

Notice of the Ministry of Commerce on Printing and Distributing the Implementing Rules for the Comprehensive Evaluation Method in the International Bidding for Electromechanical Products (for Trial Implementation)

(No. 311 [2008] of the Ministry of Commerce)

The competent commerce departments of all provinces, autonomous regions, municipalities directly under the Central Government, municipalities under the separate state planning and Xinjiang Production and Construction Corps; the offices for the import and export of electromechanical products in all localities and of all departments of the State Council; and all the international bidding institutions of electromechanical products:

In order to further regulate the activities of international bidding for electromechanical products, make the work of bid evaluation more scientific, and encourage the purchase of advanced technologies and equipment, in accordance with the Bidding Law of the People's Republic of China and the Implementing Measures for the International Bidding for Electromechanical Products (Order No. 13 [2004] of the Ministry of Commerce), the Ministry of Commerce has formulated the Implementing Rules for the Comprehensive Evaluation Method in the International Bidding for Electromechanical Products (for Trial Implementation), which are hereby promulgated for your compliance and implementation.

Ministry of Commerce of the People's Republic of China

August 15, 2008

Implementing Rules for the Comprehensive Evaluation Method in the International Bidding for Electromechanical Products (for Trial Implementation)

## Chapter I General Provisions

Article 1 In order to further regulate the activities of international bidding for electromechanical products, make the work of bid evaluation more scientific, and encourage the purchase of advanced technologies and equipment, these Rules are formulated in accordance with

the Bidding Law of the People' s Republic of China and the Implementing Measures for the International Bidding for Electromechanical Products (Order No.13 [2004] of the Ministry of Commerce, hereinafter referred to as "Order No.13" )

Article 2 The comprehensive evaluation method as mentioned in these Rules refers to a kind of method for evaluation of bids, in which the standards and weights of commerce, technology, price, service and other evaluation contents are set according to the specific requirements of an international bidding project for electromechanical products (hereinafter referred to as the "bidding project" ) and the bid evaluation committee make comprehensive evaluations of the bids of the bidders to determine the winning bidder.

Article 3 Where the comprehensive evaluation method is adopted in a bidding project involving the use of a loan or aid funds from any international organization or foreign government, the relevant documents of the comprehensive evaluation method shall be submitted to the Ministry of Commerce for archival purposes; where the comprehensive evaluation method is adopted in a bidding project involving the use of domestic funds or other funds, the relevant documents of the comprehensive evaluation method shall be forwarded to the Ministry of Commerce for archival purposes by the relevant competent department.

## Chapter II Scope of Application and Principle

Article 4 The comprehensive evaluation method shall apply to a bidding project for large-scale equipment or complete plant with a high degree of technical content or with a complicated process or technical plan.

Article 5 The application of the comprehensive evaluation method shall adhere to the principle of "open and impartiality, scientificity and reasonability, quantification and selecting the best."

## Chapter III Contents and Requirements

Article 6 The comprehensive evaluation method plan shall be composed of the evaluation contents, evaluation standards, evaluation procedures, principles for determining the winning bidder, etc., and shall be open to all the bidders as an indispensable part of the bidding documents.

Article 7 The evaluation contents of the comprehensive evaluation method shall include the commerce, technology, price, service and other aspects of the bids.

The commerce, technology, service and other evaluation contents may include, but are not limited to, the following aspects:

(1) The evaluation content of commerce may include: qualifications, performance, finance, delivery date, terms and methods of payment, period of quality guarantee, other commercial contract clauses, etc.

(2) The evaluation content of technology may include: conceptual design, technical arrangements, functional requirements, performance indexes, project managements, professional competency, project implementation schedule, quality assurance system, plans for delivery, installation, test and acceptance, etc; and

(3) The evaluation content of service and other aspects may include: service process, breakdown maintenance, supply of parts and accessories, technical support, training plan, etc.

Article 8 In the comprehensive evaluation method plan, a corresponding weight shall be assigned to each evaluation content. Particularly, the weight of price shall not be lower than 30%, and the weight of technology shall not be higher than 60%.

Article 9 The comprehensive evaluation method plan shall list in a centralized way all the major clauses (parameters) (the clauses or parameters marked with an asterisk, the same as follows) of the bidding documents, and clearly stipulate that any divergence of a bidder from any of the major clauses (parameters) on the bidding documents shall be deemed as a substantial divergence and result in a void bid.

Article 10 As for a bidding project which has gone through the pre-qualification, the comprehensive evaluation method plan shall not take the relevant standards and requirements for the pre-qualification as the evaluation content; as for a bidding project which has not gone through the pre-qualification, the comprehensive evaluation method shall clearly stipulate the specific standards for obtaining the highest evaluation score of the relevant indexes of

qualifications, performance and finance.

Article 11 In the comprehensive evaluation method plan, the following methods may be applied to the evaluation of the commerce and technology contents of a bid:

(1) As for an index which only needs the determination of whether the requirements of the bidding documents are satisfied or whether there is a specific function, it may stipulate that the corresponding score may be obtained as long as the requirements are satisfied or there is the specific function; otherwise, no score.

(2) As for an index which can be clearly quantified, it may stipulate the scores corresponding to the different zones for scoring based on the bid responses of the bidders,

(3) As for an index which can be specifically compared between the bidders, it may stipulate the scores corresponding to the different ranks for scoring in the order of excellence based on the bid responses of the bidders.

(4) As for an index which needs calculation and scoring based on the bid responses of the bidders, it shall stipulate the corresponding calculation formula and method.

(5) As for the evaluation contents which cannot be quantified for comparison, such as general design, general plan, etc., it may take the two-step evaluation method: first, the members of the bid evaluation committee shall independently determine the grade of excellence of a bidder in the specific evaluation content, and determine the average grade of the bidder in the specific evaluation content based on the arithmetic mean corresponding to the grade of excellence; then, the members of the bid evaluation committee shall give a score within the corresponding score zone according to the average grade of the bidder.

The evaluation method shall give full consideration to all potential bid responses of each evaluation index, and each potential bid response shall correspond to a specific score, and shall not correspond to multiple scores or multiple score zones, unless the method listed in item (5) of this Article is applied.

Article 12 The price evaluation of the comprehensive evaluation method shall accord with the principle of priority to the lower price and economy, and clearly stipulate the maximum score of price evaluation of the valid bidder with the lowest bid evaluation price. The maximum possible score and the minimum possible score of price evaluation shall be full price score and zero respectively.

Article 13 The comprehensive evaluation method plan shall clearly stipulate the handling principles and methods when the members of the bid evaluation committee have large differences on the evaluation process and result, including:

(1) The following adjustment principle to be adhered to, when the members of the bid evaluation committee have differences in the scoring results of a single evaluation content such as commerce, technology or service of the same bidder:

Where the divergence of a score for a single content given by a member of the bid evaluation committee exceeds  $\pm 20\%$  of the average of scores given by all the members of the bid evaluation committee, the score of the member shall be eliminated and replaced by the average of scores given by the members of the bid evaluation committee which do not exceed the divergence extent (hereinafter referred to as the "corrected score"); where the divergence of a score for a single content given by each member of the bid evaluation committee exceeds  $\pm 20\%$  of the average of scores given by all the members of the bid evaluation committee, the average of scores given by all the members of the bid evaluation committee shall be taken as the score for the single content of the bidder.

(2) The handling principle and method, when the members of the bid evaluation committee have differences in the general ranking and the recommended winning bidder.

Article 14 The comprehensive evaluation method plan shall clearly stipulate that no bidder under either of the following circumstances shall be determined as the recommended winning bidder:

(1) Where the bid evaluation price of the bidder is higher than the average of the bid evaluation prices of all valid bidders by a specific proportion; or

(2) Where the technology score of the bidder is lower than the average of technology scores of all valid bidders by a specific proportion.

The proportions listed in item (1) and item (2) of this Article shall be specifically stipulated in the bidding documents, and the proportion listed in item (1) shall not be higher than 40%, while the proportion listed in item (2) shall not be higher than 30%.

#### Chapter IV Procedures and Rules for Evaluation

Article 15 The bid evaluation committee shall first make preliminary evaluations of the bids (see Annex 1), and decide and reject a bid which is void or has any substantial divergence. Those bids having passed the preliminary evaluation shall enter into the stage of comprehensive evaluation.

Article 16 The members of the bid evaluation committee shall independently score the bids according to the comprehensive evaluation method plan, and calculate the single content scores for commerce, technology, service and other evaluation contents of all bidders respectively, and no standard which is not stipulated in the bidding documents shall be taken as a basis for a plus or minus of a score.

Article 17 The price evaluation shall adhere to the following steps: (1) arithmetical correction, (2) calculation of the price after the bidding statement (discount/price increase or decrease), (3) price adjustment, and (4) price scoring.

Article 18 The bid evaluation committee shall gather the score given by each member; no member shall score again after submitting the evaluation record form independently produced by the member (see Annexes 2-1, 2-2 and 2-3)

Article 19 The bid evaluation committee shall, according to item (1) of Article 13 of these Rules, make adjustment and correction of the scoring results of each member.

Article 20 A bidder' general score shall be equal to the total score of the single content scores of commerce, technology, price, service and other evaluation contents.

Article 21 The bid evaluation committee shall rank all bidders according to their general scores. If the general scores are identical, the bidder with a higher price score shall take precedence of the other in rank; if the price scores are identical, the bidder with a higher technology score shall take precedence of the other in rank; and by analogy, the same shall apply in the order of precedence of the single content scores of commerce, service and other evaluation contents.

Article 22 The bid evaluation committee shall recommend the bidder who ranks first in the general ranking as the recommended winning bidder. Where the bidder who ranks first in the general ranking is under either of the circumstances listed in the Article 14 of these Rules, the bid evaluation committee shall recommend the bidder who ranks second in the general ranking as the recommended winning bidder. Where all the bidders fail to meet the recommendation requirements, the bidding shall be invalid.

Article 23 The bid evaluation report shall be formulated according to the relevant provisions of Order No.13, and detail the calculation process of the comprehensive evaluation scores, including but not limited to the following forms and tables: the evaluation record form for a member of the bid evaluation committee, the summary table of the final commerce scores (see Annex 3-1), the summary table of the final technology scores (see Annex 3-2), the summary table of the final scores of service and other evaluation contents (see Annex 3-3), the summary table of the final price scores (see Annex 4), the summary table of the final scores and ranking of the bidders (see Annex 5) and the evaluation opinion form (see Annex 6).

Article 24 The bids, evaluation score record forms of the bid evaluation committee, summary tables and all materials related to the bid evaluation shall be strictly kept confidential and timely archived by the employers and the bidding institutions.

## Chapter V Supplementary Provisions

Article 25 The corresponding competent department as mentioned in these Rules refers to the administrative body for the import and export of electromechanical products of a province, an autonomous region, a municipality directly under the Central Government, a municipality under the separate state planning, a special economic zone, Xinjiang Production and Construction Corps or a department; the valid bidder as mentioned in these Rules refers to a bidder who has passed

the preliminary evaluation and substantially satisfied the requirements of the bidding documents in both commerce and technology; the average of scores as mentioned in these Rules refers to the arithmetic mean.

Article 26 Where the comprehensive evaluation method is adopted in an equipment bidding project under the major equipment independence support program, these Rules shall apply by analogy.

Article 27 The power to interpret these Rules shall remain with the Ministry of Commerce.

Article 28 These Rules shall come into force after 30 days from the date of promulgation.