



**REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE
MINISTÉRIO DO PLANEAMENTO E INVESTIMENTO ESTRATÉGICO
IX GOVERNO CONSTITUCIONAL**

COMISSÃO NACIONAL DE APROVISIONAMENTO

INTERIM PROCUREMENT GUIDE – NATIONAL ECONOMIC BENEFIT (NEB)

**For activities funded and/or administered through the
procurement processes of the Government of the Democratic
Republic of Timor-Leste**

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RECORD OF VERSIONS

This Interim Procurement Guide is a controlled operational document developed and maintained by the National Procurement Commission (NPC).

It reflects the application of relevant provisions under Decree-Law No. 1/2025 and is intended to support consistent procurement practices across Government.

The Guide may be updated from time to time to reflect operational experience, feedback from Procuring Entities/ Units, and further regulatory developments.

Users are responsible for ensuring that they are using the latest approved version.

Version	Description	Effective Date	Prepared / Updated by
Version 1.0	First published version of the Interim Procurement Guide on the application of National Economic Benefit, reflecting the provisions in Decree-Law no. 1/2025, of 8 January, amended by the Decree-Law no. 25/2025, of 13 August (Procurement and Public Contracts Code)	03 June 2026	Abdul Basit, Jackson Chu, Jumerlinda Freitas

Future versions will be recorded in this table once approved.

INSTRUCTION

Representing the Government of the Democratic Republic of Timor-Leste, this Interim Procurement Guide on the Application of National Economic Benefit (NEB) is issued to support the consistent implementation of NEB provisions under Decree-Law No. 1/2025, of 8 January, amended by the Decree-Law no. 25/2025, of 13 August.

This Guide provides practical operational guidance for Procuring Entities / Units, Evaluation Juries, and other stakeholders in applying NEB within procurement processes. It is intended to promote transparency, consistency, and value for money, while supporting national economic development objectives.

This Guide should be read in conjunction with the applicable Standard Bidding Documents (SBDs) and relevant legal provisions. It does not replace the law but provides operational guidance for its application.

The development of this Guide has been supported through collaboration between the National Procurement Commission, the Ministry of Finance, and relevant stakeholders, reflecting the applicable provisions under the Decree-Law No. 1/2025. The technical contributions of the following members of the National Procurement Commission are gratefully acknowledged, whose expertise and dedication were instrumental in the development and shaping of this Guide:

- Abdul Basit, Senior Procurement Specialist
- Jackson Chu, Procurement Specialist
- Jumerlinda Freitas, Quality Control Coordinator

03 June 2026



Hermingardo Albano Soares
Executive Director of National Procurement Commission

INTRODUCTION

This Interim Procurement Guide provides guidance on the application of National Economic Benefit (NEB) in public procurement processes in Timor-Leste.

The NEB mechanism reflects the application of relevant provisions under Decree-Law No. 1/2025, particularly in relation to national supplier participation and local economic contribution. It is intended to support the achievement of broader national development objectives through public procurement.

This Guide is designed to assist Procuring Entities/ Units, Evaluation Juries, and other stakeholders in applying NEB consistently, transparently, and in a manner that supports value for money. It provides practical guidance on the interpretation of NEB criteria, required supporting information, and the application of NEB adjustments during bid evaluation.

The Guide focuses on the application of NEB across procurement activities and should be read together with the applicable Standard Bidding Documents (SBDs) and relevant legal provisions. It does not address all aspects of procurement practice, which will be further covered under the forthcoming Procurement Manual. It does not replace the law or SBDs, which shall prevail in the event of any inconsistency. This Guide is intended to facilitate the consistent application of existing legal provisions and does not constitute a separate policy.

This Guide is structured into four parts:

- **PART 1 – GENERAL PRINCIPLES:** Provides an overview of the NEB mechanism and key principles.
- **PART 2 – DETERMINATION OF NEB:** Provides guidance on supporting information for NEB contributions and the determination of NEB adjustment percentages.
- **PART 3 – APPLICATION OF NEB IN BID EVALUATION:** Explains the evaluation approach and calculation of NEB adjustments.
- **PART 4 – FREQUENTLY ASKED QUESTIONS AND PRACTICAL GUIDANCE:** Addresses common questions and practical considerations in applying NEB.

Feedback and queries relating to the application of this Guide may be directed to the National Procurement Commission to support ongoing improvement.

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PART 1 – GENERAL PRINCIPLES

1.1 PURPOSE OF NATIONAL ECONOMIC BENEFIT

The National Economic Benefit (NEB) mechanism is intended to encourage bidders participating in public procurement to contribute to national economic development in Timor-Leste.

The NEB mechanism reflects the application of the relevant provision of the Decree-Law No. 1/2025, particularly Articles 4(q), 86(4)(a), 86(4)(b), 86(4)(c), 87, and 88.

This is achieved by applying a benefit adjustment to the evaluation result for submissions that demonstrate meaningful contributions to the national economy.

The primary focus is to encourage:

- local economic participation, including the use of local labour, goods, and services
- participation of national contractors

The mechanism applies to both:

- Single Stage One-Envelope Procurement Procedures; and
- Single Stage Two-Envelopes Procurement Procedures

In Single Stage One-Envelope procedures, the NEB adjustment is applied to the evaluated price. In Single Stage Two-Envelope procedures, it is applied to the overall combined score. In both cases, the adjustment applies only to submissions that remain under consideration.

Note: These procedures reflect how bids are evaluated under the Standard Bidding Documents (SBDs). The NEB mechanism applies to all competitive procurement modalities and does not apply to non-competitive procurement methods (refer to Section 4.3.2).

Relevant provisions have already been incorporated into the promulgated SBDs and should be read in conjunction with this Interim Procurement Guide.

1.2 MINIMUM LEGAL REQUIREMENTS FOR CONTRIBUTION TO THE NATIONAL ECONOMY

The Decree-Law No. 1/2025 establishes minimum criteria that may be used to determine whether a bidder contributes to the national economy.

These criteria differ depending on the type of contract.

Goods – Article 86(4)(a)

A Supplier may demonstrate contribution where:

- Goods are extracted, produced or cultivated in national territory of Timor-Leste, or
- At least 30% of the Goods's value are derived from production processes carried out in Timor-Leste.

Works – Article 86(4)(b)

A Bidder may demonstrate contribution where:

- At least 40% of the goods used in the execution of the works are extracted or produced in Timor-Leste, or
- At least 80% of the personnel employed on the construction site must hold Timor-Leste nationality.

Services – Article 86(4)(c)

A Consultant may demonstrate contribution where:

- At least 60% of the overall staff employed by the Consultant must hold Timor-Leste nationality.

Additional Criteria

Under Article 88 of Decree-Law No. 1/2025, additional criteria may be introduced in the bidding documents where justified.

However, additional criteria are generally not recommended unless there is a clear policy objective or sector-specific requirement.

Please note that overly complex criteria may create uncertainty for bidders, complicate the evaluation process, and reduce competition.

1.3 CONTRACTOR CLASSIFICATION

The law also provides for different classifications of contractors, which may result in different caps on the NEB adjustment percentage applied.

In the context of this Guide and the applicable Standard Bidding Documents, a National Contractor is treated as a “domestic supplier”, as defined in Article 4(q) of Decree-Law No. 1/2025:

"domestic supplier" means a supplier that is:

- i. Natural person who is a national citizen;
- ii. Legal person incorporated in Timor-Leste owned in more than 50%, directly or indirectly, by national citizens;
- iii. Natural or legal person who, by application of the criteria set out in the previous paragraphs, is considered a national of the countries that are party to international agreements entered into by Timor-Leste in the field of supply, provided that these countries, under the terms of the respective international agreements, are assigned the same classification as Timor-Leste in terms of state of development; or
- iv. Grouping consisting only of persons referred to in the previous subparagraphs”

In accordance with Articles 86 and 87 of Decree-Law No. 1/2025, the maximum adjustment allowed is:

- **National Contractor – up to 10%**
- **Non-National Contractor – up to 5%**

Refer to guidance in Section 2.2 in this guide for determining appropriate NEB adjustment percentage for each procurement.

The applicable NEB adjustment percentage shall be captured and reflected in Section 3: Evaluation and Qualification Criteria of the Bidding Documents.

1.4 SUBMISSION REQUIREMENTS

To be considered for the National Economic Benefit (NEB), bidders must submit:

- Form NEB-1 – National Economic Benefit Information Sheet
- Form NEB-2 – Local Development Statement

These forms and associated supporting documents must be submitted as part of the bid submission in Single Stage One-Envelope procedures, and as part of the Price Bid in Single Stage Two-Envelopes procedures.

Non-submission or failure to comply with the declared commitments may result in rejection of the Submission, or if the contract has already been awarded, contract termination and/or sanctions under Articles 135(3) and 147 of Decree-Law No. 1/2025.

1.5 TIMING OF NEB IN THE EVALUATION PROCESS

The NEB mechanism is not part of the technical evaluation or price evaluation.

Instead, it is applied as an adjustment to the evaluated price and overall combined score for Single Stage One-Envelope and Single Stage Two-Envelopes respectively.

Single Stage One-Envelope Procurement Procedures

Evaluation follows three steps:

Steps 1 – Substantial Responsiveness

- Preliminary Examination & Pass/Fail eligibility checks

Steps 2 – Price Evaluation and Comparison

- Price Evaluation
- Lowest Evaluated Price Determined

Steps 3 – National Economic Benefit Adjustment

- Adjusted Evaluated Price Determined

Single Stage Two-Envelopes Procurement Procedures

Evaluation follows three phases:

Phase 1 – Technical Evaluation

- Preliminary Examination & Pass/Fail eligibility checks
- Technical score calculated

Phase 2 – Price Evaluation and Combined Score

- Price score calculated
- Overall Combined Score determined

Phase 3 – National Economic Benefit Adjustment

- Adjusted Overall Combined Score determined

Note: If applicable, NEB is only applied to bidders that proceed to Step 3 / Phase 3 of the evaluation.

1.6 COMPLIANCE OF NEB

The commitments declared in the submitted Form NEB-1 and Form NEB-2 and associated supporting documents shall form part of the Contract and shall be contractually binding on the Contractor.

If the Contractor fails to comply with any commitments declared in Form NEB-1 or Form NEB-2, the following may apply, as provided under the Conditions of Contract and Decree-Law No. 1/2025:

- Enforce forfeiture of the Performance Security, in accordance with Article 86(6) of Decree-Law No. 1/2025;
- Declare the Contractor ineligible for future evaluation benefits or preferences in public procurement processes in Timor-Leste for a period of five (5) years, in accordance with Article 86(6) of Decree-Law No. 1/2025.
- Consider the failure to fulfil these commitments as a breach of contract and terminate the Contract, under the Conditions of Contract, and in accordance with Article 135 of Decree-Law No. 1/2025; and
- Recommend or apply ancillary sanctions under Articles 135 and 147(3), including exclusion from participation in public tenders for a period of up to three (3) years.

The application of the above actions shall be subject to the applicable procedures and determination by the relevant authority.

1.7 TERMINIOLOGY

For the purpose of this Guide, terminology may vary depending on the type of procurement and the applicable Standard Bidding Document.

For examples, references to:

- **“Bids”** may include **Proposals** or **Quotations**;
- **“National Contractor”** may include **National Consultant** or **National Supplier**;
- and
- **“submissions”** may refer to any form of response submitted by participants in a procurement process.

Other terms may also be used interchangeably in accordance with the applicable Standard Bidding Document and should be interpreted consistently in that context.

PART 2 – DETERMINATION OF NEB

2.1 SUPPORTING INFORMATION REQUIREMENTS

To enable verification of the National Economic Benefit (NEB) criteria, the Procuring Entity / Unit should specify in the Bidding Documents the supporting information that bidders are required to provide.

The required supporting details should be relevant to the type of contract and sufficient to allow the Jury to verify compliance with the criteria established under Article 86(4) of Decree-Law No. 1/2025.

Goods Contracts

For goods contracts, Suppliers should provide information demonstrating the origin and production of goods to meet the following minimum criteria:

- Goods are extracted, produced or cultivated in national territory of Timor-Leste, or
- At least 30% of the Goods's value are derived from production processes carried out in Timor-Leste.

Supporting details may include:

- The Local Development Statement (Form NEB-2) clearly stating and quantify (where applicable) the Supplier's commitment to meet or contribute to the applicable NEB criteria. The submission should describe how these commitments will be achieved, including the types of goods and materials to be sourced locally, the estimated proportion of local content (expressed as a percentage of the total goods value), and the overall approach to sourcing, production, and supply arrangements within Timor-Leste. It should also provide sufficient detail to demonstrate how these commitments will be achieved and to enable verification during evaluation and contract execution.
- production information indicating where goods are extracted, produced, or cultivated.
- manufacturing or processing location details identifying where production activities are carried out.
- supply chain information indicating the origin of goods, materials, or components.

Works Contracts

For works contracts, Bidders should provide information demonstrating the use of locally sourced materials and local labour to meet the following minimum criteria:

- At least 40% of the goods used in the execution of the works are extracted or produced in Timor-Leste, or
- At least 80% of the personnel employed on the construction site must hold Timor-Leste nationality.

Supporting details may include:

- The Local Development Statement (Form NEB-2) clearly stating and quantify (where applicable) the Contractor’s commitment to meet or contribute to the applicable NEB criteria. The submission should describe how these commitments will be achieved, including:
 - the types of goods and materials to be sourced locally, the estimated proportion of local content (expressed as a percentage of the total goods value), and the overall approach to sourcing, production, and supply arrangements within Timor-Leste;
 - the proposed use of local labour (skilled and unskilled personnel, including administrative staff, clerks, drivers, security personnel, cleaners, and other staff involved in the execution of the project and included in the Contractor’s payroll), the estimated number and categories of Timorese personnel to be employed relative to the total number of personnel on the construction site, and the overall approach to engaging local resources and delivering the works within Timor-Leste.

It should also provide sufficient detail to demonstrate how these commitments will be achieved and to enable verification during evaluation and contract execution.

- procurement plans indicating the intended sourcing of goods and materials used in the works.
- supply source information identifying goods or materials to be sourced from Timor-Leste.
- personnel deployment plans indicating the estimated number and proportion of Timorese personnel to be employed during contract execution.

Services Contracts

For services contracts, Consultants should provide information demonstrating the participation of Timorese personnel to meet the following minimum criteria:

- At least 60% of the overall staff employed by the Consultant must hold Timor-Leste nationality.

Supporting details may include:

- The Local Development Statement (Form NEB-2) clearly stating and quantify (where applicable) the Consultant’s commitment to meet or contribute to the applicable NEB criteria. The submission should describe how these commitments will be achieved, including the proposed involvement of Timorese personnel, the estimated number and roles of such staff. It should also provide sufficient detail to demonstrate how these commitments will be achieved and to enable verification during evaluation and contract execution.
- personnel deployment plans indicating the proposed staffing structure.
- staff nationality declarations confirming the nationality of proposed personnel.
- curriculum vitae or personnel registers where applicable.

General Note

The relevant criteria are already captured in the applicable Standard Bidding Documents. However, the Procuring Entity / Unit should ensure that the required supporting details are appropriately specified based on the nature of the project and reflected in the NEB-1 Form of the Bidding Documents.

2.2 DETERMINATION OF ADJUSTMENT PERCENTAGE

The Bidding Documents should specify the applicable NEB adjustment percentage, within the limits established by Decree-Law No. 1/2025.

To ensure transparency and consistency, it is recommended that the Procuring Entity / Unit determine the NEB adjustment percentage within the indicative ranges set out in the table below.

These should be reflected appropriately in Section 3: Evaluation and Qualification Criteria of the Bidding Documents.

NEB Adjustment Table

Contract Category (USD)	NEB% (For National Contractor)	NEB% (For Non-National Contractor)
Below 50,000	5 to 6.5	4 to 5
50,000 to < 200,000	3.5 to 5	3 to 4
200,000 to < 1,000,000	2.5 to 3.5	2 to 3
1,000,000 to < 5,000,000	1.5 to 2.5	1 to 2
5,000,000 to < 10,000,000	0.5 to 1.5	0.25 to 1
10,000,000+	0 to 0.5	0 to 0.25

Note: The above ranges are indicative for public tender procedures, informed by historical procurement data, and provided as guidance only. They may be reviewed and updated periodically.

For Request for Quotation and Restricted Tender procedures, refer to Important Note 2 below.

The NEB % corresponds to:

- “PB” in Single Stage One-Envelope procurement procedures; and
- both “TB” and “PB” in Single Stage Two-Envelope procurement procedures.

Important Notes:

1) Consistency in Selection within Ranges

- Where a higher or lower point within the indicative NEB% range is selected for National Contractors, a consistent position within the corresponding range should be adopted for Non-National Contractors.

2) Request for Quotations and Restricted Tender

- For Request for Quotations and Restricted Tender procedures, the Procuring Entity/ Unit should consider whether the application of NEB may result in an unintended advantage due to the classification (National Contractor / Non-National Contractor) of the invited Bidders.
- Where this is the case, it is recommended that the same NEB adjustment percentage be applied to both National and Non-National Contractors, including the option of applying 0%.
- Where the same NEB adjustment percentage is applied to both National and Non-National Contractors, it is recommended to adopt a percentage within the Non-National Contractor range.

3) Non-Competitive Procurement

- NEB % does not apply to non-competitive procurement methods (such as Direct Award, Urgent Direct Award, and Simplified Direct Award).

4) Use of 0% NEB Adjustment

- The NEB adjustment percentage should generally be determined within the indicative ranges set out in the table below. A 0% adjustment may be applied where appropriate, having regard to the nature, value, complexity, and competitiveness of the procurement.
- However, where a positive NEB adjustment percentage is applied for National Contractors, it should not be set at 0% for Non-National Contractors. In such cases, an appropriate percentage should also be specified for Non-National Contractors to maintain fairness and support healthy competition.

PART 3 – APPLICATION OF NEB IN BID EVALUATION

3.1 ONE-ENVELOPE PROCUREMENT PROCEDURES

In Single Stage One-Envelope procurement procedures, the NEB adjustment is applied to the Evaluated Bid Price of eligible bidders for evaluation purposes only.

The Adjusted Evaluated Price will be calculated as follows:

$$\text{Adjusted Evaluated Price} = [(\text{Evaluated Price}) \times (1 - \text{PB}/100)]$$

Where:

PB = NEB percentage adjustment applied to the evaluated price:

- X% (National Contractor)
- X% (Non-National Contractor)

Below are some examples of how NEB could be applied to in Single Stage One-Envelope procurement procedures:

Assume the following for below examples:

- ❖ *Contract Maximum Budget: USD 660,000*
- ❖ *Applicable category: USD 200,000 to < 1,000,000*
- ❖ *NEB % set in Bidding Document:*
 - *National Contractor: 3%*
 - *Non-National Contractor: 2.5%*
- ❖ *Bidder 1 (Non-National Contractor)'s Bid does not demonstrate any contribution to the national economy and therefore does not meet the applicable NEB criteria.*
- ❖ *Bidder 2 (National Contractor)'s Bid meets the applicable NEB criteria and is therefore eligible for the full NEB adjustment of 3%.*

Example 1 – NEB does not change ranking

Bidder	Contractor Type	Evaluated Price (USD)	Ranking	Applicable NEB %
Bidder 1	Non-National	630,000	1st	0%
Bidder 2	National	656,000	2nd	3%

Step 1 – Apply NEB adjustment to Bidder 2's Evaluated Price:

$$\text{Adjusted Evaluated Price} = 656,000 \times \left(1 - \frac{3}{100}\right) = 636,320$$

Step 2 – Compare Adjusted Evaluated Prices

Bidder	Adjusted Evaluated Price (USD)	Adjusted Ranking
Bidder 1	630,000	1st
Bidder 2	636,320	2nd

Result

The NEB adjustment does not overturn the ranking, as the price difference remains larger than the effect of the NEB. Bidder 1 remains first in ranking.

Example 2 – NEB changes ranking

Bidder	Contractor Classification	Evaluated Price (USD)	Ranking	Applicable NEB %
Bidder 1	Non-National	630,000	1st	0%
Bidder 2	National	643,800	2nd	3%

Step 1 – Apply NEB adjustment to Bidder 2’s Evaluated Price:

$$\text{Adjusted Evaluated Price} = 643,800 \times \left(1 - \frac{3}{100}\right) = 624,486$$

Step 2 – Compare Adjusted Evaluated Prices

Bidder	Adjusted Evaluated Price (USD)	Adjusted Ranking
Bidder 1	630,000	2nd
Bidder 2	624,486	1st

Result

The NEB adjustment changes the ranking, as the price difference is small enough for the adjustment to have an effect. Bidder 2 became first in ranking.

Example 3 – Multiple Bidders

Assume the same parameters as above, with the addition of a third bidder:

- ❖ *Bidder 1 (Non-National Contractor) ’s Bid does not demonstrate any contribution to the national economy and therefore does not meet the applicable NEB criteria.*
- ❖ *Bidder 2 (National Contractor) ’s Bid meets the applicable NEB criteria and is therefore eligible for the full NEB adjustment of 3%.*
- ❖ *Bidder 3 (Non-National Contractor) ’s Bid meets the applicable NEB criteria and is therefore eligible for the full NEB adjustment of 2.5%.*

Bidder	Contractor Classification	Evaluated Price (USD)	Ranking	Applicable NEB %
Bidder 1	Non-National	630,000	1st	0%
Bidder 2	National	643,800	2nd	3%
Bidder 3	Non-National	648,000	3rd	2.5%

Step 1 – Apply NEB adjustment to Bidder 2’s Evaluated Price:

Bidder 2

$$\text{Adjusted Evaluated Price} = 643,800 \times \left(1 - \frac{3}{100}\right) = 624,486$$

Bidder 3

$$\text{Adjusted Evaluated Price} = 648,000 \times \left(1 - \frac{2.5}{100}\right) = 631,800$$

Step 2 – Compare Adjusted Evaluated Prices

Bidder	Adjusted Evaluated Price (USD)	Adjusted Ranking
Bidder 1	630,000	2nd
Bidder 2	624,486	1st
Bidder 3	631,800	3rd

Result

The NEB adjustment changes the ranking, with Bidder 2 becoming first in ranking. Bidder 3 remains in 3rd place despite being eligible for NEB.

3.2 TWO-ENVELOPE PROCUREMENT PROCEDURES

In Single Stage Two-Envelope procurement procedures, the NEB adjustment is applied to the Overall Combined Score of eligible bidders for evaluation purposes only.

The Adjusted Overall Combined Score will be calculated as follows:

$$\text{Adjusted Overall Combined Score} = [(\text{Technical Score} \times \text{TW}) \times (1 + \text{TB}/100)] + [(\text{Price Score} \times \text{PW}) \times (1 + \text{PB}/100)]$$

Where:

TB = NEB Percentage increase applied to the weighted Technical Score:

- X% (National Contractor)
- X% (Non-National Contractor)

PB = NEB Percentage increase applied to the weighted Price Score:

- X% (National Contractor)
- X% (Non-National Contractor)

Below are some examples of how NEB could be applied to in Single Stage Two-Envelope procurement procedures:

Assume the following for below examples:

- ❖ *Technical Weight (TW): 60%*
- ❖ *Price Weight (PW): 40%*
- ❖ *Contract Maximum Budget: USD 660,000*
- ❖ *Applicable category: USD 200,000 to < 1,000,000*
- ❖ *NEB % set in Bidding Document:*
 - *National Contractor: 3%*
 - *Non-National Contractor: 2.5%*
- ❖ *Bidder 1 (National Contractor) 's Bid does not demonstrate any contribution to the national economy and therefore does not meet the applicable NEB criteria.*
- ❖ *Bidder 2 (Non-National Contractor) 's Bid meets the applicable NEB criteria and is therefore eligible for the full NEB adjustment of 2.5%.*

Example 1 – NEB does not change ranking

Bidder	Contractor Classification	Technical Score	Price Score	Overall Combined Score	Ranking	Applicable NEB %
Bidder 1	National	85	90	87.0	1st	0%
Bidder 2	Non-National	80	91	84.4	2nd	2.5%

Step 1 - Apply NEB adjustment to Bidder 2's Overall Combined Score:

$$\text{Adjusted Overall Combined Score} = \left[80 \times 0.6 \times \left(1 + \frac{2.5}{100} \right) \right] + \left[91 \times 0.4 \times \left(1 + \frac{2.5}{100} \right) \right] = 86.5$$

Step 2 – Compare Adjusted Overall Combined Score

Bidder	Adjusted Overall Combined Score	Adjusted Ranking
Bidder 1	87.0	1st
Bidder 2	86.5	2nd

Result

The NEB adjustment does not overturn the ranking. Bidder 1 remains first in ranking.

Example 2 – NEB changes ranking

Bidder	Contractor Classification	Technical Score	Price Score	Overall Combined Score	Ranking	Applicable NEB %
Bidder 1	National	85	90	87.0	1st	0%
Bidder 2	Non-National	84	88	85.6	2nd	2.5%

Step 1 - Apply NEB adjustment to Bidder 2's Overall Combined Score:

$$\text{Adjusted Overall Combined Score} = \left[84 \times 0.6 \times \left(1 + \frac{2.5}{100} \right) \right] + \left[88 \times 0.4 \times \left(1 + \frac{2.5}{100} \right) \right] = 87.7$$

Step 2 – Compare Adjusted Overall Combined Score

Bidder	Adjusted Overall Combined Score	Adjusted Ranking
Bidder 1	87.0	2nd
Bidder 2	87.7	1st

Result

The NEB adjustment changes the ranking. Bidder 2 became first in ranking.

Example 3 – Multiple Bidders

Assume the same parameters as above, with the addition of a third bidder:

- ❖ Bidder 1 (National Contractor)'s Bid does not demonstrate any contribution to the national economy and therefore does not meet the applicable NEB criteria.
- ❖ Bidder 2 (Non-National Contractor)'s Bid meets the applicable NEB criteria and is therefore eligible for the full NEB adjustment of 2.5%.
- ❖ Bidder 3 (National Contractor)'s Bid meets the applicable NEB criteria and is therefore eligible for the full NEB adjustment of 3%.

Bidder	Contractor Classification	Technical Score	Price Score	Overall Combined Score	Ranking	Applicable NEB %
Bidder 1	National	85	90	87.0	1st	0%
Bidder 2	Non-National	84	88	85.6	2nd	2.5%
Bidder 3	National	82	86	83.6	3rd	3%

Step 1 - Apply NEB adjustment to Overall Combined Score:

Bidder 2

$$\text{Adjusted Overall Combined Score} = \left[84 \times 0.6 \times \left(1 + \frac{2.5}{100} \right) \right] + \left[88 \times 0.4 \times \left(1 + \frac{2.5}{100} \right) \right] = 87.7$$

Bidder 3

$$\text{Adjusted Overall Combined Score} = \left[82 \times 0.6 \times \left(1 + \frac{3}{100} \right) \right] + \left[86 \times 0.4 \times \left(1 + \frac{3}{100} \right) \right] = 86.1$$

Step 2 – Compare Adjusted Overall Combined Score

Bidder	Adjusted Overall Combined Score	Adjusted Ranking
Bidder 1	87.0	2nd
Bidder 2	87.7	1st
Bidder 3	86.1	3rd

Result

The NEB adjustment changes the ranking, with Bidder 2 becoming first in ranking. Bidder 3 remains in 3rd place despite being eligible for NEB.

PART 4 – FREQUENTLY ASKED QUESTIONS AND PRACTICAL GUIDANCE

4.1 APPLICATION OF NEB

4.1.1 Q: Can NEB be applied differently from what is stated in the Bidding Document?

A: No. NEB must be applied in accordance with the Bidding Document using the applicable method and timing specified.

4.1.2 Q: Can the NEB adjustment percentage be changed during evaluation?

A: No. The NEB adjustment percentage should be determined before issuing the Bidding Document and must not be changed during evaluation.

4.1.3 Q: Does NEB change the bidder’s price or contract value?

A: No. NEB is applied only for evaluation purposes. It does not change the submitted price or contractual obligations.

4.2 ELIGIBILITY AND EVALUATION

4.2.1 Q: Can a bidder receive NEB if they do not demonstrate NEB contribution?

A: No. Only bidders that contribute to the specified NEB criteria as outlined in NEB-1 and provide the required supporting information to the satisfaction of the Jury should receive an adjustment.

4.2.2 Q: Can NEB make a non-responsive bid acceptable?

A: No. NEB does not replace technical or price evaluation and cannot make a non-responsive submission acceptable. NEB is only applied at Step 3 / Phase 3 of the evaluation to bidders that remain under consideration, based on the contribution demonstrated.

4.2.3 Q: Is NEB adjustment always applied at the full percentage?

A: No. Bidders who do not sufficiently demonstrate the required level of contribution may receive a reduced or zero NEB adjustment, depending on the extent of contribution demonstrated.

Any such adjustment should be applied in a consistent and justifiable manner.

4.2.4 Q: How is the classification of National Contractor determined for NEB purposes?

A: The classification of a National Contractor applies to a single entity that meets the eligibility requirements defined in Article 4(q) of Decree-Law No. 1/2025 (refer to Section 1.3 for details).

For Joint Ventures, the classification as a National Contractor applies where at least one member meets the eligibility requirements defined in Article 4(q) of Decree-Law No. 1/2025 (refer to Section 1.3 for details).

4.3 PRACTICAL SCENARIOS

4.3.1 Q: What happens if bids have the equal adjusted score / price after applying NEB?

A: The Tie-Breaker provision should be applied as outlined in the Bidding Document.

4.3.2 Q: Does NEB apply to all contract types and procurement modalities?

A: NEB applies to all contract types (works, services, and goods).

However, it applies only to competitive procurement modalities. (i.e. not to Direct Award, Urgent Direct Award or other non-competitive procedures).

4.3.3 Q: How should NEB be handled in Restricted Tender or RFQ?

A: In Restricted Tender and RFQ procedures, the limited number of invited bidders means that the application of NEB may have a greater influence on the evaluation outcome. Care should therefore be taken to ensure that its application remains fair and transparent.

Refer to Important Note 2 under Section 2.2 for further guidance.

4.4 DOCUMENTATION AND IMPLEMENTATION

4.4.1 Q: What NEB-related information should be documented by the Jury?

A: The Jury should document the following:

- Basis of NEB eligibility
- Verification of submitted forms and supporting information
- Calculation and application of NEB adjustments
- Original and adjusted evaluated price or combined score, as applicable
- Original and final ranking of submissions

These should be included in the applicable Bid Evaluation Report.
