

## ADB Business Opportunities Fair 2012

#### Recruitment of consultants

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### Regional Multi-lateral Development Bank with HQ in Manila, Philippines



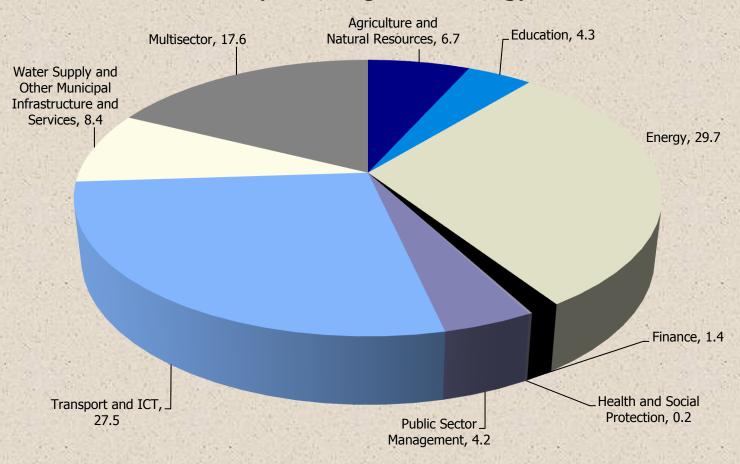
#### **ADB in 2011**

- In 2011, Asian Development Bank's (ADB) operations totaled \$21.72 billion, \$14.02 billion financed by ADB and Special Funds and \$7.69 billion by cofinancing partners.
- The total \$14.02 billion consists of (i) \$12.61 billion loans, (ii) \$239.0 million in equity investments, (iii) \$614 million in grants, (iv) \$417 million in guarantees, and (v) \$148 million in technical assistance (TA).
- Of the \$7.70 billion cofinancing generated in 2011, 97% (\$7.48 billion) went to project cofinancing and 3% (\$211 million) went to technical assistance projects.



### **ADB Activities**Lending - Sector distribution

\$12.61 billion total lending in 2011 (Excluding cofinancing)





#### Top five recipients ranking

#### Including cofinancing

- 1. Viet Nam (\$3.60 billion)
- 2. India (\$3.13 billion)
- 3. Pakistan (\$2.89 billion)
- 4. Bangladesh (\$2.29 billion)
- 5. People's Republic of China (\$1.59 billion)

#### **Excluding cofinancing**

- 1. India (\$3.05 billion),
- 2. People's Republic of China (\$1.49 billion)
- 3. Viet Nam (\$1.40 billion)
- 4. Pakistan (\$1.33 billion)
- 5. Uzbekistan (\$1.18 billion).



#### Where most opportunities are?

- 1. Infrastructure
- 2. Environment
- 3. Regional Cooperation and Integration
- 4. Finance Sector Development
- 5. Education





## Limited opportunities for consultants

Health
Agriculture
Disaster and Emergency
Assistance





### **ADB Project Cycle and Business Opportunities**





#### **Business Opportunities**

Consultants

**Technical** 

Assistance\*

Staff Consulting\*

Grants\*\*

Loans\*\*

Suppliers and

Contractors

Grants\*\*

Loans\*\*

Institutional

**Procurement\*** 



<sup>\*</sup> Procured by ADB (exception – delegated TA)

<sup>\*\*</sup> Procured by the Borrower

# How big is ADB funded consulting market?

ADB is one of the major clients for development consultancy in the world. In fact, ADB is uniquely positioned among other MDBs as one of only 2 MDBs (other being EBRD in London) who engage consultants not just for the purpose of supplementing its own staff resources, but also serving clients requirements (Technical Assistance and Grant projects).

In 2009-2011, ADB issued 9121 consulting contracts with total value of \$632, 219, 971.

ADB also has fiduciary oversight responsibility of consulting engagements by the borrowers and recipients of ADB grants. In 2009-2011, the borrowers signed 1894 consulting contracts for the total value of \$ 701, 984, 076



# How big is ADB funded consulting market?

In **2011**, ADB funded TA and Loan consulting contracts from its operational budget in the amount of **US\$ 425,321,377** (2,692 contracts), broken down in **US\$210,464,609** for **Loans (569 contracts)** and **US\$214,856,768** for **TA's** (2123 contracts).

The range of contract values for contracts issued to consulting Firms is quite wide, with the lowest value at \$4,000 and the highest value at \$22,400,625 . For Individual contracts the range varied from \$300 to \$504,000.



### Procurement Ranking Consulting Services (Loans)

Rank	2009	2010	2011
1 <sup>st</sup>	IND	IND	IND
2 <sup>nd</sup>	PAK	INO	KOR
3 <sup>rd</sup>	INO	AUS	INO
4 <sup>th</sup>	SPA	VIE	PAK
5 <sup>th</sup>	NZL	BAN	SWI



<sup>\*</sup>based on Nationality of Bidder

<sup>\*\*</sup> ADB has 67 member countries

# Procurement Ranking Consulting Services (EA Administered Grants)

Rank	2009	2010	2011
1 <sup>st</sup>	UZB	AFG	USA
2 <sup>nd</sup>	KOR	PRC	PRC
3 <sup>rd</sup>	FRA	NZL	NEP
4 <sup>th</sup>	NEP	NEP	VIE
5 <sup>th</sup>	PAK	AUS	KOR

<sup>\*</sup>based on Nationality of Bidder



<sup>\*\*</sup> ADB has 67 member countries

# Procurement Ranking Consulting Services (ADB Administered Grants)

Rank	2009	2010	2011
1 <sup>st</sup>	AUS	CAM	AUS
2 <sup>nd</sup>	USA	IND	GER
3 <sup>rd</sup>	UKG	NEP	IND
4 <sup>th</sup>	TAJ	USA	PHI
5 <sup>th</sup>	INO	NZL	NZL

<sup>\*</sup>based on Nationality of Bidder



<sup>\*\*</sup> ADB has 67 member countries

### **Procurement Ranking Consulting Services (TAs)**

Rank	2009	2010	2011
1 <sup>st</sup>	AUS	USA	USA
2 <sup>nd</sup>	UKG	AUS	AUS
3 <sup>rd</sup>	IND	IND	NZL
4 <sup>th</sup>	USA	UKG	UKG
5 <sup>th</sup>	PHI	PHI	IND



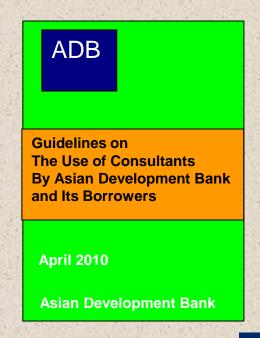
<sup>\*</sup>based on Nationality of Bidder

<sup>\*\*</sup> ADB has 67 member countries

# Guidelines on the Use of Consultants by ADB and its Borrowers (2010)

Policies and procedures for selecting, contracting and monitoring consultants.

Applicable to both ADB and Borrower-administered contracts





# Guidelines on the Use of Consultants by ADB and Its Borrowers - Sources

ADB Charter



ADB

Guidelines on The Use of Consultants By Asian Development Bank and Its Borrowers

**April 2010** 

**Asian Development Bank** 



Commercial Practices

Other MDBs





ADB Board Policy

ADB Experience



#### **Coverage of the Guidelines**

#### Procurement Guidelines

Procedures apply to all contracts for goods and works financed in whole or in part by ADB.

#### **Consulting Guidelines**

Consulting services to which these Guidelines apply are generally of an intellectual and advisory nature covering a wide range of sectors, both public and private, and a wide range of services at all stages of the project cycle. These guidelines do not normally apply to other types of services in which the physical aspects of the activity predominates (e.g. construction of works).



#### **General Considerations**

- need for high-quality service
- 2. Need for economy and efficiency
- 3. Need to give all qualified consultants an opportunity to compete in providing the services financed by ADB
- 4. ADB's interest in encouraging the development and use of national consultants from developing member countries (DMCs)
- 5. Need for transparency in the selection process
- 6. Need for increasing focus on anticorruption and observance of ethics



#### Governance

Conflict of Interest is any situation in which a party has interests that could improperly influence that party's performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations

- Conflict between consulting and procurement activities
- Conflict among consulting assignments
- 'Family' relationship between the consultant and the borrower
- Government officials a special case

**Unfair Competitive Advantage** 

- Equal access to information
- Upstream (PPTA) and downstream (Loan Projects) issues

Fraud and Corruption

Penalties (Misprocurement and Sanctioning)



#### **Consulting Trends**

Use of e-Procurement by ADB (CMS) and its Borrowers

Gradual increase of national inputs.

Gradual decrease of international inputs.

Inter-disciplinary assignments
PPP/ PSP/ Non-sovereign lending



#### **Networking Opportunities**

ADB set-up network to facilitate collaboration between consultants looking for business partners to pursue ADB-funded opportunities. Consultants/consulting entities will need to have LinkedIn profile to be able to use the facility

#### **ADB Consultants Network:**

http://www.linkedin.com/e/qfo72y-gkf0zuh8-6r/vgh/3796524/



### Guidelines on the Use of Consultants

Selection Methods and Determination of Consultants' source (International or National)



#### **Selection Methods (Firms)**

Selection Method	Technical Proposal Evaluation	Financial Proposal	Selection procedure
LCS – Least Cost Selection	>= 750 out of 1000		Firm with lowest priced responsive proposal wins
QCBS – Quality and Cost based selection	>= 750 out of 1000		Firm representing the best combination of quality and price wins
FBS – Fixed Budget Selection	>= 750 out of 1000 And Highest Technical Score		Firm with the best technical proposal and the financial proposal within the budget wins
QBS – Quality Based Selection	>= 750 out of 1000 And Highest Technical Score		Negotiations are conducted with the firm that presented the best technical proposal
CQS – Consultants' Qualification Selection	Amplified Expression of Interest (EOI) Structured EOI submission >= 750 out of 1000		Negotiations are conducted with the firm that presented the best expression of interest
SSS – Single Source Selection	>= 750 out of 1000	Supporting documents to prove financial position of the firm, remuneration of experts, social and overhead charges	

### Factors Affecting Choice of Selection Method

ADB's recruitment principles emphasize competition
Technical complexity of the assignment
Size and value of the assignment
Assessment of national consulting industry
Budget constraints/transaction costs
Urgency / response to emergency situations/ natural disasters



### **Guidelines on the Use of Consultants**

Commercial Practices.

2.33. In the case of loans on-lent by a financial intermediary to private sector enterprises or autonomous commercial enterprises in the public sector, the sub-borrower may follow well-established private sector or commercial practices that have been determined by ADB to be acceptable to it. Consideration shall also be given to the use of competitive procedure outlined earlier, particularly for large assignments.



### **Guidelines on the Use of Consultants**

**Contracting Arrangements** 



#### **Contract Types**

"Old" contracting arrangements

Time based contract

Lump sum contract

New additions

Indefinite delivery contract (Price Agreement)

Retainer and/ or Contingency (Success) Fee Contract

Performance based contracts/hybrid



#### Other important issues

Disclosure of Information/ Debriefing procedure

Dealing with Complaints

Dealing with allegations of corruption (Report to OAI)



### Summary of Recruitment Cycle

Consulting Services Recruitment Notice (CSRN)

ADB/EA prepares Short-list

ADB/EA issues Request for Proposal (RFP)

ADB/EA evaluates Technical Proposal

Public opening of Financial Proposal

ADB/EA does overall ranking

ADB/EA conducts negotiations and signs contract



### Shortlist and preparation of proposal

Not every qualified and eligible consultant that expressed interest in the project will be included in the shortlist. Shortlist is generally consist of 6 firms.

If consulting assignment is defined as national, only nationals of the country can undertake the assignment. However, international firms can be shortlisted for the assignment (to provide national experts).



#### **Basic Strategies/Market Intelligence**

Register in ADB Consultant Management System (CMS)

Study the ADB Country Partnership Strategy

Visit ADB (HQ and RM)

Review procurement plans [Loan consultants]

Consulting Services Recruitment Notice (CSRN)

Report and Recommendations of the President (RRP)

Express interest to ADB and/or the EA



## Consultant Management System

- Is an integrated system for registration and maintaining profiles of both consulting entities and individuals. DACON (for consulting entities registration) and DICON (for individual consultant registration). is no longer being used by ADB.
- Allows consultants to register online via the Internet. The registration need to be updated at least once per year to avoid deactivation.
- Embedded Validations within the system evaluate the correctness of the data and the eligibility of the registrant for ADB-financed projects.
- Consultant Management System (CMS) registration of consultant or consulting entity is necessary to express interest online. There are 2 types of CMS registration i) simplified (shall not take more than 15 minutes to complete; ii) full (depends on the qualifications). Full registration is required prior to issuance of contract. Full registration (project information) is necessary for new CSRN, otherwise EOIs through new CSRN would not be accepted.



### CMS - Simplified and Full Registration

**Simplified Registration** Allows consultants to register quickly. Information required in the simplified registration process would be the **Basic Information** and **Attachments and Certification** for both individuals and firms

Tip: Registration must be completed within 30 minutes to avoid time-outs. Consultant information must be ready prior to registration.

**Full Registration** ADB encourages consultants to complete the full registration to increase chances of being selected as the selection process of consultants starts with a search based on the consultants' experience and other related information. Allows consultants to provide additional information about their consultancy experience.

Information required in the **full registration of individual consultants** would include **Work Experience**, **Credentials** and **Additional Information** 

Consulting firm full registration would require Business Details, Employees of the Organization and Key Experts

*Note:* It is mandatory for consultants to be registered in CMS prior to expressing interest in ADB-financed TA projects and staff consulting assignments. During negotiations, consulting firms must have their team members register in CMS before contract award.

#### **CMS** features

Consultant Management System (CMS) provides facility for online registration, recruitment and management of qualified and eligible consultants for <a href="ADB-administered">ADB-administered</a> projects.

Through CMS, consultants can:

register and keep their profiles updated;

receive weekly email notifications on new consulting opportunities;

receive and respond to Requests for Proposals (RFPs) for firms' engagements;

receive and respond to Non-Committal Inquiries (NCI) for individual consultants' engagements;

create and submit proposals online;

negotiate and finalize contracts; and

submit feedback on completed projects.



### Consulting Services Recruitment Notice (CSRN)

- The Consulting Services Recruitment Notice (CSRN) provides detailed information on the consulting services required for ADB financed or administered technical assistance, loans and grants and provides the ability to collect expressions of interest (EOI).
- Starting from 26 January 2009, the system also allows advertisements of Staff Consulting Assignments, Indefinite Delivery Contracts and Special Assignments.
- Starting 1<sup>st</sup> week of September 2010, use webmailing facility to inform consultants on currently advertised opportunities.
- Since December 2011, CSRN is being gradually integrated to CMS

### **Expressions of Interest (EOIs)**

For projects and assignments administered by ADB, EOIs are expected to be presented <u>online</u> through CSRN (Consulting Services Recruitment Notice)

If for any reason, you are unable to use the efacility, send the EOI to project officer stated in the CSRN. Standard template for EOI shall be followed. You may also attach EOI to your Consultant Management System registration page and cross-reference your submission

Fro EA administered assignments, submit EOI online (if option is available) and also send the copy of the EOI to EA contact person stated in the not

### CMS e-Sourcing. Key features

- E-sourcing facility electronic submission of technical and financial proposal
- Not a "drop-box" facility, e.g. requires sustainable internet connection and filling up templated forms.
- Checks technical proposal vis-à-vis data sheet
- Checks financial proposal submission vis-à-vis data sheet and technical proposal. Picks up inconsistencies, that result in "error" or "warning" messages.
- The conflict will need to be resolved prior to submission of the proposal. Internally inconsistent proposals can't be submitted.
- Proposal can be returned to "draft status" from "submitted" before deadline.
- Key lesson: Be prepared; aim to submit proposal several days prior, communicate with ADB if there are technica difficulties

## CMS eSourcing – Key procedural changes

QBS submissions require financial proposal at the same time as technical. Financial proposal remain encrypted. Only first ranked consulting entity will need to present substantiation of rates. If you did not prepare financial proposal, you will not be able to submit proposal at all.

All members of association/ JV shall be registered in CMS prior to submission

All proposed personnel shall be registered in CMS prior to contract award.

Copy of government issued IDs is required to establish identity of the individual consultant, his/ her willingness to participate in the tendand eligibility.

#### **How to access CMS?**

http://www.adb.org/Consulting/cms.asp

Log-in to <a href="http://www.adb.org/">http://www.adb.org/</a>

Click on the Opportunities tab http://www.adb.org/Opportunities/

Click on the Business Opportunities http://www.adb.org/Business/Opportunities/default.asp

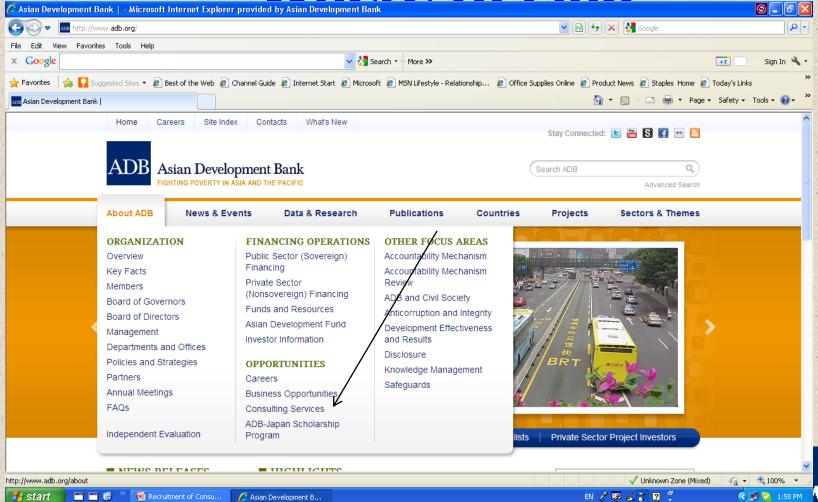
Click on Consulting Services http://www.adb.org/Consulting/default.asp

Click on Consultant Management System (CMS) http://www.adb.org/Consulting/cms.asp

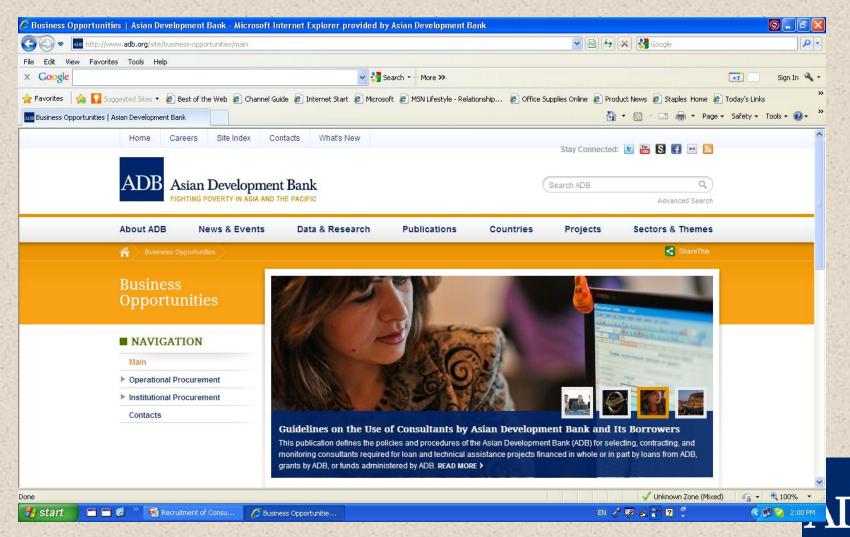
Choose Appropriate Portal (e.g. consulting entity registration or individual consultant registration or consultant portal)



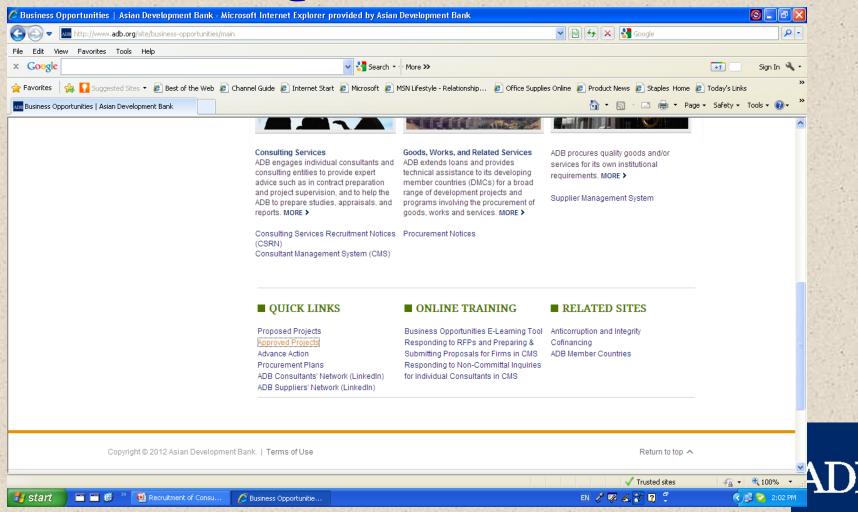
### ADB Business Opportunities - Where to Find?



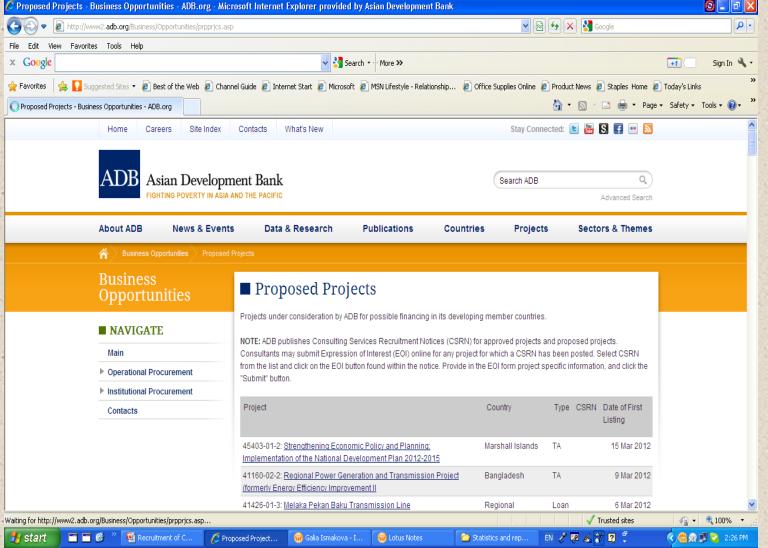
### **ADB Business Opportunities**



## **Business Opportunities – Quick Links**

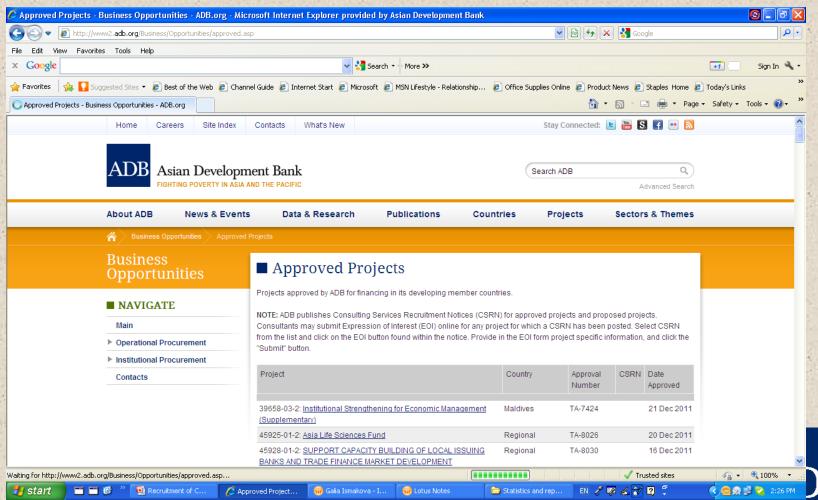


### Information on ADB Projects - Proposed Projects

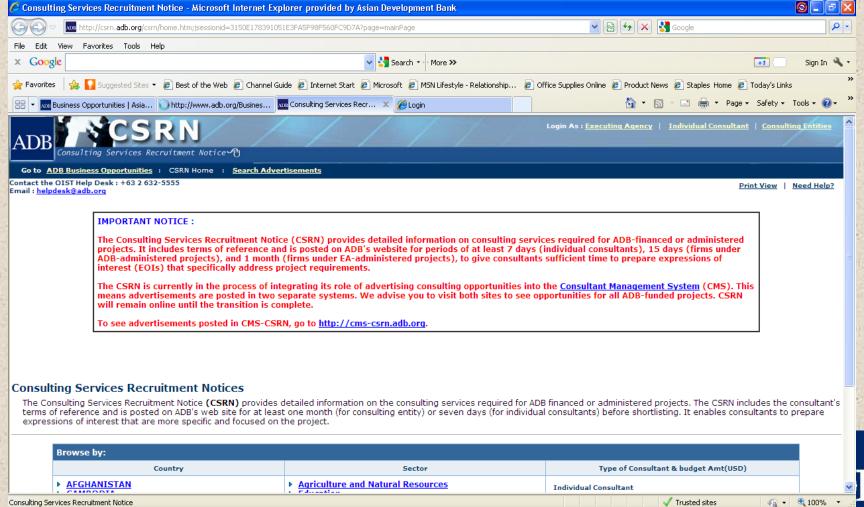




### Information on Projects – Approved Projects



## Consulting Opportunities – "old" CSRN



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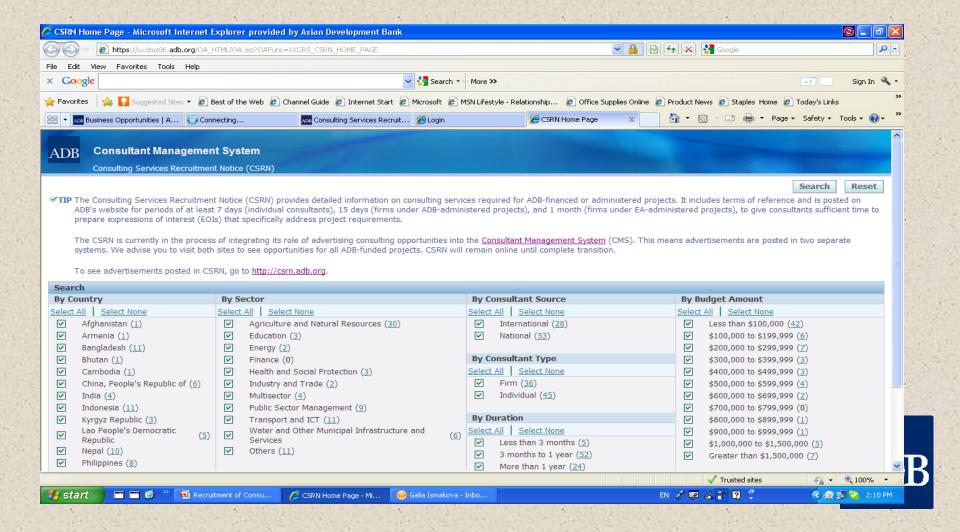
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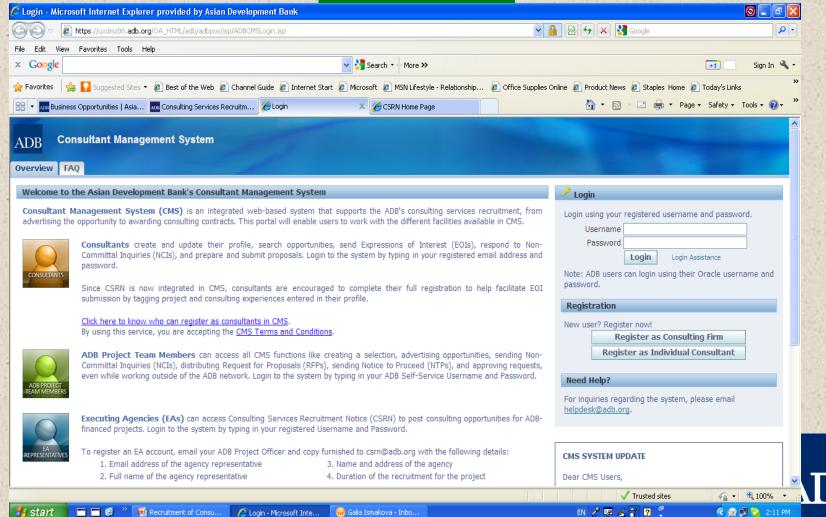
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### Consulting Opportunities – "new" CSRN



### **Consultant Management** System

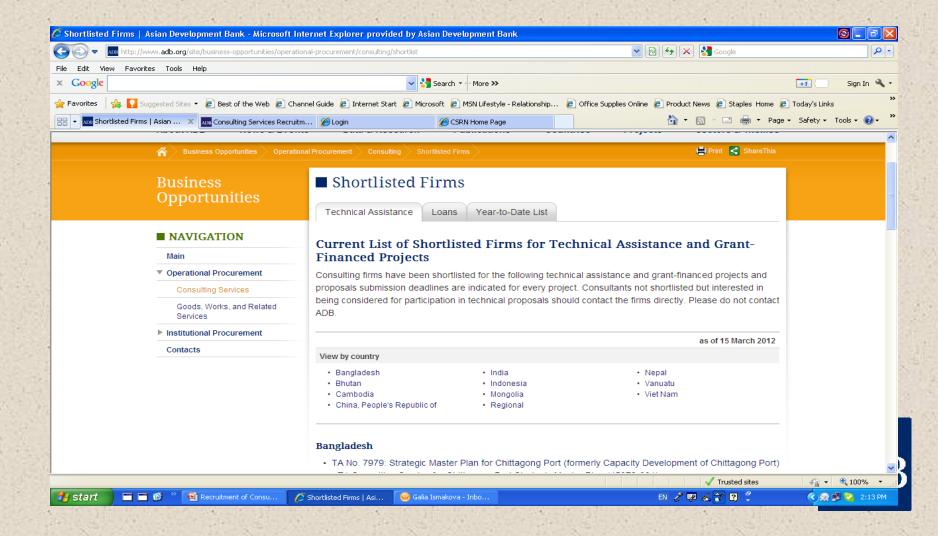


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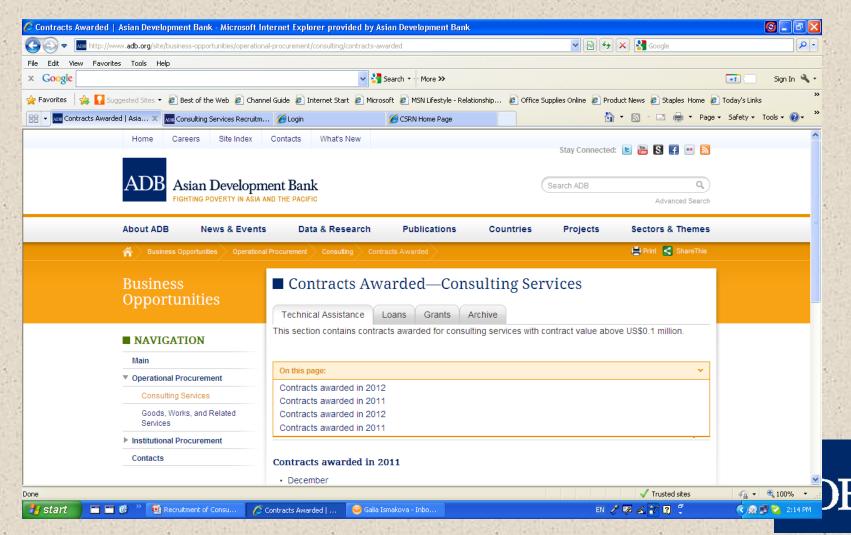
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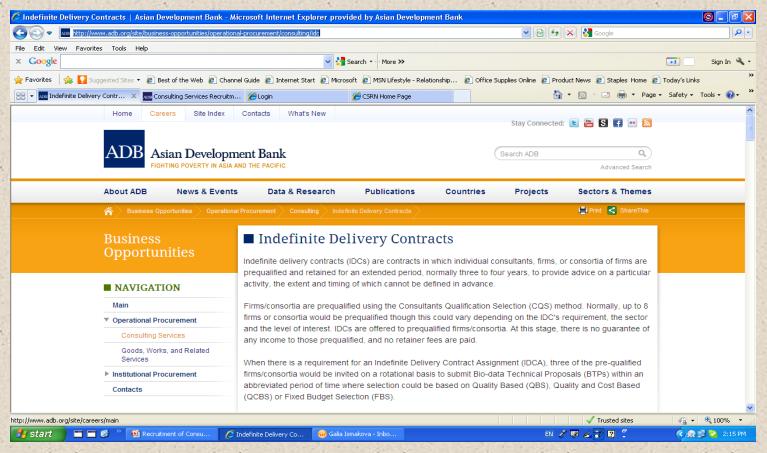
### **Consulting Services – Hop-on Opportunities - <u>Shortlisted Firms</u>**



### Consulting Services – Hop-on Opportunities - Contracts awarded



# Consulting Services – Hop-on Opportunities - <u>Indefinite Delivery</u> <u>Contracts</u>





#### **Useful links**

List of ADB Member countries <a href="http://www.adb.org/About/membership.asp">http://www.adb.org/About/membership.asp</a>

**Consulting Guidelines** 

http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf

Anticorruption and Integrity <a href="http://www.adb.org/Integrity/">http://www.adb.org/Integrity/</a>

**Project Administration Instructions** 

http://www.adb.org/Documents/Manuals/PAI/default.asp Project Cycle http://www.adb.org/Projects/cycle.asp

Disclosure at ADB <a href="http://www.adb.org/Disclosure/default.asp">http://www.adb.org/Disclosure/default.asp</a>

TA Disbursement Handbook

http://www.adb.org/Documents/Handbooks/TADisbursement/tadisbursement.pdf

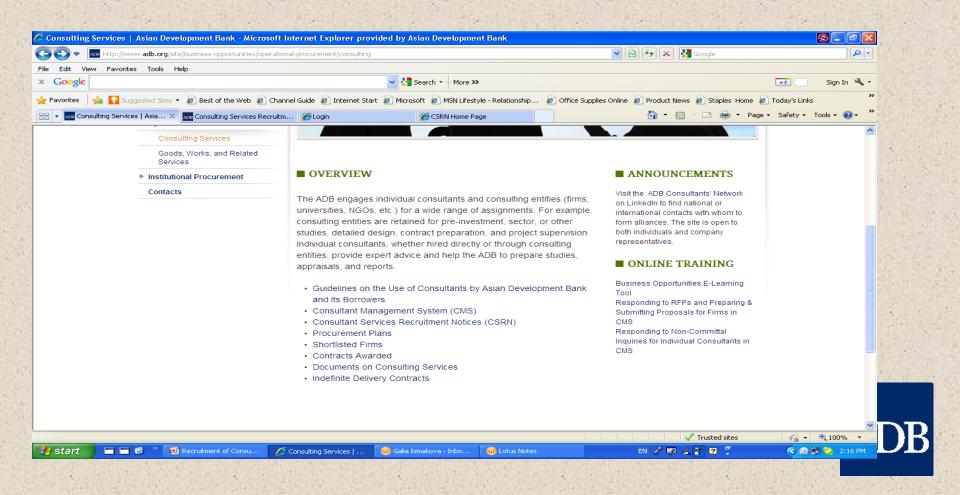
Loan Disbursement Handbook

http://www.adb.org/Documents/Handbooks/Loan Disbursement/loan-disbursement-final.pdf



#### E-learning for consultants Quick links available at

http://www.adb.org/site/business-opportunities/operational-procurement/consulting



### **For More Information**

www.adb.org

http://www.adb.org/Procurement/contact.asp

http://www.adb.org/Consulting/contact.asp

