



**OBSERVATOIRE DU SAHARA ET DU SAHEL**  
**SAHARA AND SAHEL OBSERVATORY**

# Beneficiaries procurement rules of OSS

*October 2016*



## PREAMBULE

This manual outlines the OSS procedures applied to all projects conducted by OSS or to projects of which OSS is a coordinator/implementing entity.

This manual aims to clarify the management system of financings managed by OSS, determine responsibilities of each party in procurement operations and ensure adequate separation/distribution of tasks. It also aims to define the Organization's applicable procedures for projects implementation.

These Guidelines shall be implemented by the Beneficiary of financings granted by OSS. It shall be regularly updated as required by the evolution of activities and risks related to the management of received financings. All updates shall be subject to prior approval by OSS.

The content of these Guidelines is closely aligned with generally recognized international principles for procurement, operational procedures, and policies and standards defined by other development financing institutions. Thus, the present guidelines are largely inspired by those adopted by World Bank (WB), European Union (EU) and German Company for International Cooperation (GIZ).

In all cases, these Guidelines shall be applied to contracts to be concluded by partner(s) in charge of the implementation of projects that involve the OSS.

These Guidelines are mostly based on the World Bank's procedures. Procedures of GIZ and European Union have also been used for the elaboration of this document.



## 1. CONTEXT

The award of grants and other financings (including donations) shall respect at least inspections as provided in the commitment procedures described below. These procedures guarantee the adequacy of the quality of purchases and costs to be undertaken through selecting beneficiaries in an objective, transparent and optimal basis in order to strengthen the rationality use of funds.

Guidelines to projects financings are detailed in the present manual including all different steps to be undertaken for their utilization by the different parties involved in the project. They should be perceived as the minimum level of projects inspections and good governance.

All parties involved in project activities shall respect these Guidelines and improve economic rationality, transparency, efficiency and respect of rules for good practices prevalent at the international level.

These Guidelines may be adjusted and updated. OSS regulation ( <sup>1</sup> ) permits the Executive Secretary to fix methods and rules to be observed in terms of commitment and funding in a manner that ensures a sound management while mastering risks and promoting at the same time economic rationality, efficiency and compliance with international standards.

These Guidelines focus on procurement methods and standards which have to be observed by beneficiaries when executing activities as part of implementing projects in which OSS is involved.

The beneficiary shall apply OSS regulations for procurement, and notably these Guidelines.

This document details policies, principles and internal inspection process required from beneficiaries by the OSS for the procurement of goods, works and services required for the execution of project activities of or for financial and technical reports to be regularly established by the beneficiary or the one in charge of these activities execution.

## 2. GENERAL PROCUREMENT PRINCIPLES

When a certain action requires procurement by the beneficiary (or the entity in charge of the execution of project activity even if it is not beneficiary), the beneficiary awards the contract to the provider who has the proposal with the best price-quality ratio.

Contracts shall be awarded with due respect to principles and rules of contract award:

- i. Transparency and prior publication*
- ii. Fair competition, equal and opportunities and treatment of suppliers for their evaluation,*
- iii. Objectivity and non-discrimination,*
- iv. Absence of conflicts of interest all along the procurement process.*

OSS controls the respect of these rules by the beneficiary and/or entity in charge of activities execution. In the case of non-compliance with these rules, the expenses concerned are **ineligible** for OSS financing and are **automatically deducted from unreleased funds**.

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<sup>1</sup> This relates to article 9 of OSS financial regulations.



Contracts for goods, works and services financed by OSS are governed by procurement rules applicable in the beneficiary's country, provided they comply with the present Guidelines. Each procurement plan specifies measures that should be taken by the beneficiary to guarantee compatibility of its rules and internal inspection process with OSS procedures.

This document presents the minimum procedures that the beneficiary (or the one in charge of activities execution) shall apply. The beneficiary (or the one in charge of activities execution) shall determine if a given national procurement system complies with the policies, principles and standards described in the present Guidelines and shall apply the strictest ones without contradicting the principles of this manual.

### **3. BENEFICIARY'S OBLIGATIONS**

The beneficiary shall:

- Act in all circumstances for the respect of the legal relationship defined in the terms of the financing agreement;
- Assume the full and complete responsibility for activities planning and implementation, contract award and administration; and
- Execute all project contracts with full respect of policies and principles outlined in these Guidelines.

Review by OSS of procurement and documents procedures, related evaluation and recommendation for awards, shall not exempt the beneficiary from any of the obligations stated above.

### **4. TRANSPARENCY AND FIGHT AGAINST CORRUPTION**

Financial statements shall result from an effective control environment. Any communication of financial or technical information shall respect the rules of transparency and good governance. Procedures shall strengthen the fight against corruption and irregularities with respect to both the host country's regulations and the most demanding good governance practices recognized by the Organization's member countries.



## SECTION 1: GOODS, SERVICES AND WORKS

### 1. INTRODUCTION

#### Purpose

**1.1** The purpose of these Guidelines is to inform those carrying out a project that is financed in whole or in part by a grant from OSS and executed by the Beneficiary, of policies that govern the procurement of goods, works and services (other than consultants' services) required for the project. The financing Agreement governs the legal relationships between the Beneficiary and OSS and the Guidelines are made applicable to procurement of goods, works and services (other than consultants' services) required for the project, as provided in the Agreement. The rights and obligations of the Beneficiary and the providers/holders of goods, works and services (other than consultants' services) are governed by the bidding documents and by the contracts signed by the Beneficiary with the providers of goods, works and services (other than consultants' services), and not by these Guidelines or the financing Agreements. No party other than the parties to the financing Agreement shall derive any rights therefrom or have any claim to grant proceeds.

#### General Considerations

**1.2** The responsibility for the implementation of the project, therefore for the award and the administration of contracts under the project, rests with the Beneficiary. OSS, for its part, is required by its Statutes to ensure "that the proceeds of any grant is used only for the purposes for which the grant was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations," and it has established detailed procedures for this purpose. While in practice, the specific procurement rules and procedures to be followed for the implementation of a project depend on the circumstances of the particular case, four considerations generally guide the OSS's requirements:

- a) The need for economy and efficiency in the implementation of the project, including the procurement of goods, works and services (other than consultants' services);
- b) The interest of OSS, as an Organization, in giving all eligible bidders from developed and developing countries the same information and equal opportunity to compete in obtaining goods, works and services (other than consultants' services) financed by OSS;
- c) The interest of OSS in encouraging the contractors and manufacturers of the Beneficiary country;
- d) The importance of transparency in the procurement process.

**1.3** Open competition is the basis for efficient public procurement. The Beneficiaries shall select the most appropriate method for the specific procurement. In most cases, International Competitive Bidding (ICB), properly administrated, and with the allowance for preferences for domestically fabricated goods and, where appropriate, for domestic contractors is the most appropriate method. In most cases, therefore, OSS requires its Beneficiaries to obtain necessary goods, works and services (other than consultants' services) through ICB open to eligible suppliers, service providers, and contractors.

**1.4** When ICB is not the most appropriate method for procurement, other methods of procurement may be used. In each case, the particular procedures that may be followed for the procurement under a given project is provided for in the financing Agreement. The specific contracts to be financed under the project, and their method of procurement, consistent with the financing Agreement, are specified in the Procurement Plan as indicated in paragraph 1.18 of these Guidelines.



## Applicability of Guidelines

**1.5** The principles, rules and procedures outlined in these Guidelines apply to all contracts for goods, works and services (other than consultants' services) financed in whole or in part from OSS's financing funds. The provisions described under this Section I apply to all other sections of these Guidelines. For the procurement of goods, works and services (consulting-services involved) not financed in whole or in part by OSS, but included in the project scope of the financing agreement, the Beneficiary may adopt other rules and procedures. In such case, OSS shall be satisfied that the procedures to be used will fulfill the Beneficiary's obligations to cause the project to be carried out diligently and efficiently, and that the goods, works and services (other than consultants' services) to be procured:

- a) Are of satisfactory quality and compatible with the balance of the project;
- b) Will be delivered or completed in a timely fashion, and;
- c) Are priced so as not to affect adversely the economic and financial viability of the project.

## Conflict of Interest

**1.6** OSS's rules require that a firm participating in a procurement process under projects financed by OSS shall not have a conflict of interest. Any firm involved found to have a conflict of interest shall be ineligible for award of a contract.

**1.7** A firm shall be considered to have a conflict of interest in a procurement process if:

- a) Such firm is providing goods, works or services (other than consultants' services involved) resulting from or directly related to consulting services for the preparation or implementation of a project that it provided or were provided by any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm. This provision does not apply to the various firms (consultants, contractors, or suppliers) which together are performing the contractor's obligations under a turnkey or design and built contract; or
- b) Such firm submits more than one bid, either individually or as a joint venture partner in another bid, except for permitted alternative bids. In such cases, this will result in the disqualification of all bids in which the bidder is involved. However, this does not limit the participation of a bidder as a subcontractor in another bid. Only for certain types of procurement, the participation of a bidder as a subcontractor in another bid may be permitted subject to OSS no-objection and as allowed by OSS standard bidding documents applicable to such type of procurement; or
- c) Such firm (including its personnel) has a close business or family relationship with a professional staff of the Beneficiary (or of the personnel of the project implementing agency, or of a beneficiary of a part of the grant) who : (i) are directly or indirectly involved in the preparation of the bidding document or specifications of the contract, and/or the bid evaluation process ; or ii) would be involved in the implementation or supervision of such contract unless the conflict stemming from such relationship has been resolved in a manner acceptable to OSS throughout the procurement selection and execution process; or
- d) Such firm does not comply with any other conflict of interest situation as specified in the OSS's standard bidding documents applicable to the specific procurement.

## Eligibility

**1.8** To foster competition, OSS permits firms and individuals from all countries to offer goods, works and services (other than consultants' services) for OSS-financed projects. Any conditions for participation shall be limited to those that are essential to ensure the firm's capability to fulfill the contract in question.

**1.9** In connection with any contract to be financed in whole or in part from OSS's financings, the Beneficiary



shall not deny participation in a procurement process or award to a firm for reasons unrelated to: i) the capability and resources of the firm to successfully perform the contract, or ii) the conflict of interest situations covered under paragraphs 1.6 et 1.7 above.

**1.10** As exceptions to the foregoing paragraphs 1.8 and 1.9:

- a)** Firms of a country or goods manufactured in a country may be excluded if as a matter of law or official regulation, the Beneficiary's country prohibits commercial relations with that country, provided that OSS is satisfied that such exclusion does not preclude effective competition for the supply of good, works and services required (other than consultants' services),
- b)** Public or government-owned firms or institutions of the Beneficiary's country may participate in the Beneficiary's country procurement only if they can establish that they: i) are legally and financially autonomous, ii) operate under commercial law, and iii) are not dependent agencies of the Beneficiary or Su-Beneficiary.
- c)** A firm sanctioned by OSS in accordance with paragraph 1. 16 (d) of these Guidelines, or the OSS anti-corruption policies and sanction procedures, shall be ineligible to be awarded by an OSS-financed contract or to benefit from an OSS-financed contract, financially or in any other manner, during the period of time determined by OSS.

### Advance Contracting and Retroactive Financing

**1.11** The Beneficiary may wish to proceed with the initial steps of procurement before signing the related financing Agreement. In such cases, the procurement procedures, including advertising, shall be in accordance with the Guidelines in order for the eventual contracts to be eligible for OSS financing, and OSS shall review the process used by the Beneficiary. The Beneficiary undertakes such advance contracting at its own risk, and any concurrence by OSS with the procedures, documentation, or proposal for award does not commit OSS to make a loan for the project in question. If the contract is signed, reimbursement by OSS of any payments made by the Beneficiary under the contract prior to the financing signature is called retroactive financing and is only permitted within the limits specified in the financing Agreement.

### Joint Ventures

**1.12** Any firm may bid independently or in joint venture either with domestic firms and/or foreign firms. A joint venture may be for the long term (independent of any particular bid) or for a specific bid. The joint venture shall appoint one of the firms to represent it, and all its members shall sign the contract and be jointly and severally liable for the entire contract. OSS does not accept conditions of bidding or contracting which require mandatory joint ventures or other forms of mandatory associations between firms.

### OSS Review

**1.13** OSS examines the Beneficiary's procurement procedures, documents, bid evaluation, award recommendations, and contracts to ensure that the procurement process is carried out in accordance with the agreed procedures. The Procurement Plan approved by OSS shall specify the extent to which these review procedures shall apply in respect of the different categories of goods, works and services (other than consultants' services) to be financed, in whole or in part, by the OSS financing funds.

### Misprocurement

**1.14** OSS does not finance expenditures under a contract for goods, works and services (other than consultants' services) if OSS concludes that such contract : **a)** has not been awarded in accordance with the agreed provisions of the financing Agreement and as further elaborated in the Procurement Plan to which OSS provided no objection; **b)** could not be awarded to the bidder otherwise determined successful due to willful dilatory conduct or other actions of the Beneficiary resulting in unjustifiable



delays, the successful bid being no longer available, or the wrongful rejection of any bid; or **c)** involves the engagement of a representative of the Beneficiary, or a recipient of any part of the financing proceeds, in fraud or corruption as per paragraph 1.16(c). In such cases, whether under prior or post review, OSS will declare misprocurement, and it is OSS's policy to cancel that portion of the financing allocated to the goods, works, or services (other than the consultants' services) that have been misprocured.

OSS may, in addition, exercise other remedies provided for under the financing Agreement. Even once the contract is awarded after obtaining a no objection from OSS, OSS may still declare misprocurement and apply in full its policies and remedies regardless of whether the financing has closed or not, if it concludes that the no objection was issued on the basis of incomplete, inaccurate, or misleading information provided by the Beneficiary or the terms and conditions of contract had been substantially modified without the no objection of OSS.

## Reference to OSS

**1.15** The Beneficiary shall use the following text when referring to OSS in procurement documents:

"[Name of Beneficiary] has received [or in appropriate cases « has applied for »] a financing from OSS, in an amount equivalent to ...USD, toward the cost of (name of project) and intends to apply this financing to eligible payments under this contract. Payments by OSS will be made only at the request [name of Beneficiary or designate] and upon approval by OSS, and will be subject, in all respects, to the terms and conditions of the [financing] Agreement. The [financing] Agreement prohibits a withdrawal from the financing Account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of OSS, is prohibited by a decision of the United Nations Security Council taken under chapter VII of the Charter of the United Nations. No party other than [Name of Beneficiary] shall derive any rights from the financing Agreement or have any claim to the proceeds of the [financing]"

## Fraud and Corruption

**1.16** It is OSS's policy to require that Beneficiaries (including OSS's financings beneficiaries, bidders, suppliers, contractors, and their agents (whether declared or not), sub-contractors, services providers or suppliers, and any personnel thereof, observe the highest standards of ethics during the procurement and execution of OSS-financed contracts. In pursuance of this policy, OSS:

- a) Defines, for the purpose of this provision, the terms set forth below as follows:
  - i) "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the action of another party;
  - ii) « fraudulent practice » is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
  - iii) « collusive practice » is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
  - iv) « coercive practices » is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
  - v) « obstructive practice » is deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede an OSS investigation into allegation of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation.
- b) Will reject a proposal for award if it determines that the bidder recommended for award, or any of its personnel, or its representatives, contractors, or sub-contractors (and/or its employees) has,





directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive or obtrusive practices in competing for the contract in question;

- c) Will declare misprocurement and cancel the portion of the financing allocated to a contract if it determines at any time that the representatives of the Beneficiary or of recipient of any part of the financing proceeds engaged in corrupt, fraudulent, collusive, coercive or obstructive practices during the procurement or the implementation of the contract in question without the Beneficiary having taken timely and appropriate actions satisfactory to OSS, to address such practices when they occur, including by failing to inform OSS in a timely manner at the time they knew of the practices;
- d) Will sanction a firm or individual, at any time, in accordance with OSS's prevailing sanction procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: i) to be awarded an OSS-financed contract; and ii) to be nominated subcontractor, consultant, supplier, or service provider of an otherwise eligible firm being awarded an OSS-financed contract; and
- e) Will require that a clause be included in bidding documents and in contracts financed by OSS, requiring bidders, suppliers, consultants, contractors, and their sub-contractors, agents, personnel, consultants, service providers or suppliers, to permit to OSS to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by OSS.

**1.17** With the specific agreement of OSS, the Beneficiary may introduce into bid forms for contracts financed by OSS, an undertaking of the bidder to observe, in competing for and executing a contract, the country's laws against fraud and corruption (including bribery), as listed in the bidding documents. OSS will accept the introduction of such undertaking at the request of the Beneficiary's country, provided the arrangements governing such undertaking are satisfactory to the OSS.

### Procurement Plan

**1.18** The preparation of a realistic procurement plan for a project is critical for its successful monitoring and implementation. As part of the project preparation, the Beneficiary shall prepare a preliminary procurement plan, however tentative, for the entire scope of the project. At a minimum, the Beneficiary shall prepare a detailed and comprehensive procurement including all contracts for which procurement action is to take place in the first 18 (eighteen) months of the project implementation. An agreement with OSS shall be reached at the latest during the financing negotiations. The Beneficiary shall update procurement plans throughout the duration of the project at least annually by including contracts previously awarded and to be procured in the next 12 (twelve) months. All procurement plans, their updates or modifications, shall be subject to OSS's prior review and no objection before implementation. OSS shall arrange after the financing negotiations the publication on the OSS's internal website of the agreed initial procurement plan and all subsequent updates once it has provided a no objection.

### Type and Size of Contracts

**1.19** The objective of International Competitive Bidding (ICB), as described in these Guidelines, is to provide all eligible prospective bidders with timely and adequate notification of a Beneficiary's requirements and an equal opportunity to bid for the required goods, works and services (other than consultants' services).

**1.20** The Bidding document shall clearly state the type of contract to be entered to and contain the proposed contract provisions appropriate therefor. The most common types of contracts provide for payments on the basis of a lump sum, unit prices, reimbursable cost plus fees, or combinations thereof. Reimbursable cost contracts are acceptable to OSS only in exceptional circumstances such as conditions of high risk or where costs



cannot be determined in advance with sufficient accuracy. Such contracts shall include appropriate incentives to limit costs.

**1.21** The size and scope of individual contracts will depend on the magnitude, nature, and location of the project. For projects requiring a variety of good and works, separate contracts generally are awarded for the supply/ or installation of different items of equipment and for the works.

**1.22** In certain cases, in particular for large industrial and power plants and facilities, OSS may accept or require a single responsibility contract in which discrete items of equipment and works are grouped into a contract package. A single responsibility contract may be a turnkey contract in which one entity assumes total responsibility to provide industrial plant or facility fully-equipped and ready for operation. Contracts involving construction, installation or assembly, and related services may also be awarded to contractors under management contracts.

**1.23** For a project requiring similar but separate items of equipment or works, bids may be invited under a slice and package procedure that would attract the interest of both small and large firms, which could be allowed, at their option, to bid for individual contracts (slices) or for a group of similar contracts (package). All bids and combinations of bids shall be received by the same deadline to determine the bid or combination of bids offering the lowest evaluated cost to the Beneficiary.



## **SPECIFIC RULES APPLICABLE TO THE PROCUREMENT OF WORKS, GOODS AND SERVICES**

### **A – Goods, works and services of a value equal to or higher than 30 000 US dollars**

Contracts for services of a value equal to or higher than 30 000 US dollars shall be subject to an international competitive bidding after publication of a bid invitation notice along with the contract TOR and indication of the application documents required from interested bidders.

The bid invitation notice (or contract notice) shall be published in all appropriate media, notably on the beneficiary's website, in international press and in the country where the activity will be executed. The number of applicants shall be sufficient to ensure a real competitive process (at least 3). In the case of absence of sufficient number of bidders, the contract commission may accept proposals received and shall justify the reasons for such acceptance after obtaining a prior agreement from OSS for "no objection".

### **B – Goods and services of a value less than 30 000 US dollars and equal to or higher than 8 000 us dollars**

Contracts for services of a value of less than 30 000 US dollars and higher than or equal to 8000 US dollars shall be subject to national bid invitation after publication of a bid invitation notice.

The notice shall be published in appropriate media, notably on the beneficiary's website, in national press of wide dissemination. The number of applicants shall be sufficient to ensure a real competitive process.

### **C – Goods and services of a value less than 8 000 US dollars**

These contracts shall be subject to a competitive negotiation procedure without publication, in which the Beneficiary consults at least three service providers of its choice and negotiate contract conditions with one /or more of them.

## **Two-stage Bidding**

**1.24** In the case of contracts for: a) large complex facilities awarded as single responsibility (including a turnkey) contracts for the Design, Supply and Installation, or single responsibility contract for the supply and installation of a facility or plant; b) works for a complex and special nature; or c) complex information and communication technology that are subject to rapid technology advances, it may be undesirable or impractical to prepare complete technical specifications in advance. Due to complex nature of such contracts and in order to avoid deviations from the Beneficiary's specifications, OSS may require the use of a two-stage bidding procedure. First technical proposals on the basis of a conceptual design or performance specifications are invited by the Beneficiary, and subject to technical as well as commercial clarifications and adjustments, to be followed by amended bidding documents and the submission of final technical and priced bids in the second stage.

## **Notification and Advertising**

**1.25** Timely notification of bidding opportunities is essential in competitive bidding. The Beneficiary is required to prepare and submit to OSS a General Procurement Notice. OSS shall arrange for its publication on its online website. The General Procurement Notice shall contain information concerning the Beneficiary (or prospective Beneficiary), amount the purpose the financing, scope of procurement reflecting the Procurement Plan, and the name, telephone (or fax), number, and address(es) of the Beneficiary's agenc(ies) responsible for procurement and the address of a widely used electronic portal with free national and international access or website where the subsequent Specific Procurement Notice will be posted. If known, the scheduled date for availability of prequalification or bidding documents should be indicated. The related prequalification or



bidding documents, as the case may be, shall not be released to the public earlier than the date of publication of the General Procurement Notice.

**1.26** Each contract shall allow for the publication of a specific prequalification or bid invitation notice, as the case may be, to be advertised in at least one newspaper of national circulation in the Beneficiary's country, or in the official gazette, or on a widely-used website or electronic portal with free national and international access, in English or French, or at the option of the Beneficiary, in a national language as defined under paragraph 2.15. Notices shall be given sufficient time to enable prospective bidders to obtain prequalification or bidding documents and prepare and submit their responses. OSS will arrange the simultaneous publication on its internal website of all specific procurement notices prepared and submitted by the beneficiaries.

### **Prequalification of Bidders**

**1.27** Prequalification is usually necessary for large or complex works, or in any other circumstances in which the high costs of preparing detailed bids could discourage competition, such as custom-designed equipment, industrial plant, specialized services, some complex information technology and contracts to be under single responsibility (including turnkey), design and build, or management contracting. This also ensures that invitations to bid are extended only to those who have adequate capabilities and resources. Prequalification shall be based entirely upon the capability and resources of prospective eligible bidders to perform the particular contract satisfactorily, taking into account objective and measurable factors, including i) relevant general and specific experience, and satisfactory past performance and successful completion of similar contracts over a given period, ii) financial position; and where relevant; iii) capability of construction and /or manufacturing facilities.

**1.28** The invitation to prequalify for bidding on specific contracts or groups of similar contracts shall be advertised and notified as described in paragraphs 2.7 and 2.8 above. The scope of the contract and a clear statement of the requirements for qualifications shall be sent to those who responded to the invitation. The Beneficiary shall use the standard prequalification document issued by OSS with minimum changes as may be necessary and acceptable to OSS. All such applicants that meet the specified criteria for prequalification shall be allowed to bid. The Beneficiary shall inform all applicants of the results of prequalification. As soon as the prequalification is completed, the bidding documents shall be made available to the qualified prospective bidder. For prequalification for groups of contracts to be awarded either at the same time or over a period of time, a limit for the number or total value of awards to any one bidder may be made on the basis of the bidder's technical capability and financial resources to meet qualification criteria for the combined contracts.

**1.29** When the time elapsed between the Beneficiary's decision with regard to the list of prequalified firms and the issuance of bid invitations is longer than 12 (twelve) months, OSS may require that a new prequalification process be conducted through re-advertisement. The verification of the information upon which bidders were prequalified, including their current commitments, shall be carried out at the time of award of contract, along with their capability with respect to personnel and equipment. The award may be denied to a bidder that is judged to no longer meet the required qualification criteria with respect to technical capability and financial resources to successfully perform the contract. If none or very few applicants are found to be prequalified, which would result in a lack of competition, the Beneficiary may issue a revised prequalification invitation subject to OSS's prior no objection.



## 2. BIDDING DOCUMENTS

### General

**2.1** The bidding documents shall furnish all information necessary for a prospective bidder to prepare a bid for the goods, works and services (other than consultants' services) to be provided. While the detail and complexity of these documents may vary with the size and nature of the proposed bid package and contract, they generally include: invitation to bid; instructions to bidders and bid data sheet; form or letter of bid; form of contract; conditions of contract, both general and particular; specifications and drawings; relevant technical data (including of geological and environmental nature); list of goods or bill of quantities; delivery time or schedule of completion; and necessary appendices, such as formats for various securities. The basis for bid evaluation and selection of the lowest evaluated bid shall be clearly outlined in the instructions to bidders and/or the specifications. If a fee is charged for the bidding documents, it shall be reasonable and reflect only the cost of their typing, printing or publishing in an electronic format, and delivery to prospective bidders, and shall not be so high as to discourage qualified bidders. The bidding documents for works may indicate the estimated total cost of the contract but shall not indicate detailed Beneficiary's cost estimates such as priced bills of quantities. The Beneficiary may use an electronic system to distribute bidding documents, provided OSS is satisfied with the adequacy of such system. If bidding documents are distributed electronically, the electronic system shall be secure to avoid modifications to the bidding documents and shall not restrict the access of bidders to the bidding documents. Guidance on critical components of the bidding documents are given in the following paragraphs.

**2.2** Beneficiaries shall use the appropriate *Standard Bidding Documents* (SBDs) issued by OSS with minimum changes, acceptable to OSS, as necessary to address project-specific conditions. Any such changes shall be introduced only through bid or contract data sheets, or through special conditions of contract, and not by introducing changes in the standard wording of the OSS's SBDs. When no relevant standard bidding documents have been issued, the Beneficiary shall use other internationally recognized standard conditions of contract and contract forms acceptable to OSS.

### Validity of Bids and Bid Security

**2.3** Bidders shall be required to submit bids valid for a period specified in the bidding documents which shall be sufficient to enable the Beneficiary to complete the comparison and evaluation of bids, obtain all the necessary approvals within the Beneficiary entity and the OSS's no objection to the recommendation of award (if required in the Procurement Plan) so that the contract can be awarded within that period.

**2.4** Beneficiaries have the option of requiring a bid security. When use the bid security shall be in the amount and form specified in the bidding documents and shall remain valid for generally 4 (four) weeks beyond the validity period for the bids sufficient to provide reasonable time for the Beneficiary to act if the security is to be called. Bid securities shall be released to unsuccessful bidders once the contract has been signed with the winning bidder. In place of a bid security, the Beneficiary may require bidders to sign a declaration accepting that if they withdraw or modify bids during the period of validity or they are awarded the contract and they fail to sign the contract or submit a performance security before the deadline defined in the bidding documents, the bidder will be suspended for the period of time specified in the bidding documents from being eligible to bid for any contract with the entity that invited bids.



## Language

**2.5** Prequalification and bidding documents shall be prepared in one of the following languages, selected by the Beneficiary: English or French. In addition to one of the above languages, the Beneficiary has the option to issue translated versions of these documents in another language (named “National Language”) which should either be (a) the national language of the Beneficiary; or (b) the language used nation-wide in the Beneficiary’s country for commercial transactions. If these documents are issued in two languages, firms shall have the option to submit their prequalification application or bid, as the case may be, in any one of the two languages in which these documents are issued. The contract signed with the winning bidder shall always be written in the language in which its bid was submitted, which shall be the one that governs the contractual relations between the Beneficiary and the bidder. If the contract is signed in the National Language, the Beneficiary shall provide OSS with an accurate translation of the contract in English OR French when submitting the original contract in accordance with Annexe 1. Bidders shall neither be required nor permitted to sign contracts in more than one language.

## Clarity of bidding Documents

**2.6** Bidding documents shall be so worded as to permit and encourage international competition and shall set forth clearly and precisely the work to be carried out, the location of the work, the goods to be supplied, the place of delivery or installation, the schedule for delivery or completion, minimum performance requirements, and the warranty and maintenance requirements, as well as any other pertinent terms and conditions. In addition, the bidding documents, where appropriate, shall define the tests, standards, and methods that will be employed to judge the conformity of equipment as delivered, or works as performed, with the specifications. Drawings shall be consistent with the text of the specifications, and an order of precedence between the two shall be specified in case of conflict.

**2.7** The bidding documents shall specify any factors, in addition to price, which will be taken into account in evaluating bids, and how such factors will be quantified or otherwise evaluated. If bids based on alternative designs, materials, completion schedules, payment terms, etc., are permitted, conditions for their acceptability and the method of their evaluation shall be expressly stated.

**2.8** All prospective bidders shall be provided the same information, and shall be assured of equal opportunities to obtain additional information on a timely basis. The Beneficiary shall provide reasonable access to project sites for visits by prospective bidders. For works or complex supply contracts, particularly for those requiring refurbishing existing works or equipment, a pre-bid conference may be arranged whereby potential bidders may meet with the Beneficiary representatives to seek clarifications (in person or online). Minutes of the conference shall be provided to all prospective bidders with a copy to OSS (in hard copy or sent electronically). All modifications of bidding documents, including with regard to additional information, clarifications, and corrections of errors, shall be sent to each recipient of the original bidding documents and all bidders on record in sufficient time before the deadline for receipt of bids to enable bidders to take appropriate actions. Any modification to the bidding documents shall be introduced in the form of an addendum. If necessary, the deadline shall be extended. OSS shall receive a copy (in hard copy format or sent electronically) and be consulted for issuing a no objection when the contract is subject to prior review.

## Standards

**2.9** Standards and technical specifications quoted in bidding documents shall promote the broadest possible competition, while assuring the critical performance or other requirements for the goods and/or works under procurement. As far as possible, the Beneficiary shall specify internationally accepted standards such as those issued by the International Standards Organization with which the equipment or materials or workmanship shall comply. Where such international standards are unavailable or are inappropriate, national



standards may be specified. In all cases, the bidding documents shall state that equipment, material, or workmanship meeting other standards, which promise at least substantial equivalence, will also be accepted.

### **Use of Brand Names**

**2.10** Specifications shall be based on relevant characteristics and/or performance requirements. References to brand names, catalog numbers, or similar classifications shall be avoided. If it is necessary to quote a brand name or catalog number of a particular manufacturer to clarify an otherwise incomplete specification, the words “or equivalent” shall be added after such reference. The specification shall permit the acceptance of offers for goods which have similar characteristics and which provide performance at least substantially equivalent to those specified. Before the Beneficiary issues bidding documents for specific goods with a brand name that does not have any equivalent, especially for Information Technology Systems, it shall submit to OSS for review and no objection a comprehensive justification, including grounds of compatibility with existing systems and previous investments in the branded item.

### **Pricing**

**2.11** Bids for goods shall be invited on the basis of CIP prices (place of destination) for all goods manufactured abroad and to be imported. Bids for goods that were previously imported shall be invited on the basis of CIP prices (place of destination) separately indicating the actual amount of customs duties and import taxes already paid. Bids for goods manufactured in the Beneficiary’s country shall be invited on the basis of EXW (ex-works, ex-factory) plus cost of inland transportation and insurance to the place of destination. Bidders shall be allowed to arrange for ocean and other transportation and related insurance from any eligible source. Where installation, commissioning, or other similar services are required to be performed by the bidder, as in the case of “supply and installation” contracts, the bidder shall be required to quote for these services.

**2.12** In the case of single responsibility (including turnkey) contracts, the bidder shall be required to quote the price of the installed facility or plant at site, including all costs for supply of equipment, marine and local transportation and insurance, installation, and commissioning, as well as associated works and all other services included in the scope of contract such as design, maintenance, operation, etc. Unless otherwise specified in the bidding documents, a turnkey contract price shall include all duties and taxes.

**2.13** Bidders for works and services (other than consultants’ services) shall be required to quote unit prices or lump sum prices for the performance of the works or services (other than consultants’ services), and such prices shall include all duties, taxes, and other levies. Bidders shall be allowed to obtain all inputs (except for unskilled labor) from any eligible source so that they may offer their most competitive bids.

### **Price Adjustment**

**2.14** Bidding documents shall state either that i) bid prices will be fixed or ii) that price adjustments will be made to reflect any changes (upwards or downwards) in major cost components of the contract (labor, equipment, materials, and fuel, etc). Price adjustment provisions are usually not necessary in simple contracts involving delivery of goods or completion of works within (18) eighteen months, but shall be included in contracts which extend beyond 18(eighteen) months. The bidding documents for contracts of shorter duration may also include a similar provision for price adjustment when future inflation is expected to be high at the national or international level. However, it is standard practice to obtain firm prices for some types of equipment regardless of the delivery time and, in such cases, price adjustment provisions are not needed.

**2.15** Prices shall be adjusted by the use of a prescribed formula (or formulae) which breaks down the total price into components that are adjusted by price indices specified for each component. The formula (e) (if necessary) and the base date for application shall be clearly defined in the bidding documents. If the payment currency is different from the source of the input and corresponding index, a correction factor shall be applied



in the formula, to avoid incorrect adjustment. Under exceptional circumstances, bidding documents may provide for price adjustment on the basis of documentary evidence (including actual invoices) provided by the supplier or contractor.

## Transportation and Insurance

**2.16** Bidding documents shall permit suppliers and contractors to arrange transportation and insurance from any eligible source. Bidding documents shall state the types and terms of insurance to be provided by the bidder. For all contracts, the contract shall generally contract an all-risk coverage (comprehensive insurance). For goods and for single responsibility contracts, the indemnity payable under transportation insurance shall be at least 110% of the CIP price of the goods to be imported in the currency of the contract or in a freely convertible currency to enable prompt replacement of lost or damaged goods. For large construction or supply and install projects with several contractors on a site, a total project insurance arrangement may be obtained by the Beneficiary, in which case the Beneficiary shall seek competition for such insurance under procedures acceptable to OSS if the cost of insurance is to be financed by OSS.

**2.17** As an exception, if a Beneficiary does not wish to obtain insurance coverage through the contract, and wishes to make its own arrangements or to reserve transportation and insurance to national companies or other designated sources, it shall provide evidence satisfactory to OSS that i) resources are readily available for prompt payment, in a freely convertible currency among the currencies of payment of the contract, of the indemnities required to replace lost or damaged goods, and ii) risks are adequately covered. In addition, for the import of goods, The Beneficiary shall ask bidders to quote FCA (named place of dispatch) or CPT (named place of destination) prices in addition to the CIP (place of destination) price specified in paragraph 2.21. The selection of the lowest evaluated bid shall be on the basis of the CIP (place of destination) price, but the Beneficiary may sign the contract on FCA or CPT terms and make its own arrangements for transportation and/or insurance. Under such circumstances, OSS financing shall be limited to the FCA or CPT cost of the contract.

## Currency Provisions

**2.18** Bidding documents shall state the currency or currencies in which bidders are to state their prices, the procedure for conversion of prices expressed in different currencies into a single currency for the purpose of comparing bids, and the currencies in which the contract price will be paid. The following provisions (paragraphs 2.29 to 2.33) are intended to: i) ensure that bidders have the opportunity to minimize any exchange risk with regard to the currency of the bid and of payment, and hence may offer their best prices; ii) give bidders in countries with weak currencies the option to use a stronger currency and thus provide a firmer basis for their bid prices; and iii) ensure fairness and transparency in the evaluation process.

## Currency of Bid

**2.19** Bidding documents shall state that the bidder may express the bid price in any currency. If the bidder wishes to express the bid price as a sum of amounts in different foreign currency, they may do so, provided the price includes no more than three foreign currencies. Furthermore, the Beneficiary may require bidders to state the portion of the bid price representing local costs incurred in the currency of the country of the Beneficiary.





**2.20** In bidding documents for works, the Beneficiary may require bidders to state the bid price entirely in the local currency, along with the requirements for payments in up to three foreign currencies of their choice for expected inputs from outside of the Beneficiary's country, expressed as a percentage of the bid price, together with the exchange rates used in such calculations.

### Currency Conversion for Bid Comparison

**2.21** The bid price is the sum of all payments in various currencies required by the bidder. For the purpose of comparing prices, bid prices shall be converted to a single currency selected by the Beneficiary (local currency or fully convertible foreign currency) and stated in the bidding documents. The Beneficiary shall make this conversion by using the selling (exchange) rates for those currencies quoted by an official source (such as the Central Bank), or by a commercial bank or by an internationally circulated newspaper for similar transactions on a date selected in advance, such source and date to be specified in the bidding documents, provided that the date shall not be earlier than four weeks prior to the deadline for the receipt of bids, no later than the original date for the expiry of the period of bid validity.

### Currency of Payment

**2.22** Payment of the contract price shall be made in the currency or currencies in which payment has been requested in the bid of the successful bidder as per paragraph 2.29.

**2.23** When the bid price is required to be stated in the local currency but the bidder has requested payment in foreign currencies expressed as a percentage of the bid price, the exchange rates to be used for purposes of payments shall be those specified by the bidder in the bid, so as to ensure that the value of the foreign currency portions of the bid is maintained without any loss or gain.

### Methods of Payment

**2.24** Payment terms shall be in accordance with the international commercial practices applicable to the specific goods, works, and services (other than consultants' services).

- a) Contracts for supply of goods shall provide full payment on the delivery and inspection, if so required, of the contracted goods except for contracts involving installation and commissioning, in which case a portion of the payment may be made after the supplier has complied with all its obligations under the contract. OSS normally requires the use of letters of credit so as to assure prompt payment to the supplier. In major contracts for equipment and plant, provision shall be made for suitable advances, and in contracts for long duration, for progress payments during the period of manufacture or assembly.
- b) Contracts for works shall provide in appropriate cases for mobilization advances, advances on contractor's equipment and materials, regular progress payments, and reasonable retention amounts to be released upon compliance with the contractor's obligations under contract.

**2.25** Any advance payment for mobilization and similar expenses, made upon signature of a contract for goods, works, and services (other than consultants' services) shall be related to the estimated amount of these expenses and be specified in the bidding documents. Amounts and timing of other advances to be made (such as for materials delivered to the site for incorporation in the works) shall also be specified. The bidding documents shall specify the arrangements for any security required for advance payments.



**2.26** Bidding documents shall specify the payment method and terms offered, whether alternative payment methods and terms will be allowed and, if so, how the terms will affect bid evaluation.

### Alternative Bids

**2.27** The bidding documents shall clearly indicate when bidders are allowed to submit alternative bids, how alternative bids should be submitted, how bid prices should be offered and the basis on which alternative bids shall be evaluated.

### Conditions of Contract

**2.28** The contract documents shall clearly define the scope of work to be performed, the goods to be supplied, the services to be provided (other than consultants' services), the rights and obligations of the Beneficiary and of the supplier or contractor, and if appropriate, the functions and authority of the engineer, architect, or construction manager in the supervision and administration of the contract. In addition to the general conditions of contract, any particular conditions for the specific goods, works and services (other than consultants' services) to be procured and the location of the project shall be included. The conditions of contract shall provide a balanced allocation of risks and liabilities.

### Performance Security and Retention Money

**2.29** Contracts for works and single responsibility contracts shall require security in an amount sufficient to protect the Beneficiary in case of breach of contract by the contractor. This security shall be provided in an appropriate form and amount, as specified by the Beneficiary in the bidding document. The amount of the security may vary, depending on the type of security furnished and on the nature and magnitude of the works or facilities. A portion of this security shall extend sufficiently beyond the date of completion of the works or facilities to cover the defects liability and maintenance period up to final acceptance by the Beneficiary. Contracts for works may provide for a percentage of each periodic payment to be held as retention money until final acceptance. Contractors may be allowed to replace retention money with an equivalent bank guarantee after provisional acceptance.

**2.30** In contracts for the supply of goods, the need for performance security depends on the market conditions and commercial practices for the particular kind of goods. The Beneficiary may require suppliers or manufacturers to provide a security in an appropriate and reasonable amount to protect against non-performance of the contract. The Beneficiary may also require covering warranty obligations and any installation or commissioning requirements in accordance with the applicable SBD.

### Contractual Penalties and Bonus Clauses

**2.31** Provisions for contractual penalties or similar provisions in an appropriate amount shall be included in the conditions of the contract when delays in the delivery of goods, completion of works or failure of the goods, works and services (other than consultants' services) to meet performance requirements would result in extra cost, or loss of revenue or loss of other benefits to the Beneficiary. Provisions may also be made for a bonus to be paid to suppliers or contractors for completion of works or delivery of goods ahead of the times specified in the contract when such earlier completion or delivery would be of benefit to the Beneficiary.

### Force Majeure

**2.32** The conditions of contract shall stipulate that failure on the part of the parties to perform their obligations under the contract will not be considered a default if such failure is the result of an event of force majeure as defined in the conditions of contract.



## Applicable Law and Settlement of Dispute

**2.33** The conditions of contract shall include provisions dealing with the applicable law and competent body for the settlement of disputes. International commercial arbitration in a neutral venue has practical advantages over other methods for the settlement of disputes. Therefore, OSS requires Beneficiaries use this type of arbitration in contracts for the procurement of goods, works and services (other than consultants' services) unless OSS has specifically agreed to waive this requirement for justified reasons such as equivalent national regulations and arbitration procedures, or the contract has been awarded to abider from the Beneficiary's country.

OSS shall not be named arbitrator or be asked to name an arbitrator. In case of works contracts, supply and installation and single responsibility (including turnkey) contracts, the dispute settlement provisions shall include conciliation and mediation mechanisms, which are designed to permit a speedier dispute settlement.

### 3. BID OPENING, EVALUATION, AND AWARD OF CONTRACT

#### Time for preparation of Bids

**3.1.** The time allowed for the preparation and submission of bids shall be determined with due consideration of the particular circumstances of the project and the magnitude and complexity of the contract. Generally, not less than 6 (six) weeks from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, shall be allowed for ICB. Where large works or complex items of equipment are involved, this period shall generally be not less than 12 (twelve) weeks to enable prospective bidders to conduct investigations before submitting their bids. In such cases, the Beneficiary is encouraged to convene pre-bid conferences and arrange site visits. Bidders shall be permitted to submit bids by mail or by hand.

Beneficiaries may also use electronic systems permitting bidders to submit bids by electronic means, provided OSS is satisfied with the adequacy of the system, including, inter alia, that the system is secure, maintains the integrity confidentiality and authenticity of bids submitted, uses an electronic signature system or equivalent to keep bidders bound to their bids. The deadline and place for receipt of bids shall be specified in the invitation to bid.

#### Bid Opening Procedures

**3.2.** The time for the bid opening shall be the same as for the deadline for receipt of bids or promptly thereafter, and shall be announced, together with the place for bid opening, in the invitation to bid. The Beneficiary shall open all bids received by the deadline for bid submission at the designated place stipulated in the bidding documents, irrespective of the number of bids received by such deadline. At the bid opening, the Beneficiary shall neither discuss the merits of any bid nor reject any bid. Bids shall be opened in public; bidders or their representatives shall be allowed to be present (in person or online, when electronic bidding is used). The name of the bidder and total amount of each bid, and of any alternative bids if they have been requested or permitted, shall be read aloud (and posted online when electronic bidding is used) and recorded when opened and a copy of this record shall be promptly sent to OSS and to all bidders who submitted bids in time. Bids received after the time stipulated, as well as those not opened and read out at bid opening, shall not be considered.



### Clarifications or Alterations of Bids

**3.3.** Except as otherwise provided in paragraphs 2.63 and 2.64 of these Guidelines, bidders shall not be requested or permitted to alter their bids, including through any voluntary increase or decrease in bid prices, after the deadline for receipt of bids. The Beneficiary shall ask bidders for clarification needed to evaluate their bids but shall not ask or permit bidders to change the substance or price of their bids after the bid opening. Requests for clarification and the bidders' responses shall be made in writing, in hard copy or by an electronic system satisfactory to OSS.

### Confidentiality

**3.4.** After the public opening of bids, information relating to the examination, clarification, and evaluation of bids and recommendations concerning awards shall not be disclosed to bidders or other persons not officially concerned with this process until the publication of contract award.

### Examination of Bids

**3.5.** The Beneficiary shall ascertain whether the bids i) meet the eligibility requirements specified in paragraph 1.8, 1.9 and 1.10 of these Guidelines, ii) have been properly signed, iii) are accompanied by the required securities or required declaration signed as specified in paragraph 2.14 of these Guidelines, iv) are substantially responsive to the bidding documents, and v) are otherwise generally in order. If a bid, including with regard to the required bid security, is not substantially responsive, that is if it contains material deviations from or reservations to the terms, conditions, and specifications in the bidding documents, it shall not be considered further. The bidder shall neither be permitted nor invited by the Beneficiary to correct or withdraw material deviations or reservations once bids have been opened.

### Evaluation and Comparison of Bids

**3.6.** The purpose of bid evaluation is to determine the cost to the Beneficiary of each bid in a manner that permits a comparison on the basis of their evaluated cost. Subject to paragraph 2.58, the bid with the lowest evaluated cost but not necessarily the lowest submitted price, shall be selected for award.

**3.7.** The bid price read out at the bid opening shall be adjusted to correct any arithmetical errors. Also, for the purpose of evaluation, adjustments shall be made for any quantifiable non-material deviations or reservations. Price adjustment provisions applying to the period of implementation of the contract shall not be taken into account in the evaluation.

**3.8.** The evaluation and comparison of bids shall be based on CIP (place of destination) prices for the supply of imported goods and EXW prices, plus cost of inland transportation and insurance to the place of destination, for goods manufactured within the Beneficiary's country, together with prices for any required installation, training, commissioning, and other similar services (other than consultants' services).

**3.9.** Bidding documents shall also specify the relevant factors in addition to price to be considered in bid evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated bid. For goods and equipment, other factors may be taken into consideration including, among others, payment schedule, delivery time, operating costs, efficiency and compatibility of the equipment, availability of service and spare parts, and related training, safety, and environmental benefits. The factors other than



price to be used for determining the lowest evaluated bid shall be, to the extent practicable, expressed in monetary terms in the evaluation provisions in the bidding documents.

**3.10.** Under works and turnkey contracts, contractors are responsible for all duties and taxes, and bidders shall take these factors into account in preparing their bids. The evaluation and comparison of bids shall be on this basis. Bid evaluation for works shall be strictly in monetary terms. Any procedure under which bids above or below a predetermined assessment of bid values are automatically disqualified is not acceptable. If the delivery date or execution deadline is a critical factor, the value of early completion to the Beneficiary may be taken into account according to criteria presented in the bidding documents, only if the conditions of contract provide for commensurate penalties for noncompliance.

**3.11.** The Beneficiary shall prepare a detailed report on the evaluation and comparison of bids setting forth the specific reasons on which the recommendation is based for the award of the contract. Beneficiaries shall provide, as a minimum, all information required in the standard form of bid evaluation report issued by OSS in addition to other information OSS deems relevant.

### **Domestic Preferences**

**3.12.** At the request of the Beneficiary, and as stipulated in the agreed Procurement Plan and set forth in the bidding documents, a margin of preference may be provided in the evaluation of bids for:

- a) Goods manufactured in the country of the Beneficiary when comparing bid offering such goods with those offering goods manufactured abroad;
- b) Works in member countries below a specified threshold of GNP per capita, when comparing bids from eligible domestic contractors with those of foreign countries.

**3.13.** Where preferences for domestically manufactured goods or for domestic contractors is allowed, the methods and stages set forth in annexe 2 to these Guidelines shall be followed in the evaluation and comparison of bids.

### **Extension of Validity of Bids**

**3.14.** Beneficiaries shall complete evaluation of bids and award of contract within the initial period of bid validity so that extensions are not necessary. An extension of bid validity, if justified by exceptional circumstances, shall be requested in writing from all bidders before the expiration date. The extension shall be for the minimum period required to complete the evaluation, obtain the necessary no objections, and award the contract. In the case of fixed price contracts, requests for second and subsequent extensions may be permissible only if the Beneficiary has provided an appropriate mechanism as provided in the OSS's relevant SBD to adjust the quoted price of the winning bidder to reflect any increase in the cost of inputs for the contract over the period of extension. Whenever an extension of bid validity period is requested, bidders shall not be requested or be permitted to change the quoted (base) price or other conditions of their bid. Bidders shall have the right to refuse to grant such an extension. If the bidding documents require a bid security, bidders may exercise their right to refuse to grant such an extension without forfeiting their bid security and are hence disqualified, but those who are willing to extend the validity of their bid shall be required to provide a suitable extension of bid security.

### **Postqualification of Bidders**

**3.15.** If bidders have not been prequalified, the Beneficiary shall determine whether the bidder whose bid has been determined to offer the lowest evaluated cost has the capability and resources to effectively carry out



the contract as offered in the bid. The criteria to be met shall be set out in the bidding documents, and if the bidder does not meet them, the bid shall be rejected. In such an event, the Beneficiary shall make a similar determination for the next-lowest evaluated bidder.

### **Bid Award**

**3.16.** The Beneficiary shall award the contract, within the period of the validity of bids, to the bidder who meets the appropriate standards of capability and resources and whose bid has been determined i) to be substantially responsive to the bidding documents and ii) to offer the lowest evaluated cost. A bidder shall neither be required nor permitted, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.

### **Publication of the Award of Contract**

**3.17.** The Beneficiary shall ensure that the procedure for publication of award as specified in paragraph 7 of annexe 1 is followed.

### **Rejection of all Bids**

**3.18.** Bidding documents usually provide that Beneficiaries may reject all bids. Rejection of all bids is justified when there is lack of effective competition, or all bids are not substantially responsive, or no bidder meets the specified qualification criteria, or the bid price of the lowest evaluated winning bid is substantially higher than the Beneficiary's updated estimated cost or available budget. Lack of competition shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the bidding process may be considered valid, if the bid was satisfactorily advertised, the qualification criteria were not unduly restrictive, and prices are reasonable in comparison to market values. If all bids are rejected, the Beneficiary shall review the causes justifying the rejection of all bids and make appropriate revisions to the bidding documents before re-inviting bids. The revision of qualification criteria may be justified only when they were set too stringently.

**3.19.** If for justified reasons, re-advertisement is not practical or the rejection is due to all of the bids being nonresponsive, new bids may be invited, with the prior no objection of OSS, from the initially prequalified firms, or, in the absence of prequalification, from all firms that purchased the initial bidding documents. Exceptionally, when justified, OSS may agree to re-inviting only those firms that submitted bids in the first instance.

**3.20.** All bids shall not be rejected and new bids invited on the same bidding and contract documents solely for the purpose of obtaining lower prices. If the lowest evaluated responsive bid exceeds the Beneficiary's updated cost estimates by a substantial margin, the Beneficiary shall investigate causes for the excessive cost and consider requesting new bids as described in the previous paragraphs. Alternatively, the Beneficiary may negotiate with the lowest evaluated bidder to try to obtain a satisfactory contract through a reduction in the scope and/or a reallocation of risk and responsibility which can be reflected in a reduction of the contract price. However, substantial reduction in the scope or modification to the contract documents may require re-bidding.

**3.21.** The Beneficiary shall obtain OSS's prior no objection before rejecting all bids, soliciting new bids, or entering into negotiations with the lowest evaluated bidder.

### **Debriefing by the Beneficiary**

**3.22.** In the publication of Contract Award referred to in paragraph 2.60 and paragraph 7 of Appendix 1, the Beneficiary shall specify that any bidder who wishes to ascertain the grounds on which its bid was not selected, should request an explanation from the Beneficiary. The Beneficiary shall promptly provide in writing an



explanation of why such bid was not selected. If a bidder requests a debriefing meeting, they shall bear all their costs of attending such a debriefing meeting.

#### 4. MODIFIED ICB: OPERATIONS INVOLVING A PROGRAM OF IMPORTS

**4.1.** Where the financing shall finance a program of imports, ICB with simplified advertising and currency provisions may be used for large-value contracts, as defined in the financing Agreement.

**4.2.** The simplified provisions for notification of ICB procurement do not require a general procurement notice. Specific procurement notices shall be inserted in at least one newspaper of national circulation in the Beneficiary's country and on OSS internal website. The period allowed for submission of bids may be reduced to 4 (four) weeks. The Beneficiary may require to quote bids and payments may be limited to one currency widely used in international trade.

#### Procurement of Commodities

**4.3.** Market prices of commodities, such as grain, animal feed, cooking oil, fuel, fertilizer, and metals, fluctuate, depending upon the demand and supply at any particular time. Many are quoted in established commodity markets. Procurement often involves multiple awards for partial quantities to assure security of supply and multiple purchases over a period of time to take advantage of favorable market conditions and to keep inventories low. A list of prequalified bidders may be drawn up to whom periodic invitations are issued. Bidders may be invited to quote prices linked to the market price at the time of or prior to the shipments. Bid validities shall be as short as possible. A single currency, in which the commodity is usually priced in the market, may be used for bidding and payment. The currency shall be specified in the bidding document. Bidding documents may permit telexed or faxed bids or bids submitted by electronic means, and in such cases either no bid security is required, or standing bid securities valid over a specified period of time have been submitted by prequalified bidders. Standard contract conditions and forms consistent with market practices shall be used.

#### 5. OTHER METHODS OF PROCUREMENT

##### Generalities

**5.1.** This Section describes the methods of procurement that can be used where ICB would not be the most economic and efficient method of procurement, and where other methods are deemed more appropriate or in the case of paragraph 3.20, when OSS has agreed to the use of the public procurement system of the Beneficiary country. Margins of preference for domestically manufactured goods, works and services (other than consultants' services) do not apply to methods of procurement other than ICB. Paragraphs 3.2 to 3.5 and paragraph 3.7 describe the generally used methods in descending order of preference and the remaining paragraphs the methods used in specific circumstances.

##### Limited International Bidding

**5.2.** Limited International Bidding (LIB) is essentially ICB by direct invitation without open advertisement. It may be an appropriate method of procurement where i) there is only a limited number of suppliers, or ii) other exceptional reasons may justify departure from full ICB procedures. Under LIB, Beneficiaries shall seek bids from a list of potential suppliers broad enough to assure competitive prices, such list to include all suppliers when there are only a limited number. Domestic preferences are not applicable in the evaluation of bids under LIB. In all respects, other than advertisement and preferences, ICB procedures shall apply, including the publication of the award of contract as indicated in paragraph 7 of Annexe 1.



## National Competitive Bidding

**5.3.** National Competitive Bidding (NCB) is the competitive bidding procedure normally used for public procurement in the country of the Beneficiary, and may be the most appropriate method of procurement of goods, works and services (other than consultants' services) which, by their nature or scope, are unlikely to attract foreign competition. To be acceptable for use in OSS-financed procurement, these procedures shall be reviewed and modified as necessary to assure economy, efficiency, transparency, and broad consistency with the provisions included in Section I of these Guidelines. NCB may be the most appropriate method of procurement where foreign bidders are not expected to be interested because a) of the size and value of the contract, b) works are scattered geographically or spread over time, c) works are labor intensive, or d) the goods, works, and services (other than consultants' services) are available locally at prices below the international market. NCB procedures may also be used where the advantages of ICB are clearly outweighed by the administrative or financial burden involved.

**5.4.** The complete text of advertisement shall be published in a national newspaper of wide circulation in the National Language as defined under paragraph 2.15, or on a widely-used website or electronic portal with free national and international access. The Beneficiary may publish a shorter version of the advertisement text, including the minimum relevant information, in the national press provided that the full text is simultaneously published on a widely-used website or electronic portal with free national and international access. Notification shall be given to prospective bidders in sufficient time to enable them to obtain relevant documents. Bidding documents may be issued in the National Language. The currency of the country of the Beneficiary is generally used for the purposes of bidding and payment. In addition, the bidding documents shall provide clear instructions on how bids should be submitted, how prices should be offered, and the place and time for submission of bids. Adequate response time for the preparation and submission of bids shall be provided. The procedures shall provide for adequate competition in order to ensure reasonable prices, and methods used in the evaluation of bids and the award of contracts shall be objective and made known to all bidders in the bidding documents and not be applied arbitrarily. The comparison of all bids and award of contract may be based on the total cost at destination including all taxes and duties. The procedures shall also include public opening of bids, publication of results of evaluation and of the award of contract as per paragraph 7 of Annexe 1. Beneficiaries shall have an effective and independent protest mechanism in place allowing bidders to protest and have their protests handled in a timely manner. If foreign firms wish to participate in NCB they shall be allowed to do so on the prevailing NCB terms and conditions that apply to national bidders.

## Shopping

**5.5.** Shopping is a procurement method based on comparing price quotations obtained from several suppliers (in the case of goods or services, other than consultants' services) or several contractors (in the case of civil works), with a minimum of three or more to assure competitive prices. This method is appropriate for procuring limited quantities readily available off-the-shelf goods or standard specification commodities of small value when more competitive methods are not justified on the basis of cost and efficiency. If the Beneficiary has been unable to obtain at least three quotations, it shall provide OSS with the reasons and justification why no other competitive method could be considered and obtain a no objection before proceeding on the basis of the only responses already received.

Requests for quotations shall indicate the description and quantity of the goods or specifications of works, as well as desired delivery (or completion) time and place. Quotations may be submitted by letter, fax or by electronic means. The evaluation of quotations shall follow the same principles of open bidding. The terms of the accepted offer shall be incorporated in a purchase order.





## Framework Agreements

**5.6.** A Framework Agreement (FA) is a long term agreement with suppliers, contractors and providers of goods, works and services (other than consultants' services) sets out terms and conditions under which specific procurements can be made throughout the term of the agreement. FAs are generally based on prices that are either pre-agreed, or determined at the call-off stage through competition or a process allowing their revision without further competition. FAs may be permitted as an alternative to the Shopping and NCB methods for: a) goods that can be procured off-the-shelf, or are of common use with standard specifications; b) services (other than consultants' services) that are of a simple and non-complex nature and may be required from time to time by the same agency (or multiple agencies) of the Beneficiary; or c) small value contracts for works under emergency operations. The Beneficiary shall submit to OSS for its no objection the circumstances and justification for the use of an FA, the particular approach and model adopted, the procedures for selection and award, and the terms and conditions of the contracts. FAs shall not restrict foreign competition, and should be limited to a maximum duration of 3 (three) years. FAs procedures applicable to the project are those that have been deemed acceptable by OSS, and shall be described in the financing Agreement. Maximum aggregate amounts for the use of a FA shall be set in the procurement plan in accordance with risks and in no case higher than the applicable NCB maximum aggregate amounts, and shall be agreed with OSS. FAs shall follow all guiding principles and procedures of NCB under paragraphs 3.3 and 3.4, including but not limited to the procedures for advertisement, fair and open competition, an effective and independent protest mechanism, and transparent bid evaluation and selection criteria. Publication of award of the FA shall follow the procedure described in paragraph 7 of Annexe1.

## Direct Contracting

**5.7.** Direct contracting is contracting without competition (single source) and may be an appropriate method under the following circumstances. The Beneficiary shall submit to OSS for its review and no objection a sufficiently detailed justification, including the rationale for direct contracting instead of a competitive procurement process and the basis for recommending a particular firm in all such cases, except for contracts below a threshold defined on the basis of risks and the scope of the project, and set forth in the Procurement Plan.

- a)* A contract for goods, works and services (other than consultants' services) awarded in accordance with procedures acceptable to OSS, may be extended for additional goods, works and services (other than consultants' services) of a similar nature. OSS shall be satisfied in such cases that no advantage could be obtained by further competition and that the prices on the extended contract are reasonable. Provisions for such an extension, if considered likely in advance, shall be included in the original contract;
- b)* Standardization of equipment or spare parts, to be compatible with existing equipment, may justify additional purchases from the original supplier. For such purchases to be justified, the original equipment shall be suitable, the number of new items shall generally be less than the existing number, the price shall be reasonable, and the advantages of another make or source of equipment shall have been considered and rejected on grounds acceptable to OSS;
- c)* The required equipment is proprietary and obtainable only from one source.
- d)* The procurement of certain goods from a particular supplier is essential to achieve the required performance or functional guarantee of an equipment, plant or facility;
- e)* In exceptional cases, such as, but not limited to, in response to natural disasters and emergency situations declared by the Beneficiary and recognized by OSS.

**5.8.** The applicable procedure for the publication of the contract award is described in paragraph 7 of



Annexe1.

### Force account

**5.9.** Force account, that are works such as construction and installation of equipment and services (other than consultants' services) carried out by a government department of the Beneficiary's country using its own personnel and equipment, may be the only practical method of procurement under specific circumstances. The use of force account requires that the Beneficiary sets maximum aggregate amounts for the use of force account, to which OSS shall give its no objection, and applies the same rigorous quality checks and inspection as for contracts awarded to third parties. Force account shall be justified and may only be used, after OSS no objection, under any of the following circumstances:

- a) Quantities of construction and installation works involved cannot be defined in advance.
- b) Construction and installation works are small and scattered or in remote locations for which qualified construction firms are unlikely to bid at reasonable price.
- c) Construction and installation works are required to be carried out without disrupting ongoing operation.
- d) Risks of unavoidable work interruption are better borne by the Beneficiary than by the contractor.
- e) Specialized services (other than consultants services) such as aerial surveys and mapping, as a matter of Beneficiary's law and official regulations for consideration such as national security, can only be carried out by specialized branches of the Government;
- f) Urgent repairs to prevent further damages, requiring prompt attention, or works to be carried out in conflict affected areas where private firms may not be interested.

### Procurement from United Nations Agencies

**5.10.** There may be situations in which procurement directly from agencies of the United Nations (UN), following their own procurement procedures may be the most appropriate method of procurement:

- a) Of small quantities of off-the-shelf goods, primarily in the fields of education and health;
- b) Of health-related goods for the treatment of humans and animals, including vaccines, drugs, and pharmaceuticals, preventive health and contraceptive devices, and biomedical equipment, provided that: i) the number of suppliers is limited; ii) the UN agency is uniquely or exceptionally qualified to procure such goods and related incidental services (other than consultants' services), if any; and iii) the Beneficiary uses the standard form of agreement between a Beneficiary and a UN agency for the procurement of supplies and provision of certain services agreed by OSS;
- c) Or small-value contracts for works of simple nature when the UN agencies act as contractors, or directly hire small contractors, and skilled or unskilled labor ; or
- d) In exceptional cases, such as in response to natural disasters and emergency situations declared by the Beneficiary and recognized by OSS.

### Procurement Agents and Construction Managers

**5.11.** Where Beneficiaries lack the necessary organization, resources, and experience, Beneficiaries may wish (or be required by OSS) to employ, as their agent, a firm specializing in handling procurement. Construction Managers may be employed in a similar manner for a fee, e.g., to contract for miscellaneous works involving reconstruction, repairs, rehabilitation, and new construction in emergency and post- conflict situations, or where large numbers of small contracts are involved, or when the capacity of the Beneficiary is limited. The procurement agent or construction manager shall follow all the procurement methods provided for in the Financing Agreement and as further elaborated in the Procurement Plan approved OSS,



including the use of OSS's SBDs, review procedures, and documentation. This also applies in cases where UN agencies act as procurement agents. The Beneficiary shall include capacity-building measures in the contract, as agreed with OSS.

### **Inspection and Certification Services**

**5.12.** Pre-shipment inspection and certification of imports is one of the safeguards for the Beneficiary, particularly where the country has a large import program. The inspection and certification usually covers quality, quantity, and reasonableness of price. Imports procured through ICB procedures shall not be subject to price verification, but only verification for quality and quantity. However, imports not procured through ICB may additionally be subjected to price verification. Physical inspection services may also be included. The inspection service providers are ordinarily paid for on a fee basis levied on the value of the goods. Costs for certification of imports shall not be considered in the evaluation of bids under ICB.

### **Procurement in Loans to Financial Intermediary Institutions and Entities**

**5.13.** When the financing provides funds to a financial intermediary institution or entity (or its designated agency) such as an agricultural credit institution, a development finance company, or an infrastructure development fund, to be on-lent to beneficiaries such as individuals, private sector enterprises, small and medium enterprises, or autonomous commercial enterprises of the public sector for the partial financing of subprojects, procurement of works, goods and services (other than consultants' services) is usually undertaken by the respective beneficiaries in accordance with well-established private sector procurement methods or commercial practices that shall be acceptable to OSS. However, even in these situations, open or limited international or national competitive bidding may be the most appropriate procurement method for the purchase of large single items or in cases where large quantities of like goods can be grouped together for bulk purchasing. When financing funds are on-lent to public sector beneficiaries or for large and complex contracts, consideration shall be given to the use of competitive procurement methods set forth in these Guidelines. If the funds are on-lent for Public Private Sector Partnership (PPP) operations, paragraphs 3.14 and 3.15 below shall apply. The Project Implementation Document (PID or Manual) shall describe the basic guiding principles applicable to the financing and acceptable to OSS. These principles shall inter alia include mandatory provisions that beneficiaries of the financing shall not award contracts to their parent or affiliate companies unless there is a contract or an established arms-length arrangement. The documentation shall define the main responsibilities of financial intermediary institutions and entities (or of their designated agencies) such as: a) assessing the capacity of the beneficiaries to carry out procurement efficiently; b) approving acceptable plans for the procurement of goods, works and services (other than consulting services), and the selection of consultants as may be applicable; c) agreeing to supervision and oversight arrangements under each sub-loan (consistently with the provisions under OSS loan) for the procurement to be carried out by the beneficiaries so as to insure compliance with the agreed private sector methods and commercial practices; and d) maintaining all relevant records for OSS post review and audits when requested. The financial intermediary institution or entity (or its designated agency) should satisfy itself with the reasonableness of the price of contracts awarded by the beneficiaries in the particular market, if necessary through the hiring of an independent entity or auditors.

### **Procurement under Public Private Partnership (PPP) Arrangements**

**5.14.** Where OSS is participating in financing a project or a contract procured under PPP arrangements



such as a BOO/BOT/BOOT2, concessions or similar type of private sector arrangement, either of the following procurement procedures shall be used, as provided for in the financing Agreement and further elaborated in the Procurement Plan approved by OSS.

- a) The concessionaire or firm under a BOO/BOT/BOOT or similar type of contract shall be selected by the Beneficiary under open competitive bidding procedures determined acceptable by OSS, which may include several stages in order to arrive at the optimal combination of evaluation criteria, such as the cost and magnitude of the financing offered, the performance specifications of the facility offered, the cost charged to the end user, other income generated for the concessionaire or contractor by the facility, and the period of the facility's depreciation. The said concessionaire or firm selected in this manner shall then be free to procure the goods, works, and services (other than consultants' services) required for the facility from eligible sources, using its own procedures. In this case, the Project Appraisal Document (PAD) and the Financing Agreement shall specify the types of expenditures to be incurred by the said concessionaire or entrepreneur towards which OSS financing will apply; or
- b) If the said concessionaire or firm has not been selected in the manner set forth in the sub-paragraph 3.14(a) above, the goods, works, or services (other than consultants' services) required for the facility and to be financed by OSS shall be procured in accordance with ICB or LIB procedures for large value procurement and other appropriate procurement methods determined acceptable by OSS for smaller value contracts, and for consulting services in accordance with the Consultant Guidelines.

**5.15.** Notwithstanding the provisions under paragraph 3.14(b), OSS may accept, in exceptional cases, such as small-scale expansions of existing systems operated by an incumbent concessionaire or firm that is either a privately-owned or a government-owned, and when an open competitive method may not be warranted, the use of the procurement procedures of such company provided that: i) the entity meets the criteria under paragraph 1.10(b) of these Guidelines; ii) OSS determines to be acceptable the procurement capacity, practices and procedures that the entity relies upon as part of its normal business operations; iii) subject to provisions under paragraph 1.7(a), the entity does not grant any preference or award contracts to their parents or affiliates or controlling shareholders; and iv) procurement procedures ensure fair competition, economy, efficiency, quality and transparency. OSS shall conduct post reviews from time to time during implementation to satisfy itself that the procurement capacity and practices remain acceptable, and that the procurement procedures agreed under the financing were followed.

### Performance-Based Procurement

**5.16.** Performance Based Procurement, also called Output Based Procurement, refers to competitive procurement processes (ICB, LIB, or NCB) resulting in a contractual relationship where payments are made for measured outputs instead of the traditional way where inputs are measured. The technical specifications define the desired result and which outputs will be measured including how they will be measured. Those outputs aim at satisfying a functional need both in terms of quality, quantity and reliability. Payment is made in accordance with the quantity of outputs delivered, subject to their delivery at the level of quality required. Reductions from payments (or retentions) may be made for lower-quality level of outputs and, in certain cases, premiums may be paid for higher quality level of outputs. The bidding documents do not normally

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In English BOO(Build,Own,Operate),BOT(Build,Operate,Transfer),andBOOT(Build,Own,Operate,Transfer);In French,CPE (Construction-Propriété-Exploitation),CET(Construction-Exploitation-Transfert) and Construction-Propriété-Exploitation-Transfert(CPET).



prescribe the inputs, nor a work method for the Contractor. The contractor is free to propose the most appropriate solution, based on mature and well proven experience and shall demonstrate that the level of quality specified in the bidding documents will be achieved.

**5.17.** Output Based Procurement can involve: i) the provision of services (other than consultants' services) to be paid on the basis of outputs; ii) design, supply, construction (or rehabilitation) and commissioning of a facility to be operated by the Beneficiary; or iii) design, supply, construction (or rehabilitation) of a facility and provision of services (other than consultants' services) for its operation and maintenance for a defined period of years after its commissioning. For the cases where design, supply and/or construction are required, prequalification is normally adopted and the use of two-stage bidding as indicated in paragraph 2.6 shall normally apply.

### Procurement under Loans guaranteed by OSS

**5.18.** If OSS guarantees the repayment of a loan made by another lender, the goods, works and services (other than consultants' services) financed by the said loan shall be procured with due attention to economy and efficiency and in accordance with procedures which meet the requirements of paragraph 1.5. OSS may conduct a review of the procurement transactions under the financing upon its closure.

### Community participation in Procurement

**5.19.** Where, in the interest of project sustainability, or to achieve certain specific social objectives of the project, it is desirable in selected project components to i) call for the participation of local communities and/or nongovernmental organizations (NGOs) in civil works and the delivery of services (other than consultants' services) or ii) increase the utilization of local know-how, goods and materials, or iii) employ labor-intensive and other appropriate technologies, the procurement procedures, specifications, and contract packaging shall be suitably adapted to reflect these considerations, provided these are acceptable to OSS. The procedures proposed and the project activities to be carried out by community participation shall be outlined in the Financing Agreement and further elaborated in the Procurement Plan or the relevant Project Implementation Document (or Manual) approved by OSS and made publicly available by the Beneficiary. Given the participatory nature of community driven projects, it may not always be practical to prepare detailed procurement plans at the time of negotiations as required under paragraph 1.18 for the project component involving the community participation, especially when the procurement of activities or the activities themselves are carried out directly by the community. Simplified procurement plans may be prepared, if practical, based on an indicative list of eligible activities to be implemented.

### Use of Country Systems

**5.20.** The use of country systems refers to the use of the procurement procedures and methods contemplated in the public procurement system in place in the country of the beneficiary that have been determined to be consistent with these Guidelines and acceptable to OSS. They may be used by Beneficiaries in pilot projects that have been approved by OSS.



## SECTION II. CONSULTANTS

### 1. PURPOSE

The purpose of this document is to define OSS's procedures for selecting, contracting and monitoring consultants required for projects that are financed in whole or in part by OSS's financings and executed by the Beneficiary.

The financing Agreement governs the legal relationship between the Beneficiary and OSS, and these Guidelines apply to the selection and employment of consultants required for project implementation as provided in the Agreement.

The term « consultant » includes a wide variety of private and public entities; including consulting firms, engineering firms, construction managers, management firms, procurement agents, inspection service providers, auditors, United Nations (UN) agencies and other multinational organizations, universities, research institutions, public entities, non-governmental organizations (NGOs), and individuals.

Beneficiaries use these entities as consultants to help in a wide range of advisory activities, such as management, engineering services, construction supervision, financial services, procurement services, social and environmental services; identification, preparation and implementation of projects to complement the beneficiaries' capabilities in these areas.

### 2. ASSOCIATIONS BETWEEN CONSULTANTS

Consultants may associate with each other in the form of a joint venture or of a sub-consultancy agreement to complement their respective areas of expertise, strengthen the technical responsiveness of their proposals and make available bigger pools of experts, provide better approaches and methodologies, and, in some cases, offer lower prices. Such an association may be for the long term (independent of any particular assignment) or for a limited specific assignment.

If the Beneficiary employs an association in the form of a joint venture, the association shall appoint one of the firms to represent the associations; all members of the joint venture, or their representatives with a power of attorney, shall sign the contract. All members of the joint venture shall be jointly and severally liable for the entire assignment. Once the short list is finalized and the Requests for Proposals are issued, any association in the form of joint venture or sub-consultancy among short-listed consultants shall be permissible only with the approval of the Beneficiary. The Beneficiary shall require consultants to form associations with any specific consultant or group of consultants or include any particular individual in their proposals, but may encourage associations with qualified national consultants.

### 3. OSS REVIEW, ASSISTANCE, AND MONITORING

OSS reviews the Beneficiary's hiring of consultants to satisfy itself that the selection process is carried out in accordance with the provisions of these Guidelines.

Under exceptional circumstances, when the Beneficiary is unable to prepare a short list or long list and in response to its written request, OSS may assist the Beneficiary in creating short lists or long lists of consultants that OSS expects to be capable of undertaking the assignment. The provision of such lists does not represent an endorsement of the consultants. The Beneficiary retains the responsibility to verify the eligibility and qualifications of the listed consultants, and may delete any name or add other names as it wishes; however, the final short list shall be submitted to OSS for its no objection before the Beneficiary issues the Request for Proposals.

The Beneficiary is responsible for supervising the consultants' performance and ensuring that they carry out the assignment in accordance with the contract. Without assuming the responsibilities of the Beneficiary or



the consultants, OSS staff shall monitor the quality of the consultants' work as necessary to satisfy themselves that it is being carried out according to appropriate standards and is based on reliable data. As appropriate, OSS may take part in discussions between the Beneficiary and consultants and, if necessary, may help the Beneficiary in addressing issues related to the assignment. If a significant portion of the assignment is being carried out in the consultants' home offices, OSS may, with the Beneficiary's agreement, visit these offices to review the consultants' work.

#### 4. MISPROCUREMENT

OSS does not finance expenditures under a contract for consulting services if OSS concludes that such contract: a) has not been awarded in accordance with the agreed provisions of the financing Agreement and as further elaborated in the Procurement Plan to which OSS provided no objection; (b) could not be awarded to the consultant otherwise determined successful due to wilful dilatory conduct or other actions of the Beneficiary resulting in unjustifiable delays, or the successful proposal being no longer available, or the wrongful rejection of any proposal.

*Review by OSS of the Selection of Consultants and Publication of Awards of Contracts is detailed in annexe 4*

#### 5. PROCUREMENT PLAN

The preparation of a realistic Procurement Plan for a project is critical for its successful monitoring and implementation. As part of the project preparation, the Beneficiary shall prepare a preliminary Procurement Plan, however tentative, for the entire scope of the project. At a minimum, the Beneficiary shall prepare a detailed and comprehensive Procurement Plan including all contracts for which the selection of firms and individuals is to take place in the first 18 (eighteen) months of project implementation. An agreement with OSS shall be reached at the latest during financing negotiations. The Beneficiary shall update Procurement Plans throughout the duration of the project at least annually by including contracts previously awarded and to be procured in the next 12 (twelve) months. All Procurement Plans and their updates or modifications shall be subject to the OSS's prior review and no objection before implementation.

#### 6. QUALITY AND COST-BASED SELECTION (QCBS)

The QCBS method uses a competitive process among short-listed consultants that takes into account the quality of the proposal and the cost of the services in the selection of the successful consultant. Cost as a factor of selection shall be used judiciously. The relative weight to be given to the quality and cost shall be determined for each case depending on the nature of the assignment.

The selection process shall include the following steps:

- Preparation of the Terms of Reference ;
- Preparation of cost estimate and the budget, and short-listing criteria;
- Advertising;
- Preparation of the short list of consultants;
- Preparation and issuance of the Request for Proposals (RFP) which should be included : the Letter of invitation (LOI), Instructions to Consultants (ITC), the Terms of Reference (TOR) ,and the proposed draft contract;
- Receipt of proposals;
- Evaluation of technical proposals : consideration of quality;
- Public opening of financial proposals ;
- Evaluation of financial proposals;
- Final evaluation of quality and cost ; and
- Negotiations and award of the contract to the selected consultant.

#### Terms of Reference (TOR), Specifications

The Beneficiary shall be responsible for preparing the Terms of Reference (TOR) for the assignment. These



Terms or specifications shall be prepared by a person(s) or a firm specialized in the area of the assignment. The scope of the services described in the TOR shall be compatible with the available budget. The TOR shall define clearly the objectives, goals, and scope of the assignment and provide background information to facilitate the consultants' preparation of their proposals. If transfer of knowledge or training is an objective, it should be specifically outlined along with details of the number of staff to be and so forth, to enable consultants to estimate the required resources. The Terms of Reference shall list the services and surveys necessary to carry out the assignment and the expected outputs (for example, reports, data, maps, surveys, etc). However, the TOR should not be too detailed and inflexible, so that competing consultants may propose their own methodology and staffing. Firms shall be encouraged to comment on the TOR in their proposals. The Beneficiary's and consultants' respective responsibilities should be clearly defined in the TOR.

### **Cost Estimate (budget)**

Preparation of a well-thought-through cost estimate is essential if realistic budgetary resources are to be earmarked. The cost estimate shall be based on the Beneficiary's assessment of the resources needed to carry out the assignment: experts' time, logistical support, and physical inputs (for example, vehicles, laboratory equipment). Costs shall be divided into two broad categories: a) fee or remuneration (according to the type of contract used), and b) reimbursable items, and further divided into foreign and local costs. The cost of experts' time inputs shall be estimated based on a realistic assessment of required international and national expertise. The RFP shall indicate the estimated level of experts' time inputs or the estimated total cost of the contract, but not detailed estimates such as fees.

### **Advertising**

For all projects, the Beneficiary is required to prepare and submit to OSS a general procurement notice. To obtain expressions of interest (EOIs), the Beneficiary shall include a list of expected consulting assignment in the General Procurement Notice, and shall advertise a request for expressions of interest for each contract for consulting firms in at least one newspaper, or technical and financial magazine of national circulation in the Beneficiary's country, or in a widely used electronic portal with free national and international access in English or French. The Information requested shall be the minimum required to make judgment on the consultants' suitability and not be so complex as to discourage consultants from expressing interest. Requests for expressions of interest shall at minimum include the following information applicable to the assignment: required qualifications and experience of the firm, but not individual experts' bio data; short-listing criteria; ad conflict of interest provisions. No less than 21 (twenty-one) days from date of publication shall be provided for responses, before preparation of the short-list. The late submission of a response to a request for expressions of interest shall not be a cause for its rejection unless the Beneficiary has already prepared a short-list, based on received expressions of interest.

### **Short List of Consultants**

The Beneficiary is responsible for preparing short lists. The Beneficiary shall give first consideration to those consultants expressing interest that possess the relevant qualifications. Short lists shall comprise six consultants with a wide geographic spread, with i) no more than two from any one country unless there are no other qualified consultants identified to meet this requirement; and ii) and at least one consultant from a developing country, unless no qualified consultants from developing countries could be identified. When any of the above requirements cannot be met on the basis of received expressions of Interest, the Beneficiary may directly solicit interest from qualified consultants based on its own knowledge, or request OSS assistance.

Exceptionally, OSS may agree to short lists comprising a smaller number of consultants when there are not enough qualified consultants having expressed interest for the specific assignment, when enough qualified consultants could not be identified, or when the size of the contract or the nature of the assignment does not justify wider competition. Once OSS has issued a no objection to a short list, the Beneficiary shall not modify it





without the OSS's no objection. Consultants that expressed interest, as well as any other firm or entity that specifically requests so, shall be provided the final short list by the Beneficiary.

The short list may comprise entirely national consultants if the assignment is below the ceiling established in the Procurement Plan approved by OSS, a sufficient number of qualified firms is available for having a short list of firms with competitive costs, and when competition including foreign consultants is prima facie not justified or foreign consultants have not expressed interest.

The short list should normally comprise consultants of the same category with similar business objectives, corporate capacity, experience and field of expertise, and that have undertaken assignments of a similar nature and complexity. Government-owned enterprises or institutions and not-for-profit organizations (NGOs, Universities, UN Agencies, etc.) should not normally be included in the same short list along with private sector firms, unless they operate as commercial entities. If mixing is used, the selection should normally be made using Quality-Based Selection (QBS) or Selection Based on the Consultants' Qualifications (CQS) (for small assignments). The short list shall not include Individual Consultants. Finally, if the same consultant is considered for inclusion in short lists for concurrent assignments, the Beneficiary shall assess the consultant's overall capacity to perform multiple contracts before including it in more than one short list.

### **Preparation and issuance of the Request for Proposals**

The Request for Proposals shall include: a) a Letter of Invitation, (b) Instructions to Consultants and Data Sheet, c) the Terms of Reference, and d) the proposed type of contract. Beneficiaries shall use the applicable standard Request for proposals issued by OSS with minimal changes, acceptable to OSS, as necessary to address project-specific conditions. Any such changes shall be introduced only through the Request for Proposals data sheet. Beneficiaries shall list all the documents included in the Request for Proposals. The Beneficiary may use an electronic system to distribute the Request for Proposals, provided that OSS is satisfied with the adequacy of such system. If the request for proposals is distributed electronically, the electronic system shall be secure to avoid modifications to the Request for Proposals and shall not restrict the access of short-listed consultants to the Request for Proposals.

### **Letter of Invitation**

The Letter of Invitation (LOI) shall state the intention of the Beneficiary to enter into a contract for the provision of consulting services, the source of funds, the details of the client, and the date, time, and address for submission of proposals.

### **Instructions to Consultants and Data Sheet (ITC)**

The ITC shall contain all necessary information that would help consultants prepare responsive proposals, and shall bring as much transparency as possible to the selection procedure by providing information on the evaluation process and by indicating the evaluation criteria and factors, their respective weights, and the minimum passing quality score. The ITC shall indicate an estimate of the key experts' inputs (in person \* months) or the estimated budget, but not both. Consultant, however, shall be free to prepare their own estimates of expert's time to carry out the assignment and to offer the corresponding cost in their proposals. When, under time-based contracts, the services are of a routine nature or do not require innovative approach, the Beneficiary may, subject to OSS's no objection, require the consultants to include in their proposal the same level of experts' time inputs as indicated in the Request for Proposals, failing which their financial proposal shall be adjusted for the purpose of comparison of proposals and decision for award.

The ITC shall specify the proposal validity period, which should be adequate for the evaluation of proposals, decision on award, OSS review, and finalization of contracts negotiations.

### **Receipt and Opening of Proposals**

The Beneficiary shall allow enough time for the consultants to prepare their proposals. The time allowed shall



depend on the assignment, but normally shall not be less than three weeks or more than three months (for example, for assignments requiring establishment of a sophisticated methodology, preparation of a multidisciplinary master plan). During this interval, the consultants may request clarifications about the information provided in the Request for Proposals. The Beneficiary shall provide these clarifications in writing and copy them to all consultants on the short list (who intend to submit proposals). If necessary, the Beneficiary shall extend the deadline for submission of proposals. The technical and financial proposals shall be submitted at the same time. No amendments to the technical or financial proposal shall be accepted after the deadline, although amended proposals may be submitted before such deadline. To safeguard the integrity of the process, the technical and financial proposals shall be submitted in separate sealed envelopes. A committee of officials drawn by the Beneficiary from the relevant departments (technical, finance, as appropriate), shall open all technical proposals received by the deadline for the submission of proposals at the designated place stipulated in the Request for Proposals irrespective of the number of proposals received by such deadline. At the opening of technical proposals, in the presence of consultants wishing to attend, the Beneficiary shall neither reject nor discuss the merits of any proposal. All proposals received after the deadline shall be declared late and rejected and promptly returned unopened. The committee shall read aloud the names of the consultants that submitted proposals, the presence or absence of duly sealed financial envelopes, and any other information deemed appropriate. The financial proposals shall remain sealed and shall be deposited with a reputable public auditor or independent authority until they are opened. Beneficiaries may use electronic systems permitting consultants to submit proposals by electronic means, provided OSS is satisfied with the adequacy of the system, including, inter alia, that the system is secure; maintains the integrity, confidentiality, and authenticity of proposals submitted; and uses an electronic signature system or equivalent to keep consultants bound to their proposals.

### **Clarification and Alteration of Proposals**

Consultants shall neither be requested nor permitted to alter their proposals in any way after the deadline for the submission of proposals. While evaluating proposals, the Beneficiary shall conduct the evaluation solely on the basis of the submitted technical and financial proposals, and shall not ask consultants for clarifications, except for perfunctory queries with the prior no objection of OSS.

### **Evaluation of Proposals: Consideration of Quality and Cost**

The evaluation of the proposals shall be carried out in two stages: first the quality, and then the cost. Evaluators of technical proposals shall not have access to the financial proposals until the technical evaluation, including any OSS reviews and no objection, is concluded. Financial proposals shall be opened only thereafter. The evaluation shall be carried out in full conformity with the provisions of the Request for Proposals.

### **Evaluation of the Quality**

Given the need for high quality services, the quality of the evaluation of technical proposals is paramount. The Beneficiary shall evaluate each technical proposal using an evaluation committee of at least 3 (three), and normally no more than 7 (seven), members including qualified specialists in the sector of the assignment under consideration. Each member of the committee shall not be in a conflict of interest situation, and shall certify to that effect before participating in the evaluation.



When OSS determines that the technical evaluation is inconsistent with the Request for Proposals or does not properly evaluate the strengths or weaknesses of the proposals, and the committee fails to address the situation in a timely manner, OSS may require the Beneficiary to form a new evaluation committee, including international experts in the sector of the assignment, if necessary.

Requests for Proposals shall describe each criterion and sub-criterion along with their relative maximum scores and disclose the overall minimum technical score below which a proposal will be rejected as nonresponsive. The indicative range for the overall minimum technical score is 70 to 85 (seventy to eighty-five) on a scale of 1 to 100 (one to one hundred). The maximum score for each criterion and the minimum overall technical score shall be determined based on the nature and complexity of the specific assignment.

The criteria shall include: a) the consultant's relevant experience for the assignment,

b) the quality of the methodology proposed, c) the qualifications of the key experts proposed, d) the transfer of knowledge, if required in the TOR, and e) the extent of the participation of nationals among key experts in the performance of the assignment. They shall be within the indicative range of scores specified below, except with the no objection of OSS. The maximum score for the "Participation by national experts" as indicated below shall not exceed 10 (ten).

Consultant's relevant experience for the assignment:	0 to10
Methodology:	20 to 50
Key Experts:	30 to 60
Transfer of knowledge:	0to10
Participation by national experts:(may not exceed10 points)	0 to10
Total:	100

The Beneficiary shall normally divide these criteria into sub-criteria. Each criterion shall then be scored on the basis of the weights assigned to respective sub-criteria. For example, sub-criteria under methodology might be innovation and level of detail. However, the number of sub-criteria should be kept to the essential. The weight given to experience can be relatively modest, since this criterion has already been taken into account when short-listing the consultants. More weight shall be given to the methodology in the case of more complex assignments (for example, multidisciplinary feasibility or management studies).

Only the key experts should be evaluated. Since they ultimately determine the quality of performance, more weight shall be assigned to this criterion if the proposed assignments complex. The Beneficiary shall review the qualifications and experience of proposed key experts in their curricula vitae, which must be accurate, complete, and signed by an authorized official of the consultant and the individual proposed. The individuals shall be rated in the following three sub-criteria:

- General qualifications : level of instruction and training, length of experience, positions held, previous assignments as team expert, experience in developing countries, and so forth ;
- Adequacy for assignment : education, training, experience in the specific sector, field, subject, and so forth, relevant to the particular assignment; and
- Experience in the region: knowledge of the local language, culture, administrative and political system, and so forth.



Beneficiaries shall evaluate each proposal on the basis of its responsiveness to the Terms of Reference. A proposal shall be considered unsuitable and shall be rejected at this stage if it fails to comply with important aspects described in the Request for Proposals. Technical proposals containing any material financial information shall be declared nonresponsive.

The members of the evaluation committee shall evaluate proposals in accordance with the evaluation criteria specified in the Request for Proposals, independently of each other, and without any external influence from any person or entity. A proposal shall be rejected if it fails to achieve the overall minimum technical score specified in the Request for Proposals. At the end of the evaluation process, the Beneficiary shall prepare a technical evaluation report using the OSS's standard form of evaluation report or another report acceptable to OSS. The report shall substantiate the results of the evaluation and justify the total technical scores assigned to each proposal by describing the relative strengths and weaknesses of the proposals. Large differences in the individual scores given to a proposal for the same criterion or sub-criterion by different members shall be addressed and a justification be provided in the technical evaluation report. In the case of contracts subject to prior review, the technical evaluation report including the detailed evaluation sheets of each committee member shall be submitted to OSS for its review and no objection. All records relating to the evaluation, such as individual score sheets, shall be retained.

### **Opening of Financial Proposals and Evaluation of Costs**

After the technical evaluation report is completed (and for prior review contracts, after OSS has issued its no objection), the Beneficiary shall inform consultants whose proposals did not meet the minimum qualifying technical score or were considered nonresponsive to the RFP and TOR that their financial proposals will be returned unopened after the signature of the contract. In addition, the Beneficiary shall inform each of the above consultants of their overall technical score as well as scores obtained for each criterion and sub-criterion if any. The Beneficiary shall simultaneously notify the consultants that have secured the minimum overall technical score of the date, time, and place set for opening the financial proposals. The opening date shall be set allowing sufficient time for consultants to make arrangements to attend the opening of the financial proposals. The financial proposals shall be opened in the presence of representatives of the consultants who choose to attend (in person or online). The name of the consultant, the technical scores, including the breakdown by criterion, and the offered total prices shall be read aloud (and posted online when electronic submission of proposals is used) and recorded when the financial proposals are opened. The Beneficiary shall also prepare the minutes of the opening and a copy of this record shall be promptly sent to OSS and to all consultants who submitted proposals.

The Beneficiary shall then evaluate and compare the financial proposals in accordance with the following procedures. Prices shall be converted to a single currency selected by the Beneficiary (local currency or fully convertible foreign currency) as stated in the Request for Proposals. The Beneficiary shall make this conversion by using the selling (exchange) rates for those currencies quoted by an official source or by a commercial bank or by an internationally circulated newspaper for similar transactions. The Request for Proposals shall specify the source of the exchange rate to be used and the date of that exchange rate, provided that the date shall not be earlier than four weeks prior to the deadline for submission of proposals, nor later than the original date of expiration of the period of validity of the proposal. For a time-based contract, any arithmetical error shall be corrected, and prices shall be adjusted if they fail to reflect all inputs that are included in the respective technical proposals.

For the purpose of evaluation, the offered prices shall exclude local identifiable indirect taxes on the contract and income tax payable to the country of the Beneficiary on the remuneration of services rendered in the country of the Beneficiary by non-resident experts and other personnel of the consultant. In exceptional circumstances, when indirect taxes cannot be fully identified by the Beneficiary when evaluating the financial proposals, OSS may agree that prices, for the purpose of evaluation only, include all taxes payable to the country of the Beneficiary. The offered total price shall include all consultants' remuneration and other



expenses such as travel, translation, report printing, or secretarial expenses. The proposal with the lowest offered total price may be given a financial score of 100 (one hundred) and other proposals given financial scores that are inversely proportional to their prices. Alternately, linear variation or other methodology may be used in allocating the scores to the financial procedures. The methodology used shall be described in the Request for Proposals.

### **Combined Technical and Financial Evaluation**

The total score shall be obtained by weighing technical and financial scores and adding them. The weight for the “cost” shall be chosen taking into account the complexity of assignment and the level of technical quality desired. Except for the type of services specified in Section III, the weight for cost shall normally be 20 (twenty) points out of a total score of 100 (one hundred). The proposed weightings for technical quality and cost shall be specified in the Request for Proposals. The firm obtaining the highest total score shall be invited for negotiations.

### **Negotiations and the Award of Contract**

Negotiations shall include discussions of the Terms of reference, the methodology, Beneficiary’s inputs, and special conditions of the contract. These discussions shall not substantially alter the original scope of services under the Terms of reference or the terms of the contract, lest the quality of the final product, its price, and the relevance of the initial evaluation be affected. Major reductions in work inputs should not be made solely to meet the estimated cost or available budget. The final TOR and the agreed methodology shall be incorporated in the “Description of Services” which shall form part of the contract.

The selected firm should not be allowed to substitute key experts, unless both parties agree that undue delays in the selection process make such substitution unavoidable or that such change(s) is/are critical to meet the objectives of the assignment. If this is not the case and if it is established that key experts were included in the proposal without confirming their availability, the firm may be disqualified and the process continued with the next ranked firm. The key experts proposed for substitution shall have qualifications equal to or better than the key experts initially proposed.

Financial negotiations shall include clarification of the consultants’ tax liability in the Beneficiary’s country (if any) and how this tax liability has been or would be reflected in the contract. Payments under lump-sum contracts are based on the delivery of outputs (or products), hence the offered price shall include all costs (experts’ time, overhead, travel, hotel, etc.). Consequently, if the selection method for a lump-sum contract included cost as a factor in evaluation, the offered price shall not be negotiated. In the case of time-based contracts, payment is based on inputs (experts’ time and reimbursable fees) and the offered price shall include experts’ rates and an estimation of the amount of reimbursable fees. When the selection method includes cost as a factor in evaluation, negotiations of experts’ rates shall not take place, except in special circumstances, like for example, experts’ rates offered are much higher than typically charged rates by consultants for similar contracts. Consequently, the prohibition of negotiation does not preclude the right of the client to ask for clarifications, and, if the fees are very high, to ask for their change, after due consultation with OSS. Reimbursable fees are to be paid on actual expenses incurred at cost upon presentation of receipts and therefore are not subject to negotiations. However, if the client wants to define ceilings for unit prices of certain reimbursables (like travel or hotel rates), they should indicate the maximum levels of those rates in the RFP or define a per diem in the Request for Proposals.

If the negotiations with the highest ranked consultant fail, the Beneficiary shall inform the concerned consultant in writing of all pending issues and disagreements, and provide them a final opportunity to respond in writing. Contract negotiations shall not be terminated only for budget considerations.

If there is still disagreement, the Beneficiary shall inform the consultant in writing of its intention to terminate negotiations. Negotiations may then be terminated after obtaining the OSS’s no objection, and the next ranked consultant invited for negotiations. The Beneficiary shall furnish to OSS for review the minutes of negotiations



and all relevant communications, as well as the reasons for such termination. Once negotiations have commenced with the next ranked firm, the Beneficiary shall not reopen the earlier negotiations. After negotiations are successfully completed and OSS has issued its no objection to the initialed negotiated contract, the Beneficiary shall promptly notify other firms on the short list that they were unsuccessful.

### Debriefing by the Beneficiary

In the publication of contract award, the Beneficiary shall specify that any consultant who wishes to ascertain the grounds on which its proposal was not selected should request an explanation from the Beneficiary. The Beneficiary shall promptly provide in writing an explanation of why such proposal was not selected. If a consultant requests a debriefing meeting, the consultant shall bear all the costs of attending such a debriefing meeting.

### Rejection of all Proposals and Re-invitation

The Beneficiary will be justified in rejecting all proposals only if: i) all proposals are nonresponsive because they fail to respond to important aspects of the Terms of Reference or present major deficiencies in complying with the Terms of Reference; or ii) all proposals fail to achieve the minimum technical score specified in the Request for Proposals; or iii) if the offered price of the successful proposal is substantially higher than the available budget or a recently updated cost estimate. In the latter case, as an alternative to re-invitation, the feasibility of increasing the budget or scaling down the scope of services with the firm should be investigated in consultation with OSS. However, any substantial reduction in the scope of services will not be acceptable and will require a re-invitation. If cost is a factor in the evaluation for a time-based contract, the number of person-months proposed by the consultant may be negotiated, provided that it does not compromise quality or adversely affect the assignment. Even in such cases, the experts' rates shall not normally be negotiated.

Before all the proposals are rejected and new proposals are invited, the Beneficiary shall notify OSS, indicating the reasons for rejection of all proposals, and shall obtain OSS's no objection before proceeding with the rejection and the new process. The new process of selection may include revising the Request for Proposals, including the Terms of Reference, the short list, and the budget. These revisions shall be agreed upon with OSS.

### Confidentiality

Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the publication of the award of contract.

## 7. OTHER METHODS OF SELECTION

This Section describes the selection methods other than the quality and cost-based selection (QCBS), and the circumstances under which they are acceptable. All provisions of Section II (QCBS) shall apply for other methods of selection under Section III unless a different provision has been specifically identified in Section III, in which case, the latter shall apply. Beneficiaries shall use the applicable standard Request for Proposals issued by OSS with minimal changes, acceptable to OSS, as necessary to address project-specific conditions.



## Quality-based Selection (QBS)

QBS is appropriate for the following types of assignments:

- complex or highly specialized assignments for which it is difficult to define precise Terms of reference and the required input from the consultants, and for which the client expects the consultants to demonstrate innovation in their proposals (for example, country economic or sector studies, multi-sector feasibility studies, design of a hazardous waste remediation plant or of an urban master plan, financial sector reforms);
- Assignments that have a high downstream impact and in which the objective is to have the best experts (for example, feasibility and structural engineering design of such major infrastructure as large dams, policy studies of national significance, management studies of large government agencies); and
- Assignments that can be carried out in substantially different ways, such that proposals will not be comparable (for example, management advice, and sector and policy studies in which the value of the services depends on the quality of the analysis).

In QBS, the Request for Proposals may request submission of a technical proposal only (without the financial proposal), or request submission of both technical and financial proposals at the same time, but in separate envelopes (two-envelope system). The Request for Proposals shall provide either the estimated budget or the estimated time of key experts, specifying that this information is given as an indication only and that consultants shall be free to propose their own estimates.

If technical proposals alone were invited, after evaluating the technical proposals using the same methodology as in QCBS, the Beneficiary shall ask the consultant with the highest ranked technical proposal to submit a detailed financial proposal. The Beneficiary and the consultant shall then negotiate the financial proposal and the contract. All other aspects of the selection process shall be identical to those of QCBS, including the publication of the award of contract, but in this case, only the contract price of the winning firm is published. If consultants were requested to provide financial proposals initially together with the technical proposals, safeguards shall be built in as in QCBS to ensure that the financial proposal of only the selected firm is opened and the rest returned unopened, after the negotiations are successfully concluded.

## Selection under a Fixed Budget (SFB)

This method is appropriate only when the assignment is simple and can be precisely defined and when the budget is fixed. The Request for Proposals shall indicate the available budget and request the consultants to provide their best technical and financial proposals in separate envelopes, within the budget. The Terms of Reference should be particularly well-prepared to make sure that the budget is sufficient for the consultants to perform the expected tasks. The Request for Proposals shall clearly indicate whether the budget includes taxes or levies payable in the Beneficiary country, and the price of any inputs provided by the client. The evaluation of all technical proposals shall be carried out first as in the QCBS method. Then the financial proposals shall be opened. Financial proposals that exceed the indicated budget shall be rejected. The consultant who has submitted the highest ranked technical proposal among the rest shall be selected and invited to negotiate a contract.



### Least-cost Selection (LCS)

This method is generally appropriate for selecting consultants for assignments of a standard or routine nature (audits, engineering design of noncomplex works, and so forth) where well-established practices and standards exist. Under this method, a minimum qualifying mark for the quality is established. Proposals, to be submitted in two envelopes, are invited from a short list. Technical proposals are opened first and evaluated. Those securing less than the minimum qualifying mark are rejected, and the financial proposals of the rest shall be opened. The firm with the lowest price shall then be selected.

Under this method, the minimum qualifying mark shall be established, understanding that all proposals above the minimum compete only on “cost”. The minimum qualifying mark shall be stated in the Request for Proposals.

### Selection Based on the Consultant’s Qualifications (CQS)

This method may be used for small assignments or emergency situations declared by the Beneficiary and recognized by OSS for which the need for issuing a Request for Proposals, and preparing and evaluating competitive proposals is not justified. In such cases, the Beneficiary shall prepare the Terms of Reference and obtain expressions of interest that include information on the experience and qualifications of at least three qualified consultants with relevant experience. Consultants having the required experience and competence relevant to the assignment shall be assessed and compared, and the best qualified and experienced consultant shall be selected. Only the selected consultant shall be asked to submit a combined technical and financial proposal and, if such proposal is responsive and acceptable, be invited to negotiate a contract.

Both technical and financial aspects of the proposal may be negotiated. The minutes of negotiations shall be prepared and signed by both parties.

### Single-Source Selection (SSS)

Single-source selection of consultants does not provide the benefits of competition in regard to quality and cost, lacks transparency in selection, and could encourage unacceptable practices. Therefore, single-source selection shall be used only in exceptional cases. The justification for single-source selection shall be examined in the context of the overall interests of the client and the project, and the OSS’s responsibility to ensure economy and efficiency and provide equal opportunity to all qualified consultants.

Single-source selection may be appropriate in the following cases, and only if it presents a clear advantage over competition: a) for tasks that represent a natural continuation of previous work carried out by the consultant); b) in exceptional cases, such as, but not limited to, in response to natural disasters and for emergency situations both declared by the Beneficiary and recognized by OSS; c) for very small assignments; or when only one firm is qualified or has experience of exceptional worth for the assignment. In all such cases, the Beneficiary is not required to issue a Request for Proposals and shall submit to OSS for its review and no objection the Terms of Reference of the assignment, a sufficiently detailed justification including the rationale for single-source selection instead of a competitive selection process, except for contracts below a threshold defined on the basis of risks and the scope of the project, and set forth in the Procurement Plan.

When continuity for downstream work is essential, the initial Request for proposals shall outline this prospect, and, if practical, the factors used for the selection of the consultant shall take the likelihood of continuation into account. Continuity in the technical approach, experience acquired, and continued professional liability of the same consultant may make continuation with the initial consultant preferable to a new competition subject to satisfactory performance in the initial assignment.





For such downstream assignments, the Beneficiary shall ask the initially selected consultant to prepare technical and financial proposals on the basis of the Terms of Reference furnished by the Beneficiary, which shall then be negotiated.

If the initial assignment was not awarded on a competitive basis or was awarded under tied financing or if the downstream assignment is substantially larger in value, a competitive process acceptable to OSS shall normally be followed in which the consultant carrying out the initial work is not excluded from consideration if it expresses interest. OSS will consider exceptions to this rule only under special circumstances and only when a new competitive process is not practicable.

### Use of Country Systems

The use of country systems refers to the methods for selecting consultants (including individuals) contemplated in the public procurement system in place in the country of the Beneficiary that have been determined to be acceptable to OSS under the OSS's use of country systems Piloting Program. They may be used by Beneficiaries in pilot projects that have been approved by OSS under such Piloting Program.

## 8. IMPORTANT PROVISIONS

### Currency:

RFPs shall clearly state that consultants may express the price for their services in any fully convertible currency. If the consultants wish to express the price as a sum of amounts in different foreign currencies, they may do so, provided the proposal includes no more than three foreign currencies. The Beneficiary may require consultants to state the portion of the price representing local costs incurred in the currency of the Beneficiary's country. Payment under the contract shall be made in the currency or currencies in which the payment is requested in the proposal.

### Price Adjustment.

To adjust the remuneration rates in a time-based contract for foreign and/or local inflation, a price adjustment provision shall be included in the contract if its duration is expected to exceed 18 (eighteen) months. Time-based contracts of a shorter duration may include a provision for price adjustment when local or foreign inflation is expected to be high and unpredictable. Lump-sum contracts shall not generally be subject to automatic price adjustment when their duration is expected to be less than 18 (eighteen) months, except for small-value multi-year contracts (for example, with auditors). The price of a lump-sum contract may be exceptionally amended when the scope of the services is extended beyond what was contemplated in the original TOR and contract.

### Payment Provisions.

Payment provisions, including amounts to be paid, schedule of payments, and payment procedures, shall be agreed upon during contract negotiations. Payments may be made at regular intervals (as under time-based contracts) or for agreed outputs (as under lump-sum contracts). Payments for all advances (for example, for mobilization costs) shall be secured by an advance payment security or guarantee, except in the case of small value contracts as defined in footnote. If the amount of the advance is 10% (ten percent) of the contract amount or less, the Beneficiary may decide not to require such a security or guarantee, in which case this should be specified in the draft contract included in the Request for Proposals.



Payments shall be made promptly in accordance with the contract provisions. To that end:

- consultants can be paid directly by OSS at the request of the Beneficiary or exceptionally through a Letter of Credit;
- only disputed amounts shall be withheld, with the remainder of the invoice paid in accordance with the contract; and
- the contract shall provide for the payment of financing charges (interest on arrears) if payment is delayed due to the client's fault beyond the time allowed in the contract; the rate of charges shall be specified in the contract.

### **Proposal and Performance Securities, and Contractual Penalties:**

Proposal and performance securities are not recommended for consultants' services, but shall, if required by the Beneficiary, be in a reasonable amount. Their enforcement is often subject to judgment calls, they can be easily abused, and they tend to increase the costs to the consulting industry without evident benefits, which are eventually passed on to the Beneficiary. In addition, because the timely delivery of services of an intellectual and advisory nature is contingent in many ways upon actions by the client, thereby rendering difficult establishing the sole responsibility of the consultant, when there are delays, the application of contractual penalties is not recommended for consulting services.

### **Beneficiary's Contribution.**

The Beneficiary may assign members of its own professional staff to the assignment in different capacities. The contract between the Beneficiary and the consultant shall give the details governing such staff, known as counterpart staff, as well as facilities that shall be provided by the Beneficiary (such as housing, office space, secretarial support, utilities, materials, and vehicles, etc). The contract shall indicate measures the consultant can take if any of the items cannot be provided or have to be withdrawn during the assignment, and the compensation the consultant will receive in such a case.

### **Conflict of Interest.**

The consultant shall not receive any remuneration in connection with the assignment except as provided in the contract. The consultant and its affiliates shall not engage in consulting or other activities that conflict with the interest of the client under the contract. The contract shall include provisions limiting future engagement of the consultant for other services resulting from or directly related to the firm's consulting services.

### **Professional Liability.**

The consultant is expected to carry out its assignment with due diligence and in accordance with prevailing standards of the profession. As the consultant's liability to the Beneficiary will be governed by the applicable law, the contract need not deal with this matter unless the parties wish to limit this liability. If they do so, they should ensure that a) there must be no such limitation in case of the consultant's gross negligence or willful misconduct; b) the consultant's liability to the Beneficiary may in no case be limited to less than a multiplier of the total value of the contract to be indicated in the Request for Proposals and in the special conditions of the contract (the amount of such limitation will depend on each specific case); and c) any such limitation may deal only with the consultant's liability toward the client and not with the consultant's liability toward third parties.

### **Substitution of Experts.**

During an assignment, if substitution is necessary (for example, because of ill health or because an expert proves to be unsuitable or becomes otherwise ineligible to participate in OSS-financed contracts), the consultant shall propose other experts of at least the same level of qualifications for approval by the Beneficiary.



## Applicable Law and Settlement of Disputes.

The contract shall include provisions dealing with the applicable law and the forum for the settlement of disputes. Consultants' contracts shall always include a clause for settlement of disputes. International commercial arbitration in a neutral venue has practical advantages over other methods for the settlement of disputes. Therefore, OSS requires that Beneficiaries use this type of arbitration in contracts awarded to foreign consultants unless OSS has specifically agreed to waive this requirement for justified reasons, such as equivalent national regulations and arbitration procedures. OSS shall not be named an arbitrator or be asked to name an arbitrator.

## 9. SELECTION OF INDIVIDUAL CONSULTANTS

Individual Consultants are employed on assignments for which:

- a team of experts is not required;
- no additional outside professional support is required (home office)
- the experience and qualifications of the individual are the paramount requirement.

When coordination, administration, or collective responsibility may become difficult because of the number of individuals, it would be advisable to employ a consulting firm. When qualified individual consultants are unavailable or cannot sign a contract directly with a Beneficiary due to a prior agreement with a firm, the Beneficiary may invite firms to provide qualified individual consultants for the assignment.

Advertisement for seeking expressions of interest (EOI) is encouraged, particularly when the Beneficiary does not have knowledge of experienced and qualified individuals or of their availability, or the services are complex, or there is potential benefits from wider advertising, or if it is mandatory under national law. It may not, however, be required in all cases and should not take place for small value contracts. All invitations for EOIs should specify selection criteria that are solely based on experience and qualifications. When consulting firms are invited to propose individual consultants, EOIs shall clarify that only the experience and qualifications of individuals shall be used in the selection process, and that their corporate experience shall not be taken into account, and specify whether the contract would be signed with the firm or the proposed individuals.

Individual consultants are selected on the basis of their relevant experience, qualifications, and capability to carry out the assignment. They do not need to submit proposals and shall be considered if they meet minimum relevant requirements which shall be determined by the Beneficiary on the basis of the nature and complexity of the assignment, and assessed on the basis of academic background and relevant specific experience, and, as appropriate, knowledge of local conditions such as national language, culture, administrative systems, and government organization. The selection shall be carried out through the comparison of the relevant overall capacity of at least three qualified candidates among those who have, directly or through a firm, expressed interest in the assignment or have been approached directly by the Beneficiary. Consultants selected to be employed by the Beneficiary shall be the most experienced and best qualified, and shall be fully capable of carrying out the assignment. The Beneficiary shall negotiate a contract with the selected individual consultant, or the consulting firm as the case may be, after reaching agreement on satisfactory terms and conditions of the contract, including reasonable fees and other expenses

The selection of individual consultants is normally not subject to prior review. The Beneficiary shall, however, obtain the OSS's no objection: a) when it has not been able to compare at least three qualified candidates before hiring, in which case it shall provide the reasons; b) before it invites consulting firms to offer the services of individual consultants; c) in case negotiations with the selected individual fail before proceeding to negotiate with the next best individual, or firm as the case may be; and d) in case of single-source selection. OSS also requires prior review of the selection of certain categories of individual consultants.

When a contract is signed with a consulting firm to provide individual consultants, either its permanent staff



or associates or other experts it may recruit, the conflict of interest provisions described in these Guidelines shall apply to the parent firm. No substitution of any individual who was initially proposed and evaluated shall be permitted, and in such a case, the contract will be signed with the next ranked consultant.

Individual consultants may be selected on a single-source basis with due justification in exceptional cases such as:

- a)** tasks that are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively
- b)** assignments with a total expected duration of less than 6 (six) months;
- c)** urgent situations; and
- d)** when the individual is the only consultant qualified for the assignment.

The Beneficiary shall submit to OSS for its review and no objection the TOR of the assignment, a sufficiently detailed justification, including the rationale for single-source selection instead of a competitive selection process, and the basis for recommending a particular individual consultant in all such cases, except for contracts below a threshold defined on the basis of risks and the scope of the project, and set forth in the Procurement Plan.



## SECTION III: Draft Agreement and Financial Management<sup>3</sup>

**N° of document:**

**Number of contract:**

**Project: « title of project »**

### **Financing Contract**

#### **Between the beneficiary and the Sahara and Sahel Observatory (OSS)**

Based on the technical cooperation agreement concluded between the Sahara and Sahel Observatory (OSS), represented by its Executive Secretary, and the (beneficiary) represented by the (ministry ...), we respond favorably to your request for financing the project cited in reference.

We are prepared to provide you with a financial contribution in the amount of **xxx\$US (in letters)**

For the execution of measures described in point 1 below (« project »), and in accordance with the project document presented to ensure the implementation of this financial contribution, we propose to you to enter into an agreement in the terms set out below. For purposes of simplification, you will be referred to as “beneficiary” and our Organization as “OSS”.

#### **Project, destination of financial contribution**

The project encouraged by the financial contribution has the sole objective of financing the project agreed activities.

Hence, the beneficiary will use the financial contribution funds exclusively for financing the project measures listed in the financing contract as well as for agreed budget headings (or budget items), in accordance with the Procurement Plan (PP).

The above estimated costs are firm. Additional costs incurred by possible increase in prices will not be covered by OSS. If necessary, the beneficiary shall provide these additional costs.

A maximum overrun of 20% is however permitted for individual budget items provided they could be offset through savings on other budget headings (or items).

The financial contribution shall only be used to cover expenses that are not financed by other long term grants or donations.

The beneficiary will ensure the project execution with due respect of principles of technical and financial regularity and in compliance with the plan and projections submitted to OSS.

The financial contribution may only be used to cover reasonable expenses and in local use, an evidence of which may be furnished.

The beneficiary will use tangible goods financed by the financial contribution exclusively for the

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<sup>3</sup>This draft will be completed with references of agreements between OSS and its financial partners who permitted OSS to obtain these financings as an implementing entity or as an implementing partner.



project.

The beneficiary will ensure that those to whom he entrusted the task of preparing and implementing the project as well as of placing orders for goods and services to be financed, do not demand, accept, pay, grant or allow illegal payments in connection with tasks to be completed or require a “promise to pay” for such payments.

Insofar as provided for in this agreement, the beneficiary shall request the assistance of the project manager at OSS in Tunis (hereinafter referred to as expert-advisor).

The agreed date for completion of project is xx/xx/xxx. OSS may refuse to finance from the financial contribution funds costs required after that date.

### **Counterparty services, procurement of works, goods and/ or services**

The beneficiary will execute in whole and in a timely fashion the counterparty services he committed to ensure and will furnish adequate evidence on that at the request of OSS and in monthly financial reports.

The beneficiary shall ensure that the commitment declaration, herein attached, be a part of the supplier’s proposal and of the contract to be concluded between the supplier and the beneficiary.

The contracting parties shall highlight the importance of a procedure for free, transparent, fair competitive bid, without any abuse or conflict of interest.

Therefore, firms participating in the project implementation shall confirm that they have not proposed or allocated, directly or indirectly, during the participation to the bid invitation and for the entire duration of the project, illegal benefits to public agents or other persons in the context of their proposals, and that they have no intention to offer or give such incentives or conditions during the present award procedure, or when selected, during the subsequent implementation of the contract.

Furthermore, the beneficiary shall underscore the importance of respecting the minimum social standards (“core labor standards”) during the project implementation. Therefore, they commit to respect core labor standards ratified by (beneficiary’s country).

The beneficiary shall inform its employees of their respective duties and obligations to respect this voluntary commitment and the laws of (beneficiary’s country).

For contracts for goods and/or services financed by the financial contribution funds, the beneficiary will observe the regulations applicable in (the beneficiary’s country). The beneficiary will normally receive at least three written proposals for comparison. If the value of the contract for goods and/or services is more than the counter-value of 30.000 US dollars, the beneficiary will determine the bid invitation procedures to be applied for procurement (national or international bid invitation)

The same bid procedure is applicable to contracts for works.

Bid invitations shall be subject to OSS no-objection prior to their launching process.

At the request of OSS and in monthly reports, the beneficiary will justify for the regularity of the execution of the procedure in due form. Contracts for works, goods and services allocated without respect of these provisions, will not be financed by the financial contribution funds.

### **Progress payment**

The transfer of the financial contribution is carried out over installments upon the signature and approval in due form of the financing agreement by the beneficiary.



After the beneficiary fulfills all the obligations set forth in this agreement, in particular the obligation to furnish the references of the account dedicated to the project, the account signatories, functioning modalities and monthly reports and other documentation required, the financial contribution will be paid through installments transferred to the account opened by the beneficiary at an agreed bank institution on the name of the project.

If the beneficiary establishes a monthly report in accordance with the contractual requirements, OSS commits to reimburse in due form the amounts included.

The beneficiary is in charge of obtaining all necessary importation licenses and provides for the regulation or exemption from customs taxes and other entry rights.

### **Reports**

The beneficiary will present to the expert-advisor (OSS) a monthly financial report on operations financed by the project financial contribution during the month, no later than the subsequent month.

The report shall outline the state of activities execution and operations results compared to the objectives set for the project.

The report will be signed by the beneficiary and will be accompanied with the following documents:

- Account statement for the month
- Statement of operations financed by the project in connection with the operations of the bank statement
- A monthly bank reconciliation statement
- A budget statement presenting, per item or component, the following:
  - projections,
  - Achievements of previous month,
  - Achievements of ongoing month
  - cumulative achievements and
  - difference between projected and cumulative achievements at the end of the month in question

In the case where the execution of an operation extends over a duration of more than 12 (twelve) months, the beneficiary may submit to OSS (expert-advisor) the month's disbursements and the committed or uncommitted remainder, in accordance with the project progress state.

### **Account**

Along with each monthly, annual or final report submitted to the expert-advisor (OSS) in accordance with point 4, the beneficiary will furnish OSS, as account, a statement structured in accordance with point 1, of all revenues and expenses of the project, classified in chronological order and indicating the place of classification of original receipts in the beneficiary's accounting, with the source of revenues and destination of expenses. The statement of revenues and expenses shall be signed by the beneficiary, who shall certify that the indications furnished are exact and complete; and shall be countersigned by the manager of the beneficiary's public structure.

If the amount is superior to a counter-value of 3000 US dollars, the beneficiary shall attach to the statement the original or copies certified by the beneficiary of commercial invoices for goods and/or services financed by funds of the financial contribution.

For goods and services of a value equal to or higher than 12.000 US dollars, the beneficiary shall also attach to the invoices copies of corresponding goods and services contracts.



All documents will be submitted by the beneficiary in French or accompanied by translation in one of these languages.

### **Accounting, project verification**

The beneficiary will retain or cause to be retained accounting documents and records that clearly present project costs and will retain original receipts, classified in chronological order, up to 10 years after the final regulation of project account.

The beneficiary will authorize at any time OSS representatives to consult accounting records and documents and will furnish them with all required information.

### **Reimbursement**

OSS may require immediate reimbursement of transferred amounts in the case where it has been proven that the beneficiary is not using them for financing activities as agreed, or that the beneficiary does not comply with the other obligations of this agreement. In the first case, reimbursement will be limited to the amounts for which the beneficiary does not provide proof of utilization for agreed purposes or by exceeding what is budgeted for.

### **Applicable Law and Venue of execution**

This agreement is subject to the laws applicable in the Republic of Tunisia and to best international practices.

This agreement is elaborated in English. In case of doubt, the French version will serve for its interpretation.

The agreement is approved by affixing the signature of duly authorized persons to engage their respective Organizations.

Concluded in good faith on:

**p.i. /Sahara and Sahel Observatory (OSS)**  
**Executive Secretary**

**p.i./ Beneficiary**  
**Hierarchical Superior**

Signed on :

Signed on :





## ANNEXE1–REVIEW BY OSS OF PROCUREMENT DECISIONS AND PUBLICATION OF AWARDS OF CONTRACTS

### Scheduling of Procurement

1. OSS shall review Procurement Plans and their updates that are prepared by the Beneficiaries in accordance with provisions under paragraph 1.18. They shall be consistent with the Project Implementation Plan, the financing Agreement and these Guidelines.

### Prior Review

2. With respect to all contracts which are subject to OSS's prior review:

**a)** In cases where prequalification is used, the Beneficiary shall, before prequalification submissions are invited, furnish OSS with the draft documents to be used, including the text of the invitation to prequalify, the prequalification questionnaire, and the evaluation methodology, together with a description of the advertising procedures to be followed, and shall introduce such modifications in said procedure and documents, as OSS shall reasonably request. The report evaluating the applications received by the Beneficiary, the list of proposed prequalified bidders, together with a statement of their qualifications and of the reasons for the exclusion of any applicant for prequalification, shall be furnished by the Beneficiary to OSS for its comments before the applicants are notified of the Beneficiary's decision, and OSS shall make such additions to, deletions from, or modifications in the said list as OSS shall reasonably request.

**b)** Before bids are invited, the Beneficiary shall furnish to OSS for its comments, draft bidding documents, including the invitation to bid; instructions to bidders, including the basis of bid evaluation and contract award; and the conditions of contract and specifications for the civil works, supply of goods, or installation of equipment, etc., as the case may be, together with a description of the advertising procedures to be followed for the bidding (if prequalification has not been used), and shall make such modifications in the said documents as OSS shall reasonably request. Any further modification shall require the OSS's no objection before it is issued to the prospective bidders.

**c)** After bids have been received and evaluated, the Beneficiary shall, before a final decision on the award is made, furnish to OSS, in sufficient time for its review, a detailed report (prepared, if OSS shall so request, by experts acceptable to OSS), on the evaluation and comparison of the bids received (for each stage in case of two stage bidding and framework agreements) together with the recommendations for award and such other information as OSS shall reasonably request. OSS shall, if it determines that the intended award would be inconsistent with the financing Agreement and/or the Procurement Plan, promptly inform the Beneficiary and state the reasons for such determination. Otherwise, OSS shall provide its no objection to the recommendation for contract award. The Beneficiary shall award the contract only after receiving the no objection from OSS.

**d)** If it appears necessary to extend the bid validity to complete the process of evaluation, obtain necessary internal clearances and OSS no objection, and to make the award, it shall seek the OSS's prior no objection for the first request for extension, if it is longer than 4 (four) weeks, and for all subsequent requests for extension, irrespective of the period.

**e)** If after publication of the award, the Beneficiary receives protests or complaints from bidders, a copy of the complaint, the Beneficiary's comments on each issue raised in the complaint, and a copy of



the Beneficiary's response shall be sent to OSS for its review and comments.

**f)** If as result of analysis of a protest, the Beneficiary changes its contract award recommendation, the reasons for such decision and a revised evaluation report shall be submitted to OSS for no objection. The Beneficiary shall provide a republication of the contract award in the format of paragraph 7 of Annexe 1 of these Guidelines.

**g)** The terms and conditions of a contract shall not, without the OSS's prior no objection, materially differ from those on which bids were asked or prequalification of contractors, if any, was invited.

**h)** One conformed copy of the contract, and of the advance payment security and the performance security if they were requested, shall be furnished to OSS promptly after its signing and prior to the submission to OSS of the first application for withdrawal of funds in respect of such contract. When payments for the contract are to be made out of a Special Account (SA), copies of the contract, and the advance payment security and the performance security if they were requested, shall be furnished to OSS prior to the making of the first payment out of the SA in respect of such contract.

**i)** All evaluation reports shall be accompanied by a summary of the procurement on a form provided by OSS. The description and amount of the contract, together with the name and address of the successful bidder, shall be subject to public disclosure by OSS in accordance with sub-paragraph (h) above upon receipt of the signed copy of the contract from the Beneficiary.

**j)** The Beneficiary shall retain all documentation with respect to each contract during project implementation until 2 (two) years after the closing date of the financing Agreement.

This documentation would include, but not be limited to: i) the signed original of each contract and all subsequent amendments or addenda; ii) original bids, all documents and correspondence related to the procurement and implementation of the contract, including those in support of the evaluation of bids, and the recommendation for award made to OSS; and iii) the payment of invoices or certificates, as well as the certificates for the inspection, delivery, completion and acceptance of goods, works, and services (other than consultants' services). For contracts awarded on the basis of direct contracting, the documentation shall include the justification for using the method, the technical and financial capacity of the firm, and the signed original of the contract. The Beneficiary shall furnish such documentation to OSS upon request for examination by OSS or by its consultants/auditors.

**k)** OSS may declare misprocurement for any of the reasons provided in paragraph 1.14 of these Guidelines, including if it determines that the goods, works or services (other than consultants' services) were not procured in accordance with the agreed procedures and methods reflected in the financing Agreement and further detailed in the Procurement Plan to which OSS gave its no objection, or that the contract itself is not consistent with such procedures. OSS shall promptly inform the Beneficiary of the reasons for such determination.

**3. Modifications** of the signed contract. In the case of contracts subject to prior review, before agreeing to *a)* a material extension of the stipulated time for performance of a contract; or *b)* any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; or *c)* any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increase the original contract amount by more than 15 percent; or *d)* the proposed termination of the contract, the Beneficiary shall seek the OSS's no objection. If OSS determines that the proposal would be inconsistent with the provisions of the financing Agreement and/or Procurement Plan, it shall promptly inform the Beneficiary and state the reasons for its determination. A copy of all amendments to the contract shall be furnished to OSS for its record.



**4. Translations.** If a contract awarded under ICB procedures is subject to prior-review and is written in the National Language, the Beneficiary has the responsibility to furnish to OSS an accurate translation of the bid evaluation report and the initialed draft contract in the internationally used language specified in the bidding documents (English or French). An accurate translation shall also be furnished to OSS for any subsequent modifications of such contracts.

## Post Review

**5.** Procurement post reviews are normally carried out by OSS. The Beneficiary shall retain all documentation with respect to each contract not governed by paragraph 2 of this Annexe during project implementation and up to 2 (two) years after the closing date of the financing Agreement. This documentation would include, but not be limited to, the signed original of the contract and all subsequent amendments or addenda, the bids, the bid evaluation report and the recommendation for award, the payment invoices or certificates, as well as the certificates for inspection, delivery, completion and acceptance of goods, works and services (other than consultants' services), for examination by OSS or by its consultants/auditors. The Beneficiary shall also furnish such documentation to OSS upon request. OSS may declare misprocurement for any of the reasons provided in paragraph 1.14 of these Guidelines, including if it determines that the goods, works or services (other than consultants' services) were not procured in accordance with the agreed procedures and methods reflected in the financing Agreement and further detailed in the Procurement Plan to which OSS gave its no objection, or that the contract itself is not consistent with such procedures and methods. OSS shall promptly inform the Beneficiary of the reasons for such determination. OSS may also, depending on risks and the scope of the project (e.g., involving many small value and simple contracts), agree with the Beneficiary that they appoint independent entities to carry out procurement post reviews, in accordance with terms, conditions and reporting procedures acceptable to OSS. In such cases, OSS will review the reports submitted by the Beneficiary, and retains its right to directly conduct post reviews during project implementation as may be needed.

## Change from Post Review to Prior Review

- 6.** A contract whose cost estimate was below the OSS's prior review threshold indicated in the Procurement Plan shall fall under prior review if the price of the lowest- evaluated bidder exceeds such threshold. All related procurement documentation already processed, including the evaluation report and recommendation for award, shall be submitted to OSS for its prior review and no objection before award of the contract. When, to the contrary, the price of the selected bidder falls below the prior review threshold, the prior review process shall continue. Under certain circumstances, OSS may require the Beneficiary to follow a prior review process for a contract below the OSS's prior review threshold in the case of a complaint it has determined to be of a serious nature. Also, when the procurement method requires change due to higher or lower cost estimates than previously assessed, for example from NCB to ICB or inversely, the procurement plan shall be modified by the Beneficiary and submitted to OSS for review and no objection.

## Publication of Award of Contracts

**7.** The Beneficiary shall publish information on the OSS website for all contracts under ICB and LIB, contracts with concessionaires under PPP arrangements and sub-projects under financings to Financial Intermediary Institutions and Entities, and all direct contracts except as hereunder, and in the national press for all contracts under NCB, including those awarded under Framework Agreements and under



Force Account, and small value direct contracts. Such publication shall be within two weeks of receiving the OSS's no objection to the award recommendation for contracts subject to the OSS's prior review, and within two weeks of the Beneficiary's award decision for contracts subject to the OSS's post review. Publications shall include the bid and lot numbers and the following information, as relevant and applicable for each method: a) the name of each bidder which submitted a bid; b) bid prices as read out at bid opening; c) evaluated prices of each bid that was evaluated; d) the names of bidders whose bids were either rejected as non-responsive or not meeting qualification criteria, or not evaluated, with the reasons thereof; and e) the name of the winning bidder, the final total contract price, as well as the duration and summary scope of the contract. OSS will arrange the publication of the award of contracts under prior review on its external web- site upon receipt from the Beneficiary of a conformed copy of the signed contract and the performance security if applicable in accordance with sub-paragraph 2(h) above.

### **Due Diligence concerning OSS's Sanctions Policies and Procedures**

**8.** When conducting the evaluation of bids, the Beneficiary shall check the eligibility of bidders from the lists of firms and individuals debarred and suspended, pursuant to paragraph 1.16(d) of these Guidelines and/or paragraph 1.23(d) of the Consultants Guidelines, by OSS that are posted on OSS's internal website. The Beneficiary shall apply additional due diligence by closely supervising and monitoring any on-going contract (whether under prior or post review) executed by a firm or individual which has been sanctioned by OSS after such contract was signed. The Beneficiary shall neither sign any new contracts nor sign an amendment, including any extension of time for completion or a change or variation order, to an on-going contract with a suspended or debarred firm or individual after the effective date of the suspension or debarment without the OSS's prior review and no objection. OSS will only finance additional expenditures if they were incurred before the completion date of the original contract or the completion date as revised: i) for prior-review contracts, in an amendment to which OSS has given its no objection; and ii) for post-review contracts, in an amendment signed before the effective date of suspension or debarment. OSS will not finance any new contract, or any amendment or addendum introducing a material modification to any existing contract that was signed with a suspended or debarred firm or individual on or after the effective date of suspension or debarment



## ANNEXE2–DOMESTIC PREFERENCES

### Preferences for Domestically Manufactured Goods

- 1.** The Beneficiary may, with the agreement of OSS, grant a margin of preference in the evaluation of bids under ICB procedures to bids offering certain goods manufactured in the country of the Beneficiary, when compared to bids offering such goods manufactured elsewhere. In such cases, bidding documents shall clearly indicate any preference to be granted to domestic manufactured goods and the information required to establish the eligibility of a bid for such preference. The nationality of the manufacturer or supplier is not a condition for such eligibility. The methods and stages set forth hereunder shall be followed in the evaluation and comparison of bids.
- 2.** For comparison, responsive bids shall be classified in one of the following three groups:

  - a)** Group A: bids exclusively offering goods manufactured in the country of the Beneficiary if the bidder establishes to the satisfaction of the Beneficiary and OSS that i) labor, raw material, and components from within the country of the Beneficiary will account for 30% (thirty percent) or more of the EXW price of the product offered, and ii) the production facility in which those goods will be manufactured or assembled has been engaged in manufacturing/assembling such goods at least since the time of bid submission.
  - b)** Group B: all other bids offering goods manufactured in the country of the Beneficiary.
  - c)** Group C: bids offering goods manufactured abroad that have been already imported or that will be directly imported.
- 3.** The price quoted for goods in bids of Groups A and B shall include all duties and taxes paid or payable on the basic materials or components purchased in the domestic market or imported, but shall exclude the sales and similar taxes on the finished product. The price quoted for goods in bids of Group C shall be on CIP (place of destination), which is exclusive of customs duties and other import taxes already paid or to be paid.
- 4.** In the first step, all evaluated bids in each group shall be compared to determine the lowest bid in each group. Such lowest evaluated bids shall be compared with each other and if, as a result of this comparison, a bid from Group A or Group B is the lowest, it shall be selected for the award.
- 5.** If as a result of the comparison under paragraph 4 above, the lowest evaluated bid is a bid from Group C, all bids from Group C shall be further compared with the lowest evaluated bid from Group A after adding to the evaluated price of goods offered in each bid from Group C, for the purpose of this further comparison only, an amount equal to 15% (fifteen percent) of the respective CIP bid price for goods to be imported and already imported goods. Both prices shall include unconditional discounts and be corrected for arithmetical errors. If the bid from Group A is the lowest, it shall be selected for award. If not, the lowest evaluated bid from Group C shall be selected as per paragraph 4above.
- 6.** No margin of preference shall apply to turnkey contracts for the supply of a number of discrete items of equipment as well as assembly, installation and/or construction as defined in paragraph 2.4 of Section II. However, with the OSS's no objection, bids for turnkey contracts may be invited and evaluated on the basis of DDP (named place of destination) prices for goods manufactured abroad.



**7.** In the case of single responsibility (other than turnkey) contracts for large industrial plants and facilities as defined in paragraph 2.4 of Section II, the margin of preference shall not be applied to the whole package but only to the locally manufactured equipment. Equipment offered from abroad shall be quoted CIP, and equipment offered locally EXW. All other components, such as design, construction, local transportation and insurance to the place of destination, assembly, installation, and supervision as applicable shall be quoted separately. Bids will not be classified into Groups A, B, or C. In the comparison of bids, only the CIP price of each bid of the equipment offered from outside the Beneficiary's country shall be increased by 15% (fifteen percent). No preference shall be applied for any associated services (other than consultants' services) or works included in the package. The bid determined to be the lowest evaluated in accordance with the bid evaluation criteria including domestic preference, if applicable, and applied as above, shall be selected for award.

### **Preference for Domestic Contractors**

**8.** For contracts for works to be awarded on the basis of ICB, eligible Beneficiaries may, with the agreement of OSS, grant a margin of preference of 7.5% (seven and a half percent) to domestic contractors, in accordance with, and subject to, the following provisions:

- a)** Contractors applying for such preference shall be asked to provide, as part of the data for qualification, such information, including details of ownership, as shall be required to determine whether, according to the classification established by the Beneficiary and accepted by OSS, a particular contractor or group of contractors qualifies for a domestic preference. The bidding documents shall clearly indicate the preference and the method that will be followed in the evaluation and comparison of bids to give effect to such preference.
- b)** After bids have been received and reviewed by the Beneficiary, responsive bids shall be classified into the following groups:
  - i)** Group A: bids offered by domestic contractors eligible for the preference.
  - ii)** Group B: bids offered by other contractors.

**9.** All evaluated bids in each group shall, as a first evaluation step, be compared to determine the lowest bid, and the lowest evaluated bids in each group shall be further compared with each other. If, as a result of this comparison, a bid from Group A is the lowest, it shall be selected for the award. If a bid from Group B is the lowest, as a second evaluation step, all bids from Group B shall then be further compared with the lowest evaluated bid from Group A. For the purpose of this further comparison only, an amount equal to 7.5 (seven and a half percent) of the respective bid price corrected for arithmetical errors, including unconditional discounts but excluding provisional sums and the cost of day works, if any, shall be added to the evaluated price offered in each bid from Group B. If the bid from Group A is the lowest, it shall be selected for award. If not, the lowest evaluated bid from Group B based on the first evaluation step shall be selected.



## ANNEXE 3–GUIDANCE TO BIDDERS

### Objective

1. This Annexe provides guidance to potential bidders wishing to participate in OSS-financed procurement.

### Responsibility for Procurement

2. The responsibility for the implementation of the project, and therefore for the payment of goods, works, and services (other than consultants' services) under the project, rests solely with the Beneficiary. OSS, for its part, is required by its Statutes, to ensure that funds are paid from an OSS financing only as expenditures are incurred. Disbursements of the proceeds of a financing are made only at the Beneficiary's request. The Beneficiary submits withdrawal application to the OSS together with required supporting documentation to demonstrate that the funds have been or are being used in accordance with the financing Agreement and the Procurement Plan. As emphasized in paragraph 1.2 of the Guidelines, the Beneficiary is legally responsible for the procurement. It invites, receives, and evaluates bids, and awards the contract. The contract is between the Beneficiary and the supplier or contractor. OSS is not a party to the contract.

### OSS Role

3. As stated in paragraph 1.13 of the Guidelines, OSS reviews the procurement procedures, documents, bid evaluations, award recommendations, and the contract to ensure that the process is carried out in accordance with agreed procedures, as required in the financing Agreement. In the case of major contracts, the documents are reviewed by OSS prior to their issue, as described in Annexe 1. Also, if, at any time in the procurement process (even after the award of contract), OSS concludes that the agreed procedures were not followed in any material respect, OSS may declare misprocurement, as described in paragraph 1.14. However, if a Beneficiary has awarded a contract after obtaining the OSS's "no objection," OSS will declare misprocurement only if the no objection was issued on the basis of incomplete, inaccurate, or misleading information furnished by the Beneficiary. Furthermore, if OSS determines that corrupt or fraudulent practices were engaged in by representatives of the Beneficiary or of the bidder, OSS may impose the applicable sanctions set forth in paragraph 1.16 of the Guidelines.
4. OSS has published Standard Bidding Documents (SBDs) for various types of procurement. As stated in paragraphs 2.10 and 2.12 of Section I of the Guidelines, it is mandatory for the Beneficiary to use these documents, with minimum changes to address country- and project-specific issues. The prequalification and bidding documents are finalized and issued by the Beneficiary.

### Information on Bidding

5. Information on bidding opportunities under ICB may be obtained from the General Procurement Notice and the Specific Procurement Notices as described in paragraphs 2.7 and 2.8 of the Guidelines. General guidance on participation, as well as advance information on business opportunities in upcoming projects, may be obtained from the OSS website.



## **Bidder's role**

- 6.** Once a bidder receives the prequalification or bidding document, the bidder should study the documents carefully to decide if it can meet the technical, commercial, and contractual conditions, and if so, proceed to prepare its bid. The bidder should then critically review the documents to see if there is any ambiguity, omission, or internal contradiction, or any feature of specifications or other conditions which are unclear or appear discriminatory or restrictive; if so, it should seek clarification from the Beneficiary, in writing, within the time period specified in the bidding documents for seeking clarifications.
- 7.** The criteria and methodology for selection of the successful bidder are outlined in the bidding documents, generally under Instructions to bidders and Specifications. If these are not clear, clarification should be similarly sought from the Beneficiary.
- 8.** In this connection it should be emphasized that the specific bidding documents issued by the Beneficiary govern each procurement process, as stated in paragraph 1.1 of the Guidelines. If a bidder feels that any of the provisions in the documents are inconsistent with the Guidelines, it should also raise this with the Beneficiary.
- 9.** It is the responsibility of the bidder to raise any issue of ambiguity, contradiction, omission, etc., prior to the submission of its bid, to assure submission of a fully responsive and compliant bid, including all the supporting documents requested in the bidding documents. Noncompliance with critical (technical and commercial) requirements will result in rejection of the bid. If a bidder wishes to propose deviations to a noncritical requirement, or propose an alternative solution it should strictly follow instructions on these aspects given in the Beneficiary's bidding documents in particular provisions dealing with deviations. Alternative solutions should be offered only when authorized in the bidding documents. Unless the bidding document clearly identified mandatory and non-mandatory technical and commercial requirements, the bidder assumes full responsibility that any deviations or conditions in its bid may be deemed material and result in the rejection of its bid. Once bids are received and publicly opened, bidders will not be required or permitted to change the price or substance of a bid.

## **Confidentiality**

- 10.** As stated in paragraph 2.47 of the Guidelines, the process of bid evaluation shall be confidential until the publication of contract award. This is essential to enable the Beneficiary and OSS reviewers to avoid either the reality or perception of improper interference. If at this stage a bidder wishes to bring additional information to the notice of the Beneficiary, OSS, or both, it should do so in writing.

## **Action by OSS**

- 11.** Bidders are free to send copies of their communications on issues and questions with the Beneficiary to OSS or to write to OSS directly, when Beneficiaries do not respond promptly, or the communication is a complaint against the Beneficiary.
- 12.** Communications received by OSS from potential bidders, prior to the closing dates for submission of the bids, will, if appropriate, be referred to the Beneficiary with the OSS's comments and advice, for action or response.
- 13.** Communication, including complaints, received from bidders after the opening of the bids, will be handled as follows. In the case of contracts not subject to prior review by OSS, the communication or its





relevant extracts, as deemed appropriate, will be sent to the Beneficiary for due consideration and appropriate action. The Beneficiary shall provide to OSS all relevant documentation for the OSS's review and comments. In the cases of contracts subject to the prior review process, the communication will be examined by OSS, in consultation with the Beneficiary. If additional data is required to complete this process, these will be obtained from the Beneficiary. If additional information or clarification is required from the bidder, OSS will ask the Beneficiary to obtain it and comment or incorporate it, as appropriate, in the evaluation report. The OSS's review will not be completed until the communication is fully examined and considered. Communications received from bidders involving allegations of fraud and corruption may warrant a different treatment due to reasons of confidentiality. In such cases, OSS shall apply due care and discretion in sharing with the Beneficiary information deemed appropriate.

**14.** Except for acknowledgment, OSS will not enter into discussion or correspondence with any bidder during the evaluation and review process of the procurement, until award of the contract is published.

### **Debriefing by OSS**

**15.** As stated in paragraph 2.65, if, after notification of award, a bidder wishes to ascertain the grounds on which its bid was not selected, it should address its request to the Beneficiary. If the bidder is not satisfied with the written explanation given and wishes to seek a meeting with the OSS, it may do so by addressing the procurement manager at OSS, who will arrange a meeting at the appropriate level and with the relevant staff. The purpose of such meeting is only to discuss the bidder's bid, and neither to reverse the OSS's position that has been conveyed to the Beneficiary nor to discuss the bids of competitors.



## ANNEXE 4. REVIEW BY OSS OF THE SELECTION OF CONSULTANTS AND PUBLICATION OF AWARDS OF CONTRACTS

### Scheduling the Selection Process

1. OSS shall review procurement plans and their updates prepared by the Beneficiary. They shall be consistent with the project implementation plan, the financing Agreement and these Guidelines.

### Prior Review

2. With respect to all contracts that are subject to OSS's prior review:
  - a) Before inviting proposals, the Beneficiary shall furnish to OSS for its review and no objection the proposed cost estimate and Request for Proposals (including the short list). The Beneficiary shall make such modifications to the short list and the documents as OSS reasonably requests. Any further modification shall require the OSS's no objection before the request for proposals is issued to the short-listed consultants.
  - b) After the technical proposals have been evaluated, the Beneficiary shall furnish to OSS, in sufficient time for its review, a technical evaluation report (prepared, if OSS shall so request, by experts acceptable to OSS) and a copy of the proposals, if requested by OSS. If OSS determines that the technical evaluation is inconsistent with the provisions of the RFP, it shall promptly inform the Beneficiary and state the reasons for its determination; otherwise, OSS shall issue a no objection to the technical evaluation. The Beneficiary shall also request the OSS's no objection if the evaluation report recommends rejection of all proposals.
  - c) The Beneficiary may proceed with the opening of the financial proposals only after receiving the OSS's no objection to the technical evaluation. When cost is a factor in the selection of the consultant, the Beneficiary may then proceed with the financial evaluation in accordance with the provisions of the RFP. The Beneficiary shall furnish to OSS the final evaluation report along with its recommendation of the successful consultant. The Beneficiary shall notify the consultant that received the highest total score in the final evaluation of its intention to award the consultant the contract and shall invite the consultant for negotiations. If OSS notes any discrepancies in the financial evaluation pursuant to its own review or due to a complaint, it shall promptly notify the Beneficiary which shall address promptly all issues raised to the satisfaction of OSS before proceeding for negotiations with the successful consultant or suspend negotiations if already commenced. In such cases, further action shall not be taken until OSS has given its no objection to the Beneficiary's recommendation.
  - d) If it appears necessary to extend the validity of the proposals to complete the evaluation, obtain necessary internal clearances or OSS no objection, or make the award, it should seek OSS's prior no objection for the first request of extension if such is for a period longer than 4 (four) weeks, and for all subsequent requests for extension, irrespective of the duration of the period.
  - e) If the Beneficiary receives complaints from consultants, it shall promptly send to the complainant an acknowledgment, and to OSS for review and comments a copy of the complaint, the Beneficiary's comments on each issue raised in the complaint, and a copy of the proposed response to the complainant.
  - f) If as a result of the analysis of a complaint, or any other reason, the Beneficiary changes its contract award recommendation, the reasons for such decision and a revised evaluation report shall be submitted to OSS for no objection. The Beneficiary shall provide a republication of the contract award in the format of paragraph 7 of this Annexe.

If the negotiations fail with the successful consultant, the Beneficiary shall furnish to OSS for review the



minutes of negotiations and reasons for failure. After obtaining the OSS's no objection, the negotiations may be terminated and the next ranked consultant be invited for negotiations.

- g)** After negotiations are completed, or in the case of single-source selection, the Beneficiary shall furnish to OSS, in sufficient time for its review, a copy of the negotiated contract proposed to be signed by the Beneficiary which has been initialed by the successful consultant. If the negotiated contract resulted in substitution of key experts or any changes in the TOR and original proposed contract, the Beneficiary shall highlight the changes and provide an explanation of why these changes are necessary and acceptable to the Beneficiary.
  - h)** If OSS determines that the final evaluation report, the recommendation for award, and/or the negotiated contract are inconsistent with the provisions of the RFP, it shall promptly inform the Beneficiary and state the reasons for its determination. Otherwise, OSS shall provide its final no objection to the contract award. The Beneficiary shall confirm the award and sign the contract only after receiving the no objection from OSS.
  - i)** One conformed copy of the contract shall be furnished to OSS promptly after its signing and prior to the submission to OSS of the first application for withdrawal of funds from the financing Account in respect of such contract. When payments for the contract are to be made out of a Special Account (SA), a copy of the contract shall be furnished to OSS prior to the making of the first payment out of the SA in respect of such contract.
  - j)** The description and amount of the contract, together with the name and address of the consultant, except if an individual, shall be subject to public disclosure by OSS in accordance upon receipt of the signed copy of the contract from the Beneficiary.
  - k)** The Beneficiary shall retain all documentation with respect to each contract during project implementation until two years after the closing date of the financing Agreement. This documentation would include, but not be limited to: (i) the signed original of each contract and all subsequent amendments or addenda; (ii) original proposals, all documents and correspondence related to the selection of and implementation of the contract, including those in support of the evaluation of the proposals (including individual score sheets), and the recommendation for award made to OSS; and (iii) payment invoices or certificates. For contracts awarded on the basis of an SSS method, the documentation shall include the justification for using the method, the qualifications and experience of the selected consultant, and the signed original of the contract. The Beneficiary shall furnish such documentation to OSS upon request for examination by OSS or by its consultants/auditors.
- 3. *Modification of the Signed Contract.*** In the case of contracts subject to prior review, before agreeing to: a) an extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services, substitutions of key experts, or other significant changes to the terms and conditions of the contract; or c) the proposed termination of the contract, the Beneficiary shall seek the OSS's no objection. If OSS determines that the proposed modifications would be inconsistent with the provisions of the financing Agreement and/or Procurement Plan, it shall promptly inform the Beneficiary and state the reasons for its determination. A copy of all amendments to the contract shall be furnished to OSS for its record.
- 4. *Translations.*** If a contract is subject to prior review and is written in the National Language, the Beneficiary has the responsibility to furnish to OSS an accurate translation of the technical and combined evaluation reports and the initialed negotiated draft contract in the internationally used language specified in the RFP (English or French). An accurate translation shall also be furnished to OSS for any subsequent modifications of such contracts.



## **Post Review**

5. **Procurement** post reviews (PPRs) are normally carried out by OSS. The Beneficiary shall retain all documentation during project implementation and up to 2 (two) years after the closing date of the financing Agreement. This documentation would include, but not be limited to, the signed original of the contract and all subsequent amendments or addenda, the original proposals, the technical evaluation report and the combined evaluation report, the recommendation for award, and the payment invoices or certificates for examination by OSS or by its consultants/auditors. For contracts awarded on the basis of single-source selection, it shall include the record of justification, the qualifications and experience of the consultants, and the signed original of the contract. OSS shall promptly inform the Beneficiary of the reasons for such determination. OSS may also, depending on risks and the scope of the project (e.g., involving many small value and simple contracts), agree with the Beneficiary that they appoint independent entities to carry out post review procedures, in accordance with terms, conditions and reporting procedures acceptable to OSS. In such cases, OSS will review the reports submitted by the Beneficiary, and retains its right to directly conduct post reviews during project implementation as may be needed.