

**KWAME NKURUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,  
KUMASI  
PROCEDURES/GUIDELINES FOR AWARD OF CONTRACTS BY THE  
UNIVERSITY TENDER BOARD**

The University Council, at its 179<sup>th</sup> meeting held in the Council Chamber on October 31, 2003, approved the following procedures/guidelines for the award of contracts by the University Tender Board.

**1. RESPONSIVENESS**

The responsiveness criterion is the prerequisite for the consideration of each tender. Any tender that is unable to satisfy any of the requirements listed under this criterion shall not be eligible for consideration. Bids shall be declared responsive if each bid;

- a. has been signed;
- b. is accompanied by the required security, where requested
- c. is accompanied by authentic and valid certificate of;
  - i. incorporation;
  - ii. Internal Revenue (Tax Clearance);
  - iii. Social Security and National Insurance Trust (SSNIT);
  - iv. Ministry of Works & Housing Classification and
  - v. Labour Department.

Tenders that satisfy all the requirements will then be selected along the remaining criteria based upon the following percentage point system:

1. Bid Price	50%
2. Previous Experience	17%
3. Financial Standing	15%
4. Time Frame for Completion of Job	12%
5. Accuracy of Format/Submission	<u>6%</u>
	<u>100%</u>

For the avoidance of doubt the criteria are further defined/amplified as follows:

**1. BID PRICE:** This is the bona fide price submitted by the bidder and for which the bidder offers to undertake the job under consideration. Bids shall be corrected with the concurrence of the bidder. The agreed bid price shall be used in the evaluation process.

**2. PREVIOUS EXPERIENCE**

A bidder should show evidence of his previous experience in the construction of at least two works of a nature and complexity equivalent to the proposed works over the last five (5) years. (Work cited should be at least 70% complete).

Points under this criterion shall be awarded as follows:

a. previous experience with KNUST	5%
b. previous experience outside KNUST	<u>12%</u>
	<u>17%</u>

Bidders may cite three (3) projects of the same size, complexity and value comparable to the new project under consideration. Each project completed will attract four (4) marks.

### **3. FINANCIAL STANDING**

Evidence of adequacy of working capital for the contract (access to line(s) of credit and availability of other authentic financial sources including authority to seek reference from the bidder's bankers. (The University shall not provide funds for mobilization). Points under this criterion shall be awarded as follows:

a. credit source (Banks/Recognised Financial Institutions)	- 10%
b. Ability to pre-finance the project	<u>- 5%</u>
	<u>15%</u>

### **4. TIME FRAME FOR COMPLETION OF JOB**

This is the period within which the successful bidder or contractor executes the works starting from mobilization of resources to do actual works up to the completion and the handing over of the project.

Full marks (100%) for the time frame for completion will be scored if the time for completion as quoted in the tender is  $\pm 10\%$  of the time frame agreed by the Tender Board and as advised by its Technical Committee or else pro-rated. If the estimated time frame for completion by the tenderer is  $\pm 25\%$  he shall be awarded 50% marks.

(i) $\pm 10\%$ of estimated time frame for completion	- 100%
(ii) $\pm 25\%$ of estimated time frame for completion	- 50%
(iii) Outside (i) and (ii) above	- 0%

### **5. ACCURACY OF FORMAT/SUBMISSION**

Consideration shall be given to consistency of pricing, clarity of insertions and the reasonable distribution of the bid price over various work sections. Points under this criterion will be awarded as follows:

a. consistency	2%
b. reliability/accuracy	2%
c. clarity	<u>2%</u>
	<u>6%</u>

### **EVALUATION PROCESS**

Whilst criteria 2 to 6 (Technical criteria) may not require any calculation, allocation of points to various bids require some form of proportion, using the Consultants figure as a basis. The process is established as follows:

## STEP I

The first step is to establish limits within which bids should fall. The essence is to ensure that the successful bidder is the one whose bid is both fair to the client and also adequate for execution of the works. Bidders whose bids fall within these limits and also responsive to the requirements of the bidding process (item 5) shall be considered for further evaluation.

The limits are:

Lower limit - 10% below Consultants estimate

Upper limit - 10% above Consultants estimate

If the Consultants estimate is represented by  $E_s$  and the corrected bids for Contractors A, B, C, and D are represented by  $E_A$ ,  $E_B$ ,  $E_C$ ,  $E_D$ , respectively then the equation for establishing the position of A, for instance is given by

$\frac{E_s - E_A}{E} \times 100$ . Figures for

E

Contractors B, C, and D could be inserted to get their positions.

## STEP 2

If E is the total corrected bid of the lowest Bidder A, then the financial score,  $S_f$  of A is 50% and the scores  $S_f$ ,  $S_f$ ,  $S_f$  of B, C and D respectively are

$$S_{fB} = \frac{E_A}{E_B} \times 50, S_{fC} = \frac{E_A}{E_C} \times 50, S_{fD} = \frac{E_A}{E_D} \times 50$$

In a situation where all the bids fall outside the range, the lowest bid shall still be allocated the highest score of 50%.

## TOTAL SCORE/AWARD

The total scores of the various bidders shall be a simple addition of the financial and technical scores established from the information given by the bidders. The bidder with the highest score shall be considered for the award of the contract.

## EXAMPLE

Using hypothetical figures, and going through the procedures, the results are as tabulated below.

In this example the evaluation process favours Bidder D. C's bid was not evaluated further beyond establishing his position within  $\pm 10\%$  range of the consultant's figures, as his position of 14.8% fell above the upper limit.

**BID EVALUATION REPORT FORM  
SAMPLE**

NAME OF PROJECT

FIRM	BID PRICE		TIME (WEEKS)	PERCENTAGE DEVIATION FROM COMMITTEE ESTIMATE	BID SCORE (%)	TECHNICAL SCORE(S)					TOTAL SCORE
	SUBMITTED	CORRECTED				EXPERIENCE	FINANCIAL STANDING	TIME	RESPONSIVE NESS	ACCURACY	
A	10,500,000.0	11,000,000.00	20	0	38.18	12	10	10	10	8	88.18
B	12,500,000 .00	12,500,000.00	18	+8.70	33.60	10	10	10	10	10	83.60
C	1,300.000.00	13,200.000.00	15	+14.80	Nil	-	-	-	-	-	
D	10,000,000.00	10,500,000.00	24	-8.70	40	14	10	8	10	8	90.00
Consultant	11, 000,000.00	11,000,000.00	20	-							