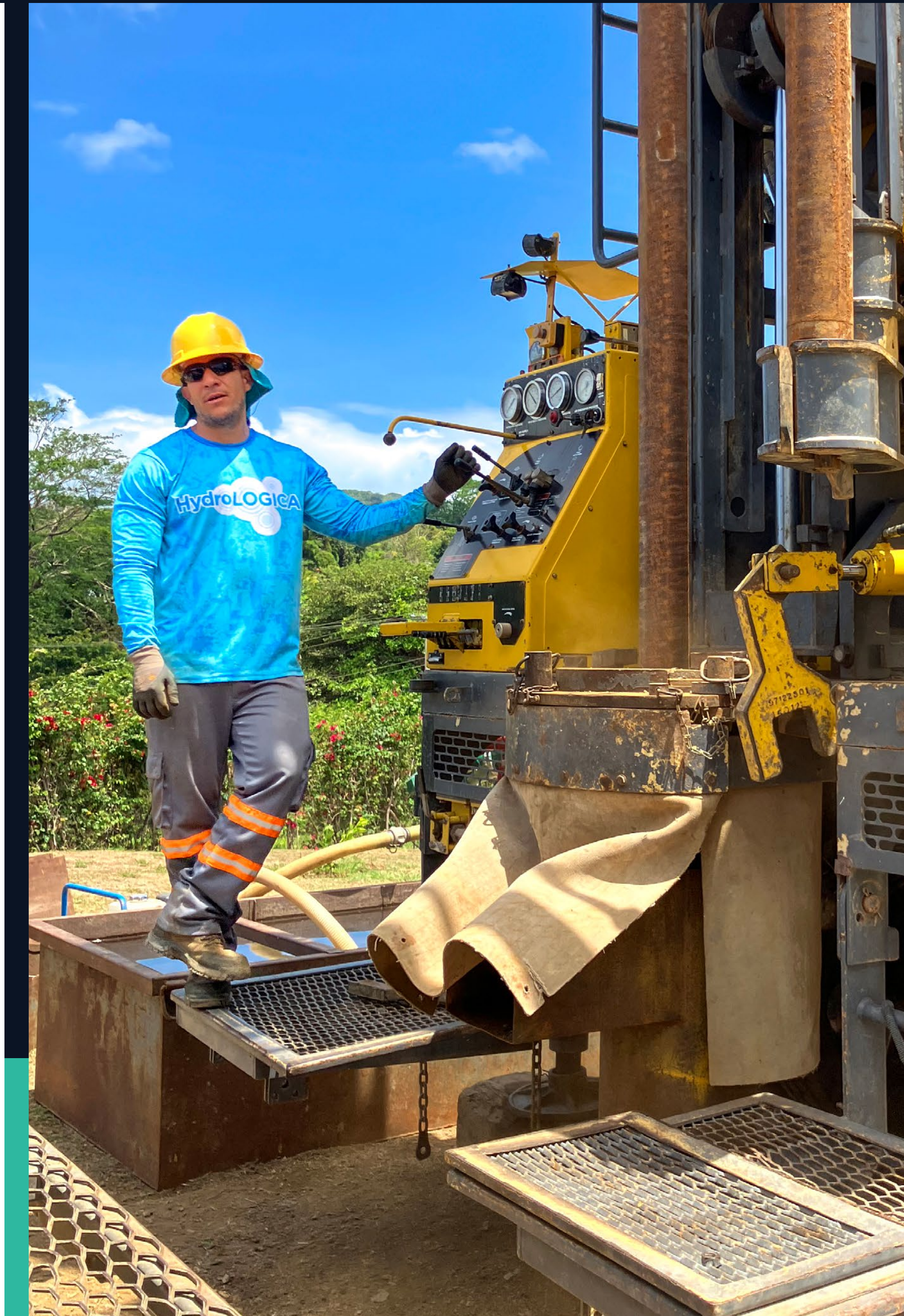
Procurement Plan Guide

Contents



Procurement Plan Overview: Timeline

Week	Activity	Complete?
Pre-Bid Activities		
1-2	Prepare documents, specifications, and budget	☐
3	Advertise prequalification for contractors	☐
5	Receive prequalification applications	☐
6-9	Evaluate prequalification applications	☐
10	Issue invitations to bid	☐
11-14	Bidding period (3 - 4 weeks)	☐
Post-Bid Activities		
15	Bid opening ceremony	☐
16-18	Evaluate bids and verify information	☐
19	Select winner and obtain approvals	☐
20	Award contract	☐
21-24	Project activities start	☐
Total Procurement Time: 24 weeks (approximately 5 months)		

Procurement Plan Checklist

Pre-Bid Phase Activities

The pre-bid phase sets the foundation. Poor preparation leads to disputes, delays, and quality problems later.

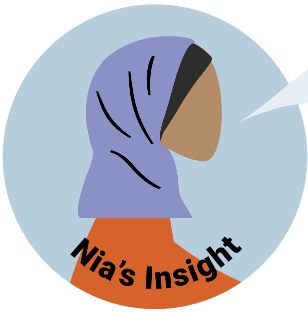
Action and Documents	Person Responsible	✓	Notes
1. Prepare Project Documents and Scope			
Scope of work (what contractor must deliver, where and in which geological environment)		▢	
Lot determination (if project is large, assign the boreholes to Lots and gather all documentation by Lot)		▢	
Technical specifications (borehole requirements, materials, installation, borehole development, pumping test, water quality testing)		▢	
Bill of quantities (number of boreholes, estimated depths, equipment and materials)		▢	
Drawings (site plans, borehole design cross-sections)		▢	
Conditions of contract (payment terms, timelines, penalties)		▢	
Budget and payment schedule*		▢	See sample budget and payment schedule below
Existing hydrogeological and geophysical studies		▢	

Action and Documents	Person Responsible	✓	Notes
2. Prequalify Potential Bidders			
Establish minimum qualification criteria (licenses, experience, equipment, staff, financial capacity)		▢	Must be registered in the country, at least five projects drilling over three boreholes in the last three years, valid drilling license, proof of ownership of drilling equipment, all drilling equipment passes inspection as fit for purpose, financial capability including minimum annual turnover of United States dollars (USD) 50,000 for the past three years and support letter from bank, references from two positive referees.
Advertise prequalification notice in newspapers and online		▢	
Set application deadline (typically two weeks)		▢	
Evaluate applications against established criteria		▢	
Call references and ask specific questions: 'Did they complete development properly? Did yields meet expectations? Were there delays?'		▢	Always call references and ask specific questions: 'Did they complete development properly? Did yields meet expectations? Were there delays?' Generic reference letters mean nothing.
Visit past projects to verify quality of work		▢	
Inspect equipment of bidders to verify claims and confirm fit for purpose		▢	
Verify equipment ownership (at least one drilling rig, one compressor, one mud pump, one support vehicle, and one water tanker)		▢	
Check licenses, references, and bank letters		▢	

Action and Documents	Person Responsible	✓	Notes
Verify financial capability including minimum annual turnover requirements		▢	
Create shortlist of qualified bidders (all those who qualify, typically 5-7 bidders)		▢	
Notify applicants of results		▢	

***Example Payment Schedule (tied to milestones)**

- 10% advance upon contract signing and submission of schedule of works by the drilling contractor(mobilization)
- 20% after successful completion of first borehole (tested yield)
- 20% after second borehole
- 20% after third borehole
- 20% after fourth borehole
- 5% final payment (minus 5% retention) after fifth borehole and final acceptance
    - ◊ Performance Bond: 10% of contract value
    - ◊ Retention: 5% held for 3-month defects liability period
    - ◊ Payment Terms: Within 30 days of invoice submission with supporting documentation



I've worked with contractors who had impressive websites but no working drill rigs - they would simply sub-contract the work. Prequalification catches this early.

Pre-qualification Checklist

Qualification	✓	Notes
Step 1: Initial screening		
Application submitted on time (reject late submissions unless force majeure)	▢	
All required documents included:	▢	
Completed application form	▢	
Company business registration certificate (up to date)	▢	
Tax compliance certificate (plus no outstanding liabilities and regular tax filing history)	▢	
Audited financial statements (last 2 years)	▢	
List of completed projects (last 3 years)	▢	
Equipment inventory list	▢	
Key personnel CVs (curriculum vitaes)	▢	
Bank reference letter	▢	
Application signed by authorized person (managing director or designated representative)	▢	

Qualification	✓	Notes
Minimum eligibility criteria met:	☐	*This step typically eliminates 20-30% of applications (incomplete submissions, clearly unqualified)
Registered business (minimum 3 years)	☐	
Specializes in borehole drilling (not just general water well drilling)	☐	
Completed minimum 10 community boreholes	☐	
Owns or has guaranteed access to drill rig	☐	
Step 2: Detailed Assessment		
1. Technical	☐	
Relevant project experience	☐	
Technical expertise and methodology	☐	
Quality of past work	☐	
Innovation and problem-solving capability	☐	
2. Operational (Visit contractor's workshop/office)	☐	
Physical address matches registered address	☐	
Equipment ownership and condition	☐	

Qualification	✓	Notes
Key technical staff hold required and current licences	▢	
Personnel qualifications and experience	▢	
Workshop and logistics capabilities	▢	
Health and safety policies and procedures	▢	
3. Financial	▢	
Financial stability and liquidity	▢	
Annual turnover and profitability	▢	
Banking relationships	▢	
Ability to finance project mobilization	▢	
4. Institutional	▢	
Governance structure and management systems	▢	
Compliance with national regulations	▢	
Quality management systems	▢	
Ethical standards and transparency	▢	

Qualification	✓	Notes
Check permits: Water Resource Commission drilling permit, Environmental permit, Occupational Safety certificate and Equipment Operation certificate	▢	
Risk management framework	▢	
Step 3: Verification and Shortlisting		
Reference Checks	▢	Call at least 2 references from recent projects. Ask specific questions about performance, quality, timeliness. Verify project details (depth, yield, completion time)
Final Shortlist:	▢	
Typically 5-7 contractors (ensures competition while managing evaluation workload)	▢	
Notify successful contractors (proceed to bidding)	▢	
Notify unsuccessful contractors (professional feedback)	▢	
Document entire prequalification process	▢	

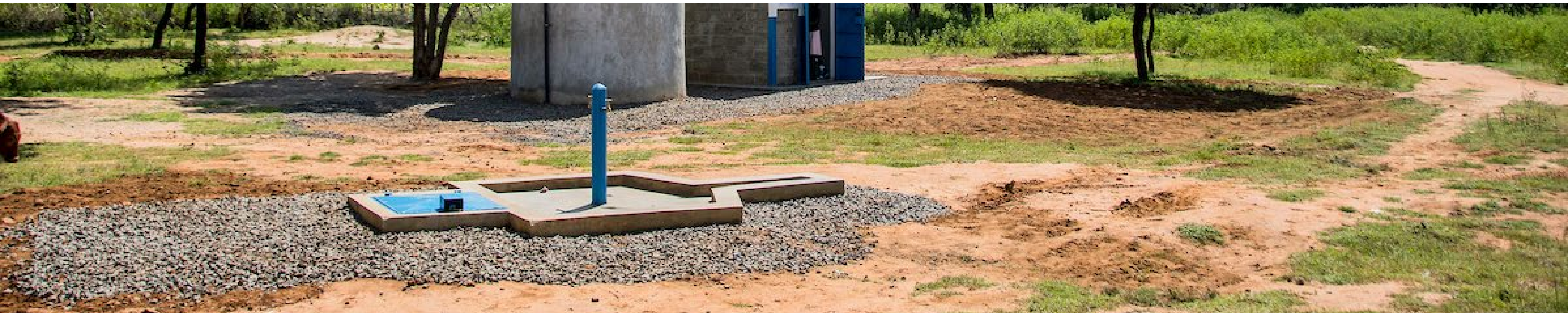
Action and Documents	Person Responsible	✓	Notes
3. Establish Bidding Requirements			
Define submission requirements (technical proposal, financial proposal)		☐	
Set bid validity period (typically 90 days but may be shorter depending on project timelines)		☐	
Determine bid security amount (protects against frivolous bids)		☐	
Create evaluation criteria and weights		☐	
Establish clarification procedures		☐	
Set question-and-answer deadline and process penalties)		☐	

Action and Documents	Person Responsible	✓	Notes
4. Finalize the Invitation to Bid			
Prepare invitation letter with all documents		☐	
Compile all documents into bid package		☐	
Distribute to prequalified bidders		☐	All bidders must receive identical information at the same time.
Set bid submission deadline (allow 3-4 weeks for preparation)		☐	
Schedule optional site visits and pre-bid meeting		☐	
Conduct pre-bid meeting and site visits		☐	
Establish question-and-answer process		☐	
Clarify submission requirements		☐	

Post-Bid Phase Activities

After bids are submitted, careful evaluation ensures the best contractor is selected fairly.

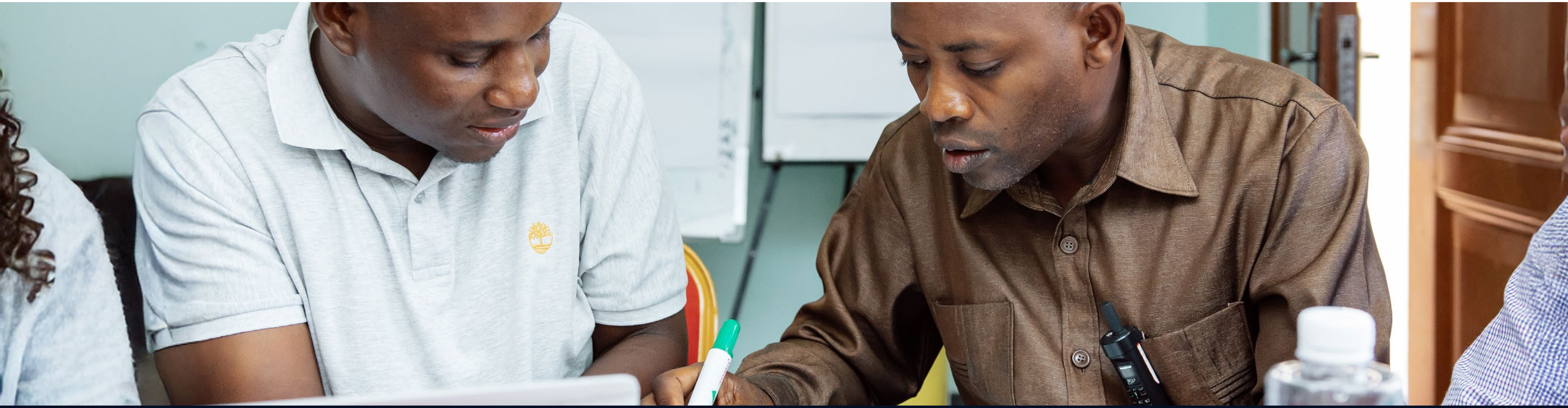
Action and Documents	Person Responsible	✓	Notes
1. Receive and Secure Bids			
Receive bids in sealed envelopes or by email before deadline		▢	
Register each bid with time stamp		▢	
Store securely until opening (prevents tampering)		▢	
Reject late bids according to rules		▢	



Action and Documents	Person Responsible	✓	Notes
2. Conduct Bid Opening			
Public opening ceremony with witnesses		☐	
Record each bidder’s name and price		☐	
Sign bid register		☐	
Distribute opening minutes to all bidders		☐	
Provide copy to all bidders present		☐	
Do NOT discuss technical details or scores yet		☐	**Why public?** Transparency prevents corruption and builds trust.

Action and Documents	Person Responsible	✓	Notes
3. Evaluate Bids			
Check eligibility (does the bid meet requirements?) and eliminate any that do not		▢	
Technical evaluation first (does the bid meet the scope and technical specifications?)		▢	
Score against criteria (company experience, equipment, methodology, personnel, work plan)		▢	
Disqualify non-compliant bids and bids below minimum passing threshold		▢	
Financial evaluation second (only for technically qualified bids)		▢	
Verify calculations		▢	
Check arithmetic accuracy		▢	
Compare to budget		▢	
Score according to formula		▢	
Apply evaluation criteria consistently		▢	

Action and Documents	Person Responsible	✓	Notes
Calculate combined scores		▢	
Rank bidders		▢	
Document all decisions with written justification		▢	
Prepare evaluation report		▢	
Request clarifications on ambiguous points (do NOT negotiate prices)		▢	**Common Pitfall**: Don't automatically choose the lowest price. Technical quality matters more in drilling.



Bid Evaluation Criteria

Criteria	Company A	Company B	Company C
Technical Criteria (70 points total)			
1. Company Experience (20 points)			
Number previous projects completed (10 points)			
Years in business (5 points)			
Quality of past projects (reference checks) (5 points)			
2. Equipment and Resources (20 points)			
Ownership/availability of fit for purpose drill rigs - capacity and mechanical fitness (8 points)			
Fit for purpose capcity and mechanical fitness auxiliary equipment (compressors, pumps, testing equipment) (6 points)			
Workshop facilities and spare parts inventory (3 points)			
Transportation and logistics capacity (3 points)			
3. Method Statement/Technical Approach and Methodology (15 points)			
Proposed drilling method appropriateness (4 points)			
Quality control procedures (2 points)			
Borehole development plan (3 points)			
Pumping Test (2 points)			
Record keeping and documentation procedures (2 points)			
Safety procedures (2 points)			
4. Key Personnel (10 points)			
Qualifications and experience of drilling overseer (5 points)			
Experience of drilling crew (3 points)			
Personal safety procedures (2 points)			
5. Work Plan and Schedule (5 points)			
Realistic timeline (3 points)			
Mobilization and demobilization plan (2 points)	0	0.00	0.00
Total technical criteria evaluation points	0.00	0.00	0.00

Criteria	Company A	Company B	Company C
Financial scoring			
Total financial scoring points			
Combined technical and financial score	0	0	0

How Financial Scoring Works:

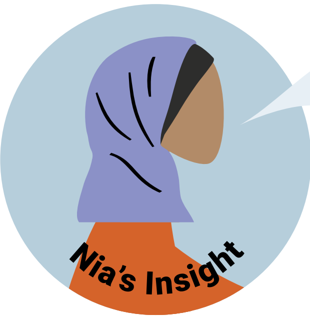
The bidder with the lowest evaluated financial proposal receives 30 points. Other bidders receive scores based on this formula:
Score = 30 × (Lowest Price ÷ Bidder's Price)

For Example:

Bidder A: $150,000: (lowest) = 30 points
Bidder B: $165,000: 30 × (150,000 ÷ 165,000) = 27.3 points
Bidder C: $180,000: 30 × (150,000 ÷ 180,000) = 25.0 points

Financial Proposal Must Include:
- Unit rates (price per meter drilled, by geology type)
- Lump sums (mobilization, equipment installation, testing) weighted appropriately
- Payment schedule aligned with milestones
- Contingency provisions for deeper drilling
- Schedule of rates for variations

*Points weighting is subject to change based on the specific contract



If something seems too good to be true in a bid, it usually is. Trust your instincts and verify everything.

Action and Documents	Person Responsible	✓	Notes
4. Select the Winning Bidder			
Rank bidders according to evaluation scores		▢	
Identify winning bidder		▢	
Finalize evaluation report with recommendation		▢	
Prepare recommendation report for approval		▢	
Present to management for approval		▢	
Obtain necessary approvals (board, donor, etc.)		▢	
Document approval decisions and selection rationale		▢	

Action and Documents	Person Responsible	✓	Notes
5. Award the Contract			
Issue award notification to winner		☐	The Contract Review Committee (CRC) typically checks: • Correct application of procurement procedures • Completed evaluation report • Justification for selected contractors • Consistency of contract documents • Any negotiated Best and Final Offer (BAFO) updates • Correct budget allocation • Compliance with donor/national procurement laws
Issue rejection letters to unsuccessful bidders (with professional feedback)		☐	
Notify unsuccessful bidders professionally		☐	
Negotiate final contract details if needed		☐	
Sign contract with winning bidder		☐	
Secure performance bond from contractor (guarantees contractor will perform)		☐	
Return bid securities to unsuccessful bidders		☐	
Schedule pre-mobilization meeting		☐	

Drilling Contract Review Checklist

Intro/Purpose	In Contract	Page	Notes
Contract purpose / objective	☐		
Contract name	☐		
Contract number (if any)	☐		
Contract date	☐		

Legalities / Relationship definition	In Contract	Page	Notes
Legal entities clearly indicated (e.g. This contract is between **Client** and **Contractor**)	☐		
Legal capacities of each party	☐		
Declaration of services (e.g. Client engages the Contractor for the services of __ in exchange for __)	☐		

Scope / Deliverables	In Contract	Page	Notes
Scope of services	☐		
Number of boreholes	☐		
Borehole locations (site name / coordinates)	☐		
Reference to site selection procedures	☐		
Construction standards referenced (National or international standard such as NGWA should be referenced)	☐		

Payment	In Contract	Page	Notes
Contract value	☐		
Forms of payment	☐		
Payment terms	☐		
Successful borehole according to bill of quantities	☐		
Low yielding borehole payment terms	☐		
Dry borehole	☐		
Does not meet water quality standards (*as outlined in the ToR/Bid)	☐		
Fines / fees for late delivery and or breach of contract (sub quality work)	☐		

Timeline	In Contract	Page	Notes
Start Date	☐		
Schedule of works	☐		
Work hours / days	☐		

Modifications	In Contract	Page	Notes
Contract modification terms	☐		

	Obligations and Responsibilities	In Contract	Page	Notes
Obligations and responsibilities of the Client	Licenses	☐		
	Permits	☐		
	Site access	☐		
	Supervision	☐		
	Communication	☐		
	Payment	☐		
Obligations and responsibilities of the Contractor	Licences	☐		
	Permits	☐		
	Mobilization	☐		
	Personnel (drill team)	☐		
	Site safety	☐		
	Personal safety	☐		
	Works per ToR / Quote	☐		
	Drilling methods	☐		
	Verticality	☐		
	Alignment	☐		
	Equipment - fit for service	☐		
	Tool, bits supplies, consumables	☐		
	Materials - in stock, on site, sufficient quantities	☐		

Obligations and responsibilities of the Contractor

Obligations and Responsibilities	In Contract	Page	Notes
Yield / Pump test	☐		
Water quality testing	☐		
Insurances	☐		
Liabilities	☐		
Taxes	☐		
Borehole development	☐		
Site clean up and restoration	☐		
Demobilization	☐		

Confidentiality and product rights	In Contract	Page	Notes
Confidentiality	☐		
Rights to works and information	☐		

Force Majeure	In Contract	Page	Notes
Terms and process	☐		

Termination	In Contract	Page	Notes
Terms and process	☐		

Arbitration / Mediation	In Contract	Page	Notes
Terms and process	☐		

Corruption	In Contract	Page	Notes
Anti-bribery / anti-corruption terms and consequences	☐		
United States Foreign Corrupt Practices Act (FCPA) and the Anti-Bribery Act. UK bribery 2010	☐		

Communication	In Contract	Page	Notes
Notifications and agreed upon contact information / means of communication	☐		

Signatures	In Contract	Page	Notes
Declaration and acceptance	☐		
Signatures	☐		
Dates	☐		

Supporting Documentation	In Contract	Page	Notes
Bid / ToR Documentation	☐		
SOP	☐		
National laws / regulations / best Practices (ANSI NGWA 01-14)	☐		
Lithology / cutting sampling	☐		
Annular space - define and minimum	☐		
Surface seal - depth and material	☐		
Down hole products (NSF 61)	☐		
Mud weights	☐		
Filter pack / formation stabilizer / backfill	☐		
Casing type / centralization	☐		
Screen type and placement	☐		
Black casing in screen for pump set	☐		
Development	☐		
Site selection	☐		
Technical Specifications	☐		
Bill of Quantities	☐		
Borehole design	☐		
Contractor Quote	☐		
Engineering diagrams	☐		

Action and Documents	Person Responsible	✓	Notes
6. Post-Award Activities			
Assign/hire drilling supervisor (if not done already)		▢	
Set up payment processing system		▢	
Establish reporting procedures		▢	
Conduct site verification (drilling supervisor + contractor)		▢	
Conduct pre-mobilization meeting to review project details (minimum project manager, finance, legal, drilling supervisor, contractor)		▢	
Brief community on timelines		▢	
Manage and monitor project implementation to completion		▢	