

MEMORANDUM

To: Louay Samouie, (USAID/Iraq), Contracting Officer's Representative

CC: Greg Maassen, Chief of Party, Financial Development Project
Tim Shumaker, Deputy Chief of Party, Financial Development Project
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From: Florence Faye, Program Manager, AECOM International Development

Date: 9 August 2013

Re: **Deliverable Approval: 11.4 "Assist with the selection of a vendor for the CBI to procure a comprehensive retail payments system that incorporates a solution for a National Switch model."**

In accordance with USAID/Iraq Financial Development Project (FDP) Contract Number 267-C-00-10-00005-00, clause F.6.B, Reporting and Deliverables Matrices; AECOM International Development is pleased to submit Deliverable 11.4: "Assist with the selection of a vendor for the CBI to procure a comprehensive retail payments system that incorporates a solution for a National Switch model" for COR review and approval.

Background

A retail payment system is an automated system which provides a conduit for low-value retail payments initiated by consumers and businesses to be transmitted between financial institutions; merchants and financial institutions; retail device Point of Sale (PoS) Terminals, Automated Teller Machines (ATMs) and the supporting financial institutions (acquirers); and financial institutions and the internet.

FDP, along with its partner, the Central Bank of Iraq, endeavor to create a national Retail Payment System Infrastructure (RPSI) in order to reduce the country's dependence on cash, allow for the efficient use of ATM machines, Point-of-Sale contacts by merchants, and enable mobile payments as well as mobile banking. A national "switch" feature of the RPSI will facilitate the connection between all Iraqi banks, ATM machines, and credit card point-of-sale devices to a common interoperable platform, provide connectivity to Global Networks like MasterCard and Visa, and enable citizens of Iraq with the capability and security of effecting mobile payments and accessing mobile banking services.

Deliverable 11.4

In order to achieve this goal, FDP worked in partnership with the Central Bank of Iraq (CBI) for the selection of a vendor in the solicitation process for the RPSI. FDP provided technical advice and training to the CBI staff on technical and procurement topics. More specifically, FDP

advised the CBI staff on proper and transparent methodologies for evaluating financial and technical proposals; appropriate questions to ask during the vendor visits and interviews; and prepared a number of reports shared with the CBI staff on the vendor selection process. The CBI is in the process of negotiating a contract with the selected vendor, a public announcement of this vendor will be made once the contract is signed.

Attachments:

1. Acceptance Memo by CBI Head of Department and Chairperson of the RFP Review Committee, Ms. Duha Mohammed, and Mr. Phil Corper, Executive Banking and Payments Expert with annex
2. RPSI Evaluation Methodology and Evaluation Scoring Sheets

USAID/Iraq Financial Development Project Deliverables		
	Deliverable	Status
1.3.1	A prioritized reform agenda for financial sector reforms developed by an association	Submitted and Approved
1.2.1	Training plan targeted to build the advocacy capacity of the industry association (s) developed	Submitted and Approved
1.2.2	Communications strategy for association(s) developed	Submitted and Approved
1.4.1	Association Linkages to University programs established	Submitted and Approved
2.1.1	Public-private Steering Committee for design of bank training institute and credit bureau established	Submitted and Approved
2.1.2	GOI commitment confirmed in writing in a manner acceptable to both CBI and USAID	Submitted and Approved
2.1.3	Iraqi driven credit bureau business plan and model developed	Submitted and Approved
2.2.1	Business plan and model for bank training institute	Submitted and Approved
2.3.1	Achievement of Phase 1 of the retail payment system	Submitted and Approved
3.1.1	Gap analysis of at least two existing business and finance University or College programs conducted	Submitted and Approved
3.3.1	Mechanisms for cooperation between the private sector and at least two existing business and finance University or Colleges in place	Submitted and Approved
3.1.3	At least two additional universities or colleges added as counterparts	Submitted and Approved
3.2.1	Regional and international linkages established	Submitted and Approved
2.2.3	Training of Trainers and curriculum development underway	Submitted and Approved
2.2.5	Bank training institute expands number of courses offered	Submitted and Approved
1.3.2	GOI champions for association reform agenda identified and engaged	Submitted and Pending Approval
2.1.4	Legal and regulatory requirements for credit bureau identified and recommendations for needed changes drafted	Submitted and Pending Approval
2.1.6	Sources of data and data requirements for launch of credit bureau resolved	Submitted and Pending Approval
3.3.2	Initiatives and pilots that support student opportunity, such as scholarship and internship programs, career development centers, and entrepreneurship centers	Submitted and Approved
11.2	Prepare with the CBI a complete Request for Proposals that will be issued to procure a new Retail Payment System that ensures interoperability.	Submitted and Pending Approval
11.4	Assist with the selection of a vendor for the CBI to procure a comprehensive retail payments system that incorporates a solution for a National Switch model.	Submitted and Pending Approval

Memorandum to File

SUBJECT: RPSI selection

DATE: July 24, 2013

Purpose: Document the selection of a vendor to supply the RPSI system

1. The following support has been provided by FDP which has resulted in the selection of a vendor to supply the RPSI system, and in the identification of a runner up.

Date	Planned milestone
7 March 2013	Request for proposals issued
5 May 2013	CBI Evaluation team trained
21 May 2013	Technical evaluation completed
17 June 2013	Request for financial proposals issued
18 July 2013	User and vendor interviews completed
7 July 2013	Financial evaluation completed
23 July 2013	Vendor selected

2. The successful vendor and runner up will now be announced to the vendors. After a one week cooling off period, the successful vendor will be invited to a negotiate a contract. A public announcement will be made after the contract has been signed.



Prepared by Phil Corper
Executive Banking and Payments Expert
USAID Iraq Financial Development Project

28 July 2013



Accepted by Duha Mohamad
Payments Director
Central Bank of Iraq

28 July 2013

Annex 1

Documents produced

Support for the tender evaluation was confidential to the CBI. Copies of the confidential documents produced are held in FDP archives, but are not available to unauthorised readers.

- Presentation - *Evaluation process summary* (revised).
- Presentation - *RPSI Financial Evaluation*.
- Paper - *Evaluation methodology and evaluation scoring sheets* (revised).
- Paper - *RPSI Budget* (confidential).
- Paper - *Agenda and questions for the vendor visits* (confidential).
- Paper - *Agenda and questions for the user interviews* (confidential).
- Paper - *Questions in respect of the financial proposals* (confidential).
- Paper - *Request for financial proposals*.
 - *Annex A - Format of cost summary*.
 - *Annex B - List of questions*
 - *Annex C - Notice of contractual requirements* (revised from *Contract*).
 - *Annex D - Notice of maintenance requirements* (revised from *Maintenance agreement*).
- Paper - *Contract with Maintenance agreement annexed* (confidential)
- Spreadsheets - *Evaluation score sheets* (revised templates).
- Spreadsheets - *Evaluation score sheets* (actual scores, confidential).
- Report - *Consortia members* (confidential).
- Report - *Technical evaluation report* (confidential).
- Report - *Analysis of answers to Annex B questions* (confidential).
- Report - *User and vendor evaluation report* (confidential).
- Report - *Financial evaluation report* (confidential).
- Report - *Final evaluation report* (confidential).
- Report - *49 Meeting notes* (confidential).



Iraq RPSI Evaluation Methodology and Scoring Sheets

Name of Project:	Retail Payment Systems Infrastructure
Contract Name:	Supply and Implement project for a Retail Payment Systems Infrastructure for Iraq
Current Version number:	0.5
Date of First Version:	8 February 2012
Date of Current Version:	04 May 2013

Preamble

The purpose of this document is to summarize the processes to be used for evaluation of the Retail Payment Systems Infrastructure (RPSI) bids. The audience for this document is the RPSI Steering Committee of the Central Bank of Iraq (CBI), the RPSI Working Committee and the CBI RPSI Evaluation Team of PwC. The scope of this document is limited to the bidder's eligibility, bidder's qualification documents and the processing of bids received in response to CBI's bidding document.

The RPSI procurement approach is based on the Iraqi Law for Government Procurement through Invited Bidding (two-stage tender – method 3). This implies a pre-qualification process (which has already been carried out), followed by a two stage bidding process,.i.e.:

Technical Proposal Stage:

- *Technical Proposal Submission*
- *Technical Proposal Evaluation*

Financial Proposal Stage:

- *Financial Proposal Submission*
- *Financial Proposal Evaluation*

Only fully qualified bidders with strong technical proposals will be invited to participate in the Financial Proposal Submission Stage.

The evaluation methodology and formula deployed in this evaluation methodology are based on the World Bank “Standard Bidding Documents Supply and Installation of Information Systems Single-Stage Bidding”, see “Extract from the World Bank “Standard Bidding Documents Supply and Installation of Information Systems Single-Stage Bidding IS1STG SBD--V3a-Mar-31-2003 (A4)” Available on: <http://www.worldbank.org/itprocurementforum>. An Arabic version might be available on that website.

The following RPSI Evaluation Methodology document describes the two evaluations above. This document is subject to approval by the SCPM (Steering Committee Payment Management) and the Legal Department at CBI and employed during the evaluation process by the Evaluation Team.

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1. Introduction

1.1. *Evaluation Objectives and Principles*

Evaluation of Information technology proposals involves the systematic and objective assessment of a set of proposals their functional, technical, architectural design, implementation plans and costs, resulting in a final selection of the most suitable and cost-effective proposal. The aim of the Central Bank of Iraq Retail Payment Systems Infrastructure (RPSI) evaluation is to determine the level of compliance and fulfillment of specifications provided to ensure that the winning proposal is capable of delivering an efficient, effective and sustainable Retail Payments infrastructure for Iraq.

The purpose of this Proposal Evaluation Methodology and the associated scoring sheets is to provide a fair and uniform basis for the evaluation of the RPSI Proposals received on the basis of the RPSI Request for Proposal in accordance with international best practices.

The Principles involved are:

- Fairness – to ensure that all proposals are treated equally and that a uniform set of evaluation metrics are applied uniformly to all proposals
- Transparency – to ensure that the evaluation process is fully transparent to all involved parties.
- Deepening understanding – to act as a tool for deepening knowledge and understanding of the proposed solutions and their functional, technical, planning and financial characteristics.

1.2. *Main Stages of the Evaluation Process*

This document explains the steps that evaluators will take in evaluating the proposals received from consortia or individual companies in response to the RPSI RFP. There are three stages:

- (1) Eligibility involving simple checks that proposals are eligible and conform with the basic rules of the Iraq Government Procurement Law
- (2) Technical proposal evaluation – involving:
 - a. Meeting basic qualification criteria
 - b. Correct process of proposal submission
 - c. Evaluation of the content of the proposal
- (3) Financial Proposal evaluation – involving:
 - a. Correct process of proposal submission
 - b. Quantitative evaluation of the financial proposal

The following sections of the document explain the actions evaluators will take in working through these steps.

The document “RPSI Project Governance” explains the roles of the different committees and parties involved in the evaluation process and show how problems may be escalated if necessary.

2. Evaluation Team

The Evaluation Team (anticipating a 3-6 member team) will be led by the CBI’s Payment Department employees and assisted by the USAid IFDP project consultants that will carry out the scoring exercises using the score sheets below. The CBI team will be briefed / trained by IFDP RPSI team in advance of the evaluation work. The training will include briefing about the RPSI project and the history of the ideas involved, explanation of the evaluation methodology and score sheets and explanation of the business modeling ideas and the approach to assessing the financial viability of proposals. Two or three members of the CBI’s RPSI Working Committee (as described in the document “RPSI Project Governance”) will also be trained in evaluation methods so that they can review the results of the evaluations effectively and can take part in the demonstrations and site visits if necessary. The CBI’s Project Manager should be among the CBI personnel trained.

The IFDP team has authority to examine the results of the scoring, ask any necessary questions and seek clarifications of results.

3. Bidder eligibility

The eligibility criteria for bidders are the basic filter for organisations to take part in the RPSI bid, aimed at ensuring that bids are received only from companies which are acceptable to the CBI and to CBI’s partners and donors. The CBI’s legal team has chosen to apply Iraqi government procurement rules for a tender by invitation i.e. at least one of the partners in a bidding consortium must have been invited to submit a proposal; for single entity bids the prime contractor must have been invited to submit a proposal.

Evaluators will check that for each Bidder has been properly invited, either in the process leading up to the Bidders’ Conference in Istanbul in November 2011 or subsequently been included in the Request for Proposal distribution list by the CBI team. In order to conform to the Procurement Law, Bidders who have not been correctly invited cannot take part.

4. Bidder qualification

The next set of requirements is the Bidder qualification criteria. The Bidder qualification criteria section is intended to ensure that only capable and trustworthy companies or consortia are encouraged to bid and accepted as bidders. The Bidders’ response to the qualification section of the

RFP must demonstrate that the companies or consortia have products and experience capable of meeting the requirements and capable of underwriting the inherent project risk.

For the RPSI project, the bidder qualification criteria are stated in Section 2.1 of the RFP. Readers should study this section to understand the requirements.

Consortia who do not meet the criteria will be discarded prior to the Technical Evaluation. Although the Statement of Interest process that took place after the Bidders' Conference enabled a number of Consortia to demonstrate qualification to bid, the circumstances may have changed during the intervening period. Hence, all bidders have been asked to confirm qualification in a further brief Statement of Interest. The actual qualifications will be checked in detail as part of the technical proposal analysis.

5. Technical Proposal Phase

5.1. Technical Proposal Submission

Technical Proposals must be submitted in accordance with the CBI Letter of Invitation to Tender (Technical Proposal), which will set out the timetable and preconditions for Bidder's participation in the procurement process. The RFP sets out the specific rules for proposal submission, which must be followed.

The Evaluation Team may escalate any process problems to the RPSI Steering Committee in order to avoid disqualifying a bid for technical reasons. As it is expected that compliant bids will be scarce, it is undesirable to reject a bid for merely procedural reasons

5.2. Preliminary Evaluation Technical Proposal

The Evaluation Team will examine the Technical Proposals to determine whether they are complete, whether required sureties have been furnished, whether the documents have been properly signed, and whether the bids are generally in order. The Evaluation Team will ensure that each bid is from a Bidder who received an Invitation to Tender.

5.2.1. Preliminary examination

The preliminary examination of bids will take place as quickly as possible following opening of the bids, but not necessarily on the same day. Under normal circumstances the tasks will be finished within one week of the submission date, but the sooner the better.

The preliminary examination consists of a series of checks to ensure that the bids are:

- Complete
- Properly signed
- Generally in order

In addition, the Evaluation Team will verify that the correct required number of copies has been provided. The signature and “general order” aspects can be checked relatively quickly, but the “completeness” check will require slower and more careful examination.

5.2.2. Completeness

The degree of completeness of each bid will be established by verification that the bid includes the documents identified in the RFP i.e.:

- A cover letter, signed by an officer of the Bidder who is duly authorised to commit the Bidder to contractual obligations.
- Documentation establishing that the signatory is authorised to commit the Bidder to contractual obligations.
- An Executive Summary (no longer than 4 pages).
- Point by point responses to each of the Bidder Qualification Criteria set forth in Section 2.1 – filling out any further detail over and above the original statement of qualification submitted in the prequalification stage; in particular at least three reference sites which may be suitable for demonstration visits must be stated at this point, with contact details.
- Point by point responses and statement of compliance to the requirements of Section 3 – Functional Requirements; Section 4 – Technical Requirements and Section 5 – Implementation Requirements.
- The annexes listed in the RFP must be included.

If any bid fails to conform to the completeness requirement, The Evaluation Team may choose to seek clarification from the bidder, or simply to disqualify the bid from further consideration, depending on the scope and extent of the failure to comply with the bid structure, or with the qualification requirements.

The results of all preliminary evaluations will be minuted in the Bid Evaluation Report (A sample Bid Evaluation report is attached in the Appendix). Particular attention will be given to any disqualification decisions, for which detailed explanations will be provided.

5.3. Detailed Technical Evaluation

5.3.1. Introduction to Technical Evaluation

In this section we explain how the detailed technical evaluation will be conducted for the RPSI project. The main work will be done by the Evaluation Team with support from the IFDP team.

It is recognized that not all the Evaluation team members will be familiar with the technical content of the proposals, even though they will have reviewed the RPSI RFP and strategy documents. Hence, IFDP will provide a training course for the Evaluation Team members, aimed at explaining the details

of the process and also highlighting specific points and issues of which Evaluators should take note in the proposals.

The evaluation approach used in this document is based on the sample method for quality evaluation described in World Bank's IT Procurement Guidance Note No. 10, Evaluation of Quality in Procurement of Information Technology.

When the Evaluation Team has begun its analysis of a proposal, it may seek guidance from the IFDP team either with regards to specific technical matters in the proposals or with regards to process issues. When the analysis of each proposal is complete the results should be passed to the IFDP for collation. The IFDP may ask questions to the Evaluation Team to clarify any points or request further explanation of the results of specific assessments. The IFDP also has the authority to examine the score sheets and ensure that any outlying scores have been discarded as described in the next section, in order to assure transparency.

Before embarking on the detailed evaluation the main technical evaluation criteria will be agreed as follows.

5.3.2. Technical Proposal Evaluation Process

The Technical Evaluation of the RPSI proposals is primarily a qualitative evaluation i.e. compliance with functional, technical, operational and implementation requirements. The RPSI project is a "Supply and Implement" project, with a two-stage tender, so the technical proposals must offer no pricing information.

The sections below set out the proposed technical evaluation criteria and their proposed relative and absolute weights. (These criteria and weights are similar to the criteria and weights used on World Bank evaluation projects elsewhere in the World. The criteria and weights will be reviewed by the RPSI Steering Committee before they are applied by the Evaluation Team).

The evaluation must be carried out by the members of the Evaluation Team. The Evaluation Team will consist of an Evaluation Team Leader and a number of scorers who will be responsible for assigning the scores to each evaluation criterion. It is recommended that four to six scorers are assigned to the scoring of the submitted proposals, although the number of scorers may be fewer, as the CBI and IFDP teams are not taking part in formal scoring.

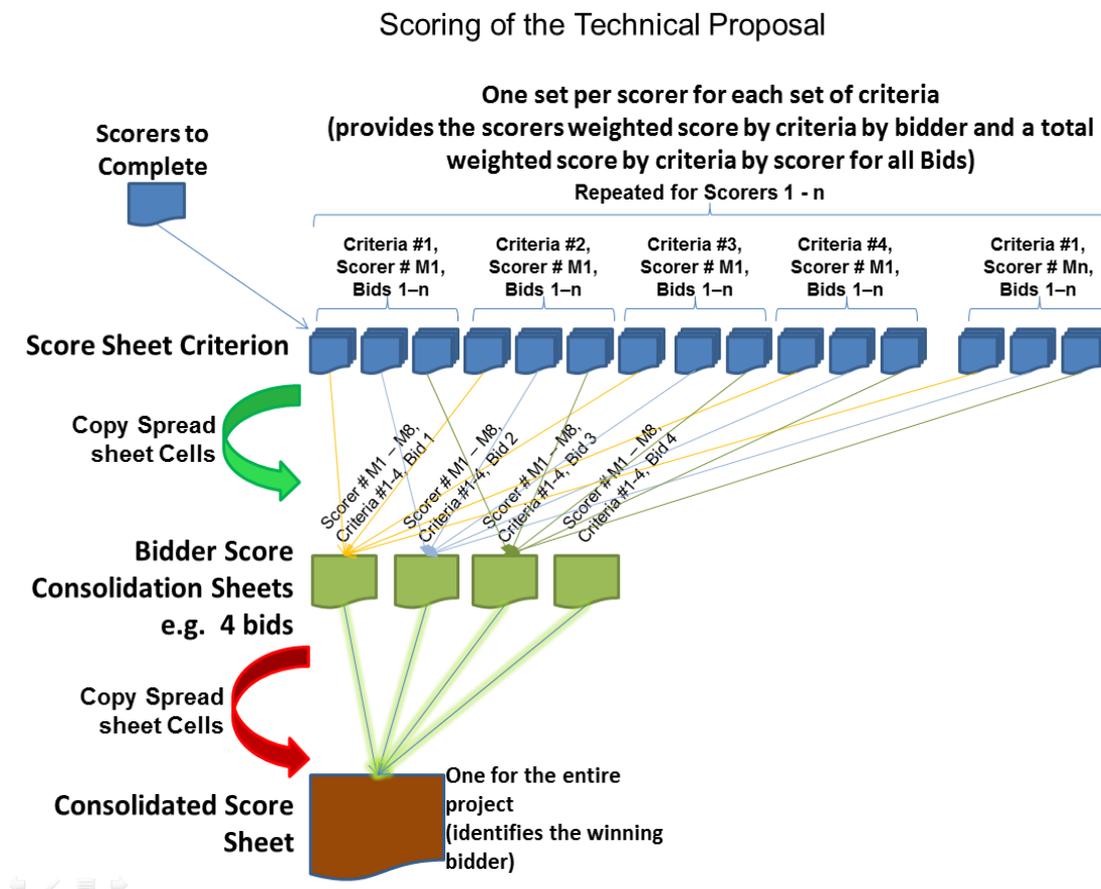
The evaluation process involves the completion of a set of Evaluation **Score Sheets by Criterion** to be completed by each scorer for all criteria for all bids (for the RPSI four (4) criteria have been established), and a staged consolidation of Evaluation **Bidder Score Consolidation Sheets** until these sheets have been consolidated in a **Consolidated Score Sheet** which identifies the winning bid as described in Section 7 below. In outline:

- The Score Sheets by Criterion will be used by an individual scorer to score all evaluated bids. One set of Sheets must be completed by each scorer for each criterion. Each Score Sheets by Criterion provides the scorer's weighted score by criterion for each bidder and a total weighted score by Criterion Set for each bidder.

- Once all Score Sheets by Criterion have been completed by the scorer, the Bidder Score Consolidation Sheets will be compiled by the Evaluation Team Leader (Consolidator).
- The Bidder Score Consolidation Sheets are used to compile the total weighted score for each Bidder for each Criteria; this is done by the Consolidator who will copy the total weighted score by Criterion Set for each bidder to the Bidder Score Consolidation Sheets.
- Once the Bidder Score Consolidation Sheets have been completed the overall Consolidated Score Sheet will be compiled by the Consolidator.
- The Consolidated Score Sheet is used to consolidate all scores for all bidders into one final result and to compile the combined total score for the technical proposal evaluation.
- The two or three Bidders with the highest scores will be invited to demonstrate their systems to the Evaluation Team and user visits for these Bids may also be made, according to the procedures set out in the RFP.

All the Scoring Sheets are provided in spreadsheet format.

The following diagram provides a summary of the Consolidated Score Sheet development process i.e. it demonstrates how the final result is compiled on the basis of the individual scorers' Evaluation Sheets.



5.3.3. Technical Proposal Criteria

The technical proposal criteria are listed in the RFP and include:

- Full compliance with the Bidder Qualification Criteria in Section 2.1 of the RFP.
- Level of compliance (and alternative suggestions where relevant) with the requirements stated in:
 - Section 3 – Functional Requirements
 - Section 4 – Technical Requirements
 - Section 5 – Implementation Requirements
- Experience and skills of the Bidder, including its staff and management strength and skills, customer installed base in multi-bank payment systems, third party implementations, training capability, convincing service level agreement, support capability, as demonstrated via presentations, demonstrations, references and site visits.

5.3.4. Technical Proposal Criteria Weights

For illustration, the following table provides the first two levels of the Technical Evaluation criteria (Criterion Sets 1-4) and the associated proposed weights.

A detailed set of Scoring and Consolidation Sheets for evaluation of the RPSI proposals is provided in a separate Excel document, which enables weighted scores to be automatically calculated. These score sheets show in detail how the weighted scores are calculated for each criterion.

Criterion	Proportion of points	Comments / Elaboration
1. Functional compliance (Sections 3)	40%	Mandatory items and/or viable alternatives must be provided for compliance
Overall Applications Architecture - Interoperability	7.00%	
Main functions of a National Switch - including fraud control	6.00%	
Switch Integration with IPS	6.00%	
MPS Architecture	3.00%	
MPS support for Multiple Accounts	3.00%	
MPS support for Agents	3.00%	
MPS support for Cheque capture	3.00%	
MPS support for Government Transactions	3.00%	
MPS support for MFI	3.00%	
MPS Integration with IPS	3.00%	
Total Criteria # 1	40.00%	
2. Technical compliance (Sections 4)	25%	Mandatory items and/or viable alternatives must be provided for compliance
Compliance with PCI-DSS standards	3.57%	
Security for Mobile Channel	3.57%	

Criterion	Proportion of points	Comments / Elaboration
Support for Account Number mapping	3.57%	
Compliance with Platform Requirements	3.57%	
Adequacy for SLA	3.57%	
Capacity for Switch	3.57%	
Capacity for MPS	3.57%	
Total Criteria # 2	25.00%	
3. Implementation Requirements (Sections 5)	10%	Range, experience and quality of services will be considered
Adequacy of Project Phasing	1.43%	
Ability to meet time constraint (delivery Schedule)	1.43%	
Achievability of Resource Plan	1.43%	
Switch Proposed Members	1.43%	
MPS Proposed Participants	1.43%	
Adequacy of Customer Service Functions	1.43%	
Adequacy of Reporting Standards proposed	1.43%	
Total Criteria # 3	10.00%	

Once the technical evaluation of Functional compliance (Sections 3), Technical compliance (Sections 4), and Implementation Requirements (Sections 5) have been evaluated, the CBI may decide to shortlist three or more Bidders. At this stage the Bidders who are not on the short list will be informed and the shortlisted vendors will be invited to present their solutions in Baghdad and / or Erbil based on the time table provided in the Request for proposal.

During the Bidder presentations the Evaluation team will be requested to score the Adequacy of presentations and demonstrations on basis of the following sub criteria:

- Clear picture of systems provided
- Demonstration worked well
- Look and feel, usability satisfactory
- Significant good or bad features
- Overall team competence
- Able to answer questions well

After the completion of the series of presentations the Evaluation team may need to further assess the shortlisted Bidders capabilities and the quality of the bidders' solutions. If required, the Evaluation Team may therefore request the Bidders to identify suitable reference sites for site visits. At this stage CBI may contact the reference sites and request site visits. During the site visits the Evaluation Team will evaluate the shortlisted Bidders' solutions and the Adequacy of the reference sites on the basis of the following criteria:

- Users' comments about vendor
- Implementation experience
- Support experience
- Smooth operation of the system

- Any operational problems
- Any performance problems
- Any functional problems - especially financial ones
- Any security problems
- Vendor cooperation and flexibility
- Any hidden costs emerging

The scores for the Presentations and user visits will then be entered into the following Presentations and user visits score sheet, hence completing the Technical evaluation.

4. Presentations and user visits (To be Evaluated after the short listing of Bidders but before the Financial Proposal evaluation Phase)	5%	Show credible delivery plans backed up by user experience
Adequacy of presentations and demonstrations	2%	
Adequacy of site visits	3%	
Total Criteria # 4	5%	

6. Financial Proposal Phase

6.1. *Financial Proposal Submission*

Financial Proposals will be submitted in accordance with the CBI Letter of Invitation to Tender (Financial Proposal), which will set out the timetable and preconditions for each bidder's participation in the procurement process. The procedures for this are set out in the RFP. After the deadline for submission of the Financial proposal no contact will be allowed between the CBI Evaluation Team and the shortlisted bidders.

6.1.1. *Preliminary Evaluation*

The Evaluation Team will examine the Financial Proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the bids are generally in order. The Evaluation Team will ensure that each bid is from a Bidder who received an Invitation to Tender and who has been invited to submit a Financial Proposal.

The preliminary examination consists of a series of checks to ensure that the bids are:

- Complete
- Properly signed
- Generally in order

In addition, the Evaluation Team will verify that the correct required number of copies has been provided. The signature and "general order" aspects can be checked administratively relatively quickly, but the "completeness" check will require slower and more careful examination.

Minutes of the meetings held for the preliminary examination of bids will be included in the Bid Evaluation Report.

6.1.2. *Completeness*

The degree of completeness of each bid will be established by verification that the bid includes the documents identified in the RFP i.e.:

- A cover letter, signed by an officer of the Bidder who is duly authorised to commit the Bidder to contractual obligations.
- Documentation establishing that the signatory is authorised to commit the Bidder to contractual obligations.
- A detailed financial proposal in accordance with the guidelines set out in the RFP (Section 2.5.3, Financial Proposal Evaluation of the RFP)
- Detailed financial proposal criteria in accordance with 2.6.2 Financial Proposal Criteria
- Scoring of the financial proposal as per the last bullet point of 2.8.3.1 Scoring of Proposals

If any bid fails to conform to the completeness requirement, in the interest of fair comparison, the Evaluation Team may choose to include cost items missing from the proposal based on the average cost of the same items in the competing bids or may simply disqualify the bid from further consideration, depending on the scope and extent of the failure to comply with the bid structure, or with the qualification requirements. Any disqualification decisions at this late stage will require detailed explanations to the bidder.

6.2. Detailed Financial Evaluation

6.2.1. Introduction to Financial Proposal Evaluation

As with the Technical Evaluation, the evaluation approach used for Financial Evaluation is based on the sample method for quality evaluation described in World Bank's IT Procurement Guidance Note No. 10, Evaluation of Quality in Procurement of Information Technology. IFDP will support the work of the Evaluation Team by answering questions and assisting in the mechanics of the analysis of the financial information. For example, the IFDP team will be able to highlight the significance of specific elements of the Financial proposals.

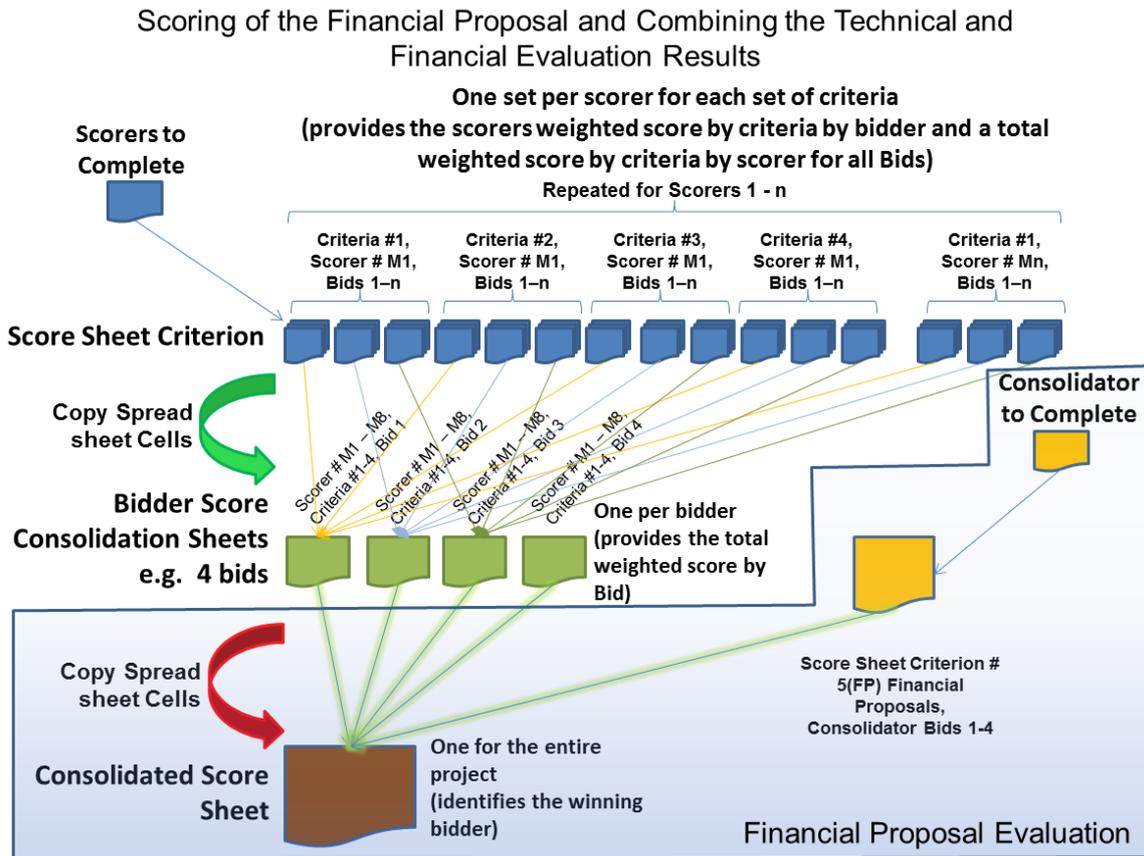
Before embarking on the detailed evaluation of Financial Proposals, the main Business evaluation criteria and weightings of the Technical Proposal versus the Financial Proposal will be agreed by the Steering Committee. It has been proposed that the split should be the Technical Proposal 75% versus the Financial Proposal 25%.

6.2.2. Financial Proposal Evaluation Process

In a conventional procurement project, price is usually one of the two main bid evaluation criteria. Because the RPSI project is a "supply and implement" project, the cost of the proposed solution is therefore a main component of the evaluation process.

The Financial Evaluation process is a continuation of the Technical Evaluation process with the Evaluation Team leader or Consolidator completing the **Score Sheet Criterion # 5 (FP) Financial Proposals** scoring sheets associated with the Financial evaluation.

The following diagram illustrates the combined Technical and Financial Evaluation processes:



The financial criteria require all shortlisted vendors to provide full details of all costs to CBI, including the costs of bidders and any necessary third parties for the supply, implementation, end-user training, support and maintenance of the RPSI up to the end of the first one year application software maintenance period. The total cost of ownership over this period for the entire system will be the main financial criterion assessed. CBI will evaluate and compare only the shortlisted bids that have been determined to satisfy the technical criteria.

The overall Technical and Financial Evaluation will be performed on the following basis: **The Contract will be awarded to the evaluated Bidder with the highest total score for the entire RPSI System.**

CBI’s evaluation of the proposals will be made on the basis of prices quoted in accordance with Request for Proposal “Supply and Implementation of the Retail Payment Systems Infrastructure” for the Central Bank of Iraq.

CBI’s evaluation of shortlisted bids will take into account technical factors, in addition to cost factors. An Evaluated Bid Score (B) will be calculated for each shortlisted bid using the following formula, which permits a comprehensive assessment of the bid price and the technical merits of each bid:

$$B = \frac{C_{low}}{C} X + \frac{T}{T_{high}} (1-X)$$

where

X = Weighting of financial score

C = Evaluated Bid Price

C_{low} = the lowest of all Evaluated Bid Prices among shortlisted bids

T = the total Technical Score awarded to the bid

T_{high} = the Technical Score achieved by the bid that was scored highest among all shortlisted bids

Based on the weights applied to the RPSI evaluation this means that the Evaluated bid score will be compiled as follows:

$$B = \frac{C_{low}}{C} \cdot 0.2 + \frac{T}{T_{high}} \cdot 0.8$$

7. Scoring and Consolidation Sheets

This section describes the scoring scale and a step by step process to consolidate the scoring sheets to produce the final consolidated score sheet which will identify the winning bidder.

7.1. Scoring Scale

The following Scoring Scale provides the principles to be applied by the scorers for each criterion.

Score	Meaning	Guidelines
1	Not compliant	Bid is not compliant
2	Minimum compliant	Bid appears to be compliant but there are reservations or potential issues
3	Fully compliant	Bid demonstrates full compliance without reservations or issues
4	Fully compliant + minor advantages	Bid demonstrates full compliance <u>and</u> provides minor advantages
5	Fully compliant + significant advantages	Bid demonstrates full compliance <u>and</u> provides significant advantages

The scoring spreadsheets automatically convert these “raw” scores into weighted scores by multiplying the raw scores by a “Factor” applied to the proportion of points available for each item, thus automatically generating a weighted score for the Bidder for that Criterion. The process is illustrated in the next section:

Score table	Raw score	Factor
Not compliant	1	0
Minimum compliant	2	0.25
Fully compliant	3	0.5
Fully compliant + minor advantages	4	0.875
Fully compliant + significant advantages	5	1

7.2. Evaluation Score Sheet Criterion for all bids

This sheet will be used by each individual scorer to score all evaluated bids. One set of Sheets must be completed by each scorer for each criterion. The spreadsheets themselves are provided as separate tabs in an Excel document. In these example spreadsheets, eight bids are being evaluated. The first tab of the scoresheet pack shows the weightings assigned – i.e. the proportion of the points allocated to each Criterion within each Set and for each Criterion overall. The proportions shown are proposed values. The Evaluation Team or RPSI Steering Committee may adjust the proportions, providing that this is done before the Technical Proposals are opened.

There are six sets of scoresheets:

1. Criteria Set #1 – Functional requirements
2. Criteria Set #2 – Technical requirements
3. Criteria Set #4 – Demonstrations and site visits
4. Criteria Set #5 – Financial Proposal.

Each scorer will conduct their own assessment of each Bid and put their scores in the columns on the scoring spreadsheet for each criterion. The formulae in the spreadsheet automatically assign weighted scores according to the proportion of points allocated in the first sheet for that criterion. The scoring spreadsheet for Criterion Set #1 is shown below as an example. (Please note that the scores shown are either manually inserted or randomly generated):

Retail Payment Systems Infrastructure (RPSI)																	
Score Sheet Criterion # 1 (Functional Requirements Section 3)																	
Scorer Name:		علاء الدين															
Criterion / Sub-criterion	%	Bid 1		Bid 2		Bid 3		Bid 4		Bid 5		Bid 6		Bid 7		Bid 8	
1. Functional compliance (Section 3)	40%	score	w/ score	score	w/ score	score	w/ score	score	w/ score	score	w/ score	score	w/ score	score	w/ score	score	w/ score
Overall Applications Architecture - Interoperability	7.00%	5	0.35	4	0.25	5	0.35	3	0.11	5	0.35	5	0.35	3	0.11	4	0.25
Main functions of a National Switch - inc fraud control	6.00%	5	0.30	4	0.21	5	0.30	3	0.09	5	0.30	5	0.30	4	0.21	5	0.30
Switch Integration with IPS	6.00%	5	0.30	5	0.30	5	0.30	4	0.21	5	0.30	5	0.30	5	0.30	5	0.30
MPS Architecture	3.00%	5	0.15	3	0.05	4	0.11	4	0.11	5	0.15	5	0.15	3	0.05	4	0.11
MPS support of Multiple Accounts	3.00%	5	0.15	3	0.05	4	0.11	5	0.15	4	0.11	4	0.11	4	0.11	3	0.05
MPS support of Agents	3.00%	5	0.15	4	0.11	3	0.05	5	0.15	4	0.11	5	0.15	3	0.05	2	0.02
MPS support of Cheque capture	3.00%	5	0.15	2	0.02	3	0.05	5	0.15	3	0.05	5	0.15	4	0.11	1	0.00
MPS support of Government Transactions	3.00%	5	0.15	5	0.15	4	0.11	4	0.11	3	0.05	3	0.05	5	0.15	2	0.02
MPS support of MFI	3.00%	5	0.15	4	0.11	5	0.15	3	0.05	4	0.11	3	0.05	5	0.15	3	0.05
MPS Integration with IPS	3.00%	5	0.15	3	0.05	2	0.02	5	0.15	5	0.15	5	0.15	2	0.02	4	0.11
Total Criteria # 1	40.00%	NA	2.00	NA	1.27	NA	1.52	NA	1.26	NA	1.66	NA	1.75	NA	1.23	NA	1.18

In this example, the Scorer has allocated raw score for each Bidder for each Criterion within Criterion Set #1 and the spreadsheet has calculated a weighted score by multiplying the proportion of points available (shown in the % column) for that Criterion by the “Factor” related to the raw score.

The same process is followed for all four of the Criterion Sets.

7.3. Bidder Score Consolidation Sheets

The Bidder Score Consolidation Sheets compile the Average Weighted score by bidder based on the Evaluation Score Sheets produced by each scorer. The Consolidator – likely the evaluation team leader collects all the scores. In the example below, the scores from Scorers 1,2 and 3 are consolidated for Bidder 1. The Consolidator will collect the scores from all the Scorers (denoted by M1 to M6 in the spread sheet) within the Consolidation Sheet for each Bidder. (Please note that the scores shown are either manually inserted or randomly generated):

Bidder Score Consolidation Sheet								
Retail Payment Systems Infrastructure (RPSI)								
Consolidators Name:		قائد الفريق						
Bidder # 1								
Component / Criterion	%	M1 w/score	M2 w/score	M3 w/score	M4 w/score	M5 w/score	M6 w/score	Average Weighted Score
Bidder # 1	80%							
1. Functional compliance (Sections 3)	40%	2.00	0.17	0.06	0.03	0.29	0.30	0.47
2. Technical compliance (Sections 4)	25%	1.25	0.08	0.11	0.06	0.04	0.23	0.29
3. Implementation Requirements (Sections 5)	10%	0.24	0.08	0.01	0.24	0.30	0.20	0.18
4. Presentations and user visits (To be Evaluated During the Financial	5%	0.07	0.19	0.24	0.26	0.02	0.22	0.17
Total average Weighted Score bidder # 1								1.11
Legend:								
Mx refers to the individual scorer team Members.								
The w/score (weighted score) value is transcribed / copied from the corresponding field in the Score Sheet for the relevant criterion for the relevant bidder.								

7.4 Score Sheet Criterion # 5 Financial Proposals

The Score Sheet for Criterion # 5 constitutes the Financial Proposal comparison sheet used to compile the total bid price and establish the lowest bid price. The following is a sample Score Sheet for Criterion # 5. (Please note that the scores shown are either manually inserted or randomly generated):

Retail Payment Systems Infrastructure (RPSI)									
Score Sheet Criterion # 5 Financial Proposal (Overall cost of ownership) (To be Evaluated During the Financial Proposal Phase)									
Consolidators Name:		شاند الفريق							
Criterion / Sub-criterion	%	Bid 1	Bid 2	Bid 3	Bid 4	Bid 5	Bid 6	Bid 7	Bid 8
5. Financial Proposal (Overall cost of ownership) (To be Evaluated During the Financial Proposal Phase) (25%)	20%	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost
National Switch License Cost		2,532,579	1,797,616	3,934,630	3,209,164	42,390	3,476,933	1,587,570	3,084,869
IIMPS License Cost		2,169,942	2,970,506	942,606	1,176,458	625,621	1,142,830	516,408	2,731,742
Hardware Cost		567,921	2,995,233	3,935,863	3,520,909	2,016,574	2,790,026	2,750,024	2,248,598
System Software Costs		2,553,419	3,943,367	857,044	2,671,566	2,182,774	599,475	1,888,181	3,028,823
Communication Equipment Costs		3,881,389	1,820,373	373,346	356,219	2,264,956	489,865	3,075,048	1,274,674
Cost of Maintenance and support (year 1) National Switch		581,773	2,650,887	2,252,291	3,944,475	1,299,102	1,791,728	1,553,002	3,805,962
Cost of Maintenance and support (year 1) IIMPS		1,713,534	1,387,538	1,043,683	1,822,907	3,775,832	1,239,007	2,447,439	3,687,311
C - Overall Cost of the National Switch and the IIMPS by Bidder	C	14,000,557	17,565,520	13,339,463	16,701,698	12,207,249	11,529,864	13,817,672	19,861,979
C _{low} - Minimum Solution costs (Lowest Bidder)	11,529,864								
C _{low} /C - Bid price over Lowest bid		0.82	0.66	0.86	0.69	0.94	1.00	0.83	0.58
Lowest Bid		NA	NA	NA	NA	NA	Lowest	NA	NA

7.5 Score Consolidation Sheet

The Score Consolidation Sheet is used by the Evaluation Team Leader to consolidate all scores for all Bidders into one final result and to compile the combined total score including both the technical and the financial scores. (Please note that the scores shown are either manually inserted or randomly generated):

Score Consolidation Sheet									
Retail Payment Systems Infrastructure (RPSI)									
Consolidators Name:		قائد الفريق							
Main Criteria	Weight of Main Criterion	Average Weighted score							
		Bidder # 1	Bidder # 2	Bidder # 3	Bidder # 4	Bidder # 5	Bidder # 6	Bidder # 7	Bidder # 8
	80%								
1. Functional compliance (Sections 3)	40%	0.50	0.25	0.55	0.83	0.06	0.48	0.91	0.10
2. Technical compliance (Sections 4)	25%	0.35	0.95	0.50	0.69	0.39	0.47	0.53	0.14
3. Implementation Requirements (Sections 5) & Operational Requirements (Section 6)	10%	0.19	0.48	0.41	0.95	0.40	0.60	0.67	0.19
4. Presentations and user visits	5%	0.11	0.33	0.68	0.04	0.72	0.80	0.79	0.10
Total Score (T)	T	1.04	1.68	1.45	2.48	0.85	1.55	2.11	0.43
5. Financial Proposal (Overall cost of ownership) (To be Evaluated During the Financial Proposal Phase) (25%)	C_{low}/C	0.59	0.60	0.80	0.65	0.47	0.46	0.95	1.00
Highest Technical Score	T_{high}	2.48							
Total Score over Highest Score	T/T_{high}	0.42	0.68	0.59	1.00	0.34	0.62	0.85	0.17
$B = \frac{C_{low}}{C} \cdot 0.2 + \frac{T}{T_{high}} \cdot 0.8$	B	0.4527	0.6626	0.6289	0.9302	0.3672	0.5920	0.8707	0.3381
Winning Bid B		NA	Lowest Bid						

Where B is compiled as follows:

X = weight for the financial score

C = Evaluated Bid Price

C_{low} = the lowest of all Evaluated Bid Prices among shortlisted bids

T_{high} = the Technical Score achieved by the bid that was scored highest among all shortlisted bids

Appendix A - Bid Evaluation Report and Recommendation for Award of Contract

Bid Evaluation Report
And
Recommendation for Contract Award

Name of Project: Retail Payment Systems Infrastructure

Funding references (if required): NA

Contract Name: Supply, Implementation and Operation of a
Retail Payment Systems Infrastructure Project

Identification Number: xyz

Date of Submission: dd.mm.yyyy

Identification

(If required)

1.1	Name of issuer	Central Bank of Iraq		
1.2	Project Reference Number			
1.3	Date of Issuance of General Procurement Notice			
1.4	Closing date (a) original (b) revised			
1.5	Name of project	Supply, Implementation and Operation of a Retail Payment Systems Infrastructure Project		
1.6	Licensing Authority (a) name (b) address	<u>Central Bank of Iraq</u> <u>NA</u>		
1.7	License number (identification)			
1.8	License description			
1.9	Cost estimate	<u>NA</u>		
1.10	Method of procurement (check one)	ICB ___	LIB ___	Other <u>Tender by Invitation</u>
1.11	Prior review required	Yes ___	No ✓	
1.12	Domestic preference allowed	Yes ✓	No ___	
1.13	Fixed price contract	Yes ___	No ___	NA ✓
1.14	Co-financing, if any: (a) agency name (b) percent financed by agency	<u>None</u> <u>NA</u>		

Bidding Process

2.1	General Procurement Notice (a) first issue date (b) latest update	
2.2	Pre-qualification, if required (a) number of firms pre-qualified (b) date of CBI's no-objection	
2.3	Specific procurement notice	<u>By invitation</u>
2.4	RFP Document (a) title, publication date (b) date of CBI's no-objection (c) date of issue to bidders	
2.5	Number of firms issued bidding documents	
2.6	Amendments/Clarifications to documents, if any (a) list all issue dates (b) date(s) of Bank's no-objection	
2.7	Date of pre-bid conference, if any	<u>Istanbul November 19th 2011</u>
2.8	Date minutes of conference sent to bidders and USAID	

Bid Submission and Opening (Technical Proposal)

<p>3.1 Bid submission deadline (Technical Proposal)</p> <p>(a) original date, time</p> <p>(b) extensions, if any</p>	
<p>3.2 Bid opening date, time</p>	
<p>3.3 Record of bid opening, date sent to Bank</p>	<p><u>NA</u></p>
<p>3.4 Number of bids submitted</p> <p>(a) of which how many withdrawn by bidders prior to bid submission date</p>	
<p>3.5 Number of bids submitted late and returned to bidders unopened</p>	
<p>3.6 Bid validity period (days or weeks)</p> <p>(a) originally specified</p> <p>(b) extensions, if any</p>	
<p>3.7 Bidders not invited to submit Financial Proposal bids (list names of bidders)</p>	
<p>3.8 Date of invitation to submit Financial Proposal bids</p>	

Technical Bid Examination and Evaluation

	Preliminary Examination of Bids					
Bidder	Verification	Eligibility	Bid Security	Completeness of Bid	Substantial Technical and Commercial Responsiveness	Acceptance for Submission of Financial Proposal
<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>	<i>(f)</i>	<i>(g)</i>
1 st Bidder						
2 nd Bidder						

XYZ Bid Security (if required)

Discussion of bid security, bid validity etc.

XYZ Qualifications (if required)

Discussion / reasons for disqualification etc.

Deviations (if required)

Discussion of any deviations from the prescribed procurement process and or from the prescribed bid document format etc.

Corrections and Unconditional Discounts

Discussion of corrections applied to bids and or any unconditional discounts offered.

Exchange Rates and Currency Conversion (if required)

Discussion of any exchange rate and or currency conversions required during the evaluation process.

Additions, Adjustments, and Priced Deviations (if required)

Discussion of additions, adjustments, or priced deviations applied to any bid.

Domestic Preference for Goods

There was no domestic preference for goods.

Technical Evaluation Methodology

The evaluation approach used was based on the sample method for quality evaluation described in World Bank's IT Procurement Guidance Note No. 10, Evaluation of Quality in Procurement of Information Technology modified to reflect that the RPSI bidding documents. A detailed description of the methodology is provided in the RPSI Evaluation Methodology and Scoring Sheets document.

Bid Submission and Opening (Financial Proposal)

3.1	Bid submission deadline (Financial Proposal) (a) original date, time (b) extensions, if any	
3.2	Bid opening date, time	
3.3	Record of bid opening, date sent to Bank	<u>NA</u>
3.4	Number of bids submitted (a) of which how many withdrawn by bidders prior to bid submission date	
3.5	Number of bids submitted late and returned to bidders unopened	
3.6	Bid validity period (days or weeks) (a) originally specified (b) extensions, if any	

Proposed License Award

1.	Winning bidder (proposed for License award). (a) name (b) address			
2.	If bid submitted by a prime contractor, list actual sub-contractors. (a) name (b) address			
3.	If bid from joint venture or consortium, list all partners, nationalities, and estimated shares of contract.			
4.	Principle country(ies) of origin of goods/materials.			
5.	Estimated date (month, year) of signing of License Agreement.			
6.	Estimated delivery to project site/completion period (go live by phase).			
7.	Transaction Fees or percentages of transaction value			
7.1	EFTPOS / Switch Transactions	IQD	USD Equivalent	% ¹
	7.1.1 Domestic ATM Transactions (Debit)			
	7.1.2 Domestic ATM Transactions (Credit)			

¹ If the transaction fee is a percentage please calculate the average transaction fee by dividing the total forecasted fee revenue for the EFTPOS / ATM Switch and / or MPS System and divide this by the estimated number of transactions forecasted.

7.1.3 International ATM Transactions (Debit)			
7.1.4 International ATM Transactions (Credit)			
7.1.5 Average EFTPOS / ATM Switch Transaction Costs			
7.2 Mobile Payment System Transactions			
7.2.1 MPS Fixed Fee (no value eg balance enquiry)			
7.2.2 MPS Value based transactions (P2P payment)			
7.2.3 MPS Value based transactions (cash-in)			
7.2.4 MPS Value based transactions (cash-out)			
7.2.5 Other MPS Transaction Types as required			
7.2.6 Other MPS Transaction Types as required			
7.2.7 Other MPS Transaction Types as required			
7.2.10 Average MPS Transaction Costs			

Compiled by:

Signed by the Evaluation Team Leader.

**Appendix B - Extract from the World Bank “Standard Bidding Documents
Supply and Installation of Information Systems Single-Stage Bidding”**

Extract from the World Bank “Standard Bidding Documents Supply and Installation of Information Systems Single-Stage Bidding”

IS1STG SBD--V3a-Mar-31-2003 (A4)

Available on: <http://www.worldbank.org/itprocurementforum>

28. Evaluation and Comparison of Bids

28.1 The Purchaser will evaluate and compare the bids that have been determined to be substantially responsive, pursuant to ITB Clause 26. The evaluation will be performed assuming either that:

- (a) the Contract will be awarded to the lowest evaluated Bidder for the entire Information System; or
- (b) if specified in the BDS, Contracts will be awarded to the Bidders for each individual Subsystem, lot, or slice defined in the Technical Requirements whose bids result in the lowest combined evaluated price for the entire System.

In the latter case, discounts that are conditional on the award of more than one Subsystem, lot, or slice may be offered in bids. However, such discounts will only be considered in the price evaluation if so confirmed in the BDS.

28.2 To be considered for Contract award, Bidders must have submitted bids

- (a) for which detailed bid evaluation using the same standards for compliance determination as listed in ITB Clauses 26.3 and 26.4 confirms that the bids are commercially and technically responsive, and include the hardware, Software, related equipment, products, Materials, and other Goods and Services components of the Information System in substantially the full required quantities for the entire Information System or, if allowed in the BDS for ITB Clause 28.1, the individual Subsystem, lot or slice bid on; and are deemed by the Purchaser as commercially and technically responsive; and
- (b) that offer Information Technologies that are proven to perform up to the standards promised in the bid by having successfully passed the performance, benchmark, and/or functionality tests the Purchaser may require, pursuant to ITB Clause 31.2.

- 28.3 The Purchaser's evaluation of a bid will be made on the basis of prices quoted in accordance with ITB Clause 14 (Bid Prices).
- 28.4 If indicated by the BDS, the Purchaser's evaluation of responsive bids will take into account technical factors, in addition to cost factors. An Evaluated Bid Score (B) will be calculated for each responsive bid using the following formula, which permits a comprehensive assessment of the bid price and the technical merits of each bid:

$$B \equiv \frac{C_{low}}{C} X + \frac{T}{T_{high}} (1 - X)$$

where

C = Evaluated Bid Price

C_{low} = the lowest of all Evaluated Bid Prices among responsive bids

T = the total Technical Score awarded to the bid

T_{high} = the Technical Score achieved by the bid that was scored highest among all responsive bids

X = weight for the Price as specified in the BDS

The bid with the highest Evaluated Bid Score (B) among responsive bids shall be termed the Lowest Evaluated Bid and is eligible for Contract award, provided the Bidder was pre-qualified and/or it was found to be qualified to perform the Contract in accordance with ITB Clause 31 (Post-qualification).