

Bid Evaluation

1. The principal objective of the tender process is to select the goods, services, and construction, which offer best value for money. Purchase price will only be one consideration when selecting a supplier. Value for money requires a comparison of costs, benefits and alternative outcomes. An assessment of the best net overall outcome for government will take account of all relevant 'whole of life' costs and benefits, that is the full cost of each good, service, construction or consultancy over its expected useful life, not just at time of purchase.

2. The standard criteria which will be considered when analysing bids on the basis of value for money, are as follows:

a) technical or professional analysis, that is, the suitability of the good or service to meet the functional and performance requirements, taking into account factors such as

- ability to meet essential and desirable requirements
- customer service, including whole of life servicing and maintenance
- quality assurance
- capacity to perform task
- past performance
- strategic issues (eg location, network)

b) commercial analysis, that is, the soundness of the tenderer's business and their ability to reduce the Government's risk, taking into account factors such as:

- ownership and substance of the business
- financial strength of the business
- risk management (including insurance, and use of authorized sub-contractors)
- compliance to conditions of contract
- conflict of interest
- past record of the bidder in dealings with the Government

c) Industry or local development is also a standard key evaluation criterion as outlined above. As appropriate to supply requirements, the following impacts will also be considered in the bid and scored accordingly in the evaluation:

- Enhancement of industry and business capability in Timor Leste
- Supporting small to medium size Timor Leste businesses accessing the government marketplace and their provision of whole of life support for goods or services they are contracted to provide
- Proposed number of jobs that will be available to Timor Leste citizens
- Level of skills and technology transfer

- Local content which is the proportion of both goods and services sourced locally
 - Regional and district development opportunities
 - Training activities or programs supported by the tenderer
- d) financial analysis for the entire life cycle, that is the full cost of each good, service or construction over its expected useful life, not just the purchase price. Where appropriate, this criteria includes:
- Capital costs, including purchase price, installation, commissioning and training costs
 - Operating costs, including labour costs, maintenance and energy cost and license fees
 - These ‘whole of life’ costs should be reduced to a set of common factors to allow rational comparison between tenders

3. For tenders with a value estimated in excess of \$100,000 a standard ‘Local Development Statement’ is to be completed by tenderers or bidders. This should outline their commitments to local job creation; skills and technology transfer to local workers and local content (the proportion of both goods and services sourced locally). This will become a formal attachment to the contract with the successful tenderer.

4. Numerical scores or points are to be attributed to each evaluation criteria. The financial analysis, outlining the cost, is not weighted (Outline attached).

5. Tenderers are to submit bids in two envelopes. Envelope One responds to the criteria on technical/ professional analysis; commercial analysis and industry or local development. Envelope Two details the firm’s cost.

6. Bidders will be short listed based on their ability to meet or exceed preset threshold scores for Envelope One. Only then will the evaluation team consider the whole-of-life-cost of the bid in Envelope Two.

7. For the top two short listed bidders, Envelope Two will be opened.

8. The successful tenderer will be selected based on an evaluation of the bidder’s scores for Envelope One, and the cost tendered in Envelope Two.