

Vendor Selection Process

Independent National Electoral Commission

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1 Rationale and Background

The vendor selection process has multiple design objectives:

- To support the optimal acquisition of Direct Data Capture equipment
- To develop a rational, objective way to determine vendor suitability
- To develop a near mechanical process that is repeatable and will consistently yield the same results
- To ensure that the selection made is technically and financially supportable
- To conform to best practices

The evaluation will be performed on a **100 point scale**. The criteria and the apportionment of points across criteria is as below.

1. **Manufacturers Only:** Deal directly with manufacturers of the required product. This ensures that respondent actually has control over the process of manufacturing and delivering product.
2. **The 10% Rule (20 Points):** The quoted volume should not exceed 10% of the manufacturers yearly production over the last year. This criterion ensures that the quoted quantities are a realistic projection of available product, clearly in the timeframes given it is infeasible to manufacture product specifically to fulfill this order. The realism of any commitment given is critical and so this point is weighted heavily.
3. **Proof of capacity (10 Points):** The responder should provide proof/credible assurance that they can supply the quantity quoted in the time specified. This factor ties in closely with the 10% rule - it critically determines the ability to keep commitments made by the responder.
4. **Technical Responsiveness to requirements (25 Points):** Proof that the combined solution offered will perform to the minimum standard required. If the product set does not work, the entire purpose of this acquisition is defeated. This factor is therefore the most heavily weighted.
5. **Product Quality (10 Points):** The goods quoted for and supplied are fit for purpose and of sufficient manufactured quality to deliver service reliably.
6. **Preference for Volume (15 Points):** Suppliers who quote for the largest volume will be given preference. This is a critical determinant of supply chain and procurement complexity reduction - on the general principle that the fewer the number of moving parts the more reliable the operation.
7. **Price (10 Points):** The quoted price shall be an important determinant in the selection of a vendor.
8. **Consolidation (10 Points):** Vendors who provide the most items, preferably all, will be given precedence. This is an important criterion in reducing the total number of suppliers the commission will be required to manage, centralizing maintenance and support and simplifying financial operations.

2 Selection Criteria

The selection criteria are designed to reduce procurement complexity and support rapid deployment of the DDC equipment. A principal consideration was the integration of the systems - it is desired that a single package including all components be delivered to reduce logistical complexity. The logistical complexity of delivering 10 discrete components to 120,000 different locations would lead to mistakes, and major inefficiencies and is to be explored only as the very last resort.

Hereunder an adumbration of the selection criteria:

2.1 Manufacturers Only

2.1.1 Rationale

The commission took a policy decision to contract only with manufacturers because only manufacturers have the detailed control over their processes and supply chain to make hard time commitments within the timeframe of operations.

2.1.2 Method of evaluation

Responses from entities who are not manufacturers will not be considered. The outcome is binary - Accept/No Accept.

2.2 The 10% Rule

2.2.1 Rationale

The 10% rule states that the quoted quantity will not exceed 10% of the responders yearly production. The rationale is that it is unlikely/infeasible that any manufacturer will keep more than a months production in stock. Given the close timelines for delivery, it is improbable that manufacture specifically to supply this RFQ is feasible. It was therefore determined that capacity to supply this order in a timely manner is critically dependent on manufacturing capability. Further, the tooling, instrumentation and dimensioning required to support a delivery of this scale must already be in place - thus previous production on this scale is a prerequisite for confidence.

2.2.2 Method of evaluation

- Points Allocated: 20
- The ratio (r) of quoted quantity to yearly production volume will be established in percentage points i.e if q is the quoted quantity, and p the yearly production quantity then $r = \frac{100q}{p}$ and where $r < 10$. The value of $2|(10 - r)| + 2$ will be established and that will constitute the points apportioned for compliance with the 10% rule. For value of $10 < r < 20$ a baseline 2 points will be awarded.
- In the alternate a step function of the following form can be used:
 - for r where $r < 2.5\%$ assign a score of 20
 - for r where $2.5 \leq r \leq 5.0$ assign a score of 15
 - for r where $5.01 \leq r \leq 7.5$ assign a score of 10
 - for r where $7.51 \leq r \leq 10$ assign a score of 5
 - for r where $r > 10$ assign a score of 0

2.3 Credible assurance of capacity

2.3.1 Rationale

The manufacturer needs to assure the commission of its ability and commitment to deliver product in a timely fashion. The RFQ has asked for various pieces of information to assure itself of the capability of responder, information required include:

1. Last years production and sales of each item quoted for. (To assure capacity to deliver volume quoted)
2. 3 years audited accounts - this provides further evidence of sales of the volume stated and can also be used to infer the financial capacity to deliver the volumes quoted
3. Testimonials of persons/entities who have used the product for at least a year - this requirement if satisfied provides proof that the product exists and has been successfully used for the purpose intended

2.3.2 Method of evaluation

- Points Allocated: 10
- There must be a correspondence/correlation between the financials and reported volume sales
- There should be satisfied users of the product
- Reported production plants should have a capacity that corresponds to the production volumes
- If reported, inventory in stock should correspond to quoted volumes
- This is a somewhat subjective criterion and depends on the judgment of the evaluator. The evaluator must take into account all evidence provided and adduce a level of confidence.
- A score of 0 should be given for responses that are evidently false or that have glaring discrepancies, a score of 5 should be given for responses where there is doubt but may be true, and a score of 10 for responses that are supported from by clear evidence. Intermediate scores should be awarded for responses based on the evaluators judgment and information from other sources

2.4 Technical Compliance

2.4.1 Rationale

The ability of the quoted goods to perform the VR exercise is of paramount importance. There is absolutely no point acquiring goods that are not fit for purpose. The specifications given represent a minimum standard that must be complied with in every respect, responses that do not comply will not be considered. The vendor may propose a work-around the minimum specification, that work-around will be evaluated for technical feasibility, impact on performance, logistics and suitability for the purpose intended.

2.4.2 Method of evaluation

- Points Allocated: 25

- Evaluate compliance and based on conformance assign 3 points for each of (1) Laptop, (2) Printer, (3) Fingerprint scanner, (4) webcam, (5) power supply and (6) casing
- Should the response fail to include any of these components the points will not be assigned
- If any of the components exceeds specification the evaluator can award a bonus point (1) for the component
- The evaluator may award up to 7 bonus points for other considerations such as special integration capabilities, portability, size, previous experience and VR expertise.

2.5 Product Quality

2.5.1 Rationale

The commission seeks to acquire goods at an optimal tradeoff of quality and price. Principal indicators of quality include the indicated cost of maintenance, type and scope of maintenance/support and warranty, in-country support infrastructure, proposed mitigations for failure such as a failure reserve quantity and Mean Time Before Failure in both the lab and the world.

2.5.2 Method of evaluation

- Points Allocated: 10
- There are comprehensive measures of product quality available, but they are extremely technical and not suitable for this analysis in the time allocated. A simplified scheme is proposed, where objective measures of quality submitted by the respondent count for 5 points, anecdotal and experiential evidence will be used to assign 5 points.
- Consideration should be given to the cost of warranty for 5 years - should the warranty cost be equal to or close to half the cost of the device ($\pm 10\%$) then it indicates that the manufacturer does not have confidence in the quality of their machine and estimate that there is a 50% chance that the machine will become inoperable in the warranty period. There is no better test of quality than the manufacturers confidence.

2.6 Preference for Volume

2.6.1 Rationale

The idea is to reduce the number of vendors with which the commission has to deal. Vendor management is a time consuming and complex process, dealing with multiple vendors is even more complex. The ideal vendor would supply all the items fully integrated. There are two dates at which goods need to be delivered, 14 days and 28 days, the 14 day mark is more valuable than the 28 day mark and so carries a higher weight. The assumption is that it is at least 1.5 times as valuable as the 28 day mark.

2.6.2 Method of evaluation

- Points Allocated: 15
- We assume that the minimum permissible quantity is 20k units delivered in 28 days
- We make the further assumption that the maximum deliverable within 14 days is 100k units
- We then use the following formula where X_{14} is the quantity delivered in 14 days and X_{28} is the quantity delivered in 28 days. Then the points assigned is calculated thus

$$1.5\left(\frac{X_{14}}{1000} - 20\right) + \left(\frac{X_{28}}{1000} - 20\right)$$

2.7 Price

2.7.1 Rationale

This doesn't need a rationale!

2.7.2 Method of evaluation

- Points Allocated: 10
- We presume that the minimum unit cost for all items is going to be USD1,000 and the maximum is USD 2,000
- We allocate 10 points for \$1,000 and 0 points for \$2,000 on a linear scale. We can thus calculate the points earned by

$$10 - \frac{(p - 1000)}{1000}$$

where p is the quoted price.

- We consider the case of incomplete offerings; in which case we take the lowest offering, calculate the ratio of price for each component and multiply the component factor by the method calculated in the aggregate point above.

2.8 Consolidated offering

2.8.1 Rationale

The reasons for preference of a consolidated offering are manifold, not least amongst which are reduced logistical complexity, a single point of contact for maintenance, easier negotiations and reduced contractual and financial complexity - all of which are critical to a timely and successful implementation.

2.8.2 Method of evaluation

- Points Allocated: 10
- We assign weights to each component as follows, based on the difficulty of acquisition:

Item	Rating
Laptop	1
Webcam	1
Finger Print Scanner	3
Printer	2
Casing	1
Inverter/Battery Pack	2
Total	10

- We assign the aggregate of points for items the manufacturer provides.

3 Discussion

All the information required to make an evaluation was explicitly requested in the Request for Quote which required that the following mandatory essential and supplementary information be provided by each vendor:

Table of supply : This details items, 14 and 28 day quantities and a fixed unit price with a 5 year warranty.

Company Profile: Each responder must provide a company profile including

- Proof of incorporation

- Last 3 years Financial Performance/Reports
- A tax clearance certificate (If domiciled in Nigeria)
- Production capacity/units supplied over the last 3 years of each component quoted
- Location of factories, production plants or assembly plants indicating capacity of each
- Proof of capacity to supply quoted items in time (e.g. Inventory in stock, manufacturing capacity)

Product Data Sheets: The responder shall supply detailed data sheets for all items quoted

Product References: The responder shall supply product references and/or attestations of product users who have used the product for more than 1 (one) year

Financial References: The responder shall provide proof of financial capacity to supply the goods quoted in the quantities quoted. This may take the form of a letter from a reputable bank

Nominated Contact Person: The responder shall provide details and contact information of a person who shall be the single point of contact and who is by nomination capable of entering into agreements and making commitments on behalf of the responder. The single point of contact shall speak fluent English and be available, at a minimum between 9:00 AM and 17:00 PM Nigerian time, every day of the week until supply is concluded.