

**Request for Proposals Document for Small
Consultancy Assignments Least Cost Selection
and Fixed Budget Selection for values \$7,500 to \$50,000**

All guide notes and prompts in red must be removed before issuing the document

Information for Procurement Staff

This document has been prepared for use by staff charged with the procurement of small consultancy assignments (\$7,500 to \$50,000) for the Government and is one of a suite of new tendering documents.

This guide note refers to the small Consultancy Request for Proposals which is appropriate for small simple assignments and in most cases **Least Cost Procedures or Fixed Budget Procedures** will be used.

- There is a separate detailed guide to accompany the large consultancy standard Request for Proposals.
- **Least Cost Selection**- This is used for transactions which are of a routine nature where the practices are well established. Typically, it would be appropriate for the following assignments.
 - Standard accounting Audits
 - Engineering design and supervision of simple projects
 - Repetitive operations and maintenance works
 - Simple surveys
 -
- **Selection under fixed budget (FBS)**: This method shall be used when the assignment is simple and can be precisely defined, and when the budget is fixed.

The Procedure

The procedure is close to that used for Quality Cost Based but with some marked difference.

Consultants shall normally be selected through the publication of a notice inviting expressions of interest and development of a shortlist. Details of short-listing procedures are contained in the Regulations and the Procurement Guide in detail.

The Contracting Entity shall seek expressions of interest by publishing a notice in a local newspaper of wide circulation and prepare a shortlist of 3 to 6 consulting firms, to the greatest extent feasible, comprising consultants of the same category and similar capacity and business objectives and the short-list shall be established from among those who have capacity to perform the required services, as demonstrated in their expressions of interest.

A shortlist may be developed without publication of a notice inviting expressions of interest where-

- the services are only available from a limited number of consultants;
- there is insufficient time for publication of a notice in an emergency situation; or
- the estimated value does not exceed the threshold specified in the regulations. i.e. 50,000 \$ TOP

Following development of a shortlist of 3 to 6 companies or individuals the Request for proposals document is issued only to that shortlist.

Consultants should be allowed a reasonable time in which to prepare their proposals and deliver it to the procuring entity by the latest date for submission.

- 30 days where the shortlist includes national Consultants only;
- 45 days where the shortlist includes foreign Consultants.

Where the shortlist has been developed without using expressions of Interest on the grounds of urgency the response time may be reduced to a minimum of 7 days.

Proposals are provided in two envelopes, a technical proposal and a financial proposal. The Technical Proposal is opened and evaluated.

The following table is provided to guide Contracting Entities on how to allocate the technical points to the various criteria and the **Standard points** show the usual range of points for most purposes.

	Consultant's relevant experience	Quality of Methodology Work plan	Staff qualifications	Training (optional)	Total points
Type of assignment					
Standard Points	5 to 10	20-50	30-60	Max 10 (See note 1)	100
Technical assistance/ training	5-10	20-35	50-60	0-10 (Note 1)	100
Design	5-10	30-45	40-50	0-10	100
Implementation/ supervision	5-10	20-35	50-60	0-10	100

Note 1. Where training is a particular key requirement of the TOR's this may be increased to reflect it's importance and other criteria decreased accordingly.

Those consultants who fail to achieve a predetermined minimum mark have their unopened Financial Proposals returned to them.

The Financial Proposal envelopes of those who achieved or exceeded the pre-determined qualifying mark have their financial proposals opened publicly and their technical marks are announced together with the prices contained in the financial envelope.

In the case of **Fixed Budget Selection** - The Consultant achieving the lowest price below the budget is awarded a contract subject to completion of satisfactory negotiations.

In the Case of **Least Cost Selection** - The Consultant achieving simply the lowest price is awarded a contract subject to completion of satisfactory negotiations.

The Document

The Request for Proposals includes the following sections:

- Section 1 - Letter of Invitation
- Section 2 - Instructions to Consultants
- Section 3 - Technical Proposal
- Section 4 - Financial Proposal
- Section 5 - Terms of Reference
- Section 6 – Contract
- Attachments
 - Technical Proposal Form
 - Financial Proposal Form
 - Contract Form

The Contract format contained in this document is Lump Sum which is usual for small value transactions as it is simple to administer.

There are guide notes in red print in almost every section. This guide, the covering page and notes in red should be deleted before this document is used.

In the evaluation section of this guide there are some typical points for quality. These may suffice for most small assignments where you are inviting a predetermined list of consultants however they may need to be adapted for different types of assignment.

There are guide notes or prompts for those areas that need to be completed by the procuring entity.

All guide notes and prompts in red must be removed before issuing the document

Procurement Unit staff should also consult the Manual for Contracting Units which has more detail on Procurement of Consultants Services.



REQUEST FOR PROPOSALS FOR CONSULTANTS SERVICES

**RFP Ref. [>>>>>>>>]
[Title of Consultancy]**

*State title and address of Procuring Entity
[State issue date]*

REQUEST FOR PROPOSALS

[State Title of Consultancy required]

Invitation

The Ministry of *[State Ministry]* has allocated funds for the provision of consultancy services and now invites proposals to provide the following consulting services:

[State title of Consultancy in Bold letters]

More details on the required services are provided in the Terms of Reference.

1.2 Corruption, Collusion, Fraudulent practices

Consultants should be aware that a Consultant who engages in corrupt, collusive, fraudulent or coercive practices will have their proposals rejected and may further be subject to prosecution under the laws of Tonga.

“Corrupt practice” means the offering, giving, receiving or soliciting, directly or indirectly, of any thing of value to influence the action of a public officer in the procurement process or in contract execution;

“Collusive” practices means a scheme or arrangement between two or more Consultants, with or without the knowledge of the procuring entity, designed to establish tender prices at artificial, non-competitive levels;

“Fraudulent practice” means a misrepresentation or omission of facts in order to influence a procurement process or the execution of a contract;

“Coercive practices” means harming or threatening to harm, directly or indirectly, persons, or their property, to influence their participation in a procurement process or affect the execution of a contract. 4)

1.3 Conflicting activities and interests

Consultants are required to provide professional, objective, and impartial advice and at all times hold the Client’s interests paramount, strictly avoid conflicts with other assignments or their own corporate interests and act without any consideration for future work.

Consultants have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their Client, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the Consultant or the termination of its Contract.

Instructions to Consultants

3.4 Financial Proposal

Consultants must complete and sign the Financial Proposal form and return this with their proposals. The Financial Proposal should contain a lump sum amount that includes all costs including but not limited to fees, overheads, management costs, travel, report reproduction, secretarial support services and including all applicable taxes in Tonga. The Financial Proposal shall be priced in Tonga currency only. A full breakdown of the prices must be provided as part of the financial proposal.

4) Opening of Technical Proposals

The Technical Proposals received by the latest date for submission will be opened and passed to the evaluation committee.

The Financial Proposals will not be opened but will be retained unopened until the Technical Evaluation has been completed.

5) Evaluation

A firm will be selected on a **Least Cost Basis/Fixed Budget**. (Delete whichever not used) using the following criteria and points.

- (a) the consultant's relevant experience for the assignment, **Points must be decided- See guide**
- (b) the quality of the methodology proposed,
- (c) the qualifications of the key staff proposed, and
- (d) transfer of knowledge, if required in the TOR .

The maximum budget is \$ **(If fixed Budget Selection state budget otherwise delete this line)**

Following a preliminary examination to verify that all required documents have been provided and, as appropriate signed, an evaluation of the technical proposals will be undertaken by a committee beginning with an arithmetic check. Each proposal will be technically rated out of 100.

Following technical evaluation Consultants whose proposals falls below the minimum required quality score of 75 (seventy five) points will have their financial proposal returned unopened and their proposals will not be considered further. The Technical Evaluation scores will be weighted by the factor of 80% (eighty percent)

6) Opening of Financial Proposals

Consultants whose technical proposals achieve or exceed the qualifying, unweighted quality mark of 75 (seventy five) points will be invited to attend the opening of their financial proposals where the technical mark achieved and the total value of the financial proposal will be announced.

7) Invitation for Negotiation

The Consultant whose tender under Least Cost Evaluation is the lowest evaluated price will be invited for negotiations.

The Consultant whose tender under Fixed Budget Evaluation is the lowest evaluated price under the Budget stated in paragraph 5 – Evaluation the will be invited for negotiations.

(Delete whichever of the above-two paragraphs is not appropriate for the type of tender)

8) Negotiations

Negotiations may relate to-

- minor alterations to the terms of reference, methodology and staffing;
- minor amendments to the Special Conditions of Contract;
- mobilization arrangements, the work-plan and completion schedule; and
- inputs required from the procuring entity.

Negotiations shall not substantially alter the scope of work, the contract conditions or the rates except where changes are required to reflect any agreed changes to the technical proposal.

9) Award of Contract

Following the conclusion of satisfactory negotiations the parties will initial all pages of the contract and the successful Consultant will be invited to sign the Contract.

In the case of contracts awarded by way of competitive bidding and in the case of any contract with a value in excess of \$ 10,000, notice shall be given to the other bidders, specifying the name and address of the proposed successful bidder and the price of the contract, but the contract shall not be signed until at least 14 days have passed following the giving of that notice.

10) Terms of Reference

[Terms of Reference should include as a minimum

Background – a brief history which describes why the services are needed.

Objectives – It is very important that this is concise. It does not have to be long but should be very clear. The objectives will never be changed even if the consultants make recommendations to that effect.

Scope of work – this is meant to give the consultant an idea of what you expect them to do, what phasing, where they are to do it and who they report to including details of any required reports or outputs. This will assist them to decide an accurate work plan and pricing.

Reporting Requirements – Type, number, time scale to produce, if approval need from Contracting Entity.

10) The Contract

The contract shall be a Lump Sum contract as attached to this RFP and Consultants must include all costs including any taxes applicable in Tonga. No changes may be made to the contract without the agreement of both parties in writing.

A lump sum contract is appropriate for small value contracts

Attachment 1. **Technical Proposal Submission Form**

[Location, Date]

To: [Name and address of Client]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Proposal. We are hereby submitting our Proposal, which includes our Technical Proposal and a separately sealed Financial proposal.

We hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

Our Proposal is binding upon us and shall remain valid for 60 days.

We undertake, if our Proposal is accepted, to initiate the consulting services related to the assignment not later than the date agreed and indicated in the contract...

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

Attachment to Technical Proposal Submission form

Declaration of Eligibility

In accordance with the requirements of the Procurement Regulations issued in accordance with the terms of Section 26 of the Finance and Audit Act No. 18 of 1967 all Consultants must meet the following criteria, to be eligible to participate in public procurement

Consultants must provide a signed declaration on their company letterhead in the following format. If the tender is being presented by a joint venture or consortium all members must sign the declaration

Dear Sirs

Re Tender Reference

In accordance with the eligibility requirements of the Procurement Regulations and the tender documents we hereby declare that:-

- (a) We ,including any joint venture partners or consortium partners are a legal entity and have the legal capacity to enter into the contract;
- (b) We further declare that we are not insolvent, in receivership, bankrupt or being wound up, our affairs are not being administered by a court or a judicial officer, our business activities have not been suspended and it is not the subject of legal proceedings for any of the foregoing;
- (c) We declare that the we have fulfilled our obligations to pay taxes and social security contributions;
- (d) We have not, and its directors or officers have not, been convicted of any criminal offence related to our/their professional conduct or the making of false statements or misrepresentations as to their qualifications to enter into a contract within a period of five years preceding the commencement of the procurement proceedings; and
- (e) That we do not have a conflict of interest in relation to the procurement requirement.

Signed

Date

Attachment 2. **Financial Proposal Submission Form**

[Location, Date]

To: [Name and address of Client]

Dear Sirs:

We, the undersigned, offer to provide the consulting services for [Insert title of assignment] in accordance with your Request for Proposal dated [Insert Date] and our Technical Proposal. Our attached Financial Proposal is for the sum of [Insert amount(s) in words and figures¹]. This amount is inclusive of all local taxes.

Our Financial Proposal shall be binding upon us for a period of 60 days from latest date for submission.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature [In full and initials]: _____

Name and Title of Signatory: _____

Name of Firm: _____

Address: _____

CONTRACT FOR CONSULTING SERVICES

CONTRACT

THIS CONTRACT ("Contract") is entered into this *[insert starting date of assignment]*, by and between *[insert Client's name]* ("the Client") having its principal place of business at *[insert Client's address]*, and *[insert Consultant's name]* ("the Consultant") having its principal office located at *[insert Consultant's address]*.

WHEREAS, the Client wishes to have the Consultant perform the services hereinafter referred to, and

WHEREAS, the Consultant is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

- 1. Services**
 - (i) The Consultant shall perform the services specified in Section 5 "Terms of Reference," which is made an integral part of this Contract ("the Services").
 - (ii) The Consultant shall provide the personnel listed in his proposal to perform the Services.
 - (iii) The Consultant shall submit to the Client the reports in the form and within the time period specified in the terms of Reference.
- 2. Term**

The Consultant shall perform the Services during the period commencing *[insert starting date]* and continuing through *[insert completion date]*, or any other period as may be subsequently agreed by the parties in writing.
- 3. Payment**
 - A. Ceiling

For Services rendered pursuant to Section 5 the Client shall pay the Consultant an amount not to exceed *[insert amount]*. This amount has been established based on the understanding that it includes all of the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant.
 - B. Payment

100% Payment shall be made in Tonga currency no later than 45 days following receipt and acceptance of the Consultant's Report and recommendations together with his invoice for services rendered
- 4. Project Administration**
 - A. Coordinator.

The Client designates Mr./Ms. *[insert name]* as Client's Coordinator; the Coordinator will be responsible for the coordination of activities under this Contract, for acceptance and approval of the reports and of other deliverables by the Client and for receiving and approving invoices for the payment.

B. Reports.

The report required in the Terms of Reference shall be submitted in 3 hard and 1 soft copies and its acceptance by the Client will constitute the basis for the payments to be made under paragraph 3.

- | | |
|--|---|
| 5. Performance Standards | The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Consultant shall promptly replace any employees assigned under this Contract that the Client considers unsatisfactory. |
| 6. Confidentiality | The Consultants shall not, during the term of this Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client. |
| 7. Ownership of Material | Any studies reports or other material, graphic, software or otherwise, prepared by the Consultant for the Client under the Contract shall belong to and remain the property of the Client. |
| 8. Consultant Not to be Engaged in Certain Activities | The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services. |
| 9. Insurance | The Consultant will be responsible for taking out any appropriate insurance coverage. |
| 10. Assignment | The Consultant shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent. |
| 11. Law Governing Contract and Language | The Contract shall be governed by the laws of Tonga and the language of the Contract shall be English. |
| 12. Dispute Resolution | Any dispute arising out of the Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the Procurement Regulations. |

FOR THE CLIENT
Signed by _____

Title: _____

Date _____

FOR THE CONSULTANT
Signed by _____

Title: _____

Date _____