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ECOWAS COMMISSION

Département Agriculture, Environnement et Ressources
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Regional Agency for Agriculture and Food

INFORMATION CAMPAIGN PROJECT

The RAAF's Standard Bidding Documents

Get the gist to better apply and be able to win
markets

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An institutional market is a process that allows an organization to purchase goods or services from a supplier according to predefined conditions. This is the method used by national stock management structures or international institutions (WFP, FAO, Unicef, etc.) or NGOs (Red Cross, Catholic Relief Services ...) to acquire cereals. They can then go through an invitation for bids, a direct agreement or a restricted bidding procedure to obtain cereals or processed cereal products from producer organizations, grain traders or product processing companies.

The Regional Food Security Reserve - RFSR - is a new organization for the management of cereal stocks set up by ECOWAS. It constitutes stocks of cereals and processed cereal products to help the countries of the sub-region in the event of a food crisis. This regional reserve is managed by the Regional Agency for Agriculture and Food (RAAF) which is an ECOWAS agency based in Lomé, Togo.

To source cereals, the RAAF launches international competitive bidding procedures that can theoretically be answered by grain sellers from all around the world. Despite this provision, the RAAF has a preference for the purchase of cereals and processed cereal products from producer organizations and processed cereal products companies in the ECOWAS region.

After the launching of the first bidding procedures, it appeared that the organizations of the sub-region did not respond massively. Which were the reasons advanced? The complexity of the international bidding processes, the difficulty in arranging all the requested documents, etc. for POs and companies, cooperatives or processing groups. This 9-page booklet aims to facilitate the understanding of the SBD by producers and processors in the region. It consists of three parts:

1. How to read the RAAF's SBD

2. The process of participation in the bidding procedure

Step 0 > Prequalification

Step 1 > Bid's preparation

Step 2 > Verification of the bid's compliance with the SBD requirements

Step 3 > Bids' comparison to determine the lowest-priced proposal

Step 4 > Verification of the lowest-priced bid before contract awarding

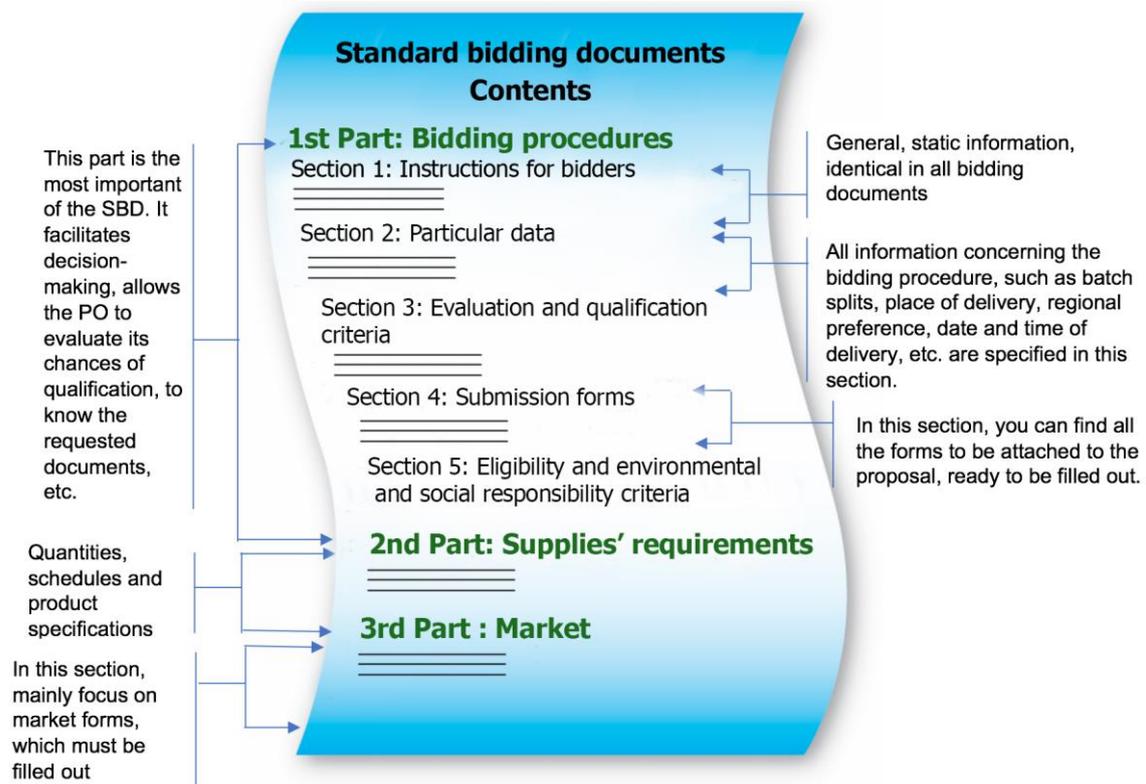
3. Bids' presentation

1. How to read the RAAF's SBD

In general, West African producer organizations and groups, cooperatives or processors are familiar with institutional markets. They are usually asked to build local or national stocks in their respective countries. They also honour contracts of some grain stocks management structures like the WFP, the Red Cross, the UNHCR, etc. Contracts are usually signed following private treaty, restricted consultation or national competitive bidding procedures. In either case, the conditions required to participate in these institutional markets are within the reach of these organizations or have been adapted to their status.

The RAAF's bidding documents are of an international type. They are aimed at any supplier, anywhere in the world. They do not take into account the specificity of organizations in the sub-region. The RAAF bidding documents have three main parts:

- bidding procedures;
- supplies' requirements;
- market.



The first part is the most important and it is divided in six sections, the first two of which are "Instructions for bidders" and "Particular data of the bidding procedure".

The Instructions for bidders give the following information:

- The subject of the bidding procedure;
- The content of the SBD;
- Bids' preparation;
- Bids' submission and its opening;

- Bids' evaluation;
- Contract's award.

This information is very general and does not vary from one bidding procedure to another.

The particular data, as their name implies, specify the general information contained in the instructions for bidders. Unlike the instructions for bidders that are static, the particular data will vary depending on the bid solicitation. Organizations willing to participate in the bidding procedure will find in this part the volume of the products requested, the composition of the lots, the place of delivery, the preferences if there are any, etc.

To understand the instructions for bidders, the reader should refer to the corresponding article in the particular data where the general information is specified. The following sections concern the evaluation criteria, the eligibility criteria, the submission forms and the rules of the French Development Agency (AFD) on fraud and corruption.

2. The process of participation in the RAAF's bidding procedure

Participation in a RAAF's bidding procedure is a multi-step process and it is thus important to be aware of the conditions of each step and to make sure that you meet all of them before committing yourself. Producer organizations and processed products companies need to pay special attention to the first two steps. The other three stages mainly concern the RAAF.

Step 0 > Prequalification



As soon as a producer organization or a processed cereal products company knows about the launching of a bidding procedure, the first thing to do is to obtain the corresponding bidding documents for consultation and, once the folder in hand, to take knowledge of the conditions of participation, namely:

- Not being under the supervision of the AFD ;
- Not being receiving funds from the AFD neither giving money to this agency;
- Not having the same legal representative as another organization within the framework of the same bidding procedure;
- Not having any relation with the RAAF that could allow access to information on the offers of other applicant organizations;
- Do not propose several offers at the same bidding procedure. However, an organization can subcontract with several other organizations that participate in the same bidding procedure ;
- Not having participated neither directly nor through any representative in the preparation of the bidding documents;
- Not having been recruited to supervise the market ;
- Not having any link with any RAAF agent involved in the preparation of the SBD or that could intervene in the supervision of the contract ;
- Not being excluded for any given time from the RAAF bidding procedures ;
- Making sure that the necessary stocks are available.

This whole process aims to avoid favouritism, corruption, so that all organizations play on the same level field. Once verified that all these conditions are met, the organization can move to the offer's preparation stage.

Step 1 > Bid's preparation



It is at this stage that the technician in charge of the dossier will require the point of view of those elected who will ensure the availability of cereals to be able to go on to the stage of gathering all the administrative documents:

- Certificates of satisfactory execution for similar contracts to demonstrate former experience in institutional markets ;
- Attestation of the contributory situation ;
- Certificate of social security contribution ;
- Bid security or bid securing declaration;
- Line of credit equivalent to 60% of the offer's amount;
- Technical approval / receipt issued by the competent authority ;
- Bank details ;
- Financial balance sheet for the last three years.

It is at this stage that the technician in charge of the bid's preparation must complete the template forms provided in the bidding documents:

- The submission form ;
- Applicable price forms, filled out ;
- Written confirmation of the signatory's authority to engage the bidder's responsibility;
- Declaration of integrity, eligibility and environmental and social commitment duly signed ;
- Evidence that the bidder is eligible to compete, including the Bidder Information Form;
- In case of a joint venture, a copy of the agreement or a letter of intent to form a consortium, signed by all partners and accompanied by a draft agreement for business combination.

As soon as all the documents are gathered, the next stage is to proceed to the sealing and initialling of all pages that must be so (the unmodified pages), to place the bid in the corresponding envelopes and to submit them to the auctioneer.

Step 2 > Verification of the bid's compliance with the SBD requirements



After the submission of the bids and once expired the deadline, the contract awarding committee shall meet and analyze each of them. This work begins with the verification of the documents constituting them:

- The submission form ;
- Applicable price forms, filled out ;
- Bid security or bid securing declaration;
- Written confirmation of the signatory's authority to engage the bidder's responsibility ;
- Declaration of integrity, eligibility and environmental and social commitment duly signed ;
- Evidence that the bidder is eligible to compete, including the Bidder Information Form ;
- Evidence that the bidder is duly qualified to execute the contract ;
- Evidence that supplies and services meet the original criteria ;
- Evidence that all supplies and related services are in accordance with the SBD ;
- Approval / receipt or equivalent issued by a competent authority in this area;
- Bank details;
- The financial balance sheet for the last three years.

After this first check, the committee must review the following:

- List of supplies and delivery schedule ;
- Technical specifications of the requested products.

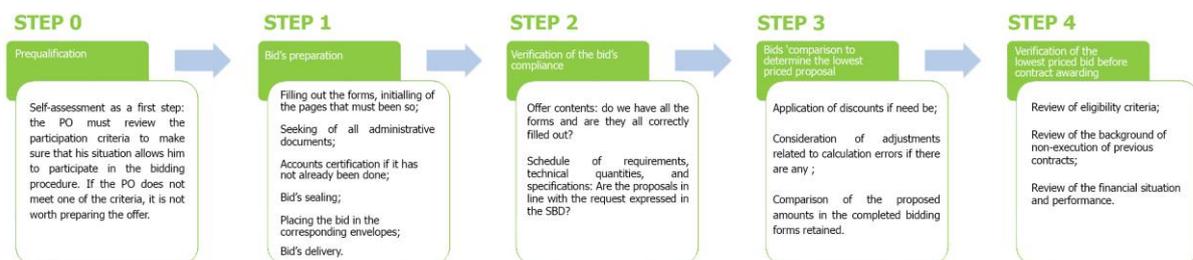
The bids suiting the requests expressed in the SBD are selected for the next step; offers that do not, are rejected.

Step 3 > Bids' comparison to determine the lowest-priced proposal



Only the offers selected at the end of the previous stage are compared at this third phase. The contract awarding committee makes then a comparison of the prices offered by each of the bidders. The price to be indicated in the submission form must be the total cost of the offer. It will be used to compare offers, taking into account all rebates and adjustments due to calculation errors made by the bidder and corrected by the committee, if needed. The offers are then ranked from the lowest to the highest amount.

Step 4 > Verification of the lowest-priced bid before contract awarding



After identifying the lowest priced bid, the contract award committee verifies the bidder's technical and financial capabilities. The committee must ensure that the bidder meets the qualification criteria:

- Not having had any contract execution problem over the last five years ;
- Not having been excluded for a previous non-implementation of a bid securing declaration ;
- In case of any pending litigation, the bidder must be solvent enough to face it, even if it was to be decided against him;
- To prove the bidder's solvency, a chartered accountant must have certificated the balance sheets for the last three years ;
- Provide proof of being able to afford a line of credit equivalent to 60% of its bid by a recognized bank institution ;
- Having provided an average annual turnover of at least 50% of the amount of the proposed offer. The calculation is as follows: total payments received for contracts in progress and / or completed in the last 3 years divided by 3 ;

- Having provided, each year over a period defined in the SBD and by institutional market¹, at least 50% of the volume proposed in the offer. To do so, the bidder must attach the certificates of satisfactory execution for his past services.

After the analysis of the qualification criteria, the committee must check the eligibility criteria for contracts financed by the European Union or the AFD which are:

- The organizations must not be in a state of bankruptcy neither under any procedure of bankruptcy, liquidation, legal settlement, safeguard nor cessation of activity;
- The organizations shall not have been convicted during the last five years for fraud, corruption or any other offense committed in connection with the awarding or execution of a contract; this point being subject to the information that the organization will provide in the Declaration of Integrity and Eligibility (form attached to the Submission), which will allow to estimate if this conviction is relevant or not in the framework of the AFD-financed project ;
- The organizations must not appear on the lists of financial sanctions adopted by the United Nations, the European Union and / or France, notably to fight terrorism financing and threats to international peace and security ;
- The organizations must not have committed any serious misconduct during the last five years in connection with the awarding or execution of a contract that could be proved by the RAAF;
- The organizations must be up-to-date with all social security contributions or taxes that are mandatory in the country where they are based ;
- The organizations must not be excluded by the World Bank neither appear in the list at www.worldbank.org/debarr, ; this point being subject to the information that the organization will provide in the Declaration of Integrity and Eligibility (form attached to the Submission), which will allow to estimate if this conviction is relevant or not in the framework of the AFD-financed project;
- The organizations must not have provided any false information on the data requested by the RAAF.

All these documents and information enable the committee to verify the background of market execution along with the financial situation and performance, as well as any previous experiences in executing similar contracts. If the offer meets all these conditions, the committee warrants the contract and calls the concerned bidder for the negotiations. If it does not meet one of the conditions, the committee downgrades the offer, takes the second lowest-priced bid, and resumes the process of verifying its technical and financial capacity to award the contract.

¹ Institutional markets or purchases refer to all contracts for the acquisition of goods and services from an entity with a legal framework of existence.

3. Bids' presentation

Each organization participating in the bidding procedure must submit an original version (with the mention "ORIGINAL"), two copies marked "COPY" and an electronic version on CDROM or USB provided at the same time as the physical bid.

The original and all copies must be computer-entered or written in indelible ink and signed by the authorized person. The written confirmation of the authorization of the person chosen to sign the bids is a document that assigns the power of the competent authority to the person designated to sign the bids. This document must be added to the bid, as indicated in the bidding documents. The name and title of the signatory must be printed under the signature. All pages of the offer, with the exception of unmodified documents (certificates of satisfactory execution, bid security, bank details statement, approval), shall be initialled by the signatory of the offer.

For additions between lines, deletions or overloads to be taken into account, the person signing the offer must have initialled all of them.

The original and copy versions must be placed in different envelopes and marked as such, that is, the envelope bearing the original must bear on the back the word "ORIGINAL" and the envelope containing the copies, the mention "COPY". There will thus be an "ORIGINAL" envelope and another called "COPY". These two envelopes will themselves be placed in a sealed outer envelope.

The inner and outer envelopes must be marked with the name and address of the bidder, be addressed to the RAAF, and bear the statement "Do not open before the bid opening session". If the envelopes do not bear these indications, the RAAF can not be hold responsible for the loss or the premature opening of the folder.

Conclusion

The biggest challenge in the RAAF bidding procedure is the mobilization of the line of credit and the search of all the administrative documents requested. Regarding the administrative documents, producer organizations and processors companies must take the following measures:

- Systematically ask for certificates of satisfactory execution after the completion of each contract ;
- Regularly update social and tax contributions ;
- Establish the financial balance sheet at the end of each year.

It is not advisable to wait for a bidding procedure to be published to start updating fiscal or social obligations. In terms of mobilizing the line of credit, it is good to start negotiating partnerships with banking institutions beforehand to avoid strain once the bid have been launched.