of suitable suppliers, and can also provide valuable information about products and specifications, and contribute to the determination of the method of solicitation and type of competition (See Section 12, Solicitation methods).

10.1 Market research

Market research is the first step in the sourcing process, particularly if the product or service has not been procured previously. Knowledge about the market is a fundamental step in a successful procurement process.

The following tools are available to assist in the market research:

- 1) Advertisement of business opportunity
- 2) External sources
- 3) Internal sources
- 4) Pre-qualification

Market research should not rely solely on one of the above tools. Several of these tools should be applied before deciding the method of solicitation and type of competition.

10.2 Advertisement of business opportunity

Advertisement refers:

- (a) For open formal methods of solicitation: to the advertisement of the procurement opportunity; or
- (b) For limited formal methods of solicitation, either the dissemination of upcoming solicitation information through a request for Expression of Interest (EOI) or notice of pre-qualification in appropriate media.

A request for EOI is often used prior to a limited formal method of solicitation, where the EOIs received provide input to the establishment of a short list. Pre-qualifications are used for more complex procurement activities (see Section 10.7, Pre-qualification).

In an open formal method of solicitation, on the other hand, there will be no short list selection, thus, all suppliers wishing to submit bids and participate in the competition, are invited to do so.

Advertisement of business opportunity should be done for all purchases above PKR 1,000,000. When this is not possible, the reasons must be properly explained and documented in the case file and be made available to the relevant procurement authority when requesting contract award approval.

10.3 Request for Expression of Interest (EOI)

The request for EOI is a notice which provides general information on the requirements for goods or services of upcoming solicitations. Suppliers are requested to express interest before a fixed deadline by submitting detailed information demonstrating experience and qualifications in provision of the relevant goods/services. The information provided by interested suppliers is assessed, and suppliers will be considered for inclusion on the short list of companies to be invited to submit detailed offers/proposals.

A request for EOI is a cost-effective method to search for and identify suitable suppliers. However, it requires allocation of additional time to conduct the sourcing process, as suppliers must have sufficient time to respond to the call for EOI. Depending on the complexity and nature of the goods/services to be procured, ideally a minimum of two weeks should be provided for responses. When shorter deadlines are specified, the reasons must be properly explained and documented in the case file and be made available to the relevant procurement authority when requesting contract award approval.

In order to support TDEA's principles of transparency, fair competition and integrity of the sourcing process, and when an open competitive process is not feasible, it is a requirement to undertake a request for EOI for all upcoming solicitations above PKR 1,000,000. However, when there are valid reasons that prevent a request for EOI from being issued, such reasons must be properly explained, documented in the case file and included in the request for contract award approval submitted eventually to the relevant procurement authority.

Request for expression of interest (EOI)

10.4 Advertisements in the case of open competitive processes

For advertisements in the case of open competitive process please refer to Section 14.1

10.5 External sources

The following external sources are valuable sources of information in the search for potential suppliers:

- 1) Commercial/specialized journals and magazines
- 2) Chambers of commerce

- 3) End users, clients, funding source
- 4) Business seminars, supplier catalogues, professional journals, trade publications, etc.

10.6 Internal sources

The following internal sources can also be a good starting point in the search for potential suppliers:

- 1) Former contracts
- 2) Previous short lists within same field
- 3) Consultation with colleagues

10.7 Pre-qualification

Pre-qualification is a formal method of assessing suppliers against pre-determined criteria and only suppliers who meet established criteria are invited to tender.

The process ensures that solicitation documents are extended only to suppliers with adequate capabilities and resources. Adequate time must be allowed for potential suppliers to prepare responsive applications. The period between the notice of invitation to pre-qualification and the deadline for submission of applications should be no less than two weeks unless valid justification can be provided for shorter periods.

Compared to the other market research tools, pre-qualification is a formal process where supplier appraisal and background checks are done prior to issuing the solicitation documents. If pre-qualification is done for a specific procurement activity, all suppliers submitting applications and meeting the pre-qualification criteria shall be invited to tender. Pre-qualification does not preordain a contract.

Pre-qualification is recommended when:

- a) Complex or specialized goods or services are being procured;
- b) A particular type of good or service is procured on a regular basis and for which establishment of Long Term Agreements (LTS) would not be an adequate procurement strategy (e.g. not resulting in competitive prices);
- c) High degree of risk is involved in the procurement (e.g. security and safety equipment and services);
- d) The high costs of preparing detailed bids could discourage competition (such as custom-designed equipment, design and build projects or specialized services);
- e) The importance of the goods or services for the project is high (e.g. late delivery or the delivery of a wrong product or service would have costly implications).

Pre-qualification may help reduce the risk of contract failure. In cases where there are many qualified and eligible suppliers, pre-qualifications may reduce procurement costs because they reduce the need for constant market research and supplier appraisal in order to identify suppliers. On the other hand, pre-qualification is a costly and complex exercise which requires specific skills and a good understanding of financial parameters. A careful assessment of the advantages and disadvantages of conducting a pre-qualification must therefore be undertaken in view of the costs involved.

The pre-qualification should be valid for a maximum of one year. Once this period has elapsed a new pre-qualification exercise should be conducted or updates on pre-qualification criteria should be sought from already pre-qualified suppliers. TDEA shall fix a fee on processing of pre-qualification applications, which may be revised from time to time by the Procurement Authority.

Pre-qualification Form

11. Principles for supplier selection for short list

When a market research has been undertaken, an unduly long list of potential suppliers might have been prepared. Often there is a need to limit the number of suppliers to be invited (short-listed) to tender.

The objective of establishing a short list of invited suppliers is to ensure cost effective competition between qualified suppliers.

The following principles shall be used for the selection of suppliers for the short list:

- 1) Entities included on the short list should to the extent possible represent a fair share of potential markets.
- 2) For repetitive requirements, the short list should be updated each time to consider potential new actors in the market and allow potential new suppliers to participate.
- 3) If a pre-qualification process has been undertaken for a specific procurement activity, all suppliers meeting the pre-qualification criteria shall be short-listed.

- 4) There is no obligation for TDEA to invite all companies having expressed interest through a request for EOI. Likewise, there is no obligation for TDEA to limit the short list to the companies having expressed interest. As a minimum three entities should be short listed. However, more than these minimum numbers of entities should be shortlisted if required to achieve competition.
In the event that there is only a limited number of suppliers in the market (oligopoly market conditions) and the procurement personnel has not been able to identify the minimum required number of invitees to be included in the short list despite adequate market research, this must be clearly documented and explained to the procurement authority when requesting approval of the short list. If suppliers must meet specific eligibility requirements for the procurement activity in question (e.g. Sales Tax Registration, NTN, Registration, License, etc.) only suppliers that meet these requirements should be selected for the short list.

The establishment of a short list requires a preliminary assessment of the suppliers in order to determine their suitability for the procurement to be undertaken. All short-listed suppliers must show the potential of being a successful bidder.

11.1 Approval of short list

When entities to be invited have been selected, the short list template must be completed including, if applicable, a proper justification as to why less than the minimum number of entities were short-listed, and duly signed by the appropriate Procurement Authority before solicitation documents can be issued.

Short list - Template

12. Solicitation methods

The choice of solicitation method is influenced by a number of factors, such as market conditions, complexity of the requirement, monetary value of the procurement, donor conditions and whether goods, works, or services are procured. Location and urgency may also have an effect on the choice of solicitation method, and the procedures applied.

Defining the solicitation method entails selecting the most suitable supply method in the given situation.

- a) It should be determined whether to conduct a competitive tender process or whether the needs are met through the use of an existing Long Term Agreement (LTA).
- b) If the need for a competitive tender process is established, a procurement method (i.e. the method of soliciting offers) must be selected depending on complexity and estimated value of the requirement. The various procurement methods are described below.
- c) Finally, the type of competition must be selected. TDEA regards open competition as the preferred type. However, in circumstances where it is determined that open competition is not feasible depending on the nature and complexity of the procurement activity, TDEA may use any of the competitive methods described below. It is essential to ensure that the selected type of competition is both economic and efficient and results in TDEA obtaining 'best value for money' (see Section 2.1).

12.1 Selection of solicitation method

Depending on the complexity and nature of the requirement and the value of the goods/works/ services to be procured, the following procurement methods shall be used:

- 1) Petty Purchases
- 2) Request for Quotation
- 3) Invitation to Bid
- 4) Request for Proposal

12.1.1 Petty Purchases (requirement below PKR 25,000)

Petty Purchases is a method based on the purchase from open market of prices obtained from potential supplier, received orally or in writing. It is an appropriate method for the procurement standard specification commodities valued at less than PKR 25,000 or simple works or services valued of same amount.

12.1.2 Request for Quotation (RFQ - requirement above (PKR 25,000))

A Request for Quotation (RFQ) is not a formal method of solicitation. It is a solicitation process used for low value procurement where the requirement is clear and specific and can also be used when following unplanned procurement procedures further to PA approval pursuant. Additional suppliers can be added at any stage in the

solicitation process. At least three firms must be invited to quote (unless valid reasons exist for inviting a lesser number of firms) and a deadline for receiving quotations must be specified. In the event that less than three companies are invited, valid reasons must be provided in writing and kept in the procurement file. Offers must be received in writing in sealed envelopes. Procurement personnel may receive the offers directly; however, a separation of duties is highly desirable if resources permit.

Contracts are awarded according to the **'lowest priced, most technically acceptable offer'** evaluation methodology (see Section 20, Evaluation).

If the PA believes that there are risks associated with this approach, he should document the risks, and, if indeed the risks are deemed serious, then a procedure for mitigating the risks should be adopted. The proposed procedure must be reviewed and approved by the Director Operations or his designate, before being adopted and kept on record.

12.1.3 Invitation to Bid (ITB - requirement equal or above PKR 100,000)

An Invitation to Bid (ITB) is a formal method of solicitation. It is used for procurement of goods, services or works with standard and firm specifications that can be expressed qualitatively and quantitatively. An ITB is only required for procurement above PKR 100,000 but can also be used for low value procurement if requirements are complex.

All ITBs require an absolute receipt deadline and offers can only be received by personnel not involved in the procurement process (see Section 5, Segregation of duties).

ITBs will be based on the one-envelope system. A one-envelope ITB defines minimum requirements or a range of acceptable requirements. Evaluation is done by verifying that an offer is compliant in all aspects. Contracts are awarded on the basis of the 'lowest priced substantially compliant offer' evaluation methodology, including delivery terms, and any other requirements stated in the ITB.

In order to ensure fairness and transparency, it is extremely important that all criteria to be considered in the evaluation are clearly defined in the solicitation documents.

Please refer to **Sections 16.1 and 20.1.1 for instructions on solicitation documents and establishment of evaluation criteria.**

12.1.4 Request for Proposal (RFP - requirement above PKR 100,000)

A Request for Proposal (RFP) is a formal method of solicitation. It is used for procurement of services, works and goods when requirements cannot be quantitatively and qualitatively expressed in the specifications at the time when the solicitation is issued (e.g. consulting or similar services, purchase of complex goods where requirements may be met in a variety of ways). An RFP is only required for procurement above PKR 100,000 but can also be used for low value procurements if requirements are not clear and specific.

An RFP requests a technical proposal offering a solution to the requirements specified in the solicitation document, as well as a separate financial proposal indicating all costs associated with carrying out the technical proposal.

The RFP requires suppliers to submit the technical and financial proposals sealed separately (two-envelope system). The financial proposals are opened in a separate opening session after the completion of the technical evaluation. The financial proposals should, preferably, be opened by the same committee which opened the technical proposal. Once the financial proposals are opened, the financial opening committee must prepare the financial proposal opening report.

The purpose of the two-envelope system is to ensure that the technical evaluation can be undertaken focusing solely on the contents of the technical proposals without bias from the financial aspects of the proposals. Thereafter, an evaluation comparing all factors, both technical and financial, is carried out.

Proposals are evaluated, ranked and awarded according to the cumulative analysis evaluation methodology, defining best value as the best overall benefit when considering both technical and financial factors.

The evaluation criteria are established in the RFP by identifying the technical and price evaluation factors, stressing the key areas of importance that will be considered in the source selection. The ratio between technical and price factors may differ from one RFP to another. In most RFPs, technical quality is weighted more heavily than price considerations. The weightings need to be considered on a case by case basis to achieve the appropriate balance; however the weight for the technical proposal must never be less than the weight for the financial proposal. The right balance between the various evaluation criteria must be established before the RFP

is issued, and expressly stated in the solicitation documents: the lesser the complexity of the requirements, the higher the financial weight.

In order to ensure fairness and transparency, it is extremely important that the method of evaluation and the evaluation criteria are clearly defined in the RFP documents.

Table 2 below gives an overview of the various methods of solicitation used for different requirement characteristics, the corresponding method of evaluation, and the mode of submission (one-envelope or two-envelope system).

Table 2: Methods of solicitation and evaluation, and modes of submission

Requirement	Solicitation document	Evaluation method	One/two-envelope system
Requirements above PKR 25,000, where the requirement is clear and specific	RFQ	Lowest priced most technically acceptable	Requirement for sealed offers
Goods, services, works, with standard or firm specifications which can be expressed qualitatively and quantitatively	ITB	Lowest priced substantially compliant. Compliance defined as substantially compliant/not compliant for all issues. Lowest priced substantially compliant. Compliance defined as substantially compliant/not compliant for all issues.	One envelope
Goods, services, works, with requirements that cannot be quantitatively and qualitatively expressed	RFP	Lowest priced substantially compliant. A point system with a minimum threshold defining compliance. Cumulative analysis. Best value (technical and financial) and most responsive offer.	Two-envelope

13. Long Term Agreements (LTAs)

A Long Term Agreement (LTA) is a written document signed with a contractor, issued following a competitive procurement process, which allows TDEA to order specified goods or services at a fixed price, on agreed terms and conditions, for a definite period of time but with no legal obligation to order any minimum or maximum quantity.

LTAs are valid for a period of one year, cover a product frequently requested, and define the terms of supply for that product (e.g. pricing, delivery terms, ordering method, etc.). LTAs provide that they may be extended for a further period of up to 12 months, subject to satisfactory supplier performance and continued requirement of the goods and services covered following indications that the prices offered are within the current market range (for instance, cost of IT equipment may drop with time and it might not be in the best interest of the organization to extend such an agreement).

LTAs are entered into on a non-exclusive basis and are not a mandatory source of purchase, however all procurement personnel must keep abreast of existing LTAs, and assess whether or not they can be used for a specific procurement activity, as they may represent the most cost efficient method of procurement.

The possible need for an LTA should be considered during the procurement planning stage. If repetitive need for standard services or products is envisaged, LTA with a supplier will be considered.

All LTAs must be accompanied by instructions describing the use and applicability of the LTA.

14. Selecting the type of competition

In addition to selecting the solicitation method to be used (described above), selecting the type of competition for a procurement activity is an important step. Depending on the value of the procurement, the market conditions as well as TDEA knowledge of the market, various types of competition may be used.

14.1 Open local and national competition

Open local and national competition is the default method of competition as it best satisfies the principles of Best Value for Money, Transparency and Effective Competition. The purpose is to provide all potential suppliers with adequate and timely notification of TDEA requirements and equal access and fair opportunity to compete for contracts for required goods, works, or services.

Local tenders are typically conducted in the following cases:

- a) When works are scattered geographically or spread over time, and the work would therefore typically not be of interest to national companies;
- b) When goods are available at prices below the local market where TDEA is based;
- c) When services are related to the national context (e.g. advertising services in national newspapers);
- d) If required by the client and specified in the respective project agreement; or
- e) Other reasons acceptable to the Procurement Authority approving the solicitation document.

It is, however, essential to ensure competitiveness of the process. Thus, national/regional competition must only be used if there are enough suppliers of the goods/services/works in the area to ensure competition. Further, one must be aware of the risk of cartels being formed (i.e. suppliers uniting for common profit) defeating the purpose of competition.

Limited competition through limited tenders can be used if there is a valid reason including:

- a) The project agreement requires the use of limited tenders;
- b) An open tender will have negative security implications;
- c) The subject/matter of the tender is otherwise sensitive and cannot be advertised,
- d) Pre-qualification has been identified as the most suitable procurement strategy and a pre-qualification exercise was undertaken
- e) Conditions are met for national/regional competition (see above)
- f) Other reasons acceptable to the Procurement Authority approving the solicitation document

Prior written permission must be obtained from the Procurement Authority for the use of limited competition. This must be provided at the time of short list approval (by filling the corresponding field in the short list template). In all other cases, ITBs and RFPs must be publically advertised.

For further information on advertisement of open tenders, please refer to Section 10, Sourcing of suppliers.

The procurement opportunity should be advertised on the TDEA or its projects' websites. In addition, it should be advertised or distributed in a manner that, according to the nature and circumstances of the required product, would lead to the most beneficial responses, e.g. announcement on local radio, advertisement on websites of other organizations or clients, in local newspapers or specialized magazines.

When using an open tender, no short list is established.

Advertisements for open competitive bidding may result in:

- more extensive evaluation processes, due to the large number of offers received, however, the benefits of a broader competition often outweigh the additional burden of an increased number of offer reviews, and after preliminary evaluation of all offers, the evaluation committee may decide to limit the detailed evaluation to the first four to five lowest bids (unless a two envelope system is used).
- lower response rate if advertisement is done in media not well known to the supplier community. In such cases it is good practice to notify all known potential suppliers of the existence of the advertisement having being issued. When doing so, all potential bidders must be notified at the same time and information regarding the notification (how the notified suppliers were identified, when suppliers were issued the notification, how the suppliers were notified, etc.) must be kept in the case file.

The above considerations must be taken into account when opting for open competitive bidding.

14.2 Limited local and national competition

In the event that an open competition cannot be held, a limited competition may be pursued. Limited competition allows participation in the solicitation of only selected suppliers.

Limited competition is restricted to a short list of suppliers selected in a non-discriminatory manner from rosters, pre-qualifications, expressions of interest, market research, etc.

This type of competition must not be used unless a valid reason exists as specified under Section 14 above.

15. Exceptions to the use of formal methods of solicitation

15.1 Exceptions

The PA may determine, for a particular procurement activity, that using formal methods of solicitation is not in the best interest of TDEA and its clients when:

- a) Cost of open competition surpasses the value of goods/services/works being procured;
- b) There is no competitive marketplace for the requirement, such as where a monopoly exists; where prices are fixed by legislation or government regulation; or where the requirement involves proprietary product or service,
- c) There has been a previous determination with regard to an identical procurement activity, or there is a need to standardize the requirement following recent procurement activity.
 - Previous determination means that what needs to be purchased is determined by a previous purchase, .e.g. there is no other choice but to obtain the goods or services from the entity that was contracted for the previous purchase (e.g. a piece of equipment was previously purchased and components that can only be obtained from the manufacturer now needs to be replaced; complex services were purchased from a vendor and additional services requiring specific knowledge related to previous assignment now need to be purchased. Only the vendor who performed the initial services can realistically provide the additional services).
 - Standardization shall be acceptable when identical goods, equipment or technology have recently been purchased from a supplier or contractor, and it is determined that a quantity of additional supplies must be procured, or because of the need for compatibility with existing goods, equipment or technology or works. The effectiveness of the original procurement in meeting the needs of TDEA or its client, the limited size of the proposed procurement in relation to the original procurement, the reasonableness of the price and the unsuitability of alternatives to the goods in question shall always be taken into account and justified.
 - It should be noted, however, that branding is not necessarily a justification for exceptions. A competitive process should be undertaken if multiple sources of supply exist.
 - Justification required: explanation of the previous determination or as to why standardization is required and reasonableness of costs (e.g. comparison with previous purchase prices, comparison with prices of equipment from other suppliers equivalent in performance, etc.)
- d) Offers for identical requirements have been obtained competitively within a reasonable period and the prices and conditions offered by the proposed contractor remain competitive:
 - The reasonable period in relation to the use of a previous formal method of solicitation should be limited to six months, unless otherwise justified considering the specific market.
 - For goods where the price fluctuates rapidly (raw material, petroleum products, some IT equipment, etc.) the competitiveness of the price must always be properly justified.
 - Justification required: detailed summary of the use of a previous formal method of solicitation and its outcome, reasonableness of costs and prevalent market rates in the area.
- e) A formal solicitation has not produced satisfactory results within a reasonable prior period: Justification required: detailed summary of the previous competitive bidding process and its outcome, reasonableness of costs and prevalent market rates in the area.
- f) The proposed procurement contract is for the purchase or lease of real property:
 - Selection of location is based on security considerations.
 Justification required: reasonableness of costs and reasons
- g) There is a genuine exigency for the requirement,
 - The exigencies of service must be beyond the control of TDEA i.e. emergency situations or force majeure, or other compelling circumstances which are not due to lack of planning or slow administrative process within TDEA.
 - Justification required: explanation as to how exceptions to the use of formal method of solicitation will meet the schedule and of the adverse impact the TDEA operation would suffer if the delivery schedule were modified to permit the use of formal methods of solicitation, confirmation of reasonableness of costs through comparing prices with previous purchase prices, etc. justification for selecting this particular supplier as opposed to any other
 - This ground cannot be invoked where the exigency is due to a lack of planning or slow administrative process within TDEA.
- h) The proposed procurement contract relates to obtaining services that cannot be evaluated objectively:
 - Services of specific individuals not available through personnel contracts including for instance:

- Service contract entered into with a company due to availability of a specific expert working in the company
 - Contract with the purpose of research, experiment, study or development leading to the procurement of a prototype, except where the contract includes the production of goods in quantities sufficient to establish their commercial viability or to recover research and development costs.
 - Services of specific company to obtain, for example, cutting-edge technology or other new methodologies and as such, there is no possibility of reliable comparison.
 - Justification required: explanation as to why this specific individual or company is the most suitable to carry out the services and reasonableness of costs.
- i) Exceptions to sealed bidding include:⁽¹⁾
1. Hotel Services
 2. Air travel services
 3. Online purchases
 4. Subject to approval of CEO, for procurement of any services/goods, where vendors generally or customarily do not offer sealed quotations.

16. Solicitation process

After the requirements have been defined in a complete, clear and unambiguous manner (See Section 9, Procurement planning and needs assessment), the sourcing has been undertaken (See Section 10, Sourcing of suppliers), and the solicitation method has been selected (See Section 12, Solicitation method), the next step in the procurement process is the solicitation of offers.

The method used to communicate a procurement requirement and request an offer from potential suppliers is referred to as the solicitation process. Depending upon the type of procurement (goods, services, works), the complexity or nature of a requirement, and the value of the commodity to be procured, a Request for Quotation (RFQ), an Invitation to Bid (ITB) or a Request for Proposal (RFP) may be used.

The solicitation process is divided into the following four steps:

- 1) Preparation of solicitation documents
- 2) Approval and issuance of solicitation documents
- 3) Tender period
- 4) Submission, receipt, and opening of offers

The four steps in the solicitation process are described below.

16.1 Preparation of solicitation documents

TDEA standard documents must be used when soliciting offers from suppliers following a formal method of solicitation (ITB/RFP).

The standard documents are templates, which contain TDEA mandatory terms and conditions customized to fit the specific procurement process being undertaken. The templates are to be completed with the specific details applicable to each solicitation.

No changes in the standard paragraphs of the solicitation documents, including the annexes, can be made without prior clearance by a PA.

Solicitations are written documents consisting of the following components:

- 1) Letter of invitation and instruction to bidders
- 2) Definition of requirements (specifications/TOR/SOW etc.)
- 3) Contractual information
- 4) Offer submission forms

While the details and complexity of solicitation documents may vary according to the nature and value of the requirements, each solicitation must contain all data and appropriate provisions that are necessary for bidders to understand TDEA needs and to prepare a suitable offer. Thus, the solicitation documents must include all information concerning specific procurement activity and be as concise as possible.

It is crucial that all relevant data concerning the requirements and demands to the suppliers is presented at this stage, and included in the solicitation documents, as no additional requirements may be introduced after the solicitation process has been completed.

16.1 Types of solicitation documents

Definition of the various types of solicitation documents that can be used, and a brief description of their contents:

⁽¹⁾ This addition was approved in 26th Board of Trustees meeting held in Karachi on November 17, 2017 (Resolution No: bot26-11/17-01).

There are four main types of solicitation documents:

- 1) Request for Quotation (RFQ)
- 2) Invitation to Bid for goods (ITB for goods)
- 3) Invitation to Bid for works (ITB for works)
- 4) Request for Proposals (RFP)

16.1.1 RFQ

A Request for Quotation (RFQ) is not a formal method of solicitation. It is commonly used for low-value procurement and LTA secondary bidding processes. RFQs are commonly used for the competitive purchase of goods, services and works exceeding PKR 25,000, and are suitable when the requirement is specific and clearly defined.

Example of Request for Quotation

16.1.2 ITB

An Invitation to Bid (ITB) is a formal solicitation method used for competitive purchases exceeding PKR 100,000. An ITB is used when the requirements can be specified quantitatively and qualitatively.

Example of Invitation to Bid

16.1.3 RFP

A Request for Proposal (RFP) is a formal method of solicitation used in competitive procurement of complex goods, design or other works or services where the inputs and/or outputs cannot be quantitatively and qualitatively determined. A request is therefore made for a solution to a defined problem rather than specifying the solution to it.

RFP Template

16.2 Solicitation of offers in situations of direct contracting

When direct contracting is justified, an offer is requested from only one supplier. Nevertheless the appropriate standard solicitation documents or standard instructions to bidders and General Conditions of Contract must be sent to the supplier in order to ensure inclusion of all details, and awareness of TDEA expectations and requirements.

16.3 Solicitation of offers against LTAs

In the event that the LTA prices are fixed and there is only one LTA covering the required items, the LTA holder must be contacted directly through issuance of an RFQ to submit an offer as per the terms and conditions of the LTA. In the event that LTA prices are ceiling prices, the various LTAs holders for the required items must all be put in competition through secondary bidding.

Secondary bidding is a solicitation exercise, which is based on already established LTA(s), whereby (1) the suppliers are requested to provide their best and final offer (BAFO) through issuance of an RFQ and (2) the prices cannot exceed the ceiling prices indicated in the LTA for a certain merchandise or service.

Suppliers must be requested through issuance of an RFQ to submit their BAFO. The time of solicitation must be as per the instructions for use developed separately with each LTA. The RFQ must be signed by the relevant PA and specify that the prices cannot exceed the ceiling prices indicated in the LTA.

17. Approval and issuance of solicitation documents

When the solicitation documents are completed, the below mentioned points must be complied with before distributing the documents:

17.1 Approval of solicitation documents

The solicitation documents must be pre-cleared by a Procurement Advisor and signed by the appropriate Procurement Authority (PA).

17.2 Distribution of solicitation documents

The solicitation documents shall be issued and distributed simultaneously to all suppliers, by mail, courier, fax, or email, or be made available electronically on the internet, with a view to giving all offers the same opportunity to respond.

In a limited competitive process, where only selected suppliers may participate in the solicitation, the solicitation documents shall solely be made available to the suppliers on the short list. The short list must be pre-cleared by a by the PA prior to issuance of solicitation documents.

Under open competition, the solicitation documents must be made available to all interested suppliers upon request. Suppliers may be requested to pay a small fee for the solicitation documents; however, the price associated with the solicitation documents should be a nominal amount to cover such costs as document printing and distribution.

If the solicitation documents are issued electronically in a freely editable format (word, excel, etc.), TDEA must ensure that the solicitation documents include a clause stating that if suppliers modify or alter the provisions of the solicitation documents that must not be altered their offer will be rejected. In addition, the solicitation document must include a clause stating that TDEA takes no responsibility for effective delivery of the electronic document.

In a local/national competition, the documents can be made available to the suppliers for collection at TDEA or any of its project offices office during business hours, and the suppliers can be informed accordingly.

A signed copy of the solicitation documents must be kept on file by TDEA together with documentation on how and to whom it was issued (e.g. fax receipts, copies of emails, courier receipts, etc.) in order to facilitate an audit of the process.

17.3 Conditions for the sale of solicitation documents

The purpose of selling solicitation documents is:

- to discourage the submission of frivolous bids, which results in additional transactional costs for TDEA during the receipt and evaluation process; or
- to cover the cost of TDEA having to print solicitation documents.

TDEA can sell solicitation documents if the following conditions are met:

- receiving frivolous bids is likely to happen and/or printing of solicitation documents is expected to be costly to TDEA (the latter is not applicable if solicitation documents are available electronically);
- the project agreement does not prevent the sale of solicitation documents;
- the sale of solicitation documents is expected to cover at least the internal transactional costs related to the selling of the documents (the required method of payment should also be taken into account when estimating the transactional costs; e.g. payments by cheque in a local account or by cash is easier to handle than payments to corporate account).

The funds generated by the sale of solicitation documents should be credited to:

- the administrative budget of TDEA if the transactional costs are not project costs (i.e. the cost of procurement staff, printing of bidding documents, etc. is paid from the administrative budget);
- the project if the transactional costs are project costs.

17.4 Confidentiality of the short list

In the case of a limited competition (See Section 14.2, Limited international, regional and national competition) where the solicitation documents are only being made available to a short list of selected suppliers, TDEA shall not disclose the names of any short-listed companies, in order to safeguard the principle of competition that the tender process is aimed at achieving. The number of short-listed companies, may however be disclosed to the suppliers on the short list, in particular for the purchase of services.

17.5 Electronic tendering (e-tendering)

The process of inviting offers from suppliers and receiving their responses electronically is often referred to as e-tendering. This method of solicitation can be an effective tool to improve efficiency and effectiveness of the procurement process.

Distribution of solicitation documents may be performed electronically. The guiding principle in such case remains the same: the fair treatment of all suppliers, thus, the invitees must receive the same information at the same time.

18. Tender Period

The period from the issuance of solicitation documents to the deadline for submitting offers is referred to as the tender period for FRQs, RFPs, ITBs. The standard response time for **receipt of bids/quotations/ proposal or proposals is 1 week from the date of publication of an advertisement or notice, keeping in view the individual procurement's complexity, availability and urgency the procurement person can call bids as per requirement the response time can be increased and decreased. All advertisements or notices shall expressly mention the response time allowed for that particular procurement along with the information for collection of bid documents which shall be issued till a given date, allowing sufficient time to complete and submit the bid by the closing date.**

18.1 Queries from suppliers, pre-bid conference and site inspection

During the tender period, no communication regarding the contents of the solicitation documents or the proposals is permitted between the potential suppliers and TDEA, except through the methods of handling queries described below.

Queries from suppliers must be handled by correspondence and/or by a pre-bid conference followed by written minutes made available to potential bidders.

Suppliers requiring clarifications to the tender documents must submit their queries in writing to TDEA. TDEA will prepare and dispatch written replies to such queries, and make all replies known, together with the text of the queries, to all suppliers at the same time, without referencing the source of the queries.

For technically complex acquisitions, a pre-bid conference between TDEA and the suppliers could be held in addition to, or instead of, issuance of written clarifications. Such a conference may be in the form of a meeting or a site inspection. When conducting a pre-bid conference or site inspection, the following instructions must be adhered to:

- a) A time for the conference and/or site inspection must be stated in the solicitation document, allowing sufficient time for all suppliers to plan attendance of the conference and/or site inspection.
- b) Pre-bid conferences or site inspections are not mandatory unless valid reasons exist for making such events mandatory (in which case this must be clearly specified in the tender document). Where such conferences or site inspections are not mandatory non participation of bidders to pre-bid conference or site inspection is not a cause for eventual bid rejection. If participation in the pre-bid conference or site inspection nevertheless is made mandatory, care must be taken to require participation in the pre-bid conference or site inspection in a manner that is non-discriminatory.
- c) The representatives who choose to be present during pre-bid conference or site inspection shall bring along reasonable evidence that they represent the potential bidder; e.g. business card, letter of authorization, etc.
- d) TDEA officials will prepare a list of the representatives attending the pre-bid conference or site inspection and obtain their signatures on the same. The list shall also contain the representatives' names and corresponding bidders' names. This list should be signed by all participants indicating date and time.
- e) TDEA personnel in attendance, the observers from the client/donor and the bidder representatives present should be introduced.
- f) With regard to submission of bids, supplier representatives should be reminded of important considerations such as the need to:
 - Provide in their bid contact details (in particular name, direct email address and telephone number) of the persons to be contacted during subsequent bid evaluation.
 - Carefully review the tender requirements.
 - Indicate as early as possible if there are requirements (e.g. specifications) in the tender document which do not seem reasonable; so that TDEA can revert to the client on time and request amendments to be issued, if justified.
 - Always check regularly for amendments to avoid quoting for wrong specifications, wrong quantities, etc., which might result in bids being rejected.

- TDEA personnel should also warn participants at pre-bid conferences of errors commonly made by bidders as well as pass on other advice regarding the making of a valid bid.
- g) With regard to supplier eligibility, participants should be verbally advised that bids from ineligible or suspended suppliers (TDEA Code of Conduct for Suppliers) will not be considered.
 - h) Written queries from suppliers may be forwarded to TDEA prior to the conference or inspection. Responses to the written questions shall be given orally during the conference or inspection.
 - i) Within a reasonable time after the conference or inspection, TDEA must send, at the same time, to all suppliers, whether present at the conference/site inspection or not, a full set of the approved minutes, recording all queries and formal replies. The minutes shall prevail over any oral responses provided during the conference or site inspection. Also, in case of discrepancy between the provisions of the solicitation document and the minutes of the pre-bid conference or site inspection, the latter shall prevail over the former. Therefore, the minutes must be approved by the same PA approving the solicitation document. In the case of open bidding the approved minutes must be posted on TDEA and other websites, if applicable.
 - j) If, due to geographical considerations, it is necessary to hold pre-bid conferences in more than one location, such meetings shall take place simultaneously (or at least within the same day) and the same information shall be provided to all suppliers. Minutes of the meetings must be shared with all suppliers.
 - k) If the clarifications given during the meeting alter the requirements, amendment of the submission deadline should be considered, and a formal amendment to the tender document must be issued reflecting the change.
 - l) Certain types of information, such as for instance TDEA cost estimates or proprietary data, shall never be released. Requests for such information shall be rejected.

18.2 Amendments to solicitation documents

At any time before the deadline for submission of offers, TDEA may, for any reason, whether on its own initiative or following a request for clarification by a supplier, modify the solicitation documents.

Amendments to solicitation documents must be and approved by the PA and must be made in good time before the deadline for submission of offers in order for suppliers to address changes in their offers. In certain cases amendments will justify an extension of the submission deadline. This should be assessed on a case by case basis. In the cases when a formal method of solicitation is used amendments to solicitation documents must be pre-cleared by the Procurement Advisor prior to PA approval.

In order to ensure that all suppliers deal with the same fact base. amendments of solicitation documents containing changes or providing clarifications or additional information, must:

- a) in the case of a limited competition, be sent simultaneously in writing to all invited suppliers, and
- b) in the case of an open competition, be uploaded to the TDEA web page and communicated by email to all suppliers having purchased the tender documents where a fee was charged.

Substantial changes to the requirements may call for re-tendering.

19. Receipt and opening of offers

19.1 Receipt of offers

It is the responsibility of suppliers to ensure that the offers are submitted to TDEA strictly in accordance with the stipulations in the solicitation documents.

When formal methods of solicitation are used, offers must be rejected if:

- a) Received at any other location or by any person other than specified in the solicitation documents, and/or;
- b) Received after the deadline for submission of bids stated in the solicitation documents, and/or;
- c) Sent via the correct route after having been sent incorrectly.

Please also refer to Section 19.6, Rejection of offers, for further instructions.

If offers are delivered by hand, TDEA must issue a receipt stating the date and time of delivery.

For procurement value exceeding PKR 100,000, an individual not directly concerned with the procurement function, must be appointed to receive all offers. The individual must be named in writing by the PA and must be explained the importance of confidentiality and integrity of the bid receipt process. All bids or proposals must be stamped with time and date of receipt, registered in an offer receipt report.

Offer receipt report - Template

19.2 Opening of offers

The opening of offers must be handled transparently in order to ensure that only valid offers are evaluated and that all suppliers are treated in fair and non-discriminatory manner.

Normally, offers should be opened immediately after the deadline for submission, or shortly thereafter (a few hours). Hence, it is recommended that the address for submission and the one for opening of offers are the same or at least close to each other.

If there is any delay in opening of offers, it needs to be documented.

When during the solicitation period the same bidder submitted several offers superseding each other, only the last received offer shall be opened.

As long as opening of offers has not taken place, offers shall be kept by the individual in charge of bid receipt and shall be handled in a confidential manner. Offers shall not be shared with the bid evaluation team or procurement personnel until they have been opened.

19.3 Bid opening panel

Offers are to be opened by a bid opening panel consisting of personnel designated, in writing, by the PA. At his discretion, the PA may designate personnel to serve permanently in bid opening panels for a particular projects, etc.

In order to ensure impartiality of the bid opening process, a bid opening panel must consist of a minimum of two individuals, where at least one individual has no involvement in the subsequent stages of the procurement process.

The bid opening panel shall be provided in advance with a copy of the solicitation documents and subsequent amendments, if any, as well as the offer receipt report. Offers cannot be rejected or invalidated at the time of bid opening. Such a decision can only be taken by the bid evaluation panel. During bid opening meeting, the panel should identify any immediately detected omissions or defects in the offers and record them in the bid opening report.

Handling of offers is in its nature confidential, and it is essential that any information gained in the process be kept confidential.

19.3.1 Opening of quotations (RFQ – above 25,000)

For Quotations, no formal submission, receipt, or opening procedure is required.

If the PA believes that there are risks associated with this approach, he should document the risks and if indeed the risks are deemed serious then a procedure for mitigating them should be adopted. The proposed procedure must be reviewed and approved by the PA, or his designate, before being adopted and recorded.

19.3.2 Opening of bids (ITB)

If bids have been obtained pursuant to an ITB, and the value of the procurement is expected to amount to be more than PKR 100,000, the bids shall be opened in purchase committee meeting and also can be opened publicly at the time and place specified in the ITB and immediate record made thereof. Only those who have submitted bids may attend the bid opening.

For ITBs expected to have a value above PKR 100,000, no public bid opening is required, however a bid opening meeting must nevertheless be convened.

Regardless of whether or not the bid opening is public, a **Comparative Statement**, available to all bidders, should record the following information for each of the received bids:

- 1) Bidder's name
- 2) Total bid price
- 3) Discounts, if any proposed by the supplier
- 4) Comments on incomplete bids or other matters observed by the bid opening panel
- 5) The date and time of the opening
- 6) The names of the TDEA individuals present
- 7) The names and signatures of suppliers present or represented if opened publicly.

19.4 The Comparative Statement template

The comparative statement must be signed by each member of the bid opening panel, and kept on file for future reference. The statement shall be available for viewing by bidders who submitted offers for a period of thirty days from the date of the opening. No information that is not included in the bid opening report can be given to bidders

Comparative Statement

19.5 Opening of proposals (RFP) and of two-envelope ITBs

Due to the two-envelope system where financial proposals are not to be opened without the completion of a technical evaluation, a public opening of proposals received is not necessary. Thus, only the technical proposals are opened as a first step of the opening, while the financial proposals are kept sealed by the individual in charge of receiving bids. A separate opening of the financial proposals (preferably by the same bid opening panel which opened the technical proposals) is to be conducted after the completion of the technical evaluation.

The opening of technical proposals is recorded in a report containing the following information:

1. Proposer's name and address.
2. Comments on incomplete proposals or other matters observed by the bid opening panel
3. Bid security, if requested
4. The date and time of the opening
5. The names of the TDEA personnel present

The technical proposal opening report must be signed by each member of the opening panel, and kept on file for future reference. The report shall be available for viewing by bidders who submitted offers for a period of thirty days from the date of the opening.

After the completion of the technical evaluation, and prior to the opening of the financial proposals, it is not necessary or a requirement to contact bidders to attend the opening session.

The financial proposals corresponding to the technical proposals meeting or exceeding the set threshold are opened in a separate opening session and the financial bid opening report must be signed by each member of the financial bid opening panel, and kept on file.

Once the financial opening of the offer has been completed, the report shall be available for viewing by bidders whose financial bids were opened for a period of thirty days from the date of the opening.

19.6 Rejection of offers

Invalid bids and proposals must be rejected by the evaluation team.

TDEA will not accept offers after the date and time stated as the deadline for submission of offers. Offers received after the designated date and time must be rejected, and returned unopened to the supplier, or shredded, (if a bid security was not requested), and the supplier informed accordingly. If a bid security was requested, the bid must be returned to the supplier unopened. Reasons for rejection of the offer must be given to the bidders so they can comply in the proper manner in future.

Even after the bid opening has taken place, TDEA shall accept late bids if it is evident and without doubt that TDEA is solely responsible for the delay. In such case, all bidders must be informed of the reason for accepting late bids.

19.7 Withdrawal of submissions

Withdrawal of submissions by the suppliers can only be accepted if TDEA is notified in writing prior to the deadline for submission of offers. The withdrawn offer shall be separated from the other bids/proposals prior to bid opening, and shall not be opened.

Withdrawal after the announced deadline for submission of offers shall not be honoured, and in such cases TDEA shall open and evaluate the offers together with the others. If the supplier has furnished a bid security, TDEA shall withhold such security until the issue has been resolved. If the offer is selected after an evaluation, legal support must be sought, if required, in order to resolve the matter.

19.8 Modification of submissions

Suppliers may modify their offers in writing prior to submission deadline. The modification shall be submitted in a sealed envelope, or to the dedicated fax/email, and shall be treated by TDEA like any other offer. Regarding modifications to offers after bid closure please refer to Section 20, Evaluation.

20. Evaluation

Evaluation is the process of assessing and comparing offers in accordance with the evaluation methodology stated in the solicitation documents aimed at determining which offer best complies with the defined evaluation criteria, and thus, represents the best value for TDEA.

Regardless of how effectively the other steps of the procurement process are conducted, the overall process will not be successful without a correct, objective and fair evaluation process. The evaluation process is critical, since it culminates in a recommendation and a request for an award of a contract.

In general, TDEA evaluates all offers based on the principle of best value for money. The quotation/bid/proposal that offers the 'best value for money' is the offer, which presents an optimal combination of technical and financial attributes, as per the requirements stipulated in the solicitation documents. Value for money can include non-cost factors such as fitness for purpose, quality, service and support, as well as cost related factors such as price, life-cycle costs, and transaction costs associated with acquiring, using, holding, maintaining, and disposing of the goods or services.

The essential principle to keep in mind throughout the solicitation process is coherence between the evaluation criteria specified in the solicitation documents, and the method of evaluation used in the end to select a supplier. Evaluation criteria can under no circumstances be altered during the evaluation process. A change of evaluation criteria during evaluation would jeopardize the transparency of the procurement process and conflict with the principles of fair and equal treatment of suppliers.

20.1 Evaluation criteria

Evaluation criteria are normally divided into the following categories:

1. Formal criteria
2. Technical and qualification criteria
3. Financial criteria

20.1.1 Formal criteria

Offers are checked for their compliance with any formal criteria stated in the solicitation documents. Examples of formal criteria are:

- Offers have been properly signed or includes documents indicating that the offer is authentic (any unsigned offer submitted without accompanying evidence that the offer is authentic, shall be rejected). A signature evidently executed by someone other than the typed name of the authorized representative on his/her behalf, shall be verified.
- Offers are accompanied by the required securities, if applicable.
- Supplier is eligible, e.g. duly registered if pre-registration is a requirement, not suspended by TDEA, nationality is in accordance with donor requirements if such requirements exist, etc.
- Offers are accompanied by the required documentation
- Offers are complete, etc.

Offers not meeting the formal criteria will be rejected and will not be evaluated. It is therefore important to carefully consider the formal criteria before issuing the tender documents as it is undesirable to conduct a solicitation process in which no supplier is likely to meet the formal criteria.

20.1.2 Technical and qualification criteria

Technical and qualification criteria are derived from the specifications, TOR or SOW, as well as from qualification conditions specified in the tender document. Depending on the nature and complexity of the procurement to be undertaken, technical and qualification criteria may be summarized in a few lines or consist of a long and precise description.

Technical and qualification criteria consist of requirements to be met by the bidder, such as but not limited to:

- Technical compliance to specifications
- Previous experience in a similar field and with the same or similar type of requirements
- Minimum requirements regarding value of previous contracts

- Minimum financial profitability and liquidity ratios
- Available capacity and equipment to undertake the assignment
- Availability of after sales services or agents in the country of delivery
- Qualification and experience of proposed personnel
- No adverse reports in the last three years

20.1.3 Financial criteria

Price is an important evaluation criterion but the weight of the price depends on the chosen evaluation methodology (see Section 20.3 Evaluation methodologies below). It is important to clearly state in the solicitation documents which price factors will be used for evaluation. Various factors such as freight cost, operational cost, incidental or start-up costs, as well as life cycle costs could be taken into consideration. In all cases, required breakdown as well as evaluation criteria must be clearly stated in the solicitation documents. Taxes and duties must not be used in relation to solicitation documents and must not be taken into account for the purpose of financial evaluation.

However, when requested by the funding source, and provided that the funding source enjoys tax exemption from the government of Pakistan, venders should be specified in the solicitation documents that they will be evaluated against prices exclusive of all indirect taxes.

20.2 Selection and Award

It must be clearly stated in the solicitation documents how contracts will be awarded (e.g. to the lowest priced, most technically acceptable offer, to the lowest priced substantially compliant offer or to the offer scoring highest overall), and which criteria will be applied in the evaluation to determine compliance or technical rating to allocate points.

When using a weighted scoring, a breakdown of percentage or points allocated to each overall criterion must be clearly stated in the solicitation documents (e.g. experience xx points, approach and methodology xx points, qualifications and competence of proposed personnel xx points).

If the requirements are divided into components or lots, it is imperative that the solicitation documents state whether the contract will be awarded to the supplier offering the best offer for all components or lots, or whether the contract may be awarded per component or lot.

If split orders (awarding contracts for parts of the items to more than one supplier) are foreseen, TDEA's right to split the contract between several suppliers should also be specified in the solicitation documents.

20.3 Evaluation Methodologies

Depending on the chosen mode of solicitation, various evaluation methodologies emphasizing different criteria in the evaluation of the submitted offers will apply.

The evaluation methodologies used for the respective methods of solicitation are as follows:

- 1) RFQ: Lowest priced, most technically acceptable offer methodology
- 2) ITB: Lowest priced, substantially compliant offer methodology
- 3) RFP: Cumulative analysis methodology

The table below gives further details on when to use which evaluation methodology.

Requirement	Solicitation document	Evaluation method	One/two-envelope system
Requirements exceeding PKR 25,000, where the requirement is clear and specific	RFQ	Lowest priced most technically acceptable Lowest priced, substantially compliant. Compliance defined as compliant/not compliant for all issues.	3 sealed quotations
Goods, services or works, with standard or firm specifications which can be expressed qualitatively and quantitatively	ITB Lowest priced, substantially compliant. A point system	One envelope Two-envelope with a minimum threshold defining compliance.	requirement for sealed offers
Goods, services or works, with requirements that cannot be	RFP	Cumulative analysis. Best value (technical and financial)	Two-envelope

quantitatively and qualitatively expressed		and most responsive offer.	
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20.4 Evaluation Process

Upon receipt and opening of offers, the evaluation of offers must be conducted according to the evaluation criteria and method defined during the preparation of the solicitation documents and clearly established in these documents. Under no circumstances can new or revised evaluation criteria be introduced during the evaluation of offers nor can the method of evaluation be changed. This provides the basis for an objective and transparent evaluation process.

The evaluation process comprises the following steps:

- Establishment of evaluation team
- Preliminary evaluation
- Technical evaluation
- (Post)qualification
- For two-envelope evaluations: completion of technical evaluation report and opening of financial offers
- Financial evaluation
- Clarifications, if required
- Identification of the winning offer
- Comparative statement
- Negotiation, if applicable
- Background check (if necessary)

Evaluation of bids and proposals should be completed before the validity of the offers expires. The procurement personnel must also take into account the additional time required for obtaining approval from the PA and for issuing the contract. Bids or proposals must also be valid at time of contract issuance. In the event that these conditions are unlikely to be met, bidders must be requested to extend the validity of their bid or proposal.

20.4.1 Establishment of evaluation team

In order to conduct a fair and unbiased evaluation of offers, evaluation must be undertaken by a team consisting of at least two members. The actual number of people on the evaluation team will depend on the nature, complexity and value of the procurement activity, but should not normally exceed five.

The purpose of the evaluation team is to verify that the suppliers and their offers satisfy the requirements of the solicitation documents, and to evaluate the offers according to the predefined evaluation criteria.

The evaluation team members shall be appointed, in writing (e.g. through an email), by the PA to provide objective and independent advice based on their knowledge of the specific subject matter. The evaluation team must be chaired by an experienced individual, appointed by the PA.

Confidentiality Affidavit Participants

20.4.3 Preliminary examination

In order to avoid spending further resources on the evaluation of invalid offers, the evaluation team should eliminate offers containing material deviation at an early stage of the evaluation process by performing a preliminary examination of offers against the formal criteria.

The evaluation team should eliminate offers not fulfilling formal criteria.

20.4.4 Technical evaluation

Well defined requirements are paramount and usually reward the time and efforts taken to produce correct specifications with easy, fast and successful technical evaluation. Therefore, efforts should be concentrated on defining the correct specifications prior to the start of solicitation process. See Sections 9.1.2 details regarding definition of requirements.

One-envelope solicitation:

Bids received in response to a one-envelope solicitation must be rejected when they contain material deviation i.e. when the specifications of the items quoted vary in one or more significant aspect(s) from the minimum required technical specifications.

Two-envelope solicitation:

In the case of the two-envelope solicitation method, the technical proposal submitted by any bidder would be rejected when the bid does not obtain the minimum required number of points to qualify. The corresponding financial offer cannot be opened. It should then be handled as specified in the solicitation document; i.e. the financial proposal would usually be shredded or returned unopened to the bidder. When the two envelope system is used, the technical evaluation of the proposals and qualifications of the suppliers are done simultaneously.

20.4.5 Price evaluation

This is the process of comparing the offers with the financial criteria stipulated in the solicitation document and determining the price to base the evaluation upon.

One-envelope solicitation:

In the case of the one-envelope solicitation method, prices of bids which have been found to be responsive further to the preliminary examination and technical evaluation shall be compared.

Prior to price comparison the bid evaluation committee must correct arithmetical errors on the following basis:

- a) If there is a discrepancy between the unit price and the line item total that is obtained by multiplying the unit price by the quantity, the unit price shall prevail and the line item total shall be corrected, unless in the opinion of TDEA there is an obvious misplacement of the decimal point in the unit price, in which case the line item total as quoted shall govern and the unit price shall be corrected; and
- b) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
- c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.

Once price correction has been undertaken, discounts must be evaluated when applicable and currency conversion into one base currency (as specified in the solicitation document) must be done.

Quantity discounts are taken into account in the evaluation, and must be evaluated as a separate offer.

The final price comparison in one single currency must take into account corrected errors, discounts, and any required adjustments.

Two-envelope solicitation:

In the case of the two-envelope solicitation method, the price is evaluated only for those bidders that qualify technically. When using the cumulative analysis evaluation method, the score of the financial proposal is calculated based on the formula for point allocation (see Section 20.3, Evaluation Methodologies).

During financial evaluation, a deviation would be considered material when required price components are missing or deviate from the requirements (e.g. less number of days for consultancy are offered and priced).

20.4.6 Supplier qualification

One-envelope solicitation:

In the case of one-envelope solicitation, qualification of the bidder is done after price and technical evaluation have been performed; therefore this process is called post-qualification.

Post qualification is only carried out for the bidder(s) with the lowest evaluated bid price whose bid was found to be technically responsive. Post-qualification consists of checking the background of the supplier(s) identified for contract award after financial and technical evaluation in order to ensure that the identified bidder(s) is (are) qualified and capable of successfully completing the contract (i.e. the entity is financially solvent, has the required experience, has sufficient production capacity, has good standing in the business community etc.).

If the evaluation process is to include a supplier qualification exercise, the solicitation document must clearly state for the sake of fairness and transparency:

- that post-qualification of the lowest technically responsive bidder(s) will be undertaken; and
- the minimum qualification requirements and the extent of the supplier qualification; and
- that offers of bidders not meeting the qualification requirements will be rejected.

The extent of the supplier qualification must be reasonable and related to the value of the contract and the complexity of the specific case.

The following aspects could be considered for supplier qualification purposes:

- a) Legal and regulatory requirements;
- b) Technical capability and experience;
- c) Financial capability;
- d) Institutional and workload capability..

The bidders whose bid meets all post qualification criteria for the items or lot for which they submitted the lowest evaluated bid price must be recommended for contract award as they submitted the lowest priced substantially compliant bid.

Two-envelope solicitation:

In the case of two-envelope solicitation, the technical evaluation of the proposal and the supplier qualification are performed at the same time. See Section 20.1.2, Technical evaluation.

20.4.7 Clarifications from suppliers

In principle, offers shall be evaluated based upon the information provided in the offer. However, after the submission of offers, clarifications to the offers are sometimes required from suppliers in order to be able to conduct a proper evaluation process. The purpose of such clarifications is to clarify any aspects of the offer, and not to add or delete aspects of the offer, or otherwise modify any portions of the offer.

Clarifications to the contents of the offer may be sought, taking into consideration the principle of equal and fair treatment of the suppliers. The supplier(s) shall not be allowed to change the contents of their offer, but merely provide missing historical documents or minor clarifications enabling the evaluation team to fully understand the offer in order to carry out a fair evaluation. No change in the price or substance of the offer can be sought, offered or permitted, except as required in order to allow for correction of arithmetic errors discovered by TDEA. All requests for clarifications must include a reasonable deadline. If the bidder has failed to provide the required information or to reply by the deadline, the offer must be rejected.

During the clarification discussions, no information about offers of other prospective suppliers can be divulged to the supplier.

The discussions can be conducted in a meeting, but also through means of written communication. Regardless of how the discussions are being conducted, all discussions shall be summarized in writing, along with clarifications provided, and kept on file for future reference.

Seeking clarifications from suppliers after receipt and opening of offers should not be mistaken with the modification of offers before submission deadline.

20.4.8 Complaints and representations

Replies to representations and complaints made by bidders during (and after) bid evaluation must be in line with what may or may not be disclosed, as stated in the tender document.

Depending on the nature of the complaints and representations received, the CEO should consider seeking advice from PA before replying. Whenever, impropriety is alleged, the chairperson should always send the complaints immediately to the PA.

20.4.9 Indication of potential fraud

While conducting evaluation of bids or proposals, the evaluation panel should satisfy itself that there is no indication of fraud, price-fixing or suspicious actions on the part of some bidders that might point out to the existence of a cartel.

When there is a clear indication of potential collusion, TDEA retains the right to reject all offers and may seek legal remedies available.

20.4.10 Identification of the winning offer

When using the 'lowest priced, most technically acceptable' methodology, the lowest priced offer determined to be compliant is generally selected as the winning offer. However, this methodology offers the flexibility of selecting the most compliant technical offer should none of the offers be fully technically compliant. Exceptionally,

selection of a higher priced offer can be justified if the difference in price is small while the technical qualities of the selected offer by far surpass those of the lowest priced offer. Selection of another offer than the lowest priced one requires well documented justification.

When using the 'lowest priced, substantially compliant offer' methodology, the winning offer is the lowest priced offer determined to be substantially compliant.

When using the 'cumulative analysis' evaluation methodology, the total score obtained, including both technical and financial proposals, is calculated for each offer. The offer obtaining the overall highest score is the winning offer.

20.4.11 Negotiations

Negotiations are discussions with a potential supplier after selection of the supplier, but prior to award of contract, with the purpose of ensuring best value for money for TDEA in the procurement process without compromising the principle of fair and equal treatment of all suppliers. Negotiations regarding the detailed terms and conditions of a contract between TDEA and a supplier are treated as a separate issue in Section 22, Contracting.

In principle, negotiations are usually not undertaken when formal methods of solicitation are used. However, in such situations, negotiations can still be justified, for example if only one bid has been received and the price is not deemed competitive, in order to ensure best value for money for TDEA. Negotiations can prove very effective in situations of directly negotiated contracts in order to ensure competitive prices.

Negotiations are confidential between TDEA and the supplier, and no information relating to the negotiations may be revealed by any party.

For negotiations conducted with the selected supplier(s), as a minimum two TDEA individuals must be involved. It is recommended that each individual is given roles to play in the negotiations and that prior to negotiations roles and responsibilities for TDEA individuals are clearly set out to ensure optimum results.

20.4.13 Comparative Statement Report

Results of the quotation/bid/proposal evaluation and supplier qualification shall be documented in an evaluation table and summarized in the evaluation report. Use of Comparative statement Report template for consistency purposes and to reduce risks of errors.

The report documenting the evaluation process shall be signed by all the members of the evaluation panel, initialled on every page (except for historical annexes such as the RFQ/ITB/RFP, amendments, clarification notes etc.) by at least two members of the panel and kept on file for future reference. The evaluation report must be dated, identify the process to which it relates and the name of each signatory must be printed under the signature. The evaluation report will later be used as the basis for the recommendation of award. An evaluation report typically contains a summary of the evaluation process and its individual steps as outlined above including the point allocation for each offer, if applicable. Important evaluation criteria must be reflected in the evaluation report. Any rejection, non-compliance, and clarifications of offers must be clearly stated, including a list with the final ranking of the offers and the reasoning on how the winning offer(s), was/were selected.

21. Procurement review and award of contract

Procurement activities are subject to a review process prior to award in order to ensure compliance with applicable regulations, rules, policies and procedures.

The review shall establish whether or not appropriate procedures have been followed, provide reasonable justifications whenever procedures have not been fully adhered to, provide a summary of the procurement activity, and ensure that the Procurement Authority (PA) is furnished with all material information required in order to award a contract.

Award is the decision authorizing establishment of a contract with a selected supplier or individual contractor.

21.1 Award

Contracts are awarded by the relevant PA after ensuring compliance with applicable regulations, rules, policies and procedures.

The PA will either award or not a contract to the selected supplier or individual contractor based on the recommendations received. An award may be made subject to the prior fulfillment of conditions.

If an approval/no objection regarding the selected offer is required from the client/funding source and/or end-user this can be obtained prior to/in parallel with or after internal award depending on working agreement with the client or possible time constraints.

Only after official award of contract by the relevant PA, and fulfillment of any conditions to that award, can a contractual obligation be entered into by TDEA.

22. Contracting

A contract is a legally binding document between TDEA and the supplier, and defines, at a minimum, the nature of the product being procured, the quantity being procured, the overall contract and/or unit price, the period covered, conditions to be fulfilled, including the TDEA General Conditions of Contract (GCC), terms of delivery and payment, and the name and address of the supplier.

A written contract shall always be issued by TDEA for all procurement activities valued at USD 2,500 or above. Contracts shall be issued prior to any delivery of goods taking place, and/or the start up phase of works or services. The PA may choose to issue written contracts also for purchases below the value of USD 2,500.

TDEA model contracts must always be used unless the donor imposes different templates or other formats are routinely used in a specific industry (e.g. lease contract, contracts for electricity and water provision, etc.). The model contracts are TDEA templates to be completed using contract specific data.

Modifications and/or additions to the TDEA standard contract formats including annexes can be made. Care must be taken not to include any requirements or conditions that contradict the TDEA General Conditions of Contract, or the standard text of any of the documents.

22.1 Contract preparation

After a solicitation process, in which TDEA has defined the requirements, a supplier is selected based on a bid or proposal, and offered a contract by TDEA. Upon signature of the contractual document by both parties, the contract is made legally binding for both parties.

Contracts shall be awarded within the offer validity period. If it is not possible to award the contract within the original period of offer validity, an extension of the offer validity period must be requested from all the bidders. A bidder may refuse the request without forfeiting its bid/proposal security. Bidders agreeing to the request will not be permitted to modify their bids/proposals but will be required to extend the validity of their bid/proposal securities (if applicable) for the period of the extension. As such, extensions must be requested as early as possible to allow bidders sufficient time to produce a new valid bid/proposal security before the expiration of the original.

The bid security of the successful bidder must only be returned when the bidder has signed the contract and furnished the required performance security, if applicable. The bid/proposal securities of unsuccessful bidders must be returned as promptly as possible thereafter.

22.1.1 Contract negotiations with suppliers

The purpose of contract negotiations at this stage is to clarify any issues remaining unclear and not defined by the requirements in the solicitation documents, nor by the supplier's offer, but which are essential for proper implementation of the contract (e.g. defining milestone payments against deliverables). Negotiations should result in a clear understanding of terms and conditions agreed upon by the parties and their respective responsibilities under the contract.

Where the bidder/offeror has not recorded any reservations to TDEA's conditions with its bid/offer, TDEA may choose not to enter into negotiations on contract terms proposed by the bidder/offeror after selection of his offer.

22.1.2 Policy on advance payments

Advance payments refer to payments effected prior to receipt of goods or performance of any contractual service. Such advance payments are distinguished from the case of contracts for services and works, where the contractual arrangements generally foresee performance of a series of services scheduled to be completed/delivered at subsequent times within the time frame of the contract. These established delivery times for partial services (often referred to as 'milestones') constitute the basis for partial payments to the contractor, i.e. progress payments, which are intended as reimbursements of expenditures incurred and partial payments of contractor's fees already earned. However, should any of such payments be requested in advance of delivery of an item or service specified in the contract they correspond to, they would be referred to as 'advance payments'.

According to the TDEA Compendium, no contract requiring advance payment shall be made on behalf of TDEA (i.e. payment in advance of delivery of goods or performance of contractual services).

However, exceptions can in certain cases be made if required to comply with normal commercial practice or deemed to be in the best interest of TDEA. If a common practice of advance payments exists in the industry sector, which is often the case for works, or if an excessive financial hardship on the contractor should be avoided for some reason, an advance payment may be justified.

Examples of activities that may justify an advance payment are:

- a) Mobilization costs (mainly for works), such as purchase/lease of equipment/materials/ machines and/civil works or transfer of same to the project site, establishment of base camps, and transport of personnel to the project site.
- b) Start-up costs (mainly for services), such as purchase of airline tickets, down payments for rental/purchase of office premises/equipment on project site.
- c) Design or design adaptation costs, related to goods/machines which require design and ex-novo manufacturing
- d) Payment of lease (premises), payment of water/gas/electricity, etc.

The maximum amount of advance payment for mobilization should not exceed 25 percent of the total contract value, unless other factors are involved and justified by the bidder to request higher amount. This justification shall explain the need for the advance payment, itemize the amount requested, and provide a time-schedule for utilization of the requested advance payment amount.

If the supplier's proposal is being presented for recommendation for contract award, the assessment of the request for advance payment shall be summarized by the evaluation committee, indicating whether or not an advance payment is justified.

In the case that an advance payment is requested 75% or more and subsequently granted, TDEA must receive in advance revocable guarantee cheque made in favor of TDEA of the same amount.

22.2 Contract Documents

A contract between TDEA and a supplier must include as a minimum the following:

- a) Letter part of the contract
- b) TDEA General Conditions for goods, works, or services, depending on the type of product being purchased (as an annex, but considered an integral part of the contract) or General Conditions of the donor if applicable.
- c) Technical specifications, TOR, SOW/BOQ and/or drawings, budget (for cost reimbursable contracts), template for performance securities, delivery requirements, etc.

22.2.1 Contract requirements

The contractual agreement must contain the following elements:

- a) Identification of the parties contracted as well as the person authorized to act on behalf of the contracted party including: name, address and contact details. In the event that the contract is the result of a joint offer, TDEA will usually contract with one entity which must always be the lead entity.
- b) A reference to all relevant documents (i.e. TDEA solicitation documents, the supplier's offer, and clarifications (in the form of written communication or minutes of the clarification meeting with the supplier).
- c) Nature of the goods/works/services being procured and the quantity being provided, as well as the terms of delivery.
- d) Contract and/or unit price and terms of payment. Contracts must be denominated in the currency of the supplier's offer. It is important to establish tangible indicators for payments, linked to milestones in delivery of services or completion of works. Final payment must always be based upon acceptance of documentation for completion of services or works, or delivery of goods.
- e) Contracts valid over a longer period of time (over 12 months) may contain price adjustments linked to officially published price indexes to cover changes in work rates. The increase may also be estimated and incorporated as a fixed rate over the entire life of the contract. Contracts for commodities whose price may fluctuate over time (e.g. petroleum products, metal products, etc.) may be based on commodities/mercantile exchange prices. provided this is clearly specified in the solicitation document. For such contracts, it is good practice to specify in the contract that the final price shall not exceed a specified maximum amount and that the contractor should adjust the quantity accordingly so that the contract amount is not exceeded.
- f) Duration of the contract. Starting and completion dates, as well as milestones for successful performance, must be precisely defined.

- g) Contracts for works and services must specify the name of key personnel, and their input in terms of estimated man-days/weeks/months.
- h) As for any litigious matters arising out of a contract execution, the parties shall proceed in accordance with the applicable Laws in Pakistan.

22.2.2 Technical specifications, TOR, SOW, BOQ and/or drawings

Technical specifications, Terms of reference, statement of works including drawings and other technical specifications must always be attached as an annex to the contract, or their contents included in the contractual document.

22.3 Signature, Issuance and Documentation

All contracts must be signed by the PA on behalf of TDEA, and by a duly authorized individual on behalf of the supplier. Once contract award has been approved in writing by the relevant PA.

The contract must be issued in two original copies, both signed, one for the supplier and one for the TDEA case file. One original must be distributed to the supplier requesting return of a countersigned scanned copy. The countersigned contract must be kept on record for future reference.

22.4 Types of Contractual instruments

TDEA has developed standard contracts to be used (see below). When using the standard contracts, a payment modality must be chosen.

TDEA generally uses a form of 'lump sum' or 'unit price' contract:

A 'lump sum' formula contract is used whenever it is possible to determine with sufficient precision the quantity and scope of the goods/services/works required from the contractor.

The 'unit price' formula contract must be used only when it is impossible, due to the nature of the services/work/goods, to determine with sufficient precision the quantity of the services/works/goods required from the contractor. In this case, the contract sets a maximum amount not to be exceeded, both for the total amount and for the provision of each component of the services (e.g. rate per work day, cost of each round-trip etc.), and establishes the applicable unit price.

The use of percentage-based contracts measuring consultancy costs as a percentage of total construction costs is discouraged.

TDEA formalizes procurement by way of the following standard contractual templates:

22.4.1 Purchase order (PO)

POs are contracts, generally used for the acquisitions of goods, **commodities above petty purchase limit or for the fixed assets**. After selection of supplier by the relevant Procurement Committee, the Procurement person will issue the Purchase Order to the selected supplier after the approval from relevant authority. The Purchase Order should contain the following information:

- PO Number
- Contact information of supplier
- Quantity ordered by the organization
- Agreed date of delivery of goods
- Exact specification of the product(s)
- Terms of payment
- Agreed price
- Taxes to be deduction clause.
- Penalty clause

Purchase order format

22.4.1.2 Repeat Order

Repeat order may be issued to a supplier within 3 months of earlier purchase at the same price provided that: earlier order was placed on the basis of open competition in case of the procurement above 25,000/-, there has been no significant change in price(s) of the items, and supplies were satisfactory, quantity can be more or less than the previous order.

To save time and cost, repeat order can be issued by project using the documentation of any other project of TDEA through any method of procurement executed.

22.4.2 Long Term Agreements

Long Term Agreements (LTAs) are mutual arrangements between TDEA and suppliers to provide goods or services as required, for the most frequently requested items or services, over a specific period of time. LTAs are not contracts as such (the actual contracts are the call-off orders that may be issued subsequently to the establishment of an LTA).

LTAs are used to ensure a reliable source of supply for goods and services at the lowest price, in accordance with pre-defined terms and conditions. They are often designed to provide immediate stock availability in case of emergency.

LTA - Template

22.4.3 Amendments to contracts and agreements

Once a contract has been awarded and signed, it may be amended only if the contract provisions allow modifications, and if additional related goods, services, or and/or works are to be provided/rendered by the same supplier in furtherance of the execution of the original contract. Please refer to Section 22.4.3, Contract amendments, for further guidance.

All other situations call for a new competitive selection process and establishment of a new contract.

22.5 Protest procedures

Suppliers perceiving that they have been unjustly treated in connection with the solicitation or award of a contract may lodge a complaint directly with the TDEA Board of Trustees. All bidders must be informed of TDEA' independent bid protest procedure in the solicitation documents as well as in subsequent contracts. Under no circumstances will the personnel involved in the procurement activity under complaint be allowed to participate in the review of the protest.

The BOT will then make an initial assessment of the complaint and may, at his discretion, seek clarification from the PA responsible for the procurement process or any other personnel (as necessary).

The BOT will issue a response to the supplier. This response will reflect the final formal position of TDEA on the matter. Suppliers filing complaints may be granted clarification meetings with the General Counsel in order to better understand the rationale for TDEA' final decision on the subject.

If the complaint received by the BOT involves allegations of personnel misconduct the protest will be reviewed in accordance with TDEA' policy on disciplinary and other measures relating to misconduct without any further involvement of the PA or procurement personnel.

If the complaint received by the General Counsel involves allegations of corrupt or fraudulent practices, the protest will be reviewed by the General Counsel in accordance with TDEA policy to address fraud without any further involvement of the PA or procurement personnel.

22.6 Posting of Awarded Contracts

In continuation of the principle of transparency, TDEA shall post on its website information about all awarded contracts (including call-off orders), regardless of their value, which are issued to individuals. This step in the process is essential. Omitting to disclose contract award information would undermine the procurement principle of transparency and would be detrimental to the reputation of TDEA.

Once the PO is issued, the relevant information is automatically extracted from the system and posted on TDEA website. It is therefore paramount that the information indicated above is entered correctly in the PO.

23. Contract administration

Contract administration is the process which ensures that both parties to the contract fully meet their respective obligations as efficiently and effectively as possible, delivering the business and operational outputs required from the contract and mitigating attendant risks.

There are five stages in the contract administration process:

- a) Monitoring and control of contract performance
- b) Change management
- c) Dispute resolution
- d) Financial management/payment
- e) Contract completion

Contract administration is the responsibility of the procuring unit and the individual in charge of the procurement process. However, contract administration will require the involvement and input of the requisitioner or business unit, and at times also the input of the end user.

23.1 Monitoring and control of contract performance

The overall contract monitoring is the responsibility of the personnel in charge of the procurement activity. It includes observing the performance of the supplier to ensure that a quality product, in the right quantity, is delivered on time and within the budget.

Various requirements are built into the standard contracts and the degree to which suppliers fulfil these requirements is used to measure the achievement of performance indicators in order to evaluate the ongoing performance of the contract (e.g. quality standards, delivery times, inspections, milestone dates, etc.).

Control of performance includes ensuring that the performance of the supplier is according to the contract that any variance can be justified, and that contracts are amended to reflect agreed changes to the scope of work.

Goods

For the procurement of goods, procurement personnel must monitor shipment and receipt of goods through the following actions:

- a) Follow up with the supplier a few days/weeks before the required ship by date to ensure that goods will be ready for shipment by the agreed date.
- b) Inform suppliers, consignee, and requisitioner/end user of any change of plans (e.g. shipping route, ship by date, etc.).
- c) Obtain proof of receipt of goods at final destination, if different from the destination of the consignee.

Typical performance indicators used for monitoring of contracts:

- a) Comparison of required delivery date v. actual delivery date
- b) Comparison of quantity ordered vs. delivered quantity
- c) Comparison of compliance between ordered and delivered specifications

Services

When contracting services, procurement personnel must monitor the performance of the contractor by ensuring timely receipt and acceptance of the deliverables specified in the contract (e.g. inception reports, progress reports, reports from workshops or training sessions, video films etc.).

The deliverables under the contract must be acknowledged and approved by the requisitioner/ business unit, and occasionally also by the end user.

Typical performance indicators used for monitoring of service contracts:

- 1. The timely delivery of outputs as per the contract
- 2. Timely response to TDEA requests
- 3. Quality of services rendered

Works

Works are considered completed when the concern personal has issued a certificate of final completion stating that the works have been completed and that the contractor has fulfilled his obligations in accordance with the contract.

Typical performance indicators used for monitoring contracts for works:

- 1. On time completion of the works or parts of the works
- 2. Compliance with statement of works
- 3. Percentage of non-compliance points in the certificate of substantial completion issued by the consulting engineer

23.1.1 Inspections

Monitoring of the contract and evaluation of the end product could be achieved through inspections. Inspections involve examining or testing of a product to ensure that it conforms to contract requirements. Inspections may be performed by in-house experts or by inspection agents contracted on a one time basis or through an established LTA.

23.1.2 Acceptance of the final product

Acceptance of the final product is the responsibility of the requisitioner/ business unit and of the end user. However, the procuring entity must record and file this information in the case file, and use it for payment purposes and to take corrective actions, if necessary.

Goods

Upon receipt of the procured goods by the end user, **the administration unit** with the input of the end user, where relevant, should provide the procuring unit with a GRN only **for substantial amount (determent by procurement person)** confirming receipt of all goods as per the packing list, as well as documenting in detail the condition of the goods received, and their compliance with the stated specifications.

The standard TDEA GRN .

Services

Procurement personnel must receive written confirmation from the requisitioner of services having been satisfactorily completed in accordance with the terms specified in the contract. The requisitioner (with the input of the end user, where relevant) must confirm receipt and acceptance of all deliverables specified in the contract.

Works

When procuring works, procurement personnel must ensure that the works are proceeding in accordance with the agreed timeline in the contract. This can be done through regular site visits, or through progress or status reports from the engineer monitoring the progress of the works.

23.1.2 Evaluation of supplier performance

Procurement personnel, the requisitioner/business unit, and the end user shall all be involved in the evaluation of the performance of the supplier. The individual in charge of the procurement activity in question has the main responsibility for supplier evaluation, however, procurement personnel depend upon input from the requisitioner/business unit, the end user, and the consulting engineer (in the case of works projects) in order to conduct a thorough evaluation.

The following issues should be addressed:

- fulfillment of delivery schedule/timely delivery
- compliance with contractual terms and conditions
- adherence to warranty provisions
- quality of goods or services provided in accordance with the contract
- timely response to TDEA' requests
- undue delay of the performance under the contract
- any frivolous claims against TDEA
- failure to disclose information relevant to performance (e.g. bankruptcy, ongoing litigation, etc.)

23.1.3 Contract filing and documentation

A procurement file must be established by procurement personnel. In addition to information documenting the procurement process, the file must include all information required to successfully administer the contract. Any issues of clarification or change of the contract must be fully documented in this file. The requisitioner/business unit will normally have a separate file, with copy of the contract, as part of the project management file, in order to provide their input throughout the contract administration phase.

It is important to carefully document contract performance:

- in order to provide evidence of the performance of the supplier,
- in the event of disputes,
- in order to form an institutional memory, and
- for audit purposes.

23.2 Change management

Change management is the handling of changes that arise during contract execution, typically involving variations in costs or requirements that were not originally anticipated, but are not in dispute. Change management includes both avoiding unwanted changes as well as incorporating necessary changes into the contract.

It is the responsibility of procurement personnel to:

- a. Negotiate the appropriate contract changes regarding cost, schedule, and quality and performance ensuring that the contract is amended so that it at all times defines the agreed expectations of both parties under the contract. The amendments must be documented to the contract file.
- b. Ensure that the change conditions are reasonable and justifiable in terms of cost, time, and quality.

23.2.1 Contract amendments

A contract amendment originates either from a request for small changes in or additions to the contract from the client or end user, or from a discovered need for adjustments to the contract in order for it to clearly reflect the expectations of the contract parties.

Once a contract has been awarded and signed, it is only permitted to amend the contract if the contract provisions call for modification, or if additional related goods, services, and/or works are to be rendered by the same supplier in furtherance of the execution of an original contract. Contract amendments are not appropriate for substantial amendments to the scope of the goods, services or works to be delivered.

All other situations call for a new competitive selection of a supplier. The following key points should be taken into account when amending a contract:

- a) Amendments with financial implications must be approved by the requisitioner and the relevant PA.
- b) Amendments must be made well in advance of the proposed effective date of the amendment, and always prior to the expiry date of the contract. If the contract is already expired.
- c) When amending a contract to increase the price, procurement personnel must justify the reasonableness of cost (e.g. unit prices should not exceed those in the original contract). Deviations from the original unit prices must be clearly explained and justified.
- d) Amendments must be in writing. The standard contract amendment template shall be used for the amendment of services or works contracts. When purchasing goods, an amended PO must be issued to the supplier.

23.3 Remedies

A breach of contract may entitle the non-breaching party to certain remedies. Termination

In some cases, the failure of one party to perform may give rise to the other party cancelling the contract. Cancellation occurs when one party puts an end to the contract for breach by the other. The remedies for that breach normally include damages that indemnify the non-breaching party for any loss suffered due to breach and such damages generally are compensatory. In all cases of termination, prior consultation and advice must be sought from the LPG.

Liquidated damages

The parties to a contract may expressly agree, in advance, to a sum that will be payable as damages for any breach. These liquidated damages are an estimate of actual loss that would be incurred and are not considered a penalty. Provisions for liquidated damages are included in the general conditions of the TDEA standard contracts. When delays result in extra costs, or loss of revenue or loss of other benefits to TDEA, liquidated damages are paid by the supplier to TDEA to cover costs incurred by the delay.

Liquidated damages are provided for to cover late delivery and calculated as a percentage of the contract value up to a maximum amount. Liquidated damages for late delivery normally accrue for each day, or other period, calculated to account for late delivery.

When liquidated damages should be applied/not be applied:

- a) If the delay is the result of a force majeure (i.e. events beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable) and the supplier has been able to provide convincing evidence of the occurrence of such events, or if the delay is due to TDEA negligence (e.g.

- error in design documentation) or to client stopping/delaying execution of the contract, liquidated damages must not be applied.
- b) If the delay is due to any other reasons related to the contractor, liquidated damages must be applied as per the terms of the Contract.

Who decides the application/non application of liquidated damages?

23.4 Dispute resolution

Ideally, contracts should be clear and the responsibilities and obligations of both the supplier and TDEA must be clearly defined in order to minimize the possibility of disputes and disagreements. Please refer to Section 22, contracting, for further guidance on the contents of a TDEA contract.

However, no matter how well a contract is drafted and its performance managed, disputes can and do arise. As potential disputes must be considered throughout the procurement process in order to resolve any dispute should it ultimately arise, a good understanding of how disputes are resolved is fundamental to effective procurement.

The preferred means of commercial dispute resolution is negotiation. All negotiations are based on an openness to compromise, which often is less costly than alternative methods of dispute resolution. TDEA must strive to always solve disputes through negotiation.

Where negotiation is not possible or fails, more formal means of dispute resolution are available. Mediation is a private method of dispute resolution by submission to an agreed impartial third party that has a non-binding authority. Arbitration also is a mutually agreed method of dispute resolution, but the arbitrator(s) are given authority to render a binding judgment.

Arbitration often is agreed to by contracting parties by including an arbitration clause in their contract. Such a clause can be found in all standard TDEA contracts.

23.5 Financial management and payments

Financial management and payment refers to the timely processing of invoices for payment, according to the terms of the contract as well as the review of financial implications of contract changes, and the liquidation of financial securities (i.e. release of performance and advance payment securities) once the reason for requesting them no longer exists.

23.5.1 Payments

TDEA Finance unit shall ensure that the terms and conditions of payment are consistent with the ones specified in the contract document. The following examples contain typical payment terms for goods, works and services:

- a) For the procurement of goods, the payment term is Net 15 days upon receipt of shipping documents and invoices.
- b) Alternatively, payment of 80 percent upon shipment of goods and 20 percent upon delivery and acceptance of goods at the end destination may be considered.
- c) For the procurement of construction works, the payment term is Net 15 days upon receipt of invoice and the certificate of payment issued by the consulting engineer approving payment in the amount of the invoice.
- d) For the procurement of services, the payment term is Net 15 days upon receipt of invoice and delivery/acceptance of the milestone deliverables linked to payment as per the contract.

23.5.2 Advance payments

According to Compendium no contract shall be made on behalf of TDEA requiring payment in advance of delivery of goods or performance of contractual services.

However, in certain exceptional cases or when it is common practice within the industry, advance payments may be made. Further, progress payments are commonly used in the case of services and works contracts. Please refer to Section 22.1.2, Policy on advance payments, for further guidance.

In the exceptional cases where advance payments are made, an advance payment security must be requested from the supplier.

23.5.3 Third party payments

TDEA does not make any third-party payments, i.e. payment to others than the entity contracted. However, if the individual approving the contract (the relevant PA) believes that circumstances warrant that TDEA pay a third party, then the PA must consult with the Finance , and obtain his approval prior to the contract or purchase order being signed. Once the third party payment has been approved, the name, address, and banking details of the third party must be included in the contract document unless vendor banking details.

23.5.4 Taxes

TDEA will deduct the taxes as per Tax Laws of Government of Pakistan.

23.5.5 Performance securities

If required, the supplier shall within a specified period of time of the notification of contract award, provide a security for performance of the contract, or an advance payment security, in an amount determined by TDEA. The proceeds of the security (an established amount) shall become payable to TDEA in the event of the supplier's failure to perform.

The performance security shall be returned by TDEA to the supplier no later than thirty days following the date of completion of the supplier's performance obligation under the contract, including any warranty obligations.

23.6 Contract completion and close out

Contract completion entails the confirmation that all obligations have been met, identification of any residual obligations and how they will be fulfilled, settlement of final payments, assessment of contractor, and the administrative closing of files.

Procurement personnel must verify the following key steps in order to close a contract:

- a) All products and/or services required have been provided to the buyer
- b) Documentation in the contract file adequately shows receipt and formal acceptance of all contract items.
- c) No claims or investigations are pending on the contract.
- d) Any TDEA furnished property has been returned to TDEA and discrepancies in number and condition resolved.
- e) All actions related to contract price revisions and changes have been concluded.
- f) All outstanding subcontracting issues have been settled.
- g) If a partial or complete termination was involved, action is complete.
- h) Original copies of all warranty documentation, including expiration dates, responsibilities and procedures to follow are finalized.
- i) Any required contract audit has been completed.
- j) The final invoice has been submitted and paid.



Procurement Need Assessment Form

Procurement need assessment	
Six Monthly	
Unit/ Department	
Project Name :	

S.No	Items	Specifications	No. of Units	Procurement Plan					
				January	February	March	April	May	June

Prepared By.	
Name:	
Designation	

Approved By.	
Name:	
Designation	

Procurement Plan	
Six Monthly	
Project Name :	

S. N o	Items	Specific ations	No · of Un its	Estim ated Unit Cost PKR	Total - PKR	Procurement Plan						Mod e of Pay ment	Procure ment Metho d
						Janu ary	Febr uary	Ma rch	Ap ril	M ay	Ju ne		
Total Cost													

Prepared By.

Name:

Designation

Reviewed By.

Name:

Designation

Purchase Requisition Form “A”

DATE:		Requisition No:	
Name			
Designation			
Department/Project			
Date by which items are required			

Details of required items:

S. No.	Items required	Uni	Approx. price per unit	No of Units	Approx. Total Amount
Total					

Donor specific note if any: If the value of the requested goods or services is more than USD 25,000; it requires compliance with USAID's Source and Nationality regulations.

Signature _____

Approvals

Name: (Relevant Unit Head)	Approved	Not Approved	Remarks:	Signature and date:
Name: Finance Unit (Availability of budget)	Approved Project Code: Donor: Mode of Payment Cash Cheque	Not Approved	Remarks:	Signature and date:
Name: Designated Manager (Up to PKR 25,000)	Approved	Not Approved	Remarks:	Signature and date:

Purchase Requisition Form “B”

DATE:		Requisition No:	
Name			
Designation			
Department/Project			
Date by which items are required			

Details of required items:

S. No.	Items required	Unit	Approx. price per unit	No of Units	Approx. Total Amount
	Total				

Donor specific note if any: If the value of the requested goods or services is more than USD 25,000; it requires compliance with USAID's Source and Nationality regulations.

Signature

Approvals				
Name: (Relevant Unit Head)	Approved	Not Approved	Remarks:	Signature and date:
Name: Finance Unit (Availability of budget)	Approved Project Code: Donor: Mode of Payment: Cash Cheque	Not Approved	Remarks:	Signature and date:
Name: Chief Of Party (Up to PKR 100,000)	Approved	Not Approved	Remarks:	Signature and date:

PURCHASE REQUISITION FORM “C”

DATE:		Requisition No:	
Name			
Designation			
Department/Project			
Date by which items are required			

Details of required items:

S. No.	Items required	Unit	Approx. price per unit	No of Units	Approx. Total Amount
Total					

Donor specific note if any: If the value of the requested goods or services is more than USD 25,000; it requires compliance with USAID's Source and Nationality regulations.

Signature _____

Approvals				
Name: (Relevant Unit Head)	Approved	Not Approved	Remarks:	Signature and date:
Name: Finance Unit (Availability of budget)	Approved Project Code: Donor: Mode of Payment Cash Cheque	Not Approved	Remarks:	Signature and date:
Name: Chief Executive Officer (Over PKR 100,000)	Approved	Not Approved	Remarks:	Signature and date:

Branding as per donor requirements

REQUEST FOR PROPOSAL (RFP)

RFP Number: RFP No. XXXXXX

Description: XXXXXXXXXXXXXXXX Services for TDEA Office, Islamabad

Release Date: XXXXXXXXXXXXXXXX

Deadline for Questions: XXXXXXXXXXXXXXXX

Due Date: XXXXXXXXXXXXXXXX

For Project: Project

Contracting Entity: TDEA

Funded by: XXXXX

Place of Performance: Islamabad

Contents of RFP:

Section 1: Instructions to Offerors
Section 2: Scope of Work (SOW) and Deliverables
Section 3: Fixed Price Subcontract Terms and Conditions
Attachment A: Letter of Transmittal
Attachment B: Required Certifications

SECTION 1: INSTRUCTIONS TO OFFERORS

1.1 Introduction

TDEA Introduction

Project Brief

1.2 Offer Deadline

Offers must be received by Courier no later than **XXXX PM** local Islamabad time on **XXXXXXXX**. Late offers will be considered at the discretion of the evaluation team.

1.3 Protocol for Submission of Offers and Required Documents

Offerors are responsible for ensuring that their offers are received in accordance with the instructions stated herein.

All offers must be mailed to **House # XXXX, Street# XXXXX , Islamabad** by the deadline stated in Section 1.2 above. The following text must appear on the Sealed Envelope: "Proposal XXXX". Receipt will be acknowledged.

All offers must be prepared in English. Each offer should be composed of a Technical Volume and Cost Volume as described in Sections 1.5 and 1.6 below.

Each offeror may submit only one proposal, either individually or as a partner in a joint venture. An offeror, who submits or participates in more than one proposal, shall cause all the proposals with that offeror's participation to be disqualified.

1.4 Site Walkthrough

Site walkthroughs will be held on **XX Date XXX**. All offerors must register themselves for the visit via email procurement@tdea.pk, no later than **XXXXX AM local Islamabad time on XX Date XXX** and the time for the walkthrough shall be communicated to the offerors on the same day.

1.5 Questions and Clarifications

All questions and/or clarifications regarding this RFP must be submitted via email XXXXX@tdea.pk no later than **XXX PM local time on XX Date XXX**. All correspondence and/or inquiries regarding this solicitation must reference the RFP number. No phone calls or in-person inquiries will be entertained; all questions and inquiries must be in writing.

Questions and requests for clarification—and the responses thereto—will be circulated to all RFP recipients who have indicated an interest in bidding by **XXX PM local time on XX Date XXX**.

Only the written answers will be considered official and carry weight in the RFP process and subsequent evaluation. Any verbal information received from a TDEA employee or other entity should not be considered as an official response to any questions regarding this RFP.

1.6 Technical Volume

The Technical Volume should describe in detail the offeror's proposed plan under the proposed scope of work (SOW) and deliverables found in Section 2. It should demonstrate a clear understanding of the work to be undertaken and the responsibilities of all parties involved.

The Technical Volume should not exceed ten (10) pages and should include the following information:

Appropriate cost & Technical Approach	<ul style="list-style-type: none"> Reasonable and appropriate cost compared to competing TDEA. Describe the Offeror's technical plan for achieving the SOW described in Section 2.
Personnel	<ul style="list-style-type: none"> Description of the experience of the team supervisor, including experience managing similar activities, ability to communicate, and English proficiency. Include a CV for the team supervisor and any other members of the team proposed to work on the project. <i>[CVs do not count towards the Company Profile page limit]</i>
Past Performance & Corporate Capability	<ul style="list-style-type: none"> Provide three (3) past performance references for previous projects conducted by the Offeror of a similar scope and outreach, including the name of the project, the name of the client's contact person, the street address, email address, and telephone number. A profile of the offeror's firm including primary services, year created, and size. Details on experience in carrying out similar projects.

Subcontracting arrangements: If the execution of work to be performed by the offeror requires the hiring of subcontractors, the proposal must clearly identify the subcontractor(s), contact information of subcontractor(s), and the work they will perform. TDEA will not refuse a proposal based upon the use of subcontractors; however, TDEA retains the right to approve or reject the specific subcontractors selected.

1.7 Cost Volume

The Cost Volume is used to establish the best value among proposals, and serves as a basis of negotiation for the signing of the subcontract. The Cost Volume must include a detailed budget (for example, the specific daily rate multiplied by the number of workdays proposed for each person), as well as a budget narrative which explains the basis for the estimate of each budget element. Supporting information should be provided in sufficient detail to allow a complete analysis of each cost element. Any taxes or fees are not to be added later. Quotations must be a firm fixed price, expressed in Pakistani rupees. Payment to the successful offeror will be made in Pakistani rupees.

The anticipated contract type for this procurement will be a firm fixed price subcontract.

1.8 Eligibility of Offerors

All offerors must certify that they are not debarred, suspended, or proposed for debarment. TDEA will not award a subcontract to any firm or TDEA principals who are debarred, suspended, or proposed for debarment, or who proposes to do business with TDEA (including subcontractors) or TDEA' principals who are debarred, suspended, or proposed for debarment, in the performance of the requirement of this activity.

1.9 Validity Period

Offers must remain valid for at least XXXX (XX) calendar days after the offer deadline.

1.10 Negotiations

Best offer proposals are requested. It is anticipated that awards will be made solely on the basis of these original proposals. However, TDEA reserves the right to conduct negotiations and/or request clarifications prior to awarding a subcontract. TDEA reserves the right to make multiple awards, if it is in the best interest of TDEA.

1.11 Basis for Award

TDEA intends to award a subcontract or subcontracts resulting from this solicitation to the responsible offeror(s) whose proposal(s) represents the best value to TDEA after evaluation of the following criteria, with the weights applied accordingly:

- XX percent – Appropriate Cost & Technical Approach – Reasonable and appropriate cost compared to competing TDEA and proposed vision and implementation plan for the required deliverables.
- XX percent – Personnel - experience of the personnel
- XX percent – Past Performance and Corporate Capability– Firm capacity and previous experience delivering similar products on schedule.

1.12 Terms and Conditions of Subcontract

Issuance of this solicitation does not in any way obligate TDEA or its doner agency to award a subcontract, nor does it commit TDEA or its doner agency to pay for costs incurred in the preparation and submission of a proposal.

This solicitation is subject to the Fixed Price Subcontract Terms and Conditions detailed in Section 3. Any resultant award will be governed by these terms and conditions. TDEA reserves the right to make revisions to the content, order, and numbering of the provisions in the actual subcontract document prior to execution by TDEA and the selected awardee.

Please note that in submitting a response to this solicitation, the offeror understands that TDEA is not a party to this solicitation and the offeror agrees that any protest hereunder must be presented—in writing with full explanations—to TDEA for consideration, TDEA, at its sole discretion, will make a final decision on the protest for this procurement.

SECTION 2: SCOPE OF WORK (SOW) AND DELIVERABLES SCHEDULE

Below is the SOW for the RFP. For this RFP, the term “Subcontractor” means the successful offeror who is awarded the subcontract as a result of this RFP.

1. Program Overview

2. Scope of Work

The scope of work of this work order is to contract a company to provide janitorial services for cleaning of TDEA Office, Islamabad.

3.a. Deliverables

The Subcontractor shall deliver to TDEA the following deliverables, in accordance with the schedule set forth, below.

- I. XXXXXXXX
- II. XXXXXXXX
- III. XXXXXXXX
- IV. XXXXXXXX
- V. XXXXXXXX

3.b. Deliverable Schedule

The Subcontractor shall submit the deliverables described above in accordance with the following Deliverables Schedule:

The services will be provided on XXXXXX.

4. Period of Performance

The period of performance will start from **XX Date XXX** and will last till **XX Date XXX**.

5. Location of Performance

The Services will take place at XXXXXX TDEA office, Islamabad.

6. Supervision and Reporting

The Subcontractor will report to the Procurement/Administration Officer.

7. Qualifications of Key Personnel

The company to be selected should be a registered firm having at least three years of relevant experience. They shall provide documentary proof of having experience of working on similar projects in Pakistan and are also required to attach list and CVs of their core team and the staff designated for this client. The draft submitted will be subject to changes, additions and editing according to the requirements of the client. At least 50% of the proposed personnel should be female.

8. Key Personnel

List of persons, provided by the subcontractor, are considered Key Personnel for this Work Order and are considered to be essential to the work being performed hereunder. Prior to replacing key personnel, the Subcontractor shall immediately notify TDEA reasonably in advance and shall submit written justification

(including proposed substitutions) in sufficient detail to permit evaluation of the impact on the work to be performed. No replacement of key personnel shall be made by the Subcontractor without the written consent of TDEA.

SECTION 3: FIXED PRICE SUBCONTRACT TERMS AND CONDITIONS

In the event of a subcontract award resulting from an offer submitted in response to this RFP, the following terms and conditions will apply:

ARTICLE 1. BACKGROUND

FOR DETAIL SEE SECTION 2.1

ARTICLE 2. SUBCONTRACT SCOPE OF WORK

FOR DETAIL SEE SECTION 2.2

ARTICLE 3. DELIVERABLES

FOR DETAIL SEE SECTION 2.3

ARTICLE 4. REPORTING AND COMMUNICATIONS

The Subcontractor shall render the services and produce the deliverables stipulated in Articles 2 and 3 above. The Subcontractor shall not communicate directly with TDEA during the performance of this fixed price subcontract. The Procurement team for this work order and will be responsible for monitoring the Subcontractor's performance under this fixed price subcontract. The Subcontractor shall submit all reports, deliverables, and invoices to the attention of the Procurement and Administration officer.

ARTICLE 5. MODIFICATIONS

Modifications to the terms and conditions of this Subcontract, including any modification to the scope of work, may only be made by written agreement between authorized personnel of both Parties, and shall not be effective until the consent of TDEA, if applicable, has been obtained. Each Party shall give due notice and consideration to any proposals for modification made by the other Party.

ARTICLE 6. AUTHORIZED REPRESENTATIVES

Any action, modification, notice, request, or consent required to be given or made pursuant to this subcontract must be in writing and may only be made by the authorized officials specified below or their designee:

Mr. _____ Designation. _____

ARTICLE 7. PERIOD OF PERFORMANCE

The effective date of this fixed price subcontract is **XX Date XXX** and the completion date is **XX Date XXX**. The Subcontractor shall deliver the deliverables set forth in Articles 1, 2, and 3, Background, Scope of Work, Deliverables and Deliverable Schedule to the PAO in accordance with the schedule stipulated therein.

In the event that the Subcontractor fails to make progress so as to endanger performance of this fixed price subcontract, or is unable to fulfill the terms of this fixed price subcontract by the completion date, the Subcontractor shall notify TDEA forthwith and TDEA shall have the right to summary termination of this fixed price subcontract upon written notice to the Subcontractor.

This is a firm **fixed-price subcontract** payable entirely in Pakistani rupees. No additional sums will be payable for any escalation in the cost of materials, equipment or labor, or because of the Subcontractor's failure to properly estimate or accurately predict the cost or difficulty of achieving the results required. TDEA will not adjust the subcontract price due to fluctuations in currency exchange rates. TDEA will only make changes in the subcontract price or time to complete due to changes made by TDEA in the work to be performed, or by delays caused by TDEA.

ARTICLE 8. INVOICING

Upon the PAO acceptance of the contract deliverables described in Section A, Background, Scope of Work, Deliverables and Deliverables Schedule, the Subcontractor shall submit an original invoice to TDEA Project for payment. The invoice shall be sent to the following address:

TDEA
XX Address XXXX
XX Address XXXX, Islamabad

To constitute a proper invoice, the Subcontractor's invoice must include the following information and/or attached documentation. This information will assist TDEA in making timely payments to the Subcontractor:

1. Subcontractor legal name, subcontract number, invoice date, and invoice number.
2. Deliverable(s) number, description of approved deliverable(s), and corresponding fixed price(s).
3. Bank account information to which payment shall be sent and method of payment.

DONOR SPECIFIC TERMS AND CONDITIONS

IF ANY.

ATTACHMENT A: LETTER OF TRANSMITTAL

The following letter must be completed and submitted with any offer:

To: XXXX Project name XXXXXX
Attention: Procurements

Reference: RFP no. XXXXXXXXXX

Date: _____ (insert date)

_____ (insert name of company) hereby proposes the attached offer to perform all work required

as described in the above referenced RFP. Please find attached our detailed Technical Volume (including past performance information, CVs of key personnel, and required certifications and licenses, and a company profile) and Cost Volume, as called for in the RFP.

We hereby acknowledge and agree to all of the terms and conditions, special provisions, and instructions included in the above referenced RFP. We further certify that (insert name of company), as a firm—as well as the firm’s principal officers and all commodities and services offered in response to this RFP—are eligible to participate in this procurement under the terms and conditions of this solicitation and under TDEA regulations.

We hereby certify that the enclosed representations, certifications, and other statements are accurate, current, and complete.

Company Name

Name and title of authorized representative

Signature

Date

ATTACHMENT B: REQUIRED CERTIFICATIONS

The following certifications must be completed and submitted with any offer:

ATTACHMENT B-1: CERTIFICATION OF COMPLIANCE

_____(hereinafter called the "offeror")
(insert name of company)

The offeror hereby certifies the following:

1. Authorized Negotiators

The Company Name proposal in response to RFP No. XXXXXXXX may be discussed with any of the following individuals. These individuals are authorized to represent Company Name in negotiation of this offer in response to TDEA-RFP No.XXXXX.

List Names of Authorized signatories

These individuals can be reached at Company Name office:

Address

Telephone/Fax

Email address

2. Adequate Financial Resources

Company Name has adequate financial resources to manage any subcontract resulting from this offer.

3. Ability to Comply

Company Name is able to comply with the proposed delivery of performance schedule having taken into consideration all existing business commitments, commercial as well as governmental.

4. Record of Performance, Integrity, and Business Ethics

Company Name's record of integrity is outstanding. Company Name has no allegations of lack of integrity or of questionable business ethics. Our integrity can be confirmed by our references in our Past Performance References, contained in the Technical Volume.

5. Organization, Experience, Accounting and Operational Controls, and Technical Skills

(Offeror should explain which department will be managing the contract, type of accounting and control procedure they have to accommodate the subcontract type.)

6. Equipment and Facilities

(Offeror should state they have necessary facilities and equipment to carry out the subcontract.)

7. Eligibility to Receive Award

(Offeror should state that they are qualified and eligible to receive an award under applicable laws and

regulation and if they have performed work of similar nature under similar mechanisms for TDEA. They should provide their DUNS number here as well, if applicable.)

8. Commodity Procurement

Not applicable to this RFP.

9. Cognizant Government Audit Agency

(Offeror should provide name, address, phone of their auditors, and whether it is DCAA or independent CPA, if applicable)

10. Acceptability of Subcontract Terms and Conditions

The offeror has reviewed the solicitation document and attachments and agrees to the terms and conditions set forth therein.

11. Organization of Firm

(Offeror should explain how their firm is organized – for example regionally or by technical practice)

Company Name

Name and title of authorized representative

Signature

Date

ATTACHMENT B-2: CERTIFICATE OF INDEPENDENT PRICE DETERMINATION

_____(hereinafter called the "offeror")
(insert name of company)

(a) The offeror certifies that—

(1) The prices in this offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other offeror or competitor

relating to—

- (i) Those prices;
- (ii) The intention to submit an offer; or
- (iii) The methods or factors used to calculate the prices offered.

(2) The prices in this offer have not been and will not be knowingly disclosed by the offeror, directly or indirectly, to any other offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the offer is considered to be a certification by the signatory that the signatory—

(1) Is the person in the offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this provision; or

(2)(i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this provision _____ [*insert full name of person(s) in the offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the offeror's organization*];

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) of this provision have not participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this provision; and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this provision.

(c) If the offeror deletes or modifies paragraph (a)(2) of this provision, the offeror must furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

(End of provision)

BY (Signature) _____ TITLE _____

TYPED NAME _____ DATE _____

Branding as per donors requirements

Request for Quotations (RFQ)

RFQ No. XXXXXX

For XXX XXXXX

Release Date: XXX Date XXX

For: TDEA/PROJECT Project

Contractor: Trust for Democratic Education and Accountability (TDEA)
/ XXX Project name XXXX

Funded by: XXXXXXXXXXXX
Contract No. XXXXXXXXXXXX

1.0. Introduction

TDEA Introduction

Project Brief

2.0. Instructions to Offerors

- I. **Offer Deadline:** Offers must be received no later than **XX:XX PM PST** on XXX Date XXX by post or by hand. All offers must be sent to the Procurement Department at XXXX Address XXX, Islamabad. Please mark RFQ No. XXXX on the sealed Envelope.
- II. **Specifications:** Section 3 contains the technical specifications/requirements. All offered commodities must be new. In addition, all electrical commodities must operate on 220V, 50Hz; transformers will not be accepted. Auto-sensing, multi-voltage power supplies are preferable to single-voltage items.
- III. **Quotations:** Prices must be quoted on a lump-sum, all-inclusive basis (including: insurance, inspections, transportations, taxes, etc). The quoted price should be without GST. Offers must remain valid for not less than XX days after the offer deadline.
- IV. **Descriptive Literature:** Descriptive literature for all equipment is recommended. Descriptive literature means information (e.g., cut sheets, illustrations, drawings, brochures, etc.) that is submitted as part of an offer.
- V. **Brand Names:** Specific brands and/or models indicated—while often preferred—are for description only. An equivalent substitute, as determined by the specifications, will be acceptable.
- VI. **Warranty:** Warranty service and repair within the cooperating country is required for all commodities under this RFQ. It is very important that these commodities be serviced with a well-established and capable local technology service provider. The technology service provider/local agent must be an official provider, authorized dealer, or certified service provider or reseller of the brand offered.
- VII. **Negotiations:** Best-offer quotations are requested. It is anticipated that awards will be made solely on the basis of these original quotations; however, TDEA/PROJECT reserves the right to conduct negotiations and/or request clarifications prior to awarding a contract.
- VIII. **Evaluation and Award:** The award will be made to a responsible offeror whose offer follows the RFQ instructions, meets the source/origin/nationality requirements, and is judged to be the most advantageous in terms of the following evaluation criteria. Only those offers will be considered who

meet or exceeds the requested specification. In judging the offers, the following criteria will be used with weights applied accordingly:

- **Technical (XX %)** – Based on the degree that the offeror meets the required technical specifications.
- **Cost (XX %)** — Based on the total price offered.

IX. Delivery: The delivery terms are to deliver items ordered within two days of order receipt. The delivery estimate presented in an offer in response to this RFQ must be upheld in the performance of any resulting contract.

X. Invoicing: Upon the acceptance of the contract deliverables described in Section 3, the Subcontractor shall submit an original invoice to the PROJECT office, Islamabad for payment. The invoice shall be sent to the following address: XXXX Address XXX, Islamabad.

To constitute a proper invoice, the invoice must include the following information and/or attached documentation. This information will assist in making timely payments to the Company:

4. Company legal name, NTN number, invoice date, and invoice number.
5. Deliverable(s) number, description of approved deliverable(s), and corresponding fixed price(s).
6. Bank account information to which payment shall be sent and method of payment.

The TDEA/PROJECT office will pay the company invoice within thirty (30) business days after both

- TDEA/PROJECT approval of the company deliverables.
- TDEA/PROJECT receipt of the company invoice.

Payment will be made in Pakistani Rupees (PKR), paid to the account specified in the invoice, and withholding Tax will be deducted from the total amount.

2.1 Donor specific terms and conditions

If any

3.0. Technical Specifications

Section 3 contains the technical specifications and requirements of the commodities. Line items are broken down into individual technical specifications.

For each technical specification and requirement line item listed hereunder.

Description	Specifications	Qty

4.0. Offer Summary

Business name: _____

Address: _____

Registration status: _____

NTN number: _____

Owner's name: _____

CNIC number: _____

Telephone #: _____

Does the business have an active bank account? (Circle one) YES NO

Offerors are requested to complete the following table regarding per-unit pricing (inclusive of delivery price)

Description	Specifications	Qty	Brand	Quotation/Price

5.0. Letter of Submission

The following letter must be completed and submitted with any offer:

To: XXX Project XXX
Attention: Procurement Department

Reference: RFQ No. XXXX

To Whom It May Concern:

I hereby present the enclosed proposal in response to the above-referenced RFQ.

I hereby acknowledge and agree to all of the terms and conditions, special provisions, and instructions included in the above referenced RFQ. I further certify that the business named below—as well as the business' principal officers and all commodities/services offered in response to this RFQ—are eligible to participate in this procurement under the terms and conditions of this solicitation.

I certify the following: "The business named below, to the best of my current knowledge, did not provide, within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts."

The prices quoted in this offer are valid for XX days.

I hereby certify that the enclosed representations, certifications, and other statements are accurate, current, and complete, to the best of my knowledge.

Business name

Name and title of authorized representative

CNIC Number

Signature

Date



Comparative Statement

Date:	
Purchase Requisition Ref:	
Requisition For:	
Quantities Required:	

Quotations Received	Suppliers Name

Vendors Detail			Cost			Delivery Time		Total points
	Quoted Specification	Model	Quoted Price	Total	Points	Quoted Delivery Time	Points	
Reason & Name of Selected Supplier:								

Procurement Committee

Name	Designation	Office	Signature & Date

For Approval

Name	Designation	Office	Signature & Date

Prepared By:

Reviewed By:

Authorized Signatures		
Prepared By	Reviewed By	Approved By
Procurement Officer	Manager Operations	Chief of Party
Vendor Acknowledgment:		
Name:		Signature:

Offers Receipt Report

RFQ no:

Procurement of:

Project name :

Bid Opening Date/Time

S.No	Name of Vendor	Bid Receiving Date/Time	Received By	Signature

Project Name

Confidentiality and Conflict of Interest Certification

With respect to all quotations/proposals submitted in response to Request for Quotations/Proposals (RFQ/RFP) # insert RFQ/RFP # the undersigned hereby agrees and certifies to the following:

1. I will use the quotation/proposal(s) and all information therein other than information otherwise available without restriction, for evaluation purposes only. I will safeguard the quotations/proposal(s) and will not disclose them, or any information contained in them (other than information otherwise available without restriction), except as directed or approved by TDEA.
2. Upon completing the evaluation, I will return all copies of the quotations/proposals, and any notes, details, and abstracts thereof, to the Procurement office that initially furnished them to me.
3. Unless authorized by TDEA in advance and in writing I will not—whether before, during, or after the evaluation—contact any prospective offeror, contractor, subcontractor, supplier or their employees, representatives or agents, concerning any aspect of the proposal.
4. I have carefully reviewed my employment (past, present and under consideration) and financial interests, as well as those of my household family members. Based on this review, I certify, to the best of my knowledge and belief as of the date indicated below, that I either (1) have no actual or potential conflict of interest, personal or organizational, that could diminish my capacity to perform an impartial and objective evaluation of the quotation/proposals, or that might otherwise result in an unfair competitive advantage to one or more prospective offerors, contractors, subcontractors, or suppliers, or (2) have fully disclosed all such conflicts to the committee chairperson and will comply fully, subject to termination of my evaluation services, with any instructions by the committee chairperson to mitigate, avoid, or neutralize conflicts(s). I understand that I will also be under a continuing obligation to disclose, and act as instructed concerning, such conflicts discovered at any time prior to the completion of the evaluation.

Signature: _____

Name : _____

Date: _____



Goods Receiving Note

Requisition no:	
Date of receipt of goods:	
Purchase order Ref:	
Name and address of supplier:	

S. #	Description of items	Qty. Ordered	Qty. Received	Quality Assessment
				<input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor
				<input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor
				<input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor
				<input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor
				<input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor
				<input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor
				<input type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor
Remarks:				

Quality Assurance (Relevant Unit)

- There Product specifications given were met. Yes ☐ No ☐
- Goods received have warranties. Yes ☐ No ☐
- Goods were timely delivered. Yes ☐ No ☐

Goods delivered by supplier

Name, Signature & Date: _____

Goods checked by requester/ relevant person

Name, Signature & Date: _____

Goods received by Stores In-charge

Name, Signature & Date: _____



Negotiation Memo

Date:	Requisition no:	Mode of Negotiation:
Procurement description:		
Purpose of Negotiation:		

S.no	Name of Vendor	Position in Comparative Statement	Remarks/ Outcome

Name	Designation	Signature & Date
Prepared by		
Verified by		
Approved by (as per thresholds)		

REQUEST FOR EXPRESSION OF INTEREST (EOI)

Subject:
Date of issuance EOI:
Closing date of this EOI:
Reference Number:

TDEA Introduction:

Project Brief:

Summary of Scope of work:

Evaluation Criteria:

Required Past Experience:

Required Documents:

Submit to:

Applicant Information	
Name and Title of Applicant:	
Address of registered office:	
Telephone:	
Facsimile:	
Email:	
NTN.	
STN.	
Focal Person.	
Contact Information of Focal Person	

LONG TERM AGREEMENT FOR THE PROVISION OF SERVICES

TO THE TRUST FOR DEMOCRATIC EDUCATION AND ACCOUNTABILITY

This Long Term Agreement is made between the Trust for Democratic Education and Accountability, House# 169-A, Street# 20, F-11/2 Islamabad.(hereinafter "TDEA") and _____ (hereinafter called "Contractor") with its office at _____.

WHEREAS, TDEA desires to enter into a Long Term Agreement for the provision of services by the Contractor to TDEA, pursuant to which TDEA office can conclude specific contractual arrangements with the Contractor, as provided herein;

WHEREAS pursuant to the Request for Proposal the offer of the Contractor was accepted;

NOW, THEREFORE, TDEA and the Contractor (hereinafter jointly the "Parties) hereby agree as follows:

Article 1: SCOPE OF WORK

1. The Contractor shall provide the types of services and deliverables, which are listed in Annex 1 hereto ("Services/Terms of Reference"), as and when negotiated by TDEA secretariat or a TDEA project office.
2. Such Services shall be at the discount prices listed in Annex 2. The prices shall remain in effect for a period of one year from Entry into Force of this Agreement.
3. TDEA does not warrant that any quantity of Services will be purchased during the term of this Agreement, which shall be for one year.

Article 2: CHANGES IN CONDITION

4. In the event of any advantageous technical changes and/or downward pricing of the Services during the duration of this Agreement, the Contractor shall notify TDEA immediately. TDEA shall consider the impact of any such event and may request an amendment to the Agreement.

Article 3: CONTRACTOR'S REPORTING

5. The Contractor will report monthly to TDEA on the Services provided to TDEA, including its project offices.

Article 4: GENERAL AND SPECIAL TERMS AND CONDITIONS

6. The standard TDEA Conditions for Professional Services, attached as Annex 3, shall apply to this Agreement, and any subsequent contracts concluded in accordance with paragraph 1 above.

Article 5: Delivery

7. Under this Agreement contractor shall deliver the supplies to TDEA within the specified time as per purchase order.

Article 6: Payment

8. TDEA shall release the payment to contractor within 15 days on receiving of the original invoice.

Article 7: ACCEPTANCE

9. This Agreement supersedes all prior oral or written agreements, if any, between the Parties and constitutes the entire agreement between the parties with respect to the provision of the Services hereunder.
10. This Agreement shall enter into force on the date of the last signature by the representatives of the Parties and shall remain in force for a period of one year, and may be extended for [one additional] year by mutual agreement of the Parties.

IN WITNESS WHEREOF, the duly authorized representative of the PARTIES has signed this agreement.

For and on behalf of:

TDEA

Date: _____

Date: _____

Vendor Short list

Procurement of:

Project :

							Contact of Sales Person		Selected on the basis of
S.No	Name of Vendor	Nature of Business	Telephone Number	Fax Number	Email Address	Name	Email	Mobile	

TDEA - Code of Conduct for Suppliers

1. Suppliers must uphold the human rights of workers, and treat them with dignity and respect as understood by the international community.
2. Suppliers shall not discriminate against any worker based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, or marital status in hiring and employment practices.
3. Suppliers must be committed to a workplace free of harassment. Suppliers shall not threaten workers with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion and verbal abuse.
4. Suppliers shall not use any form of forced, bonded, indentured, or prison labor. All work must be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice.
5. Child labor is strictly prohibited. Suppliers shall not employ any children.
6. Under no circumstances the workweek shall exceed the maximum permitted under applicable laws and regulations in Pakistan. Suppliers must offer vacation time, leave periods, and holidays consistent with applicable laws and regulations in Pakistan
7. Suppliers must pay all workers at least the minimum wage required by applicable laws and regulations of Pakistan and provide all legally mandated benefits.
8. Suppliers must respect the right of workers to associate freely, form and join workers organizations of their own choosing, seek representation, and bargain collectively, as permitted by and in accordance with applicable laws and regulations. with applicable laws and regulations of Pakistan
9. Suppliers must be committed to creating safe working conditions and a healthy work environment for all of their workers.
10. Suppliers must be committed to reducing the environmental impact of their designs, manufacturing processes, and waste emissions.
11. Suppliers must be committed to the highest standards of ethical conduct when dealing with workers, suppliers, and customers.
12. Corruption, extortion, and embezzlement, in any form, are strictly prohibited. Suppliers shall not engage in corruption, extortion or embezzlement in any form and violations of this prohibition may result in immediate termination as a TDEA Supplier and in legal action.
13. Suppliers must disclose information regarding its business activities, structure, financial situation, and performance in accordance with applicable laws and regulations and prevailing industry practices.
14. Suppliers shall not offer or accept bribes or other means of obtaining undue or improper advantage.
15. Suppliers must uphold fair business standards in advertising, sales, and competition.
16. Suppliers are encouraged to engage the community to help foster social and economic development and to contribute to the sustainability of the communities in which they operate.
17. Suppliers must respect intellectual property rights, safeguard customer information, and transfer of technology and know-how must be done in a manner that protects intellectual property rights.
18. Suppliers must adopt or establish a management system designed to ensure compliance with this Code and applicable laws and regulations in Pakistan.

Undertaking

We undertake to inform TDEA/FAFEN that we shall be abide by the above mentioned code of conduct, TDEA/FAFEN has the right to cancel the registration or contract / purchase order if there will be any violation seen .

Name: _____ Designation: _____

Company Name: _____ Authorized Signature: _____

Date: _____ Company Seal/Stamp: _____

PRE-QUALIFICATION OF
SUPPLIERS,
VENDORS,
DISTRIBUTORS,
MANUFACTURER
&
SERVICE PROVIDERS



Trust for Democratic Education and Accountability
www.fafen.org

Pre-Qualification Form

Applying for:

- | | | |
|---|--|---|
| <input type="checkbox"/> Computers and Office Equipment | <input type="checkbox"/> Printing | <input type="checkbox"/> Office Stationery and Supplies |
| <input type="checkbox"/> Advertising | <input type="checkbox"/> Hotels and Guest Houses | <input type="checkbox"/> Food and Catering |
| <input type="checkbox"/> Security and Related Equipment | <input type="checkbox"/> Travel Agencies and Car Rentals, etc. | |

Section A

1.	Company Name	
2.	Abbreviated Name	
3.	Company Date of Formation	
4.	Registration No.	
5.	National Tax No. (Please attach copy)	
6.	Sales Tax Registration No. (Please attach copy)	
7.	No. of Employees	

Section B

1. Title of Firm	<input type="checkbox"/> Limited <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership	<input type="checkbox"/> Private Limited <input type="checkbox"/> Joint Venture <input type="checkbox"/> Other (Please specify) _____
2. Type of Business	<input type="checkbox"/> Manufacturer <input type="checkbox"/> Reseller	<input type="checkbox"/> Authorized Distributor <input type="checkbox"/> Other (Please specify) _____
3. Registered Office Address	Address: _____ Phone No. _____ Fax No. _____ Email Address: _____ Website URL: _____	
4. Branch Office Address	Address: _____ Phone No. _____ Fax No. _____ Email Address: _____	
5. Factory Office Address	Address: _____ Phone No. _____ Fax No. _____ Email Address: _____	
6. Company/ Supplier Banking Details	Bank/s Name: _____ Title of Account: _____ Account No. _____ Type of Account: _____ Branch name and Code: _____ City/ Country: _____	
7. Financial Work of the Company	a. Company net worth b. Company Turnover c. Last Year Company Profit Detail (Year) and Profit/Loss-In case of Limited, Private Limited please provide Last year Balance Sheet.	
8. Staff Detail	i. CEO/Chairman/Owner	Name: _____
		Contact No. _____
	ii. Sales (Focal Person)	Name: _____ Designation: _____
		Contact No. _____
	iii. Sales (Focal Person)	Email Address: _____
		Name: _____ Designation: _____
		Contact No. _____
		Email Address: _____

9. Company/ Supplier Profile

i.	Primary Business Details	a. _____ b. _____ c. _____ d. _____
ii.	List of Items/ Services	a. _____

		b.
		c.
		d.
		e.
		f.
		g.
		h.
		i.
		j.
		k.
		l.
		m.
		n.
		o.
		iii.
b.		
c.		
d.		
e.		
f.		
g.		
h.		
i.		
j.		
k.		
l.		
m.		
n.		
o.		
iv.	After Sales Services (please specify)	
v.	Warranty Details (please specify)	
vi.	Buy back and Return Policy (please specify)	
vii.	Detail of Machinery and Equipment available	a.
		b.
		c.
		d.
		e.
		f.
		g.
		h.
		i.

		j.
viii.	Area of Specialization	a.
		b.
		c.
		d.
		e.
ix.	Years of Experience (please specify)	
x.	General Credit Terms (please specify)	
xi.	Credit Limits	<input type="checkbox"/> less than 100,000 <input type="checkbox"/> 300,000-500,000 <input type="checkbox"/> 100,000-300,000 <input type="checkbox"/> 700,000-1,000,000 <input type="checkbox"/> 500,000-700,000
xi.	Any other information	

10. List of Close Relatives Working in TDEA/ FAFEN _____

11. List of Company/ Supplier's Employee Who were Formally Employed by TDEA/ FAFEN _____

12. Quantum of Business with TDEA/ FAFEN during Last Three Years

Sr. No.	Year of Supplies/ Contracts	Volume of Supplies/ Contracts	Performance
1.			
2.			
3.			
4.			
5.			

Note: The applicants will have to sign the code of conduct for a supplier which is an integral part of the form. (See below)

Undertaking

The information given above is true to the best of our knowledge; we undertake to inform TDEA/FAFEN of any changes that may take place later in the status of company in business/agency or the Management. The terms and conditions attached have also been read and certificate signed.

Name: _____ Designation: _____

Company Name: _____

Date: _____ Authorized Signature: _____