

7.2 Foreign procurement

There are many large turnkey projects which require sophisticated technical know how and/or high investment. As Thailand is a developing country, it is impossible for the government to shoulder all the financing required in these investment project. These executing agencies then turn to overseas sources of financing, i.e., ADB, IBRD, export credits from the suppliers country, etc. These financial institutions would normally set forth conditions that procurement should be in the form of international competitive bidding (ICB). Therefore, in projects which are financed by foreign loans, foreign companies as well as local companies are eligible to participate in the bidding. Invitations to ICB are announced in local Thai and English newspapers at least three months before the closing date. Bidder is allowed to quote either in Thai Baht, bidder's own currency or currencies of the countries supplying the goods. Bid offer must be accompanied by a bid bond equivalent to at least five or ten per cent of the bid, which ever stipulated in the bid conditions. Bid results would normally be announced one hour after the closing time. However, it may take the agency three to four months to complete bid evaluation and officially announce the name of successful bidder.

Recommendation for bid preparation.

It is recommended that bidder should adhere to both the commercial terms and technical specifications given in the bidding document. If the bidder has any offers that deviate from the main specification, be it more beneficial to the executing agency technicalwise or costwise, they should only be proposed as alternative offers. The main offer should always be in accordance with requirements stipulated in the bidding document. Bidder should also be precise in answering the various commercial and technical questions, irrelevant or supporting information could be included in the appendix part of the document.

Normally, local agent would play a vital role in assisting and advising the bidder in document preparation, by liaising with the executing agency or with its long accumulated experience. In case of any doubt, clarification should be seek from the executing agency. A deficiency free bidding proposal will always place the bidder in a more favorable position if his offer price is in par with the others.