

Guidelines for the management of TC-funded consultancy assignments



European Bank
for Reconstruction and Development

Definitions and Abbreviations

Affiliate	in relation to an entity, any entity or person controlled, directly or indirectly by the entity, any entity or person that controls, directly or indirectly, the entity, or any entity or person directly or indirectly under common control with the entity
AICU	Accounts and Invoice Control Unit, EBRD
Assignment	the name given to the specific services required of a consultant under a consultancy contract
CCPD	the Consultancy and Corporate Procurement Department, EBRD
Consultant(s)	independent individual experts; consultancy firms, or consortia of consultancy firms
Commitment Number	number given by OCU to identify commitment of TC funds
CRF	contract request form
CSU	the Consultancy Services Unit, EBRD
CV	curriculum vitae
Donor	the agency providing the TC funds
ESP	EBRD's Environmental and Social Policy
Experts	individuals providing services either independently or through a consultancy firm
EBRD/the Bank	European Bank for Reconstruction and Development
EOI	Expressions of Interest
EPP	EBRD's Enforcement Policy and Procedures
OCCO	Office of the Chief Compliance Officer
OCU	Official Co-Financing Unit, EBRD
OGC	Office of the General Counsel, EBRD
OL	the "Operation Leader" in the EBRD
PIP	EBRD's Public Information Policy
PP&R	EBRD's Procurement Policies and Rules
Project	the EBRD investment project including investment preparation and implementation (note that more than one assignment may often be required to prepare and execute a project)
RFP	Request for Proposals
Services	the services required of a consultant under a specific consultancy contract
TC	Technical Cooperation
TOR	Terms of Reference

Guidelines for EBRD clients for the management of TC- funded consultancy assignments

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Introduction

0.1 Scope

These guidelines (the “Guidelines”) are designed to assist clients manage consultancy assignments financed from Technical Cooperation funds (“TC funds”) administered on behalf of donors by the European Bank for Reconstruction and Development (the “Bank” or “the EBRD”).

The Guidelines outline the policies, rules and procedures to be followed for:

- the preparation of consultancy assignments
- the selection and engagement of consultants to be financed from TC funds
- the administration of consultant contracts financed from TC funds.

The Guidelines are also a useful reference document for Bank staff engaged in the management and supervision of TC-funded assignments managed by clients.

0.2 Structure

The Guidelines are organized into six sections, each of which addresses a different aspect of the TC-funded consultancy assignments.

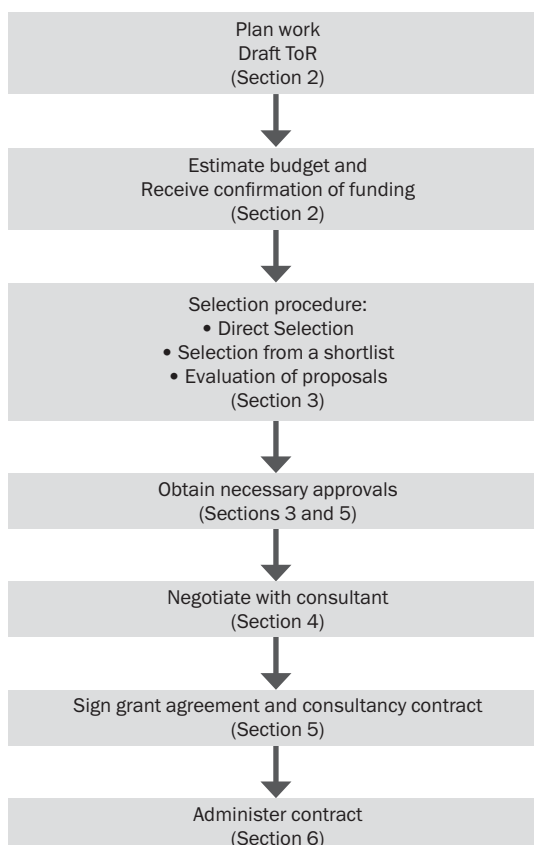
- 1 Principles and Considerations
- 2 Structuring Assignments
- 3 Selection Procedures
- 4 Negotiations
- 5 Contracting
- 6 Post-Contracting

! The Bank will assist and advise the client during all aspects of its management of the TC consultancy assignment

0.3 Overview of process for client management of TC consulting assignments

For ease of navigation the following flow chart shows an overview of the key stages of the process of client management of TC consultancy assignments. It also indicates in which section of the guidelines that aspect will be explained in detail.

Section 1 of the Guidelines details the prevailing principles, considerations and rules which govern all client-managed TC consultancy assignments.





0.4 The EBRD's involvement in the process

The Bank will assist and advise the client during all aspects of its management of the TC consultancy assignment.

For each assignment the Bank will appoint an Operation Leader (OL) who should be familiar with the client and its relationship to the Bank. The OL will be the first point of enquiry for all questions (unless stated to the contrary below). The OL will liaise between the client and any departments of the Bank involved in the process.

The client will also be allocated an adviser from the Consultancy Services Unit (CSU). This adviser will

be a procurement expert who will advise the client directly or via the OL on all aspects of the process, to ensure compliance with the necessary procedures. The CSU adviser will supply the client with any necessary templates for selecting and contracting the consultant. The CSU adviser will also issue the grant agreement (Section 5) and will coordinate the administration of the consultancy contract after award (Section 6).

As the Bank will ultimately make payment to the consultant for the services performed, the client will also be required to correspond (with the assistance of the OL if necessary) with the Bank's Invoice Control department on matters relating to the payment of invoices (Section 6).

1

Section



Principles & Considerations

OBJECTIVES AND DESCRIPTION

1.1 TC Funds

Technical Cooperation funds (TC funds) are provided to the EBRD by various donors in support of the Bank's mandate and its operations.

TC funds are mainly used by the EBRD and its clients to finance consultancy services for project preparation, project implementation, and policy dialogue, in order to fulfill the Bank's mandate.



The client is required to use the same care as the Bank would in using the TC funds

POLICIES AND PRINCIPLES

1.2 Use of TC Funds

The use of TC funds is governed by policies and principles laid down by the donors and the Bank. These include:

- restrictions on the use of the TC funds
- management of the TC funds
- procedures for the selection and engagement of consultants.

The Bank is ultimately responsible to the donors for the management of the TC funds.

1.3 Delegation to the client

In the interest of efficient and effective use of the TC funds, the Bank sometimes delegates the authority to use the TC funds to a client.

The client is accountable to the Bank for the management of the TC funds in compliance with all of the policies, procedures and other provisions and requirements of the donors and the Bank, as referred to or set out in these Guidelines.


1.4 Client's accountability

The TC funds made available to the client are not part of the Bank's ordinary capital, however the Bank has undertaken to manage these funds with the same care as it manages its own funds.

When the client receives approval of the Bank to use these funds for the engagement of consultants, the client shall use these funds with the same fiduciary responsibility and accountability.

When acting on behalf of the Bank, therefore, the client is required to act in accordance with the principles and procedures that the Bank has agreed to follow. The client is required to use the same care as the Bank would in using the TC funds, and to be similarly accountable for their use.

In order to ensure compliance with these guidelines, the client is required to submit specific key documents to the OL for review and approval by the Bank. Details of the Bank's review requirements are covered in the various sections of these Guidelines.

 **The grant agreement sets out the obligations of the client and the Bank and the conditions under which the TC funds are made available to the client**

1.5 The Grant Agreement

The client will be granted the use of the TC funds by the EBRD through a contract known as a grant agreement. The grant agreement sets out the obligations of the client and the Bank and the conditions under which the TC funds are made available to the client.

The structure of the grant agreement is as follows:

- grant agreement, which sets out the obligations of the client and the Bank under which the TC funds are made available to the client. The grant agreement is signed by the Bank and the client; the consultant is not a party to the grant agreement
- Annex A to the grant agreement: Statement of Approval of Consultancy Services
- Annex B to the grant agreement: consultancy contract: The consultancy contract sets out the obligations of the client and the consultant. The consultancy contract is signed by the client and the consultant. The Bank is not a party to the consultancy contract, The consultancy contract includes:
 - Terms of Reference (Section 2.4 and Annex 2.1)
 - Breakdown of Costs (Section 2.6 and Annex 2.5).

Section 5 of the Guidelines explains the grant agreement and consultancy contract in detail.

1.6 Payment of TC Funds

Subject to the client performing the obligations set out in the grant agreement, the TC funds shall be paid directly by the Bank, on behalf of the client, to the consultant after the necessary confirmations have been received from the client (Section 6.10 for further information on the procedure for authorising payment of invoices).

Under the terms of the contract signed with the consultant (Section 5) the client will have an obligation to either pay or to cause the consultant to be paid for the Services. In order to ensure that payment can be made from TC funds the client must adhere to the terms of the grant agreement.

1.7 Bank Rules Governing the Engagement of consultants

The rules governing the selection and engagement of consultants in Bank operations are set out in Chapters 1, 2, and 5 of the Bank's Procurement Policies and Rules (PP&R). (Annex 1 to these Guidelines includes key extracts. The full text is available at www.ebrd.com/pages/research/publications/policies/procurement.shtml).

These rules also apply to consultancy contracts financed with TC funds to the extent that they do not conflict with agreements reached with the donors for the use of such funds (PP&R, s. 5.1).

The client shall also be required to take into account all relevant provisions of the following Bank policies, in addition to any conditions set out in the loan agreement or equity agreements, if any:

- The Enforcement Policy and Procedures (EPP), adopted on 6 May 2009, as modified from time to time (www.ebrd.com/downloads/research/policies/epp11.pdf)
- The Environmental and Social Policy (ESP), adopted on 12 May 2008 , as modified from time to time (www.ebrd.com/about/policies/enviro/policy/2008policy.pdf)
- The Public Information Policy (PIP), adopted on 12 May 2008 , as modified from time to time (www.ebrd.com/downloads/policies/pip/pipe.pdf).

1.8 Donors' requirements

Some donors require specific conditions on the use of the TC funds with respect to the eligibility of nationals and sectoral or geographic areas. Most commonly these will be restrictions on the nationality of the consultants and/or experts for a given assignment. The Bank will advise the client of any such restrictions as early as possible in the process and usually before any procurement notice which may be required is published (Sections 3.5.2 and 3.6.2 include procurement notices). Restricted competition is sometimes referred to as "tied", and unrestricted as "untied".

1.9 Conflicts of interest

The independence and integrity of a consultant is a key condition for receiving full, fair and unbiased advice or assistance. Conflicts of interest must therefore be avoided.

Typical cases of potential conflicts of interest are:

- when a consultant is an affiliate of the client (this is expressly prohibited under PP&R, s.5.5(a))

- when a consultant is engaged, supervised or receives instructions from one party and is also required to receive instructions from or work for the benefit of another party
- if a consultant is engaged under one or more contracts, serving both the Bank (e.g. carrying out due diligence on a company) and its client (e.g. providing management advice or consultancy)
- when a consultant, or an affiliate of the consultant, is also a potential supplier of the goods or services it is specifying or recommending for the client (this is expressly prohibited under PP&R, s.3.28);
- when a consultant is required to verify or monitor work done by itself on a given project
- when a consultant is tasked with scoping follow-on services which he/she will perform.

Cases of potential conflict of interest must be identified as soon as possible, preferably before the establishment of the short list, and the potential for the conflict of interest should be resolved. If it can not be established that there is no conflict the consultant concerned must not be considered for the assignment.

For consultants previously engaged by the Bank or by the client under a TC-funded assignment, the conditions of contract should normally provide protection against potential conflicts of interest.

In the event that the client becomes aware of any actual or potential conflict of interest, it must contact the EBRD immediately. This is an ongoing obligation throughout the selection process and for the duration of any consultancy contract.

In the interest of fair competition, a consultant may be excluded from the evaluation process when that consultant's early work on a project, either for the Bank or the client, gives it a significant and unfair advantage in competing for subsequent work, that cannot be neutralised.

The client is under an obligation to disclose whether it has any pre-existing links to the consultant (whether directly selected or whether taking part in a competitive selection process) which could give rise to a conflict of interest. Any such links or suspicions of links must be discussed with the Bank immediately. If applicable, the client will need to provide a written confirmation that the selected consultant is not conflicted.

1.10 Former Bank staff

Ex-employees of the EBRD are prohibited from being awarded consultancy contracts until six months after their departure (the "cooling off" period).

The cooling off period in the case of ex-Directors and ex-Alternate Directors of the Bank is 12 months from their departure from the EBRD.



! It is the Bank's policy that clients and consultants observe the highest standard of ethics during the procurement and execution of contracts

In the case of consultancy contracts proposed to be awarded to ex-employees, ex-Directors and ex-Alternate Directors during the cooling off period, exceptions have to be authorised in writing by the Bank.

The Bank shall monitor this issue and shall inform the client if any of the experts proposed by the consultant are ineligible for this reason.

1.11 Prohibited Practices

It is the Bank's policy that clients and consultants observe the highest standard of ethics during the procurement and execution of contracts. To this end, the Bank has instituted measures to promote adherence to this policy and remedies for dealing with fraudulent and corrupt actions. The Bank's policies on prohibited practices are outlined in the PP&R section 2.9, and refer to the Bank's Enforcement Procedure and Policies. These provisions are reproduced in full in Annex 1.1 of these Guidelines.

Clients and consultants must be fully familiar with

these provisions and policies. If there is any doubt as to the interpretation or application of these provisions, clients or consultants should seek clarification from the Bank.

A report may be submitted as follows:

- online using the Report Form www.ebrd.com/pages/about/integrity/form.shtml
- by email to compliance@ebrd.com
- by fax to +44 20 7338 7633, using the report form www.ebrd.com/downloads/integrity/form.pdf
- by internal or external post, marked "CONFIDENTIAL", to:

Office of the Chief Compliance Officer
EBRD
One Exchange Square
London EC2A 2JN
United Kingdom

Reports made online, by email, fax or post will arrive directly at the Office of the Chief Compliance Officer (OCCO). Reports may be submitted anonymously or under the condition of confidentiality. All reports - including those where the reporting person(s) wishes to remain anonymous - will be reviewed. At the request of the reporting person(s), he/she will be provided with a status update to the extent permitted by the circumstances. You may choose e-mail, fax or post if your report is complex or if you wish to submit documents in support of your allegations.

The above fax number, email and postal address may also be used for further enquiries about the operation of the Hotline or about matters to be reported.

RECORDS AND REPORTING

1.12 Queries and complaints

General queries about the policies, related procedure or the sample documents, covered in these guidelines, should be directed to the Consultancy Services Unit (CSU).

Complaints or queries received by the client from consultants relating to any aspect of a specific procurement action, should be directed to the Director of the banking department team responsible for the project, and copied to the OL in the Bank and the Director of the Consultancy and Corporate Procurement Department, and the Director of the Procurement Department.

The Bank's procedures for dealing with queries and complaints are outlined in the PP&R, Annex 1, paragraphs 10 - 12 (Annex 1.3).

1.13 Reporting

In addition to the review of key documents by the Bank, compliance with requirements will be further demonstrated by regular reporting, covering both the use of the funds and the substance of the work paid for.

Submissions of documents and reports can be made by a fax or e-mail, but the original documents in hard copy must be retained by the client for audit purposes.

All queries or issues raised by the Bank in its review of documents, must be satisfactorily addressed before proceeding with further actions.

Verification of compliance would normally be through spot checks and audits.



1.14 Audits

The Bank may conduct inspections and carry out audits from time to time. The client will at all times guarantee full access to the respective files and documents. It is essential that all records relating to completed consultancy assignments are maintained in a format which will facilitate these reviews and audits.

The Bank reserves the right to have the records relating to the selection, administration and performance of the TC financed contract(s) audited by auditors appointed by the Bank.

1.15 Routine supervision

The Bank and the client should exchange views with regard to the progress of the assignment. The client must promptly inform the Bank of any proposed change in the nature or scope of the assignment or of any event or condition which might materially affect the assignment. The client must not permit the consultant to materially depart from the scope of work agreed in the Terms of Reference without the prior agreement of the Bank (Section 2.7)

The Bank's staff may also visit the client to

! It is essential that all records relating to completed consultancy assignments are maintained in a format which will facilitate reviews and audits.

review the particular aspects of management of consultants paid from TC funds (selection, monitoring, invoice management, etc).

1.16 Ex-post evaluation and final audits

In addition, the Bank reserves the right to carry out ex-post evaluations and final audits of TC-funded contracts.

An ex-post evaluation assesses the achievement of the objectives, targets and the impact of the assignment.

A final audit reviews the reliability and consistency of contracts and disbursements as well as their compliance with the relevant provisions. It also reviews the degree of compliance with the contracting and procurement rules.



2

Section

Structuring Assignments

OBJECTIVES AND DESCRIPTION

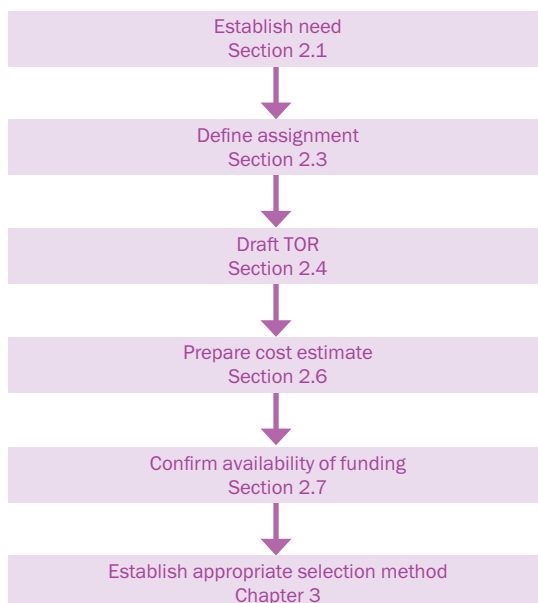
2.1 Objectives

The main objective when selecting consultants should be to ensure that the consultant finally selected is capable of executing the assignment both efficiently and with high standards of performance.

The procedures for selecting consultants should be efficient, while ensuring competition, transparency, accountability and good governance.

The procedures must comply with the policies and rules of the donor(s) and the Bank, as laid out in Section 1 of these Guidelines.

The process is summarised as follows:



2.2 Establish the need for a consultant

The need for a consultant to perform the assignment must be clearly justified by addressing questions such as:

- is the work critical to the success of the operation (transaction or standalone technical assistance)?
- is the work outside of the remit of the client?
- is the work beyond the in-house capacity of the client?
- is it advantageous in terms of cost, time or quality, to use a consultant?

2.3 Defining the Assignment

Consultancy assignments should derive from an understanding of the client's needs and the steps deemed necessary to address them.

Careful definition of the assignment will help to ensure that:

- the use of the consultant is justified
- the selection process is efficient
- the assignment will be useful and cost effective.

2.3.1 Initial steps

The initial steps in defining the assignment should address the following:

- draft preliminary TOR
- establish profile of the consultant required
- estimate cost of the contract

2.4 Terms of Reference (TOR)

The Terms of Reference (TOR) should describe precisely the tasks required of the consultant.

They have several purposes:

- in the preparation stage, they sum up the objectives of the assignment and the proposed means to achieve them
- when proposals are requested, they state what is required from the consultant, allowing clear, complete and comparable offers to be received
- when attached to a contract, they describe the obligations of the consultant, allowing performance to be monitored and enforced, and the desired outputs to be obtained
- at the end of the assignment, when all its effects are known, they provide benchmarks for evaluation of the performance of the consultant and of the success of the work. Their careful preparation is therefore a very important tool for achieving the objectives of the assignment. The clarity of the TOR is the key to receiving quality proposals and ultimately a sound contract.

2.4.1 Drafting TOR

The basis from which terms of reference should be drafted is the analysis of the objectives of the assignment and of the ways in which they could be reached. The Bank will review and provide comments on the draft TOR.

2.4.2 Key elements in TOR

The TOR should include a clear description of the following key elements:

- **background:** the general setting of the assignment, including its relations to other work done
- **objectives:** a clear definition of what the client intends to accomplish; why the assignment is required; and what are the expected results of the assignment (including the desired long term effects and a specification of how these results can be measured)
- **tasks and inputs** which the consultant has to perform in order to reach the objectives of the assignment
- **outputs and deliverables** which the consultant must produce to demonstrate that the objectives of the assignment have been reached
- the **time schedule** for the work


- **supervision:** outlining who would guide the work of the consultant and take decisions that may be needed
- **reporting:** outlining what reports the consultant should prepare, when, how many, in which language(s) and for whom
- **implementation arrangements:** what the client and the consultant will have to do to facilitate the work, such as finding an office, preparing information, setting up meetings, client contributions in kind or in cash, etc.

2.4.3 Style

The TOR should be logical, clear and internally consistent. Information which is covered in other documents such as the contract, should not be repeated in the TOR.

Where the TOR constitute part of a formal Request for Proposals (RFP), information which will be presented in other documents of the RFP (such as the letter of invitation, supplementary information or the contract) should not be included in the TOR. Specifics on the evaluation of proposals should not be discussed in the TOR.

- The scope of the TOR should be consistent with the amount of budget which is available, otherwise good quality consultants may be deterred from participation.

 **The Terms of Reference (TOR) should describe precisely the tasks required of the consultant**

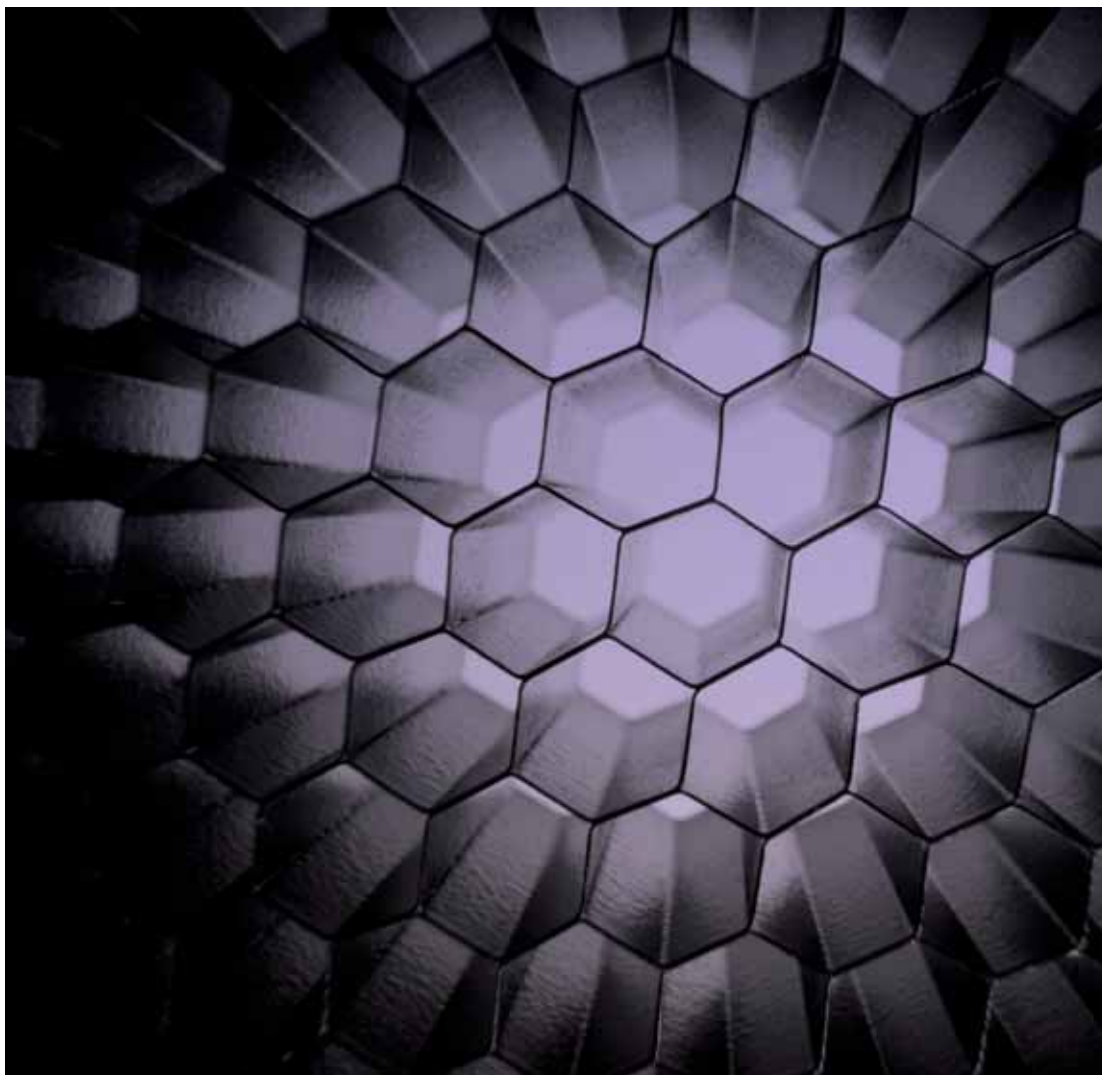
- Whilst previous precedents may be useful for drafting, it is important to carefully consider the particular characteristics of the current assignment.
- Consideration should be given to how prescriptive the TOR need to be in order to allow for some degree of flexibility in achieving the required outputs where appropriate.

For a comprehensive guide on the drafting of TOR refer to Annex 2.1: Guidance Note for the Preparation of Terms of Reference.

2.5 Establish Profile of the Consultant Sought

The client, in conjunction with the Bank, should consider the type of consultant best suited to perform the services required. In order to assist in this process, the client should complete a consultant profile using the templates set out in

Annex 2.2 (where an individual consultant is sought) or Annex 2.3 (where a firm is sought).



2.6 Cost Estimates

2.6.1. Basic Principles

After the Terms of Reference are prepared and the profile of the consultant sought is established, the client and the Bank need to establish a cost estimate for the assignment. The amount should be a genuine and reasonable estimate of the likely cost for performing the services. The estimated cost will be scrutinised internally by the Bank and may be increased or decreased at the Bank's discretion.

The amounts in the budget should be determined net of VAT and other indirect taxes. As TC funds cannot be used to pay indirect taxes owed on the services, the client should examine whether any indirect taxes (such as VAT) are owed on the services that will be provided by the consultant. If such taxes are owed, the client should examine if the services can be exempted under domestic

legislation, or by virtue of an international treaty. If the client cannot obtain exemption, it should ensure that it has budget available to pay such indirect taxes.

As a condition of receiving TC funds the client will be required to confirm its agreement to pay indirect taxes/VAT directly to the consultant should any be payable.

The template and further notes for preparing the budget and further instructions are contained in Annex 2.5.

2.6.2 Follow on services

In accordance with the PP&R it should be determined at this stage whether the proposed assignment may necessitate or generate additional follow-on services from the selected consultant,



! As a condition of receiving TC funds the client will be required to confirm its agreement to pay indirect taxes/VAT directly to the consultant should any be payable.

requiring an extension of the proposed contract or a new direct selection contract.

If such follow-on services are envisaged or likely, they should be incorporated in the definition and in the final TOR and in the budget. The estimated value of the contract, for the purposes of determining the selection procedure, should include the estimated costs of all envisaged extensions to the original assignment.

Consistent with the principle expressed in PP&R, paragraph 3.3, no assignment shall be divided with the intent of reducing the value of the resulting contract(s) below the thresholds governing the selection procedures with the purpose of circumventing these rules (Section 3 provides an explanation of these rules).

2.6.3 Client Contribution

The client should discuss with the Bank what, if anything, the client will contribute to the assignment. A client's contribution can be made either in cash or in kind.

Client contributions in kind can include, but are not limited to: office space for the consultant, use of the client's telecommunication facilities (fax, telephone, internet access), local transportation, translators /interpreters, access to documentation, and facilitating contacts with local authorities, etc. Client contribution can also include a financial contribution to the overall cost of the assignment.

Client contributions in cash can account for part of consultancy services financed by the Bank.

The amount and the modalities of any client contribution (in cash or in kind) will be agreed between the client and the Bank and set out in the grant agreement (Section 1.5).

2.7 Confirming the availability of TC funding

After the above steps have been completed the Operation Leader will submit the Terms of Reference, the budget and a description of the services to be provided to the Bank's Technical Cooperation Committee (TC Com) which will consider the submission and, if it deems it necessary, approve the submission subject to certain changes which can include amendments to the budget or additions to the TOR.

It will not be possible to significantly depart from the scope, TOR and budget which are presented to TC Com, without a new TC Com approval, and therefore it is important that the client ensures that the structure accurately reflects its needs.

The approval of the funding will always be conditional on the client's confirmation that if it cannot obtain any exemption from indirect taxes in the country of assignment, that it will ensure payment of the indirect taxes.

As set out in Section 1.8, TC funds can either be tied or untied. Assignments financed by untied TC funds are open to consultants and experts of any nationality. Tied TC funds impose restrictions on which consultants can be selected and contracted. The restrictions vary by donor, and will be indicated in the procurement notice and the RFP documents.

2.8 Implementation Schedule

Once the TC funding has been confirmed, if the consultant is to be competitively selected the client should work with the Bank to prepare an implementation schedule which will set out a realistic timetable for the selection of the consultant. A template for this and some further explanatory notes are contained in Annex 2.6.

3

Section

~~Yes~~

~~No~~

MAYBE



Selection Procedures and Evaluation Methods

SUMMARY DESCRIPTIONS

3.1 Summary of selection procedures

The PP&R provide for three types of selection procedure. The main factor in determining which procedure is required is the value of the assignment, including all foreseeable extensions:

- Direct Selection, for contracts estimated to cost less than € 75,000. If the contract is estimated to cost € 75,000 or more then in exceptional circumstances the Bank may approve direct selection (Section 3.3).
- Selection from a short list, for contracts with individuals estimated to cost € 75,000 or more, and contracts with firms estimated to cost € 75,000 or more but less than € 300,000.
- Evaluation of Proposals, for contracts with firms estimated to cost € 300,000 or more. This selection procedure is also used for complex assignments, specialised assignments, and operations involving a significant number of similar assignments irrespective of the estimated cost of the contract.

3.2 Summary of Evaluation Methods

A consultant's expressions of interest or proposals can be evaluated in several ways. Normally, the evaluation of a consultant should be based only on technical considerations. For some assignments, the cost of the consultancy services can be a consideration, but quality should remain the principal factor in the evaluation. The following evaluation methods may be used.

- Quality-Cost Based Selection (QCBS). This evaluation method takes into account the quality of the proposal, including, but not limited to, experience in similar assignments, local

experience and presence, qualifications of key personnel proposed for the assignment, and suitability and quality of the work plan; and the cost of the services. The relative weight to be allocated to the quality and the cost shall be determined for each case depending on the nature of the assignment, but quality should remain the principal factor in the evaluation. QCBS can be combined with a capped budget or with an undetermined estimated cost.

- Quality-Based Selection (QBS). The consultant's proposal is evaluated on the basis of the quality of the proposal, including, but not limited to, experience in similar assignments, local experience and presence, qualifications of key personnel proposed for the assignment, and suitability and quality of the work plan. Cost of the services will not be a consideration for the purpose of evaluation, but the consultants can be requested to submit technical and financial proposals at the same time, but under separate envelopes. Once the Consultant has been selected, based on technical merit, the client will negotiate with the highest-ranked consultant, using the Consultant's financial proposal as the basis for the financial negotiations.
- Fixed-Budget Selection (FBS). The budget is included in the Request for Proposals, and the consultants will submit technical and financial proposals under separate envelopes. The technical proposals are evaluated on the basis of the quality of the proposal, including, but not limited to, experience in similar assignments, local experience and presence, qualifications of key personnel proposed for the assignment, and suitability and the quality of the work plan.

Financial proposals are opened after the technical evaluation. Financial proposals exceeding the published cost estimate will be rejected; while the consultants with a financial proposal below the published cost estimate will be ranked in order of their technical scores.

- **Least-Cost Selection (LCS):** The technical proposals are evaluated on the basis of the quality of the proposal, including, but not limited to, experience in similar assignments, local experience and presence, qualifications of key personnel proposed for the assignment, and suitability and quality of the work plan. The financial proposals of the consultants whose technical scores exceed the pre-defined minimum technical scores will be opened. These consultants will be ranked in order of descending cost.
- **Selection based on Consultants' Qualifications (CQS).** The consultants will not be required to submit full technical and financial proposals, but will be evaluated solely on expressions of interest including information on their experience and qualifications. Consultants having the required experience and qualifications relevant to the assignment, shall be compared and assessed, and shall be ranked in order of the relevant experience and qualifications. Consultants shall only be required to submit technical and financial proposals if invited for negotiations.
- **Single-Source Selection (SSS).** A qualified and experienced consultant shall be invited for negotiations and make a financial and technical proposal, without the requirement for publication of a notice or competitive selection.

The following evaluation methods should be considered as the most commonly used on the Bank's selection procedures, and other evaluation methods should be considered only after consulting with the Bank, and subject to the Bank's approval:

- Direct selection: SSS
- Selection from a shortlist: CQS
- Evaluation of proposals: QCBS, with capped budget.

! Before committing to select a consultant directly pursuant to s. 5.9, PP&R, the client should discuss the assignment with the Bank

3.3 Exceptions to competitive selection within the PP&R

In certain very specific circumstances, provided for by PP&R, s. 5.9, it may be possible to select and contract a consultant or to extend contacts directly when, on the basis of the estimated value of the assignment or of the extension, competitive selection would normally be required. Before committing to select a consultant directly pursuant to s. 5.9, PP&R, the client should discuss the assignment with the Bank, and obtain the Bank's no-objection before contracting the consultant. Direct selection under the PP&R, s. 5.9 is possible in the following cases:

- the consultant has unique expertise or experience;
- the consultant has been or is involved in the early phases of the project, and it has been determined that continuity is necessary, and no advantage would be gained from following competitive procedures
- additional services not included in the original contract have, through unforeseen circumstances, become necessary for the performance of the contracted services. This is on condition that those additional services cannot be technically or economically separated from the original contract without major inconvenience to the contracting authorities or when such services, although separable from the performance of the original contract, are strictly necessary for its completion.

If approved, consultant selection will proceed as per Section 3.4, Direct Selection.

3.4 Direct selection

Consultant Selection		
Direct Selection	Consultant	Bank
Finalise TOR	Provide feedback on TOR	OL provides feedback on TOR
		OL to inform client of TC Com approval of funding
Identify candidates and make selection		
	Provide information	OL reviews and acknowledges, contacting CSU if preliminary advice needed; CSU advises
Negotiate contract		
	Negotiate contract	
Prepare and submit file to OL		
		OL prepares Funding Request Form and submits to OCU OL prepares CRF and submits with Record of Clarifications/ Negotiations to CSU CSU reviews and, if acceptable, prepares grant agreement and sends to client
- Signs grant agreement and returns copy to Bank. - Signs consultancy contract and sends to consultant.		
	Sign contracts and returns copies to client and Bank	

3.4.1 Principles

In the Direct Selection procedure a qualified consultant may be selected, without the requirement to publish a procurement notice or to prepare a shortlist. A contract may be negotiated directly with the selected consultant.

Clients should note that eligibility requirements (Section 1.8), and restrictions resulting from potential conflict of interest (Section 1.9) still apply.

3.4.2 Identification of candidates

Suitable consultants can be identified from various sources:

- unsolicited presentations by consultants
- consultant data held by the client
- other external consultant databases
- consultants' associations.

Where a suitable candidate cannot be readily identified, it would be appropriate to publish a notification of the proposed assignment on the Bank's web site, in order to solicit responses from suitably qualified candidates. The form of notification would be the same as for selection from a short list (Section 3.5).

3.4.3 Negotiations

Refer to Section 4.

3.4.4 Contracting

After negotiations have been concluded, the client will submit the necessary documents to the Bank for the issuance of the grant agreement and consultancy contract. The required documents are listed in Section 5.2.1.

3.5 Selection from a shortlist

For contracts with either

- individuals estimated to cost € 75,000 or more (regardless of the upper limit), or
- with firms estimated to cost €75,000 or more and less than €300,000.

The selection should be based on an evaluation of the shortlisted consultants' proven experience and current expertise related to the assignment.

For the purposes of the PP&R, the notion of contracts

with "individuals" refers to contracts where only one expert will be required. Assignments for firms (also known as "corporate assignments") are assignments that require more than one expert.

Consultants will not be required to submit specific proposals for carrying out the assignment as part of the selection process.

3.5.1 Steps

The process for conducting a Selection from a Shortlist is summarised in the following table:

Consultant Selection: Selection from a shortlist		
Client	Consultant	Bank
Finalise TOR first and budget		OL advises
		OL to inform client of TC Com approval of funding
Finalise evaluation criteria		OL/CSU advises/assists
Prepare the procurement notice		- CSU provides template to OL - OL reviews and submits notification to CSU for review and publication
	Submit requests for clarifications	
Client provides responses to questions from consultants to the Bank.		CSU responds to queries from consultants by updating the procurement notice if necessary, and extending the deadline if appropriate
	Submit expression of interest in response to solicitation of expressions of interest	
Client Receives EOIs and each evaluator signs a Declaration of Impartiality		Bank receives copies of EOIs. Bank supplies client with template evaluation forms
- Carry out evaluation and select best candidate - Contact the Bank for advice, if necessary - Prepare a combined short listing and selection report using the templates provided and submit to OL.		- OL and CSU advise the client, if requested - OL reviews and submits to CSU for approval with the cover memo approving selection
		Internal approvals obtained
Consultant is supplied with TOR and is invited to negotiate.	Consultant prepares work plan and budget and negotiates.	Bank advises and assists with negotiations
		Bank prepares grant agreement and consultancy contract and sends to client
Client signs grant agreement and returns to Bank. Client signs consultancy contract and sends to consultant.	Consultant signs consultancy contract and sends one copy to client and another to the Bank.	
		Inform unsuccessful consultants.

3.5.2 Procurement notice for the assignment

A procurement notice for the proposed assignment should be posted on the Bank's web site for all TC-funded assignments following a selection from a shortlist procedure. The procurement notice may also be advertised in other media (e.g. donors' web site, general procurement websites).

A standard template for procurement notices is available from the Bank. The notification should be sent to the OL, who will arrange for publication through the CSU.

Usually the procurement notice will be published in English. In accordance with the PP&R in certain circumstances it will be possible to publish the procurement notice in other languages, in addition to English (PP&R, Section 5.7).

For sovereign operations, the procurement notice and other procurement documents can be prepared in up to two of the working languages of the Bank

(English, French, German, Russian). The procurement documents shall determine which of the languages shall be the governing language.

For sub-sovereign operations, the procurement notice and procurement documents shall be prepared in English, and can, in addition, be prepared in the local language or another commercially accepted language. Proposals may be submitted in the chosen language(s), in addition to English. The Bank will only use the English language version of the documents to review and determine whether procurement has been carried out in accordance with agreed procedures.

If the client wishes to use languages other than English, then it should speak to the Bank to discuss the criteria.

3.5.3 Receipt of Expressions of Interest

Expressions of Interest (EOI) in response to a published procurement notice shall normally be

shortlist.



! A procurement notice for the proposed assignment should be posted on the Bank's web site

submitted by the consultants through the means indicated in the procurement notice. In most cases, the consultants will be required to submit hard copies of expressions of interest to the client and to the Bank. In the event that expressions of interest are received through means other than the media indicated in the procurement notice, the client should contact the Bank.

3.5.4 The Shortlisting Committee

The client will need to establish a Shortlisting Committee of at least three members whose role it is to evaluate the expressions of interest. The Committee should be comprised of people who have expertise in the subject matter of the assignment. A Shortlisting Committee can be composed of staff members of the client, or external experts. To the extent possible, the Committee should contain members of a similar level of seniority to one another in order to ensure that one evaluator's views do not prevail.

The proposed composition of the Shortlisting Committee, including alternates, must be communicated to the Bank before the shortlisting report is submitted. Once the Shortlisting Committee has been convened, there normally must be no substitution in the committee.

No member or alternate of the Committee, or observers must have any personal interest in the outcome of the shortlisting or else be in a position where his or her judgement in the shortlisting may be biased.

Each Committee member will be required to sign a Declaration of Impartiality, a template of which will be supplied by the Bank, confirming, amongst other things, that they have no conflict of interest in acting as an evaluator. In the event that a member of the Evaluation Committee does have a conflict of interest he or she should not act on the committee. In the event that the member of the Evaluation Committee has a query as to whether a certain fact needs to be declared, he or she should contact the Bank immediately and the Bank will make a determination and inform the client.

In addition to the voting members and the chairperson, non-voting observers may attend the activities of the Shortlisting Committee and access the documents related to the procurement. Observers are also required to sign a Declaration of Impartiality.

Bank Staff will not participate as a voting member of the Shortlisting Committee. However, the Bank can elect to send a member of its staff or an expert to attend the activities of the Shortlisting Committee as an observer.

3.5.5 List of qualified consultants

Expressions of interest from consultants responding to the procurement notice for the assignment should be reviewed by the shortlisting committee to determine which consultants are eligible and qualified to perform the assignment. The determination should be made on the basis of the information submitted by the consultants in response to the notification.

All Expressions of Interest must be assessed in accordance with any eligibility criteria set out in the Procurement Notice. Any Expression of Interest from a consultant which is ineligible on grounds listed in the Procurement Notice (such as nationality) must be marked as ineligible and should not be considered further. If there is any doubt as to how to construe the eligibility criteria, the client should contact the Bank immediately.

In accordance with PP&R, s. 5.5:

- no affiliate of the client shall be included on a shortlist unless it can be demonstrated that there is no potential for a conflict of interest or that the affiliate would not be placed in a position where its judgement in the execution of the assignment may be biased
- consultants may not submit more than one expression of interest for an assignment, nor may they appear as a joint venture partner or consortium member on more than one expression of interest. In such cases, all expressions of interest containing the same consultant must be excluded from further evaluation. Consultants may, however, be listed as sub-contractors on more than one expression of interest, in which case all expressions of interest can be further evaluated.

In the event of any uncertainty over the application of these rules the client should contact the Bank for guidance. Any firm which does not satisfy the requirements of PP&R, s. 5.5, should be recorded as ineligible.

Firms should also be marked as ineligible if there is any conflict of interest. Refer to Section 1.9 of these Guidelines for information on what constitutes conflict of interest. If, in the opinion of the shortlisting committee, the conflict of interest can be mitigated, the consultant may be considered further.

! The Bank can elect to send a member of its staff or an expert to attend the activities of the Shortlisting Committee as an observer

The contract will not be awarded to the consultant unless, during contract negotiations, it can be established to the client's satisfaction, and subject to the Bank's approval, that the consultant is able to mitigate the conflict of interest.

3.5.6 The qualified and competent test

Taking into account the considerations in Section 3.5.5, the first step is to establish a "longlist" of qualified consultants. This longlist will consist of all firms which are "qualified and competent". This initial review is designed to eliminate consultants who are entirely unsuitable for the assignment and have failed to demonstrate that they meet the minimum requirements called for in the procurement notice. It is not intended that firms which are simply comparatively weaker than others be eliminated at this stage of the process.

In the event that the majority of the evaluation committee finds a consultant to not to qualified and competent then it will be deemed not to be qualified and competent and the expression of interest will not be considered further. If a minority of the evaluators consider that the consultant is not qualified then the expression of interest will be considered for further evaluation. In case of a hung vote, the expression of interest will be considered for further evaluation.

The client will prepare a list of all firms that are qualified and competent using a template which will be supplied by the Bank.



3.5.7 Shortlisting

All eligible and qualified consultants should then be evaluated and ranked using the previously prepared criteria. In order to maximise transparency, these criteria will be derived from the criteria set out in the "Consultant Profile" section of the Procurement Notice.

The Bank will provide scoresheets which reflect these criteria for the client evaluators to complete. It is important that the evaluators apply the precise criteria which are stipulated.

Each of the evaluators should come to his or her own independent view of the relative merits of the firms. If the Bank is of the opinion that the evaluators have collaborated in order to engineer a desired result it may order an independent evaluation or withdraw funding.

The client should prepare a shortlist of qualified and competent consultants. In order to maximise competition, a shortlist should contain as many consultants as possible, but no less than three, and no more than six. This shortlist shall normally

be constituted from the consultants that have submitted an expression of interest in response to a procurement notice or a direct invitation to submit expressions of interest.

In accordance with PP&R, s. 5.4, the shortlist should normally comprise a wide geographic spread of consultants, including wherever possible at least one qualified consultant from one of the Bank's countries of operations and normally no more than two from any one country. If the client feels that it is necessary to include more than two firms of a given nationality on the shortlist then it should contact the Bank to discuss the reasons. PP&R, S. 5.4, shall not apply where funding is tied to consultants of a particular nationality. If, by application of PP&R, s. 5.4, a consultant cannot be included in the shortlist, the next eligible, competent and qualified consultant should be included on the shortlist.

Consultants whose selection would place them in a conflict of interest, should not be included in a shortlist.

3.5.8 Recommendation

The shortlisting committee should also prepare a recommendation as to which firm should be invited to negotiate the contract. Each evaluator should make and retain records of their general impressions of the firms and their reasons for giving particular scores. This will allow the Bank and / or the client to respond to feedback requests from consultants who are entitled to request feedback on the strengths and weaknesses of their Expression of Interest.

3.5.9 Bank review and approval

Prior to inviting the selected consultant to negotiations, the client must send the shortlisting/ selection report to the Bank for its approval. The Bank will make available a template for the shortlisting report, which will set out the necessary attachments. The invitation to the negotiations must not be sent out until the client receives confirmation of the Bank's approval.

3.5.10 Negotiations

Section 4 provides information on negotiations.

Only after the contract is signed should any of the other applicants be informed of the outcome of the process.

! QCBS is the most commonly used evaluation method for proposals

3.5.11 Contracting

After negotiations have been concluded, the client should submit the necessary documents to the Bank for the issuance of the grant agreement and consultancy contract. The required documents are listed in Section 5.2.2.

3.6 Selection following a request for proposals (RFP)

For contracts with firms estimated to cost €300,000 or more and complex or specialised assignments, irrespective of estimated cost, selection should follow a competitive procedure based on invited proposals from a shortlist of qualified consultants. QCBS is the most commonly used evaluation method for proposals.

3.6.1 Evaluation procedures

A formal evaluation of proposals is required for all contracts to be awarded following an RFP. The process is summarised in the table below.

RFP



Consultant Selection: Selection following a RFP		
Client	Consultant	Bank
Finalise TOR and budget		OL advises
		OL to inform client of TC Com approval
Finalise shortlisting criteria		OL/CSU advises/assists
Prepare the Procurement Notice		- CSU provides template to OL - OL reviews and submits notification to CSU for review and publication
	Submit requests for clarifications as and when requested	
Client provides responses to questions from consultants to the Bank		CSU responds to queries from consultants by updating the Procurement Notice if necessary, and extending the deadline if appropriate
	Submit expression of interest in response to Procurement Notice	
Client receives EOIs and each evaluator signs a Declaration of Impartiality		Bank receives copies of EOIs. Bank supplies client with template evaluation and RFP forms
- Carry out evaluation and select a shortlist of the strongest candidates - Contact the Bank for advice, if necessary - Prepare a combined shortlisting and selection report using the templates provided, and submit to OL -Prepare the RFP package based on templates provided		OL and CSU advise the client, if necessary OL reviews and submits to CSU for approval with the cover memo approving selection
		Internal approvals obtained
		Bank circulates RFP package to all shortlisted firms and sends rejection letters to unsuccessful firms

3.6.2 Procurement Notice

A formal Procurement Notice must be posted on the Bank's web site.

The standard template for the Procurement Notice is available from the Bank.

Usually the procurement notice will be published in English. In accordance with the PP&R, in certain circumstances it will be possible to publish the procurement notice in other languages, in addition to English .

For sovereign operations, the Procurement Notice and other procurement documents can be prepared in up to two of the working languages of the Bank (English, French, German, Russian). The procurement documents shall determine which of the languages shall be the governing language.

For sub-sovereign operations, the Procurement Notice and procurement documents shall be prepared in English, and can, in addition, be prepared in the local language or another commercially accepted language. Proposals may be submitted in the chosen language(s), in addition

to English. The Bank will only use the English-language version of the documents to review and determine whether procurement has been carried out in accordance with agreed procedures.

If the client wishes to use languages other than English, then he/she should speak to the Bank to discuss the criteria.

In order to maximise competition and obtain the highest quality responses, certain minimum periods of time should be allowed for consultants to submit their expressions of interest.

Recommended times are specified in Annex 2.6.

The Procurement Notice should specify that consultants must send their EOI to the client, with at least two copies sent to the Bank. The client will have discretion as to the number of copies requested for itself and whether or not electronic copies will also be required.

The Procurement Notice shall include a short summary of the assignment; the eligibility criteria (if any) (Section 1.8); the profile of consultants sought; a list of the information the consultant shall provide in the expression of interest; and a deadline by which the expressions of interest will be submitted. Normally, the procurement notice shall also include a cost estimate of the assignment.

Procurement notices and direct invitations shall normally allow the Consultants no less than 21 days to submit an expression of interest. This deadline can be shortened following prior approval of the CSU, but only in cases of extreme urgency should the deadline be reduced to less than 15 days.

Drafts of the Procurement Notice should be sent to the Bank, who will arrange for publication through CSU.

3.6.3 Receipt of Expressions of Interest

Expressions of Interest in response to a published procurement notice shall normally be submitted by the consultants through the means indicated in the procurement notice. In most cases, the consultants will be required to submit hard copies of expressions of interest to the client and to the Bank. In the event that Expressions of Interest are received through means other than the media indicated in the procurement notice, the client should contact the Bank.

3.6.4 The Shortlisting Committee

The client will need to establish a Shortlisting Committee of at least three members. The role of the Committee is to evaluate the expressions of interest. The Shortlisting Committee should be comprised of people who have expertise in the subject matter of the assignment. A Shortlisting Committee can be composed of staff members of the client, or external experts. To the extent possible, the Committee should contain members of a similar level of seniority to one another in order to ensure that one evaluator's views do not prevail.

The proposed composition of the Shortlisting Committee, including alternates, must be communicated to the Bank before the shortlisting Report is submitted. Once the Shortlisting Committee has been convened, there normally must be no substitution in the Committee.

No member or alternate of the Committee, or observers must have any personal interest in the outcome of the shortlisting or else be in a position where his or her judgement in the shortlisting may be biased.

Each Committee member will be required to sign a Declaration of Impartiality confirming, amongst other things, that they have no conflict of interest in acting as an evaluator. In the event that a member of the Evaluation Committee does have a conflict of interest he or she should not act on the Committee. In the event that the member of the Evaluation Committee has a query as to whether certain facts have to be declared, he or she should contact the Bank immediately and the Bank will make a determination and inform the client.

In addition to the voting members and the chairperson, non-voting observers may attend the activities of the Shortlisting Committee and access the documents related to the procurement. Observers are also required to sign a Declaration of Impartiality.

Bank Staff will not participate as a voting member of the Shortlisting Committee. However, the Bank can elect to send a member of its staff or an expert to attend the activities of the Shortlisting Committee as an observer.

3.6.5 List of qualified consultants

Expressions of Interest from consultants responding to the procurement notice for the assignment

should be reviewed by the client to determine which consultants are eligible and qualified to perform the assignment. The determination should be made on the basis of the information submitted by the consultants in response to the notification.

All Expressions of Interest must be assessed in accordance with any eligibility criteria set out in the Procurement Notice. Any Expression of Interest from a consultant which is ineligible on grounds listed in the Procurement Notice (such as nationality) must be marked as ineligible and should not be considered further. If there is any doubt as to how to construe the eligibility criteria, the client should contact the Bank immediately.

In accordance with PP&R, s. 5.5:

- no affiliate of the client shall be included on a shortlist unless it can be demonstrated that there is no potential for a conflict of interest or that the affiliate would not be placed in a position where its judgment in the execution of the assignment may be biased
- consultants may not submit more than one expression of interest for an assignment, nor may they appear as a joint venture partner or consortium member on more than one expression of interest. In such cases, all expressions of interest containing the same consultant must be excluded from further evaluation. Consultants may, however, be listed as sub-contractors on more than one expression of interest, in which case all expressions of interest can be further evaluated.

In the event of any uncertainty over the application of these rules the client should contact the Bank for guidance. Any firm which does not satisfy the requirements of PP&R, s. 5.5, should be recorded as ineligible.

Firms should also be marked as ineligible if there is any conflict of interest. Refer to Section 1.9 of these Guidelines for information on what constitutes conflict of interest. If, in the opinion of the Shortlisting Committee, the conflict of interest can be mitigated, the consultant may be considered further. The contract will not be awarded to the consultant unless, during contract negotiations, it can be established to the client's satisfaction, and subject to the Bank's approval, that the consultant is able to mitigate the conflict of interest.

3.6.6 The qualified and competent test

Taking into account the considerations in Section

3.6.4, the first step is to establish a "longlist" of qualified consultants. This longlist will consist of all firms which are "qualified and competent". This initial review is designed to eliminate consultants which are entirely unsuitable for the assignment and have failed to demonstrate the minimum level of expertise called for in the Procurement Notice. It is not intended that firms which are simply comparatively weaker than others be eliminated at this stage of the process.

In the event that the majority of the Evaluation Committee finds a consultant not to be qualified and competent then it will be deemed not to be qualified and competent and will not be considered further. If a minority of the evaluators consider that the consultant is not qualified then it will be considered for further evaluation. In case of a hung vote, the Expression of Interest will be considered for further evaluation.

The client will prepare a list of all firms which are qualified and competent using a template which will be supplied by the Bank.

3.6.7 Shortlisting

All eligible and qualified consultants should then be evaluated and ranked using the previously prepared criteria. In order to maximise transparency, these criteria will be derived from those set out in the Procurement Notice.

Each of the evaluators should come to his or her own independent view of the relative merits of the firms. If the Bank is of the opinion that the evaluators have collaborated in order to engineer a desired result it may order an independent evaluation or withdraw funding. Each evaluator should make and retain records of their general impressions of the firms and their reasons for giving particular scores. The evaluators may be called upon to give feedback to consultants on their EOIs and this information will prove invaluable.

The Shortlisting Committee shall prepare shortlist of normally not fewer than three consultants and not more than six.

In accordance with, PP&R, s. 5.4, the shortlist should normally comprise a wide geographic spread of consultants, including wherever possible at least one qualified consultant from one of the Bank's countries of operations and normally no more than two from any one country. If the client feels that it is necessary to include more than two firms of a given nationality on the shortlist then it should contact

the Bank to discuss the reasons. PP&R, s. 5.4, shall not apply where funding is tied to consultants of a particular nationality. If, by application of PP&R, s. 5.4, a consultant cannot be included in the shortlist, the next eligible, competent and qualified consultant should be included on the shortlist.

Consultants whose selection would place them in a conflict of interest, should not be included in a shortlist.

3.6.8 Shortlist report

The short list proceedings and results must be recorded in a report. Templates for the report and all necessary attachments are available from the Bank. The report will contain a recommendation as to which firms should be sent the Request for Proposal package. Annexed to the shortlist report will be the draft Request for Proposals package.

The report must be signed by all members of the Shortlisting Committee.

3.6.9 Bank review and approval

The shortlisting report must be submitted to the Bank for its approval before the RFP is issued to the shortlisted consultants.

3.6.10 Preparation of the request for proposals

The selection of the consultant must follow a competitive procedure based on an evaluation of the proposals from the shortlist of consultants.

A formal Request for Proposals (RFP) is issued to all of the shortlisted consultants.

The RFP should provide all of the information which a consultant would require in order to present a comprehensive and fully responsive proposal.



preparation

! The RFP should normally include the following documents:

- Letter of Invitation
- Data Sheet (RFP1)
- Standard Instructions to Consultants (RFP2)
- Standard Proposal Forms (RFP3)
- Evaluation Criteria and Methodology (RFP4)
- Terms of Reference (RFP5)
- Standard Form of Contract (RFP6)

The RFP should normally include the following documents:

- Letter of Invitation
- Data Sheet (RFP1)
- Standard Instructions to Consultants (RFP2)
- Standard Proposal Forms (RFP3)
- Evaluation Criteria and Methodology (RFP4)
- Terms of Reference (RFP5)
- Standard Form of Contract (RFP6).

CSU will provide templates for all of the above documents along with guidance, where necessary.

RFP2, RFP3, and RFP 6 are standard documents that should not be modified.

The client will normally be expected to draft RFP 1, 4 and 5.

RFP1 (Data Sheet) will set out information including the following: deadline for submission of requests for clarifications from the shortlisted consultants; deadline for the submission of the proposals; eligibility criteria; and any specific requirements applicable to the proposal. The Data Sheet should specify that an appropriate number of proposals must be submitted to the client as well as the number of copies to be sent to the Bank.

RFP 4 (Evaluation Criteria and Methodology) will set out the chosen evaluation methods (normally QCBS, but QBS, FBS, and LCS could also be envisaged). This section will inform the shortlisted firms of the criteria which the Bank will apply in assessing their proposals. The criteria should therefore clearly reflect the needs of the client and the relative importance of the various experts which are sought.

RFP4 also allows the client to set minimum technical thresholds for the overall technical score and/or sub-criteria scores. Firms which fail to meet any of the minimum acceptable thresholds as set out in the evaluation criteria will be deemed to have failed technically and cannot be awarded the contract.

The Bank will supply the client with a template which contains some default criteria which will serve as a starting point.

With regard to the relative weight of the technical and financial proposals, the most common weighting used by the Bank is that 80 per cent of the total evaluation score is awarded for technical factors and the remaining 20

per cent is awarded for financial factors.

RFP 5 (Terms of Reference). Generally this document will be identical to that which was submitted to the Bank at the time that donor funding was sought (Section 2.4), however the document may occasionally be amended slightly in accordance with any new requirements. Any such changes must be clearly indicated to the Bank and such changes will always be subject to the Bank's approval.

3.6.11 Review and approval of the RFP package

The RFP package, and, in particular, the detailed evaluation criteria (to be applied to the proposals when received), the RFP and the composition of the Evaluation Committee, must be submitted to the Bank for its approval as an annex to the shortlist report before the RFP is issued to the shortlisted consultants.

3.6.12 Time limits

The RFP must clearly specify the deadline for submitting the proposals. The normal and minimum time limits are set out in Annex 3. For ease of reference, these are as follows:

- Electronic submissions: normally 45 days, minimum 30 days; and
- Hardcopy submissions only: normally 60 days, minimum 45 days.

If the client requires the technical proposal to be submitted in a language other than English, the normal period shall apply.

The time limits are calendar days from the date of publication or the dispatch of documents, whichever is the latest, to the deadline specified for the submission of proposals.

Furthermore, the Data Sheet should indicate the following deadlines:

- deadline for submission of requests for clarifications (normally no later than 10-14 days before the deadline for submission of proposals);
- date and time for the information session (if any, refer to 3.6.13)
- date, place, and time for the opening of the proposals;
- indicative date for the public opening of financial proposals (this date should be set by the client, taking into consideration the estimated time required for the technical evaluation and obtaining the no-objection of the Bank);
- any other relevant date and time.

3.6.13 Information session

For complex assignments, it may be appropriate to arrange an information session between the moment the RFP is distributed and the deadline for submission. If an information session is to be held, this must be stated in the RFP. All candidates may attend a single meeting. Questions may be submitted in advance. All queries made and all answers given must be recorded and copied to all candidates (whether or not they have attended).

No meetings with individual candidates should be held on the subject of the assignment from the date of the launch of the RFP until the evaluation has been completed.

3.6.14 Distribution of the RFP to consultants

When the Bank has given its approval the RFP package will be issued by the Bank, on behalf of the client, as soon as possible.

3.6.15 Letter to unsuccessful consultants

After the RFP has been distributed, the Bank will notify, in writing, the other consultants, who responded to the solicitation for EOI but were not shortlisted. Under the PP&R (PP&R, s. 14, Annex 1,) firms are entitled to request feedback with regard to their Expressions of Interest. If the client receives such a request directly from a consultant it should discuss its response with the Bank prior to responding.


3.6.16 Preparation and receipt of proposals

The following essential activities have to be carried out from the issue of an RFP to the opening of the proposals:

- responding to queries and requests for extension
- receiving proposals
- safekeeping the proposals received.

3.6.17 Consultants' queries and communications

Queries from consultants on elements of the invitation, in particular the interpretation of requirements in the RFP package, and procedures and criteria for evaluation, should be made in writing, within the deadline set in the Instructions to Consultants (RFP1). Queries which are received after this deadline should be considered if they address a critical element of the procurement process. The response must be prepared within 14 days from the receipt of the last requests for clarification. The response must be in writing and a copy of the query and the answer sent to all candidates without indicating the source of the query. Any queries received and responses sent out by the client must be agreed with the Bank prior to sending.

 **All queries and other communications received must be handled in a fair, equitable and transparent manner**

All queries and other communications received must be handled in a fair, equitable and transparent manner. All such communications (including telephone queries and other contacts with any short listed consultants) must be logged, and copies kept of all correspondence.

It is usual practice for the Bank to issue all clarifications, on behalf of the client.

3.6.18 Requests for extension of deadline

If a significant number of short-listed consultants request an extension of the deadline, asserting that the time originally allowed was not sufficient, this request should be seriously considered. Extensions should not be granted very late in the process. Extensions, when allowed, must be granted to all shortlisted consultants.

3.6.19 Receipt of proposals

When proposals are received, they should be date-stamped immediately. They must not be opened until the opening session. A record of the receipt of each proposal should include the following:

- date of arrival
- time of arrival
- name of firm
- registration number for each offer
- any comments, such as late arrival or badly sealed envelopes.

3.6.20 Safekeeping of proposals

All proposals should be kept in a safe place until the opening session. Client staff not directly involved with the administration, registration and safekeeping of the proposals and any third parties are prohibited from having access to the proposals during this period.

3.6.21 Evaluation of proposals

The evaluation of proposals includes the following steps:

- Initial meeting of the evaluation committee (3.6.22)
- open technical proposals (3.6.24)
- initial check of proposals for compliance (3.6.24)
- individual technical evaluations (3.6.25)
- consolidate and finalise technical evaluation (3.6.27)
- Bank review of technical evaluation (3.6.28)
- public opening of financial proposals (3.6.29)
- financial evaluation (3.6.30)
- finalise evaluation (3.6.31)
- prepare evaluation report (3.6.32)
- Bank review of evaluation report (3.6.33).

3.6.22 Evaluation Committee

The client will need to establish an Evaluation Committee of at least three voting members, one of whom will serve as the chairperson of the Evaluation Committee. The Evaluation Committee's role is to evaluate the proposals. The Evaluation Committee should be comprised of people who have expertise in the subject matter of the assignment. To the extent possible, the Committee should contain members of a similar level of seniority to one another in order to ensure that one evaluator's views do not prevail. In the event that the Evaluation Committee would benefit from including specific expertise that is not available to the client, it is possible to include external expert(s) in the Evaluation Committee. External Evaluation Committee members can be individual consultants contracted specifically for the purpose of the evaluation.

The proposed composition of the Evaluation Committee should have been communicated to the Bank when the shortlist memo is submitted. Once the Evaluation Committee has been convened, there should be no substitution in the Committee. In case of issues regarding the composition of the Evaluation Committee, such as the need to substitute evaluation committee members, the client must contact the Bank, in order for the Bank and the client to reach a decision on the matter.

No member of the Committee, or observers, should have any personal interest in the outcome of the evaluation or else be in a position where his or her judgement in the evaluation may be biased. Each committee member will be required to sign a Declaration of Impartiality, confirming, amongst other things, that they have no conflict of interest in acting as an evaluator. In the event that a member of the Evaluation Committee does have a conflict of interest he or she should not act on the Committee. In the event that the member of the Evaluation Committee has a query as to whether a certain fact needs to be declared, he or she should consult with the Bank, in order for the Bank to decide on the conflict of interest.

The template for the Declaration of Impartiality will be provided by the Bank.

Bank Staff will not participate as a voting member of the Evaluation Committee. However, the Bank can elect to designate a member of its staff or an expert to attend the activities of the Evaluation Committee as an observer.

Minutes must be kept of all meetings. Findings and decisions of the committee must be recorded with supporting and/or dissenting positions.

3.6.23 Initial meeting of the Evaluation Committee

At the initial meeting of the Committee, the following matters must be dealt with:

- (i) constitution of the Committee and election of a secretary (if appropriate)
- (ii) confirmation that all members of the Committee are familiar with the RFP and fully understand and accept the evaluation procedures, criteria and methodology as set out in the RFP
- (iii) agree on a realistic schedule for the evaluation, recognising the quantity, size of the proposals received and the complexity of the evaluation.

! All proposals should be kept in a safe place until the opening session

3.6.24 Opening of proposals and initial check for compliance

Proposals should be opened by the Committee immediately following the closing time for submission of proposals.

Proposals must be opened in the presence of the representatives of shortlisted consultants who choose to attend.

At the opening, the Committee shall:

- (i) verify that proposals are from the shortlisted consultants, were submitted on time and are sealed. In the event that the Bank receives a proposal prior to the deadline but the client does not, or vice versa, the client shall decide, in its sole discretion, and subject to the Bank's no-objection, whether to accept the proposal
- (ii) open only those proposals which are compliant with the submission requirements. Rejected, withdrawn or ineligible proposals (such as proposals which have been submitted by consultants of firms that clearly do not meet any applicable eligibility criteria) must be returned unopened to the submitter upon conclusion of the selection process
- (iii) keep the financial proposals sealed in the envelope in which they were submitted and in a secure location until the date set for the opening of financial proposals. The financial proposals are only opened after the technical evaluation report has received the Bank's no-objection
- (iv) examine each proposal to determine whether it is complete and note all additional documents submitted
- (v) examine each proposal to establish that:
 - it is in the correct language(s)
 - it is correctly signed;
 - it is otherwise consistent with the requirements of the RFP
- (vi) provision must be made for the envelopes containing the Financial Proposals to be kept together in a safe and secure location
- (vii) prepare minutes of the opening.

Proposals which are determined to be substantially non-responsive to the requirements above should be rejected and not evaluated further.

3.6.25 Individual technical evaluations

Each voting member of the Committee must be given copies of all technical proposals which comply with the requirements of Section 3.6.24. Each voting member must evaluate all responsive technical

proposals. The evaluator must only evaluate the proposal submitted and not other extraneous documentation or information that was not included in the proposal and apply only the evaluation criteria and methodology specified in the RFP.

On reviewing the technical proposals, all members of the committee, external experts and observers, must sign a Declaration of Impartiality and Confidentiality. The principles and considerations behind the declarations are exactly as set out in 3.6.22.

Each evaluator should come to his or her own independent opinion of the proposal. If the Bank is of the opinion that the evaluators have collaborated in order to engineer a desired result it may order an independent evaluation or withdraw funding. Each evaluator should make and retain records of their general impressions of the firms and their reasons for giving particular scores. The evaluators may be called upon to give feedback to consultants on their proposals and this information will prove invaluable.

The technical evaluation must be carried out in accordance with the criteria and provisions specified in the RFP and the procedures outlined in these guidelines. Evaluators must be familiar with both the RFP and these guidelines.

Each evaluator must complete an evaluation form for each proposal.

3.6.26 No clarifications to be requested or considered during evaluation

The evaluation must be carried out strictly on the basis of the proposals as submitted. Clarifications should not be requested or accepted from any consultant.

Consultants must not be allowed to clarify, elaborate or change any aspect of their proposal prior to the completion of the evaluation process. Any issues arising from the winning proposal must be clarified only during negotiations.

There must be no communication between the evaluation committee or its members and any third parties including the shortlisted consultants. The proceedings of the committee are confidential and all communications with outside parties must be through the Chairperson of the evaluation committee.

Except for acknowledgement of receipt, unsolicited enquires from consultants must not be considered.



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! Proposals must be opened in the presence of the representatives of shortlisted consultants who choose to attend

3.6.27 Consolidate and finalise technical evaluation

After all the voting members have independently completed their technical evaluations, the committee should meet to review the individual evaluations and scores. CSU will provide spreadsheets which will permit the evaluation committee to see all of the scores consolidated.

Some evaluators are consistently generous while others are more rigid in their judgment and ratings. Such disparity does not normally matter, provided each evaluator is consistent and differences are not too large.

Large differences should be reviewed and explained, as they can often be the result of improper or inaccurate application of the rating system.

As a result of these discussions, a member may feel it necessary to revise some of his/her ratings and score. These changes must be recorded in the evaluation report.

All of the signed evaluation sheets must be used to arrive at the final consolidated technical scores. The arithmetic average of the points given by all of the members is computed and proposals are ranked accordingly, in order of technical preference.

Candidates whose proposals failed to meet the minimum technical threshold overall or for any particular category where a minimum technical score is specified in RFP 4, should be excluded from further consideration.

3.6.28 Bank review of technical evaluation

After the technical evaluation is complete, the client must submit the technical evaluation report to the Bank for its review and approval. The client shall not open financial proposals until after the Bank has given its approval.

3.6.29 Public opening of the financial proposals

Where financial proposals are a factor in the evaluation, the financial proposals of all the submissions exceeding the minimum technical threshold should be opened. This should be formally recorded in the same manner as the opening of the technical proposals.

The financial proposals shall be opened in the presence of the representatives of those consultants whose proposals have passed the minimum technical score who choose to attend.

The client shall simultaneously notify all shortlisted consultants whose technical proposals have met the minimum threshold of the date, time, and place of the opening of the financial proposals, allowing for sufficient time for the consultants to be present, if they wish to attend. A minimum of seven working days should be observed.

Simultaneously, the client shall send a notification to the consultants whose proposals were declared non-responsive (3.6.24), or whose technical proposals did not meet the minimum thresholds of their technical scores, informing them that their proposal was non-responsive, informing them of their technical score (if applicable), and that their financial proposals will not be considered further. Their financial proposals should also promptly be returned to them, unopened.

negotiations



! The financial proposals shall be opened in the presence of the representatives of those consultants whose proposals have passed the minimum technical score who choose to attend.

The client shall draft minutes of opening of the financial proposal, and transmit these to the Bank. Copies of the minutes shall be distributed by the Bank to all consultants who submitted proposals.

Where the evaluation is on QBS, the financial proposal of the highest rated proposal only, should be opened.

3.6.30 Financial evaluation

The financial proposal(s) should be examined for compliance with the requirements of the RFP and the cost estimate, in particular with the requirement that prices should be quoted net of indirect taxes (including VAT). They should also be checked for arithmetical errors and these should be corrected. This corrected amount of the financial proposal shall be the amount that will be taken into consideration for the financial evaluation.

The evaluation of the financial proposals must be carried out in accordance with the criteria and methodology set out in the RFP.

3.6.31 Finalise evaluation

Where the technical and financial evaluations are combined to arrive at a consolidated score and ranking of consultants, this must be done in accordance with the criteria and methodology specified in the RFP.

The consultant whose proposal obtained the highest total score, i.e. the highest ranked, shall be invited for negotiations.

3.6.32 Evaluation report

The evaluation report, a template of which is available from the Bank, should include:

- (i) the minutes of receipt of proposals
- (ii) the minutes of the opening of the technical proposals
- (iii) declarations of impartiality and confidentiality
- (iv) the minutes of the opening of the financial proposals
- (v) signed technical evaluations score sheets from each evaluator
- (vi) consolidated technical evaluations score sheet signed by the Chairperson
- (vii) working sheets of the financial evaluation
- (viii) combined final evaluation ratings.

The evaluation report shall contain comments on the proposals, including a short summary of the rationale for the selection of the highest-ranked consultant and, as appropriate, comments on the

other proposals. The Evaluation Committee shall also enter a recommendation on the award of the contract to the highest-ranked consultant, any issues to be addressed during contract negotiations, and recommendations in the event the negotiations with the highest-ranked consultant should fail.

The evaluation report must be signed by all members of the Evaluation Committee.

3.6.33 Bank review and approval

Prior to inviting the selected consultant to negotiations, the client must send the evaluation report to the Bank for its approval. The Bank will make available a template for the evaluation report, which will set out the necessary attachments. Negotiations must not begin until the client receives confirmation of the Bank's approval.

3.6.34 Negotiations

Please see Section 4 for information on negotiations. Only after negotiations are concluded should any of the applicants be informed of the outcome of the process.

3.5.35 Contracting

After negotiations have been concluded, the client should submit the necessary documents to the Bank for the issuance of the grant agreement and consultancy contract. The required documents are listed in Section 5.2.3.



4

Section

Negotiations

OBJECTIVES AND DESCRIPTION

4.0 Negotiations - Introduction

The objective of negotiations is to arrive at a mutually satisfactory contract between the client and the selected consultant. The parties will have to agree on the detailed scope of services, negotiate financial terms, and discuss and finalise contract conditions. Items which may be negotiated include:

- technical matters related to the implementation of the assignment (in particular the final TOR)
- financial matters
- contract terms and conditions.

The specific process and restrictions/limits of negotiations for consultancy contracts awarded on the basis of direct selection, selection from shortlist and evaluation of proposals are explained in the following sections.

4.1 General guidelines

The selected consultant shall be notified, in writing, of the client's intention to enter into contract negotiations. The Bank should be informed of the start of the negotiations. The invitation should summarise all matters to be clarified with the consultant:

- arrangements for negotiations: date, time and timeframe of any negotiations should be set out. Consultants should be informed that all costs associated with attending negotiation meetings must be borne by them
- the client's representatives responsible for the negotiations
- the agenda for the negotiations
- specific issues to be addressed during the negotiations (if any)

The objective of negotiations is to arrive at a mutually satisfactory contract between the client and the selected consultant

- any information/documentation which the consultant should submit prior to the negotiations or bring to the negotiations.

The negotiation process can, depending on the anticipated complexity, be conducted in any practical and convenient way between the consultant and the client (exchange of emails, fax message, telephone conferences, or face-to-face meetings). Records should be kept of agreed issues.

The Bank's specimen consultancy contract (Section 5) provides balanced terms and conditions and is designed to reflect the requirements of the grant agreement and to adequately protect the interests of both the client and the consultant. Normally, the client therefore uses a contract closely based on the template provided.

If the client wishes to depart from the standard template (e.g. use of deliverables, payment terms, modifications to liability and indemnity provisions in the consultant's favour, waiving the need for insurance for consultant's liability), the client should seek legal advice. In any case it is the client's responsibility to ensure that any deviations agreed for

the consultancy contract do not prejudice the client's ability to fulfil its obligations towards the Bank under the grant agreement.

It is also the client's responsibility to ensure that any contract which it signs with the consultant is acceptable to the client both legally and commercially.

DIRECT SELECTION

As with the selection, the final consultancy contract between the client and the consultant is subject to the Bank's no-objection. If the client has any queries with regard to the Bank's requirements for no-objection, the client should contact the Bank for guidance.

4.2 Direct selection and negotiations

4.2.1 Invitation to submit offer

The client should supply the consultant with whom he/she seeks to directly contract with the following information:

- Terms of Reference
- standard documents (CV templates, template for budget breakdown)
- any applicable eligibility criteria such as nationality of experts (as required by some donors).

In return the client - depending on the size and nature of the assignment - should request the following information from the consultant:

- details of the consultant's previous experience relevant to the performance of the assignment as defined in the TOR
- a summary of the approach/methodology on how to carry out the assignment including a workplan/task/activity schedule
- the CVs of all experts nominated to carry out the assignment and confirmation of their availability for the entire duration of the assignment
- details of other engagements of the consultant that could create a conflict of interest, the client will determine and confirm that the consultant is not and has not been engaged by the client in an assignment that would create a conflict of interest
- complete financial budget breakdown including fee rates/number of working days (home office or in field) for each expert and details of reimbursable expenses to ensure a good understanding of the consultant's financial offer. The detailed breakdown of costs will allow the client to ensure that the consultant is charging market rates, and that the Bank is getting value for money. Therefore, a detailed breakdown should be obtained, even if the intention is for the assignment to be contracted on a lump-sum basis.

4.2.2 Contract negotiations

As direct selection is not a competitive process, the parties have to agree on all technical and financial matters related to the assignment. Based on the consultant's reply, the parties should reach an agreement on the following matters:

Technical matters

- start date and duration of assignment
- any shortcomings of consultant's offer in terms of methodology, work plan/tasks/activities or proposed experts
- final TOR including any suggestions made by the consultant to improve the TOR (based on the consultant's offer) and incorporation of appropriate elements of the consultant's offer in the TOR
- experts nominated to carry out the assignment and time schedule for staff including working days per experts, if required precise work plan and activity schedule can be annexed to TOR
- outputs/deliverables and respective deadlines to be defined in TOR
- client's obligations, contributions (counterpart staff, facilities, equipment).

Financial matters

- payment terms to be agreed with the consultant which are most appropriate to ensuring the best delivery of the Services:
 - (i) time-based contract with payments primarily based on staff input (working days per expert) with specified fee rates per expert/working day
 - (ii) lump-sum contract with fixed lump-sum payments against the satisfactory achievement of outputs (e.g. training or work shop) or submission of deliverables (e.g. inception report, draft final report and final report)
- fee rates per expert per working day in case of time-based contract; fee rates should only be negotiated to achieve consistency between the quality and the price of the offered services, and not just to achieve a price reduction at all costs; for instance, if staff rates proposed by the consultant are consistent with market rates for similar services, the fee rates should not be cut unreasonably
- details of reimbursable expenses in case of time-based contract



- lump-sum payments per output or deliverable in case of lump sum contract
- advance payments are generally limited to initial mobilisation costs of the consultant up to 20 per cent of the final contract value, advances should generally be recovered as soon as possible (usually against the consultant's first invoice), for advances which exceed € 30,000, the consultant will be expected to provide a bank guarantee, with the EBRD as the beneficiary, for the advanced amount; the client shall contact the selection advisor of CSU if a template for such a Bank Guarantee is required
- determination of any indirect taxes that the consultant will need to charge the client, taking into account any exemptions that the client might be able to obtain
- precise payment terms.

Contractual terms

- maximum amounts for consultant's liability and insurance
- confirmation that the consultant will sign a standard consultancy contract
- if the client wishes to depart from standard terms (e.g. use of deliverables, payment terms, modifications to liability and indemnity provisions in consultant's favour, no insurance for consultant's liability), the client should seek legal

advice; in any case it is the client's responsibility to ensure that any deviations agreed for the consultancy contract do not prejudice the client's ability to fulfil its obligations towards the Bank under the grant agreement.

! For advances which exceed € 30,000, the consultant will be expected to provide a bank guarantee, with the EBRD as the beneficiary, for the advanced amount

A record of clarifications/negotiations should be prepared, outlining the technical, financial, and contractual terms agreed on during negotiations. The record will be communicated to the Bank. The record should set out the items agreed between the consultant and the client, in order to allow the Bank to prepare the consultancy contract. The record can take the form of a note outlining the agreed points and, if available, a draft of the consultancy contract, including mark-ups on the template.

The client is advised to explain to the consultant that the final consultancy contract and all negotiated points are subject to the Bank's approval.

4.2.3 Bank review and approval and contracting

After negotiations are concluded, the client should send the necessary documents (Section 5.2.2,) to the Bank for its review, approval and ultimate incorporation into the grant agreement (Section 1.5 above).

SELECTION FROM SHORTLIST

4.3 Selection from shortlist

4.3.1 Invitation to negotiations

Once the Bank approves the selection report (Section 3.5.9 above), the client shall invite the highest ranked candidate to negotiate a contract. Contract negotiations are to be held only with the consultant which submitted the highest ranked Expression of Interest. Parallel negotiations with two or more candidates shall not take place.

The Bank will supply a sample letter for initiating negotiations. Generally, the client will invite the highest ranked consultant to submit an offer based on information provided by the client as follows:

- Terms of Reference
- Standard documents (CV templates, template for breakdown of costs).

In its invitation to negotiate, the client - depending on size and nature of assignment - should request information from the highest ranked consultant as follows:

- summary of the approach /methodology on how to carry out the assignment including a work plan/tasks/activity schedule
- confirmation of the availability of the experts proposed by the consultant in its expression of interest for the entire duration of the assignment details of other engagements of the consultant that could create a conflict of interest, the client will determine and confirm that the consultant is not and has not been engaged by the client in an assignment that would create a conflict of interest
- complete financial budget breakdown including fee rates/number of working days (home office or in the field) for each expert and details of reimbursable expenses to ensure a good understanding of the consultant's financial offer. The detailed breakdown of costs will allow the client to ensure that the consultant is charging market rates, and that the Bank is getting value for money. Therefore, a detailed breakdown should be obtained, even if the intention is for the assignment to be contracted on a lump-sum basis.

4.3.2 Contract negotiations

As selection from shortlist is a competitive process and the evaluation of expressions of interest was (partly) based on the CVs submitted, the consultant shall confirm that its proposed staff are available for the entire duration of the assignment. The replacement of staff is subject to requirements as described below. Based on the consultant's reply to the invitation to negotiate the contract, the parties should reach an agreement on:

Technical matters

- start date and duration of assignment
- shortcomings of the consultant's expression of interest or reply to invitation to negotiations in terms of methodology or work plan/tasks/activities
- final TOR including any suggestions made by the consultant to improve the TOR (based on consultant's expression of interest and/or reply to invitation to negotiations) and incorporation of appropriate elements of the consultant's reply to invitation to negotiations in the TOR
- confirmation of availability of experts nominated in the consultant's expression of interest and time schedule for staff including working days per experts, if required precise work plan and activity schedule can be annexed to TOR
- shortcomings of consultant's expression of interest in terms of proposed experts or the unavailability of proposed experts warrant special attention as the CVs of experts were evaluated and thus determined the ranking of consultants; experts nominated in the consultant's expression of interest can only be replaced with experts that are equally or better qualified, in case of doubt new CVs should be evaluated using the shortlisting criteria and must receive equal or better scores
- outputs/deliverables and respective deadlines to be defined in TOR
- client's obligations, contributions (counterpart staff, facilities, equipment).

Financial matters

- payment terms to be agreed with the consultant which are most appropriate to ensuring the best

delivery of the Services:

- (i) time-based contract with payments primarily based on staff input (working days per expert) with specified fee rates per expert/working day
 - (ii) lump-sum contract with fixed lump sum payments against the satisfactory achievement of outputs (e.g. training or work shop) or submission of deliverables (e.g. inception report, draft final report and final report)
- fee rates per expert per working day in case of time-based contract; fee rates should only be negotiated to achieve consistency between the quality and the price of the offered services, and not just to achieve a price reduction at all costs; for instance, if staff rates proposed by the consultant are consistent with market rates for similar services, the fee rates should not be cut unreasonably
 - reimbursable expenses in case of time-based contract
 - lump sum payments per output or deliverable in case of lump sum contract
 - advance payments are generally limited to initial mobilisation costs of the consultant up to 20 per cent of the final contract value, advances should generally be recovered as soon as possible (usually against the consultant's first invoice), for advances which exceed € 30,000, the consultant will be expected to provide a bank guarantee, with the EBRD as the beneficiary, for the advanced amount; the client shall contact the selection advisor of CSU if a template for such a bank guarantee is required
 - determination of any indirect taxes that the consultant will need to charge the client, taking into account any exemptions that the client might be able to obtain
 - precise payment terms.

Contractual terms

- maximum amounts for consultant's liability and insurance
- confirmation that the consultant will sign a standard consultancy contract
- if the client wishes to depart from standard terms (e.g. use of deliverables, payment terms, modifications to liability and indemnity provisions in consultant's favour, no insurance for consultant's liability), the client should seek legal advice; in any case, it is the client's responsibility to ensure that any deviations agreed for the consultancy contract do not prejudice the client's ability to fulfil its obligations towards the Bank under the grant agreement

A record of clarifications/negotiations should be prepared, outlining the technical, financial, and contractual terms agreed on during negotiations. The record will be communicated to the Bank. The record should set out the items agreed between the consultant and the client, in order to allow the Bank to prepare the consultancy contract. The record can take the form of a note outlining the agreed points and, if available, a draft of the consultancy contract, including mark-ups on the template.

The client is advised to explain to the consultant that the final consultancy contract and all negotiated points are subject to the Bank's approval.

4.3.3 Failure of negotiations

If no agreement can be reached, the client shall, after having obtained the Bank's approval, proceed to terminate negotiations with the consultant. The client shall notify the consultant in writing of all pending issues and disagreements, and provide the consultant with a final opportunity to respond in writing. In case of unsatisfactory response or lack of response, the client shall notify the consultant in writing that negotiations are terminated. The client shall then invite the next-highest ranked consultant in accordance with Section 4.3. Once negotiations with a consultant have been terminated, they shall not be re-opened.

4.3.4 Bank review and approval

After negotiations are concluded, the client should send the necessary documents (Section 5.2.3.) to the Bank for its review, approval and ultimate incorporation into the grant agreement (Section 1.5).

4.4 Evaluation of proposals and negotiations

4.4.1 Invitation to negotiations

Upon the Bank's approval of the evaluation report (Section 3.6.33), the client shall invite the highest ranked candidate to negotiate the consultancy contract. Contract negotiations are to be held only with the consultant which submitted the highest ranked proposal. Parallel negotiations with two or more candidates shall not take place.

The Bank shall supply a sample letter for initiating negotiations. Generally, the client will in its invitation summarise all matters to be clarified by the consultant as set out in the evaluation report or as follows:

- arrangements for negotiations which, depending on the anticipated complexity of negotiations can range from exchange of e-mails to telephone conferences to face-to-face meetings. The date, time and time-frame of any negotiations should be set out. Consultants should be informed that all costs associated with attending negotiation meetings must be borne by them
- the client's representatives responsible for the negotiations
- the agenda for the negotiations
- details of other engagements of the consultant that could create a conflict of interest, the client will determine and confirm that the consultant is not and has not been engaged by the client in an assignment that would create a conflict of interest
- specific issues to be addressed at negotiations
- any information/documentation which the consultant should submit prior to the negotiations or bring to the negotiations.

4.4.2 Contract negotiations

As the Evaluation of Proposals is a competitive process and the evaluation of proposals was generally based on the consultant's methodology, the CVs and the financial proposal, negotiations with the consultant are subject to the following restrictions:

- (a) Experts nominated in the consultant's proposal can only be replaced with staff that are equally or better qualified; in case of doubt new CVs should be evaluated using the evaluation criteria as per RFP 4 and must receive equal or better scores
- (b) Any client contributions as summarised in the RFP 5 (TOR) are not subject to negotiations
- (c) If price was a factor for selecting the consultant,

the total amount of the final contract budget shall not exceed the amount listed in the consultant's financial proposal. Unit prices such as daily fee rates should not be increased. The total cost of certain budget lines may be increased or decreased in order to change the emphasis of the assignment (for example by having telephone conferences instead of meetings, reallocation of basic tasks/activities from senior to more junior staff, or adding additional days for a key expert) if the modifications have no negative impact on the overall quality of the consultant's technical proposal. Any such changes should be at the client's request and not the consultant.

- (d) If price was not a factor for selecting the consultant, the total amount of the final contract budget shall not exceed the total amount as defined in RFP 1, if any amount was specified.

In summary, the parties should reach an agreement on:

Technical matters

- start date and duration of assignment
- shortcomings of or modifications to the consultant's technical proposal including methodology, work plan/tasks/activities
- final TOR including any suggestions made by the consultant to improve the TOR (based on consultant's technical proposal) and incorporation of appropriate elements of the consultant's methodology or work plan/tasks/activities in the TOR
- experts nominated to carry out the assignment and time schedule for experts including working days per experts, if required precise work plan and activity schedule can be annexed to TOR (see restrictions for replacement of proposed experts under 4.4.2(a) above).
- outputs/deliverables and respective deadlines to be defined in TOR
- client's obligations, contributions, for instance counterpart staff, facilities, equipment (refer to restrictions in 4.4.2(b)).

Financial matters

- payment terms to be agreed with the consultant which are most appropriate to ensuring the best delivery of the Services:
- a) time-based contract with payments primarily based on staff input (working days per expert) with specified fee rates per expert/working day; or

b) lump-sum contract with fixed lump sum payments against the satisfactory achievement of outputs (e.g. training or work shop) or submission of deliverables (e.g. inception report, draft final report and final report)

- fee rates per expert per working day in case of time-based contract; fee rates should only be negotiated to achieve consistency between the quality and the price of the offered services, and not just to achieve a price reduction at all costs; for instance, if staff rates proposed by the consultant are consistent with market rates for similar services, the fee rates should not be cut unreasonably
- reimbursable expenses in case of time-based contract
- lump sum payments per output or deliverable in case of lump sum contract
- advance payments are generally limited to initial mobilisation costs of the consultant up to 20 per cent of the final contract value, advances should generally be recovered as soon as possible (usually against the consultant's first invoice), for advances which exceed €30,000, the consultant will be expected to provide a bank guarantee, with the EBRD as the beneficiary for the advanced amount; the client shall contact the selection advisor of CSU if a specimen for such a Bank Guarantee is required
- determination of any indirect taxes that the consultant will need to charge the client, taking into account any exemptions that the client might be able to obtain
- precise payment terms.

Contractual terms

- maximum amounts for consultant's liability and insurance
- confirmation that the consultant will sign a standard consultancy contract

if the client wishes to depart from standard terms (e.g. use of deliverables, payment terms, modifications to liability and indemnity provisions in consultant's favour, no insurance for consultant's liability), the client should seek legal advice; in any case it is the client's responsibility to ensure that any deviations agreed for the consultancy contract do not prejudice the client's ability to fulfill its obligations towards the Bank under the grant agreement. A record of clarifications/negotiations should be prepared, outlining the technical, financial, and contractual terms agreed on during negotiations. The record will be communicated to the Bank. The record should set out the items agreed between the consultant and the client, in order to allow the Bank



to prepare the consultancy contract. The record can take the form of a note outlining the agreed points and, if available, a draft of the consultancy contract, including mark-ups on the template.

The client is advised to explain to the consultant that the final consultancy contract and all negotiated points are subject to the Bank's approval.

4.4.3 Failure of negotiations

If no agreement can be reached, the client shall, after having obtained the Bank's approval, proceed to terminate negotiations with the consultant. The client shall notify the consultant in writing of all pending issues and disagreements, and provide the consultant with a final opportunity to respond in writing. In case of unsatisfactory response or lack of response, the client shall notify the consultant in writing that negotiations are terminated. The client shall then invite the next-highest ranked consultant in accordance with this Section 4.4. Once negotiations with a consultant have been terminated, they shall not be reopened.

4.4.4 Bank review and approval

After negotiations are concluded, the client should send the necessary documents (Section 5.2.4,) to the Bank for its review, approval and ultimate incorporation into the grant agreement (Section 1.5).

A close-up photograph of a hand holding a silver pen, writing on a notepad. The notepad is open, and the pen is in the process of writing on one of the pages. The background is blurred, showing a person's arm and a yellow object. A large blue number '5' is overlaid on the right side of the image, with the word 'Section' written in white text above it.

Section

5

Contracting

PRINCIPLES

5.0 Contracting principles

The client will be permitted the use of the TC funds by a type of contract known as a grant agreement. The grant agreement sets out the obligations of the client and the Bank and the conditions under which the TC Funds are made available to the client.

As early in the selection process as possible, the client should establish that it is legally able to sign the grant agreement and that the terms are commercially acceptable. If the client has any concerns about the grant agreement it should seek clarification from the Bank.

The structure of the grant agreement is as follows:

- grant agreement, which sets out the obligations of the client and the Bank under which the TC Funds are made available to the client. The grant agreement is signed by the Bank and the client. The consultant is not a party to the grant agreement.
- Annex A to the grant agreement: Statement of Approval of Consultancy Services
- Annex B to the grant agreement: consultancy contract. The consultancy contract sets out the obligations of the client and the consultant. The consultancy contract is signed by the client and the consultant. The Bank is not a party to the consultancy contract. The consultancy contract includes:
 - Terms of Reference (Section 2.4)
 - Breakdown of Costs (Section 2.6).

Parties involved in the contracting process

5.1 Contracting arrangements

Between the client and the consultant the following contracting arrangements are most commonly used:

- contract with an individual consultant or with a firm for the services of a specific individual consultant, commonly referred to as an “individual services” contract
- contract with a firm to provide defined services or outputs, commonly referred to as a “corporate services” contract.

These contracts may incorporate either of the following payment structures

- contracts for time based inputs based on specified rates for such inputs, commonly referred to as “time-based” contracts
- contract for performance outputs based on fixed fee payments on the satisfactory achievement of the specified outputs, commonly referred to as “lump sum” contracts.

The use of lump sum payments is only appropriate for certain types of assignment and may not be acceptable to certain donors.

It is essential that the contracting arrangements should be decided prior to the finalising of the Terms of Reference, short listing of consultants and issuing the Request for Proposals. The payment structures can be treated more flexibly and can be subject for negotiation with consultants (Section 4, Negotiations).

5.2 Necessary documentation

In order to prepare a contract the Bank will need certain key information. This information will depend to some extent on the selection method used. The Operation Leader (OL) and the client should work together to ensure that each of these items is provided. The OL will be responsible for initiating the contract request procedure once he or she is in possession of the necessary documentation.

5.2.1 For direct selections

- The final TOR
- The budget which has been agreed with the consultant (subject to Bank approval)
- Any workplan which has been agreed with the consultant
- The CVs of all experts
- Written record of confirmation of any relationship between the consultant and the client or beneficiary and absence of conflict of interest for the consultant
- Declaration of impartiality signed by the client's authorized representative
- Clarification of negotiations
- Any relevant correspondence
- Bank details for the consultant and correct correspondence details for the client and consultant.

5.2.2 For selection from shortlists

- The final TOR (if any changes have been agreed since the selection process commenced these must be clearly highlighted)
- The budget which has been agreed with the consultant (subject to Bank approval)
- Any workplan which has been agreed with the consultant

- The CVs of all experts whose CVs are not contained in the Expressions of Interest
- Written record of confirmation of any relationship between the consultant and the client or beneficiary and absence of conflict of interest for the consultant
- Clarification / record of negotiations
- A copy of the evaluation report and annexes
- Any relevant correspondence
- Bank details for the consultant and correct correspondence details for the client and consultant.

5.2.3 For evaluation of proposals

- The final TOR (if any changes have been agreed since the selection process commenced these must be clearly highlighted)
- The budget, which should be closely based on the financial proposal of the consultant (subject to Bank approval)
- The technical and financial proposals of the consultant to be contracted (the Bank will usually have copies of these) along with a record of any negotiated changes.
- The CVs of any additional experts who are not contained in the proposal
- Written record of confirmation of any relationship between the consultant and the client or beneficiary and absence of conflict of interest for the consultant
- Clarification / record of negotiations
- A copy of the shortlisting and evaluation report
- Any relevant correspondence
- Bank details for the consultant and correct correspondence details for the client and consultant.

5.3 Giving legal effect to the grant agreement and consultancy contract

5.3.1 The grant agreement

After the above steps have been completed, the Bank will send two copies of the grant agreement to the client for signature. The client should sign and send one copy back to the Bank and retain the other copy for its records.

5.3.2 The consultancy contract

The Bank will also supply three copies of the consultancy contract to the client along with the grant agreement.

The consultancy contract will always be prepared by the Bank, based on the relevant documentation supplied by the client.

The contract documents normally comprise of:

- the Contract including the General Conditions;
- Schedule - the TOR



- Schedule - experts and breakdown of costs.

The TOR and the draft contract form have been included in the RFP if there was an evaluation of proposals.

The staff, breakdown of costs and payment schedules would be derived from the budget form in the consultant's financial proposal if there was an evaluation of proposals.

The contract, TOR, staff, breakdown of costs and client contributions sections should have been amended as necessary to reflect any changes as per the record of negotiations.

The client should sign all three copies of the consultancy contract. It should then send all three copies to the consultant.

After signing, the consultant will retain one copy, send one signed copy of the contract to the Client and another to the Bank.

The contract must be signed by the duly authorised representatives of the parties before the Services commence.

In addition to signing the contract, it is good practice for both parties to initial all of the pages of the contract documents.

5.4 Contract files

The client is responsible for the safe keeping of the signed contracts. The contract files should include all of the following documents which are relevant to the particular process:

- copy of the notification of the assignment
- copy of the Invitation for Expressions of Interest
- the full shortlisting and selection report
- the full shortlisting report
- CVs of the experts engaged
- the full RFP with all attachments
- the full evaluation report with all supporting documents
- the record of clarifications/negotiations.

5.5 Letter to unsuccessful consultants

When the contract has been signed, the client will notify in writing the other consultants which submitted proposals, and have not yet been notified of their rejection.

If any of the unsuccessful consultants raise any queries or requests for debriefing, it would be appropriate for the client to be involved in responses to such requests and to explain to the unsuccessful consultant making the request in what respects its proposal could have been improved. The client should discuss its response with the Bank before responding. The discussion must be limited to the proposal submitted by the consultant making the request and must not get into such issues as reasons why the winning consultant was selected or the comparative merits of the proposals.

6

Section



Post-contracting matters

6.1 Management of consultants

Whilst the Bank will issue all of the contractual documentation, the client - as executing agency - is responsible for administering the contract. The client should refer to the CSU adviser or the OL for guidance where necessary, particularly in respect of any matters which impact on the contract with the consultant.

The consultant must not be instructed to commence services before both the grant agreement and the consultancy contract have been signed by the relevant parties (Bank and client for the grant agreement; client and consultant for the consultancy contract). In particular, the client should bear in mind that, until the grant agreement is signed, any services performed by the consultant is at the consultant's and the client's own risk and the Bank will not be obliged to pay for such services.

Contract administration requires the client to:

- ensure the contract is executed properly
- facilitate the consultant's access to information, agencies, etc
- ensure prompt decisions and feedback to the consultant as may be required under the contract
- monitor and supervise the consultant's performance
- authorise and arrange eligible payments to the consultant as provided in the contract (by filling in and sending to the Bank a statement of approval (Section 6.10.4);

- ensure that any chargeable indirect taxes/VAT (related to the services) have been paid in a timely manner and in compliance with the provisions of the grant agreement and the consultancy contract
- control contract changes
- handle claims and resolve disputes
- ensure timely and satisfactory completion of the assignment
- evaluate the overall performance of the consultant.

The Bank and the client should exchange views with regard to the progress of the assignment. The client must promptly inform the Bank of any proposed change in the nature or scope of the assignment or of any event or condition which might materially affect the assignment.

6.2 Client's responsibility

In accordance with PP&R, s. 5.11, the client is required to administer the contract in the same manner as the Bank would administer the contract if it were contracting, in accordance with the Bank's policies and rules:

"the client is responsible for managing and administering the consultant's work to ensure high performance standards, authorising payments, making contract changes as may be needed, resolving claims and disputes, ensuring timely and satisfactory completion of the assignment and evaluating the performance of consultants."

The client is also under an obligation to obtain the Bank's consent to any substantive change to the contract under PP&R, s. 5.12:

"Before agreeing to any modifications or waiver of the terms and conditions of a contract or granting an extension of the stipulated time for performance (except in cases of extreme urgency brought about by unforeseeable events not attributable to the procuring entity), the client shall obtain the Bank's no objection to the proposed modification, waiver or extension."

6.3 Administration and supervision

The client must institute and follow appropriate management and supervision procedures to carry out its obligations to the Bank and the donors.

6.4 Supervision

As part of its supervisory role, the client should:

- aim to ensure that the consultant's work is efficiently performed in accordance with the TOR and, therefore, likely to achieve the defined objectives
- respond to changes in circumstances, addressing these in a timely and effective manner
- ensure that all parties to the contract meet their obligations under the contract
- promptly inform the Bank of any proposed change in the nature or scope of the assignment or of any event or condition which might

- materially affect the assignment and
- exchange views with the Bank concerning the progress of the assignment.

In addition, client supervision arrangements should routinely address the following:

- verify that contracted experts are mobilised as planned, that counterpart staff and facilities (if applicable) are made available;
- ensure that the consultant has access to necessary information, agencies, client's personnel etc
- monitor the progress of the work
- record all queries made and clarifications provided, concerning the scope and execution of the work; contract provisions; TOR, etc
- ensure that any required progress reports are submitted by the consultant and that deliverables are provided on time and are of the required scope, quality and form
- review and give feedback to the consultant on deliverables, reports etc and immediately alert the consultant if deliverables or reports are late or deficient
- immediately identify problems and attempt to agree with the consultant on remedies
- ensure that amounts invoiced are commensurate with the consultant's performance and consistent with the contract provisions
- ensure that eligible payments due to the consultant are processed and made in a timely manner.

CONTRACT ADMINISTRATION

6.5 Contract administration

6.5.1 Changes to the contract

Changes to the contract typically include:

- revisions to the TOR
- changes in staffing such as substitutions, additions, etc
- changes in the budget
- changes in payment terms
- changes in schedule such as milestones, completion date, etc.

All changes to the contract must be agreed by both parties in writing, through a change document issued by CSU.

Any change to the contract that does not involve an increase in the cost of the assignment is referred to as an amendment. Any change to the contract that involves an increase in the cost of the assignment (in addition to any other possible changes) is referred to as an extension.

6.5.2 Amendment

The client should prepare a note justifying the proposed change, with supporting evidence as appropriate, with the proposed amendment attached.

The agreed amendment documents should be forwarded to the Bank for the Bank's approval.

The Bank will supply three copies of the amendment to the client. (For information only, the Bank will send one copy of the amendment directly to the consultant).

The amendment will always be prepared by the Bank, based on the relevant documentation supplied by the client.

The client should sign all three copies of the amendment. It should then send all three copies to the consultant. In addition to signing the amendment it is good practice for both parties to initial all of the pages of the amendment.

After signing, the consultant will retain one copy, send one signed copy of the amendment to the client and another to the Bank.

The amendment must be signed by the duly authorised representatives of the parties before the services commence. The signed amendment will be filed with all supporting documents in the relevant contract file.

6.5.3. Extension

The client must discuss any contract change resulting in an increased cost with the Bank in order for the Bank to approve the extension, and to determine the sources of funding.

The client must prepare a note justifying the proposed change, with supporting evidence as appropriate, with the proposed extension attached. An increase in overall cost of the assignment will have to be properly justified, and will normally be allowed only in such cases where additional services are required. This can either be a continuation of existing services over a longer time period, or services in addition to the original scope of the services, or a combination of both. The scope of the services of the extension must be connected to the original scope of the services.

An extension may result in the thresholds applicable to the original selection being exceeded (e.g. an extension of € 20,000 to an original contract of € 65,000 awarded through direct selection, will put the overall contract value in excess of the threshold of € 75,000 for direct selection). In such cases, the client will need to obtain approval from the Bank for direct contracting under Sections 5.9 b) or 5.9 (c), PP&R (see Section 3.4). In these cases, and before negotiating the terms of an extension with the consultant, the client must consult with the Bank to determine the required approvals. Negotiations on the extension must not be started before approval on the basis of s. 5.9 b) or 5.9c) is granted. In case of doubt as to the application of s. 5.9 b) and 5.9c), the client shall contact the Bank for advice and clarification.

The agreed change documents must be submitted by the client to the Bank for the Bank's review and approval. After the changes have been approved, the Bank will send two copies of the grant agreement extension to the client for signature. The client should sign and send one copy back to the Bank and retain the other copy for its records.

! The client must discuss any contract change resulting in an increased cost with the Bank in order for the Bank to approve the extension, and to determine the sources of funding.

The Bank will also supply three copies of the consultancy contract extension to the client along with the grant agreement extension.

The consultancy contract will always be prepared by the Bank, based on the relevant documentation supplied by the client.

The client should sign all three copies of the consultancy contract extension. It should then send all three copies to the consultant.

After signing, the consultant will retain one copy, send one signed copy of the contract extension to the client and another to the Bank.

The contract extension must be signed by the duly authorised representatives of the parties before the services commence.

In addition to signing the contract extension it is good practice for both parties to initial all of the pages of the contract extension documents.

6.6 Contingencies

An amount for contingencies is sometimes provided for in the contract. The contingency budget is intended for necessary expenditure which was not foreseen at the time of the contract. The use of such a contingency sum should be agreed with the Bank in writing before the consultant is authorised to use it. No formal amendment is necessary.

6.7 Amendments at the consultant's request

A claim from the consultant for a change to the contract because of factors outside the scope of the contract or the control of the consultant should be acknowledged and seriously reviewed, and not rejected out of hand.

If the claim is determined to be unsubstantiated and not supported by the contract conditions, the client should so inform the consultant in writing. If there is justification for some or all of the claim, the claim should be treated in the same manner as a contract change (Section 6.5).

Any changes will be subject to the Bank's approval.

6.8 Disputes

If the client and the consultant cannot agree on an outstanding claim or any other provision in the contract, the parties should agree that a dispute exists and decide on a mechanism to resolve the dispute as expeditiously and amicably as possible. The existence of a dispute does not justify either party ceasing to perform any of its obligations under the contract. Failure to perform its obligations under such circumstances would constitute a default.

Most disputes can be settled amicably and the Bank is prepared to offer its advice and assistance in resolving disputes.

Where possible the client should endeavour to keep written records of disputes, e.g. emails sent to consultants about poor performance, attendance

notes of telephone conversations etc.

The Bank must be informed in writing as soon as it has been agreed by the parties that a dispute exists.

6.9 Dispute resolution

The Bank must be informed in writing as soon as a dispute arises between the client and a consultant.

The Bank's sample consultancy contract provides for international arbitration in the event the parties cannot come to an amicable resolution.

The recognition by the parties that a dispute exists should not be construed as the end to seeking an amicable resolution.

Prior to formal arbitration, there are other alternatives which are less costly, faster and less litigious than arbitration and would be worth exploring. These include:

- an independent mediator; and
- non-binding adjudication (ADR).

The Bank must be consulted on any proposed arrangements to resolve a dispute and must give prior approval of the proposed arrangements.

INVOICE MANAGEMENT

6.10 Invoice management

Invoice management is the orderly preparation, submission, verification, authorisation, payment, recording and filing of invoices from consultants. The purpose of invoice management is to ensure that:

- the consultant is paid what is due under the contract in a timely manner
- payments are made only for services provided to the full satisfaction of the client and for reasonable costs incurred
- that the use of funds is fully transparent.

Orderly invoice management requires that clear invoicing and payment conditions are set out in the contract. In addition, operating procedures should be established by the client to facilitate the receipt, checking, authorisation for payment and recording of invoices in a timely manner. These procedures should ensure that invoices received are valid and supported by appropriate documentation and that payments are only authorised for work which has been satisfactorily completed.

A payment may only be authorised after the original

 **Invoice management is the orderly preparation, submission, verification, authorisation, payment, recording and filing of invoices from consultants**

signed copy of the contract has been returned to the client, duly signed by the consultant. Consultants may only commence the assignment when the contract has become effective. No payments should be authorised in respect of remuneration or expenditures incurred prior to the effective date or after the expiry date should be made.

6.10.1 Presentation of invoices

Only original invoices and receipts should be accepted. At the consultant's discretion original receipts may be sent to the Bank and copies to client. Invoices from firms must be on corporate headed paper; invoices

from individual consultants must show their business address and must be signed by the consultant. All invoices must contain the following information:

- (i) invoice date
- (ii) commitment and/or contract number
- (iii) currency and amount of invoice (split between expense categories as per contract budget)
- (iv) bank account details, including the currency of the account
- (v) itemised listings of expenses, cross-referenced to supporting receipts
- (vi) exchange rates used
- (vii) a description in English of supporting receipts in other languages
- (viii) VAT, either itemised or zero rated as per the instructions on Rules for Preparation of Invoices attached to the contract.

6.10.2 Invoice review by the client

It is the responsibility of the client to check the invoice to ensure that it is in accordance with the consultancy contract and otherwise correct.

The review should confirm that:

- the progress of the assignment is consistent with the schedule in the consultancy contract
- the work invoiced has been satisfactorily performed
- the invoiced amounts are commensurate with the work performed, outputs achieved and deliverables received.

If the client is not satisfied with the performance of the consultant, the invoice should be rejected and the consultant informed promptly. The client should discuss the matter with the consultant to resolve the matter. If progress does not match payments, performance can be enforced while withholding payments until equilibrium is re-established.

An invoice that would utilise the entire amount of the remaining budget, while there is work still to be done, should never be authorised.

The client must also check the details of the invoice to verify that:

- (i) they are consistent with the payment terms and budget in the contract
- (ii) the invoice is arithmetically correct and in the currency of the contract
- (iii) the invoice and receipts are original and authentic
- (iv) the direct expenses (i.e. fees and per diem) are charged at the contract rates and are for the experts named in the contract (substitutions

- of experts should be approved in advance in writing and noted in the contract file)
- (v) reimbursable expenses are appropriate and are supported by receipts
- (vi) all the expenses involved are budgeted for in the contract, both by type and amount
- (vii) individual expense categories in the contract are not exceeded
- (viii) the exchange rates used for converting reimbursable expenses are correct

- For assignments financed by donors other than the EU: Financial Times on the first Monday of the month of the invoice, if it is convertible, or against submission of evidence of the exchange rate applied when purchasing local currency for the corresponding reimbursable expenses;
- For EU-financed assignments: conversion from other currencies into Euro shall be made using the monthly exchange rates published in the supplements to the Official Journal of the European Union published on or the first working day after the 10th of each month (available at: <http://ec.europa.eu/budget/infocoreuro/index.cfm?Language=en>); for currencies not quoted in the Official Journal, the exchange rates for Bank-funded assignments shall be used.



- (ix) the bank account details for the payment are for the firm or individual specified in the contract
- (x) no amounts are paid from contingencies unless the use of these has been duly authorised by the client in advance of incurring any such costs (a copy of the written authorisation should be placed on the contract file)
- (xi) any advance payments made are recovered from subsequent invoices in accordance with the payment terms of the contract
- (xii) any indirect taxes/VAT chargeable on the services are separately itemised.

It is recommended to use checklists to assist with invoice verification (Annex 4).

6.10.3 Reimbursable expenses

The client should check whether expenses invoiced are covered by the contract, both by their nature (local transport, consumables, etc) and to their amount (there would often be ceilings or lump sums). Expenses charged must be properly supported by appropriate receipts etc, otherwise they must not be reimbursed (the exception to this being the cases when it has been agreed when concluding the contract that a certain type of expense would be reimbursed as a lump sum, defined in advance and set out as such in the contract).

In particular:

- (i) reimbursement of air travel requires presentation of a receipt for the purchase of the ticket, the ticket stub (if the ticket is of such a type) and the boarding card for each flight leg (to the extent that individualised boarding cards are issued at the departure airport in question)
- (ii) personal transport mileage claims must not exceed the Bank's standard rates and must be limited to a maximum of the equivalent journey cost by first class rail (EBRD's current standard rates are available from CSU)
- (iii) any miscellaneous amount charged on an invoice must be broken down in accordance with the contract (a lump sum amount is not acceptable unless specifically allowed in the contract)
- (iv) hospitality expenses are not allowable (TC funds must not be utilised to fund such expenses).

6.10.4 Authorisation for payment

Prior to authorisation for payment, the consultant should be informed of any amounts which have been rejected on the invoice.

When everything is clear and satisfactory, the client

should authorise the invoice for payment by signing Statement of Approval (annexed to a grant agreement between the client and the Bank) and submitting it to the Bank. Clients should not unnecessarily delay authorisation for payment of invoices. The Clients should pay the VAT chargeable on the services directly to the consultant and confirm that it has paid VAT on previous invoices and to undertake to pay VAT on the particular invoice in each Statement of Approval relating to the invoice authorisation.

Failure to pay the VAT element would be considered as a breach of the client's responsibility under the grant agreement and would allow the Bank to terminate the grant. Where the client does need to pay the entire invoice in order to benefit from set-off of input VAT against VAT chargeable on outputs, the client will be expected to pay the invoice up front. The Bank will, upon proof of payment, reimburse the client for the net amount of the invoice. In special circumstances where the client demonstrates a true cash-flow difficulty, it may be possible for the Bank to advance the net amount of the invoice up front. In such a case, funds will only be advanced to the client once the consultant's invoice has been approved by the client and upon confirmation from the consultant that there are no other outstanding amounts payable to them from the client (other than the relevant invoice).

6.10.5 Final invoice

The final invoice must be submitted promptly at the end of the assignment, and no later than three months after the contract expiry date.

When a consultant's final invoice is received, the client must pay particular attention to ensure that all contractual obligations have been satisfied. The final invoice should never be authorised while there is outstanding work to be done. All previous invoices must have been duly submitted for payment; all reports, deliverables etc, must have been duly received; and the work must have been carried out to the satisfaction of the client. Advance payments must have been fully recovered.

6.11 Payments of client's monetary contributions

The conditions of the client's monetary contributions, if any, will be set out in the grant agreement. If the client is required to make a monetary contribution, on receipt of each invoice from the consultant the client shall, subject to the checks detailed in Section 6.10, directly pay to the consultant the proportion of

the invoice which is payable by the client, as set out in the grant agreement. For instance if the client is to make a monetary contribution of 20 per cent of the cost of an assignment and the client is in receipt of a correctly presented invoice for €50,000, it should pay the consultant € 10,000 and then forward the authorisation for payment to the Bank for the payment of the remaining € 40,000.

Once the client has made the payment, it should follow the procedure set out in Section 6.10.4, indicating clearly what payment has been made to the consultant.

6.12 Termination of the contract

Prior to considering termination procedures, the client must review the relevant termination provisions in the contract and should consult with the Bank.

In the event that the client finds it necessary and contractually justifiable to terminate a contract, it should prepare a note outlining the causes and justification for termination.

This should be submitted to the Bank for its approval prior to issuing a formal notice of termination to the consultant.

RECORDS AND REPORTING

6.13 Audit trail facilities

The client must maintain and retain adequate financial records to ensure that a complete and accurate audit trail of financial transactions under the contract is maintained.

6.14 Interim and final reports

The client should ensure that interim progress reports are submitted on time and are consistent with the requirements of the contract. The client should respond promptly to any issues raised in progress reports.

It is a requirement that all consultants engaged through donor funding must provide a final report summarising their assignment and results. The final report should always contain an executive summary containing non-confidential information. Unless the Bank advises the client to keep the final report, two copies of the final report will be sent to the Bank along with the client's report following the completion of the assignment.

The OL will forward the copies to OCU together with the Project Completion Report (PCR).

6.15 Post-evaluation

All consultancy assignments are subject to post evaluation. The findings of the post-evaluation are incorporated in a Project Completion Report (PCR). A sample format for a PCR is available from CSU.

The PCR is prepared by the OL, based on information provided by the client, and submitted to CSU. The consultants' final report should be attached to the PCR unless the Bank decides otherwise.

The PCR should be completed within 8 weeks of the receipt of:

- the consultant's final report; or
- the final disbursement, or
- closure of the commitment, whichever is the earlier.



Annexes

Guide for clients

Annex 1: EBRD's Procurement Policies and Rules

- 1.1 EBRD's PP&R
para 2.9
Prohibited Practices
- 1.2 EBRD's PP&R
Section 5
Procurement of Consultant Services
- 1.3 EBRD's PP&R
Annex 2 - para 10 - 12
Procurement queries and complaints
(procurement by client).

Annex 1.1 PP&R Extract – Prohibited Practices

- 2.9 The Bank requires that clients (including beneficiaries of Bank-financed operations), as well as tenderers, suppliers, contractors, concessionaires and consultants under Bank-financed contracts, observe the highest standard of transparency and integrity during the procurement, execution and implementation of such contracts.

In pursuance of this policy, the Bank defines the terms set forth below as Prohibited Practices:

- (i) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (ii) "collusive practice" means an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (iii) "corrupt practice" means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party; and
- (iv) "fraudulent practice" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

Any occurrence, or suspected occurrence, of a Prohibited Practice in the procurement, award,

or implementation of a Bank-financed contract in the context of a Bank Project shall be dealt with in accordance with the provisions of the Bank's Enforcement Policy and Procedures. Suppliers and contractors selected pursuant to Section 3, concessionaires selected pursuant to Paragraph 4.4 and consultants selected pursuant to Section 5 as well as the Bank's clients shall fully cooperate with the Bank in any investigation into an alleged Prohibited Practice to be carried out pursuant to the Enforcement Policy and Procedures and shall permit the Bank or its representative to inspect such of their accounts and records as may be relevant for such investigation and to have such records and accounts audited by the auditors appointed by the Bank. Provisions to this effect will be included in the Bank's loan agreements with its clients (including concessionaires selected pursuant to Paragraph 4.4), and in any contracts selected pursuant to Section 3 or Section 5.

Annex 1.2 PP&R Extract – Chapter 5: Procurement of consultant services

General

- 5.1 The Bank and its clients employ individuals and consulting firms to provide a wide range of expert advice and consulting services in connection with their operations and management responsibilities. The main concern when choosing consultants should be the quality of the services that are provided. The procedures for selecting consultants and contracting for their services must be flexible and transparent to ensure that assignments can be efficiently executed with high standards of performance, while providing the necessary accountability. The procedures described below shall be followed for consultant contracts to be financed with the proceeds of Bank loans under public sector operations and for contracts with consultants engaged directly by the Bank. For consultant contracts financed with Technical Cooperation Funds, these procedures shall also be followed to the extent that they do not conflict with agreements reached with the donors for the use of such funds.

Consultant Selection Procedures

- 5.2 The selection process for consultants normally involves the following steps:
 - a) defining the scope, objectives and estimated budget, including any anticipated follow-on

services and/or extensions, of the proposed assignment and determining the selection procedure to be followed;

- b) identifying consultants that are qualified to perform the required services and preparing a short list of qualified firms;
- c) inviting proposals from the short-listed firms;
- d) evaluating and comparing capabilities and proposals and selecting the preferred consultant;
- e) negotiating a contract with the selected consultant; and
- f) contract administration.

5.3 Some of these steps may be simplified or omitted, depending on the value of the contract for services to be performed:

- a) For contracts estimated to cost less than €75,000 with individuals or firms, a qualified consultant may be selected directly, without the requirement to prepare a short list, and a contract negotiated with the selected consultant.
- b) For contracts estimated to cost €75,000 or more with individuals, selection shall be made on the basis of an evaluation of short-listed, qualified candidates and the rationale for the choice must be recorded.
- c) For contracts with firms that are estimated to cost €75,000 or more and less than €300,000, a short list of qualified firms shall be prepared. The selection must be based on an evaluation of the short-listed firms' proven experience and current expertise related to the assignment, without a requirement that the firms submit specific proposals for carrying out the assignment.
- d) Major contracts with firms estimated to cost €300,000 or more shall normally follow a competitive procedure based on invited proposals from a short list of qualified firms.

Short Lists

5.4 Short lists of consultants shall normally include no less than three and no more than six qualified and experienced consultants (individuals or firms, as the case may be). The list shall normally comprise a wide geographic spread of consultants, including wherever possible at least one qualified consultant from one of the Bank's countries of operations and normally no more than two from any one country.

5.5 Shortlists may not include:

- a) any affiliate of the client unless it can be demonstrated that there is not a significant

degree of common ownership, influence or control between the client and the affiliate and that the affiliate would not be placed in a position where its judgement in the execution of the assignment may be biased.

- b) firms or individuals who have submitted more than one expression of interest or have participated or intend to participate as a joint venture partner or consortium member in more than one expression of interest/proposal for each contract. Submission or participation by a consultant in more than one proposal for a contract will result in the rejection of all proposals for that contract in which the consultant is involved. However, this does not limit the inclusion of the same sub-contracted consultant in more than one proposal submitted by a firm.

5.6 For large assignments with firms estimated to cost €300,000 or more, complex or specialised assignments, or operations involving a significant number of similar assignments, a formal notice soliciting expressions of interest from qualified firms should be published in the procurement section of the Bank's website (www.ebrd.com). The short list shall normally be prepared on the basis of the responses to the solicitation.

5.7 For Sovereign operations, requests for proposals, including all published procurement notices, shall be prepared by the client in one of the Bank's working languages. The Bank may require that requests for proposals also be prepared in another working language of the Bank which shall be specified in the request for proposals as the governing language.

In the case of sub-Sovereign operations, the client may prepare requests for proposals, including all published procurement notices, in the local language or other commercially accepted language in order to assist local firms in participating, and the proposals may be submitted in the chosen language. All procurement and contract documentation, including published procurement notices, shall also be prepared and issued by the client in English. The Bank will determine on the basis of such English language documentation whether procurement has been carried out in accordance with the agreed procedures.

All documents required by the Bank for review

purposes shall be submitted to the Bank in English. In the event of a procurement complaint, the Bank may require certified translations of the relevant documents.

Evaluation and Selection

5.8 When formal proposals are requested from a short list of firms, the invitation for proposals must clearly state the criteria for evaluating them. The evaluation of consultants should normally be based only on technical considerations including, but not limited to, experience in similar assignments, local experience and presence, qualifications of key personnel proposed for the assignment, and suitability and quality of the work plan. For some assignments of a straightforward technical nature, the price of the services can be a secondary consideration but quality should remain the principal factor in selection. When formal proposals have been requested, the consultant that submits the highest rated proposal should be invited to negotiate a contract with the client.

5.9 Competition through a short list is preferred; however, in some circumstances it may be necessary or advantageous to engage or continue with a specific consultant, where:

- a) the consultant has unique expertise or experience; or
- b) the consultant has been or is involved in the early phases of the project such as feasibility or design and it has been determined that continuity is necessary and no advantage would be gained from following competitive procedures; or
- c) additional services not included in the original contract have, through unforeseen circumstances, become necessary for the performance of the contracted services, on condition that those additional services cannot be technically or economically separated from the original contract without major inconvenience to the contracting authorities or when such services, although separable from the performance of the original contract, are strictly necessary for its completion.

In such cases a client may, with the Bank's prior approval, invite the consultant in question to submit a proposal and negotiate a contract.

Contract Negotiations

5.10 During contract negotiations the selected consultant's proposal may be modified by

mutual agreement between the client and the consultant. The client shall indicate any changes that may be desirable in the scope of services and in the staffing proposed by the consultant, and appropriate adjustments in the price of services shall then be agreed. The draft final contract must be presented to the Bank for review before signing.

Contract Administration

5.11 As in the case of other contracts in Bank-financed projects, the client is responsible for managing and administering the consultant's work to ensure high performance standards, authorising payments, making contract changes as may be needed, resolving claims and disputes, ensuring timely and satisfactory completion of the assignment and evaluating the performance of consultants.

5.12 Before agreeing to any modifications or waiver of the terms and conditions of a contract or granting an extension of the stipulated time for performance (except in cases of extreme urgency brought about by unforeseeable events not attributable to the procuring entity), the client shall obtain the Bank's no objection to the proposed modification, waiver or extension.

Bank Review

5.13 Where consultants are being engaged by a client, the qualifications, experience and terms and conditions of employment shall be satisfactory to the Bank. The Bank will review the proposed scope of services and terms of reference, the proposed short list of firms, the recommendation for consultant selection and the final contract to ensure that the assignment is eligible for Bank financing.

5.14 The client shall make such modifications in procurement documents or reports as the Bank shall reasonably request. The approved documents or reports shall not be materially changed without the Bank's no objection.

5.15 Consultancy contracts estimated to cost €300,000 or more shall normally be subject to the Bank's prior review. The agreed procedures will determine the contracts subject to review. The Bank may periodically conduct post procurement review of contracts and projects and may also require an evaluation by the client of the consultant's performance.

5.16 For all contracts which are subject to the Bank's prior review process:

- a) prior to an invitation to submit proposals, the client shall submit the proposed short list of firms, the scope of services and terms of reference and the evaluation criteria for the assignment, to the Bank for its review and no objection;
- b) prior to inviting a selected firm for negotiations, the client shall submit a detailed evaluation report setting forth the specific reasons on which the recommendation to select the successful firm for negotiations is based, to the Bank for its review and no objection; and
- c) one conformed copy of the contract shall be furnished to the Bank immediately upon signature of such contract.

5.17 For contracts not subject to prior review, the client shall furnish to the Bank, prior to the submission of a withdrawal application in respect of such contract, a conformed copy of the contract, together with an evaluation report for its review and no objection.

5.18 If the Bank finds that the procurement, award or administration of a contract, including any agreed modification or waiver of such contract, has not been carried out materially in accordance with the agreed procedures, it shall promptly inform the client and state the reasons for such determination. The contract shall no longer be eligible for financing and the outstanding portion of the financing allocated to the contract shall be cancelled.

5.19 The Bank shall publish on a periodical basis a description of contracts awarded, the name and nationality of the party to which the contract was awarded and the contract price, including details of short listed consultants who participated in the selection process leading to such contract award.

Annex 1.3 PP&R Extract from Annex 1 - Guidance to tenderers

Procurement queries and complaints (procurement by client)

Procurement Queries and Complaints (procurement by client)

- 10.** As recommended above, tenderers are invited to send to the Bank copies of correspondence with the client on issues and questions relating to the tendering process, or to write to the Bank directly when the client does not respond promptly or when tenderers wish to complain about the client's or the Bank's handling of the procurement process. All such communications must be addressed to the Director of the Banking Department Team responsible for the project and copied to the Director of the Procurement Department as described on the Bank's website (www.ebrd.com). Correspondence received by the Bank prior to the closing date for submission of tenders will normally be referred to the client for action or response, along with comments as appropriate. Complaints will be considered by the committee established by the Bank to review complaints.
- 11.** Communications received after the opening of tenders will be handled as follows. In the case of contracts not subject to prior review by the Bank, the communication will be sent to the client for due consideration and appropriate action, if any. These will be reviewed during subsequent monitoring of the project by Bank staff. In the case of contracts subject to prior review, the Bank will examine the issue in consultation with the client before the evaluation is completed. If additional information is required, it will be obtained from the client. If information or clarifications are required from the tenderer, the Bank will ask the client to obtain it and take it into account, as appropriate, in the evaluation report. The Bank will not complete its review until the issues raised in the communication are fully examined and considered.
- 12.** Except for acknowledgement of receipt, the Bank will not enter into discussions or correspondence with any tenderer relating to the details of an ongoing evaluation during the actual evaluation and review process of the tender, until notification of award has been made.

Annex 2: Structuring the Assignment

- 2.1 Guidance Note for the Preparation of Terms of Reference
- 2.2 Profile of Consultant (Individuals)
- 2.3 Profile of Consultant (Firms)
- 2.4 Curriculum Vitae for experts
- 2.5 Cost Estimate
- 2.6 Implementation Schedule

Annex 2.1 Guidance Note for the Preparation of Terms of reference

The Terms of Reference (TOR) are detailed instructions to consultants as to the services they should perform to complete an assignment for the benefit of a recipient. The preparation of realistic and relevant TOR is one of the most important elements contributing to the quality of technical cooperation (TC) projects.

The purpose of this document is to give the basic structure of terms of reference for technical cooperation projects, whether financed by TC funds or under a Bank loan, as well as some guidance for their preparation and presentation. They have to be modified and developed according to the requirements of the individual case.

When engaging consultants it is important that the TOR describe clearly and comprehensively what the requirements are. This will allow comparable proposals to be received, and selection to be made on fair and equal terms, ensuring the consultant's adequate competence for the task. Clear and comprehensive TOR are also essential for an enforceable contract to be concluded. TOR serve as a reference against which performance can be assessed.

TOR describe the nature, scope, processes, products, timing, and conditions of services delivered by a consultant to its recipient. Contracting arrangements, selection criteria, as well as the maximum budget available, are sometimes found in TOR but are better placed in a letter of invitation to submit proposals or the like.

There are various formats that have been adopted for TOR, but the best practices follow the sequence indicated below:

1. Background

This section should set the assignment in its context. Include relevant information which helps the consultants planning the assignment. For example, appropriate background information, which should be as concise as possible, may answer such questions as

- Why is the assignment being undertaken?
- For whom the assignment is needed?
- How does it fit into a programme or project?
- Where is it located?
- What are the type of activities carried out?
- Who is supervising the assignment?
- What are current issues to be resolved?
- Who might finance implementation?

Include information on related Bank-financed projects. Indicate work already carried out and reports etc. available, as well as other consultancy going on in parallel (instructions for dove-tailing would then be given under Implementation Arrangements).

2. Objectives of the consulting services

This section should cover statements of the objectives of the assignment as clearly and specifically as possible. Define clearly what you are aiming to accomplish, WHY you want the work done, and what are the expected results of the assignment. Adapt the objectives to the structure of the scope of work defined under the subsequent section. The objectives may relate to:

- assessing project feasibility
- preparing an investment programme
- identifying problems and recommending methods for solving them
- designing structures
- developing new methods, systems, approaches, or services
- strengthening the recipient's capacity in performing its activities
- performing due diligence
- training staff and transferring skills

These objectives should be concise and easily understood by all parties, such as government agencies, funding agencies, recipient staff, and consultants. Usually a prime or central objective (main purpose) and a set of two or three objectives with clear relationships between them would suffice.

3. Scope of services

Describe WHAT you want done to ensure that the objectives of the project are achieved. Often the services required by the borrower are subdivided into tasks, and most description of tasks begin with the phrase *inter alia*. This denotes that while the recipient expects certain specific tasks from the consultants, they should also carry out other tasks that in their professional judgment may be required to achieve the assignment objectives.

Usually, a first section of the scope of services briefly describes the work to be carried out by the consultants, its phasing (if appropriate), the institutional arrangements, and the manner in which the consultants should cooperate with the recipient. Subsequent sections describe the principal components presented as block of activities with specific tasks for each phase. Each main component should preferably have an outcome that mark a point of decision in the project and which can serve as a milestone against which to measure the progress of the work.

In defining the tasks of the consultants, TOR drafters should take care not to be too prescriptive about the inputs and methodology required for specific tasks. It is more important to emphasise the practical intent behind the task and how its results will be applied. The consultants will use their proposals to describe their methodology in detail. It is advisable to formulate the scope of work in a logical and manageable structure so that when proposals are requested, for each main task, the consultants can describe their approach and work plan, experts to be used, and time inputs.

4. Implementation arrangements

Describe how the project will be managed and supervised, covering the roles of the Bank and the recipient, as well as the consultant's internal management responsibilities.

Describe requirements for involving local consultants and recipient counterparts, and for ensuring appropriate transfer of know-how relating (as applicable) both (i) to the object of the project and (ii) to the work carried out by the consultant.

Describe engagements made by the recipient with respect to provision of counterpart staff, data, facilities, services (secretarial support, interpretation, translation), accommodation, local transport, etc.

Local support as mentioned has several benefits, particularly in a technical co-operation context: it demonstrates commitment of the recipient; it increases the quality of the work and the sustainability of its results; it saves scarce resources; and it saves consultant time and effort in making local arrangements. Any local support needed for the work but not provided by the recipient has to be covered elsewhere in the terms of reference.

Indicate any equipment etc. (like office equipment and supplies, computers and software, vehicles, instruments) necessary for the implementation of the project and to be procured by the consultant. Give instructions for procurement, referring to the Bank's Procurement Policies and Rules. 'Shopping' would normally be appropriate. For larger amounts and more diverse equipment the consultant should use a procurement agent. Give instructions for disposal or transfer of equipment at the end of the assignment. (Note that if equipment etc. is to be kept by the recipient, then it may be necessary for the consultant to buy it on his behalf, as agent, to ensure proper title of the recipient to software, after-sales service and warranty engagements by suppliers, etc.)

5. Deliverables

Describe the outputs in concrete terms, and the supporting documentation to be provided. Refer to the tasks under "scope of services" above as appropriate. Give a timetable for implementation, preferably in terms of tasks to be performed or results to be achieved a certain time (days, weeks, months, as appropriate) after the commencement of services. Clear milestones are essential for linking payments to performance.

When listing reports to be provided, remember that in many cases, especially in institution building and advisory services, documentation is only a support for know-how, skills and procedures which in the first place must be in the minds of recipient staff as known, understood and accepted courses of action.

Treat separately reports documenting or illustrating the project output, i.e. forming part of the tasks to be performed, and those to be provided for monitoring purposes (typically inception report, progress reports, final report).

State which reports are due, when and to whom they should be submitted, the number of copies,

language(s), time allocated for the recipients of drafts for review and comment, and for the consultant to incorporate those comments in final reports.

Translation must be of high quality, but is time consuming and can be costly to achieve good quality translation. Nevertheless, many assignments will be critically dependent on the ability of the recipient to understand, accept and implement what the consultants are doing. Provision of selected reports or executing summaries in the local language is often a 'must have' of a successful technical cooperation project. Such requirements need to be spelled out in the terms of reference. Also consider other arrangements for ensuring proper information of the recipient and other interested parties, like information sessions, workshops, and the like.

Annex 2.2 Profile of the consultant required (for individual consultants)

The profile of the consultant should be consistent with the standard CV form in order to facilitate the evaluation and verification of the capability of the potential candidate(s).

It should include the following criteria:

- qualifications and professional expertise
- general and specific experience
- other skills, e.g. computer literacy, languages, etc.
- regional/local experience and/or location
- nationality restriction(s).

The profile of the consultant should also form the basis for deriving the appropriate criteria and weightings for the short list evaluation and the evaluation of proposals.

Annex 2.3 Profile of the consultant required (for consultancy firms)

The profile of the consultant should be designed to facilitate the evaluation and verification of the capability of the potential candidate(s) for short listing and selection. It should include the following minimum qualifying requirements:

- specific characteristics of the firm as regards size, organisation, specialisation, etc
- general and specific experience of the firm
- calibre of staff [same as for individual consultants above]
- regional/local experience, location or associations
- nationality restriction(s).

Annex 2.4 Sample Curriculum Vitae

Proposed position in assignment:

1. **Family name:**
2. **First names:**
3. **Date of birth:**
4. **Nationality:**
5. **Civil status:**
6. **Education:**

Institution	
Date: from (month / year): to (month / year):	
Degree(s) or Diploma(s) obtained:	

7. Language skills: (Mark 1 to 5 for competence, 5 being the highest)

Language	Reading	Speaking	Writing

8. **Membership of professional bodies:**
9. **Other skills (e.g. computer literacy, etc.):**
10. **Present position:**
11. **Years within the firm:**
12. **Key qualifications (relevant to the programme):**
13. **Specific Eastern European and CIS experience:**

Country	Date: from (month / year) to (month / year)

14. Professional Experience Record:

Date: from (month / year) to (month / year)	
Location:	
Company:	
Position:	
Description:	

15. **Others:**
16. **Publications:**

Annex 2.5 Costs estimates

In order to determine the selection procedure and commit the necessary budget resources, it is necessary to determine the estimated cost of the proposed contract.

The cost estimate must be based on a realistic assessment of the resources needed to carry out the assignment.

The estimated cost of the contract is normally made up of the following categories:

- consultant fees
- per diem allowance
- reimbursable expenses
- contingencies

A format for preparing a summary of contract cost estimates is attached.

Summary of Contract Cost Estimates (exclusive of VAT)

Summary of Contract Cost Estimates (exclusive of VAT)

1.	Consultant fees	
	_____ days @ EUR_____ per day	_____
2.	Per Diem Allowances	
	_____ days @ EUR_____ per day	_____
3.	Air travel (full economy class or equivalent)	
	_____ trips @ EUR _____ per trip	_____
4.	Local travel (home to departure airport and return and reasonable travel when abroad)	_____
5.	Miscellaneous	
	- visas	
	- translation	
	- reports	
	- communications	
	- equipment purchase	
	- accommodation not included in per diem (long term experts)	
	- other	
	Sub-Total _____	_____
6.	Contingencies	_____
	TOTAL	_____

Consultant fees

Consultants are normally paid for their services on the basis of a certain remuneration per day of work (the 'daily rate'). A corresponding monthly rate may be calculated by multiplying the daily rate by 22, and an hourly one by dividing by 8. These figures would also be used correspondingly for other conversions between hourly, daily and monthly rates.

Unless otherwise specified in the contract, the daily rate would normally cover the remuneration of the work of the consultant, including all costs associated with the employment (or self employment) of the expert. Among such costs would be salary; taxes of all kinds; insurance and pension contributions; holidays; administrative, technical and secretarial support services; office costs (including premises, telecommunications, equipment and consumables), overheads (including costs for preparing a proposal and negotiating a contract) and profit. However, the consultant should be paid for services provided, not just for time spent. A daily rate would therefore be used for determining the appropriate cost of the work (even when a lump sum contract may be contemplated), but the contract would set out the specific conditions for paying the services.

The client does not have freedom to agree to any rates with consultants they intend to hire with the use of TC Funds. The applicable rates must be commercially reasonable and acceptable to the Bank.

Per Diem Allowances

Consultants working away from their usual place of residence are entitled to have their costs for board, lodging, and sundry expenses covered by the contract budget. This is commonly arranged by paying a fixed sum for this purpose for each night spent on the assignment, without a requirement to submit receipts for the actual expenses made. This fixed sum is usually called the 'per diem' rate.

Per diems are usually approved for experts working on short-term assignments. For assignments lasting three months or more the accommodation rather than a per diem is paid (as a reimbursable expense).

The maximum per diem rates allowed are the rates determined monthly by the United Nations and published on the Internet under <http://www.un.org/depts/icsc/off/dsa/reports/index.htm> as well as in hard copy.

Reimbursable Expenses

In addition to fees and per diems, other costs are reimbursed if and as agreed in the contract.

Normally, real costs would be reimbursed, but only against submission of corresponding receipts and up to the ceiling amount indicated in the contract. For practical purposes, when a large number of small cost items of a certain nature and of moderate total value are expected to appear, a lump sum payment for this kind of expenses may be provided for in the contract.

Expenses of a kind which normally would be included in the daily rates, but which are likely to significantly exceed normal levels, may be costed and reimbursed separately. Examples of such costs are telecommunications charges for a consultant required to carry out telephone research, or printing costs for a consultant preparing documentation for wide circulation.

For air travel, in all cases when TC Funds are used, only costs up to a maximum of the full economy class fare may be reimbursed.

Contingencies

Contingencies are amounts set aside in the contract budget to cover the additional costs resulting from unforeseen events. They may only be used for this purpose, and only after previous written agreement by the client. This agreement should indicate the intended use, as applicable. Whether the contingencies are used to cover fees, per diems or expenses, the corresponding invoices should be accompanied by the same kind of supporting evidence (time sheets, hotel bills, receipts) as required for the main budget of the contract.

Contingencies should be included in the contract amount used for applying the value thresholds between selection procedures to be used.

Indirect taxes/VAT

Unless otherwise notified, the consultant must determine whether any VAT would be chargeable on the services and state the basis for such determination in its financial proposal without taking into consideration the status of the Client or the Bank's special status as an international financial institution.

It is intended that the Client with the assistance of the Bank, where appropriate, will use best efforts to obtain tax exemptions for indirect taxes/VAT on the

consultancy contract, or be responsible for payment of indirect taxes/VAT.

The consultant shall be responsible for the payment of all other taxes which might arise in connection with the services. To the extent, however, that a consultant incurs VAT on goods and services purchased in connection with the provision of the services (e.g. VAT on airline tickets) which is not otherwise recoverable by the consultant from the local tax authority, the gross cost to the consultant of such expenses shall be treated as a reimbursable expense.

Annex 2.6 Implementation schedule

- The period between the decision to proceed with the assignment and the signing of the contract will be significantly influenced by the selection procedures to be followed.

- The period for carrying out the assignment should reflect good professional practices and the norms of the sector involved.

- Where progress of the assignment is contingent on the supply of data or services by the client, reviews and approvals of interim reports etc, a realistic amount of time should be provided for in the schedule for such activities.

The overall schedule must be checked for consistency with specific milestone such as deadline requirements. If these milestones are unachievable or unrealistic within the constraints of the required selection procedures, they should be amended

- A format for preparing the estimated implementation schedule is attached.

Model format for preparation of implementation schedule

Event	Week No.* Est. Contract Value (EUR)			Notes/Steps
	DS	SL	RFP	
Decision to proceed obtained (TC Com)	0	0	0	Definition of the assignment should have been completed
Publish Notification or Invitation for EOI	N/A			Allow required time for the Bank to publish Notification/Invitation for EOI (See Table 1 below)
Receive responses or EOI				Allow required time for submission of responses/EOI (See Table 1 below)
Prepare evaluation report (selection from SL, or SL report)	N/A			Allow adequate time for Bank's review
Issue RFP	N/A			Allow required time for preparing proposals (See Table 1 below)
Receive proposals				Allow adequate time for evaluation and Bank's review
Evaluate proposals	N/A			Allow adequate time for negotiations and Bank's review
Prepare evaluation report	N/A			Allow adequate time for review of consultants' reports and outputs
Receive approval				
Select consultant				
Negotiate contract				
Sign contract				
Specific milestones				
Complete assignment				

* contact CSU for approximate time estimate;

Note: DS = Direct Selection

SL = Selection from a short list

RFP= Selection following a RFP

Annex 3 Time Limits in Procurement Process

TYPE OF NOTICE		Time allowed between notice and	Subsequent Action
		Deadline	Submitted
	Minimum	Normal	
Selection from Shortlist: Solicitation of Expressions of Interest (Over EUR 75,000 and less than EUR300,000)	14 days	21 days	Finalise Shortlist
Evaluation of Proposals: Solicitation of Expressions of Interest:	21 days	28 days	Submit expressions of interest
Evaluation of Proposals: Request for Proposals:			
Electronic submissions with or without hard copy submissions	30 days	45 days	Submit proposals
Hardcopy submissions only	45 days	60 days	Submit proposals

- Requests for Proposals must be preceded by the publication of Invitation for Expressions of Interest.
- The time allowed must be from the date of publication of the Notification of the Invitation for EOI or the dispatch of the solicitation of expressions of interest, whichever is the later, to the deadline specified for the subsequent action.
- For the purpose of calculating the deadlines, a day means a calendar day. Deadlines shall be set to expire only on EBRD HQ working days; if a deadline should fall on a Saturday, Sunday, or UK Bank Holiday, the deadline should be extended to the next UK working day.
- If the Bank requires the EOI or Proposal to be submitted in any language other than English, the period given in the “Normal” column, above, will apply.

Annex 4: Check list for processing invoices

Checking against requirements and results

- Invoiced work actually done?
- Deliverables provided?
- Results acceptable?

Format of consultants' invoices

- Corporate headed paper
- Original document
- Name and business address of the consultant
- Contract number
- Currency and amount of the invoice
- Full bank account details including currency
- Itemised direct expenses invoiced e.g. fee rate per day, number of days worked, etc.
- Itemised reimbursable expenses by expense category
- Disclose exchange rates used to convert expenses
- English language - description in English on receipts
- VAT shown separately and paid by the client

Checking against the contract

- Name of consultant
- Names of experts
- Currency
- Start date
- End date
- Expense categories
- Budget amounts per category
- Use of contingency
- Exchange rates

Checking against expense receipts

- Expenses must be supported by original receipts. Where it is not possible to produce the original of a supporting document, a signed certified true copy must be submitted, stating the reason why the original could not be submitted.
- All claims for airfares must be supported by an original air ticket, a boarding pass and proof of payment (either a travel agent's invoice or a copy of a credit card statement).
- Personal transport mileage claims must be made at rates not exceeding the EBRD's standard rates and limited to a maximum of the equivalent journey cost by first class rail. The EBRD's current standard rates are available from CSU.
- Any miscellaneous amount charged on an invoice must be broken down in accordance with the contract. A lump sum amount is not acceptable unless specifically allowed in the contract.

- Hospitality expenses are not allowable. TC Funds cannot be utilised to fund such expenses.
- The amount to be reimbursed for expenses should be inclusive of any applicable VAT.
- The contingency amounts may be used only after prior approval in writing by the project manager. A copy of the written authorisation should be placed in the contract file.

Annex 5: Procurement Templates

5.1 Procurement Notice Template

5.2. Shortlisting Report Template

5.3 Evaluation Report Templates

Annex 5.1 Procurement Notice Template

Consultancy Services

INVITATION FOR EXPRESSIONS OF INTEREST

TCS/Selection ID:	Please leave blank or obtain from CSU if Bank funded; obtain from OCU if TC funded
DTM Number:	[bank_operation_id]
Country:	[commitment_country]
Sector:	[sic_name]
Project Title:	[project_name]
Assignment Title:	[assignment_name]
Executing Agency:	the Client
The Client's Contact Person:	Please include telephone/fax numbers and e-mail address
The EBRD's Contact Person:	[selection_officer] European Bank for Reconstruction and Development One Exchange Square London EC2A 2JN Tel: + 44 20 7338 [extn] Fax: +44 20 7338 7451 E-mail: [e_mail]
Assignment Description:	<p>The European Bank for Reconstruction and Development (the "EBRD or the "Bank") (or the Client) intends</p> <p>The main objectives of the assignment shall be:</p> <ul style="list-style-type: none">• Provide details of the scope of work for the assignment• where appropriate outline composition of team required <p>Detail any provision for extension.</p>
Assignment Start Date and Duration:	
Cost Estimate for the Assignment:	EUR [approved_amt]; Exclusive of VAT. The consultant must determine whether any VAT would be chargeable on the services and the basis for that determination, without taking into consideration the Bank's special status as an IFI and state this to the Bank in their response to Notification of Assignment. To the extent that a consultant incurs input VAT on goods and services purchased in connection with the provision of services (e.g VAT on airline ticket) which is not otherwise recoverable by the consultant from the local tax authority, the gross cost to the consultant of such expenses shall be treated as a reimbursable expense.

Funding Source:	If TC Funded: It is anticipated that the contract will be financed through the EBRD's donor funded Technical Cooperation Funds Programme. There are no eligibility restrictions, however consultant selection and contracting will be subject to availability of funding from an appropriate donor.
Eligibility:	Specify eligibility restrictions, if any, imposed by a funding source
Consultant Profile:	Amongst other requirements, please specify whether individual or corporate services are required
Status:	<p>Interested firms are hereby invited to submit expressions of interest.</p> <p>In order to determine the capability and experience of consulting firms seeking to be shortlisted, the information submitted should include the following:</p> <ul style="list-style-type: none"> • company profile, organisation and staffing; • details of experience or similar assignments undertaken in the previous five years, including their locations; • CVs of staff who could be available to work on the assignment. <p>The above information should not exceed [normally 25 to 50 pages – but may be less] including/excluding CVs.</p> <p>[Number] copies of the above information, in English, should be submitted to the Client in an envelope marked Expression of Interest for [Assignment title], to reach the Client not later than [date]. [For purposes of interpretation, the English language versions shall in all cases govern.]</p> <p>A further [number] copies should be submitted to the EBRD by the same due date.</p>
Note:	Following this Invitation for Expression of Interest, a shortlist of qualified firms will be formally invited to submit proposals. Shortlisting and selection will be subject to the availability of funding (from an appropriate donor).

Annex 5.2 Shortlist Report Template

Short List Report

TO:	[operation_leader], EBRD	DATE:	[date_today]
VIA:	Chairperson		
FROM:	Evaluation Committee	CC:	[CSU Advisor]

A. Subject

Country of Operation:	[commitment_country]
Name of Project:	[project_name]
Name of the assignment:	[assignment_name]
Commitment Number:	[commitment_number]
TCS ID:	[commitment_id]
Estimated Value: EUR	[approved_amt]
Source of Funds:	[fund_name]
Date of TC Com Approval:	[tccom_date]

B. Background

See Attachment 3 for relevant sections from TC Com submission:

- 3.1 Short description of services to be provided
- 3.2 Consultant Profile

C. Short-listing Procedures

1. an Invitation for Expressions of Interest (EOI) was published on EBRD's web site: <http://www.ebrd.com> under "Opportunities" and "Procurement" on [publication_date].
2. a copy of the EOI notice is in Attachment 4.
3. an evaluation committee composed of the following members was convened: [at least 3 members].

[shortlist_committee]

4. The evaluation committee examined, evaluated and ranked the submissions received, applying the evaluation criteria and methodology outlined in Attachment 2. The evaluation forms covering the examination, evaluation and ranking of the consultants are in Attachment 1 (Forms 1, 2 and 3).

Longlist Nationality Breakdown	
Nationality of Lead Firm	Number of EOIs
[EOICountByCountry]	

D. Recommendations:

The evaluation committee recommends that the following [6] consultants should be short listed and invited to submit proposals for this assignment

Name	Nationality
[shortlist_name_nationality]	

[see EBRD's PP&R, para 5.4 for provisions relating to short lists].

E. Evaluation Committee

The members of the Evaluation Committee who will evaluate proposals

from invited firms, in response to the Request for Proposals, are:

Name	Nationality	Date
[evaluation_committee]		

[at least 3 voting members].

Signed by Short List Committee

Name	Nationality	Date
[evaluation_committee]		

Attachments:

Attachment 1: Evaluation forms:

- Form 1. Examination of submissions
- Form 2. Evaluation of qualified consultant's submission
- Form 3. Total evaluated scores and ranking of qualified consultants

Attachment 2: Evaluation Methodology

Attachment 3: Project Background (from TC Com. submission)

- 3.1. Short description of services to be provided
- 3.2. Consultant profile

Attachment 4: Invitation for Expressions of Interest

Attachment 5: Declarations of Impartiality and Confidentiality
(for all members of the evaluation committee)

Attachment 6: Complete draft RFP package

Annex 5.3 Evaluation Reports Templates

Minutes of Opening of Proposals

1. Project title: [project_name]

2. Assignment title: [assignment_name]

3. TCS ID: [commitment_id]

4. Deadline for submission of proposals: [proposals_due_time] [proposals_due_date]

5. Opening of technical proposals took place on [date/time] at [place] in the presence of the following:

- [members of the evaluation committee] and/or
- [designated representatives of the Executing Agency].

6. The following consultants were invited to submit proposals:

[consultant_name]

7. Sealed proposals were received from the following consultants within the deadline for submissions:

[consultant_name2]

8. The following proposal(s) we received after the deadline for submissions:

[consultant_name3]

9. The following submissions were also received within the deadline for submission:

- [Withdrawal of proposals: name(s) of consultant(s)]

[consultant_name4]

- [Modifications: name(s) of consultant(s)]
- [Substitutions: name(s) of consultant(s)]

10. The following technical proposals, modifications, substitutions and withdrawal notices were opened:

Technical proposals:

Modification(s):

Substitution(s):

Withdrawal notice(s)

Withdrawn proposals listed under paragraph 8 above were not opened and will be returned to the sender.

The original proposals covered by substitution(s) listed in paragraph 8 above, were not opened and will be returned to the sender.

Sealed envelopes marked "Financial Proposals" for all technical proposals, substitutions and modifications, were not opened. These will be retained in a secure place for safekeeping.

11. Observations:

[The financial proposal(s) of the following consultant(s) were received unsealed: name(s) of consultant(s)].

[No financial proposal envelope was received from the following consultant(s): name(s) of consultant(s)].

[Any other relevant observations of the proposals received and opened].

Signature

Date

Authorised representative of the Client

cc: - Client's Files

- Members of the evaluation committee

- The Bank

- Consultants who submitted proposals.

Technical Evaluation Report

TO: [Operation_Leader]

Via: Chairperson

FROM: Evaluation Committee

C.C.: [CSU_Advisor]

1. Project title: [project_name]

2. Assignment title: [assignment_name]

3. TCS ID: [commitment_id]

4. Background:

Attached are copies of the following background documents:

- Short List Report (Attachment 3)
- Minutes of Opening of Proposals (Attachment 4)
- Evaluation Criteria and Methodology (Attachment 5)
RFP 4
- Signed Declaration of Impartiality and Confidentiality (Attachment 6)

5. The evaluation of proposals was carried out at [place] over the period from [date] to [date].

6. Examination of technical proposals:

All of the technical proposals and submissions opened and recorded in the Minutes of Opening of Proposals (Attachment 4), were examined for completeness and responsiveness.

The following deficiencies were noted:

- name of consultant(s) and list of deficiencies
- name of consultant(s) and list of deficiencies
[See Guidelines for Examination of Proposals].

On the basis of the findings the Evaluation Committee rejected the following proposals as substantially non-responsive:

- name of consultant(s): _____

reason(s) for rejection: _____

7. Substantially responsive technical proposals:

The following technical proposals were determined to be substantially responsive and subject to a detailed evaluation and comparison:

- name of consultant(s): _____

- name of consultant(s): _____

8. Evaluation of technical proposals:

(a) Each voting member of the committee carried out an independent evaluation of each technical proposal listed in para 6 above.

[As provided in the RFP, key staff were interviewed by the committee on

[date : _____] at [place: _____], prior to finalising the individual evaluations].

The technical evaluation work sheets in the standard format, completed in the manner and detail indicated therein and signed by the relevant member(s) of the committee are attached (Attachment 1).

(b) The following proposals scored less than the minimum specified in the Evaluation Criteria and Methodology - RFP 4 (Attachment 6), and were rejected for further evaluation:

- name of consultant(s): _____ technical score: _____

- name of consultant(s): _____ technical score: _____

(c) The following proposals were qualified to have their financial proposals opened and evaluated:

(Note: when technical evaluations are given a weight of 100%, only the financial proposal of the first ranked consultant is opened).

- name of consultant(s): _____ technical score: _____

- name of consultant(s): _____ technical score: _____

- name of consultant(s): _____ technical score: _____

9. Technical Scores:

[Note: this is only necessary where the technical proposals are given a weight of less than 100%].

The technical proposals were combined in accordance with the methodology specified in the Evaluation Criteria and Methodology - RFP 4 (Attachment 6).

The combined scores ranked as follows:

Name of consultant	Total Financial Proposal (currency)	Financial Score

10. Recommendation:

The proposals submitted by the consultant following consultants have met or exceeded the minimum technical thresholds, and will be considered for further financial evaluation:

The proposals submitted by the following consultants have not met the minimum technical thresholds, and will not be considered for further evaluation:

[For all proposals include comments on proposals' strengths and weaknesses, based on evaluator's general comments (see 3.6.25)]

The Committee recommends to proceed with the opening of the financial proposals at [place] and [date] and further financial evaluation].

Signed by the Evaluation Committee:

Name	Designation	Signature	Date
[eval_committee_plus_role]			

Attachments:

Attachment 1: Evaluation Forms

Form 1 - Technical Evaluation Work Sheet by each voting member.

Form 2 - Technical evaluation work sheets for experts, by each voting member.

Form 3 - Consolidated Technical Evaluation of proposals

Attachment 2: Copies of clarifications requested and responses received.

Attachment 3: Short List Report

Attachment 4: Minutes of Opening of Proposals (with attachments)

Attachment 5: Evaluation Criteria and Methodology - RFP 4.

Attachment 6: Signed Declaration of Impartiality and Confidentiality for all members of Evaluation Committee

Minutes of Opening of Financial Proposals

1. Project title: [project_name]

2. Assignment title: [assignment_name]

3. TCS ID: [commitment_id]

4. Deadline for submission of proposals: [proposals_due_time] [proposals_due_date]

5. Opening of technical proposals took place on [date/time] at [place] in the presence of the following:

- [members of the evaluation committee] and/or
- [designated representatives of the Executing Agency]
- [Representatives of the consultants]

6. The following proposals of the following consultants were evaluated:

- [consultant_name]

7. The proposals technical scores are as follows:

- [consultant_name2] [Technical Score]

8. The following technical proposal(s) did not the technical minimum thresholds, and will not be considered for further evaluation:

- [consultant_name3]

9. The following technical proposal(s) exceeded the technical minimum thresholds

- [consultant_name4]

10. The following financial proposals, modifications, substitutions and withdrawal notices were opened:

Financial proposals:

Modification(s):

Substitution(s):

Withdrawal notice(s)

11. The unadjusted financial proposals, as indicated in the financial proposal form, before adjustment arithmetic errors, if any, are as follows:

- [consultant_name4] [Financial Proposal amount]

Financial proposals listed under paragraph 8 above were not opened and will be returned to the sender.

12. Observations :

[The financial proposal(s) of the following consultant(s) were received unsealed: name(s) of consultant(s)].

[No financial proposal envelope was received from the following consultant(s): name(s) of consultant(s)].

[Any other relevant observations of the proposals received and opened].

Signature Date
Authorised representative of the Client

cc: - Client's Files

- Members of the evaluation committee - The Bank - Consultants who submitted proposals.

Financial Evaluation Report and Consolidated Evaluation Report

TO: [Operation_Leader]

Via: Chairperson

FROM: Evaluation Committee

C.C.: [CSU_Advisor]

1. Project title: [project_name]

2. Assignment title: [assignment_name]

3. TCS ID: [commitment_id]

4. Background:

Attached are copies of the following background documents:

- Short List Report (Attachment 3)
- Technical Evaluation Report (Attachment 4)
- Minutes of Opening of Financial Proposals (Attachment 5)
- Signed Declaration of Impartiality and (Attachment 6)

Confidentiality

5. The evaluation of the financial proposals was carried out at [place] over the period from [date] to [date].

6. Opening of financial proposals:

The financial proposal(s) of the consultants listed in para 7 (c) above were opened by the Evaluation Committee at [time] on [date] at [place].

The financial proposals as opened are as follows:

Name of consultant	Total Financial Proposal (currency)

The financial proposal(s) of the other consultant(s) were not opened and will be returned to the respective consultant(s).

7. Examination of Financial Proposals:

The financial proposal(s) were checked for:

- completeness
- arithmetic errors
- currency provision
- excessively over budget
- etc.

Findings:

[The following financial proposal(s) were found to be substantially non-responsive and were rejected from further consideration:

name of consultant _____

reason(s) for rejection: _____

[where technical evaluations are given a weight of 100% and only the highest ranked proposal was opened, if the financial proposal of the highest ranked consultant is determined to be substantially non-responsive, the financial proposal of the next ranked consultant should be opened].

8. Adjusted Financial Proposals and Financial Scores

Name of consultant

Name of consultant	Total Financial Proposal (currency)	Financial Score

9. Combined technical and financial proposal:

[Note: this is only necessary where the technical proposals are given a weight of less than 100%].

The technical and financial proposals were combined in accordance with the methodology specified in the Evaluation Criteria and Methodology - RFP 4 (Attachment 6).

The combined scores ranked as follows:

Ranking	Consultant	Combined Score
1.		
2.		

Ranking	Consultant	Combined Score
3.		
4.		

10. Recommendation:

The proposal submitted by the consultant [name:_____] has been ranked first in accordance with the evaluation criteria specified in the RFP. The proposal was judged to be fully responsive to the requirements of the RFP.

The committee recommends that the consultant [name] should be invited to negotiations and subject to satisfactory negotiations, be awarded the contract for the assignment.

In the event that negotiations with the highest ranked consultant breaks down, the committee recommends that the second ranked consultant should be invited to negotiate, and so forth.

The committee recommends that the following issues should be addressed during negotiations with [name of consultant].

- [list issues which could improve performance of the assignments or reduce risks].

Signed by the Evaluation Committee:

Name	Designation	Signature	Date
[eval_committee_plus_role]			

Attachments:

Attachment 1: Evaluation Forms

Form 1 - Technical Evaluation Work Sheet by each voting member.

Form 2 - Technical evaluation work sheets for experts, by each voting member.

Form 3 - Consolidated Technical Evaluation of proposals

Form 4 - Adjustment of financial proposals.

Form 5 - Combined Technical and Financial work sheet and ranking of proposals.


Attachment 2: Copies of clarifications requested and responses received.

Attachment 3: Short List Report

Attachment 4: Technical Evaluation Report

Attachment 5: Minutes of Opening of Financial Proposals

Attachment 6: Signed Declaration of Impartiality and Confidentiality for all members of Evaluation Committee



CSU is responsible for the selection and engagement of consultants for the Bank and Technical Co-operation funded contracts. The Unit ensures compliance with the EBRD Procurement Policies and Rules for Bank and Technical Co-operation funded contracts

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