



TOOL # 3A: CHECKLIST FOR CREATING BUNDLED CONTRACT

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Overview

The objective of this tool is to assess whether a bundled or an unbundled contract is feasible for the proposed project. The tool is in the form of a checklist that draws upon 2 key aspects: (i) do available private players have experience in providing specific activities, and (ii) are these players willing to provide particular activities.

How to use this tool

- **Inputs:** ULBs must consider 2 sources of information to answer this checklist:
 - **Interviews with private sector players:** ULBs must conduct conversations with identified private sector players to better understand their interest in taking up activities under the proposed project.
 - **Section III of this toolkit:** This tool builds on the information collected by the ULB in Section III of the toolkit, where private players were assessed for PSP in IFSM projects. The information from Tool # 2 (Private Player Assessment) will serve as key inputs for using this checklist.
- The final output of the tool will be an evaluation of these contract options based on private player experience and interest, and can then be evaluated for their financial viability later.

Checklist

Step1: The table below needs to be filled out for each of the private players under consideration for the proposed project.

Private Player 1

Activity	Previous experience (Yes/ No)	Interested (Yes/ No)
Refurbishment of septic tanks/ pits		
Periodic emptying of septic tanks/ pits		
Construction of Treatment Plants		
O&M of Treatment Plants		

Step 2: Once the table above has been filled out for all the private players in consideration, the ULB should populate the results based on the preferences, and experience of individual private players. The final output for this step should look like the following:

Contract option				
	Refurbishment of septic tanks/ pits	Periodic cleaning of septic tanks/ pits	Construction of Treatment Plants	O&M of Treatment Plants
Option 1				
Option 2				
Option 3				
Option 4				
Option 5				
Option 6				

	Unbundled contract
	Bundled contract

The ULB should assess the feasibility of each of these contract options based on the number of private contractors who can provide services under each of these. This allows the ULB to get a better understanding of the relative benefits/ choices it has to execute each of the above contract options. To this end, the ULB should put a high/ medium/ low rating for each contract option as per the table below:

Rating scale:

Rating	Description
High	At least 3 private contractors offering each of the services under the contract
Medium	2-3 private contractors offering each of the services under the contract
Low	1 private contractor offering each of the services under the contract

Step 4: The ULB should select the final contract option from the ones that are rated the highest, and that is preferred by the ULB (for instance, one ULB may prefer a fully bundled contract such as contract 6 as it is easier to manage one contractor whereas another may prefer option 1 since it mitigates the risk associated with the performance of one service provider)

Contract option	Feasibility based on private player availability (High/ Medium/ Low)
Option 1	High
Option 2	Medium
Option 3	Low
Option 4	Low
Option 5	Low
Option 6	High