



# Section III. Evaluation and Qualification Criteria (Without Prequalification)

## 1.5 Domestic Preference

If a margin of preference is provided for under ITB 35, the following procedure shall apply:

1.5.1 In comparing domestic bids with foreign bids, a margin of preference will be granted to eligible domestic contractors, as defined below, in accordance with the following provisions.

(a) For application of domestic preference, all responsive bids will first be classified into the following two categories:

(i) Category I: Bids offered by domestic contractors and joint ventures eligible for the preference in accordance with the criteria set forth in BDS; and

(ii) Category II: Bids offered by other contractors.

The Employer will review each bid to confirm the appropriateness of, or to modify as necessary, the category to which the bid was assigned by the bidder in preparing it.

(b) The lowest evaluated bid of each category will then be determined by comparing all evaluated bids in each category among themselves.

(c) Such lowest evaluated bids will next be compared with each other and if, as a result of this comparison, a bid from Category I is found to be the lowest, it will be selected for the award of contract.

(d) If, however, as a result of the comparison under (c) above, the lowest bid is found to be from Category II, it will be further compared with the lowest evaluated bid from category I. For the purpose of this further comparison only an upward adjustment will be made to the lowest evaluated bid price of Category II by adding an amount equal to 2.5% of the bid price. If, after such comparison, the Category I bid is determined to be the lowest, it will be selected for the award of contract; if not, the lowest evaluated bid from Category II will be selected.

1.5.2 Domestic contractors and joint ventures between a domestic contractor(s) and its foreign partner(s) shall meet the following minimum criteria for eligibility of the Domestic Preference Scheme:

(a) Domestic contractor(s):

(i) firms are registered in Republic of Maldives;

(ii) firms have majority ownership by nationals of Republic of Maldives.



(b) A joint venture between a domestic contractor(s) and its foreign partner(s) will be eligible for the preference only if:

- (i) the domestic partner(s) are individually eligible for the preference according to the criteria stated above;
- (ii) the domestic partner(s) would not qualify for the Works on technical or financial grounds without the foreign participation; and
- (iii) the domestic partner(s) will, under the arrangements proposed, carry out at least fifty per cent (50%) of the Works measured in terms of value.

1.5.3 Bidders applying for the preference shall provide all evidence, including details of ownership, necessary to prove that they are qualified for the preference according to the criteria set forth in paragraph 1.5.2 above.

1.5.4 Comparison of bids will only be between bids which conform fully to the specifications. In the event that the alternative bid not conforming to the specifications, if any, of the bidder whose main bid which conforms with the specifications is the lowest evaluated, is considered more advantageous than its main bid, such alternative bid may be considered.

1.5.5 A joint venture which is awarded the Contract as a result of the application of the above domestic preference provisions, shall furnish the Employer, together with the Performance Security, a "Domestic Preference Security" to guarantee that the profit and loss distribution and work-sharing arrangements with which the joint venture satisfied the criteria of Sub-Clause 1.5.2 (b) above will not be modified throughout the execution of the Contract. The domestic performance security shall be in the form of an unconditional on-demand bank guarantee or standby letter of credit acceptable to the Employer, for an amount in a convertible currency equivalent to the difference between the joint venture's bid price and the bid price of the lowest foreign bid.

The domestic preference security shall be issued either (a) by a bank located in Maldives or (b) directly by a foreign bank acceptable to the Employer. The domestic preference security shall be valid until the Contractor has substantially completed the Works and a Taking-Over Certificate has been issued by the Engineer in accordance with the provisions of GCC 10 and such security **be returned to the Contractor together with the Taking-Over Certificate.**

