



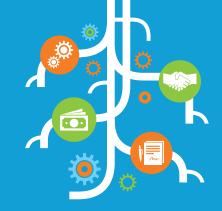


# ADB Procurement Frameworks and Business Opportunities



Seoul, 16 September 2025









## **Introduction to ADB Operations**







#### A brief about ADB





Delivered through: ADB's own resources (ordinary; concessional; special funds) and cofinancing

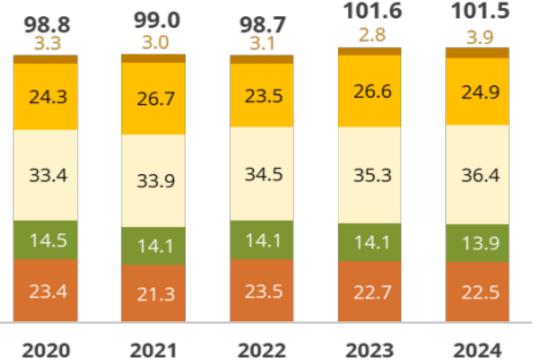
Knowledge and Partnerships: Focusing on practical value that fits local conditions, promoting dialogue and collaboration among diverse partners and stakeholders





# ADB Sovereign Portfolio Distribution, 2020-2024 (\$ billion)

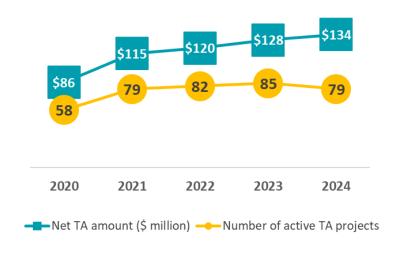
### by Region



■ East Asia

Southeast Asia

#### **Technical Assistance**





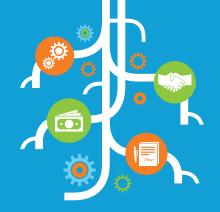
South Asia

Central and West Asia





### **ADB Procurement Frameworks**



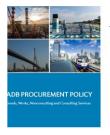




#### **Procurement Framework**

Accessible and Downloadable at:

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



**ADB Procurement Policy** 



**Procurement Regulations for ADB Borrowers** 



Standard Bidding
Documents (SBD) /
Request for Proposal
(SRFP) and User Guides



**Guidance Notes** 



**Procurement Staff Instructions** 

Updates are expected in January 2026. Please check the site regularly to get the latest information.



#### **Sustainable Public Procurement**



achieved through

- policy and regulation
- contract requirements
- specification
- criteria setting

informed by prioritization and market analysis

ENVIRONMENTAL



SOCIAL



ECONOMIC



INSTITUTIONAL



Do good both through what is built and through how it is built

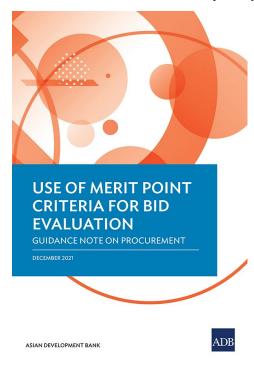




### **Evaluate with Quality Criteria**

Merit Point Criteria (MPC) facilitate evaluation of bids/proposals by considering non-price attributes including quality, technical and substantiality aspects

A sector focused approach is recommended (water and transport - as of now)









#### Include O&M after construction

SBD for Design, Build and Operate Contracts: for Water and Wastewater Greenfield Projects (Dec 2021): for projects with 10-30 years of O&M period handled by the same contractor,

SBD for Collaborative O&M Contracts for Water and Wastewater Infrastructure Projects (Dec 2024): introduces collaborative approach during a shorter O&M period (5 years) to:

- Quickly improve service to end users,
- > Implement new technology and sustainable solutions
- ➤ Prepare future infrastructures investment











# Introduction to Merit Point Criteria (MPC) in Bid Evaluation





#### **Background**



**Quality** is a core procurement principle of ADB and key consideration throughout the project and procurement cycle.

MPC allows for the qualitative aspects of a bid to be evaluated in parallel with price aspects

Many ADF Donors at the Annual Meeting stated their expectation that ADB would mandate the use of MPC



#### What are the two key methods of evaluation ADB use?





**Qualified Bidder** 



Technically Acceptable Bid (Yes/No)



Financial Bid Acceptable (Yes/No)



Winner = Lowest
Bid

Lowest Evaluated Substantially Responsive Bid (LESRB)



**Qualified Bidder** 



Technically
Acceptable Bid
(Score)



Financial Bid (Score)



Winner = Highest Combined Score

Merit Point Criteria (MPC)

#### Simple example for transport project

#### **Technical Evaluation Subcriteria**

Scoring will be done to each item and subitem according to predetermined score, as shown below, and based on the level of its responsiveness in percentage to the corresponding requirements.

No.	Evaluation Criteria	Total Score
1	Site Organization	150
	(i) Organization Chart	50
	(ii) Key Personnel	100
2	Method Statement (Example)	500
	(i) Bored pile construction	125
	(ii) Supply, fabrication, delivery, and erection of structural steel	100
	(iii) Supply, fabrication, delivery, and erection of pre-cast concrete	125
	<ul><li>(iv) Method of proper fit-up of prefabricated and pre-cast elements during assembly</li></ul>	100
	(v) Roadway construction	100
	(vi) Existing bridge dismantling, demolition, and salvage	50
3	Mobilization Schedule and Construction Schedule	200
	Mobilization Schedule	75
	Construction Schedule	125
4	Environmental Compliance	50
	Environmental compliance requirements and monitoring measurements	40
	Coordination with environmental authorities	10
5	Quality Assurance Program	50
	Quality Assurance Program	50
6	Safety Program	50
	Safety Program	50



#### **Criteria scope/Narrative**

#### 2. Method Statement

500 points

Bidders are expected to prepare and submit a detailed method statement, describing the methodology proposed to be adopted in the execution of the contract.

Specifics shall include methodology and/or information for

- Bored pile construction;
- (ii) Supplier of structural steel;
- (iii) Fabrication, delivery, and erection of structural steel;
- (iv) Supplier of pre-cast concrete;
- (v) Fabrication, delivery, and erection of pre-cast concrete;
- (vi) Method of proper fit-up of prefabricated and pre-cast elements during assembly;
- (vii) Roadway construction; and
- (viii) Existing bridge dismantling, demolition, and salvage.

#### **Financial and Combined Evaluation**



$$CS = \frac{P_{low}}{P} * F_{weight} + \frac{T}{T_{high}} * T_{weight}$$

F<sub>we</sub> = Financial weighted score;

P = Evaluated Bid Price of the Bid;

P = Lowest of all evaluated Bid Price among all bids in compliance; and

 $F_{weight}$  = Financial weight being equal to [insert a figure consistent with ITB 38.1 of the BDS].

 $T_{ws}$  = Technical weighted score;

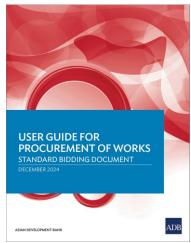
T = Total technical score given to the Bid;

T Highest technical score among all bids in compliance; and

T<sub>weight</sub> = Technical weight being equal to [insert a figure consistent with ITB 38.1 of the BDS].

### **Current supporting guidance: More to come**







A sector focused approach is recommended (water and transport - as of now)



### Merit Point Criteria (MPC) – Approach 2025



#### **General Approach**

- MPC is default **evaluation method** for all works transactions where IFBs are advertised internationally and >USD 10 million for nationally advertised using ADB's SBDs.
- MPC discussions should begin early in **project processing**, with details outlined in the SPP. If the Borrower is hesitant to use MPC, the matter should be escalated to the Procurement Director.
- Approved PP: No need to change the evaluation method.

#### **Small Island Developing States (SIDS)**

- MPC is the **mandatory evaluation method**, with the Lowest Evaluated Bid accepted only in specific cases approved by the Procurement Director.
- **Approved PP**: Change the evaluation method to MPC or seek approval from Procurement Director to keep Lowest Evaluated Bid.
- BD reviewed and NOL issued: No need to change evaluation method.
- Must incorporate a scoring component for **Local Participation**, comprising at least 10% of the total marks in the technical evaluation.





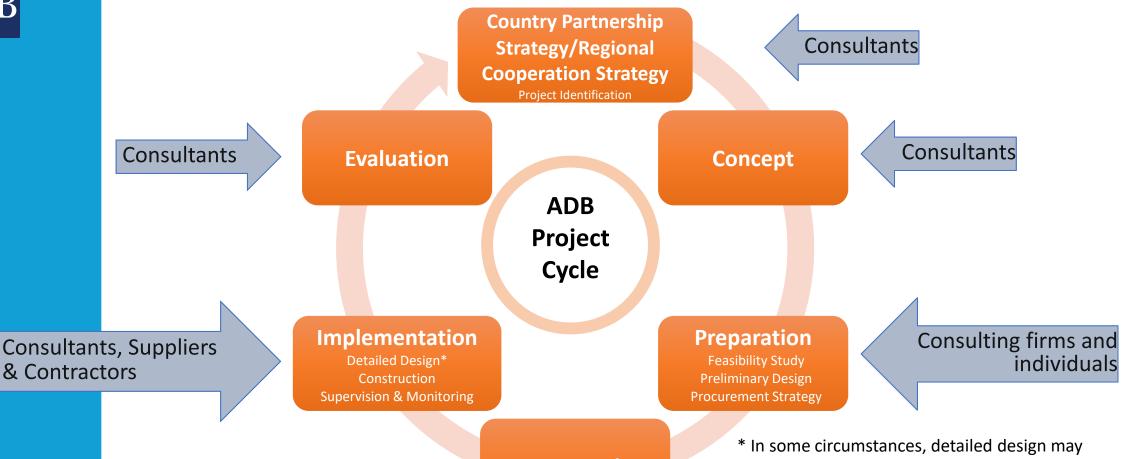
## **Procurement Process and Tips**







### When is the Private Sector engaged?





**Approval** 

- \* In some circumstances, detailed design may take place during the preparation stage of projects.
- \*\* Cautious on conflicts of interest if interested in consulting services in multiple stages of the same project



#### **Advice when approaching Loan & Grant Opportunities**

Plan ahead: Identify a pipeline of projects of interest. Understand
project
background,
local context
& partnership
needs

Respond
clearly to
qualification
and
evaluation
criteria

Be aware of borrower systems for advertising and submission of Understand Bids

Build local partnerships (JV or association) & understand submission requirements; no conditional bids

legal & regulatory systems (business registration, tax, customs etc.)



- Before proposal submission, review your bid from the Evaluator's viewpoint.
- Request Debriefing if failed: Understand the cause of Failure!





### **General points on ADB Consulting Contracts**

Consider individual consulting opportunities

Understand context and background to project

Identify partners or specialist experts who will add value

Consider audience at evaluation

Know your client and their expectations

Leverage experience with similar institutions

Understand costs of doing business (e.g. taxes)



- Request Clarification on RFP before Proposal Submission: Prepare Proposal with full understanding
- Before proposal submission, review your proposal from the Evaluator's viewpoint.
- Request Debriefing if failed: Understand the cause of Failure!





# Procurement Statistics and Performance of Korean companies in ADB Projects

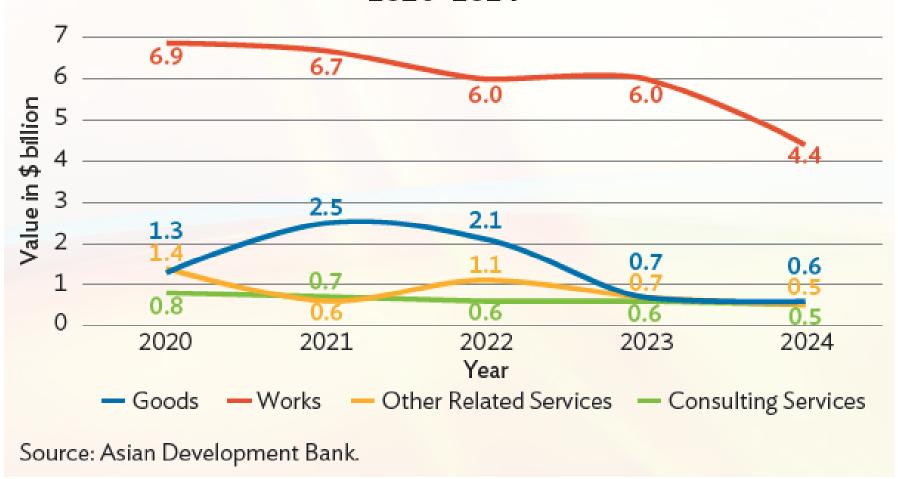






### **Procurement by Type in 2020 - 2024**

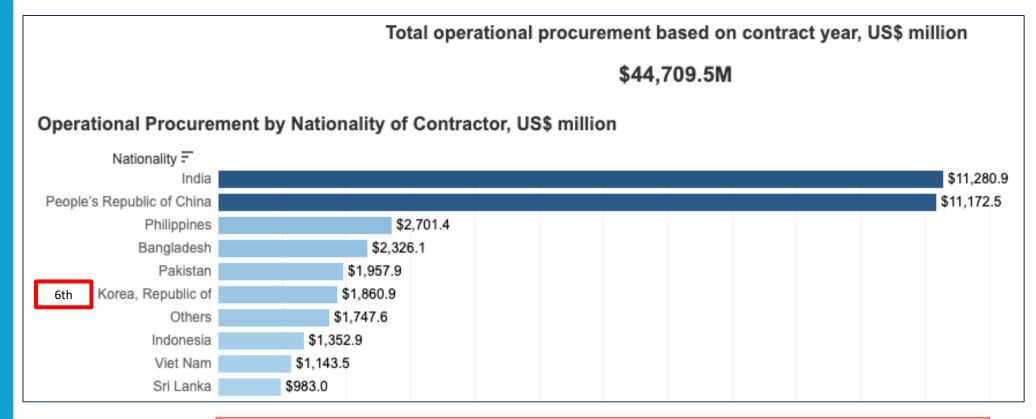
Figure 2: Total Value of Contracts Awarded by Procurement Type, 2020–2024







# Procurement of Goods, Works, and Consulting and other Services by Nationality in 2020 - 2024







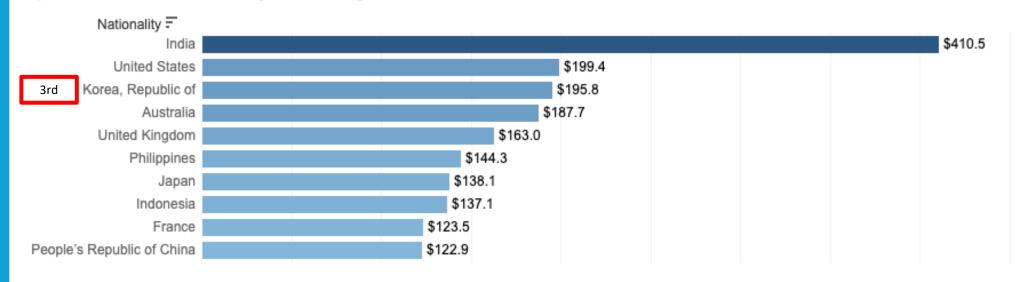


# Procurement of Consulting Services by Nationality in 2020 - 2024

Total operational procurement based on contract year, US\$ million

\$3,146.9M

#### Operational Procurement by Nationality of Contractor, US\$ million





Cost competitiveness and geographical proximity may not be the winning factor in Consulting Services selection where Quality- and Cost-Based Selection (QCBS) is widely used with much higher weighting on quality score (ex. 90:10, 80:20).



# Procurement of Works by Nationality in 2020 – 2024

Total operational procurement based on contract year, US\$ million

\$30,163.7M

#### Operational Procurement by Nationality of Contractor, US\$ million



Better performers have cost competitiveness and geographical proximity. Will it be changed due to wider use of MPC?



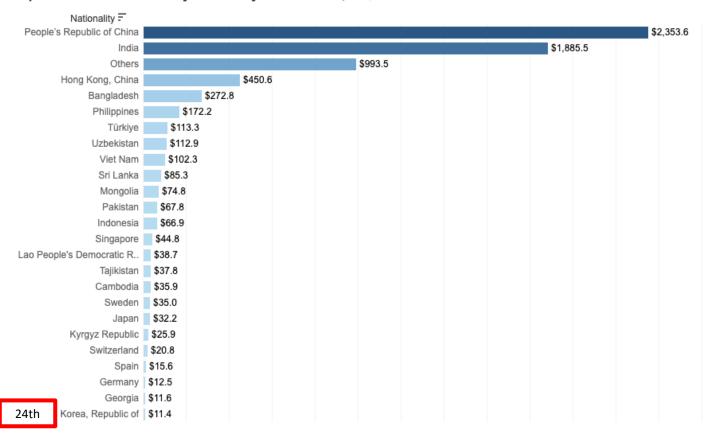


# Procurement of Goods by Nationality in 2020 - 2024

Total operational procurement based on contract year, US\$ million

\$7,196.4M

#### Operational Procurement by Nationality of Contractor, US\$ million









#### Korean Companies' Performance in 2020 – 2024 (1)

- During the period, Korean companies participated in the bidding for goods, works, and consulting and non-consulting services around 270 times\*.
- The overall success rate of Korean companies are around one out of 4 participations. After excluding contracts awarded by direct contracting, the rate is decreased to one out of 5 participations.
- Type of Contract: Consultancy contracts show the biggest number of Korean participants and the highest success rate.
- Sector: Transport sector has the biggest number of Korean participation with average success rate. Water and Urban Development sector is the 2<sup>nd</sup> biggest and the success rate is higher than average. Energy sector is the 3<sup>rd</sup>, but the success rate is lower than average.
- Region: Korean Firm participated most in the South-East Asia (SE) and South Asia (SA) regions. Further, the success rate in SE is higher than average, while that in SA is lower than average.

<sup>\*</sup> Excluding the biddings where the Korean companies failed to pass technical bid evaluation, thus their price bids were not opened.





#### Korean Companies' Performance in 2020 – 2024 (2)

- Year: Korean companies actively participated in 2020 with the biggest participation and highest success rate. However, from that point onward, both the number of participations and the success rate fluctuated through to 2024. After the lowest record in 2023, the participation in 2024 recovered and the success rate was higher than average.
- Contract amount
  - Works: Most of the contracts awarded are around USD 50M. They also secured 3 high priced contracts amounting to more than 450M each.
  - Consulting service: Most contracts are below 10 million, but was able to secure 16 contracts (out of 49) amounting more than 20 million, highest contract awarded was around USD 47M
  - Goods: Most awarded contracts are below USD 4M while 2 contracts are within 10M-20M and the largest contract amount awarded is USD 58M.





#### **Considerations for Future Bidding Strategy**

- How to respond to changes and to improve competitiveness?
  - Updates of Procurement Regulations and Standard Bidding Documents (Expected in Jan 2026)
    - MPC will be used more widely
    - Strengthening the Environmental and Social requirements
- How to improve cost competitiveness?
  - Partnering strategy with local companies
  - Increase local participation (also related to MPC)
- How to improve pass rates in the technical bid evaluation (Works Contracts)?
  - Contracts of Similar Size and Nature
    - Only Participation Value with Similar Nature is counted
    - Satisfaction of all sub-criteria related to similarity shall be clearly stated in the bid (Form EXP-1)
  - Construction Experience in Key Activities: Satisfaction of all subcriteria shall be clearly stated in the bid (Form EXP-2)
  - Financial Resources: Cautious in using Credit Lines and other Resources
- Entry strategy may be different from long-term bidding strategy.





# **How to find Business Opportunities in ADB Projects**







# How to find Information on our Website Business Center - www.adb.org/business



- How-Tos
- Policies & Regulations
- Procedures& Guidance
- Documents& Forms

★ > Work with Us > Business Center > Working with ADB

Information for...

Contractors and suppliers

Development institutions

Executing and implementing agencies

Consultants

Governments

#### Working with ADB

How-Tos

Where are the business opportunities in the ADB project cycle?  $\rightarrow$ 

What bidding procedures are used by ADB-financed projects? →

How can we improve our chances of securing an ADB-funded contract? →

What are the main eligibility requirements for bidding for contracts under ADB-financed projects? ightarrow

What are the eligibility requirements for subcontractors working for contractors on ADB-financed projects?  $\rightarrow$ 





# Identifying opportunities for contracts with project executing agencies and ADB

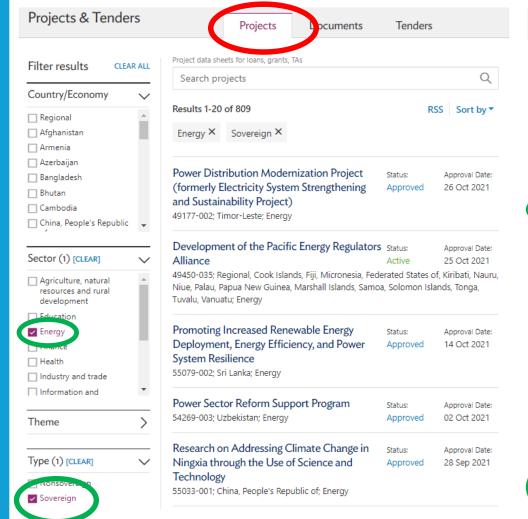
- Country partnership strategies
- Country operations business plans
- Procurement plans
- General and specific procurement notices
  - Advance notices
  - Invitation for prequalification
  - Invitation for bids
  - Consulting services recruitment notice (CSRN)
- Hop-on opportunities
  - Prequalified contractors / consultants
  - Contracts awarded
- Institutional procurement notices (ADB only)

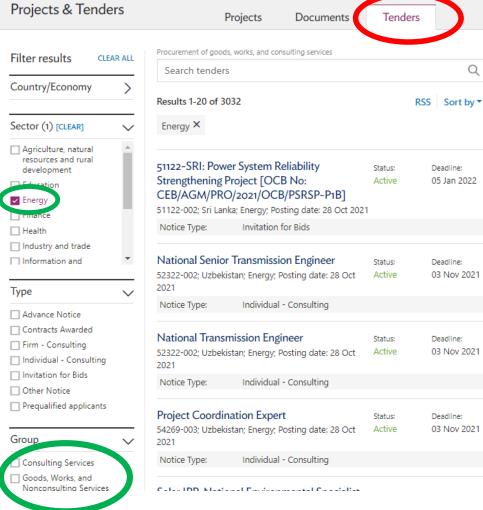
Operational Procurement





### **Projects & Tenders - www.adb.org/projects**

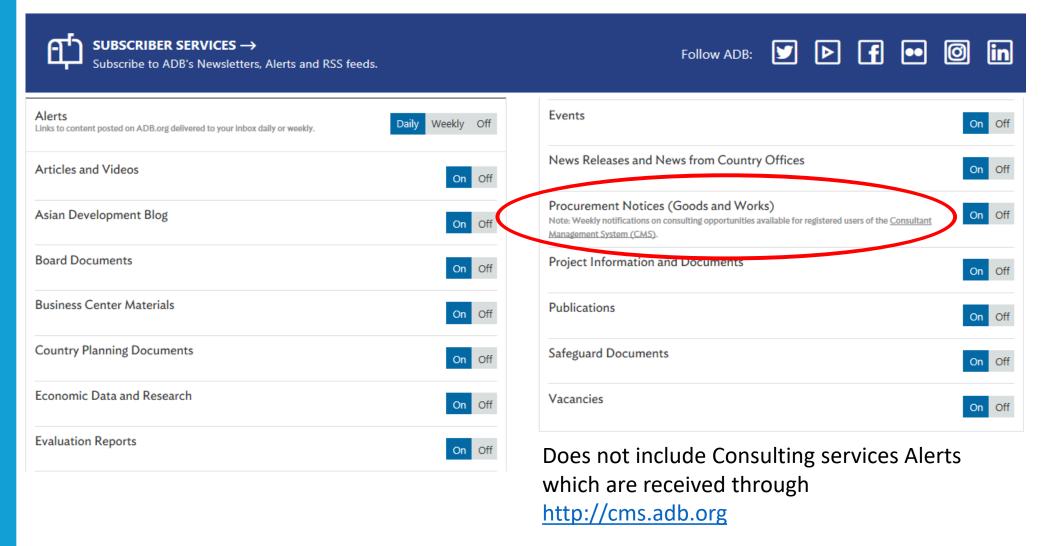








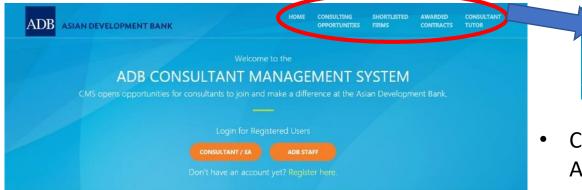
# Goods and Works - Subscribe to receive alerts\* - <a href="https://alerts.adb.org">https://alerts.adb.org</a>







#### **Consulting – Finding Opportunities on http://cms.adb.org**





Search Consulting Opportunities
Get detailed information on consulting services
requirements and send expression of interests
(EOIs) for ADB-financed or administered projects.



ADB publishes the names and contact details of firms invited to submit proposals. This is for the information of consultants who wish to associate with them. Interested consultants should contact

**View Shortlisted Firms** 



ADB Project contracts that are awarded to consulting firms are disclosed to the public. Visit the page to view the list of contracts awarded to consulting firms, along with associated contract details.

View Awarded Contracts

 Consulting opportunities are visible through ADB's CMS (http://cms.adb.org)

SHORTLISTED

**FIRMS** 

AWARDED

CONTRACTS

CONSULTANT

TUTOR

CONSULTING

**OPPORTUNITIES** 

- Register for alerts to receive notices of all consulting opportunities
- All advertisement of Consulting opportunities (both EA and ADB) published
- RFP process for ADB Administered Contracts is through CMS
- Step-by-step guides available at <u>http://consultanttutor.adb.org</u>









13TH ASIAN DEVELOPMENT BANK BUSINESS OPPORTUNITIES FAIR 2025
16-17 SEPTEMBER 2025 | 9 A.M.-5 P.M. | ADB HEADQUARTERS, MANILA

https://adb.eventsair.com/business-opportunities-fair-2025/ https://www.adb.org/news/events/business-opportunities-fair-2025

# THANK YOU!

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# **Appendix**









# **ADB Procurement Policy - Core Principles**







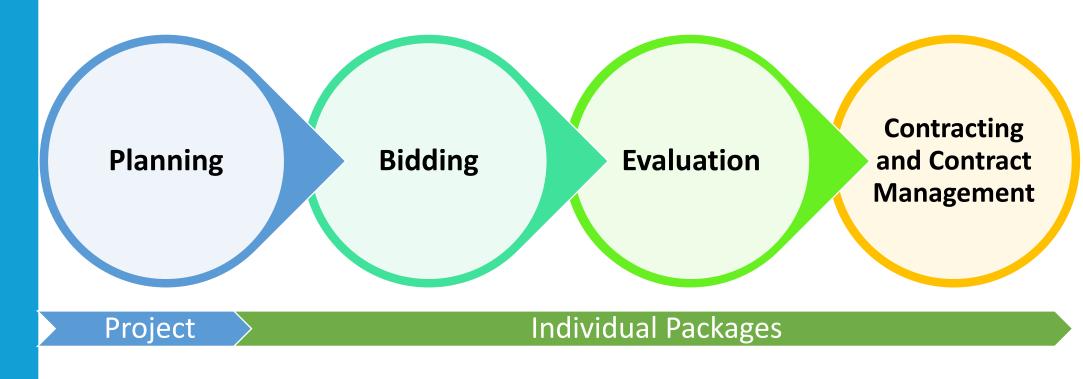








#### **Procurement Process**







#### **Types of Consultant**





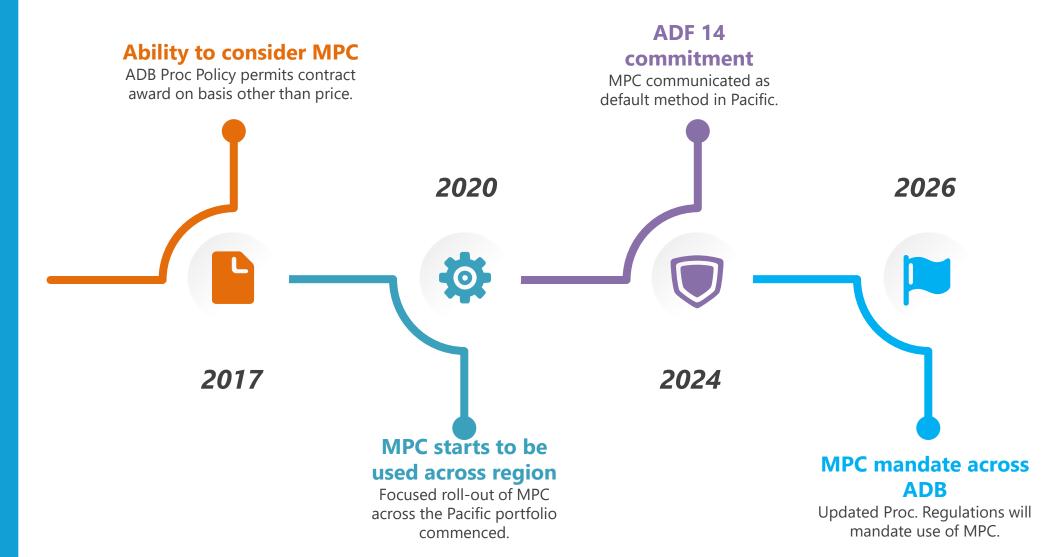


- International may be for any ADB member country (global if eligibility restriction waived)
- A firm is considered national if it is legally incorporated in that DMC
- An individual is national if a citizen of the DMC or, if a national from another member country, he/she legally resides and works in that DMC.





# **Evolution of approach to MPC in ADB**

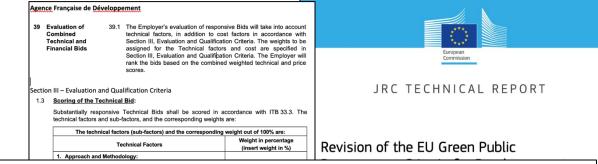






#### **Application of Merit Point Criteria elsewhere**

- Many bilateral and multilateral development banks, and governments have adopted the use of MPC
  - WB
  - IADB
  - AFD
  - EU
  - USA
  - Japan
  - Australia
  - UN
  - Others



The International Federation of Consulting Engineers (FIDIC) conducted a worldwide survey of engineering associations and multilateral development banks and concluded that "...this Low Bid method is not providing client/owners with ultimate best-value. As a result, there is a growing recognition that alternative selection processes which include qualifications criteria are required" (FIDIC 2017).

#### anual

Transport Infrastructure Project Delivery System Volume 1 (Selection of Delivery Options)

September 2022









## **Potential Impacts of an MPC Mandate**

#### **Potential Advantages**

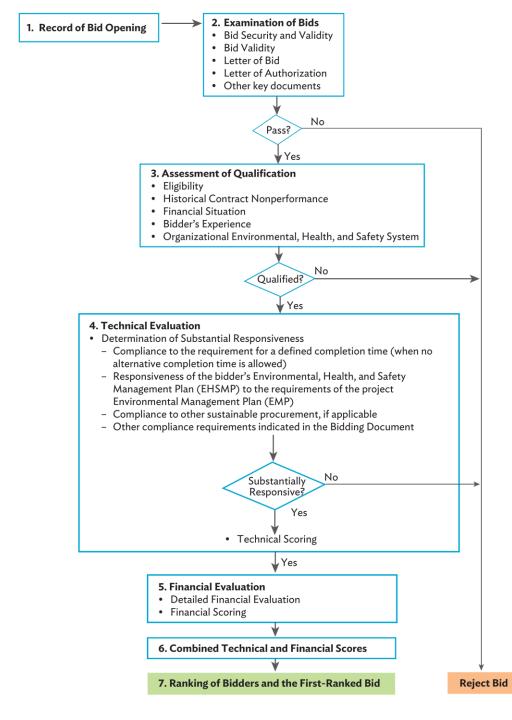
- Increased quality focus leading to extended lifecycle of infrastructure.
- New market players bid for contracts
- Ability to factor other social & environmental considerations
- Borrowers can use mandate to justify use internally

#### Potential Disadvantages

- Increased costs with marginal quality benefit.
- Increased evaluation complexity for borrowers
- Potential for longer procurement times
- More procurement capacity support requirements for borrowers



# **Evaluation process** using MPC





#### **MPC** development Process Flow

Assign Tech:Fin weighting

•80:20, 50:50, 25:75



Identify and weight headline scoring criteria

- •Methodology, personnel, EHS, etc.
- Prioritization of criteria



#### Identify and weight scoring sub-criteria

- Method Statements, work program, resource schedule
- Prioritize sub-criteria



#### Decide on calculation method for scores

•Two main options (i) absolute scoring, or (ii) comparator to strongest bid



#### Develop narrative for each scoring level

•Guide on how to assign marks for each scoring level based on bid quality.



#### **Create Scoring Rubric**

- •Scoring scale, normally from 0% to 100%
- •Can use absolute scores or ranges for each level



#### Test, refine and finalize

 Run some simulations to test impact of scoring structure (sensitivity analysis)



#### Identify scoring criteria to be linked to KPIs

•Identify KPIs that bind bidders to meet targets they propose in their bids



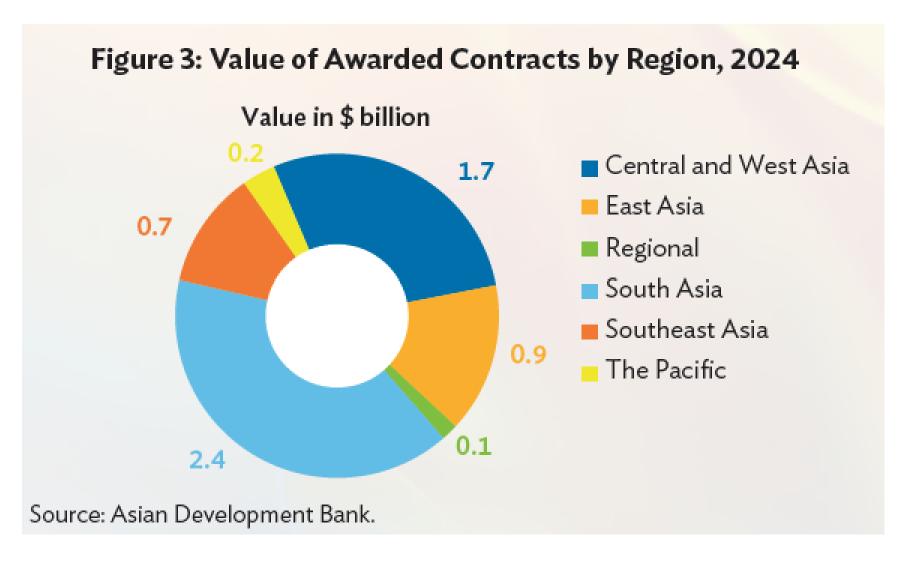
#### Incorporate KPIs in the contract

 When contractor benefit from proposals, make them enforceable contractually





## **Procurement by Region in 2024**

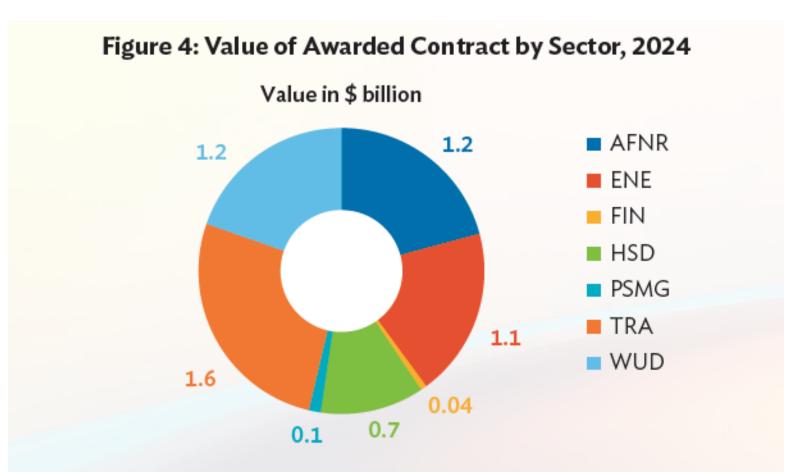






# BUSINESS OPPORTUNITIES

### **Procurement by Sector in 2024**



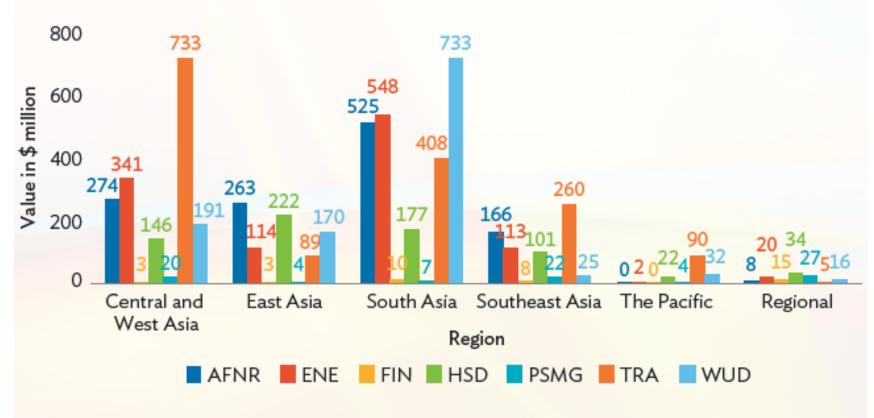
AFNR = agriculture, food, nature, and rural development; ENE = energy; FIN = finance; HSD = human and social development; PSMG = public sector management and governance; TRA = transport; WUD = water and urban development. Source: Asian Development Bank.



# BUSINESS OPPORTUNITIES

#### **Procurement by Sector in 2020 - 2024**

Figure 5: Value of Awarded Contracts by Sectors and Regions, 2024

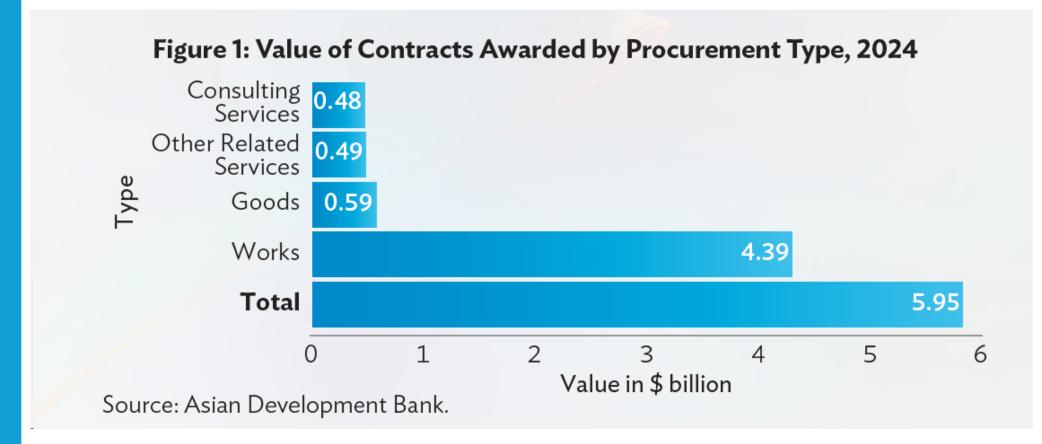


AFNR = agriculture, food, nature, and rural development; ENE = energy; FIN = finance; HSD = human and social development; PSMG = public sector management and governance; TRA = transport; WUD = water and urban development.

Source: Asian Development Bank.



### **Procurement by Type in 2024**



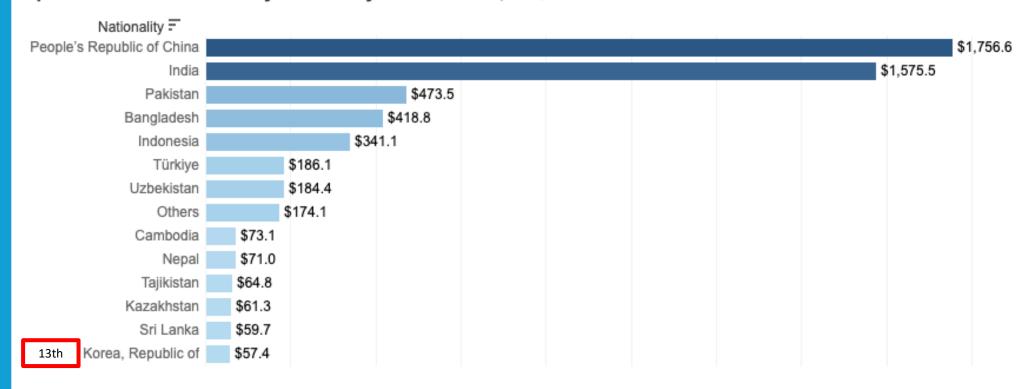




# Procurement of Goods, Works, and Consulting and other Services by Nationality in 2024

Total operational procurement based on contract year, US\$ million

\$6,037.8M



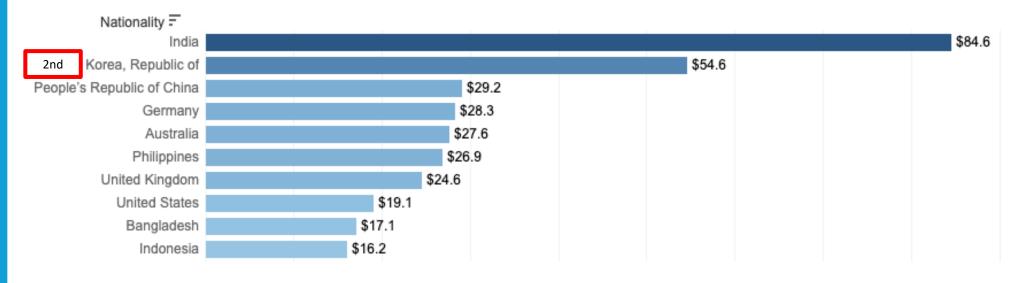




# Procurement of Consulting Services by Nationality in 2024

Total operational procurement based on contract year, US\$ million

\$511.4M



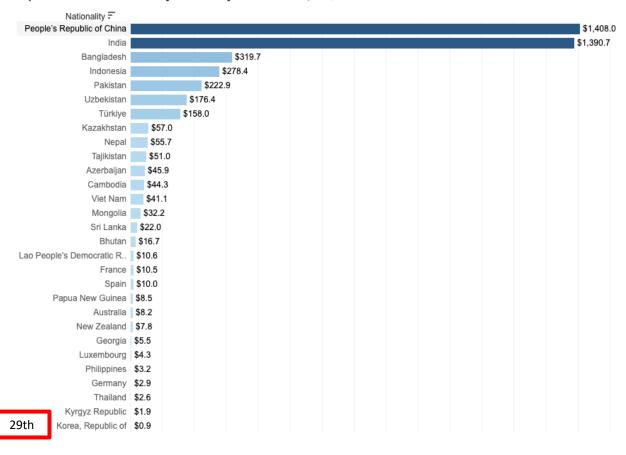




# Procurement of Works by Nationality in 2024

Total operational procurement based on contract year, US\$ million

\$4,399.1M







# Procurement of Goods by Nationality in 2024

Total operational procurement based on contract year, US\$ million

\$600.1M

