

- Works contracts cover either the execution, or both the execution and design, of works
- A “work” means the outcome of building works or civil engineering works
- The outcome of a works contract is sufficient to fulfill an economic or technical function
- Works contracts are usually concluded by the beneficiary of a financing agreement with the EAR

# PRAG – WORKS CONTRACTS

## Procurement Procedures

### Different Procurement Procedures

Title	International Open Procedure (Restricted by exception)	Local Open Procedure	Competitive Negotiated Procedure	Single Tender	Negotiated Procedure (no financial threshold)	Competitive Dialogue
Conditions	≥ €5,000,000	< €5,000,000 but > €300,000	< €300,000 but > €5,000	< €5,000	Extreme urgency; Additional works; Unsuccessful tender	Complex contracts
1	Contract forecast	Contract forecast			Negotiations with one or several candidates	Contract notice
2	Procurement notice	Procurement notice - local				Dialogue (at least 3 candidates)
3	Applications by candidates	Applications by candidates				
4	Invitation to tender	Invitation to tender	Invitation to tender ≥ 3 candidates	Invite at least one tenderer to bid; provide tenderer with brief description of required works and ask for quotation		
	TENDER DOCUMENT	TENDER DOCUMENT	TENDER DOCUMENT			
5	Tender submission	Tender submission	Tender submission			Tender submission
6	Tender opening	Tender opening	Tender opening ≥ 3 candidates			Tender opening ≥ 3 candidates
7	Tender evaluation	Tender evaluation	Tender evaluation		Negotiation report	Tender evaluation
8	Contract award	Contract award	Contract award		Contract award	Contract award

# PRAG – WORKS CONTRACTS

## Procurement Procedures

### Drafting of the Works Tender Document

The Works Tender Document has a much larger range of documents than the Service and Supply Tender Dossiers.

- The Tender Document contains all the information for the candidates to prepare and submit their tenders
- The Municipality is responsible for drawing up the contents of the Tender Document
- The Tender Document needs to be carefully drafted because it is vital for a sound tender process as well as proper execution of the contract
- Given the technical complexity of many works contracts, external technical specialists may be needed to assist the Municipality to prepare the Tender Document
- The Municipality submits the Tender Document to MIASP to obtain “No Objection” Statement



# PRAG – WORKS CONTRACTS

## Procurement Procedures

### Contents of the Works Tender Document

Letter of invitation to tender - for information

#### **Volume 1**

Instructions to tenderers - for information

Tender Submission Form - for completion

Tender Guarantee Form - for completion

Questionnaire - for completion

Evaluation grids - for information

#### **Volume 2**

Draft contract - for information

Special conditions & Appendix - for information

General Conditions - for information

Performance Guarantee - for completion

Prefinancing Guarantee - for completion

Retention Guarantee - for completion

#### **Volume 3**

Technical Specifications - for completion

#### **Volume 4**

Bill of Quantities (Unit Price Contracts - for completion

#### **Volume 5**

Design documents, including drawings - for completion



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# PRAG – WORKS CONTRACTS

## Procurement Procedures

### Technical Specifications

- Technical Specifications define the required works precisely; minimum quality standards enable a proper evaluation
- If a site visit is needed, this can be specified in the Instructions to Tenderers
- Technical Specifications may not mention specific brands or origin which could favour or exclude certain products
- Technical Specifications must afford equal access for tenderers and not create obstacles to competitive tendering



# PRAG – WORKS CONTRACTS

## Procurement Procedures

### Technical Specifications

- Technical Specifications (as part of Tender Document) define the characteristics of a work with regard to the purpose for which they are intended by the Municipality; these characteristics include:
  - ❑ Quality levels
  - ❑ Environmental performance
  - ❑ Accessibility criteria for people with disabilities
  - ❑ Levels and procedures for conformity assessment
  - ❑ Fitness for use
  - ❑ Use of terminology, symbols, testing & test methods, packaging, marking & labeling, production methods, etc.
  - ❑ Procedures for quality assurance
  - ❑ Rules relating to design and costing
  - ❑ Test, inspection and acceptance conditions
  - ❑ Methods of construction



# PRAG – WORKS CONTRACTS

## Procurement Procedures

### Tender Submission and Tender Opening Session

- Deadline to submit tender is shown in Letter of Invitation to Tender
- Late submission always results in immediate rejection of a tender
- Technical and financial offers must be placed in a single sealed envelope (not double envelope as in service tender!)
- Municipality must register all the tenders that are received
- Evaluation Committee to meet before the tender opening session to receive clarifications from the chairperson
- At the tender opening session each envelope is opened and compliance of each tender is decided



# PRAG – WORKS CONTRACTS

## Procurement Procedures

### Tender Evaluation

#### Part 1: Administrative Compliance

- The Evaluation Committee checks the compliance of submitted tenders with the Administrative Compliance Grid (as included in Tender Document)
- The chairperson may communicate in writing with tenderers to obtain clarifications
- Major formal errors or major restrictions that will affect performance of the contract or distort competition, will result in rejection of the tender concerned
- A specimen Administrative Compliance Grid is presented in the next slide; there is no weighting of administrative criteria by the Evaluation Committee: a tender is either administratively compliant or not





# PRAG – WORKS CONTRACTS

## Procurement Procedures

### Tender Evaluation

#### **SPECIMEN Administrative Compliance Grid**

*For Use by the Evaluation Committee. NOT to be filled in by the Tenderer*

Contract Title: .... Publication Reference: .....

Envelope #	Tenderer's Name	Nationality of Tenderer	Submission complete?	Registered for design capability?	Acceptable credit line?	Tenderer's declaration signed?	Consortium agreement signed?	Lead partner able to complete 70% of work?	Junior partner able to complete 10% of work?	OVERALL DECISION (Accept/Reject)
1										
2										
3										
4										
5										

Chairperson's name:	
Chairperson's signature:	
Date:	



## Part 2: Minimum Technical Qualifications

- Tenders that are administratively compliant are assessed for minimum technical qualification criteria, using the Evaluation Grid in the next slide
- There is no weighting of technical criteria by the Evaluation Committee at this stage: a tender is either technically compliant or not

# PRAG – WORKS CONTRACTS

## Procurement Procedures

### Tender Evaluation

#### **SPECIMEN Evaluation Grid: Minimum Technical Qualification Criteria**

*For Use by the Evaluation Committee. NOT to be filled in by the Tenderer*

Contract Title: .... Publication Reference: .....

Envelope #	Tenderer's Name	Continuous construction for at least <X> years	Annual Average Turnover <X> CSD over <X> years	Experience as Prime Contractor (>70% of works)	Completion of at least 1 contract of similar nature over last <X> years	All Key Personnel have more than <X> years experience	All Key Personnel have proven relevant qualifications	<b>OVERALL TECHNICAL COMPLIANCE (Accept/Reject)</b>	Observations
1									
2									
3									
4									
5									

Evaluator's name:	
Evaluator's signature:	
Date:	

## Part 3: Particular Evaluation Criteria for Contract Award

- In addition to requirements of the PRAG, weighted technical and financial criteria for contract award are applied in MIASP supported projects
- Only tenders that at least meet the minimum administrative and technical qualifying criteria (Part 1 and 2) will be evaluated according to the specimen Particular Evaluation Criteria Grid (next slide)
- The bidder obtaining the highest total score will be awarded the contract

# PRAG – WORKS CONTRACTS

## Procurement Procedures

### Tender Evaluation

#### **SPECIMEN "Particular Evaluation Criteria Grid"**

*For Use by the Evaluation Committee. NOT to be filled in by the Tenderer*

Contract Title: ....

Publication Reference: .....

Criteria	Maximum Marks	Tenderer No.....	
		Name: .....	
		Comments	Mark
1. Price	50		
2. Advance Payment required	10		
3. Previous experience in similar works	10		
4. Time for implementation	15		
5. Warranty period	15		
<b>6. TOTAL</b>	<b>100</b>		



# PRAG – WORKS CONTRACTS

## Procurement Procedures

### Evaluation Report

- The Evaluation Report contains the entire evaluation procedure and is submitted by the Evaluation Committee to the Municipality for approval
- The Municipality submits the Evaluation Report to the MIASP for “no objection” after which EAR endorses the “no objection”
- The Municipality is informed by MIASP of the endorsement by EAR and then proceeds to award the contract
- The Evaluation Report is for official use only and may not be divulged to tenderers or any un-authorised party
- Tender procedure may be cancelled based on recommendations of Evaluation Report; cancellation has to be approved by the MIASP deletion
- Tenderers must be notified of the cancellation



# PRAG – WORKS CONTRACTS

## Procurement Procedures

### Award of the Contract

- Procedures for “Notifying the Successful Tenderer”, “Contract Preparation & Signature” and “Publishing the Award of Contract” are the same for all tender procedures, i.e. services, supplies and works (refer to slides 22-25 of Basic Rules)
- The Municipality can under no circumstances increase the budget or change the technical specifications of the initial contract
- Only under exceptional circumstances a works contract can be modified for additional works not included in the initial contract
- The cost of contracts awarded for additional works must not exceed 50% of the amount of the main contract



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End of Presentation on Works Contracts

