

BUSINESS OPPORTUNITIES FAIR



Asian Development Bank Headquarters, Manila, Philippines

8th ADB Business Opportunities Fair

Procurement of Works and Goods

Presentation by

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22 March 2017

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Procurement of Works and Goods

- Why pursue ADB funded Goods and Works Contracts?
- ADB's Procurement Guidelines
- How to identify Opportunities for Goods and Works Contracts
- Bidding Dos and Don'ts



Why pursue ADB funded Goods and Works Contracts?

- Significant budgets for goods and works
- Gateway to new opportunities in fast growing emerging economies across multiple sectors
- Funds are available
- Internationally accepted procurement procedures
- Risks related to transparency, fairness and integrity of procurement activities mitigated through ADB oversight
- Support a worthy development mission



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





Asian Development Bank

- ADB is an international development finance institution whose mission is to help its developing member countries reduce poverty and improve the quality of life of their people.
- Established in 1966, ADB has committed \$231.53 billion in loans to the vision of an Asia and Pacific region free of poverty.



Areas of Focus and Results

- ADB operations are designed to support the three complementary agendas of inclusive economic growth, environmentally sustainable growth, and regional integration. ADB employs its limited resources in its areas of comparative strength—the core areas of:
- Infrastructure (water, energy, transport, urban development, information and communications technology)
- 2. Environment
- 3. Regional Cooperation and Integration
- 4. Finance Sector Development
- 5. Education



Other areas of assistance

- ADB also operates on a limited scale in other areas, including
- Health
- Agriculture and Natural Resources
- Public Sector Management

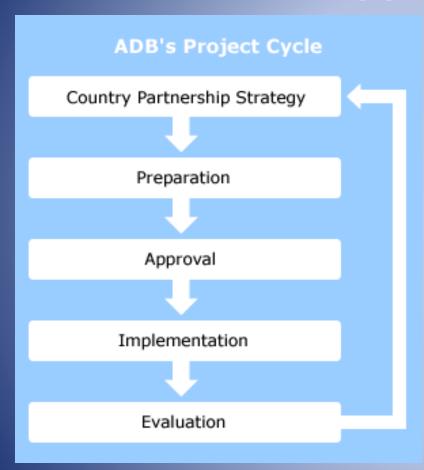


How much assistance does ADB provide?

- ADB operations reached an all-time high of \$31.5 billion in 2016, a 17% increase from \$26.9 billion in 2015.
- ADB's approvals of loans and grants for sovereign and nonsovereign operations reached \$17.5 billion - a 9% increase from \$16.0 billion in 2015. Non-concessional loans from ADB's Ordinary Capital Resources (OCR) amounted to \$14.4 billion. Concessional loans and grants from the Asian Development Fund (ADF) reached \$3.1 billion, with \$2.6 billion going to loans and \$518 million to grants. Technical assistance increased by around 20% to \$170 million from 2015's \$141 million figure.



ADB Project Cycle and Business Opportunities



- Staff consultants
- PPTA consultants

Loan/ Grant consultants

- Suppliers/ Contractors
- Staff consultants



Procurement of Goods and Works

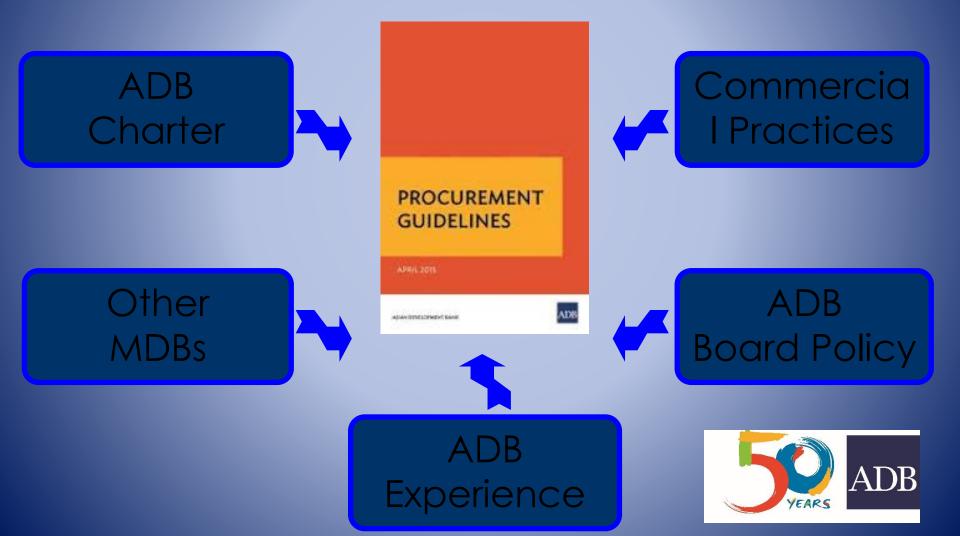


 ADB Procurement Guidelines (2015)

 ADB Procurement Reform (2017)



ADB Procurement Guidelines - Sources



ADB Procurement

ADB Oversight

- The Borrower (Executing Agency) is responsible for procurement of goods and works
- ADB reviews the procurement activities of EAs to ensure compliance with ADB Guidelines



Overarching Principles

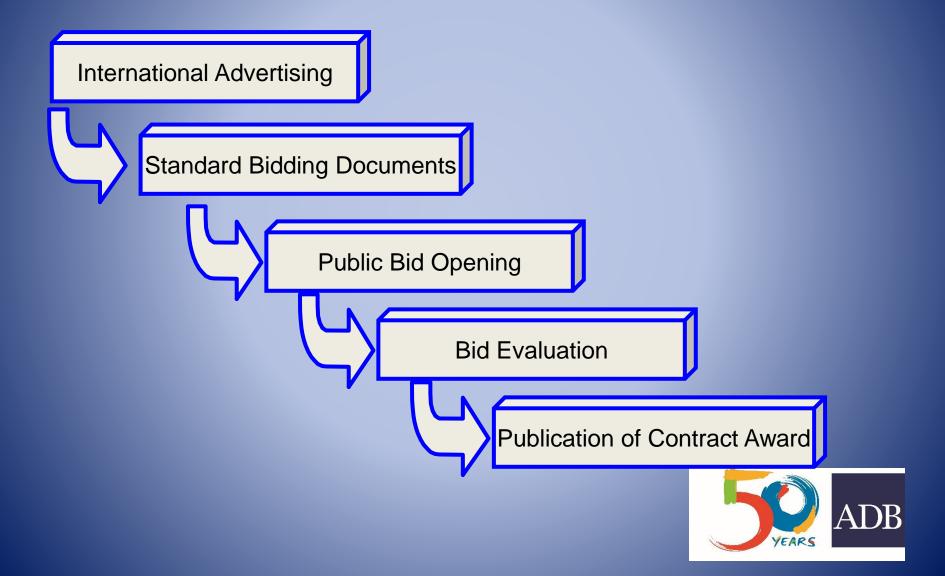
- Economy and efficiency
- Transparency
- Fairness
- Promotion of domestic industries
- Eligible source of goods and works

New Policy additions

- Value for Money and Fitness for Purpose
- Quality



International Competitive Bidding – Default Procurement Method



Other Procurement Methods

- Limited International Bidding
- National Competitive Bidding
- Shopping
- Direct Contracting
- Force Account
- Community Participation in Procurement

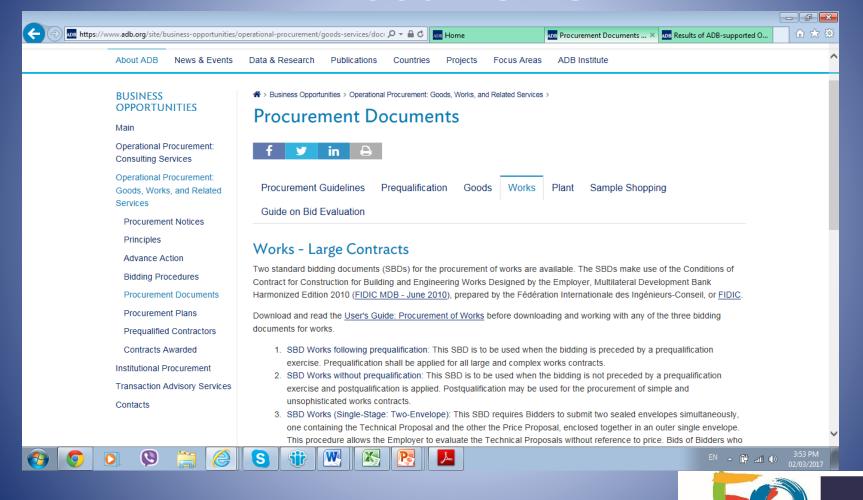


Open Competitive Bidding

- OCB will replace ICB and NCB
- Possible application of standstill period
- Improved complaints handling mechanism



Use of ADB Standard Bidding Documents



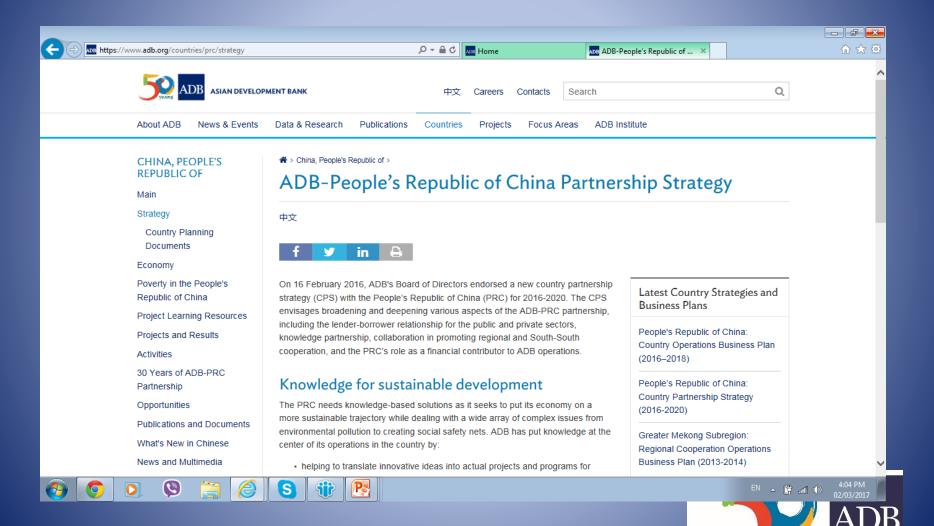
Identifying Opportunities for Goods and Works Contracts

Identifying Opportunities for Goods and Works

- Country Partnership Strategy
- Country Operations Business Plan
- Procurement Plans
- Specific Procurement notices
 - Invitation for Prequalification
 - Invitation for Bids
- Hop-on Opportunities
 - Prequalified Contractors
 - Contracts Awarded



Country Partnership Strategy





Country Operations Business Plan

Country Operations Business Plan

Cost (\$ million)

January 2016

People's Republic of China 2016–2018

INDICATIVE ASSISTANCE PIPELINE

Table A1: Lending Products, 2016–2018

Strategic

			Agendas		Year		ADB					
		Poverty	and Drivers		of				DF			Co-
	Sector	Targeting	of Change	Division	PPTA	Total	OCR	Loans	Grants	Total	Gov't	finance
Environmental Improvement and	ANR WUS	TI-M	IEG, ESG GEM,KNS	EAER	2014	325.4	150.0				175.4	
Ecological Conservation Fujian Farmland Sustainable Utilization and Demonstration	ANR	No	PSD IEG, ESG GEM,PAR	EAER	2014	220.0	100.0				120.0	
Shandong Groundwater Allocation and Protection	ANR	No	KNS,SGE IEG, ESG	EAER	2013	344.03	150.0				194.03	
Xinjiang Kelamayi Ecological Forest Infrastructure	ANR	No	KNS,SGE IEG,ESG	EAER	2014	179.0	100.0				79.0	
Jiangxi Xinyu Kongmu River Watershed Flood Control and Environmental Improvement	ANR WUS	TI-M	IEG, ESG GEM,KNS PSD, PAR	EAER	2015	306.0	150.0				156.0	
Gansu Jinta Concentrated Solar Power	ENE	GI	GCD,PAR ESG,IEG	EAEN	2013	143.0	100.0				43.0	
Qinghai Haidong Urban Rural Eco Development	ANR WUS	GI	ESG, IEG GCD,GEM	EASS	2014	250.0	150.0				100.0	
Chongqing Integrated Logistics Demonstration	TRA	GI	IEG, ESG RCI, GEM GCD,KNS PAR,PSD	EATC	2014	333.1	150.0				183.1	
Subregional Rail Link I (E'mei– Miyi)	TRA	GI	IEG, ESG GCD,GEM	EATC	2011	725.0	300.0				425.0	
Ningxia Liupanshan Poverty Reduction Rural Road Development	TRA	TI-G	IEG,GCD GEM	EATC	2014	600.0	100.0				500.0	
Total (2016 Firm)						3,425.53	1,450.0				1,975.53	_
										W		353

Finding ADB Business Opportunities

https://www.adb.org/site/business-opportunities/operational-procurement/goods-services/notices-current







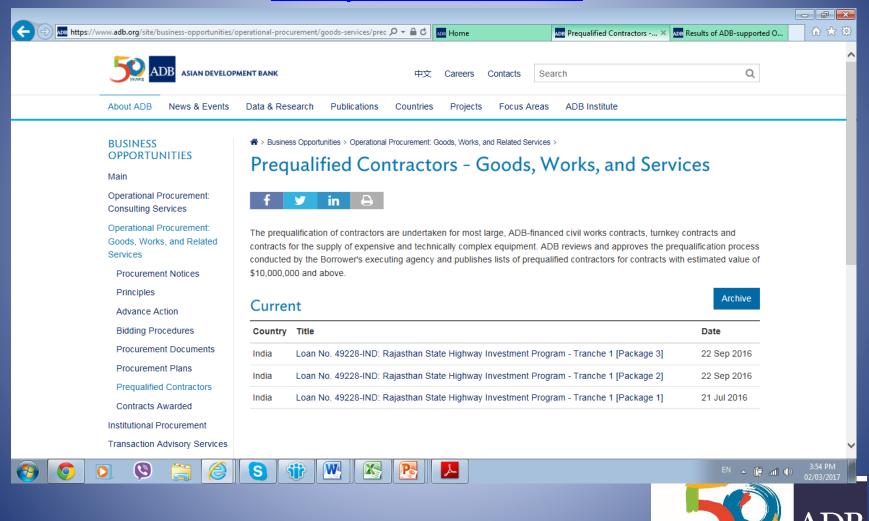
Procurement Plans

https://www.adb.org/site/business-opportunities/operational-procurement/goods-services-

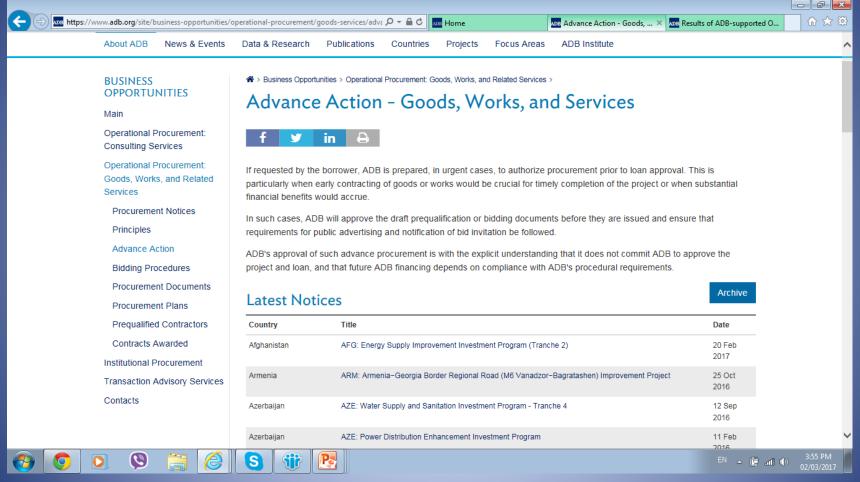




Procurement— Hop-on Opportunities - <u>Prequalified Firms</u>



Advance Procurement Action





Link to e-Alerts at bottom of adb.org Home Page

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Sitemap

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ADB Contacts Access to Information Fraud & Corruption

RESOURCES FOR

Bond Investors

Businesses and Consultants

Civil Society

Job Seekers

Journalists

Private Sector Project Investors

OTHER ADB SITES

ADB Compliance Review Panel

Asia Pathways (ADBI Blog)

Asia Regional Integration Center

Asian Bonds Online

Asian Development Blog

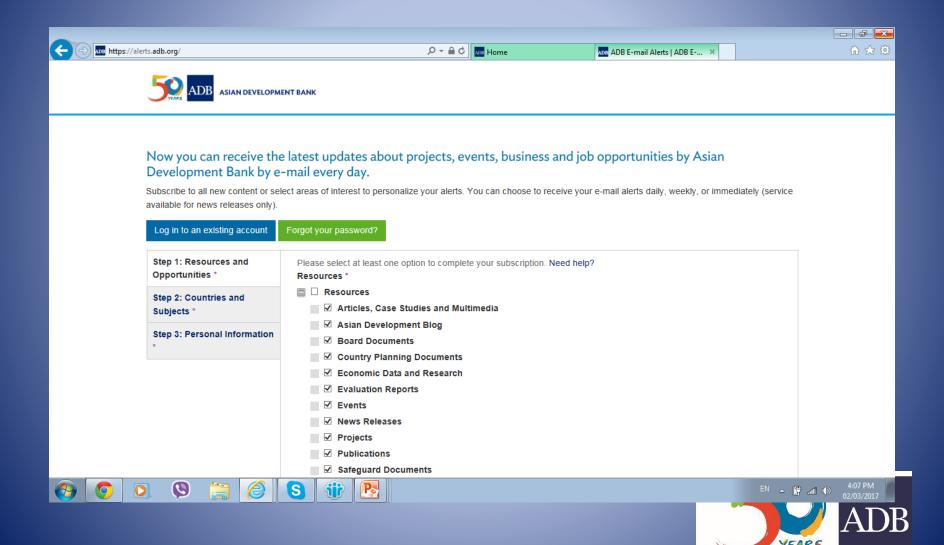
Open Access Repository

Statistical Database System

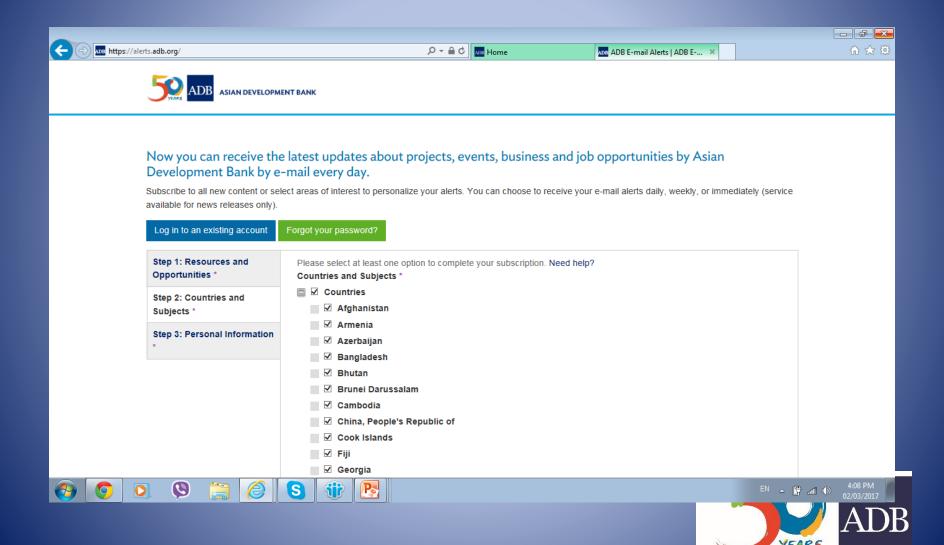
Subscriber Services - Subscribe to ADB's Newsletter, e-Alerts, RSS feeds and mobile apps.



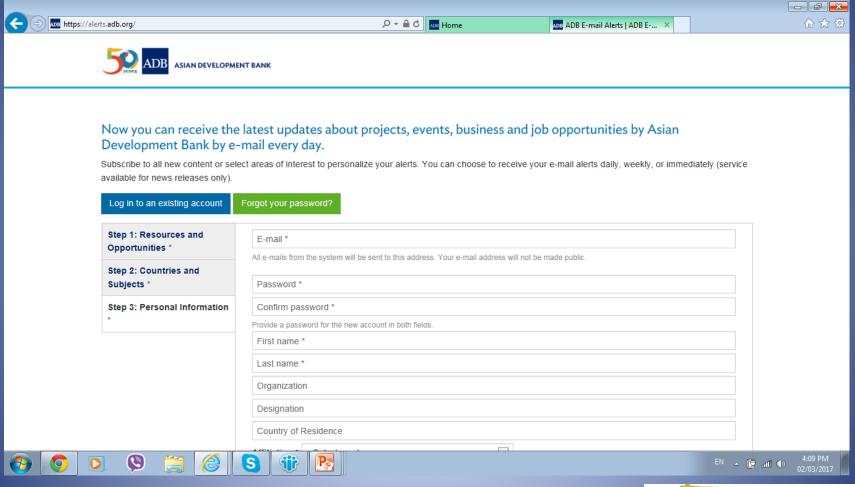
ADB alerts - Step 1.



ADB alerts – Step 2.

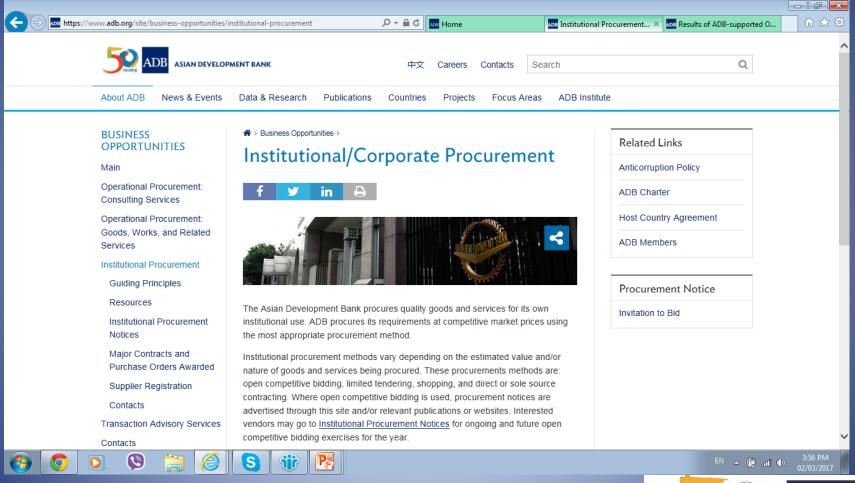


ADB alerts – Step 3.





Institutional Procurement



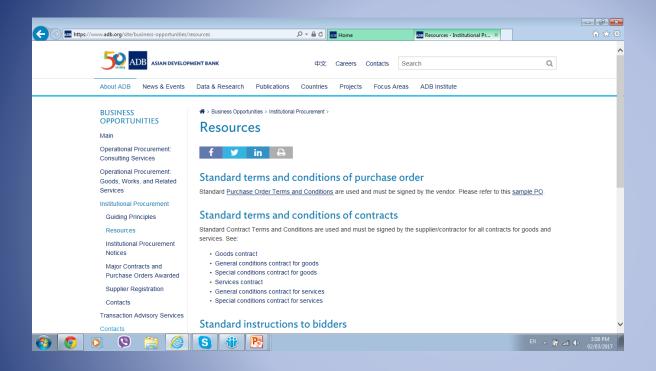


Institutional Procurement Notices





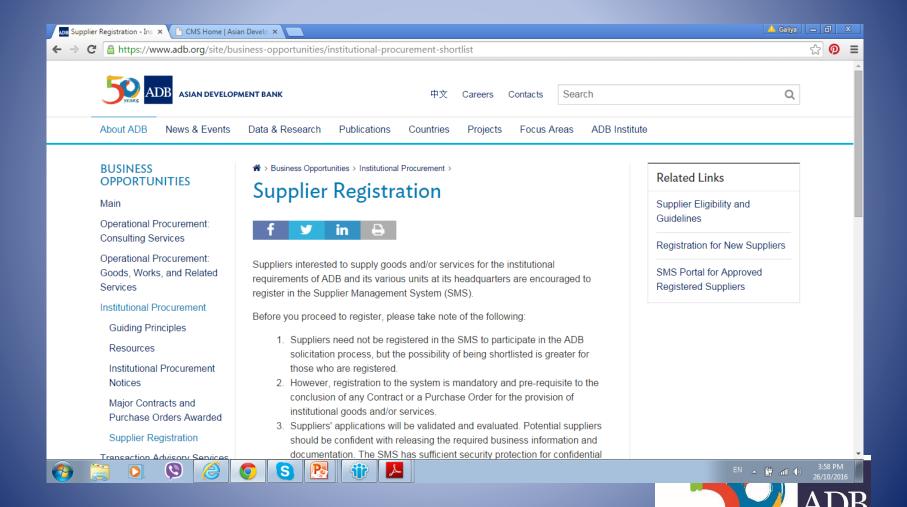
Institutional Procurement resources



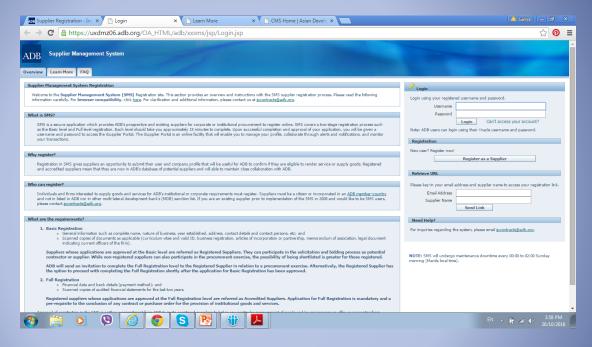
 https://www.adb.org/site/businessopportunities/resources



Institutional Supplier Registration



Supplier Management System



 Only applicable for Institutional procurement (not for Procurement under ADB loans/ grants)

Bidding Dos and Don'ts

Leverage your strengths

- Ability to operate in countries that do not generate significant bidder interest
 - Afghanistan
 - Cambodia
 - Pakistan
 - Pacific
- Experience in country and with executing agency
- Access to information regarding local joint venture partners and subcontractors
- Access to information regarding availability of key inputs
 - Materials
 - Labor
 - Equipment



Seek official clarification in timely manner

BIDDING DOCUMENT	POTENTIAL ISSUES					
Bid Conditions	 Unreasonable bid preparation period 					
Qualification Criteria	 Unclear which entity must comply with qualification criteria Ambiguous criteria Restrictive criteria 					
Requirements	• Incomplete, unclear or restrictive requirements					
Contract Conditions	Unreasonable contract completion periodUnbalanced risk allocation					

 Contact ADB if executing agency fails to respond promptly or there is a complaint against executing agency

- Do not submit conditional bid
- Submit bid within the stipulated deadline
- Ensure following steps are taken during bid opening
 - All relevant prices are read outAll discounts are read out

 - Presence and amount of bid security is read out
 No envelope remains unopened

 - The record is signed by all bidders present and by the buyer
- Be Aware of Possible Bid Extension



- Quality control check your bid!!!
 - Amount, validity and text of Bid Security
 - Signatures and power of attorney
 - Joint venture agreement enclosed
 - References enclosed
 - Discounts in covering letter or appropriate place as specified in the bidding document
 - Marking of envelopes as appropriate
- Seek debriefing if you are not successful
 - Unsuccessful bidders may request debriefing from executing agency. If they are not satisfied with the explanation given, they may contact ADB directly.



Bidding Don'ts

- No Bid Security
- Insufficient Amount of Bid Security
- Lack of Supporting Documents
- Incomplete Bids
- Partial Quantities
- Absence of test reports if required
- Bids not signed
- Conflict of interest



LinkedIn Group

- ADB Suppliers network 598 members (as of 2 March 2017)
- https://www.linkedin.com/groups/37965
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For more infromation

- Www.Adb.Org
- Http://www.Adb.Org/procurement/default.Asp
- Http://www.Adb.Org/procurement/bidding-procedures.Asp
- Http://www.Adb.Org/procurement/prequalification-biddocuments.Asp
- Http://www.Adb.Org/documents/manuals/PAI/default.Asp
- Http://www.Adb.Org/documents/manuals/operations/
- Http://www.Adb.Org/documents/manuals/consulting-servicesoperations-manual/CSOM.Pdf
- Http://www.Adb.Org/opportunities/institutionalprocurement/del -pro.Asp
- Http://www.Adb.Org/opportunities/institutionalprocurement/sup-reg.Asp

