# Financial Service Provider Tendering Process

**DEFINITIONS[[1]](#footnote-1)**

Definitions encompass terms that one may come across during the Financial Service Provider tendering process – all may not be included in this document.

**Aggregators:** A non-bank entity that consolidates financial transactions for processing, such as providing a single platform to execute payments via multiple FSPs.

**Assistance Modality:** ‘Assistance modality’ refers to the form of assistance – e.g. cash transfer, vouchers, in-kind, service delivery, or a combination. This can include both direct transfers to household level, and assistance provided at a more general or community level e.g. health services, WASH infrastructure.

**BAFO**: Best and final offer

**Bid Security**: A bid security is an amount of money that may be calculated as a percentage of the budget estimate of a procurement requirement or a percentage of a bidder’s bid price. It is used by the client as a protection against bidders withdrawing their bids prior to the end of their bid validity period, or for refusing to sign the contract.[[2]](#footnote-2)

**Conditionality:** Conditionality refers to prerequisite or qualifying conditions that a beneficiary must fulfil to receive a cash transfer or voucher, i.e. activities or obligations that must be fulfilled *before* receiving assistance. It is distinct from restriction which pertains only to how transfers are used. Conditionality can in principle be used with any kind of cash, voucher or other type of assistance, depending on its objectives and design

**Conditional Transfer:** A conditional transfer requires beneficiaries to undertake a specific action/activity (e.g. attending school, building a shelter, attending nutrition screenings, undertaking work, trainings, etc.) in order to receive assistance; i.e. a condition must be fulfilled before the transfer is received. Cash for Work/Assets/Training are all forms of conditional transfer.

**CTP (Cash Transfer Programming):** CTP refers to all programs where cash (or vouchers for goods or services) are directly provided to beneficiaries. In the context of humanitarian assistance, the term is used to refer to the provision of cash or vouchers given to individuals, household or community recipients; not to governments or other state actors. CTP covers all modalities of cash based assistance, including vouchers. This excludes remittances and microfinance in humanitarian interventions (although microfinance and money transfer institutions may be used for the actual delivery of cash).

**E-Transfer:** A digital transfer of money or vouchers from the implementing agency to a program participant. E-transfers provide access to cash, goods and/or services through mobile devices, electronic vouchers, or cards (e.g., prepaid, ATM, credit or debit cards). E-transfer is an umbrella term for e-cash and e-vouchers.

**E-Voucher:** A card or code that is electronically redeemed at a participating distribution point. E-vouchers can represent cash or commodity value and are redeemed using a range of electronic devices.

**FSP (Financial Service Provider):** An entity that provides financial services, which may include e-transfer services. Depending upon your context, financial service providers may include e-voucher companies, financial institutions (such as banks and microfinance institutions) or mobile network operators (MNOs). FSPs include many entities (such as investment funds, insurance companies, accountancy firms) beyond those that offer humanitarian cash transfers or voucher services, hence within CTP literature FSP generally refers to those providing transfer services.

**GPS (Global Payment Solution):** The GPS is an agency that has already gone through an agency level procurement process and have a global agreement signed with the respective FSP.

**KYC (Know Your Customer):** This usually refers to the information that the local regulator requires banks to collect about any potential new customer in order to discourage financial products being used for money laundering or other crimes. Some countries allow banks greater flexibility than others as to the source of this information, and some countries allow lower levels of information for accounts that they deem to be ‘low risk’.

**MEB** **(Minimum Expenditure Basket):** Defined as what a household needs – on a regular or seasonal basis – and its average cost over time. The MEB can be a critical component in the design of interventions including Multipurpose Cash Grants/Assistance (MPG/MCA), with transfer amounts calculated to contribute to meeting the MEB

[**Market Analysis:**](http://www.cashlearning.org/resources/glossary#Market Analysis) Analysis of market information to understand how a market functions, or how it has been impacted by an event or crisis.

**Mobile Money:** Mobile money uses the mobile phone to access financial services such as payments, transfers, insurance, savings, and credit. It is a paperless version of a national currency that can be used to provide humanitarian e-cash payments.

**Public Bid Opening:** A public bid opening is when the bidding entities and key stakeholders (Government Ministries) are invited to the Bid opening to ensure compliance with global standard best practice.

**Purchase Requisition - PR:** a document generated to notify the procurement department of items to be ordered. The purchase requisition includes the quantity, timeframe and anticipated budget number for the order.

**Restricted Transfer:** A restricted transfer requires the beneficiary to use the assistance provided to purchase particular goods or services. This includes vouchers, which are restricted by default, and cash transfers where receipt of subsequent transfers is contingent on spending previous transfers on particular goods or services.

**Request for Proposal - RFP/invitation to tender - ITT/invitation to bid - ITB:** the type of solicitation documents used to request bids. RFPs tend to be used for services that are more complex and have a SOW associated with them.

**Request for quote - RFQ:** primarily used for goods and services that are standardized and typically commercially available.

**Unconditional Transfer:** Unconditional transfers are provided to beneficiaries without the recipient having to do anything in return in order to receive the assistance.

**Unrestricted Transfer:** Unrestricted transfers can be used entirely as the recipient chooses i.e. there are no direct limitations imposed by the implementing agency on how the transfer is spent. Cash transfers are by default unrestricted, *unless* they require beneficiaries to spend their cash on particular goods or services in order to receive subsequent transfers

**VFM:** Value for Money

**SCOPE**

This process begins at the **Scope of Work** (Purchase Requisition) and ends at the **Financial Service Provider Selection**. The Contracting Procedure is separate and should refer to the Office of General Council page [General Guidelines for Legal Review](https://crsorg.sharepoint.com/sites/OGC/SitePages/General-Guidelines-for-matters-requiring-Legal-Review.aspx) and the [CRS Procurement Contracts Policy POL-PUR-POS-001](https://crsorg.sharepoint.com/sites/OGC/Site%20Assets/SitePages/General%20Guidelines%20for%20matters%20requiring%20Legal%20Review/POL-PUR-POS-001.pdf) at the contracting stage. It is recommended for the Head of Operations to reach out to the Office of General Council at the start of the process to ensure the contract is ready by the time the FSP has been chosen to avoid any delay in project implementation.

The procedure is based on the CRS Procure-2-Pay Manual with many sections pulled directly from the guidance.

**GENERAL DESCRIPTION**

**Purpose:**

To provide guidelines and a strategy for the successful tendering of Financial Service Providers for cash-based interventions as it relates to programmatic service provision, while ensuring that CRS protects its assets and reputation by working with financially sound and reputable institutions.

**Preparation:**

Prior to beginning the selection process for a Financial Service Provider, the following actions should have been completed:

1. Response Analysis determining that cash-based interventions are a feasible and preferred option to address beneficiary needs and preference in the context. See EFOM guidance [here](https://efom.crs.org/efpm/emergency-field-programming-manual/market-based/mbrrr-project-design/response-analysis/).
2. Decision-making to determine the most appropriate modality and delivery mechanism for the context. See EFOM Guidance [here](https://efom.crs.org/efpm/emergency-field-programming-manual/market-based/mbrrr-project-design/response-analysis/).
3. Programmatic requirements are clearly defined, including geographic locations; caseload size; and transfer amount, frequency and duration. See EFOM Guidance [here](https://efom.crs.org/efpm/emergency-field-programming-manual/market-based/mbrrr-project-design/designing-cash-based-programs/).
4. General scoping/mapping of available Financial Service Providers and Payment Providers in the context.

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**EMERGENCY PROTOCOLS**

If the Country Program is working in a rapid onset emergency context and cash-based programming will be implemented, it is critical to use the **Emergency Protocols** to ensure lifesaving aid is reaching the beneficiaries in a timely manner.

1. The CP Team must immediately contact the Regional Finance Officer, Deputy Regional Director Operations, Treasury and the Humanitarian Response Department’s Cash Transfer TA to explain the ground situation and discuss the initial outline of the intervention proposed. This will allow Treasury and HRD to engage with the pre-approved **Global Payment Solutions** agencies, which currently include Swift Prepaid, Western Union, Ecobank and Standard Chartered Bank.
2. Contact the **CP’s primary banking institution** to discuss the intervention and gauge their capacity to support and notify Treasury of the engagement
3. Simultaneously, the field team should be working through the “**Preparation**” section above and identifying feasible service providers in the location of implementation. ***(Reference Preparation Section).***
4. Once consultations have been made and the field team has gathered and analyzed their assessment data, a Scope of Work (SoW) is written. ***(Reference Section 2).***
5. Once the SoW has been finalized re-engage with Treasury and HRD to determine which GPS agency

***NOTE***

*As the GPS can be more expensive over the long run, the timeframe of the contract for the GPS agency should only be for the period of time it takes to run the full procurement procedure. This should be explained to the FSP at the outset and the contract must reflect the anticipated period of lead time for the procurement process. The GPS agency is invited to submit a proposal to the RFP.*

1. The full FSP procurement procedure should start while the **GPS** engagement process is ongoing.
2. Documentation of the procedure through the engagement with the GPS ***(Reference Section 16).***
3. Continue with Full FSP procurement procedure.

**Description:**

1. **Treasury Policy**

There are a series of CRS Treasury Policies that you will need to review, familiarize yourself with and reference prior to and throughout the FSP tendering process.

* 1. POL-FIN-TRE-005.03: [CRS Treasury Bank Relationship Policy and Procedure](https://global.crs.org/communities/FinancialManagement/Community%20Documents/POL-FIN-TRE-005.03%20Bank%20Relationship%20Policy.doc)
  2. POL-FIN-TRE-005.04: [CRS Treasury Bank and Financial Account Control & Documentation Policy](https://global.crs.org/_auth/Logon.aspx?ru=aHR0cHM6Ly9nbG9iYWwuY3JzLm9yZy9jb21tdW5pdGllcy9maW5hbmNpYWxtYW5hZ2VtZW50L2NvbW11bml0eSUyMGRvY3VtZW50cy9wb2wtZmluLXRyZS0wMDUuMDQlMjAtJTIwYmFuayUyMGFuZCUyMGZpbmFuY2lhbCUyMGFjY291bnQlMjBjb250cm9sJTIwZG9jdW1lbnRhdGlvbiUyMC0lMjAwOC4wMS4xNy5kb2N4).
  3. POL-FIN-TRE-005.05: [CRS Treasury International Electronic Banking Relationship Policy](https://global.crs.org/communities/FinancialManagement/Community%20Documents/POL-FIN-TRE-005.05%20International%20Electronic%20Banking.doc)
  4. [POL-FIN-TRE-005.08: CRS Treasury/HRD Prepaid Debit Card Process](https://crsorg.sharepoint.com/:w:/r/sites/Global-Finance/Community%20Documents/POL-FIN-TRE-005.08_Treausry_HRD_Prepaid%20Debit%20Card%20Procedure.docx?d=w706f2588232545e4a2e3d4fa46a85c25&csf=1&e=t55hTh)
  5. POL-FIN-TRE-005.09 Mobile Money Only[[3]](#footnote-3): [Mobile Money Payments Policy](https://global.crs.org/communities/FinancialManagement/Community%20Documents/POL-FIN-TRE-005.09%20-%20Mobile%20Money%20Payments%20Policy%20-%2008.01.17.docx)

1. **Procurement Activity Plan**

It is important for the Procurement Lead (PL) to develop a **Procurement Activity Plan**. The plan should include: (1) each step of the process; (2) who is responsible (3) Who is supporting and (4) Timeline for completion for each step. This should be done simultaneously to working with Global Treasury to save time in the process – adjustments can be made as the process progresses.

This process is often long and can become complicated – developing a Procurement Activity Plan will allow for those involved to appropriately schedule their time and ensure the process stays on track.

***Amend as necessary & circulate the updated plan***

***It is the responsibility of the Procurement Department Lead to keep everyone on track!***

1. **Procurement Email Address**

As this will be a sealed tender process, it will be important to develop a procurement email address for this procurement. This may already be in place in the CP. Physical bids can also be submitted, but having the email set-up will allow for questions to be fielded through a procurement specific account.

**REMEMBER**

Program staff and bid committee member should NEVER directly communicate in any form with the bidding FSP. All communication should be done through the Procurement Department Lead.

1. **Develop a Scope of Work (SoW)[[4]](#footnote-4)**

A SoW will be drafted by the lead programmatic staff and Cash TA in collaboration with Finance and Operations staff. A SoW for a service provider is used to provide detailed information about a procurement activity to potential bidders – An SoW details the following sections:

* 1. Statement of Problem
  2. Goals/Objectives
  3. Activities,
  4. Deliverables
  5. Reporting/Milestones
  6. Timing

The SoW eventually becomes an integral part of the contract between the bidder and CRS. The SoW will act as the Purchase Requisition and be approved by the Country Representative.

**NOTE**

If you are unsure of the cash transfer modality you wish to use and plan to write the SoW for multiple modalities, it will be necessary to include modality specific questions and ensure the bidding parties are clear on what they are expected to respond to.

1. **Scope of Work Meeting (CP Level)**:

Set a meeting to discuss the Scope of Workto ensure it is consistent with programmatic goals and informs the targeting for vendor selection with the relevant CP programmatic and operational staff as well as the Humanitarian Response Department’s[[5]](#footnote-5) Cash TA. It is important to ensure the CR and/or Head of Office is informed throughout the process.

1. **Contact the CP’s Primary Banking Institution**[[6]](#footnote-6)**:**

As CRS already has a prior relationship with the primary banking institution, it is important to discuss the SoW and gauge their capacity to participate as candidate in the tendering process.

When discussing their capacity to support, consider: (1) appropriateness, (2) feasibility, (3) timeliness, (4) cost-effectiveness, (5) protection mainstreaming and (6) security risks. This will allow the team to decide if the CP primary banking institution will be included among the list of FSPs to receive the EOI/ RFP.

1. **Determine Procurement Methodology**[[7]](#footnote-7)
   1. **International Competitive Bidding** – A formal tender process advertised internationally. All interested bidders can apply and do not need to have a presence in the country where the project is being implemented.
   2. **National Competitive Bidding** - Formal bidding process similar to ICB but typically limited to local bidders. Tenders are typically advertised in (2) of the largest national newspapers.
   3. **Limited Restricted Bidding** - A formal but limited tender process, not an open/public tender, in which specific bidders are invited to submit their bids. Limited competition can be used where bidders have already been pre-qualified by CRS and are on an ASL.
   4. **No Competition (Sole Sourcing)[[8]](#footnote-8)** – Sole Sourcing is not recommended as there are Global Payment Solution agencies already pre-approved by CRS and in place to support emergency situations.
2. **Country Program & Regional Approval**: Once the **Scope of Work** is approved at the Country Program (CP) level, The Country Representative will make a recommendation to the Regional Finance Officer, who will inform the Global Treasurer of the need to issue a Request for Proposal (RFP). Guidance on this process is included in the [CRS Treasury Bank Relationship Policy and Procedure](https://global.crs.org/communities/FinancialManagement/Community%20Documents/POL-FIN-TRE-005.03%20Bank%20Relationship%20Policy.doc)[[9]](#footnote-9)

The communication should include the following items to ensure it comprehensive enough to inform the decision-making process:

* 1. Background information of the project
  2. Scope of Work
  3. A list of recommended FSP– if any - to participate in the RFP.

*\*Note – at this stage, the CRS* [*International Banking Scorecard*](https://global.crs.org/communities/FinancialManagement/Community%20Documents/International%20Bank%20Scorecard.xls) *will not be used as the CP will be conducting an open tender*

1. **RFP Meeting with Global Treasury**: The **Global Treasurer** will approve the decision to proceed with the EOI/RFP and list of recommended banks to participate, in addition to openly advertising the tender.
2. **Develop a** **Bid Committee:** The bid committee participants should be chosen based on the skills necessary to comprehensively evaluate the proposals. For FSPs, Programs, Finance and GKIM (if electronic transfer) will be mandatory, but compliance staff and the HoOps could also be involved depending on the staffing structure in the CP.
3. **Draft EOI and/or RFP:** At this point it is important to determine if CRS proceeds directly to the **Request for Proposal (RFP)** stage or if an **Expression of Interest (EOI)** is more appropriate – please see the explanations of each below[[10]](#footnote-10)**.**
4. ***Expression of Interest (EOI)[[11]](#footnote-11)***

Circulating an EoI is recommended unless there are extenuating circumstances which would not allow for an EoI. An expression of interest is a multi-staged procurement process. CRS seeks EOI’s to shortlist potential bidders before then seeking detailed bids. EOI’s are used when CRS is seeking to gather more information about a possible procurement, such as data on specifications, innovations, and alternatives available in the market. The usual time for the EoI to be advertised is 1-2 weeks for the FSP tendering process.

Once the responses to the EoI are received, a bid committee reviews the submissions against the pre-determined criteria and develop a short-list of pre-qualified bidders who are then invited to submit full proposals. *Click here for the CRS EOI template:*[EOI - Expression of Interest Template](https://global.crs.org/communities/ProcurementCommunity/Resources%20for%20New%20Procurement%20Manual/EOI%20-Request%20for%20Expression%20of%20Interest%20Template.docx)

During the EoI process, it is important to begin the development of the RFP. You will need to follow the guidance in the [Procure-to-Pay Procurement Manual](https://global.crs.org/communities/procurementcommunity/Procurement%20Manual/Forms/AllItems.aspx) **Section 6: Preparation and Solicitation of Documents** when developing each section.

1. ***Request for Proposal (RFP)***

Once the potential vendors have been shortlisted, it is time to move on to the **Request for Proposal (RFP)** stage. If this is a limited/restricted bid, the RFP and any attachments is sent directly to the FSPs and proposal submission timeline can range b/w 2 to 4 weeks depending on the urgency and capacity of the field of FSPs. If it is a National or International open bid process, it should be advertised in the predetermined newspapers, list-serves, etc. for a minimum of 4 weeks.

It is imperative for the staff drafting the RFP to use [Procure-to-Pay Procurement Manual](https://global.crs.org/communities/procurementcommunity/Procurement%20Manual/Forms/AllItems.aspx) –**Section 6: Preparation and Solicitation of Documents.** *Click here for CRS’ RFP template.* [CRS RFP Template link](https://global.crs.org/communities/ProcurementCommunity/Resources%20for%20New%20Procurement%20Manual/CRS%20Request%20for%20Proposal%20(RFP)%20Template.docx)

To save time, the RFP should be developed, reviewed, revised and finalized by the deadline for the EoI submission.

**Contents of Solicitation Documents** for an FSP RFP have the following general structure:

**Component I: General Information**

* 1. Introduction
  2. Deadline for Submission of Bids
  3. Submission of Bids
  4. Requirements
  5. Source of Funding
  6. Chronological List of Proposal Events
  7. Pre-Bid Meeting
  8. Questions
  9. Validity Period
  10. Evaluation and Basis for Award Negotiations
  11. Negotiations
  12. Protest

**Component II: Background, Scope of Work, Deliverables, and Deliverables Schedule**

2.1 Program

2.2 Background

2.3 Purpose

2.4 Geographic Location

2.5 Objective & Scope

2.6 Payment Mechanism

**Component III: Questionnaire - Technical Proposal**

**Component IV: Questionnaire – Financial Proposal**

**Component V: Annexes**

Annex 1 - USAID Mandatory Standard Provisions (If USAID Funded)

When drafting solicitation documents, it is good practice to use clear, simple and accurate language and use short descriptive headings for each paragraph. CRS procurement personnel should do the following to ensure the solicitation process provides an equal opportunity for all bidders.

1. Make sure all bidders receive the same information at the same time and are given an equal amount of time to prepare the bids if it’s a restricted tender. If it’s a public tender, then bidders might see the solicitation a day or more after it has been posted, but all bidders will have to respond by the set date.
2. Confirm the evaluation criteria are measurable and allow bidders fair chances to win the award.
3. Ensure solicitation requirements are clear and specific to avoid unnecessary time spent providing explanations.

However, when developing the Technical and Financial Questionnaires, it is necessary to use a specific set of financial questions developed by Global Treasury, programmatic questions developed by the Markets Based Rapid, Response and Recovery team as well as data security/privacy questions developed by GKIM. Global Treasury questions are mandatory – programmatic and data/security/privacy have a level of flexibility based on the situation. A series of questions have been developed for both Electronic and Non-electronic transfer modalities and can be found in **Annex 7: FSP Questionnaire**.

**REMEMBER**

The bidding service provider cannot read your mind and will likely not answer your questions without you explicitly stating what you would like for them to tell you.

Ask your questions with specificity

1. **Defining & Evaluating Criteria**

To accurately score the bidding service providers is a critical part of the process. Evaluation criteria should not give an unfair advantage to one bidder over another or be tailored around the attributes of favored bidders. The method of evaluation and the evaluation criteria must be established and indicated in the solicitation documents. Solicitation documents should indicate the importance of each criterion and in the case of procurement by RFP, whether technical factors will be more important than price. CRS procurement personnel works closely with the technical requisitioner to establish this criterion during procurement planning and preparation of bidding documents.

For **FSPs, weighted criteria** is the most appropriate methodology**.** Weighted scoring can be used to evaluate how well bids meet a certain requirement (e.g., on a scale from 1-5). This method is appropriate for a competitive solicitation to seek the best value for money. When weighted scoring is used, it should be used for both technical and financial criteria.

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All criteria must be impartial and cannot be designed in a way to give an advantage to certain bidders.

If multiple modalities were proposed in the Sow, it is necessary to have separate scoring criteria to ensure the criteria speaks to the questions asked and allows for the bid committee to compare like modalities.

1. **Pre-Bid Conference**

The period between the issuance of solicitation documents and the deadline for submitting bids is referred to as the solicitation period when a competitive method of solicitation is used. The Pre-bid conference is conducted 2-3 days after the RFP has been sent out and is designed to offer participating FSPs to ask any questions they may have regarding the FSP. When conducting a pre-bid conference, it is recommended to adhere to the following guidelines:

* 1. Indicate the time and date for the conference in the RFP/EoI, allowing sufficient time for all bidders to plan attendance of the conference.
  2. Inform bidders in the solicitation documents if participation in the pre-bid conference is mandatory.
  3. Written queries from bidders may be forwarded to the CRS procurement personnel prior to the conference, with responses to the written questions to be given orally during the conference.
  4. Within a reasonable time after the conference, procurement should publish or send a full set of minutes to all potential bidders, recording all queries and formal replies. Typically, stakeholders/SME provide responses to bidder’s questions to procurement. The minutes should prevail over any oral responses provided during the conference.

**NOTE**

It is also necessary to ensure there is a mechanism for bidding service providers to ask questions after the pre-bid conference. Questions can be compiled and then answered as a group or answered each time a question is raised. However, it is necessary to send the response to ALL potential service providers regardless as to whether they asked they question or not – this ensures transparency in the process

The deadline must be respected - once the pre-specified time has been reached on the deadline date, NO ADDITIONAL PROPOSALS CAN BE RECEIVED.

*For example, if the deadline for submission is 5:00 pm on May 15th, then a submission arriving at 5:01 pm on May 15th cannot be accepted and should not be considered during the bid process.*

When using an email submission, the time stamp on that email would be referred to. If physical bids in envelopes are accepted, then it is the responsibility of the individual accepting the bids to write the EXACT time and date on the envelope when submitted.

1. **Bid Opening**

Bid opening must be scheduled as soon as possible after the deadline for receipt of bids. This allows for efficiency during procurement and reduces the risk of manipulating bids received or accepting of late bids. Bids must be opened in the presence of the bid evaluation committee.[[12]](#footnote-12)

The type of procurement method used will determine whether the opening of the submissions will be conducted in public and which type of information will be disclosed. Best practices as to when to plan for a public bid opening are as follows:

1. When solicitation documents call for a public bid opening, especially on complex procurements.
2. When CRS needs to demonstrate fair and objective treatment of all bids, such as when relevant to the political environment, corruption and public bribery risk, other types of procurement risk etc.
3. Specifically, for the FSP Tendering process, Financial bids should not be opened until the Administrative and Technical scoring is completed. This is done because bid committee wants to find the best possible service provider without being swayed by price from the outset.

**NOTE**

Once the Admin and Technical scoring is completed, you will score the financial side in the same manner. Remember, you can usually negotiate with the vendor, so if you find a great service provider that ticks all the boxes, but they are pricey, work through the negotiation process while simultaneously getting the references for your second and third choice in the case you can’t come to an agreement.

*Please refer to Page 51 of the* [Procure-to-Pay Procurement Manual for the steps in conducting a Public Bid opening.](https://global.crs.org/communities/procurementcommunity/Procurement%20Manual/Forms/AllItems.aspx)

1. **Bid Evaluation**
2. ***Preliminary Evaluation of Bids***

The preliminary examination helps eliminate bids that do not meet the mandatory criteria specified in the solicitation documents from further consideration. Some examples of items to be considered when evaluating the mandatory requirements include reviewing bids to confirm that:

1. the bid is properly signed by an authorized official and certified;
2. the bid is accompanied by the required bid securities;
3. the bid is accompanied by the required documentation and the package is complete;
4. the bid validity period conforms to the requirements in the solicitation documents; and
5. the CRS terms and conditions and due diligence requirements are accepted by the bidder.

The preliminary evaluation is a pass/fail exercise. Bids that do not meet the mandatory requirements are considered unresponsive and are rejected at this stage. If bids are rejected at the preliminary stage, the company name and reason for rejection must be documented in writing as part of the bid evaluation report. The bids that meet the mandatory requirements are considered for further evaluation.

1. ***Bid* *Evaluation Process***

The bid evaluation stage is the most critical part of the procurement process and is the culmination of all the processes and procedures described above. Bid evaluation is comprised of three main components:

1. Administrative evaluation: Bids are evaluated to ensure that they are responsive to the mandatory requirements and related instructions to bidders indicated in the evaluation criteria set out in the solicitation documents. Logistical requirements should be included under administrative requirements of the bid.
2. Technical & Compliance evaluation: Bids are reviewed and assessed for responsiveness to the specifications and technical requirements indicated in the evaluation criteria.

The Ops and/or Finance Team need to evaluate compliance of the FSP with Anti Money Laundering and Counter Financing of Terrorism (aka AML/CFT) regulations according to the level of ML/FT in the country

1. Financial evaluation: Bids are reviewed and assessed based on the financial and pricing requirements in the evaluation criteria. The financial evaluation must be undertaken after the administrative and the technical evaluations are completed.

Ensure you review the [Procure-to-Pay Procurement Manual](https://global.crs.org/communities/procurementcommunity/Procurement%20Manual/Forms/AllItems.aspx) **Section 8 – Evaluation of Bids** pgs. 51-59 to gain a full understanding of the entire process, including best practices and actions to avoid.

1. ***Interview Process***

After the proposal review is finalized by the committee there may be additional questions, need for clarity or a need to get more specific information before a final selection decision can be made. Interviews should be conducted with the top scoring providers to gather the information needed to make a selection. In person, or virtual interviews are especially important when tendering an electronic platform as it will be necessary to visually see how the platform performs.

An Interview Evaluation Scoring Sheet should be developed based on the questions from the Bid Evaluation Committee.

There may also be a need to conduct a capacity assessment/interview at the field level with regional branches or agents. This should be done if national level interviews with FSP HQs do not provide the full info needed to make a decision.

1. **Documentation of Evaluation Results** **(Required with all USG “Contracts”)[[13]](#footnote-13)**

All of the documents generated during the evaluation process must be retained by the evaluators for submission to the CRS procurement person involved with the bid at the completion of bid evaluation, and a negotiation memorandum should document this process.

The documentation, including the negotiation memorandum, serves as procurement records that tell the story of the procurement process. Documentation of bid evaluations must be clearly written and complete so that the basis of procurement decisions is likely to be understood by internal and external auditors at a later time. Completing the negotiation memorandum is a good practice but not mandatory unless the donor requirements call for one.

CRS Negotiation Memorandum Template: [neg memo template](https://global.crs.org/communities/ProcurementCommunity/Resources%20for%20New%20Procurement%20Manual/CRS%20neg%20memo%20template.docx) (Required for USG “Contracts”)

The documents also provide information to debrief bidders who ask questions or challenge CRS’ final selection.

1. **Negotiation[[14]](#footnote-14)**

Once the top candidate has been determined, it is time to move into negotiations. Negotiations during the tendering process are allowed if provided for in the solicitation document and the selection of a number of bidders who meet the competitive range in the technical evaluation has been completed. Negotiations are carried out as follows:

* 1. Bidders are requested to submit a Best and Final Offer (BAFO). The objective of the BAFO is to enhance competition and give CRS the best value for money (VFM). The purpose of the BAFO negotiations is to clarify ambiguities, correct obvious mistakes, point out weaknesses and deficiencies, and generally seek improvements in both the technical and financial aspects of the offers (e.g., regarding lower prices, prolonged warranties, additional discounts, shorter delivery time, etc.).
  2. Bidders chosen to submit a BAFO must be provided with information about the deficiencies in their bid and be asked in writing to submit a decisive and final offer as a follow up to their proposal by a certain deadline.
  3. The bidders must be informed that price increases will not be accepted, however, they may decline to alter the terms of their original proposal, and this decision will not render them unacceptable. The request to submit a BAFO should not contain any information regarding the evaluation, or any information on the chances for contract award.
  4. Once the BAFOs are received, they are evaluated, and a final bidder is selected for award of a contract.

***Table 1: Elements that can be Negotiated Prior to Contract Signing***

|  |  |
| --- | --- |
| **Elements** | **Example** |
| **Technical aspects** | Warranties, after sale service, life cycle support maintenance agreements, quality output issues |
| **Remedies** | Liquidated damages for non-performance |
| **Special terms** | Type of bonds, guarantees, insurance, payment schedule |
| **Management information** | Frequency and content of reports, acceptance criteria for certain milestones. |
| **Timeframes** | Duration of contract, key milestones, delivery dates, response times. |
| **Personnel** | Key team members and focal points, subcontracting arrangements. |
| **Price** | When available budget is not sufficient to purchase items, offer contains additional services |

1. **Selection of the Winning Bidder**

The overall objective of the evaluation process is to ensure that the final bidder selected to provide goods or services has the capacity and capability to perform the requirements in the solicitation documents. Where required, donor approval also must be sought as part of the process of selecting the winning bidder. The bidders who were not selected should be notified.

1. **Due Diligence**

Prior to final approval the Due Diligence check must be completed - only those bidder(s) that CRS is contracting with need to go through the due diligence process.

* 1. **Reference Checks -** Prior to recommending an award to any bidder, CRS procurement personnel and budget holder must confirm that reference checks are completed, this is especially important when hiring consultants. The process serves to ensure that the bidder whose bid was determined to be most advantageous has actual capacity to supply the goods or undertake the services.

CRS procurement personnel, budget holder, or subject matter expert must check the past performance references provided by the bidder(s) and prepare a number of relevant questions to ask the references.

Sample questions include:

* + - 1. What kind of work did XX carry out on behalf of your organization?
      2. Was the work performed or goods delivered by XX determined to be of the required quality?
      3. Did XX perform the work within the approved budget?
      4. Did XX perform the work on time?
      5. Did XX deliver the goods on time?
      6. Any other necessary questions to help determine whether the bidder is able to perform the work or supply the goods.

Reference checks can be carried out either orally via a phone or Skype call or in writing.[[15]](#footnote-15)

1. **Approval of the FSP of Choice**
   1. The selected FSP will be approved at the CP level
   2. The Country Representative will submit a written recommendation along with the decision matrix to the RFO.
   3. The RFO will review the submission and recommendation and submit to the Global Treasury Manager for approval.
   4. The submission will be vetted and approved by CRS Global Treasurer at the recommendation of the RFO and CR.
   5. Upon receiving approval from the Global Treasurer, the country program will promptly inform each FSP of the status of the proposal.
2. **Contracting**

The Contracting Procedure is separate and should refer to the Office of General Council page [General Guidelines for Legal Review](https://crsorg.sharepoint.com/sites/OGC/SitePages/General-Guidelines-for-matters-requiring-Legal-Review.aspx) and the [CRS Procurement Contracts Policy POL-PUR-POS-001](https://crsorg.sharepoint.com/sites/OGC/Site%20Assets/SitePages/General%20Guidelines%20for%20matters%20requiring%20Legal%20Review/POL-PUR-POS-001.pdf) at the contracting stage. It is recommended for the Head of Operations to reach out to the Office of General Council at the start of the process to ensure the contract is ready by the time the FSP has been chosen to avoid any delay in project implementation.

**Related Forms**

The following is a list of related documents that should be referred to throughout the tendering process.

Annex 1: FSP Tendering Process: Quick Reference Guide

Annex 2: FSP Tendering Process: Quick Reference Guide Timeline

Annex 3: FSP Tendering Process Procurement Plan\_JEOP Example

Annex 4: FSP EoI\_JEOP Example

Annex 5: FSP RFP\_JEOP Example

Annex 6: FSP Tender Evaluation Template\_Admin-Technical

Annex 7: FSP Questionnaire

**---- END PROCESS ----**

1. Definitions are sourced from the [Procure-2-Pay Manual](https://global.crs.org/communities/ProcurementCommunity/Procurement%20Manual/English%20Procure-2-Pay%20Procurement%20Manual.docx) p. 11-12 and the Cash & Learning Platform found here: <http://www.cashlearning.org/resources/glossary#MEB> [↑](#footnote-ref-1)
2. Procurement Classroom: <https://procurementclassroom.com/the-bid-security-and-its-purpose/> [↑](#footnote-ref-2)
3. This policy relates solely to Mobile Money – If you are not working with Mobile Money, then this is not relevant to your tendering process [↑](#footnote-ref-3)
4. [Procure-2-Pay Manual](https://global.crs.org/communities/ProcurementCommunity/Procurement%20Manual/English%20Procure-2-Pay%20Procurement%20Manual.docx) p. 31-32 [↑](#footnote-ref-4)
5. HRD currently houses the only cash based technical assistance – however, this may change in the future and either HRD or Global Treasury can recommend the most appropriate department to work with. [↑](#footnote-ref-5)
6. Ecobank, Standard Chartered, Crown Agents and Absa Bank are the Global Treasury preferred banking partners. See POL-FIN-TRE-005.03 Bank Relationship Policy for a full list of pr-approved and preferred banks. [↑](#footnote-ref-6)
7. Please refer to the [Procure-to-Pay Procurement Manual](https://global.crs.org/communities/procurementcommunity/Procurement%20Manual/Forms/AllItems.aspx) - **Section 5: Selection of a Procurement Method** pg.32-34 [↑](#footnote-ref-7)
8. Please refer to the [Procure-to-Pay Procurement Manual](https://global.crs.org/communities/procurementcommunity/Procurement%20Manual/Forms/AllItems.aspx) - **Section 5.5: Waiver of Competition** pg. 35-36 [↑](#footnote-ref-8)
9. Please Refer to [CRS Treasury Bank Relationship Policy and Procedure](https://global.crs.org/communities/FinancialManagement/Community%20Documents/POL-FIN-TRE-005.03%20Bank%20Relationship%20Policy.doc) Pg. 5; Pt #2 under Country Programs: Request for Proposal (RFP) [↑](#footnote-ref-9)
10. Please refer to the [Procure-to-Pay Procurement Manual](https://global.crs.org/communities/procurementcommunity/Procurement%20Manual/Forms/AllItems.aspx) –**Section 6: Preparation and Solicitation of Documents.** [↑](#footnote-ref-10)
11. Think of an EoI as Concept Note – in fact the entire proposal process is a procurement for a service provider, which is often CRS. [↑](#footnote-ref-11)
12. Please refer to the [Procure-to-Pay Procurement Manual](https://global.crs.org/communities/procurementcommunity/Procurement%20Manual/Forms/AllItems.aspx) pg. 50. [↑](#footnote-ref-12)
13. Please refer to the [Procure-to-Pay Procurement Manual](https://global.crs.org/communities/procurementcommunity/Procurement%20Manual/Forms/AllItems.aspx) pg. 55. [↑](#footnote-ref-13)
14. Please refer to the [Procure-to-Pay Procurement Manual](https://global.crs.org/communities/procurementcommunity/Procurement%20Manual/Forms/AllItems.aspx) pg. 65. [↑](#footnote-ref-14)
15. Please see the [Procure-to-Pay Procurement Manual](https://global.crs.org/communities/procurementcommunity/Procurement%20Manual/Forms/AllItems.aspx) Page 57 [↑](#footnote-ref-15)