

Section 3 - Evaluation and Qualification Criteria

Table of Criteria

1.	Evaluation	3-2
1.1	Adequacy of Technical Proposal	3-Error! Bookmark not defined.
1.2	Completion Time	3-Error! Bookmark not defined.
1.3	Technical Alternatives	3-Error! Bookmark not defined.
1.4	Quantifiable Nonconformities and Omissions	3-Error! Bookmark not defined.
1.5	Margin of Preference	3-Error! Bookmark not defined.
1.6	Multiple Contracts	3-3
2.	Qualification	3-4
2.1	Eligibility	3-4
2.1.1	Nationality	3-4
2.1.2	Conflict of Interest	3-4
2.1.3	ADB Eligibility	3-4
2.1.4	Government-Owned Enterprise	3-4
2.1.5	United Nations Eligibility	3-4
2.2	Pending Litigation and Arbitration	3-5
2.2.1	Pending Litigation and Arbitration	3-5
2.3	Financial Situation	3-6
2.3.1	Historical Financial Performance	3-6
2.3.2	Average Annual Construction Turnover	3-6
2.3.3	Financial Resources	3-7
2.4	Construction Experience	3-8
2.4.1	Contracts of Similar Size and Nature	3-8
2.4.2	Construction Experience in Key Activities	3-9

1. Evaluation

In addition to the criteria listed in ITB 36.2 (a) – (e), other relevant factors are as follows:

1.1 Adequacy of Technical Proposal

Evaluation of the Bidder's Technical Proposal will include an assessment of the Bidder's technical capacity to mobilize key equipment and personnel for the contract consistent with its proposal regarding work methods, scheduling, and material sourcing in sufficient detail and fully in accordance with the requirements stipulated in Section 6 (Employer's Requirements).

Non-compliance with equipment and personnel requirements described in Section 6 (Employer's Requirements) shall not normally be a ground for bid rejection, and such noncompliance will be subject to clarification during bid evaluation and rectification prior to contract award.

1.2 Completion Time

An alternative Completion Time, if permitted under ITB 13.2, will be evaluated as follows: Not Applicable

1.3 Technical Alternatives

Technical alternatives, if permitted under ITB 13.4, will be evaluated as follows: Not Applicable

1.4 Quantifiable Nonconformities and Omissions

Subject to ITB 14.2 and ITB 36.2, the evaluated cost of quantifiable nonconformities, errors and/or omissions are determined as follows:

Pursuant to ITB 31.3, the cost of all quantifiable nonmaterial nonconformities or omissions shall be evaluated. The Employer will make its own assessment of the cost of any nonmaterial nonconformities and omissions for the purpose of ensuring fair comparison of bids.

1.5 Margin of Preference

If a margin of preference shall apply under ITB 35.1, the procedure will be as follows as:

- 1.6.1 In comparing domestic bids with foreign bids, a margin of preference will be granted to eligible domestic contractors, as defined below, in accordance with the following provisions
- a) For application of domestic preference, all responsive bids will first be classified into the following two Groups:
 - (i) Group A: bids offered by domestic contractors and joint ventures eligible for the preference in accordance with the criteria set forth in sub-clause 1.6.2 below; and
 - (ii) Group B: bids offered by other contractors.

The Employer will review each bid to confirm the appropriateness of, or to modify as necessary, the category to which the bid was assigned by the bidder in preparing it.
 - b) The lowest evaluated bid of each group will then be determined by comparing all evaluated bids in each group among themselves.

- c) Such lowest evaluated bids will next be compared with each other and if, as a result of this comparison, a bid from Group A is found to be the lowest, it will be selected for the award of contract.
- d) If, however, as a result of the comparison under (c) above, the lowest bid is found to be from Group B, it will be further compared with the lowest evaluated bid from Group A. For the purpose of this further comparison only an upward adjustment will be made to the lowest evaluated bid price of Group B by adding an amount equal to seven and one-half per cent (7 1/2 %) of the bid price. If, after such comparison, the Group A bid is determined to be the lowest, it will be selected for the award of contract; if not, the lowest evaluated bid from Group B will be selected.

1.6.2 Domestic contractors and joint venture firms must meet the following minimum criteria for eligibility under the domestic preference scheme.

- (i) Domestic contractors
 - are incorporated or established under the laws of the borrower's country,
 - have majority ownership by nationals of the borrower, and
 - will not subcontract more than 50 percent of the total value of the work to foreign contractors.
- (ii) A joint venture between a domestic contractor and its foreign partner is eligible for the preference only if
 - the domestic partner(s) is individually eligible for the preference according to the criteria stated in 1.6.2(i);
 - the domestic partner(s) would not qualify for the work on technical or financial grounds without the foreign participation; and
 - the domestic partner(s), under the arrangements proposed, carry out at least 50 percent of the value of the work.

1.6.3 Contractors applying for the preference provide information with their bids, including details of ownership. This is to determine if, under the applicable criteria, a particular firm or group of firms qualifies for the preference.

1.6.4 If the Contract is awarded to a Bidder who has received the preference pursuant to the foregoing provisions, such contractor shall not subcontract to foreign contractors more than fifty per cent (50%) of the total value of their work.

1.6.5 Comparison of bids will only be between bids which conform fully to the specifications. In the event that the alternative bid not conforming to the specifications, if any, of the Bidder whose main bid which conforms with the specifications is the lowest evaluated, is considered more advantageous than its main bid, such alternative bid may be considered.

1.6.6 A joint venture which is awarded the Contract as a result of the application of the above domestic preference provisions, shall furnish the Employer, together with the Performance Security, a "Domestic Preference Security" to guarantee that the profit and loss distribution and work-sharing arrangements with which the joint venture satisfied the criteria of SubClause 1.6.2 (ii) above will not be modified throughout the execution of the Contract. The domestic preference security shall be in the form of an unconditional on-demand bank guarantee or standby letter of credit acceptable to the Employer, for an amount in a convertible currency equivalent to the difference between the joint venture's bid price and the bid price of the lowest foreign bid. The domestic preference security shall be issued either (a) by a bank located in the country of the Employer, or (b) directly by a foreign bank acceptable to the Employer. The domestic preference security shall be valid until the Contractor has substantially completed the Works and a Certificate of Completion of the Works has been issued by the Project Manager in accordance with the provisions of GCC 69 and such security shall be returned to the Contractor together with the Certificate of Completion of the Works.

1.6 Multiple Contracts

Works are grouped in multiple contracts and pursuant to ITB 36.4: Not Applicable

2. Qualification

It is the legal entity or entities comprising the Bidder, and not the Bidder's parent companies, subsidiaries, or affiliates, that must satisfy the qualification criteria described below.

2.1 Eligibility

Criteria	Compliance Requirements			Documents
Requirement	Single Entity	Joint Venture		Submission Requirements
		All Partners Combined	Each Partner	One Partner

2.1.1 Nationality

Nationality in accordance with ITB Subclause 4.2.	must meet requirement	must meet requirement	must meet requirement	not applicable	Forms ELI -1; ELI -2 with attachments
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2.1.2 Conflict of Interest

No conflicts of interest in accordance with ITB Subclause 4.3.	must meet requirement	must meet requirement	must meet requirement	not applicable	Letter of Technical Bid
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2.1.3 ADB Eligibility

Not having been declared ineligible by ADB, as described in ITB Subclause 4.4.	must meet requirement	must meet requirement	must meet requirement	not applicable	Letter of Technical Bid
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2.1.4 Government-Owned Enterprise

Bidder required to meet conditions of ITB Subclause 4.5.	must meet requirement	must meet requirement	must meet requirement	not applicable	Forms ELI -1, ELI - 2 with attachments
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2.1.5 United Nations Eligibility

Not having been excluded by an act of compliance with a UN Security Council resolution in accordance with ITB Subclause 4.7.	must meet requirement	must meet requirement	must meet requirement	not applicable	Letter of Technical Bid
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2.2 Pending Litigation

Pending litigation and arbitration criterion shall apply.

2.2.1 Pending Litigation and Arbitration

Criteria	Compliance Requirements			Documents
Requirement	Single Entity	Joint Venture		
		All Partners Combined	Each Partner	One Partner
All pending litigation and arbitration, if any, shall be treated as resolved against the Bidder and so shall in total not represent more than 50 (fifty) percent of the Bidder's net worthcalculated as the difference between total assets and total liabilities.	must meet requirement by itself or as partner to past or existing Joint Venture	not applicable	must meet requirement by itself or as partner to past or existing Joint Venture	not applicable
				Form LIT - 1

2.3 Financial Situation

2.3.1 Historical Financial Performance

Criteria	Compliance Requirements				Documents
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
Submission of audited financial statements or, if not required by the law of the Bidder's country, other financial statements acceptable to the Employer, for the last 5 (five) years to demonstrate the current soundness of the Bidder's financial position. As a minimum, the Bidder's net worth for the last year, calculated as the difference between total assets and total liabilities should be positive.	must meet requirement	not applicable	must meet requirement	not applicable	Form FIN - 1 with attachments

2.3.2 Average Annual Construction Turnover

Criteria	Compliance Requirements				Documents
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
Minimum average annual construction turnover of NRs 811.5 million or equivalent ,calculated as total certified payments received for contracts in progress or completed, within the last 5 (five) years.	must meet requirement	must meet requirement	must meet 25 % of the requirement	must meet 40 % of the requirement	Form FIN – 2

2.3.3 Financial Resources

If the bid evaluation process and the decision for the award of the Contract takes more than one (1) year from the date of bid submission, Bidders shall be asked to resubmit their current contract commitments and latest information on financial resources supported by latest audited accounts/audited financial statements, or if not required by the law of the Bidder's country, other financial statements acceptable to the Employer, and the Bidders' financial capacity shall be reassessed on this basis.

Criteria	Compliance Requirements				Documents
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
The Bidder must demonstrate that it has the financial resources to meet					
(a) its current contract commitments, as defined in FIN-4 (Total Financial Requirements for Current Contract Commitments), plus	must meet requirement	not applicable	must meet requirement for its own contractual commitments	not applicable	Form FIN - 4
(b) the requirements for the Subject Contract of NRs 102 million or equivalent	must meet requirement	must meet requirement	must meet 25 % of the requirement	must meet 40 % of the requirement	Form FIN – 3 and Form FIN - 4

2.4 Construction Experience

2.4.1 Contracts of Similar Size and Nature

Criteria	Compliance Requirements				Documents
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
Participation in at least two contracts that has been successfully or substantially completed within the last 7 (seven) years that is similar to the proposed works, where the value of the Bidder's participation exceeds NRs. 649.5 million or equivalent The similarity of the Bidder's participation shall be based on the physical size, nature of works, complexity, methods, technology or other characteristics as described in Section 6 (Employer's Requirements).	must meet requirement	must meet requirement as follows: Either one partner must meet requirement Or any two partners must each demonstrate one (1) successfully or substantially completed contract of similar size and nature	must meet 30 % of the requirement	not applicable	Form EXP -1

2.4.2 Construction Experience in Key Activities

Criteria	Compliance Requirements				Documents
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
For the above or other contracts executed during the period stipulated in 2.4.1 above, a minimum construction experience in the following key activities:					
Procurement, supplying and laying of DI/GI/HDPE in a single contract 90 km length of diameter 50mm and above	must meet requirements	must meet requirements	not applicable	not applicable	Form EXP-2
RCC Water retaining structures (Over Head Tanks, Ground Level Reservoirs or similar) in a single contract, at least 1 number of not less than 450,000 liters capacity	must meet requirements	must meet requirements	not applicable	not applicable	Form EXP-2