

ICF PROCUREMENT GUIDELINES:

SELECTION AND EMPLOYMENT OF CONSULTANTS

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Definitions

PIN	Prior information notice that is issued at the start of the year
FinCom	Audit and Finance Committee of ICF
Proactive project	Any project initiated by the ICF
Implementers	Consultants, external to ICF, appointed to manage and oversee the implementation of ICF PROJECTS
Task Force	An ICF Task Force consisting of members of TAC and ICF Staff, tasked with dealing with one or more focus areas specific to ICF objectives

INTRODUCTION

Purpose

1.1 The purpose of these procurement Guidelines is to define ICF's procedures for selecting, contracting, and monitoring consultants required to be engaged by:

- ICF for the development, design and evaluation of proactive projects;
- Grant recipients for the implementation of projects that are financed in whole or in part by grants from ICF.

1.2 The Grant Recipient is responsible for implementing an ICF **grant funded project**, and for selecting the consultant, awarding and administering the consultancy contract. These Guidelines apply to the selection and employment of consultants for the project as provided for in the Grant Agreement. The rights and obligations of the Grant Recipient and the consultant are governed by the specific Request for Proposals (RFP) issued by the Grant Recipient and by the contract signed by the Grant Recipient with the consultant, and not by these Guidelines or the Grant Agreement.

General Considerations

1.3 All procurement shall be discharged honestly, fairly, transparently and in a cost effective and efficient manner. ICF considers that, the above considerations are best addressed through competition among qualified short-listed firms in which the selection is based on the *quality of the proposal* and on the *cost of the services* to be provided (Quality- and Cost-Based Selection (QCBS)).

Conflict of Interest

1.4 Potential conflicts of interest in the tendering process shall be avoided. Care should be taken to ensure that consultancy work specifications and criteria should be as open and as generic as possible in order to avoid favouring any one solution or any one party.

Eligibility

1.5 To foster competition ICF permits firms and individuals from all countries to offer consulting services for ICF-financed projects. Any conditions for participation shall be limited to those that are essential to ensure the firm's capability to fulfil the contract in question. However:

(a) Consultants may be excluded if (i) as a matter of law or official regulations, the Grant Recipient's country prohibits commercial relations with the consultant's country or (ii) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

(b) Government-owned enterprises or institutions in the Grant Recipient's country may participate only if they can establish that they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not dependent agencies of the Grant Recipient or Sub-Grant Recipient.

(d) Government officials, and civil servants may only be hired under consulting contracts, either as individuals or as members of a team of a consulting firm, if they (i) are on leave of absence without pay; (ii) are not being hired by the agency they were working for

immediately before going on leave; and (iii) their employment would not create a conflict of interest.

Review, Assistance, and Monitoring

1.6 ICF and auditors appointed by ICF shall review the Grant Recipient's selection process for the hiring of consultants proposed by the Grant Recipient in the Procurement Plan to ensure compliance with the Grant Agreement and these Guidelines. The Grant Recipient shall retain all documentation with respect to each contract during project implementation and up to two years after the closing date of the Grant Agreement. This documentation would include, but not be limited to, the signed original of the contract, the analysis of the respective proposals, and recommendations for award the record of justification, the qualifications and experience of the consultants, for examination by ICF, auditors appointed by ICF or by its consultants.

Fraud and Corruption

1.7 It is ICF's policy to require that Grant Recipients, as well as consultants and their subcontractors under ICF-financed contracts, observe the highest standard of ethics during the selection and execution of such contracts. In pursuance of this policy, ICF will reject a proposal for award, cancel the portion of the Grant allocated to a contract; sanction a consultant if it at any time determines that the tender process was marred by corrupt, fraudulent, collusive, coercive, or obstructive practices. In addition, ICF will have the right to require that, in contracts financed by an ICF grant, a provision is included requiring consultants to permit ICF to inspect their accounts and records and other documents relating to the submission of proposals and contract performance and to have them audited

Procurement Plan

1.8 As part of the preparation of the project, the Grant Recipient shall prepare and, before Grant negotiations, furnish to ICF for its approval, a Procurement Plan acceptable to ICF setting forth: (a) the particular contracts for consulting services required to carry out the project; (b) the proposed methods for selection of consultants services; and (c) the related ICF review procedures. The Grant Recipient shall update the Procurement Plan annually or as needed throughout the duration of the project. The Grant Recipient shall implement the Procurement Plan in the manner in which it has been approved by ICF.

II. Quality- and Cost-Based Selection (QCBS)

The Selection Process

2.1 QCBS uses a competitive process among short-listed firms that takes into account the quality of the proposal and the cost of the services in the selection of the successful firm. Cost as a factor of selection shall be used judiciously. The relative weight to be given to the quality and cost shall be determined for each case depending on the nature of the assignment.

2.2 The selection process shall include the following steps:

- (A) preparation of the TOR;
- (B) preparation of cost estimate and the budget;
- (C) advertising;

- (D) Determination of pre-qualification criteria;
- (E) preparation of the short list of consultants;
- (F) preparation and issuance of the RFP [which should include: the Letter of Invitation (LOI) to submit pre-qualification information and detailed implementation proposals; Instructions to Consultants (ITC); the TOR and the proposed draft contract];
- (G) receipt of proposals and pre-qualification information;
- (H) Identification of pre-qualified consultants;
- (I) evaluation of technical proposals: consideration of quality;
- (J) public opening of financial proposals;
- (K) evaluation of financial proposal;
- (L) final evaluation of quality and cost; and
- (M) negotiations and award of the contract to the selected firm.

Terms of Reference (TOR)

2.3 The scope of the services described in the TOR shall be compatible with the budget if this has already been determined. TOR shall define clearly the objectives, goals, and scope of the assignment and provide background information (including a list of existing relevant studies and basic data) to facilitate the consultants’ preparation of their proposals. TOR shall list the services and surveys necessary to carry out the assignment and the expected outputs. Firms shall be encouraged to comment on the TOR in their proposals. The ICF or the Grant Recipient’s and consultants’ respective responsibilities should be clearly defined in the TOR.

Cost Estimate (Budget)

2.4 The cost estimate shall be based on an assessment of the resources needed to carry out the assignment: staff time, logistical support, and physical inputs (for example laboratory equipment). Costs shall be divided into two broad categories: (a) fee or remuneration and (b) reimbursable expenses.

Advertising and Thresholds

2.5 For procurement below the ICF threshold of US\$50,000, less formal procedures may be applied to award contracts on the basis of responses to specifications sent by fax or email to at least 3 service providers. Task Forces are also allowed greater flexibility and autonomy in the selection of external consultants by allowing them to recommend to the CEO, Consultants to be appointed without advertising.

Alternatively direct invitation to solicit expressions of interest (without advertising) may be used to invite firms:

- deemed appropriately qualified for a particular project (*appropriate for specialised requirements in markets with a limited number of service providers*); **or**
- on a list of pre-approved and suitably qualified consultants that is established and maintained on an open and objective basis

To obtain expressions of interest for procurement above the threshold, , a request for expressions of interest for each contract for consulting firms shall be advertised in the national or regional gazette or in a national or regional newspaper or on a freely accessible website. Expressions of interest may also be advertised in an international newspaper or a technical magazine.

Pre-qualification Criteria

2.6 All external consultants must be pre-qualified to ensure that they have the resources, capacity and reach to perform the service for which they are to be appointed. Criteria to be considered for pre-qualifying external consultants are as follows:

Criteria	Comment	Score
Financial Viability	Ensure that the Consultant is financially stable	0 - 5
Key Personnel	Does the Consultant have the human resources necessary to carry out this service	30 - 50
Professional Qualifications	Does the Consultant have the qualifications/ licences necessary to deliver this service	20 - 50
Statutory Compliance	Ensure that the Consultant is statutorily compliant (e.g. regulatory licences, tax clearance certificates etc)	0 - 10
Geographical Scope	Does the Consultant have the geographical knowledge and reach to effectively carry out the Consultancy Agreement	0 - 10
Prior Experience	Does the Consultant have any similar experience that will support it in carrying out the assignment	10 - 15

The above weights are indicative and the actual weights to be applied should be disclosed in the RFP.

Short List of Consultants

2.7 Short lists shall comprise at least 3 firms. ICF may agree to short lists comprising a smaller number of firms in special circumstances, for example, when only a few qualified firms have expressed interest for the specific assignment or when the size of the contract does not justify wider competition. Firms that expressed interest, as well as any other firm that specifically so requests, shall be provided the final short list of firms.

2.8 Where the consultancy work to be done will cost less than US\$100,000 per 6 months, the shortlist shall consist of at least 3 prospective providers. However, when Task forces require Consultants for work costing less than US\$100,000 per 6 months, it is recommended that they identify more than one consultant but it is acknowledged that this will not always be possible due to time constraints or specialized technical/ local knowledge. Where the Consultancy assignment to be done will exceed US\$100,000 per 6 months, the shortlist shall consist of 5 prospective providers. Conversely, at least 3 prospective Consultants shall be required for consideration of Task Force assignments that will cost more than US\$100,000 over 6 months. In the event that there is fewer than the required number of short-listed firms, the reasons for the shortfall shall be documented in a register. The Register shall be kept for inspection by ICF and auditors appointed by ICF.

Preparation and Issuance of the Request for Proposals (RFP)

2.9 The RFP shall include (a) a Letter of Invitation. (b) Information to Consultants, (c) the TOR, and (d) the proposed contract. All the documents included in the RFP shall be listed. If the RFP is distributed electronically, the electronic system shall be secure to avoid modifications to the RFP and shall not restrict the access of short-listed consultants to the RFP.

Letter of Invitation (LOI)

2.10 The LOI shall state the intention of the entity issuing the LOI to enter into a contract for the provision of consulting services, the source of funds, the details of the client and the date, time, and address for submission of proposals.

Instructions to Consultants (ITC)

2.11 The ITC shall contain all necessary information that would help consultants prepare responsive proposals, and shall bring as much transparency as possible to the selection procedure by providing information on the evaluation process and by indicating the evaluation criteria and factors and their respective weights and the minimum passing quality score. The ITC shall indicate the total budget for the consultancy services sought if the budget is available. Consultants, however, shall be free to prepare their own estimates of staff time to carry out the assignment and to offer the corresponding cost in their proposals. The ITC shall specify the proposal validity period, which should be adequate for the evaluation of proposals, decision on award, and finalization of contract negotiations

Time-limits for Replies

2.12 Minimum time-limits are set down for the different stages of the procurement process as follows:

- For receipt of expressions of interest: 37 days from the date of the advert
- For receipt of proposals: 40 days from the date of the Letter of Invitation;
- If a prior information notice (“PIN”) has been published: the minimum time may be reduced to 36 days but in no circumstances less than 22 days (*no reduction in time for receipt of expressions of interest*);

2.13 In emergencies, shorter time limits may be applied as follows:

- For expressions of interest: not less than 15 days from the date of the dispatch of the advert (10 days if the advert, Notice is sent electronically); and
- For receipt of proposals: not less than 10 days from the date of the LOI

Receipt of Proposals

2.14 On receipt of the pre-qualification information and the proposals, the pre-qualification information shall be considered first. Successfully pre-qualifying providers shall not be ranked against each other. Pre qualification is merely a safeguard to ensure that only the proposals of appropriate providers are considered for appointment.

2.15 Only proposals of providers who successfully pre-qualify should be considered. Enough time shall be allowed for the consultants to prepare their proposals. The time allowed shall depend on the assignment, but normally shall not be less than four weeks or more than

three months. During this interval, the firms may request clarifications about the information provided in the RFP. Clarifications shall be provided in writing and copied to all firms on the short list. If necessary, the deadline for submission of proposals shall be extended. The technical and financial proposals shall be submitted at the same time with the pre-qualification information. No amendments to the technical or financial proposal shall be accepted after the deadline. To safeguard the integrity of the process, the technical and financial proposals shall be submitted in separate sealed envelopes. The technical envelopes of the pre-qualified consultants shall be opened immediately after the closing time for submission of proposals. The financial proposals shall remain sealed until they are opened publicly. Any proposal received after the closing time for submission of proposals shall be returned unopened. Electronic systems permitting consultants to submit proposals by electronic means, shall be used provided that the system is secure, maintains the confidentiality and authenticity of proposals submitted, uses an electronic signature system or equivalent to keep consultants bound to their proposals, and only allows proposals to be opened with due simultaneous electronic authorization of the consultant and the team receiving the submissions. In this case, consultants shall continue to have the option to submit their proposals in hard copy.

Evaluation of Proposals: Consideration of Quality and Cost

2.16 The evaluation of the proposals shall be carried out in two stages: first the quality, and then the cost. Evaluators of technical proposals shall not have access to the financial proposals until the technical evaluation is concluded. Financial proposals shall be opened only thereafter. The evaluation shall be carried out in full conformity with the provisions of the RFP.

Evaluation of the Quality

2.17 Each technical proposal shall be evaluated (using an evaluation committee of three or more specialists in the sector), taking into account several criteria: (a) the consultant’s relevant experience for the assignment, (b) the quality of the methodology proposed, (c) the qualifications of the key staff proposed, (d) transfer of knowledge, if required in the TOR, and (e) the extent of participation by nationals among key staff in the performance of the assignment. Each criterion shall be marked on a scale of 1 to 100. Then the marks shall be weighted to become scores. The following weights are indicative. The actual percentage figures to be used shall fit the specific assignment and shall be within the ranges indicated below. The proposed weights shall be disclosed in the RFP.

Quality evaluation criteria	Points Score
Consultants specific experience	0 - 10
Methodology	20 - 50
Key Personnel	30 - 60
Transfer of Knowledge	0 - 10
Participation by nationals	0 - 10
Total	100

2.18 These criteria shall normally be divided into sub-criteria. For example, sub-criteria under methodology might be *innovation* and *level of detail*. However, the number of sub- criteria should be kept to the essential. The weight given to experience can be relatively modest, since this criterion has already been taken into account when short-listing and pre-qualifying the consultant. More weight shall be given to the methodology in the case of more complex assignments (for example, multidisciplinary feasibility or management studies).

2.19 Evaluation of only the key personnel is recommended. Since key personnel ultimately determine the quality of performance, more weight shall be assigned to this criterion if the proposed assignment is complex. The qualifications and experience of proposed key personnel shall be reviewed in their *curricula vitae*, which must be accurate, complete, and signed, by an authorized official of the consulting firm and the individual proposed. The individuals shall be rated in the following three sub-criteria, as relevant to the task:

(a) general qualifications: general education and training, length of experience, positions held, time with the consulting firm as staff, experience in developing countries, and so forth:

(b) adequacy for the assignment: education, training, and experience in the specific sector, field, subject. and so forth, relevant to the particular assignment; and

(c) experience in the region: knowledge of the local language, culture, administrative system, government organization, and so forth.

2.20 Each proposal shall be evaluated on the basis of its responsiveness to the TOR. A proposal shall be considered unsuitable and shall be rejected at this stage if it does not respond to important aspects of the TOR or it fails to achieve a minimum technical score specified in the RFP.

2.21 At the end of the process, a Technical Evaluation Report of the “quality” of the proposals shall be prepared. The report shall substantiate the results of the evaluation and describe the relative strengths and weaknesses of the proposals. All records relating to the evaluation, such as individual mark sheets. shall be retained until completion of the project and its audit.

Evaluation of Cost

2.22 After the evaluation of quality is completed, the consultants who have submitted proposals shall be informed, of the technical points assigned to each consultant and those consultants whose proposals did not meet the minimum qualifying mark or were considered non-responsive to the RFP and TOR shall be informed that their financial proposals will be returned unopened after the signature of the contract. The consultants that have secured the minimum qualifying mark shall be simultaneously informed of the date, time, and place set for opening the financial proposals. The opening date shall be defined allowing sufficient time for consultants to make arrangements to attend the opening of the financial proposals. The financial proposals shall be opened publicly in the presence of representatives of the consultants who choose to attend (in person or online). The name of the consultant, the technical points, and the proposed prices shall be read aloud (and posted online when electronic submission of proposals is used) and recorded when the financial proposals are opened, and a copy of this record shall be retained for audit purposes or review by ICF. The minutes of the public opening and a copy of this record shall be promptly sent to all consultants who submitted proposals.

2.23 The Grant Recipient shall then review the financial proposals shall then be reviewed. If there are any arithmetical errors, they shall be corrected.

2.24 For the purpose of evaluation, ‘cost’ shall exclude local identifiable indirect taxes on the contract and income tax payable to the country of the Grant Recipient on the remuneration of services rendered in the country of the Grant Recipient by non-resident staff of the consultant. The cost shall include all consultants’ remuneration and other expenses such as travel, translation, report printing, or secretarial expenses. The proposal with the lowest cost may be given a financial score of 100 and other proposals given financial scores that are inversely

proportional to their prices. Alternatively, a directly proportional or other methodology may be used in allocating the marks for the cost. The methodology to be used shall be described in the RFP.

Combined Quality and Cost Evaluation

2.25 The total score shall be obtained by weighting the quality and cost scores and adding them. The weight for the “cost” shall be chosen, taking into account the complexity of the assignment and the relative importance of quality. The weight for cost shall normally be 20 points out of a total score of 100. The proposed weightings for quality and cost shall be specified in the RFP. The firm obtaining the highest total score shall be invited for negotiations.

Negotiations and Award of Contract

2.26 Negotiations shall include discussions of the TOR, the methodology, staffing, Grant Recipient’s inputs, and special conditions of the contract. These discussions shall not substantially alter the original TOR or the terms of the contract, lest the quality of the final product, its cost, and the relevance of the initial evaluation be affected. Major reductions in work inputs should not be made solely to meet the budget. The final TOR and the agreed methodology shall be incorporated in “Description of Services,” which shall form part of the contract.

2.27 The selected firm should not be allowed to substitute key staff, unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment, if this is not the case and if it is established that key staff were included in the proposal without confirming their availability, the firm may be disqualified and the process continued with the next ranked firm. The key staff proposed for substitution shall have qualifications equal to or better than the key staff initially proposed.

2.28 Financial negotiations shall include clarification of the consultants’ tax liability in the Grant Recipient’s country (if any) and how this tax liability has been or would be reflected in the contract. As Lump-Sum Contracts payments are based on delivery of outputs (or products), the offered price shall include all costs (staff time, overhead, travel, hotel. etc.). Consequently, if the selection method for a Lump-sum contract included price as a component, this price shall not be negotiated. In the case of Time- based Contracts, payment is based on inputs (staff time and reimbursable costs) and the offered price shall include staff rates and an estimation of the amount of reimbursable costs. When the selection method includes price as a component, negotiations of staff rates should not take place, except in special circumstances, like for example, staff rates offered are much higher than typically charged rates by consultants for similar contracts. Consequently, the prohibition of negotiation does not preclude the right of the client to ask for clarifications, and, if fee are very high, to ask for change of fees, after due consultation with ICF. Reimbursable costs are to be paid on actual expenses incurred at cost upon presentation of receipts and therefore are not subject to negotiations. However, if the client wants to define ceilings for unit prices of certain reimbursable costs (like travel or hotel rates); they should indicate the maximum levels of those rates in the RFP.

2.29 If the negotiations fail to result in an acceptable contract, negotiations shall be terminated and the next ranked firm invited for negotiations. The Grant Recipient shall consult with ICF prior to taking this step. The consultant shall be informed of the reasons for termination of the negotiations. Once negotiations are commenced with the next ranked firm,

the earlier negotiations shall not be opened. After negotiations are successfully completed, the other firms on the short list shall be promptly notified that they were unsuccessful.

Publication of the Award of Contract

2.30 After the award of contract the following information shall be published: (a) the names of all consultants who submitted proposals: (b) the technical points assigned to each consultant: (c) the evaluated prices of each consultant: (d) the final point ranking of the consultants: (e) the name of the winning consultant and the price, duration, and summary scope of the contract. The same information shall be sent to all consultants who have submitted proposals.

Debriefing

2.31 The publication of contract award referred to in paragraph 2.30 shall specify that any consultant who wishes to ascertain the grounds, on which its proposal was not selected, should request an explanation from the publisher. The explanation as to why such proposal was not selected shall be promptly provided either in writing and/or in a debriefing meeting, at the option of the consultant. The requesting consultant shall bear all the costs of attending such a debriefing.

Rejection of All Proposals, and Re-invitation

2.32 It will be justified to reject all proposals only if all proposals are non-responsive because they present major deficiencies in complying with the TOR or if they involve costs substantially higher than the original estimate. In the latter case, the feasibility of increasing the budget, or scaling down the scope of services with the firm should be investigated in consultation with ICF. The new process may include revising the RFP (including the short list) and the budget. These revisions shall be agreed upon with ICF.

Confidentiality

2.33 Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the publication of the award of contract, except as provided in paragraph 2.20 and 2.27.

Single-Source Selection (SSS)

2.34 Single-source selection shall be used only in exceptional cases. Single source selection may be appropriate only if it presents a clear advantage over competition: (a) for tasks that represent a natural continuation of previous work carried out by the firm, (b) in emergency cases, such as in response to disasters and for consulting services required during the period of time immediately following the emergency, (c) for very small assignments, or (d) when only one firm is qualified or has experience of exceptional worth for the assignment. In instances where only one appropriate provider may be available or qualified to perform the work, the reasons shall be documented in a Register kept for inspection by ICF and auditors appointed by ICF.