

## **TENDER EVALUATION CRITERIA**

After tender opening, the tenders will be evaluated in 4 stages, namely:

1. Determination of Responsiveness.
2. Detailed Technical Examination.
3. Financial Evaluation.
4. Combination of Technical, Tender Sums Comparison and Financial Score.
5. Post qualification: Due diligence.

### **STAGE 1- DETERMINATION OF RESPONSIVENESS**

#### **PRELIMINARY EXAMINATION**

This stage of evaluation shall involve examination of the pre-qualification conditions as set out in the Tender Advertisement Notice or Letter of Invitation to Tender and any other conditions stated in the bid document.

These conditions shall include, among other things, the following:

- i) Certificate of Registration/Incorporation.
- ii) Valid Tax Compliance Certificate.
- iii) Certificate of Confirmation of Directors and Shareholding (CR 12) for Limited company (where applicable).
- iv) Certificate of Registration with National Construction Authority in the relevant category.
- v) Class of Licenses with the relevant statutory bodies e.g. Energy Regulatory Commission, Local Authorities, Water Management Boards etc.
- vi) Proof of payment for tender document.
- vii) Provision of Bid Security.
- viii) Dully filled, signed and stamped/sealed Form of Tender.
- ix) Dully filled, signed and stamped/sealed Confidential Business Questionnaire (S33).
- x) Any other conditions included in the advertisement notice/Invitation letter.

#### **Note:**

The bid security shall be in accordance with clauses 13 and 23.2 of Instruction to Tenderers which states as follows:

- **Clause 13.1** of Instruction to Tenderers, "the tenderers shall furnish as part of his tenders a tender surety in the amount stated in the tender document in the Appendix to Instructions to Tenderers".
- **Clause 13.2** of Instruction to Tenderers, "the unconditional Tender surety shall be in Kenya shillings and be in form of a certified cheque, bank draft, an irrevocable letter of credit or a guarantee from a reputable Bank/ Insurance approved by PPOA located in the Republic of Kenya. The format of the surety shall be in accordance with the sample form included in the tender documents and the tender surety shall be valid for **180 days** from the date of tender opening".
- **Clause 23.2** of Instruction to Tenderers: "For the purposes of this clause, a substantially responsive tender is one which conforms to all terms and condition and specifications of the tender document without material deviation or reservation and has a valid Bank/Insurance guarantee".

The employer may seek further clarification/confirmation if necessary to confirm authenticity/compliance of any condition of the tender.

**The tenderers who do not satisfy any of the above requirements shall be considered Non-Responsive and their tenders will not be evaluated further.**

**STAGE 2 - COMPLETENESS OF TENDER DOCUMENT**

The tender document shall be examined based on clause 2.2 of the Instruction to Tenderers which states as follows:

In accordance with clause 2.2 of Instruction to Tenderers, the tenderers will be required to provide evidence for eligibility of the award of the tender by satisfying the employer of their eligibility under sub clause 2.1 of Instruction to Tenderers and adequacy of resources to effectively carry out the subject contract. The tenderers shall be required to fill the Standards Forms provided for the purposes of providing the required information. The tenderers may also attach the required information if they so desire.

The award of points for the **STANDARD FORMS** considered in this section shall be as shown below

<b><u>PARAMETER</u></b>	<b><u>MAXIMUM POINTS</u></b>
(i) Statement of Compliance -----	3
(ii) Tender Questionnaire - -----	5
(iii) Key personnel - -----	15
(iv) Contracts Completed in the last Five (5) years - -----	20
(v) Schedules of on-going projects -----	10
(vi) Schedules of contractors equipment -----	10
(vii) Audited Financial Report for the last 3 years-----	10
(viii) Evidence of Financial Resources -----	10
(ix) Name, Address and Telephone of Banks (Contractor to provide) ----	5
(x) Litigation History-----	2
(xi) Sanctity of the tender document as in accordance with clause 5 of instruction to tenderer -----	10
	<b>TOTAL      <u>100</u></b>

The detailed scoring plan shall be as shown in table 1 below: -

**TABLE 1**

<b>Item</b>	<b>Description</b>	<b>Point Scored</b>	<b>Max. Point</b>
i	<b>Statement of Compliance</b> Signed and stamped ----- 3 Signed but not stamped or vice versa ----- 2 Not signed nor stamped ----- 0		<b>3</b>
ii	<b>Tender Questionnaire Form</b> Completely filled ----- 5 Partially filled -----3 Not filled -----0		<b>5</b>
iii	<b>Key Personnel (Attach evidence)</b>		<b>15</b>
	<b>Director of the firm</b> ○ Holder of degree or diploma in relevant technical field----4 ○ Holder of certificate in relevant technical field-----3 ○ Holder of trade test certificate in relevant technical field---2 ○ No relevant certificate -----0		<b>4</b>
	<b>At least 1No. degree/diploma of key personnel in relevant technical field</b> ○ With over 10 years relevant experience -----4 ○ With over 5 years relevant experience ----- 3 ○ With under 5 years relevant experience ----- 1		<b>4</b>
	<b>At least 1No certificate holder of key personnel in relevant technical field</b> ○ With over 10 years relevant experience -----3 ○ With over 5 years relevant experience ----- 2 ○ With under 5 years relevant experience -----1		<b>3</b>
	<b>At least 2No artisan (trade test certificate in relevant technical field)</b> ○ Artisan with over 10 years relevant experience ----- 2 ○ Artisan with under 10 years relevant experience ----- 1 ○ Non skilled worker with over 10 years relevant experience ----1		<b>4</b>

<b>iv</b>	<b>Contract completed in the last five (5) years (Max of 5 No. Projects)</b> <ul style="list-style-type: none"> <li>○ Project of similar nature, complexity and magnitude -----4</li> <li>○ Project of similar nature but of lower value than the one in consideration- -----2</li> <li>○ No completed project of similar nature ----- 0</li> </ul>		<b>20</b>
<b>V</b>	<b>On-going projects (Max of 5 No. Projects)</b> <ul style="list-style-type: none"> <li>○ Project of similar nature, complexity and magnitude ----- 2</li> <li>○ Project of similar nature but of lower value than the one in consideration -----1</li> <li>○ No ongoing project of similar nature - -----0</li> </ul>		<b>10</b>
<b>vi</b> <b>vii</b>	<b>Schedule of contractors equipment and transport (proof or evidence of ownership)</b> <ul style="list-style-type: none"> <li>○ Means of transport (Vehicle) -----4</li> <li>○ No means of transport ----- 0</li> </ul>	4	<b>10</b>
	For each specific equipment required in the installation of the Work being tendered for. (Maximum No. of equipment to be considered – 3 No.) ----- 2	6	
<b>viii</b>	<b>Financial report</b> <b>Audited financial report (last three (3) years)</b> <ul style="list-style-type: none"> <li>○ Turn over greater or equal to 2 times the cost of the project --- 10</li> <li>○ Turn over greater or equal to the cost of the project ---- 6</li> <li>○ Turn over below the cost of the project ----- 2</li> </ul>		<b>10</b>
	<b>Evidence of Financial Resources (cash in hand, lines of credit, over draft facility etc )</b> <ul style="list-style-type: none"> <li>○ Has financial resources equal to 20%of the cost of the project-- 10</li> <li>○ Has financial resources below 20% of the cost of the project ----5</li> <li>○ Has not indicated sources of financial resources -----0</li> </ul>		<b>10</b>
<b>ix</b>	<b>Name, Address and Telephone of Banks (Contractor to provide)</b> <ul style="list-style-type: none"> <li>○ Provided ----- 5</li> <li>○ Not provided ----- 0</li> </ul>		<b>5</b>
<b>x</b>	<b>Litigation History</b> <ul style="list-style-type: none"> <li>○ Filled -----2</li> <li>○ Not filled -----0</li> </ul>		<b>2</b>
<b>xi</b>	<b>Sanctity of the tender document</b> <ul style="list-style-type: none"> <li>○ Having the document intact (not tempered with in any way) -----10</li> <li>○ Having mutilated or modified the tender document-----0</li> </ul>		<b>10</b>
	<b>TOTAL</b>		<b>100</b>

**Any bidder who scores 70 points and above shall be considered for further evaluation**

## **STAGE 3 - FINANCIAL EVALUATION**

The evaluation shall be in two sections

1. Preliminary examinations and
2. Tender sum Comparisons

### **A) PRELIMINARY EXAMINATIONS**

The preliminary examination in the Financial Evaluation shall be in accordance with clause 26 of Instruction to Tenderers.

The parameter to be considered under this section includes the following:

- a) Arithmetic errors and comparison of rates

#### **(1) Arithmetic Errors**

The bid shall be checked for arithmetic errors based on the rates and the total sums indicated in the bills of quantities.

- a) Confirmation shall be sought in writing from the tenderers whose tender sums will be determined to have a significant arithmetic error to their disadvantage, to confirm whether they stand by their tender sums. The error shall be treated as per **clause 24 of Instructions to Tenderers**.

Non compliance with the above shall lead to **automatic disqualification from further evaluation**.

Discount if any shall be treated as an error in pursuant to **clause 26.3** of Instructions to Tenderers

#### **(2) Comparison of rates**

The evaluation committee will compare rates from different bidders and note consistency of rates and front loading. The evaluation committee will judge and make an appropriate decision giving evidence.

### **B) TENDER SUMS COMPARISONS**

In this section, tender sums will be compared to the average of all sums for bidders who have qualified from **STAGE 3A** and score awarded to a maximum of 20 as shown below.

#### **1 Preliminary Average**

- i. The tender sums of various bidders, who qualify at **STAGE 3A** and the engineer's estimates, shall be reduced by omitting PC sums, provisional sums and contingency from the respective amounts. The **average** of the adjusted tender sums so obtained shall be calculated.
- ii. Any tenderer whose tender percentage deviation is 20% higher or lower than the average obtained above, will be deemed to be unreasonably high or low and shall not be included in determining the mean in table 3, However their bids will still be evaluated further. The Engineer's estimate will also be subjected to the same treatment.

## 2. Working mean

The detailed scoring plan shall be as shown in table 3 below:

**TABLE 3**

Item	Description	Score	Max. score
<b>i</b>	<p>Tender Sums: (The tender sums of binders, who qualify at STAGE 3A and the engineer's estimates, shall be reduced by omitting PC sums, provisional sums and contingency from the respectful amounts. The average of the adjusted tender sums so obtained shall be calculated. The deviation of the reduced amounts in respect of each bidder from the average shall then be worked out as a percentage of the average (Rounded off to one (1) decimal point) and scores allocated as follows :-)</p> <ul style="list-style-type: none"> <li>○ Deviation of between 0% and 1% ----- 30</li> <li>○ Deviation of between 1.1% and 2% ----- 28.5</li> <li>○ Deviation of between 2.1% and 3% ----- 27</li> <li>○ Deviation of between 3.1% and 4% ----- 25.5</li> <li>○ Deviation of between 4.1% and 5% ----- 24</li> <li>○ Deviation of between 5.1% and 6% ----- 22.5</li> <li>○ Deviation of between 6.1% and 7% ----- 21</li> <li>○ Deviation of between 7.1% and 8% ----- 19.5</li> <li>○ Deviation of between 8.1% and 9% ----- 18</li> <li>○ Deviation of between 9.1% and 10% ----- 16.5</li> <li>○ Deviation of between 10.1% and 11% ----- 15</li> <li>○ Deviation of between 11.1% and 12% ----- 13.5</li> <li>○ Deviation of between 12.1% and 13% ----- 12</li> <li>○ Deviation of between 13.1% and 14% ----- 10.5</li> <li>○ Deviation of between 14.1% and 15% ----- 9</li> <li>○ Deviation of between 15.1% and 16% ----- 7.5</li> <li>○ Deviation of between 16.1% and 17% ----- 6</li> <li>○ Deviation of between 17.1% and 18% ----- 4.5</li> <li>○ Deviation of between 18.1% and 19% ----- 3</li> <li>○ Deviation of between 19.1% and 20% ----- 1.5</li> <li>○ Deviation of 20.1% and above ----- 0</li> </ul>		30
	<b>TOTAL</b>		30

The Tender sum score will be carried forward to **STAGE 4**

**TEC/6**

### **C) FINANCIAL SCORE**

The financial score (Fs) will be determined by comparing tender sums from all responsive bidders using the formulae below. The financial score will be allocated a maximum of 20%.

$$F_s = 20 \times F_m/F$$

Where  $F_s$  is the financial score,  $F_m$  is the lowest priced responsive financial bid and  $F$  is the price of the bid under consideration

### **STAGE 4 - FINAL SCORE**

The total score will be combined sums of Technical, Tender Sums Comparison and Financial marks as below:

$$\begin{aligned} &\text{Technical (Ts) + Tender Sums Comparison (TSC) + Financial (Fs)} \\ &= T_s + TSC + F_s \end{aligned}$$

### **RECOMMENDATION**

The lowest responsive bidder who score 75% and above may be recommended for award.

**STAGE 4 - COMBINATION OF TECHNICAL, TENDER SUMS COMPARISON AND FINANCIAL SCORE.**



## **STAGE 5 - POST-QUALIFICATION**

An evaluation committee may, after tender evaluation, but prior to the award of the tender, conduct due diligence and present the report in writing to confirm and verify the qualifications of the tenderer who submitted the lowest evaluated responsive tender to be awarded the contract in accordance with this Act.

The conduct of due diligence may include obtaining confidential references from persons with whom the tenderer has had prior engagement.

To acknowledge that the report is a true reflection of the proceedings held, each member who was part of the due diligence by the evaluation committee shall-

- (a) initial each page of the report; and
- (b) append his or her signature as well as their full name and designation.