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EU Support for further improvement of Public Procurement system in Serbia

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#ЕУ ЗА ТЕБЕ

GUIDELINES

FOR

CHOOSING THE MOST ECONOMICALLY ADVANTAGEOUS TENDER

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EU Support for Further Improvement of Public Procurement System in Serbia

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These Guidelines were developed jointly by SIGMA and the Project "Support for further improvement of Public Procurement system in Serbia" based on a request from the Public Procurement Office in Serbia. It provides a brief overview of the basic rules for setting up the award criteria, the main considerations for setting up an award strategy and formulating the award criteria combined with an instructive guidance (with practical examples) on when and how to apply, most effectively, the most economically advantageous tender (MEAT) criterion in the award of contracts for supplies, works and services.

The main aim of the Guidelines is to promote the increased use of the MEAT criterion by the contracting authorities in Serbia and to move away from the current one-sided use of the lowest-price criterion with the overall purpose to achieve value for money in the delivery of public services.

All the examples in the guidelines are prepared for educational purpose and contracting authorities should not use them in practice for the purchase of similar items without verification and necessary adjustments. The examples illustrate the discussed issues and are based on assumptions that are not entirely disclosed in the material.

For more information about this topic, please check two relevant SIGMA public procurement policy briefs that can be found in English and Serbian on SIGMA webpage (www.sigmaweb.org):

- SIGMA (2016), Setting the award criteria, Brief 8, OECD Publishing, Paris
- SIGMA (2016), Tender Evaluation and Contract Award, Brief 9, OECD Publishing, Paris
- SIGMA (2016), Life-cycle costing, Brief 34, OECD Publishing, Paris

In addition, more information about application of Life-cycle costing is provided in the *Guidelines for calculation of total life cycle costs* developed by the Project and available on the Project webpage (http://eupodrska.ujn.gov.rs/wp-content/uploads/2018/11/Life-Cycle-Costs-LCC_guideline-102018.pdf).

Information about the Project

The project "Support for Further Improvement of Public Procurement System in Serbia" is funded by the European Union and implemented by a consortium led by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

The main purpose of the project is to support the strengthening and developing of a stable, transparent and competitive public procurement system in the Republic of Serbia in accordance with EU standards, including improved implementation of the public procurement strategic and policy framework for an effective and accountable public procurement system.

The results required from the project include:

- strengthened and further developed the strategic, legal and institutional framework for public procurement aligned with the EU legislation,
- improved implementation of regulations in area of public procurement in practice
- E-procurement platform developed and established and
- strengthened capacities and professional skills of the Serbian Public Procurement Office and other relevant target groups.

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PART A

Setting up the award criteria – what to consider?

1. Evaluation criteria – basic rules

The evaluation of tenders is the phase in the procurement process during which a contracting authority identifies which of the tenders is the most economically advantageous based on the pre-announced award criteria.

A criterion is a standard or test by which something may be compared and judged. A contracting authority is obliged to evaluate tenders in accordance with criteria set in the procurement documentation. The choice of award criteria and evaluation model are crucial for the contracting authority to get the best possible result from the procurement, i.e. the one best corresponds to the identified needs. The criteria are used to compare the merits of individual tenders and determine which one meets the requirements best and provides value for money.

The evaluation of tenders is to be carried out on the basis of the award criteria and the evaluation model described in tender documentation.

Broadly, there are three types of criteria that can be applied to tender evaluation:

- Mandatory formal conditions
- Obligatory requirements for the subject
- Award criteria

Mandatory formal conditions are the requirements or rules that the contracting authority defines in the tender documentation regarding the procedure for lodging the offer. Each tender shall conform to these conditions to be eligible for further evaluation. They are scored as 'pass/fail' or 'yes/no'.

The contracting authority determines the obligatory requirements for the deliverables in technical specification. Technical specifications shall define among others the quality levels, technical and performance levels, requirements regarding the impact on the environment and the safety for use as well as dimensions, terminology, symbols, tests and testing methods, packaging, marking and labelling, and instructions for the use of the product, contract conditions etc., depending of the supplies, services or works procured. The conditions to the works, supplies or services must be met. They are scored as 'pass/fail' or 'yes/no'.

The properly drafted and adopted award criteria enable the contracting authority to make the best choice from proposals received in the procedure. The contracting authority is obliged to evaluate the tenders against criteria revealed in the tender documentation using the scoring methods described and basing on predefined conditions.

Understanding the different steps in the evaluation of tenders is necessary for drafting the tender documentation and the award criteria and for formulating the evaluation models.

Good practice note

Distinguish between the **selection criteria** that apply to the capacity of economic operators, **mandatory formal conditions** that refer to the tenders, **obligatory requirements for the subject** that shall be met by an acceptable tender and **award criteria** that shall be used for selecting the best tender.

2. Bases for setting up the award criteria

The award criteria constitute the basis on which the contracting authority chooses the best tender and awards a contract. Setting the criteria belongs to the crucial steps in the process of preparation of tender documentation.

The decision on choosing the best offer must rely on criteria presented in the tender documentation to all interested participants. In the due course of the decision making on award criteria, the following steps could be recognized:

1) Choice of award strategy (price only, cost only or best price/quality ratio)
2) Formulating the award criteria:
    a) In case of cost: considerations on costs that should be included
    b) In case of best price/quality ratio: choice of quality aspect for evaluation
3) Clarity and Verifiability
4) Weighting and scoring
5) Testing the evaluation model

3. Award strategy

Most economically advantageous tender (MEAT) is now the sole criterion and operates as an 'umbrella criterion' for the award of the contract. The application of MEAT may include three different options:

- Price only
- Cost only (including life-cycle costing)
- The best price/quality ratio

The choice between the three approaches is left to the discretion of the contracting authority.

3.1. Price only criterion

Lowest price criteria for award means that the contracting authority accepts the tender that fulfils all requirements and offers the lowest price. Only the tender prices are compared.

The quality requirements may be introduced in a form of mandatory requirements assessed in a form of pass or fail system. The lowest price method of evaluation is popular because of its simplicity and

rapidity, but faces some limitations. The most obvious is that it does not allow the contracting authority to take into account qualitative considerations. The quality (apart from the mandatory qualitative requirements) is not subject to evaluation. The 'Price only' criterion for award should be applied in procurement procedures when only price differentiates submitted tenders and other features of procured supplies, services or works are set in the tender documentation as not distinguishing aspects. When this criterion is used, only direct costs of the purchase or the initial purchase price within the set specifications can be taken into account. It does not allow the contracting authority to take into account cost factors that affect the total price of the purchase, such as after-sales costs and maintenance cost.

3.2. Cost only criterion

The cost only basis for award takes into account other costs than merely the cost of purchase. The Life-cycle cost methodology is an instrument for assessing internal and external costs resulting from the use of goods, services or works over time. Its main purpose is to evaluate the various options (tenders) for achieving the contracting authority's objectives, where those alternatives differ not only in their initial costs but also in their subsequent operational costs.

Life-cycle costing covers part or all of the following costs:

a) costs borne by the contracting authority or other users, such as:

- costs relating to acquisition or purchase;
- costs of use, such as consumption of energy and other resources;
- maintenance costs;
- end of life costs, such as collection and recycling costs;

b) costs arising from the impact of the products, services or works on the environment during their life cycle, provided that their monetary value can be determined and verified, and which may include the cost of emissions of greenhouse gases and of other pollutants, and other climate change mitigation costs.

Example

Contracting authority needs to procure a new printer.

A simple market analysis undertaken by the contracting authority showed that two types of printers were the most suitable for its purposes. The printers had the same technical and performance characteristics, but there was a significant difference between their catalogue prices.

The prices were EUR 250 for Printer A and EUR 325 for Printer B. It would seem that the first printer was the best choice and that the contracting authority should therefore buy Printer A.

One of the employees from the procurement department made a supplementary verification and noticed that the price of one toner cartridge for Printer A was EUR 75, whereas for Printer B the price of the toner cartridge was EUR 49. The most important cost for this simple, non-complex procurement was not the purchase price of the printer(s), but the operational cost arising from the need to replace the toner cartridges.

It is easy to see that when the contracting authority would need to replace the third toner cartridge, Printer A becomes more expensive than Printer B. The cost of the printer at this stage is the purchase price plus the cost of three toner cartridges. The contracting authority would pay:

For Printer A: 250 + (3 x 75) = EUR 475

For Printer B: 325 + (3 x 49) = EUR 472.

If the intensity of the printing activity is relatively high, one toner cartridge could be consumed every month, and so the printer would need 12 toner cartridges every year. At the end of the year, Printer A would cost EUR 1 150 and Printer B would cost only EUR 913. The best choice in this case is Printer B, which is the one that the contracting authority should buy.

In some cases, it is wiser to pay more for a product with low maintenance costs than to pay less for a product with high maintenance costs. The justification for this is that at the end of the life cycle of the product, through the depreciation period, the initially more expensive product will generally be cheaper in the end.

Competition based on cost will often involve quality elements. The low maintenance costs or energy consumption are indicators of quality. If the contracting authority uses these costs as a base for award, it promotes therefore competition.

3.3. Best price/quality ratio

If the contracting authority wants to take into account other criteria (in addition to the price or cost) the basis for award is the 'Best price/quality ratio'. The contracting authority shall carefully chose the criteria that in the best way reflect the requirements for the procurement exercised. Each chosen criterion is given a relative weighting reflecting the relative importance that it has. Best price/quality ratio basis is used for identification of the tender that offers best value-for-money.

Value for money

The principle of value for money means the best possible outcome for the procurement exercise concerned. The contracting authority shall define the optimum combination of cost-related and non-cost related criteria reflecting the features of the supplies, services or works that satisfy their needs. The different qualities such as longevity, durability, delivery time or after-sales services on offer are measured against their cost.

The concept of value for money recognizes the fact that goods, works and services are not homogeneous and that they differ in quality, durability, availability and other product characteristics and elements associated with their sale. When considering value for money the differences in the products that fulfilled the technical specifications are measured and quantified.

The best price/quality ratio basis of award presents a series of advantages:

- it allows to take into account qualitative considerations; it is typically used when quality is important for the contracting authority;
- it allows to take into consideration environmental, social and innovative aspects linked to the subject matter of the procurement;

- for complex purchases it allows to evaluate different aspects of the future contract.

3.4. Principles of public procurement in the process of tender evaluation

The contracting authority has a considerable freedom of choice in following issues:

- which basis for award and award criteria are to be applied in given procurement procedure
- what weight (importance) each award criterion will have
- an evaluation model

The choice is limited by the fundamental principles of public procurement law:

- The principles of **non-discrimination and equal treatment** mean that the award criteria must be non-discriminatory and must not be prejudicial to fair competition.
- **Transparency** requires setting up the criteria in advance and disclose them to tenderers in tender documentation.

The award criteria must be formulated in such a way that reasonable tenderers are able to interpret them in the same way. The contracting authority is obliged to describe the criteria clearly and objectively. The tenderers must be able to prepare their tenders in most appropriate way, and understand how their tenders will be evaluated. They should understand what is required in order to be awarded points for each criterion.

4. Formulating award criteria

4.1. Choice of award criteria

The contracting authority may take into account various criteria to determine best value for money. Art 67.2 of the Directive 2014/24 provides an illustrative list of these criteria, which are:

1. quality and technical value, aesthetic and functional characteristics, accessibility, design for all users, social, environmental and innovative characteristics and trading conditions;
2. organisation, qualification and experience of the staff that will perform the contract, where the quality of the staff assigned can have a significant impact on the performance of the contract;
3. after-sales services and technical assistance, and, in exceptional cases, delivery conditions such as delivery date, method of delivery and delivery period or period of completion

The award criteria could be divided taking into account different aspects.

They can be divided into 2 broad categories:

1) cost related criteria
2) non-cost related criteria

Cost related (economic) criteria allow the contracting authority to determine the financial cost of acquisition of the object of the procurement as well as cost of using and operating it.

Non-cost related criteria concern key performance requirements and specifications such as quality of the object procured, technical merit, aesthetic and functional characteristics, delivery conditions, payment conditions, after-sales service etc.

It is also possible to categorise the criteria into three groups:

1) the criteria referring to the **object of the procurement**, such as parameters of the object, functionality, aesthetics, methodology of providing services, organisation, qualification and experience of staff assigned to perform the contract (allowed to apply where the quality do staff assigned can have a significant impact of the level of performance of the contract), etc.
2) the criteria that reflect **the requirements to additional services** e.g. after sales services, warranty period, warranty services, optional services etc.
3) the criteria referring to **a manner in which the contract will be performed** (contractual obligations) e.g. dead line for contract execution (works completion, delivery of goods, etc.), a method used to gain the result, contractual liability, etc.

Moreover, the contracting authority can set out the criteria that reflect the social, environmental or innovative considerations.

The award criteria must be directly linked to the subject-matter of the procurement. The criteria can concern any aspect of relevance to the subject matter of the contract such as the production process, provision or trading of works, supplies or services procured. The contracting authority has an opportunity to go beyond the 'material substance', but the criteria still must be related to the contract as such.

Example

The possibility of setting up the criteria that go beyond the 'material substance' is often used in green procurement (in cases when the criteria reflect environmental consideration).

The contracting authority procures printing and copying paper. One of the criteria is the 'bleaching method'. The minimum requirement set in the tender documentation is: Pulp included in the paper product must be bleached without the use of elemental chlorine, i.e. by the ECF or TCF methods. The AOX emissions from the production of each individual pulp must not exceed 0.17 kg/ADt pulp.

Points will be awarded for the tender that fulfils the requirement:

The AOX emissions of the individual pulp	Points
<17 kg/ADt pulp … ≤ 0.10 kg/ADt pulp	0
<0.10 kg/ADt pulp … ≤ 0.05 kg/ADt pulp	2
< 0.05 kg/ADt pulp	5

The criterion does not relate to the bleaching method typically used by the producer, but the bleaching method used in production of the printing and copying paper that will be delivered.

4.1.1. Economic criteria

The economic criteria refer to expenses of financing the contract.

The price covers the cost of purchase of the item and additional costs like insurance, transport, installation etc. The other approach is to evaluate not only the purchase costs but also the cost related to it – operating costs (use, maintenance, insurance etc.) and decommissioning costs.

During the preparation of the tender documentation the contracting authority may take into account

1. Purchase costs: in addition to the price of an item/service - delivery to the indicated place, unpacking, installing, connecting, testing, instructing, submitting warranty documents, taking (or leaving) packaging, etc.
2. Costs of use. The cost of use should be understood as the expenditure on the day-to-day use of the device, such as:
   - energy – for devices powered by electricity as well as fuel for vehicles and for energy necessary for building (lighting, heating and cooling objects)
   - costs of consumables – inks, toners, reagents, etc.
   - training
   - extended warranty
3. Maintenance costs. Maintenance costs are costs incurred to maintain the subject of the contract in a proper technical and aesthetic condition. These may include:
   - wearing parts – moving parts of copying and printing devices (e.g., drum), vehicles (brake pads, filters, liquids, etc.)
   - materials subject to periodic replacement
   - costs of mandatory periodic inspections (e.g., vehicles, cranes, boilers, etc.)
   - costs of maintenance services.
4. Disposal costs. They should be included if they exist. In this case, decommissioning may involve specific, considerable costs. Consequently, when the procuring authority decides to use the subject of the contract until its disposal, it should take these costs into account. Where it is planned to sell the item after a short period of use, the loss of value should be taken into account.

4.1.2. Qualitative criteria

Qualitative criteria refer to the quality of the subject of the contract. The quality of the subject of the tender is determined primarily by conditions – requirements that must be fulfilled as described in the subject matter of the tender. The procuring authority may promote a quality higher than the minimum.

Goods

The quality of products can be understood in different ways:

- technical parameters,
- functions of the product,
- quality workmanship of the product,
- materials used for the production,
- durability of the device,
- technologies, machinery, equipment used in production,
- aesthetic values and/or product design.

The decision on the application of the quality criterion and the manner of defining the quality must be derived from the objectively justified needs and preferences of the procuring authority. It must be a derivative of the purpose of the products and functions they are to perform. The procuring authority has to answer questions, which features are necessary, how often they will be used, and what additional parameters are worth paying more for and how much more these will cost.

In procurement of goods, the warranty is a frequently used award criterion when it is understood that the warranty may guarantee the quality. Under the terms and conditions of the warranty, many requirements (in part as conditions, in part as sub-criteria) should be considered:

- the warranty period and its extension in the case of repair or replacement,
- the scope of the guarantee and the scope of exclusions from the warranty (for example, no warranty for parts that wear out),
- the conditions for maintenance and the grounds for the loss of the warranty (prohibition of interference, inspections, use of specific materials),
- the repeated failure of equipment or system error (defining the situation when the procuring authority has the right to replacement equipment),
- the warranty service, service availability (8 hours during working days, 11 hours during working days, all time around), collection and transport of the product,
- the post-warranty service and availability of spare parts in the future,
- the maximum response time and especially the maximum repair time, after which the contractor undertakes to remove or to make a replacement device available.

Services

The description of criteria relating to the quality of services being tendered and that are the subject of future benefits creates the most difficulties.

In the case of intellectual services the quality is related to the competence of the people who are involved in performance of the contract. Competences may include education and experience and qualifications confirmed by various types of certificates. Algorithms are being used for this type of criteria: “for each year of experience … points”, “for participation in each subsequent project consisting of …… .. in the nature ……. …. points”. In this case, it should be remembered that people’s competences do not increase linearly.

The other criterion for services focusing on the approach of the economic operator to performance of future contract could be the concept of contract execution. In this case, the contractor is obliged to describe the approach to the contract in the scope specified by the procuring authority. The required scope of information should be defined in bidding documents, selecting the most important aspects, including risk. The procuring authority's task is to define the scope of required information and the manner of evaluating the contractor's approach. Each of the bidders presents their own method of bringing the contract to completion based on their own experience.

The assessment may cover various aspects of the concept that affects the expected quality and timeliness of the contract, for example:

- essence of the contract and the role of the contractor
- methods and means of reaching the goals
- risks associated with the implementation of the contract, the ability to neutralise them and minimise the impact of risk on the implementation of the contract
- ability to plan actions over time, implementation schedule
- work progress, reporting and implementation of repair plans, monitoring
- quality assurance plan
- composition and organisation of the team performing the contract, ways of co-ordinating the work.

In case of less complicated services the criteria can concentrate on chosen aspects such as materials used for execution, methodology etc.

Construction works

In the case of construction tenders based on project documentation, the majority of requirements for the quality of works, materials and products is specified in the design documentation and technical specifications. This does not preclude the use of criteria that promote the quality of the products or methods to be used during contract execution.

The quality may cover aspects like:

- improvements proposed to project documentation that meet the requirements of the procuring authority
- project of the organisation of work at the construction site
- effective management, communication and cooperation with the project manager, procuring authority , subcontractors and third parties
- quality management, ensuring independent quality control, minimisation of deficiencies, effective use of means of production
- cost control, budget compliance, ability to forecast annual budgets and final price
- schedule, milestones, reaction time to events.
- description of the approach to the implementation of each operation within the schedule

- risk identification, description of the expected risk impact on the schedule and costs and description of the proposed measures to avoid or reduce the risk (it must not include any risk reallocation).

For works, the criteria concerned with the competence of key team members are also appropriate.

Procuring construction works, the criterion of the terms of the guarantee may be applied. The same rules as with guarantee in deliveries should be applied here also. Additionally, it is necessary to emphasise the need to obtain a document of guarantee on the day of final acceptance of works.

4.1.3. Responsible development criteria

Public procurement is used to serve not only efficiency, rationality, cost-effectiveness and expediency, but can also be used as "one of the market-based instruments to achieve smart, sustainable and inclusive growth" (p. 2 of the preamble of the Directive).

Social criteria

During the implementation of public procurement, people and disadvantaged groups can be supported to a certain extent. The starting point for formulating requirements in this area is the identification of social needs and their comparison with the scope of the tender. The question to be answered is whether the procurement can affect the disadvantaged groups, what kind of help these groups need and can their needs be met by the implementation of the tender, or can their competences be used during the tender process. Social criteria may include in particular:

- employing unemployed, disabled or other disadvantaged persons
- providing employees with an above-standard level of safety and work protection
- ensuring compliance with the International Labor Organization conventions throughout the supply chain
- tendering above-standard accessibility of the facility for people with disabilities
- ensuring the availability of online content for the blind.

Environmental criteria

Public procurement should not contribute to the degradation of the natural environment and procurement methods that save natural resources and mitigate the impact on the natural environment should be promoted. The following are among the environmental criteria that can be used:

- minimising the energy consumption of tendered devices
- minimising the consumption of electricity, heat and gas as well as water through buildings
- minimising fuel consumption by vehicles
- using recycled or recyclable products
- implementing services and works using energy-saving machines and technologies.

Innovative aspects

Innovations can contribute not only to the effective implementation of a specific order, but can also bring added value in the form of technological progress and the emergence of new products, technologies and new working methods. Too often, it seems that public procurement not only does not support innovation, but also inhibits it. Too often procuring entities define technology, which imposes only one, sometimes old and ineffective way of executing the contract rather than defining the function, which gives tenderers more freedom of choice of the appropriate, innovative way of execution of the contract.

It is possible to use “innovation” as a separate criterion, but innovation can be promoted by assessing the various quality aspects of the tender in such a way that the maximum rating (excellent) is conditioned by tendering an innovative solution to a given problem (see table in section 6.2).

4.1.4. Choice of quality aspects

Understanding the current market situation and acquiring knowledge about the tenderers on the market is key for the contracting authority in defining the technical specifications and the quality-price award criteria. Knowing the market is necessary for preparing the technical specifications in a way that the tenderers can offer more products that fulfil the technical specifications. Contracting authorities should prepare the technical specifications and MEAT criteria in a way that boosts the competition and does not close and discriminate producer or tenderer.

Not all procurement items are eligible for procurement using MEAT criteria. Based on the type of procurement items, the needs of the contracting authority and market research, it has to be decided whether to use the price-only criterion, the price/quality ratio criterion, or the cost effectiveness approach, such as life-cycle costing. In relation to the award criteria, knowledge of the market is crucial for ensuring that the criteria, which are used will reveal the differences between the tenders. Award criteria should not be prepared in a way that none of the business entities receives a single point or that that all economic subjects get all the points. Award criteria should be prepared in a way to stimulate competition and to ensure that the contracting authority receives he best value for the public’s money.

The application of price/quality ratio basis for award requires in each case the identification of the particular quality aspects that will be subject to competition. A crucial question in identifying the relevant quality aspects for using in award criteria is whether difference in quality between products, services or works would justify paying a higher price for the meeting a particular requirement.

Using MEAT criteria could have a number of benefits for individual contracting authorities. The proper use of MEAT criteria requires an analysis of needs of the contracting authority, goals of the procurement and market research. It is also important to ensure the participation of experience experts in the preparation of tender documentation, who are able to draft the criteria taking into account the important factors that can influence the results. Without proper experience and if the tender documents are of poor quality, the MEAT criteria could increase the costs without increasing the quality. Unfortunately, this happens frequently when the MEAT criteria are used for the first time without basic preparation or sufficient training of the employees.

4.2. Clarity and verifiability

The contracting authority is obliged to define the criteria in a way that will enable it to perform an efficient review and verification of information submitted by tenderers. In case of doubt, the contracting authority shall have an opportunity to verify the accuracy of the information and proof provided in the tenders. In other words, the criteria must be 'measurable'. Therefore a mere reference to 'functionality' or 'aesthetics' etc. is not sufficient as it creates the potential for many interpretations.

The award criteria shall be applied in the same manner to all tenders. When the criteria are too general or too vague, they provide no basis for assessment of qualities in a consistent manner. The tenders can be not comparable when the quality requirements have been misunderstood or interpreted differently by bidders. The criteria should be precise to the extent that ensures uniform interpretation by 'reasonably well informed and normally diligent' tenderer. That means that the criterion shall be interpreted in the same way by practitioners involved in the type of activities covered by the procurement in question.

The tender documentation shall include information on the basis for verification in scope of proposed criteria. The contracting authority has a freedom of decision in this field. However, the reasonable buyer should take into account the possibility of verification of the accuracy of information and documents provided in the tenders.

The contracting authority may ask the tenderers to provide:

- Declarations; The basic subject matter of the assessment is the content of the tender defining the conditions under which the contractor will implement the contract. The content of the tender is not only the price, date or period of the guarantee, but also other information regarding the subject matter of the tender such as tender quality and the manner of implementation. The procuring authority should specify what information should be included in the tender. The contractor's task is to understand both the scope of information required and the way of evaluating the tender and then to provide the procuring authority with as much and such information so as to meet the requirements of the procuring authority in order to maximise the probability of winning the tender.
- Technical data; In order to confirm compliance with certain requirements and confirm the veracity of the contractor's declaration, the procuring authority, where it is reasonable and possible, can request external data describing the technical and functional parameters of the tender subject matter such as catalogue cards, declarations of conformity, certificates, technical descriptions, drawings workshop, operating instructions, photos, etc.
- Demonstration item; When purchasing finished products the procuring authority may request delivery of demonstration items along with the tender when the products are, for example, medical products, electronic equipment and other devices.
- Samples; The procuring authority may also require the preparation of a sample understood as fragments or elements of the future object of the contract e.g. an analysis of the problem in case of legal services, simplified computer programme presenting typical functions, etc.

4.3. Weighting and scoring of criteria

4.3.1. Prioritising criteria

The chosen MEAT criteria shall be prioritised, assigned merit points and weighted according to their relative importance in meeting requirements.

To help prioritise criteria the contracting authority can use a simple Prioritisation matrix:

		Evaluation criteria		
		Criterion A	Criterion B	Criterion C
Evaluation criteria	Criterion A			
	Criterion B	A		
	Criterion C	C	C	
	Criterion D	D	D	D

Scores	Priority	Weighting
A-1	3rd	15 %
B-0	4th	5 %
C-2	2nd	30 %
D-3	1st	50 %

How to use the tool:

- Insert the criteria into the matrix twice – once in the horizontal rows, once in the vertical rows.
- Take each paring in turn. Ask the team preparing the tender documentation to determine which of the two is most important in given procurement e.g. compare criterion A against criterion B. If the decision is that criterion A is most important, insert letter A.
- Count the total number of A's', B's', C's, etc.
- The letter with the highest count is the most important, the letter with the lowest count is the least important.
- Prioritise as 1st, 2nd, 3rd etc. on the basis of count
- Discuss and agree weightings.

4.3.2. Weighting

Transparency of evaluation process requires disclosure of relative importance of each criterion. It is common to determine the relative importance of a particular criterion for selection as a percentage. The contracting authority uses the scoring system to convert the weighting of a particular criterion into points.

If the criteria chosen refer directly to the costs or benefits that can be expressed in monetary terms, the weightings can reflect the value of savings or income.

Example

The contracting authority procures five printers to the office. The estimated cost of delivery is 500. For the time being it pays for printing services that creates cost of 100 per week. The cost of use of own printers will create the cost of 80 per week.

The maximum delivery date is 4 weeks. The contracting authority wants to apply the criterion 'time of delivery'. The shortest possible time of delivery was recognized for 1 week. The delivery 3 week earlier shall result in savings accounting for 60.

[(100 (*cost of external services*)-80 (*cost of printing*) x 3 (*weeks*) = 60 (*possible savings*)]

Conclusion: The weighting of the criterion shall be close to 10% [60/500*100=12%]

In more complex procurements, the weighting should take into account the main factors that could influence the final result, such as technological level of the procurement, available budget, organisation and coordination needed to perform the contract properly, labour force, technical equipment. If the nature of the project shows that there are factors playing an important role in execution of the contract, depending on the solutions offered by an economic operator (e.g. organisation and coordination) it is worth to consider relatively low level of price criterion. On the other hand, high level of technology combined with small budget characterises a simple project with little coordination needed and the risk of it could be assessed as small. Accordingly, the weight of price criterion within the set of criteria shall be high.

4.3.3. Scoring system. Formulas for calculation of the number of points

The assigned weighting of a criterion shows the importance of the assessed feature for the contracting authority. However, for evaluation of the tenders an introduction of scoring system in each criterion is necessary. Variations of scoring systems can lead to different results, even when the weighting remains unchanged.

The choice of a scoring system depends on the characteristics of the individual procurement. There are different variants of combinations of an assessment, from which two of them are most popular: relative and absolute model. It is not possible to recommend a best model for all procurements as this depends on the situation and needs of the contracting authority conducting a procedure.

The main characteristics of **a relative method of scoring** is that the rating of an individual tender depends on the value assessed in the criterion in relation to the value presented in other tenders submitted in the tender procedure. Thus, the final score awarded to a certain tender depends in part on the score awarded to other tenders.

Example

The most popular scoring formula for price is a typical example of relative assessment. The contracting authorities use the formula:

$$\text{number of points} = \frac{\text{the lowest price} \times \text{max number of points (weighting)}}{\text{price in evaluated tender}}$$

The tender with lowest price is rated highest with maximum number of points, the points awarded to other tenders are calculated using the formula and related to the value of the lowest price.

The formulas of proportionality are used also for evaluation of the time for completion, when shortest time declared means maximum points awarded or guarantee periods (in this case the longest period declared in a tender is the basis for awarding maximum number of points, the tenders with shorter periods are awarded less points proportionally).

The main characteristics of an **absolute method of scoring** is the non-dependency on the other tenders when evaluating a certain value in a tender. The contracting authority compares the value in each tender to 'an ideal value'.

Example

In a procurement for IT system the contracting authority decides to use the criterion quality. The minimal technical parameters (functionality) were described in a tender documentation. If the IT system offered are characterised by better parameters that means they realise additional functionalities for which the points are awarded. In the description of criteria the contracting authority stated:

" Criterion: Quality – weight 25%

Additional functionality	***Points***
The Application Part of the System works on the SLES 12 for VMware operating system 64-bit or newer version with the latest update (service-pack / patch / bugfix) installed	*5*
The System Database part operates on the RedHat Enterprise Linux 7 operating system for VMware version 64-bit or newer with the latest update (service-pack / patch / bugfix) installed	*5*
The system performs automatic authentication using a domain account and cooperates with the Employer's SSO mechanisms as described in Annex 2 to technical specification	*5*
The system makes it possible to divide data into separate resources / spaces: *• Data current on / in a resource / faster space;*	*5*

• *Data archived on / in a slower resource / space.*	
The contractor will provide and perform a regression testing automation service. Tools, test scenarios, documentation and any other materials necessary for independent performance and self-modification of such tests will be transferred to the Employer	*5*
Max. total	***25***

In this example, the points are awarded for each tender separately. There is a possibility that the offered IT system will be evaluated equally and the contracting authority will award equal number of points to different tenders in 'quality' criterion.

The choice of a scoring system demands knowledge about effects, advantages and disadvantages of different systems.

4.4. Testing the evaluation model

There are very different evaluation models with different combinations of weighting and scoring systems. The solution chosen should reflect the needs of a contracting authority conducting the procedure as it depends in the prerequisites if the individual procurement.

To ensure that the desired result will be achieved it is highly recommended to apply the evaluation model in simulations. The results of scoring methods may depend not just on the weighting of criteria, but in some cases also on the particular spread in evaluated values in tenders received. Testing of the scoring method ensures that the contracting authority will avoid unexpected results.

The simulations (tests) are necessary to avoid the unexpected results and confirm the right choice of criteria, weighting and scoring system. Testing would help to answer following questions:

1) What are the results if a tender is submitted with a very low/very high price and very low/high quality?
2) Is there a risk of paying an unnecessarily high price for average quality?
3) Is there a possibility to manipulate the evaluation by submitting a tender with "abnormal" parameters (e.g. 0 price, impossible to reach parameters in quality etc.)?
4) Does the tender documentation require from the economic operators to provide in the tenders all data necessary to evaluate the tenders in accordance with set conditions?
5) For electronic procurement: are the chosen models possible to use in electronic portal?

PART B

EXAMPLES

1. CHECKLIST: SETTING UP THE AWARD CRITERIA

No.	Control question	Comment
	Award strategy	
1.	Is it appropriate to evaluate tenders based on lowest price only?	Evaluation based on price is appropriate if all the important features of object procured are possible to define as obligatory requirements. The cost of use do not play an important role.
2.	Is it appropriate to use life-cycle cost as an award criterion?	Life-cycle cost (LCC) represents all the costs resulting from the use of goods, services or works during their entire life-span. When it is possible to achieve contracting authority's objectives in several ways that differ not only in their initial costs but also in their subsequent operational costs, it is worth to consider LCC as an evaluation method.
3.	Is it appropriate to evaluate tenders using several different criteria?	The use of different criteria allows taking into account qualitative considerations. The contracting authority has an opportunity to choose product/service or construction works of better quality defined with the consideration of individual needs. It is possible to focus on sustainable procurement (social, environmental and innovative elements).
	Choice of different award criteria	
4.	What features of the procured object are important for meeting the needs of contracting authority?	The needs of contracting authority are a starting point for preparation of the procurement procedure. The analysis should determine what are the authority minimum requirements on the object of the procurement and which factors can create an added value. The latter could be transferred into award criteria. The requirements and the criteria should be adapted to the conditions of the individual case.
4a	Is it appropriate to include other economic criteria than price?	The contracting authority shall consider if the costs of use, maintenance and disposal cost shall be included.
4b	Is it appropriate to include qualitative criteria?	The quality of the goods services or works procured must be defined by the contracting authority. In each case the criteria could be different.

		To organize the process of setting up the criteria the division into 3 categories could be helpful: 1) the criteria referring to the object of the procurement, such as parameters of the object, functionality, aesthetics, methodology of providing services, organisation, qualification and experience of staff assigned to perform the contract, etc. 2) the criteria that reflect the requirements to additional services e.g. after sales services, warranty period, warranty services, optional services etc. 3) the criteria referring to a manner in which the contract will be performed (contractual obligations) e.g. dead line for contract execution (works completion, delivery of goods, etc.), a method used to gain the result, contractual liability, etc.
4c.	Is it appropriate to use environmental/social/innovative considerations in award criteria?	The contracting authority can include environmental, social or innovative considerations in award criteria. Assessment should be made in each individual case taking into account the object procured, position and aims of the contracting authority etc.
5.	Can any added value be measured if the criterion is fulfilled.	It is important to establish whether fulfilling of the criterion leads to benefits for the contracting authority e.g. leads to lower costs or increase of efficiency. If there is no added value – the criterion should be probably not included into tender conditions.
6.	How many economic operators will fulfil the criterion?	When majority of tenderers offer the solutions that are meant to be assessed in award criterion – there is no need for applying it. The contracting authority should include it into obligatory requirements If only a few of tenderers are deemed to fulfil the criterion, it may be a good solution to include it into award criteria – the tenders will differ in this aspect. However, when the difference in quality are marginal, it is necessary to establish a proper weighting to avoid the substantial difference in prices.
Clarity and verifiability		
7.	Is it possible to describe the criterion in an objective and non-discriminatory manner?	All tenderers who would like to take part in the procedure should be able to understand what features will be evaluated. The contracting authority should define the criterion objectively.
8.	Is it possible to measure whether the criterion is fulfilled and to which extend is it fulfilled?	The contracting authority should define how the award criterion is to be measured. The method of evaluation in each criterion chosen should be presented. The economic operator must have access to information what features of the offered object are assessed better.

9.	Does the tender documentation contain the description what should be included in the tender to assess if the evaluation criteria are fulfilled?	The contracting authority should describe the way how the tenders are to be presented. All information needed to assess whether and to what extend the criterion is met should be included.
Weighting and scoring		
10.	Is the importance of criteria chosen reflected in the weighting described in the tender documentation?	Setting up the weighting of the criteria the contracting authority reveals the importance of each feature promoted.
11.	Has an appropriate model of scoring been chosen?	There are different models to choose from. The contracting authority shall choose the model that best suits the procurement object in question.
Testing		
12.	Have simulations been carried out using the evaluation model?	After drafting the tender documentation but before its publication, it is important to do simulations of how the evaluation model works in order to ensure the desire effect is achieved.

2. CRITERIA FOR THE ASSESSMENT OF TENDERS FOR DELIVERIES

Majority requirements regarding the subject of the delivery contract are determined in the form of conditions covering the minimum technical and functional parameters. In many cases, using the minimisation of cost strategy brings the right results, provided that the total cost of ownership is taken into account. Nevertheless, using quality criteria allows choosing a better offer.

1. Procurement object – Vehicles for personal use

The contracting authority prepared a procurement procedure for supply of 10 cars. The minimum requirements such as the dimensions, technical characteristics, additional equipment were defined as the minimum requirements in the tender documentation. The market analysis revealed that at least 15 different car models would fulfil the conditions.

The contracting authority was interested in minimalization of the cost of use of purchased cars. It decided to apply the cost as the award criterion.

The calculation conditions:

1) The number of years the calculation covers (years of use): 5 years
2) The number of vehicles to be procured: 10
3) Mean annual use of the vehicle 50 000 km, total average mileage: 250 000 km
4) The warranty for cars: 3 years or 150 000 km
5) The car will be serviced in the authorised car service point

The costs to be taken into account:

1) Purchase price, incl. the cost for delivery per vehicle [PP]
2) Fuel consumption [FC]
3) Service cost per year according to the manufacturer's recommendations or Cost per year for service and repair agreements [SC]

Description on how to prepare a tender

The tenderer is obliged to submit following information that form the basis for the evaluation of the tender:

- Purchase price, incl. the cost for delivery per vehicle
- Fuel consumption according to the manufacturer's information expressed in Litre/100km combined driving
- Service cost per year according to the manufacturer's recommendations or Cost per year for service and repair agreements

Description of the award criteria

The contracting authority will evaluate the tenders using the criterion ‘cost”.

The ‘cost’ covers the cost of:

- Purchase covering the price of the car, transportation to the site of the contracting authority, assistance in registration and insurance
- fuel consumption for 250 000 km; the fuel consumption will be presented as official manufacturers' data, the combined driving conditions will be taken into account
- service cost in accordance to manufacturer's recommendation during 5 years, excluding the costs of after accidents repairs and spare parts

The cost for each tender will be calculated basing on the data presented in the tender using the formula:

Cost $T_{1..n}$= [PP + (2500 x FC x fuel price/litre) + (SC x 5)] x 10

Cost T_1 – cost in the tender evaluated

PP – Price per 1 car

FC – Fuel consumption

SC – Service cost per year

The tender with the lowest cost proposed will be evaluated as the best; the other tenderers will be ranked in descending order.

2. Procurement object - printers

The contracting authority prepared a procurement procedure for supply of laser printers for use in the office. The minimum requirements (technical characteristics) were defined as the minimum requirements in the tender documentation. The market analysis revealed that at least 20 different products respond to the requirements.

The contracting authority conducted an analysis of needs of the officers employed. It revealed that one printer is used by 5-10 persons, which implies that for the comfort of end-users the speed of printing and the supply in number of sheets for the paper cassette and the multi-purpose tray is important. The contracting authority is also interested in lowering the cost of printing by minimization of the energy costs and paper costs.

Description on how to prepare a tender

The tenderer is obliged to submit following information that form the basis for the evaluation of the tender:

The data included in the table (tender form):

No.	Description	Minimum / maximum value	Optimal value	Offered
1	Print speed (colour and mono) - EFTP value for medium jobs according to ISO / IEC 24734 for A4 format	30	35 or more	

2	Print speed (colour and mono) - EFTP value for medium jobs according to ISO / IEC 24734 for A3 format	20	25 or more	
3	Automatic paper feed - cassette capacity	350	500 or more	
4	Ability to print on recycled paper	----	yes	
5	Automatic duplex printing mode	----	yes	
6	Registered at Energy Star v2.0 (or higher) or meet comparable requirements	----	yes	

Additionally, the tenderer is obliged to attach to the tender:

- a catalogue card for the offered printer model confirming that the parameters are met,
- Energy star certificate or other document proofing that the comparable requirements are fulfilled.

Description of the award criteria

1. The contracting authority will evaluate offers on the base of following criteria:
   1.1. Price – 70%
   1.2. Technical parameters – 30%
2. Price
   2.1. The tenders will be evaluated using the formula:

   $N_{pn} = P_{min}/P_{nof}$ x 100 pkt x 70

   N_{pn} – number of points awarded to the tender n

   P_{min} – the lowest price offered among all the tenders

   P_{nof} – Price in the tender n

   2.2. The maximum number of points is 70.
3. Technical parameters
   3.1. In the criterion the points will be awarded in the following way:

No.	Sub criteria	Description	Points
1	Print speed (colour and mono) - EFTP value for medium jobs according to ISO / IEC 24734 for A4 format	The tenderer offers the parameter at the level of 35 or more	3

2	Print speed (colour and mono) - EFTP value for medium jobs according to ISO / IEC 24734 for A3	The tenderer offers the parameter at the level of 25 or more	2
3	Automatic paper feed - cassette capacity	The tenderer offers the parameter at the level of 500 or more	5
4	Ability to print on recycled paper	offered	5
5	Automatic duplex printing mode	offered	10
6	Registered at Energy Star v2.0 (or higher) or meet comparable requirements	offered	5

3.2. The maximum number of points – 30.

3.3. The points awarded to the tender in the sub-criteria will be added. The sum is the number of points awarded in the criterion 'technical parameters'.

4. The sum of points awarded in criteria 'Price' and 'Technical parameters' is the number of points awarded to the tender. The tender with the biggest number of points will be evaluated as the best tender.

In the table below, we will take the example of the lease of 30 multi-functional devices installed in the same building for standard office needs of printing, copying and scanning of text documents with a 15% share of graphics/photos. The estimated number of prints divided into categories (colour/mono/amount of print, etc.) will be included in a separate sheet. Please do not copy the list below as it is presented only as a theoretical example.

No.	Description	growing (G) / decreasing (D)	Minimum / maximum value	Optimal value	Max. No. of points	Offered
1	Print speed (colour and mono) - EFTP value for medium jobs according to ISO / IEC 24734 for A4 format	G	30	35	2	
2	Print speed (colour and mono) - EFTP value for medium jobs according to ISO / IEC 24734 for A3	G	20	25	1	
3	Time to wait for the first page for the grey scale	D	9	7	1	

4	Time to wait for the first page for the colour	D	11	9	1	
5	Scaling with 1% gradation - lower limit	D	30	20	1	
6	Scaling with a gradation of 1% upper limit	G	400%	500%	1	
7	Copy resolution (colour and mono) dpi	G	600	1200	1	
8	Print resolution (colour and mono) dpi	G	1200	2400	2	
9	Scan resolution (mono and colour)	G	600	1200	3	
10	Automatic paper feed - number of cartridges	G	3	5	2	
11	Automatic paper feed - cassette capacity	G	350	500	1	
12	Manual paper feed - number of sheets	G	100	200	1	
13	Scan speed - number of images per minute in one-sided mode	G	30	40	2	
14	Scanning speed - number of images per minute in two-sided mode	G	65	85	2	
15	Capacity of the receiving tray - number of sheets	G	2000	3000	1	
16	Number of receiving trays	G	1	2	2	
17	The range of supported paper weight - the lower limit g/m^2	D	70	50	1	
18	The range of supported paper weight - the upper limit g/m^2	G	250	300	2	
19	Maximum monthly load - number of passes	G	100000	150000	3	

20	Ergonomics - the number of operations to be performed on the device's control panel after sending a printout with a non-standard size of paper necessary to print on the paper from the selected cassette	D	5	3	3	
21	Ergonomics - the number of operations to be performed on the machine's control panel necessary to scan a two-sided document containing various paper formats with a pre-defined network share	D	7	5	3	

No.	Description	The way of fulfilling	No. of points	Offered
22	Paper tray - paper formats in cassettes	A4 and A3	0	
		Any of the A5-A3 range	1	
		Any of the ISO range not greater than A3	5	
23	Printing technology	LED	1	
		Laser	2	
		Inkjet	0	
24	Control panel	Tactile	0	
		Capacitive touch	1	
25	Network scanning	e-mail	0	
		e-mail and general network participation	1	
		e-mail, personalized network shares of users, FTP	2	
26	Direct print from USB storage	Lack	0	
		Graphic files (JPG, BMP, TIF)	1	
		Graphic and text files (PDF, DOC, RTF)	2	
27	User authorisation	Lack	0	
		By means of a PIN	1	

		Integrated with LDAP, AD using account and password	2	
		Integrated with LDAP, AD using account and password or proximity card	3	
28	Management software	Lack	0	
		Queuing prints, simple transformations and parameter modifications, simple billing	2	
		Full integration with the customer's environment, billing, advanced cost mapping, document workflow	5	
29	Communication	Ethernet 100 Mb / s	0	
		Ethernet 1000 Mb / s	1	
		In addition, WiFi	1	
		In addition, NFC	1	
		In addition, Bluetooth	1	

3. CRITERIA FOR THE ASSESSMENT OF TENDERS FOR SERVICES

1. Design services

The proper quality of design documentation can save money and time in the execution of works. The award criteria could promote the higher quality of design in many different ways. The effort in setting up the criteria and evaluation of tenders should be adjusted to the level of complexity and specific of the investment.

In the table, there are three different investments and the award criteria that differ because of the type of investment.

	Subject	Criteria
Procedure 1	Design of road modernisation aimed at change of the road class. After modernisation, the road shall be classified to higher standard. (assumption – the national provisions of law define the standards of roads and their classification)	Price Time of delivery of the design
Procedure 2	Design of a new sport hall for local community (assumption – the contracting authority described the functional program of the new hall in a tender documentation)	Price Qualification and experience of the staff that will perform the contract
Procedure 3	Design of a new building for museum of modern art (assumption – the contracting authority described the functional program of the museum facilities in the tender documentation; the building will be located in a centre of the city and shall be a new cultural centre open for different cultural initiatives)	Price Qualification and experience of the staff that will perform the contract Substantive concept assessment • Town planning • Functional-spatial structure of the museum • Architectural expression

In three procedures for the architectural services the subject matter of the design differs. The results of the procurement will be the design documentation necessary for launching the procedure for construction works.

Procedure 1

In the **first procedure,** the services are typical and the requirements for the object are prescribed by binding provisions of law there is no necessity of assessment of other criteria.

The time of delivery of the documentation is promoted by the contracting authority. The minimum requirement is to deliver the documentation in 20 weeks from signing of the contract.

Description of the award criterion "Time of delivery"

In the criterion time of delivery the tenders will be evaluated basing on the tenderer's declaration in the offer form. The tenderer shall provide the proposed time of delivery in weeks. For each 1 week of shortening the time 2,5 point will be awarded. The maximum number of point is 10.

The tender offering time of delivery shorter than 16 week will be awarded with 10 point. The tender offering time of delivery equal to 20 week will be awarded with no points. The tender offering time of delivery longer than 20 weeks will be rejected.

Procedure 2

In the second procedure, the contracting authority looks for an experienced staff for design. The object can be design in different ways and it is important to work with staff members who are experienced in design of sport halls. In the procedure the economic operators will be asked to present the list of staff members, their qualifications and experience to enable the proper evaluation. The contracting authority can establish a scoring model taking into account number of designs prepared by each member of staff.

Description of the award criterion Qualification of staff

The evaluation of the tenders in the criterion will be made based on the document "list of staff" prepared and submitted together with the tender. The draft of the list of staff is included in annex 1 to the tender documentation.

The point will be awarded in accordance with the scheme:

1. designer of architectural specialty, having the building rights to create architecture designs with no limitations and experience in at least 1 design of building for the sport purposes and usable area equal to or greater than 2000 m^2; For each extra design above the minimum 2 points will be awarded, but not more than 10 in total;
2. designer with a specialization in construction and building, having the building rights to create construction and building designs with no limitations and experience in at least 1 design of sport building and usable area equal to or greater than 2000 m^2; For each extra design above the minimum 2 points will be awarded, but not more than 8 in total;
3. designer in sanitary installations specialty, having the building rights to create installations designs for network, installations and devices for heat, ventilation, gas, water supply and sewage with no limitations and experience in at least 1 design of heat or ventilation installation for building of usable area equal to or greater than 2 000 m^2; For each extra design above the minimum 2 points will be awarded, but not more than 6 in total;
4. designer in electrical power engineering installations specialty, having the building rights to create installations designs for electrical and electric power network, installations and devices with no limitations and experience in at least 1 design of electric installation for building of usable area equal to or greater than 2 000 m^2; For each extra design above the minimum 2 points will be awarded but not more than 6 in total.

The maximum number of points in the criterion is 30.

Procedure 3

In the third procedure, the contracting authority seeks for a professional company that will be able to propose the best possible solution. Not only the functional characteristics of the future building is important but also the aesthetics and openness to the community needs and influence on the development of the city.

Description how to prepare the tender:

The contracting authority requires the submission of the substantive concept consisting of:

1) sketchy concept of land development, showing the location of the museum in relation to the surrounding - existing and planned housing, drawn on the plan in the scale 1: 1000;
2) views, including at least showing the relations of buildings with the park, square and XX street and view of the entrance zone of the museum;
3) diagrams showing how to solve the mutual relations between the various functional zones of the museum (minimum 1 scheme);
4) description of the idea presented in the studies referred to in point 1)-3) supplemented with additional sketches showing in particular:
    i) relations of newly designed buildings with the surrounding space - a square, a park, XX street
    ii) relations of functional zones described in the program guidelines, / solutions for the way of lighting the gallery
    iii) the manner of linking the auditorium with the galleries.

The concept should have the form of permanently fastened 10 sheets of A3 format, one-sidedly filled.

Description of the tender evaluation criteria

Criterion 'Design concept'

The tender will be evaluated in 3 sub-criteria:

1) Town planning

The following will be evaluated on the basis of the concept delivered by the tenderer:

- the spatial relations and the shaping of the designed building in the context of the neighbourhood, square, park and the planned development;
- the proposed solutions for the entrance zone and common zones.

The highest score will be awarded to solutions which:

- take into account the vicinity of the square as a vibrant meeting place and treat the entrance zone of the museum as its extension - linked to the square visually and functionally;
- to the north manage to connect the museum with the park and make it accessible to those inside the complex. The highest score will be awarded to solutions which ensure a direct functional and spatial link between the park and the building;
- ensure free access and movement of people both between the entrance areas of the museum and between the park.

For the best fulfilment of all the aforementioned requirements, the tender may be awarded a maximum of 30 points. If the tender meets only some of the above requirements or meets them partly, it will be awarded between 1 and 30 points, depending on the number of requirements met or the degree of compliance with the requirements. If the tender fails to meet any of the requirements, it will be given no points.

2) Functional-spatial structure of the museum

The highest score will be awarded to solutions which:

- thanks to the linking of the exhibition functions with the public spaces encourage people to enter the museum by allowing contact with art and by displaying it not just in the gallery zones, but also from the side of the public spaces,
- thanks to the correct shaping of the relations between the gallery, auditorium and the entrance zone create a functionally flexible, continuous space allowing diverse activities and the intermingling of the activities typical for each of these zones.

For the best fulfilment of all the aforementioned requirements, the tender may be awarded a maximum of 15 points. If the tender meets only some of the above requirements or meets them partly, it will be awarded between 1 and 15 points, depending on the number of requirements met or the degree of compliance with the requirements. If the tender fails to meet any of the requirements, it will be given no points.

3) Architectural expression

Formal, material and aesthetic solutions proposed for the building will be assessed based on the concept delivered by the tenderer.

The highest score will be awarded to solutions which:

- identify the museum as an institution dealing with modern art,
- are coherent, attractive, rational and clear as regards the plan, facade and design of the building.

For the best fulfilment of all the aforementioned requirements, the tender may be awarded a maximum of 15 points. If the tender meets only some of the above requirements or meets them partly, it will be awarded between 1 and 15 points depending on the number of requirements met or the degree of compliance with the requirements. If the tender fails to meet any of the requirements, it will be given no points.

Each member of the evaluation committee will evaluate the tender in accordance with the criteria described above and will award points for the offer.

The points awarded by the committee members will then be aggregated and divided by the number of members of the evaluation commission. The result will be the number of points awarded to a given offer in the criterion.

The points awarded to a given offer in the criterion of ‘Design concept’ will be added to the points allocated to this offer in the price criterion. The sum will be the total number of points awarded to this offer.

The tender that obtained the highest number of points will be considered the best tender.

Note: The example presented bases on several assumptions and in-depths knowledge of the requirements and situation of the museum and the city. The evaluation method shall be adjusted to procurement in question. The criteria shall be described in accordance with the principles of non-discrimination and equal treatment.

2. Consultancy services

The contracting authority prepares to the purchase of complicated IT system. The first step is to choose a consultancy company that would support the contracting authority in preparation of the procurement procedure and supervision over its implementation.

The criteria chosen:

- Price – 40%
- Project analysis – 20%
- Methodology of project implementation – 20%
- Purchasing strategy – 20%

Description How to prepare a tender

The tenderer should prepare and submit together with the tender:

1) Document: 'Project analysis'. The tenderer will prepare an analysis of the "Description of needs and requirements" enclosed in Annex XX to the tender documentation in terms of its correctness, internal consistency, feasibility and possible problems it may generate at the project implementation stage and its settlement. The tenderer should make comments and comments that increase the probability of achieving the assumed results. The description shall be no longer than 5 pages;
2) The concept of methodology of project implementation. Basing on their knowledge and experience the tender should present a brief methodology of the project implementation including the proposed composition of the project team, schedule of implementation (mile stones), methods of co-operation with the contracting authority. The description shall be no longer than 5 pages;
3) Document 'Purchasing strategy'. The tenderer will describe the proposed approach to the public procurement award procedure for IT system at least in the scope of: description of the subject of the contract, procedure of awarding the contract, most important provisions of the contract. The document shall be no longer than 5 pages.

Description of the tender evaluation criteria.

Criterion 'Project analysis'

The awarding entity will evaluate tenders based on the following principles:

Proposed solution	How well the tenderer understands the objectives and specificity of the project and how well the tender refers to the main risks associated with it	Evaluation
Weak	The tender does not show an adequate understanding of the project's objectives or its specificity and does not bring any significant comments that may bring added value in the implementation of the project.	0
Acceptable	The tender shows an adequate understanding of the objectives of the project and its specificity but does not bring any significant comments that could bring added value in the implementation of the project.	5
Good	The tender shows a good understanding of the project's objectives and its specificity and contains a number of important proposals that may increase the probability of proper implementation of the project.	15
Excellent	The tender shows a very good understanding of the project's objectives and its specificity and it contains innovative solutions, tailored to the project, and significant proposals that may increase the probability of proper implementation of the project.	20

Criterion 'Methodology of project implementation'

The awarding entity will evaluate tenders based on the following principles:

Proposed solutions	How well the methodology proposed reflects the needs and requirements of the contracting authority	Evaluation
Weak	The methodology does not fully take into account the requirements of the project. It does not show the proper team composition. The schedule contains errors increasing the probability of delay in the project implementation. The methods of cooperation do not take into account the specific of the contracting authority and project itself.	
Acceptable	The methodology is correct. The team compositions could be improved by hiring more experience people or supplemented by additional experts. The schedule is correct with minor deficiencies. The methods of communication are typical for the project.	
Good	The methodology includes project- specific solutions based on the tenderer experience that increase the probability of proper performance of the contract. The team is properly designed with enough competence and experience. The schedule identifies milestones and time limits. The methods of communication are typical for the project.	
Excellent	The methodology includes innovative and project – specific initiatives resulting from the tenderer's experience increasing the proper implementation of the project. The staff members have competence and duly prescribed functions. The schedule identifies milestones and proper time limits for achieving them The proposed methods of co-operation take into account the needs and specific of the contracting authority and the project.	

Criterion 'Purchasing strategy'

The awarding entity will evaluate offers based on the following principles:

Proposed solution	How well the tender shows understanding of the principles of effective awarding of public contracts for IT system and maximises the probability of selecting the most economically advantageous offer from a reliable contractor	Evaluation
Weak	The tender does not show an adequate understanding of the principles of effective procurement and does not adequately address the main risks associated with the procurement procedure.	Offer rejected
Acceptable	The tender shows an adequate understanding of the principles of effective procurement and covers the main risks associated with the procurement procedure at an acceptable level.	1
Good	The tender shows a good understanding of the principles of effective procurement and fully addresses the main risks associated with the procurement process and contains specific, valuable proposals.	2
Excellent	The tender is tailored specifically to match the project's goals, uses an innovative approach to deal in a comprehensive manner with the main risks associated with the project and is based on good practice of the contractor.	3

4. CRITERIA FOR THE ASSESSMENT OF TENDERS FOR WORKS

1. Modernization of nursing house

The contracting authority has a design documentation for the modernization of a nursing house. The time for completion is set for 6 months. The award criteria chosen should reflect the needs and specific circumstances of the investment.

	Contracting authority 1	Contracting authority 2
Circumstances	The building will be emptied for the time of renovation. The residents will be moved to other facilities. The priority for the contracting authority is to finish the works as soon as possible, as the residents (disabled people) focus additional difficulties while being outside their nursing home.	The works will be carried out without break in the facility operation. The priority for contracting authority is to organize works in a way that is as least disturbing the residents as possible. The dead line for completion of works is set up by the contracting authority.
Possible criteria	1) Price 2) Time for completion The points will be awarded if the tenderer offers the shorter time of completion. To achieve it, the economic operator is allowed for 2 shifts operation.	1) Price 2) Works organization program The points will be awarded if: 1) the tenderer offers to work less than 8 hours a day (the dead line for completion stays unchanged) 2) the tenderer will present the method of organizing the works that enables: a) as little changes of rooms/floors for residents as possible b) the protection of residents from noise
Verification process	Based on the tenderer's declaration	Based on the document prepared by the tenderer 'Organisation of works' including the detailed description of activities aiming at ensuring the comfort of residents.

Benefits	It is allowed for the economic operator to offer carrying works in 2-shifts operation. Result: the contracting authority is ready to award points for finishing the works earlier (and in consequence pay more).	The economic operators have a freedom of decision how to organize works. It is more difficult to organize it in a way that less disturbs the residents. For that extra effort, the contracting authority is ready to award points and in consequence pay more.

2. Reconstruction of roads

The reconstruction or building of roads as many other types of construction works has its characteristics and specific. The contracting authority usually has the documentation design specifying the scope and quality of works.

The following types of criteria could be used:

1) Organisation of works

The aim of applying the criterion is to promote the way of organisation minimising the impact of construction on the immediate surroundings, on public and private communication in the area and inconvenience for road users and neighbourhood.

The following aspects can be taken into account:

- working hours on site;
- use of road machineries with low noise emission (or when appropriate low CO_2 emission);
- frequency of cleaning the access roads;
- periods of traffic exclusions;
- temporary traffic organisation.

The tenderers submit together with the tender the description of the organisation of works including the data on mentioned aspects. The document is the basis for evaluation.

Example how to evaluate the organisation of works;

Sub-criterion 1 - working time on site

Working time in the road section in built-up area between 6 am and 10 pm – 0 points

Working time in the road section in built-up area between 8 am and 4 pm – 2 points

Working time in the road section in not built-up area 8 hours/24 hours – 0 points

Working time in the road section in not built-up area 8 - 12 hours/24 hours – 1 point

Working time in the road section in not built-up area over 12 hours/24 hours – 2 points

The maximum number of points – 4

Sub-criterion 2 – Period of exclusion form traffic of junction/crossroads XY

Up to 10 days – 2 point

Between 11 and 20 days – 1 point

More than 21 days – 0 points

2) Quality of materials

Depending on the type of road and the design solutions the contracting authority may promote the materials used for road reconstruction aiming at increase of durability or taking into account the environmental aspects e.g.:

- use of aggregate and recycled materials for road construction, (provided that this is in line with the relevant national standards for quality and durability and has no negative effect on road safety). In this case, the tenderer must provide data on the content of the material and the manner in which it intends to use it;
- durability and material characteristics (such as resistance to fragmentation and freezing) and resistance to chemical degradation;
- use of materials reducing the abrasiveness of the road surface - when the use of a more environmentally friendly solution will not have a negative impact on road safety;
- the use of noise reducing materials for vehicles traveling on road - when the use of an environmentally friendly solution will not have a negative impact on road safety;
- materials and methods used for restoration of greenery;
- energy efficient lighting scheme.

Example - Material parameters and road resistance - significance 13 %

Sub-criterion 1

Application of asphalt concrete with a high stiffness modulus (AC WMS) to the binding layer and the use of a 3 cm wear course from a mixture of SMA or BBTM mixture and introduction of changes to the design documentation in this regard for road sections X - Y and obtaining the necessary permits in this respect- 5 points.

Sub-criterion 2

Compaction of the subsoil under the road; the minimum requirements are set out in ToR.

Points will be awarded in following manner:

- density indicator 1.03 to 1.04 - 1 point
- density indicator 1.04 or more - 2 points

Sub-criterion 3

The thickness of the auxiliary foundation layer and introduction of changes to the design documentation and obtaining the necessary permits in this respect

- Less than 5 cm above the minimum required in ToR - 1 point
- More than 5 cm above the minimum required in the ToR - 3 points

Sub-criterion 4

Bicycle paths

- The use of mechanically padded asphalt surfaces and the introduction of changes to the design documentation and obtaining the necessary permits in this respect - 3 points
- The use of non-phase blocks - 1 point

Example: Restoration of greenery

1) The tenderer offers the tree species that are resistant to roadside conditions (name the species:……) – 2 points
2) The tender offers the trees with the trunk circumference (measured at height 130 cm):
   - From 5 to 10 cm – 1 point
   - From 11 to 20 cm – 2 points
   - Above 21 cm – 3 points

3) Environmental criteria

Public procurement should not contribute to the degradation of the natural environment and procurement methods that save natural resources and mitigate the impact on the natural environment should be promoted. In case of road reconstruction the environmental aspects can be taken into account such as the use of transport means with engines satisfying Euro 5 (or higher) standards, use of vehicles with axle load not greater than …,

4) Contractual criteria

The typical contractual criteria used in procurement of works are:

- Time of completion
- Warranty period
- Warranty scope
- Schedule
- Payment terms