



# SPP Guidelines

Integrating Sustainability Criteria for CFLs into  
Public Procurement Procedures



Hanoi, 2017

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## I. Introduction to Sustainable Public Procurement (SPP)

### 1.1. Sustainable development priorities in Vietnam

According to the “**Sustainable Development Strategy of Vietnam**” issued by the Prime Minister in 2012, the socio-economic development objectives of Vietnam for the period 2011 to 2020 focus on **sustainable economic development** and **economic restructuring** with the aim to increase production quality and competitiveness, enhance **natural resource effectiveness**, as well as ensure **social security**. Besides the Sustainable Development Strategy, there are many strategies and policies regulating specific aspects of sustainable development, including environmental protection, sustainable consumption and production (SCP), green purchasing, etc.

According to the Sustainable Public Procurement (SPP) Status Assessment report<sup>1</sup>, public spending in Vietnam represents between 20 to 30% of the total financial budget of the State. Given the sizable public procurement budget, the kinds of goods, works and services the Government of Vietnam purchases can have considerable influence in shaping the social, economic and environmental landscape. This is particularly the case for sectors or product categories where government accounts for the largest market share. In this sense, the procurement of sustainable products and services could enable the Government of Vietnam to meet its key sustainable development objectives outlined above, as well as other social, economic and environmental goals defined in other strategies, policies and legislation.

#### **SPP definition**

According to UN Environment’s SPP Implementation Guidelines<sup>2</sup>, ‘**sustainable procurement**’ is defined as: “A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating

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<sup>1</sup> Binh, T.N, Trung, N.D., 2015, Sustainable Public Procurement Status Assessment Report. This report was carried out under the Stimulating Demand and Supply of Sustainable Products through Sustainable Public Procurement and Ecolabelling Project (SPPEL) financed by the European Commission and is available at: [www.spcclearinghouse.org/resource/assessment-report-sustainable-public-procurement-status-vietnam-april-2015](http://www.spcclearinghouse.org/resource/assessment-report-sustainable-public-procurement-status-vietnam-april-2015)

<sup>2</sup>Available at: [www.spcclearinghouse.org/sites/default/files/sustainable\\_public\\_procurement\\_implementation\\_guidelines.pdf](http://www.spcclearinghouse.org/sites/default/files/sustainable_public_procurement_implementation_guidelines.pdf)

benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment”. SPP differs from traditional public procurement as it employs the life cycle approach to evaluate the environmental, social, and economic costs and benefits of the products and services. Through SPP, public agencies can purchase the products and services with a lower total cost of ownership (e.g. less energy consumed) and potential higher environmental and social benefits (e.g. less toxic matter, avoid child labour, etc.).

## 1.2. Objectives and potential benefits of SPP

SPP implementation in Vietnam will contribute directly to the **SCP objectives** defined by the Government of Vietnam in its **National Action Plan for Sustainable Consumption and Production**<sup>3</sup> (January 2016). According to the Action Plan, SCP aims to transform production and consumption towards greater resource and energy efficiency, promote renewable material and energy sources; reuse, reduce, and recycle waste; and maintain ecological sustainability throughout the product life cycle -- from exploitation, input material, supply, production and processing, distribution, consumption, and disposal. In line with these SCP objectives, implementation of SPP will promote sustainable consumption and production practices through the prioritized acquisition of sustainable goods, works and services by public entities.

In particular, SPP provides a wide range of benefits not only for purchasers and suppliers, but also the whole society, economy, and environment. Some of the advantages of SPP implementation in the context of Vietnam’s sustainable development objectives include:

Environmental benefits: through the reduction of water and energy consumption; reduction of waste from production, packaging, distribution and consumption; reduction of toxic substances used and emitted; and the protection of natural resources through sustainable exploitation.

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<sup>3</sup><https://thuvienphapluat.vn/van-ban/Thuong-mai/Quyet-dinh-76-QD-TTg-chuong-trinh-hanh-dong-quoc-gia-san-xuat-tieu-dung-ben-vung-2016-300366.aspx>

Social benefits: through the creation of equal opportunities for all labourers (female, ethnic minorities, people with disabilities, veterans, etc.) and the protection of human health (both workers and users).

Economic benefits: through the promotion, development and participation of small and medium-size enterprises (SMEs) in selling their products in large volumes, using more local resources (e.g. natural resources, human resources, financial resources, etc.).

### **1.3. SPP status in Vietnam**

With support from UN Environment through the Stimulating Demand and Supply of Sustainable Products through Sustainable Public Procurement and Ecolabelling (SPPEL) project, SPP has entered the piloting phase in Vietnam. The initial efforts of the Government of Vietnam and related ministries in introducing SPP and raising awareness on this matter, through the provision of training courses, organization of technical workshops, and development of communication material, are remarkable and have achieved results. Among the government agencies, the Ministry of Natural Resources and Environment (MONRE) is the leading institution for promoting the implementation of SPP in Vietnam. MONRE has conducted a series of studies (e.g. SPP status assessment, SPP legal review, market analysis, etc.) under the SPPEL project to help guide the implementation of SPP. In addition, the Ministry has been instrumental in implementing the Best Available Techniques (BAT) and Best Environmental Practices (BEP)<sup>4</sup> and SICEIM<sup>5</sup> projects (internationally known as “SAICM”<sup>6</sup>), as well as managing the Green Label Program<sup>7</sup> at the national level.

## **II. Legal framework for SPP in Vietnam**

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<sup>4</sup> <http://vea.gov.vn/vn/hoptacquocte/cacduan/duanBATBEP/Pages/default.aspx>

<sup>5</sup> <http://vea.gov.vn/vn/hoptacquocte/cacduan/SICEIM/Pages/default.aspx>

<sup>6</sup> [www.saicm.org](http://www.saicm.org)

<sup>7</sup> National certification program for sustainable products. For more information: <http://vea.gov.vn/VN/khoahoccongnghe/nhanxanh/Pages/trangchu.aspx>

Currently in addition to the adoption of the Sustainable Development Goals<sup>8</sup>, many directives, resolutions of the Party, and legal documents of the State have been enacted and implemented to realize the national objective of sustainable development. These documents include **Decision No. 432/QĐ-TTg** of the Prime Minister dated 12/4/2012 on approval of the Sustainable Development Strategy for the 2011-2020 period, **Decision No. 1393/2012/QĐ-TTg** of the Prime Minister dated 15/9/2012 on approval of the **National Green Growth Strategy (NGGS)**, and the **National Environmental Protection Strategy to 2010 and Orientation Toward 2020**. These provided the general legal orientations for the ministries, sectors, localities, organizations and individuals associated with implementing and coordinating actions to ensure the sustainable development of the country.

**Decision No. 432/QĐ-TTg** (17 April, 2012) initiated the **Sustainable Development Strategy in Vietnam**. The Strategy relates to **cleaner production, environmental friendliness, and clean industrialization**. One of the priorities of the Strategy is **sustainable consumption and production**. Mass application of cleaner production, in order to increase the efficiency of natural resources, materials, energy, water while reducing emissions and pollution rate and quality protection of the environment, are to be prioritized. Gradually, the implementation of eco-labelling and green procurement, and the development of an eco-product market and of community-based initiatives for sustainable consumption and production have also been acknowledged as priorities.

Approved in September 2012, the **National Green Growth Strategy (NGGS)** aims to accelerate the process of economic restructuring by promoting ‘green production’, reduce greenhouse gas emissions through research and application of modern technologies, and drive economic growth in a sustainable manner through stimulating green lifestyles and promoting sustainable consumption. Regarding the sustainable consumption and SPP, the Activity 64 of the National Green Growth Strategy clearly stated that all public entities should promote the purchase of

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<sup>8</sup>A set of goals to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda adopted by the member countries of the UN on September 25th 2015.  
<http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

environmentally friendly products whenever the financial resource is disbursed from the state budget.

In order to better protect the environment from negative impacts of human activities, the **Law on Environmental Protection** was developed by the National Assembly and put into effect on 23 June 2014. **Article no. 44** of this law regulates eco-friendly consumption and production which assigns the public entities the responsibility of preferring eco-friendly products and services that have been recognized by eco-labels under legal regulations. This Article also identifies MONRE as the lead agency for communication and promotion of eco-friendly products and services.

In terms of procurement practices and procedures, the regulations on creating priorities for enterprises applying social criteria (gender equality, job creation for people with disabilities, ethnic minorities) were stated in the **Law on Procurement 2013 (43/2013/QH13)**<sup>9</sup>. Meanwhile, regarding the environmental criteria, preferences are currently applied for energy saving products (light bulbs, lighting systems, office facilities and equipment and transportation vehicles). Currently, the Ministry of Natural Resources and Environment and the Ministry of Finance are co-developing a circular to provide the legislative foundation for selecting sustainable products in public procurement. It will also instruct the public entities the procedure, criteria, and means of verification for sustainable products.

### **III. Definition of SPP requirements**

As fluorescent lamps are currently quite commonly utilized in office building of various governmental agencies, the procurer should consider buying the sustainable CFL with no or an acceptable amount of toxic matter, or consider shifting to buying LED light bulbs for replacement.

**Before going further with sustainability requirements for CFLs, please rethink the amount and type of CFLs you would like to purchase by asking yourself these questions:**

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<sup>9</sup> <https://thuvienphapluat.vn/van-ban/Dau-tu/Luat-dau-thau-2013-215838.aspx>

- What we should do with the used and/or broken CFLs? Should we call the producer's customer care for disposal service or should we sell to the local trash collectors? Please do not discharge the CFLs to regular trash as they are considered as harmful waste.
- What is the type of CFLs we need to reduce the cost of ownership? Is it energy efficient? How much energy it consumes for operation in one hour?
- Should we change to LEDs as they are more energy and contain less toxic matter such as Mercury?

After making sure about the type and amount of CFL going to be purchased, please consider the SPP requirements as following.

### **3.1. Description of environmental, social and economic sustainability of CFLs**

In addition to the current regulation under the Law on Procurement, more environmental, social, and economic sustainability criteria should be used to select the sustainable CFL products. Please refer to Annex 2 to see an example of **Criteria on technical specifications inclusive of sustainability requirements**.

**Environmental sustainability:** CFLs have the risk of pollution through the use of Mercury during production, difficulty in withdrawing Mercury during disposal, packaging, high energy consumption, and the use of different natural resources for production. As fluorescent lamps are currently broadly purchased and equipped in governmental offices, the aim of selecting this product for pilot tenders in the public procurement is to reduce the amount of Mercury through identifying the products that contain less of this chemical element. The environmental sustainability of fluorescent lamps should follow the following guidelines:

- Ensure the amount of Mercury per unit is under the acceptable threshold: According to the Viet Nam Green Label criteria for fluorescent lamps, the acceptable amount of Mercury is less than 10mg per unit.
- Cadmium (Cd) and Arsenic (As) free: Cadmium and metalloid arsenic have caused major human health problems in various parts of the world. The overt toxicity of these



elements has been recognized for many years. Over the years, physicians have become increasingly familiar with the symptoms of metal poisoning arising in occupationally exposed workers and in individual cases of poisoning. The products which do not contain Cd and As are better for the health of both workers and users, and neither create toxic waste combining those two toxic chemicals.

- Radioisotope free: Compact fluorescent lamps which use magnetic ballasts often contain a trace amount of radioactive material to serve as an electron generator for their starting circuits. A commonly used radioisotope is Pm-147, in an amount close to 0.3 micro curie per lamp.
- Lead (Pb) free welding: Lead is a hazardous and poisonous material. The manufactures of compact fluorescent lamps should stop using lead in welding and soldering, or develop a pathway to stop using lead in the near future.
- Consuming lower amounts of energy and water during production: Water and energy consumption levels can vary depending on the different types of CFL production.
- Efficient energy consumption in operation: Different types of CFLs may have the same wattage consumed in a unit of time. However, they may provide different brightness (lumens). It is needed to select the right CFL with appropriate levels of energy consumption for the expected lumens.
- Environmentally-friendly packaging: Packaging for the CFL will not contain PVC or other chlorinated plastics.
- Environmentally-sound disposal: Instruction to dispose or recycle the product and its packaging cover after use.

**Social sustainability:** It is important that public money is used in a way that achieves as much social benefit as possible. This means that money should not simply be focused on paying for a product, but should attempt, where possible, to achieve wider benefits across society. In this respect, CFLs, in terms of social sustainability, can be defined as any effort that **creates social value in national and local communities**. This includes:

- Compliance with the Law on Labour: The producers and distributors must comply with all the contents regulated in the Law on Labour. If the producer is from another country and sells the CFL directly to the buyer in Viet Nam, it has to comply with its national law on labour and other international labour standard and human rights law.
- Creates equal opportunity in recruitment: The producers and distributors create opportunities for female employees, people with disabilities, and people from ethnic minorities to get job opportunities in their companies/factories with the same benefits as regular workers.

**Economic sustainability:** CFLs, in terms of economic sustainability, can be defined as a contributing to local economic outcomes including cost savings. This includes:

- Longevity of the lamp: The longer the lamp can last, the lower cost of ownership of this product for one period of time. Taking into account the longevity, we may select a 20,000 hours lamp with the price of VND 50,000 (VND 2.5 for 1 hour) instead of a 10,000 hours lamp with the price of VND 30,000 (VND 3 for 1 hour), given that all other criteria are the same.
- Longer product guarantee: A company with longer and better product guarantee policy may have the preference in SPP, as it could reduce the cost for repairing, replacement, and maybe upgrading.
- Small enterprises as regulated in the Law of Enterprise: In Vietnam, SMEs have significant positive impacts on economic growth, through enhancing the entrepreneurship, promoting creativity, and creating linkages with big and state owned enterprises (SOEs). Promoting SMEs also helps to develop financial market, especially micro credit, and ensure the social equality and stability. Procurement from SMEs can prove that the public entities give equal opportunity to both big enterprises and SMEs, both SOEs and private companies.
- Percentage of the input material from local resources (not from imported sources): Using the input material exploited from local resources means that the product will

have more added value for the domestic producers. As Vietnam is currently exporting different raw materials, the procurement of processed products from domestic resources will encourage the domestic production and help to increase the added value for national products.

- Preference for domestic producers: In some cases, preference should be given to domestic producers as they are employing the local labours and contributing to the national gross domestic products. Buying from domestic producer will encourage them to produce more sustainable products and services, not only for public entities but also for the conventional market.

### **3.2. Why has CFL been selected in the framework of SPP guidelines?**

CFLs are usually purchased in large volumes when a new office building is built or the whole lighting system of a building is replaced due to the lower price in comparison to LEDs. Due to this fact, CFLs are also regularly purchased for replacement and contingency purposes by the public entities.

Moreover, the readiness of an ecolabelling scheme for CFLs is also a plus. The Vietnam Energy Efficiency Program developed the **Energy Star Label** criteria in 2010, and officially certified the CFL products of Dien Quang, Rang Dong, and Phillips. The Viet Nam Green Label Office developed the **Green Label criteria for CFLs** in 2014, and piloted it with Rang Dong Company.

### **3.3. Environmental labels / voluntary sustainability standards for CFLs**

With each criterion, we have to find the indicator and means of verification to assess the qualification of the bidders. For example, if we want to buy energy efficient CFLs, we should indicate (1) the indicator for this criterion such as “amount of energy consumed for providing a certain amount of light in one hour”, and (2) the means to verify the amount of energy consumption, which could be the lab testing result, declaration of the producer, or the relevant eco-label.

Ecolabels can be used by procurers in the following three manners: (1) as a mandatory requirement (2) as a reference to define technical specifications, award criteria, or contract performance clauses; and/or (3) as a mean to verify compliance with technical specifications, award criteria or contract performance.

So, what are the ecolabels for CFLs which we can use as means of verification?

Firstly, Viet Nam Green Label Office developed the **Green Label criteria for CFL** in 2014, coded as NXVN 02:2014<sup>10</sup>. The criteria clearly defined the requirements for input material, production process, marketing, purchasing and consuming, and finally disposing.



Besides the Green Label for CFL, the Vietnam Energy Efficiency Program developed the criteria for certifying CFL products with the Vietnam Energy Star Label in 2010, more focusing on the amount of energy consumption.



<sup>10</sup> <http://vea.gov.vn/vn/khoahoccongnghenhanxanh/nhomsp/chieusang/Pages/NXVN02.2014.aspx>

Based on the number of stars indicated on the product's packaging, the buyer can evaluate the level of energy efficiency of the CFL. The number of stars could also be used as a reference for scoring the products in bidder selection phase.

#### **IV. Supplier selection**

The selection stage of bidders allows contractors to:

- Exclude companies from tendering for not meeting certain conditions (exclusion criteria); and
- Select the most suitable companies based on technical ability and previous experience in relation to the subject matter of the contract (selection criteria)

Both sets of criteria provide opportunities for pursuing sustainability goals, as outlined below.

##### **4.1. Overview of exclusion criteria**

According to the Law of Procurement, there are 9 prohibited practices. However, in order to ensure that public procurement is sustainable, beside the 9 prohibited practices as regulated by the law, we should also consider the legal compliance of the bidder with environmental, social, and economic regulations. Hence, another exclusion criteria is proposed as the 10th exclusion criteria. The bidder will be excluded if there is any evidence for one of those practices being found.

1. Giving, receiving, brokering bribery.
2. Abuse of position or power to illegally intervene in procurement.
3. Collusion, which includes the following practices:
  - Agreeing to withdraw from bidding or to withdraw the submitted bid, so that one or more parties involved in the bid rigging can win the contract;
  - Agreeing to let one party or more parties prepare bids for other parties, in order for one party to win the bidding;

- Agreeing to refuse to supply goods or sign sub-contracting agreements or do other things causing difficulties to those parties who are not involved in the collusive arrangement.

4. Frauds, which include the following practices:

- Intentionally making misrepresentations or distorting information, forging documents of a party in procurement in order to obtain a financial or other benefit, or to avoid any obligation;
- Any individual directly involved in evaluating Bids, appraising the results of short-listing or bidder selection who intentionally misreport or provide untruthful information to distort the result of bidder selection;
- Bidders who intentionally provide untruthful information in Bids to distort bidder selection results.

5. Obstruction, which includes the following practices:

- Destroying, deceiving, altering or concealing of evidence or misrepresenting; threatening, harassing or suggesting to any party, in order to impede investigations on giving, accepting or brokering a bribe or collusive practices with the agency having authority, function of oversight, examination, inspection, auditing;
- Obstructive practices against bidders and authorized agencies in charge of oversight, examination, inspection, or auditing.

6. Failing to ensure fairness and transparency includes the following practices:

- Being a bidder participating in the packages for which the same party is the Procuring Entity or Employer, or perform tasks of Procuring Entity or Employer;
- Involving in both preparation and appraisal of the BD under the same procurement package;
- Involving in both evaluation of Bids and appraisal of bidder selection results under the same procurement package;
- Being directly involved in the bidder selection process as a member of Procuring Entity or of the Employer or being involved as a member of the evaluation team

or bidder selection result appraisal team or being head of Employer, Procuring Entity for procurement packages in which their natural father or mother, or father- or mother-in-law, or spouse, natural child, adopted child, son- or daughter-in-law or natural brother(s) or sister(s) participates as a bidder or the legal representative of a bidder;

- Bidders bidding for the procurement package of civil works for which they have provided the consulting service before;
- Bidding for a procurement package under a project administered by their former employer as the Employer or Procuring Entity within 12 months from his or her resignation from such agency or organization;
- Applying selection methods other than open bidding when the required conditions set forth in Public Procurement Law No.43/2013/QH13 do not suffice;
- Specifying a specific brand name or origin of goods as a requirement in the BD;
- Bid packaging in a project or a purchase budget in a manner that goes against Public Procurement Law No. 43/2013/QH13 for the purpose of direct contracting or restricting participation of bidders.

7. Divulging, receiving the following information, documents on the bidder selection process, except for circumstances stipulated in paragraph b, Item 7, Article 73, Item 12, Article 74, paragraph i, Item 1, Article 75, Item 7, Article 76, Item 7, Article 78, paragraph d, Item 2, Article 92 of Public Procurement Law No. 43/2013/QH13:

- Contents of BD prior to the specified date of issuance;
- Contents of Bids, note-taking books, minutes of bid evaluation meetings, and comments or remarks on each bid before the bidder selection result is published;
- Request for clarification of Bids made by the Procuring Entity and responses thereto submitted by bidders during the bid evaluation process before the bidder selection result is published;

- Reports made by the Procuring Entity, the evaluation team, appraisal reports, reports of the consultants or related functional agencies in the bidder selection process prior to publication of bidder selection results;
- Bidder selection results prior to they are published as required;
- Other relevant documents in the bidder selection process that are marked “confidential” in accordance with laws.

8. Contract assignment, including the following practices:

- The contractor transfers to another contractor a portion of the package amounting to 10% or higher (after deducting the portion of works under the responsibility of the subcontractors) of the price of the signed contract;
- The Employer or Supervision Engineer allows the contractor to transfer the work for which the bidder is responsible, except the portion of work under the responsibility of subcontractors specified in the contract.

9. Organizing bidder selection before the funding source for the package has been secured, resulting in delayed payments to the bidder.

10. Non-compliance with fundamental labour and environmental laws (i.e. Law on Environmental Protection, Law on Labour, Law on Corruption Prevention and Mitigation, etc.).

#### 4.2. Overview of selection criteria

According to the Law of Procurement, a bidder will be assessed and selected based on two major groups of criteria,

- the first one is **assessment criteria on bidder qualification and experience**,
- the second one is **assessment criteria on technical specifications of the product**.

The assessment criteria on bidder experience and qualification covers the experience of a bidder in providing the same products in the past, production and commercial qualification, and financial qualification. There are also some social and economic criteria, which are currently applied for **assessing preference criteria given to contractors**. The assessment criteria on technical specifications of the product may vary depending on the type of product and the needs of the buyers.



### **Assessment criteria on bidder qualification and experience**

“Experience” refers to the number of years the bidder has been working in the area relevant to the tender, as well as the number of contracts that have been awarded to the bidder for the provision of similar goods/services.

The “qualification” of the bidder is assessed in terms of production, commercial, and financial aspects. It could be evaluated by the budget of similar contracts, labour force (manual workers and high-tech workers), level of technology, revenue, and the number of years operating profitably. Sustainability criteria that could be integrated in the assessment criteria for bidder experience and qualification might include but is not limited to: percentage of female labour, corporate social responsibilities (CSR), equal opportunity in recruitment, safe working environment, social security and welfare, etc. The means of verification for these criteria should be a human resource report, CSR statement, human resource development strategy, or self-declaration/statement by the company.

### **Assessment criteria on technical specifications of the product**

Although this is intended to be a sustainable procurement, we still need to list all technical specifications of CFLs as usually being used in conventional procurement.

- Type of CFLs: specific for office lighting, hallway lighting, or personal lighting
- Quantity: number of products
- Wattage: amount of energy consumed per hour
- Longevity: number of hours of operation
- Acceptable amount of toxic compound or non-toxic

A full technical specification inclusive of sustainability criteria should be developed to help the tender selection committee in the evaluation phase. Please refer to annex 2 for an example of criteria for CFLs.

### **4.3. Selection process**

Bidders shall fill the necessary information into different forms in the bidding document, to prove their qualifications and experience to perform the contract as specified in the Bid Evaluation Criteria. Original documents shall be ready to serve for verification as required by the Procuring Entity.

The Procuring Entity shall apply the criteria for evaluation listed in this Section and the evaluation method as prescribed in the Bidding Data Sheet (BDS) to evaluate the bids. Any other criteria or methods for evaluation shall not be allowed for use.

Examination of the validity of bids:

- The examination and evaluation of the validity of bids shall comply with the provisions of section on examination and evaluation of validity of bids;
- Only bidders having valid bids shall be further considered for evaluation of qualifications and experience.

Qualifications and experience evaluation:

- Evaluation of qualifications and experience shall comply with the criteria for evaluation set forth in section of criteria for evaluation of bids;
- Only those bidders whose qualification and experience comply shall be further considered for technical evaluation.

Technical and price evaluation:

- Technical evaluation is executed according to the criteria (including sustainability criteria) set forth in the section on criteria for evaluation of bids;
- Only those bidders who are technically responsive shall be further considered for price evaluation as set forth in section of criteria for evaluation of bids.

After the price evaluation, the Procuring Entity shall prepare and submit a **bidder ranking list** to the Employer for approval. The bidder who ranks in the first place shall be invited for **contract negotiation**. Bidder ranking shall be done as set forth in the bidding database sheets.

## **V. Contract award**

A bidder is recommended for contract award when it meets the following conditions:

- *The bidder has a valid bid;*
- *It has the required qualifications and experience in accordance with Evaluation Criteria;*
- *It has a responsive technical proposal as prescribed in the Bid Evaluation Criteria;*
- *The deficiency is not more than 10% of the bid price;*
- *The bidder meets requirements as prescribed in the Bidding Data Sheet;*
- *The recommended award price (including taxes, fees and charges (if any) does not exceed the approved cost estimate. If it exceeds, Clauses 7 and 8, Article 117 of Decree 63/2014/ND-CP shall apply.*

Together with the notification of bidder selection result, the Procurement Entity shall send a Letter of Acceptance, including requirements pertaining to performance security, time frame for contract finalization and conclusion of contract, using the provided contract forms, to the successful bidder, provided that the Bidder has been verified as being capable to perform the Contract satisfactorily. The Letter of Acceptance shall be an integral part of the Contract documents. In the event that the successful bidder fails to finalize and conclude the contract or pay Performance Security before the deadline mentioned in the Letter of Acceptance, the bidder shall be rejected.

## **VI. Contract management**

### **6.1. Sustainable contract performance clauses**

Besides the sustainable criteria used during the selection phase, there are sustainability clauses that need to be considered during contract negotiation and management. Those clauses should regulate the guarantee of product quality as well as the sustainable requirements for installation, use, and disposal of the products.

*Examples: The consumer holds the responsibility to ensure electricity safety for installing new CFL products.*

*The provider holds the responsibility to collect the package material (box, shock resistance material, etc.) and broken products for recycling or other purposes.*

## **6.2. Monitoring the sustainability of products/supplier**

In order to determine whether or not the products purchased are sustainable as described in the bidding document, a product sample should be requested to submit along with the bidding documents. The sample product should be used as the reference against which all the products that will be purchased later on can be compared to.

During the use, operation, and maintenance of the products, the public entities should monitor if the sustainable requirements are satisfied or not (as specified in the contract performance clause). For example, the officers could monitor the disposal activities of the suppliers or check whether the used papers could be sold to the local waste collectors or not.

**Annex 1: Criteria on experience and qualification of bidder**

No	Criteria	Scoring	Pass/fail
1	<b>Experience</b> <i>Number of similar contracts in the past 5 years</i>	<i>&lt;2: 0 points                      2-5: 1 point                      5-10: 2 points                      &gt;10: 3 points</i>	Minimum number of similar contract required (e.g. 5 contracts, less than 5 means fail)
	<i>Number of years working in CFL sector</i>	<i>&lt;1 year: 0 points                      1-2 year: 1 point                      2-3 years: 2 points                      &gt;3 years: 3 points</i>	Minimum years of experience required (e.g. 2 years)
2	<b>Production qualification</b> <i>Volume of production of CFL product</i>	<i>&lt;10 tons: 0 points                      10-15 tons: 1 point                      15-20 tons: 2 points                      &gt;20 tons: 3 points</i>	Minimum volume of CFL production
3	<b>Labor force</b>		
	<i>Percentage of professional labor (college, vocational degree, etc.)</i>	<i>&lt;10%: 0 points                      10-25%: 1 point                      25-40%: 2 points                      &gt;40%: 3 points</i>	Minimum percentage of professional labor (e.g. 25%)
	<i>Percentage of female labor</i>	<i>&lt;10%: 0 points                      10-25%: 1 point                      25-40%: 2 points                      &gt;40%: 3 points</i>	Minimum percentage of female labor (e.g. 25%)

<b>4</b>	<b>Financial</b>		
	<b>4.1 Profit</b>		
	<i>Average profit in the last 5 year</i>	<i>&lt;10%: 0 points  10-25%: 1 point  25-40%: 2 points  &gt;40%: 3 points</i>	Minimum profit (e.g. 25%)
	<b>4.2 Financial stability</b>		
	<i>Number of year operating profitably</i>	<i>&lt;1 year: 0 points  1-2 year: 1 point  2-3 years: 2 points  &gt;3 years: 3 points</i>	<i>Minimum number of years (e.g. 2 years)</i>

## Annex 2. Criteria on technical specifications inclusive of sustainability requirements

No	Criteria	Requirement	
		Score	Pass/fail
(1)	(2)	(3)	(4)
<u>Technical specification</u>			
1	Compact fluorescent light bulbs for multi purposes (office lighting, hallway lighting, personal lighting, outdoor lighting)	Based on number of purpose, e.g: Office only: 1 point Office and personal: 2 points More: 3 points	Minimum required purposes (e.g. office lighting)
2	Safety guide and operation manual	No manual: 0 points Operation manual only: 1 point Safety guide only: 1 point Both: 3 points	Have at least the safety guide
3	Longevity	<5,000 hours: 0 points ≥5,000 - 10,000 hours: 1 point ≥10,000 - 12,000 hours: 2 points ≥12,000 hours: 3 points	Minimum required hours of operation (e.g. 12,000 hours)
4	Wattage	≤ 15 watts: 3 points >15 watts: 0 point	Less than 15 watts
5	Brightness (in lumen)	<200: 0 points ≥200-300: 1 point ≥300-400: 2 points ≥400: 3 points	Minimum required lumens (e.g. 300)
6	Contains acceptable amount of Mercury	>10mg: 0 points >8-10mg: 1 point >5-8mg: 2 points	Contains less than 8mg of Mercury per unit

		<i>≤5mg: 3 points</i>	
7	<i>Contains no radioactive matter</i>	<i>Contains: 0 points No: 3 points</i>	<i>No</i>
8	<i>Contains no Cadmium and Arsenic</i>	<i>Contains: 0 points No: 3 points</i>	<i>No</i>
9	<i>No chemical compound of lead (Pb) used in welding</i>	<i>Contains: 0 points No: 3 points</i>	<i>No</i>
10	<i>Packaging with environmental friendly material</i>	<i>PVC material: 0 points Non-PVC material: 1 point Recycled material: 2 points</i>	<i>No PVC packaging</i>
11	<i>Instruction for waste disposal/recycle</i>	<i>No instruction: 0 points Instruction by sign/symbol: 1 point Written instruction: 2 points</i>	<i>Have instructions for waste disposal/recycle</i>
<u><i>Guarantee</i></u>			
12		<i>&lt;12 months: 0 points ≥12-18 months: 1 point ≥18-24 months: 2 points ≥24 months: 3 points</i>	<i>Guarantee at least 18 months</i>
<u><i>Timeframe</i></u>			
13	<i>Time of delivery</i>	<i>&gt;4 weeks after signing contract: 0 points &gt;3-4 weeks: 1 point &gt;2-3 weeks: 2 points ≤ 2 weeks: 3 points</i>	<i>Minimum time after signing contract (e.g. 2 weeks)</i>
<b>Evaluation</b>	<u><b>Qualified</b></u>	<b>≥70% of total points</b>	<b>Minimum number of pass criteria (e.g. 10/13)</b>



	<b><u>Unqualified</u></b>	<b>&lt;70% of total points</b>	<b>Pass less than 9 criteria out of 12</b>
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