



Asian Development Bank Headquarters, Manila, Philippines

9th ADB Business Opportunities Fair

The ADB Procurement System: Consultants

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









ADB in 2017

In 2017, Asian Development Bank (ADB) operations amounted to \$28.90 billion, of which \$19.09 billion was for sovereign nonsovereign project approvals financed by regular ordinary capital resources (OCR), concessional ordinary capital resources (COL), Asian Development Fund (ADF) and other special funds; \$206 million was for technical assistance (TA) financed by special funds; and \$9.60 billion financed by cofinancing partners.

ADB in 2017

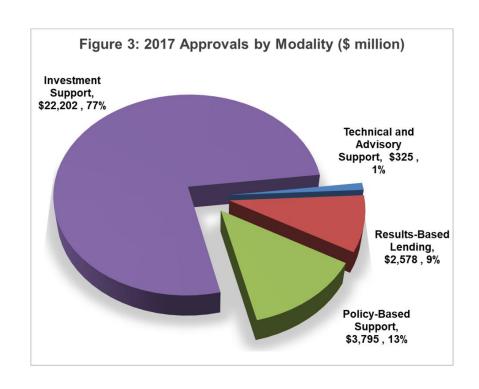
By type, total approvals funded by OCR, COL, ADF and special funds consisted of

- (i) \$17.62 billion in loans,
- (ii) \$553 million in grants,
- (iii) \$526 million in guarantees,
- (iv) \$390 million in equity investments, and
- (v) \$206 million in TA.



2017 Approvals by modality

Of the \$28.90 billion approved in 2017, 77% (\$22.20 billion) was for investment support, 9% (\$2.58 billion) for results-based lending, 13% (\$3.79 billion) for policy-based support and 1% (\$325 million) for TA





Top five recipients ranking

The top five recipients of ADB's funding including cofinancing are

- 1. People's Republic of China (\$3.83 billion),
- 2. Pakistan (\$3.29 billion),
- 3. India (\$3.15 billion),
- 4. Bangladesh (\$3.09 billion),
- 5. Indonesia (\$3.01 billion).

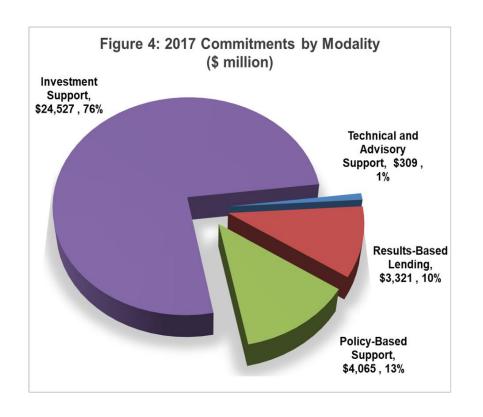
Excluding cofinancing, the top five recipients are

- 1. People's Republic of China (\$2.74 billion),
- 2. India (\$2.64 billion),
- 3. Pakistan (\$2.12 billion),
- 4. Bangladesh (\$1.96 billion),
- 5. Indonesia (\$1.96 billion).



2017 Commitments by Modality

Of the \$32.22 billion commitments in 2017, 76% (\$24.53 billion) was for investment support, 10% (\$3.32 billion) for resultsbased lending,1 13% (\$4.07 billion) for policy-based support and 1% (\$309 million) for TA





Where most opportunities are?

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





Where opportunities will be?

Operational priorities

- A) Addressing Remaining poverty and reducing inequalities
- B) Accelerating progress in gender equality
- C) Tackling climate change, building climate and disaster resilience and enhancing environmental sustainability
- D) Making cities more liveable
- E) Promoting rural development and food securing
- F) Strengthening governance and institutional capacity
- G) Fostering regional cooperation and integration



ADB Project Cycle and Business Opportunities



https://www.adb.org/site/disclosure/public-communications-policy/cycle



Business Opportunities

Consultants

Technical

Assistance*

Staff Consulting*

•Grants**

Loans**

Suppliers and

Contractors

Grants**

Loans**

Institutional

Procurement*

^{*} Procured by ADB (exception – delegated TA)

^{**} Procured by the Borrower (exception – request for ADB to assist)

Consulting Services Contracts 2015-2017

Туре	No. of contracts	ADB-financed amount (US\$ million)
Loans	1457	1,077.38
EA-administered grants	1067	312.29
ADB-administered grants	44	6.29
TA	7321	633.85
Staff consulting	3016	77.36
Total	12905	2.107.27



Procurement Ranking Consulting Services (Loans)

Rank	2015	2016	2017
1 st	IND	KOR	AUS
2 nd	GER	UKG	KOR
3 rd	KOR	JPN	IND
4 th	UKG	IND	ITA
5 th	JPN	SPA	CAN



^{*}based on Nationality of Bidder

** ADB has 67 member countries

Top 5 Consulting Firms under Project Loans from 2015 to 2017

Rank	Consulting Firm	No. of Contracts	ADB-Financed Amount (US\$ million)
1	SMEC International Pty. Ltd.	22	130
2	Dohwa Engineering Co. Ltd.	7	56
3	Mott MacDonald Ltd.	12	48
4	Lahmeyer International GmbH	3	40
5	EGIS	15	26
	ncludes the above lead consulting firms wit		

Procurement Ranking Consulting Services (EA Administered Grants)

Rank	2015	2016	2017
1 st	FRA	AUS	AUS
2 nd	AUS	KOR	KOR
3 rd	CAN	ITA	USA
4 th	SPA	NEP	LAO
5 th	GER	AFG	BAN

^{*}based on Nationality of Bidder



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Top 5 Consulting Firms under EA-Administered Grants (2015-2017)

Rank	Consulting Firm	No. of Contracts	ADB-Financed Amount (US\$ million)
1	SMEC International Pty. Ltd.	11	35.86
2	Coyne Et Bellier	1	11.15
3	Cardno Emerging Markets Pty. Ltd.	5	11.01
4	Northwest Hydraulic Consultants Ltd.	1	9.61
5	Sheladia Associates Inc.	2	9.50
* Data includes the above lead consulting firms			

with associations and joint ventures.

Procurement Ranking Consulting Services (ADB Administered Grants)

Rank	2015	2016	2017
1 st	PHI	PHI	MYA
2 nd	CAM	IND	SWE
3 rd	IND	MAL	LAO
4 th	LAO	NET	THA
5 th	USA	THA	

^{*}based on Nationality of Bidder



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Top 5 Consulting Firms under ADB- Administered Grants (2015-2017)

Rank	Consulting Firm	No. of Contracts	ADB-Financed Amount (US\$ million)
1	Ernst & Young LLP	1	2.03
2	Consultants for Comprehensive Environmental Planning Inc.	1	1.90
3	International Organization for Migration (Myanmar)	1	0.43
4	Lao-Asie Consultants Group Co. Ltd.	1	0.10
5	Humanist Institute for Cooperation with Developing Countries (Netherlands)	1	0.09
	includes the above lead consulting vith associations and joint ventures.		

Procurement Ranking Consulting Services (TAs)

Rank	2015	2016	2017
1 st	UKG	UKG	UKG
2 nd	IND	AUS	AUS
3 rd	USA	USA	USA
4 th	AUS	PHI	PHI
5 th	PHI	IND	IND

^{*}based on Nationality of Bidder

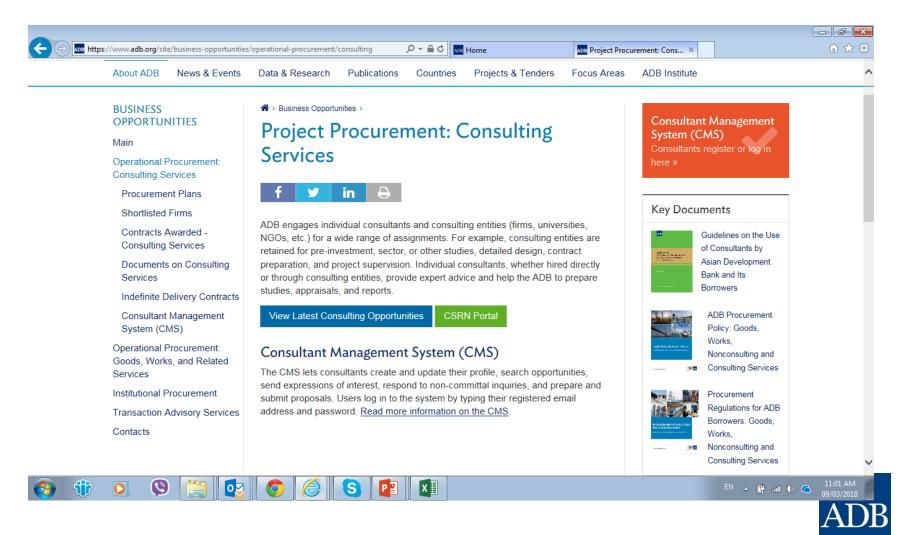


^{**} ADB has 67 member countries

Top 5 Consulting Firms under Technical Assistance (2015-2017)

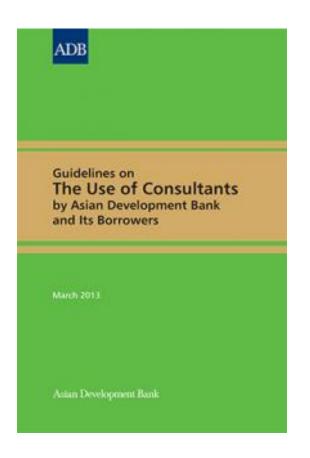
Rank	Consulting Firm	No. of Contracts	ADB-Financed Amount (US\$ million)
1	PriceWaterhouseCoopers Pvt. Ltd.	21	13
2	Landell Mills Ltd.	5	12
3	Business and Finance Consulting GmbH	3	9
4	Mott MacDonald Ltd.	8	9
5	NIRAS	4	8
* Data includes the above lead consulting firms with associations and joint ventures.			

Consulting services – Key documents

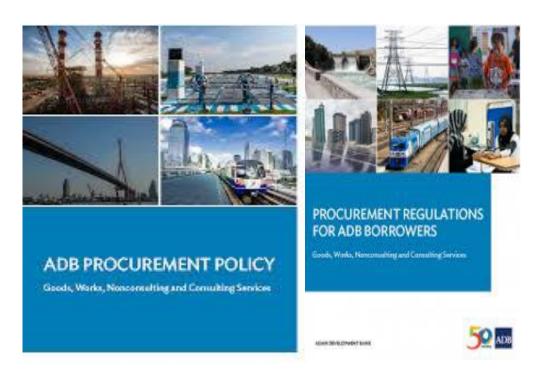


Policies applicable to Recruitment of Consultants

Pre-2017 processing



Post -2017 processing









2017 Procurement Policy - General Considerations

This policy is derived from the Articles of Agreement of the Asian Development Bank Article 14, Operating Principle (xi), that ADB shall take the necessary measures to ensure that the proceeds of any loan made, guaranteed, or participated in by ADB are used only for the purposes for which the loan was granted, and with due attention to considerations of economy and efficiency.

The responsibility for the implementation of the project, and therefore for the procurement, award, and administration of contracts under the project, rests with the borrower. ADB, for its part, has the obligation to ensure that the proceeds of its financing are used with due attention to considerations of the core procurement principles.

Principles

Guidelines on Use of Consultants by ADB and Its Borrowers (2013)

- 1. 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
- Need for increasing focus on anticorruption and observance of ethics

2017 ADB Procurement Policy

- 1. Economy
- 2. Efficiency
- 3. Fairness
- 4. Transparency
- 5. Quality
- 6. Value for Money



Key differences

Guidelines on Use of Consultants by ADB and Its Borrowers (2013)

- Geographical balance for shortlisting of firm
- No more than 2 firms from the same country (exception – national recruitment)
- 6 firms shortlist
- Documentation and communication relating to the use of consultants prepared by ADB, the borrower, and consultants shall be in English

2017 ADB Procurement Policy and Regulations

- No geographical balance restrictions on shortlisting
- Shortlist is not defined at maximum of 6
- Defined complaints handling mechanism
- Unless otherwise agreed by ADB, bidding and other relevant documents, including advertisements, are to be prepared in English

Fitness for Purpose defined

Fitness for purpose requires procurement arrangements to appropriately reflect the strategic needs and circumstances of the situation. In case a standardized approach cannot effectively and efficiently meet project outcomes and development objectives, including in capacity-constrained environments, a customized approach may be adopted, entailing transaction-specific methods and documentation.



Integrity

ADB requires application of the highest standard of ethics during any procurement process subject to this Policy and use of funds, resources, assets, and authority in accordance with ADB's Anticorruption Policy and Integrity Principles and Guidelines (both as amended from time to time) (Anticorruption Guidelines).

A firm or individual sanctioned or temporarily suspended by ADB in accordance with ADB's Anticorruption Guidelines shall be ineligible to participate in or to be awarded an ADB-financed or ADB-administered contract or to benefit from an ADB-financed or ADB-administered contract, financially or otherwise, during the period of time determined by ADB.



Conflict of Interest

ADB considers a conflict of interest to refer to situations 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. A conflict of interest may not, in all cases, in and of itself, constitute a violation of ADB's Anticorruption Guidelines, if appropriately addressed mitigated.



Conflict of Interest

ADB requires bidders to disclose all conflicts of interest during the bid submission. ADB will take appropriate actions to manage such conflicts of interest or may reject a proposal for award if it determines that a conflict of interest has flawed the integrity of any procurement process.

ADB requires that all those who are involved in the procurement process for an ADB-financed contract

- (i) do not have a conflict of interest with regard to the procurement concerned and are required to remain professional, objective, and impartial; and
- (ii) are required to always hold the borrower's interest paramount, without any consideration of future work, and to avoid conflicts with other assignments and their own corporate and personal interests.

Core procurement principles explained – Economy

The principle of economy means taking into account factors such as price, quality, and any nonprice attributes, as appropriate, without adversely affecting the viability of the project.



Core procurement principles explained – Efficiency

The principle of efficiency ensures that procurement processes are proportional to the value and risks of the required outcome and underlying project activities, taking into account implementation capacity, time constraints, and cost-effectiveness.



Core procurement principles explained – Fairness

The principle of fairness means

- (a) equal opportunity for and treatment of eligible bidders;
- (b) equitable distribution of rights and obligations between borrowers and bidders; and
- (c) credible mechanisms for addressing procurement-related complaints and providing recourse.

ADB encourages open competition as the preferred procurement approach, whenever possible, to maximize fairness of the opportunity to bid.



Core procurement principles explained – Transparency

The principle of transparency means ensuring, through appropriate documentation and review of activities in the procurement process, that

- (a) relevant procurement information is made publicly available to interested parties, in a consistent and timely manner, through readily accessible and widely available sources at no (or reasonable) cost;
- (b) appropriate reporting of procurement activity; and
- (c) use of confidentiality provisions in contracts only where justified.

Core procurement principles explained – Quality.

This principle requires that the procurement arrangements are structured to procure inputs and deliver outputs of appropriate standard in a timely and effective manner to achieve the project outcomes and development objectives, taking into account the context, risk, value, and complexity of procurement.

Procurement arrangements include procurement modalities and, as the context permits, the nature and extent of borrower responsibility and ADB oversight.

In Consulting services, procurement arrangements would include selection methods, type of contracts and arrangements for review of Borrower's decisions (prior or post review)

Core procurement principles explained – Value for Money (VfM).

This principle enables the borrower to obtain optimal benefits through effective, efficient, and economic use of resources by applying, as appropriate, the Core Procurement Principles and related considerations, which may include life-cycle costs and socioeconomic and environmental development objectives of the borrower.

Price alone may not sufficiently represent value for money.

Procurement principles translated into procurement practice

- Selection methods
- Use of standard documents
- Systems (including Consultant Management System)



Competitive selection methods

In the case of consulting services, Open Competitive Bidding allows for methods of evaluation and comparison of bids to take account of both quality and cost according to the specific nature of the consulting services to be acquired and the conditions under which they are to be acquired. In practice, this means that borrowers may

- (a) balance the quality and cost of the proposed services using a quality- and cost-based selection (QCBS);
- (b) prioritize quality through quality-based selection (QBS) or selection based on consultants' qualifications (CQS);
- (c) select the highest quality consultant within the available budget using a fixed-budget selection (FBS); **OR**
- (d) prioritize cost through least-cost selection (LCS).



Direct contracting – Single Source Selection (SSS)

For consulting services tasks that represent a natural continuation of previous work carried out by the consultant firm and only where continuity for downstream work is essential (e.g., continuity in the technical approach, experience acquired, and continued professional liability of the same consultant) and presents a clear advantage over renewed competition.

- For very small consultancy assignments.
- In exceptional cases, such as in response to natural disasters (modality includes use of previously conducted competitive selections)

Selection Methods (Firms)

Selection Method	Technical Proposal Evaluation	Financial Proposal	Selection procedure
LCS – Least Cost Selection	>= 750 out of 1000	Lowest priced	Firm with lowest priced responsive proposal wins
QCBS – Quality and Cost based selection	>= 750 out of 1000	Competitive (Quality-cost ratio 70:30; 80:20; 90:10)	Firm representing the best combination of quality and price wins
FBS – Fixed Budget Selection	>= 750 out of 1000 And Highest Technical Score	<= budget	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	Supporting documents to prove financial position of the firm, remuneration of experts, social and overhead charges	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		Negotiations are conducted with the firm that is selected without benefit of competition ADB

Selection of Individual Consultants

For certain assignments, individual consultants may be more appropriate and cost-effective than firms. Individual consultants may be recruited by the borrower directly in their individual capacity or through an organization such as a consulting firm, an academic institution, a government, or an international agency.

The evaluation procedures for selecting individual consultants are simpler and quicker than those for selecting consulting firms. Individual consultants are recruited on the basis of their qualifications and experience for the assignment. When the borrower recruits individual consultants for loan projects, agreements are reached on the type of consultant best suited for the assignment, and the applicable procedure.

Standard documents

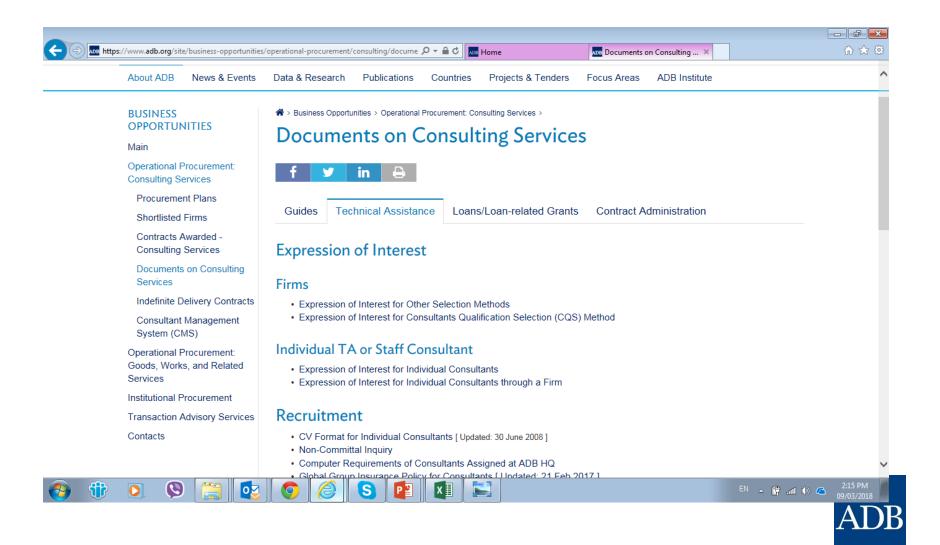
- Expression of Interest templates
- Standard form of CV (including eligibility declaration and compliance with ADB Anticorruption policy)
- RFP for ADB administered selections (Technical Assistance and Staff Consulting)
- RFP for Client-administered selections (delegated TA, Loans and Grants)
- Contract forms



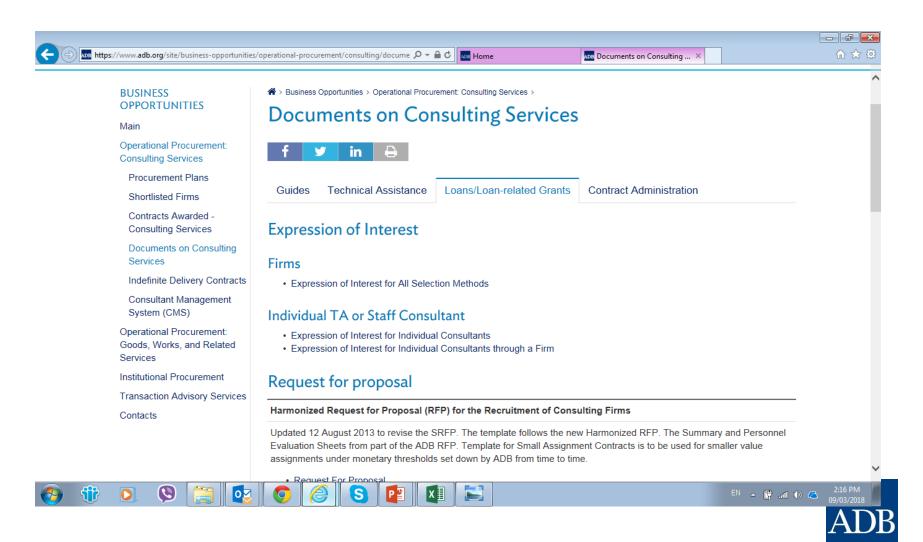
Consultant Management System

- Is an integrated system for registration and maintaining profiles of both consulting entities and individuals. Allows consultants to register online via the Internet. The registration need to be updated at least once per year to avoid deactivation.
- 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.

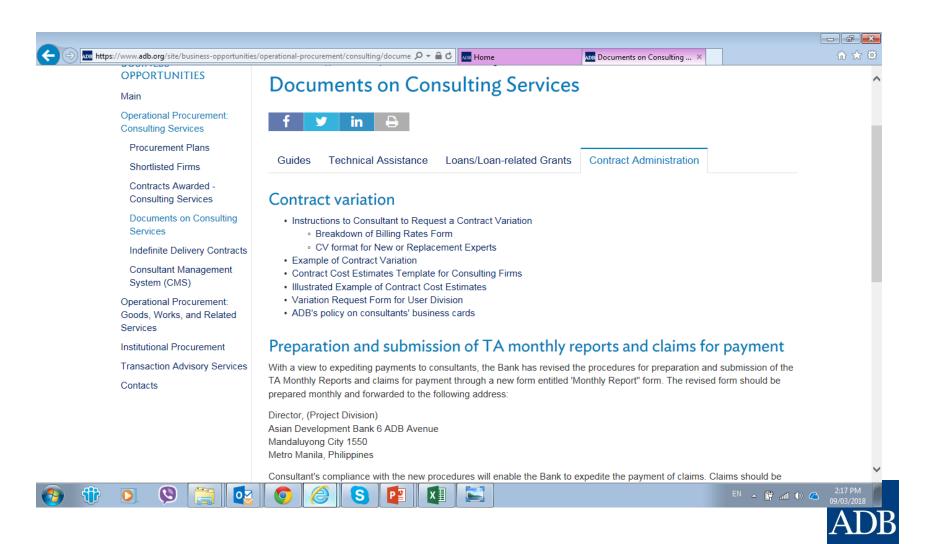
Consulting services documents



Consulting services documents



Consulting services documents



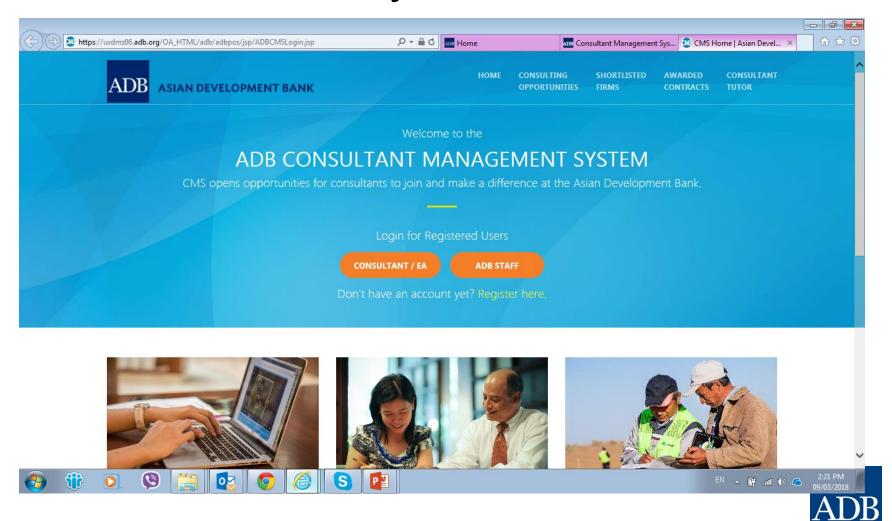
CMS features

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

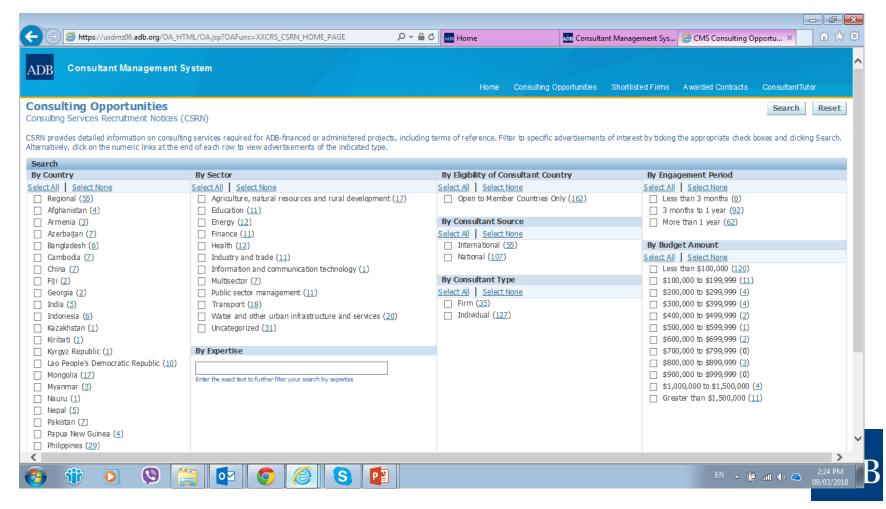
Through CMS, consultants can:

- 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;
- submit claims, requests for advances and variations (Staff consultants contracts only)
- submit feedback on completed projects.

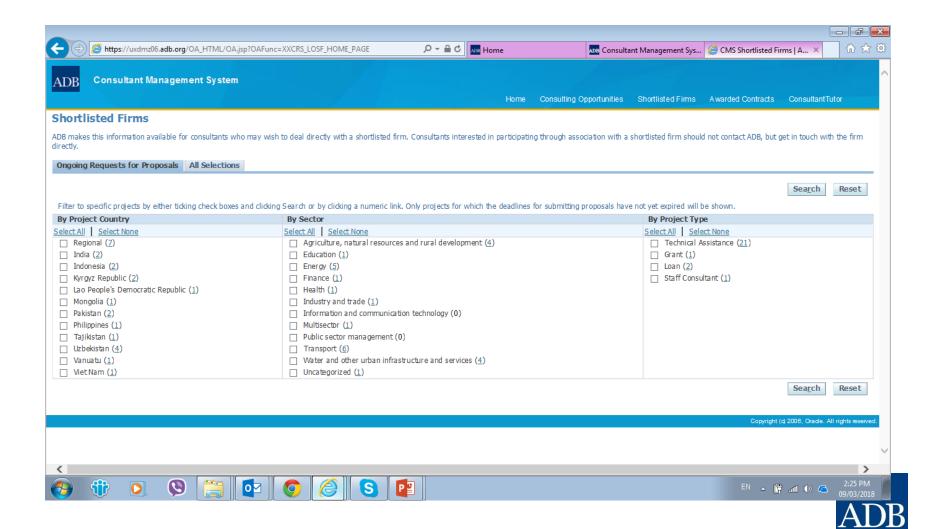
ADB Consultant Management System



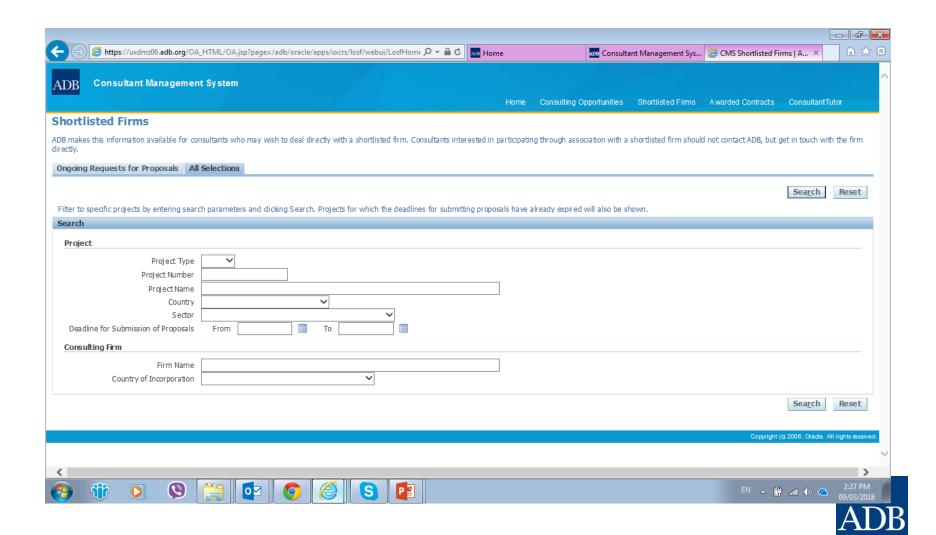
Searching consulting opportunities – Consulting Services Recruitment Notice (CSRN)



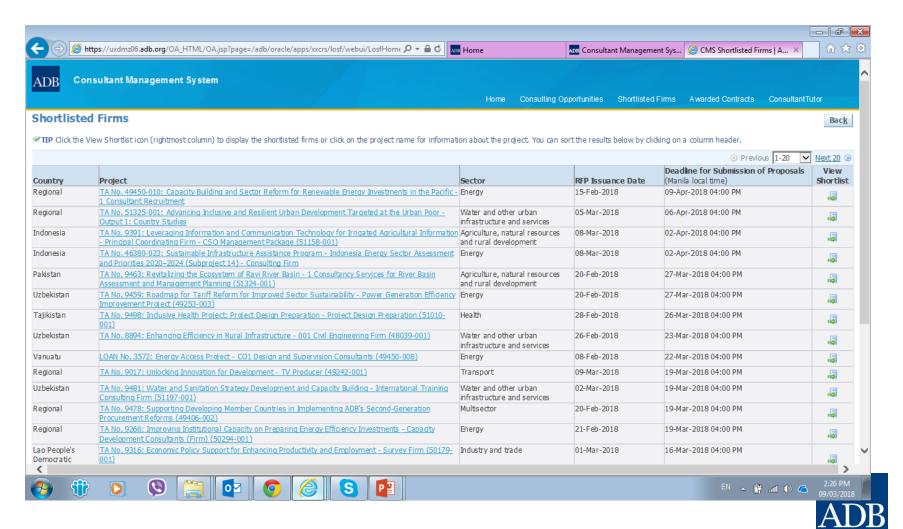
CMS – Shortlisted firms



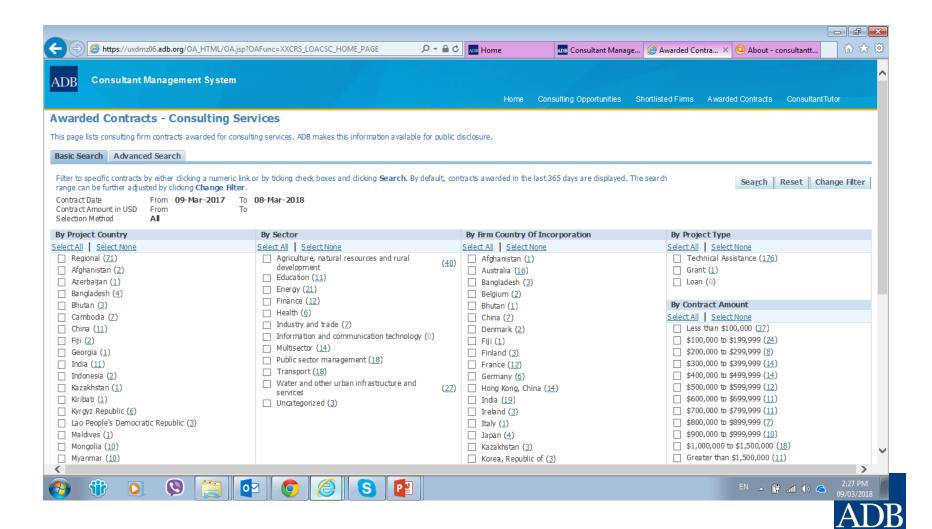
CMS – Shortlisted firms



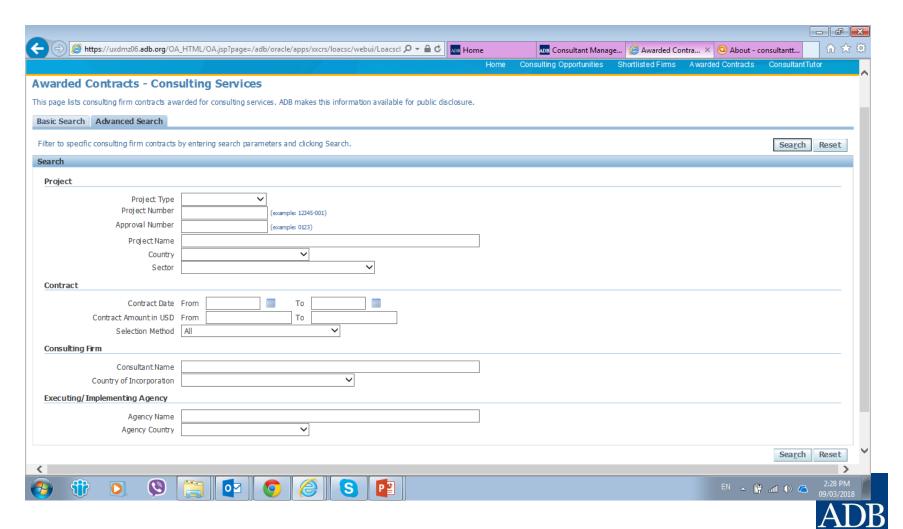
Shortlisted firms – ongoing selections



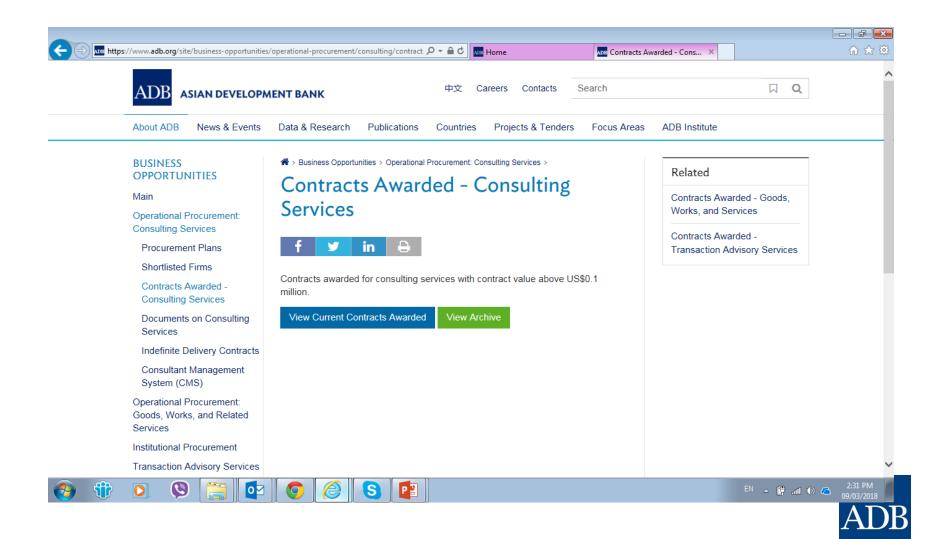
Awarded contracts - Basic Search



Awarded contracts – Advanced Search



Contracts awarded outside CMS



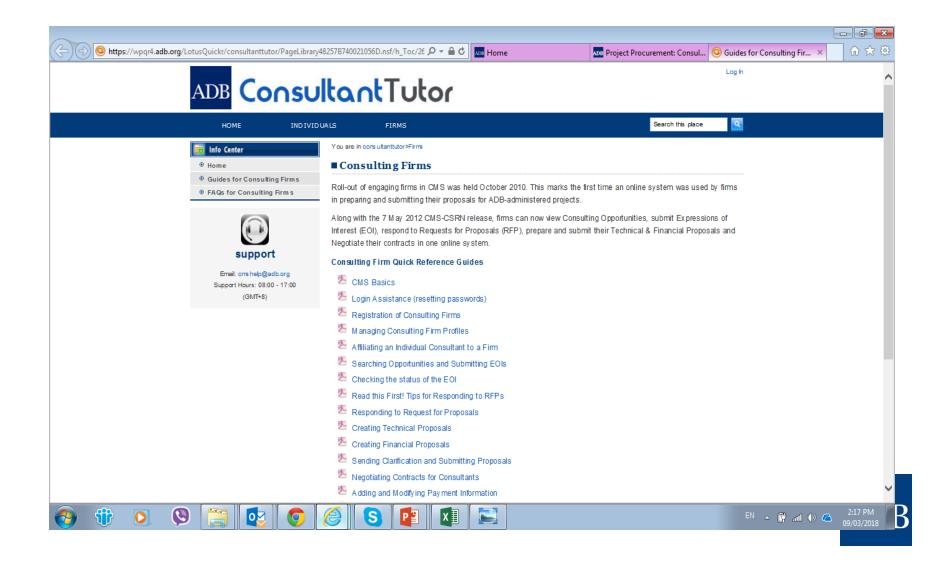




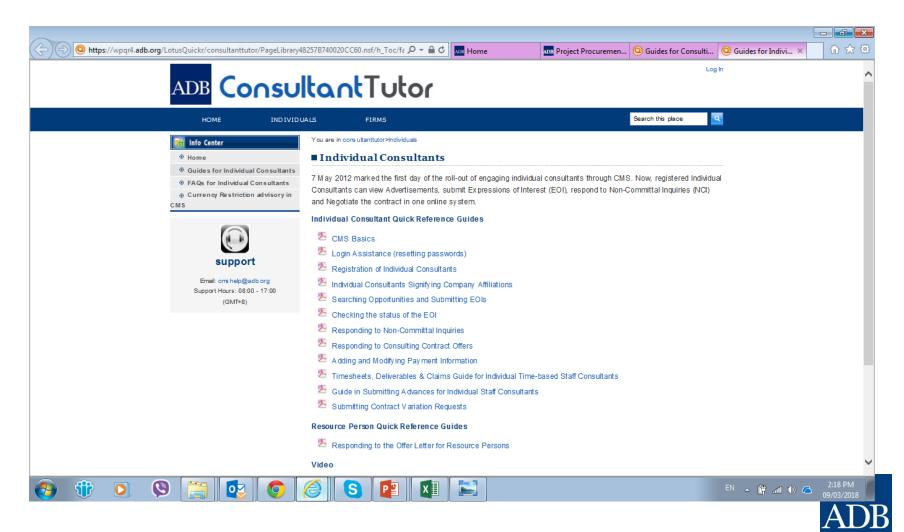




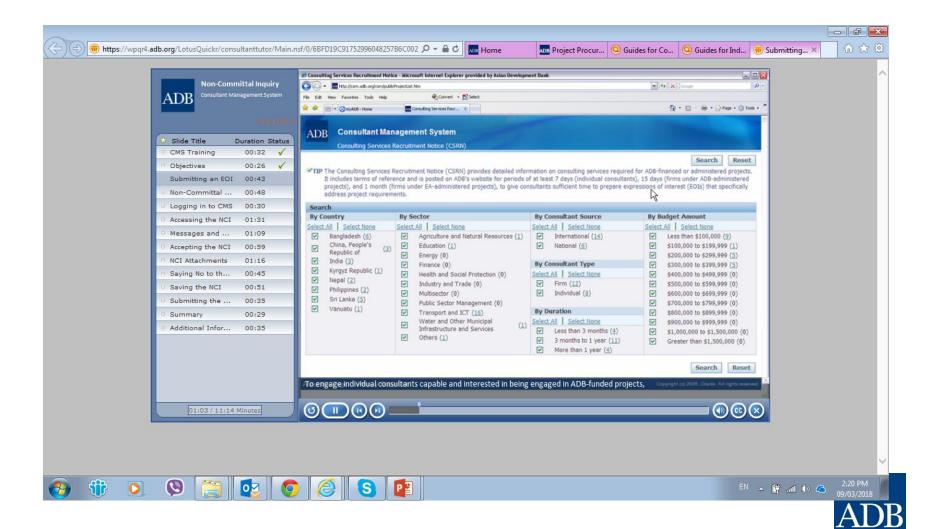
CMS – training for consulting firms



CMS – training for individual consultants



Training videos



Web-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 and have at least 2 LinkedIn connections to be able to use the facility
- ADB Consultants Network: http://www.linkedin.com/e/qfo72y-gkf0zuh8-6r/vgh/3796524/
- As of 9 March 2018, the group has 5839 members

Useful links

<u>www.adb.org</u>
<u>https://www.adb.org/site/business-opportunities/operational-procurement/consulting</u>
<u>https://www.adb.org/documents/guidelines-use-consultants-asian-development-bank-and-its-</u>

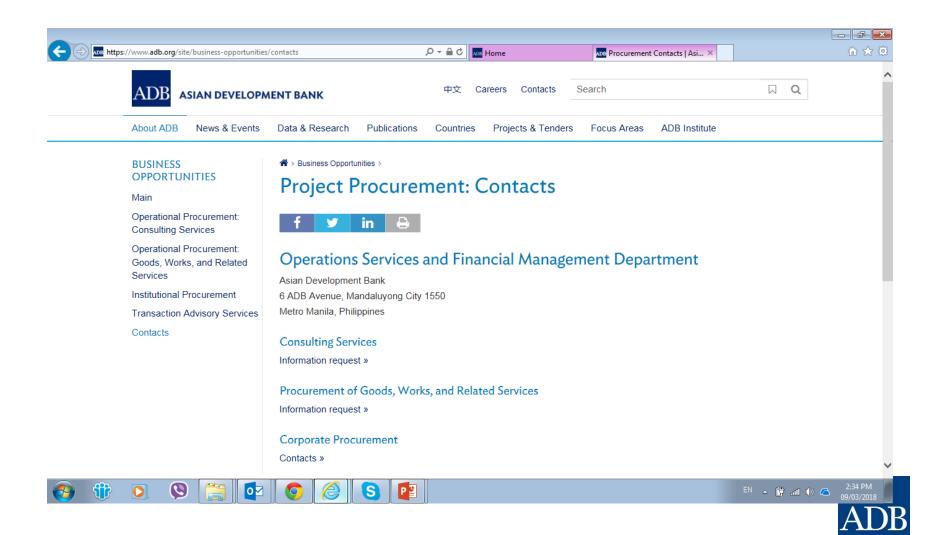
borrowers

https://www.adb.org/documents/adbprocurement-policy

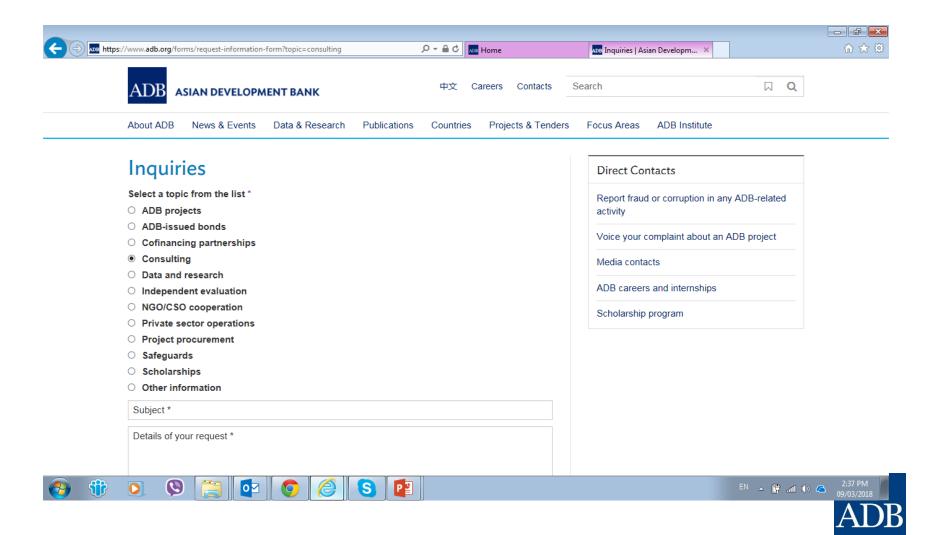
https://www.adb.org/documents/procurementregulations-adb-borrowers



Further information



Further enquiries



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