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Managing the Bid Process in Asset Recycling

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On this page: *Find steps to be followed when evaluating the proposals. Read more below, or visit the Guidelines for Implementing Asset Recycling Transactions section and Content Outline, or Download the Full Report.*

Following the release of the RfP documentation to shortlisted bidders, preparation of final proposals commences with the following activities:

Pre-bid Meetings

To improve clarity of the tendering process and the Relevant Authority's requirements, the Relevant Authority should provide for a clarification process with the bidders, through conduct of pre-bid meetings.

This will improve the quality of submitted proposals and will ultimately improve the financial benefit to the Relevant Authority from the tendering process. During the RfP process there are several opportunities to interact with the private sector parties, including:

- Data room access and electronic/written Q&A submission.
- Pre-bid team meetings (in person or by videocall).

The following principles should guide the Relevant Authority when communicating with bidders:

- Confidentiality of information received from bidders. It is essential to ensure that other bidders and other parties do not become privy to any information provided by the bidder.
- No unfair advantage is given to any one bidder through information revealed in the process of interaction or a response to a question. All pre-bid meetings and workshops, whether held in groups or one-on-one should be documented and all minutes, questions asked and Relevant Authority's responses, should be shared with all short-listed bidders, whether they participated in the meetings or not.

The amount of interaction depends on the scale and complexity of the project. The extent and nature of the interactive bid process will be determined on a project-by-project basis. In general, it is recommended that the Relevant Authority conducts workshops to discuss the project.

Workshops can be conducted for separate streams, including:

- Technical workshops - where the private sector and the Relevant Authority discuss issues such as overview of project assets, current condition of asset, operational and asset management issues, site conditions and supporting infrastructure.
- Financial and commercial workshops - where issues such as historical financial performance of the asset, funding and commercial terms under the draft project agreement, etc. are discussed.

Receive and Evaluate Proposals

Proposals will be evaluated in-line with the evaluation criteria detailed in the RfP. The following steps mentioned should be followed when evaluating the proposals:

- **Assess Compliance and Conformity**

  Once the bids have been received, the tender committee will assess their compliance with mandatory requirements (for example, lodgement time, mode of delivery, number of copies, etc.). A bid that does not conform to all requirements may be regarded as a non-conforming bid and may be disqualified.

  The tender committee, subject to direction by the representatives from the Relevant Authority, may exercise discretion to judge a bid to be a complying or conforming bid, notwithstanding incidental departures from the requirements of the RfP.

  The draft contract accompanying the RfP effectively conveys the Relevant Authority's position on risk allocation with respect to the project. The Relevant Authority should require that the number of variations from the contract be limited to pre-specified areas which do not affect the specified risk allocation and other material commercial matters. This allows bids to be compared on a like-for-like basis.

- **Conduct Bid Clarifications**

  The tender committee may seek clarifications on the bid submissions.

  These questions should be documented and reviewed by a representative from the Relevant Authority prior to being forwarded to the bidder. A formal meeting to discuss the responses may be appropriate and this meeting will be confined to the issues raised.

  Depending on the transaction, it may be appropriate to invite bidders to make presentations. This opportunity should be extended to all bidders if provided. The presentations should take place after written proposals have been lodged to ensure that no opportunities exist for bids to be amended as a result of the discussion.

- **Review by Evaluation Teams / Tender Committee**

  A decision should be made on the appropriate structure of the evaluation team(s) / tender committee. It is common for separate teams, comprised of members of the tender committee, to be established to assess the asset management and operations, commercial and legal (compliance) components of the bids.

  For less complex projects it may be appropriate to establish only one evaluation team / tender committee which shall develop a methodology to ensure that all elements are properly assessed.

  Each evaluation criteria is usually expressed as a rating against a predetermined scale, subject to mandatory requirements and eligibility criteria. The initial review is likely to identify a number of issues requiring clarifications from the bidders before a detailed evaluation can be concluded. Evaluation and clarification processes are likely to run in parallel and there might be several rounds of clarifications required.

  The Tender Committee/ Evaluation Team should include an environmental and climate resilient expert.

Related Content

- **The PPPRC Asset Recycling Section**
- **Executive Summary: Asset Recycling**
- **Asset Recycling Projects**
- **Asset Recycling Programs**
- **Table of Contents for Asset Recycling**

Additional Resources

- Managing the Bid Process
- Managing PPP Transactions

The Guidelines have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions.

To find more, visit the Guidelines to Implementing Asset Recycling Transactions Section Overview and Content Outline, or Download the Full Report.

