Ensuring Transparency in the Swiss Challenge Method
(when used for Public Procurement)

Presentation at AP-HRDI (GoAP)
by
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Salient aspects of Swiss Challenge Method

- A Private Sector entity (Original Project Proponent) submits an Unsolicited or Suo-Motu proposal and draft contract principles for undertaking a Project, not already initiated by the Government Agency or the Local Authority.

- If the Government Agency finds the proposal (original or modified through discussions) relevant and useful, it invites competitive counter proposals (with adequate notice).

- The proposal and contract principles of the Original Project Proponent (including DPR and related agreement, but excluding proprietary information) would be made available to any interested applicants.

- Through ‘Competitive Bidding’, the applicants get an opportunity to better the Original Project Proponent's proposal.
Salient aspects of Swiss Challenge Method

- If the Government finds a counter proposal more attractive, then the Original Project Proponent will be given the opportunity to match the competing counter proposal and win the Project.

- In case the Original Project Proponent is not able to match the more attractive competing counter proposal, the Project is awarded to the entity which has given the more attractive counter proposal.

- Private Sector Participant, submitting the more attractive competing counter proposal;

**Note:** Depending on the Policy of the concerned Government, the cost for conducting detailed studies or preparation of DPR may or may not be reimbursed to the project proponent by the Government Authority. However, if the project is awarded to the successful bidder other than the project proponent, then depending upon the policy of the concerned Government Authority, the DPR preparation cost could be reimbursed by the successful bidder. In the event the Government Authority reimburses a reasonable cost to the project proponent, the suo-motu proposal and the Concession Agreement prepared by the Original Project Proponent shall typically become the property of the Government Authority.
Ensuring Transparency in Swiss Challenge Method through e-Procurement

- Once the Government decides to invite competing counter-proposals, then subject to limitations of the associated ‘offline decisions/ processes’, the e-procurement process can be conducted in a transparent manner with high-integrity, if the e-procurement system has been built with proper safeguards (as discussed in the security-presentation)

- (Note: Offline decisions which could be the cause of ‘non-transparency’ are – Insufficient Response Time; Unfair Eligibility Criteria; Insufficient Disclosure, etc)

- Tender Notice for Open Competition can be given transparently clearly mentioning the ‘Swiss Challenge’ approach

- The Tender Notice should be searchable as a ‘Swiss Challenge’ tender

- The Tender Documents should include a copy of the Original Proponent’s DPR which should be transparently displayed to prospective bidders in a manner such that its ‘Integrity’ can be checked

**Note**: Original Proponent will not participate in the bidding process at this stage, and will come in post-evaluation to Match or Deny the “Best Evaluated Counter Proposal"

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Ensuring Transparency in Swiss Challenge Method through e-Procurement

Depending upon the nature of the project, it should be possible in the e-Procurement system to **configure the most appropriate bidding process** for the ‘Swiss Challenge’ which could include one or more of the following:

- Rules for Bidding process for inviting counter proposals to be decided by the Government Authority/ Purchasing Entity
  - Direct Bidding, or Prequalification followed by Bidding
  - Decision about Bidding methods such as --
    - Single-stage, single-envelope
    - Single-stage, two-envelope
      (Where required, the above followed by e-ReverseAuction)
  - Techno-Commercial followed by e-ReverseAuction
  - etc
Configuring the Bidding Process with Swiss Challenge Method
Ensuring Transparency in Swiss Challenge Method through e-Procurement

Steps from Issue of Tender Notice Onwards

- Online posting of digitally signed Tender Notice/ Corrigenda inviting counter proposals under Swiss Challenge method [The Tender Notice should be searchable with the keywords ‘Swiss Challenge’].

- Online uploading of digitally signed Tender Documents/ Addenda, along with digitally signed DPR [as a separate file].

- Online posting of digitally signed Clarification to Tender Documents by Bidders, and corresponding digitally signed response by Buyer.

- Online Pre-Bid Meeting/ digitally signed Minutes of Pre-Bid Meeting

- Online Bid-submission, as per rules configured by the Buyer for that tender [This should include features like – unquestionable Bid-Confidentiality through appropriate encryption techniques; Ensuring Integrity of Bid through digital signature of the respective Bidders; facility for Modification/ Substitution/ Withdrawal; et al.]

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ElectronicSearch™ for Tendering Opportunities - Swiss Challenge Methodology

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**Criteria related to Tendering Objective/Method for which tender is floated**

- Prequalification
- Bidding
- Prequalification followed by Bidding
- Prequalification followed by e-ReverseAuction
- Techno-Commercial followed by e-ReverseAuction
- Prequalification followed by e-ReverseAuction

**Special Methodology Tenders**

- Tenders to be responded under 'Swiss Challenge' methodology
- Yes  No

**Criteria relating to Tender-Notice Reference**
ElectronicSearch™ for Tendering Opportunities - Swiss Challenge Methodology

Bidding (Open - Global) Under ‘Swiss Challenge’ methodology
Counter Proposals are being invited for construction of Smart City under Swiss Challenge Method as per the DPA enclosed along with Tender Documents.

Bidding (Open - Domestic) Under ‘Swiss Challenge’ methodology
Counter Proposals are being invited for Smart City eco-friendly Garbha Management System under Swiss Challenge Method as per the DPA enclosed along with Tender Documents.
Ensuring Transparency in Swiss Challenge Method through e-Procurement

- Interactive Online Public Tender Opening Event(s) in the simultaneous online presence of the representatives of the Buyer, as well as, Supplier Organization [This should include features like – Interactive questions/ answers between TOE-Officers and Bidders; Online generation of Comparison Charts; Online digital-countersigning of Opened Bids by the TOE Officers; Online generation of Minutes of TOE digitally signed by the TOE Officers; et al]

- Online Evaluation of Bids after each TOE

- Identifying the ‘Lowest Counter-Proposal’

- Online Matching/ Denial of the ‘Lowest Counter-Proposal’ by the Original Proponent

Note-1: Digital Signatures affixed to NIT/ Corrigendum, Tender Documents/ Addenda, Clarifications, etc, should be verifiable by the users

Note-2: All important activities should be Audit-trailed

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Swiss Challenge Methodology – Buyer Invites Originator/ Proponent to Match L1-Bid
Swiss Challenge Methodology - Originator/ Proponent Matches/ Denies L1-Bid

Decision pertaining to matching L1-Bid
- Decision pertaining to matching L1-Bid: Yes/No
- Remarks pertaining Decision

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Ensuring Transparency in Swiss Challenge Method through e-Procurement

- Once **online Evaluation** of counter proposal is done with proper **audit trails**, the Original Proponent would be invited online to match the ‘Best Evaluated Counter Proposal’ by accepting or rejecting the counter-offer by the Government agency.

- The Original Proponent will respond by ‘Matching’ or ‘Denying’ with comments.

- (Option of the Buyer) Based on the Original Proponent’s comments, Revised Offer may be given by the Government Authority to the Original Proponent which can be Accepted or Rejected.

- This can be followed by online Award of Contract to the ‘Original Proponent’ or ‘Best Evaluated Counter Proposal’.

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