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# METHODS OF BID EVALUATION AND CONSIDERATION FOR CONTRACT AWARD

## O1

What are the methods of evaluating bid documents applied to non-consulting service, procurement, construction or mixed packages?

There are 3 methods of bid evaluation applied to non-consulting service, procurement, construction or mixed packages:

- Least-cost method:
- Evaluated-price method:
- Combined technique and price-based method

## O2

How is the **least-cost method** applied to non-consulting service, procurement, construction or mixed packages?

- Subjects of application: The least-cost method applies to packages in which technical, financial and commercial proposals are regarded to be on the same level if they meet the requirements of the bidding documents;
- How to apply: The bidder that has a bid meeting technical requirements and the lowest bid price after error correction and deviation adjustment (if any), and deducting the value of discounts (if any), shall be ranked first.

## How is the **evaluated-price method** applied to **non-consulting service, procurement, construction or mixed packages**?

### → Subjects of application:

- Evaluated prices are used for procurement, construction, non-consulting service or mixed packages that apply competitive bidding, limited bidding or shopping method;

The evaluated-price method applies to packages where costs can be converted to the same level in terms of technical, financial and commercial factors for the entire life cycle of goods, works or non-consulting services;

### → How to apply:

- The evaluated price is the bid price after error correction and deviation adjustment (if any), as required in the bidding documents, deducting the value of discounts (if any) and adding factors for conversion into the same level for the entire life cycle of goods, works or non-consulting services.

- One or some factors converted into the same level for determining the evaluated price include: operating and maintenance costs, and other costs associated with loan interests, supply schedule and quality of goods, services or works of the package; capacity or output; statistical and assessment reports on performance of previous contracts, including consideration of origin of goods; sustainable bidding and other factors;
- The bidder that has the lowest evaluated price shall be ranked first.



## 04

**How is the **method of combined technique and price-based** applied to non-consulting service, procurement, construction or mixed packages?**

### → **Subjects of application:**

- The combined technique and price-based method applies to IT, telecommunications or insurance packages; procurement and/or construction packages with specific or high technical requirements to which the evaluated-price method cannot apply; or packages where technical and price factors should be taken into consideration;

### → **How to apply:**

- The combined score shall be calculated on the basis of the technical score and the price score. The bidder that has the highest combined score shall be ranked first.

## 05

**What are the **criteria** assessed for non-consulting services, procurement, construction, or mixed packages?**

### → **How to evaluate criteria:**

- Responsiveness to the capacity and experience requirements shall be evaluated on pass/fail basis.
- Responsiveness to the technical requirements shall be evaluated on either scoring or pass/fail basis. Where the combined technique and price-based method, technical criteria shall be evaluated on the basis of a scoring system
- When the evaluation is based on a scoring system, the minimum technical qualifying score shall be at least 70% of total technical score.





o6

What **conditions** are to be considered and proposed for contract award for non-consulting services, procurement, construction, or mixed packages?

A bidder shall be considered successful if the bidder:

- Has a substantially responsive bid or proposal;
- Meets capacity and experience requirements laid down in the bidding documents or RFP;
- Has a technical proposal meeting the requirements of the bidding documents or RFP;
- Has the negative value of deviations not exceeding 10% of the bid price;
- For the least-cost : the bidder has the lowest bid price after error correction and deviation adjustment, and deducting the value of discounts (if any);

Has the lowest evaluated price, if the evaluated-price method applies;

Has the highest combined score, if the combined technique and price-based method applies;

- Has a proposed successful bid price not exceeding the approved package price.

#### Note:

The notice of contractor selection result sent to an unsuccessful bidder must provide the reason(s) their bid was unsuccessful.

o7

**Bid evaluation methods** applied to consulting service packages

There are 4 methods of bid evaluation applied to non-consulting service, procurement, construction or mixed packages:

- Least-cost method
- Fixed-price method
- Combined technique and price-based method
- Technique-based method



08

## How is the **least-cost method** applied to consulting service packages?

- Subjects of application: The least-cost method applies to simple consulting service packages or consulting service packages where consulting process has been well defined according to existing standards;
- How to apply: The bidder that has a bid meeting technical requirements and the lowest bid price after error correction and deviation adjustment (if any), and deducting the value of discounts (if any), shall be ranked first.

09

## How is the **fixed-price method** applied to consulting service packages?

- Subjects of application: the fixed-price method applies to simple consulting service packages where the exact scope of tasks is defined and the rational, specific and fixed costs for executing the package are specified in the bidding documents;
- How to apply: the bidder that has a bid meeting technical requirements, the bid price after error correction and deviation adjustment (if any), and deducting the value of discounts (if any), not exceeding the package price, and the highest technical score shall be ranked first.

10

## How is the **combined technique and price-based method** applied to consulting service packages?

- Subjects of application: the combined technique and price-based method applies to consulting service packages where both quality and costs for executing the package are critical;
- How to apply: the combined score shall be calculated on the basis of the technical score and the price score.

The scoring system must follow the rule that the technical score accounts for 70% - 80% of total score and the price score accounts for 20% - 30% of total score; the sum of technical score and price score shall be 100%. The bidder that has the highest combined score shall be ranked first



11

## How is the **technique-based method** applied to consulting service packages?

- Subjects of application: the technique-based method applies to consulting service packages with specific or high technical requirements;
- How to apply: The bidder that has a bid meeting technical requirements and the highest technical score shall be ranked first, and invited to the opening of financial proposal as the basis for contract negotiation.

12

## What are the **conditions for an organization to be considered successful and awarded the contract** for consulting service packages?

A consultant that is an organization shall be considered successful and awarded the contract if the consultant:

- Has a substantially responsive bid or proposal;
- Has a technical proposal meeting the requirements of the bidding documents or RFP;
- Has the lowest bid price after error correction and deviation adjustment, and deducting the value of discounts (if any), if the least-cost method applies

Has the lowest bid price after deducting discounts (if any), in case of a lump sum contract  
Has the highest technical score, if either the fixed-price method or technique-base method applies

Bas the highest combined score, if the combined technique and price-based method applies;

- Has a proposed successful bid price not exceeding the approved package price.



13

## What are the **conditions for an individual to be considered successful and awarded the contract** for consulting service packages?

A consultant that is an individual shall be considered successful and awarded the contract if the consultant:

- Has a scientific CV and technical proposal (if any) which are considered the most advantageous one conforming to the requirements laid down in terms of reference; and
- Has a proposed successful bid price not exceeding the approved package price.





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