

## **SCORING METHODOLOGY AND RECOMMENDED SCORING MATRIX FOR THE (PROJECT) TENDERS**

This scoring methodology and the attached scoring matrix at Annex 1 should be subject to restricted distribution within the “Ministry”.

### **1. Introduction**

The advisory team has been asked by the Ministry to assist with the scoring and evaluation of bids for the (project) tenders. We believe scoring the tenders based on the responsiveness of bids to the bid requirements in the RFP is consistent with the notion of providing for a fair and transparent tender process and also provides the most efficient way of evaluating the (project) tenders. This document gives an overview of the methodology which the advisory team recommends for use when reviewing and scoring the bids. It incorporates and should be read in conjunction with the proposed scoring matrix for evaluating each bid (at Annex 1).

We understand and recommend that this scoring methodology and scoring matrix is kept for internal purposes and should not be provided to anyone outside of the Ministry and related personnel.

### **2. Scoring Method**

#### *(a) Bid Requirements*

Following discussions with the Ministry, and as a result of the lessons learned from Phase 1, "Mandatory Requirements" were not included in the (project) RFP. If there were Mandatory Requirements within the RFP, this would mean that bids which did not contain such Mandatory Requirement would have to be rejected. Instead, the RFP contains "Bid Requirements" which give the Ministry more flexibility to waive non-compliances, at its discretion. Nevertheless, bids should still be checked at the bid opening ceremony (in accordance with the bid opening flowchart provided to the Ministry) to ensure that these are sufficiently complete to proceed to evaluation, where they will be fully evaluated.

#### *(b) Direct Scoring*

In terms of those bids which proceed to evaluation, having considered the various scoring methods which might be suitable, we believe that a direct scoring method should be used (rather than a ranking method, for example). Direct scoring means that in respect of a particular bid requirement each bidder would be given a score based on the merits of its response. This is the same method as was used to evaluate the Phase 1 mineral tenders and therefore is a method the Ministry should be familiar with.

The question then arises as to whether (a) each bid requirement should be evaluated for all bidders at the same time, or (b) whether each bid should be evaluated in its entirety before moving on to the next bid.

Under the direct scoring method, each bid should be given a score on its own merits. Therefore, **the advisory team believes that it is best to consider each bid in its entirety, before moving on to the next bid.** We believe that this is both the most

time effective approach and will mitigate against the natural tendency to score comparatively between bids.

For example, the financial strength (Pt2, (s) (i)) of Bidder A may be judged to be "Excellent" but the evaluator may feel that it is not quite as "Excellent" as Bidder B (if each bid requirement for all bidders is scored at the same time) and may then be tempted to mark down Bidder A's score for that bid requirement. This may result in some negative bias to Bidder A's score because, even though Bidder A's response to this bid requirement is weaker than Bidder B's response, it is still strong enough to satisfy the financial obligations of the project and be awarded the score of "Excellent".

### **3. What to score**

The RFP sets out in detail the required contents of the bids (largely following the required content of the 2014 Minerals Law and Mining Regulations). Generally speaking, each bid requirement or group of requirements should be evaluated and given a score. We have not included a small number of the bid requirements in the scoring matrix where these either: (a) are not considered appropriate to be scored, e.g. company name, address, etc.; (b) are simple commitments to provide items required by Afghan law at a later stage and therefore apply equally to all bidders; or (c) are duplicated and would otherwise be "double scored".

For ease of administration, we **have grouped certain bid requirements together** to make evaluation and scoring more administratively convenient (where it is appropriate and logical to do so). In addition, this will allow a requirement to be considered as a whole (e.g. the technical plan for exploration). In total, there are 29 bid requirements and/or groups of bid requirements to be scored per bid. A weighting is then applied to the given scores.

In line with previous instructions from the Ministry and the Ministry's previous practice, we understand that there will not be a separate evaluation of the technical and financial bids. All the elements of the bid will be evaluated together and considered as a whole.

### **4. How to score the bids**

Having considered the various options which might be suitable for the (project) tenders and the practice adopted for the Phase 1 mineral tenders, we believe the direct scoring method should continue to be used. This involves scoring according to a general description based on the "quality" or "quantity" of the response:

- 0** = **little or no** response to the bid item
- 1** = **Partial** response to the bid item
- 2** = **Satisfactory** response to the bid item
- 3** = **Good** response to the bid item
- 4** = **Excellent** response to the bid item

The scoring should take into account where appropriate to the bid requirement in question:

- (a) **level of relevant detail** provided;
- (b) the degree of **understanding** the bidder has evidenced in relation to the item;
- (c) the degree to which the response is considered **realistic and achievable**;
- (d) the level of **coordination/integration** between this response and other relevant responses;
- (e) the degree to which the response is **supported by evidence**; and
- (f) The degree to which the response is supported by the bidder’s acceptance or otherwise of the **terms of the model mining agreement**.

In addition, in relation to bid requirements of a technical nature:

- (g) Any references to a **commitment to international standards and best industry practice**.

The points listed in (a)-(g) above provide guidance and the Ministry should only take the items into account which are "appropriate" to the bid requirement in question when arriving at the 0 to 4 score. We believe this approach is flexible enough to work for all the bid requirements and provides a reasonable level of guidance for the Ministry to take into account.

As a matter of best practice, **it is advisable to aim to mark at the extremes where possible in order to avoid an abundance of average marks.**

## 5. Weightings

The bids should respond to the six evaluation criteria in the RFP. These evaluation criteria have been given a weighting to reflect the importance of each of the criteria to the success of the project and the interests of Afghanistan. Along with a set of well-defined criteria, there is further need for a simpler alternative to be examined and to avoid confusion by the evaluation committee. A set of weights that defines the relative importance of the criteria, a reference where comparison will be made is discussed below.

For instance, the weighting of the technical elements of the bid (but excluding elements which relate to the social criteria below) is 40%, the proposal of this particular criterion is supposed to get 60% + marks out of 40% (considering this total equals 100%) of the total in order to stand qualified in the aforementioned criterion. Similarly, it goes for other criteria. The evaluation criteria proposed weightings and maximum % marks are set out below:

Evaluation criterion	Weighting	Assuming the Total Weighting of each Criterion is 100%.

Quality of technical elements of the Bid (but excluding elements which relate to the social criteria below)	40%	More than 60% Marks
Quality/Quantity of financial elements of the Bid (but excluding elements which relate to the social criteria below)	25%	More than 60% Marks
Quality/Quantity of social elements of the Bid	15%	More than 60% Marks
Quality/Quantity of the elements of the Bid dealing with the bidder's sales and marketing plan for (project)	5%	More than 60% Marks
Quality/Quantity of the elements of the Bid dealing with the bidder's proposals for integration of its supply chain	5%	More than 60% Marks
The bidder's suggested comments and amendments to the Model (project) Contract and the consistency of such comments and amendments with the Bid	10%	More than 60% Marks

The overall weighted scores including Technical, Financial, Social, Sales & Marketing, Supply Chain and Model (project) Contract criteria which able the bidder qualified in the bidding process is (60%).

The various bid requirements and/or groups of bid requirements have also been given a weighting according to their relative importance. This is most important for the technical elements, financial elements and social elements of the bid which are made up of a number of different bid requirements (some of which we believe are more important than others).

The evaluation committee should review the proposed weightings and discuss these with the advisory team to ensure they accurately reflect the Ministry's goals and requirements.

Having applied weightings to the bid requirements and/or groups of bid requirements the weighted scores for each of the evaluation criteria are added up and a total weighted score for each bidder is arrived at.

## **6. Procedure for evaluation/scoring**

The Ministry has been issued with a flowchart setting out the procedure for the bid opening ceremony, which will include the basic compliance check of the bid discussed at paragraph 2 above.

Other items of procedure, including this proposed scoring methodology, should be discussed with the Ministry at its meetings with the advisory team prior to evaluation of the bids.

## **7. Best practice guidance**

For the evaluation process, it is possible to draw upon some best practice guidance for mineral tenders, which we detail below:

- attendance at evaluation meetings should be restricted to members of the evaluation committee, the advisory team and transparency advisors;
- a written record of evaluation meetings should be kept;
- notes should only be taken on evaluation scoring sheets;
- the evaluation committee should mark the bid on the basis of what has been submitted and should try to avoid being influenced by reputation (except to the extent that this is submitted as part of the bid, for example in relation to track record, experience, etc.); and
- Final scores for the bids should not be calculated until each individual bid (and all the bid requirements therein) has been scored.

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## **ANNEX 1**

### **PROPOSED SCORING MATRIX**