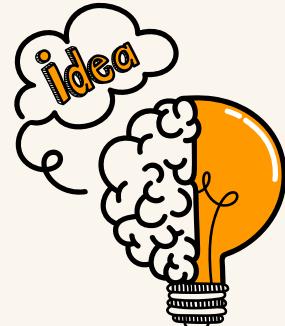


# COMPETITIVE DIALOGUE

## Overview

Competitive Dialogue is a mode of procurement that employs a two-stage bidding process where the Procuring Entity invites suppliers, manufacturers, distributors, contractors, consultants, and service providers to a dialogue to propose solutions to address its needs and requirements.



## Conditions

Competitive Dialogue may be resorted to if any of the following conditions are present:

- The procurement includes innovative design or solutions involving procurement of complex purchases such as, but not limited to, intellectual services, major information communications technology projects, or sophisticated products that may refer to goods or services, which in order to be produced or offered, would require a high level of technology, human capital, competencies or facility;
- The contract requires prior negotiations with the suppliers, manufacturers, distributors, contractors, consultants, and service providers because of specific circumstances related to nature, complexity, legal and financial issues, or risks attached to the procurement; or
- The Technical Specifications cannot be sufficiently established or precisely defined by the Procuring Entity.



Apart from the mandatory contents prescribed for publication in Section 50, the Procuring Entity that resorts to Competitive Dialogue shall provide the preliminary technical specifications of the project with minimum requirements, which may be in the form of relevant characteristics, or performance or functionality requirements, including the award criterion during the second stage of the bidding process, in the Invitation to Bid or Request for Expression of Interest.

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## Process

Competitive Dialogue has two distinct stages:

The first stage where the eligibility requirements and initial technical proposals of interested suppliers, contractors, or consultants are evaluated, followed by the dialogue proper. The first stage shall involve the following activities:

- a) Prospective bidders shall submit their initial technical proposals, as well as their legal, technical, and financial eligibility requirements, within the deadline prescribed in the Bidding Documents not exceeding the following maximum periods counted from the last day of posting of the Invitation to Bid or Request for Expression of Interest:
  - i) For Goods, forty-five (45) calendar days.
  - ii) For Infrastructure Projects, sixty-five (65) calendar days.
  - iii) For Consulting Services, seventy-five (75) calendar days.

The BAC shall first determine the eligibility of the prospective bidders in accordance with Section 52 of this IRR, and the initial technical proposals shall be evaluated using a “pass or fail” criterion to determine whether the same meet the minimum technical requirements of the Procuring Entity. Eligible bidders whose technical proposals meet the required minimum standards shall then be invited to participate in the dialogue.

- b) For the procurement of Consulting Services, the short-listing procedure under Section 53 of this IRR shall be conducted during the first stage as described in the preceding paragraph.
- c) The BAC shall conduct a dialogue, either jointly or separately among participants to determine, identify, describe, define, and finalize the technical components and specifications of the project, Scope of Work, design, value engineering, Terms of Reference, key personnel, manpower requirements and appropriate expertise, including sustainability aspects in the procurement of Goods, Infrastructure, and Consulting Services.
- d) The dialogue may include contract terms and conditions, particularly payment terms and advance payment, delivery instructions, warranties, and inspection and testing.
- e) The BAC shall ensure that all bidders participating in the dialogue are treated equally and fairly, and it shall not provide information in a manner which may discriminate, give undue advantage to, or otherwise favor some participating bidders over others. The BAC shall not reveal or disclose any confidential information received during the course of the dialogue to any participating bidder unless with the express consent of the owner of the confidential information. Such consent or agreement to disclose confidential information shall be limited to the communication of specific information and shall not take the form of a general waiver.

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The second stage where the final technical and financial proposals of the remaining participants are submitted and evaluated under a competitive bidding procedure using Lowest Calculated Responsive Bid (LCRB), Most Economically Advantageous Responsive Bid (MEARB), Most Advantageous Responsive Bid (MARB) or Highest Rated Responsive Bid (HRRB). The second stage shall involve the following activities:

- a) Within ten (10) calendar days from finalization of the Technical Specifications, Scope of Work or Terms of Reference, as the case may be, under the first stage, copies of the same, as well as the criteria for qualitative rating if applicable, shall be issued to all bidders that participated in the dialogue; and
- b) Bidders shall submit their revised technical proposals as well as their financial proposals in two (2) separate sealed envelopes within a period not exceeding twenty (20) calendar days from issuance of the finalized Technical Specifications, Scope of Work, or Terms of Reference, as the case may be. The contract shall be awarded to the bidder declared as the LCRB, MEARB, MARB or HRRB, following the applicable bid evaluation and post-qualification procedures under Sections 61, 62, and 63 of this IRR.

