STANDARD PROCEDURE
FOR EVALUATION OF BIDS
FOR PROCUREMENT OF WORKS

(First Edition)

March 2009

PAKISTAN ENGINEERING COUNCIL
ISLAMABAD
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PREFACE

Pakistan Engineering Council the Statutory Regulatory body entrusted to regulate the engineering profession in Pakistan has undertaken among others, the standardization of country specific documents to regulate and streamline the procurement of engineering consultancy services and procurement of works. Standard Procedure for Evaluation of Bids for procurement of Works is one such document prepared by a team of experts comprising Employers, Constructors and Consultants. It is expected that use of this document will provide an equitable and just basis for evaluation of bids for procurement of works in line with the international practice and relevant PEC Bye-Laws thus minimizing ambiguities and likely contractual disputes.

Pakistan Engineering Council wishes to place on record its deep appreciation for the tremendous work done by the Standards and Quality Committee and M/s National Development Consultants (NDC) in finalizing this document. Various engineering organizations and departments are requested to use this document for evaluation of bids for procurement of Works. Any suggestions to improve this document are welcome which may please be addressed to:

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INSTRUCTION TO USERS OF THIS DOCUMENT

The document includes the following:

1. Background Factors
2. Essential Steps/Stages of Bid Evaluation
3. Evaluation Guide
4. Annexures
5. Appendices

This document mainly provides the Procedure for the Executing Agencies/Employer to deal with the Bids received. However the Bidders, before the submission of Bids, can benefit from its contents to know, how their Bids will be treated after submission.

Background Factors and essential steps/stages of Bid Evaluation are explained to arrive at Evaluation Results to select an Evaluated Responsive Bidder.

Employers may add “Not Applicable” in Annexures where they feel that certain information/documents are not related to a particular Tender.

In the Appendices, examples only for guidance are included from PEC Standard Bidding Documents of Civil and E&M Works.
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1.0 BACKGROUND FACTORS

1.1 Instructions to Bidders

1.1.1 The eligible bidders who are interested to participate in the bidding process are issued the bidding documents for the specific contract for procurement of Works. The most relevant section of Bidding Documents for the bidders at bidding stage is the Instruction to Bidders (ITB). The clarity, conciseness and completeness of the Section i.e. ITB is most important because the bidders are required to seek guidance from the Employer and abide by these instructions for finalization of a real, meaningful, rational and complete bid conforming to the requirements of the Bidding Documents.

The ITB are required to cover all aspects for finalization of bid by following very clearly laying down the limitations for the bidders which must be observed and clearly laying down the consequential penalties in case these limitations are violated in preparation of the bid. The efficiency in completion of project implementation by quick decision making, procurement at most economical/least cost to the Employer by determination of the lowest evaluated bid and finally the completion of this part of the procurement process in a transparent manner are the cornerstones of a credit-worthy bid-evaluation process.

1.2 Elements of Bid Evaluation

1.2.1 The most important elements that figure in the bid evaluation process are essential part of the ITB. These elements have to be considered and accorded appropriate weightage to determine the LOWEST EVALUATED RESPONSIVE BIDDER (LERB) for award of contract. These elements generally include:-

i) Deadline for submission (date, time and place), handling of bids received after deadline.

ii) Eligibility of Bidders in the light of the PEC Bye-Laws, i.e, holding a current valid licence to practice as constructor.

iii) Qualification of the Bidder i.e,
- Review of updated information on the sub-elements for prequalification to establish continued status as at the time of pre-qualification, or
- Assessment of qualification of the Bidder from data provided for post-qualification.

iv) Completeness of bid i.e, provision of all the essential information in response to bidding documents/any Addendum, if issued.

v) Clear information about Foreign Exchange Currency(FEC) requirements, if needed.

vi) Validity of the bid viz-a-viz the requirements of the bid documents in terms of time.

vii) Provision of Bid Security requirements in the specified format from an acceptable source and in the requisite amount fixed in the
viii) The acceptability of bid in terms of its validity due to its signing by the duly authorized representative and inclusion of Letter of Authority.
ix) Conformance of bid to technical and commercial requirements of the bid documents.
x) Precise, clear and unambiguous provisions for handling variations from the above requirements.

2.0 ESSENTIAL STEPS / STAGES OF EVALUATION

2.1 Bid Opening

2.1.1 One of the most important activity in procurement is the bid opening in the presence of the representatives of bidders (who choose to attend) at the designated place, on the fixed date and time. This is a vital step towards making the process transparent. The bid opening committee has to publicly announce, the following most important information about each bid and sign the tabulated sheet simultaneously:

(i) Name of bidder, single or a JV of firms.
(ii) The bid price
(iii) Discounts (unconditional/conditional), if any.
(iv) Modifications to the Bid, if any
(v) Withdrawal of bids(s), if any
(vi) Presence/absence of bid security and its amount.
(vii) Similar information on alternate bids, if any.

2.1.2 The representatives of the bidders are also required to sign their presence and also desirably accept the announced information about their bids. All the information pertaining to this activity has to be retained as part of the important procurement record for the Auditor General’s/Funding Agency (if foreign source) reference. The committee is also required to prepare formal minutes of the bid opening and put it up for information of the persons/offices responsible for overall project implementation.

2.2 Stages of Bid Evaluation

2.2.1 Prior to proceeding with the laying down of procedure /instructions for the evaluation of bids the three important stages of bid evaluation are listed as follows:-

i) Preliminary Examination to include:-

(a) Does the bidder hold a valid licence from the PEC and fall within the category allowed to participate for the size of the project?
(b) Has the bid been properly signed by the authorized person(s) and the authorization is available/bonafide?
(c) Is the bid accompanied by the required securities i.e. the amount is adequate as
required in ITB/Bid data Sheet, conforms to the specified format and issued by an acceptable source?

(d) Does the bid generally and substantially meet the requirements of the bid documents?

(e) Does the bid have adequate provision for clarifications, if required for substantiation of any elements desired by the Employer?

ii) Check for arithmetic errors and acceptance of corrections by the bidders.

iii) Evaluation/Comparison of bids

(A) Determination of the evaluated bid price for each bid by making any adjustments, as required which may include:-

(a) Application of unconditional discounts/conditional discounts.

(b) Making correction of errors.

(c) Excluding Provisional Sums & Contingencies.

(d) Determination/making adjustments for minor (acceptable) deviations on technical/commercial grounds.

(e) Making adjustments for varying time for completion offered by the bidders, if acceptable.

(B) Consideration of the effect of any loading of bid.

3.0 EVALUATION GUIDE

3.1 Bid Opening Record

3.1.1 All bidders or their representatives are invited to attend the bid opening, where data about bids are read-out and recorded, along with a list of attendees. The record is prepared for prompt transmittal to the overall incharge of project implementation. Bid opening procedures are described in the ITB. To assist in carrying out the opening and preparing of the record, a checklist is provided as Annex-I to this document. The checklist should preferably be filled-out for each bid during the actual reading out at the bid-opening. The reading and announcement should be from the original version of each bid, and the actual amounts and other key details read out should be circled for later verification. If bids are expressed in a single currency, other currency needs expressed as a percentage should also be recorded.

3.1.2 Any envelopes containing substitutions, modifications, or withdrawals must be subject to the same level of scrutiny, including the reading out of critical details. Failure to read out such information and include it in the written record may result in denial of its inclusion in bid evaluation. If a bid has been withdrawn by telex, fax or E-mail, it should nonetheless be read out informing its status of withdrawal to all the participants of the Bid opening and should not be returned to the bidder until the authenticity of the withdrawal notice has been confirmed.

3.1.3 As stated in the ITBs, no bids should be rejected at the bid opening except those received after the deadline for receipt of bids. Such bids shall be returned unopened to the bidder. A summary of the read-out bid prices should be provided in Table-4 of Annex-II of this document.
3.2 Bid Validity

3.2.1 The duration of the validity of each bid should be the one specified in the ITB and should be confirmed in the signed Form of Bid. If exceptional circumstances occur in which award cannot be made within the validity period, extensions in writing should be requested from the bidders, in accordance with the ITB. Extensions to the validity of bid security should also be requested from the bidders, if necessary. Particular care must be taken in cases where the deadline for submission (or for opening) of bids can be extended, as the duration of bid security is frequently provided in terms of an expiration date of bid validity. In contrast, bid validity is specified in terms of an interval after the deadline for receipt or the date of bid opening. Any extensions are to be listed in the form as given at Table -3 of Annex-II of this document.

3.3 Principles of Evaluation

3.3.1 After the public opening of bids, information relating to the examination, clarifications, and evaluation of bids shall not be disclosed to bidders or other persons not officially concerned with this process until the successful bidder is notified of the award of contract. Appointment by the executing agency of an evaluation committee, consisting of a minimum of three qualified members is recommended who should work in a secure office where all bidding documents can be kept. There may be a considerable advantage if the members who participated in the preparation of the bidding documents are included in the bid evaluation committee. It is also recommended to prevent the un-realistic time gap between submission of Bids and Evaluation process completed because such gaps may create opportunities for disclosure of contents of Bids/informations.

3.3.2 If warranted, occasionally, the executing agency may request clarifications of bidders concerning ambiguities or inconsistencies in the bid. As required in the ITB, such requests shall be in writing, and no change in the price or scope of the originally offered works shall be sought or accepted, except for the correction of the arithmetic error and to understand the bidders intentions for a decision on its responsiveness. The responses from bidders shall also be in writing. No circumstances shall justify meeting or conversations between the executing agency, its evaluation committee (or its consultants) and bidders during the bid evaluation process.

3.4 Preliminary Examination of Bids

The evaluation process should begin immediately after bid opening. The purpose of preliminary examination is to identify and reject bids that are incomplete, invalid, or substantially non-responsive to the bidding documents and therefore are not to be considered further. The following checks should be applied:

(a) Verification: Attention should be directed towards deficiencies that, if accepted, would provide unfair advantage to the bidder. Sound judgment must be used: for example, simple omissions or mistakes arguably occasioned by
human error should not be considered an adequate ground for rejection of the bid. Rarely is a bid perfect in all respects. However, the validity of the bid itself, for example, its signatures, must be valid, bonafide and affixed by the authorized representative. If the bidder is a joint venture, the joint venture agreement must be submitted; all copies of the bid, as the first step should be compared with the original and corrected accordingly, if necessary. Thereafter, the original should be kept in a safe location, and only copies should be used in evaluation. In case error/omission in Copies, Original should govern.

(b) **Eligibility:** Besides any other requirements of the Employer, the bidder must be a PEC licenced constructor. All partners to a joint venture shall also be similarly registered, i.e. local or foreign and the joint venture shall be registered in Pakistan with PEC. If prequalification has taken place, only bids from prequalified bidders can be considered and the juridic entities of the prequalified bidders may not be modified in the submission of bids. The bidder (including all members of a joint venture and subcontractors) may be disqualified if affiliated with a firm that has provided related consulting services, as per PEC Bye-Laws.

(c) **Bid Security:** The bidding document may require submission of a bid security. If so, the bid security must conform to the requirements of the ITB, and it must accompany the bid. If the bid security is issued as a bank guarantee, it must be consistent with the wording of the bid security form provided in the bidding document. Submission of a copy of the security is unacceptable. Furthermore, securities for an amount smaller or for a period shorter than the one specified in the ITB are not acceptable. However if Bid Security amount is short within 10% of Bid Security amount and period is short by one or two days, Employer should consider the same as minor deviation provided the bidder(s) undertake to make them up in response to the queries. The security for a bid submitted by a joint venture should be in the name of the joint venture.

(d) **Completeness of Bid:** Unless the bidding documents have specifically allowed, bids not offering all of the required items should ordinarily be considered non-responsive. However, under works contracts, missing prices for occasional work items are considered to be included in prices for closely related items elsewhere; if such provision exists in the preamble of Bill of Quantity. If any erasures, interlineation, additions, or other changes have been made, these should be initialed by the bidder. Exception from bid conditions are acceptable if they are corrective, editorial, explanatory; otherwise, they should be treated as deviations and should be analyzed as per para 3.4 (e) hereinafter. Missing pages in the original copy of the bid which affect the ranking of the Bidders may be a cause for rejection of the bid.
(e) **Substantial Responsiveness:**

(A) **Major (Material) deviations**

Major deviations to the commercial requirements and technical specifications are a basis for the rejection of bids. As a general rule, major deviations are those, that if accepted, would not fulfill the purposes for which the bid is requested, or would prevent a fair comparison or affect the ranking of the bids that are compliant with the bidding documents. Examples of major deviations include:-

(i) Stipulating price adjustment when fixed price bids were called for.

(ii) Failing to respond to specifications.

(iii) Failing to comply with Milestones/critical dates provided in Bidding Documents.

(iv) Subcontracting contrary to the Conditions of Contract specified in Bidding Documents.

(v) Refusing to bear important responsibilities and liabilities allocated in the Bidding Documents, such as performance guarantees and insurance coverage.

(vi) Taking exception to critical provisions such as applicable law, taxes and duties and dispute resolution procedures.

(vii) Those deviations that are specified in the ITB requiring rejection of the bid (such as, in the case of works, participating in the submission of other bids other than as a subcontractor).

(B) **Minor Deviations**

Bids that offer deviations acceptable to the Employer and which can be assigned a monetary value may be considered substantially responsive at least as to the issue of fairness. This value would however be added as an adjustment for evaluation purposes only during the detailed evaluation process.

(f) **A bid is likely not to be considered in the light of paras(a) to(e) above if:**

(i) It is submitted by a Bidder who has participated in more than one Bid.

(ii) It is received after the time and date fixed for its receipt.

(iii) It is submitted through fax, telex, telegram or e-mail.

(iv) It is not accompanied with Bid Security.

(v) It is unsigned.
(vi) Its validity is less than specified.

(vii) It is submitted for incomplete Scope of Work.

(viii) It indicates completion date later than specified.

(ix) It indicates that prices quoted are not firm during currency of the contract except those prices where escalation/adjustments are permitted in the Conditions of Contracts.

(x) It indicates that material to be supplied does not meet the eligibility requirements.

(xi) It indicates that Bid Prices do not include the amount of taxes & duties.

(xii) If Bidder refuses to accept the arithmetic corrections.

(xiii) It is materially and substantially different from the Conditions/Specifications of Bidding Documents.

(xiv) It provides Sub-contracting, contrary to conditions specified in the Bidding Documents.

(xv) It fails to comply Mile-Stones/critical dates specified in Bidding Documents.

(xvi) The bidder is not valid license holder of the PEC.

(g) **Results of Preliminary Examination**

The results of preliminary examination should be presented in Table-5 of Annex-II. It should be however realized that Table 1 to Table 4 Annex-II are for summarizing the essential information from the bids. If the bid fails in preliminary acceptance, the reasons must be clearly explained in footnotes or in an attachment, as necessary. An example is shown in Annex-III. Executing agencies may find it useful to include additional tables for itemization of responsiveness to a list of technical or commercial specifications. These should be attached to Table-5 of Annex-II.
3.5 **Detailed Examination of Bids**

3.5.1 Only Responsive bids as a result of preliminary examination shall be examined in detail.

(a) **Correction for Errors:** The methodology for correction of computational errors is described in the ITB. The read-out bid prices and their corrections should be noted in Table-6 column-d of Annex-II. The corrections are considered binding on the bidder. Unusual or large corrections that could affect the comparative ranking of bids should be explained in footnotes.

(b) **Correction for Provisional Sums:** Bids may contain provisional sums set by the Employer/Engineer for contingencies or for nominated subcontractors, etc. As these sums are the same for all bids, they should be subtracted from the read-out prices in Table 6, column-e of Annex-II to allow for a proper comparison of bids in subsequent steps. However, those provisional sums set aside for Day-work etc, where priced competitively, should not be included in the deductions.

(c) **Modifications and Discounts:** In accordance with the ITB, bidders are allowed to submit, prior to bid opening, modifications to their original bid. The impact of modifications should be fully reflected in the examination and evaluation of the bids. These modifications may include either increases or discounts to the bid amounts that reflect last-minute business decisions. Accordingly, the original bid prices should be modified at this point in the evaluation. Discounts offered in accordance with the ITB that are conditional on the simultaneous award to the same bidder of other contracts (cross-discounts) shall not be incorporated until the completion of evaluation of other contracts. The effect of unconditional discounts (or alternatively, increases) should be shown as in Table-6 of Annex-II (columns g and h). Any discount expressed in percent must be applied to the appropriate base specified in the bid (i.e., check to see if it applies to any provisional sums). Employer may reserve the right to consider the cross discounts.

(d) **Additions:** Omissions to the bid should be compensated for by adding the estimated costs for remedying the deficiency. Where items missing in some bids are present in others, average of the quoted prices could be used to compare competitors’ bids. The cost determined should be expressed in the evaluation currency and shown in Table-7, column c of Annex-II.

(e) **Adjustments:** The ITB specifies which of the factors will be taken into account for adjustments of bid price in the bid evaluation. The methodology used in evaluation of these factors should be precisely described in the bid evaluation report and should be fully consistent with the ITB provisions. Bonuses or additional credits that reduce the evaluated bid price will not be considered in the bid evaluation for features that exceed the requirements stated in the bidding documents, unless specifically provided for in the ITB. The value of adjustments will be expressed in terms of cost, for all works contracts, and
Minor Deviations: As discussed under para 3.4 (e), bids with minor deviations may be considered substantially responsive if their further consideration assigns a monetary cost or adjustment to the bid for the purpose of bid comparison:-

(i) Requests for deviations that are expressed by the bidder in vague terms, such as “we would like an increase in the amount of mobilization advance” or “we wish to discuss changes in the completion schedule” should ordinarily be ignored in bid evaluation (if the same is withdrawn by the bidder upon subsequent clarifications) provided that the same do not affect the relevant ranking of the bidder, but shall be considered deviation if adjustment procedure for late completion or such other items are mentioned in Evaluation Criteria. Also a categorical statement by the bidders taking exception to a requirement in the bidding documents should be treated as a deviation.

(ii) If a bid requires a faster payment than specified in the bidding documents, then adjustment should be based on the prospective benefit to the bidder. This situation assumes use of a discounted cash flow using the prevailing commercial interest rates for the currencies of the bid, or ITB foresees the eventuality and specifies a rate.

(iii) If a bid provides for a completion that is beyond the date specified in the bidding documents but that is nonetheless technically acceptable to the executing agency, the time advantage given should be assessed and a penalty specified in the light of the ITB or, if one is not provided, it should be based on the rate of liquidated damages specified in the bidding documents.

3.5.2 Methods of detailed Evaluation for Civil Works and E&M Works, Contracts are attached at Appendix-A & B for Guidance.

3.6 Determination of Award

3.6.1 Before arriving at a decision of award Table 7 of Annex-II be completed for the lowest evaluated Bidder.

(a) Cross-Discounts: Where there are conditional discount offered in the event that more than one contract will be awarded to the same bidder, Bid evaluation in such cases can be quite complicated. The sizes of cross discounts offered by each bidder may vary with the potential number of contracts awarded. The ITB may also limit the number of total value of awards to a bidder on the basis of its financial and technical capacity. Thus, a bidder offering the lowest evaluated bid on a particular contract may be denied award because of such a restriction. The executing agency at its discretion may select the optimum combination of awards (in case of slice and package bidding) on the basis of least overall cost of the total contract package, consistent with
the qualification criteria, subject to the provision of such possibility in
the Tender Documents, presentations of the calculations should be made
on an attachment to the report, which should include the bid evaluation(s) for the other contracts, if they have been evaluated separately.

(b) **Qualification:** If prequalification was conducted, the bidder whose bid is the lowest evaluated should receive the award, unless the bidder’s qualifications have since materially deteriorated or the bidder has since received additional work that over-stresses its capacity. The executing agency should satisfy itself fully on both accounts. The rejection of a bid for reasons of qualification requires substantial justification, which should be clearly documented in attachments to the report.

(c) **Proposed Award:** The amount of the proposed award shall be the bid price as submitted by the bidder and adjusted as described in the ITB for corrections and any discounts (including cross-discounts). Adjustments to the final price and scope of the contract to correct for acceptable omissions in the bid may be clarified and finalized with the lowest evaluated bidder. Table-8 Annex-II should be filled out to establish the actual amount of the contract award.

If (i) none of the bids are found to be responsive, (ii) bids are unreasonably high in price compared with earlier estimates, or (iii) none of the bidders are qualified, the Employer may consider rejection of all bids.

(d) **Award of Contract:** Bid securities of unsuccessful bidders should be returned promptly after award has been made and contract signed with the selected bidder after satisfactory submission of a performance security and fulfillment of other conditions. The executing agency may consider seeking an appropriate extension of time for the bid validity and the accompanying bid security of the next two or more (if the executing agency feels it to be beneficial) lowest evaluated responsive bidders, if the award expected to be delayed beyond the validity dates of the bids and bid security.

### 3.7 Evaluation Guidance

Annex-II & Annex IV are particularly added for guidance of the Employer whereas Annex-III is an example of Preliminary Examination and Annex-IV is the Bid Evaluation Check List.
Annex-I

BID OPENING CHECKLIST
(To be filled-out for each bid as it is read-out)

Contract Reference:
________________________________________________________________________

Bid Opening Date: _____________________________ Time: _______________________
Name of Bidder: __________________________________________________________________

(a) Is outer envelope of bid sealed?
(b) Is Form of Bid completed and signed?
(c) Expiration date of bid: ______________________
(d) Is documentary authority for signing enclosed?
(e) Amount of bid security (as required): ______________________
(f) Describe any “Substitution,” “Withdrawal,” or “Modification” submitted.
(g) Describe any alternative bid made.
(h) Describe any discounts or modifications offered.
(i) Additional comments
(j) Name of bidder or his representative who attended bid opening.
(k) Total bid price:
________________________________________________________________________

(If bid is for a package of contracts, the price for each slice should be read out).

Signed by:

____________________
Members of Committee

____________________
Bidders Representatives

____________________
Convenor of Committee
# IDENTIFICATION

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<td></td>
<td>(b) Address</td>
<td>____________________________</td>
</tr>
<tr>
<td>1.3</td>
<td>Contract number (identification)</td>
<td>____________________________</td>
</tr>
<tr>
<td>1.4</td>
<td>Contract description</td>
<td>____________________________</td>
</tr>
<tr>
<td>1.5</td>
<td>Engineer’s cost estimate(s)</td>
<td>____________________________</td>
</tr>
<tr>
<td>1.6</td>
<td>Method of procurement (check one)</td>
<td>ICB_______LCB(NCB)_____ Other_____</td>
</tr>
<tr>
<td>1.7</td>
<td>Fixed price contract</td>
<td>Yes___________ No __________</td>
</tr>
</tbody>
</table>
### BIDDING PROCESS

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>2.1</strong> Prequalification, carried out</td>
<td></td>
</tr>
<tr>
<td>(a) Number of firms prequalified</td>
<td></td>
</tr>
<tr>
<td><strong>2.2</strong> Procurement Notice</td>
<td></td>
</tr>
<tr>
<td>(a) Name of national newspaper</td>
<td></td>
</tr>
<tr>
<td>(b) Issue date</td>
<td></td>
</tr>
<tr>
<td>(c) Number of individual firms notified</td>
<td></td>
</tr>
<tr>
<td><strong>2.3</strong> Standard Bidding Document</td>
<td></td>
</tr>
<tr>
<td>a) Title, publication date</td>
<td></td>
</tr>
<tr>
<td>b) Date of issue to bidders</td>
<td></td>
</tr>
<tr>
<td><strong>2.4</strong> Number of firms to whom documents issued</td>
<td></td>
</tr>
<tr>
<td><strong>2.5</strong> Amendments to documents, if any</td>
<td></td>
</tr>
<tr>
<td>a) List all amendments No. &amp; dates</td>
<td>1. _________ 2. _________ 3. _________</td>
</tr>
<tr>
<td><strong>2.6</strong> Date of pre-bid conference, if any</td>
<td></td>
</tr>
<tr>
<td><strong>2.7</strong> Date minutes of the conference sent to bidders</td>
<td></td>
</tr>
</tbody>
</table>
### Annex-II

#### Table-3

**BID SUBMISSION AND OPENING**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3.1</strong></td>
<td>Bid submission deadline</td>
</tr>
<tr>
<td></td>
<td>(a) Original date, time</td>
</tr>
<tr>
<td></td>
<td>b) Extensions, if any</td>
</tr>
<tr>
<td><strong>3.2</strong></td>
<td>Bid opening date, time (Actual)</td>
</tr>
<tr>
<td><strong>3.3</strong></td>
<td>Number of bids submitted</td>
</tr>
<tr>
<td><strong>3.4</strong></td>
<td>Bid validity period (days, weeks or months)</td>
</tr>
<tr>
<td></td>
<td>a) Originally specified</td>
</tr>
<tr>
<td></td>
<td>b) Extensions, if any</td>
</tr>
</tbody>
</table>
### SUMMARY OF BID PRICES (AS READ OUT)

<table>
<thead>
<tr>
<th>Bidder Identification</th>
<th>Read-out Bid Price(s)</th>
<th>Modifications or Comments¹ (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bidder</strong></td>
<td><strong>Address</strong></td>
<td><strong>Amount</strong></td>
</tr>
<tr>
<td>(a)</td>
<td>(b)</td>
<td>(c)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td>etc.</td>
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</tbody>
</table>

1. Describe any modifications to the read-out bid, such as discounts offered, withdrawals, and alternative bids. Note also the absence of any required bid security or other critical items. Refer also para 3.1, Bid Opening.
# RESULTS OF PRELIMINARY EXAMINATION

<table>
<thead>
<tr>
<th>Bidder (a)</th>
<th>Verification (b)</th>
<th>Eligibility (c)</th>
<th>Bid Security (d)</th>
<th>Completeness of Bid (e)</th>
<th>Substantial Responsiveness (f)</th>
<th>Acceptance for Detailed Examination (g)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>etc.</td>
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</tbody>
</table>

Note: For explanations of headings, see para-3.4. Additional columns may be needed, such as for responsiveness to technical conditions. See example in Annex-III.
# CORRECTIONS AND UNCONDITIONAL DISCOUNTS

<table>
<thead>
<tr>
<th>Bidder (a)</th>
<th>Read-Out Bid Price(s)</th>
<th>Corrections</th>
<th>Corrected Bid Price(s)</th>
<th>Unconditional Discounts $^2$</th>
<th>Corrected/Discounted Bid Price(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Amount (b)</td>
<td>Currency(ies) (if FE also demanded) (c)</td>
<td>Computational Errors $^1$ (d)</td>
<td>Provisional Sums (e)</td>
<td>Percent (g)</td>
<td>Amount (h)</td>
</tr>
<tr>
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<td>etc.</td>
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</tbody>
</table>

Note: Only bids accepted as a result of preliminary examination (Table 5, column g) should be included in this and subsequent tables. Columns a, b and c in this table correspond to columns a, c and d respectively of table-4.

1. Correction in column d may be positive or negative (negative should be shown in parenthesis).
2. If the discount is offered as a percent, column h is normally the product of the amounts f and g. If the discount is provided as an amount, it is entered directly in column h.


## ADDITIONS, ADJUSTMENTS AND PRICED DEVIATIONS

<table>
<thead>
<tr>
<th>Bidder (a)</th>
<th>Corrected/Discounted Bid Price (b)</th>
<th>Additions(^1) (c)</th>
<th>Adjustments(^1) (d)</th>
<th>Priced Deviations(^1) (e)</th>
<th>Total Price ((f) = (b) + (c) + (d) + (e))</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td>etc.</td>
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<td></td>
</tr>
</tbody>
</table>

1. Each insertion in columns c, d, or e should be footnoted and explained in adequate detail, accompanied by calculations. Refer to paras 3.5(d), 3.5(e) and 3.5(f) respectively.
**Annex-II**

**Table-8**

**PROPOSED CONTRACT AWARD**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Lowest evaluated responsive bidder (proposed for contract award)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Name</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b) Address</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>If bid from joint venture, list all partners, nationalities, and estimated shares of contract.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Estimated date (month, year) of contract signing.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Estimated completion period.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Bid Price(s) (Read-out) (^1)</td>
<td>Amount(s)</td>
</tr>
<tr>
<td>6.</td>
<td>Corrections for Errors (^2)</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Discounts (^3)</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Other Adjustments (^4)</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Proposed Award (^5)</td>
<td></td>
</tr>
</tbody>
</table>

1. From Table 6, column b.
2. From Table 6, column d.
3. From Table 6, column h, including any cross-discounts.
4. All adjustments (which includes Addition, Adjustments and Priced Deviations).
5. Sum of the prices in Items 5 to 8.
## EXAMPLE OF PRELIMINARY EXAMINATION

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Verification</th>
<th>Eligibility</th>
<th>Bid Security</th>
<th>Completeness of Bid</th>
<th>Substantial Responsiveness</th>
<th>Acceptance for Detailed Examination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bidder A</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bidder B</td>
<td>No(^1)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes(^2)</td>
</tr>
<tr>
<td>Bidder C</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bidder D</td>
<td>Yes</td>
<td>Yes</td>
<td>No(^3)</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bidder E</td>
<td>Yes</td>
<td>No</td>
<td>No(^4)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bidder F</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bidder G</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bidder H</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

1. Joint Venture agreement missing.
2. Requires 25 percent mobilization advance; bid document states maximum of 15 percent. Deviation is minor or major depending on the resources of Employer.
3. Bid security not in required amount/format.
4. Required validity period of security not met (8 weeks instead of 12 weeks).
Annex-IV

BID EVALUATION CHECKLIST

1. Explain any inconsistencies between prices and modifications to prices read-out at bid opening (and written into the record) and presented in Table-4 of Annex-II.

2. Provide details on eliminating any bids during preliminary examination (Table-5). Copy selected pages from bids, as desirable, to show examples of objectionable features.

3. If provisional sums in Table-6 vary among bidders, explain. Explain any substantial corrections for computational errors that may have any effect on the ranking of bidders.

4. The additions, adjustments, and priced deviations in Table-7 require detailed explanations where they may cause an effect upon the ranking of bidders.

5. Explain any cross-discount [para 3.6.1(a)] not read out and recorded at bid opening. In addition, attach copies of any evaluation reports for the other related contracts awarded to the same bidder in case of slice and package contracts.

6. Provide detailed reasons for refusing to award a contract to a party other than the lowest evaluated bidder.

7. An attachment to Table-8 should explain adjustments to the price provided on the Item-8. Explain any loading to incomplete scope of bid and contract conditions.

8. Maintain in the record, copies of any correspondence from bidders that raise objections to the bidding and evaluation process, together with detailed responses.


10. Bid evaluation report to contain as Attachment.

11. Ensure that the bid evaluation report is double-checked, paginated, and complete.
APPENDIX-A

EVALUATION CRITERIA EXAMPLE
FOR CIVIL WORKS

Evaluation and Comparison of Bids

1. The Employer will evaluate and compare only the bids determined to be substantially responsive.

2. In evaluating the bids, the Employer will determine for each bid the evaluated bid price by adjusting the bid price as follows:
   
   (a) making any correction for errors
   
   (b) excluding Provisional Sums and the provision, if any, for contingencies in the Summary Bill of Quantities, but including competitively priced Day work, etc.
   
   (c) making an appropriate adjustment for any other acceptable variation or deviation.

3. The estimated effect of the price adjustment provisions of the Conditions of Contract, applied over the period of execution of the Contract, shall not be taken into account in bid evaluation.

4. If the bid of the successful bidder is seriously unbalanced in relation to the Employer’s estimate of the cost of work to be performed under the Contract, the Employer may require the bidder to produce detailed price analysis for any or all items of the Bill of Quantities to demonstrate the internal consistency of those prices with the construction methods and schedule proposed. After evaluation of the price analysis, the Employer may require that the amount of the Performance Security set forth is sufficient to protect the Employer against financial loss in the event of default of the successful bidder under the Contract.

5. General Performance of the Bidders

   The Employer reserves the right to obtain information regarding performance of the bidders on their previously awarded contracts/works. The Employer may in case of consistent poor performance of the bidder as reported by the employers of the previously awarded contracts, interalia, refer the case to the Pakistan Engineering Council. Upon such reference, PEC may take such action as may be deemed appropriate under the circumstances of the case including black listing of such Bidder and debarring him from participation in the future bidding for similar works.
EVALUATION CRITERIA EXAMPLE
FOR E&M WORKS

Preliminary Examination & Determination of Responsiveness of Bids

1. Prior to determination of responsiveness,

   a) The Engineer will examine the Bids to determine whether;

   i) the Bid is complete and does not deviate from the scope,
   ii) any computational errors have been made,
   iii) required sureties have been furnished,
   iv) the documents have been properly signed,
   v) the Bid is valid till required period,
   vi) the Bid prices are firm during currency of contract if it is a fixed price
       bid,
   vii) completion period offered is within specified limits,
   viii) the Bidder/Manufacturer is eligible to bid and possesses the requisite
         experience,
   ix) the Bid does not deviate from basic technical requirements, and
   x) the Bids are generally in order

   b) A bid is likely not to be considered, if;

   i) it is submitted by a Bidder who has participated in more than one Bid,
   ii) it is received after the time and date fixed for its receipt,
   iii) it is submitted though fax, telex, telegram or email,
   iv) it is not accompanied with Bid Security,
   v) it is unsigned,
   vi) its validity is less than specified,
   vii) it is submitted for incomplete scope of work,
   viii) it indicates completion period later than specified,
   ix) it indicates that prices quoted are not firm during currency of the
       contract,
   x) it indicates that Goods and material to be supplied do not meet
       eligibility requirements,
   xi) it indicates that Bid prices do not include the amount of income tax,
   xii) if Bidder refuses to accept arithmetic corrections,
   xiii) it is materially and substantially different from the
         Conditions/Specifications of the Bidding Documents,

2. Arithmetical errors will be rectified on the following basis:

   If there is a discrepancy between the unit price and total price that is obtained
   by multiplying the unit price and quantity, the unit price shall prevail and the
   total price shall be corrected. If there is a discrepancy between the words and
   figures, the amount in words shall prevail. If there is a discrepancy between the
   total Bid Price entered in the Form of Bid and the total shown in Schedule of Prices
   Summary, the amount stated in the Form of Bid will be corrected by the Employer/Engineer in accordance
Standard Procedure for Evaluation of Bids for Procurement of Works

with the Corrected Schedule of Prices.

If the Bidder does not accept the corrected amount, his Bid will be rejected and his Bid Security be forfeited.

3. Prior to the detailed evaluation, the Engineer will determine the substantial responsiveness of each Bid to the Bidding Documents. For purpose of these Clauses, a substantially responsive Bid is one which conforms to all the terms and conditions of the Bidding Documents without material deviations.

A material deviation or reservation is one

(i) which affect in any substantial way the scope, quality or performance of the Works;

(ii) which limits in any substantial way, inconsistent with the Bidding Documents, the Employer’s rights or the Bidder’s obligations under the Contract; or

(iii) whose rectification would affect unfairly the competitive position of other bidders presenting substantially responsive bids.

The Engineer’s determination of a Bid responsiveness will be based on the contents of the Bid itself without recourse to extrinsic evidence.

4. A Bid determined as substantially non-responsive will be rejected and will not subsequently be made responsive by the Bidder by correction of the non-conformity.

5. Any minor informality or non-conformity in a Bid which does not constitute a material deviation may be waived by Employer, provided such waiver does not prejudice to affect the relative ranking of any Bid.

6. Conversion of Single Currency

6.1 To facilitate evaluation and comparison, the Employer/Engineer will convert, all Bid Prices expressed in the amount in various currencies in which Bid Price is payable, to Pak Rupees at the Telegraphic Transfer and Over Draft. (TT&OD) composite exchange rates selling published by State Bank of Pakistan and applicable to similar transactions, on the date of the opening of Bid.

7. Detailed Evaluation of Bid

7.1 The Employer/Engineer will evaluate and compare only the bid previously determined to be substantially responsive as per requirements given hereunder:

7.2 Evaluation and Comparison of Bids

(a) Bids will be evaluated for each item for complete scope of work

(b) Basis of Price Comparison
The prices will be compared on the basis of the Evaluated Bid Price pursuant to Para (e)(iii) herein below:

(c) Technical Evaluation

It will be examined in detail whether the Works offered by the bidder complies with the Technical Provisions of the Bidding Documents. For this purpose, the bidder’s data submitted with the bid will be compared with technical information submitted with the bid regarding the Scope of Work will also be reviewed.

(d) Commercial Evaluation

It will be examined in detail whether the bidders comply with the commercial/contractual conditions of the Bidding Documents. It is expected that no major deviation/stipulation shall be taken by the bidders.

(e) Evaluated Bid Price

In evaluating the bids, the Employer will determine for each bid in addition to the Bid Price, the following factors (adjustments) in the manner and to the extent indicated below to determine the Evaluated Bid Price.

(i) Price Adjustment for Completeness in Scope of Work

In case of omission in the scope of work of a quoted item price adjustment for the omitted item(s) shall be applied provided that the Bidder has mentioned in his bid that the same is covered in any other item(s).

The price adjustment shall not justify any additional payment by the Employer. The price(s) of omitted item(s) shall be deemed covered by other prices in Schedule of Prices

(ii) Price Adjustment for Technical Compliance

The cost of making good any deficiency resulting from technical non compliance will be added to the corrected total Bid Price for comparison purposes only. The adjustments will be applied taking the average price quoted by other Bidders being evaluated in detail in their original Bids for corresponding item. In case of non availability of price from other Bidders, the price will be estimated by the Engineer/Employer.

(iii) Price Adjustment for Commercial Compliance

The cost of making good any deficiency resulting from any quantifiable variations and deviations from the Bid Schedules and
Conditions of Contract, as determined by the Engineer/Employer will be added to the corrected total Bid Price for comparison purpose only. Adjustment for commercial compliance will be based on corrected total Bid Price.

(iv) Price Adjustment for Deviation in Terms of Payment

If deviations are taken from the terms of payment/payment conditions as specified in the Bidding Documents and if such deviation is considered acceptable to the Employer, mark-up earned for any earlier payments involved in the terms outlined in the Bid as compared to those stipulated in the Conditions of Contract shall be calculated at the following mark-up rates.

- for foreign currency component: ___________ per annum (insert rate)
- for local currency component: ___________ per annum (insert rate)

and shall be added to the corrected total Bid Price for comparison purposes only.

(v) Price adjustment for completion Schedule

Bids indicating completion in advance of the dates stated in Preamble to Conditions of Contract, no credit will be given in this evaluation.

Bids indicating completion period later than the period set out in Preamble to Conditions of Contract shall be adjusted in the evaluation by adding a factor of 0.05% of the corrected total Bid Price for each calendar day of completion later than specified period of the completion.

Bids indicating completion beyond ___________ days later (insert no of days)

than the dates set out in Preamble to Conditions of Contract, shall not be considered and rejected as non responsive.

9. If the Bid of the successful bidder is seriously unbalanced in relation to the Employer’s estimate of the cost of work to be performed under the Contract, the Employer may require the bidder to produce detailed price analysis for any or all items of the Schedule of Prices to demonstrate the internal consistency of those prices with the construction methods and schedule proposed. After evaluation of the price analysis, the Employer may require that the amount of the Performance Security be increased at the expense of the successful bidder to a level sufficient to protect the Employer against financial loss in the event of default of the successful bidder under the Contract.

10. Domestic Preference
10.1 In the comparison of evaluated bidder, the Goods manufactured in Pakistan, will be granted a margin of preference in accordance with the following procedures, provided the bidder (Classified in Group A) shall have established to the satisfaction of Employer that the manufacturing cost of such Goods includes a domestic value addition equal to at least 20% of the ex-factory Bid price of such Goods. Bidders applying for domestic preference shall substantiate their claim.

10.2 The Engineer will first review the bids to confirm the appropriateness of and to modify as necessary, the Bidders group classification to which Bidders assigned their Bids. An incorrect classification of Group will not result in rejection of Bid but merely in the re-classification of the Bid into its appropriate Bid Group by the Engineer.

10.3 The comparison shall be Ex-factory price of the Goods to be offered from within Pakistan (such prices to include all costs as well as custom duties and taxes paid or payable on raw materials and components or to be incorporated in the Goods) and the CIF Karachi price of the Goods to be offered from outside Pakistan.

10.4 The lowest evaluated Bid of each Group shall first be determined by comparing all evaluated renders in each Group among themselves without taking into account:

   a) In the case of Goods manufactured in Pakistan or Goods of foreign origin already located in Pakistan, sales tax, local body charges and other similar taxes which will be payable on the furnished Goods in Pakistan.

   b) In the case of Goods of foreign origin offered from abroad, customs duties and the import taxes which will be payable in furnished Goods in Pakistan.

10.5 The price preference to Group A bid will be:

   i) 20% of the ex-factory bid price, if the value addition through indigenous manufacturing is over 20% upto 30%.

   ii) 25% of the ex-factory bid price, if the value addition through indigenous manufacturing is over 30%.

10.6 The applicable price preference i.e. 20% or 25% as the case may be applied to Group A Bids by reducing 20% or 25% of the ex-factory bid price.