

9.1. TYPES OF BIDS

Before we go further, we should demonstrate the possible type of Bids in terms of the method of selection for the winner.

This is very important issue and should be one of the major factors influence the “To-Bid” or “Not-To-Bid” decision.

According to the World Bank (and followed by most international entities), different common types of procurement/evaluation methodology are:

- "QCBS" (Quality and Cost Based Selection) that combine technical score with the financial score to end up with a formula resulting of the "best value for money".
More information about the details of the QCBS evaluation method (as most common case and as it needs explanation of the method and equation of the final output) is described further in this book when we discuss the proposal evaluation.
- "QBS" (Quality-Based Selection) that depends only on the technical evaluation rank regardless of the financial.
This method is appropriate when the client seeks high qualified firms for complex services/products/works to ensure the high standards of deliverables.
Simply the higher technically ranked bidder is invited for contract negotiation regardless of the financial (conditioned that it is within the client budget).
- "FBS" (Fixed-Budget Selection); in this method the Client will select the firm that submitted the highest ranked Technical Proposal within the budget. Proposals that exceed the indicated budget will be rejected.
In some cases, as more than one bidder would propose financial figures (all within the fixed budget) and they are all technically qualified, then client may apply the same technique of the QCBS to decide on best offer.
- "LCS" (Least-Cost Selection); This method is used for assignments of a standard or routine nature, the client open the technical proposal, evaluate them against a minimum score previously stated in the RfP, then take a decision for "Qualified" and "Disqualified".
The financial/commercial envelopes are opened for all the qualified firms then the award goes for the least financial bid without any consideration of the technical score (as long as it is qualified).
- Selection Based on Consultants' Qualifications; this method may be used for very small assignments for which the need for preparing and evaluating competitive proposals is not justified.
In such cases, the client selects the firm with the most appropriate qualifications and references. The selected firm shall be asked to submit a combined technical-financial proposal and then be invited to negotiate the contract.