



Guidance  
Note on  
“Selection of  
Consultants” for  
Islamic Development  
Bank financed  
Procurement

**April 2019**

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## Common Abbreviations and Defined Terms

Common abbreviations and defined terms that are used in Guidelines/Guidance Note.

Abbreviation / term	Full terminology / definition
<b>Bid</b>	An offer, by a Bidder venture, in response to a Request for Bids to provide the required Goods, and/or Works and/or related services
<b>Bidder</b>	A Firm that submits a Bid for the provision of Goods and/or Works and/or related Services
<b>Beneficiary</b>	A Beneficiary is the recipient of IsDB Project Financing. The term includes any entity involved in the implementation of an IsDB financed project on behalf of the Beneficiary.
<b>CMC</b>	Consultancy Monitoring Committee
<b>CSC</b>	Construction Supervision Consultant
<b>Consultant</b>	A Consultant Firm or Individual Consultant that provides Consultant Services. A Consultant is independent of both the Beneficiary and IsDB.
<b>Consulting Services</b>	Consultant Services are those intellectual services delivered by a Consultant Firm or an Individual Consultant. Consultant Services are normally of a professional, expert or advisory nature. Consultant Services are governed by IsDB's <i>Guidelines for the Procurement of Consultant Services under IsDB Project Financing</i> .
<b>CQS</b>	Consultant's Qualification Selection
<b>EOI</b>	Expressions of Interest
<b>FBS</b>	Fixed Budget Selection
<b>Fraud and Corruption</b>	The sanctionable practices of corruption, fraud, collusion, coercion and obstruction defined in <i>IsDB's Guidelines on Combating Fraud and Corruption and in IsDB Group Anti-Corruption Guidelines on Preventing and Combating Fraud and Corruption in IsDB Group- Financed Projects</i>
<b>Guidelines</b>	Guidelines for Procurement of Consultant Services under IsDB Project Financing (April 2019)
<b>Goods</b>	A category of Procurement that includes: for example consumables, equipment, machinery, vehicles, commodities, raw material or industrial Plant. The tem may also include related services, such as: transportation, insurance, installation, commissioning, training, and initial maintenance.
<b>IsDB</b>	Islamic Development Bank
<b>ITC</b>	Instructions to Consultant
<b>JV</b>	Joint Ventures
<b>LCS</b>	Least Cost Selection
<b>MC</b>	Member Country
<b>MDBs</b>	Multi-Lateral Development Banks
<b>NGO</b>	Non-Governmental Organizations
<b>Non-Consulting Services:</b>	Services which are not Consulting Services. Non-Consulting Services are normally Bid and contracted on the basis of performance of measurable

## COMMON ABBREVIATIONS AND DEFINED TERMS

Abbreviation / term	Full terminology / definition
	outputs, and for which performance standards can be clearly identified and consistently applied. Examples include: drilling, aerial photography, satellite imagery, mapping, and similar operations.
<b>Post Review</b>	The process of IsDB reviewing the Beneficiary's Bidding Documents and Procurement activities following the award of the contract.
<b>PP</b>	Procurement Plan
<b>PS</b>	Procurement Strategy
<b>PCN</b>	Project Concept Note
<b>Prequalification</b>	The shortlisting process which can be used prior to inviting request for Bids in the Procurement of Goods, Works or Non-Consulting Services.
<b>Prior Review</b>	The process of IsDB reviewing the Beneficiary's Bidding Documents and Procurement activities before the award of the contract.
<b>Procurement</b>	The function of planning for, and sourcing Goods, Works, Non-Consulting Services, and/or Consulting Services to meet required objectives.
<b>Procurement Documents</b>	A generic term used in these Guidelines to cover all Procurement Documents issued by the Beneficiary. It includes: GPN, SPN, EOI, REOI, Prequalification document, RFB and RFP, including any addenda.
<b>Proposal</b>	An offer, by a Proposer, in response to a Request for Proposal to provide required Consultant Services
<b>Proposer</b>	A firm that submits a Proposal for the supply of the required Consultant Services
<b>REOI</b>	Request for Expression of Interest
<b>QCBS</b>	Quality and Cost Based Selection
<b>QBS</b>	Quality Based Selection
<b>RFP</b>	Request for Proposal
<b>TOR</b>	Terms of Reference
<b>VFM</b>	Value for Money
<b>Works</b>	A category of Procurement that refers to construction, repair, rehabilitation, demolition, restoration, maintenance of civil work structures, and related services such as transportation, insurance, installation, commissioning, and training.
<b>UN</b>	United Nations

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## Section 1. Introduction

### 1.1 Purpose of the Guidance Note

This Guidance Note relates to Selection of Consultants to elaborate further the Guidelines for the Procurement of Consultant Services under IsDB Project Financing ( April 2019). The basic provisions on the subject is covered in detail in the Guidelines and Standard Request for Proposal (RFP) Document (January 2019). The purpose of this Guidance Note is to capture essential features of the Guidelines, Standard Request for Propsoal (RFP) and to present information to the Beneficiaries in a simplified way.

### 1.2 Need for Consultant Services

The specific purpose and specific rules and procedures to be followed for employing Consultants depend on the circumstances of the particular case. These are described in detail in Guidelines for Procurement of Consultant Services under IsDB Project Financing (April 2019) which emphasizes core Procurement principles of economy, efficiency, fairness, effectiveness to develop Procurement approaches that are Fit for Purpose and reflect Value for Money (VFM). However, the following main considerations would guide the need and requirements of selection process.

- a) Absence of required expertise in-house;
- b) Need for high quality services;
- c) Need for economy and efficiency;
- d) Need to have qualified and specialized professionals for providing specific services;
- e) Need for impartial advice (that is, delivered by a Consultant acting independently from any affiliation, economic or otherwise, that may lead to conflicts of interest);
- f) Importance of transparency and integrity in the selection process (that is, proposed, awarded, administered, and executed according to highest ethical standards); and
- g) Identification of Terms of Reference (TOR – description of services) and time frame for which services are to be availed of which will be consistent with the overall Procurement Plan (PP) for the project/program.

The finalized PP and Procurement Strategy (PS) is prepared during the early stages of project processing or soon after framing of Project Concept Note (PCN). The PP and PS shall, at a minimum, detail the Consultant Services packages including the TOR, cost estimates, indicative disbursement, implementation schedules, Prior and Post Review approaches, related thresholds, nature and extent of IsDB monitoring and supervision, and other relevant factors.

### 1.3 Scope of Consultant Services

Consultant Services cover many tasks ranging from engineering, architecture, economics and finance to management of projects and Procurement, and/or a combination thereof. Consultants Servises may be classified under following categories: (i) Advisory or counselling services; (ii) Pre-investment studies; (iii) Engineering and design studies; (iv) Imlementation and supervision services; and (v) Project management. In addition there may be need for

specialist services to assist in preparation and appraisal of projects, and the supervision and evaluation of on-going projects or to provide advice on technical matters.

As described in paragraph 1.13 of the Guidelines, Consultant services apply to intellectual services and do not apply to services, which are mainly of a physical nature, such as exploratory drilling, surveys, aerial photography, and services which are provided by an Engineering Contractor. Such services are deemed to be non-Consultant services and are governed by the Guidelines for Procurement of Goods, Works and related services under IsDB Project Financing.

#### **1.4 Types of Consultants**

These could be Independent Consultant Firms operating internationally or nationally, Consultant firms forming part of or associated/affiliated to Contractors or manufacturers, individual Consultants (either free-lancers or through Firms/Organizations, autonomous/semi-autonomous government organizations, UN agencies, Non-Governmental Organizations (NGOs) or universities/research institutes.

#### **1.5 General principles of selecting Consultants**

The Beneficiary is responsible for the selection and contracting of the Consultant and administering the contract, and shall ensure the transparency of the selection procedure. The selection of a Consultant shall be based foremost on its technical qualifications, because its expertise and skill will, to a large extent, determine the satisfactory completion of a project. Price considerations are often part of the selection procedure as well, but are of lesser importance compared to the total cost of a project, which could be substantially higher if the technical design proves deficient.

For most assignments, both the technical quality and the price of the Consultant are considered in the selection method, which is Quality and Cost Based Selection (QCBS) where the technical quality is accorded a proportionally higher weight. For projects where the technical quality of the Consultant is paramount, it may be appropriate to carry out the selection solely on the basis of technical quality using Quality Based Selection (QBS).

There are other methods of selection as well which are Least – Cost Selection (LCS), Fixed Budget Selection (FBS), Consultant’s Qualification Selection (CQS) and Single Source.

All the above methods of selection relate to firms which require team of experts from a Consultant Firm. Detailed procedure for Selection of Consultant Firms is covered in Chapter 2 of the Guidelines for the Procurement of Consultant Services under IsDB Project Financing (April 2019). There might be need for selection of individual Consultants necessary for a particular assignment which shall follow the procedure of selection as given in Chapter 4 of the Guidelines.

#### **1.6 Supervising Consultancy Services**

The ultimate responsibility for achieving maximum VFM for the Consultant Services procured and successful completion of projects rests with the Beneficiary. Depending on the type of contract (lump –sum or time-based), Beneficiaries need to use model or standard contract prescribed for IsDB financed and ensure adequate supervision to achieve satisfactory progress and quality of services.



### **1.7 Maintaining Integrity and transparency**

Beneficiaries need to follow IsDB Anti-Corruption Guidelines, IsDB Integrity Principles and Guidelines and IsDB policy on Corrupt and Fraudulent practices as incorporated in Standard Forms of Contract for Consultancy Services at the stages of selection and implementation of contract.



## Section 2. Selection of Consultant Firms and Types of Contracts

### 2.1 Basic Steps in Selection Process

The selection and appointment of a Firm to provide Consultant Services comprises certain essential steps that are detailed in the relevant PP, agreed by the Beneficiary and IsDB, and summarized below:

- i. Preparation of the TOR;
- ii. Preparation of the cost estimate (budget);
- iii. Notification and advertising of the envisaged Consultant assignment;
- iv. Drawing up a short-list of qualified Consultants;
- v. Agreement and finalization of evaluation criteria and the RFP (including draft contract);
- vi. Evaluation of technical Proposals;
- vii. Evaluation of financial Proposals;
- viii. Selection of the best evaluated Proposal, followed, as necessary, by negotiations with the selected Consultant Firm; and
- ix. Awarding the contract to the selected Consultant Firm and signing it.

### 2.2 Terms of Reference

The TOR constitute the basic document defining the Consultant Services that the Consultant is required to perform and, together with any modifications thereof at the negotiation stage, becomes part of the contract that is eventually entered into between the Consultant and the Beneficiary. Because the Consultant submits its Proposal in response to the TOR, the TOR needs to be carefully prepared and spell out:

- (i) The scope and objective of the project;
- (ii) The relevant background, including available studies, of the project and institutions concerned;
- (iii) The type of Consultant Services required and objectives sought;
- (iv) The schedules of implementation and expected outputs (periodic reports, documents and end products);
- (v) The scope and nature of transfer of technology and training, if required;
- (vi) The method of payment for the Consultant Services;
- (vii) The responsibilities of the Beneficiary and those of the Consultant;
- (viii) Information on the Beneficiary's counterpart staff to be associated with the service and the facilities that will be provided to the Consultant;
- (ix) A description of the main terms and conditions of appointment;
- (x) The approximate number of staff-months that may be required; and
- (xi) Other important elements considered necessary to enable the Consultant to submit a comprehensive Proposal and estimate of the required resources.

For contracts of simple or routine nature, the contents of the TOR can be fairly standard. For contracts of a complex nature requiring research and creativity for achieving optimum solutions, the TOR shall delineate such areas to the extent known or identified at that stage and shall not be too detailed or inflexible and must allow room for the Consultant's creativity in determining approach and methodology.

A comprehensive and clear TOR is important for the understanding of the assignment and its correct execution. It reduces the risk of unnecessary extra work, delays, and additional expenses for the Beneficiary. In addition it helps reduce the risks of ambiguities during the preparation of Consultant Proposals, contract negotiation, and execution of services.

### **2.3 Cost Estimate (Budget)**

The Beneficiary shall estimate the cost of a proposed Consultant assignment on the basis of the estimated resources needed for the assignment (level and type of personnel, realistic staff time in the field and the Consultant's home office, physical outputs and logistical support, such as vehicles, office supplies and computer equipment). It is essential that the cost estimate shall fully cover the requirements of the TOR to ensure that the financial commitments of the Consultant fully reflect their technical Proposals, which, if inaccurate, could result in deficient Proposal evaluation and contract award, and unsatisfactory contract implementation. The costs shall be divided in two (2) separate categories: a) fees (the Consultant's proposed charges for the time involved in providing the Consultant Services); and b) reimbursable cost items (out of pocket expenses, such as travel and transport, communications, office rent, local staff salaries, local taxes, etc.). Local taxes (indirect and direct) and customs duties on imported equipment and supplies shall be identified separately, since taxes and duties are not financed by IsDB and are not part of the competitive evaluation.

Sometimes the scope of work of the services is difficult to define and quantify because of output, extent, and exact duration of the services cannot be easily specified in advance. In such cases IsDB staff should assist the Beneficiary by having an expert review or prepare TOR, staff time and cost estimate and in adopting a selection method and type of contract (lump-sum or time-based) that takes these difficulties into account.

### **2.4 Advertising and Expression of Interest**

It is in the interest of the Beneficiary to commission the best possible Consultants for the given assignment. Available resource data on Consultant Firms needed for the assignment may not be sufficiently complete to identify suitable Consultants for the short-list, therefore the Beneficiary shall advertise as widely as possible, the main elements of the assignment, requesting Expressions of Interest (EOI) from interested Consultant Firms.

The details on advertising of Consultant assignment and seeking EOI are covered in paragraphs 2.13-2.17 of the Guidelines.

In particular, Consultant Firms shall provide in their expression of interest to the Beneficiary details of their organization, key personnel, past experience, a list of past and present assignments of similar nature and any other information that may show the Consultant's ability to carry out the assignment satisfactorily. Sufficient time for response shall be indicated in the advertisement, and normally not less than fourteen (14) days shall be allowed

to receive responses before preparing the short-list. However, an expression of interest to participate in the provision of Consultant Services shall not oblige the Beneficiary to include the applicant in the short-list.

## 2.5 Short- List

The Beneficiary is responsible for the preparation of the short-list and submits the shortlist for No-Objection to IsDB, unless otherwise agreed in the PP. There are three types of shortlists, namely: (i) international shortlists which may include Consultant Firms from any country, including Member Countries (MC); b) MC shortlists which include only Consultants from MCs; and c) domestic shortlists which include only Consultants from the Beneficiary country. IsDB requires that any shortlist, whether international, MC or domestic, consist of five (5) to six (6) Consultants, reflecting in the case of international and MC shortlists a reasonable geographical distribution and including not more than two (2) Firms from any one (1) MC.

The criteria for a Consultant Firm to be selected for the short-list shall comprise the following factors:

- a) The Consultant is eligible in conformity with IsDB eligibility rules (Paragraphs 1.14-1.22);
- b) The Consultant has a good reputation as a professional body and reputation for maintaining a satisfactory client-Consultant relationship, or in the case of a Beneficiary with a developing consulting industry, the Consultant presents satisfactory credentials and competence necessary to carry out the assignment;
- c) The Consultant's past experience and performance in the particular field of service is satisfactory;
- d) On a case by case basis and depending on the scope and complexity of the assignment, the financial ability of the Consultant may be taken into account. The longevity of the Consultant in the international arena is one measure of its stability and a good indicator of continued solvency throughout the delivery period of Consultant Services; and
- e) The Consultant shall be free from conflicts of interest that give rise to a competitive advantage.

At the time of submitting EOI and shortlisting there should be clarity on the nature of Consultant entity that submits EOI, which is if it is a single firm or Association of Consultants (Joint Ventures (JVs), and sub-consulting)). In a JV, in the event of a contract, all members are jointly and severally liable for the entire contract, and the lead Consultant is required to sign the contract with the Beneficiary using power of attorney on behalf of all JV members. In a sub-consultancy arrangement the lead –Consultant assumes complete responsibility for and coordination of the Consultant Services and signs the contract with the Beneficiary, while the sub-contracting Consultant only executes part of the Services assigned to it under specific TOR, and signs a contract with lead Consultant only. Lack of clarity on these aspects at the time EOI and shortlisting could lead to issues and complaints at the time of evaluation and contract execution.

In preparing the short-list, and taking into account the above criteria, the Beneficiary shall give first consideration to the Consultant Firms which have given expressions of interest that possess the relevant qualifications. In addition, the Beneficiary may use its own database and experience of Consultant Firms or require IsDB assistance. Prior to issue of EOI, Beneficiary needs to consult with IsDB staff on the content of EOI and details required to be submitted to IsDB in Short-listing report for no-objection.

## 2.6 IsDB Selection Methods

The selection of Consultants involves some subjectivity and depends on the evaluation of several elements in the Consultant's Proposal. Different methods can be used for the selection of Consultants and are detailed in Paragraphs 3.1 to 3.44. IsDB selection methods for Consultant Firms apply to different types and complexity of assignments, and, therefore, to different types of Consultant Firms. The selection methods are usually determined in agreement with IsDB at the time of project appraisal or at any other suitable time in the project cycle. The need for and timing of the Consultant Services are based on the scheduled investments in the PP, and subsequently during project implementation. Consultant assignments vary greatly in complexity, ranging from complex designs or management studies to straightforward audits of project accounts or small assignments with simple TOR. The appropriate selection method shall be adopted for each type of assignment, as indicated below.

## 2.7 Quality and Cost Based Selection(QCBS)

Selection based on the combination of technical quality and cost considerations. In this method, quality and price factors are combined and weighted in varying proportions depending on the importance of the quality versus price. The weight given to price in the overall ranking of the Consultants depends on the technical complexity of the assignment and the nature of the project, and requires careful consideration, since at no time should price consideration be allowed to compromise quality. Generally, the proportional weights are set at eighty (80) points for quality and twenty (20) points for price, but could be seventy (70) and thirty (30) points, respectively, for assignments of standard or routine nature, or conversely ninety (90) and ten (10) points respectively, for assignments where technical quality is of greater importance. The required methodology shall be explained in the RFP.

A summary of selection methods under QCBS and other methods are summarized below:

Selection Method	Description
<b>Quality and Cost Based Selection</b>	Evaluated based on the quality of the Proposal and cost of the services. The winning firm demonstrates the best combination of quality and cost based on a predetermined quality:cost ratio (i.e., 90:10, 80:20; 70:30).
<b>Quality Based Selection</b>	Selection based solely on the technical quality of Proposals, where the degree of technical quality is of paramount importance and decisive for the success of the project. Financial Proposal of the firm with highest technical score is subsequently negotiated.
<b>Fixed Budget Selection</b>	Firm with the highest technical score is selected provided that its financial Proposal is within the specified budget. Selection based on a fixed budget for simple assignments for which the budget is fixed and



	cannot be increased. Firm with the highest technical score is selected provided that its financial Proposal is within the specified budget.
<b>Least-Cost Selection</b>	Firms evaluated for technical qualification. Selection based on the technical quality of comparable and routine assignment. The qualified firm with the lowest financial Proposal is selected for award of contract
<b>Consultants' Qualifications Selection</b>	Evaluated based on consulting firms' qualifications, reflected in amplified expressions of interest submitted by firms in response to the Beneficiary's advertisement. Selection based on Consultant Qualifications, also for smaller assignments, where the selection procedure only comprises the comparison of the most appropriate qualification and references, and the preparation of technical and financial Proposals on the basis of detailed TOR. No RFP is required.

Details on other selection methods which are QBS, Least Cost Selection (LCS), FBS and CQC are covered under paragraph 3.36 to 3.42. In exceptional circumstances, Beneficiary with IsDB No-objection use Single-Source Selection as per of Paragraph 3.43 and 3.44 of the Guidelines.

## 2.8 Preparation for Request for Proposal

Beneficiary need to use the Standard RFP (January 2019) and follow provisions of paragraphs 2.28- 2.42 relating to Letter of Invitation, Instructions to Consultant (ITC), provisions to be contained in the contract forms attached with RFP, procedure for submission and opening of Proposals, and procedure for rejection of Proposals and dealing with insufficient competition.

In preparation for RFP, once method of selection is decided the other two important points which are are: (i) allocation of points in data sheet on grading scale of technical quality, which needs to follow provisions of paragraphs 3.5 to 3.8 of the Guidelines; and (ii) types of contracts and its essential provision which are covered in Annex A of the Guidelines.

Consistent with the requirements of paragraph 3.6 of the Guidelines (April 2019) and provisions of Standard RFP (January 2019) the following table may be used as a guidance:

## 2.9 A model scheme of maximum/minimum range of points

Rated Criteria	Range of Points Score	Remarks
Consultant's qualifications and experience relevant to the assignment Specific Experience	5- 10 points	The weight given to the firm's experience can be relatively modest, since this criterion has already been taken into account when shortlisting the Consultant
Methodology, approach understanding of TOR) , work plan	20- 50 points	More weight shall be given to the methodology in the case of more complex assignments (for example, multidisciplinary feasibility or management studies)
Qualification of key personnel	30-60 points	Evaluation of only the key personnel is recommended. Since key personnel ultimately determine the quality of performance, more

		weight shall be assigned to this criterion if the proposed assignment is complex
Transfer of Knowledge (training)	0-10 points	
Use of domestic Consultants	0-10 points	As reflected by participation of nationals among key experts calculated as ratio of national key expert's time input (in person-months) to the total number of key expert's time input (in person months) in the Consultant's technical Proposal
<b>Overall</b>	<b>100 points</b>	

If Criteria 4 and 5 are not required, the marks can be adjusted against some other criteria.

The Beneficiary may divide certain criteria into sub-criteria. For example, sub-criteria under the methodology might be innovation and level of detail. For key experts, the sub-criteria may be: (i) general qualifications; (ii) adequacy for the assignment; and (iii) experience in the region. These are covered in detail in the data sheet of the Standard RFP and Beneficiary need to follow the provisions of Standard RFP of IsDB.

When using QCBS, the scores of quality and cost scores shall be weighted appropriately and added to determine the most advantageous Proposal. The weighting of quality and cost scores shall depend on the nature and complexity of the consulting assignment. The following table provides a suggestive weighting for QCBS.

### 2.10 A suggestive weighting of scores for QCBS

Description	Quality/Cost Score Weighting (%)	Remarks
High complex / downstream consequences / specialized assignments	90/10	Or may use QBS
Moderate complexity	70-80/ 30-20	Majority of cases will follow this range
Assignments of a standard or routine nature	60-50/40-50	Or may use LCS

### 2.11 Types of Contract

The details on types of contract and its essential provisions are contained in Annex A of the Guidelines (April 2019). IsDB uses several types of model or standard contracts for Consultant Services: a) lump-sum contracts for complex assignments; b) lump-sum contracts for simple assignments; c) time-based contracts for complex assignments; d) time-based contracts for simple assignments; and e) lump-sum and time-based contracts for Individual Consultants.

Beneficiaries shall normally use these model or standard contracts for IsDB financed Consultant Services. In the rare circumstances that they are not suitable for a specific Consultant assignment, a different contract form may be used with IsDB prior No-Objection.

In particular circumstances, if adequately justified, special types of contracts, such as retainer and/or contingency fee contracts, indefinite delivery (including framework) contracts, and performance based contracts, may be used (to maximise VFM), by the Beneficiary, provided IsDB prior No-Objection has been obtained. In such cases, the relevant PP shall detail the conditions under which such contracting methods shall be applied. The Beneficiary shall provide IsDB with a draft of such proposed contract or agreement and obtain IsDB No-Objection for its use, as well as, if applicable, to the specialized selection process which relates to it.

For model or standard contracts for Consultant Services, the main contract provisions are described in the General Conditions of Contract, which are standard and shall not be changed. Provisions that are specific to the assignment and any modifications to the General Conditions of Contract are detailed in the Special Conditions of Contract. The model contract shall always be part of the RFP.

### **2.12 Payment for Consultant Services**

Payment for Consultant Services varies according to the type of Consultant Service to be rendered and the degree of flexibility or control sought to be exercised. Payment is normally in any one, or any combination, of the following forms.

**Lump-sum contract (fixed-price):** This type of contract is based on a lump-sum, which represents the total amount due for the delivery of the Consultant Services. It is arrived at on the basis of an estimated input of all Consultant’s personnel time and all reimbursable costs. The contract contains a breakdown of these key components. Lump-sum contracts are used mainly for assignments in which the content and the duration of the Consultant Services and the required output are clearly defined, and are therefore easy to describe and quantify. IsDB prefers this approach for feasibility studies and for design and detailed engineering services. Payment is based on periodic lump-sums, which relate to specified delivery of the Consultant Services, as set out in the payment schedule.

**Time-based contract (staff time rates plus reimbursable costs):** This type of contract is used when the scope and length of the Consultant Services are difficult to define, either because the Consultant Services are linked to activities of other parties in the project, or the inputs by the Consultants to reach the objectives are, out of necessity, spread over time. In addition to reimbursable items, the Consultant’s fees under this type of contract are based on the accepted time-based rates for the Consultant's staff, defined by discipline and category, in the relevant schedule of the contract. Such contracts are most suited for supervision services, lengthy studies, technical assistance or training. The time-based rates are the staff monthly rates. Included in the staff monthly rates are staff salaries, social benefits, costs, overheads and profits. This type of contract shall include a maximum amount of total payments to be made to the Consultants. This ceiling amount should include an allowance for contingencies to cover unforeseen work and expenses and a provision for price adjustment where appropriate.

The details on types of contracts and its essential provisions are contained in Annex A of the Guidelines. Beneficiaries need to pay special attention to payment provisions, mobilization

## SECTION 2 – SELECTION OF CONSULTANT FIRMS AND TYPES OF CONTRACTS

advance and price adjustment (for contract period exceeding 18 months) as per provisions of paragraph 3.1 to 4.1 of Annex A of the Guidelines.

Beneficiaries need to consider the applicability of relevant contract types based on the above considerations and ISDB Guidelines and Standard RFP. A comparison between Lump-sum and Time-based contract is summarized below as a general guidance.

Description	Lump-sum Contract	Time-based Contract
Nature of services	Scope, duration and required output well-defined	Difficult to define or fix the scope and duration of services
Nature of contract and payment	Lump-sum fixed price	Payment based on agreed rates for remuneration plus reimbursable and price adjustment for long duration contracts (say, more than 18 months)
Evaluation method for financial Proposal	Consultant’s Proposal deemed to include all prices - no arithmetical correction or price adjustments	Arithmetical correction allowed including adjustment for inputs to make it consistent with the technical Proposal
Ease of supervision	Easy to supervise, but quality of output/deliverable to be watched	Careful monitoring required on progress of assignment and payments claimed by Consultant
Resolution of contractual disputes	Difficult to resolve in case of disagreement on quality of output	Delays in completion of work (like a road contract) could lead to claims/dispute

## Section 3. Selection Methods of Consultant Firms - Evaluation of Proposals

### 3.1 Basic principles of evaluation

These principles describe the evaluation methodology under QCBS, but similar evaluation principles apply as described in detail for QBS, LCS, FBS and CQS as per provisions of paragraphs 3.36 to 3.42 of the Guidelines and as specifically provided in data sheet for a particular selection. For QCBS, technical and financial Proposals are submitted before the deadline for submission, in two (2) separate sealed envelopes. After opening of technical Proposal, the Beneficiary is required to carry out first the evaluation of technical Proposal independently from the evaluation of financial Proposal. The Beneficiary is required to ensure that all financial Proposals remain sealed and deposited with the Beneficiary's designated authority until public opening of financial Proposal begins.

The principles on evaluation of technical and financial Proposals are described in detail in Paragraph 3.5 to 3.13 of the Guidelines and selected in Standard RFP document including in the Data Sheet as per following provisions with procedure for combining the technical and financial evaluation applicable for QCBS.

Reference Document Data Sheet on Standard RFP Document on Selection of Consultants (January 2019).

Full Technical Proposal ( FTP)	
The maximum number of <i>points</i> to be given under each of the evaluation criteria are:	
	<b><u>Points</u></b>
(i) Consultant's qualifications and specific experience of the Consultant (as a firm) related to the assignment	[5 - 10]
(ii) Adequacy of the proposed work plan and methodology in responding to the Terms of Reference [Insert sub-criteria] [Insert sub-criteria] [Insert sub-criteria]	[20 - 50]
<i>[Notes to Consultant: the Client will assess whether the proposed methodology is clear, responds to the TORs, work plan is realistic and implementable; overall team composition is balanced and has an appropriate skills mix; and the work plan has right input of Experts]</i>	
(iii) Qualifications and competence of the Key Expert for the Assignment	[30 - 60]
a) Position K-1: [Team Leader]	[Insert points]
b) Position K-2: [Insert position title]	[Insert points]
c) Position K-3: [Insert position title]	[Insert points]
(iv) Suitability of the transfer of knowledge program (training)	[0 - 10]

(v) Local participation (Use of domestic Consultants)	[0 - 10]
<i>[Notes to Consultant: Calculated as a ratio of the national Key Experts' time-input (in person-months) to the total number of Key Experts' time-input (in person-months) in the Consultant's Technical Proposal]</i>	
<b>Total Points:</b>	<b>100</b>
The number of points to be given under each evaluation sub-criteria for qualifications of Key Experts are:	
	<b>Points</b>
(i) General qualifications and experience	[20 - 30]
(ii) Adequacy for the assignment	[50 - 60]
(iii) Knowledge of the region & language proficiency	[10 - 20]
<b>Total Points:</b>	<b>100</b>
<b>The minimum technical score (St) required to pass is: _____ [Insert number]</b>	
<i>[Notes to Client: the indicative range is 70 to 85 on a scale of 1 to 100]</i>	
Criteria, sub-criteria, and point system for the evaluation of the Simplified Technical Proposals are:	
	<b>Points</b>
(i) Adequacy and quality of the proposed methodology, and work plan in responding to the Terms of Reference:	
	Total points for criterion (i): [20 - 40]
(ii) Key Experts' qualifications and competence for the Assignment:	
<i>[Notes to Consultant: each position number corresponds to the same for Key Experts in Form TECH-6 to be prepared by the Consultant]</i>	
a) Position K-1: [Team Leader]	[Insert points]
b) Position K-2: [Insert position title]	[Insert points]
c) Position K-3: [Insert position title]	[Insert points]
	<b>Total points for criterion (iii): [ 60-80]</b>
	<b>Total points for the two criteria: 100</b>
<b>The minimum technical score (St) required to pass is: _____ [Insert number]</b>	
<i>[Notes to Client: the indicative range is 70 to 85 on a scale of 1 to 100]</i>	



Based on the provisions of RFP and Data Sheet, for the purpose of the evaluation, the Client/Beneficiary will exclude: (a) all local identifiable indirect taxes such as sales tax, excise tax, VAT, or similar taxes levied on the contract's invoices; and (b) all additional local indirect tax on the remuneration of services rendered by non-resident experts in the Client's country. If a Contract is awarded, at Contract negotiations, all such taxes will be discussed, finalized (using the itemized list as a guidance but not limiting to it) and added to the Contract amount as a separate line, also indicating which taxes shall be paid by the Consultant and which taxes are withheld and paid by the Client on behalf of the Consultant.

For Quality and Cost Based Selection the procedure for determining financial score and combining scores on Technical and Financial Proposal are given as under:

The lowest evaluated Financial Proposal (FP) is given the maximum financial score (FS) of 100.

The formula for determining the FS's of all other Proposals is calculated as following:

*FS = 100 x FM / F, in which "FS" is the financial score, "FM" is the lowest price, and "F" the price of the Proposal under consideration.*

[or replace with another inversely proportional formula acceptable to IsDB]

The weights given to the Technical (T) and Financial (P) Proposals are:

$$T = \underline{\hspace{2cm}} \text{ [Insert weight:], and}$$

$$P = \underline{\hspace{2cm}} \text{ [Insert weight:]}$$

Proposals are ranked according to their combined technical (ST) and financial (FS) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) as following:  $S = St \times T\% + Sf \times P\%$ .

Technical Proposals for Consulting Services are an intellectual product; their evaluation must be based on the individual professional judgement of competent evaluators and should not be reduced to a purely arithmetical exercise. The difficulty is to ensure that this judgement is not exercised in an unreasonable or arbitrary manner. Evaluators may, either consciously or unconsciously, manipulate the points awarded to specific aspects in the evaluation for number of reasons, including inadequate experience in the field of the assignment or in evaluating Proposals of this nature. Therefore, it is important that subjectivity implicit to any professional judgement be complemented by transparency, consistency, and fairness. The individual evaluator entrusted with evaluation should, when required be able to explain to the satisfaction of a qualified reviewer from the higher authority, the public, or IsDB the reason for his or her recommendation.

Beneficiaries need to consult IsDB much in advance of opening of technical Proposals, the system of scoring or rating of Proposals by members of evaluation team to ensure consistency and fairness in evaluation as per criteria/sub-criteria given in RFP which are also as per IsDB's standard practices of evaluation. The evaluation report needs to be submitted in the standard template with sufficient details as agreed with IsDB to avoid any back-and-forth between the Beneficiary and IsDB during the review process.

The qualitative analysis of technical Proposals is on the following factors: a) the Consultant's professional qualifications, experience and relevant experience for the assignment, including the geographical area similar to that of the project: b) the thoroughness of the Consultant's

methodology and approach, including its comments on the TOR; c) the qualifications and expertise of the key staff proposed for the assignment and whether the majority of such staff are drawn from the permanent staff of the Consultant; and d) the preferential consideration given to the inclusion of domestic Consultants in the Consultant assignment.

The Beneficiary reviews and adjusts the financial Proposals for arithmetical errors. For the purpose of comparing Proposals, the costs shall be converted to a single currency selected by the Beneficiary (national currency or a fully convertible foreign currency). The Beneficiary shall make the conversion by using the selling (exchange) rates for those currencies quoted by an official source (such as the Central Bank) or by a commercial bank or by an internationally circulated newspaper, as indicated in the Data Sheet of the RFP.

The Beneficiary shall calculate the total scores of the combined quality and cost evaluation as indicated in the RFP, using the relative weights given to quality and price for the assignment concerned and send the proposed Consultants Evaluation Report to IsDB for review and No-Objection. IsDB shall review the Report to verify the adequacy of the evaluation procedure and especially the congruence of the Consultant's financial commitment and the technical Proposal. In case of doubt, IsDB may request the Beneficiary to send the Report together with the three (3) best qualified Proposals for review. After IsDB comments on the Proposal, which obtained the highest combined score, and gives its No-Objection to the recommended Consultant Firm, the Beneficiary shall invite the Consultant Firm for contract negotiations.

### 3.2 An illustrative example for QCBS

An Example: Out of five shortlisted Consultants, three firms have submitted technical and financial Proposals. Each technical Proposal is evaluated on the basis of its responsiveness to TOR based on the scoring criteria as given in the RFP and rejected at this stage if it fails to meet the minimum technical score (for example 70, if so prespecified). RFP specifies that the total score shall be obtained by weighting the quality and cost scores (normally in the proportion of 80:20 points). The Proposal with the lowest offered total price is given a financial score of 100 (that is, 20 points) and other Proposals given financial scores that are inversely proportional to their prices.

- **Consultant A**
  - Is given a technical score of 90 out of 100 after technical evaluation. This would translate to 72 points ( $90 \times 0.80$ ).
- **Consultant B**
  - Is given a technical score of 80 out of 100 after technical evaluation. This would translate to 64 points ( $80 \times 0.80$ ).
- **Consultant C:**
  - Is given a technical score of 68 (rejected, as it fails to meet the minimum score of 70)

The financial Proposal of **Consultant A** and **Consultant B** who meet minimum technical scores are opened publicly. If **Consultant A** with a technical score of 90 has submitted a price twice the lowest price given by **Consultant B**, its/his financial score shall be 50 (10 points) and the total combined score shall be  $72 + 10 = 82$ . The technical score of **Consultant B** quoting the

lowest price is 80 (technical point 64), its/his financial score shall be 100 (20 points) and the total combined score shall be  $64+20= 84$ .

In this case, the firm with the highest total combined score, that is, **Consultant B** shall be selected as the recommended Consultant firm and invited for negotiations in usual circumstances.

The above example also illustrates, how a very low price could influence the outcome of selection in a 80:20 proportion on quality and cost. This may be an unusual situation, including lack of competition, but such instances require closer examination of both technical and commercial Proposals by the Beneficiary and next steps determined after due consultations with IsDB.

### **3.3 Negotiations and decision to award the contract**

Negotiations are conducted to finalize the draft contract on the basis of the Consultant's Proposal. In some cases, for example in small contracts or contracts of a routine nature, it may not be necessary to conduct face-to-face negotiations, and the final contract may be negotiated through exchanges by facsimile or electronic mail.

Negotiations of the technical quality portion of the Proposal may include completion of the TOR, scope of Consultant Services, methodology and work plan, adjustments in inputs and staff time where needed, and other elements of the Special Conditions of Contract.

The Beneficiary's contribution of available documentation and studies, and counterpart staff time and their responsibilities, shall also be discussed. However, the TOR and terms of the contract, on the basis of which the selection procedure was launched, shall not be substantially altered. The final TOR and the agreed methodology shall be incorporated in the description of Consultant Services, which shall be part of the contract.

The selected Consultant Firm shall not typically be allowed to substitute proposed key staff at the time of negotiations or at contract award, unless this has become necessary due to delay in the selection procedure resulting in extension of the Proposal validity period and/or death, incapacity or resignation. If it turns out at negotiations that key staff proposed are no longer available, the Beneficiary may disqualify the Firm and, after consultation with IsDB, invite the next highest ranking Firm for negotiations. Qualifications of substituted key staff shall be the same or better than that of the key staff originally proposed.

Negotiations of the financial aspects of the Proposal concern the financial covenants of the Special Conditions of Contract, especially a clarification of the Consultant's local tax liability (if any), agreements on the treatment and reimbursement of customs duties for equipment, materials and supplies, and agreements on the payments in foreign and local currency of fees and reimbursable costs. In addition, the contributions of the Beneficiary will be defined (such as office space, housing, and support staff). Unit prices, on the basis of which the Consultant's Proposal received the lowest evaluated financial score and was selected, shall not be negotiated or changed, unless exceptional circumstances apply, which shall be subject to IsDB prior No-Objection.

If negotiations with the selected Consultant are unsuccessful, IsDB shall be informed accordingly and, with its No-Objection, the Beneficiary shall invite the Consultant ranked

second for negotiations. Once these negotiations begin, the Beneficiary shall not reopen negotiations with the former Consultant.

After successful completion of negotiations, the Beneficiary shall promptly invoke the Notification of Intention to Award procedure in accordance with Paragraph 3.21. In addition the Beneficiary shall return the unopened financial Proposals to Consultants who are not considered after technical evaluation.

### **3.4 Award of Contract**

The award of contract is subject to IsDB No-Objection following the Standstill Period and shall be made, within the period of the validity of Proposals, to the Proposer that meets the appropriate standards of technical capability and financial resources and whose Proposal has been determined to offer maximum VFM. The successful Proposer shall not be required, as a condition of award, to undertake responsibilities or work not stipulated in the TOR or to modify its Proposal as originally submitted. The Beneficiary shall furnish to IsDB a copy of the signed contract, together with the first request for disbursement.

## Section 4. Supervising Consultancy Services

### 4.1 Main Considerations

Supervising the implementation of Consulting Services entails a series of activities that are basically the same for all types of consultancies, whether individuals or from a firm. These activities are: (i) issuing the notice to proceed; (ii) review of the inception phase; (iii) issuing contract variations; (iv) reporting and monitoring; (v) billing and payment; (vi) dealing with disputes and arbitration; (vii) terminating services prior to the end of the contract; (viii) concluding the assignment; and (ix) evaluation of Consultant's performance.

### 4.2 Initial Activities after signing the Contract

A notice to proceed is required to initiate all types of Consulting Services. It is normally issued as soon as possible after negotiations have been successfully concluded and the contract has been signed. After the issuance of the notice to proceed, the contract normally commences upon the arrival of the Consultant or the consulting team's members at the premises for the Beneficiary, if so required under the description of services.

The ministry/department awarding the consultancy contract on behalf of the Beneficiary should be involved throughout in monitoring the progress of the assignment. Suitable provision for this should be made in the contracts. A Consultancy Monitoring Committee (CMC) may be formed by the Beneficiary to monitor the progress. The Beneficiary should designate a counterpart project manager with adequate technical qualification, managerial experience, and power of authority.

The Beneficiary and the Consultant should check the following at the start of the assignment:

- i. Supervising/monitoring arrangements are in place;
- ii. Counterpart staff are made available;
- iii. Facilities to be provided by the Beneficiary are made available;
- iv. All parties involved in the assignment are informed;
- v. All JV members and key experts needed at the beginning of the assignment are effectively participating in the assignment as required by the TOR;
- vi. The Beneficiary's project manager is appointed;
- vii. Guarantees and advance payments are implemented;
- viii. Data and background information are made available; and
- ix. All authorization (if needed) are provided.

### 4.3 Monitoring Progress of Contract

In implementation of contract, Beneficiary and the Consultant need to agree on the detailed content of inception, progress and final report. The Beneficiary's project manager supervises the assignment and in particular the following:

- i. Monitoring progress of work;
- ii. Reviewing progress report;
- iii. Monitoring key experts employed;

- iv. Monitoring money expended;
- v. Deciding on possible modifications to scope of work;
- vi. Review of draft final report;
- vii. Review of final report to ensure that assignment (whether time-based or lump-sum) is completed in accordance with the TOR (description of services); and
- viii. Release of final payment and guarantees (if any) and closing of the contact

#### **4.4 Managing a Time-Based Contract**

The performance of a time-based contract depends on the progress on other contracts (for example, the progress of a construction supervision contract depends on the progress of a construction contract). In such situations, the mobilization and demobilization of key experts and time employed by them should be monitored carefully as it is possible that the contract period and the total amount under the contract are spent fully and construction work being supervised is not even half complete. These situations could lead to claims and disputes.

#### **4.5 Managing a Lump- sum Contract**

As Lump-sum contract is based on output and deliverables, it important that the quality of draft reports is checked carefully before release of stage payment as subsequent disagreement on quality after completion of the task could lead to prolonged disputes. In this form of contract, if there are extra additional services, there should be timely amendment to the contract to reflect these increases and to regulate payment. In general, in a lump-sum contract, the increase should not be more than 15 percent as per IsDB Guidelines for Use of Consultants.

#### **4.6 Dealing with unsatisfactory performance**

Poor performance may involve one or more particular staff from the Consultant’s team, or the entire team. It may also be a situation of the lead member of the JV not effectively participating in execution. Based on the provisions of the contract, the Beneficiary needs to take necessary and timely measures for dealing with substitution of key experts whose performance is not satisfactory and, in case of non-participation by the lead JV member, to take up the issue with the top management of the lead firm and issue notice to rectify the situation.

#### **4.7 Dealing with disputes**

Disputes may arise in execution of the assignment. This could relate to technical and administrative matters such as interpretation of contract, payment for services or substitution of key experts – all of which should be dealt with promptly and amicably between the contracting parties in terms of contract provisions without need for arbitration or the court.



## Section 5. Maintaining Integrity and Transparency

The Beneficiary as well as Consultants should observe the highest standard of ethics, maintain integrity and transparency during the selection and execution of contracts. Beneficiary needs to consult IsDB staff to deal with specific situation based on IsDB Guidelines (in particular paragraphs 1.38 and 1.39 on Fraud and Corruption), RFP document, IsDB Group Anti-Corruption Guidelines, IsDB Group Integrity Principles & Guidelines and IsDB policy on Corrupt and Fraudulent practices as incorporated in Standard Forms of Contract.

For example, in the selection process, as per provisions of paragraph 2.40 of the Guidelines, a situation may occur where the Beneficiary, and IsDB, consider that there is collusion in the Proposals submitted by two (2) or more short-listed Consultant Firms. The Beneficiary may, with IsDB's prior No-Objection, decide to reject these Proposals. If this results in a lack of competition for the assignment, the Beneficiary may reject all Proposals and issue a new RFP to newly short-listed Consultant Firms.

Based on the experience of other Multi-Lateral Development Banks (MDBs), which could be applicable for IsDB as well, certain situations are encountered relating to integrity and transparency issues both at the stage of selection and implementation of consultancy contracts which are described in following paragraphs.

### 5.1 Conflict of interest situations

It is possible that conflict of interest situations are not reported or declared by the participating Consultants (or sometimes by members of the evaluation committee).

**Mitigation:** These situations need to be dealt with by signing declarations in specified formats both at the EOI stage as also in the technical Proposal (and by evaluation committee members before undertaking the evaluation of Proposals).

### 5.2 Situations of “ghost Consultants”

It is seen that an association between a local Consultant and a foreign Consultant is formed as applicants at the stage of EOI without any serious intention to participate after award of work. These experienced Consultants in a way lend their qualification at a price and collect their “fee” after release of the initial advance.

**Mitigation:** This issue needs to be dealt with from the EOI stage by very clearly identifying the applicant and making sure that the Proposal is submitted by the firm that has the required qualification and experience on its own and provides enough evidence at the time of the EOI to that effect. The Beneficiary on his/its part should confirm from other sources (such as other Beneficiarys) if the applicant had effectively participated in the contracts which are used as references.

### 5.3 No key expert proposed from the lead member of JV

Based on the provisions of the standard RFP, it is seen that no key experts are proposed from the lead firm of the JV or the individual firm, whose experience has been used for short listing. As consultancy assignment is an intellectual product, the effective transfer of expertise can be carried out by those experts (in particular the team leader) who have worked previously with the Consultant for sufficient time.

**Mitigation:** RFP to specify that the team leader proposed should have worked for a sufficient number of years (say, two to three years) with the lead firm submitting the Proposal and if this is not complied with it could be a ground for the Proposal being termed as non-responsive.

#### 5.4 Request for substitution of key experts at the time of contract negotiation

It is quite a common practice that, after the firm is invited for negotiation, it asks for substitution of key staff in the contract. This is an unacceptable practice unless the selection process is unduly delayed.

**Mitigation:** Any request for substitution should be examined very closely and agreed only if permitted by the RFP.

#### 5.5 Presence of one or more unsigned CVs in technical Proposal

If a Proposal contains one or more unsigned CVs, it should be scrutinized carefully.

**Mitigation:** If few CVs are not signed by the key expert, the evaluation should be carried without considering these unsigned CVs and, if this firm is still a winner, clarification may be sought at the negotiation stage for resolution. If most of the CVs are not signed by the respective proposed key experts, the Proposal should be termed as non-responsive and rejected at the technical evaluation stage (an example: it was seen in a consultancy selection in a Eastern European country financed by a MDB that a request for substitution of a key expert was asked by the firm at contract negotiations on the pretext that the key expert was no longer available on health grounds. Once the agreement was signed by substituting the key expert proposed in the technical Proposal, it was discovered that the concerned key expert was not aware that her CV was used for winning the contract. This firm, after investigation, was debarred for participation in the MDB-financed contract).

#### 5.6 Substitution of key experts in implementation

Based on the experience of the MDB-financed contract, it is seen that, for major infrastructure projects, when the contract progresses, over a period of time, the request for substitution of key staff is made by the firm citing reasons of non-availability, health, and soon.

**Mitigation:** The Beneficiary needs to deal with such requests strictly in terms of contract provisions which permit substitution of key experts in exceptional circumstances such as “death or medical incapacity”. Substitution of a person “of equivalent or better qualification and experience” should receive utmost scrutiny and compliance, as diluting such a provision leads to loss of quality of work and a serious integrity issue.

#### 5.7 Cost overruns in time-based contracts

It is seen in many infrastructure projects (such as road projects) that there is no incentive on the part of the Construction Supervision Consultant (CSC) to ensure timely completion of the work being supervised as delays in construction contracts could lead to CSC raising claims. It is possible that, due to lack of monitoring, the initial contract amount is fully spent and the construction contract being supervised is just half complete.

**Mitigation:** Careful review of coordinating the timing of award of both the CSC contract and construction contract, adequate supervision of both contracts, careful authorization for

mobilizing and demobilizing key experts, and examination of the time sheets and other reimbursable expenditures.

### **5.8 Relationship between the Civil Works contractor and CSC**

In many large value contracts, CSC ( Construction Supervision Consultant) is placed in the situation of an “Engineer” and, in the first instance, determine if the claims of the contractor are justified or not before it is recommended to the Beneficiary. It is seen that, in certain cases, the claims of the contractors are recommended by the “Engineer”, based on provisions of FIDIC or other international contracts, without full justification.

**Mitigation:** The Beneficiary should provide adequate training to its/his own officers acting as project managers or key technical officers on FIDIC and other international contract provisions or better still employ a person with a legal background of handling claims (like a retainer or on-call contract) to provide support to the Beneficiary.

Some of the above mitigation measures may be based on “good practices” by other MDBs. Beneficiaries need to consult IsDB staff on application of these measures to ensure its consistency with IsDB policies and Guidelines which must be followed in all situations.



## Section 6. Selection of Individual Consultants

### 6.1 When to use Individual Consultants:

Individual consultants are engaged on assignments for which:

- a) the experience and qualifications of individual are the predominant considerations;
- b) no support from a home office as professional back-up is required; and
- c) teamwork or a multi-disciplinary approach is not necessary.

**types of Consulting Services requiring individual consultants:** a) preparation of the TOR; b) updating or revision of feasibility studies; c) preliminary engineering designs of smaller projects; d) technical assistance in economic and sectoral planning, institutional reorganization and management; e) assistance in the evaluation of Bids for Goods and Works and Consultant Proposals; f) technical assistance in project management, supervision or completion reports; g) training; and h) other intellectual services required by the Beneficiary.

**Selection steps of Individual consultants:** The need for Individual Consultants is identified and budgeted at the time of appraisal or, when arising in special circumstances, during project implementation. Beneficiaries shall normally advertise the assignment in order to receive expressions of interest. Alternatively, they may constitute a short-list from their available database and approach the Individual Consultants by sending them the TOR. Selection shall be carried out through comparison of the qualifications of at least 3 candidates. Criteria shall be academic background, experience, and, if relevant for the assignment, knowledge of the local conditions and language.

**Evaluation method and form of contract:** Any Individual Consultant shall be evaluated based on a total of one hundred (100) points over the following sub-criteria, as given in the example below: (a) Evaluation Criteria Points: General qualification of the proposed Individual Consultant-30; (b) Adequacy of the Consultant's expertise and experience for the assignment-50; (c) Experience in the region and sector- 15; and (d) Language.

For a competitive selection of Individual Consultants, the Beneficiary shall use IsDB's standard Letter of Invitation (LOI) and contract for Individual Consultants. The Beneficiary shall offer the contract to the Individual Consultant with the highest score. Individual Consultants may, depending on circumstances, be contracted directly (independent free-lancer individual) or through an organization with whom such individual is associated or affiliated, such as a Consultant Firm, an academic institution, a government or an international agency

**Single Source selection in exceptional cases:** Beneficiaries may contract Individual Consultants directly (using the Single Source selection method), in exceptional cases, such as: a) tasks that are a continuation of previous work of the Consultant, for which the Consultant was selected on a competitive basis; b) assignments lasting less than six (6) months; c) emergency situations resulting from natural disasters or a financial crisis or similar events; and d) when there are only few or no other Consultants with the requested expertise.

In such case, the Beneficiary shall send the Consultant the Letter of Invitation (LOI) with the Terms of Reference (TOR) and conditions of contract, negotiate the fee if necessary, and sign the contract. The Beneficiary shall request IsDB No-Objection to the TOR before sending out

the Proposal. For the selection procedure, the Beneficiary shall only submit the Consultant's qualifications and terms of contract for No-Objection before contract negotiation and contract signature.

**Other exceptional circumstances for use of Individual Consultants:** In accordance with Paragraphs 1.20 and 1.21 of the Guidelines ( April 2019), university professors and research staff belonging to the State-Owned Universities and research centers in the Beneficiary's country , may participate if they are critical to the Consultant assignment. Such participation will be decided on a case by case basis and subject to IsDB No-Objection. Further, Government officials and civil servants can only be hired under Consultant Service contracts, either as individuals or as members of a team of a Consultant Firm, if they are: a) on leave of absence without pay; and b) are not in any conflict of interest situation.

**Standards of performance of individual consultants:** Based on agreed TOR, the individual consultants are expected to carry out their obligations with all due care, skill, efficiency and diligence in accordance with the highest standards in the pertinent industry. Beneficiaries are expected to monitor performance of individual consultants through review of inception reports, interim reports and ensure that quality of output and standards of performance of services delivered fully meet the requirements of Terms of Reference.

**Avoiding Conflict of Interest:** In performing the services, the individual consultant shall provide professional, objective and impartial advice, and at all times hold the Beneficiary's interests paramount, without any consideration for future work. In providing advice, individual consultants are required to avoid conflicts with other assignments and their own business interests. Individual consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of the Beneficiary. At the time of hiring, Beneficiaries need to seek a confirmation from individual consultant that they are not in any Col situation and that they shall avoid any Col during the performance of the contract.

## Annex I. IsDB Member Countries

The Islamic Development Bank is made up of fifty-seven (57) Member Countries.

- Afghanistan
- Albania
- Algeria
- Azerbaijan
- Bahrain
- Bangladesh
- Benin
- Brunei
- Burkina Faso
- Cameroon
- Chad
- Comoros
- Cote D'Ivoire
- Djibouti
- Egypt
- Gabon
- Gambia
- Guinea
- Guinea Bissau
- Guyana
- Indonesia
- Iran
- Iraq
- Jordan
- Kazakhstan
- Kuwait
- Kyrgyz Republic
- Lebanon
- Libya
- Malaysia
- Maldives
- Mali
- Mauritania
- Morocco
- Mozambique
- Niger
- Nigeria
- Oman
- Pakistan
- Palestine
- Qatar
- Saudi Arabia
- Senegal
- Sierra Leone
- Somalia
- Sudan
- Suriname
- Syria
- Tajikistan
- Togo
- Tunisia
- Turkey
- Turkmenistan
- Uganda
- United Arab Emirates
- Uzbekistan
- Yemen



For any additional information, such as Standard Bidding Documents (SBDs), Guidance, training materials and briefing, please see

[www.isdb.org/procurement](http://www.isdb.org/procurement)

