Guidance Note on BAFO
(Best and Final Offer)

June 2020

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Overview

BAFO is a new approach introduced in the Procurement Guidelines under which bidders who have submitted substantially responsive bids are invited by the beneficiary, to submit their BAFO. BAFO is an additional step in the procurement process designed to achieve better VfM outcomes.

Bidders are offered the chance to make their bid better. This may include, for example: Price reduction, clarification or modification of any aspect of the Bid or the provision of additional information. However, a Bidder does not have to revise their Bid when BAFO is used if they are content with their original Bid.

Decision to use BAFO shall be reflected in the Procurement Plan and its use must be agreed with IsDB. Use of BAFO does not apply to Consulting Services.

Procurement Prior-review

If BAFO is used, the evaluation report prior to requesting BAFO's, and the final evaluation report prior to award of the contract, are both subject to IsDB no-objection Probity Assurance and Probity Report.

When BAFO applies, the Beneficiary must appoint a Probity Assurance Provider (Probity Auditor) acceptable and approved by IsDB, to oversee the integrity of the Procurement process, and the conduct of the BAFO.

When the Beneficiary has made the decision to award the contract, the Probity Auditor shall prepare a probity report.

The report should be provided to the Beneficiary and a copy sent to IsDB. To ensure transparency and accountability the Probity Auditor's report must be sent by the Beneficiary to all Bidders and publish on the Beneficiary's website. This must be done at the same time as transmission of the Notice of Intention to Award the contract.
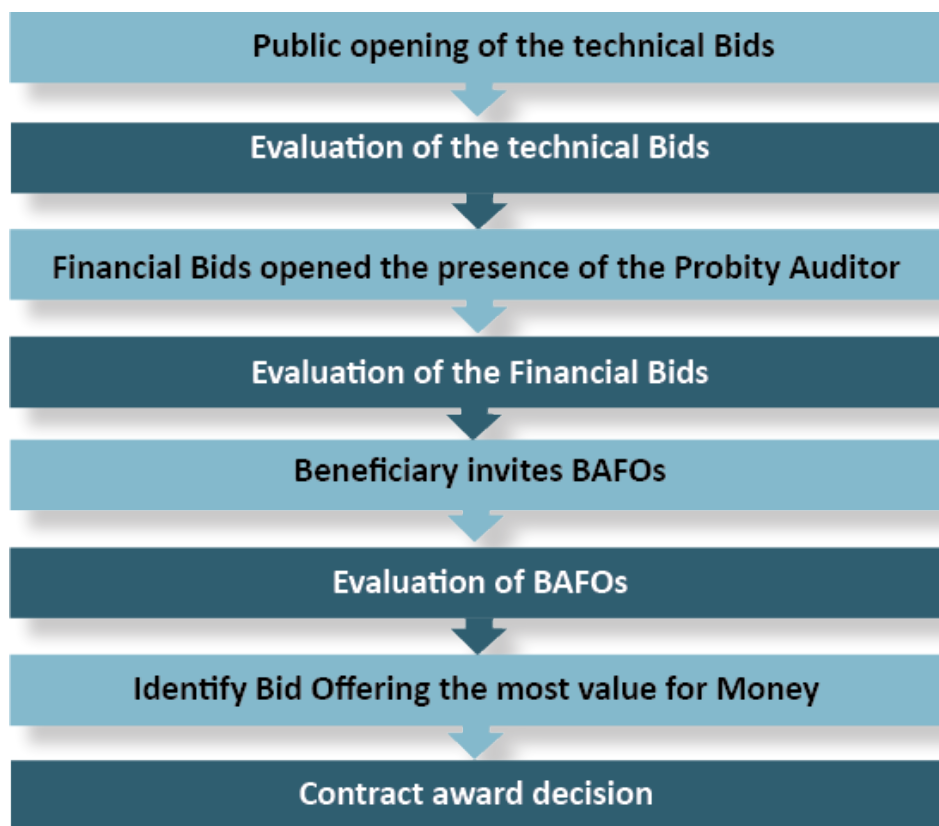
BAFO Process and Requirements

- Undertake the Bid evaluation and decide on whether a BAFO is required;

- Set out the plan and time scales for the stages of the BAFO;

- Send a formal communication to all Bidders who have submitted a Bid confirming BAFO is being used, as detail in the RFB;

- Formally write to each Bidder identifying areas of concern or deficiency in their Bid;

- Undertake clarification meetings with each Bidder. The Probity Auditor must attend all meetings;

- Once all BAFO clarification meetings have been completed, the Beneficiary should write to all Bidders confirming the request for a BAFO and the Bid Opening;

- After receipt of BAFOs, the Beneficiary shall not undertake further dialogue with any Bidder, beyond normal Bid clarification, until pre-contract discussions with the successful Bidder;

- Revaluate Bids using the same evaluation methodology and criteria as used for the original evaluation;

- Following evaluation of the BAFOs, the Beneficiary shall select the Bid Offering the Most Value for Money, in accordance with the applicable selection method.

- Upon completion of the technical and financial evaluation, if BAFO is to be used, the Beneficiary must issue to all Bidders that have submitted Substantially Responsive Bids, are quest for their BAFOs. The request should include:

- Notice that evaluations are concluded;

- Notice that they have an option to submit a BAFO;

- A deadline for submission of a BAFO that allows a reasonable opportunity for submission of written BAFO; and

- Notice that if any BAFO is submitted, it must be received by the date and time specified.

Process Flow Chart

The following figure outlines the process that should be followed when using BAFO in the procurement process:

Bid Opening

When BAFO is to be used, the Technical Bid opening will take place in public. The opening of the Financial Bid is not opened in public but in the presence of a Probity Assurance Provider acceptable to IsDB.

A copy of the record of Bid opening must be promptly sent to all Bidders whose Bids were opened and to IsDB for prior review.

The financial Bid opening should always be done in the presence of a Probity Assurance Provider and the information is included in the Probity Assurance Provider's probity report.

For any additional information, Please see

www.isdb.org/procurement