



Asian Development Bank Business Opportunities

Procurement of Goods and Works

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Overview

- **Why to pursue ADB contracts**
- **Where to find ADB contracts**
- **How to prepare responsive bids**
- **Getting evaluated**
- **Getting Paid**



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Why to pursue ADB contracts

Advantages of ADB Contracts



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Why to pursue ADB contracts

Funds are available

- **About 74.1% of the bank's cumulative lending comes from its ordinary capital resources.**
- **ADB also provides loans from its Special Funds resources. Among them is the Asian Development Fund, which provides concessional loans to ADB's least developed member countries.**
- **ADB also manages several trust funds and channels financing of grants provided by bilateral donors.**



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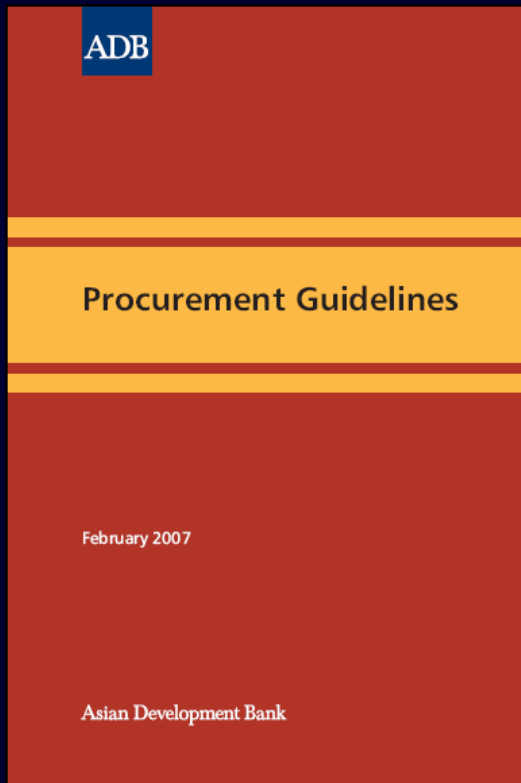
Why to pursue ADB contracts

The ADB Procurement System

- **Internationally accepted procurement procedures**
- **Adequate, fair and equal opportunities**
- **No currency exchange risks**



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Key Principles

- **Eligibility**
- **Economy and Efficiency**
- **Fairness**
- **Transparency**



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Procurement System – ICB

International Competitive Bidding (ICB)

- **For contracts over US\$1.0 million**
- **Internationally accepted procurement procedures**
- **Provides for adequate, fair and equal opportunities**
- **No currency exchange risk**
- **ADB's Standard Procurement Documents must be used**



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Procurement System – ICB

Standard Bidding Documents

Goods

Works

Small Works

Plant (Design-Install)

IT Systems and Equipment



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Procurement System – SBDs

Standard Bidding Documents (SBDs)

Part I: Bidding Procedures

- Section 1. Instruction to Bidders**
- Section 2. Bid Data Sheet**
- Section 3. Evaluation and Qualification Criteria**
- Section 4. Bidding Forms**
- Section 5. Eligible Countries**

Part II: Requirements

- Section 6. Supply or Works Requirements**

Part III: Contract

- Section 7. General Conditions of Contract**
- Section 8. Particular Conditions of Contract**
- Section 9. Contract Forms**



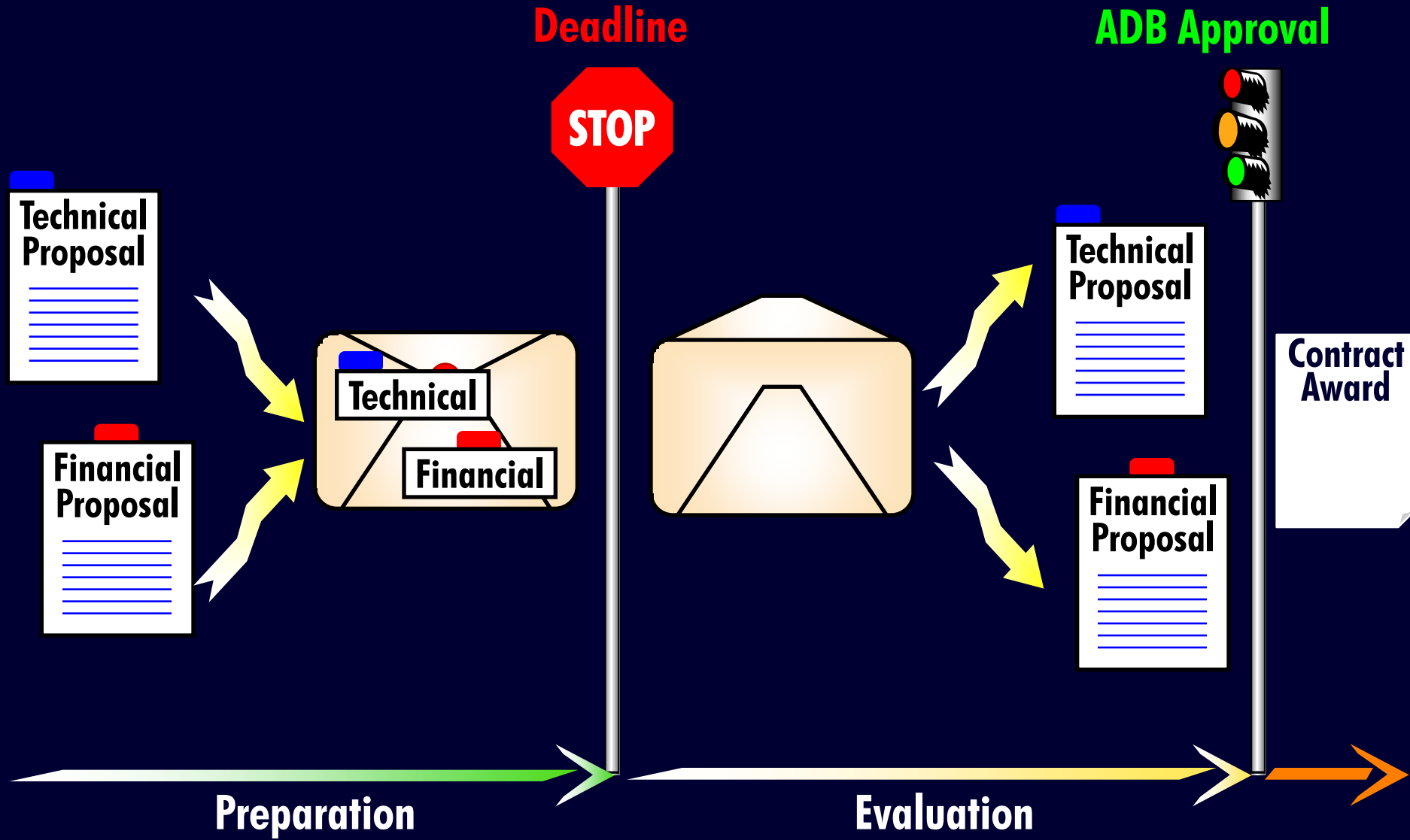
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Procurement System – ICB Flow





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Why to pursue ADB contracts

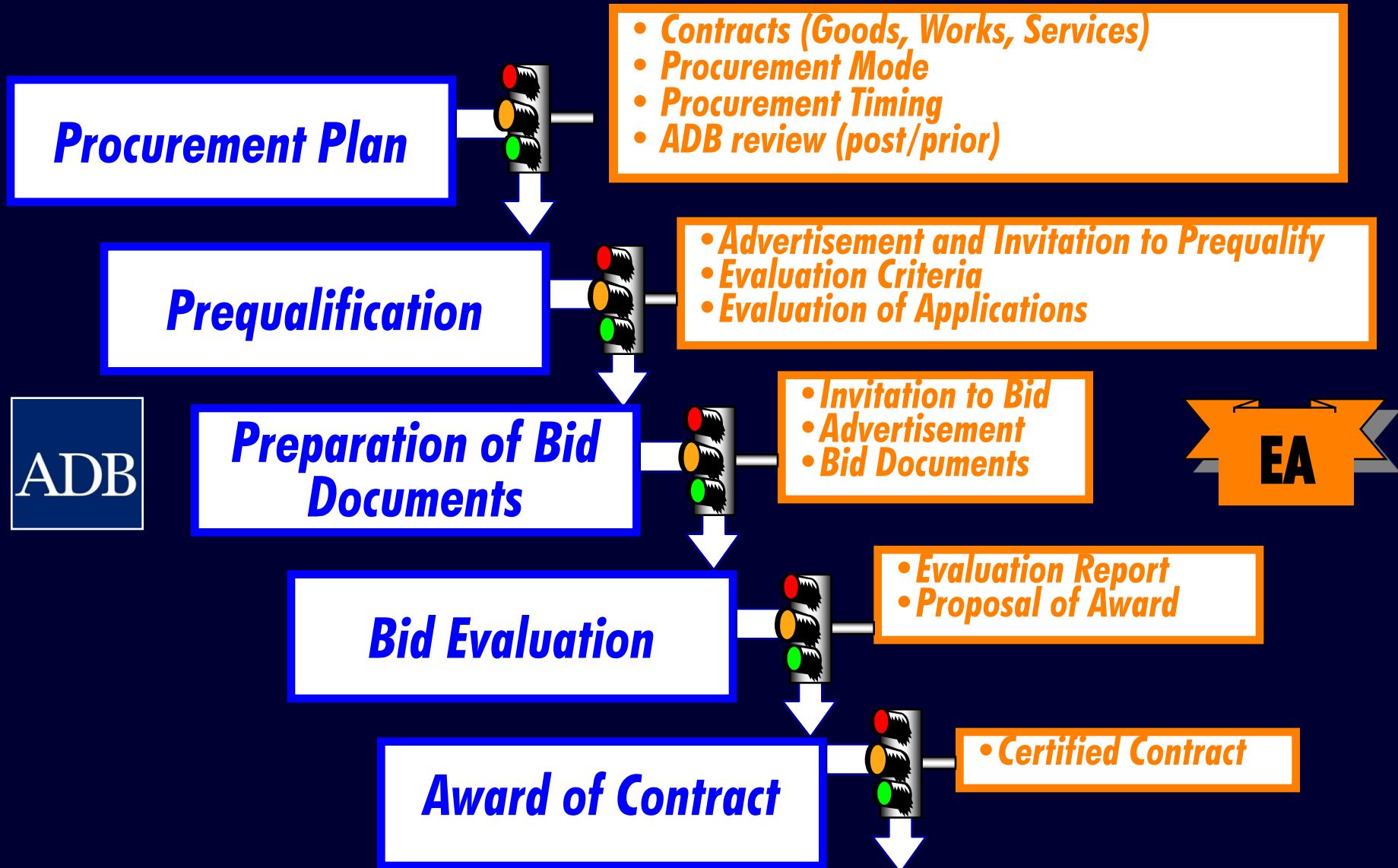
ADB Oversight

- **The Borrower (Executing Agency) is responsible for all procurement activities**
- **ADB will review the procurement activities to ensure that the ADB's Guidelines for Procurement are followed**



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ADB Oversight





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ADB Oversight

Additional ADB Approval Requirements

- **Extension of bid validity**
- **Complaints from bidders after contract award**
- **Change in contract award recommendation**
- **Change in the terms and conditions of contract**
- **Time extensions, modifications of conditions, change orders increasing in aggregate the original contract amount by more than 15%**



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Where to find ADB contracts

www.adb.org



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Business Opportunities - www.adb.org





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Early notices

- **Advance Action Notice**
- **General Procurement Notice**
- **Procurement Plan**

Specific notices

- **Invitation for Prequalification**
- **Invitation for Bids**

Hop-on Opportunities

- **Prequalified Contractors**
- **Contracts Awarded**



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How to prepare responsive bids

Avoiding common pitfalls



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Preparing Responsive Bids

- **Be compliant**
- **Don't qualify**
- **Get official clarification**
- **Be aware of bid evaluation criteria**
- **Be clear with alternatives**
- **Ensure bid is complete**
- **Make final check of bid**
- **Be on time**
- **Attend bid opening**
- **Be Aware of Possible Extension**



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Getting evaluated

**Determining the lowest evaluated
substantially responsive bid**



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Bid Evaluation

Public opening of bids

- Bids received are opened publicly by the EA at the time and place indicated in the bidding documents
- Bidders' attendance is encouraged

Information read out

- Bidder's name
- Total bid price
- Price of alternative bids, if any
- Discounts, if any
- Bid Security - general compliance, amount and validity
- Any other information which is deemed necessary



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Bid Evaluation

Time Frame

The bid evaluation of bids and the award of contract should be completed before the expiration of the bid validity as stipulated in the bid document

Confidentiality of Procedure

After opening of bids no information to non-authorized persons on :

- Substance of bid
- Preliminary examination results and status
- Evaluation results and status
- Recommendation of award



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Bid Evaluation

Clarification and Alteration of Bids

Only clarifications not changing the substance or the price of the bid may be requested or accepted by the Borrower

Arithmetical Errors

No cause for bid rejection. Can be corrected :

- Discrepancy between Unit Price and Total Price
✓ **Unit Price will prevail**
- Discrepancy between Total Bid Amount and Sum of Total Prices
✓ **Total Prices will prevail**



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Bid Evaluation

Basis for Price Comparison

Goods

- for Goods from outside
 - ✓ Includes cost of insurance and freight (CIF or CIP)
 - ✓ Excludes custom duties or other taxes levied on goods
- for Goods from inside
 - ✓ Includes ex-factory price (EXW)
 - ✓ Excludes any sales or similar taxes levied on goods
- Related Services including all taxes and duties

Works

- Includes all taxes, duties and other levies



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Bid Evaluation

Exchange Rates

- **For bid comparison single currency as specified in bid documents is used (usually local currency or US\$)**
- **The rates are specified in the bidding document (usually selling rates of official source i.e. central bank, commercial bank, or internationally circulated newspaper)**
- **Date of exchange rate is specified in bidding document. Must be :**
 - ✓ **Not earlier than 28 days prior to the deadline for submission of bids**
 - ✓ **Not later than the original date for the expiry of bid validity**



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Bid Evaluation

Qualification Requirements

Typical Criteria

- **Experience**
- **Financial position**
- **Staff Qualifications**
- **Technical capability**
- **After sales service**
- **Past performance**

All qualification criteria must be specified in the bidding document



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Bid Evaluation

Major Deviations

- **Has an effect on the validity of the bid**
- **Has been specified in the bid documents as grounds for rejection of the bid**
- **Is a deviation from the provisions of the bidding documents with effect on the bid price, but cannot be given a monetary value**
- **Is a deviation from the minimum qualification requirements specified in the bidding documents**
- **Is an unacceptable deviation from the specifications**
- **Conditional bid**



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Bid Evaluation

Minor Deviations

- **Has no effect on the validity of the bid**
- **Has no effect on the price, quality or delivery of the goods or services offered**
- **Has such effect, but the difference from commercial terms and technical specifications can be given a monetary value**
- **Has not been specified in the bid documents as grounds for rejection, provided total amount of deviations does not exceed a previous determined percentage of the bid price (usually 15 per cent)**



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Bid Evaluation

Other possible evaluation criteria

- **payment schedule**
- **delivery time**
- **O&M cost**
- **efficiency**
- **productivity**
- **losses**
- **availability of service and spare parts**

All criteria other than price to be used for determining the lowest evaluated bid must be specified in the bidding document and shall, to the extent practicable, be expressed in monetary terms



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Bid Evaluation

Price Adjustment Provision

In evaluating bids price adjustment provisions are not taken into account. Base price is used for comparison. All bids are subject to same degree of adjustment.

Alternative Bids

- **Conditions in Invitation to Bid and Instructions to Bidders**
- **Method of evaluation and comparison**



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Bid Evaluation

Extension of Bid Validity

- **Considered in exceptional cases**
- **When considered, all bidders should be asked**
- **Bidders willing to extend bid validity:**
 - **cannot modify substance of bid**
 - **must extend validity of bid security**



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Bid Evaluation

Example

Supply Contracts		
	BIDDER A	BIDDER B
1. Bid Price (arithmetically corrected)	31,403,725	33,973,305
2 Adjustment for Scope	2,053,000	240,000
A. Bid Price (adjusted for Scope)	33,456,725	34,213,305
3. Technical Compliance	477,000	723,017
4. Performance	2,488,614	232,000
5. Terms of Payment	340,000	105,000
6. Delivery	1,023,000	123,000
B. Evaluated Bid Price	37,785,339	35,396,322



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Bid Evaluation

Publication of Results

What

- Name of each bidder
- Bid prices as read out
- Evaluated bid prices
- Name of bidders whose bid was rejected and reasons
- Name of winning bidder and price offered
- Duration and summary scope of contract awarded

Where

- English language newspaper or freely accessible web site

When

- Prior Review: Within 2 weeks after ADBs approval
- Post Review : No than date of contract award



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Bid Evaluation

Debriefing

- **Bidders may request an explanation from the EA as to why its bid was not successful**
- **The EA must promptly provide an explanation, either in writing and/or in a debriefing meeting**
- **The requesting bidder shall bear all the costs of attending such a debriefing**



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Disbursement Procedures

- **Direct Payment Procedure**

used for payment of large civil works progress payments, consultant's fees, and importation of goods where not practical to open a letter of credit

- **Reimbursement Procedure**

used for payment of local currency costs, petty purchases and small civil works payments

- **Commitment Procedure**

used extensively for financing import of goods

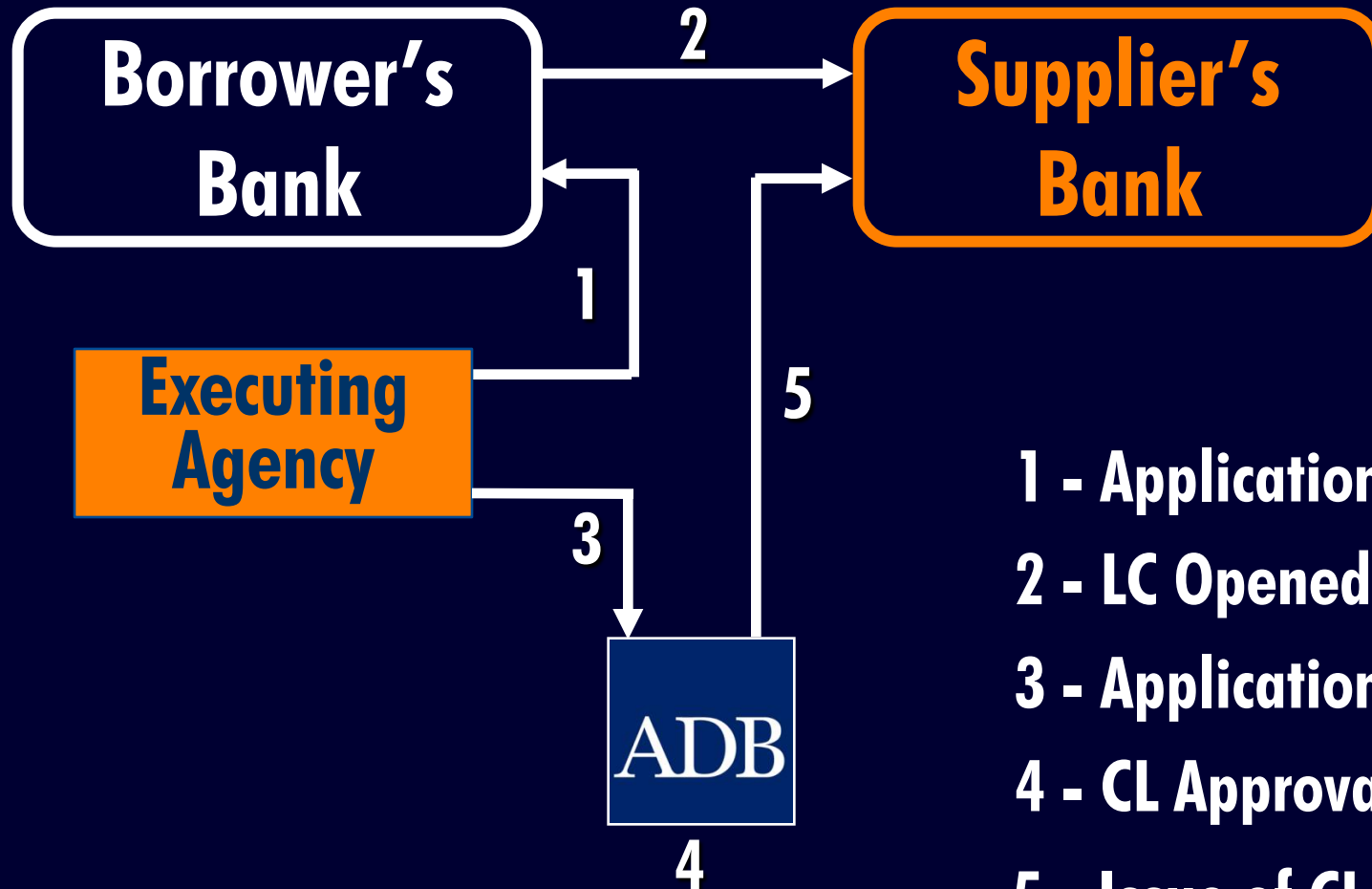
- **Imprest Fund Procedure**

used for payment of contractors' bills and suppliers' invoices in small amounts or numerous items of operating expenses



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Disbursement Procedures



- 1 - Application for LC
- 2 - LC Opened
- 3 - Application for CL
- 4 - CL Approval
- 5 - Issue of CL



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Thank You

Questions?