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**EVALUATION REPORT**

**FOR PREQUALIFICATION APPLICATIONS FOR WORKS (AER-W)**

**(Large and Small Works, Ad Measurement and Lump Sum)**

**July 2023**

# Preface

1. *This Preface is not part of the report and it and notes to Recipients*[[1]](#footnote-2) *(in italics throughout the report) should not appear in the report submitted to the Caribbean Development Bank (CDB).*
2. *This document, titled* ***Applications Evaluation Report – Works,*** ***(AER-W),*** *is for use with the Applications for Prequalification (termed here* ***“Applications”)*** *received by the Recipients in response to Invitations for Prequalification for Works (****PQD****) submitted by potential Works Contractors (termed here* ***“Applicants”).***

*Recipients are expected to primarily use the* ***PQD*** *to prequalify Applications for Works under International Competitive Bidding (ICB). However, the PQD shall also, with suitable modification, be used for National Competitive Bidding (NCB), and, in specific circumstances, for Limited Bidding (LB) – International bidding or LB at a regional or national level.*

1. *It is expected that* ***AER-W*** *including* ***Charts A through G,*** *will be used by Recipients to facilitate the evaluation of Applications and to obtain the subsequent No Objection* ***(NO),*** *where required by CDB in the case of prior review, for the following types of Works Contracts:*

* *Small Works[[2]](#footnote-3) - lump sum or admeasurement*
* *Large Works - lump sum or admeasurement*

*Where CDB prior review does not apply, the complete AER-W, plus other related documents noted, will be retained by the Recipient for possible future CDB review.*

1. *The Prequalification process shall be governed by the following policies and procedures, all available at* [*https://www.caribank.org/work-with-us/procurement/resources*](https://www.caribank.org/work-with-us/procurement/resources)*:*

* *SPD: Prequalification Document for Procurement of Works* *(****PQD****), including Instructions to Applicants* ***(ITA).***
* *“Procurement Policy for Projects Financed by CDB,” (****Policy****), dated November 2019, and Procedures for Projects Financed by CDB”* ***(Procedures),*** *dated January 2021.*

1. *The defined terms and acronyms in the Procedures and the* ***PQD*** *are, where applicable, the same as those used in the* ***AER-W****. Cross-referencing to the Procedures (e.g., Paragraphs 7.12 and 13 Prequalification of Bidders) and the* ***PQD*** *is used in this* ***AER-W,*** *and* ***Annex I “Prequalification Evaluation Guidance Notes”*** *is attached here to assist users.*
2. *Recipients should study the* ***AER-W,*** *during project preparation to reflect requirements in the* ***PQD*** *issued to Applicants and to assess the managerial and administrative conditions needed for the evaluation. CDB staff are available to explain any aspects and, where required, the employment of experienced consultants to help in evaluations is permitted and, where allowed by the Financing Agreement, related fees may be paid from CDB financing.*
3. *The results from this* ***AER-W*** *will be referenced during the evaluation of Bids for the related Works. Bidder(s) recommended for award(s) must either confirm they continue to meet the AER-W qualifications or identify changes to be added to* ***Charts A through E of AER-W*** *and assessed by the Employer. In either case the results are added to the BERs for Works – refer to the BER templates for additional guidance.*
4. *To obtain further information on procurement under CDB-financed projects, contact:*

*Procurement Policy Unit*

*Caribbean Development Bank*

*P.O. Box 408*

*Wildey, St. Michael*

*Barbados*

*Email:*  [*procurement@caribank.org*](mailto:procurement@caribank.org)

*Website:* [*www.caribank.org*](http://www.caribank.org)

EVALUATION REPORT

FOR PREQUALIFICATIONAPPLICATIONS FOR WORKS (AER-W)

***Country* [*insert:* name of country]**

***Project Name* [*insert:* project name]**

***Ref No.* [*insert:* ref number]**

***Title of Consulting Services* [*insert:* title]**

***Date of Submission* [*insert:* date]**

Table of Contents

[Preface 2](#_Toc137710104)

[Letter of Transmittal 6](#_Toc137710105)

[Section I. Evaluation Report—Text 7](#_Toc137710106)

[Form II-B. Application Opening Record (AOR) 8](#_Toc137710107)

[Form II-C Evaluation Committee (EC) Certification 9](#_Toc137710108)

[Section II. Evaluation Report—Charts 10](#_Toc137710109)

[Section II Evaluation Report—Charts 10](#_Toc137710110)

[Chart F Summary 11](#_Toc137710111)

[Annex 1 - Prequalification Evaluation Guidance Notes 12](#_Toc137710112)

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# Letter of Transmittal

Where CDB’s no objection (NO) is required for the evaluation results[[3]](#footnote-4), the **AER-W** (consisting of the following documents) should be attached with a Letter of Transmittal from the Recipient ministry, department, or agency responsible for communications with CDB. The letter should highlight conclusions and offer any additional information that would help to expedite review by CDB. In addition, highlight any unresolved or potentially contentious issues.

The letter should be sent to the CDB Operations Officer responsible for the project.

Where no Applicants are qualified, the Recipient shall describe the proposed approaches to address this challenge.

Where the results are subject to post review, the **AER-W** and all supporting documentation shall be retained in the Recipient’s project files for future review by CDB.

Documents to be attached:

|  |  |
| --- | --- |
| Section I | Text |
| Form II-A | Evaluation - Basic Data |
| Form II-B | Application Opening Record (AOR) |
| Form II-C | Evaluation Committee Certification |
| Section II | Evaluation Report—Charts |
| Chart A | Preliminary Examination |
| Chart B | Eligibility - 1 |
| Chart C | Eligibility - 2 |
| Chart D | Financial |
| Chart E | Experience |
| Chart F | Summary |
| Chart G | Recommendations |

# Section I. Evaluation Report—Text

|  |  |
| --- | --- |
| **1. Background** | *Include a brief description, context, scope, estimated value and objectives of the Works.* ***Use about a quarter of a page.*** |
| **2. The Selection Process** | *Elaborate on information provided in Form IIA.*  *Describe the selection process briefly, beginning with the advertising for Applications. Describe significant events that may have affected the timing (delays, complaints from Applicants, key correspondence with CDB, an extension of the submission date for Applications, and so on).*  ***Use about one-half to one page.*** |
| **3. Evaluation and Recommendation** | *Briefly describe (i) the formation of an evaluation committee (EC) as required in Procedures, Paragraph 6.37 (ii) meetings and actions taken by the EC[[4]](#footnote-5): (iii) outside evaluation assistance, if any.*  Recommendations *[insert* ***Chart G*** *here from detailed evaluation Charts A through G]. Provide a summary of names and key reasons of Applicants that failed to qualify.*  *Summarise the results of the prequalification going forward to the next stage of inviting Bids, including adequacy of competition[[5]](#footnote-6). Identify aspects learned in the evaluation process that should be included in the requests for Bid documents, especially, where applicable, for conditionally qualified Applicants.* |

# Form II-B. Application Opening Record (AOR)

The following Applications were submitted by the PQD stated deadline of (***time)*** on (***date).*** The Applications were opened and read out in the presence of those signing the AOR.

|  |  |  |
| --- | --- | --- |
| **Country:** | **Loan/Grant No.:** | **Project Name:** |
| **Client:** | **PQD No.:** | **PQD Name:** |
| **Date and start time of opening Applications:** | **Application opening ended at (time):** | **Location/electronic platform of the Application opening*[[6]](#footnote-7)*:** |

|  |
| --- |
| **Name of Applicants***[[7]](#footnote-8)* |
|  |
|  |
|  |

Name, Designation and Signature[[8]](#footnote-9) Name, Designation and Signature Name, Designation and Signature

*When late Applications are received and allowed [under Section 18.1 of the Instructions to Applicants (ITA)], details will be entered in the sub-table below of the original AOR [that lists on time Applications]. The updated AOR will then be distributed to all Applicants[[9]](#footnote-10).*

|  |  |
| --- | --- |
| **Name of Applicant(s)** | **Time and Date Received** |
|  |  |

Name, Designation and Signature[[10]](#footnote-11) Name, Designation and Signature Name, Designation and Signature

# Form II-C Evaluation Committee (EC) Certification

**Respectfully Submitted by the Application Evaluation Committee**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Organisation/Position** | **Date** | **Signature** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| I confirm that the evaluation of the Applications was conducted in full compliance with the PQD and CDB’s Procurement Procedures. All members of the Evaluation Committee have certified no conflicts of interest in accordance with Procedures, Paragraph 6.37.  Chairperson’s Name:  Signature Date | | | |

*If no Applicants are qualified at this stage, the Transmittal Letter to CDB must describe the Recipient’s planned approach to addressing the situation.*

**Section II. Evaluation Report—Charts**

Section II Evaluation Report—Charts

Chart A Preliminary Examination

Chart B Eligibility - 1

Chart C Eligibility - 2

Chart D Financial

Chart E Experience

Chart F Summary

Chart G Recommendations

# Chart F Summary

*A copy of Chart F is to be inserted here. Charts [A through G] are to be attached to AER-W as reference material. Chart G Recommendations is to be inserted in Section I paragraph 3.*

# 

# Annex 1 - Prequalification Evaluation Guidance Notes

1. ***Introduction:*** *Prequalification may be appropriate for large or complex Works, or in any other circumstances in which the high costs of preparing detailed Bids could discourage competition, such as turn-key Contracts, design and build Contracts, or management Contracts. Prequalification ensures Contracts are awarded only to firms, or combinations of firms, that are suitably experienced in the type of Works and construction technology involved, and that are financially and managerially sound. The assessment by the Recipient of the suitability of firms to carry out a particular Contract* ***prior*** *to being invited to submit a Bid is a process called* ***Prequalification.***
2. ***The Requirement for Prequalification of Bidders:*** *Prequalification is followed by a competitive bidding process limited to those firms meeting specified prequalification criteria. CDB’s Procedures (Paragraphs 7.12 and 7.13) state the requirements for Prequalification. It is CDB’s policy that, unless otherwise agreed, all Applicants meeting the specified criteria shall be allowed to bid. Therefore, Prequalification should not be used for limiting competition to a predetermined number of potential Bidders[[11]](#footnote-12).*
3. ***When to Prequalify:*** *The decision of whether to carry out Prequalification is a matter of professional judgment based upon several considerations about the Contract itself and about the actual process of Prequalification. Contract considerations include size, complexity, limitations on completion time, the critical nature of the works, environmental impact, associated risks, etc. Considerations regarding the process of Prequalification should weigh the potential benefits against the potential disadvantages, which are topics discussed in paras. 4 and 5 below.*
4. ***Benefits of Prequalification:***  *The Prequalification process may benefit both Bidders and Recipients alike in that:*
5. *the process enables prospective Bidders, who may be insufficiently qualified on their own, to avoid the expense of bidding. Conversely, it is an incentive for these potential Bidders to form a joint venture that may give them a better chance of success.*
6. *after being prequalified, well-qualified firms will price their Bids with the knowledge that they are competing against other qualified Bidders meeting realistic minimum competence criteria; the assurance that inadequately qualified competitors will be excluded from submitting unrealistic low bids, will encourage leading Contractors to Bid.*
7. *Prequalification enables Recipients to assess the interest from qualified firms generated by the Contract and, if only a limited number of Applications are received, to make any necessary adjustments in the procurement process (including the special conditions of Contract—sharing of risk, payment terms, liquidated damages, or completion times, which may be perceived as onerous by potential Bidders).*
8. *it helps to eliminate Contractors that have conflicts of interest.*
9. *it reduces the amount of work and time involved by Recipients in evaluating Bids from unqualified Contractors.*
10. *it encourages local firms to form joint ventures with other local or international firms, benefiting from their resources and experience.*
11. *it enables the Recipient to assess the likelihood of contractors’ eligibility for domestic bidder price preference in borrowing countries where this is applicable; and*
12. *it reduces significantly if not eliminates problems of rejection associated with low-priced Bids submitted by Bidders of doubtful capability.*
13. ***Disadvantages of Prequalification:*** *On the negative side, Prequalification has some potential disadvantages:*

***(a)*** *it may increase procurement lead time, although this can be minimised by good procurement scheduling, e.g., undertaking the Prequalification process while Bid documents are being prepared.*

***(b)*** *the Recipient is required to review all prequalification applications, whereas post qualification requires the review of the qualifications of, usually, only one (the lowest evaluated) Bidder.*

***(c)*** *collusion is easier among a limited number of identified Bidders, particularly if they are of the same nationality.*

***(d)*** *the element of subjective judgment required by evaluators when setting some of the Prequalification criteria, that could provide opportunities for externally influenced deviations from the expected high standards of ethics and impartiality in prequalifying Applicants.*

1. ***Balance:*** *CDB, from its own experience, believes that on balance, the benefits of prequalification under transparent conditions for large Works contracts outweigh by a considerable margin the potential disadvantages, for both Recipients and the construction community alike.*
2. ***The Prequalification Process:*** *The process must be conducted strictly to increase the likelihood of high-quality bids. There are four main phases: (i) Advertising, (ii) Preparation and Issuing of the PQD, (iii) Application Preparation and Submission, (iv) Application Evaluation, and Prequalification of Applicants.*
3. ***Advertising*** *(Procedures, Paragraphs 6.14 and 6.15). The Employer shall advertise prequalification in the project by preparing and submitting to CDB a draft General Procurement Notice1 (GPN). CDB will arrange for its publication in the United Nations Development Business online (UNDB online) and on CDB’s website. In addition, the Employer shall advertise an upcoming prequalification process in the project under a Specific Procurement Notice (SPN):*

* *in at least one newspaper of national circulation in the country of the Recipient or the official gazette, or in an electronic portal with free access; and*
* *in UN Development Business[[12]](#footnote-13) online and on CDB’s website.*

1. ***Preparation and Issuing of the Prequalification Document:*** *The Employer and the Applicant should keep in mind that:*

* *The Employer is responsible for the preparation and issuance of the Prequalification Document (PQD).*
* *The Employer shall use the CDB’s current version of the PQD. This is mandatory, where prequalification will be followed by ICB bidding.*
* *The Employer shall prepare the PQD using the published version without suppressing or adding text in Section I, Instructions to Applicants (ITA), which does not allow modifications. All information and data specific to an individual prequalification process must be provided by the Employer in the following sections of the PQD:*
  + *Section II, Prequalification Data Sheet (PDS)*
  + *Section III, Qualification Criteria and Requirements*
  + *Section IV, Application Forms*
  + *Section V, Eligible Countries*
  + *Section VI, Prohibited Practices*
  + *Section VII, Scope of Works*

*The Employer shall allow Applicants sufficient time to study the PQD, prepare complete and responsive Applications, and submit the Applications (see Advertising above).*

1. ***Application Preparation and Submission***

*The Applicant is responsible for the preparation and submission of its application. During this stage, the Employer shall:*

* *Promptly respond to requests for clarifications from Applicants and amend, as needed, the PQD.*
* *If applicable, amend the PQD only with CDB’s “no objection” for Contracts subject to CDB’s prior review.*

1. ***Application Evaluation and Prequalification***

*The Employer is responsible for the evaluation of Applications and the prequalification of Applicants. To that effect, the Employer shall appoint experienced staff to evaluate Applications. Mistakes committed at the Application evaluation stage may later prompt complaints from Applicants, hence requiring re-evaluation of the Applications, with the consequent delays and waste of time and resources.*

*The Employer, in observance of best practices, shall:*

* *Secure all Applications received prior to the Application submission deadline and throughout the evaluation process.*
* *Maintain the Application evaluation process confidential.*
* *Reject any attempts or pressures to influence the evaluation and avoid any Prohibited Practices[[13]](#footnote-14).*
* *Comply with the prior-review requirements of CDB; and*
* *Strictly apply during evaluation the qualification criteria specified in the PQD Section III, Qualification Criteria and Requirements and related forms Section IV.*

1. *“Recipient” refers here to the entity which signed the Financing Agreement with CDB who may be represented by an implementing or executing agency, and which may also be called the “Employer”.*  [↑](#footnote-ref-2)
2. *Ceiling for Small Works is USD 10 million.* [↑](#footnote-ref-3)
3. *See Procedures, Paragraphs 5.04 -5.07, and Annex 2.* [↑](#footnote-ref-4)
4. *This would include the results of PQD Addenda and the Pre-Application meeting if any.* [↑](#footnote-ref-5)
5. *In the event the prequalification did not result in adequate qualified competition, Recipient to recommend approaches to resolve.* [↑](#footnote-ref-6)
6. *This information should be the same as specified in the Instruction to Applicants (ITA).* [↑](#footnote-ref-7)
7. *Where a Proposer is a joint venture, the names of all the parties to the joint venture should be read out and recorded.* [↑](#footnote-ref-8)
8. *All members of the Application Opening Committee to sign.* [↑](#footnote-ref-9)
9. *Delete this sub table where Late Applications not allowed.* [↑](#footnote-ref-10)
10. *All members of the Application Opening Committee to sign.* [↑](#footnote-ref-11)
11. *As an exception, for example Design – Build Contracts, a limit on the number of firms to be prequalified and the methodology may be agreed with CDB. This will require the Recipient to modify the PQD to add scoring for several of the criteria to select the five most qualified Applicants.*  [↑](#footnote-ref-12)
12. *CDB can facilitate the publication at no cost to the Employer.* [↑](#footnote-ref-13)
13. *For details of such practices refer to Procedures, Paragraph 5.25* [↑](#footnote-ref-14)