SECTION M5 - TENDER PROCESS AND EVALUATION

OBJECTIVE

To ensure that advice given to Client regarding the tender process and evaluation are properly considered, recorded and reported.

To provide guidance for procedures in the assurance of any Client's requirement of the process.

RESPONSIBILITIES

Project Director	-	To authorise and approve list of contractors for pre-qualification exercise and/or tender.
	-	To approve Tender Report and recommendation to Client.
Project Manager	-	To ensure Client's requirements for pre-qualification of contractors, tendering process and evaluation of tenders received are established and adhered to.
	-	To evaluate list of approved contractors, tenders received and prepare evaluation report.

PROCEDURES

1. Selection of Tenderers

The list of contractors to be selected to tender shall be approved by the Project Director. The Project Director shall together with the Project Manager decide on the list of contractors to be included to tender for the project or as advised by the Client.

The Project Directors shall keep a confidential list of acceptable M&E contractors, and this list shall be subject to review yearly.

Depending on Client's requirements, generally, three shall suffice for calling of tenders.

Selection of contractors for a particular project should normally base on the following criteria:-

(i) Technical capability

(ii) Financial soundness

(iii) BCA category of registration

(iv) Performance in past and ongoing project

(v) Committed and anticipated workload

Upon finalisation of the list, the Tender Pre-qualification Form, if required by the Client, shall be sent to the contractors selected to obtain latest information and their interest in the project.

After verifying and reviewing the available information, the list of contractors recommended to be included in the list of tenderers shall be sent to the Client for approval.

For design and build type of construction, a similar procedure may be adopted for selection of the tenderers. Alternatively the procedures to be adopted for finalising the list of tenderers can be agreed with the Contractor.

2. Issuance of Enquiry Document

The list of tenderers must be approved by the Client prior to issuance of enquiry document.

The Project Manager shall ensure that the enquiry documents are issued on the agreed date in order that no tenderer has an unfair advantage over any other.

The enquiry document shall generally consist of the following:-

(i) Letter of Invitation to Tender

(ii) Specification

(iii) Drawings

2.1 Letter of Invitation to Tender

For enquiry documents issued directly to tenderers from the Company, the sample 'Letter of Invitation to Tender' shall be used and suitably modified for Client's requirements and individual project.

2.2 Tender Deposit

The Project Manager shall be responsible for calculating the total cost for printing of Specification and Tender Drawings for issue to the tenderers and preparation of Sub-Contract Documents based on the Tender Document Lithography Cost Worksheet. The rate of printing specification, tender drawings and binding (soft and hard copy) can be obtained from the intranet.

The tender deposit shall not be less than the total cost for preparation of tender document and Sub-Contract Document and rounded up to the nearest higher figure.

The Tender Document Lithography Cost Worksheet shall be sent to Accounts for record and approve by Project Director.

After that, the tender deposit shall be agreed with the Client before issue of Letter of Invitation to Tender.

For enquiry documents issued directly to tenderers from the Company, the cheques collected from tenderers as tender deposit shall be registered and kept by the Accounts Department.

2.3 Revisions

Revisions to requirements before the tender closing date and answers to tenderers' queries shall be notified simultaneously to all tenderers in writing.

Clarification by telephone of tenderers' queries shall be referred to the Project Manager. The answers shall be restricted to an essential minimum and where applicable, shall be conveyed promptly to all tenderers in writing. The Project Manager shall ensure that additional explanations and advice on acceptability of alternatives shall be expressly forbidden.

Revisions after the closing date, but before the contract is awarded shall either be included in the contract, as agreed with the successful tenderer or shall be the subject of subsequently issued variations orders.

Revisions to the enquiry document shall be issued in the form of Addendum.

2.4 Request For Extensions of Tender Period

Requests for an extension of the closing date shall not be granted without prior agreement of the Client.

Any such extension shall be notified to all tenderers in writing, preferably at least five days prior to the original closing date.

3. Receipt and Opening of Tenders

On projects where tenders are received by the Company, care shall be taken to ensure that they are not inadvertently opened.

The tenders shall be opened in the presence of persons as agreed with the Client.

The names of the tenderers together with the tender prices shall be recorded on the 'Summary of Tenders Received' form. The names of those personnel present to witness the opening shall be recorded on the form and their signatures added in for confirmation.

A copy of the completed 'Summary of Tenders Received' form shall be forwarded to the Client, the Quantity Surveyor and other external design team members as agreed with the Client.

Tenders received after the stated time of receipt should be returned to the tenderer unopened, unless instructed otherwise by the Client. If in doubt, the Clients advice should be sought immediately, and the resulting decision confirmed in writing.

4. Tender Evaluation

The Client's requirements, if any, governing the evaluation of tenders and recommendations for the selection of successful tenderer shall be established and recorded.

Before evaluation of tenders it should be ascertained whether or not the Client is to participate in the evaluation, and it must be agreed with the Client whether or not we can:-

(i) Communicate directly with the tenderers, and if so, at what stage and whether there are any limitations on the subject matter, e.g. questions confined to technical matters, omitting financial and contractual ones.

(ii) Hold meetings with tenderers, and if so, whether the Client requires to be present.

(iii) Receive communications from tenderers.

In the absence of a Client having specific requirements regarding procedures, this procedure shall apply, suitably adjusted to meet the particular needs of the project

4.1 Initial Evaluation

4.1.1 Items for Review

The initial evaluation of the tender documents shall be to establish whether:-

(i) All the tender documents have been returned and signed.

(ii) The tenderer has complied with all the instructions.

(iii) There are no arithmetical errors.

(iv) The Conditions of Contract have been accepted.

(v) The tenderer has complied with the Specification.

(vi) Delivery times generally meet requirements, where specified.

(vii) The Schedule of Alternatives, where included, is worth consideration.

(viii) Any substantial deviations from the tender requirements.

4.1.2 Short List

As a result of the initial evaluation of the tenders received, where possible, a short list of tenderers for further detailed evaluation shall be compiled.

If a tender is rejected, the reasons in detail, for rejection shall be stated in the report to the Client

4.1.3 Arithmetical Errors

Generally the tender price quoted in the Form of Tender rules and an error in a component price in a schedule would be corrected to accord with the total tender price.

Where a substantial error is discovered that would harm the tenderer, the Client's agreement shall be obtained for the next course of action

4.2 Clarification of Tenders

The Client's authorisation shall be obtained and recorded, if applicable, before tenderers are approached to clarify queries in their tenders.

Tender clarification shall be conducted, where possible by means of written questions and answers.

Tender interview with selected tenderers shall be held to resolve the various queries arising from their tenders adopting a prepared question and answer format as recommended for written clarification.

Letters containing clarifications of queries shall be copied to the Client and Architect (if required), and subsequently form part of the Contract Document between the Contractor and the Client.

4.3 Post Tender Prices

No tenderer shall be allowed to submit a price change after the tender has been received, unless specifically invited to do so by the Client.

4.4 Alternatives

On projects where tenderers are permitted to submit alternative materials to those specified, evaluation should be limited to those tenderers on the short list or preferably the lowest tenderer or as agreed with the Client.

4.5 Tender Report

The Project Manager shall stipulate the format in which the report to the Client shall be made. The report may be in a letter form or a structured report, as applicable to the project.

The report where applicable shall include:-

(i) A comparative schedule of all monetary values of all tenders received and identifying any arithmetical errors.

(ii) A technical comparison of the short listed tenders based on their differences.

(iii) Details of clarification to queries on the enquiry documents.

(iv) Detailed reasons for the rejection of any tenders.

(v) Recommendations for the award of a contract based on the above factors.

5. Extension of Tender Validity

Due to a variety of circumstances, the validity of tenders shall not be allowed to lapse.

The attention of the Client shall be drawn in good time to an approaching validity end date, to allow sufficient time for the Tenderers to be notified and to extend the dates.

6. Checking Reports Before Issue

The Project Manager shall ensure that the draft report to the Client is vetted by the Project Director for technical and financial content, presentation and clarity.

Following the inclusion of any corrections, the Project Manager shall submit the report to the Project Director for final approval and signature. The Project Director may delegate this responsibility where appropriate.

7. Award of Nominated Sub Contract

7.1. Award Before the Main Contract

The Project Manager shall formalise with the Architects, Quantity Surveyors and Client's Representatives on the method to be adopted unless otherwise instructed by the Client:

(i) Letter of Award Issued by the Architect

Where instructed in writing by the Client to award a tender for the Nominated Sub-Contract before the Main Contract is awarded, a letter of award shall be issued to the successful tenderer by the Architect advising them of Client's intention to accept their tender offer and hence the award of the Sub-Contract.

After award of the Main Contract, the Architect shall instruct the Main Contractor to enter into a novation agreement by issue of an Instruction with copy of the letter of award and draft copy of the Sub-Contract documents attached.

The Main Contractor will then enter into a novation agreement between the Nominated Sub-Contractor and the Client to release and discharge the Client from the Sub-Contract. (The novation agreement shall be provided by the Client/Quantity Surveyor).

(ii) Letter of Intent by the Architect

Where instructed in writing by the Client to accept a tender for the Nominated Sub-Contract before the Main Contract is awarded, a letter of Intent shall be issued to the successful tenderer by the Architect advising them of the Client's intention to accept their tender offer and the award of Sub-Contract shall be formalised later with the Main Contractor.

After the award of the Main Contract, the Architect shall issue the Nomination Instruction to the Main Contractor to accept the successful tenderer as the Nominated Sub-Contractor. A draft letter of award, copy of the letter of intent and draft copy of the sub-contract documents shall be enclosed.

7.2 Award After the Main Contract

Where instructed in writing by the Client to award a tender for the Nominated Sub-Contract after the Main Contract is awarded, a letter of nomination shall be issued to the successful tenderer by the Architect advising them of the Client's intention to nominate them to the Main Contractor for acceptance as the Nominated Sub-Contractor.

This shall be followed by an Instruction issued by the Architect to the Main Contractor with a draft letter of award, copy of the letter of nomination and draft copy of the Sub-Contract Documents.

7.3 Unsuccessful Tenders

When the acceptance by the Main Contractor of the Nominated Sub-Contractor has been confirmed, a letter shall be sent to the unsuccessful tenderers informing them of the outcome of the tender. The tender deposit if any and where applicable shall be returned to the unsuccessful tenderers.

8. Records

A copy of the tender evaluation report and all letters containing clarifications of queries shall be retained in the project 'CF' files.

Upon the award of a contract to the successful tenderer, the enquiry documents of the unsuccessful tenderers shall be dealt with in accordance to Section S6 - Archive Control.

REFERENCE

List of Acceptable M&E Contractors

Form M5.A - Pre-Qualification Form for Tenderers

Form M5.B - Tender Document Lithography Cost Worksheet

Form M5.C - Summary of Tenders Received