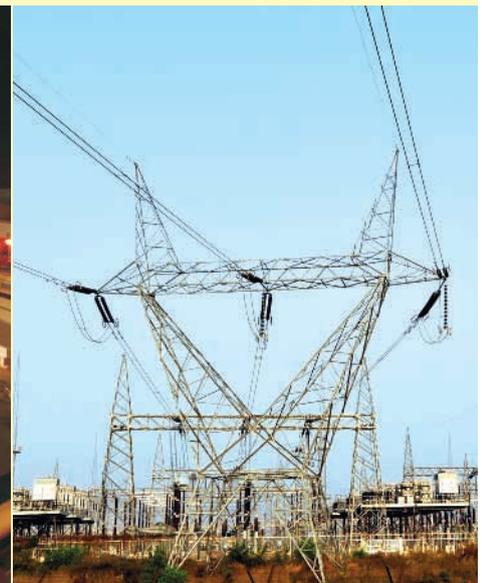


Frequently Asked Questions Model RFQ Document





Frequently Asked Questions on Model RFQ Document

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Preface

The increasing demand for infrastructure within the country, coupled with limited resources, has persuaded the government to explore alternative means of financing infrastructure projects. In the quest for finding such resources, a credible alternative has been found in Public Private Partnerships (PPPs) which ensure that the obligation to provide the services remains with the government albeit the means of delivery are private entities. In the process, efficiencies of the private sector are harnessed at competitive costs, thereby benefitting both the user and the government, apart from attracting private capital to fund public projects. This, however, is predicated on a policy and regulatory framework that provides a fair, transparent and competitive environment, as flaws in the framework can lead to unintended outcomes. A cautious and diligent approach is, therefore, necessary while formulating the rules of engagement.

The success of a PPP project is vastly dependent on the criteria for selection of the concessionaire, especially as these projects typically involve large capital investments for providing essential infrastructure services to users on a long-term basis. A sub-optimal process of selection can expose the project to considerable risk and compromise the services that the government is committed to providing to the users at a competitive price. Since there was divergence in the principles and practices followed for selection of bidders for PPP projects in different sectors, considerable ambiguity and subjectivity prevailed regarding the selection parameters and processes. The outcomes were sometimes open to disputes and controversy.

With a view to deliberating on the guidelines for pre-qualification and short-listing of bidders, the Committee on Infrastructure (CoI), chaired by the Prime Minister, constituted an Inter-Ministerial Group under the chairmanship of Secretary, Department of Expenditure. Following extensive consultations with stakeholders and experts, the Group submitted its recommendations that were considered and approved by CoI. The Guidelines were issued by the Ministry of Finance in May 2007. Since then, the Model RFQ document has been used by several ministries, State Governments and other project authorities for pre-qualification and short-listing of bidders for their respective PPP projects.

The aforesaid Model RFQ document lays down the norms, principles and parameters to be followed for selection of concessionaires for PPP projects. However, they need to be suitably adapted for meeting the specific requirements of individual sectors and projects. During the course of implementation, some gaps in the understanding and application of some of the concepts incorporated in the RFQ document were noticed. A number of apprehensions relating to equity, transparency, market competition and adherence to extant rules were also expressed in different quarters. A set of Frequently asked Questions (FAQs) was, therefore, prepared with a view to providing clarifications to the project authorities.

The purpose of this set of FAQs is to provide guidance to project authorities in the selection of concessionaires for their respective projects. It deals with various issues such as the bidding process, the advantages/ disadvantages of pre-qualification, the process of short-listing and its benefits, etc. It is hoped that this volume will be of help to all those intending to follow the Model RFQ document for the selection of concessionaires for PPP projects.



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Adviser to Deputy Chairman
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April 29, 2009

Frequently Asked Questions (FAQs) on Model RFQ Document

1. Why is a standardised framework necessary for PPP projects?

1.1 Standardised framework is required for enabling a smooth transition from public sector projects to Public Private Partnerships (PPPs) and also for adoption of best practices across projects and sectors. They enable project authorities to save on the time and costs involved in structuring complex PPP projects and preparing transaction documents. They help avoid costly mistakes and also afford protection to individual entities and officials against making errors and answering for them.

2. Why is the selection of a credible project sponsor important?

2.1 One of the critical factors that determines the success of a PPP project is the selection of a credible project sponsor. PPP projects are highly capital intensive and require provision of essential infrastructure services to users on a long-term basis. A bidder lacking in sufficient technical and financial capacity can well jeopardise the project and compromise the quality of services that the government is committed to provide.

3. What are single and two-stage bidding processes?

3.1 Single stage bidding refers to the process of selecting the successful bidder on the basis of the lowest financial offer received in response to

a tender. In the two-stage bidding process, the first stage involves the determination of the technical and financial strength of the applicants with reference to predetermined eligibility criteria and only firms that meet the criteria are pre-qualified for the second stage of bidding. The second stage of bidding typically involves obtaining financial bids from the pre-qualified bidders.

4. When is two-stage bidding used?

4.1 Single stage bidding is normally followed for smaller contracts where the purchase of goods or services can be defined with some degree of precision or the works can be executed without involvement of much skill. In larger and complex contracts where the emphasis is on quality of works, goods or services, both PPP and otherwise, two stage bidding is generally adopted.

5. Is the two-stage bidding process mandatory for PPP projects?

5.1 Government of India has standardised and adopted the two-stage bidding process for selection of project sponsors for PPP projects. The bidding process for PPPs is typically divided into two stages. In the first stage, the eligible and prospective bidders are short-listed. This stage is generally referred to as the Request for Qualification (RFQ). The second and final stage is generally referred to as the Request for

Proposal (RFP) or the bidding stage.

6. What is the purpose of the RFQ process?

6.1 The purpose of the RFQ process is to short-list and pre-qualify applicants who will be required to submit financial bids at the RFP stage. The objective is to identify experienced bidders who have the requisite technical and financial capacity for undertaking the project.

7. What is the purpose of the RFP process?

7.1 At the RFP stage, the pre-qualified bidders engage in comprehensive scrutiny of the project before submitting their financial offers. Such scrutiny includes a careful assessment of the capital and operational costs of implementing the project as also the likely revenue streams over the concession period. It also involves an assessment of potential risks in the construction and operation of the project. The financial bids for PPP projects should normally be invited by way of a single bidding parameter, e.g. viability gap funding, annuity payment, premium, revenue share, etc.

8. What is the purpose of the Model RFQ document?

8.1 The purpose of the Model RFQ document is to enable the project authorities to draft project-specific RFQ documents for pre-qualification and short-listing of bidders in a manner that is fair, transparent and inexpensive. The document allows decisions to be made transparently and expeditiously. It also provides sector-specific and project-specific flexibility by

placing several provisions within square brackets, thus enabling project authorities to make necessary substitutions.

9. What is pre-qualification?

9.1 Pre-qualification refers to the process of screening and identifying firms which satisfy the minimum financial and technical criteria laid down in the RFQ document. Only the pre-qualified firms are allowed to submit their financial bids.

10. Should all pre-qualified firms be invited to submit financial bids?

10.1 In inviting financial bids from pre-qualified firms, two approaches are possible, namely (a) all pre-qualified firms are asked to submit their financial bids, or (b) some of the pre-qualified firms are short-listed on the basis of their ranking determined through experience score, and only the short-listed firms are invited to submit financial bids. The Model RFQ adopts the latter approach for reasons explained subsequently.

11. What is short-listing?

11.1 The practice of selecting a few of the pre-qualified firms, during the pre-qualification process, is known as short-listing. The general practice across the world is to short-list a few firms (three or four, depending upon bidder response) and engage with them for the final stage of bidding. The Model RFQ specifies that six or seven applicants should be short-listed on the basis of their respective experience scores in evaluation.

12. Why should short-listing be adopted for PPP projects?

12.1 The process of short-listing is adopted because, unlike a normal bid for sale of goods and services against payment, a PPP project involves large private investments as well as the transfer of commercial and construction risks to the successful bidder for a considerable period, say 15 to 30 years. Therefore, the bidders are required to invest significant time and costs in making a PPP bid and they do not find it worth their while to compete if the number of short-listed bidders is large and includes firms with a significantly lower track record, as that virtually amounts to competition among unequals. In this background, project authorities and their consultants/ advisers generally tend to seek high quality bidders by specifying the eligibility criteria in a manner that restricts pre-qualification to a limited number of firms that have a reasonably uniform capacity.

12.2 Pre-qualification of a larger number of firms could imply that smaller firms with a comparatively less experience may get included and offer lower financial bids to get selected even when significantly better firms are also competing. The smaller firms usually possess lower levels of technological expertise, equipment, staff resources, quality assurance systems etc. They can often undercut and quote lower bids as compared to their better qualified counter parts. This could, at times, compromise public interest because a potentially lower level of service could well be the outcome of selecting a firm with lower capacity. Though minimum performance standards are specified in the project agreements, the quality of service may often differ according to the capacity and track

record of the selected firm.

12.3 Firms with greater experience are likely to provide more reliable services as they are better equipped to manage the project risks which are typically assigned to the concessionaires in PPP projects. Greater assurance of successful delivery of infrastructure projects is certainly a public policy objective that needs to be kept in view while devising the selection process. Evidently, short-listing has the inherent advantage of choosing among the very best for providing a public service.

13. Is there any disadvantage of short-listing? How can it be overcome?

13.1 The process of short-listing can at times lead to situations where a single large firm is able to capture too many contracts leading to concentration or monopoly, but this can easily be eliminated by specifying quantitative restrictions.

14. What is the past experience in India regarding pre-qualification?

14.1 In several PPP projects undertaken in India in the recent past, the project authorities specified fairly tough criteria that led to a limited number of firms being pre-qualified. In all these cases, no further short-listing was undertaken and all the pre-qualified firms were invited to bid. Some examples of the number of pre-qualified firms are as follows:

- | | |
|-------------------------------|--------------------------|
| 1. Delhi Airport | 2 (later increased to 4) |
| 2. Mumbai Airport | 2 (later increased to 4) |
| 3. Mumbai Metro Line-1 | 3 |
| 4. Hyderabad Metro project | 5 |
| 5. Delhi Metro (Airport Line) | 5 |

14.2 It is evident that relying on prequalification based on stiff criteria can lead to a situation where the number of pre-qualified firms is inadequate. Experience on some of the large PPP projects noted above indicates that the number of pre-qualified firms can range between two and five.

15. What were the flaws in the practice of pre-qualification?

15.1 In the absence of any guidelines, each project authority for the aforesaid projects decided its own criteria for pre-qualification. In the evaluation for selecting a preferred bidder for Delhi and Mumbai airports, 80 per cent marks were prescribed by way of pass/ fail criteria. The eligibility criteria included a large number of individual items, many of which were subjective, such as (a) long-term vision; (b) development path; (c) quality of business plan; (d) HR approach; (e) transition plan; and (f) stakeholder management.

15.2 The bid responses for these two airports ran into 41,000 pages and took over six weeks for a team of international consultants to evaluate. They pre-qualified only two firms for the final round of bidding (financial bids). When scrutinised by the IMG, the evaluation was found to be flawed and one of the two firms was declared ineligible, thus leaving a single eligible firm for the two airports. To ensure some competition, the threshold of 80 per cent was subsequently lowered and four firms were pre-qualified for each airport.

16. What factors should be considered for evaluating technical capacity?

16.1 For the purpose of evaluating the technical capacity of a bidder, its experience and track

record in building infrastructure projects should be considered. This can be measured either from the construction work undertaken/ commissioned by him, or from revenues of PPP projects, or from both, during a pre-determined number of years preceding the date of application. The technical capacity of a bidder can be assessed on the following parameters:

- (i) Project experience on PPP projects in the specified sector;
- (ii) project experience on PPP Projects in the core sector;
- (iii) construction experience in the specified sector; and
- (iv) construction experience in the core sector.

The weightage for each of the above categories should be pre-determined and specified in the RFQ document. A minimum score comprising the threshold capacity may be specified as a condition of eligibility.

17. How should financial capacity be evaluated?

17.1 For the purpose of financial capacity, the applicants should have a net worth equivalent to 25 per cent of the estimated capital cost of the project for which the bids are to be invited. This would ensure that pre-qualified applicants have sufficient financial strength to raise the equity and debt necessary for undertaking the project. In exceptional cases, the Authority may also prescribe a minimum annual turnover and/ or net cash accruals as an indication of the Applicant's cash flows and financial health.

18. Should the capacity of all consortium members be counted?

18.1 No, only those members of the consortium who hold at least 26 per cent of the consortium's equity are eligible for consideration. This would ensure that members with small equity holdings are not included for the sole purpose of achieving pre-qualification. In other words, only the experience and net worth of consortium members with a substantial stake is to be counted as they alone can be expected to implement the project successfully and bear the project risks. Pre-qualifying a consortium on the strength of a member who has a small equity holding can lead to unintended outcomes and jeopardise the assurance of success that is offered by a member who has a substantial stake.

19. What is the process of short-listing under the Model RFQ?

19.1 Under the Model RFQ, technical capacity is determined in an objective and transparent manner by linking it directly to the actual experience of a firm. It is based on the infrastructure projects actually constructed or operated over the past five years. Each firm is asked to calculate its own experience score based on weightages attached to the nature of the project and whether it was executed on PPP basis or as a construction contract. For example, a firm applying for an Airport Development project that has constructed an airport project for Rs. 7,500 crore can claim a score of 7,500. However, if it has executed a project of the same value on PPP basis, it would be able to claim a score of 9,375 points. It can also claim scores for other sectors, but at a lower rate.

This claimed score is checked and finalised during evaluation in an open and transparent manner. Those bidders who cross a pre-determined electricity criteria are then considered for short-listing, and six Applicants that rank highest are short-listed for submitting their respective financial bids.

19.2 The Authority may, in case of repetitive projects, that attract a larger number of bidders, or where the total project cost is less than Rs. 500 crore, increase the number of short-listed bidders to seven. Further, in case of power projects to be awarded on the basis of statutory guidelines for tariff-based bidding and having no obligation or liabilities for buy-out of project assets or any similar obligations, the Authority may suitably increase the number of short-listed bidders.

19.3 The criterion for financial capacity is a pass/ fail threshold. The applicant firm must, at least, have a net worth equal to 25 per cent of the estimated cost of the project. However, no scores are awarded for financial capacity.

19.4 By way of illustration, consider a project where the threshold is fixed at 10,000 points and there are ten firms that meet this criterion. Assume that they have individual evaluated scores of 30,000, 27,000, 25,000, 22,000, 20,000, 18,000, 16,000, 14,000, 12,000 and 10,000 respectively. Of these firms, the first six/seven in order of scores would be short-listed and invited to submit their financial bids.

20. Does short-listing compromise on the tenets of equity and fair play?

20.1 Short-listing does not in any manner violate

the tenets of equity or fair play as long as it is done in a fair and transparent manner.

Moreover, it is unlikely that short-listing would throw the smaller firms out of business. It is just that they would need to settle for comparatively smaller projects until they grow in size.

Furthermore, smaller firms can always form a consortium to bid for larger projects. This would apply equally if short-listing is substituted by a high threshold for pre-qualification of bidders.

20.2 The argument in favour of smaller firms runs contrary to the very rationale of pre-qualification, which is meant to select high quality firms and weed out the less competent firms. A line has to be drawn somewhere. Whether this line is drawn after six firms or twelve, the principle of short-listing is not abandoned. The fact of the matter is that if the line is drawn after six, the firms below this level will claim injustice and ask for a lower threshold. In case the line is drawn after twelve, the firms below that level would lobby likewise. The issue, therefore, does not relate to small or big firms. It is about choosing the most suitable firms for project delivery.

21. What is the ultimate purpose of short-listing?

21.1 The ultimate objective of the Government is to provide world-class infrastructure services in India and this is better ensured if high quality firms with the best available track record are pre-qualified on the basis of an objective and transparent criteria. This is only possible either through the process of short-listing or by setting a high threshold for pre-qualification. For reasons explained in the paragraphs that follow, short-listing serves the objective better without

compromising on fair play and equity.

22. Can the objective not be met by raising the threshold?

22.1 No, because it is very difficult to pre-judge the bidder response for any particular project, and the Government may actually fix a threshold criterion that could turn out to be too high or too low. For example, the lowest short-listed bidder for Amritsar airport scored about 28,000 points while for the Udaipur airport, the score was as low as 11,000 points. There was no way the Government could have anticipated this response. If pre-qualification of firms had been undertaken on the basis of threshold alone, it could have either ended up with a large number of pre-qualified bidders or only one or two bidders, as was the case in Delhi and Mumbai airports.

23. Why not pre-qualify all firms that cross the threshold?

23.1 It is argued that when the Government determines a threshold score for eligibility, it gives a signal that any firm above this level is acceptable, and even if the number of such firms turns out to be twenty or more, all of them should be allowed to bid. Prima facie, there may be some logic in this argument but if accepted, it could mean that firms with very unequal track records would be allowed to bid together and a firm with a much poorer track record could get selected, at times through aggressive and frivolous bidding. Such an outcome can expose infrastructure projects to greater risks, which public policy should seek to mitigate. Clearly, the objective is to provide world-class services, and that is better achieved by selection of high

quality firms that would provide greater quality assurance and improved reliability of infrastructure services.

24. How objective is pre-qualification based on a threshold?

24.1 It needs to be recognised that the threshold for pre-qualification typically relies on several subjective considerations. A review of the threshold criteria adopted for different PPP projects in the past would establish that project authorities and their advisors followed divergent practices that did not reflect a cogent or uniform policy approach. As a result, the criteria for pre-qualification was open to question. The argument that any firm which crosses the threshold must be allowed to bid can carry conviction only if the pre-qualification criteria is established on the basis of a well-defined and objective set of principles. Firstly, such a framework is difficult to establish and secondly, the extent of response to such framework would in any case depend on market conditions.

24.2 Consider the aforesaid example of Delhi and Mumbai airports where the pass/ fail mark was set at 80 per cent. Only two applicants were found to be qualified and on closer scrutiny one of them was later disqualified, thus leaving a single eligible bidder for two airports. As a result, the threshold had to be reduced arbitrarily to pre-qualify four bidders for each airport. Evidently, the threshold of 80 per cent, as later reduced on an ad hoc basis, and also the elements comprising the score were open to question.

24.3 The manner in which the threshold for pre-qualification is set could benefit some firms and

eliminate others, as was illustrated in the aforesaid cases. By increasing or decreasing the threshold, a pre-determined outcome can be ensured in favour of or against specific firms. Such gaming can be further supplemented by adding subjective elements in the scoring matrix. Moreover, a high benchmark may not attract enough firms that would qualify, leaving the project authorities with an inadequate number of bidders while simultaneously reducing competition to the advantage of a chosen few.

24.4 In view of the above, pre-qualification would not only be subjective, it may also throw up too few or too many bidders. On the other hand, setting a minimum eligibility criteria and then short-listing six best bidders seems more objective and predictable. It avoids any arbitrary elimination of firms, selects the best available firms and ensures an adequate number of competitors. If six bidders are considered inadequate for any reason, the number could even be raised to seven or eight as a general policy. That would be much better compared to an open-ended pre-qualification where the entire reliance is placed on a pre-determined threshold.

25. Is the threshold in Model RFQ an adequate test?

25.1 The determination of threshold, as provided in the Model RFQ, is by way of an indicative benchmark, and cannot, therefore, be regarded as a sufficient basis for pre-qualification. Firstly, it relies on the track record of firms for the past five years only. Critics can argue that this period should have been seven or ten years. Further, it lays down that the score for the past five years should at least be twice the estimated cost of the proposed PPP project.

Some would consider this as inadequate and could argue, for example, that a firm that did nothing else but build an airport for Rs. 1,000 crore over a period of five years is not sufficiently experienced or proven for award of another similar project equal to half its value. Many would actually favour a higher threshold. Prior to the Model RFQ, project authorities often specified a fairly stiff (though ad hoc) criteria which either resulted in pre-qualification of four or five bidders or even led to a much smaller number, as was the case in some of the projects listed in paragraph 14.

25.2 It is important to recognise that fixing the pre-qualification criteria is only one side of the story. The other side is the response from bidders. Bidder perceptions and interest vary from case to case at different points of time. As a result, the number and quality of bidders could vary significantly between two projects, as seen in the case of Amritsar and Udaipur airports. A less than anticipated bidder response can easily lead to a small number of bidders, implying inadequate competition. This clearly illustrates that pre-qualification based on a threshold can lead to unpredictable outcomes where the number of bidders could turn out to be adequate, too few or too many, depending on the level and nature of threshold as well as the bidder response for a specific project.

26. How does the Model RFQ address these constraints?

26.1 To address the above constraints, the Model RFQ specifies a comparatively low threshold, not with the intent of pre-qualifying a large number of bidders, but with the objective

of widening the catchment area so as to attract a sufficiently large number to choose from. It provides the assurance that the best six/seven bidders in the market would be asked to compete, thus eliminating the risk of inadequate competition. Viewed in this context, the threshold should not be regarded as the final destination, but only a transit point that would enable the project authorities to evaluate the bidder response and then proceed towards a final list of six/seven short-listed bidders. This arrangement is clearly far more objective and eliminates gaming or subjective selection.

27. Should technical evaluation be done after the RFQ stage?

27.1 No, technical evaluation at the RFP stage would lead to difficulties in evaluating diverse proposals on a common set of parameters. This would also lead to an elaborate and costly evaluation of complex proposals which are, by their very nature, difficult to compare since technical proposals from different bidders would vary significantly. Further, such evaluation also implies that instead of the government determining the assets and services to be provided by the selected bidder, it is the technical bid that would tend to guide the outcome. Logically, the government should set the technical parameters and ask for the financial bids only, leaving sufficient flexibility for bidders to design and engineer the project in a manner that conforms to pre-determined standards and specifications, including service outputs.

27.2 In the case of exceptionally complex projects where the project authority determines that the bidders must submit their technical

proposals/plans, the requirement thereof should be specified in detail and such proposal/plans should be invited at the qualification stage, either along with the initial applications or at an intermediate stage preceding the RFP stage. Only the pre-qualified applicants who have been short-listed should be invited to participate in the bid stage, which should consist only of an invitation to submit financial offers.

28. Is the procedure laid down in the Model RFQ cumbersome?

28.1 No, in fact, if the process is compared to other projects such as the case of two airports of Udaipur and Amritsar mentioned above, it is much simpler, objective and transparent. Several projects based on the Model RFQ have been evaluated by the project authorities in-house without the assistance of consultants. There were some teething problems but these have since been resolved.

29. Is the standardised RFQ rigid and difficult to implement?

29.1 The standardised RFQ document lays down the norms, parameters and principles to be followed for pre-qualification and short-listing of bidders for the RFP stage. It enables the project authorities to draft their respective RFQ documents with considerable ease for meeting the specific requirements of individual projects. It contains clauses and enabling provisions which provide sufficient flexibility to adapt them to project-specific requirements.

30. Does the criteria for pre-qualification need to be stringent?

30.1 If the criteria for pre-qualification of

bidders is very stringent, it could reduce the number of pre-qualified bidders to a level that could thwart effective competition. A balance, therefore, needs to be drawn with a view to pre-qualifying a reasonable number of bidders for the RFP stage. The principles for determining the eligibility criteria such as technical and financial capacity should be formulated keeping these considerations in view.

31. Can short-listing be regarded an arbitrary practice?

31.1 It is sometimes argued that short-listing of six/seven firms is arbitrary. By the same logic, setting a threshold can also be regarded as arbitrary. In fact, no gaming is possible in short-listing of six/seven, as it would be driven by competition among interested firms.

On the other hand, the threshold can be set arbitrarily for ensuring that a particular firm is pre-qualified for bidding. Short-listing of six/seven has the inherent advantage of choosing among the very best for providing a public service.

31.2 In effect, both the alternatives actually imply a threshold. In the first alternative, the threshold is determined by competition in the market and is equal to the score of the sixth best firm. In the other alternative, the threshold is determined by the project authorities in a somewhat subjective manner and can lead to the selection of firms with a comparatively poor track record.

31.3 Selection of the firm that offers the lowest financial bid is not regarded as arbitrary. By the

same logic, short-listing of the six/seven best firms on the basis of their past performance in terms of relevant projects actually executed should not be regarded as arbitrary. Just as the lowest financial bid provides the assurance of the lowest cost to the public exchequer, short-listing of the six/seven most competent firms provides the assurance of more efficient and timely services to the government and the users.

32. How can greater participation be encouraged?

32.1 Greater participation from domestic and international investors can be encouraged by ensuring that the RFQ document is perceived as a vehicle for ensuring a fair and transparent process of pre-qualification which does not require the prospective bidders to incur significant expense in preparing a response. The information sought for the purposes of pre-qualification should generally be restricted to technical and financial capabilities that are relevant to the project, and should be amenable to a precise and quantified response so that the process of short-listing is fair and transparent.

33. Does the Government have a responsibility towards smaller firms?

33.1 It is often stated in support of the threshold criteria that the comparatively smaller firms also have a right to be short-listed, and the Government has a duty to perform in respect of these firms. Clearly, there is no such duty except to be fair and reasonable. On the other hand, the Government has a duty and obligation to provide the best possible services to its citizens and in doing so it must use the best available means.

34. Is the methodology adopted in the Model RFQ objective?

34.1 By following the methodology of short-listing as described in paragraph 19, the Government is able to ensure that it gets at least six/seven pre-qualified bidders who provide an assurance of adequate competition. This helps avoid a situation where only two or three firms are pre-qualified, as was actually the case in three out of the five projects listed in paragraph 14 above. On the other hand, this arrangement also ensures that out of all the firms that cross the threshold score, only the best six/seven are short-listed for providing reliable, efficient and cost-effective services to the users over a period of 15 to 30 years. In effect, this system seeks to avoid too few or too many bidders for a project that would typically involve large private investments in public assets, spread over a long period, with significant risks for investors and lenders, and where the quality and reliability of service must be assured for the users.

35. Do industry organisations oppose short-listing?

35.1 In their written submissions to the Government, Industry Organisations such as CII and FICCI have supported the Model RFQ as a fair and transparent arrangement. They have also supported the concept of pre-qualification and short-listing of bidders. CII has, however, suggested that the number of short-listed bidders may be increased to seven while FICCI has suggested a number of ten.





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