

PROCEDURES
PROCUREMENT AND EMPLOYMENT
OF CONSULTANTS BY BORROWERS

UNDER IDBZ-FUNDED PROJECTS

MARCH 2016

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I. Acronyms

CDD	Community Driven Development
CPAR	Country Procurement Assessment Report
CQS	Selection Based on Consultants' Qualifications
EOI	Expression of Interest
FBS	Selection under a Fixed Budget
FPA	Fiduciary Principles Accord
IBRD	International Bank for Reconstruction and Development (World Bank)
ICSID	International Centre for Settlement of Investment Disputes
IDC	Indefinite Delivery Contract
ITC	Instructions to Consultants
IDBZ	Infrastructure Development Bank of Zimbabwe
LCS	Least-Cost Selection
LOI	Letter of Invitation
MDTF	Multi Donor Trust Fund
MIGA	Multilateral Investment Guarantee Agency
MOS	Monthly Operational Summary
NGO	Nongovernmental Organization
PAD	Project Appraisal Document
PPA	Project Preparation Advance
PPR	Procurement Post Review
PID	Project Information Document
QBS	Quality-Based Selection
QCBS	Quality- and Cost-Based Selection
REOI	Request for Expressions of Interest
RFP	Request for Proposal
SA	Special Account
SSS	Single-Source Selection
SWAp	Sector Wide Approach
TOR	Terms of Reference
UN	United Nations
UNDB	United Nations Development Business

I. INTRODUCTION

Purpose

- 1.1 The purpose of these Procedures is to define the IDBZ's policies and procedures for selecting, contracting, and monitoring consultants required for projects that are financed in whole or in part by a budget/loan/credit or a trust fund administered by the IDBZ and executed by the recipient.
- 1.2 These Procedures apply to the selection and employment of consultants for the assignment/project as provided in the budget/loan Agreement and they have to be followed during implementation otherwise it results in mis-procurement. The rights and obligations of the Borrower and the consultant are governed by the specific Request for Proposals (RFP) issued by client/borrower and the signed contract between them, and not by these Procedures. No party other than the parties to the budget/loan Agreement shall derive any rights from or have any claim to budget/loan proceeds.
- 1.3 For the purpose of these Procedures, the term "consultants" 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, investment and merchant banks, universities, research institutions, government agencies, non-governmental organizations (NGOs), and individuals. IDBZ Borrowers use these entities as consultants to help in a wide range of activities, such as policy advice; institutional reforms; management; engineering services; construction supervision; financial services; procurement services; social and environmental studies; and identification, preparation, and implementation of projects to complement Borrowers' capabilities in these areas.

General Considerations

- 1.4 The Borrower is responsible for preparing and implementing the project, and therefore for selecting the consultant, and awarding and subsequently administering the contract. The IDBZ, for its part, aims to ensure that the proceeds of any budget/loan are used only for the purposes for which the budget/loan was approved/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. The specific rules and procedures to be followed for employing consultants depend on the required specific assignment being sourced. Five (5) main considerations guide the IDBZ's policy on the selection process:
 - i. the need for high-quality services,
 - ii. the need for economy and efficiency,

- iii. the need to give all eligible consultants an opportunity to compete in providing the services financed by the IDBZ,
- iv. the IDBZ's interest in encouraging the development and use of national consultants in Zimbabwe,
- v. the need for transparency in the selection process.

1.5 The IDBZ considers that, in the majority of cases, these considerations can best be addressed through competition among qualified short-listed firms in which the selection is based on the quality of the proposal and, where appropriate, on the cost of the services to be provided. Sections II and III of these Procedures describe the different methods of selection of consultants accepted by the IDBZ and the circumstances in which they are appropriate. Since Quality- and Cost-Based Selection (QCBS) is the most commonly recommended method, Section II of these Procedures describes in detail the procedures for QCBS. However, QCBS is not always the most appropriate method of selection for all cases; therefore, Section III describes other methods of selection and the circumstances in which they are more appropriate.

1.6 The particular methods that may be followed for the selection of consultants under a given project are provided for in the budget/loan Agreement. The specific contracts to be financed under the project, and their method of selection, consistent with the provisions of the budget/loan Agreement, shall be specified in the Procurement Plan as indicated in paragraph 1.25 of these Procedures.

Applicability of Procedures

- 1.7 The consulting services to which these Procedures apply are of an intellectual and advisory nature.
- 1.8 The principles, rules, and procedures outlined in these Procedures apply to all contracts for consulting services financed in whole or in part from IDBZ loans. The provisions described under this Section I apply to all other Sections of these Procedures. In procuring consulting services not financed from such sources but included in the project scope of the budget/loan agreement, the IDBZ may adopt other rules and procedures. In such cases, the IDBZ shall satisfy itself that: (a) the procedures to be used will fulfill the Borrower's obligations to diligently and efficiently implement the project, and will result in the selection of consultants who have the required qualifications; (b) the selected consultant will carry out the assignment in accordance with the agreed schedule; and (c) the scope of the services is consistent with the needs of the project.

Conflict of Interest

- 1.9 IDBZ policy requires that consultants provide professional, objective, and impartial advice and at all times hold the client's interests paramount, without any consideration for future work, and that in providing advice they avoid conflicts with other assignments and their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of

being unable to carry out the assignment in the best interest of the Borrower. Without limitation on the generality of the foregoing, consultants shall not be hired under the circumstances set forth below:

- (a) Conflict between consulting activities and procurement of goods, works, or non-consulting services (i.e., services other than consulting services covered by these Procedures): A firm that has been engaged by the Borrower to provide goods, works, or non-consulting services for a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be disqualified from providing consulting services resulting from or directly related to those goods, works, or non-consulting services. Conversely, a firm hired to provide consulting services for the preparation (before budget/loan effectiveness) or implementation of a project, or any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be disqualified from subsequently providing goods, works, or services (other than consulting services covered by these Procedures) resulting from or directly related to the consulting services for such preparation or implementation. 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 build contract.
- (b) Conflict among consulting assignments: Neither consultants (including their personnel and sub-consultants), nor any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm, shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants. As an example, consultants assisting a client in the privatization of public assets shall neither purchase, nor advise purchasers of, such assets. Similarly, consultants hired to prepare Terms of Reference (TOR) for an assignment shall not be hired for the assignment in question.
- (c) Relationship with Borrower's staff: Consultants (including their experts and other personnel, and sub-consultants) that have a close business or family relationship with a professional staff of the Borrower (or of the project implementing agency, or of a recipient of a part of the budget/loan) who are directly or indirectly involved in any part of: (i) the preparation of the TOR for the assignment, (ii) the selection process for the contract, or (iii) the supervision of such contract may not be awarded a contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the IDBZ throughout the selection process and the execution of the contract.
- (d) A consultant shall submit only one proposal, either individually or as a joint venture partner in another proposal. If a consultant, including a joint venture partner, submits or participates in more than one proposal, all such proposals shall be disqualified. This does not, however, preclude a consulting firm to participate as a sub-consultant, or an individual to participate as a team member, in more than one proposal when circumstances justify and if permitted by the RFP.

Unfair Competitive Advantage

- 1.10 Fairness and transparency in the selection process require that consultants or their affiliates competing for a specific assignment do not derive a competitive advantage from having provided consulting services related to the assignment in question. To that end, the Borrower shall make available to all the short-listed consultants, together with the request for proposals, all information that would in that respect give a consultant a competitive advantage.

Eligibility

- 1.11 To foster competition, the IDBZ permits consultants (firms and individuals) from all countries to offer consulting services for IDBZ-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.
- 1.12 In connection with any contract to be financed in whole or in part from a IDBZ budget/loan, the IDBZ does not a Borrower to deny participation in a short-listing or selection process or award to a consultant for reasons unrelated to: (i) its capability and resources to successfully perform the contract; or (ii) the conflict of interest situations covered under paragraph 1.9 above.
- 1.13 As an exception to the foregoing paragraphs 1.11 and 1.12:
- (a) Consultants may be excluded if: (i) as a matter of law or official regulations, the Borrower's country prohibits commercial relations with the consultant's country, provided that the IDBZ is satisfied that such exclusion does not preclude effective competition for the procurement of the consulting services required; or (ii) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's country prohibits any payments to any country, person, or entity. Where the Borrower's country prohibits payments to a particular firm or for particular goods by such an act of compliance, that firm may be excluded.
 - (b) Government-owned enterprises or institutions of the Borrower's country may participate in the Borrower's country 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 Borrower or Sub-Borrower.
 - (c) As an exception to (b), when the services of government-owned universities or research centers or other institutions in the Borrower's country are of unique and exceptional nature including because of the absence of a suitable private sector alternative, and their participation is critical to project implementation, the IDBZ may agree on the hiring of those institutions on a case-by-case basis. On the same basis, university professors or scientists from research institutes can be contracted individually under IDBZ financing.
 - (d) Government officials and civil servants of the Borrower's country may only be hired under consulting contracts in the Borrower's country, either as individuals or as members of the team of experts proposed by a consulting firm, provided that such hiring does not conflict with any employment or other laws or regulations, or policies of the Borrower's country and if they (i) are on leave of absence without pay, or have resigned or retired; (ii) are not being hired by the

agency they were working for before going on leave of absence without pay, resigning, or retiring; and (iii) their hiring would not create a conflict of interest (see paragraph 1.9).

- (e) A firm or an individual sanctioned by the IDBZ in accordance with paragraph 1.19(d) of these Procedures or in accordance with the IDBZ anti-corruption policies and sanctions procedures shall be ineligible to be awarded a IDBZ-financed contract, or to benefit from a IDBZ-financed contract, financially or in any other manner, during such period of time as the IDBZ shall determine.

Associations between Consultants

- 1.14 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 specific assignment. If the Borrower employs an association in the form of a joint venture, the association shall appoint one of the firms to represent the association; all members of the joint venture, or their representative 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 Requests for Proposals (RFPs) are issued, any association in the form of joint venture or sub-consultancy among short-listed firms shall be permissible only with the approval of the Borrower. Borrowers shall not require consultants to form associations with any specific firm or group of firms or include any particular individual in their proposals, but may encourage association with qualified national firms.

IDBZ Review, Assistance, and Monitoring

- 1.15 The IDBZ reviews the Borrower's hiring of consultants to satisfy itself that the selection process is carried out in accordance with the provisions of these Procedures. The review procedures are described in Appendix 1.
- 1.16 Under exceptional circumstances, when the Borrower is unable to prepare a short list or long list and in response to its written request, the IDBZ may assist the Borrower in creating short lists or long lists of firms that the IDBZ expects to be capable of undertaking the assignment. The provision of such lists does not represent an endorsement of the consultants. The Borrower retains the responsibility to verify the eligibility and qualifications of the listed firms, and may delete any name or add other names as it wishes; however, the final short list shall be submitted to the Bank for its no objection before the Borrower issues the RFP.

- 1.14 The Borrower 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 Borrower or the consultants, IDBZ 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, the IDBZ may take part in discussions between the Borrower and consultants and, if necessary, may help the Borrower in addressing issues related to the assignment. If a significant portion of the assignment is being carried out in the consultants' home offices, the IDBZ may, with the Borrower's agreement, visit these offices to review the consultants' work.

Misprocurement

- 1.15 The IDBZ does not finance expenditures under a contract for consulting services if the IDBZ concludes that such contract: (a) has not been awarded in accordance with the agreed provisions of the budget/loan Agreement and as further elaborated in the Procurement Plan to which the IDBZ provided no objection; (b) could not be awarded to the consultant otherwise determined successful due to willful dilatory conduct or other actions of the Borrower resulting in unjustifiable delays, or the successful proposal being no longer available, or the wrongful rejection of any proposal; or (c) involves the engagement of a representative of the Borrower, or a recipient of any part of the proceeds of the budget/loan, in fraud and corruption as per paragraph 1.19(c).

In such cases, whether under prior or post review, the IDBZ will declare misprocurement, and it is the IDBZ's policy to cancel that portion of the budget/loan allocated to the services that have been misprocured. The IDBZ may, in addition, exercise other remedies provided for under the budget/loan Agreement. Even once the contract is awarded after obtaining a no objection from the IDBZ, the IDBZ may still declare misprocurement and apply in full its policies and remedies regardless of whether the budget/loan has closed or not, if it concludes that the no objection was issued on the basis of incomplete, inaccurate, or misleading information furnished by the Borrower or that the terms and conditions of the contract had been substantially modified without the IDBZ's no objection.

Reference to the IDBZ

- 1.16 The Borrower shall use the following text when referring to the IDBZ in the Request For Proposal and contract documents:

“[Name of the IDBZ client/Borrower] has received [or, ‘has applied for’] a [budget/loan] from the Infrastructure Development Bank of Zimbabwe (the “IDBZ”) in an amount equivalent to US\$___, toward the cost of [name of project], and intends to apply a portion of the proceeds of this [budget/loan] to eligible payments under this Contract. Payments by the IDBZ will be made only at the request of [name of IDBZ client/Borrower] and upon approval by the IDBZ, and will be subject, in all respects, to the terms and conditions of the [budget/loan] Agreement. The [budget/loan] Agreement prohibits a withdrawal from the [budget/loan] 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 the IDBZ, 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 IDBZ client/ Borrower] shall derive any rights from the [budget/loan] Agreement or have any claim to the proceeds of the [budget/loan].”

Training or Transfer of Knowledge

1.17 If the assignment includes an important component for training or transfer of knowledge to Borrower staff or national consultants, the TOR shall indicate the objectives, nature, scope, and goals of the training program, including details on trainers and trainees, skills to be transferred, time frame, and monitoring and evaluation arrangements. The cost for the training program shall be included in the consultant's contract and in the budget for the assignment.

Language

1.18 The Request For Proposal and the proposals shall be prepared in English (British).

Fraud and Corruption

1.19 It is the IDBZ's policy to require that Borrowers (including beneficiaries of IDBZ loans), consultants, and their agents (whether declared or not), sub-contractors, sub-consultants, service providers or suppliers, and any personnel thereof, observe the highest standard of ethics during the selection and execution of IDBZ-financed contracts.

In pursuance of this policy, the IDBZ defines, for the purposes of this provision, the terms set forth below as follows:

- (a) "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;
- (b) "collusive practices" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (c) "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party,
- (d) "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation.
- (e) "obstructive practice"
 - (i) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a IDBZ investigation into allegations 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, or
 - (ii) acts intended to materially impede the exercise of the IDBZ's inspection and audit rights provided for under paragraph 1.23(e) below.

1.20 **The IDBZ will,**

- (a) reject a proposal for award if it determines that the consultant recommended for award, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;
- (b) declare mis-procurement and cancel the portion of the budget/loan allocated to a contract if it determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the budget/loan were engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the selection process or the implementation of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the IDBZ to address such practices when they occur, including by failing to inform the IDBZ in a timely manner at the time they knew of the practices;
- (c) sanction a firm or an individual, at any time, in accordance with prevailing IDBZ's sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a IDBZ-financed contract; and (ii) to be a nominated sub-consultant, supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract;
- (d) require that a clause be included in the RFP and in contracts financed by a IDBZ budget/loan requiring consultants, and their agents, personnel, sub-consultants, subcontractors, service providers, or suppliers, to permit the IDBZ to inspect all accounts, records, and other documents relating to the submission of proposals and contract performance, and to have them audited by auditors appointed by the IDBZ; and
- (e) require that, when a IDBZ selects a United Nation (UN) agency to provide technical assistance services in accordance with paragraph 3.15 under an agreement signed between the Borrower and the UN agency, the above provisions of this paragraph 1.20 regarding sanctions on fraud or corruption shall apply in their entirety to consultants and their sub-consultants, suppliers, service providers, contractors, sub-contractors, and their employees, that signed contracts with the UN agency. As an exception to the foregoing, paragraphs 1.20(c) and (d) will not apply to the UN agency and its employees, and paragraph 1.20(d) will not apply to the contracts between the UN agency and its suppliers and service providers. In such cases, the UN Agencies will apply their own rules and regulations for investigating allegations of fraud or corruption subject to such terms and conditions as the IDBZ and the UN agency may agree, including an obligation to periodically inform the IDBZ of the decisions and actions taken. The IDBZ retains the right to require the Borrower to invoke remedies such as suspension or termination. UN Agencies shall consult the IDBZ's list of firms and individuals suspended or debarred. In the event a UN agency signs a contract or purchase order with a firm or an individual suspended or debarred by the IDBZ, the IDBZ will not finance the related expenditures and will apply other remedies as appropriate.

1.21 With the specific agreement of the IDBZ, a Borrower may introduce, into the Request For Proposal for contracts financed by IDBZ, a requirement that the consultant include in the

proposal an undertaking of the consultant to observe, in competing for and executing a contract, the country's laws against fraud and corruption (including bribery), as listed in the Request For Proposal. The IDBZ will accept the introduction of such a requirement at the request of the Borrower, provided the arrangements governing such undertaking are satisfactory to the IDBZ.

Procurement Plan

- 1.22 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 Borrower shall prepare a preliminary Procurement Plan, however tentative, for the entire scope of the project. The Borrower shall prepare a detailed and comprehensive Procurement Plan including all contracts for which the selection of firms and individuals is to take place within a set time frame from project implementation. An agreement with the IDBZ shall be reached at the latest during budget/loan negotiations. The Borrower 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 IDBZ's prior review and no objection before implementation. After loan budget/loan negotiations, the IDBZ shall arrange the publication on its external website of the agreed initial Procurement Plan and all subsequent updates once it has provided a no objection.

II QUALITY- AND COST-BASED SELECTION (QCBS)

The Selection Process

- 2.1 QCBS uses a competitive process among short-listed firms that takes into account the quality of the proposal and the cost of the services in the selection of the successful firm. 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.
- 2.2 The selection process shall include the following steps:
- a preparation of the TOR;
 - b preparation of cost estimate and the budget, and short-listing criteria;
 - c advertising;
 - d preparation of the short list of consultants;
 - e preparation and issuance of the Request For Proposal (which should include: the Letter of Invitation (LOI), Instructions to Consultants (ITC), the TOR, and the proposed draft contract);
 - f receipt of proposals;

- g evaluation of technical proposals: consideration of quality;
- h public opening of financial proposals;
- i evaluation of financial proposal;
- j final evaluation of quality and cost; and
- k negotiations and award of the contract for the selected firm.

Terms of Reference (TOR)

- 2.3 The Borrower shall be responsible for preparing the TORs for the assignment. The TORs 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 TORs shall be compatible with the available budget. The TORs shall define clearly the objectives, goals, and scope of the assignment and provide background information (including a list of existing relevant studies and basic data) 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 trained, and so forth, to enable consultants to estimate the required resources. The TORs 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 TORs should not be too detailed and inflexible, to an extent that competing consultants may propose their own methodology and staffing. Firms shall be encouraged to comment on the TORs in their proposals. The Borrower's and consultants' respective responsibilities should be clearly defined in the TORs.

Cost Estimate (Budget)

- 2.4 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 Borrower'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 Request For Proposal 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

- 2.5 For all projects, the Borrower is required to prepare and submit to a General Procurement Notice. The IDBZ will arrange for its publication in the media with wide coverage and readership, IDBZ external website and other international advertisement website like *UN Development Business online (UNDB online)*. To obtain expressions of interest (EOIs), the Borrower shall include a list of expected consulting assignments in the General Procurement Notice, and shall advertise a request for expressions of interest (REOI) for each contract for consulting firms in the national gazette, provided that it is of wide circulation, or in at least one newspaper, or technical or financial magazine, of national circulation in the Borrower's country, or in a widely used electronic portal with free national and international access in

English. Borrowers may also in such cases advertise REOIs in an international newspaper. The information requested shall be the minimum required to make a judgment on the firm's suitability and not be so complex as to discourage consultants from expressing interest. REOIs shall at a 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; and conflict of interest provisions. No less than two (2) weeks from date of posting on advertisement websites shall be provided for responses, before preparation of the short list. All late submissions of Expressions of Interest shall not be considered for shortlisting. The IDBZ will arrange the simultaneous publication of all REOIs prepared and submitted by the Borrowers on the IDBZ's external website.

Short List of Consultants

- 2.6 The Borrower is responsible for preparing shortlists. The Borrower shall give first consideration to those firms expressing interest that possess the relevant qualifications. Shortlists shall comprise six (6) firms with a wide geographic spread. Exceptionally, the IDBZ may agree to short lists comprising a smaller number of firms when there are not enough qualified firms having expressed interest for the specific assignment, when enough qualified firms could not be identified, or when the size of the contract or the nature of the assignment does not justify wider competition. Once the IDBZ has issued a no objection to a short list, the Borrower shall not modify it without the IDBZ's no objection. Firms that expressed interest, as well as any other firm or entity that specifically requests so, shall be provided the final short list of firms by the Borrower.
- 2.7 The short list may comprise entirely national consultants (firms registered or incorporated in the country), if the assignment is below the ceiling (or ceilings) established in the Procurement Plan approved by the IDBZ, a sufficient number of qualified national 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. These same ceilings will be used in IDBZ lending operations supporting Sector Wide Approaches (SWAs)(in which government and/or donor funds are pooled) as the threshold below which short lists will be composed entirely of national firms selected under procedures agreed with the IDBZ. However, if foreign firms express interest, they shall be considered.
- 2.8 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 meeting the requirements of paragraph 1.13(b) of these Procedures. 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 firm is considered for inclusion in short lists for concurrent assignments, the Borrower shall assess the firm's overall capacity to perform multiple contracts before including it in more than one short list.

Preparation and Issuance of the Request for Proposals (RFPs)

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

Letter of Invitation (LOI)

2.10 The LOI shall state the intention of the Borrower 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)

2.11 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 either an estimate of the key experts' inputs (in person-months etc.) required of the consultants or the estimated budget, but not both. Consultants, however, shall be free to prepare their own estimates of experts' 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 an innovative approach, the Borrower may, subject to the IDBZ's no objection, require the consultants to include in their proposal the same level of experts' time inputs as indicated in the Request For Proposal, 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, IDBZ review, and finalization of contract negotiations. A detailed list of the information that should be included in the ITC is provided in Appendix 2.

Contract

2.12 Section IV of these Procedures briefly outlines the most common types of contracts. Borrowers shall use the appropriate Standard Form of Contract issued by the IDBZ with minimum changes, acceptable to the IDBZ, as necessary to address specific project issues. Any such changes shall be introduced only through Contract Data Sheets or through Special Conditions of Contract and not by introducing changes in the wording of the General Conditions of Contract included in the IDBZ's Standard Form. These forms of contract cover the majority of consulting services. When these forms are not appropriate (for example, for pre-shipment

inspection, procurement services, training of students in universities, advertising activities in privatization, or twinning), Borrowers shall use other contract forms acceptable to the IDBZ.

Receipt and Opening of Proposals

- 2.13 The Borrower shall allow sufficient time for the consultants to prepare their proposals. The time allowed shall depend on the assignment, but normally shall not be less than four 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 firms may request clarifications about the information provided in the Request For Proposal. The Borrower shall provide these clarifications in writing and copy them to all firms on the shortlist (who intend to submit proposals). If necessary, the Borrower 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 Borrower from the relevant departments (technical, finance, legal, 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 Proposal 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 Borrower 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 either a reputable public auditor or an independent authority (internal) until they are opened in accordance with paragraph 2.23. Borrowers may use electronic systems permitting consultants to submit proposals by electronic means, provided the IDBZ 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 or Alteration of Proposals

- 2.14 Except as otherwise provided in paragraphs 2.27 to 2.29 of Section II and paragraph 1(p) of Appendix 2 of these Procedures, 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 Borrower 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 the IDBZ.

Evaluation of Proposals: Consideration of Quality and Cost

2.15 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 IDBZ 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 Proposal.

Evaluation of the Quality

2.16 Given the need for high quality services, the quality of the evaluation of technical proposals is paramount. The Borrower 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 as per paragraph 1.9(c), and certify to that effect before participating in the evaluation. When the IDBZ determines that the technical evaluation is inconsistent with the Request For Proposal or does not properly evaluate the strengths or weaknesses of the proposals, and the committee fails to address the situation in a timely manner, the IDBZ may require the Borrower to form a new evaluation committee, including international experts in the sector of the assignment, if necessary.

2.17 The technical evaluation shall take into account the criteria indicated in paragraph 2.18 and the sub-criteria indicated in paragraphs 2.19 and 2.20 as reflected in the Request For Proposal. The Request For Proposal shall describe each such 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.

2.18 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 the IDBZ. The maximum score for the “Participation by national experts” as indicated below shall not exceed 10 (ten).

Consultant’s specific experience:	10
Methodology:	30
Key experts:	30
Transfer of knowledge:	20
Participation by national experts:	10

Total:

100

- 2.19 The Borrower 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 IDBZ recommends against the use of exceedingly detailed lists of sub-criteria that may render the evaluation a mechanical exercise more than a professional assessment of the proposals. The weight given to experience can be relatively modest, since this criterion has already been taken into account when short-listing the consultant. More weight shall be given to the methodology in the case of more complex assignments (for example, multidisciplinary feasibility or management studies).
- 2.20 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 assignment is complex. The Borrower 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 consulting firm and the individual proposed. The individuals shall be rated in the following three sub-criteria, as relevant to the task:
- (a) general qualifications: general education and training, length of experience, positions held, previous assignments as team expert, experience in developing countries, and so forth;
 - (b) adequacy for the assignment: education, training, and experience in the specific sector, field, subject, and so forth, relevant to the particular assignment; and
 - (c) experience in the region: knowledge of the local language, culture, administrative system, government organization, and so forth.
- 2.21 Borrowers shall evaluate each proposal on the basis of its responsiveness to the TOR. A proposal shall be considered unsuitable and shall be rejected at this stage if it fails to comply with important aspects described in the RFP. Technical proposals containing any material financial information shall be declared non-responsive.
- 2.22 The members of the evaluation committee shall evaluate proposals in accordance with the evaluation criteria specified in the RFP, 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 RFP. At the end of the evaluation process, the Borrower shall prepare a Technical Evaluation Report using the IDBZ's standard form of evaluation report or another report acceptable to the IDBZ. 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 the IDBZ for its

review and no objection. All records relating to the evaluation, such as individual score sheets, shall be retained in accordance with paragraphs 2(k) and 5 of Appendix 1.

Opening of Financial Proposals and Evaluation of Cost

- 2.23 After the Technical Evaluation Report is completed (and for prior review contracts, after the IDBZ has issued its no objection), the Borrower 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 Borrower 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 BORROWER 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 break-down 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 BORROWER shall also prepare the minutes of the opening and a copy of this record shall be promptly sent to the IDBZ and to all consultants who submitted proposals.
- 2.24 The BORROWER 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 BORROWER (local currency or fully convertible foreign currency) as stated in the RFP. The BORROWER shall make this conversion by using the selling (exchange) rates for those currencies quoted by an official source such as the IDBZ Treasury Department, the Reserve Bank of Zimbabwe, a commercial Bank or by an internationally circulated newspaper for similar transactions. The Request For Proposal 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 errors shall be corrected, and prices shall be adjusted if they fail to reflect all inputs that are included in the respective technical proposals. For a lump-sum contract, the consultant is deemed to have included all prices in its financial proposal, so neither arithmetical corrections nor price adjustments shall be made, and the total price, net of taxes understood as per paragraph 2.25 below, included in the financial proposal shall be considered as the offered price.
- 2.25 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 BORROWER on the remuneration of services rendered in the country of the BORROWER by non-resident experts and other personnel of the consultant. In exceptional circumstances, when indirect taxes cannot be fully identified by the BORROWER when evaluating the financial offers, the IDBZ may agree that prices, for the purpose of evaluation only, include all taxes payable to the country of the BORROWER. 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. Alternatively, a directly proportional or other methodology may be used in allocating the scores to the financial proposals. The methodology to be used shall be described in the RFP.

Combined Quality and Cost Evaluation

- 2.26 The total score shall be obtained by weighting the quality and cost scores and adding them. The weight for the “cost” shall be chosen, taking into account the complexity of the assignment and the relative importance of quality. 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 quality and cost shall be specified in the RFP. The firm obtaining the highest total score shall be invited for negotiations.

Negotiations and the Award of Contract

- 2.27 Negotiations shall include discussions of the TOR, the methodology, BORROWER’s inputs, and special conditions of the contract. These discussions shall not substantially alter the original scope of services under the TOR 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.
- 2.28 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 changes 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.
- 2.29 Financial negotiations shall include clarification of the consultants’ tax liability in the BORROWER’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 reimbursables) and the offered price shall include experts’ rates and an estimation of the amount of reimbursables. 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

the IDBZ. Reimbursables 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 RFP.

- 2.30 If the negotiations with the highest ranked consultant fail, the BORROWER 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 BORROWER shall inform the consultant in writing of its intention to terminate negotiations. Negotiations may then be terminated after obtaining the IDBZ's no objection, and the next ranked consultant invited for negotiations. The BORROWER shall furnish to the IDBZ 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 BORROWER shall not reopen the earlier negotiations. After negotiations are successfully completed and the IDBZ has issued its no objection to the initialed negotiated contract, the BORROWER shall promptly notify other firms on the short list that they were unsuccessful.

Publication of the Award of Contract

- 2.31 The procedure for publication of the award of contract is specified in paragraph 7 of Appendix 1.

Debriefing by the BORROWER

- 2.32 In the publication of contract award referred to in paragraph 2.31, the BORROWER shall specify that any consultant who wishes to ascertain the grounds on which its proposal was not selected should request an explanation from the BORROWER. The BORROWER 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 their costs of attending such a debriefing meeting.

Rejection of All Proposals, and Re-invitation

- 2.33 The BORROWER will be justified in rejecting all proposals only if: (i) all proposals are nonresponsive because they fail to respond to important aspects of the TOR or present major deficiencies in complying with the TOR in accordance with paragraph 2.21; or (ii) all proposals fail to achieve the minimum technical score specified in the RFP; 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 the IDBZ. However, in accordance with paragraph 2.27, 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, as per paragraph 2.29.

2.34 Before all the proposals are rejected and new proposals are invited, the BORROWER shall notify, indicating the reasons for rejection of all proposals, and shall obtain the IDBZ's no objection before proceeding with the rejection and the new process. The new process may include revising the RFP, including the TOR, the shortlist, and the budget. These revisions shall be agreed upon with the IDBZ.

Confidentiality

2.35 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, except as provided in paragraphs 2.23 and 2.30.

III SECTION . OTHER METHODS OF SELECTION

General

3.1 This Section describes the selection methods other than 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. Borrowers shall use the applicable standard RFP issued by the IDBZ with minimal changes, acceptable to the IDBZ, as necessary to address project-specific conditions, except as otherwise provided in paragraphs 3.8, 3.12, 3.13, 3.14, and 3.15 of this Section.

Quality-Based Selection (QBS)

3.2 QBS is appropriate for the following types of assignments:

- (a) complex or highly specialized assignments for which it is difficult to define precise TOR 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);
- (b) 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
- (c) 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).

3.3 In QBS, the RFP 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 RFP 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.

- 3.4 If technical proposals alone were invited, after evaluating the technical proposals using the same methodology as in QCBS, the BORROWER shall ask the consultant with the highest ranked technical proposal to submit a detailed financial proposal. The BORROWER 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 as described in paragraph 2.31 and paragraph 7 of Appendix 1, except that 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 (FBS)

- 3.5 This method is appropriate only when the assignment is simple and can be precisely defined and when the budget is fixed. The RFP shall indicate the available budget and request the consultants to provide their best technical and financial proposals in separate envelopes, within the budget. The TOR should be particularly well-prepared to make sure that the budget is sufficient for the consultants to perform the expected tasks. The RFP shall clearly indicate whether the budget includes taxes or levies payable in the BORROWER's 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 as stipulated in paragraph 2.23. 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. The award of contract shall be published as described in paragraph 7 of Appendix 1.

Least-Cost Selection (LCS)

- 3.6 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 as stipulated in paragraph 2.23. 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 RFP. The award of contract shall be published as per paragraph 7 of Appendix 1.

Selection Based on the Consultants' Qualifications (CQS)

3.7 This method may be used for small assignments or emergency situations declared by the IDBZ and recognized by the IDBZ for which the need for issuing a RFP, and preparing and evaluating competitive proposals is not justified. In such cases, the BORROWER shall prepare the TOR and obtain expressions of interest that include information on their experience and qualifications, eventually through an REOI as may be needed, from as many firms as possible, and at least three qualified firms with relevant experience. Firms having the required experience and competence relevant to the assignment shall be assessed and compared, and the best qualified and experienced firm shall be selected. Only the selected firm 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. If the negotiations fail with the selected firm, the provisions of paragraph 2.30 apply. The minutes of negotiations shall be prepared and signed by both parties. Awards of contract shall be published as per paragraph 7 of Appendix 1.

Single-Source Selection (SSS)

3.8 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 IDBZ's responsibility to ensure economy and efficiency and provide equal opportunity to all qualified consultants.

3.9 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 firm (see next paragraph); (b) in exceptional cases, such as, but not limited to, in response to natural disasters and for emergency situations both declared by the Borrower and recognized by the IDBZ; (c) for very small assignments; or (d) when only one firm is qualified or has experience of exceptional worth for the assignment. In all such cases, the Borrower is not required to issue an RFP and shall submit to the IDBZ 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 firm, 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.

3.10 When continuity for downstream work is essential, the initial RFP 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 Borrower shall ask the initially selected

consultant to prepare technical and financial proposals on the basis of the TOR furnished by the Borrower, which shall then be negotiated.

- 3.11 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 the IDBZ shall normally be followed in which the consultant carrying out the initial work is not excluded from consideration if it expresses interest. The IDBZ will consider exceptions to this rule only under special circumstances and only when a new competitive process is not practicable. The award of contract shall be published as per paragraph 7 of Appendix 1.

Selection of Consultants in Loans to Financial Intermediary Institutions and Entities

- 3.12 When the budget/loan provides funds to a financial intermediary institution or entity (or its designated agency) to 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 sub-projects, the selection of consultants is usually undertaken by the respective beneficiaries in accordance with well-established private sector procurement methods or commercial practices that shall be acceptable to the IDBZ. When budget/loan funds are on-lent to public sector beneficiaries or for large and complex assignments, consideration shall be given to the use of competitive methods set forth in these Procedures.

Selection of Consultants under Loans and Payment Obligations Guaranteed by the IDBZ

- 3.13 If the IDBZ guarantees the repayment of a budget/loan made by another lender, or guarantees the payment of a non-budget/loan related government payment obligation, the consulting services financed by the said budget/loan or said payment obligation shall be procured with due attention to principles and procedures that meet the requirements of paragraph 1.8. The IDBZ may conduct a review of the procurement transactions financed on this basis.

Selection of Particular Types of Consultants

- 3.14 *Selection of Government/Ministries/UN Agencies.*

Agencies of the UN may be single-sourced by Borrowers when they are uniquely or exceptionally qualified to provide technical assistance and advice in their area of expertise. The IDBZ may agree that *Government/Ministries/UN Agency* follow their own procedures for: (a) the selection of their sub-consultants and individual experts, and the supply of the minimum necessary goods to perform the contract; (b) small assignments and (c) under certain circumstances in response to natural disasters and for emergency situations declared by the Borrower and recognized by the IDBZ. The Borrower shall use the IDBZ's standard forms of Agreement between a Borrower and *Government/Ministries/UN Agency* for the provision of technical assistance agreed by the IDBZ. The Borrower shall submit to the Bank for its no objection a complete justification and the draft form of Agreement with *Government/Ministries/UN Agency* before signing it. *Government/Ministries/UN Agency* shall not receive any preferential treatment when participating in a competitive selection process, except that Borrowers may accept the privileges and immunities granted to *Government/Ministries/UN Agencies* and their staff under existing international conventions

and may agree with *Government/Ministries/UN Agencies* on special payment arrangements required according to the agency's charter, provided these are acceptable to the IDBZ. To neutralize the privileges of *Government/Ministries/UN Agencies*, as well as other advantages such as tax exemption, facilities, and special payment provisions, the QBS method, or the CQS method for small assignments shall be used.

3.15 *Use of Nongovernmental Organizations (NGOs).*

NGOs are not for profit organizations that may be uniquely qualified to assist in the preparation, management, and implementation of projects, essentially because of their involvement and knowledge of local issues, community needs, and/or participatory approaches. NGOs may be included in the short list if they express interest and provided that the Borrower and the IDBZ are satisfied with their qualifications. For assignments that emphasize participation and considerable local knowledge, the shortlist may entirely comprise NGOs. If so, an appropriate selection method (QCBS, FBS, LCS, or CQS), based on the nature, complexity, and size of the assignment, shall be followed, and the evaluation criteria shall reflect the unique qualifications of NGOs, such as local knowledge, scale of operation, and prior relevant experience. Borrowers may select the NGO on a single-source basis, provided the criteria outlined in paragraph 3.9 of these Procedures are fulfilled.

3.16 *Procurement Agents and Construction Managers.*

When IDBZ lacks the necessary organization, resources, or experience, it may be efficient and effective for it to employ, as its agent, a firm that specializes in handling procurement. When Procurement Agents are specifically used as "agents" handling the procurement of specific items and generally working from their own offices, they are usually paid a percentage of the value of the procurements handled, or a combination of such a percentage and a fixed fee. In such cases, Procurement Agents shall be selected using QCBS procedures with cost being given a weight up to 50% (fifty percent). However, when Procurement Agents provide only advisory services for procurement or act as "agents" for a whole project in a specific office for such project, they are usually paid on a time basis, and in such cases, they shall be selected following the appropriate procedures for other consulting assignments using QCBS procedures and time-based contract specified in these Procedures. The Agent shall follow all the procurement procedures outlined in the budget/loan Agreement and in the Procurement Plan approved by the IDBZ on behalf of the Borrower, including use of IDBZ Standard RFPs, review procedures, and documentation. The above provisions apply as well to Construction Managers.

3.17 *Inspection Services.*

Borrowers may wish to employ inspection service providers to inspect and certify goods prior to shipment or on arrival in the Borrower's country. The inspection usually covers the quality and quantity of the goods concerned and reasonableness of price. Inspection service providers shall be selected using QCBS procedures giving cost a weight up to 50% (fifty percent) and using a contract format with payments based on a percentage of the value of goods inspected and certified.

3.18 *Banks.*

Investment and commercial banks, financial firms, and fund managers hired by Borrowers for the sale of assets, issuance of financial instruments, and other corporate financial transactions, notably in the context of privatization operations, shall be selected under QCBS. The RFP shall specify selection criteria relevant to the activity—for example, experience in similar assignments or network of potential purchasers—and the cost of the services. In addition to the conventional remuneration (called a “retainer fee”), the compensation includes a “success fee”; this fee can be fixed, but is usually expressed as a percentage of the value of the assets or other financial instruments to be sold. The RFP shall indicate that the cost evaluation will take into account the success fee, either in combination with the retainer fee or alone. If alone, a standard retainer fee shall be prescribed for all short-listed consultants and indicated in the RFP, and the financial scores shall be based on the success fee. For the combined evaluation (notably for large contracts), cost may be accorded a weight higher than recommended in paragraph 2.26.

The RFP shall specify clearly how proposals will be presented and how they will be compared.

3.19 *Auditors.*

Auditors typically carry out auditing tasks under well-defined TOR and professional standards. They shall be selected according to QCBS, with cost as a substantial selection factor (40 to 50 points) or by the “Least-Cost Selection” outlined in paragraph 3.6. For small assignments, the CQS method may be used.

3.20 *Service Delivery Contractors.*

Projects may involve hiring large numbers of individuals who deliver services on a contract basis. Their selection, as individual consultants or through a firm, shall be carried out in accordance with Section V of these Procedures. The job descriptions, minimum qualifications, terms of employment, the selection methods when through a contract with a firm, and the extent of IDBZ review of this documentation and methods shall be described in the project documentation. The contract shall be included in the Procurement Plan to be reviewed by the IDBZ.

IV TYPES OF CONTRACTS AND IMPORTANT PROVISIONS

Types of Contracts

4.1 *Lump-Sum Contract* This type of contract is used mainly for assignments in which the scope and the duration of the services and the required output of the consultants are clearly defined. It is widely used for simple planning and feasibility studies, environmental studies, detailed design of standard or common structures, preparation of data processing systems, and so forth. Payments are linked to outputs (deliverables) such as reports, drawings, bills of quantities, bidding documents, and software programs. The contract shall include a fixed price for the activities to be carried out by the consultant and shall not be subject to any price adjustment, except as provided in paragraph 4.7 of these Procedures. Lump-sum contracts are easy to

administer because they operate on the principle of fixed price for a fixed scope, and payments are due on clearly specified outputs and milestones.

- 4.2 *Time-Based Contract.* This type of contract is appropriate when it is difficult to define or fix the scope and the duration of the services, either because they are related to activities carried out by others for which the completion period may vary, or because the input of the consultants required for attaining the objectives of the assignment is difficult to assess. It is widely used for complex studies, supervision of construction, advisory services, and most training assignments. Payments are based on agreed hourly, daily, weekly, or monthly rates for experts (who are normally named in the contract) and on reimbursable items using actual expenses and/or agreed unit prices. The rates for experts include remuneration, social costs, overhead, profit, and, where appropriate, special allowances. The contract shall include a ceiling amount of total payments to be made to the consultants. This ceiling amount should include a contingency allowance for unforeseen services and duration, and a provision for price adjustment for inflation as provided in paragraph 4.7 of these Procedures. Time-based contracts need to be closely monitored and administered by the client to ensure that the assignment is progressing satisfactorily and that payments claimed by the consultants are appropriate.
- 4.3 *Retainer and/or Contingency (Success) Fee Contract.* Retainer and contingency fee contracts are widely used when consultants (banks or financial firms) are preparing companies for sales or mergers of firms, notably in privatization operations. The remuneration of the consultant includes a retainer and a success fee, the latter being normally expressed as a percentage of the sale price of the assets.
- 4.4 *Percentage Contract.* These contracts are commonly used for procurement and inspection service providers. Percentage contracts directly relate the fees paid to the consultant to the estimated or actual project construction cost, or the cost of the goods procured or inspected. The contracts are negotiated on the basis of market norms for the services and/or estimated person-month costs for the services, or competitively bid. It should be borne in mind that in the case of architectural or engineering services, percentage contracts implicitly lack incentive for economic design and are hence discouraged. Therefore, the use of such a contract for architectural services is recommended only if it is based on a fixed target cost and covers precisely defined services (but not, for example, works supervision).
- 4.5 *Indefinite Delivery Contract (IDCs) or Price Agreement.* IDCs are used when Borrowers need to have quick and continuing access to “on call” specialized advisory services for a particular activity, the extent and timing of which cannot be defined in advance. IDCs are commonly used to retain “advisers”, expert adjudicators, members of panels, or experts to participate in the design or implementation of sub-projects or complex tasks during the execution of IDBZ-financed projects (for example, dam panel, dispute resolution boards, institutional reforms, procurement advice, technical troubleshooting, evaluation of safeguard issues, and so forth), normally for a period of at least a year. The services are offered by qualified firms through a list of proposed experts they commit to make available in letters of intent in response to an REOI setting selection criteria focusing on the relevant qualifications and expertise of the required experts. Borrowers shall then establish a long list of qualified experts. The Borrower

and the firms agree on pre-established fee rates to be paid for the experts and on standard conditions of contract, and payments are made on the basis of the time actually spent. Experts shall be selected from the long list on the basis of a “call off” request with specific TOR for the assignment, based on the qualitative evaluation/comparison of the CVs of the proposed experts or the fees level, and a specific contract is signed for each assignment.

Important Provisions

- 4.6 **Currency.** RFPs shall clearly state that firms 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 Borrower may require consultants to state the portion of the price representing local costs incurred in the currency of the Borrower’s country. Payment under the contract shall be made in the currency or currencies in which the payment is requested in the proposal.
- 4.7 **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.
- 4.8 **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. If the amount of the advance is 10% (ten percent) of the contract amount or less, the Borrower 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 Proposal.
- 4.9 Payments shall be made promptly in accordance with the contract provisions. To that end:
- (a) consultants can be paid directly by the IDBZ at the request of the Borrower or exceptionally through a Letter of Credit;
 - (b) only disputed amounts shall be withheld, with the remainder of the invoice paid in accordance with the contract; and
 - (c) the contract shall provide for the payment of financing charges 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.
- 4.10 **Proposal and Performance Securities, and Liquidated Damages.** Proposal and performance securities are not recommended for consultants’ services, but shall, if required, 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 Borrower. 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 liquidated damages is not recommended for consulting services.

4.11 **Borrower's Contribution.** The Borrower may assign members of its own professional staff to the assignment in different capacities. The contract between the Borrower and the consultant shall give the details governing such staff, known as counterpart staff, as well as facilities that shall be provided by the Borrower, such as housing, office space, secretarial support, utilities, materials, and vehicles. 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.

4.12 **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 in accordance with the requirements of paragraphs 1.9 and 1.10 of these Procedures.

4.13 **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 Borrower 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 Borrower 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 Proposal 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.

4.14 **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), the consultant shall propose other experts of at least the same level of qualifications for approval by the Borrower.

4.15 **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, the IDBZ requires that Borrowers use this type of arbitration in contracts awarded to foreign consultants unless the IDBZ has

specifically agreed to waive this requirement for justified reasons, such as equivalent national regulations and arbitration procedures. The IDBZ shall not be named an arbitrator or be asked to name an arbitrator.

V. SELECTION OF INDIVIDUAL CONSULTANTS

- 5.1 Individual consultants are employed on assignments for which (a) a team of experts is not required, (b) no additional outside (home office) professional support is required, and (c) 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 firm. When qualified individual consultants are unavailable or cannot sign a contract directly with a Borrower due to a prior agreement with a firm, the Borrower may invite firms to provide qualified individual consultants for the assignment.
- 5.2 Advertisement for seeking expressions of interest (EOI) is encouraged, particularly when the Borrower 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 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.
- 5.3 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 IDBZ 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 Borrower. Individuals selected to be employed by the Borrower shall be the most experienced and best qualified, and shall be fully capable of carrying out the assignment. The Borrower shall negotiate a contract with the selected individual consultant, or the firm as the case may be, after reaching agreement on satisfactory terms and conditions of the contract, including reasonable fees and other expenses.
- 5.4 The selection of individual consultants is normally not subject to prior review. The Borrower shall, however, obtain the IDBZ'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 firms to offer the services of individual consultants as per paragraph 5.1 of these Procedures; (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 as per paragraph 5.6 of these Procedures. The IDBZ also requires prior review of the selection of certain categories of individual consultants.

- 5.5 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 Procedures 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.
- 5.6 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 Borrower shall submit to the IDBZ 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.

APPENDIX 1: REVIEW BY THE IDBZ OF THE SELECTION OF CONSULTANTS AND PUBLICATION OF AWARDS OF CONTRACTS

Scheduling the Selection Process

1. The IDBZ shall review Procurement Plans and their updates prepared by the Borrowers in accordance with provisions under paragraph 1.22. They shall be consistent with the Budget/Project Implementation Plan, the budget/loan Agreement, and these Procedures.

Prior Review

2. With respect to all contracts that are subject to the IDBZ's prior review:
 - (a) Before inviting proposals, the Borrower shall furnish to the Bank, for its review and no objection, the proposed cost estimate and Request For Proposal (including the shortlist). The Borrower shall make such modifications to the shortlist and the documents as appropriate before the Request For Proposal is issued to the short-listed consultants. Any further modification shall require the Bank's no objection before the RFP is issued to the short-listed consultants.
 - (b) After the technical proposals have been evaluated, the Borrower shall furnish to the Bank, in sufficient time for its review, a technical evaluation report and the submitted proposals for its review and issuance of a no objection. PC shall also request EXCO's no objection if the evaluation report recommends rejection of all proposals.
 - (c) The Borrower may proceed with the opening of the financial proposals only after receiving the Bank's no objection to the technical evaluation. When cost is a factor in the selection of the consultant, the Borrower may then proceed with the financial evaluation in accordance with the provisions of the Request For Proposal. The Borrower shall furnish to the Bank the final evaluation report along with its recommendation of the successful consultant. The Borrower shall notify the firm that received the highest total score in the final evaluation of its intention to award the contract to the firm and shall invite the firm for negotiations. If the Bank notes any discrepancies in the financial evaluation pursuant to its own review or due to a complaint, it shall promptly notify the Borrower which shall address promptly all issues raised to the satisfaction of the Bank before proceeding for negotiations with the successful consultant or suspend negotiations if already commenced. In such cases, further action shall not be taken until the Bank has given its no objection to Borrower's recommendations.
 - (d) If the Borrower requires an extension of the validity of the proposals to complete the evaluation, obtain necessary internal clearances or Bank no objection or make the award, it should seek the Bank's prior no objection for the extension if such a period is longer than four weeks, and for all subsequent requests for extension, irrespective of the duration of the period.
 - (e) If the Borrower receives complaints from consultants, it shall promptly acknowledge receipt of the complaint to the complainant. The copy of the complaint and responses proffered to the Complainant must be circulated to IDBZ senior management for their further course of action.

- (f) If as a result of the analysis of a complaint, or any other reason, the Borrower changes its contract award recommendation, the reasons for such decision and a revised evaluation report shall be submitted to the IDBZ for no objection. The Borrower shall publish the re-evaluation results and contract award in the format of paragraph 7 of this Appendix. If the negotiations fail with the successful consultant, the Borrower shall furnish to the Bank for review, the minutes of negotiations and reasons for failure. After completion of the procedure outlined in paragraph 2.30 of these Procedures, and obtaining the IDBZ's no objection, the negotiations may be terminated and the next ranked firm be invited for negotiations.
- (g) After negotiations are completed, or in the case of single-source selection, the Borrower shall furnish to the Bank, in sufficient time for its review, a copy of the negotiated contract proposed to be signed by the Borrower 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 Borrower shall highlight the changes and provide an explanation of why these changes are necessary and acceptable to Borrower.
- (h) If the Bank 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 Borrower and state the reasons for its determination. Otherwise, the Bank shall provide its final no objection to the contract award. The Borrower shall confirm the award and sign the contract only after receiving the no objection from the Bank.
- (i) One conformed or exact copy of the contract shall be furnished to the IDBZ promptly after its signing and prior to the submission of the first application to the Bank for disbursement of funds from the budget/loan 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 the IDBZ 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 shall be subject to public disclosure by the IDBZ in accordance with paragraph 2(i) above upon receipt of the signed copy of the contract from the Borrower.
- (k) The Borrower shall retain all documentation with respect to each contract during project implementation until two years after the closing date of the budget/loan 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 the IDBZ; 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 Borrower shall furnish such documentation to the IDBZ upon request for examination by the IDBZ 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 Borrower shall seek the IDBZ's no objection.

If the IDBZ determines that the proposed modifications would be inconsistent with the provisions of the budget/loan Agreement and/or Procurement Plan, it shall promptly inform the Borrower and state the reasons for its determination. A copy of all amendments to the contract shall be furnished to the IDBZ for its record.

4. *Translations.*

If a contract is subject to prior review and is written in a language other than English, the Borrower has the responsibility to furnish to the IDBZ an accurate translation of the technical and combined evaluation reports and the initialed negotiated draft contract in the internationally used language specified in the Request For Proposal (English). An accurate translation shall also be furnished to the IDBZ for any subsequent modifications of such contracts.

Post Review

5. Procurement Post Reviews (PPRs) are normally carried out by the IDBZ. The IDBZ shall retain all documentation with respect to each contract not governed by paragraph 2 of this Appendix during project implementation and up to two years after the closing date of the budget/loan 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 the IDBZ 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. The Borrower shall also furnish such documentation to the IDBZ upon request. The IDBZ may declare misprocurement for any of the reasons provided in paragraph 1.19 of these Procedures, including if it determines that the contract was not awarded in accordance with the agreed procedures and methods reflected in the budget/loan Agreement and further elaborated in the Procurement Plan to which the IDBZ gave its no objection, or the contract itself is not consistent with such procedures and methods. The IDBZ shall promptly inform the Borrower of the reasons for such determination. The IDBZ may also, depending on risks and the scope of the project (e.g., involving many small value and simple contracts), agree with the Borrower that they appoint independent entities to carry out PPRs, in accordance with terms, conditions and reporting procedures acceptable to the IDBZ. In such cases, the IDBZ will review the reports submitted by the Borrower, 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 IDBZ's prior review threshold indicated in the Procurement Plan shall fall under prior review rather than post review if the financial offer of the selected firm exceeds such threshold. All related procurement documentation already processed, including the evaluation report and recommendation for award, shall be submitted to the IDBZ for its prior review and no objection before award of the contract. When, to the contrary, the financial offer of the selected firm falls below the prior review threshold, the prior review process shall continue. Under certain circumstances, the IDBZ may require the Borrower to follow a prior review process for a contract under the prior review threshold set in the Procurement Plan, for example, in the case of a complaint that the IDBZ has determined to be of a serious nature. Also, when the selection method requires change due to higher or lower cost estimates than previously assessed, the procurement plan shall be modified by the Borrower and submitted to the IDBZ for review and no objection.

7. Publication of Awards of Contracts

The Borrower shall publish information on *UNDB online* for all contracts when the short list included any foreign firm and all single-source selection contracts awarded to foreign firms, and in the *National* press all contracts where the short list comprises only National firms and all single-source selection contracts awarded to National firms. Such publication shall be within two weeks after receiving the IDBZ's no objection for award of the contract as per paragraphs 2(h) and 2(j) of this Appendix for contracts subject to the IDBZ's prior review, and within two weeks of successful negotiations with the selected firm for contracts subject to the IDBZ's post review. Publications shall include the following information as relevant and applicable for each method: (a) the names of all consultants in the short list, specifying those that submitted proposals; (b) the overall technical scores and scores assigned for each criterion and sub-criterion to each consultant; (c) the prices offered by each consultant as read out and as they have been evaluated; (d) the final combined scores and the final ranking of the consultants; and (e) the name of the successful consultant and the total price, duration, and summary scope of the contract. The same information shall be sent to all consultants who have submitted proposals. The IDBZ will arrange the publication of the award of contracts under prior review on its external website upon receipt from the Borrower of a conformed copy of the signed contract in accordance with paragraph 2(i) above.

Due Diligence concerning the IDBZ's Sanctions Policies and Procedures

8. When conducting the evaluation of proposals, the Borrower shall check the eligibility of consultants from the lists of firms and individuals debarred and suspended, pursuant to paragraph 1.19(d) of these Procedures and/or paragraph 1.13(d) of the Procurement Procedures, by the IDBZ that are posted on the IDBZ's external website. The Borrower 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 the IDBZ after such contract was signed. The Borrower shall neither sign any new contracts nor sign an amendment, including any extension of time for completion, to an on-going contract with a suspended or debarred firm or individual after the effective date of the suspension or debarment without the IDBZ's prior review and no objection. The IDBZ 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 the IDBZ has given its no objection; and (ii) for post review contracts, in an amendment signed before the effective date of suspension or debarment. The IDBZ 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.

APPENDIX 2: INSTRUCTIONS TO CONSULTANTS AND DATA SHEET (ITC) OF THE REQUEST FOR PROPOSAL

1. The Borrower shall use the standard RFPs issued by the IDBZ, which include the ITC, covering relevant instructions as applicable for most of the methods of selection. If under exceptional circumstances, the Borrower needs to amend the standard ITC, it shall do so through the technical data sheet and not by amending the main text. The ITC shall include adequate information on the following aspects of the assignment:

- (a) a very brief description of the assignment;
- (b) standard formats for the technical and financial proposals;
- (c) the names and contact information of officials to whom clarifications shall be addressed and with whom the consultants' representative shall meet, if necessary;
- (d) details of the selection procedure to be followed, including: (i) a description of the two-stage process, if appropriate; (ii) a listing of the technical evaluation criteria and weights given to each criterion; (iii) the details of the financial evaluation; (iv) the relative weights for quality and cost in the case of QCBS; (v) the minimum pass score for quality; and (vi) the details on the opening of financial proposals;
- (e) an estimate of the level of key experts' inputs (in person-months) required of the consultants or the total budget, but not both;
- (f) indication of minimum experience, academic achievement, and so forth, expected of key experts;
- (g) details and status of any external financing;
- (h) information on negotiations and financial and other information that shall be required of the selected firm during negotiation of the contract;
- (i) the deadline for submission of proposals;
- (j) currency(ies) in which the costs of services shall be expressed, compared, and paid;
- (k) reference to any laws of the Borrower's country that may be particularly relevant to the proposed consultants' contract;
- (l) a statement that the firm and any of its affiliates shall be disqualified from providing downstream goods, works, or services under the project if, in the IDBZ's judgment, such activities constitute a conflict of interest with the services provided under the assignment;
- (m) the method in which the proposal shall be submitted, including the requirement that the technical proposals and financial proposals be sealed and submitted separately in a manner that shall ensure that the technical evaluation is not influenced by price;

- (n) a request that the invited firm (i) acknowledges receipt of the Request For Proposal and (ii) informs the Borrower whether or not it will be submitting a proposal;
- (o) the short list of consultants being invited to submit proposals and whether or not associations between short-listed consultants are acceptable;
- (p) the period for which the consultants' proposals shall be held valid and during which the consultants shall undertake to maintain, without change, the proposed key experts, and shall hold to both the proposed rates and total price; in case of extension of the proposal validity period, the right of the consultants not to maintain their proposal. If the consultants agree to extend the validity of their proposal, they shall do so without any change in their original proposals and also confirm the availability of all key experts as originally proposed except as provided here under. If any of the key experts is unavailable at this time and the consultants, while extending the validity of their proposal, request to replace such expert with another one, they shall provide adequate justification and evidence to the satisfaction of the Borrower. The proposal shall be rejected if it is established that the unavailable expert was proposed without his/her confirmation, if the provided reasons for the replacement or the justification is unacceptable, or the qualifications and experience of the replacement expert are not equal or better to those of the originally proposed expert. If acceptable, no other changes in the technical or financial proposal shall be permitted. The technical evaluation scores based on key experts, the financial proposals, and other details of the original proposal shall remain un-changed.
- (q) the anticipated date on which the selected consultant shall be expected to commence the assignment;
- (r) a statement indicating (i) whether or not the consultants' contract and personnel shall be tax-free or not; and if not, (ii) what the likely tax burden will be or where this information can be obtained in a timely basis and a statement requiring that the consultant shall include in its financial proposal a separate amount clearly identified, to cover taxes;
- (s) if not included in the TOR or in the draft contract, details of the services, facilities, equipment, and staff to be provided by the Borrower;
- (t) phasing of the assignment, if appropriate, and likelihood of follow-up assignments;
- (u) the procedure to handle clarifications about the information given in the Request For Proposal; and
- (v) any conditions for subcontracting part of the assignment.

APPENDIX 3: GUIDANCE TO CONSULTANTS

Purpose

1. This appendix provides guidance to consultants wishing to participate in Bank financed consulting services.
2. Responsibility for the Selection of Consultants
3. The responsibility for the implementation of the project, and therefore for the payment of consulting services under the project, rests solely with the Borrower. The IDBZ, for its part, aims to ensure that funds are paid from a IDBZ budget/loan only as expenditures are incurred. Disbursements of the proceeds of a budget/loan or a grant are made only at the Borrower's request. The Borrower submits withdrawal applications to the IDBZ together with required supporting documentation to demonstrate that the funds have been or are being used in accordance with the budget/loan Agreement and the Procurement Plan. As emphasized in paragraph 1.4 of these Procedures, the Borrower is responsible for the selection and employment of consultants. It invites, receives, and evaluates proposals and awards the contract. The contract is between the Borrower and the Consultant. The IDBZ is not a party to the contract

IDBZ's Role

1. As stated in these Procedures (Appendix 1) the IDBZ reviews the Request For Proposal, the evaluation of proposals, award recommendations, and contract to ensure that the process is carried out in accordance with agreed procedures, as required in the budget/loan Agreement and further elaborated in the Procurement Plan. For all contracts subject to the IDBZ's prior review, the IDBZ reviews the documents before they are issued, as described in Appendix 1. Also, if at any time in the selection process (even after the award of contract) the IDBZ concludes that the agreed procedures were not followed in any substantial respect, the IDBZ may declare misprocurement, as described in paragraph 1.15. However, if a Borrower has awarded a contract after obtaining the IDBZ's no objection, the IDBZ will declare misprocurement only if the no objection was issued on the basis of incomplete, inaccurate, or misleading information furnished by the Borrower. Furthermore, if the IDBZ determines that corrupt or fraudulent practices were engaged in by representatives of the Borrower or of the consultant, the IDBZ may impose the applicable sanctions set forth in paragraph 1.19 of these Procedures.
2. The IDBZ publishes standard RFPs and contracts for different types of consulting services. As stated in paragraphs 2.9 and 2.12 of these Procedures, it is mandatory for the IDBZ to use these documents, with minimum changes acceptable to the IDBZ to address project-specific issues. The Borrower finalizes and issues these documents as part of the Request For Proposal.

Information on Consultant Services

1. Information on consultant services, including a brief description of the nature of services, timing, estimated cost and experts' time inputs, and so forth, will be, in the first instance, included in the Project Information Document (PID), which describes projects under preparation. At the same time, similar information will also be included in the description of each project in the Monthly Operational Summary (MOS). Such information will be continuously updated. Each project requires the publication of a General Procurement Notice in the **United Nations Development Business** (UNDB online) which will include a more detailed description of the required services, the client agency, and the budgeted cost. In the case of large-value contracts, this will be followed by a specific notice seeking "expression of interest" in *UNDB online*. The Project Appraisal Document (PAD) will provide yet more detailed information.
2. The PID and the MOS are available from the IDBZ. The PAD is available after the budget/loan is approved. UNDB is available through online subscription.

Consultants' Role

1. When consultants receive the Request For Proposal, and if they can meet the requirements of the TOR and the commercial and contractual conditions, they should make the arrangements necessary to prepare a responsive proposal (for example, visiting the country of the assignment, seeking associations, collecting documentation, setting up the preparation team). If the consultants find in the Request For Proposal documents—especially in the selection procedure and evaluation criteria—any ambiguity, omission or internal contradiction, or any feature that is unclear or that appears discriminatory or restrictive, they should seek clarification from the Borrower, in writing, within the period specified in the Request For Proposal for seeking clarifications.
2. In this connection, it should be emphasized that the specific Request For Proposal issued by the Borrower governs each selection, as stated in paragraph 1.2 of these Procedures. If consultants feel that any of the provisions in the Request For Proposal are inconsistent with these Procedures, they should also raise this issue with the Borrower.
3. Consultants should ensure that they submit a fully responsive bid/proposal including all the supporting documents requested in the Request For Proposal. It is essential to ensure accuracy in the *curricula vitae* of key experts submitted with the proposals. The *curricula vitae* shall be signed by the consultants and the individuals and dated. Once technical proposals are received and opened, consultants shall not be required nor permitted to change the substance, the key experts, and so forth. Noncompliance with important requirements will result in rejection of the proposal. Similarly, once financial proposals are received, consultants shall not be required or permitted to change the quoted fee and so forth, except at the time of negotiations carried out in accordance with the provisions of the Request For Proposal. If an extension of validity of proposals was the reason that key experts were not available for a company, a change of key

experts with equivalent or better qualification might be possible as per paragraph 2.28 of these Procedures and paragraph 1(p) of Appendix 2.

Confidentiality

1. As stated in paragraph 2.35, the process of proposal evaluation shall be confidential until the publication of contract award, except for the disclosure of the technical points as indicated in paragraphs 2.23 and 2.30. Confidentiality enables the Borrower and the IDBZ's reviewers to avoid either the reality or perception of improper interference. If, during the evaluation process, consultants wish to bring additional information to the notice of the Borrower, the IDBZ, or both, they should do so in writing.

Action by the IDBZ

1. If consultants wish to raise issues or questions about the selection process, they may send the IDBZ copies of their communications with the IDBZ, or they may write to the IDBZ directly when the Borrower does not respond promptly or when the communication is a complaint against the Borrower. All such communications should be addressed to the Task Team Leader for the project. Names of the Task Team Leaders are available in the PAD.
2. Communications received by the IDBZ from short-listed consultants prior to the closing date for submission of the proposal shall be, if appropriate, referred to the Borrower with the IDBZ's comments and advice for action or response.
3. Communications, including complaints, the IDBZ receives from consultants after the opening of the technical proposals will be handled as follows. In the case of contracts not subject to prior review by the IDBZ, any communication or its relevant extracts, as deemed appropriate, will be sent to the Borrower for due consideration and appropriate action. The Borrower shall provide all relevant documentation to the IDBZ for review and comments. In the case of contracts subject to prior review, the IDBZ shall examine the communication, in consultation with the Borrower, and if it needs additional information, shall request it from the IDBZ. If additional information or clarification is required from the consultant, the IDBZ shall ask the Borrower to obtain it and comment on or incorporate it, as appropriate, in the evaluation report. The IDBZ's review will not be completed until the communication is fully examined and considered. Communications received from consultants involving allegations of fraud and corruption may warrant a different treatment due to reasons of confidentiality. In such cases, the IDBZ shall apply due care and discretion in sharing information deemed appropriate with the Borrower.
4. Besides acknowledging receipt of communications, the IDBZ shall not enter into discussion or correspondence with any consultant during the selection and review process, until award of the contract is published.

Debriefing by the IDBZ

1. If after contract award, a consultant wishes to ascertain the grounds on which its proposal was not selected, it should address its request to the Borrower as indicated in paragraph 2.32. If the consultant is not satisfied with the written explanation given and/or debriefing by the Borrower, and wishes to seek a meeting with the IDBZ, it may address the Procurement Manager for the Borrower, who will arrange a meeting at the appropriate level and with the relevant staff. The purpose of such meeting is only to discuss the consultant's proposal, and neither to reverse the IDBZ's position that has been conveyed to the Borrower nor to discuss the proposals of competitors.