



INSTRUCTIONS GUIDE FOR PROCUREMENT OF GOODS OR SERVICES UNDER THE PRICE COMPARISON METHOD UNDER THE FRAMEWORK OF ACQUISITIONS FINANCED WITH CABEI'S RESOURCES

Version 1

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R i s k M a n a g e m e n t

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I. INTRODUCTION

The Central American Bank for Economic Integration (CABEI) is an international multilateral development financial institution whose resources are invested, among others, in the non-financial public sector of the member countries, which generally use CABEI Procurement Policy and its application rules for the acquisition of works, goods, services and the selection of consultants.

The execution of operations involves multiple smaller procurement processes for the acquisition of goods in stock or of standard specification and the provision of simple services. In order to facilitate the execution of these processes, this guide has been prepared, which incorporates the guidelines for applying the Price Comparison method, in accordance with the provisions of the Standard for the Application of CABEI Procurement Policy.

II. OBJECTIVE

The main objective of this document is to provide the Executing Units with an easy-to-understand tool on the steps to be followed in the development of this type of procurement process.

III. SCOPE

This document should be used by borrowers/recipients or executing agencies for the proper management of procurement processes where the procurement methods established in the CABEI Procurement Policy Implementation Rules are applied in public sector operations financed by the Bank.

IV. ABBREVIATIONS AND TERMS

- **CABEI:** Central American Bank for Economic Integration.
- **TS:** Technical Specifications.
- **EA:** Executing Agency.
- **GPP:** General Procurement Plan.
- **EU:** Executing Unit.

V. DEFINITIONS

- **Goods:** Are all those articles, materials or products that are necessary for the execution of an operation and that have a fixed price in the market to be acquired.
- **Financing:** Financing granted by CABEI to attend one or several operations through its different modalities.
- **No objection:** Within the framework of the Policy and Norms for its Application, it is CABEI's manifestation through a letter issued by the representative office or technical area responsible for the operation indicating that the documentation submitted by the

Borrower/Beneficiary is in accordance with the provisions of the Policy and these Norms, but without implying legal or technical responsibility for its content.

- **Works:** These are civil works, electromechanical works in any of its fields and others that are financed with CABEL resources.
- **Operation:** This term shall be used indistinctly for reimbursable or non-reimbursable projects, cooperation and technical assistance, programs, special operations or other financing modalities granted by CABEL.
- **Services:** Services necessary for the execution of an operation; they may be services related to the execution of works, installation or start-up of equipment, events, training, appraisals, workshops, rentals or other services required for the execution of an operation and which are distinct from consulting services.

VI. RELATED DOCUMENTATION

- Policy for the Procurement of Goods, Works, Services and Consulting Services with CABEL Resources.
- Norms for the Application of the Policy for the Procurement of Goods, Works, Services and Consultancies with CABEL Resources.

VII. DEVELOPMENT

1. Price Comparison

- 1.1 This method is established in the GPP for procurements with budgeted amounts below the limit established for application of national legislation in the case of goods and services other than consulting services. This method does not allow for the procurement of consulting services.
- 1.2 This method is for the procurement of goods in stock or of standard specification, provision of simple and specific services. The procurement of these goods and services is based on the comparison of at least three (3) quotations. The borrower/recipient shall be responsible for not artificially splitting the procurement of goods and services for the purpose of using this method and shall ensure that these are specific procurements.

Technical Specifications and CABEL No Objection

- 1.3 Once the No Objection to the GPP identifying the price comparison process is in place, the EA shall prepare the Technical Specifications (TS). The TS are the benchmarks against which the Purchaser will be able to verify the technical compliance of the bids and subsequently evaluate them. Therefore, well-defined TS will facilitate the preparation of quotations that conform to the requirements set forth in the RFQ, and the Purchaser's review, evaluation and comparison of quotations.

1.4 The TS shall at a minimum include, but not be limited to:

- a. The essential technical and performance characteristics and requirements, including maximum or minimum acceptable or guaranteed values, as applicable¹.
- b. Place of delivery of the goods or services.
- c. Delivery time (delivery schedule if required).
- d. Type of tests and inspections to be performed for acceptance of the goods and services.
- e. Types of warranties required (if applicable).
- f. The TS shall stipulate that all goods or materials to be incorporated into the goods shall be new, unused and of the latest or current model.
- g. Terms and form of payment.
- h. Information to be requested: the information to be submitted by the potential supplier along with its quotation should be indicated, which should include:
 - a) Where necessary, it shall be required to be accompanied by evidence of the specifications offered, which may be in the form of printed literature, drawings or data, and shall include a detailed description of the essential technical and performance characteristics of each item.
 - b) Affidavit in accordance with the model included in the Standard Document for Request for Quotations.
- i. Verification that the successful bidder is eligible to sign a contract with CABEL financing, and therefore may not be included in the list of CABEL's prohibited counterparties recognized by CABEL, which are:
 - i. United Nations Security Council (UN) Consolidated List of Sanctions: <https://scsanctions.un.org/search/>
 - ii. Consolidated list of individuals, groups and entities subject to European Union (EU) financial sanctions. In order to gain access, a free account must be created within the EU platform: <https://webgate.ec.europa.eu/fsd/files>
 - iii. Consolidated list of individuals, groups and entities subject to World Bank (WB) sanctions: <https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>
 - iv. Office of Foreign Assets Control (OFAC) Consolidated List: <https://s.onssearch.ofac.treas.gov/>
 - v. HM Treasury Consolidated List of Targets: <https://sanctionssearchapp.ofsi.hmtreasury.gov.uk/>
 - vi. CABEL List of Prohibited Counterparties.

¹ References to brand names, catalog numbers or other details limiting materials or articles to a particular manufacturer should be avoided. Where such descriptions are unavoidable, they should always be followed by expressions such as "or substantially equivalent" or "or at least equivalent".

Request for Quotation Publication

- 1.5 The request for quotation does not require the use of formal or extensive bidding documents, it shall only be accompanied by the following documents and indications:
- a. ET with the minimum content established in guideline 1.4 above.
 - b. Form in which the quotations shall be submitted, which may be physical or electronic, the latter shall indicate the institutional mail to which the quotations shall be addressed and instructions for sending them.
 - c. Indication that the award will be made to the bidder that complies with the TE, has the lowest price and complies with CABEL's eligibility conditions.
 - d. Indication that the successful bidder must be eligible to sign a contract with CABEL financing, as indicated in subsection 1.4 (b).
 - e. It is recommended that the model contract or purchase order be attached.
- 1.6 In general terms the Request for Quotation or Public Public Call for Tenders involves the following:

a. Request for quotation - publication

These requests for quotations may be executed by:

- i. Invitation for Quotation: Request for quotation made by the contractor directly to suppliers that were previously identified.
- ii. Public invitations to bid: Request for quotations made in a public manner by means of an invitation to bid that allows free concurrence of the participants. A public solicitation shall be considered to have been made when it was published in at least one of the following instances, either digital or printed, for example in:
 - Publication in digital media
 - Website of the Public Procurement Regulatory Office in the Procuring Entity's country.
 - Contractor's website.
 - Digital version of newspapers with wide national circulation.
 - Publication in printed media
 - Newspapers (print media) with national circulation in the Employer's country.

An example of a request for quotation can be found in the Standard Request for Quotation Document under the price comparison method.

b. Deadline to submit quotation

- i. The deadline for submitting quotations shall be between 5 - 10 business days from the next business day following the publication/request for quotation, which will

depend on the type of goods or services to be acquired and the availability of suppliers in the market with the required profile.

- ii. When the minimum deadline for submitting quotations has been granted and at least three (3) quotations have not been received, prior to the expiration of the deadline, other suppliers may be requested to participate.

In these cases, the deadline for submitting quotations must be extended by at least five (5) working days and the extension must be communicated according to the publication procedure selected, as indicated in guideline 1.6 (a).

c. Receipt of quotations

- i. Once the deadline for the receipt of quotations is closed, the receipt of quotations will be recorded in order to subsequently evaluate and compare the quotations received.

Price comparison and award recommendation

1.7 Once the quotations are available, they shall be evaluated and compared by means of the following procedure:

a. Verificación de cumplimiento de las Especificaciones técnicas

- i. For evaluation purposes, the following will be considered expressions of interest: letter signed by the bidder, e-mail from the bidder or the quotation offered.
- ii. The quotations must be verified to ensure that they contain the Sworn Statement established in the Standard Quotation Document; in the event of an omission by the supplier of said statement, the respective correction must be requested.
- iii. Verify that the quotations received comply with the criteria and technical requirements indicated in the Request for Quotation.

b. Verification of the minimum number of quotations received

- i. Verify that the minimum number of quotations that meet the technical specifications have been received as follows:
 - If direct invitations to suppliers have been issued, at least three (3) quotations meeting the requested technical specifications must be received.
 - Less than three (3) quotations may be accepted when at least one of the public invitations indicated in numeral 1.6 (a) (ii) has been issued.

c. Lowest priced bidder

The EA will evaluate among the quotations received and that comply with all the technical and eligibility requirements established in the request for quotation, shall identify the one with the lowest price.

d. Eligibility verification

Prior to award, it shall be verified that the supplier that complies with the technical specifications is not on CABEL's List of Prohibited Counterparties and recognized by CABEL, in accordance with the provisions of subsection 1.4 (b).

e. Award recommendation

- i. Once it is verified that the supplier that complies and presents the lowest price is not on the CABEL Prohibited Counterparty List or recognized by CABEL, it will be recommended for award.
- ii. A report will be prepared containing the details of the process carried out and in processes subject to prior review it will be submitted to CABEL for No Objection, once such No Objection is obtained in applicable cases, the respective purchase may be awarded.

VIII. ANNEXES

Annex.1. EVALUATION MATRIX MODEL

Matrix for comparison of quotations: (Indicate name and number of the process)

Table 1. TS and Requirements Evaluation Matrix

No.	Description	Bidder A	Bidder B	Bidder C	Acceptance for price comparison? Yes / No
1	List the requirements and technical specifications to be met in accordance with the RFQ.				
2					
3					

Based on the quotations that meet the technical specifications and other requirements set forth in the request for quotation, the following comparison matrix can be used as an example to identify the supplier with the lowest price.

Table 2 evaluation summary

No	Bidder	Complies				Price US\$
		Expression of Interest	Affidavit	TS ²	Elegibility	
1	BidderA	Complies	Complies	Complies	Complies	35,000
2	Bidder B	Complies	Complies	Complies	Complies	37,500
3	Bidder C	Complies	Complies	Complies	Complies	38,545

Lowest Price

* Depending on the type of good or service, other criteria or requirements may be considered and should be agreed with the Bank.

² The technical specifications should be evaluated in detail, all significant observations should be footnoted in the evaluation table.