

ADB Water Professionals

Contracting Out

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Why Contract Out?

- ^ Improve efficiency by introducing competition from the market
- ^ Gain access to expertise
- ^ Gain access to international developments, ideas, equipment, technologies
- ^ Only resource for troughs in workload
- ^ Keep focus on core business – what you are good at
- ^ But does require procurement and contract management skills
- ^ Break deadlocks



What not to Contract Out?

- ^ Risks that can't be quantified
- ^ Risks that can't be transferred
- ^ Core skills (skills that make you different)
- ^ Informed decision making
- ^ Informed budget setting
- ^ Things for which there is no current market
- ^ Things of significant reputational impact
- ^ Things you can't but back
- ^ (Don't believe everything you hear)



How to Contract Out?

- ^ Maximise competition
- ^ Public tender
- ^ Test against own estimate
- ^ Accurate documentation
- ^ Known performance outcomes
- ^ Good legal framework / Probity
- ^ Quality system
- ^ Retain in house technical expertise
- ^ Expert contract management skills



Thank You



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