

E-GP as a key component of ADB's Procurement Reform

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Overview

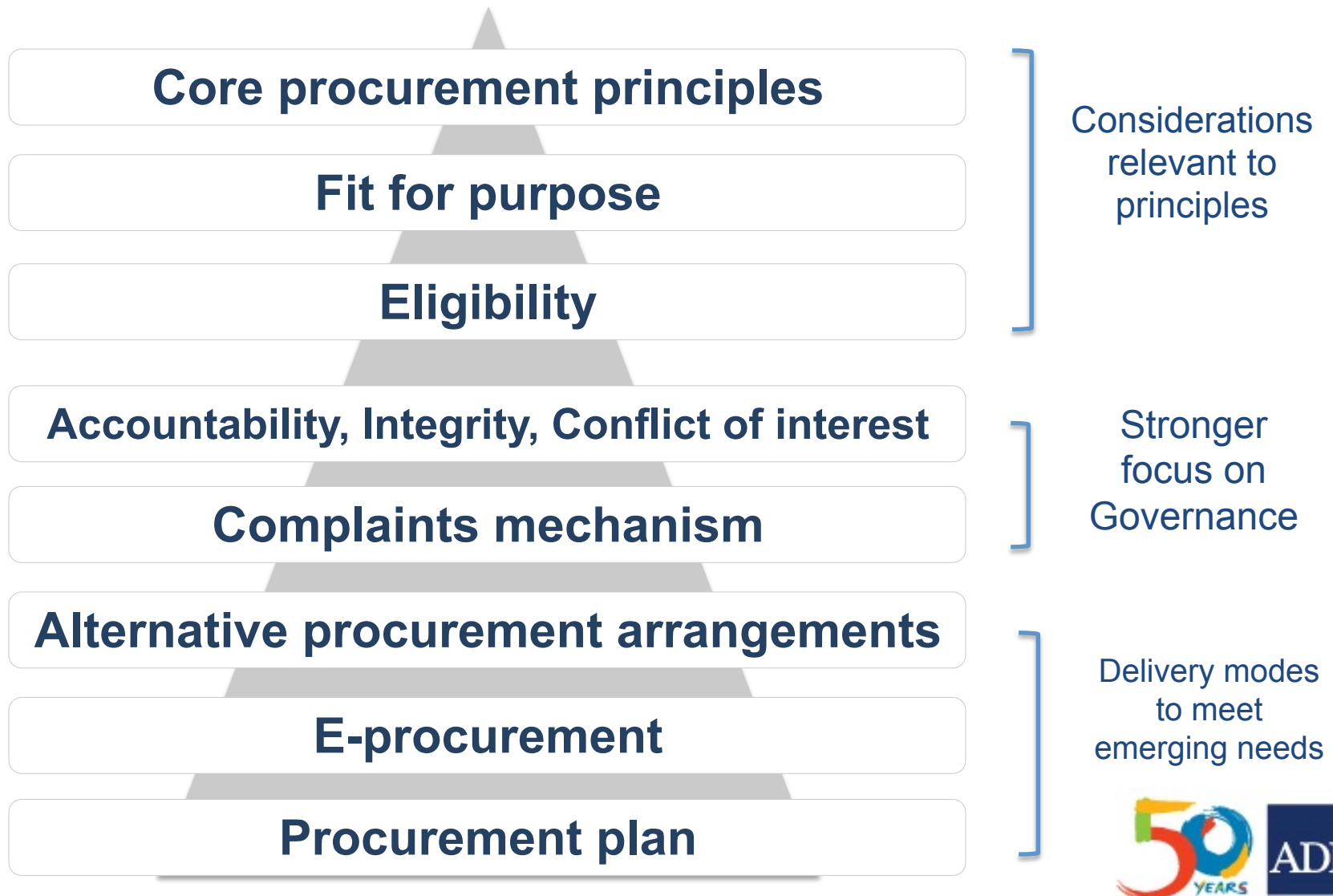
- I. ADB's New Procurement Framework
- II. E-Government procurement as key component of ADB's Procurement Framework



I. ADB's New Procurement Framework



ADB's New Procurement Policy



ADB's New Procurement Principles



Economy



Efficiency



Fairness



Transparency



Quality



Value for money

2006
Policy

Added in
New
Policy



Explaining Value for Money

- Optimal benefits
- In addition to initial cost, also consider:
 - costs over the economic life
 - fit-for-purpose
 - socio-economic and environmental development benefits
- Facilitate high technology procurement



Explaining Quality - 1

- Facilitate high and proprietary technology
- Covers bidding or selection criteria designed to ensure high quality of inputs
- Includes consulting services
- Encourage high quality suppliers, contractors and consultants



Explaining Quality - 2

- Include quality elements in qualification criteria
- Provide clear evaluation criteria
- Help clients in application of qualification and evaluation criteria



Facilitating Procurement of High Level Technology - 1

Project Design

- Greater emphasis on market assessments
- Use of better quality consultants in order to help with project preparation

Procurement methods

- Use of appropriate procurement methods to ensure the engagement of quality contractors (1S,2E)
- Use of 2-stage process to permit discovery and improvement of initial specifications



Facilitating Procurement of High Level Technology - 2

Bid evaluation

- Inclusion of quality criteria in specifications, bid evaluation
- Work out life cycle cost and value for money

Delivery systems

- Upfront involvement of procurement staff (during project design stage)
- Decentralize procurement function to field offices

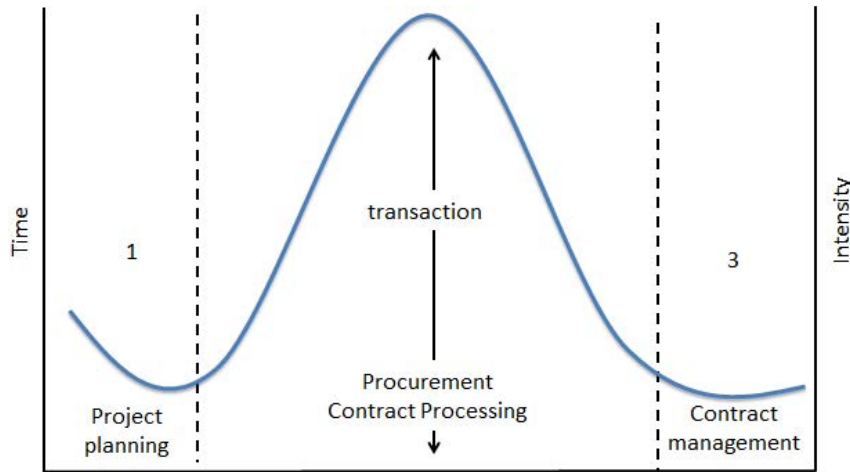
Contract management

- Provide support for contractual issues



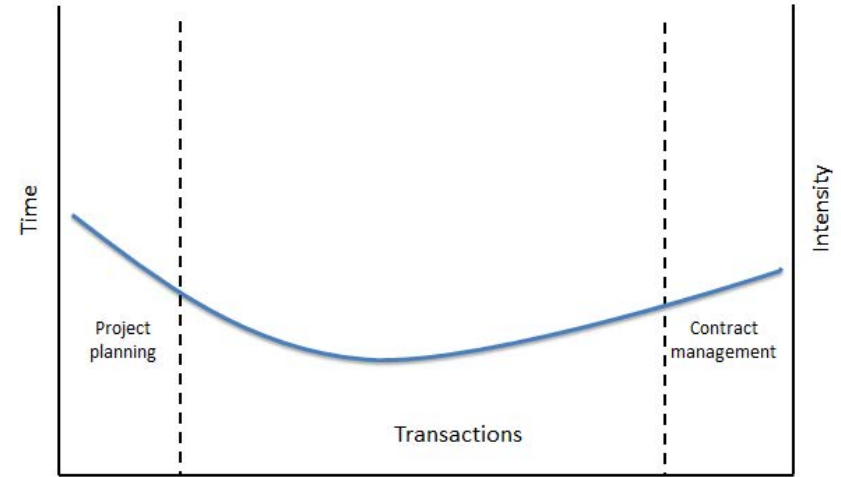
Procurement Engagement Models

ADB Current Model



Stages of Procurement Transactions

ADB New Model



Stages of Procurement Transactions

Project Planning	Procurement Transaction	Contract Management
<ul style="list-style-type: none"> • More upfront engagement by procurement specialists • Enhanced Procurement Plans • Quality-based selection of consultants for design of complex projects 	<ul style="list-style-type: none"> • Market assessments • Design of appropriate bidding modalities (Two Stage Bidding for high technology or complex projects) • Efficient bidding 	<ul style="list-style-type: none"> • Contract monitoring • Resolving issues and disputes

II. E-Government procurement as key component of ADB's Procurement Framework



Specific Procurement reform initiatives

- ADB will work on the following initiatives:
 - i) conduct procurement and market-risk assessments for client countries to help in better procurement planning, design and implementation
 - ii) Introduce alternative procurement arrangements
 - iii) Conduct risk-based fiduciary oversight, reducing the number of prior and post reviews and mainstream post-review through sampling
 - iv) FCAS specific procurement support
 - v) Support to clients procuring high-level technology
 - vi) **Improve the use of e-Procurement for greater efficiency and transparency of procurement**
 - vii) Set up a procurement complaints system to resolve complaints



E- procurement

Procurement Regulations for ADB Borrowers recognize the value of e-procurement in facilitating transparency and efficiency in the procurement process. "E-Procurement tools are recommended for communications with bidders, advertisements, notices and amendments, distribution of procurement documents, submissions of bids or proposals , and disclosure of contract awards. **These arrangements should be adequate, efficient, and secured, and should not prevent participation of potential bidders.**

Any e-procurement system used for ADB-financed transactions shall be accessible and secure, ensure integrity and confidentiality, and have sufficient audit trail features".

Procurement Regulations for ADB Borrowers, para 1.34-136



For more information

<https://www.adb.org/sites/default/files/institutional-document/295616/policy-paper-procurement-framework.pdf>

<https://www.adb.org/news/adb-new-procurement-framework-cut-processing-times-boost-quality-and-enhance-delivery-systems>