**STANDARD PROCUREMENT DOCUMENTS**

**User’s Guide**

**for**

**Public Work Design and Build Contract Procurement**

**TRIAL PERIOD**

**Inter-American Development Bank   
June 2018**

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## Preface

This User’s Guide has been prepared in order to assist with the preparation of procurement Bidding Documents of medium or large size design and Build public work contracts through international competitive bidding in a two envelope, generally with or without previous prequalification process, for investments projects financed in total or partially, by the IADB, whenever the Employer would like to evaluate the technical response capacity and Bidders qualifications before opening the Price Proposals and subsequently, if preferred, combine the technical scores with scores obtained in the Financial Part evaluation to determine the Most Advantageous Proposal.

The document also allows for the award of the Lowest Proposal Evaluated among those that meet a minimum technical qualification with scores.

This Users Guide and the Guide which is now being readied for The Standard Bidding Document (SBD) and currently in a trial period for an initial estimated time of two years or until the multilateral development Banks have a harmonized substitute document, is open for comments or observations from Users, officials, the industry and their associations.

The Bank also has other bidding documents: (a) for minor works design and Build procurement, using a one envelope only process; and (b) another one for public works procedures with previous prequalification.

The documents include a global or lumpsum Works contract for design and Build, a contract of sole responsibility of the Contractor. The global amount contracts are used mostly for the construction of buildings and other type of well-defined works with low possibilities of facing changes in quantity and specifications or, unlikely to encounter difficult or unexpected conditions at the Works Site (for example, hidden problems in the foundations).

With the intent Bid a better risk distribution among the Parties, the documents allow payments of some parts of the works (preferably minor Works) through *ad-measurements* or *Daywork,* if the Employer identifies those parts in the Employer Requirements (specifically in the “Scope of Works” section) and requires quotes for those lines. In such cases, the Employer Requirements should state the differentiated payment levels for distinctively larger quantity levels of Works exceeding the ones established in the final design and before starting works.

Global amount contracts must be used for Works with quality and physical characteristics that can be determined completely before requesting proposals, or else for contracts with minimum risks to undergo significant variations of design, like works of urban furnishings and school buildings, or public health facilities, or other similar works.

The notion of “programs or lists of activities and sub-activities” has been introduced in global amount contracts, stipulating prices to allow payments of percentages for each activity completed.

The SBD incudes new environmental, social, safety and health in the workplace (ESSH) provisions, all of which have been reviewed and improved by the Bank’s Environmental and Social Safeguards Unit. This SBD also includes observations by the Bank’s OII and Legal Department.

At the time of preparing the first edition of the Bidding Document and this Guide, the Bank has not yet completed negotiations for license use of the FIDIC Yellow Book and therefore, the general conditions may not be published without obtaining the respective license.

The Bank shall gratefully welcome comments and observations during the trial period of the Bidding Document and the Guide to make these documents more effective. For this purpose, please contact:

Operations Financial Management and Procurement Services Office (VPC/FMP)

Inter-American Development Bank

1300 New York Avenue, N.W. Washington, D.C. 20577, USA  
E-mail: [procurement@iadb.org](mailto:procurement@iadb.org)

## Preamble

This Guide follows the same order of parts and sections as the Standard Bidding Document (SBD) for which it was prepared.

The last Section includes a model for terms of reference for the procurement of consulting services in support of supervising the project acquired with the Standard Document. The terms of reference are not part of the Bidding Document. And are only an aid to contracting support services and the project implementation and are additional needs of the implementing agency and distinct of the FIDIC type “Engineer” service required in the contract conditions.

This Guide only deals with the principal and novelty aspects of the design and Build Bidding Document.

The SBD include some provisions to strengthen obligations vis-a-vis environmental, social and safety and health aspects in the workplace that become much more relevant in a design and Build sole Contractor’s responsibility type contract. These obligations arise from each country’s laws and regulations, and if there are none or are insufficient, the ones detailed in the Employer Requirements. Collectively, these measures are known as ESSH (“environmental, social and safety and health in the workplace” measures).

This SBD, currently in its trial period, applies the FIDIC Yellow Book contract conditions and does not have an open license which means that each User must acquire the respective license to publish the general conditions in the Bidding Document. Once the trial period concludes, the IADB shall review with FIDIC the use of a general-use license for Bank financed operations.

In this standard document the term “Bidders” refers to bidders, proposers, partnerships, APCA, legal entities submitting Bidding Part - Technical and Bidding Part – Financial in accordance with the “Bidding Document”. The “Particular Conditions - PCC” complement or modify the Contract General Conditions. The requirements described in the “Scope of Works” and contain the Technical Specifications (together with the Employer design criteria) in this document are stated as “Employer Requirements” because these requirements include other services, besides Works, such as the commission of a final design.

Design and Build are lump-sum based contracts, but some measures have been taken to enable quoting some parts of the works or elements with “*ad-measurements”* and “unit prices” or through “daywork” competitively quoted by Bidders against nominal quantities if such parts are clearly identified in the Employer Requirements and are added to the respective Bidding documents.

1. **Section I. Instructions to Bidders**

**(ITB)**

1. Section I, Instructions to Bidders (ITB) include the necessary information to prepare Bids according to Employer Requirements. Likewise, there is information on Bids submittal opening and evaluation.
2. Section I include provisions that must be used without any modification. Section II, Standard Bidding Documents (SBD), include supplementary, modifying or specifying provisions with information or changes to Section I which are specific to each tender. When. the ITB are highlighted in boldface “**in the SBD**” it means that the Employer must enter some information in Section II.
3. Provisions governing the Contract performance by the Employer, payments within the Contract, or matters affecting risks, rights and obligations of the contracting parties are not included in this Section; they are included in Section VII, General Conditions, Section VIII, Particular Conditions, and in the Contract Forms (Appendix to the Particular Conditions).
4. In the event that it becomes unavoidable to address the same subject in different sections of the document, the Employer shall have to be careful to avoid contradictions or inconsistencies between clauses or instructions or forms that refer to the same issue.

Two envelopes with deferred opening for the envelope containing the Bid – Financial Part

1. The Instructions to Bidders (ITB) in this Bidding Document mostly differ from the standard Bank documents that usually meet a one stage bidding process where Bidders submit a sole envelope containing the technical Bid as well as the economic Bid and they are simultaneously opened for evaluation. This document employs a two envelope system with deferred opening of the envelope containing the Bid – Financial Part.
2. When the Bids - Technical Part evaluation is complete, the respective report is sent to the Bank for record keeping. The envelopes containing only the Financial Part are opened in a public opening ceremony for Bidders who attained a minimum score in the Bid - Technical Part evaluation.
3. The contract is awarded to the Most Advantageous Bid, the one that complies best with the Bidding Document and has the highest combined score when a scoring system is used, or the Lowest Cost for an Evaluated Bid when no combined score is used

Prohibited Practices

1. The Prohibited Practices stipulated in this Document are for Bank operations covered under the Policies for Procurement of Assets and Works financed by the Inter-American Development Bank GN-2349-9 dated March 2011. Concerning prior operations using this Bidding Document, the SBD and the Special Conditions should replicate a corresponding Policy.

Visit to Works Site

1. This document addresses the Bidders visit to the Works Site as a recommendation of the Employer, which is a typical provision for works bidding, and not a requirement.
2. Of course, in public works design and Build contracts it is unthinkable that the Bidder does not visit the Works Site while preparing the Bid. Notwithstanding, the cost for the Employer to control, certify and later verify whether the Bidder visited or not the Works Site, as well as the implications of determining whether the Bidder visited or not the Works Site should it be mandatory, exceed the benefits of maintaining the Site visit as a recommendation from the perspective of the bidding process.

Contents of the Bid

1. ITB 11.2 and 11.3 describe the content of each one of the Technical Part and Financial Part envelopes in this manner:

The Bid Technical Part shall have to include the following documents:

1. The Bid Letter - Technical Part, model is found in Section V, “Bidding Forms”;
2. The Guarantee to Maintain the Bid or Declaration to Maintain the Bid model is found in Section V, “Bidding Forms”;
3. The Alternative Bid - Technical Part: in the “design and Build” contracts generally do not address the alternatives. However, the Document allows for alternative Bids consideration of designated parts of the projects if it is preferred so long as Section III outlines the methodology in order to compare the alternative Bids to the basic Bid of the Employer’s conceptual design;
4. Authorization: written confirmation authorizing the signatory to the Bid to commit the Bidder;
5. Bidder Eligibility: documentary evidence where it is established that the Bidder meets all conditions to submit an Bid;
6. Qualifications: documentary evidence addressing the Bidder Qualifications to execute the Contract, if his/her Bid is accepted in the event that there has not been a prior prequalification. If a prior prequalification took place, Bidders must confirm that they maintain their status as prequalified Contractor;
7. Among other requirements, Bidders must demonstrate for the Technical Proposal that they have understood the conceptual design of the Employer and that they are ready and have the means to carry out the works executive design, supervise the execution and build according to the minimum requirements and requirements of the Employer.
8. The Employer may add other technical documents required in the SBD. In the list, the Employer must not specify anything that may reveal the Bid price. For example, in case that the Guarantee to Maintain the Bid is specified, the amount should be a fixed figure for all Bidders to include the Guarantee in the Technical Part. If for this requirement a percentage of the Bid amount is specified, the requirement to include a Guarantee to Maintain the Bid should be included in the Financial Part envelope and other adjustments to the SBD requirements.
9. The SBD appendix holds a protocol to regulate the Data Room if one is available. If there is no Data Room, this annex is deleted. Data Room is a Service provided to Bidders to allow consulting about basic studies, reports and other information that are not a part of the Bidding Document. In the Data Room, Bidders may use, interpret or enhance Bid preparation.
10. The Bid - Financial Part shall have to include the following documents:
11. Bid Letter - Financial Part;
12. Program of Activities and Sub-Activities according to the Bidding Forms,
13. Alternative Bid – Financial Part: if allowed, according to the Financial Part of any Alternative Bid;
14. The Employer may add other financial documents required in the SBD.

Alternative Bids

1. Submitting alternative Bids in Design and Build Contracts is not very frequent, however, there may be cases where it may be allowed. In such cases, Bidders shall have to explain in the Bid - Technical Part why they are different from the Employer conceptual design and if the proposal is acceptable, the alternatives and basic Bids would be reviewed and evaluated under similar conditions, unless Section III specifies a method to compare the Alternative Bids.

Technical Part – Bid

1. The Technical Bid submitted by Bidder must be consistent with: (a) the Bidding Forms; and (b) the necessary information to apply evaluation criteria so they do not raise doubts or gaps during the evaluation.

Bids Evaluation

1. From Part E forward. Bid – Technical Parts Opening (ITB 25 and thereafter) there are stipulations of provisions defining the two-envelope bidding process setting forth detailed steps for each part of the procedure with the intent to assure that Bidders technical evaluation and qualification is completed before opening the envelope of the qualified Bids – Financial Parts.
2. Under the SBD ITB 30.2, the Employer shall specify the type of Bidding evaluation that shall be carried out: technical evaluation with scores to determine whether Bidders attain a minimum technical score to continue on to the next phase of the evaluation after the award to the lowest cost evaluated Bid; o employ the technical score obtained in a combination of prices to award the Bid reaching the highest score. The Employer must award the contract to the Bidder Biding the Most Advantageous Bid.
3. When qualification criteria with combined scores of Bids are used, the most advantageous Bid is the one complying with all qualification criteria which:
4. substantially matches the Bidding Document, and
5. achieve the highest scores
6. Cuando se usa puntaje solamente para determinar si la Oferta Técnica alcanza un puntaje mínimo aceptable, la evaluación de las Ofertas Financieras se realizar en estrictos términos monetarios y se adjudica la Oferta Evaluada de Menor Costo de las que calificaron técnicamente y se ajustan al Documento de Licitación.

Excessively Low Financial – Part Bid

1. This Bidding Document clarifies and governs the Bids with an excessively low Price. The term “excessively low Bid” is a generic expression describing cases in which the prices of an Bid combined with other elements of the Bid or proposal seem to be unreasonably low, to the extent it raises material concerns in regard to the Bidders capacity to make good on a contract for the price Bided. A suspicious excessively low Bid should not be rejected before it is reviewed.
2. There are five steps to review a suspiciously excessively low Bid:
3. Identify: the Employer identifies a potential case of an excessively low Bid;
4. Clarify: the Employer request clarification from Bidder in writing;
5. Justify: the Bidder prepares a justification for his Price based on the Employer request;
6. Verify: the Employer reviews the Bidder justification in detail to verify whether the justification is reasonable or not;
7. Decide: the Employer decided whether to accept or reject the Bid.

## Section II. Standard Bidding Documents (SBD)

1. The Employer shall have to complete Section II, Standard Bidding Documents, before a Bidding Document is issued *[the respective instructions are included in cursive, when necessary]*.
2. The following is a segment of the SBD showing which spaces need to be completed:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Section II. Standard Bidding Documents (SBD)  The following specific information of the Bidding Document Requirements for procurement of services and Works shall supplement or modify the provisions found in the Instructions to Bidders (ITB).  Should a conflict arise, the provisions in this document shall prevail over the ITB provisions.  *[When an electronic procurement system is used, modify the pertinent SBD so that they correspond with the electronic procurement procedures].*  *[Instructions to complete the Standard Bidding Documents are provided if necessary in cursive notes included in the relevant ITB].*   |  |  | | --- | --- | | **A. General Issues** | | | **ITB 1.1** | The Bidding reference number is: ***[indicate the reference number of the Request for Bids]***  The Employer is: ***[indicate the name of the Employer]***  The name of the Bid is: ***[indicate the name of the Bid]***  Operation and Maintenance of the Works ***[indicate "is" or "is not"] \_\_\_\_*** a contract Requirement. | | **ITB 1.2 (a)** | The number and identification of lots (contracts) making up this Bid are:  **[*indicate the number and the identification of lots (contracts)]*** | | **ITB 1.2 (a)** | **[*delete if not applicable*]**  **Electronic procurement system**  The Employer shall use the following electronic procurement system to manage this Bidding Process:  [*indicate the name of the electronic system and the URL address or the link*]  The procurement electronic system shall be employed to provide the following information of the Bidding Process. *[list the aspects and modify the relevant SBD parts as applicable, for example with respect to the Bidding Document publication, Bidding submittals, Bid openings]* | | **ITB 2.1** | The Borrower is: ***[indicate the name of Borrower and a statement of his/her relationship with the Employer if different from the Borrower. This statement must match the information provided in the Bid]***  Agreement Loan or Financing Amount: ***[indicate the equivalent in USD]***\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  The Project name is: ***[indicate the name of Project] Design and Build*** | | **ITB 4.1** | The maximum number of APCA members shall be: ***[indicate a number]****\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_* | | **ITB 4.5** | The list of disqualified companies and persons can be found in the external Bank website:  [*http://www.iadb.org/en/topics/transparency/integrity-at-the-idb-group/sanctioned-firms-and-individuals,1293.html*](http://www.iadb.org/en/topics/transparency/integrity-at-the-idb-group/sanctioned-firms-and-individuals,1293.html) | | **B. Content of Bidding Document** | | | **ITB 7.1** | For **purposes of clarification of the Bid** only, the Employer address is:  ***[indicate the applicable information requested below. This address can be the same as stated in provision ITB 22.1 about Bid submittals or another different one]***  Attention: *[****if appropriate indicate the full name of person****]*  Domicile: *[****indicate Street and number****]*  Office/floor number*: [****if applicable indicate the office and floor number****]*  City: *[****indicate the name of city or village****]*  Zip Code: [***If applicable indicate the ZIP Code****]*  Country: *[****indicate the name of country****]*  Telephone: *[****indicate the telephone number including country and city codes****]*  Fax number: *[****indicate the fax number including country and city codes****]*  Electronic mail address: *[****If applicable indicate the e-mail address]*** | |

Type of evaluation to be indicated in the SBD

1. The Bidding Document shall allow the Employer to establish the type of evaluation to be employed in the Bid and shall specify it in the SBD. The methodology details are found in Section III, “Evaluation and Qualification Criteria”.

|  |  |
| --- | --- |
| **G. Bids Technical Parts Technical Evaluation** | |
| **ITB 30.2** | The evaluation \_\_\_\_\_\_\_ ***[indicate “includes" or "does not include"]*** a combined evaluation with scores and weight factors for the Bid technical and financial aspects.  Should a combined evaluation with technical and financial evaluation with scores be established, the applicable methodology is detailed in Section III, “Evaluation and Qualification Criteria”. |

Existence and applicability of Data Room

1. This Section includes an example of stipulations for Bidders to schedule queries in the Data Room in case the Employer makes the information available to probable Bidders with the regard to the conceptual design, basic information and available studies.
2. Should the Employer like to use the Data Room, it would be in addition to mechanisms to visit the site, questions and answers, a meeting prior to the Bidding Document to brief Bidders, and must also provide some information about the Data Room. The Employer shall also adapt the Protocol example to schedule visits and access to the information.
3. One of the Data Room features is that information made available to Bidders is not part of the Bidding Document and the Bidder runs a risk trusting or not the information made available by the Employer in the Data Room. The Contractor is responsible for interpreting the information provided by the Employer in the and shall modify it or not at his/her discretion to reach the Employer Requirements, the works and objectives.
4. Should the Employer not make a Data Room available, delete the Reference in the SBD and delete the Bidding document protocol.

|  |
| --- |
| **Appendix to Standard Bidding Documents: Data Room** |
| ***[Delete if there is no Data Room]***  Apply the following rules, provisions and descriptions with respect to the use and content of the Data Room made available by the Employer to probable Bidders according to the Protocol in the Appendix below:  Location: ***[INDICATE***\_\_\_\_\_\_  E-mail and telephone for appointments and reservations of the Data Room.  Schedule to consult documents ***[INDICATE****]* \_\_\_\_\_\_\_\_\_\_  Services Available: ***[indicate photocopies, recordings, computers, etc.]*** \_\_\_\_\_\_\_\_\_\_  Maximum number of persons that can accommodated per Bidder: ***[Indicate number of individuals visiting simultaneously] a****]* \_\_\_\_\_\_\_  List of available documents and materials: ***[INDICATE****] \_\_\_\_\_\_\_\_\_\_\_\_\_*\_\_\_\_\_\_\_\_\_  Name of Data Room supervisor: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Supervisor e-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

## Section III. Evaluation and Qualification Criteria

Two options for Bid evaluation

1. This Bidding Document includes two award criteria:
2. one that combines the Bid price and Qualifications. This type of criterium evaluates by using a score and weight system. In a technical evaluation, weight of each criterium is according to its relative importance. Weighting shall be applied to scores. This facilitates the technical merit, quality and other relevant factors evaluation. Its use shall permit objective solutions when compared with each other.
3. the other evaluation criterium consists of assigning scores to the Bid – Technical Part only to determine whether it reaches a minimum technical professional skills level, but the contract shall be awarded to the Bid – Financial Part with the evaluated lowest cost.
4. Both types of evaluation, a choice established by the Employer in the SBD ITB 30.2, require a technical evaluation with scores without knowledge of the Bidding price.
5. In design and Build contracts, the Employer must make sure that the Bidder has accurately understood the conceptual design and other Employer Requirements, including the description of design scope and work implementation and technical specifications so there always should be a technical evaluation, preferably with scores to determine whether the Bids meets the minimum acceptability score or to employ scores in a combined evaluation if applicable.
6. In this Section Preamble, the Employer must select the appropriate methodology consistent with indications in the SBD. The option not used must be deleted as well as other parts of the evaluation criteria not applied in every case.

Preliminary review

1. The Bidding evaluation begin with a preliminary review of Bids and a determination whether they meet the Bidding Document required in accordance with ITB 29 and ITB 30.
2. The preliminary = review determines whether the Bidders Bid - Technical Part meets the Bidding Document requirements (authority to bid, technical compliance, forms and guarantees, etc.) and after the preliminary review if necessary, written clarification requests are made to Bidders. Next, the evaluation Committee shall review Qualifications (or the Qualifications confirmation in case there was a prior prequalification) and then as explained below, the Bid – Technical Part evaluation with scores takes place.

Prequalification

1. One of the Bidding Documents was prepared considering that the Employer did not undergo a pre-qualification before the tender call. In that case, Bidders must complete and submit as part of the Bid - Technical Part, the appropriate forms detailing general experience, specific experience, personnel, equipment, annual billing, availability of liquid assets and all other information required in order to determine their Qualifications.
2. The information submitted to the Employer according to Section III, Evaluation and Qualification Criteria shall be used to determine Bidders capacity as part of the preliminary evaluation before undertaking a technical evaluation with scores along with other decisions such as compliance with other requirements of the Bidding Document, for example, compliance with the works design and Build services implementation schedule.
3. In the other Bidding Document, where a Employer has had a prequalification, some of the procedures are simplified and the number of Bidding Forms that Bidders must complete for their Bid – Technical Part are cut down to a minimum including only those necessary to update their prequalification status.

Alternative technical solutions to the Works.

1. If allowed under ITB 13.1, the admissibility of technical alternatives must be explained in this sub-section. However, if there are no differentiated criteria established for Alternative Technical Bids, they shall be evaluated on their own merits under equal conditions along basic Bids and the leveling shall occur during the technical evaluation with scores in the manner detailed in this Section.
2. The Bank recognizes that the methodology definition to evaluate alternatives different from the basic Bid or in response to a Employer conceptual design almost always is very difficult, therefore, in most cases, alternatives to the Employer conceptual design are not accepted, or if alternative are accepted, they are only reviewed when the Bidder Bids the Most Advantageous Bid.
3. In such a case, it is added under this sub-section title:

*“If according with ITB 13.3, it is possible to submit alternative technical solutions to the Employer conceptual design, the alternatives shall be reviewed technically during the preliminary review and decided whether they are acceptable or not.*

*Should the technical alternative solution be acceptable, it shall be evaluated and compared under equal conditions as all other Bids that meet the Employer conceptual design If the alternative technical solution is not acceptable, the Bid shall be disqualified in the the preliminary review and shall not be considered during the remainder of the evaluation.“*

Technical Evaluation with scores

1. According to ITB 31, the Bids meeting the Bidding Document requirements and succeed the preliminary review shall be examined technically and shall receive a technical score that shall determine whether the Bidder continues or not to the next evaluation phase.
2. Only Technical Bids reaching a certain percentage, usually 65% or more, of the maximum score shall be considered in the next evaluation steps, and the minimum score is shown in Section III.
3. Bids not reaching the minimum score in the technical evaluation shall be disqualified and the Bid – Financial Part shall be opened and returned to the Bidder.
4. The technical factors to be evaluated shown in the table are an example and should be adapted for each particular case.

##### Example of Technical Score Matrix

***[Scores and criteria may be adjusted and adapted to the specific Project by the Employer. Some factors may be replaced by other appropriate factors to each project conditions.***

***The number of sub-criteria must not exceed three (3) sub-criteria per criterium and must not exceed 20-25 sub-criteria in total. The score value of each sub-criterium to the extent possible, must be proportional to the cost associated to the Employer investment to meet the maximum criterium score.]***

| **No.** | **Criterium** | **Sub-criterium** | **Maximum Score** | **Scores granting Rules** |
| --- | --- | --- | --- | --- |
| **A. Quality of the Bid** | | | | |
| A.1 | To what extent do proposed Works meet the Minimum Specifications and Design Criteria | Technical quality of the Bid | 10 | Maximum score that shall be granted to Bids clearly showing the manner in which they meet or improve the minimum specifications or the Employer conceptual design |
| A.2 | Value added | To what extent does the Bid add value in terms of performance, functionality and operations and maintenance costs | 5 | Maximum score shall be granted to Bids clearly showing how value is added to facilities way and above the Employer Requirements through better technologies, processes, materials, better oversight and innovation n |

Combined Technical/Price Evaluation

1. In the case of a combined evaluation, once scoring is complete, the proposals may be ranked based on merit. The higher the score, the better for a proposal to meet or exceed the Employer requirements and Bids the best quality for price. The use of combined type criteria permits evaluating a Bid on a *“value for money”* basis instead of accepting the Bid which holds the lowest price
2. The qualified criteria must be relevant to the Project and must be evaluated in a logical and rational manner. The features that may be evaluated using these combined criteria include:
3. relevant experience and past performance above minimum qualification criteria
4. understanding the project;
5. capacity and resources;
6. management and technical capacity;
7. management systems;
8. methodology quality or work plan;
9. characteristics / functionality of the proposed solution;
10. sustainability; and
11. price
12. The combined criterium is ideal to apply when alternative approaches are evaluated, give a chance to innovation and favor proposals exceeding minimum requirements that demonstrate a better cost-quality ratio; and when criteria cannot be expressed in monetary terms.

Technical and financial evaluation weights

1. In cases employing a combined technical – financial evaluation, the Bank recommends that the Technical Part weight does not exceed 20% of the evaluations whereas the Financial Part weight be at least 80% of the evaluation.
2. The technical factors to be evaluated defined in the table are an example and must be adapted to each case in terms of description, weight and rules to apply scores. A sample of part of the table is shown below as an example.

Additional technical or financial evaluation criteria

1. The document shall allow to evaluate several other matters of the Bid that the Employer shall have to decide in each case if they apply or not.
2. Equipment: is part of Contractors qualification either prequalified or not. If there are significant pieces of equipment for design (such as boring machines and geological or seismic surveys sampling) or for construction (large cranes, concrete or asphalt plants), they must be listed in this section and the Bidder access to such equipment is reviewed.
3. Personnel: The list of key personnel must be provided by the Employer in this section and the Bidder must demonstrate the designation of this personnel to the design and the project. Some key personnel members receive a score at the technical evaluation.
4. Subcontractors: when a prior prequalification was done, if the Bidders were qualified using the experience as Specialized Subcontractors for the parts designated by the Employer, that shall be confirmed at the technical evaluation in the presence of those subcontractors. If no prequalification occurred, the evaluation shall proceed with decisions about Specialized Subcontractors participation as established ITB 33.
5. Multiple contracts: this criterium applies when there are several lots in a bid and Bidders may bid for one or more lots if there was a prequalification. When no prequalification took place, at this time it shall be decided if Bidders qualify for one or more lots.
6. To determine the Bidder specific experience in such a case, in the accepted contracts the values N = minimum number of contracts and V = minimum value must be established beforehand. We provide several ways to calculate specific experience for each lot. Once the most advantageous option is selected, the specific experience criterium is much simplified and can be shown in a table similar to the following examples:
7. In the following example, the Employer selected option 1 for minimum contracts:

| Key | Lot 1 | Lot 2 | Lot 3 |
| --- | --- | --- | --- |
| N = Minimum number of contracts | 2 | 2\* | 2\*\* |
| V = Each contract minimum value | $1,0000,000 | $2,000,000 | $1,500,000 |

\*

\*\* All contracts (six in total) must be different

1. In this other example, the Employer chose option 3 for number and value in contracts for purposes of specific experience:

| Key | Lot 1 | Lot 2 | Lot 3 |
| --- | --- | --- | --- |
| N = Minimum number of contracts | 3 | 3\* | 4\*\* |
| V = Each contract minimum value | $1,000,000 | $1,000,000 | $1,500,000 |
| Alternatively, less contracts, but each one has to be more than $500,000, and the overall value must be equal or more than: | $3,000,000 | $3,000,000 | $6,000,000 |

\*

\*\* All contracts (10 in total) must be different

1. Works Alternative Technical Bids: the alternatives in design and Build contracts are difficult to prepare and consider. The use of technical scores in an evaluation may contribute to a comparison of basic and alternative Bids if they are requested.
2. In design and Build contracts, generally alternatives are not compared because the Employer usually does not have a sound basis to review and compare them objectively. The Bidding Document makes use of the possibility to request and consider alternatives in case that there are parts in the Works that actually may be subject to different design and execution means.
3. When there are conditions recommending the consideration of alternatives to the requirements or part of the requirements such as for example, when the Employer and his/her consultants know in advance that there are interesting alternative solutions but were unable to develop in the conceptual design or in parts of the design that were not completed before the tender call, usually one of the following three options to consider alternatives may be used:
4. compare all alternative Bids under equal conditions and on their own merits along the Employer conceptual design of the basic Bids;
5. examine only the winning Bidder alternative Bid;
6. establish a methodology that allows for technical Bids admissibility and compare them to the basic conceptual design Bids of the Employer. In this case, the methodology must be clearly developed in this section.
7. The first option requires a very high degree of maturity and knowledge of the evaluating committee because the members must have the professional capacity to discover objectively and point out relevant aspects of the various solutions to the Employer conceptual design. Some alternatives proposed to the design or work methods or design premises are technically superior and add value to the conceptual design or to the other basic Bids and alternatives and should receive a higher technical evaluation score when they are compared to those other Bids that simply confirm the Employer minimum specifications and requirements.

1. The second option examines only the alternative of the Bidder selected. This is the traditional way to simplify the consideration of the alternative Bid, should the winner or the Most Advantageous Bid in the process have one. The disadvantage is that if provides little stimulus to Bidders to invest time and resources to prepare alternative Bids because it reduces the probability that his/her better-quality alternative be reviewed and valued.
2. The third option mandates the Employer to pre-define the design and Works parts that may be subject to alternatives and, in addition, must develop a methodology enabling a comparison of variations without considering price, all of which require the evaluating committee to have skills similar to those described in the first option above.
3. Evaluation of aspects that may be converted to monetary terms: the Bidding Document allows to include methodologies and ways to give a monetary value to aspects regarding efficiency and performance of the facilities and the works. These factors are usually complex and must be prepared by technical experts and simulated before they submitted to the evaluation criterium.
4. Other criteria; include consideration and valuation of delivery schedules, operations costs and other elements that must be used cautiously because the Bids are built on the basis of preliminary designs and information that can be modified in the final design, and therefore, any valuation done at the moment of receiving the proposals and compare them may be premature or a different implementation may reduce the benefits granted during the evaluation undermining the selection of the Most Advantageous Bid.

1. When Bids are compared and different completion schedules are used, the method to evaluate the Bidder alternative shall have to be specified, such as a specific amount for each week of delay from the standard or minimum specified completion date regarding the Employer to loss of benefits. The amount should not exceed the amount stated in the contract data for delay compensation.

## Section IV. Eligible Countries

1. This Section should not be modified. It indicates nationalities and territories eligible for the Bank sources of financing or administered by the Bank. The Bank shall modify this Section when appropriate and shall keep it updated.
2. In contrast to other Bank standard documents, in this document the Eligible Countries Section is placed as Section IV and not in Section VI of the Bidding Document for purposes of accommodating section groups in the Document Volumes.
3. On occasions, the volume of the Technical Specifications or the Employer Requirements or the Bidding Forms is very extensive, and the Employers must divide the documents in parts or Volumes to accommodate the content. Relocating the Eligible Countries Section near the ITB, BDS and Evaluation and Qualification Criteria facilitates a more balanced and better way to separate the various volumes.

## Bidding Forms

Preamble

1. Forms are divided in Bid - Technical Part forms (to include a Technical Part - Bid Letter) and the forms for the Bid - Financial Part (which also includes a Financial Part – Bid Letter).
2. Various forms in both parts are found in other Standard Bank Documents and have been placed in this SBD unchanged to preserve uniformity.
3. Other forms, mainly related to the Bid – Technical Part were specifically designed for this type of public works design and Build contracts, mostly to allow for technical evaluations based on Bidders proposals in one same format and content.
4. Recognizing that not all forms or not all item lines apply to all cases, the document suggests the Employer indicate with an "X" or indicate "YES" or "No" if requesting information and declarations articulated in each line. The forms do not replace the descriptions of Scope of Works or the Technical Specifications included in the Employer Requirements Section. The forms allow Contractors to submit the information that the Employer is interested in reviewing and qualify with technical scores when a technical evaluation of the Bid – Technical Part or the Financial Part evaluation takes place.
5. For the most part, the forms can be used as a requirements *"check list"* either of Bidders or the Employer. Since generally the final works designs are not qualified, which is the first substantive activity of the Contractor, the forms are a reminder to put forward strategies, plans and methodologies to fulfill the works design and execution objectives. The Contractors shall have to demonstrate with their plans, strategies and methodologies that they comprehend the requirements and have the capacity to implement the Works designs and execution quality-wise and on time and consistent with the prices stated in the Bid – Financial Part.
6. Some of the forms only have one line or title. These are for proposals that do not have to be standard and that Bidders may submit their Bid using a free format in the best manner and obtain the highest possible scores in the technical evaluation. Algunos de los formularios consisten en una sola línea o título.
7. Next is a list of the forms for the Technical - Part:

## Technical Bid Forms

***[Note to Employer: The Employer shall be able to use the following Forms to inform Bidders about the information that must be submitted with their Technical Bid at the design, Build and operation and maintenance stages, if appropriate. The Employer shall be able to replace, delete or add other Forms indicating activities that Bidders must describe in their Bid].***

Bidders must use the following Bid submittal forms unless they request authorization in advance from the Employer to introduce some modification to the form format, scope or requirements. Bidders may not omit any of the required forms.

The Employer shall have to indicate with an “X” or “YES” or “NO” which items in each Form apply in each case. The Bidder shall have to include in the Bid the information concerning the items that the Employer indicated to be applicable in the bid.

* Design Methodology Form
* Works Organization Form
* Construction Strategy Form
* Constructive Methods for Key Activities Form
* Oversight and Quality Assurance Form
* Electromechanical, Sanitary Facilities, Oversight and Communications Form
* Work Program Form
* Mobilization Schedule Form
* Design and Build Schedule Form
* Plant Form
* Proposed Sub-contractors for the Significant Plant Elements and Services Installations Form
* Expected Risks Form
* Operation and Maintenance Strategy Form
* Environmental, Social and Safety and Health in the workplace Strategy Form
* Environmental, Social and Safety and Health in the workplace Code of Conduct Form
* Other Forms
* Equipment Form
* Personnel Forms
* Qualifications Forms
* Guarantees and/or Declaration

1. The Financial - Part include the following forms:

**Financial Bid Forms**

* Bid Letter - Financial Part
* List of Activities with Price
* List a Sub-Activities
* Examples of Lists, Daywork, Temporary Amounts
* Prices Adjustment
* Example of Prices Adjustment Data

1. Among the Forms worthy of particular attention, because they are instruments to quote designs and Works we provide details in the List of Activities stipulating prices.

List of Activities with Price Stipulation

1. In a lump-sum contract, these forms are the equivalent to the List of Quantities and Unit Prices used in *ad-measurement* contracts*,* along with an Activities Schedule to monitor physical and financial progress of the Design and Works and to effect partial payments of the Contract amount global sum.
2. The List of Activities with price stipulations along the Calendar of activities constitute the Program of Activities.
3. This Bidding Document is prepared for public works design and Build procurement through global sum or lump sum amounts under a Contractor sole responsibility plan. The lump sum breakdown is also done through global prices for the activities, and all in all, they make up the Works perfectly finished. One of these activities is the design work and the projects technical supervision.
4. Depending on the type of project, on occasions, it is preferable to provide unit prices and referential Works quantities for parts of the works. For example, in underground or underwater activities where the Project risk matrix recommends sharing the risk between the Employer and the Contractor. Another example occurs when the works must be mainstreamed into other projects (bridge to a road, or a water treatment plant) to be implemented by third parties, which altogether then may be paid per unit or per real quantities. In this case, the Bidding Forms may include elements quoted in unit prices and quantities that shall paid as *ad-measurement* without distorting the nature of the lump sum main contract.
5. Along the same line, the Bidding Forms may consider quotes of elements to be carried out as Daywork with resources payable to the Contractor for rates agreed in the Contract for unforeseen, extraordinary works ordered by the Engineer that were not included in the Scope of Works described in the Bidding Document, but are judged essential to insure the project functionality. Daywork must match the resources and technologies that the Contractor already has available for the main Works, activated to comply with the variation orders requested by the Engineer and usually justifiably at the request of the Employer.
6. These notes sole purpose is to provide the Employer or the person drafting the Bidding Document with information to prepare the List of Activities.
7. Works are usually procured on the basis of a sole responsibility and this Bidding Document is designed for that purpose. It is recommended not to thin down the focus on sole responsibility unless there are justifiable reasons.
8. Bidders shall quote for the totality of the Works in “sole responsibility”, so that Bidders that the total Bid price must cover all the Contractor mentioned obligations o those that may reasonably be inferred from the Bidding Document regarding the design, manufacture, including procurement and subcontracting (should there be some), delivery, Build and Works completion. This includes all requirements under the Contractor responsibilities trials, start up (or make operational, as appropriate) the Works, and when the Bidding Document requires it, obtain all permits, approvals and licenses, etc.
9. The Lists of Activities shall include all operation, maintenance and training services when it is provided for in the Employer Requirements, and also other elements and services that are specified in the Bidding Document.
10. The Employer generally defines the List of Activities Lists, however it is up to the Bidders to complete the description (and the cost) of sub-activities based on their design plan and Works implementation. In addition to the description of the Lists of Activities, some Employers prefer to define in the BDS the description of the sub-activities as well to make sure that Bidders identify all the elements of the works according to their conceptual design or parts of the executive design already at hand.
11. Bidders shall provide a breakdown of prices in the manner and details required in the Lists of Activities and Sub-Activities with Prices included in Section IV, Bidding Documents. This breakdown is useful to determine payment objects or milestones. However, only when complete and the final design approved these sub-activities may be defined in detail and their individual costs set (without altering the agreed lumpsum) and the manner of payment of milestones.
12. The total of prices of articles in The List of Activities with prices is the Bidder Bid Financial Part to complete the works under a “sole responsibility” scheme. The cost of any element that the Bidder would have omitted shall be considered as included in the Price of other elements in the Lists of Activity and Sub-Activities and shall not have to be paid separately by the Employer.
13. Under specific circumstances, where some of the Works components that must be provided under the responsibility and risk of the Employer (for example, underground works where there is little geological information available, or in sectors where active or inactive geological faults, abundant presence of water, very low supportive soil capacity have been identified), the following text shall have to be used in the preamble of the Lists of Activities in order to introduce the ad-measurement payments.

*[“ The Contract Price shall be a lump sum amount. However, if some part of the Works shall be paid according to the quantity provided, or work carried out, the provisions for ad-measurement and evaluation shall be those established in the Contract Particular Conditions - Part B- Sub-Clause 14.1. The parts of Works which shall be paid on the basis of ad-measurement are specified in \_\_\_\_\_\_.*

*The method to determine payment of these parts of the Works is also described in Sub-Clause 14.1 of the Particular Conditions of Contract - Part B "].*

Content

1. The List of Activities generally has to be divided in the following sections:

(a) Preamble;

(b) Activities (grouped in parts);

(c) Details of the Sub-Activities

(d) Lists of daywork, if applicable

(e) Ad-measurement works, if applicable; and

(f) Summary.

Preamble

1. In the preamble the scope of projects and the breakdown desired activities shall have to be included. Should any part of the Works be paid through ad-measurements, the preamble must clearly indicate it.

Activities

1. The activities shall have to be grouped in sections to distinguish between the parts of the projects, which for its type, location, access or any other special characteristic may lead to diverse construction methods, work programming or cost considerations. The general line items common to all parts of the projects can be grouped in one separate section of the quantitative estimate. When formulae are used to adjust prices, these must match the relevant sections of the list of activities.
2. Sub-Activities and their prices shall have to be established for each Activity.

Daywork

1. If they are specified, the quantities of nominal work/hours, etc. must be equal to the ones specified by the Employer so that Bidders may quote competitively. te
2. A list of daywork shall have to be included when it is highly probable that unexpected works shall needed outside of those shown in the quantities list. With the intention of facilitating the task for the Employer to verify that the rates quoted by bidders are realistic, the daywork list normally shall include the following:

(a) a list of the various types of labor, materials and contractor’s equipment for which the bidder has to include rates or basic prices for daywork, in addition to the respective payment terms; and

(b) a percentage, set by the bidder, of each labor sub-total, materials and installations, covering the contractor’s profits, plus general expenses, supervision and other expenses.

Ad-measurement work

1. If they are specified, the quantities laid out in ad-measurement works that are exceptionally added to the contract objective must be calculated on a net base of the blueprints unless it is otherwise indicated in the contract, with no room for volume, retractions or waste. The quantities shall have to be expressed in rounded numbers to the next higher or lower whole number as seen appropriate. The total amounts of the parts are carried to the summary as a temporary sum or a line item to be realized in ad-measurement quantities.

Measuring Units

1. The use of the following measuring units and abbreviations are recommended (except when in the country of the Employer it is mandatory to use other national units).

|  |  |  |  |
| --- | --- | --- | --- |
| **Unit** | **Abbreviation** | **Unit** | **Abbreviation** |
| Cubic meter  hectare  hour  kilogram  global sum  meter  metric ton  (1.000 kg) | m3  ha  h  kg  gl. amount  m  t | Millimeter  month  number  square meter  square millimeter square  week | mm  month  No  m2  mm2  week. |

Summary

1. The summary shall have to include a tab of the various items of each Activity carried over, with temporary amounts for daywork, if desired, unexpected economic events (adjustments to lump sum prices) whenever appropriate.

##### Example of List of Activities with Price and List of Sub-activities

The price totals for the List of Activities is the Bidder’s Bid to complete the projects under the “sole responsibility” terms.

The cost of any activity or subactivity that the Bidder has omitted shall be considered included in the price of other activities or subactivities in the List of Activity with Prices and Subactivity and shall not be paid separately by the Employer.

The list of Activities with Prices and the lists of subactivivites provided by the Bidder shall be used to evaluate Bids. These lists, along the work program are the bases to estimate Payments.

##### Example of List of Activities with Price

*[To be completed by Bidder using more tables if needed to reflect the cost structure appropriately]*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Activity No. | | Desciption of Activity | | | | | Price of Activity | | |
| 1. | | Design Services | | | | |  | | |
| 2. | | Mobilization | | | | |  | | |
| 3. | | Construction | | | | |  | | |
| 4. | | Electrical installations | | | | |  | | |
| 5. | | Sanitary installations | | | | |  | | |
| 6. | | Mechanical installations | | | | |  | | |
| 7. | | Environmental study and Licenses | | | | |  | | |
| 8. | | Laboratory, Inspections and Materials testing | | | | |  | | |
| 9. | | Information system | | | | |  | | |
| 10. | | Contractor’s supervision and technical consultancies | | | | |  | | |
| ... | |  | | | | |  | | |
| ... | |  | | | | |  | | |
|  | |  | | | | |  | | |
|  | |  | | | | |  | | |
|  | | Total Price of the Activities to be transferred to the Global Summary, Page \_\_\_\_ | | | | |  | | |
| Repeat the amount in letters | | |  | | | | | | |
|  |  | | |  |  |  | |  |  |
|  |  | | |  |  |  | |  |  |
|  |  | | |  | Name of Bidder | | |  | |
|  |  | | |  |  |  | |  |  |
|  |  | | |  |  |  | |  |  |
|  |  | | |  | Signature of Bidder | | |  | |
|  |  | | |  |  |  | |  |  |

##### Example of List of Sub-activity with Prices

*[To be completed by Bidder using more tables if needed, to reflect to the cost structure appropriately]*

Activity: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Sub-Activity No. | | Description of Sub-Activity | | | | | Price of sub-Activity | | |
| 1. | | …………….. | | | | |  | | |
|  | |  | | | | |  | | |
| 2. | | ……………… | | | | |  | | |
|  | |  | | | | |  | | |
| 3. | | ……………… | | | | |  | | |
|  | |  | | | | |  | | |
| 4. | | etc. | | | | |  | | |
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|  | |  | | | | |  | | |
|  | |  | | | | |  | | |
|  | |  | | | | |  | | |
|  | | The Total Price of the Sub-activity to be transferred to the Total Price of Activities, Page\_\_\_\_ | | | | |  | | |
|  | |  | | | | |  | | |
| Repeat the amount in letters | | |  | | | | | | |
|  |  | | |  |  |  | |  |  |
|  |  | | |  |  |  | |  |  |
|  |  | | |  | Name of Bidder | | |  | |
|  |  | | |  |  |  | |  |  |
|  |  | | |  |  |  | |  |  |
|  |  | | |  | Signature of Bidder | | |  | |
|  |  | | |  |  |  | |  |  |

##### Example of Daywork

*[****Note to the Employer:***

*For minor or incidental work, the Engineer may instruct a variation to be implemented on a Daywork basis. The prefered alternative is to value the additional work according to the Contract Conditions. If a Daywork Plan is included in the Bidding Document, it is preferable to include nominal quantities regarding those most probable items used and carry the amount sum over to the Global Summary to make the daywork rates competitive.*

*If the Daywork option is not included, Sub-Clause 13.6 of the General Conditions shall not apply].*

If ITB 14.2 in the SBD specify that for minor or incidental jobs, the Engineer may order a variation to be implemented on a daywork basis. If a daywork Plan is included in the Employer Requirements, the nominal quantities with regard to the most probable items to be used shall be added and the amount sum is carried over to the Bid Summary to do the Project.

According to Sub-Clause 13.6 of the General Conditions, the task shall not be implemented on a Daywork basis unless there is a written order from the Engineer. Bidders shall enter the basic rates for items listed in the Daywork List, and those rates shall be applied to any quantity of Daywork ordered by the Engineer. The nominal quantities indicated with regard to each item of Daywork, and the total for daily jobs shall be transferred as a temporary sum to the total amount of the Global Sum. Unless otherwise provided, payments for daywork shall be subject to price adjustments according to the Contract Conditions stipulations

##### Example of daywork list[[1]](#footnote-1)

**Preamble**

1. Projects shall not be implemented based on a daywork except when there is a written order from the engineer. In the listings, Bidders shall indicate the basic rates for daywork line items that shall apply to any quantity of jobs of that sort requested by the engineer. The nominal quantities indicated for each line of daywork, and the respective general total shall be included as a temporary amount in the summary of the Bid total amount. Unless there is an adjustment of another kind, compensation for daywork shall be subject to price adjustments in accordance with the provisions described in the contract conditions.

**Daywork Labor Force**

2. To estimate payments to the Contractor due to daywork implementation, the labor working hours shall be counted from arrival time to the workplace to perform the specific task until the time of return to the initial departure place, without including meal and break recesses. The hours counted are only for the type of labor performing tasks directly requested by the engineer and for which they are duly trained. Hours counted shall also include work that crew foremen (person in charge), but not the master builders or other supervisory personnel.

3. The Contractor shall have the right to receive payments for the total number of hours employing labor force to execute dayworks. It shall be calculated based on the basic rates indicated in the **Daywork rates Annex: 1. Labor force,** plus an additional percentage payment on the basic rates to cover profits, general expenses, etc.[[2]](#footnote-2), as shown next:

(a) the basic labor force rates shall cover all the Contractor’s direct costs including (but not exclusively) the amount to cover salaries, transportation time, overtime, per diem, and any other amount that is paid for labor or for labor benefits, according to the law in *[borrower’s country]*. Basic rates shall be paid only in local currency;

(b) The additional percentage quoted by the Bidder to be applied to expenses are described in subparagraph (a) *above* and shall be considered to cover the Contractor profits, as well as general expenses, supervision expenses, obligations and insurance and allocations for labor force, scheduling records, administrative and office work, use of expendable goods, water, lighting and electricity; the use and repair of scaffolding, scaffolds, workshops and storage, portable electric tools, and manual tools; supervision by personnel, master builder and other Contractor supervisory personnel; and other incidental expenses not mentioned before. Payments for this line item shall be made in the following currency and ratio:

(i) foreign currency: % (Bidder shall indicate)[[3]](#footnote-3)

(ii) local currency: % (Bidder shall indicate).

**Materials for daywork**

4. The Contractor shall have the right to receive payments for materials used in daywork (except for materials regarding additional labor cost percentage according to details stated before), estimated and based on basic rates indicated in **Appendix of daywork rates: 2. Materials,** plus an additional percentage over those rates to cover general expenses and profits as indicated below:

(a) basic materials rate estimates shall be based on prices, freight/shipping, insurance management costs, damages, etc. that shall be invoiced and shall include shipping to the Works site warehouse. Basic rates shall be indicated in local currency, but payments shall be made in the currency(s) used after submitting corresponding receipts;

(b) Bidders shall quote the additional percentage applied to payments in equivalent local currency according to subparagraph (a) *above.* Payments under this line item shall be made according to the following currency ratio:

(i) foreign currency: % (Bidder shall have to indicate)[[4]](#footnote-4);

(ii) local currency: % (Bidder shall have to indicate)8;

(c) transportation expenses for materials hauled to daywork sites from the warehouse where they shall be used shall be paid according to conditions regarding labor force and Build set forth in the appendix.

**Contractor equipment for daywork**

5. The Contractor shall have the right to receive payments for using its equipment already at the daywork site, at the basic rental/lease rate shown in the **Appendix of daywork rates: 3. Contractor Equipment.** These rates shall be considered to include set asides for depreciation, interests, compensation, insurance, repairs, maintenance, supplies, fuel, lubricants and other items, as well as all general expenses, profits and administrative costs associated to the use of such equipment[[5]](#footnote-5). The cost of drivers, operators and assistants shall be paid separately according to stipulations in the daywork labor force[[6]](#footnote-6).

6. Only the real number of hours worked shall be eligible to calculate payments for the use of the contractor’s equipment for daywork, except in cases agreed with the engineer to add hours to transport the equipment from where the equipment is at the time of the engineer’s request to be used for daywork and to the worksite.

7. Basic rental rates for the contractor equipment used in daywork shall be indicated in local currency, but payments to the contractor shall be made in the following:

(a) foreign currency: % (what the bidder shall have to indicate)[[7]](#footnote-7).

(b) local currency: % (what the bidder shall have to indicate)11.

**Appendix of daywork rates: 1. Labor Force**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Item N.* o | *Description* | *Unit* | *Nominal Quantity* | *Rate* | *Total Amount* |
| D100 | Crew foreman | hour | 500 |  |  |
| D101 | Mason/bricklayer Peon | hour | 5,000 |  |  |
| D102 | Mason/bricklayer | hour | 500 |  |  |
| D103 | Stonemason | hour | 500 |  |  |
| D104 | Carpenter | hour | 500 |  |  |
| D105 | Steel structures assembler | hour | 500 |  |  |
| D106 | — etc. — | hour |  |  |  |
| D113 | Up to a 10 tonn vehicle conductor | hour | 1,000 |  |  |
| D114 | Backhoe, digging machine, bulldozer or crane operator | hour | 500 |  |  |
| D115 | Loader leveler or backhoe tractor operator | hour | 500 |  |  |
| D116 | — etc. — | hour |  |  |  |
|  |  |  |  |  |  |
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|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  | Subtotal | | | |  |
| D122 | %a of the subtotal allocated to general expenses, profits, etc. for the contractor according to paragraph 3 (b) *supra*. | | |  |  |
|  |  |  |  |  |  |
|  | Total daywork: Labor force  (Transfer to daywork Summary, page ) | | | |  |
| a. Percentage that bidder shall have to indicate. | | | | | |

##### Example of List of daywork Quantities

**Appendix of daywork rates: 2. Materials**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Item N.* o | *Description* | *Unit* | *Nominal Quantity* | *Rate* | *Total Amount* |
| D201 | Cement, regular portland cement, or equivalent in bags | T | 200 |  |  |
| D202 | Mild Steel reinforced rod of up to 16 mm diameter BS 4449 or its equivalent | T | 100 |  |  |
| D203 | Fine aggregate (sand) for concrete according to clause | m3 | 1.000 |  |  |
| D204 | — etc. — |  |  |  |  |
| D222 | Gelignite (special 60% Nobel blasting gelatin or its equivalent) including cartridges, fuses, wires and necessary accessories | T | 10 |  |  |
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|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  | Subtotal | | | |  |
| D122 | %a of the subtotal allocated to general expenses, profits, for the contractor according to paragraph 3 (b) *above*. | | |  |  |
|  |  |  |  |  |  |
|  | Total daywork: Materials  (Transfer to daywork Summary, page ) | | | |  |
| a. Percentage that bidder shall have to indicate. | | | | | |

##### Example of List of Daywork Quantities

**Appendix of daywork rates: 3. Contractors Equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Item N.* o | *Description* | *Nominal quantity (hours)* | *Basic hourly rental rate* | *Total amount* | |
| D301 | Loader leveler or backhoe tractor |  |  |  | |
| .1 | Up to 1 m3, inclusive | 500 |  |  | |
| .2 | Between 1 m3 and 2 m3 | 400 |  |  | |
| .3 | Over 2 m3 | 100 |  |  | |
| D302 | Tractor, including leveler or with adjustable front blade: |  |  |  | |
| .1 | Up to 150 kW, inclusive | 500 |  |  | |
| .2 | Over 150 kW up to 200 kW | 400 |  |  | |
| .3 | Over 200 kW up to 250 kW | 200 |  |  | |
| D303 | Plough Tractor: |  |  |  | |
| .1 | Up to 200 kW, inclusive | 400 |  |  | |
| .2 | Over 200 kW hasta 250 kW | 200 |  |  | |
| D304 | — etc. — |  |  |  | |
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|  |  |  |  |  |
| Total daywork: Contractor Equipment  (Transfer to daywork Summary, page ) | | | |  | |

##### Example of List of daywork Quantities

**Daywork Summary**

|  |  |  |
| --- | --- | --- |
|  | *Amount*a  *( )* | *Foreign currency Percentage* |
| 1. Total daywork: Labor Force |  |  |
| 2. Total daywork: Materials |  |  |
| 3. Total daywork: Contractor equipment |  |  |
| Total daywork (Temporary amount)  (Transfer to Bid Summary, page ) |  |  |
| a. The employer shall have to indicate the local currency unit. | | |

##### 

##### Example of List of Quantities

*[****Note to Employer:***

*Even in lump sum sole responsibility contracts, it is possible that in order to mitigate risks, the Employer may specify that certain Works parts (generally, minor or works or works sections where hydrologic, geotechnical or geological conditions are uncertain for lack of surveys) to be implemented by ad-measurement.*

*If an ad-measurement Construction/Project Work Plan to be performed is included in this Bidding Document, the Employer must include nominal quantities for work line items in those ad-measurement works sections even when they are not completely designed to get competitive rates in the bidding.*

*If the option of Works sections per quantities and ad-measurement is not included, the Sub-Clause 13.6 of the General Conditions].*

**A. Preamble**

1. The list of quantities should be read along with the instructions to bidders, the general and special contract conditions, the technical specifications and the blueprints.

2. The quantities specified in the respective List are estimates and temporary and in the Bid they shall be considered as a common basis. Payments shall be made based on quantities of work really commissioned and implemented, ad-measured by the Contractor and confirmed by the engineer, valued on the basis of specified rates and prices in the list of quantities with prices, when appropriate, or on any other basis of rates and prices determined by the engineer under the contract conditions terms.

3. Except when otherwise provided in the contract, quoted rates and prices in the list of quantities with prices shall include all building installations, labor force, supervision and materials, assembly, maintenance, insurance, profits, taxes and duties/rights, as well as all general risks, commitments and explicit or implicit in the contract.

4. A price or rate for each item line shall have to be indicated in the list of quantities with price specifying quantities or not. The cost of items for which the Contractor did not indicate a rate or price shall be included in the other rates or prices shown in the list of quantities.

5. The total cost implied in full compliance of the contract provisions shall be included in the line items of the list of quantities with prices. In cases not including line items, costs shall be distributed among rates and prices established for related items.

6. It is not necessary to repeat or sum up general indications and work and materials descriptions in the list of quantities. References shall be made of the relevant sections of the contract documents before indicating prices for each line item in the list of quantities with prices.

7. The method to ad-measure completed work for the purposes of payment shall abide by *[indicate the name of a standard reference guide or all details about the procedures to be used]*[[8]](#footnote-8)*.*

8. The Employer shall correct the arithmetical errors made in calculations or additions in the following manner:

(a) should there be a discrepancy between the indicated amounts in numbers and words, those indicated in words shall prevail; and

(b) should there be a discrepancy between the unit price and the total price obtained after multiplying the unit price and the quantity, the quoted unit price shall prevail unless the Employer believes that there has been an obvious error placing the decimal coma in the price per unit in which case the quoted total price shall prevail and unit price shall be corrected.

9. A rock, judged by the engineer is any material requiring the use of blasters, picks, sledgehammers, air compressors drills for extraction and which cannot be extracted with a tractor of at least 150 horsepower with a digger backhoe for industrial use.

##### Example of the List of Quantities

**B. Works line items**

1. The list of quantities normally includes the following items grouped according to the nature or sequence of works, that:

Item No. 1 — General line items;

Item No. 2 — Soil movements;

Item No. 3 — Sewage and bridges

Item No. 4 — Other line items, as are required

List of daywork and

Summary of the list of quantities

2. Bidders shall have to quote prices in the list of quantities only in local currency and in the Bid annex indicate the expected percentage of payments in foreign currency(s)[[9]](#footnote-9).

##### Example of a List of Quantities

**Item No. 1: General line items**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Item N.* o | *Description* | *Unit* | *Nominal Quantity* | *Rate* | *Amount* |
| 101 | Guarantee/Bond | gl.amount | line item | — |  |
| 102 | Projects insurance | gl.amount | line item | — |  |
| 103 | Contractor equipment insurance | gl.amount | line item | — |  |
| 104 | Civil liability insurance | gl.amount | line item | — |  |
| 105 | Maintenance of works for 12 months post completion | month | 12 |  |  |
| 106 | — etc. — |  |  |  |  |
| 112 | Supplies and furnishings of the offices of the engineer | No. | 2 |  |  |
| 113 | Maintenance of the offices of the engineer for 24 months, including services | month | 24 |  |  |
| 114 | — etc. — |  |  |  |  |
| 121 | Alternative road | gl.amount | line item | — |  |
| 122 | Traffic control and maintenance of alternative road | month | 24 | — |  |
| 123 | — etc. — |  |  |  |  |
| 132 | Cleaning the works site after completion  — etc. — | gl.amount. | line item | — |  |
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| Total Item No. 1  (Transfer to Summary, page ) | | | | |  |

##### Example of a List of Quantities

**Item No. 2: Soil movements**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *N.* o *de rubro.* | *Description* | *Unit* | *Nominal Quantity* | *Rate* | *Amount* |
| 201 | Excavation of surface soil layer up to a maximum depth of 25 cm and collection for reuse, maximum hauling distance of 1 km | m3 | 9,500 |  |  |
| 202 | Excavation of surface soil layer up to a maximum depth of 25 to 50 cm, and disposal of the excavated soil | m3 | 1,500 |  |  |
| 203 | — etc. — |  |  |  |  |
| 206 | Excavation of approved trench or an embankment filling material, hauling the excavated material up to a maximum distance of 1 km, for dumping, build up and compact fillers | m3 | 25,800 |  |  |
| 207 | Excavation and disposal of rocks in trenches at any depth | m3 | 2,500 |  |  |
| 208 | — etc. — |  |  |  |  |
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| Total Item No. 2  (Transfer to Summary, page ) | | | | |  |

##### Example of a List of Quantities

**Item No. 3: Sewage and bridges**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Line item N.* o | *Description* | *Unit* | *Nominal Quantity* | *Rate* | *Amount* |
| 301 | Excavation of all materials, besides rock, from land surfaces to below foundations, to a maximum Depth of 5 m, and disposal of residues | m3 | 1,850 |  |  |
| 302 | Excavation of all materials, besides rock, to a depth of 5 m to 7,5 m | m3 | 1,000 |  |  |
| 303 | Temporary item  Same as item 302, to a depth of 7,5 m to 10 m | m3 | 500 |  |  |
| 304 | — etc. — |  |  |  |  |
| 311 | Concrete Class B |  |  |  |  |
| 312 | — etc. — |  |  |  |  |
| 318 | Mild Steel reinforcement in embedded and in piles of up to a 20mm diameter | T | 40 |  |  |
| 319 | — etc. — |  |  |  |  |
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| Total Item No. 3  (Transfer to Summary, page ) | | | | |  |

##### Example of Temporary Specific Amounts

**Summary of temporary specific amounts**

|  |  |  |  |
| --- | --- | --- | --- |
| *Entry N.* o | *Line ítem N.* o | *Description* | *Amount* |
| 1 |  |  |  |
|  |  |  |  |
|  |  |  |  |
| 2 | 2.8 | Equipment supply and installation at pumping station | 1.250.000 |
|  |  |  |  |
|  |  |  |  |
| 3 |  | … |  |
|  |  |  |  |
|  |  |  |  |
| 4 | 4.32 | Underground tunnel air circulation system | 3.500.000 |
|  |  |  |  |
|  |  |  |  |
| etc. |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Total temporary specific amounts  (Transfer to global Summary (B), page ) | | | 4.750.000 |

##### Example of a List of Quantities, daywork and Specific Set Asides

**Global Summary**

Name of contract:

N.o of contract:

|  |  |  |
| --- | --- | --- |
| *Grand Summary* | *Page* | *Amount* |
| Item N.o 1: Preliminary line items |  |  |
| Item N.o 2: Soil Movement |  |  |
| Item N.o 3: Drainage Structures |  |  |
| — etc. — |  |  |
| Total dayworks (temporary amount) |  |  |
| Entries Subtotal | (A) |  |
| Temporary specific amounts included in the subtotal of entries | (B) | 3,000,000 b |
| Total entries less temporary specific amounts (A - B) | (C) |  |
| Temporary amount of set asides for unexpected items | (D) | [gl. amount]b |
| Bidding Price (A + D) (included in the Bid Form) | (E) |  |
|  |  |  |
| a. The temporary amounts shall be partially or totally disbursed at the request and discretion of the engineer.  b. Amount that the Employer shall have to indicate. | | |

##### Price Adjustment

1. Price readjustment is mandatory for all contracts financed by the IADB with an implementing period exceeding 18 months. Generally, design, construction and operation contracts exceed that term and therefore, in most cases, prices readjustments must be applied. This matter of price readjustment and payment currency are closely linked because readjustment indices must correspond to the price indices in the country issuing the payment currency.
2. The only exception to the above relates to the labor components of the foreign currency portions, which must be readjusted according to the labor index in the Employer country, whichever the payment currency may be. When this local labor index is used, the formula must add a correction to the index, which is proportionally inverse to the exchange rate between the payment foreign currency and the local currency.
3. In the example shown below, the inflation for labor in the country during the period, was lower than the devaluation rate of the local currency vis-a-vis the two foreign currencies so that when the Price readjustment is applied, the result is a negative amount that may be equal to zero, in other words, there is no readjustment~~.~~
4. The following is an example of a quote, estimate payments and payment for adjustments of prices using the methodology established in the Bidding Document.

**Payment in other currencies**

1. The example assumes the Contractor quotes Pesos 10 million for the Project and other amounts for Operations and Maintenance for five years, and in the Bid only specified wishes for each payment to include a 10% amount of the net invoice be paid in USD and 10% amount converted and paid in Euro to meet the needs of foreign currencies.
2. To avoid that the Contractor assume the Exchange rate risk, the Contractor stipulates in the Bid a realistic Exchange rate at the time the Bid is prepared but that for the purposes of that conversion, shall prevail for the total period of the contract.

**Readjustment Payment**

1. The example also specifies the three prices readjustment formulae; one for each payment currency. To simplify the example, the formulae only readjust materials and labor, each one with a 0.45 ratio.
2. In most cases, besides materials and labor, other readjustables usually are use of equipment, fuel consumption, energy consumption, and the proportion in determining (ratio) of Price for each Activity is indicated by the Contractor. In most cases, there is a fixed ratio, generally, 0.10 reflecting the non readjustable Price elements (utilities, temporary installations, etc.

##### Example of payment in foreign currencies and price readustment

| **Bidder Bid** | | | | |
| --- | --- | --- | --- | --- |
| **Parameter** | **Currency** | **Design and Build** | **Currency** | **O&M applied to nominal quantities** |
| Bid Price | Pesos | 10,000,000 | Pesos | Year 1= 1,000,000 |
|  |  |  |  | Year2= 1,000,000 |
|  |  |  |  | Year3= 1,500,000 |
|  |  |  |  | Year4= 1,500,000 |
|  |  |  |  | Year 5= 2,000,000 |
| Present net value with discount rate 8% | | | | 5,437,724.28 |
| Payment percentage required by the Contractor in USD | USD | 10% |  |  |
| Payment percentage required by the Contractor in Euro | Euro | 10% |  |  |
| Material index IPC1 US |  | IPC1 January 2018 = 200.23 |  |  |
| Material (IMEo) Europe |  | IMEo January2018 = 15,433.24 |  |  |
| Labor incex (IMOo) Argentina |  | IMOo January 2018= 24,31 |  |  |
| Material index (IMAo) Argentina |  | IMAo January 2018  = 2,423,18 |  |  |
| Official Exchange rate AR/US initial in January 2018 (TCuso) |  | 18 |  |  |
| Official Exchange rate  AR/Euro initial in January 2018 (TCeuro) |  | 20 |  |  |
| Exchange rate established by the Contractor AR/US for purposes of payment in another currency for the duration of the contract |  | 18 |  |  |
| Exchange rate established by the Contractor AR/Euro for purposes of payment in another currency for the duration of the contract |  | 20 |  |  |
| First estimate (F) May 2018 net of deductions |  | 1,000,000 |  |  |
| Amount to be paid in pesos Argentina (Fp=80% de F) |  | 800,000 pesos |  |  |
| Amount to be paid in USD (Fu=10% de F) |  | 100,000 pesos |  |  |
| Equivalent amount to be paid in USD at the Exchange rate fixed by the Contractor |  | 100,000/18= USD 5,555,55 |  |  |
| Amount to be paid in Euro (Fe=10% de F) |  | 100,000 pesos |  |  |
| Equivalent amount to be paid in Euro at the Exchange rate fixed by the Contractor |  | 100,000/20 = Euro 5,000 |  |  |
| **Price Readjustment** | | | | |
| Formula agreed in Rp is the amount readjusted in pesos | *Rp = Fp x (0.10 + 0.45 x Imaterial previous/IMAo + 0.45 x Ilabor previous month/IMOo) – Fp in pesos* | | | |
| Formula agreed in USD. Ru es el monto del reajuste en USD | *Ru = Fu x (0.10 + 0.45 Imaterial USD previous month/IMAo USD + 0.45 x IArgentine labor previous month/IMOo Argentina) x Tcuso /Tcusi) – Fu in USD* | | | |
| Formula agreed in Euro. Re is the amount of the readjustment in Euro | *Re = Fe x (0.10 + 0.45 Imaterial Euro mes anterior/IMAEo Euro + 0.45 Imano de obra argentina mes anterior/IMOo Argentina) x Tceuroo/TCeuroi) – Fe en Euro* | | | |
| material index (IPC1i) US april 2018 |  | IPC1 april 2018= 200.25 |  |  |
| Material index (IMEi) Europe abril 2018 |  | IME april 2018=  15,434.24 |  |  |
| Labor (IMOi) Argentina april 2018 |  | IMO april 2018= 25.12 |  |  |
| Material index (IMAi) Argentina abril 2018 |  | IMA april2018=  2,424.00 |  |  |
| Exchange rate, Exchange rate market AR/USD april 2018 (Tcusi) |  | 18 |  |  |
| Exchange rate AR/Euro Exchange market april 2018 (Tceuroi) |  | 21 |  |  |
| Estimate of the amount of pesos readjustment in pesos in May 2018 | *Rp= 800,000 x (0.10 + 0.45 (2,424.00/2,423,18) + 0.45 (25.12/24.31) – 800,000 = 8,000 pesos* | | | |
| Estimate of the Readjustment amount USD in May 2018 | *Ru = 5,555.55 x (0.10 + 0.45 (200.25/200.23) + 0.45 ((2,424.00/2,423,18) x 17/18) - 5,555.55 = -111.12 (USD negativo) – impact of devaluation greater than impact of labor index in Argentina* | | | |
| Estimate of the Readjustment in Euro in May | *Re = 5,000 x (0.10 + 0.45 (15,434.24/15,433.24) + 0.45 x (2,424.00/2,423,18) x 20/21) – 5,000 = - 150 (Euro negative) – impact devaluation greater than impact of labor index in Argentina* | | | |

Other forms of prices adjustments

1. In some countries, there is a well established system to adjust prices which has been reviewed by the Bank and is used instead of the Price adjustments in the example above. For example, in Argentina, the Bank generally accepts the use of a “redetermination of prices” mechanism commonly employed in the national procurement system. In such cases, the Employer may opt to use this system, replacing the prices adjustment method dealt in this Section.

Design List of Prices not subject to readjustments

1. Some Employers prefer the Design List of Activities not to be the object of prices adjustment or to apply the “prices redetermination” to stimulate the prompt completion of the Projects design. In such a case, the BDS should indicate the that the design prices established in the List of Activities is fixed, invariable and is not subject to prices adjustment of any sort, except when it is an inflationary adjustment due to delays in awards as dealt in ITB 18.2.

## Section VI. Employer’s Requirements

**Preamble**

1. In order for Bidders to meet realistically and competitively the conditions established by the Employer without having to include objections or contingencies in the Bids it is necessary to have clear and precise specifications.
2. In the case of an international public tender process, specifications must be drawn in such a way to allow the widest competition possible while at the same time clearly reflecting the required levels of materials, installations, other supplies and labor force. Only then shall the objectives of economy, efficiency and equity in bidding be attained and assured that Bids meet the conditions set forth to facilitate later the task of evaluation. Specifications must require that materials, installations and other supplies for works implementation should be new, not have been used, the latest or most recent model and include the latest improvements in design and materials except when it is otherwise provided in the contract.
3. At the beginning of the specifications it is common to include a sentence establishing the scope of services required and the projects. In addition, it is common to provide a list of the blueprints. In cases where the Contractor is responsible for the design or any part of the permanent works, the scope of its obligations under Sub-Clause 4.1 of the General Conditions shall have to be indicated.
4. In this context, examples of specifications in similar projects implemented before in the same countries are useful. The IADB recommends using units in the metric system. In most cases, the Employer or the Engineer draws specifications in a special manner to adjust them to the different contracts of specific projects. There are no standard specifications that may be universally applied in all sectors at international level, but there are principles and practices established which are reflected in these documents.
5. Standardizing general specifications entails numerous advantages for Works of a repetitive nature in public sectors, such as highways, ports, railroads, urban housing, irrigation and water supply in a country or region where similar conditions prevail. General specifications must cover all types of works, materials and equipment that are usually employed in construction, even though they may not necessarily be used in a specific works contract. In that case, omissions or addenda to adjust to the particular works general specifications shall have to be taken into account.
6. At the time of drawing the specifications the utmost effort must be done so they are not restrictive and when criteria are established for materials, installations, other goods and works, special attention should be given to use as much as possible internationally recognized standards. If other special requirements exist, either national standards in the borrower’s country or other rules, they shall have to be stated under specifications that the materials, installations, other supplies and works complying with recognized standards guarantee a quality level substantially equivalent to the standards above mentioned shall also be acceptable. The following sentence may be included under conditions for particular situations or specifications:

**Example sentence: Standards and code equivalencies**

1. When a contract makes reference to specific standards and codes requiring compliance with respect to materials, installations and other supplies provided or works to be implemented or confirmed, the latest version or review of the standards and relevant current codes shall be applied, except when otherwise expressly stipulated in the contract. When it refers to national standards and codes, or related to a specific country or region then other recognized standards assuring the same quality of standards and codes specified shall be accepted, subject to review and prior consent from the engineer in writing. The Contractor shall have to describe in detail and in writing the differences that exist between the specified standards and those proposed as an alternative and submit them to the engineer at least 28 days before the date they wish to obtain the approval. Should the engineer determine that the proposed variations do not guarantee a substantially equivalent quality, the contractor shall have to abide by the standards specified in the documents.

**Alternative technical proposals**

1. The Employer shall decide if technical solutions are allowed for the Works specific parts. The alternatives are justified in cases where there may be obvious options (and potentially less costly) than the technical solutions established in the bidding documents for certain elements of the projects, taking account of the specialized comparative advantage of the probable bidders. As an example:

• piles (exclusive methods and different materials)

• bridge foundations (open wells, hydraulic caissons, batteries, etc.)

• pillars, beams, floors (reinforced concrete, prestressed concrete, steel, etc.)

• approved procedures for post-tensioned concrete structures

• lining of channels

• materials, linings and pipeline connections

• road paving (asphalt, concrete, etc.)

• transmission (signal) tower design and assembly

• street lighting

• marine foundations

1. The Employer shall have to describe the Works selected parts with their respective references to the drawings, specifications, list of activities and the design or performance criteria and shall point out that the alternative solutions shall be equivalent, at least in a structural and functional sense to the basic design specifications standards.
2. These alternative solutions shall have all the necessary information for the Employer to evaluate them all, including blueprints, design calculations, technical specifications, price breakdowns, proposed construction methodology and other relevant details. The Employer shall consider each one of the technical alternatives allowed in this manner, based on its own merits, regardless whether the bidder quoted on the item or not, following the Employer design included in the bidding documents.

## Section VII. Contractual Conditions and Contract Forms

**Preamble**

1. Part 3 of the Bidding Document consists of Sections VII. General Conditions of Contract, Section VIII. Particular Conditions of Contract (PCC) and Section IX. Contract Forms. Contract conditions are two-fold, i.e.:
2. **General Conditions** (Section VII, this document), and
3. **Particular Conditions** (Section VIII, this document).
4. General conditions included in this Standard Bidding Document (SBD) during the Document trial period are the contract general conditions prepared by the International Federation of Consulting Engineers (FIDIC) for Design and Build (Yellow Book).
5. That Should the Employer Requirements include periods exceeding 5-7 years for the operation and maintenance of the Facilities, the object of the design and Build contract the Bank recommends that the Employer replace the Yellow Book with the FIDIC Gold Book, (or *Design-Build-Operate* – DBO), in which case the Employer must consult the Bank about the typical changes made to the special conditions in order to apply them in a Bank financed project. An example of these changes is shown in the next section.
6. In this first User’s Guide edition, the IADB and FIDIC have not yet concluded negotiations about a license to use the general FIDIC contract conditions without paying and obtaining the corresponding license.
7. The contract conditions have been prepared for lump sum contracts and therefore, cannot be used for other type of contracts without making the respective modifications before.
8. To assist Bidders to read and interpret documents and the Bank review, the standard general conditions text selected shall remain intact. Any amendment or addition to the general conditions, specific to the contract in issue, shall have to be included in the particular conditions. The particular conditions of that type are found in section VIII and they are applicable to the contract conditions above mentioned.
9. The use of international recognized standard contract conditions for all civil works procured through this Design and Build document shall insure a comprehensive coverage, greater balance of rights and obligations between the Employer and the Contractor, the general acceptability of provisions and less preparation time and cost and Bid analysis leading to more economical prices.
10. The particular conditions take precedence over the general conditions --- see General Conditions, Sub-Clause 1.5, Priority Order of the Documents.
11. The particular conditions supplement the general conditions, and are good to specify contract information and requirements related to the country’s special circumstances, the Employer, engineer, sector, the project in general, and the works.
12. Part A, the particular conditions of contract data include supplementary information to the general conditions in the same way that bidding data supplement the instructions to bidders.
13. Part B, the particular conditions specific provisions contain provisions which the Employer may use to draw the special conditions. Notwithstanding, most of the particular conditions slightly adjusting FIDIC general conditions must be observed in the Document version prepared by the Employer because those are employed by the multilateral developing banks to adapt contract conditions to development financing provisions.
14. Provisions included in this document do not constitute the complete Group of particular conditions clauses that may be necessary for a specific Project; in each case, specific provisions for each country or project must also be prepared.
15. The person in charge of drafting the particular conditions shall have to be fully aware of the general conditions provisions and any specific requirements of the contract. It is recommended to resort to legal counsel to modify or draft new provisions. It is worth pointing out that the provisions of particular conditions take precedence of the general conditions
16. The number of special conditions clauses correspond to the general conditions
17. The following text is the cover of the Contract Conditions advising on the license

|  |
| --- |
| Section VII. General Conditions of Contract  The current Contract General Conditions (GCC), along the Contract Particular Conditions (PCC) and other documents listed here, shall constitute a complete document and clearly establishing rights and obligations of both parties.    The Contract Conditions include the "General Conditions" that are part of the Plant and Design-Build Contract Conditions (First Edition, 1999), published by the International Federation of Consulting Engineers (FIDIC), and the following "Particular Conditions " to include variations and additions to such General Conditions.  Copies of the FIDIC publication mentioned in “the Plant and Design-Build Contract Conditions” can be obtained in:  International Federation of Consulting Engineers  FIDIC Bookshop – Box- 311 – CH – 1215 Geneva 15 Switzerland  Fax: +41 22 799 49 054  Telephone: +41 22 799 49 01  E-mail: [fidic@fidic.org](mailto:fidic@fidic.org) |

## Section VIII. Particular Conditions of Contract - Part A, Contract Data

1. The Employer shall have to include the relevant data before the bidding document is issued.
2. When necessary to indicate the number of days, it is preferable to use multiples of seven in the interest of consistency with the contract conditions.
3. The following is the first segment of Part A. The parts to be completed by the person in charge are clearly indicated and also when there are options, some typical suggestions are made.

**Part A – Contract Data**

| **Clause** | **Sub-Clause** | **Contract Information** |
| --- | --- | --- |
| Name of Employer and address | 1.1.2.2 & 1.3 |  |
| Name of Engineer and address | 1.1.2.4 & 1.3 |  |
| Name of Contractor Representative | 4.3 |  |
| Names of Key Personnel | 1.1.2.7 & 6.9 | *[Insert the names of Key Personnel agreed with the Employer before signing the Contract]* |
| Name of Bank | 1.1.2.11 | Inter American Development Bank (IADB) |
| Name of Borrower | 1.1.2.12 |  |
| Completion deadline | 1.1.3.3 | \_\_\_\_\_\_\_\_\_\_\_\_\_days  *If Phases are specified, the table at the end of this Part A applies* |
| Period to Notify Defects | 1.1.3.7 | 365 days |
| Phases | 1.1.5.6 | *If Phases are specified, the table at the end of this table A applies.* |
| Cost Plus Profit | 1.2 | *Profit shall be\_\_\_\_\_% of Cost.*  ***[Delete this Contract Data Sub-Clause if the percentage applied is 5%, according to the Particular Conditions - Part B, Sub-Clause 1.2]*** |
| Agreed methods for electronic communications: | 1.3 |  |
| Governing Legislation | 1.4 |  |
| Governing Language | 1.4 |  |
| Communication Language: | 1.4 |  |
| …. |  |  |

**Part B, Specific Provisions**

1. The Employer shall have to include pertinent data before the Bidding Document is issued. Provisions change, modify or add binding contract obligations. Without these provisions, the contract conditions would be very generic in nature.
2. Modifications listed are related to the Bank Procurement Policies requirements (for example, insertion of Prohibited Clauses in the contract). Most of the changes must be kept in the text. Where variations or options are found, the text alerts the person completing the provisions to make the corresponding adjustments.
3. Whenever necessary, indicate the number of days, preferably using multiples of seven in the interest of consistency with the contract conditions.
4. The following is the first segment of Part B of the Particular Conditions. The parts to be completed by the person in charge are clearly indicated and when options are found, some typical suggestions are also added.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Part B – Specific Provisions**   |  |  | | --- | --- | | **Sub-Clause 1.1.1.2** | **Agreement** | |  | The Contractual Agreement is the Agreement; the words (“if any") are deleted. | | **Sub-Clause 1.1.1.5** | **Employer**  In Sub-Clause 1.1.1.5 and in all Contract Conditions, the word “Client” refers to the “Employer”. | | **Sub-Clause 1.1.1.6** | **Bid**  In Sub-Clause 1.1.1.6 and in all the Contract Conditions, the words “Contractor’s Bid” refer to the “Contractor’s Offer/Bid” or to the "Contractor’s Offer/Bid – Technical Part" or to the “Contractor’s Offer/Bid Financial Part” indistinctively, unless otherwise specified. | | **Sub-Clause 1.1.1.7** | **Letter of Bid** | |  | In Sub-Clause 1.1.1.7 and in all the Contractual Conditions, the words " Letter of Bid" refer to the “Technical Part – Letter of Bid and to the “Financial Part – “ Letter of Bid ", indistinctively, unless otherwise specified. | | **Sub-Clause 1.1.1.9** | **Contract Data**  Sub-Clause 1.1.1.9 is replaced by the following: | |  | "1.1.1.9. "Contract Data" means the pages completed by the or el Employer entitled Contract Data which make up Part A of the Particular Conditions.”  As a result of this change, in the Contract General Conditions the words “Appendix of the Bid” are replaced by "Contract Data”, except: in Sub-Clause 13.8 (where replaced by "Lists"), in la Sub-Clause 14.5 where it is replaced by “Payments List"); and in a Sub-Clause 14.15 (where the first reference in subparagraph ciso (b) is replaced by "Contract Data." | | **Sub-Clause 1.1.2.7** | **Key Personnel**  Add the following text at the end of the Sub-Clause:  “The Contractor Personnel includes the Key Personnel named in Part A – Contract Data." | | **Sub-Clause 1.1.2.9** | **DAB**  In Sub-Clause 1.1.2.9, and throughout the General Conditions of Contract, “DAB” and “Dispute Adjudication Board” are replaced with “DB” and “Dispute Board” respectively. The term “adjudicator” is also deleted.  Furthermore, the Sub-Clause is replaced with the following text:  "DB signifies the individual or three individuals appointed according to Sub-Clause 20.2 *[Appointment of a DB]*  or Sub-Clause 20.3 *[Lack of agreement on the DB make up]*." | | **Sub-Clause 1.1.2.11** | **Bank** | |  | Add  “**1.1.2.11 “Bank ”** means the Inter American Development Bank “IADB” (whether acting on its own account or in its capacity as administrator of trust funds provided by other donors). | |

1. The following is a partial presentation of the changes that should be made to the special conditions when the Gold Book (DBO) is used in design-Build-operation contracts when there is Bank financing.
2. These amendments are based on changes made to the Red Book for Major Works to be used by the multilateral development banks in their SBD.

**Part B – Specific Provisions (DBO)**

|  |  |
| --- | --- |
| **Sub-Clause 1.1.1** | **Agreement** |
|  | The Contract Agreement is the Agreement; the words ("in its case “) are deleted. |
| **Sub-Clause 1.1.5** | **Bid**  In Sub-Clause 1.1.5 and in all Contract Conditions, the words “Contractor Proposal” refer to the "Contractor Bid" or "Contractor Bid - Technical Part" or the "Contractor Bid – Contractor Financial Part" indistinctively, unless otherwishe specified. |
| **Sub-Clause 1.1.39** | **CRC** |
|  | In Sub-Clause 1.1.39 and in all parts of the Contract Conditions the words "Conflict Adjudication Board" are replaced by "Dispute Resolutions Commission" and the accroynym “ CAB" is replaced by "DRC". In addition, the Sub-Clause is replaced by the following text:  "DRC means the person or three persons appointed by virtue of Sub Clause 20.2 *[Appointment to the Disputes Board]* or Sub-Clause 20.3 *[Lack of accord on the Disputes Board make up]*." |
| **Sub-Clause 1.1.51** | **Bid Letter** |
|  | In Sub-Clause 1.1.51 and in all Contract Conditions, the words "Bid Letter" refer to the “Bid Letter – Technical Part” and the "Bid Letter – Financial Part", indistinctively, unless otherwise specified. |
| **Sub-Clause 1.1.59** | **Key Personnel**  Add the following text at the end of the Sub-Clause:  “The Contractor Personnel includes the key Personnel named in Part A – Contract Data." |
|  | The "Operation and Maintenance Plan" is the response of the Contractor to the Operation and Maintenance Requirements" showing plans to operate and maintain the Works. |
| **Sub-Clause 1.1.84** | **Bank** |
|  | Add  “**1.1.84 “Bank”** means the Inter-American Development Bank "IADB" (either on its own or in its capacity as administrator of trust funds provided by other donors). |
| **Sub-Clause 1.1.85** | **Borrower** |
|  | Add  “**1.1.85 “Borrower”** means the Borrower of a Bank operation identified in the Contract Data.” |
| **Sub-Clause 1.1.86** | **Principal Quantities of the Permanent Works Budget** |
|  | Add the following new Sub-Clause:  **1.1.6.11 “Principal Quantities of the Permanent Works Budget”** The “PQPWB” is the detail, along any related information and calculations reasonable requested by the Employer Representative, prepared by the Contractor at the end of the works design and subject to Sub-Clause 14.4, which shall have to include the final expected measurements of the principal Permanent Works elements, which should have been evaluaated using such prices equal to the total amount of the Contract Price”. |
| **Sub-Clause 1.1.62** | **Plant** |
|  | Replace Sub-Clause by:  "Plant" refers to equipment, machinery and other tools planned to be or are included in the Permanent Works, including vehicles purchased by the Employer in connection with the Works construction or operation. |
| **Sub-Clause 1.1.78** | **Site** |
|  | In addition, after the words "Permanent Works" insert the words "including warehouses and storage and work areas” |
| **Sub-Clause 1.1.87** | **Dissatisfaction Notice** |
|  | Add the following new Sub-Clause:  “**1.1.87 “Dissatisfaction Notice”** means notice given by any one of the parties under Sub-Clause 20.4 *[Obtain the Disputes Board Ruling]* indicating dissatisfaction and intent to file for arbitration". |
| **Sub-Clause 1.2** | **Interpretation** |
|  | Add the following at the end of the Sub-Clause:  "Throughout the Contract General Conditions, the phrase "Cost plus profit " is replaced by "Cost plus earning(s)". “Cost plus earning” require earnings to be five per cent (5%) of Cost unless otherwise indicated in the Contract Data. |
| **Sub-Clause 1.3** | **Notices and Other Communications** |
|  | In line two, the word “, answers” is added after the word “notifications.” |
| **Sub-Clause 1.4** | **Legislation and Language** |
|  | Substitute paragraph two by the following text:  "The prevailing Contract language shall be set in the Contract Data.” |
| **Sub-Clause 1.6** | **Contract Agreement** |
|  | The Contract Agreement is the Agreement. In line two, the words “unless another term/period is agreed” are replaced by “unless otherwise estblished in the Particular Conditions”. |
| **Sub-Clause 1.7** | **Operations License** |
|  | The Employer shall issue an **Appointment as Operator** in favor of the Contractor, 90 days before the Service is to begin, using the model in Annex 8 or a similar one. |
| **Sub-Clause 1.9** | **Documents, custody and delivery** |
|  | Two sets of printed (hard) copies shall be provided to the Employer Representative of each one of the Contractor’s documents in addition to a digital copy in the manner agreed between the Contractor and the Employer Representative. |
| **Sub-Clause 1.13** | **Confidential Details**  The Sub-Clause is entirely replaced by the following text: |
|  | “**1.13 Confidentiality**  The Contractor Personnel and the Employer Personnel shall have to reveal all the confidential information and of another nature that may be reasonably required to verify the Contract performance and allow its right implementation.  Each one of them shall address the details as private and confidential, except to the extent necessary to fulfill their respective obligations under the Contract or to abide by the applicable Laws. Each one of them shall not publish or reveal any details of the Works prepared by the other Party without prior agreement of the other Party. However, the Contractor shall be authorized to reveal any information publically available, or information required to establish their Qualifications to compete for other projects”. |
| **Sub-Clause 1.14** | **Compliance with laws** |
|  | At the end of paragraph (b) add the words: ", unless the Contractor is prevented from carrying out these actions and shows evidence of his/her diligence". |
| **Sub-Clause 1.16** | **Bank Inspections and Audits** |
|  | Add the following new Sub-Clause:  “**1.16 Bank Inspections and Audits**  The Contractor shall allow the Bank and persons designated by the Bank to inspect the Works Site and the accounts and records of the Contractor related to the Contract performance, subjecting said accounts and records to an audit by Bank designated auditors, if the Bank so requires.” |
| **Sub-Clause 2.2** | **Permits, Licenses and Approvals** |
|  | Replace paragraph one by the following:  The Employer shall be able to Bid reasonable assistance (in cases when the Employer is able to do so) to the Contractor, when the latter requests it to obtain: |
| **Sub-Clause 2.4** | Employer Financial Arrangements  Replace the entire Sub-Clause with the following: |
|  | “2.4 Employer Financial Arrangements  The Employer shall have to present before Start up Date and onward within a period of 28 days counting from the date of receipt of a request from the Contractor, reasonable evidence that financial arrangements have been made and are maintained to allow the Employer to pay the Contract Price on time (calculated at that moment) according to Clause 14 *[Contract Price and Payment.* Before making any substantial change to the financial arrangements, the Employer shall have to notify the Contractor and provide to that effect all the detailed information.  Moreover, if the Bank notifies Borrowers that disbursements covered by their loan covering the whole or partial Works execution have been suspended, the Employer shall notify the Contractor of such a suspension giving details about the notification date and copying the Employer within a seven day period to count as of the date when the Borrower receives the suspension notice from the Bank. In case the Employer has access to alternative funds in appropriate currencies to continue paying the Contractor beyond the sixtieth day counted from the suspension notification date given by the Bank, the Employer shall have to present reasonable evidence of the measure in the notification stating that those resources shall be available.” |
| **Sub-Clause 20.2** | Employer Claims |
|  | Paragraph two of the Sub-Clause is replaced by the following:  “Notification shall have to be extended as soon as possible and no later than 28 days after the Employer became aware or should have known about the situation or circumstances causing the complaint.” |
| **Sub-Clause 3.1** | Deties and Authorities of the Employer Representative |
|  | The Sub-Clause is entirely replaced by the following:  “3.1 Obligations and Authorities of the Employer Representative  The Employer shall have to appoint the Employer Representative before the Contract is signed. The Representative shall have to be duly qualified and have experience, and who shall have to perform the tasks charged to him/her under the Contract. The Employer Representative personnel shall include duly qualified engineers and other competent professionals to carry out these obligations.  The Employer Representative shall not be empowered to modify the Contract.  The Employer Representative shall be empowered to exercise granted to him/her explicitly in the Contract or resulting from it. Should the Employer Representative have to obtain the approval of the Employer before exercising a paticular authority, the requirements indicated in the Particular Conditions shall rule. The Employer shall report without delay to the the Contractor about any changes to the powers granted to the Employer Representative.  However, when the Employer Representative exercises a specific authority requiring the Employer’s authorization (for the purposes of the Contract) it shall be deemed that the latter granted his/her approval.  Except otherwise indicated in these Conditions:  (a) when the Employer Representative performs his/her obligations or exercises authorities, either specific in the Contract or implicitly resulting from it, it shall be considered that the Representative is acting on behalf of the Employer;  (b) the Employer Representative shall have no power to exempt any Part or any one of the duties, obligations or responsibilities by virtue of Contract;  (c) no approval, verification, certificate, consent, review, inspection, order, notification, proposal, request, proof or act of that nature of the Employer Representative (including the non-disapproval) shall exempt the Contractor of any of the responsibilities granted by virtue of the Contract, including the responsibility with respect to errors, omissions, discrepancy and non-performance; and  (d) Except otherwise expressly indicated, any action taken by a Employer Representative in response to a Contractor’s request shall have to be notified to the Contractor in writing within 28 days after receiving the request.  The following provisions shall apply:  The Employer Representative shall obtain the specific approval from the Employer before acting, and in accordance with the following Sub-Clauses of these Conditions:  (a) Sub-Clause 4.12: Agreement or gran tan extension and/or additional cost.  (b) Sub-Clause 13.1: Variation order, except when:  (i) emergency situations as determined by the Employer Representative, or  (ii) the case when a Variation increases the Accepted Contract Amount, in a percentage lower than the one specified in the Contract Data.  (c) Sub-Clause 13.3: Approval of a Variation proposal by the Contractor in accordance with Sub-Clause 13.1 or 13.2.  (d) Sub-Clause 13.4: Specifying the payable amount with regard to each one of the applicable currencies.  Notwithstanding the obligation to obtain approval, as stated *supra*, should the Employer Representative consider that there is an emergency affecting personnel safety, or the Works physical security or adjacent property(ies), the latter, without releasing the Contractor of his/her duties and obligations, and by virtue of the Contract, the Representative shall be able to instruct the Contractor to carry on with necessary works to mitigate or reduce risks. The Contractor shall immediately comply with such an instruction given by the Employer Representative even when there is no approval of the order. As a result of that instruction, the Employer Representative shall determine an increase in the Contract Price in accordance with provisions in Clause 13, and shall duly inform the Contractor, copying the Employer. |
| **Sub-Clause 3.3** | **Instructions to the Employer Representative**  The last sentence ", the instruction shall have to be granted in writing" is replaced by: “, the instructions shall be extended in writing. If a Employer Representative or an authorized assistant:   1. gives a verbal order, 2. receives from the Contractor (or on his behalf) a confirmation of the order in writing within two working days from the date the instruction was given, and 3. does not respond in the negative or per an order in writing within two days after receiving the confirmation,   then (accordingly), the confirmation shall become the Employer Representative or the delegated assistant’s order in writing.” |
| **Sub-Clause 3.4** | **Replacement of the Employer Representative** |
|  | Sub-Clause 3.4 is entirely replaced by the following:  “**3.4 Replacement of the Employer Representative**  If the Employer plans to replace the Employer Representative, the former shall have to notify the Contractor at least 28 days before the planned date for replacement providing the name, address and relevant experience of the probable Employer Representative substitute.  If the Contractor considers that the possible Employer Representative substitute is not adequate, he/she shall have the right to present objections to the appointment by informing the Employer grounds for his/her position, and the Employer shall pay due and fair consideration to the objection.” |
| **Sub-Clause 3.5** | **Determinations** |
|  | Replace the first sentence of paragraph two by the following:  “Except otherwise specified, the Employer Representative shall notify both Parties about each other’s agreements or determinations providing the details in case, within 28 days after receiving the corresponding complaint or request.” |
| **Sub-Clause 4.1** | **The Contractor General Obligations** |
|  | Add the following text at the end of paragraph two:  “All the equipment, materials and services included or required for the Works shall have to come from any eligible country according the Bank definition.” |
|  | Insert the following paragraph after the words "... without previously notifying the Employer Representative.": |
|  | “El Contractor shall not be able to initiate the Works, including mobilization, and/or activities prior to construction (such as clearing materials hauling roads, access to working sites, geological surveys or surveys to select additional places to the Works, such as quarries or areas for loaned materials) unless the Employer Representative declares satisfaction to take steps to reduce environmental, social and safety and health in the workplace risks and impacts.  To begin these preliminary activities, at a minimum, the Contractor must be applying the Management Strategies and the Implementation Plan submitted in the Bid and agreed as part of the Contract. The Contractor shall have to submit to the Employer Representative constantly, for prior approval, any supplementary Management Strategy and Implementation Plans necessary to manage the environmental, social and safety and health in the workplace risks and impacts during Works execution. These strategies and plans altogether constitute the Social and Environmental Management Plan of the Contractor Environmental and Social Plan (SEMP). The Contractor’s SEMP must be approved before starting the building activities (such as excavations/diggings, cut and filling, bridges and structures, road and waterways detours, materials extractions, concretes and asphalt production). The approved Contractor’s SEMP must be reviewed by the Contractor periodically (at least every six months) and updated in a timely fashion whenever necessary, insuring that the Contractor’s SEMP contains all the appropriate provisions for the Project activities that are being implemented. The update of the Contract PGAS must be previously approved by Employer Representative." |
| **Sub-Clause 4.3** | **The Contractor Representative** |
|  | Add these words to paragraph two , “according to Sub-Clause 6.9  *[Contractor’s Personnel]”* after the words "later revoked".  Add the following text to the end of the Sub-Clause:  "If the Contractor Representative delegates do not speak the language mention with fluency, the Contractor shall make sure that there shall be competent interpreters during all working hours, in numbers considered sufficient by the Employer." |
| **Sub-Clause 4.4** | **Subcontractors** |
|  | In (a), add the word “solely” after the word “Materials”.  In (b), replace the punctuation mark “;” by “.” and add the following:  "When such a prior consent is requested, the Contractor shall present along any other required document, a commitment from each proposed Subcontractor to confirm they have read, understood and shall comply with the environmental, social and safety and health in the workplace obligations;"  Add the following text at the end of the Sub-Clause:  "The Contractor shall make sure that the requirements imposed in Sub-Clause 1.12 *[Confidentiality]* apply equally to all Subcontractors. To the extent possible, the Contractor shall give fair and reasonable opportunities to contractors in the Country to be appointed as Subcontractors..  If the obligations of a Subcontractor continue current after the relevant Design-Build Completion Timeline date expires, the Contractor shall have to give the Employer the benefit of those obligations, if the Employer Representative requires it before that date. Unless otherwise indicated in the transfer, the Contractor shall not be responsible vis-a-vis the Employer for the works implemented by the Subcontractor after the transfer came in to force. " |
| **Sub-Clause 4.6** | **Cooperation** |
|  | In paragraph two, insert the words “to experience delays and" before the words “incur in unexpected Costs.” |

## Section IX. Contract Forms

In addition to the Agreement, the forms include:

**Payment procedures**

1. The conditions and means of payment must be detailed in the Form taking into account the Clause 14 provisions and those modified in the Particular Conditions.

**Procedures and Forms for Modification Orders**

1. A lump sum contract must have very few project modifications. In extraordinary cases, the Engineer may order the execution of extraordinary or additional works or the Contractor may request that some modifications be considered. The forms and procedures in this Section contribute to manage these adjustments.

**Standard Form for Award notification**

1. The award notification shall be the basis to implement the contract according to statements in ITB 44. This standard form must be completed and sent to the winner bidder only after concluding the Bids evaluation subject to any Bank review according to the loan contract requirements.

**Start Up and Completion Form**

1. These forms stand for significant milestones in the contract implementation.

**Guarantees**

1. Include typical performance, advance (payment), bonds, payment withholding, guarantee forms.

**Insurance Annex**

1. Some examples are shown to specify insurances that shall have to be adapted to the Works needs preferably by an insurance expert of the Employer.

## Call for Bidding Notice

**Notes about the specific procurement announcement / Call for bidding**

**(without pre-qualification)**

Bidding calls open to all contractors without a prior pre-qualification procedure shall have to be issued directly to the public (see, IADB financed Procurement of Goods and Works Policies, paragraphs 2.7 and 2.8) through

(a) a general procurement announcement (for international competitive bidding procurement) in the online version of the United Nations publication entitled *Development Business* and in the *Bank Internet page*;

(b) a published announcement in at least one newspaper nationally distributed in the country of the Employer (or in the official gazette or in a freely accessed electronic portal);

(c) an announcement in a United Nations publication entitled Development Business or in technical publications recognized for important or large scale; and

(d) a letter addressed to Contractors who, after publication of the general procurement announcement, have shown interest in bidding for the works.

The purpose is to provide information to assist probable bidders to decide whether to participate or not in the bidding. In addition to the essential elements listed in the standard documents, the call to bid must also include all the Bid evaluation significant criteria (for example, granting a preferential margin in the Bid evaluation).

The specific procurement announcement and the call for bidding form shall have to be included in the bidding documents and shall have to agree with the bidding data.

When the Design and Build Bidding Document went through a previous pre-qualification it substitutes the announcement model by a bidding invitation or call to pre-qualified Contractors.

## Example of Terms of Reference for the Procurement of Consulting Services for Supervision of a Public Works Design and Build Contract

## 1. Background

The design and Build type contracts supervision are not the same as contracts supervision when the Engineer ensures accuracy in the execution of contracts respect the Employer designs and approves measurements, variations and modification orders.

In design and Build contracts, it is the Contractor who must look out for the quality of the execution, materials, procedures and it shall depend on its managerial capacity, experience, support resources and control to assure that the products or parts of thereof shall be accepted by the “Engineer” and his/her supervision teams.

In the manner in which the Employer’s supervision in a design and Build contract must be strict with regard to approved design criteria performance, the quality of construction methods and procedures, the acceptance of products or parts of the works must apply rigor in the trials and keep the Employer informed. However, the inspection of Works need not be so Deep in regard to measurements and defects corrections as progress is made in the implementation, unless the defects are so obvious that they can be assessed through a simple qualified observation.

It is not simple to distinguish between traditional works supervision and the most advantageous and necessary for a design and Build contract, and oftentimes, there is overlap, duplication and interferences of responsibilities, which would be avoidable if the supervision terms of reference in the design and Build contracts would be limited the essential functions of inspection, monitoring and information with engineers and experts addressing issues as a whole for the success of the project.

The following example of terms of reference to supervise design and Build type of contracts was drafted considering the principles mentioned above. The User shall have to make the necessary adjustments for each type of Project commissioned to the Contractor.

In minor Works, the consultants number and specialty may be reduced significantly while the minimum number to cover all listed duties is six: director, resident engineer, expert engineer, quality control engineer, economist and sociologist.

## 1.1 General

The Government, \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereafter, “the Employer” has requested a loan from Inter-American Development Bank (IADB) (hereafter, “the Bank”) to finance Project \_\_\_\_\_\_\_\_\_ (hereafter, “the project”) in a Design and Build contract (“D and C”) under the Contractor sole responsibility (hereafter, “the Contractor”).

To prepare the design and Build works implemented by the Contract, the Government also intends to contract services of a Consulting Company (hereafter, the Consultant”) to render supervision services and all of which are detailed in these terms of reference.

The Government, through the executing agency, \_\_\_\_\_\_\_\_\_\_ shall require the Consultant to render all the technical support services that may be deemed relevant to supervise a public works design and Build sole responsibility contract.

In public works contracts (highways, drinking water and sanitation or infrastructure and urban equipment), unlike the turn-key type of contracts of and industrial nature and a plant supply and installation , there are plenty of variables of environmental, social, community and safety and health in the workplace risks as well as unexpected expenses and contingencies that may generate cost overruns in a contract – which in itself – given the sole responsibility and lump sum nature – usually is more expensive than an *ad-measurement* construction contract for an identical project with the design provided by the Employer.

The detailed description of the specific consulting services for the public works design and Build contract supervision are outlined in these Terms of Reference (“TOR”).

## 1.2 Selection Criteria

The Consultant selected to carry out Supervision Consulting must have vast *general* *experience* in public works construction supervision.

The Consultant shall have *specific experience* participating in design and Build type turn-key or EPC project supervision and implementation.

Moreover, the consultant must have acted as an *“Engineer”* or *assistant Engineer”* in the implementation of Contracts under FIDIC Red/Pink or Yellow Contract General Conditions and/or assisted the Employer Representative with FIDIC Gold (DBO) or Silver (EPC) contracts governed by General Conditions or other internationally recognized design and Build contracts.

## 1.3 Project Description

The Project consists of design and Build of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .

*[If it is a highway: The length of the entire Project is, approximately \_\_\_\_\_\_ km including \_\_\_\_\_\_\_ municipal highways.]*

*[If it is a building or a complex of social infrastructure buildings, the surface area of the entire project is, approximately \_\_\_\_\_\_\_m2 and includes the installation of the following equipment: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]*

*[If it is a drinking water system: The primary water pipelines approximately are \_\_\_\_\_\_\_ lineal mand include the catchment system at the source, a 75 m3 storage tank, two incline-break tanks, approximately 1,000 home connections with water meters and the installation for the following equipment: \_\_\_\_\_\_\_\_\_\_\_\_\_]*

The Project general objective is to improve \_\_\_\_\_\_\_\_\_\_\_\_\_\_ and facilitate economic growth and improve the country standard of living.

The Project shall be beneficial in the following manner:

1. Improve the socio-economic conditions \_\_\_\_\_\_\_ and the whole country;
2. *[In case of road works: The Project highway shall connect \_\_\_\_\_\_\_\_ and promote tourism, agricultural products transportation and shall link the region to the port of \_\_\_\_\_\_\_\_*
3. *Reduce travel time, and maintenance and operation costs of the vehicle fleet.*
4. *As a part of the Transportation Corridor, the project \_\_\_\_\_\_\_\_, shall strengthen and promote trade between \_\_\_\_\_\_\_\_\_\_\_\_.*
5. *Strengthen connectivity in the country, between the three principal regional transportation corridors: \_\_\_\_\_\_\_\_\_\_]*
6. *[In case of social infrastructure Works: Installations shall contribute to improve medium and technical-professional education quality for 2,500 students]*
7. *[In case of drinking water works: The primary networks and home connections would benefit 4,000 inhabitants in the Project area improving neighbors’ standard of living and health.]*

The scope of lump sum works to be designed and built by the Contractor selected by the Employer consists of the following:

1. *[In case of road works: Highway Engineering Design and Build \_\_\_\_\_\_\_\_;*
2. *Bridges Design and Engineering: \_\_\_\_\_\_\_\_\_\_\_\_\_\_;*
3. *Rehabilitation and expansion design of four lanes of the municipal road \_\_\_\_\_\_\_\_\_*
4. *Design and Build \_\_\_\_\_ bridges*

*Moreover, the scope of works shall include the construction of drainage structures, embankments, pavement layers and urban roads to improve access, mobility and user safety in the project highways.]*

1. *[In case of infrastructure works: Engineering design and Build of five educational buildings and workshops in: \_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*Moreover, the scope of works shall include the construction of sewage structures, parking lots, accesses, fences, electromechanical and sanitary installations according to codes and national standards of the National Institute of Technical Education.]*

1. *[In case of drinking water works: Engineering design and Build for water catchment, daily storage, primary network and distribution, measuring and control system of a water system in the communities: \_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*In addition, the scope of works includes the construction of 500 septic tanks according to national codes and standards of the National Institute of Rural Water.]*

## 2. Supervision Services for Design and Build Contracts

## 2.1 Consulting Services

Required Consulting Services are devised to achieve the key objectives in the Project implementation.

1. According to the highest professional standards, the Consultant shall fully perform the role of delegated authority given by the Employer Representative to supervise the design and Build of works and make sure they are implemented according to agreed Specifications and Contract Conditions, and according to any amendment to it and also make sure that to the extent that it is reasonably possible, the Works are implemented within the agreed Contract Price and Timeline or any agreed modification.
2. The Consultant shall have to advise the Employer on significant matters related to the contract administration, instructions, / variations and unlimited determinations.

## 2.2 Scope of services

*[In the case of works without O&M: The Consultant shall be named “Assistant Engineer”* *and shall provide services based on* *FIDIC Yellow (Design and Build) Contract Conditions, including, but not limited to the following:]*

*[In the case of works with O&M: The Consultant shall be named “Assistant Employer Representative” and shall provide services based on FIDIC Gold (DBO) Design and Build Contract Conditions, including, but not limited to the following:]*

1. During the Contractor detailed engineering design preparation phase
2. The Consultant shall prepare a baseline socioeconomic study of the project road map with the purpose of demonstrating how the improvements *[the highway or social infrastructure]* shall affect the social and economic development aspects. The socioeconomic data shall be used as a point of comparison to evaluate the positive (and negative) development impacts *[road or social infrastructure]*.
3. Collect data relative to socioeconomic conditions *[along the highway or the social infrastructure area of influence]* of the project before start- up, during implementation, and two years after completion.
4. Establish the socioeconomic conditions and the population behavior prior to the works.
5. Follow up and periodic evaluation in the middle and the end of the socioeconomic conditions after the Project to determine progress in achieving the desired results.
6. Review and submit for the approval of the Employer the engineering designs prepared by the Contractor, the reports of surveying materials *[pavement design report], [structural report],* hydrological report, ‘As-Built blueprints” , project completion reports, land acquisition plans and regularization of access rights, easements, or concessions.
7. Extend necessary orientation to prepare (i) an information system for the project documents; and (ii) a project follow-up and monitoring system.
8. Examine and review all blueprints, procedures, documents and designs presented or requested by the Contractor. These include the blueprints, designs and requirements needed for approval of the regulatory entities and all the technical documents and aspects relevant to the Project.
9. Review and revise the detailed Project engineering designs to insure compliance with Environmental Impact Evaluation (EIE) requirements.
10. During the Build phase
11. Be stationed in the site offices under the contract with the partner personnel to supervise full time the Project construction, setting-up and start-up.
12. Establish a system acceptable to the Employer manage projects including the system to manage documents and the system administration. The Consultant shall have to set up an internal acceptable quality management plan.
13. Review all documents submitted by the Contractor with regard to planning, programming and progress made during the project implementation period.
14. Act on behalf of the Employer within the scope of the delegated authority to perform duties, including project management and duties related to Clause 3.3, Contract Conditions, Yellow FIDIC in the Project implementation.
15. Prepare and submit monthly and quarterly progress reports.
16. Supervise and make sure that the construction works are built according to the Contract and fall within the contract amount and timeline.
17. From the site, issue instructions to the Contractor, on behalf of the Employer and take on the supervision of all public works, structural and related works aspects, trials during the inclusion in the works, start-up and assist the Employer during the operational trials and the temporary acceptance.
18. Review, evaluate and approve statements of the construction and additional work methods of the Contractor site, according to technical and environmental requirements.
19. Monitor the Project in all its stages and take the appropriate remedial measures.
20. Provide the Employer precise and timely information on the various project aspects including the work calendar, design, cost implications and problem solving.
21. Provide technical assistance during *[Works Defects Notification Period]*
22. Organize and conduct periodical and special meetings to support contracts management.
23. Review and revise monthly progress and final reports before submitting them to the Employer.
24. Review and revise the Contractor program to insure works completion within the completion period.
25. Consider and confirm the intermediate and final payments of the Contractor.
26. Determinations
27. Maintain records of contract claims if any, by the Contractor.
28. Assist the Employer regarding contract matters with the Contractor (guarantees, bonds, insurance, claims, etc.)
29. Evaluate contract claims and send recommendations to the Employer for determinations.
30. Quality management
31. Evaluate and approve the Contractor Quality Control and Quality Assurance Plans. The quality management system should abide by standard ISO 9001: 2001, or another international recognized standard acceptable to the Consultant which shall cover all contract stages, including the design, Contractor’s procurement, implementation, internal supervision, construction, completion, trials, start-up and activities during the Defects Period of Notification.
32. Inspection and trial at the manufacturing site and monitor delivery according to the Employer Requirements, if applicable.
33. Carry out or give evidence as the Contract requires, of all trials related to materials and labor force performed by the Contractor at the site as well as away from the site to assure the Employer of the services, materials and labor adjusted to the specifications notifying the Contractor and Employer immediately about rejections of any element due to nonperformance, which must be followed by details in writing.
34. The Consultant shall have to maintain files/records containing all trial data which shall be available for review every day.
35. The Consultant shall have to prepare Take Over Certificate and other Acceptance Certificates as defined in the Contract, subject to the prior approval of the Employer.
36. The Consultant shall have to approve the Contractor start-up and trial procedures including performance trials to confirm the guarantees. The trial procedures shall have to meet international accepted standards.
37. Be assured that the quality control and engineering standards are maintained constantly throughout the life of the project and kept within the timeline and cost. Supervise and guarantee that all trials are done in accordance to approved procedures.
38. Revise and monitor quality control, health and safety for the Project procedures / manuals.
39. Supervise final acceptance trials and the trials for infrastructure operations and certify the final acceptance trial reports prepared by the Contractor.
40. Attend the services start-up trials and acceptance together with the Employer and present a detailed completion report to the Employer.
41. The Employer transfer of technology and personnel training

1. The Employer shall assign its engineers and other key personnel as counterparts to work with the Consultant and Contractor teams. The Employer officials shall work closely with the Consultant in the design review work, construction and other phases to benefit from the transfer of technology opportunity.
2. This Counterpart Staff shall work under the Consultant’s supervision and management. However, administrative and payments to the Counterpart Personnel are the responsibility of the Employer.
3. Environmental and Social Management Aspects
4. The Consultant shall be responsible of the following aspects of the project’s Environmental and Social Management *[road / aqueduct / work*:
5. Insure that the environmental and social mitigation measures planned in the Environmental and Social Impact (EIA) study report and the environmental license are implemented and completed by the Contractor during the Contract Project Period
6. Establish and report on the environmental, social and safety and health in the workplace and monitoring procedures
7. Assist the Employer with land purchases, easements, Access rights and the implementation of a Resettlement Action Plan (RAP), if appropriate.
8. Insure that the design and Build works are performed according to the country’s Environmental Standards, including social orientation and resettlement.
9. Consultant Reports
10. Initial Report

An initial report shall have to be submitted within four (4) weeks from the beginning on the Consulting services. The report shall include proposals about the way to achieve the Objectives and Scope of the services.

1. Project implementation calendar

The Consultant shall prepare an implementation program considering the Contractor’s Work Program as basis. This implementation timeline shall be submitted along the Initial Report. So that the Project may be implemented without problems, the particular milestones to achieve need to be highlighted.

1. Special Reports

The Consultant shall have to prepare design audits or design review memorandum as required during the implementation phase, depending on the needs to address *specific issues* related to the Contractor’s design.

1. Comments on design review

The Consultant shall prepare design review reports as required during the implementation phase, depending on the needs to address the *Employer* *specific requirements* related to the Contractor’s design.

1. Monthly progress reports

The Consultant shall have to submit to the Employer progress reports each month, directed to the Employer Representative within 7 days after the end of the reporting month. The report shall cover the following issues:

1. Status reports of the design, plant, contractor equipment services and the staff mobilization status, construction progress until the works take over.
2. Various Consultant team staff member participation in the projects and use of months-man.
3. Description of delays and measures to be taken to overcome the difficulties.
4. Any other aspect of the Project considered necessary by the Employer.
5. Quarterly Progress Reports
6. The Consultant shall submit to the Employer quarterly progress reports that shall have to be presented to Government control entities, if appropriate. e.
7. A chronological list of the project significant events.
8. A concise summary of the main issues highlighted in the report.
9. Actions about topics, including a list of the Project significant elements requiring resolution from the Employer, the Contractor, the Consultant or the national or sectoral authorities.
10. Inspection Reports

For each trial, on the month the inspection is carried out the Consultant shall submit a formal inspection report including details of each inspection / trial performed

1. Reference Socioeconomic Report

The Consultant shall prepare the initial, preliminary and final socioeconomic reports.

The Consultant shall prepare a project midterm evaluation report or when the Employer indicates following the IADB Standards.

The report shall include a review of the baseline indicators, identify any deviation and shall make recommendations to insure achieving the desired impacts.

The Consultant shall prepare an evaluation report after the construction is complete *[highway / waterworks or sanitation / social infrastructure].* The report shall evaluate a project impact comparing baseline indicators to data collected one year after completing the project.

Reports shall have to be submitted as draft copies for approval of the Employer and the Consultant shall have to include the Employer and Bank viewpoints if appropriate, in the report final version.

1. Site Inspection Report

The Consultant shall prepare and submit site inspection reports for key activities as defined during the inspection implementation phase. Documents related and / or comments of the results or suggested remedial actions (if considered necessary) shall also be included.

1. Costs

The Consultant shall monitor and review the Project costs and expenses, and shall prepare periodic statements in close coordination with the relevant divisions of the Employer. The following are the main activities:

1. Regular review of the Project costs status and programmed payments compared to real progress;
2. Regular preparation and update of the payment schedule.
3. Review the total project cash flow, set up an early warning system and prepare projections to perform the follow-up of unfavorable cost trends for each activity, prepare action plans and advise the Employer.
4. Prepare “S” curve representing cost and the timeline, reports of programmed works cost, completed works real cost, and the budgetary cost of finished works, cost variation;
5. Cooperate with the Employer financial units regarding IADB financing disbursement requests.
6. Update of the Consultants Assignment Plan

The Consultant shall prepare and submit an updated consulting schedule as necessary as a result of status change, Project conditions according to the Project progress. For example, inspectors going into the electromechanical installations, if appropriate.

1. Start-Up

In consultation with the Employer, the Consultant shall review and approve the relevant completion reports of trial results, including the particular work sections that were submitted by the Contractor. These reports shall include all the trials results performed before and after Completion.

The approval of completion reports shall be a precondition to issue and Assistance and Trials Certificate after termination.

1. Final inspection report, list of pending work and minor defects with trials results

The Consultant final inspection report shall have to address the works elements status at the time the Employer takes over possession. Minor works pending, defects, failures, deficiencies must be collected and listed. The report must highlight potential remedial actions to be taken by the Contractor when necessary, including the remedial timeline for the Contractor.

1. Operation and Maintenance Manuals

In consultation with the Employer, the Consultant shall review and approve the Operation and Maintenance Manuals procedures presented by the Contractor within four (4) weeks before commencing services.

In addition, the Consultant shall prepare and submit a Reference Manual for the Project Biding the Consultant recommendations with cross references of the related documents along the approved Operation and Maintenance Manual.

1. Acceptance Certificate

The Acceptance Certificate shall be prepared and issued by the Consultant after consulting the Employer after successful works completion, as long the Consultant is convinced that the defects or deficiencies have been successfully rectified. The Issuance of the Acceptance Certificate shall be subjected to whether:

1. The Contractor has delivered the Operation and Maintenance Manuals along the blueprints and documents given to the Employer as outlined in the design and construction contract;
2. No significant deficiencies are found, and the minor deficiencies shown in the defects list are cleared by the Consultant;
3. The specified elements to be submitted to the Employer have been delivered.
4. The Plant Performance Evaluation or Output Reports

The Consultant shall witness the trials of the works/equipment performance carried out during the Trial after Completion. The Consultant shall analyze, evaluate and approve the final performance trials with the Employer concurrence.

The analysis, results and conclusions, along the recommendations shall be collected in a performance evaluation report and submitted to the

1. Environmental, social and safety and health measurements in the workplace

The Consultant shall have to review and approve complete and concise Environmental, Social, Safety and Health in the workplace Management Strategy and (ESSH-GEPI) Implementation Plans to be submitted by the Works Contractor to the Employer. These strategies and plans shall describe in detail actions, materials, equipment, management procedures, etc. that shall be implemented by the Contractor and his/her subcontractors in the works execution.

When the Contractor develops these strategies and plans there shall be consideration of the Contract Design and Construction (ESSH) stipulations, including the following described in more details:

*1. [The Employer Requirements described in Section VII];*

*2. [Environmental and Social Impact Evaluation (ESIE)]*

*3. [Environmental and Social Management Plan (PGAS~~)~~];*

*4. [Resettlement Action Plan (RAP)];*

*5. [Consent Conditions (conditions of the regulatory agency related to any permit or approval for the Project); and*

*6. [specify any other relevant document]*

The Consultant must verify that the Contractor employs the services of an environmental, social, health and safety expert appropriately qualified to supervise the project’s ESSH specifications.

At a minimum, the consultant must make sure that the Contractor holds a works implementing policy to include matters on environmental, health and occupational and safety and community, gender, equality, child protection, vulnerable persons (including persons with disabilities), gender violence (GV), AIDS awareness and prevention and a wide commitments of parties interested in planning, programs and activities processes of those involved in the Works implementation and address: climate adaptation, land acquisition and resettlement, indigenous peoples, etc.

At a minimum, the policy must be based on the following commitments:

*1. apply best industrial international practices to protect and preserve the natural environment and minimize inevitable impacts;*

*2. provide and maintain a sound and safe working environment and secure working procedures;*

*3. protect the health and safety of local communities and users, with special concern of the handicapped, the elderly or vulnerable;*

*4. insure that employment and working conditions of all workers in the Projects abide by the ILO labor agreement requirements to which the host country is a signatory;*

*5. being intolerant and apply disciplinary measures against illegal activities. Be intolerant and apply disciplinary measures to gender violence, child sacrifices, child abuse and sexual harassment;*

*6. include a gender perspective and create a favorable environment for women and men to enjoy and benefit from equal opportunity to participate in the Projects planning and implementation;*

*7. work in cooperation, including final Works users, the relevant authorities, the contractors and local communities;*

*8. be involved and listen to affected people and organizations and respond to their concerns paying special attention to vulnerable person, with disabilities and the elderly;*

*9. provide an environment to promote the exchange of information, opinions and ideas without fear of reprisals;*

*10. reduce HIV contagion risks and mitigate the effects of AIDS/HIV associated with the works implementation.*

1. The Contractor Performance Certificate

After the final inspection meeting and acceptance, the Consultant shall prepare the Contractor Performance Certificate with the Employer’s approval to be issued after the Contract expires. The Employer shall deliver the Permanent Certificate to the Contractor when he/she requests it after the Defects Notification Period expires.

1. Final Payment Certificate

The Consultant shall prepare a statement in writing, to be signed by both parties, the Employer and the Contract to fulfill both parties

Financial obligations. This final payment certificate shall be prepared and issued according to all the relevant clauses of the Contract Conditions.

## 3. Project Management, Contract Framework and Responsibilities

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1. The Employer for Consulting services and for design and construction works is the same: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. The Employer shall designate a Employer Representative for the Design and Build Contract who shall carry out the duties established in the contract conditions: [*If Yellow FIDIC is used, it would be the Engineer; if Gold FIDIC is used, that would be the Employer Representative]* \_\_\_\_\_\_\_\_\_\_\_\_
3. The Consultant selected for supervising works shall be the Assistant Representative of the Employer of the Works Design and Build Contract.
4. The Employer Representative may delegate some of the responsibility to implement the contract to the Employer Assistant Representative within the contract conditions framework.
5. The responsibilities held by the Employer Representative regarding the Works Design and Build Contract shall include all legal and financial matters resulting from the use of temporary amounts, daywork, modification orders, claims and third party disputes related to the land holdings, damages caused to commercial or government interests and other similar in nature. The Employer Representative shall also keep responsibilities over the project budget, and the administration of financial allocations to the contracts as well as entering into other related contracts and issuing start-up instructions, suspension, termination and variations.
6. The Employer Representative shall be able to designate a Project Engineer who shall facilitate decision making in matters related to supervision and works contracts not covered by the delegations of powers to the Consultant or that may require a decision by Employer Representative beyond the Consultant’s obligations under these Terms of Reference.
7. The Project Engineer shall be the daily contact person of the Consultant with the *[sectorial authority/ Ministry/Implementing Agency, etc.]*
8. The Consultant shall keep the Project Engineer informed of all the development details in the site. The Project Engineer shall visit the site regularly and attend to all meetings at the Works site when the Employer Representative presence is required.
9. The Consultant shall count on a Project Director and a Resident Engineer. The Consultant’s Resident Engineer and several of his co-workers always shall be present at the design and Works execution sites, and if appropriate, shall organize visits to the Plant.
10. The Consultant shall make sure that the Contractor design and Build in contract implementation provides an ethics code of conduct and shall make certain that the Contractor does not incur in Prohibited Practices and applies the ethical standards vis-à-vis the staff and sub-contractors.
11. The Consultant shall have to assure the Design and Build Contractor is aware, understands and applies the environmental protection standards, treat the community with social concern in the areas of influence and safety and health in the works as is established in the applicable legislation and the contract Conditions.

## 4. Implementation, resources and calendar

1. Project Location

*[The road starts in: \_\_\_\_\_\_\_ and ends in \_\_\_\_\_\_\_\_\_\_]*

*[The aqueduct begins in: \_\_\_\_\_\_\_\_\_\_\_ and ends in \_\_\_\_\_\_\_\_\_\_\_]*

*[The infrastructure works are located in: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]*

1. Consultant contract period

The contract term shall be *[48]* months, including:

1. Phase I: projects supervision – *[36]* months
2. Phase II: *[12]* months (Period for Defects Responsibility)

1. The Consultant shall provide the following personnel necessary to perform the functions described before:

| *No* | *Key Personnel* | *Person-month* | |
| --- | --- | --- | --- |
| *Design and Build phase* | *Responsability for*  *Defects* |
|  | *Project Director/Manager* | *5* | *2* |
|  | *Resident Engineer* | *36* | *4* |
|  | *Engineer [roads, wáter, infrastructure]* | *36* | *0* |
|  | *Materials engineer* | *36* | *4* |
|  | *Structural engineer [sanitation, drainage, soils]* | *15* | *0* |
|  | *Economist* | *6* | *0* |
|  | *Senior Land Surveyor* | *36* | *4* |
|  | *Materials Technologist* | *36* | *4* |
|  | *Inspector [roads, waterways, schools* | *108* | *12* |
|  | *Environmental specialist* | *15* | *0* |
|  | *Architect* | *3* | *0* |
|  | *Electrical engineer* | *3* | *0* |
|  | *Mechanical engineer* | *3* | *0* |
|  | *Sociologist* | *10* | *0* |
|  | *Total* | *348* | *30* |

1. The Contractor Design and Build contract shall provide support only to the Resident Engineer in the categories of miscellaneous workers, surveyor assistants and messengers /office clerks.
2. Compensation for all support personnel such as survey assistants, laboratory technicians and secretarial staff, and any other necessary expense for the proper functioning of the site oversight or support shall be taken into account under the personnel rates shown in the list above and shall not be paid separately.

1. Key profiles of experts to be provided by the Consultant for this contract are as follows:

Project Director Manager (consultant)

Must hold a Masters in civil engineering and registered in the country to practice engineering. Minimum 15 years general professional practical experience. Must have ample experience in construction works contracts management in *[roads, aqueducts, buildings]*, and Contractor claims evaluation for at least 10 years and more specifically, have recently served as Project Director in at least two works construction contracts of comparable size. Knowledge of FIDIC contract procedures is mandatory.

Resident Engineer

Must hold a civil Engineering degree and be registered to practice engineering in the country. A Masters title shall be considered an added advantage. Minimum 15 years professional practice experience. Must have ample experience in design works contract management *[highways, aqueducts, buildings]* and Contractor claims evaluation for at least 10 years, and more specifically, have recently served as resident engineer in at least one construction contract of comparable size. The Resident Engineer must demonstrate knowledge of FIDIC, specifically FIDIC Design and Build Contracts.

*[Road/Waterways or Aqueducts/Buildings]* Engineer

Must hold a civil Engineering degree or equivalent and be registered to practice engineering in the country. A Masters title shall be considered as an added advantage. Minimum 10 years practical experience in projects [*roads/aqueducts/infrastructure].* Must have 10 years cumulative relevant experience in design and Build *[main line highways/sewage works/ public buildings]* and have successfully completed at least 3 projects in similar capacity and similar size and complexity during the last 10 years.

Materials Engineer

Must hold a civil Engineering degree or equivalent and be registered to practice engineering in the country. A Masters title shall be considered as an added advantage. Minimum 10 years practical experience in projects *[roads/aqueducts/public infrastructure]* Must have 8 years relevant experience in soils and sampling materials and trials in large construction contracts *[highways/aqueducts/buildings].* Experience in materials trials *[bituminous / pipes / concretes]* and quality control systems is mandatory.

Structural Engineer *[Sanitation / Sewage]*

Must hold a Civil Engineering degree or equivalent and be registered to practice engineering in the country. A Masters title shall be considered an added advantage.

Minimum 10 years practical experience. At least 8 years of experience in structural analysis *[and design and Build of bridges, drainage structures for minor highways including urban sewage systems / aqueduct and sewage networks design, buildings structural calculations and anti-seismic code].* Must be knowledgeable with the latest computer assisted design applications.

Economist

Must hold a Masters in applied economics *[transportation/water sanitation / infrastructure]*. Minimum 10 years practical experience. Must have a minimum 8 years of ample experience in Projects Management, Projects Evaluation and Follow Up and Economic and Social Evaluation.

Senior Land Surveyor

Must have a college degree or equivalent in surveying and photogrammetry or a related field and must be registered to practice the profession in the country. A Masters title shall be considered as an added advantage. Minimum 10 years practical experience.

Must have served in a similar capacity at least in three projects *[highway of similar size and complexity / aqueducts / urbanizations].* Must become familiar with the latest electronic surveyor equipment including GPS, Total Stations and associated computer applications.

Materiel Technologist

Must have a degree in civil engineering or materiel engineering.

Minimum 8 years practical experience in projects *[highways/welding, pipes, watertightness sealing/walls, embankments, metal trusses, slabs, electromechanical systems]* Must be experienced in *[soil sampling and materials and trials for large highway construction contracts, particular experience with laboratory trials of stabilized mixes, bituminous mixes and surface finishing is essential / concrete pipeline mixes trials / resilience, paints, mortar, electric materials]*

Senior Inspector

Must hold a construction engineering or civil engineering degree. Minimum experience: 8 years. Must be experienced in onsite inspections and works measurements in large construction contracts *[highways/ water and sanitation works / buildings]*. Familiarity with electronic measuring equipment and a non-destructive trials shall be considered an advantage.

Environmental Expert

Must have a Bachelor degree in Environmental Management or a related field and must be registered as Principal Expert in the country. Minimum ten (10) years of practical experience after environmental studies qualification for infrastructure projects. Must have minimum 5 years of working experience in environmental management well appraised in environmental matters, initiatives and implementation of mitigation measures in construction *[bridges and road works / urban projects /rural projects].*

Architect

Must hold a University Bachelor BA (Architecture) or equivalent and be registered to practice architecture in the country. A Masters title shall be considered as an added advantage. A minimum 5 year practical experiences in constructions.

Must have 10 years cumulative experience in construction projects supervision and construction and have successfully completed at least 3 projects of same size and complexity in a similar capacity in the last 10 years.

Electrical Engineer

Must hold a university degree *(BSc - Electrical Engineering)* or equivalent and be registered to practice electrical engineering in the country. A Masters title shall be considered as an added advantage. Must have ample experience in planning, design and electrical construction works in construction projects for a minimum of five (5) years. Must have a minimum five (5) year experience as an Electrical Engineer for construction works of comparable sizes.

Familiarity with FIDIC contracts is desirable.

Mechanical Engineer

Must hold a university title *(BSc – Mechanical Engineering)* or equivalent and be registered to practice mechanical engineering in the country. A Masters title shall be considered as an added advantage. Must have a minimum (5) years ample experience in planning, mechanical works design and construction projects. Must have minimum five (5) years of experience as a Mechanical Engineer in construction works of comparable size.

Sociologist

The expert must be qualified and hold a title in gender / social sciences management or a related field. Must have a minimum of ten (10) years practical experience in development work with social and gender components including design and/or management, social impact evaluation and mitigation measures of infrastructure projects and programs. The expert must know the area and the local population which shall be affected by the project.

## 5. Work Program

1. The Consultant shall propose a schedule of activities and the corresponding layout of professional personnel, thus guaranteeing that all the duties commissioned shall be implemented appropriately. This schedule along a complete statement to justify the layout proposed shall be included in the work methodology explanations.

## 6. Installations provided by the Employer

1. Under the term and conditions of the Works Design and Build Contract, the Contractor shall have to provide the Consultant the following free of charge:
2. An Office at the site totally furnished and equipped.
3. A Laboratory at the site fully equipped.
4. Housing- Furnished -Housing,
5. Land Transportation, vehicles for supervision, and
6. Other installations on location, studies equipment and drafting office, computers and necessary services to perform services, including office consumables and office expenses.
7. The Consultant shall have the responsibility to supervise project supplies, provisions and maintenance of buildings, furniture, equipment and vehicles provided by the Contractor according to the project contract, entrusted to him and shall have to pay for water services, communications, internet, electricity and installation security.
8. The Consultant shall make sure that the articles marked to be returned to the Employer after the Works Design and Build Contract is complete are formally delivered in good conditions as soon as they are no longer required for the Project Contract.

## 7. Monitoring and Evaluation

1. In his/her Technical Proposal (Organization and Methodology), the Consultant shall propose key relevant indicators to monitor progress, results, activities and other Project assumptions and demonstrate how oversight shall take place.
2. At a minimum, the Consultant shall regularly review the physical work progress in terms of *[the number of highway construction kilometers / main pipeline and secondary and works meters / construction m2]* and shall be complete various levels, in accordance with the blueprints and specifications associated with the work program approved by the Contractor and the cash flow projections and labor force resources.
3. The Consultant shall have to review regularly the Contractor’s performance status of the (ESSH) environmental, social and safety and occupational health obligations.
4. The Consultant shall evaluate periodically this information in the Progress Reports and Meetings at the Site and shall discuss these with the Contractor and the Project Engineer.
5. Reviews and evaluations: projects reviews and the evaluation of applying follow up indicators shall be submitted along the regular progress reports and the final completion project report shall include a general evaluation.

1. (i) The “daywork listing” is usually included in contracts not covering the possibility of unexpected work with definitive descriptions and in approximate quantities in the list for quantities. The preferred alternative is to estimate additional work. The daily work listings are usually in disadvantage because they are not competitive among Bidders who tend to increase rates for all or some of the line items. Should a daywork list be included in the bidding documents, it is best to include nominal quantities for the line items that would probably be mostly used and include these in the total amount of the Bid summary so that the daywork basic rates are more competitive.

   (ii) The competitive total amount assigned for daily Jobs generally runs between 3% and 5% of the estimated contract base price and is a temporary amount to cover contingencies disbursed at the request and judgement of the engineer. *No limits* are to be placed on the quantities, and the rate per unit quoted must be unchanging, regardless the quantity of work requested. [↑](#footnote-ref-1)
2. This method to indicate profits and general expenses separately facilitates the addition of additional daily work line items, if appropriate, given that respective basic costs are easier to verify. Another option is to include general costs, profits, etc. of the Contractor in the daily work rates, which means that this paragraph and the respective annex when appropriate, will have to be modified. [↑](#footnote-ref-2)
3. Bidders will indicate the percentage in the equivalent of a current foreign currency required for payment, as well as the Exchange rates and the official sources used. [↑](#footnote-ref-3)
4. Bidders will have to indicate the percentage in the equivalent of only one foreign currency, as well as the Exchange rates and the official sources used. [↑](#footnote-ref-4)
5. This paragraph is an example of the type of text that may be used to include general expenses, profits, etc. for daywork rates. An additional percentage could be added for labor force and materials. [↑](#footnote-ref-5)
6. Another option, many times chosen because of administrative convenience, is to include the cost of drivers, operators and assistance under contractor basic equipment rates. If appropriate to this end, the last sentence of paragraph 5 should be modified. [↑](#footnote-ref-6)
7. The Bidder will have to indicate the percentage in the equivalent of a sole foreign currency, as well as the Exchange rates and the official sources used. [↑](#footnote-ref-7)
8. The ad-measurement procedure will have to be explained in the preamble of the list of quantities in details, for example, breaking down amounts designated for forest clearing (if applicable) during digging, etc. Several standard reference guides on the subject have been prepared, i.e., *Standard Method of Measurement* of the *U.K. Institution of Civil Engineers*. [↑](#footnote-ref-8)
9. The example provided illustrates one of two alternative methods to prepare a list of quantities in which rates and prices are quoted only in local currency and Bidders separately indicate their percentage needs regarding various foreign currencies along their respective amounts. The second method consists of breaking down rates and prices for each item in local and foreign components. The first procedure is administratively easier and subsequently, it is the one normally used more frequently in works. [↑](#footnote-ref-9)