



# SDF Procurement Procedures Manual



Social Development Foundation (SDF)

**Ministry of Finance**  
**Bank and Financial Institutions Division**

# **Procurement Procedures Manual**

Managing Director  
Social Development Foundation (SDF)  
6/6 Block F, Lalmatia, Mohammadpur  
Dhaka 1207, Bangladesh

January 2015



This manual is made possible by the generous support of the American people through the US Agency for International Development (USAID), under the terms of cooperative agreement number AID-OAA-A-11-00021. The contents are the responsibility of Management Sciences for Health and do not necessarily reflect the views of USAID or the United States Government.

## **About SDF**

The goal of the Systems for Improved Access to Pharmaceuticals and Services (SIAPS) Program is to assure the availability of quality pharmaceutical products and effective pharmaceutical services to achieve desired health outcomes. Toward this end, the SIAPS result areas include improving governance, building capacity for pharmaceutical management and services, addressing information needed for decision-making in the pharmaceutical sector, strengthening financing strategies and mechanisms to improve access to medicines, and increasing quality pharmaceutical services.

## **Recommended Citation**

This manual may be reproduced if credit is given to SIAPS. Please use the following citation.

Directorate General of Family Planning, Ministry of Health & Family Welfare. 2012. *Procurement Procedures Manual*. Submitted to the US Agency for International Development by the Systems for Improved Access to Pharmaceuticals and Services (SIAPS) Program. Arlington, VA: Management Sciences for Health.

Systems for Improved Access to Pharmaceuticals and Services  
Center for Pharmaceutical Management Management Sciences  
for Health  
4301 North Fairfax Drive, Suite 400  
Arlington, VA 22203 USA  
Telephone: 703.524.6575  
Fax: 703.524.7898  
E-mail: [siaps@msh.org](mailto:siaps@msh.org)  
Website: [www.siapsprogram.org](http://www.siapsprogram.org)

# CONTENTS

Preface.....	v
Acknowledgements.....	vi
Abbreviations and Acronyms .....	vii
Definitions.....	viii
Chapter 1:	
Application of Procedures.....	1
Chapter 2: General Policies and Guidance .....	3
2.1 Introduction .....	3
2.2 Organization for Procurement.....	3
2.3 Procurement Planning .....	3
2.4 Procurement Monitoring and Evaluation .....	4
2.5 Procurement Tracker .....	5
2.6 Procurement Records .....	5
2.7 Post-Procurement Review .....	7
2.8 Product Quality Assurance .....	7
2.9 Procurement Portfolios .....	9
2.10 Materials Standardization .....	9
2.11 Materials Specifications .....	9
2.12 Samples .....	9
2.13 Prospective Bidders.....	10
2.14 Ethical Code .....	11
Chapter 3: Responsibilities and Thresholds.....	13
3.1 Ministry of Health and Family Welfare .....	13
3.2 Logistics and Supply Unit .....	13
3.3 Forecasting Working Group.....	14
3.4 Tender Opening Committee (Rule 7 – PPR 2008).....	15
3.5 Tender/Proposal Evaluation Committees (Rule 8 – PPR 2008).....	15
3.6 Constitution of TEC/PEC .....	15
3.7 Technical Subcommittees.....	16
3.8 Ordering.....	16
Chapter 4: Procurement Methods and Procedures.....	17
4.1 Introduction .....	17
4.2 Procurement Procedures.....	17
4.3 Procurement Methods.....	18
4.4 Prequalification of Suppliers .....	19
4.5 Framework Contracts .....	20
4.6 Applicable Law .....	20
4.7 Open Tender Procedures .....	20
4.8 Opening of File.....	21
4.9 Preparation of the Tender Document .....	21
4.10 Specifications .....	21
4.11 Bid Security.....	22
4.12 Delivery Periods and Performance.....	22
4.13 Bid Validity .....	23
4.14 Bid Currency .....	23

4.15	Liquidated Damages.....	23
4.16	Packing and Marking.....	23
4.17	Approval of Tender Document.....	23
4.18	Invitation for Bids .....	23
4.19	Activities during Bidding Time.....	24
4.20	Postponement of Bid Opening .....	24
4.21	Cancellation of Invitation before Opening.....	24
4.22	Bid Submission, Opening, and Recording .....	24
4.23	Bid Samples.....	25
4.24	Rejection of all Bids after Opening.....	26
4.25	Examination of Bids .....	26
4.26	Minor Irregularities in Bids.....	27
4.27	Currency Conversion.....	27
4.28	Evaluation and Comparison of Bids.....	27
4.29	Price Adjustment .....	27
4.30	Post-Qualification.....	28
4.31	Contract Award, Monitoring, Expediting, and Shipment .....	28
4.32	Clearing and Delivery and Post-Delivery Considerations .....	30
Chapter 5: Complaints and Appeals .....		33
5.1	Right to Complain .....	33
5.2	Submission of Complaints to the Administrative Authority, Disposal of Appeals, etc. ....	34
5.3	Formation of Review Panel.....	35
5.4	Authority to Suspend Issuance of NOA .....	35
Annex 1. Supplier Registration Form .....		37

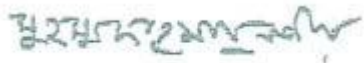
## CONTENTS

Procurement is a specialized subject that requires a high degree of knowledge and skill from those who are engaged in procurement of goods, works, and services. It is, however, difficult for any official dealing with procurement in the Directorate General of Family Planning (SDF) to go through scores of documents that guide procurement practices in order to perform their day-to-day activities.

The objective of the *Procurement Procedures Manual* is to ensure use of public resources with due care for economy, efficiency, and transparency in procurement management. The policies, procedures, and practices specified in this *Procurement Procedures Manual* for SDF officials are meant to provide instructions and guidance to all staff dealing with procurement within the SDF of the Ministry of Health and Family Welfare.

I understand that the manual has been carefully prepared to ensure consistency with the Government of Bangladesh's procurement policy, laws, and regulations contained in the Public Procurement Act 2006 (PPA), Public Procurement Rules 2008 (PPR), and the Guidelines for Procurement under the International Bank for Reconstruction and Development (IBRD) or World Bank and International Development Association (IDA) loans and credits. This document would be revised from time to time so as to incorporate any amendments made in the PPA, PPR, or multilateral agencies' procuring guidelines.

Strengthening Pharmaceutical Systems (SPS) Program has worked with SDF to facilitate the whole process of the development of the manual from beginning to the end. The hard work and dedication of all concerned in SDF and SPS have made this effort a success. The US Agency for International Development supported this initiative through technical assistance. I hope this manual will be of help to all concerned.



Md. Humayun Kabir  
Senior Secretary  
Ministry of Health and Family Welfare

## PREFACE ACKNOWLEDGEMENTS

This *Procurement Procedures Manual* has been designed specifically for procurement personnel of the Social Development Foundation (SDF), Ministry of Finance (MoF-BFID), to use as a quick reference book. The manual is intended to provide instructions and guidance on policies, procedures, and practices in procurement for all officials dealing with procurement of goods and services.

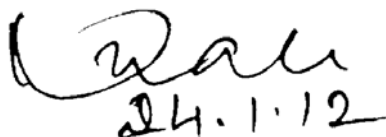
The successful completion of the *Procurement Procedures Manual* has gone through discussions, workshops, and a review workshop involving MoF-BFID, SDF.

Grateful acknowledgement for the contribution of all who made it complete: the Country Director, Deputy Country Director, and the team of SPS Bangladesh and the Director, SPS, Arlington, VA, deserve special thanks for their sincere support and contributions in accomplishing the task. The Director (Logistics and Supply), with his procurement team, worked hard and made valuable suggestions to make the manual constructive and user friendly.

We sincerely acknowledge the extraordinary support and encouragement from Mr. Humayun Kabir, Secretary, and Mrs. Aktari Mantaz, Joint Secretary (Development and Medical Education), MoF-BFID, to get the job done.

Special thanks for the valuable contribution and suggestions made by Ms. Khadijat Mojidi, Director, Office of Population, Health, Nutrition and Education; Dr. Marcos Arevalo, Senior Family Planning Adviser of the US Agency for International Development/Bangladesh; and Mr. Pemraj Gonsalkorale for his dedication and hard work on development of this manual.

We hope that the manual will serve the purpose it is intended for.



M. M. Neazuddin  
Director General  
Directorate General of Family Planning



## ABBREVIATIONS AND ACRONYMS

BDT	Bangladesh Taka
C&F	Clearing and forwarding agent
CPTU	Central Procurement Technical Unit
MD-SDF	Managing Director -SDF
SDF	Social Development Foundation
DIRECTOR	Director, Finance and Procurement
PCT	Procurement Core Team
GOB	Government of Bangladesh
HOPE	Head of Procuring Entity
IBRD	International Bank for Reconstruction and Development
ICB	International competitive bidding
IDA	International Development Association
L/C	Letter of credit
LD	Line Director
MoF-BFID	Ministry of Finance-Bank and Financial Institutions Div
NCB	National competitive bidding
NOA	Notification of award
PEC	Proposal Evaluation Committee
PPA	Public Procurement Act
PPR	Public Procurement Rules
STD	Standard Tender Document
TEC	Tender Evaluation Committee
TOC	Tender Opening Committee
TSC	Technical Subcommittee
WB	World Bank

## **PREFACE DEFINITIONS**

Wherever used in this document, the following terms or expressions shall have the following meanings.

- **Purchaser:** the Social Development Foundation represented by the Managing Director, SDF and by the Director, Finance & Procurement is responsible for procurement
- **Supplier:** provider of goods or services
- **Goods:** all of the equipment, machinery, and other materials that the supplier is required to supply to the purchaser under the contract
- **Contract:** agreement entered into between the purchaser and the supplier as recorded in the Formal Written Agreement signed by the parties including all attachments and appendices thereto and all documents incorporated by reference therein
- **Contract price:** the price payable to the supplier under the contract for the full performance of its contractual obligations
- **Delivery:** delivery by the dates set out in the contract
- **Tests:** such test or tests as are prescribed in the contract or considered necessary to confirm the specification of the goods
- **Procurement plan:** schedule of procurement activities
- **Tendering:** the systematic procedure of soliciting offers from suppliers
- Tendering and bidding are synonymous for the purposes of this manual
- Tenderer and bidder are synonymous for the purposes of this manual

## **CHAPTER 1: APPLICATION OF PROCEDURES**

1. The policies, procedures, and practices specified in this *Procurement Procedures Manual* are meant to provide instructions and guidance to all staff dealing with procurement within the SDF of the Ministry of Finance-BFID. The SDF reserves the authority of expending and accounting for all resources according to the procurement procedures herein.
2. The objective of these procedures is to ensure use of public resources with due care for economy, efficiency, transparency, accountability, and consistency in procurement management. Use of these procedures also ensures that awarding contracts is done in an appropriate manner.
3. The Head of Procuring Entity (HOPE) or any person designated by HOPE will appoint a Tender Opening Committee (TOC) for the purpose of opening submitted bids.
4. The Approving Authority, as per the Public Procurement Rules (PPR 2008), will appoint Tender Evaluation Committees (TECs) or Proposal Evaluation Committees (PECs) and Technical Subcommittees (TSCs) to evaluate bids and make award recommendations to the Approving Authority.
5. This manual is the authoritative document only in the areas of procurement management that it covers. The manual has been prepared carefully to ensure consistency with the Government of Bangladesh's (GOB's) procurement policy, laws, and regulations contained in the PPA, PPR, and the *Guidelines for Procurement under IBRD Loans and IDA Credits*.<sup>1</sup>
6. This manual may be revised from time to time to include any amendments to the PPA, PPR, or World Bank (WB) procurement guidelines, or to prescribe new or improved procedures that simplify the procurement process and otherwise help to accomplish the objective of the SDF's activities based on Government decisions.
7. The manual describes the policies and procedures relevant to the procurement cycle of the SDF.
8. In the event that any statement or word in this document is in conflict with PPR 2008 or subsequent amendments, the PPR will prevail and shall remain the authoritative document.

---

<sup>1</sup> *Guidelines for Procurement under IBRD Loans and IDA Credits*, May 2004; Revised October 1, 2006 and May 1, 2010, January 2011



## **GENERAL POLICIES AND GUIDANCE**

### **2.1 Introduction**

The provisions in this *Procurement Procedures Manual* are based on worldwide competitive bidding practices adopted by procurement practitioners. The objective is the attainment of value for money by applying practices that take into account efficiency, economy, and transparency in the procurement process through solicitation of bids from all eligible sources.

### **2.2 Organization for Procurement**

The Managing Director, SDF shall conduct the procurement of all commodities, including office equipments, furniture's an fixtures, vehicles, motor-cycles, bi-cycles, information and education materials and other printing materials/ products as assigned by the HOPE for distribution to end users throughout the country. Procuring entities of SDF shall conduct the procurement of other commodities according to the needs of their operational plans.

### **2.3 Procurement Planning**

Planning for procurement should start with estimating annual requirements of individual operational plans under the purview of the different Line Directors (LDs) in SDF. Planning should take into account long-term strategies for efficiency, and cost effectiveness and optimum uses of resources. Procurement planning reduces the number of emergency orders and results in lower purchase costs and improved service delivery. Such planning should also take into consideration the information needs of the supply chain, from initiation through delivery, on a holistic basis. Effective procurement planning, or the lack of it, has a very definite impact on the overall schedule of SDF and the attainment of their goals and objectives.

The DIRECTOR- FINANCE & PROCUREMENT shall be responsible for supply planning at SDF, under the purview of and coordinated by a designated officer(s). The designated officer(s) may act as the Supply Planning Officer(s) and shall develop the initial forecasts in collaboration with the respective LDs. The forecasts will then be consolidated taking into consideration stock on hand, stock on order, and consumption trends, using appropriate forecasting tools and methodologies. The DIRECTOR- FINANCE & PROCUREMENT will act as the member secretary of the Procurement Core Team (PCT).

The supply planning function will—

1. Develop a five-year rolling forecast for Goods/Works/Services that is reviewed annually
2. Develop a three-year rolling supply plan that is reviewed every quarter; the plan will draw information on demand for Goods/Works/Services from the five-year forecast
3. Provide inputs to the development of annual procurement plans; this plan will draw information on quantities of items to be procured from the supply plan

## CHAPTER 2:

The procurement plan will consist of—

- Schedules of requirements
- Estimated costs
- Approving Authority
- Sources of funding
- Applicable procurement methods
- Processing times, up to the final contract signing
- Estimated delivery time

A consolidated annual procurement plan should be presented to the SDF by the PCT for approval by the first week of **April**.

### 2.4 Procurement Monitoring and Evaluation

The DIRECTOR- FINANCE & PROCUREMENT shall establish a system to continuously monitor all procurement information, including the number and value of contracts procured through each method and the performance status of each contract. The indicators to monitor procurement and supply management will include—

- Average time between the **product order point** (taken as the point at which the letter of credit is opened or the contract signed) and **receipt of goods**; this measures the average fulfillment lead time
- Average time between the **desire to order point** (taken as the point at which the annual forecast is approved by the PCT) and the **receipt of goods**; this is a measure of the total procurement lead time
- Average time for the following key internal and external activities—
  - Time taken from the point when the consolidated annual procurement plan was sent to MoF-BFID to the point when MoF-BFID approval was received
  - Time taken from the point when the consolidated annual procurement plan for WB funded procurement was sent to the WB to the point when WB approval was received
  - Time taken from the point when bid documents were submitted to the WB to the point the WB No Objection was received for the bid documents
  - Time taken from point of tender opening to the point of submission of the bid evaluation report to the WB
  - Time taken from the point the bid evaluation report was submitted to the WB to the point the WB No Objection was received for the award per the bid evaluation report
  - Time taken from the point when the purchase summary was submitted to MoF-BFID to the point when approval was received
  - Number of contracts signed within the initial bid validity period

- Contract price of products in the latest tender compared with prices from previous tenders for the same products and (when possible) for approximately similar quantities
- Contract price of products in the latest tender compared with the median prices reported in international price indicators.

The indicators for procurement performance will be reviewed periodically engaging the internal audit team or externally appointed team as necessary.

## **2.5 Procurement Tracker<sup>3</sup>**

The SDF is being developed a web-based tracker to monitor the procurement process. All steps in the procurement cycle for each commodity package, from its origin (the point of the issuance of an approval for the annual procurement plan by the HOPE) to the receipt of supplies, shall be monitored by the procurement tracker. The tracker will track the following procurement milestones—

- HOPE approval for the consolidated annual procurement plan
- MoF-BFID consent for the consolidated annual procurement plan
- WB No Objection for the Pool Fund-funded component of the consolidated annual procurement plan
- WB No Objection for bidding documents
- Tender/quotation invitation
- Closing of tender/quotation
- Tender evaluation report
- Award recommendation to WB (when applicable)
- WB No Objection for award
- MoF-BFID approval for award (when applicable)
- Notification of award (NOA) to successful bidder
- Signing of the contract
- Establishment of the letter of credit (L/C)
- Shipment by supplier
- Receipt of supply in warehouses

Maintenance of the tracker is the responsibility of the DIRECTOR- FINANCE & PROCUREMENT.

## **2.6 Procurement Records**

The DIRECTOR- FINANCE & PROCUREMENT shall maintain records and documents on all procurement activities for a minimum of **five** years, which commences from the receipt of goods in the warehouse, either in full or partially. Procurement records shall be maintained from the beginning of

---

<sup>2</sup> <http://erc.msh.org/mainpage.cfm?file=1.0.htm&module=Dmp&language=English>

<sup>3</sup> <http://SDFImis.org/proctracker/index.php>

procurement planning to the completion of the contract and must include a copy of the goods received notes.

The DIRECTOR- FINANCE & PROCUREMENT will maintain a secure storage system for all procurement documentation. Each procurement record shall, as a minimum, contain the following documents and information—

1. The approved annual consolidated procurement plan
2. Technical specification from user LD
3. A copy of the published advertisement (newspaper and website) as well as copies of invitations for applications, tenders, proposals, quotations, or other solicitations
4. A copy of any prequalification, tender, proposal, or other solicitation documents and revisions thereof
5. A copy of the official cost estimate for the contract as per the Operational Plan
6. Pre-bid minutes, if applicable
7. The names and addresses of tenderers or applicants who submitted tenders, proposals, or quotations
8. Minutes of tender or proposal opening meeting
9. All communications with tenderers or applicants
10. The bid document and tenders and proposals or quotations received
11. The bid evaluation report by the TEC/PEC
12. Other technical reports (if any – from TSC, TEST report, etc.)
13. No Objection on TEC/PEC evaluation report from WB for Pool Fund-funded packages (only for prior review packages)
14. Approvals from Approving Authority of TEC/PEC evaluation reports
15. NOA and the contract documents
16. Information relating to any decision on temporary suspension or annulment of procurement proceedings after initiation
17. Documentation on any appeal or complaint concerning the procurement proceedings
18. Contract award notice, including name and address of the tenderer to whom the contract was awarded as well as the contract price (where applicable)
19. Copy of performance security release (where applicable)
20. L/C documents
21. Pre-shipment inspection reports (where applicable)
22. Delivery and acceptance reports for goods
23. Copies of all amendments made to the contract and variation orders issued affecting the conditions of the contract relating to the contract price and the delivery schedule
24. All records of payment including invoices for procurement of goods
25. Rejection, re-call, and withdrawal documents (if any)
26. Any other relevant documentation



The procurement file should have a checklist, signed by the desk officer responsible for the package, confirming that the documents listed are available in the file.

If any particular document is not on the file, a note explaining its absence and stating where the document can be located (if it is maintained by another department or unit) shall be included in the file.

## **2.7 Post-Procurement Review**

The HOPE shall arrange for annual post-procurement reviews of packages in compliance with the mandatory procurement reviews per the PPA 2006 and PPR 2008. This review shall be carried out by an independent external auditor or reviewer appointed by the SDF. The findings of the review shall be provided to the SDF/MoF-BFID, the Central Procurement Technical Unit (CPTU), and the WB. In addition to the annual mandatory reviews, the DIRECTOR- FINANCE & PROCUREMENT may conduct internal management reviews with the objective of strengthening processes wherever deficiencies are found. The overall objectives of any procurement review will be—

- Establish the existence of documentation supporting the procurement system
- Evaluate and assess the adequacy of internal controls
- Examine compliance with prescribed procurement procedures and tender law
- Ensure that funds provided for procurement are spent efficiently
- Report on weaknesses identified during the review
- Make recommendations for improvements

## **2.8 Product Quality Assurance**

Good quality goods, works and services are a critical factor in safeguarding the interest of SDF. Poor quality are unlikely to fulfill their purpose of organizational objectives. In worst-case scenarios, they can be detrimental to reputation of the organization. Besides procuring from reliable and quality suppliers, appropriate pre- and post-shipment inspection and surveillance of the goods throughout the delivery, customs clearance, warehousing, and distribution processes are important to make sure that products of the right quality are procured and that the quality is maintained through good storage and distribution practices. Once in the distribution system, reliable monitoring of expiry dates and storage conditions as well as recognizing and responding to product defects and adverse reactions are critical.

### **2.8.1 Product Quality Assurance during the Bidding Process**

Ensuring product quality is an essential component of the procurement process. It is achieved through appropriate selection of commodities, preparing comprehensive technical specifications/terms of reference/description of service and by procuring from qualified manufacturers whose product quality and good manufacturing practices have been confirmed by reputed independent sources supported by appropriate certifications for Good Manufacturing Practices, in conformity with the provisions of the WHO certification scheme for goods moving in international commerce.<sup>4</sup> The quality standards and certifications required by SDF for the submission of a bid shall be specified in the bidding document. It will be the responsibility of the TSCs and

---

<sup>4</sup> [http://www.who.int/medicines/areas/quality\\_safety/regulation\\_legislation/certification/guidelines/en/index.html](http://www.who.int/medicines/areas/quality_safety/regulation_legislation/certification/guidelines/en/index.html)

TECs/PECs to check this documentation and ensure only bids complying with the requirements are considered during bid evaluation.

### **2.8.2 Pre-Shipment Inspection and Testing**

Product quality assurance can be facilitated by pre-shipment quality inspection and testing. This inspection and certification usually covers quality, quantity, and reasonableness of price. Imports procured through competitive bidding processes shall not be subject to price verification, but only verification for quality and quantity.

As per the list of the National Board of Revenue, SDF shall retain the services of reputable, independent, pre-shipment inspection agencies to conduct visual inspections and/or testing of all consignments meant for SDF prior to shipment. In the event that a pre-shipment quality check indicates that all or some of the batches have failed to meet quality standards, SDF will not accept the batches in question and may reject the entire consignment. Bidding documents for all procurements shall contain provisions indicating that the SDF shall require pre-shipment inspections of all consignments.

### **2.8.3 Post-Shipment Inspection and Testing**

All goods received by SDF shall be subjected to post-shipment inspection to ensure conformity to required quality and technical specifications. This post shipment process may involve visual inspection and/or laboratory testing of samples. In visual inspection, incoming commodities are critically examined for obvious quality defects and for conformity to product specifications mentioned in tender documents. Visual inspection should be carried out by a **Standing Board**. A number of tests can be performed at the time of receipt to assure quality of the products received. However, doing laboratory testing on a routine basis is expensive and time consuming. Hence, in practice, it is important to decide what specific products should be tested and how often. A two-stage sampling technique may be used in which a small sample is examined and a second, larger sample is drawn and inspected only in the event the first sample fails visual inspection.

Post-shipment laboratory testing should not be used as a routine procedure. It should be done selectively, for example, when products are purchased from a new supplier or when it is decided that a particular supply or selected batches of a supply should be subjected to post-shipment quality testing if there is reason to doubt the quality of the supply.

If SDF undertakes post-shipment quality testing of one or more batches, steps should be taken to isolate all the stock in question and not distribute it until the test report is received and the products / services is reported to comply with the quality standards specified in the SDF bidding documents.

If products / services fail testing, SDF should take action to secure fresh supplies from the manufacturers free of charge as specified in the tender documentation. The failed products / services should be quarantined and separated from other stock. The bid documentation should also contain a clause that clearly states that the company that supplies failed products / services will be responsible for removing them from the SDF warehouse within a stipulated time.

It is important that the bid documentation clearly states the requirements for pre- and post-shipment inspections so that all prospective bidders are properly aware of these conditions.

## **2.9 Procurement Portfolios**

The procurement portfolios handled by the DIRECTOR- FINANCE & PROCUREMENT include -----  
equipment, and other commodities that may be required from time to time.

## **2.10 Materials Standardization**

The use of open, competitive bidding procedures in publicly funded procurement can be streamlined and, in particular, special attention paid to the development of specifications to help achieve some of the benefits available through standardization wherever possible.

## **2.11 Materials Specifications**

The specifications for an item should be based on the general purpose for which the item is intended and not only upon the design, cost, or quality. It is particularly important to avoid the use of brand names in material specifications. Where unavoidable, the phrase “or equivalent” should be used.

A performance (or generic) specification gives a clear idea of the function, application, and performance required of the supplied goods or services. From such specifications, suppliers can often provide new, improved, or cheaper solutions. A conformance (or particular) specification restricts the supplier to providing the actual article as physically described. Any of these could be used when necessary.

Specifications must be clearly, accurately, and completely drawn so as to leave no doubt in the supplier’s mind as to what the purchaser requires. Unnecessarily restrictive requirements, which may unduly limit the number of bidders, shall be avoided.

Specifications shall be drawn up by the individual LDs responsible for managing different products/services in collaboration with procurement desk officers. Where appropriate, assistance must be sought from technical experts to ensure preparation of the correct specifications.

### **2.11.1 Materials Specifications Database**

The DIRECTOR- FINANCE & PROCUREMENT shall develop a database of material specifications that shall be regularly updated to ensure accuracy and reliability. Such a database will become an invaluable management tool for facilitating the objectives of the supply process under the sector, i.e., efficiency, economy, and transparency without sacrificing quality. Development of the database may commence with the specifications of the last procurement package for individual items approved by the WB with respect to Pool Fund-funded procurement.

## **2.12 Samples**

Requiring submission of samples along with the bids should be discouraged. Normally no samples should be requested, and decisions on award should be made based on merit of the bid and bidding qualifications. In exceptional cases when submission of samples is justified, because of high risks and quality assurance reasons, the bidding documents should identify this circumstance and require the successful bidder to provide samples for tests before award, allowing a reasonable time for such submission. However, the procedures and details of tests to be conducted should be specified and results of tests obtained within a reasonable time of

about **two weeks**. For such items, bidders should be required to submit, along with their bids, test results conducted in a recognized laboratory. If the samples fail pursuant to tests conducted by the purchaser, bidders will be notified of the discrepancies and items of failure, accompanied by test reports, will be returned to the bidder.

## **2.13 Prospective Bidders**

### **2.13.1 Sourcing Prospective Bidders**

One of the greatest challenges within a procurement organization is establishing specifications and reliable competitive sources for goods. Sources of prospective bidders include—

1. Newspapers and publications; prospective bidders and manufacturers can apply for placement on a prospective bidders list
2. Invitation to tender for specific requirements via the media
3. Trade directories and reference manuals provided by specific industries
4. Trading organizations, chambers of commerce, embassies/commercial attaches, and other similar organizations
5. Local trade fairs and exhibitions; manufacturers' brochures can be collected for future study and analysis
6. Other procurement managers and contacts in local and foreign institutions
7. Internet searches

### **2.13.2 Evaluation of Prospective Bidders**

A number of steps may be undertaken when evaluating prospective bidders, including formal bidder registration by SDF, reference checks with previous customers, the purchase of small quantities for trial or testing, and formal and informal information collection. When potential bidders have been located and identified, the next step is to evaluate their suitability for inclusion. The prospective bidder may be required to complete a bidder information form (annex 1). Prospective bidders may be evaluated by a process of pre- or post-qualification. In the case of prequalification, the process is similar to an open tender with the main difference that quantities required are not indicated, because the objective is to identify prospective bidders who are qualified to supply a particular item. Actual procurement may then be done by calling for prices from only the prequalified bidders for specific quantities. A prequalification is undertaken well before the actual procurement. In the case of post-qualification, relevant sections of the information required on the bidder information form shall be incorporated in the tender documents and as part of the evaluation criteria.

A determination of a prospective bidder's qualification shall be based on tender criteria and assessed as pass or fail. The DIRECTOR- FINANCE & PROCUREMENT shall develop evaluation criteria based on GOB and WB guidelines for the selection of prospective bidders. On completion of the evaluation, the assessment is to be confirmed by the MD-SDF before a bidder is included in a bidder database. The qualifications of prospective bidders shall be reviewed **at least every two years**.

### **2.13.3 Bidder/Supplier /Consultants Database**

The DIRECTOR- FINANCE & PROCUREMENT shall develop a database of competent bidders and suppliers that will be regularly maintained and updated to ensure its accuracy and reliability.

#### **2.13.4 Supplier Monitoring and Performance Appraisal**

Continued good performance by suppliers can be ensured through a formal monitoring system that tracks:

- lead time;
- compliance with contract pricing terms and delivery schedules;
- solicited partial shipments;
- remaining shelf-life requirements;
- compliance with product quality,
- packaging, and labeling instructions; and
- compliance with other contract terms.

The DIRECTOR- FINANCE & PROCUREMENT shall maintain a file for each supplier that contains copies of registration documents, references, correspondence, complaints, and other anecdotal supplier information. The information system should track the number and value of bid contracts awarded chronologically and the value of total purchases from the supplier by year.

On completion of a contract, the performance of the successful bidder shall be assessed by the DIRECTOR- FINANCE & PROCUREMENT on the basis of conformity to contract instructions, responses to progress enquiries, time and completion of delivery, and quality or specification. A bidder who performs poorly may have their name deleted from the bidder database.

Suggested matrices for measuring supplier performance may include—

1. Percentage of goods supplied in time per the delivery schedule specified in the contract
2. Goods supplied in variance with the delivery schedule specified in the contract expressed in time lines; for example, consignments received within one month either before or after the scheduled time, within two months of the scheduled time, etc.
3. Percentage of manufacturing items complying with specified quality standards in each consignment as confirmed by pre- and/or post-shipment quality testing

#### **2.14 Ethical Code**

Personnel entrusted with and involved in procurement shall never use their authority or office for personal gain and shall seek to uphold and enhance the standing of procurement practice in the SDF by—

1. Maintaining an impeccable standard of integrity in all their business relationships, both inside and outside the SDF
2. Fostering the highest possible standards of professional competence
3. Optimizing the use of resources for which they are responsible to provide the maximum benefit to the SDF
4. Complying with the letter and the spirit of the Laws of the Peoples' Republic of Bangladesh and the regulations contained in WB procurement guidelines and procedures
5. Rejecting any business practice which might reasonably be deemed improper

The DIRECTOR- FINANCE & PROCUREMENT shall develop a Code of Ethics that all staff members who are associated with any aspect of procurement management at SDF must

abide by.







## **CHAPTER 3: RESPONSIBILITIES AND THRESHOLDS**

### **3.1 Ministry of Finance**

MoF-BFID has oversight responsibilities for procurement in the SDF. Specifically, MoF-BFID is responsible for—

- Reviewing SDF's consolidated annual procurement plan, approving and allocating budgets for the plan
- Approving the award of contracts to successful bidders based on the purchase summary submitted by SDF; in the case of WB-managed procurement, approving the award of contracts based on the No Objection issued by the WB

### **3.2 Logistics and Supply Unit**

The Procurement / Logistics and Supply Unit shall be responsible for major procurement functions within SDF assigned by the HOPE. The Unit ensures that all required processes related to the management of tenders and emergency procurements are carried out in an efficient and timely manner and conform to the PPA 2006, PPR 2008, and WB's procurement procedures. Specifically, the Logistics and Supply Unit is responsible for—

- Procurement / Forecasting, planning, and operational activities relating to the procurement of goods/works/services and related commodities in the SDF
- Safe custody of all records, documents, and materials related to all procurement transactions
- Warehousing, transportation, and distribution of inventories in the SDF
- Strengthening the capacity of procurement and supply chain personnel of SDF

The major tasks of the Procurement / Logistics and Supply Unit in regard to procurement shall include—

- Maintaining and updating procurement documentation including standard bidding documents
- Developing and maintaining standard lists and specifications for various goods/works/services
- Developing and maintaining prospective bidder database
- Developing and maintaining materials specifications databases
- Forecasting and quantification of goods/works/services, including preparing five-year demand forecasts with annual reviews

- Preparing and maintaining the consolidated annual procurement plan for all SDF procuring entities
- Maintaining a supplier monitoring and evaluation system
- Execute procurement including—
  - Preparing tender documents
  - Launching tenders
  - Coordinating bid evaluation with the MD-SDF and LDs responsible for different procurement packages
- Obtaining No Objection from WB and approval from MoF-BFID for the annual procurement plan, bidding documents for each procurement package, and bid evaluation report and award as appropriate
- Contract award and follow up
- **Opening L/Cs**
- Facilitating clearance and payments
- Monitoring contracts
- Coordinating emergency procurement and donations
- Maintaining an efficient record management system for all procurement activities
- Maintaining a web-based procurement tracker

### **3.3 Procurement Core Team**

The PCT shall be responsible for reviewing and finalizing procurement estimates of goods/works/services to be procured by SDF for the ensuing supply cycle. The estimates may be adjusted in consultation with the LDs responsible for different goods/works/services based on budgetary allocations.

#### **3.3.1 Functions of PCT**

The PCT shall be responsible for recommending the five-year demand forecast and its annual reviews in consultation with the relevant LDs responsible for different goods/works/services. It will consider demand for goods/works/services from a organizational perspective and other leading operators in the private sector.

#### **3.3.2 Meetings of PCT**

The PCT shall meet **bi-monthly** and as required by the MD-SDF. The Procurement / Logistics and Supply Unit of SDF shall serve as secretariat of the PCT with the officer(s) responsible for supply planning facilitating meetings of the PCT.

#### **3.3.3 Composition of the PCT**

Membership shall include, but not be limited to—

- MD-SDF, who will serve as chair
- DIRECTOR- FINANCE & PROCUREMENT, who will serve as member secretary
- Relevant SDF LDs (as required by MD-SDF)

### **3.4 Tender Opening Committee (Rule 7 – PPR 2008)**

All bids shall be opened by a TOC appointed by the MD-SDF or an officer authorized by him or her or the Approving Authority, when the Approving Authority is below the level of MD; the TOC will comprise one member from the TEC/PEC and two other members. The DIRECTOR- FINANCE & PROCUREMENT or delegate will function as member secretary of the TOC.

### **3.5 Tender/Proposal Evaluation Committees (Rule 8 – PPR 2008)**

The TEC/PEC is a high-level committee formed as needed for the purposes of evaluating particular bids and making recommendations for awards and must include personnel specialized in the substantive nature of the bids to be evaluated. The TEC/PEC will be chaired by a member of the committee appointed by the Approval Authority; the rank of such a member must be immediately below the rank of the Approval Authority.

The TEC/PEC will submit an evaluation report with a recommendation for award to the MD-SDF. If the value of the award is within the MD-SDF threshold, the award may be approved or the documents returned to the TEC/PEC for further review or rejected in accordance with conditions specified in the PPR 2008. The MD-SDF will forward the TEC/PEC report and recommendations for award to MoF-BFID if the value of the award exceeds the MD-SDF's financial responsibility.

As provided for under Sub-rule 5(a) of Rule 8 PPR 2008, in order to assist the TEC/PEC with information and advice relating to procurement policies contained in the PPA, PPR, and WB guidelines and to provide the committees with the required procurement management expertise and information, every TEC/PEC shall include the DIRECTOR- FINANCE & PROCUREMENT or delegate, who may act as member or member secretary of the TEC/PEC.

More than one TEC/PECs shall be constituted on the basis of the value of items to be procured and to handle many procurement activities that need to be examined and evaluated at a particular point of time.

### **3.6 Constitution of TEC/PEC**

TEC or PEC shall be formed, as specified in Schedule II (Rule 8) of PPR 2008, prior to the invitation for application, tender, or proposal being issued, but certainly formed before the deadline for submission of applications, tenders, or proposals.

The Evaluation Committee shall include external members with knowledge of the items contained in the applications, tenders, or proposals who shall be designated, provided that, for procurements of values within ceilings mentioned in Schedule II, tender PECs shall be formed in accordance with the said Schedule II.

The Approving Authority shall form the Evaluation Committee.

### **3.7 Technical Subcommittees**

To ensure that all TECs/PECs are provided with the required technical information relating to the product or service being procured, assist with the evaluation of conformity with required specifications, document authentication, and provide assistance relating to procurement policy, the Approval Authority may appoint TSCs to undertake technical evaluations of the bids and advise the TEC/PECs of their findings. A TSC will comprise no more than three persons and must include personnel specialized in the substantive nature of the bids to be evaluated.

### **3.8 Ordering**

The DIRECTOR- FINANCE & PROCUREMENT or delegate shall have authority to manage the ordering procedures of regular commodities from a supplier holding a valid contract, up to the limit of the contracted quantity or value.

## **CHAPTER 4: PROCUREMENT METHODS AND PROCEDURES**

### **4.1 Introduction**

Procurement for regular requirements shall be done through international competitive bidding (ICB) or national competitive bidding (NCB) or national shopping procedures and emergency procurement shall be by means of restricted notices to all prequalified suppliers as provided for in paragraph 4.4 of this chapter. All tenders shall be evaluated for responsiveness as per conditions of the tender document and prices offered. All calls for quotations shall contain detailed specifications of the items and/or services to be supplied. Brand or trade names shall not be indicated in any of the notices for quotations.

The method of procurement for every procurement package shall be stated in the consolidated procurement plan which requires the approval of the HOPE. Prior approval of the WB of the procurement plan is required for procurements financed by the WB.

### **4.2 Procurement Procedures**

#### **4.2.1 Regular/Scheduled Procurement**

Bids for regular purchases shall be obtained through ICB or NCB procedures using the open tendering method. After entering into a contract for more than one year with a supplier, regular procurement shall occur through purchase orders issued by the DIRECTOR-FINANCE & PROCUREMENT.

#### **4.2.2 Emergency Procurement**

Emergency procurement is the acquisition of stocks to meet an emergency need, such as stock outs, natural disasters, disease outbreaks, accidents, etc. Emergency procurements may be conducted using restricted tendering procedures such as local or international shopping.

#### **4.2.3 Misprocurement**

The WB does not finance expenditures for goods and works which have not been procured in accordance with the agreed provisions in the loan agreement and as further elaborated in the procurement plan. In such cases, the WB will declare misprocurement, and it is the policy of the WB to cancel that portion of the loan allocated to the goods and works that have been misprocured. The WB may, in addition, exercise other remedies provided for under the loan agreement. Even after the contract is awarded after obtaining a No Objection from the WB, the WB may still declare misprocurement if it concludes that the No Objection was issued on the basis of incomplete, inaccurate, or misleading information furnished by the borrower or the terms and conditions of the contract had been modified without WB's approval<sup>5</sup>.

It is important therefore that procurement procedures be followed meticulously so that there is no chance that a procurement package will be declared a misprocurement and subject to serious consequences.

---

<sup>5</sup> Clause 1.14 of the World Bank Procurement Guidelines IDA 2011

### **4.3 Procurement Methods**

Regardless of which method is used, a number of activities or steps need to be taken prior to procurement. The items need to be selected, quantified, and packaged, and accurate technical specifications need to be drafted or identified. By identifying the range of sources for quality products, a review of the market for particular goods will help determine the best procurement method. **Sole source** / proprietary (only one known manufacturer or source) items must be procured from the primary manufacturer or its authorized agent.

These procurement methods for goods and non-consulting service shall be used—

- International competitive bidding
- National competitive bidding
- Limited international bidding
- National shopping
- Direct contracting
- Request for quotation

These procurement methods for consulting service shall be used—

- Quality and Cost Based Selections (QCBS)
- Quality Based Selections (QBS)
- Fixed Budget System (FBS)
- Lease Cost Selections (LCS)
- Consultants Qualifications (CQ)
- Single Source Selection (SSS)

#### **4.3.1 International Competitive Bidding**

ICB procedures shall be used as the preferred method for procurement.

- Tenders shall be openly advertised, and all eligible bidders shall be allowed to submit bids.
- The bidding period shall not be less than 42 days from the date of first advertisement, and in case of any amendments, not less than 21 days from the date of last advertisement.
- The advertisements shall be made in the national newspapers (one in Bangla and one in English) for wide circulation according to PPA 2006, PPR 2008, and IDA guidelines.
- Additionally, the advertisement may be placed in the international press or appropriate web sites if necessary.
- To attract greater competition for products with multiple sources of manufacture or to make use of prequalification processes already undertaken, manufacturers listed as prequalified for international institutions such as UNFPA or WHO may be contacted directly to request participation in the tender advertised by SDF.

#### **4.3.2 National Competitive Bidding**

National competitive bidding is used

- The advertisements shall be made in the national newspapers (one in Bangla and one in English) for wide circulation according to PPA 2006, PPR 2008, and IDA guidelines.
- where the value of the contract falls within the specified threshold as per Schedule I Rule 4 of PPR 2008,
- for relatively low-value goods where the item is unlikely to attract foreign competition and
- when there is good justification to restrict competition to local suppliers.

### 4.3.3 Limited International Bidding

Limited international bidding (LIB) is essentially ICB or NCB conducted by direct invitation to all prequalified or predefined suppliers and without open advertisement. This may be a more appropriate method when there are only a limited number of potential suppliers. The LIB short list shall include all qualified suppliers, including national ones, to ensure competitive prices.

### 4.3.4 Request for Quotation/National Shopping

Shopping shall be used for procuring

- readily available off-the-shelf goods
- standard specifications for commodities that are small in value
- A minimum of three quotations shall be solicited from three different suppliers
- Notices for quotations shall be in writing and will indicate the description/specification, quantity, and delivery place and time of the goods; the date, time, and place of submission for the quotations will also be included
- Quotations shall be in writing and shall be opened at the time indicated in the letter of invitation.
- The notices for quotations should indicate that quotations submitted late will be rejected.
- Depending on circumstances, quotations may be submitted by fax or email if so specified.
- The use of local or international shopping/quotation in lieu of open tender would require prior approval or ratification of the HOPE as the circumstances may dictate.

### 4.3.5 Direct Contracting

Procurement through placing direct orders (single sourcing) as a method would not be encouraged; however, when it is necessary, it shall be restricted to and reserved for—

1. Procurement of items which are proprietary (only one known manufacturer or source)
2. Repeat orders to meet additional requirements of the same product or for essential spares from the supplier of earlier procured equipment, provided there is no upward revision in the price of the item or a change in specification
3. Exceptional cases, such as in response to natural disasters
4. Procurement of goods and related services, in special cases from Government-owned industry using the Government's own funds

### 4.3.6 Procurement from United Nations Sources or Other Agencies

## 4.4 Prequalification of Suppliers

Prequalification is a formal procedure for the screening of potential bidders prior to invitation to bid.

The WB supports prequalification for the procurement of health sector goods, including pharmaceuticals, vaccines, and condoms. Prequalification contributes significantly to the purchase of high-quality products while maintaining the desired competitive nature of the procurement process.<sup>6</sup>

Prequalification is not intended to reduce competition, but to ensure that invitations to bid are extended only to those who have adequate capabilities and resources. Prequalification is usually necessary for limited-source products or products with particular formulation, bioavailability, or quality assurance issues. Prequalification shall be based entirely upon the capability and resources of prospective bidders to perform the particular contract satisfactorily, taking into account their experience and past performance on similar contracts; capabilities with respect to personnel, equipment, and manufacturing facilities; and financial position.

<sup>6</sup> Section 3.6.4 and Annex 2 in *Guidelines for Prequalification, Technical Note for the Procurement of Health Sector Goods*, May 2000; Revised May 2006

The invitation to prequalify for bidding on specific contracts or groups of similar contracts shall be advertised in local and international media as appropriate. The scope of the contract and a clear statement of the requirements for qualification shall be sent to those who responded to the invitation. All such applicants that meet the specified criteria shall be allowed to bid. All applicants shall be informed of the results of prequalification. The list of prequalified firms shall be updated periodically. Verification of the information provided in the submission for prequalification shall be confirmed at the time of award of the contract, and award may be denied to a bidder that is judged to no longer have the capability or resources to successfully perform the contract.

#### **4.5 Framework Contracts**

A framework contract is a contract concluded between a procuring entity and one or more vendors for the purpose of laying down the essential terms governing a series of specific contracts to be awarded during a given period (in particular as regards the duration, commodities/services, prices, etc.). SDF may enter into a framework contract under section 36 of the PPA for the supply of a quantity of similar items at specified prices during a defined period to avoid repeated tendering for the same requirement and to obtain better prices through economies of scale.

Framework contracts may be concluded following open or limited tendering with one or more suppliers to provide a range of goods and physical services over a defined period of time **not exceeding three years**. Framework contracts shall not be used to procure items or goods for prices higher than the market prices. Framework contracts may take several forms for procurement of—

- Definite quantities from a sole supplier for successive deliveries over a defined period of time and, when necessary, can be combined with an option to purchase additional quantities
- Approximate quantities from a sole supplier for successive deliveries over a defined period of time with or without an option for an extension
- Approximate quantities from several suppliers on an item-by-item basis for successive deliveries within a defined period of time with or without an option for an extension
- Approximate quantities of one or more items from a sole or a number of suppliers for successive deliveries over a shorter period of time without an option for extension

#### **4.6 Applicable Law**

The applicable laws under which the contracts shall operate are the laws of the Peoples' Republic of Bangladesh.

#### **4.7 Open Tender Procedures**

Upon approval of the procurement plan or requisition to procure and notification of availability of funds, the DIRECTOR- FINANCE & PROCUREMENT shall prepare an operational schedule and proceed with procurement to ensure delivery in a timely manner. For open competition, bids will be invited on the basis of detailed public notices and bid documents, which will contain—



1. Instructions to bidders
2. Bid data sheet
3. Form or letter of Bid
4. Form of Contract
5. Schedule of requirements
6. Specifications and drawings
7. Relevant Technical Data
8. Condition of Contract both General and particular conditions of the contract
9. List of Goods or Bill of Quantity
10. Delivery time or Schedule of Completion
11. Standard forms (e.g., bid securities, performance securities)
12. Necessary appendices i.e. formats for various Securities

#### **4.8 Opening of File**

A file shall be opened for every procurement package upon which a status summary form shall be affixed. The procurement personnel must enter the expected time line on this form to serve as a yardstick by which actual time can be compared and to help maintain a concise and chronological summary of all actions from initiation to completion of the procurement. The status summary will contain a full history of transactions for the purpose of providing—

1. Summary background information to ensure informed decision making at each stage of the procurement cycle
2. Information on actions taken by personnel in the procurement cycle
3. Information for review and investigation of certain actions
4. Essential information in the event of any inquiries, litigation, or audit

#### **4.9 Preparation of the Tender Document**

Tender documents shall be prepared for all contracts. Use of standard bidding documents is recommended. Although the level of detail in the tender document will depend on the size and nature of the contract, it should clearly specify the—

1. Items required
2. Specifications
3. Bidding procedure
4. Criteria for bid evaluation and contract award
5. Any special conditions

#### **4.10 Specifications / Terms of Reference / Description of Services**

Specifications must be clear, accurate, complete, and drawn in such a manner as not to be unnecessarily restrictive, which unduly limits competition. Specifications should leave no doubt in the minds of potential bidders as to the nature of the goods, works, or services required.

Specifications must be drawn up by the respective line directorates responsible for estimating different RH commodities. Where technical considerations are involved, expert assistance shall be sought to draw up the right specifications.

#### **4.11 Bid Security**

The purpose of a bid security is to assure the purchaser that the validity of a bid will be maintained until the contract is awarded and signed and a performance security is furnished within the time stipulated as mentioned in Schedule II in the PPR 2008.

The bid security amount shall be fixed, but will not exceed 3% of the estimated value of the package and in the format specified in the tender document.

However, when the total value of the bid is below BDT 500,000 and the direct/request for quotation method procurement is being used, or when services are being procured, no bid security shall be required. In all other instances, a bid security shall be provided with the bid or before the deadline specified for submission of bids.

After the bid opening, bid securities would no longer be accepted; if the bid security is submitted in a non-compliant manner, changes or revisions will not be accepted. All bids without bid securities or adequate bid securities shall be rejected.

The purchaser shall call in the bid security if the bidder—

- Withdraws his bid before expiry of its validity
- Refuses to sign the contract after bid acceptance
- Refuses to provide the required performance security after signing the contract

Bid securities shall be released to the successful bidders after the contracts have been accepted and a performance security furnished. Bid securities of nonresponsive bidders shall be released after approval of bid evaluation report and of responsive bidders after contract signed or upon expiry. Bid securities shall also be returned upon termination of the bidding proceedings or upon withdrawal of a bid prior to the deadline for the submission of bids.

#### **4.12 Delivery Periods and Performance**

Delivery and performance schedules stated in the tender document shall be designed with due regard to the following—

- Urgency of need for supplies
- Whether the item has to be manufactured and shipped or whether it is an off-the-shelf item
- Prevailing market conditions that could affect manufacture and/or shipment
- Transportation mode or how the supply is to be delivered
- Time for obtaining and evaluating bids and awarding contracts
- Delivery terms, e.g., **CIP**, **DDP**, or **Ex Works** in the case of ICB

The tender document shall indicate the latest delivery schedule acceptable to the purchaser; any offer beyond this time may be penalized or declared nonresponsive.

The point of delivery shall be specified in the tender document.

#### **4.13 Bid Validity**

The bid validity period specified in the tender document shall be a period sufficient to allow evaluation and award of contract.

#### **4.14 Bid Currency**

The currency of bid shall be the BDT unless otherwise specified in the tender document. The base currency for evaluation purposes shall be the BDT. The selling exchange rate established by the Bank of Bangladesh as specified in the tender document at the date of bid opening or as specified in the tender document shall be used for conversions of other currencies to the BDT for comparison. The currency of bid shall also be the currency of contract and payment.

#### **4.15 Liquidated Damages**

If the supplier fails to deliver any or all of the items within the period(s) specified in the official purchase order or contract agreement, the purchaser shall be entitled to deduct, without prejudice to any of its rights under law, from the contract price, as liquidated damages, a sum equivalent to 0.2–0.5% of the portion of the contract price of the undelivered or delayed portion of the goods for each week of delay until actual delivery, up to a maximum deduction of 10% of the value of the delayed goods. Once the maximum is reached, the purchaser may elect to terminate the agreement.

#### **4.16 Packing and Marking**

The tender document shall specify appropriate instructions on the method and nature of preservation, packing, and the markings to be made on the packages to ensure that the goods will be protected from damage, theft, and pilferage while in transit. If goods are to be transported to sites without storage, it shall be requested that the goods be packed in nonreturnable containers.

#### **4.17 Approval of Tender Document**

All bid documents shall be approved by the HOPE. Bidding documents relating to prior review packages funded by pool funds for items to be procured using international or national bidding, or any other procurement method as specified under Schedule II of the PPR 2008, shall be sent to the WB for issuance of a No Objection letter prior to invitation of bids.

#### **4.18 Invitation for Bids**

The invitation for bids is to alert the business community to the upcoming procurement opportunity and should therefore be given wide publicity so that eligible, qualified bidders can register their interest and look forward to receiving the tender document. On completion or approval of the tender document, advertisements shall be placed in the newspapers and on the SDF and CPTU websites (mandatory if the value exceeds the threshold specified in PPR 2008 clause 16.11), **in the United Nations Development Program/MDMarket website in case of IDA/pool-funded procurement, or invitations sent directly to selected bidders.**

As a general rule, all such invitations for bids shall allow sufficient bidding time (i.e., the period between the invitation for bids and the opening of bids) to enable bidders to purchase the tender documents and submit bids.

If bidders are supposed to purchase tender documents, all eligible bidders shall provide their names, contact addresses, emails, and telephone and fax numbers (if available) to enable the SDF to contact the bidder with any required communication before bid opening.

#### **4.19 Activities during Bidding Time**

If, after issuing the invitation for bids, but before the time of bid opening, it becomes necessary to make changes in specifications, delivery schedules, opening dates, etc., or to correct a defective or ambiguous statement in the invitation, an amendment shall be issued in the form of an addendum, which will be given to every invited bidder.

A bidder may also request a clarification in the bid. In such situations, the DIRECTOR-FINANCE & PROCUREMENT shall respond if the request is received within a reasonable time (as specified in the bid document) prior to the deadline for submission of bids. Such a response shall be sent out to all who have been furnished with the tender document without revealing the source of the enquiry.

Before issuing an amendment to the bidding documents, the amount of time remaining for bid submission must be considered. If an amendment needs to be issued and there is less than 1/3 of the time allotted for the submission of bids left, the procuring entity shall extend the deadline by an appropriate number of days (a minimum of three days) for submission of bids depending upon the nature of the procurement and the addendum. Such notification must be included in the amendment.

#### **4.20 Postponement of Bid Opening**

An amendment postponing bid openings may be issued when the DIRECTOR- FINANCE & PROCUREMENT has reason to believe that a significant number of bids have been delayed due to acts beyond their control or when unanticipated events interrupt the normal governmental process so that conducting the scheduled bid opening will not be practicable. In such situations, the new opening date shall be advertised to give all parties reasonable time to become aware of the changes.

#### **4.21 Cancellation of Invitation before Opening**

Invitations for bids should not be cancelled unless such cancellation is clearly in the public interest, when there is no longer a requirement for the supplies or services or when amendments to the invitation would be of such magnitude that a new invitation is desirable.

Where an invitation is cancelled, bids that have been received shall be returned unopened to the bidders and a notice of cancellation shall be published in the same media used for the invitation of bids.

#### **4.22 Bid Submission, Opening, and Recording**

##### **4.22.1 Bid Submission**

Bids shall be submitted to the address in the invitation for bids not later than the exact date and time set for bid opening. Bids shall be submitted in the numbers specified in the invitation to bid and in sealed, addressed envelopes.

All bids including all modifications received prior to the time of opening shall be kept unopened in a secure place.

Bids submitted after expiry of the deadline shall be declared late and shall not be considered; such bids shall be stamped “late” and returned unopened to their respective bidders.

Generally, emailed, telegraphed, or faxed bids shall not be accepted.

#### **4.22.2 Opening of Bids**

Bids must be opened by a committee (TOC) of at least three, in accordance with the provisions of Schedule II of the PPR 2008 in the presence of bidders’ representatives who choose to attend the opening.

The officials designated as the TOC shall declare the time for the tender opening. The officials shall then personally and publicly open the tenders and read the contents aloud to all persons present and have the proceedings recorded.

#### **4.22.3 Modification of Bids**

Bidders may modify or withdraw their bids after submission, provided that written notice of the modification or withdrawal of the bids duly signed by an authorized representative is received by the HOPE prior to the bid submission deadline. More details on withdrawal and modification are given in the *Standard Bidding Documents*.<sup>7</sup>

The original of each bid shall be carefully safeguarded.

#### **4.22.4 Recording of Bids**

The chairperson of the TOC shall call out the contents, which shall be recorded by the rest of the members of the opening panel and bidders representatives, if they so wish. Also to be recorded are prices, delivery periods, provision of bid securities, withdrawals, modifications in standard format, and samples (if these are required).

At the end of the bid opening, TOC members shall append their signatures to the bid recording sheet.

Minutes of the bid opening must be prepared by the member/secretary of the TOC and placed in the procurement file. Copies of the minutes shall be distributed to the DIRECTOR-FINANCE & PROCUREMENT and the MD- SDF. In addition, bidders may request copies. For prior review packages, copies are also promptly given to the WB.

### **4.23 Bid Samples**

Samples should generally be requested if other methods of description are not feasible or adequate. Such samples must be submitted with the bids or upon request of the TEC if required.

Where samples are required, inspection of such samples should be done by a joint team drawn from the DIRECTOR- FINANCE & PROCUREMENT and the user LDs. Samples submitted shall be stripped of any identifying marks and coded before the inspection takes place to prevent the possibility of bias in selection. The person who strips and codes the samples shall not participate in the inspection process and shall not disclose identification of the samples to the TEC or inspection team.

---

<sup>7</sup> *Standard Bidding Documents, Procurement of Health Sector Goods (Pharmaceuticals, Vaccines, and Condoms)*, The World Bank, May 2004, Revised August 2008

#### **4.24 Rejection of all Bids after Opening**

After competitive bids are opened, it is prudent to make an award to the lowest evaluated bidder unless there are valid reasons to reject all bids and cancel the invitation.

To prevent such an occurrence, every effort shall be made to anticipate changes in a requirement before bids are opened and to notify all prospective bidders of any resulting modification or cancellation to enable them change their bids accordingly before bids are opened.

Generally, bids should not be cancelled due solely to an increase in requirements of items. In instances of quantity increases after invitation for bids, an award may be made with an increase of a maximum 20% over the original quantity specified in the bid documents. If the increase is more than 20%, then the bid should be considered a new procurement and subject to a new bidding process.

Cancellation of the bidding process may be considered during evaluation, if all or some of the requirements relating to price, availability, and specifications have not been met by bidders. An invitation for bids may be cancelled if it is determined that all the bids were not independently arrived at in open competition and bidders colluded and submitted their bids in bad faith.

When it is determined that all bids be rejected, the DIRECTOR- FINANCE & PROCUREMENT shall notify bidders.

#### **4.25 Examination of Bids**

Bids shall be subjected to preliminary examination to identify and eliminate those which are incomplete, invalid, or substantially nonresponsive. Bids will be checked for—

- Eligibility: whether the bidder is from an eligible country or the items to be supplied are from such countries and whether the bidder has the necessary registrations, licenses, and authorizations
- Completeness: whether the letter of intent (bid form) to supply has been signed, the bid prices have been signed, and an appropriate bid security has been furnished in conformity with the tender documents
- Presentation: whether a quote has been provided for all items, especially if the procurement is in the form of a package

Bids shall be deemed non-responsive if—

- It fails to meet the essential requirements of the bid document
- It does not meet the minimum bid specifications
- It exceeds the required delivery schedule
- It imposes conditions that modify the requirements of the invitation, making it substantially different from what is required
- The price quoted is subject to adjustment when a fixed price is called for

When samples have been requested, they shall be checked for conformity with specifications first before examining the bids; only bids with acceptable samples shall qualify for further examination and evaluation.

#### **4.26 Minor Irregularities in Bids**

A minor deviation in any bid may be waived if it is merely a matter of form and will not result in any variation in price, quality, quantity, delivery, or performance of services and whose correction or waiver would not be prejudicial to others and would not change the material content of the bid.

When the purchaser is prepared to accept an alternative to the specifications, this shall be stated in the tender document.

When there is discrepancy in the extension and the unit price, the unit price shall govern. All such errors should be corrected and the bidders notified. A bidder shall not be permitted to retain any errors in extension or totals.

#### **4.27 Currency Conversion**

Bid prices quoted in various currencies shall first be converted to BDTs by using the selling exchange rate of a representative Bank as specified in the tender document on the date of bid opening.

#### **4.28 Evaluation and Comparison of Bids**

The purchaser's evaluation of a bid will take into account, in addition to the price quoted, the following factors as specified in the bid document—

1. All costs incurred within the country of the purchaser that are incidental to delivering the goods to their final destination, including cost of inland transportation, insurance, etc.
2. Delivery schedule
3. Deviations in payment schedule from that specified in the tender document
4. In case of ICB, price preferences shall be given to bidders manufacturing in Bangladesh as provided in Rule 83 of PPR 2008 and Annexure 2: Domestic Preferences - Guidelines Procurement Under IBRD Loans and IDA Credits (May 2004, revised October 2006 and May 2010)
5. Other specific criteria stated in the tender document
6. The bidders' qualifications with respect to technical competence, past performance, and other information deemed necessary to ensure that the contract will be performed satisfactorily

#### **4.29 Price Adjustment**

If bids are invited on prices subject to adjustment, the formula to be used must be specified in the tender document.

Bids with adjustable prices shall be compared on the basis of the base excluding the price adjustment.

If in response to an invitation for bids subject to price adjustment, a bidder quotes a fixed price, no special consideration shall be given. The fixed price must be compared to other base prices subject to adjustment.

### **4.30 Post-Qualification**

Prior to recommending an award, the TEC should determine whether the lowest evaluated bid has the capability and resources to efficiently carry out the contract. The bidder's qualifications with respect to technical competence, past performance, and other information deemed necessary shall be reviewed to ensure that the contract will be performed satisfactorily. Site inspections may be organized in the process of the review.

If the lowest evaluated bid fails to meet the post-qualification criteria specified in the tender documents, the test shall be applied to the next ranked bid.

### **4.31 Contract Award, Monitoring, Expediting, and Shipment**

#### **4.31.1 Recommendation for Award**

After evaluation, the lowest evaluated bid shall be selected for award by the TEC within the time for acceptance of the bid. In the event of any difficulties that may delay the award beyond the bidder's acceptance period, bidders should be requested, before expiration of their bids, to extend the bid validity period. In the event that the lowest evaluated bidder declines to sign the contract, the next ranked bidder will be awarded the contract.

With respect to prior review purchases funded by the Pool Fund, a No Objection letter must be obtained from the WB prior to issuing an award to the successful supplier.

In instances where the evaluated contract value exceeds set thresholds as per the PPR 2008, approval must be sought from the appropriate authority (MoF-BFID/CCGP, etc.) prior to issuing an award.

#### **4.31.2 Notification and Signing of Contracts**

Notifications of award to successful bidders will be carried out by the DIRECTOR- FINANCE & PROCUREMENT once approval has been received for making an award. Signing contracts on behalf of the SDF will be carried out by DIRECTOR- FINANCE & PROCUREMENT authorized by the MD- SDF.

#### **4.31.3 Notification of Award**

Once the lowest evaluated bidder is accepted, the contract is awarded by notification. Two Original copies of a formal contract are drawn up by the DIRECTOR- FINANCE & PROCUREMENT to be signed by both parties. The document comprising the contract and conditions of contract shall be those specified in the tender documents.

The DIRECTOR- FINANCE & PROCUREMENT shall send the contracts to the supplier's office for signature or the supplier is invited to sign at the SDF office. For foreign firms, the contracts shall be sent by courier for signature or their local representatives can sign when given power of attorney. The contracts will be signed on behalf of SDF by the DIRECTOR- FINANCE & PROCUREMENT.

The supplier shall be served with one signed copy of the contract after it is signed by the DIRECTOR- FINANCE & PROCUREMENT. The supplier should provide a performance security in the stipulated amount (10% of the contract's value) within 28 days for ICB and 14 days for NCB of award.

All unsuccessful bidders should be notified once the contract has been awarded. Bid securities of unsuccessful bidders should be promptly returned as per PPR 2008 clause 26. The original copy of the bid security shall be sent to the issuing bank with a copy to the



bidder and another copy retained on the procurement file.

#### **4.31.4 Distribution of Signed Contracts**

After the contract forms have been duly signed by both the supplier and purchaser, copies shall be distributed with copies of the NOA as follows—

- One copy to the supplier
- One copy to the receiving warehouse for receiving purposes
- One copy to the finance section for payment purposes
- One copy in the procurement file
- One copy to the WB (if prior review package)
- Any others as deemed necessary

#### **4.31.5 Performance Security**

The requirement for a performance security shall be specified in the tender document. If required, a performance security shall be 10% of the contract price and shall be provided by the supplier within 28 days in case of ICB and 14 days for NCB after receipt of NOA. A performance security shall be in the form specified in the tender document.

#### **4.31.6 Transportation**

The mode of transportation and the place of destination shall be specified in the tender document.

#### **4.31.7 Insurance**

Insurance requirements shall be clearly specified in the tender document. The DIRECTOR-FINANCE & PROCUREMENT must keep copies and ensure these are always valid and renewed as required.

#### **4.31.8 Payments**

The method and conditions of payment to the supplier shall conform to those set out in the tender and contract documents.

When L/Cs need to be established, the DIRECTOR- FINANCE & PROCUREMENT shall use copies of the signed contract form and other required documents and request the Chief Account Officer of the Ministry of Health and Family Welfare to open L/Cs through the Bank of Bangladesh.

Once the Bank of Bangladesh establishes the L/C, the DIRECTOR- FINANCE & PROCUREMENT shall notify the supplier.

When final payment is to be made after delivery of the items, the items must be checked and a goods-received note or an acceptance certificate issued before payment can be made; for imported goods, payment should be supported by the shipping documents.

Prices charged by the supplier for goods shall not, with the exception of any price adjustments authorized in the tender document or contract, vary from the prices quoted by the supplier in his bid.

### **4.31.9 Pre-Shipment Inspection and Tests**

Pre-shipment quality inspection and/or testing are ways for SDF to be assured that the quality of goods they have ordered meets the technical specifications required prior to shipment. To carry out such a conditional course of action, SDF should indicate in the tender documents that pre-shipment inspection and/or testing may be required for specific goods or contracts prior to shipment. Pre-shipment inspection and/or testing are usually (in case of IDA-funded procurement using **Standard Tender Documents [STD]** of the WB) at the expense of the buyer and arranged by the buyer, in this case SDF. In case of GOB-funded procurement using STD of CPTU, the supplier shall, at its own expense and at no cost to the purchaser, carry out all such inspection and tests of the goods as specified in the contract. A supplier whose products are subject to pre-shipment inspection and/or testing should not ship any goods until the pre-shipment inspection and/or test report are submitted and confirms that the goods meet the technical specifications noted in the tender. When an L/C is opened, it should specify this condition so that a supplier will not be able to collect payment by shipping goods without a pre-inspection quality certificate.

#### **4.31.10 Expediting**

To ascertain the movement of the consignment and ensure timely arrival, the DIRECTOR-FINANCE & PROCUREMENT must be in close contact with the supplier. Expediting may be in the form of a simple phone call, an email, a fax, or a letter.

Expediting of orders shall be undertaken by the DIRECTOR- FINANCE & PROCUREMENT. Dates for expediting should be determined once the orders have been placed, L/Cs have been opened, or advanced payment has been made. A reasonable time may be fixed between the placement of the order, the date of establishing the L/C, or advance payment and the time of delivery as specified in the tender document.

The desk officer shall set up a reminder system whereby dates for expediting orders shall be entered. The records of various orders placed shall be entered and filed in chronological order and referred to every time. This record shall be updated when information is received on the orders and closed when delivery is completed.

The clearing and forwarding agent (C&F) shall submit periodic status reports on all outstanding orders and shipments.

### **4.32 Clearing and Delivery and Post-Delivery Considerations**

#### **4.32.1 Clearing and Delivery**

When a local supplier or foreign supplier on CIP (point of delivery) is awarded the contract, then delivery must be made by the supplier at the indicated place.

When the award is on a cost and freight or cost, insurance, and freight basis, as soon as the shipping documents are received, the clearing agent appointed by the DIRECTOR-FINANCE & PROCUREMENT shall make the necessary application to exempt the goods from duty (if needed) or process the necessary documentation so they can be cleared from the ports immediately upon arrival.

When the advance shipping documents are received by the C&F they shall notify the DIRECTOR- FINANCE & PROCUREMENT to enable the latter make preparations to receive the goods

When the imports are on a cost and freight basis, the DIRECTOR- FINANCE &

PROCUREMENT is responsible for providing insurance; when the DIRECTOR-FINANCE & PROCUREMENT receives the shipping documents, they must be given to the C&F who will contact the approved insurance agent to obtain the necessary coverage.

When goods arrive at the port and are being cleared, the DIRECTOR- FINANCE & PROCUREMENT shall be notified to make provision for the receipt, storage, and distribution of the goods.

When cleared from port, the goods shall be delivered to the receiving bay of the destination warehouse where they shall be checked by the Standing Board (nominated by the MD-SDF) for quality and quantity against the supplier's invoices. Once the Board issues their report, the information must then be entered in the receiving-warehouse inventory control system and a goods-received note generated; the note shall be signed by the Additional Director in charge of the Central Warehouse and attached to the supplier's invoice and sent to the DIRECTOR- FINANCE & PROCUREMENT for payment.

The goods received shall be transferred to the appropriate warehouse via a transfer document. A report on the condition of the goods received is to be sent to the DIRECTOR- FINANCE & PROCUREMENT with a copy to the user LDs.

#### **4.32.2 Warranty/Defects Liability Period**

When required, the warranty period shall be calculated from the time of delivery of the goods or as specified in the contract documents.

During the warranty period, the supplier shall compensate the purchaser for losses due to defects resulting from faulty design, materials, and workmanship which become manifest.

The user or warehouse shall notify the DIRECTOR- FINANCE & PROCUREMENT if any defect is detected in any items supplied which are still under warranty; the DIRECTOR- FINANCE & PROCUREMENT shall then promptly notify the supplier or contractor in writing of any claims. The DIRECTOR- FINANCE & PROCUREMENT may take any necessary action to claim compensation at the suppliers' expense if the supplier fails to remedy the defect while the goods are still under warranty. All steps should be taken as mentioned in the tender document and as per PPR 2008.

#### **4.32.3 Defective Goods at Time of Delivery**

After goods have been delivered, if the DIRECTOR- FINANCE & PROCUREMENT or the user is not satisfied because the goods are of substandard quality or otherwise do not meet the specifications as stated in the purchase contract, the Standing Board shall issue a discrepancy report to the DIRECTOR- FINANCE & PROCUREMENT. This will provide the DIRECTOR- FINANCE & PROCUREMENT with the necessary information to enable it to reassess the performance of the supplier and take appropriate action permitted by the law or under the contract.

#### **4.32.4 Unsatisfactory Suppliers**

When delivered goods are found to be unsatisfactory, a report shall be submitted by the DIRECTOR- FINANCE & PROCUREMENT to the MD-SDF; the supplier shall be informed of the complaint and sanctions imposed.

The DIRECTOR- FINANCE & PROCUREMENT shall open a file to hold records on all defaulting, poor, or unsatisfactory suppliers; such records shall include those suppliers who made very late deliveries or supplied substandard or defective goods. Suppliers who fail to deliver on time, or deliver substandard or poor quality goods not in accordance with specification or are otherwise in breach of their contracts, shall have their records annotated as such and be banned from participation in further tenders and duly notified accordingly and the copies forwarded to other possible procuring entities (according to PPR 2008).



## CHAPTER 5: COMPLAINTS AND APPEALS

### 5.1 Right to Complain

Any supplier that claims to have suffered or that may suffer loss or injury due to a breach of the provisions of the procurement procedures outlined in the PPR 2008 or the WB procurement procedures<sup>8</sup> may seek redress as per Rules 56–60 of the GOB PPR 2008. Some of the typical circumstances under which a formal complaint may be loMDed in the case of invitations for prequalification include—

- Prequalification documents were not ready when the advertisement was published by SDF or were not available when requested by a potential applicant
- Failure to respond promptly to a request for clarification from a potential applicant
- Failure to evaluate the qualifications as per the criteria stated in the prequalification document
- Perceived unfair denial of prequalification
- Possible corrupt or collusive practices that may have advantaged a competitor

Some of the typical circumstances under which a formal complaint may be loMDed in the case of open tendering, limited tendering, two-stage tendering, and request for quotations include—

1. Advertisement procedures not properly adhered
2. Tender documents not ready when the advertisement was published by the SDF or not available when requested by a potential bidder
3. Failure to respond promptly to a request for clarification from a potential bidder
4. Technical specifications that are not generic or are framed in such a way that only one or a select number of manufacturers can meet them
5. Failure to hold a pre-tender meeting per the published advertisement or to notify potential bidders in a timely manner about a change in date, location, and time that resulted in some bidders being unable to attend the meeting
6. Failure to open the bid as stated in the advertisement of invitation or improper conduct at the time of tender opening
7. Mishandling of bids received from bidders resulting in the opening of one or more tenders before the specified time that causes either a loss of confidentiality or an actual failure to open a tender at a public meeting
8. Failure to open all bids received prior to the submission deadline
9. Failure by the TEC/PEC to evaluate the tenders in compliance with the evaluation criteria stated in the tender documents
10. Any attempt by the SDF to “negotiate” with the successful tenderer without giving equal opportunity to all tenderers prior to an award
11. Possible corrupt or collusive practices giving advantage to a competitor

---

<sup>8</sup>*Guidelines Procurement Under IBRD Loans and IDA Credits*, May 2006, revised October 2006 , and May 2010, January 2011

12. Perceived unfair or erroneous award of a contract
13. Breaking confidentiality at the time of clarifications with each bidder during the evaluation in the first stage of a two-stage tendering

## **5.2 Submission of Complaints to the Administrative Authority, Disposal of Appeals, etc.**

1. The person shall submit a complaint in writing within the period specified in Schedule II of the PPR 2008
2. In the first instance, the person shall submit a complaint in writing to the DIRECTOR-FINANCE & PROCUREMENT
3. The DIRECTOR- FINANCE & PROCUREMENT shall consider the subject matter of the complaint and decide whether to reject the complaint or to take any corrective action; a written decision will be issued to the complainer, stating the reasons for the rejection of the complaint or advising what corrective actions have been or will be taken, such as issuing an addendum amending the unacceptable provisions in the tender or proposal documents
4. If the complainer is not satisfied with the written decision taken under Sub-rule 3 and wishes to pursue the complaint, the complainer may address the same complaint to the MD-SDF within the period specified in Schedule II of PPR 2008
5. The complainer shall submit the complaint under Sub-rule 4 in writing to the MD-SDF—
  - a. If the MD is a member or the chair of the Evaluation Committee, then the MD shall forward the complaint to the secretary of the MoF-BFID within the period specified in Schedule II, advising the complainer that the complaint has been forwarded
  - b. If the MD is in a position to act on the complaint, then the MD shall decide whether to reject it or implement any corrective actions; within the period specified in Schedule II, the MD shall issue a written decision to the complainer, stating either the reasons for the rejection or the corrective action that has been taken
6. If the complainer is not satisfied with the HOPE's decision, a complaint can be submitted to the Secretary of the MoF-BFID within the period specified in Schedule II
7. The Secretary of MoF-BFID shall, within the period specified in Schedule II, consider the subject matter of a complaint under Sub-rules 5 or 6 and decide whether to reject the complaint or to take any corrective actions; a written decision shall be issued (with copies to the MD-SDF and CPTU) to the complainer stating the reasons for the rejection of the complaint or advising on the corrective action that has been taken
8. If the complainer fails to receive a written decision within the time period stated at each stage, then the complainer has the right to directly submit a complaint within the period specified in Schedule II to the next higher governmental level stated above
9. If the complainer is not satisfied with the written decision of the secretary of MoF-BFID, an appeal can be filed with the review panel as specified in the PPR 2008
10. A complainer may appeal to a review panel only if the complainer has exhausted all other options of complaint to the administrative authority under this rule
11. The complainer may submit the complaint in a sealed envelope marked CONFIDENTIAL and addressed to the Chairperson, Review Panel, at CPTU's mailing address within the period specified in Schedule II after receiving the decision of the



Secretary of MoF-BFID under Sub-rule 8 or having not received any timely decisions and shall—

- a. Enclose the complaint and all supporting documents in a sealed envelope, which shall be opened only by the Chaircomplainer of the Review Panel
- b. Attach a forwarding letter with the sealed envelope marked CONFIDENTIAL, addressed to the MD, CPTU stating its wish to appeal to the Review Panel and the nature of its complaint and
- c. Attach with the forwarding letter the registration fee and the refundable security deposit in the form of a bank draft in favour of the MD, CPTU of the amount specified in Schedule II

12. Procuring entities and other levels of administrative authorities shall maintain a complaint register in which brief information of all complaints and the decision taken regarding such complaints shall be recorded

However, as per the PPA 2006, the following shall not be the basis for a complaint provided for in Act 29(1)—

- The choice of procurement method
- A refusal to short-list an applicant
- The decision to reject applications for prequalification, tenders, quotations, or proposals
- A decision of award made by CCGP

### **5.3 Formation of Review Panel**

The CPTU shall establish a list of specialists for the purpose of reviewing a tenderer's complaint and recommending corrective action to a procuring entity with respect to any breach of its obligations under these regulations. More details are given in section 12, subsection 58 of the PPR 2008.

### **5.4 Authority to Suspend Issuance of NOA**

When a complaint is being considered by the procuring entity or Review Panel, NOA shall not be issued until a final decision on the complaint or appeal has been made, but the tender evaluation and approval process will continue.

The suspension of NOA, provided for by Sub-rule 1, shall not apply if the head of the procuring entity, having obtained the approval of the concerned Secretary or Minister, certifies that public interest considerations require the procurement to proceed.

The basis of considering the inevitability of carrying out the procurement in certification issued under Sub-rule 2 shall be specifically stated in recording the procurement proceedings and shall be conclusive with respect to all levels of complaint except judicial review.

If the security deposit and registration fee are not attached as per Sub-rule 1, the CPTU shall inform the complainant that the complaint cannot be placed before the Review Panel with a copy to the procuring entity.

The timely suspension of a complaint under Section 12, sub-section 59 of the PPR 2008 shall not suspend the procurement proceedings, except that if a procuring entity knows that a complaint is proceeding under sub-section 59 and during this proceeding it receives approval to issue the NOA, it shall not do so until such time as either—

- a) The tenderer accepts the decision of the administrative authority at any stage or
- b) The tenderer does not proceed within the time frame specified in Schedule II of the PPR 2008

More details are given in Section 57 of the PPR 2008.

## ANNEX 1. SUPPLIER REGISTRATION FORM

### Section 1. Company Details and General Information

1. Name of firm			
2. Street address	Postal code	City	Country
3. P.O. box and mailing address			
4. Telephone number			
5. Fax number			
6. E-mail address			
7. WWW address			
8a. Contact name			
8b. Contact title			
9. Parent company, if any (full legal name)			
10. Subsidiaries, associates, and/or overseas representative(s), if any			
11. Nationality of the firm			
12a. Type of business			
12b. If other, specify			
13. Nature of business			
14. Year established			
15. Key personnel (include names of candidates, positions, professional qualifications, and experience)			
Technical	Production	Management	
16. Dates, numbers, and expiration dates of current licenses and permits			
17. Current health authority registration information			
18. Proof of product and facility registrations with purchaser's country regulatory authority and international agencies (e.g., WHO Certification Scheme, GMP)			
19. Name of government agency(ies) responsible for inspecting and licensing of facilities in the country of origin of the raw material and or processing of the goods			
Date of last inspection			
20. Quality assurance certification (Please include a copy of your latest certificate with the PQ application)			
21. Production capacity (insert peak and average production capacity over the last three years in units/day or units/month, etc.)			
22. List of names and addresses of sources of raw material			
23. Raw materials tested prior to use			
24. Presence and characteristics of in-house quality control laboratory			

25. Names and addresses of external quality control laboratories used
26. Are all finished products tested and released by quality control prior to release for sale? <input type="checkbox"/> Yes <input type="checkbox"/> No      If not, why?
27. List control tests done during production
28. Procedures for dealing with rejected batches
29. List tests conducted after production and prior to release of product on market
30. List product recalls linked to defects during the last 36 months, including reasons and dates of recall
31. Are technical documents available in English? <input type="checkbox"/> Yes <input type="checkbox"/> No
32. Working language of bids and contracts is English

### **Section 2. Financial Information**

33/34. Annual sales value for the last 3 years	
Year	Total sales (USD)
35. VAT no./tax ID	
36. Social security number	
37a. Bank name:	
37b. Swift/BIC address	
37c. Bank address	
37d. Bank account number	
37e. Account name	
38. Please mail a copy of the company's annual or audited financial reports for the last three years.	

### **Section 3. Current Contract Commitments/Contracts in Progress**

39. Name of contract(s)
40. Purchaser contact information (insert address, telephone, fax, e-mail address)
41. Value of outstanding contracts (current USD equivalent)
42. Estimated delivery date
43. Average monthly invoices over the last six months (USD/month)

**Section 4. Experience**

44. Contracts over (insert amount) during the last three years				
Purchaser	Value	Year	Goods/services supplied	Country of destination

**Section 5. Other**

45. Please list any disputes your company has been involved in over the last 3 years			
Year	Award FOR or AGAINST applicant	Name of client, cause of litigation, and matter in dispute	Dispute amount (current value, USD equivalent)

46. We hereby certify that the information provided in this form is correct and, in the event of changes, details will be provided as soon as possible.

Signed \_\_\_\_\_

Title or other designation \_\_\_\_\_

Date \_\_\_\_\_

## **Way forward**

**Electronic Government Procurement (e-GP).** All NCB procurement will be allowed to be done through (e-GP). e-GP was rolled out in June 2011 under the Government's procurement reform. The World Bank approved the system for use in NCB contracts under Bank-financed projects in Bangladesh. The following steps would be taken the SDF to implement e-GP:

- Assessment of its readiness and technical capacity to do e-GP and identify hardware, software and training needs (February 2015). This readiness will include, among others, computer hardware, availability of adequate bidders (list of bidders generally participating in SDF contracts) and robustness of internet connectivity;
- Acquire necessary training on e-GP (May 2015);
- Conduct a campaign to all its bidders on the past on move to e-GP (June 2015);
- Pilot e-GP in at SDF within first six months of the project;
- The SPC will be proficient in e-GP and function as main trainer for SDF.

**Sustainable Procurement.** Beside financial and commercial factors, the bidding documents to be used by SDF will include as much as practicable, economic, social and environmental considerations in line with responsible and sustainable procurement. These are, but not limited to:

- Value-for-money considerations including price, quality, availability and functionality;
- Life cycle costing of certain products (CCV/SUV, motorcycles etc.);
- Green procurement principles, reducing pollution, waste and hazardous substances, using renewable energy, reliable, non-hazard and recyclable raw materials in supplied products;
- Aspects of poverty reduction, eradication of inequality in gender and resource distribution, labor conditions, fair trade, human rights etc.

**Measuring Results and Performance Monitoring.** SDF's procurement performance monitoring will use Government's PROMIS format. This requires SDF's authorization from CPTU and registration with the online PROMIS tool. This registration will to be completed before 2016.

## **Roadmap to ISO 9001 compliance for SDF**

SDF will develop a roadmap to ISO 9001 compliance for SDF by the end of the 2016.