**12. Selection of Consultants**

**12.1 Purpose**

The purpose of these Guidelines is to set forth the procedures that should

be adhered to by the CSO, in carrying out any selection and employment of

Consultants, financed in whole or in part by CSO or a Foreign Funding

Agency, in the circumstances where the CSO is lacking the necessary:

* 1. expertise;
  2. knowledge; or
  3. organizational strength to carry out the proposed assignment.

**12.2 Objectives**

The process of selection and employment of Consultants should ensure:

1. need for high quality and standard of services;
2. maximizing economy, timeliness and efficiency;
3. adhering to prescribed standards, rules, regulations and good governance;
4. the need to give best qualified Consultants an opportunity to compete in providing the Consulting Services;
5. compliance with local laws and regulations and international obligations;
6. ensuring transparency and consistency in the evaluation and selection procedure;
7. need for increasing focus on anticorruption and observance of ethics; and
8. retaining confidentiality of information provided by Consultants.

**12.3 Types of Consultant Entities**

a) Provisions of this guidelines are applicable for the selection and employment of all types of Consultants. For the purpose of this guidelines, the term Consultants includes a wide variety of entities, including international and national Consultancy Organizations, engineering organizations, architectural organizations, quantity surveying organizations, management organizations, procurement agents, inspection agents, auditors, multinational or generations, universities, research institutions, government agencies, nongovernmental or organizations (NGOs), and individuals.

**12.4 Type of Consulting Services**

a) The type of consulting services covered in this Manual includes services in Advisory Stage, Preparation Stage and the Implementation Stage of a Procurement;

b) Consulting services that may be required under different stages, but not limited is given in the following table:

|  |  |  |
| --- | --- | --- |
| **Advisory Services** | **Preparatory Services** | **Implementation Services** |
| Policy and Strategy | Sector Studies | Procurement Assistance |
| Restructuring/privatization | Master Plans | Construction Supervision |
| Capacity Building | Feasibility Studies | Project Management |
| Training/knowledge transfer | Design Studies | Quality Management |
| Management Advice | Bidding Documents | Commissioning etc. |
| Technical/Operating advice |  |  |
| Engineering Services |  |  |
| Architectural Services |  |  |
| Quantity Surveying Services |  |  |

c) These services are procured based on the procurement guidelines.

**12.5 Responsibilities of the CSO**

1. The officer-in-charge of the selection and employment of consultants of the CSO, together with the other staff shall be responsible for the following:
2. maintenance of necessary communication with all stakeholders of the process of selection and employment of Consultants;
3. maintaining documentation connected with selection and employment process;
4. preparation of EOI and its submission to the CPC for review and approval;
5. preparation of the draft RFP including the TOR and its submission to the CPC for review and approval;
6. preparation of data and information prior to the evaluation;
7. issuance of invitations and facilitating the meetings of CPCs;
8. circulation of the minutes of the meetings of CPCs; and
9. provision of any requisite assistance to CPCs on any request made by them to facilitate the process and all other matters incidental thereto.

**12.6 Composition and Appointment of Consultant Procurement Committees**

* + 1. Corporate Consultant Procurement Committee headed by ED

1. The BOD shall appoint CPC on the request made by the ED for consultancy assignments spelt out in the Procurement Guidelines.
2. The number of members in a CCPC shall be three:

Chairmen - Executive Director – ED of the CSO

Member 1 - Finance Manager

Member 2 - Admin Services Manager

The Liaison Officer/Officer in charge of the Procurement shall be the non-member Secretary of the CCPC

* 1. **TEC for Consultant Procurement Committees**

1. BOD shall appoint the TEC for CCPC to handle Procurement action pertaining CSO’s consultancy procurements.
2. Composition for TEC;
3. The minimum number of members in the TEC shall be five
4. There shall be a chairperson for the TEC;
5. At least one member of the TEC shall be a person who his conversant with Consultant Selection procedure;
6. At least one member shall be from the list nominated by the ED;
7. At least three members shall be a subject specialist;
8. At least one member shall be external to the Procuring Entity;
9. If a Sectional head is a member of the TEC, his or her subordinates should not serve as member of the same TEC, unless it is essential
10. The Chairman of the TEC shall assign specific tasks to each member (including to him/herself in addition to the joint responsibility;
11. Unit Head of the Procurement division shall be the nonmember Secretary for TEC
12. Subject specialist means a person who is Knowledgeable to made judgment on responsiveness of the bid on technical/financial and other criteria as appropriate to the procurement concerned.
    1. **Duties and Responsibilities of Consultants Selection Committees (CPCs)**

The members of the CPCs are jointly and severally responsible for the following:

1. All members of CPCs shall give priority to the duties assigned to them in the CPC, over their routine functions;
2. Ensuring that the funds are available for the Consultancy Services under consideration;
3. Deciding on the selection method and type of contract to be used;
4. Evaluation and approving the short list;
5. Review and approve of RFP including the TOR prepared by PE, to ensure that the selected consultant will deliver the required output and competitiveness could be promoted on an equal level;
6. Approve and issue addenda to the RFP where necessary;
7. Evaluate independently all the technical proposals received and record on pre-established worksheets.
8. Evaluate the financial proposals individually as above or jointly and prepare a final report together with contract award recommendation/determination
9. Get assistance from any external personnel only on exceptional circumstances, where expert opinion is important.

**12.8 Selection Methods and the Selection Process**

*12.8.1 Decision on Consultancy Organizations or Individual Consultants to be selected based on:*

1. A Consultancy Organization shall be selected in obtaining the services required rather than getting the service done by one or more individuals for assignments for which:
   1. Team of personnel are required; and
   2. Coordination, administration or collective responsibility is paramount important.
2. In other cases CSO may employ individual Consultant/ s. The selection method of Individual Consultants is outlined as in this chapter

*12.8.2 Competitive Process*

1. Consultants shall be selected following competitive process wherever possible, on the basis of comparison of technical and financial proposals or in very rare case only technical proposal, submitted by the shortlisted Consultants. The selection method shall achieve the objectives of fairness, clarity, transparency and confidentiality. Hence the appropriate method of selection is related to the nature, size, complexity, likely impact of the assignment, and the technical and financial considerations.
   * 1. *Terms of Reference*
2. The CSO shall be responsible for preparing the TOR for the assignment. TOR shall be prepared by a person(s) or a Consultancy Organization specialized in the area of the assignment. The scope of the services described in the TOR shall be compatible with the available budget.
3. *Outline of the Terms of Reference*

The TOR should normally consist of:

1. background of the project;
2. objectives of the assignment;
3. scope of work;
4. methodology
5. transfer of knowledge;
6. list of reports, schedule of deliver ies, period of performance;
7. data, local services, personnel, and facilities to be provided by the PE; and
8. Institutional arrangements.
9. TOR shall define clearly the objectives, goals, and scope of the assignment and provide background information (including a list of existing relevant studies and basic data) to facilitate the consultants’ preparation of their proposals.

If transfer of knowledge or training is an objective, it should be specifically outlined along with details of number of staff to be trained, and so forth, to enable consultants to estimate the required resources. However, TOR should not be too detailed and inflexible, so that competing consultants may propose their own methodology and staffing. Consultancy Organizations shall be encouraged to comment on the TOR in their proposals. The CSO’s and consultants’ respective responsibilities should be clearly defined in the TOR.

*12.8.4 Preparation of Cost Estimate and the Budget*

a) Well-developed cost estimates are essential to ensure realistic budgetary allocations. The cost estimates for the proposed assignment shall be prepared by the CSO based on assessment of the resources needed to carry out the activities: experts’ time; logistical support; and physical inputs (for example, transport office space and equipment, laboratory equipment.) Costs shall be firstly divided into two main categories:

* 1. remuneration; and
  2. other expenses,

1. Estimate can further divided into foreign and local costs where appropriate. In general, a cost estimate includes expenses relating to:
2. consultant staff remuneration;
3. travel and transport;
4. mobilization and demobilization ;
5. staff allowances;
6. communications;
7. office rent, supplies, equipment, and insurance;
8. surveys and training programs;
9. report and printing;
10. taxes and duties ; and
11. contingencies.
    * 1. *Preparation of long list*
12. The long list of Consultants may be prepared following one or any combination of the following methods:
    1. Inviting EOI by advertisement;
    2. By including names of consultants who have satisfactorily completed similar assignments to the CSO previously;
    3. By collecting names from the other PEs who had obtained the services of consultants for similar assignments; and
    4. By collecting names from Foreign Funding Agencies
13. However for large (exceeding two million (LKR 2 m)) and complex assignments the CSO shall advertise in national newspapers. When the participation of international Consultancy Organizations are expected the invitation shall be extended to international media.

*12.8.6 Short Listing*

1. Short listing of Consultants shall ensure, only the best qualified Consultancy Organizations submit proposals;
2. In preparation of short list first consideration shall be given to those organizations expressing interest that possesses the relevant qualifications;
3. Short lists shall comprise not more than seven Consultancy organizations.
4. The shortlist may comprise of less than seven organizations when suitably qualified organizations have not expressed their interest to submit a proposal and no other qualified Consultancy Organizations are known;
5. The short list should preferably comprise consultants of the same category, similar capacity, and business objectives;
6. The shortlist shall not include individual consultants;

*12.8.7 The criteria for preparation of Short list*

1. Selection is based on limited competition among qualified firms that are capable of delivering the required services and desired level of quality;
2. CSO shall prepare a shortlist of consultants who will be invited to submit proposals;
3. The main objective of advertising is to inform all eligible Consultancy Organizations about consulting opportunities.
4. If international participation is required, CSO shall advertise these assignments in international newspapers or technical magazines.
5. The request of EOI should have sufficient information for the CSO to judge the Consultancy Organizations’ capabilities in the field of the assignment. The response might include, for example, descriptions of similar assignments conducted, experience in similar conditions, and possibility of deploying the appropriate staff.
6. Not less than 30 days should be provided for responses if international consultancy organizations are expected to submit EOI, and all other cases a minimum of 14 days shall be given;
7. In selecting the shortlist, the PE shall carry out a diligent review of key aspects such as:
8. qualifications in the field of the assignment;
9. technical and managerial capabilities of the organization;
10. core business and years in business;
11. qualifications of key staff;
12. client references; and
13. administrative and financial strength
14. In reviewing the above aspects rather than using a point system, it is recommended to use the judgment of the CSO;
15. The CSO should identify one or two additional firms to include in the shortlist in case any of the short listed firms decides not to submit its

**12.9 Selection Methods**

1. The choice of the appropriate method of selection is related to the nature, size, complexity, likely impact of the assignment, technical and financial considerations, it is therefore necessary to carefully define the assignment, particularly the objective and the scope of the services, before deciding on the selection method.
2. The following Methods may be used as appropriate in selection of Consultancy Organizations:
   1. Quality and Cost Based Selection (QCBS);
   2. Quality Based Selection (QBS);
   3. Selection under a Fixed Budget (FBS);
   4. Least Cost Selection (LCS);
   5. Selection Based on Consultant’s Qualifications (CQS);
   6. Single Source Selection (SSS); and
   7. Selection of particular types of Consultant
3. Individual Consultants
4. Individual Consultants Single Source (ICS)
5. Individual Consultants Competitive (ICC)
   * 1. Quality and Cost Based Selection (QCBS)
6. QCBS uses a competitive process among short-listed Consultancy Organizations that takes into account the quality of the proposal and the cost of the services in the selection of the successful Consultancy Organization. Cost as a factor of selection shall be used sensibly. The relative weight to be given to the quality and cost shall be determined for each case depending on the nature of the assignment. QCBS shall be used wherever possible. Other methods shall be used only under the circumstances described against such selection methods. Since the cost of the proposed services is a factor of selection, this method is appropriate when:
7. the scope of work of the assignment can be precisely defined and the TOR are well specified and clear; and
8. the CSO and the consultants can estimate with reasonable precision the staff time as well as the other inputs and costs required of the consultants.
9. QCBS is appropriate (but not limited to) for assignments such as:
10. feasibility studies and designs where the nature of the investment is clear and well defined, known technical solutions are being considered, and the evaluation of the impacts from the project are not uncertain or too difficult to estimate;
11. preparation of bidding documents and detailed designs in construction works;
12. supervision of construction of works and installation of equipment;
13. technical assistance services and institutional development of the Bank; and procurement and inspection services;
14. To increase the likelihood of receiving responsive proposals, the RFP under QCBS indicates the expected staff time estimated by the CSO to carry out the assignment. However, this estimate does not bind the consultants, and they should propose the level of inputs that they consider appropriate;
15. Under QCBS the technical and financial proposals are submitted simultaneously in separate sealed envelopes (two-envelope system). Proposals received after the submission deadline should be rejected;
16. Evaluation of proposals is carried out in two stages:
    * quality; and
    * cost
17. The technical envelopes are opened by a committee of officials of the CSO immediately after the closing time for submission of proposals; the financial proposals remain sealed and shall be placed securely until the technical evaluation and the evaluation report are completed and approved and the technical scores are disclosed publicly;
18. The financial envelopes of those consultants who submitted responsive technical proposals meeting the minimum qualifying mark are opened in the presence of the consultants or their representatives;
19. The financial proposals are then evaluated. Once the financial proposals are evaluated, a combined evaluation of the technical and financial proposals is carried out by weighting and adding the quality and the cost scores, and the consultant obtaining the highest combined score is invited for negotiations. Since price is a factor of selection, staff rates and other unit rates shall not be negotiated.

*12.9.1.1* The selection process of QCBS shall include the following steps:

1. Preparation of TOR
2. Preparation of Cost estimate and the budget
3. Publication of EOI
4. Preparation of Long List
5. Preparation of the Short List
6. Preparation of RFP
7. Issuance of RFP to short listed Consultants
8. Receipt of technical and f financial proposals
9. Evaluation of technical proposals
10. Public opening of financial proposal of the Consultancy
11. Determine the organizations which have achieved the minimum score specified in the RFP
12. Evaluation of financial proposals of such organizations
13. Final evaluation of quality and cost
14. Negotiations and award of the contract to the selected Consultancy organization

Obtain Concurrence from relevant funding agency

Obtain Concurrence from relevant funding agency

Perpetration of TOR, Cost Estimate and RFP

Appointment of CPC and TEC

If the Funding Agency concurrence is required for TOR, Cost Estimate & RFP?

Approve the TOR,Cost Estimate and RFP by CPC with recommendation of the TEC

Invite EOI

Prepare shortlist

If the funding agency concurrence is required for shortlist?

Issue RFP to short listed Consultants

Pre proposal Meeting

If the funding agency concurrence is required to issue addendum?

Yes

Yes

No

No

Issue addendum to all short listed Consultant

Receive Proposals

Evaluate Technical Proposal

If the funding agency concurrence is required for technical evaluation?report?

Obtain concurrence from relevant funding agency

Public opening of financial proposals

Combine Evaluation

If the funding agency concurrence is required for combine evaluation report?

Obtain concurrence from relevant funding agency

Openings of Technical Proposals

No

Yes

Yes

**Flow Chart of the Consultant Selection Process –Quality and Cost Based Selection (QCBS) Method**

Obtain concurrence from relevant funding agency

Yes

* + 1. Quality Based Selection (QBS)

1. QBS is a method based on evaluating only the quality of the technical proposals and the subsequent negotiation of the financial proposal and the contract with the Consultant who submitted the highest ranked technical proposal.
2. QBS is appropriate when:
3. Assignments are complex or highly specialized making it difficult to define precise TOR and the r required input from the Consultants for which the client expects the consultants to demonstrate innovation in their proposals; or
4. Assignments that have a high downstream impact and in which the objective is to have the best experts; or
5. Assignments that can be carried out in substantially different ways, such that proposals will not be comparable. QBS uses a competitive process among short-listed Consultancy Organizations that takes into account only the quality of the proposal and hence shall be used only under special circumstances satisfying the above.

*12.9.2.1 Selection Process*

The selection process of QBS shall include the following steps:

1. Preparation of TOR
2. Preparation of cost estimate and the budget
3. Preparation of long list
4. Preparation of the short list
5. Preparation of the RFP
6. Issuance of the RFP
7. Receipt of technical and financial proposals
8. Evaluation of technical proposals
9. Evaluation of financial proposal of the Consultancy Organization of the highest ranked technical proposal
10. Negotiations and award of the contract to the selected Consultancy Organization

QBS is a method based on evaluating only the quality of the technical proposals and the subsequent negotiation of the financial proposal and the contract with the Consultant who submitted the highest ranked technical proposal.

**Flow Chart of the Consultant Selection Process – Quality Based Selection (QBS) Method**

Perpetration of TOR, Cost Estimate and RFP

If the Funding Agency concurrence is required for TOR, cost Estimate & RFP?

Appointment of CPC and TEC

Yes

No

Recommendation/ Determination of Contract Award

Prepare minutes of the negotiation

Rest of the financial proposal returned unopened

Negotiation with the highest ranked Consultant

Yes

Obtain concurrence from relevant funding agency

Yes

Openings of Technical Proposals

No

Opening of financial proposals of highest ranked Consultant

Obtain concurrence from relevant funding agency

If the funding agency concurrence is required for technical evaluation?report?

Evaluate Technical proposal

Receive Proposals

Issue addendum to all short listed Consultant

No

No

Yes

Obtain Concurrence from relevant funding agency

If the funding agency concurrence is required to issue addendum?

Pre proposal Meeting

Issue RFP to short listed Consultants

Obtain Concurrence from relevant funding agency

If the funding agency concurrence is required for shortlist?

Prepare shortlist

Invite EOI

Approve the TOR,Cost Estimate and RFP by CPC with recommendation of the TEC

If the funding agency concurrence is required for final determination?

Obtain concurrence from relevant funding agency

Obtain approval from Cabinet of Ministers /CAO/AO

Communication to all Consultants of the intention to Award

Open for appeal

Debriefing

Issue letter of acceptance

Obtain bank guarantee, where necessary

Contract agreement

Yes

No

Publication of Contract Award

* + 1. Selection under a Fixed Budget (FBS)

1. FBC is a method where the RFP will indicate the available budget and request the Consultancy Organizations to provide their best technical and financial proposals in separate envelopes, within the budget;
2. TOR should be particularly well prepared to make sure that the budget is sufficient for the Consultants to perform the expected tasks;
3. FBS is appropriate only when:
   1. TOR is precisely defined;
   2. The time and personnel inputs can be accurately assessed; and
   3. The budget is fixed and can not be exceeded.
4. Evaluation of all technical proposals shall be carried out first as in the QCBS method. Then the price envelopes shall be opened in public;
5. Proposals of which the evaluated financial proposal exceed the indicated budget shall be rejected;
6. The Consultant who has submitted the highest ranked technical proposal among the rest shall be selected and invited to negotiate a contract.
   * + 1. *Selection Process*

The selection process shall include the following steps:

1. Preparation of TOR
2. Preparation of cost estimate and the budget
3. Preparation of long list
4. Preparation of the short list
5. Preparation of the RFP
6. Issuance of the RFP
7. Receipt of technical and financial proposal
8. Evaluation of technical proposals consideration of quality
9. Public opening of financial proposal
10. Evaluation of financial proposal and eliminate the proposals of which the
11. Evaluated financial proposal exceed the indicated budget and Negotiations with highest ranked technical proposal and award of the contract.

No

Proposals which are exceed the indicated budget is rejected.

Negotiation with the consultant who has submitted the highest ranked technical Proposal within the indicated budged.

Yes

Obtain concurrence from relevant funding agency

**Flow Chart of the Consultant Selection Process –Fixed Budget Selection (FBS) Method**

Openings of Technical Proposals

No

Public opening of financial proposals

Obtain concurrence from relevant funding agency

Evaluate Technical proposals

Receive Proposals

Issue addendum to all short listed Consultant

No

No

Yes

Yes

Obtain Concurrence from relevant funding agency

If the funding agency concurrency is required to issue addendum?

Pre proposal Meeting

Issue RFP to short listed Consultants

Obtain Concurrence from relevant funding agency

If the funding agency concurrence is required for shortlist?

Prepare shortlist

Invite EOI

Approve the TOR,Cost Estimate and RFP by CPC with recommendation of the TEC

If the Funding Agency concurrence is required for TOR, cost Estimate & RFP?

Perpetration of TOR, Cost Estimate and RFP

If the funding agency concurrence is required for technical evaluation?report?

Appointment of CPC and TEC

* + 1. Least Cost Selection(LCS)

1. LCS is a method a “minimum” qualifying mark for the “quality” is established;
2. Proposals to be submitted in two envelopes are invited from a short list;
3. Technical envelopes are opened first and evaluated;
4. Those securing less than the minimum marks specified shall be rejected;
5. the financial envelopes of the rest are opened in public;
6. The Consultancy Organization with the lowest price shall then be selected;
7. Under this method, the qualifying mark shall be established, keeping in view that all proposals above the minimum compete only on “cost.” The minimum mark shall be stated in the RFP;
8. LCS is appropriate only when:
9. Standard or routine nature assignments (audits, architectural/engineering design/supervision of simple projects, and simple surveys);
10. Well established practices and standards exist.
    * + 1. *Selection Process*

The selection process shall include the following steps:

1. Preparation of TOR
2. Preparation of cost estimate and the budget
3. Preparation of long list
4. Preparation of the short list
5. Preparation of the RFP
6. Issuance of the RFP
7. Receipt of technical and financial proposal
8. Evaluation of technical proposals consideration of quality
9. Public opening of financial proposal
10. Negotiations with the Consultancy Organization who has
11. Submitted the least evaluated cost and award of the contract.

**Flow Chart of the Consultant Selection Process – Least Cost Selection (LCS) Method**

53

53

No

Yes

Negotiation with the consultant, who has quoted lowest price

Negotiations with the next lowest price quoted Consultant

Yes

Obtain concurrence from relevant funding agency

Yes

Opening of Technical Proposals

No

Public opening of financial proposals

Obtain concurrence from relevant funding agency

Evaluate Technical proposals

Receive Proposals

Issue addendum to all short listed Consultant

No

No

Yes

Yes

Obtain Concurrence from relevant funding agency

If the funding agency concurrency is required to issue addendum?

Pre proposal Meeting

Issue RFP to short listed Consultants

Obtain Concurrence from relevant funding agency

If the funding agency concurrence is required for shortlist?

Prepare shortlist

Invite EOI

Approve the TOR,Cost Estimate and RFP by CPC with recommendation of the TEC

If the Funding Agency concurrence is required for TOR, Cost Estimate & RFP?

Appointment of CPC and TEC

Perpetration of TOR, Cost Estimate and RFP

Negotiation is failed?

If the funding agency concurrence is required for technical evaluation?report?

Prepare minutes of the negotiation

Recommendation/ Determination of Contract Award

If the funding agency concurrence is required for final determination?

Obtain concurrence from relevant funding agency

Obtain approval from Cabinet of Ministers /CAO/AO

Communication to all consultants of the intention to Award

Open for appeal

Debriefing

Issue letter of acceptance

Obtain bank guarantee, where necessary

Contract agreement

Yes

No

No

Publication of Contract Award

* + 1. Consultant’s Qualification Selection (CQS)

1. CQS is a method where detailed technical and financial proposals are invited from only a selected Consultancy Organization to negotiate a contract. EOI shall be invited using an amplified format. Out of the long list received in response to invitation of EOI, a shortlist of three to five organizations shall be prepared. The Consultancy Organization ranked as number one, shall be requested to submit a combined technical-financial proposal and then be invited to negotiate a contract. Should the negotiations failed the CSO shall obtain a combined proposal from the next ranked organization until an agreement is reached;
2. CQS may be used for smaller value assignments (equal or not exceeding LKR. 3 (three) million) when:
3. allowed so in the foreign funded projects; or
4. preparation and evaluation of full-fledged competitive proposals is not justified.
5. CQS is appropriate for higher value assignments (exceeding LKR 3
6. (three) million) only when, satisfies the conditions given above; and highly specialized expertise is required
   * + 1. *Selection Process*

The selection process shall include the following steps:

1. Preparation of TOR
2. Preparation of cost estimate and the budget
3. Preparation of long list
4. Preparation of the short list
5. Select the Consultancy Organization with best qualifications and references
6. Preparation of the RFP
7. Issuance of the RFP to the firm ranked number one
8. Receipt of technical and financial proposals
9. Evaluation of technical proposal consideration of quality
10. Evaluation of financial proposal and
11. Negotiations and award of the contract.
    * + 1. *Preparation of Shortlist for CQS*

Out of the long list received in response to invitation of EOI, a shortlist of three to five Consultancy Organizations shall be prepared. From this short list the organization with the most appropriate qualifications and references based on the EOI submitted shall be selected.

* + 1. Single Source Selection (SSS)

1. Single-source selection of consultants does not provide the benefits of competition in regard to quality and cost, lacks transparency in selection, and could encourage unacceptable practices;
2. Therefore, single-source selection shall be used only in exceptional cases. SSS may be appropriate only if it presents a clear advantage over competition: for tasks that represent a natural continuation of previous work carried out by the same Consultancy Organization where it was selected on competitive basis for the first assignment; or
3. where a rapid selection is essential in an emergency operation; or
4. for small assignments not exceeding LKR 100,000; or
5. when only one organization is qualified or has experience of exceptional worth for the assignment, or
6. with the specific approval of the relevant CPC and concurrence of the funding agency.

*12.9.6.1Selection Process*

The selection process shall include the following steps:

1. Preparation of TOR
2. Preparation of cost estimate and the budget
3. Select the Consultancy Organization on single source Basis
4. Preparation RFP
5. Issuance of the RFP
6. Receipt of technical and financial proposal from the
7. selected organization
8. Evaluation of technical proposals consideration of quality
9. Evaluation of financial proposals
10. Negotiations and award of the contract to the selected Consultancy Organization.

12.9.7 Selection of Individual Consultants

1. Individual consultants are normally employed on assignments for which:
   1. teams of personnel are not required;
   2. no additional outside professional support is required;
2. The experience and qualification of the individual are the predominant considerations; and
3. When coordination, administration or collective responsibility between the individual is not required.
   * + 1. *Individual Consultants Competitive (ICS)*
4. Individual consultants are selected on the basis of their qualifications and experience;
5. Generally they shall be selected by obtaining three or more CVs who have expressed interest in the assignment in response to an EOI published or directly approached by the by the CSO. It is recommended to have an interview to select the consultant.
   * + 1. *Individual Consultants Sole Source (ICS)*
6. The CSO may select individual consultants on a sole source basis with due justification in exceptional cases such as:
7. tasks that are continuation of previous assignment that, the consultant has carried out and for which the consultant was selected competitively;
8. assignment lasting less than six (60) months;
9. emergency situation resulting from natural disaster or
10. when an individual is the only consultant qualified for the assignment.

*12.9.7.3 Selection Process of Individual Consultants*

1. The selection process shall include the following steps:
   1. Preparation of a TOR
   2. Preparation of a Budget
   3. The TOR and the Budget shall be reviewed by the relevant CPC or the appropriate authority
   4. Publish an EOI in national newspapers for national consultants if the consultancy period exceeds one (01) year or advertise in international media for international consultants if consultancy period exceeds six (06) months
   5. Receipt the proposal from the
   6. selected consultants, evaluation the proposals considering the quality and the price and
   7. Negotiations and award of the contract to the selected consultant
      * 1. *Terms of Appointment*
2. Whenever possible, a formal contract agreement shall be signed with the individual consultant. This agreement shall include employment conditions for remuneration, direct expenses, leave (if any), insurance (if any), per-diem (if any) and the TOR.
3. However, for very small assignments of routine nature, a letter of appointment may be issued but shall address the above terms.

**12.10 Preparation of Request for Proposals (RFP)**

1. The CSO shall prepare the RFP including TOR and the budget
2. The CSO should commence to prepare the above documents prior to appoint the respective CPC
3. The CSO shall use the Standard RFP
4. *The Contents of RFP Documents*

Section 1 - Letter of Invitation

Section 2 - Information to Consultants

Section 3 - Technical Proposal - Standard Forms

Section 4 - Financial Proposal - Standard Forms

Section 5 - Terms of Reference

1. During the proposal submission period, all shortlisted consultants shall be allowed to request clarifications about information provided in the RFP. The CSO in consultation with the respective CPC/TEC provide clarifications in writing to all short listed consultants;
2. Minutes of pre-proposal conference shall be circulated to all prospective consultants

**12.10.1 Factors to be considered in the preparation of RFP**

1. The RFP shall include all relevant factors to prepare financial and technical proposals;
2. Local and foreign consultants are treated equally other than additional points given to firms when participating national consultants;
3. Only if foreign currency payments are envisaged in the contract, both foreign and national consultants shall be eligible to quote and to be paid in foreign currency provided consultants have submitted justification;
4. Proposal validity period be included in the RFP. The minimum validity period is given
5. The CSO shall give sufficient time for consultants to prepare and submit their proposals.
6. The RFP documents shall specify the evaluation criteria and sub-criteria that will be applied for the selection of consultants
7. Draft contract agreement shall be accompanied with the RFP.
8. To adjust of the remuneration and other costs due to foreign and local inflation, price adjustment provision may be included in the contract if the duration exceeds twelve (12) months;
9. Payment provisions, including amounts to be paid shall be included;
10. Maximum 20% mobilization advance may be paid upon submission of an acceptable advance payment guarantee. However**,** such advance shall be recovered in equal installments within 50% of the payments to the consultant;
11. All disputes shall be governed with provisions of the Arbitration Act No 11 of 1995 of Sri Lanka. However, foreign funded projects, the dispute resolution provisions recommended by the foreign funding agency shall be included.
12. The laws of the Democratic Republic of Sri Lanka are governing for all consultancy contracts;

**12.11 Issuing of RFP, Closing and Opening of Proposals**

1. *Issuance of RFP*

The RFP should be made available during the business hours of the CSO and should send by mail or in person only to shortlisted consultants on a payment of the prescribed fees (if any) which should not to be fixed just to cover the printing cost of documents but not to discourage the consultants;

1. *Proposal Preparation Period*
2. Proposal preparation period shall commence from the date on which the RFP documents are available to consultants;
3. The proposal submission period shall be fixed with a deadline adequate to prepare and submit proposals;
4. Minimum period for proposal submission shall be maintained as below:

|  |  |
| --- | --- |
| International Consultancy Organizations under QCBS,QBS, FBS and LCS | 42 Days (more for complex assignments) |
| International Consultancy Organizations under CQS and SSS | 28 Days |
| National Consultancy Organizations under QCBS,QBS, FBS and LCS | 28 Days |
| National Consultancy Organizations under CQS and SSS | 21 Days |
| Individual Consultants | O7 Days |

1. *Submission and Receipt of Proposals*

The proposals shall be received only at one location by mail under registered post or personally delivered to the authorized officer of the CSO under sealed cover except under CQS and SSS selection methods as requested in the RFP document.

1. *Rejection of Late Proposals*

Proposal submission dead line shall be specified in the RFP documents. Any late proposal shall not be accepted and returned unopened in case of QCBS, QBS, FBS and LCS selection methods.

1. *Public Opening of Proposals*
   * + ED shall appoint a “Proposal Opening Committee” which shall comprise of minimum two staff grade officers;
     + Proposal shall be opened in the presence of consultants who choose to attend for all selection methods other than CQS and SSS;
     + Only the outer envelope should open and announced the names and addresses of the consultants submitted proposals and also announce the presence of absence of financial proposals of each consultants;
2. *Opening of Financial Proposals*
3. Financial proposals should be open in the presence of consultants or their representatives in the case of QCBS, QBS, FBS and LCS only the consultants whose technically proposals are qualified;
4. Only the proposals marked as “original” shall be opened;
5. The CSO shall inform the qualified consultants in writing under registered post at least five (05) days in case of shortlisted consultants are national or ten days (10) in case of foreign consultants prior to the financial proposals opening, the date, time and place;
6. The proposal prices shall be announced and recorded at the Financial proposal opening;
7. The proceedings of the financial proposals opening shall be recorded in the prescribed format in the Procurement Manual and all members along with consultants who prefer to sign should be signed;
8. The original Financial Proposals together with “Proposal Opening minute” shall be handed over to the appointing authority and he/she should hand over all “originals” together with “Proposal Opening Minute” to the chairperson of the CPC.
9. Obtaining Services from Outside Experts
10. If the evaluation is entrusted to outside experts, it shall be made under the direct supervision of the respective TEC and the CPC;
11. Outside experts shall not form a part of TEC or CPC;
12. The Chairperson of TEC shall prepare its own formal report along with the outside expert’s report to the chairperson of the CPC;
13. If the respective CPC shall consider both reports and should give final recommendation to the appropriate authority.
14. Time Frame for Proposal Evaluation
15. It is required to keep proposals valid for a specific period to allow the CPC to examine and evaluate them, select the best proposal, obtain the necessary approval from different authorities. Hence proposals shall be evaluated within the period specified in the agreed Procurement Time Schedule (PTS) as per the Detailed Procurement Plan unless there is a specific reason to allow more time;
    1. **Evaluation Based on Disclosed Criteria**
16. The evaluation shall be based on the evaluation criteria defined in the RFP. The CPC shall evaluate each technical proposal, taking into account several criteria:
17. the consultant’s relevant experience for the assignment;
18. the quality of the methodology proposed;
19. the qualifications and experience of the key staff proposed;
20. transfer of knowledge (for assignments where training is needed); and
21. the extent of participation by nationals among key staff in the performance of the assignment in situations where the shortlist comprises of national and foreign consultancy organizations.
22. Each criterion shall be marked on a scale of 1 to 100. Then the marks shall be weighted to become scores. The following weights are indicative. The actual percentage figures to be used shall fit the specific assignment and shall be within the ranges indicated below. The proposed weights shall be disclosed in the RFP.

|  |  |
| --- | --- |
| Consultant’s specific experience | 0 to 10 points |
| Methodology | 20 to 50 points |
| Staff | 30 to 60 points |
| Transfer of knowledge | 0 to 10 points |
| Participation by nationals | 0 to 10 points |
| **Total** | **100 points** |

**12.12.1 Proposal Evaluation Process**

a*) Purpose and Stages of Proposal Evaluation*

i. The Proposals Marked as “original” shall be evaluated by the TEC/CPC;

ii. If TEC required, may obtain photo copies of the original;

iii. The evaluation of the Proposals shall be carried out in two stages first the **quality** and then the **cost**;

iv. The evaluation shall be carried out in full conformity with the provisions of the RFP;

The purpose of Proposal Evaluation will vary with the selection method used.

b) All members of the TEC and CPC should familiarize themselves with the RFP

**12.12.2 Stage 1 - Evaluation of Technical Proposals**

*Main Considerations*

1. CPC and TEC members should familiarize themselves with the RFP (in particular the TOR), the evaluation criteria and sub-criteria specified in the RFP, and the selection procedure;
2. The CPC and TEC should meet shortly before the deadline for submission of the proposals to confirm that there is a common understanding of the evaluation method, the evaluation criteria and sub-criteria, and a joint definition of the rating system, including the definition of the grades. It is important not to wait until after the technical proposals are opened to define the rating system, since these definitions could be biased by the knowledge of the contents of the proposals;
3. The CPC and TEC should confirm that its members,

* have no conflict of interest;
* understand the rating and scoring system;
* have been provided with evaluation worksheets; and
* agree on how to evaluate the proposals.

*d) Evaluation of Proposals*

1. After the proposals have been received and opened, the evaluation process begins. Each evaluation should be carried out individually;
2. The evaluation shall be carried out by each member other than the chairperson of the TEC. The Technical Evaluation Committee members first reviews each proposal to confirm that it is substantially responsive, that is, that there are no important omissions or deviations from the stated objectives, TOR, or other key requirements of the RFP;
3. The evaluation also establishes whether a proposal passes the minimum qualifying mark ( generally 70%) provided in the RFP;
4. *Financial Provision for the Award of Contract*
5. Prior to contract award, the CSO should ensure that budgetary provision is available to meet the cost of contract;
6. The award letter shall be issued within the validity period of the proposals, and no sooner the final determination of contract award is completed;

Arrangements shall be made to sign the contract as early as possible prior to the commencement of the assignment