



Norad

VCCI



CONTRACTOR SELECTION PROCEDURES



01

**How many methods of
selecting a contractor?**



**The Law on Public Procurement
2023 provides for 4 methods of
contractor selection, including:**

- Single-stage one-envelope procedure;
- Single-stage two-envelope procedure;
- Two-stage one-envelope procedure;
- Two-stage two-envelope procedure

02

Which package does the single-stage one-envelope procedure apply to?

Single-stage one-envelope procedure shall be adopted in the following cases:

- Competitive bidding or limited bidding for non-consulting service, procurement, construction or mixed packages except the cases with high technical requirements as prescribed by the law on science and technology.
- Shopping for non-consulting service, procurement, construction or PC packages;
- Direct contracting for consulting service, non-consulting service, procurement, construction, or mixed packages;
- Direct procurement for procurement packages.

Compared to the 2013 law:

Compared to small-scale bidding packages prescribed by the Law of 2013, the Law on Public Procurement 2023 has expanded the scope of application of single-stage one-envelope to nearly all packages providing non-consulting services. procurement, construction, or mixed packages, except in cases with high technical requirements.

03

How is the single-stage one-envelope procedure implemented?

- Bidders submit bids or proposals in one envelope containing both the technical proposal and the financial proposal in accordance with the requirements laid down in the bidding documents or RFP.
- All bids or proposals shall be opened at the same bid opening.

04

Which package does the **single-stage two-envelope procedure** apply to?

The single-stage two-envelope procedure shall be adopted in the following cases:

- Competitive bidding or limited bidding for consulting service packages;
- Competitive bidding or limited bidding for non-consulting service, procurement, construction, or mixed packages with high technical requirements as prescribed by the law on science and technology.

05

How is the **single-stage two-envelope procedure** implemented?

- A bidder shall simultaneously submit the technical proposal and the financial proposal in two separate envelopes in accordance with the requirements laid down in the bidding documents.
- There are two bid opening sessions to be conducted. Technical proposals shall be opened immediately after the deadline for submission of bids. Only financial proposals of bidders whose technical proposals were considered responsive shall be opened for further evaluation.

06

Which package does the **two-stage one-envelope procedure** apply to?

Two-stage one-envelope procedure shall be adopted in the competitive bidding or limited bidding for procurement, construction, or mixed packages of which specific and adequate technical requirements are not yet imposed when the bidding is conducted.

How is the two-stage one-envelope procedure implemented?

■ The first stage:

- Bidders shall submit their technical proposals, without bid prices, which are prepared in accordance with the requirements laid down in the bidding documents and on the basis of fundamental designs or specifications of the package

Bidders are allowed to offer alternatives to the requirements as described in the bidding documents provided that they must be separately offered in addition to the primary technical plan required in the bidding documents

- Technical proposals shall be opened immediately after the deadline for submission of bids
- Bidders whose technical proposals are considered to have met the requirements of the bidding documents at the first stage shall be invited to the second stage.

■ The second stage:

- Bidders on the list of responsive bidders made at the first stage shall be invited to clarify their technical proposals. A request for clarification may include the employer or procuring entity's request for bidder's modification of their technical solutions proposed at the first stage;
- The bidder may also comment on the contents of the bidding documents;

- On the basis of the request for clarification of technical proposal and response from each bidder, the bidding documents at the first stage shall be modified in terms of instructions to bidders, evaluation criteria, technical requirements, conditions of contract, and other contents deemed necessary to constitute the bidding documents for the second stage, including bidders' technical deviations and proposed alternatives which have been accepted;
- Bidders shall submit bids, including both the technical proposal and the financial proposal, which are prepared in accordance with the requirements laid down in the bidding documents at the second stage and in which the bid price and bid security are determined on the basis of technical solutions proposed at the first stage;
- All bids shall be opened at the same bid opening.





08

Which package does the **two-stage two-envelope procedure** apply to?

Two-stage two-envelope procedure shall be adopted in the competitive bidding or limited bidding for procurement, construction, or mixed packages which employ new, complicated and/or special techniques or technologies but of which specific and adequate technical requirements are not yet imposed when the bidding is conducted.

09

How is the **two-stage two-envelope procedure** implemented?

■ The first stage:

- Bidders shall submit their technical proposals, without bid prices, which are prepared in accordance with the requirements laid down in the bidding documents and on the basis of fundamental designs or specifications of the package ;

Bidders are allowed to offer alternatives to the requirements as described in the bidding documents provided that they must be separately offered in addition to the primary technical plan required in the bidding documents

- Technical proposals shall be opened immediately after the deadline for submission of bids;
- Bidders whose technical proposals are considered to have met the requirements of the bidding documents at the first stage shall be invited to the second stage.

■ The second stage:

- Bidders on the list of responsive bidders made at the first stage shall be invited to clarify their technical proposals. A request for clarification may include the employer or procuring entity's request for bidder's modification of their technical solutions proposed at the first stage;
- The bidder may also comment on the contents of the bidding documents;
- On the basis of the request for clarification of technical proposal and response from each bidder, the bidding documents at the first stage shall be modified in terms of instructions to bidders, evaluation criteria, technical requirements, conditions of contract, and other contents deemed necessary to constitute the bidding documents for the second stage, including bidders' technical deviations and proposed alternatives which have been accepted;
- A bidder shall submit their bid, including the technical proposal and the financial proposal contained in two separate envelopes, in accordance with the requirements laid down in the bidding documents for the second stage, which also include the bid price and bid security. Prices quoted in the financial proposal must correspond to items included in the primary technical plan proposed by the bidder. If an alternative technical plan is proposed, the financial proposal must also include prices quoted according to this plan;
- There are two bid opening sessions to be conducted. Technical proposals shall be opened immediately after the deadline for submission of bids. Only financial proposals of bidders whose technical proposals were considered responsive shall be opened for further evaluation.

What are the new points of the regulation on the two-stage, one/two-envelope procedure prescribed in the Law on Public Procurement 2023 compared to its 2013?

The Law on Public Procurement 2023 has made some changes in the regulations on the two-stage, one/two-envelope procedure as follows:

- Allow the contractor to submit an alternative proposal to the requirements as described in the bidding documents at the first stage. The alternative must be separately offered in addition to the primary technical plan required in the bidding documents.

- Clearer regulations on the adjustment and supplementation of the bidding documents at the second stage, specifically: (i) the bidder shall be invited to clarify their technical proposals.; (ii) the bidder shall comment on the contents of the bidding documents; (iii) the bidding documents shall be modified in terms of instructions to bidders, evaluation criteria, technical requirements, conditions of contract, and other contents deemed necessary to constitute the bidding documents for the second stage, including bidders' technical deviations and proposed alternatives which have been accepted.



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