

Guides for writing Proposal “Technical & Cost” (Bid Documents) Preparation

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How can we write and prepare a professional proposal (Bid Documents)?

When our firm /Company will achieve to win a project?

Is the proposal needs for a specific format?

Let's find answers for the questions.

Bid documents or Proposal (Technical & Cost) is very important issue for any project bidding; all proposals can be solicited or unsolicited.

Solicited Proposal:

With a solicited proposal, you are responding to a Request for Proposals (RFP).

Before you begin preparation of your proposal, carefully read the "Request for Proposals" (RFP) and "Frequently Asked Questions" (FAQs) to clearly understand the Issues to be addressed and the information you are required to submit.

Unsolicited Proposal:

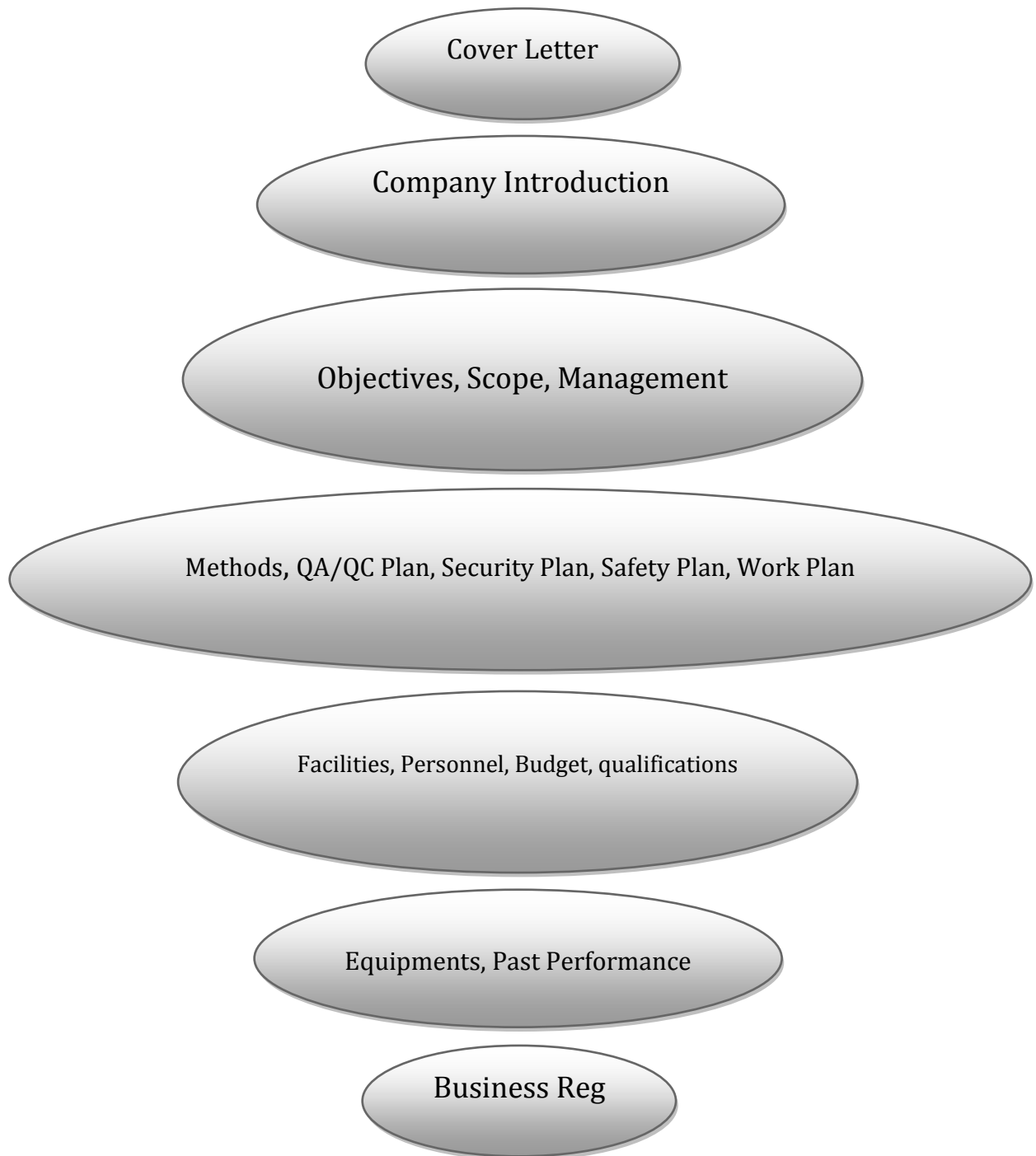
With an unsolicited proposal, you show a need/a problem that the readers may or may not have recognized, and you explain what you will do to correct the problem.

Many times the instruction for preparation of the bid documents attaching by the employer (Donor, Client) , the employer instruct to the Construction Companies and bidders to prepare the bid documents according to the Request for Proposal (RFP), this kind of proposals are solicited. But, sometimes the employers only announce a project for bidding and they empower to the bidders, hereabout, these are unsolicited proposals,

What is Proposal?

1. A project proposal is basically a document that describes you a project in details, as well as the strategy and tactics you plan to use achieve its completion. The nature of the project proposal is basically the area where the project belongs to. The nature of a project can be construction improvements, Machine improvements, new electronic design, etc.
2. The offering or suggesting something for acceptance, adoption or performance.
3. The offer by a party of what he has in view as to an intended business transaction, which with acceptance, constitutes a contract.

Proposal Structure:



All proposals must include certain basic information. These basics include:

Why are you doing this project?

What will you be doing?

How will you be doing it?

Who will be doing it?

Where will it be done?

How long will it take?

How much will it cost?

The Proposal does not require a specific format. But Follow this format in organizing your thoughts for preparing your proposal.

Cover Letter:

A cover letter show interest and application of company with the project, that you can write it .

Company Introduction:

First of all you will introduce your company shortly, not more than one sheet.

Objectives, scope, Management:

Indicate the expected outcomes of the project, preferably in measurable terms. This shows what you will do, for whom, by how much, and by when. When the Project is completed, you will be able to evaluate it and determine whether the project Succeeded or not in achieving its objectives. Identify short-term and long-term Objectives, indicate the project management and scope of the project.

Methods, A/QC, Security, Safety and Work Plan:

The critical part of the proposal and is the longest part and worth the most points. It is a plan of action for how the objectives will be achieved through security, safety , Time plan and technical plan (QA/QC Plan). This section usually starts with a description of the overall approach, its relevance, effectiveness, and innovativeness. Then it gives details on methodology, the population being addressed, and how anticipated problems will be managed.

Describe how long (days, months) specific tasks or components of the project will take. If possible, include a milestone chart in this section.

Facilities, Personnel, Budget, and Qualification:

Show the annual and overall cost of the project. A detailed budget should be divided into categories such as salaries, fringe benefits, travel, supplies, equipment, etc. Indirect costs should also be shown. Sub-categories should provide a line item detailed breakdown of the funds requested.

Qualification shows the ability of the grantee to successfully complete the project. Show prior related experience; describe facilities, and equipment available. Importantly, list key personnel who will work on the project and include their resumes.

Also mention any consultants who will work on the project, and give evidence (a letter, email) that they have agreed to participate.

Equipments, Past Performance:

Indicate and show the own and rental equipment list for the project and the ability of the project through machinery power,

Past performance of the company shows by recommendation certificates and full status book and contact information of the client of the company.

Business Certificates:

This is the most important section of bid documents , updated AISA Registration certificate is very important that the bidder have to submit a color copy with proposal.

Note: A professional proposal should not be more than 30 pages.

Complete set of bid documents

1. Contractors Bid Documents.
2. Bill of Quantity (BOQ).
3. Bid Securing Declaration.
4. Business Certificates (AISA Registration).
5. Qualification information forms.
 - 5.1 . One Year Construction details in last five years, which year value is more than USD (AFN).....
 - 5.2 Details of minimum one work in last five years for value not less than USD (AFN).....
 - 5.3 Details of performance as prime contractor in last five years.
 - 5.4 Details of work underway or committed or expected to complete.
 - 5.5 Details of equipment and tools.
 - 5.6 Details of the staff.
 - 5.7 Resume of the nominated personal.
 - 5.8 Financial report of three (3) years – Balance sheet.
 - 5.9 Profit and loss account for three (3) years.
 - 5.10 Auditor’s report for three (3) years.
 - 5.11 Evidence of financial resource of liquid asserts (cash, line of credit etc.)
 - 5.12 Authority letter to refer the financial sources.
 - 5.13 Proposed work program, Drawing and charts, etc.
 - 5.14 Details of current litigation.
 - 5.15 power of attorney (if the company registration is different.)
 - 5.16 sub contractor’s details if any (if the bidder has intentions to give sub contract)
 - 5.17 nominated representatives (if more than one company participates in bid).
 - 5.18 Joint Venture agreement if any (if more than one company participates in bid).

1. Contractor’s Bid Documents:

- ✦ This documents may has different with the donors requisitions , a sample of this documents are attached as bellow of the Request for Proposal :
- ✦ Bidder has to clearly write his contract amount and the currency.
- ✦ If bidder planed to get advance, he has to fill the advance payments requirement but not less than 20% in his bidden amount, anyhow, advance may be released after getting on demand bank guaranty from the acceptable bank.
- ✦ Bidder’s signature (s), Bidder designation, bidder full name, addresses if the company are to be placed in the bottom of the contractor’s bid documents.
- ✦ If it is a JV (joint venture bid, all the parties have to sign and frank in this documents.
- ✦ Bidders are not permitted to change or modify the bid documents.
- ✦ If bidder fail to attach the filled and signed contractor’s bid documents, his bid may be rejected.

Identification No and Title of Contract: Invitation for Bid No: To: Employer Full name. Procurement section Name Lane and street add Province and country address	Date: MM/DD/YY				
Having examined the Bidding Documents, including addenda [insert list], we offer to execute the (insert project name and solicitation No), with the GCC accompanying this Bid for the Contract Price of [insert amount in numbers], [insert amount in words] [insert name of currency]. The advance payment required is:					
<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 50%;">Amount</td> <td style="width: 50%;">Currency</td> </tr> <tr> <td> </td> <td>Afghani (USD)</td> </tr> </table>		Amount	Currency		Afghani (USD)
Amount	Currency				
	Afghani (USD)				
This Bid and your written acceptance of it shall constitute a binding Contract between us. We Understand that you are not bound to accept the lowest or any Bid you receive. We hereby confirm that this Bid complies with the Bid validity and, if required, Bid Security or Bid-Securing Declaration as required by the Bidding Documents and specified in the BDS. We, including any subcontractors or suppliers for any part of the Contract, have nationalities from eligible countries in accordance with ITB (Num of clauses on your mind in Invitation for Bid) . We have no conflict of interest in accordance with ITB (Num of clauses on your mind in Invitation for Bid) . Our firm, its affiliates or subsidiaries—including any subcontractors or suppliers for any part of the contract—has not been declared ineligible by the Bank, or under the Employer’s country laws or official regulations, in accordance with (Num of clauses on your mind in Invitation for Bid) . Commissions or gratuities, if any, paid or to be paid by us to agents relating to this Bid, and to contract execution if we are awarded the contract, are listed below:					
Name and address of agent (if none, state “none”)	Amount and Currency Purpose of Commission or gratuity				
Authorized Signature: Name and Title of Signatory: Name of Bidder: Address					

2. Bill of Quantity (BOQ):

These documents may give and attach the donor of the project, if they attach with the Request for Proposal (RFP) the bidder should fill it out and consider the following terms and conditions:

- ✦ Bidder is not permitted to modify the pattern of the BOQ documents or include or exclude any text in the BOQ documents.
- ✦ Bidders have to fill the rate and total amount in the allocated place, if the bidders fail to fill any of the items, Project will consider that bidder willing to do that portion, free of charge or the rate is included in the total bid sum.
- ✦ Even though bidder negligent to quote to carton item of the BOQ, as per the terms of the conditions, he has to complete all the items, specified in the bill of quantity, to get the payments. But, project will not pay for the non quoted items.
- ✦ If contractors fail to submit filled, signed and franked documents, his bid may reject.

If the donor of the Project do not want to attach the BOQ, then they will may attach drawings and Statement of Works (SOW) then the Bidders can get the BOQ from the given drawings and SOW.

3. Bid Securing Declaration /Bid Security:

This item of bid documents is very important for the Donor (Client) of the Project, some agencies (Donors or Client) do not want to fixity the Bidders bank statement (in this case, the bidder is not obliged to prepare the Bid Securing declaration), if the donor of the project requested for the Bid Securing Declaration, then they have to attach the Bid Securing sheets in the Request for Proposal, in this case the bidder has to fill out the Bid Securing Declaration sheet with the following terms and conditions:

- ✦ Bidders have to fill, sign and frank these documents or submit bid security as attached by donor of the project.
- ✦ If bidder fail to submit either of this and signed bid securing declaration or bid security the bid will be rejected.

Note: if the donor requested that the bidders should secure for project (for example 20% of the project amount) then the bidder will have to go the Bank and prepare a letter of Bank guarantee by Bank representatives (franked and signed), a sample of these documents is as bellow:

Bid-Securing Declaration

Date: *[insert date (as day, month and year)]*

Bid No.: *[insert number of bidding process]*

Alternative No.: *[insert identification No if this is a Bid for an alternative]*

To: *[insert complete name of Employer]*

We, the undersigned, declare that:

We understand that, according to your conditions, bids must be supported by a Bid-Securing Declaration.

We accept that we will automatically be suspended from being eligible for bidding in any Contract with the Employer for the period of time of 2 years **<The period may vary between 2 to 4 years>** starting on Date of bid opening, if we are in breach of our obligation(s) under The bid conditions, because we:

- a) have withdrawn our Bid during the period of bid validity specified in the Form of Bid; or
- b) having been notified of the acceptance of our Bid by the Employer during the period of bid validity, (i) fail or refuse to execute the Contract, if required, or (ii) fail or Refuse to furnish the Performance Security, in accordance with the ITB.

We understand this Bid Securing Declaration shall expire if we are not the successful Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Bidder; or (ii) twenty-eight days after the expiration of our Bid.

Signed: *[insert signature of person whose name and capacity are shown]* In the capacity of *[insert legal capacity of person signing the Bid Securing Declaration]*.

Name: *[insert complete name of person signing the Bid Securing Declaration]*

Duly authorized to sign the bid for and on behalf of: *[insert complete name of Bidder]*

Dated on _____ day of _____, _____ *[insert date of signing]*

Corporate Seal (where appropriate)

[Note: In case of a Joint Venture, the Bid Securing Declaration must be in the name of all partners to the Joint Venture that submits the bid.]

4. Business certificates /AISA registration:

- ✦ Bidders have to submit valid AISA registration, if bidder fail to submit AISA registration, his bid will be rejected.
- ✦ Foreign bidders encouraged to participate in the bid , but they have to submit their AISA registration before to start evaluation .
- ✦ If the signatory of AISA registration is different from the signatory of the bid , bidder have to attach the Power of Attorney (POA) to sign the bid documents by different person .

5. Qualification information forms:

The donor may attach these information forms in the Request for Proposal, and the bidder have to fill by considering the following terms and conditions:

- ✦ Bidders have to fill each and every requested places , which are give to fill by the bidders , whatever the supporting evidence requested , must be attach to the bid documents .
- ✦ Bidder has to sign at the bottom of the documents.

Note: the following sample of these documents is transformative and it is belong to the donor requisition, but this is a general sample:

Qualification Information sample

- 1. Individual Bidders or Individual Members of Joint Ventures

- 1.1 Constitution or legal status of Bidder: [attach copy]
Place of Registration (Insert)
Principal place of business: [insert]
Power of attorney of signatory of Bid: [attach]
- 1.2 Annual amounts of construction works performed during the the last five years.
- 1.3 List of minimum one work of minimum amount specified in Section II Bid Data Sheet clause ITB 5.5 (b) performed as Prime Contractor over the last five years. [The amounts should be indicated in the same currency used for Item 1.2 above.
Also list details of work under way or committed, including expected completion date(s).]

Project name and country	Name of client and contact person	Type of work performed and year of completion	Value of contract(national currency equivalent)

1.4 Major items of Contractor’s Equipment proposed for carrying out the Works. [List all information Requested below]

Item of equipment	Description, make, and age (years)	Condition (new, good, poor) and number available	Owned, leased (from whom?), or to be purchased (from whom?)

1.5 Qualifications and experience of key personnel proposed for Section IV. Forms of Bid, Qualification Information 39 Letters of Acceptance, and Agreement administration and execution of the Contract. [Attach biographical data]

Position	Name	Years of experience (general)	Years of experience in proposed position

1.6 Proposed subcontracts and firms involved.

Sections of the Works	Value of subcontract	Subcontractor (name and address)	Experience in similar work

- 1.7 Financial reports for the last 3 years: balance sheets, profit and loss statements, auditors’ reports, etc.
- 1.8 Evidence of access to financial resources to meet the qualification requirements: cash in hand, lines of credit, etc. List below and attach copies of support documents.
- 1.9 Name, address, and telephone, telex, and facsimile numbers of banks that may provide references if contacted by the Employer.
- 1.10 Information on current litigation(s) in which the Bidder is involved.

5.1 Details of Construction works during last five years:

- ✦ Bidders have to submit last five work done report in the bellow mentioned format , for the eligibility , AFN (USD)-----Million of Work must be completed in consequent 12 months in any period of last five (5) years .

S.No	Year	Construction Contract Details		Period		Amount in Afghani/USD	Client Details					
		Name	Description	Starting	Ending		Name of the Client	Address	Telephone No	E-mail address	Name of the Contact Person	

5.2 Completed detail of one work:

- ✦ This documents are part of section 5.1
- ✦ Bidders have to submit the details of the construction activities as prime contractor in last five years.
- ✦ To become a eligible bidder .bidder have to produce at less one similar announced project construction details , which was executed by the bidder , within last five (5) years and the value should be more than AFN(USD)---Million , bidder have to submit the evidence documents to verify.
- ✦ The details must be submitted at the donor attached format.

Example of this format is as bellow:

S.No	Year	Construction Contract Details		Period		Amount in Afghani/USD	Client Details					
		Name	Description	Starting	Ending		Name of the Client	Address	Telephone No	E-mail address	Name of the Contact Person	

5.3 Details of the ongoing construction activities (if the contractor has an in progress project):

- ✦ These documents are a part of section 5.1.
- ✦ Bidder is requested to submit all the ongoing construction details in the bellow mentioned format.

Ongoing construction works								
S.No	Project Type	Funded by/Employer	Contract Price (USD/AFN)	Start Date	Expected completion date	Percentage of completed work	Project location	Similar experience

5.4 Details of equipment and tools:

- ✦ Please refer the details required equipment which the employer requested it.

A sample format of these documents is attached bellow:

S.No	Brief of Equipment	Quantity	Value of Equipment	Working condition	Period of availability	Ownership/Rental
1	Vehicles	10	Toyota ,	1990	Permanent	Owner
2	Water Tanker	2	Mercedes/Hino	1990	Permanent	Owner
3	Grader	1	Hamm	1988	Permanent	Owner

5.5 Details of the staff.

- ✦ Bidder is advised not to attach unnecessary details with the bid documents which are not relevant for evaluation.

A sample format of these documents is attached as bellow:

POSITION	NAME	YEARS OF EXPERIENCE (GENERAL)	YEARS OF EXPERIENCE IN PROPOSED POSITION
Ahamd	CEO	20	15
Mahmood	Project Manger	10	5
Halim	Program manager	5	4

5.6 Resume of the Nominated Personal:

- ✦ Bidder has to nominate the key officers behalf of the bidder to work along with the client (Project Manager, Engineer and accountant, etc).
- ✦ Bidder has to submit the bio data of the nominated key persons.

5.7 Financial report of three (3) years – Balance sheets.

5.8 Profit and loss account for three (3) years.

5.9 Auditors report for three (3) years.

- ✦ If bidder is unable to produce any of this documents during the submission of bid , bidder have to attach a letter that he will produce within seven days .
- ✦ Anyhow, evaluation committee will not evaluate without the submission of these documents.

5.10 Evidence of Liquid Assert:

- ✦ Bidder has to submit the supporting documents about his liquid property for the value more than USD (AFN) -----Million to invest n new construction.

5.11 Authority letter to refer the financial sources:

- ✦ Bidder has to attach a letter to their financial sources to allow SCRTFP to check and verify the financial ability of the bidder.

For example: if bidder has deposit in any of the bank, the bidder must attach a request letter, addressing to the bank manager to submit the deposit evidence to the team leader /procurement specialist of SCRTFP behalf of the bidder.

5.12 Proposed Work Program, Drawings and Charts:

If the employer (donor) expected to submit the announced project work plan, drawings and charts according to the Request for Proposal (RFP) , the bidder shall provide like these documents considering the following terms and conditions:

- ✦ Bidder can submit the work program schedule in MS project , Primavera Project Planner or MS Excel .
- ✦ Bidder can submit and prepare necessary drawings and preliminary work arrangement in details.
- ✦ Bidder can submit the plan for workshop, materials storage, assembling place, working place, QA/QC plan, security plan, safety plan, management plan and site work plan.

5.13 Details of current litigation:

If bidder has any litigation, bidder shall submit the full details.

5.14 Power of Attorney:

If the company registration is in different person name ,the Power of Attorney is to be submitted to nominate for the signatory .

5.15 Sub –Contractor’s details:

if bidder planned to give sub contract , they have to submit full details of the sub-contractor and the details of the proposed subcontract work not more than 20%

5.16 Nominated Representative:

If the bid is submitted by JV (Joint Venture) companies, they have to submit the joint venture details.

Some Important Notes for Proposal writers and Bidders:

- ✦ Bidders must prepare and submit the valid e-mail and telephone number of contact person.
- ✦ Some unnecessary documents (photos ...) do not attach with bid documents.
- ✦ Correct communication address of the past clients.
- ✦ Do not change the bid qualification information formats which are attached by employers.
- ✦ Do not correct or change the BOQ sheets failed words or phrases.
- ✦ While you are packing, please pack with some spaces, please leave some spaces.
- ✦ Please do not use correction fluid, if you had mistakes please change the mention paper.
- ✦ Please attach and prepare the original BOQ, and original franked and signed.
- ✦ Please attached and prepare the other documents is original signature.

References:

1 - U.S.-Israel Science & Technology Foundation

**2 - UNITED NATION OFFICE FOR PROJECT SERVICES
(UNOPS)**

[Lecture of Eng. Emmanuel Roitan Suresh Miranda]

Procurement Specialist