

# Doing Business with ADB and the Procurement System --Do's and Don'ts

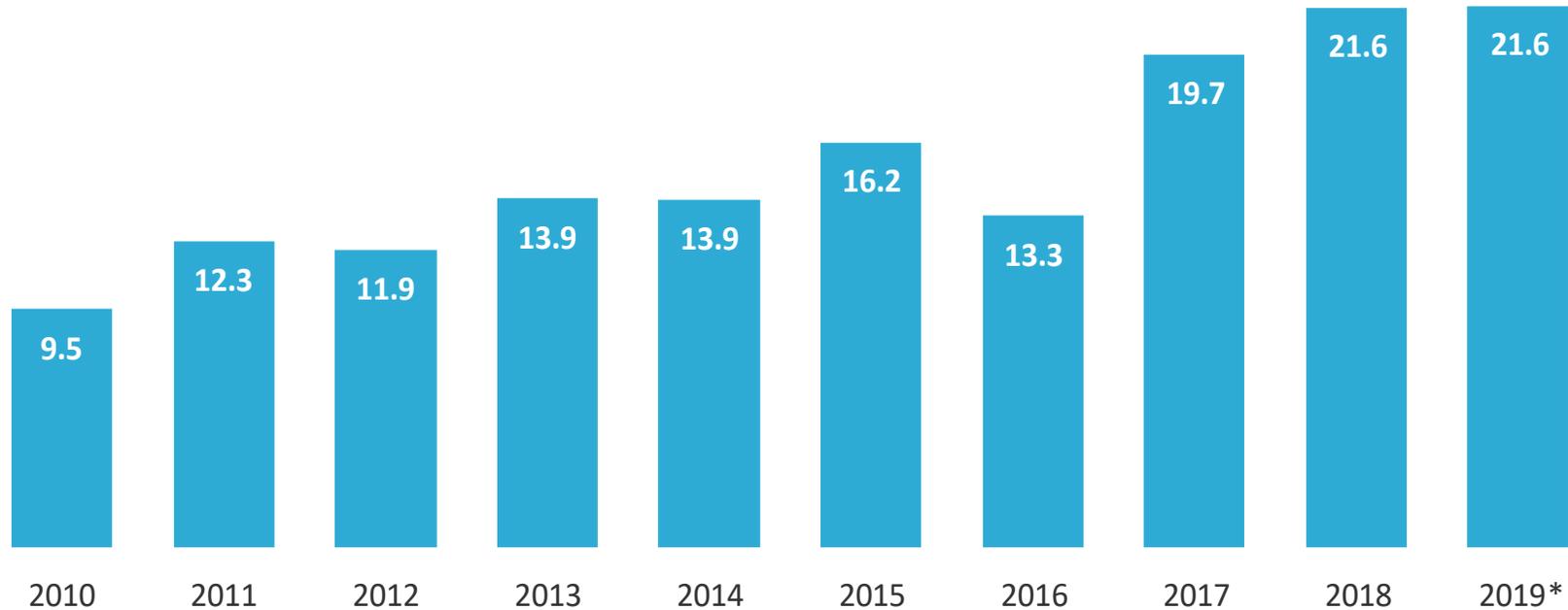
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# Annual Commitments of Loans and Grants

Ordinary Capital Resources (OCR) and Asian Development Fund Operations (ADF)  
(\$ billion)



Commitment is the financing approved by ADB's Board of Directors or Management and legal agreement has been signed by the borrower, recipient, or the investee company and ADB. It is the amount indicated in the investment agreement that may or may not be equal to the approved amount, depending on the exchange rate at the time of signing.

\* The figure for 2019 is preliminary

# Overview of ADB Operations

## Main instruments:

- Loans and grants
- Technical assistance
- Equity and guarantees

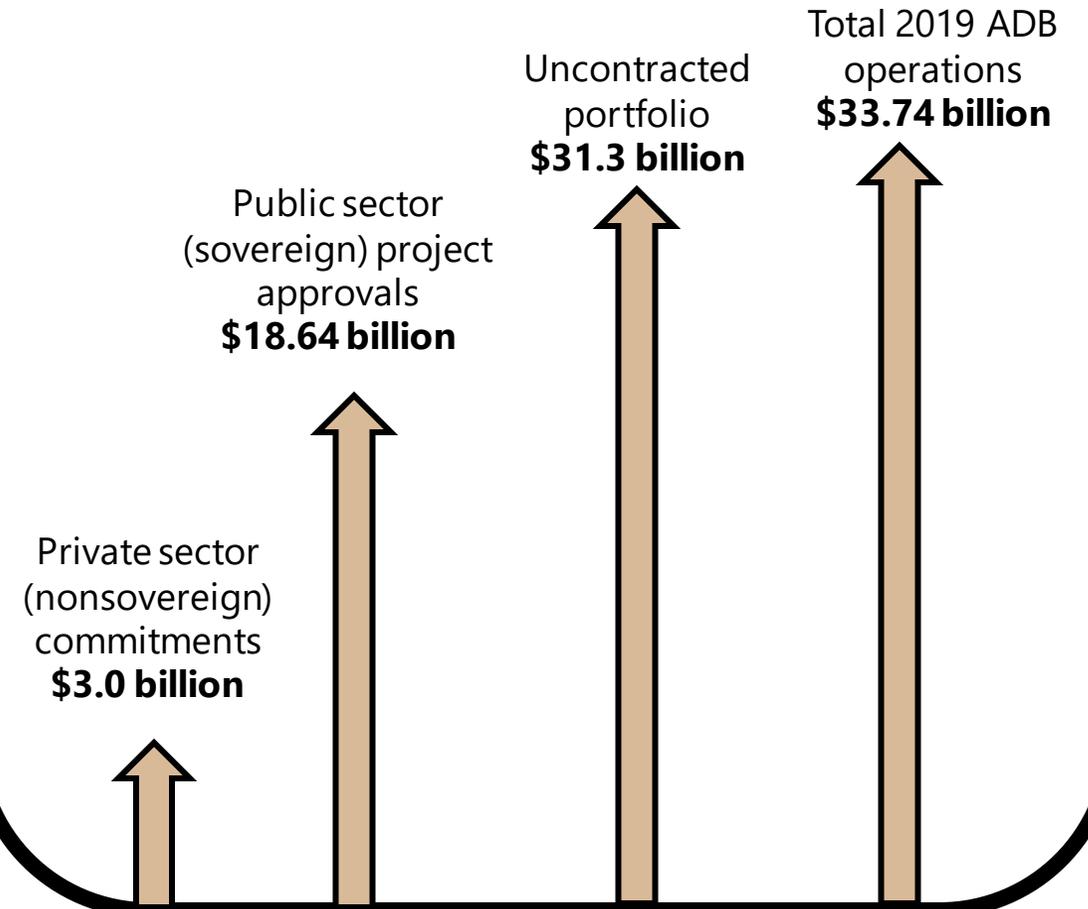
## Delivered through:

- ADB's own resources (ordinary; concessional; special funds)
- Cofinancing

## Focused on: "Finance ++"

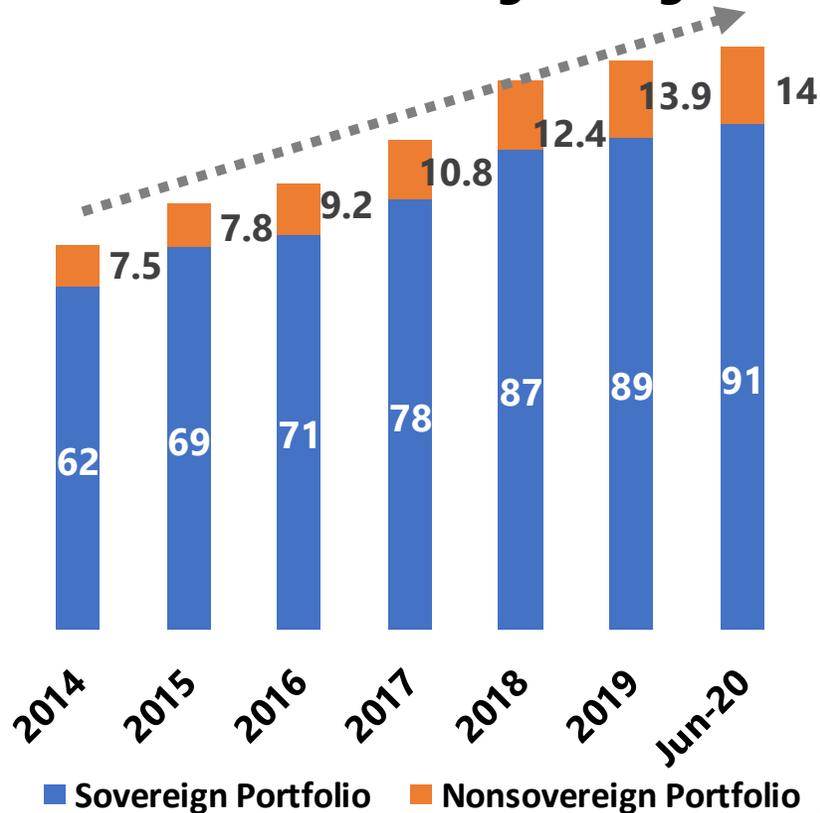
- Leveraging cofinance, policy advice, knowledge, provision, and capacity development

## ADB 2019 OPERATIONS



# Overview of ADB Operations

## Active portfolio: \$105 billion and growing



## Types of business opportunities

### Goods and civil works (through EAs)



~3800  
contracts in 2019

~\$14.3 billion  
contracted in  
2019

### Consulting services (through ADB or EAs)

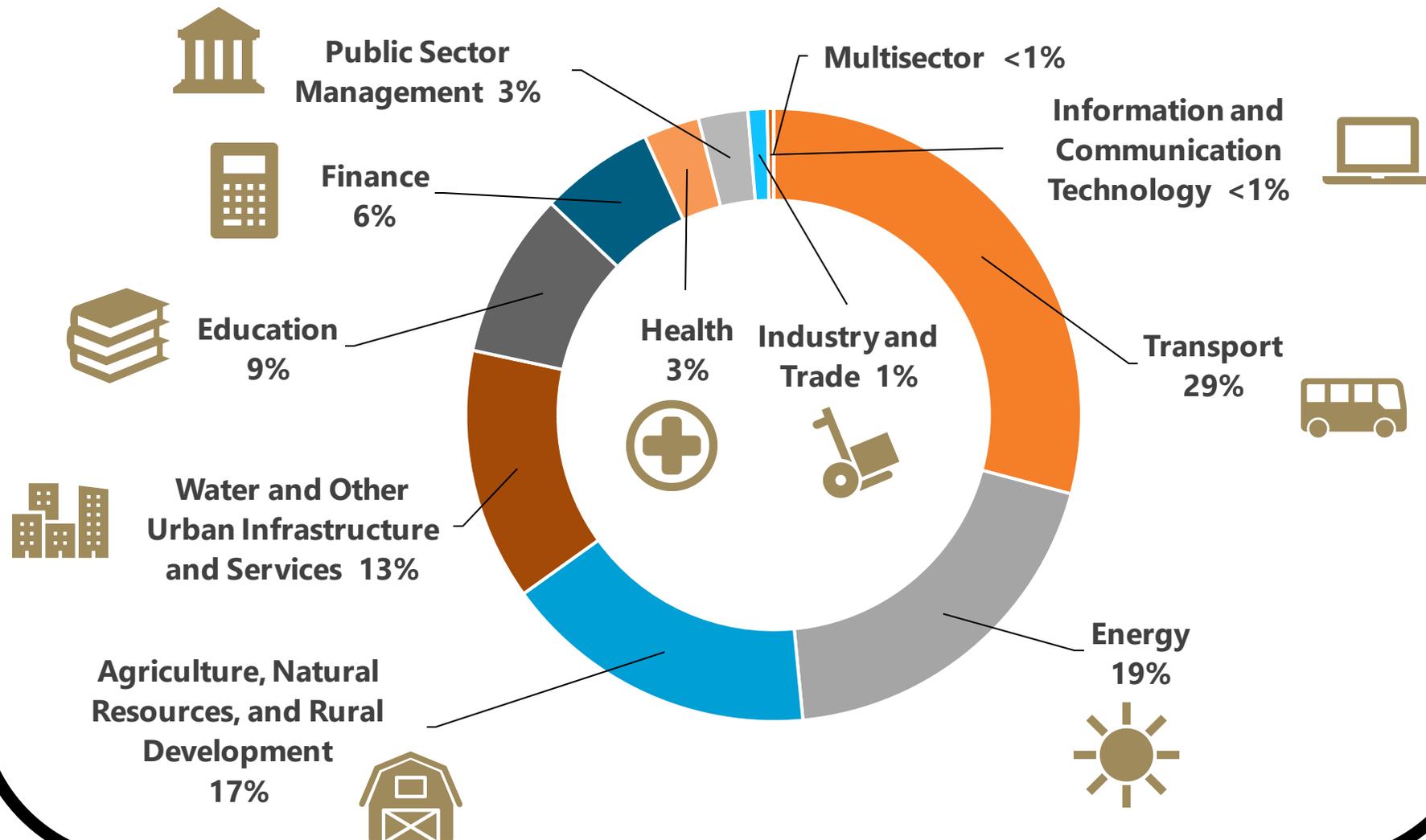


~4000  
contracts in 2019

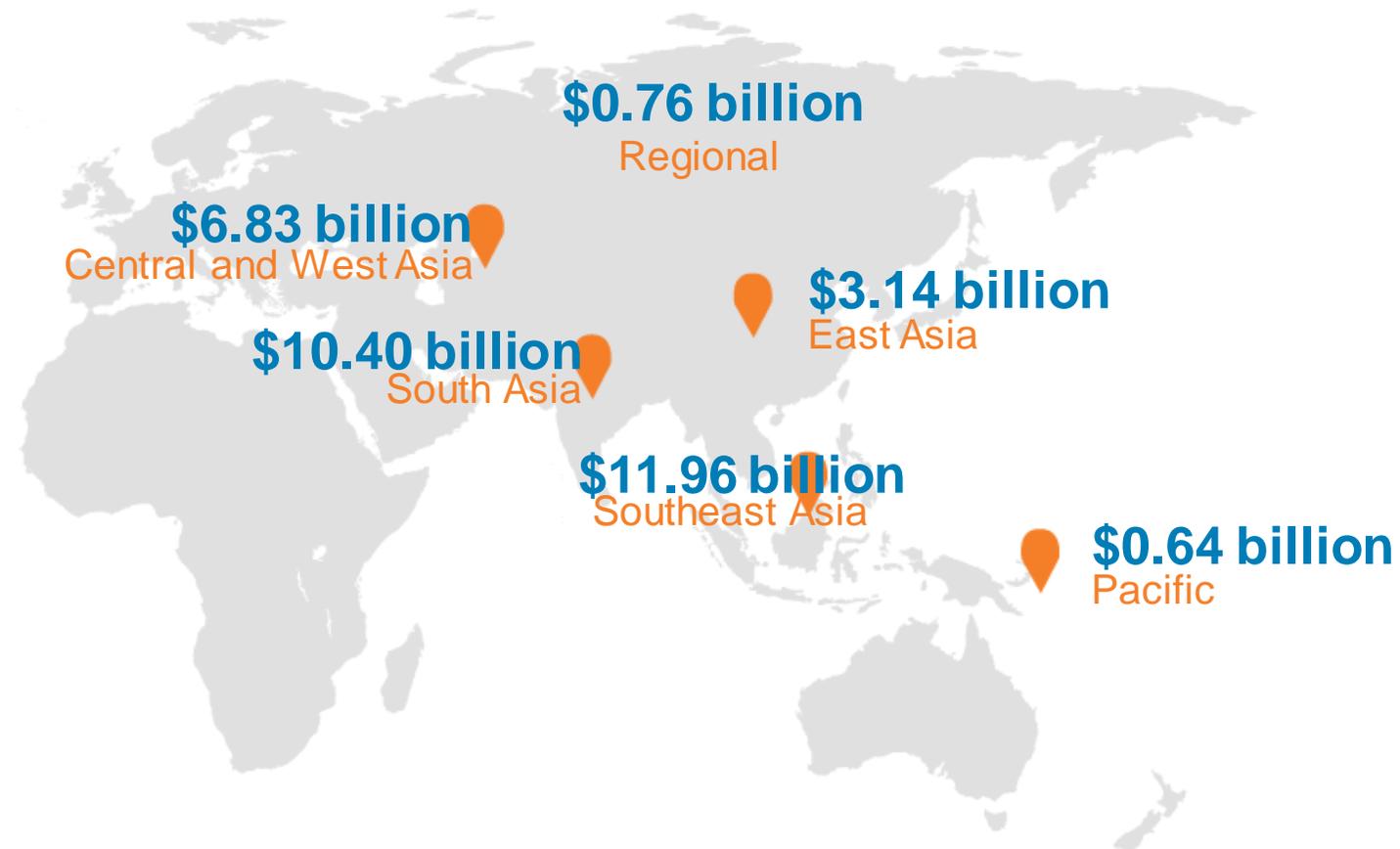
~\$745 million  
contracted in  
2019

# Overview of ADB Operations

What do we work on?  
(Share of uncontracted portfolio by sector, 2019)



# Overview of ADB Operations 2019



# Overview of ADB Operations

Our 5 biggest borrowers in 2019

- India
- China
- Pakistan
- Bangladesh
- Indonesia

## Who do we support?

Our 46 DMCs: their governments & private sector

## To support our clients, we work with:

- Private sector
- NGOs and CBOs
- Foundations
- Academia & think tanks
- Donors & international organizations

# Top Suppliers by Member State

## Procurement Ranking – Goods

	2017	2018	2019	2020 (Jan-Jul)
1	PRC	PRC	IND	IND
2	IND	BAN	PRC	PRC
3	<b>SWE</b>	IND	<b>USA</b>	INO
4	INO	<b>SWE</b>	VIE	<b>TUR</b>
5	BAN	VIE	BAN	UZB

# Top Suppliers by Member State

## Procurement Ranking – Works

	2017	2018	2019	2020 (Jan-Jul)
1	PRC	PRC	PRC	IND
2	IND	IND	IND	PRC
3	KOR	BAN	INO	PHI
4	BAN	GER	BAN	BAN
5	VIE	INO	PAK	PAK

# Top Suppliers by Member State

## Procurement Ranking – Consulting Services

	2017	2018	2019	2020 (Jan-Jul)
1	AUS	KOR	IND	IND
2	KOR	UKG	AUS	AUS
3	IND	IND	GER	KOR
4	USA	FRA	USA	UKG
5	UKG	AUS	FRA	INO

# Top Suppliers by Amount

## Top 5 Suppliers of Goods (2017–July 2020)

	Name	No. of Contracts	ADB Amount (\$ million)
1	BEML LTD.	2	545.27
2	ABB GROUP	10	256.90
3	TBEA CO. LTD.	6	196.33
4	PROGRESS RAIL LOCOMOTIVE INC.	1	135.34
5	CHINA NATIONAL TECHNICAL IMPORT & EXPORT CORP.	1	134.63

# Top Suppliers by Amount

## Top 5 Suppliers of Works (2017–July 2020)

	Name	No. of Contracts	ADB Amount (\$ million)
1	SIEMENS AG	20	833.94
2	LARSEN & TOUBRO LTD.	21	702.27
3	CHINA RAILWAY CONSTRUCTION CO. LTD.	27	494.56
4	CHINA RAILWAY ENGINEERING CORP.	16	479.37
5	POWER CONSTRUCTION CORP. OF CHINA	30	433.39

# Top Suppliers by Amount

## Top 5 Consulting Services Firms (2017–July 2020)

	Name	No. of Contracts	ADB Amount (\$ million)
1	SMEC INTERNATIONAL PTY. LTD.	31	155.07
2	EGIS INTERNATIONAL	31	82.04
3	KOREA CONSULTANTS INTERNATIONAL CO. LTD.	4	54.53
4	OVE ARUP & PARTNERS INTERNATIONAL LTD.	7	54.37
5	DONGSUNG ENGINEERING CO. LTD.	6	29.84

# ADB New Procurement Framework (2017)

## Key Drivers



Increased lending operations



Evolving needs of developing member countries



Harmonization with multilateral development banks

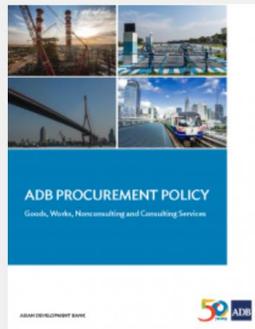


Need to improve delivery systems

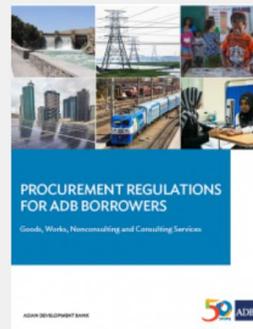
# ADB's Procurement Frameworks

For projects with concept papers approved **on or after 1 July 2017**

ADB's new procurement framework comprises a Procurement Policy and Procurement Regulations for ADB Borrowers. It modernizes project procurement processes through a principles-based approach, to meet the diverse needs of clients as ADB scales up its operations in line with Strategy 2030.



ADB Procurement Policy



Procurement Regulations for ADB Borrowers

For projects with concept papers approved **before 1 July 2017**

ADB's Procurement Guidelines and Guidelines on the Use of Consultants defined the policies and procedures for selecting, contracting, and monitoring suppliers of goods, works, and services for ADB-financed projects.



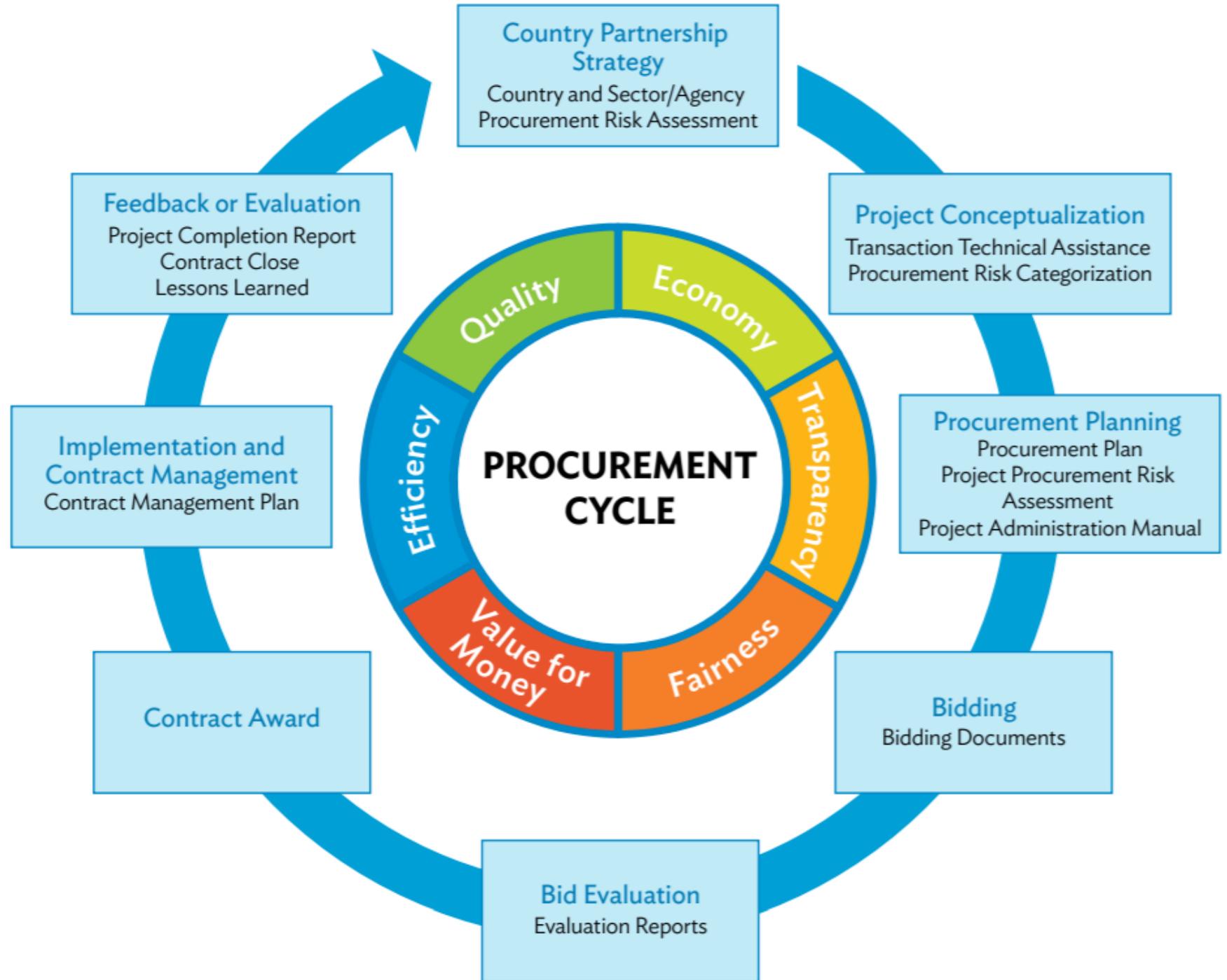
Procurement Guidelines



Guidelines on the Use of Consultants

# ADB's Procurement Principles

Principles		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.



# What do we Procure ?

- **Supply of goods**
  - Machinery, equipment, computers, furniture
- **Civil works**
  - Roads, railways, bridges, irrigation canals, schools, power plants, pump stations, water treatment plants, heating plants, airports, etc.
- **Consulting services**
  - Site supervision (PMC), Project preparation & implementation, knowledge products, staff consultants
- **Non-consulting services**
  - Surveys, training, translation, event management

# How do we Procure ?

## Goods & Works

### Roles and Responsibilities

- The Borrower (Executing Agency) is responsible
- ADB reviews the procurement activities of EAs **to ensure compliance** with ADB's Procurement Policy and Procurement Regulations for Borrowers
- Open International Bidding (OIB) is the preferred option
- Technical & Financial Bid elements
- Lowest priced technically compliant bid is the winner

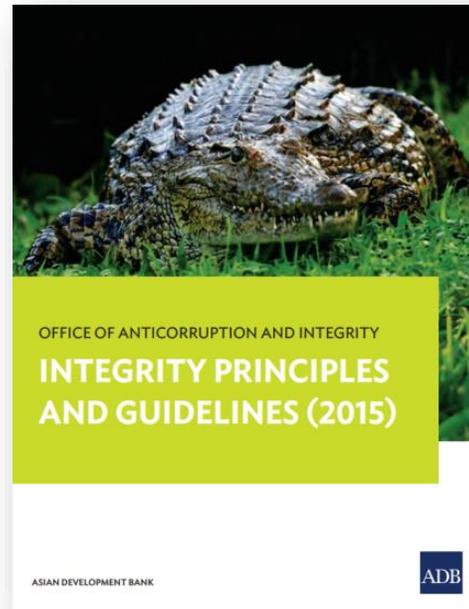
# How do we procure? Consulting Services

## Roles and Responsibilities

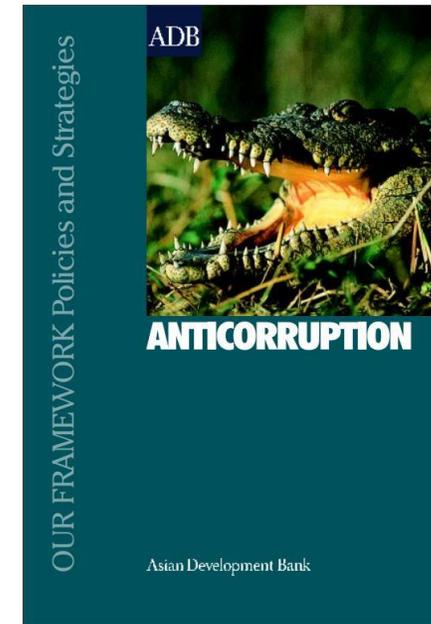
- Both EA & ADB procure consultants
- Means the contractual employer is either EA or ADB
- If EA procures then ADB reviews the procurement activities of EAs to ensure compliance
- Open International Bidding (OIB) is the preferred option
- Technical & Financial Bid elements
- **BUT** the ratio of the technical to financial submittal is usually 90:10.
- **Best technical submission usually wins**

# ADB's Anticorruption Policy & Guidelines

Applies to executing and implementing agencies, contractors, consultants, suppliers, ADB staff, and anyone connected to an ADB-financed, -administered, or –supported activity.



Highest Ethical Standards



Zero Tolerance

# Tips for winning ADB-financed assignments

- Collect relevant business intelligence – network!
- Focus on performance and reputation for successful work
- **Express interest**
- Understand the country, project, and client requirements
- Position yourself to your competitive advantage
- **Study the bidding documents and understand the selection method and evaluation criteria**
- Engage partnership with firms likely to be shortlisted
- Prepare a responsive and strong technical proposal
- **Seek clarifications in writing**
- Be ready for possible bid extensions or amendments

## What NOT to do

- **Failure to disclose conflict of interest** (e.g., employees from EA included in a proposal)
- Firm or JV partners **not from an ADB member country**
- Submitting proposal late
- Failure to respond to client requirements
- Conditional bids
- **Incomplete/noncompliant** bids, e.g., missing bid security, letter of bid not signed, JV agreement missing, bid envelopes not properly marked, etc.
- **Integrity violations in the bidding process**

***When in doubt, always seek written clarification***

# Debriefing and Complaints

## Debriefing:

- Unsuccessful bidders may request debriefing from the procuring entity (the EA or ADB). If they are not satisfied with the explanation given, they may submit a complaint.
- Debriefings are an excellent learning opportunity for future bids!

## Complaints:

- Bidders may file complaint directly with ADB and may copy ADB on correspondence with EAs.
- Complaints to ADB should be submitted through online form: <https://www.adb.org/forms/complaints>

## How to report fraud:

- [www.adb.org/site/integrity/how-to-report-fraud](http://www.adb.org/site/integrity/how-to-report-fraud)

# HOW TO ACCESS OPPORTUNITIES

## Consultancy

- Register in ADB's Consultant Management System (CMS)
- CMS is where opportunities are advertised
- CMS is where you submit your proposals

## Goods & Services

- Access Country strategies
- Access General Procurement Notices
- Access Procurement Plans
- Subscribe to E - Alerts

# USEFUL LINKS

CMS - <http://cms.adb.org/>

ADB Business Center - <https://www.adb.org/business/main>

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

Country Strategies - <https://www.adb.org/documents/series/country-partnership-strategies>

Procurement Plans - <https://www.adb.org/site/business-opportunities/operational-procurement/goods-services-pp>

General Procurement Notices - <https://www.adb.org/site/business-opportunities/operational-procurement/goods-services/notices-current>

Complaints - <https://www.adb.org/forms/complaints>

ADB Procurement Policy - <https://www.adb.org/documents/adb-procurement-policy>

ADB procurement Regulations - <https://www.adb.org/documents/procurement-regulations-adb-borrowers>

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

Standard Bidding Documents and User Guides - <https://www.adb.org/business/main> (Scroll to Documents and Forms)

COVID-19 Procurement <https://www.adb.org/what-we-do/covid19-coronavirus/procurement>

# Subscribe for More Information

[More publications and documents →](#)

**ADB COVID-19 Policy Database**

[Download →](#)



**ADB's Response to COVID-19**

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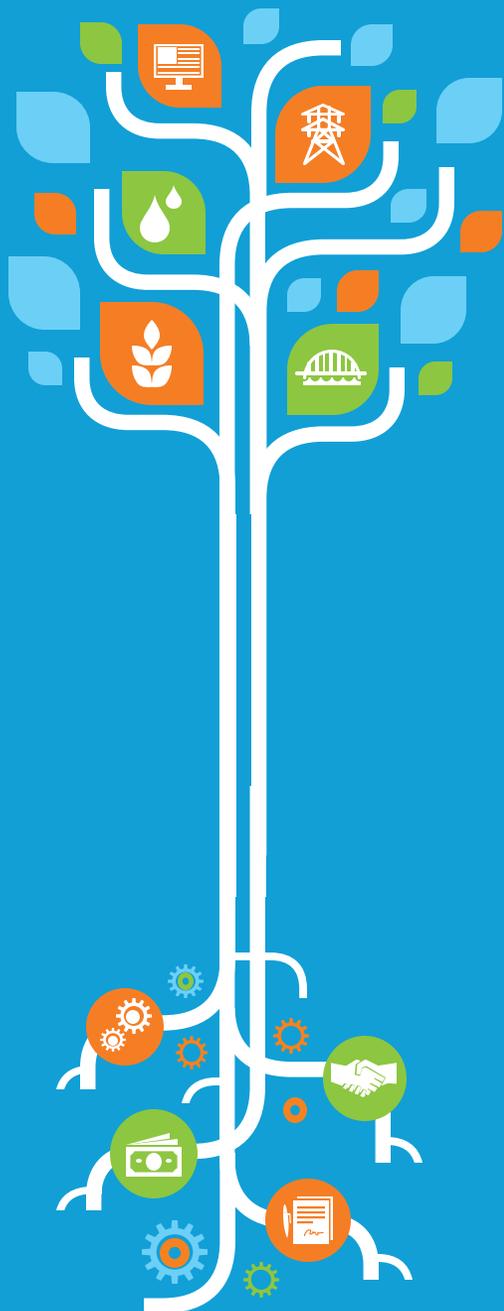


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