



# Livable Cities Development Priorities Virtual Business Opportunity Forum

30 July 2020 • 1:00 p.m.

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# Procurement Systems & Procedures

## Agenda

- ADB procurement policy and procedures
- Contract opportunities – Who? What? When?
- Bidding for ADB-financed contracts
  - COVID-19 procurement
  - Common issues
- More information





# Procurement Systems & Procedures

## Procurement Reform 2017

***“Improving ADB Project Performance through Procurement Reforms”***

**ADB Policy Paper, March 2017**

*“... continue to promote better procurement systems using a principles- and risk-based approach”*

*“... increase efficiency and effectiveness. To support better project implementation, ADB will reform and rationalize its business processes, particularly its procurement systems”*



# Procurement Systems & Procedures

## Drivers of reform



Increased lending operations



Evolving needs of DMCs



Harmonization with other MDBs



Need to improve delivery systems

# Procurement Systems & Procedures

## Procurement principles – Desired outcomes

Principle		Outcomes
	<b>Fairness</b>	Equal opportunity; equitable distribution; and credible mechanisms for addressing procurement-related complaints.
	<b>Economy</b>	Using price, quality, and any nonprice attributes to deliver viable projects.
	<b>Efficiency</b>	Ensures procurement processes are proportional to value and risks.
	<b>Transparency</b>	Deliver relevant procurement information publicly in a consistent and timely manner; appropriate reporting; and confidentiality.
	<b>Quality</b>	Structured arrangements delivering appropriate outputs in an effective manner to achieve project outcomes and objectives.
	<b>Value for Money</b>	Obtain optimal benefits through effective, efficient, and economic use of resources.

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## Procurement Reform 2017

### From rule-based to risk-based procurement

#### From value thresholds driving:

- Tendering methods – international vs national bidding
- Contracting methods – small vs large works, quotations, direct contracting
- Contract awards – “... *lowest evaluated substantially responsive bid*”

#### To risk-based approach allowing to factor in:

- Best industry practice for tendering/contracting method
- Deeper market intelligence for optimal approach to procurement
- Alternative methods of evaluation – merit points, life-cycle costing, etc.
- Best *fit-for-purpose* option

# Procurement Systems & Procedures

## Contract opportunities through project cycle



# Procurement Systems & Procedures

## ADB role in procurement

### ADB-administered, under technical assistance (TA) projects

- ADB selects, recruits and administers consultants
- Train staff, executing agencies, and consultants/contractors/suppliers

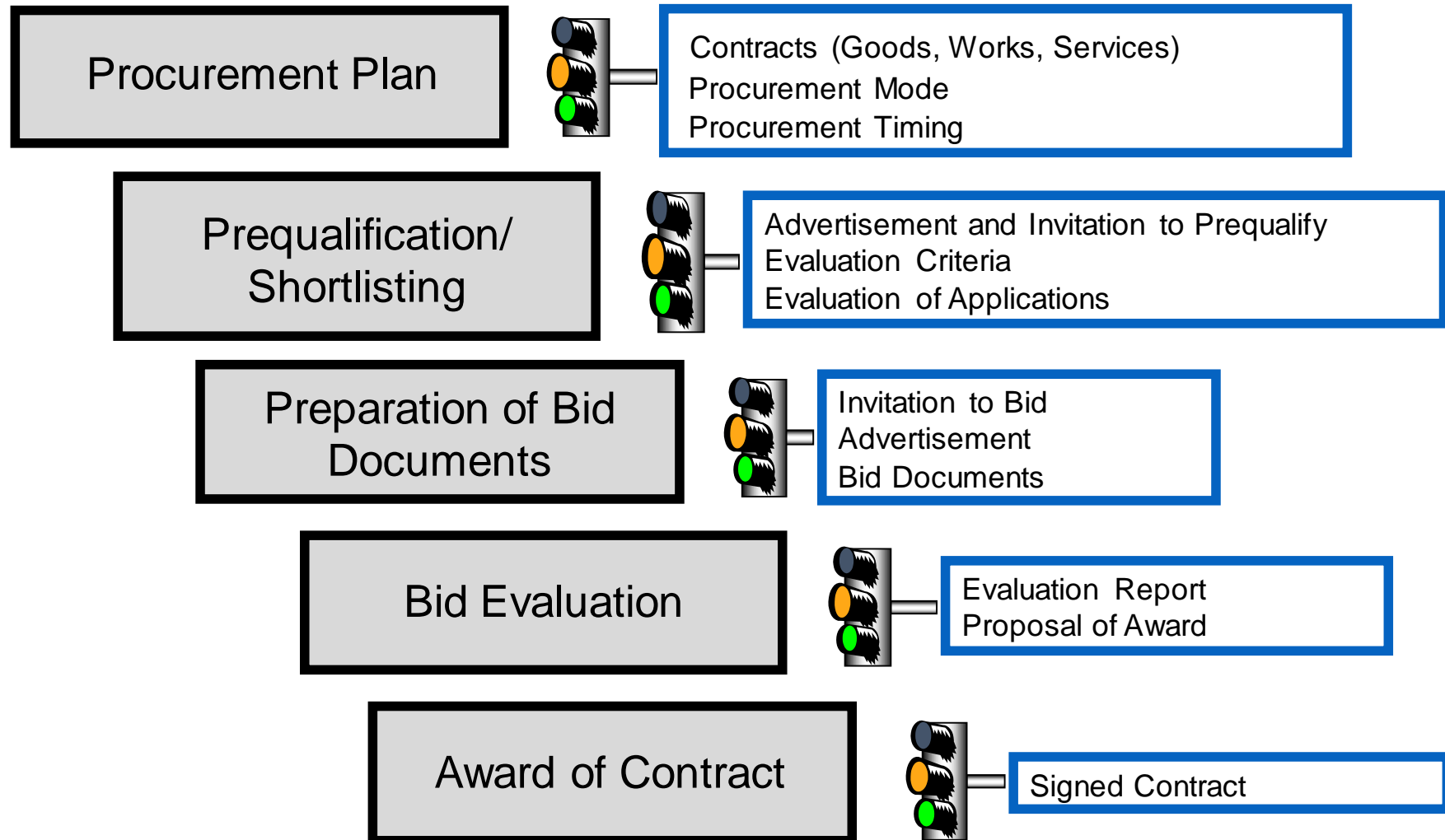
### EA-administered, under loan and grant projects

- Executing agency responsible for procurement of goods, works and services
- Occasionally, ADB *selects* and EA recruits and administers consultants
- Prior or *post facto* reviews by ADB of procurement transactions conducted by EA
- ADB guidance on contract management through implementation



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## ADB Prior Review



# Procurement Systems & Procedures

## COVID-19 Procurement

- Visit ADB COVID webpage:  
<https://www.adb.org/what-we-do/covid19-coronavirus>  
Also visit “*Business Outreach*” link
  - Business opportunities
  - Market research for supplies
  - “Supply Chain Maps” for products
- CMS has filter specific for COVID-19 related opportunities
- Delayed contract awards & negotiations
- Impacts on contract execution
- Use of “*Force majeure*”

# Procurement Systems & Procedures

## COVID-19 Procurement


COVID-19 (Coronavirus): ADB's Response

ADB is supporting its developing members in responding to the COVID-19 outbreak through finance, knowledge, and partnerships.

Main Business Outreach

Home > COVID-19 (Coronavirus): ADB's Response

### In the Spotlight




**ADB's Response to COVID-19: on the Side of Our Developing Members in Their Time of Need**

VIDEO

ADB's Response to COVID-19: on the Side of Our Developing Members in Their Time of Need →


ADB tripled the size of its response to the COVID-19 pandemic to \$20 billion and to streamline its



**Developing Asia to Grow Just 0.1% in 2020 — ADB →**

NEWS RELEASE


Developing Asia will barely grow in 2020 as containment measures to address the coronavirus disease (COVID-19) pandemic hamper economic activity and weaken



**ADB Study Maps Supply Chains for Key Products in COVID-19 Response →**

NEWS RELEASE

The Asian Development Bank (ADB) has released a landmark study which maps supply chains for critical products in the



**COVID-19 Economic Impact Assessment Template →**

DATA

This template looks at the potential economy- and sector-specific impact of the COVID-19 outbreak. The scenarios and estimates are revised to reflect the

<https://www.adb.org/what-we-do/covid19-coronavirus>

# Procurement Systems & Procedures

## COVID-19 Procurement

Learn about ADB's response to the coronavirus (COVID-19) →

facilitate **regional support** for emergency procurement of COVID-19 related critical products.

This page contains information on ADB's business outreach efforts as well as data and guidance related to the sovereign operations procurement of goods, works, non-consulting and consulting services in response to COVID-19.

ADB's Response to COVID-19

### How you can participate in ADB COVID-19 Procurement and Consulting Services

ADB welcomes collaboration with suppliers, professional specialists, private sector companies, NGOs and civil society organizations, as well as other knowledge partners to support our DMCs in their responses to the COVID-19 pandemic and help build long-term systemic resilience within supply chains. Get in touch

In particular, ADB invites specialists with expertise in the following areas to submit an Expression of Interest for the possible future framework agreements with ADB or its DMCs:

1. Epidemiologist/ health security/disease surveillance specialists
2. Risk communication specialists
3. Medical equipment engineering expertise
4. Medical facilities/clinic/hospital building related engineering expertise

To access information on ADB-financed COVID-19 related projects and procurement of goods, works, and non-consulting and consulting services required for these projects, please visit ADB's Consultant Services Recruitment Notices Portal and refine the results.

Consultant Management System COVID-19 Specific Guidance

More information can be accessed on ADB's Projects and Tenders page from the links below.

Procurement Plans Tender Notices

### COVID-19 Products Market Research

Through its \$20 billion package, ADB will support its DMCs in the procurement of goods and equipment required for emergency response. While the exact needs of each DMC vary, the types of products required are those recommended by WHO for COVID-19.

Amidst the urgent global needs and lack of supply, ADB is working with various government and industry stakeholders to facilitate the efficient mobilization of COVID-19 related supplies to its DMCs. In recognition of

### ADB Expression of Interest

If you are interested in further engagement with ADB, or its DMCs, for the

# Procurement Systems & Procedures

## COVID-19 Procurement

ADB Business Outreach

https://www.adb.org/what-we-do/covid19-coronavirus/procurement

Learn about ADB's response to the coronavirus (COVID-19) →

### COVID-19 Products Market Research

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Amidst the urgent global needs and lack of supply, ADB is working with various government and industry stakeholders to facilitate the efficient mobilization of COVID-19 related supplies to its DMCs. In recognition of the fast-moving and complex market for critical care products and personal protective equipment for patients and frontline workers, ADB has undertaken a range of activities to identify and assess manufacturers, distributors, and suppliers of COVID-19 related items for possible procurement by ADB or its Borrowers.

### ADB Expression of Interest

If you are interested in further engagement with ADB, or its DMCs, for the supply of COVID-19 related goods and equipment, please complete our form. The form provides ADB with basic information to help us assess suppliers' capabilities to support our activities.

[Complete our form](#)

### Market research findings, as of July 2020

Firm Information > Equipment >

### Supply Chain Maps

Supply Chain Maps for Pandemic-Fighting Products, an interactive mapping tool developed to better equip banks, investors, governments, procurement, and health care professionals with the information they need to engage with companies involved in manufacturing and distributing goods critical to fighting the COVID-19. This tool was partly informed by the ADB publication "Global Shortage of Personal Protective Equipment Amid COVID-19".



# Procurement Systems & Procedures

## COVID-19 Procurement

**Supply Chain Maps for Pandemic-Fighting Products**

These maps provide banks, investors, governments and health care professionals with the information they need to ensure companies involved in manufacturing and distributing goods critical to fighting the coronavirus disease (COVID-19) have nothing stopping them from ramping up supplies as fast as possible and getting them to where they are needed.

Supply chains for goods such as ventilators, N95 masks, and other key products can now be dissected down to their component parts. Using this interactive tool, users can determine the name, location, turnover and other details for the companies involved in each component part of the supply chain. By publishing this information, we aim to facilitate the process of identifying and addressing any bottlenecks in these supply chains. Information about the methodology used to populate the maps can be found [here](#).

This initiative, led by the ADB's Trade and Supply Chain Finance Programs, is part of the \$20 billion committed by ADB to fight COVID-19 and offset its global economic impact. The imperative for these interactive maps was partly informed by ADB publication [Global Shortage of Personal Protective Equipment Amid COVID 19](#).

**MAPPING BY PRODUCT** **MAPPING BY LOCATION**

### Mapping by product

Here you can select medical products used in the fight against COVID-19 and identify their producers and distributors. Companies are grouped by their stage in the supply chain, whether they make final goods, component parts or raw materials.

APRONS	COVERALL	FACE SHIELDS	GLOVES	GOGGLES	GOWNS	PCR TESTS	RESPIRATORS	SURGICAL MASKS	VACCINES	VENTILATORS
FINAL PRODUCT	COMPONENTS	RAW MATERIALS	DISTRIBUTION							

**Coverall**

Coverall

**ANY QUESTIONS?**

<https://www.adb.org/multimedia/scf/#/>

# Procurement Systems & Procedures

## Bidding for ADB-financed contracts

### For consultants:

- ⚠ Register in CMS – <https://cms.adb.org>
- ⚠ Develop your brand – focus on what you do best
- ⚠ Be familiar with relevant ADB policies
- ⚠ Start small – individual assignments, sub-consulting or JV arrangement to build reputation
- ⚠ Know the country of assignment and related risks
- ⚠ Arrange site visit or strong local partnership
- ⚠ Pay attention to documentation requirements
- ⚠ Submit all information/data required

# Procurement Systems & Procedures

## Bidding for ADB-financed contracts

### For contractors / suppliers:

- ⚠ Start your intelligence gathering early – presentation of 29 July 2020
- ⚠ Pay attention to qualification requirements – include **all** information/documents
- ⚠ Follow Bid Data Sheet instructions
- ⚠ Know the country/site conditions
- ⚠ Pay attention to documentation requirements



**In doubt? Seek written clarification!**



# Procurement Systems & Procedures

## Common issues

- Use of bidding document templates
- Missing supporting documents
- Read “*Instruction to Bidders*”/“*Instruction to Consultants*” & Data Sheet extra-carefully – use of the term “*shall*”
- In two-envelope, price information in technical bid
- Applicable taxes – vary by country, even by industry
- In CMS, allow sufficient time to *enter* proposal in the system
- Late submissions
- Missing cost items in proposal/bid
- Low bids



**In doubt? Seek written clarification!**

# Procurement Systems & Procedures

## More Information

### **ADB Procurement Guidelines / Policy**

<https://www.adb.org/business/operational-procurement>

### **ADB Procurement Regulations**

<https://www.adb.org/business/operational-procurement>

### **Guidance Notes on Procurement (24 volumes)**

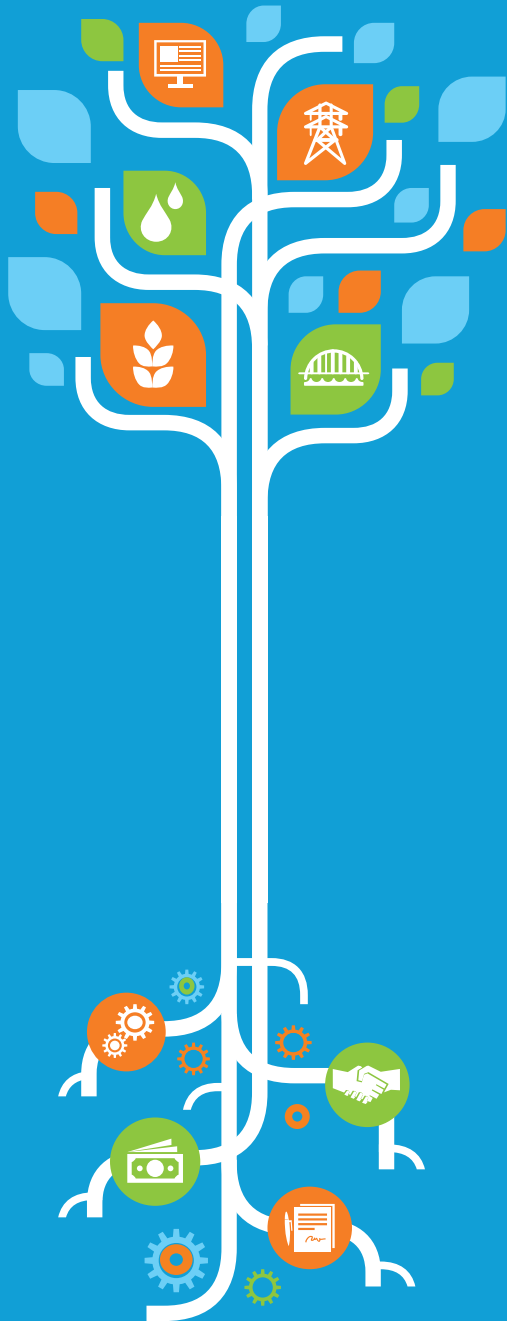
<https://www.adb.org/documents/guidance-notes-on-procurement>

### **Standard Bidding Documents (8 documents) and User Guides (9 documents) – 2016 or 2018**

<https://www.adb.org/business/operational-procurement>

### **COVID-19 Procurement**

<https://www.adb.org/what-we-do/covid19-coronavirus/procurement>



# THANK YOU!

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