

# Section 3: Evaluation and Qualification Criteria

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# 1. Qualification

## 1.1 Eligibility

| Criteria    | Compliance Requirements |                       |              | Documents               |
|-------------|-------------------------|-----------------------|--------------|-------------------------|
| Requirement | Single Entity           | Joint Venture         |              | Submission Requirements |
|             |                         | All Partners Combined | Each Partner |                         |

### 1.1.1 Nationality

|   |                       |                       |                       |                |                                       |
|---|-----------------------|-----------------------|-----------------------|----------------|---------------------------------------|
| Nationality in accordance with ITB 4.2. | Must meet requirement | Must meet requirement | Must meet requirement | Not applicable | Forms ELI-1; ELI - 2 with attachments |
|---|-----------------------|-----------------------|-----------------------|----------------|---------------------------------------|

### 1.1.2 Conflict of Interest

|  |                       |                       |                       |                |                         |
|--|-----------------------|-----------------------|-----------------------|----------------|-------------------------|
| No conflicts of interest in accordance with ITB 4.3. | Must meet requirement | Must meet requirement | Must meet requirement | Not applicable | Letter of Technical Bid |
|--|-----------------------|-----------------------|-----------------------|----------------|-------------------------|

### 1.1.3 ADB Eligibility

|  |                       |                       |                       |                |                         |
|--|-----------------------|-----------------------|-----------------------|----------------|-------------------------|
| Not having been declared ineligible by ADB, as described in ITB 4.4. | Must meet requirement | Must meet requirement | Must meet requirement | Not applicable | Letter of Technical Bid |
|--|-----------------------|-----------------------|-----------------------|----------------|-------------------------|

### 1.1.4 Government-Owned Enterprise

|   |                       |                       |                       |                |   |
|---|-----------------------|-----------------------|-----------------------|----------------|---|
| Bidder required to meet conditions of ITB 4.5 | Must meet requirement | Must meet requirement | Must meet requirement | Not applicable | Forms ELI - 1; ELI - 2 with attachments |
|---|-----------------------|-----------------------|-----------------------|----------------|---|

### 1.1.5 United Nations Eligibility

|  |                       |                       |                       |                |                         |
|--|-----------------------|-----------------------|-----------------------|----------------|-------------------------|
| Not having been excluded by an act of compliance with a United Nations Security Council resolution in accordance with ITB 4.8. | Must meet requirement | Must meet requirement | Must meet requirement | Not applicable | Letter of Technical Bid |
|--|-----------------------|-----------------------|-----------------------|----------------|-------------------------|

## 1.2 Historical Contract Nonperformance

### 1.2.1 History of Nonperforming Contracts

| Criteria   | Compliance Requirements |                       |                                    |                | Documents               |
|--|-------------------------|-----------------------|------------------------------------|----------------|-------------------------|
| Requirement  | Single Entity           | Joint Venture         |                                    |                | Submission Requirements |
|  |                         | All Partners Combined | Each Partner                       | One Partner    |                         |
| Nonperformance of a contract <sup>a</sup> did not occur as a result of contractor default since 1 January 2017 | Must meet requirement   | Must meet requirement | Must meet requirement <sup>b</sup> | Not applicable | Form CON-1              |

<sup>a</sup> Nonperformance, as decided by the Employer, shall include all contracts where (a) nonperformance was not challenged by the contractor, including through referral to the dispute resolution mechanism under the respective contract, and (b) contracts that were so challenged but fully settled against the contractor. Nonperformance shall not include contracts where Employers decision was overruled by the dispute resolution mechanism. Nonperformance must be based on all information on fully settled disputes or litigation, i.e., dispute or litigation that has been resolved in accordance with the dispute resolution mechanism under the respective contract and where all appeal instances available to the Bidder have been exhausted.

<sup>b</sup> This requirement also applies to contracts executed by the Bidder as Joint Venture member.

### 1.2.2 Suspension Based on Execution of Bid-Securing Declaration

| Criteria   | Compliance Requirements |                       |                       |                | Documents               |
|--|-------------------------|-----------------------|-----------------------|----------------|-------------------------|
| Requirement  | Single Entity           | Joint Venture         |                       |                | Submission Requirements |
|  |                         | All Partners Combined | Each Partner          | One Partner    |                         |
| Not under suspension based on execution of a Bid-Securing Declaration pursuant to ITB 4.6. | Must meet requirement   | Must meet requirement | Must meet requirement | Not applicable | Letter of Technical Bid |

### 1.2.3 Pending Litigation and Arbitration

Pending litigation and arbitration criterion shall not apply.

## 1.3 Financial Situation

### 1.3.1 Historical Financial Performance

| Criteria   | Compliance Requirements |                       |                       | Documents      |                               |
|--|-------------------------|-----------------------|-----------------------|----------------|-------------------------------|
| Requirement  | Single Entity           | Joint Venture         |                       |                | Submission Requirements       |
|  |                         | All Partners Combined | Each Partner          | One Partner    |                               |
| Submission of audited financial statements or, if not required by the law of the Bidder's country, other financial statements acceptable to the Employer, for the last <b>3 years</b> to demonstrate the current soundness of the Bidder's financial position. As a minimum, the Bidder's net worth for each of the last three years, calculated as the difference between total assets and total liabilities, should be positive. | Must meet requirement   | Not applicable        | Must meet requirement | Not applicable | Form FIN – 1 with attachments |

### 1.3.2 Average Annual Turnover

| Criteria  | Compliance Requirements |                       |   | Documents                               |                         |
|---|-------------------------|-----------------------|---|---|-------------------------|
| Requirement   | Single Entity           | Joint Venture         |   |   | Submission Requirements |
|   |                         | All Partners Combined | Each Partner                            | One Partner                             |                         |
| Minimum average annual turnover of <b>US \$27.90 million</b> calculated as total certified payments received for contracts in progress or completed, within the last <b>3 years</b> . | Must meet requirement   | Must meet requirement | Must meet <b>25%</b> of the requirement | Must meet <b>40%</b> of the requirement | Form FIN-2              |

**1.3.3 Financial Resources**

| Criteria  | Compliance Requirements |                       |                       |                       | Documents                     |
|---|-------------------------|-----------------------|-----------------------|-----------------------|-------------------------------|
| Requirement   | Single Entity           | Joint Venture         |                       |                       | Submission Requirements       |
|   |                         | All Partners Combined | Each Partner          | One Partner           |                               |
| <p>For Single Entities:</p> <p>The Bidder must demonstrate that its financial resources defined in Form FIN – 3, less its financial obligations for its current contract commitments defined in Form FIN – 4, meet or exceed the total requirement for the Subject Contract of <b>US\$ 2.5 Million</b></p>                                | Must meet requirement   | Not applicable        | Not applicable        | Not applicable        | Form FIN – 3 and Form FIN – 4 |
| <p>For Joint Ventures:</p> <p>(1) One partner must demonstrate that its financial resources defined in Form FIN – 3, less its financial obligations for its own current contract commitments defined in Form FIN – 4, meet or exceed its required share of <b>40%</b> from the total requirement for the Subject Contract.</p> <p>AND</p> | Not applicable          | Not applicable        | Not applicable        | Must meet requirement | Form FIN – 3 and Form FIN – 4 |
| <p>(2) Each partner must demonstrate that its financial resources defined in Form FIN – 3, less its financial obligations for its own current contract commitments defined in Form FIN – 4, meet or exceed its required share of <b>25%</b> from the total requirement for the Subject Contract.</p> <p>AND</p>                           | Not applicable          | Not applicable        | Must meet requirement | Not applicable        | Form FIN – 3 and Form FIN – 4 |

|  |                |                       |                |                |                               |
|--|----------------|-----------------------|----------------|----------------|-------------------------------|
| (3) The Joint Venture must demonstrate that the combined financial resources of all partners defined in Form FIN – 3, less all the partners' total financial obligations for the current contract commitments defined in Form FIN – 4, meet or exceed the total requirement for the Subject Contract of <b>US\$ 2.5 Million.</b> | Not applicable | Must meet requirement | Not applicable | Not applicable | Form FIN – 3 and Form FIN – 4 |
|--|----------------|-----------------------|----------------|----------------|-------------------------------|

## 1.4 Bidder's Experience

### 1.4.1 Contracts of Similar Size and Nature

| Criteria  | Compliance Requirements |  |  |                | Documents               |
|---|-------------------------|--|--|----------------|-------------------------|
| Requirement   | Single Entity           | Joint Venture  |  |                | Submission Requirements |
|   |                         | All Partners Combined  | Each Partner   | One Partner    |                         |
| <p>Participation, as a contractor, Joint Venture partner, or Subcontractor, in at least two contracts <b>in which the design-build was completed within the last 10 years, and which have been operating successfully for at least two years</b>, and that are similar to the proposed contract, where the value of the Bidder's participation exceeds <b>US \$ 20 Million</b>.</p> <p>The similarity of the Bidder's participation shall be based on:</p> <ol style="list-style-type: none"> <li>1.Contract type: either DBO, Build Operate Transfer (BOT) or similar long term contract; and</li> <li>2. Duration: The operation and maintenance period of the contract shall be five years or more ; and</li> <li>3. Physical size: Treatment plant shall be at least 14,000 m<sup>3</sup>/day; and</li> <li>4. Technology: Both example contracts shall use Activated Sludge Processes (ASP). At least one of the example contracts shall be a Sequential Batch Reactor type; and</li> <li>5. At least one of the example contracts shall be outside the Bidder's home country. In the case that the bidder is a joint venture where two partners are each providing one example</li> </ol> | Must meet requirement   | <p>Must meet requirement as follows:</p> <p>(i) Either one partner must meet requirement</p> <p>Or</p> <p>(ii) any two partners must each demonstrate one contract in which the design-build was completed within the last 10 years, and which have been operating successfully for at least two years, and that are similar to the requirement under criteria, where the value of the Bidder's participation exceeds <b>US \$ 20 Million</b>.</p> | <p>Must demonstrate one successfully or substantially completed contract of ASP or SBR or others WWTP where such partner's value of participation exceeds 25% of the subject contract value.</p> | Not applicable | Form EXP – 1            |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| <p>contract (as permitted under Requirements above), then at least one partner must provide an example contract that located outside its home country or if any one partner of JV is providing two contracts (as permitted under Requirements above), then one of the example contract shall be outside the bidder's home country.</p> |  |  |  |  |  |
|--|--|--|--|--|--|



### 1.4.2 Experience in Key Activities

1.4.2(a) Must be complied with by the Bidder. In case of a Joint Venture Bidder, at least one of the partners must meet the requirement in the key activity.

Table A

| Criteria   | Compliance Requirements |                       | Documents               |
|--|-------------------------|-----------------------|-------------------------|
| Requirement  | Single Entity           | Joint Venture         | Submission Requirements |
| For the above or other contracts executed during the period stipulated in 1.4.1, a minimum experience in the following key activities:   | Must meet requirement   | Must meet requirement | Form EXP – 2            |
| 1 Project manager/lead partner (covering the management of design, construction, supply and installation of all equipment, commissioning and operation) of at least two wastewater treatment plants within the last ten years using an SBR process each with a capacity of at least 14,000 m <sup>3</sup> /day.  |                         |                       |                         |
| 2 Operating and maintaining two municipal wastewater treatment plants each with a capacity of 14,000 m <sup>3</sup> /day or more.<br>The reference contract shall comply with the following criteria: <ul style="list-style-type: none"> <li>• Both contracts shall use Activated Sludge Processes (ASP), and at least one contract shall be a Sequential Batch Reactor type of ASP, and</li> <li>• Each contract is either ongoing or was completed no more than eight years ago, and</li> <li>• The contract specifies an operating and maintenance period of five years or more; and</li> <li>• The contract has been running for three years or more, and</li> <li>• The subject treatment plant shall have operated successfully since commencement of the operating period of contract, meeting the specified purification requirements</li> </ul> |                         |                       |                         |

1.4.2(b) The Employer accepts any of the following activities to be subcontracted. They may be complied with by the Bidder or by its proposed Specialist Subcontractor. Employer shall require evidence of subcontracting agreement from Bidder in case of specialist subcontractors.

Table B

| Criteria  | Compliance Requirements                        |  | Documents               |
|---|--|--|-------------------------|
| Requirement   | Single Entity or its Specialist Subcontractors | Joint Venture or its Specialist Subcontractors | Submission Requirements |
| For the above or other contracts executed during the period stipulated in 1.4.1, a minimum experience in the following key activities:  | One must meet requirement                      | One must meet requirement                      | Form EXP – 2            |
| <p>1 Outline and detailed design<br/>Subcontractor must have experience of having successfully completed within the last five (5) years:</p> <p>a) at least two contracts for the design of wastewater plants with SBR technology of at least 14,000 m<sup>3</sup>/day capacity, and with complexity similar to the proposed subcontract, and</p> <p>b) at least one contract for the design of a wastewater treatment plant with anaerobic sludge digestion, biogas production and internal biogas use.</p> <p>2 Biogas power generation equipment supply and installation:<br/>Subcontractors must have successfully completed at least two contracts during the past 10 years of size and complexity similar to the proposed contract. For example: contract shall be for a power plant with a capacity of at least 60 kW.</p> |  |  |                         |

## 1.5 Subcontractors

Subcontractors or Suppliers for the following major items of Plant, Materials, and Services must meet the following minimum qualification criteria, herein listed for a Subcontractor for that item. Failure to comply with this requirement will result in rejection of the Subcontractor but not the Bidder.

| Item No. | Description of Item   | Minimum Criteria to be met  | Documents Submission Requirements |
|----------|---|---|-----------------------------------|
| 1        | Civil works subcontracts* (e.g excavation, soil stabilization, landscaping works etc)<br><br>* Important note: Subcontracting of a works package to one company shall be limited to 20% of the Accepted Contract Amount for Design Build. | Subcontractors must have experience of having completed at least one contract of similar complexity to the proposed subcontract, and having a Bidder's Participation value of at least 80% to the proposed subcontract, within the last five (5) years.   | Form EXP – 3                      |
| 2        | Manufacturers of electrical, mechanical and instrumentation of major & critical equipment   | Manufacturers must have at least ten years' experience of production of similar equipment and be ISO 9001 certified.  |                                   |
| 3        | Electrical, Mechanical and instrumentation installation   | Subcontractors must have experience of having completed at least one contract for a wastewater plant using similar technology and having similar complexity to the proposed subcontract, and having a Bidder's Participation value of at least 80% of the proposed subcontract, within the last five (5) years. |                                   |

Operation and maintenance shall not be subcontracted.

In the case of a Bidder who offers to supply and install major items of Plant under the Contract, which the Bidder did not manufacture or otherwise produce, the Bidder shall provide the Manufacturer's authorization, using the form provided in Section 4 (Bidding Forms), showing that the Bidder has been duly authorized by the Manufacturer or producer of the related Plant and equipment or component to supply and install that item in the Employer's country. Failure to submit the Manufacturer's authorization at the first instance is considered a minor, nonmaterial omission and shall be subject to clarification. However, failure of the Bidder to submit the omitted authorization shall lead to rejection of the Subcontractor or Manufacturer of the item under evaluation in accordance with ITB 31.4.

## 2. Evaluation

### 2.1 Technical Evaluation

#### A) Determination of Responsiveness (ITB 33)

The determination of responsiveness of the Technical Bid under ITB Sub-Clause 33 will include (but be not limited to) the following:

- i. An assessment of whether the Bidder has demonstrated that the proposed design will meet the standards specified in the schedule of performance guarantees (see Section 4, "Schedule of Performance Guarantees").
- ii. Confirmation that the Bidder's design uses classical Sequential Batch Reactor (SBR) technology with no inflow into a SBR during sedimentation, decanting and idle phases.

Bids that are not substantially responsive to the requirements of the bid documents will be rejected.

#### B) Detailed Evaluation of Technical Bids (ITB 35)

The Employer will establish a technical score for each technical proposal not previously rejected as being substantially nonresponsive. The scoring will be based on the criteria and marking system described in the table below.

| Evaluation Criteria  | Max available points | Minimum Score           |                |
|--|----------------------|-------------------------|----------------|
|  |                      | As % of available score | As points      |
| <b>1. Contractor's proposed organisation</b>   | <b>100</b>           |                         |                |
| a. Overall quality of organisation and project management proposal   | 30                   |                         |                |
| b. CVs of key Design-Build Personnel   | 40                   |                         |                |
| c. CVs of key Operation Service Personnel  | 20                   |                         |                |
| d. Coordination with the Employer and Employer's Representative  | 10                   |                         |                |
| <b>2. Time schedule, mobilisation, planning</b>  | <b>75</b>            |                         |                |
| a. Understanding of planning and approval requirements   | 15                   |                         |                |
| b. Site investigations   | 10                   |                         |                |
| c. Design-build programme  | 40                   |                         |                |
| d. Operation Service Period programme  | 10                   |                         |                |
| <b>3. Design proposals</b>   | <b>500</b>           | <b>70%</b>              | <b>350 pts</b> |
| a. Overall design concept for the Works (layout, process selection, flood protection, river crossing etc.) | 100                  |                         |                |
| b. Inlet works and lifting station   | 40                   |                         |                |
| c. Primary treatment and bypass structures   | 50                   |                         |                |
| d. Secondary treatment   | 90                   |                         |                |
| e. Biogas and power generation   | 50                   |                         |                |
| f. Odour mitigation measures   | 30                   |                         |                |

|  |            |             |               |
|--|------------|-------------|---------------|
| g. Sludge management   | 50         |             |               |
| h. Automation and process control systems  | 50         |             |               |
| i. Administrative buildings, architecture, landscaping, access roads and ancillary works     | 20         |             |               |
| j. Risk assessment   | 20         |             |               |
| <b>4. Construction proposals</b>   | <b>100</b> |             |               |
| a. Construction method statement   | 40         |             |               |
| b. Opportunities for local contractors / companies   | 10         |             |               |
| c. Awareness of local impacts during construction (environmental impact mitigation measures) | 10         |             |               |
| d. Plan for Tests upon Completion of Design Build  | 20         |             |               |
| <b>5. Operation and Maintenance Plan</b>   | <b>150</b> | <b>50%</b>  | <b>75 pts</b> |
| a. Overall quality of the O&M plan and compliance with the ERQ.                              | 150        |             |               |
| <b>6. Handover</b>   | <b>75</b>  |             |               |
| a. Transition arrangements   | 35         |             |               |
| b. Training of follow-on staff   | 40         |             |               |
| <b>Total points available</b>  |            | <b>1000</b> |               |

A Technical Bid must receive at least,

- (1) a total score of 600 points; and
- (2) the minimum scores noted above for each of the criteria scored to qualify to be considered further in the procurement process.

Proposals that,

- (1) receive fewer than 600 points; or
- (2) do not receive at least the minimum scores in each scored criteria; or

will be rejected for non responsiveness.

Bidders shall note that under this evaluation process, it is possible to meet or exceed the minimum scores for each criteria and still not receive the required 600 points to be considered further.

## 2.2 Economic Evaluation

In addition to the criteria listed in ITB 37.2 I (a)–(f), the other relevant evaluation factors are developed below.

The following evaluation factors shall be taken into account for determining the lowest evaluated Bid. Adjustments in price that result from the procedures outlined below shall be added, for purposes of comparative evaluation only, to arrive at an “Evaluated Bid Price.” Bid prices quoted by Bidders shall remain unaltered.

### 2.2.1 Quantifiable Nonmaterial Deviations, Reservations, and Omissions

The evaluation shall be based on the evaluated cost of fulfilling all of the Contract obligations as laid down under this Bidding Document. Accordingly, the Employer shall proceed with a Bid price adjustment whenever there are quantifiable nonmaterial Deviations, Reservations, and Omissions item(s) or component(s) in a Bid, to correct the effect of those in order to be able to compare all Bids on an equal basis, i.e., on the basis of the same set of Contract obligations.

The price adjustment shall be

- based on a reasonable estimate of the cost of removing any nonmaterial Deviation, Reservation and/or Omission for any item or component of the Bid, where such cost shall be added to the Bid amount, with all reasonable supporting means (such as, for the sake of illustration but not necessarily limited to, a market price study for the said item or component) and/or
- where applicable, made by taking into consideration the corresponding quoted prices from other conforming bids. The price adjustment should be based on the highest price quoted for the same item or component by the other responsive Bidders.

### 2.2.2 Whole Life Cycle Costs of the facility to be Designed, Built, and Operated under the Contract

In case the life span expectancy of the facility to be designed, built, and operated by the Contractor under the Contract, as stated by the Employer under the Schedule of Performance Guarantees, is higher than the Contract Operation Service Period, then the provisions below shall apply. Otherwise, there shall be no Bid price adjustment on the account of the life cycle costs of the facility.

1. For Bid evaluation purposes only, the following methodology shall be used to calculate the residual life cost of the facility, beyond the Operation Service Period: Calculate the residual life of the facility:

$$\text{Residual life of the facility} = M - N$$

where

M = The life span expectancy of the facility to be designed, built, and operated by the Contractor under the Contract, as stated by the Employer under the Schedule of Performance Guarantees

N = The Operation Service Period under the Contract, i.e. the one defined under PCC Part A—Contract Data—Subclause 8.2

2. Locate within the Bid the various input variables to be inserted into the below formula in order to determine the net present value of future operation and maintenance costs for each year over the residual life of the facility. The following formula may be used:

$$\text{Net Present value} = \frac{FF + VFN + EPN + ARFY}{(1 + d)^Y}$$

Where

FF = The Contractor's Annual Fixed Fee Bid price, as stated by the Contractor under the Price Schedule No. 5.1.

VFN = The Contractor's Variable Fee Bid price for the last year of the Contract Period, as stated by the Contractor under the Price Schedule No. 5.2.

EPN = The Annual Contractor's Electricity Payment for the last year of the Contract Period as stated by the Contractor under the Price Schedule No. 5.3

ARFY = The average Asset Replacement Fund value per year, being the total Asset Replacement Fund stated by the Contractor under the Price Schedule No. 7 divided by the Operation Service Period as defined above.

Note: For this Tukucha WWTP contract, the Operation Service Period of 5 years is less than the minimum asset life requirement for the replacement of assets through the Asset Replacement Fund. Therefore, the value of ARFY will be zero.

y = The year for which the net present value is being calculated;

d = Discount rate to be used for the Net Present Value calculation. A rate of 5% shall be used.

3. Using the above formula (or alternative approved by ADB), calculate the net present value for the combined operation and maintenance costs (FF, VFN, EPN, ARFY) for each year (y) over the residual life of the facility. Note that for the purposes of the calculation, the determination of the year (y) shall be counted from the date of Contract signature.
4. Sum the individual net present value calculations for each year of the residual life of the facility in order to determine the total adjustment to be made to the Bid Price.

### 2.2.3 Contractor's Overhead and Profit for Compensation Events

Multiply the Bidder's proposed percentages in the Schedule of overhead and profit to the Bid amount for the Design-Build of Works (which is the sum of Price Schedules Nos. 1 to 4) and add this to the Bid price for evaluation.

### 2.2.4 Work, Services, Facilities, etc., to be Provided by the Employer

Where Bids include the undertaking of work or the provision of services or facilities by the Employer in excess of the provisions allowed for in the Bidding Document, the Employer shall assess the costs of such additional work, services and/or facilities during the duration of the Contract, and factor for those when calculating the whole life cycle costs under the preceding part. Such costs shall be added to the Bid price for evaluation.

### 2.2.5 Domestic Preference

If domestic preference applies as per BDS 41.1, then the following shall apply. Otherwise, there shall be no Bid price adjustment on the account of domestic preference.

A domestic preference will be granted to eligible domestically produced Plant and Materials in accordance with the following provisions:

- (a) The preference margin shall not be applied to the whole facility but only to the eligible domestically produced Plant and Materials within the Contract.

- (b) Plant and mandatory spare parts supplied from abroad shall be quoted CIP (Section 4, Bidding Forms, Price Schedule No. 1) and Plant and mandatory spare parts supplied from within the Employer's country shall be quoted EXW (ex works, ex factory, ex warehouse, ex showroom, or off-the-shelf, as applicable) free of sales and similar taxes (Section 4, Bidding Forms, Price Schedule No. 2).
- (c) All other cost components for services and works such as costs for design, local handling, transportation, storage, installation, commissioning, operation and maintenance shall be quoted separately (Section 4, Bidding Forms, Schedule No. 3 to No. 6).
- (d) In the comparison of Bids, only the CIP price component of each Bid for the Plant and Materials offered from outside the Employer's country shall be increased by 15%.
- (e) No domestic preference shall be applied to any of the services or works included in the Contract.
- (f) Bidders shall not be permitted or required to modify the mix of local and foreign Plant and Materials after Bid opening.

### 2.2.6 Specific Additional Criteria

The following additional criteria will be used in the evaluation: None

### 2.3 Multiple Contracts

Not applicable