ADB Procurement
Introduction to Merit Point Criteria (MPC)

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The Future of Public Procurement

- Driving better value for money
- Advancing Sustainable Public Procurement
- Encouraging innovation in contract execution

Adopt Merit Point Criteria (MPC) to evaluate both quality and cost

Why MPC?

- The lowest evaluated bid approach suits low-risk contracts.
- Complex contracts demand greater emphasis on quality and performance.
- MPC enables a balanced evaluation of technical strengths and cost.
- MPC is integrated into Strategic Procurement Planning (SPP), including assessment of procurement capacity and legal and regulatory frameworks

FIDIC Survey Insight: 40% of countries use price-only, 40% use combined quality and costs

Use of MPC in ADB Procurement

- MPC has been used for selection of consultant using short listing approach
- 1 January 2025: MPC is the default evaluation method for contracts for goods, works, and services procured using ADB's SBDs, when advertised internationally or when nationally advertised with an estimated value above USD 10 million.
- MPC discussions should begin early in project processing, with details outlined in the SPP.
- *Approved PP: No need to change the evaluation method.*

Key Benefits of MPC

- Elevates quality as part of a Value for Money and fit-for-purpose approach by evaluating bids based on operational performance, lifecycle value, and technical merit—not just upfront costs—enabling positive trade-offs between cost and quality
- Encourages reputable, technically sound firms to compete by signaling that quality matters, resulting in better solutions—not just cheaper ones—and reducing contract execution risks
- Fosters healthy competition by motivating all suppliers to meet or exceed clearly defined quality standards
- Promotes transparency and objectivity through a structured scoring approach that mitigates subjectivity and strengthens stakeholder trust
- Aligns with ADB priorities, such as climate resilience, sustainable infrastructure, gender inclusion, and innovation

When to Use MPC

Suitable for:

- Nonstandard, complex works.
- High-value goods.
- Where quality differences significantly affect outcomes.

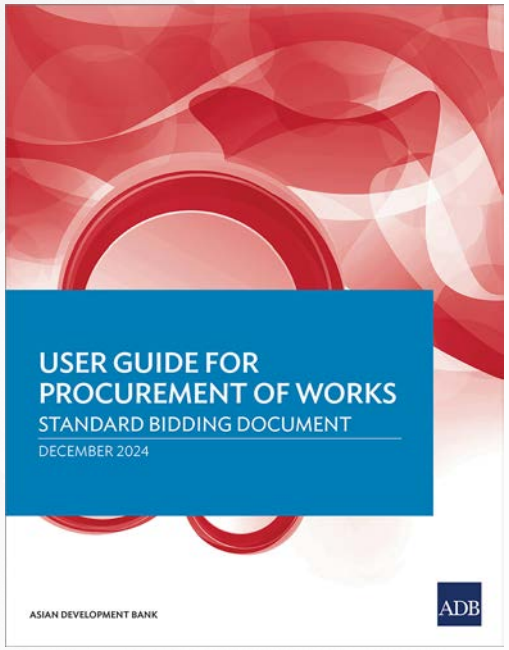
Not suitable for:

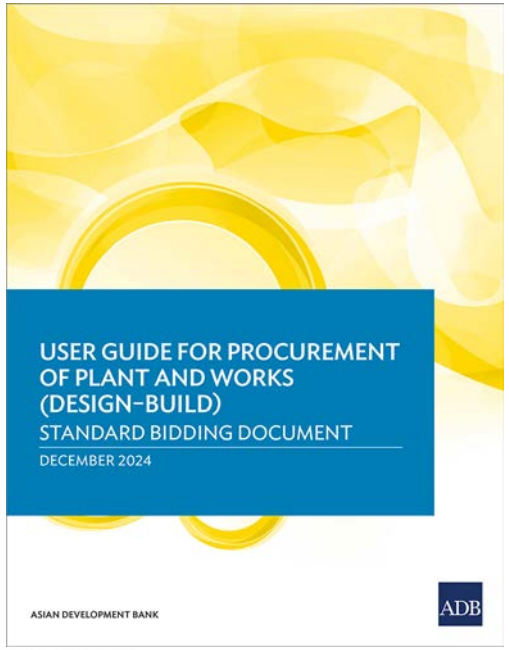
- Off-the-shelf goods
- Routine, low-risk services.

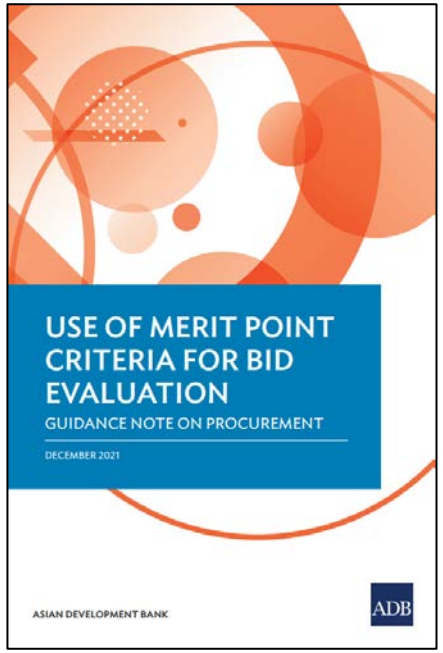
Key Principles in Applying MPC

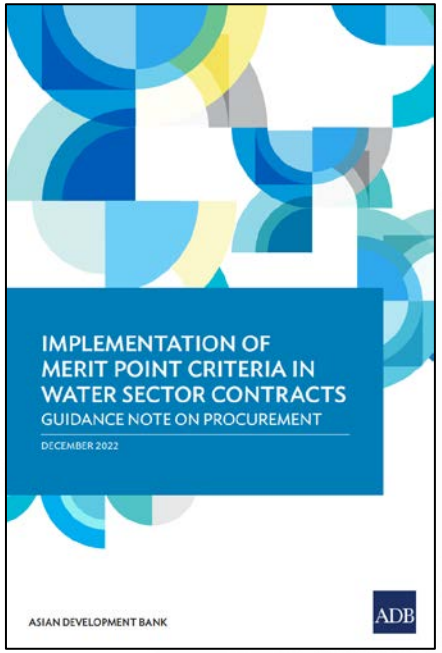
- Keep criteria and sub-criteria minimal, relevant, and objective.
- Provide clear narrative guidance for scoring.
- Ensure scores are substantiated and aligned with the requirements
- Guard against subjectivity, overclaims, and inconsistencies

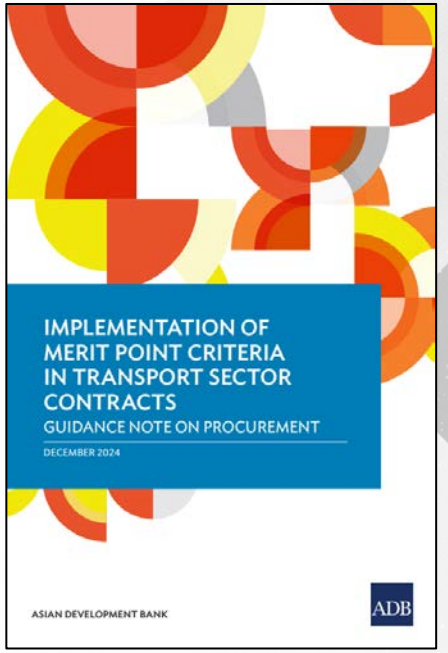
MPC Publications











Evaluation Methods – 1S2E

1S2E	Lowest Evaluated and Substantially Responsive Bid	MPC Option 1	MPC Option 2
Bid Opening	Open technical bids envelope		
• Evaluation of Qualification Criteria	Meet all QC		
• Technical Evaluation	Technically responsive bids	• Assign technical scores • Meet minimum technical score	
Bid Opening	Open financial bids envelope		
• Financial Evaluation	Arithmetic correction, price adjustment		
Winning bid	The lowest evaluated bid		• Assign financial scores • The highest combined technical and financial scores

Sample Formula

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

CS = combined technical and price scores

P = evaluated bid price

P_{low} = lowest evaluated bid price

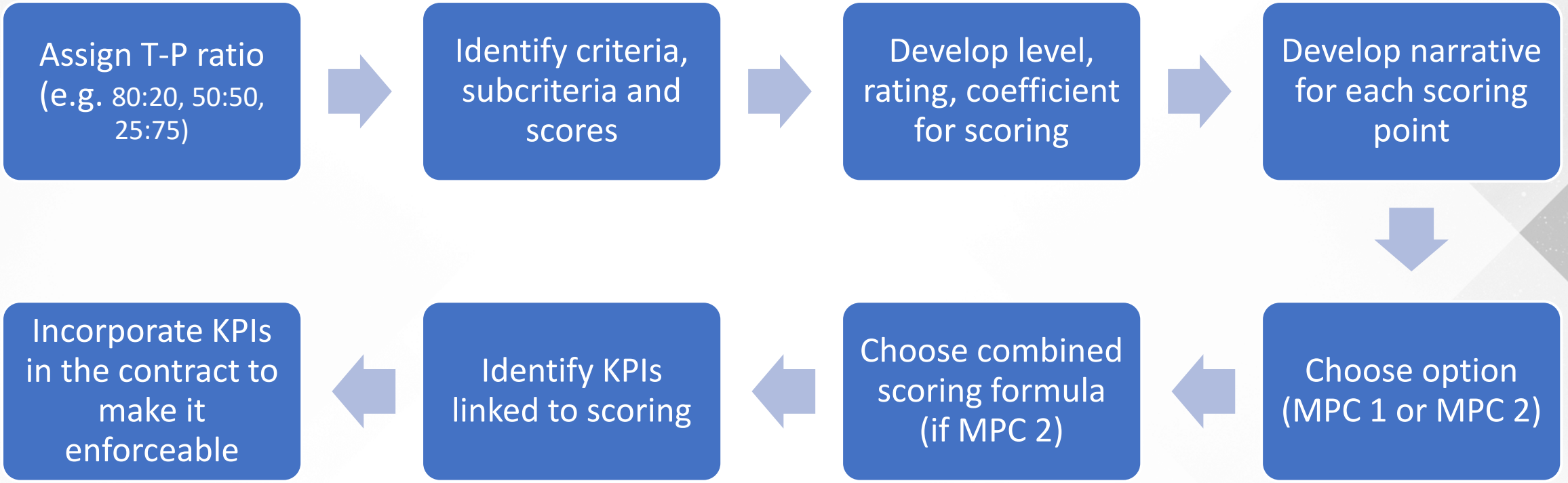
T = technical score

T_{high} = highest technical score

F_{weight} = weight for price bid

T_{weight} = weight for technical bid

MPC – Steps


Assign T-P ratio (e.g. 80:20, 50:50, 25:75)
Identify criteria, subcriteria and scores
Develop level, rating, coefficient for scoring
Develop narrative for each scoring point
Choose option (MPC 1 or MPC 2)
Choose combined scoring formula (if MPC 2)
Identify KPIs linked to scoring
Incorporate KPIs in the contract to make it enforceable

MPC in Transport Sector

Project Types

Traditional

- Roads
- Railways
- Aviation
- Maritime
- Urban Transport
- Asset Management
- Logistics
- Service Sector: Consulting and Nonconsulting

New Trends

- Smart mobility
- Transit-oriented development
- Climate adaptation
- Net zero
- Linkages/interfacing

Potential MPC in Complex Transport Contracts

- Site Conditions
  - Terrain, ground conditions, topography, climate
- Local Conditions
  - Traffic management, impact on local businesses, material/labor availability
  - Regulatory compliance
- Technical Challenges: urban environment, intermodal connectivity, O&M requirements
  - Automation, control systems, etc.
- Impact of Failures
  - High-risk scenarios, such as failures in airport systems, road safety, logistics hubs, etc.
- Sustainable, environmental considerations
  - Location, regulatory requirements

External Factors Influencing MPC

- Sustainability: climate and environment: balancing sustainability factors with technical and local standards and requirements.
- Institutional factors: Navigating regulatory and institutional constraints.
- Local procurement laws: Aligning MPC with local procurement laws and regulations.
- Capacity: limited technical capacity.
- Bidding conditions and market capacity: market readiness, limiting potential bidders.

Table 6: Criteria, Categories/Types

Organization and Team Members	Design Methodology	Construction Methodology	Health and Safety	Environment	Risk Management	Quality Management	Works Management	Materials, Equipment, and Logistics	Testing, Commissioning, Handover	Community/ Social	Climate Change	Consulting Services	
Qualifications	Design program	Construction program	Health and safety planning	Environmental planning	Risk planning	Quality planning	Document management	Sourcing planning	Testing plan	Permitting and compliance planning	Climate change planning	Schedule and logistics planning	Project Planning and Administration
Experience	In-house design	Method statements	Innovative safety concepts	Local design/ integration with environment	Initial risk register	Management manuals	Resources planning	Logistic management tools	Commissioning plan	Gender plans	Design options and construction methods	Quality management plan	
Staff mobilization schedule	Outsourced design		Design of safety measures	Management manuals	Management manuals		Initial works program	Key materials and equipment	Handover plan	Small and medium-sized enterprises	Mitigation plans	Compliance plan	
			Management manuals					Country of origin	Maintenance	Local participation	Emergency action plans	Response plan	
								Equipment mobilization schedule		Sexual exploitation, abuse, and harassment		Personnel – organizational chart	

Table 6 *continued*

Organization and Team Members	Design Methodology	Construction Methodology	Health and Safety	Environment	Risk Management	Quality Management	Works Management	Materials, Equipment, and Logistics	Testing, Commissioning, Handover	Community/ Social	Climate Change	Consulting Services	
Reporting line	Integration with program	Inspections	Construction safety	Environmental protection	Management	Record keeping	Detailed work program	Sourcing	Commissioning schedule	Special site/ land use conditions	Carbon footprint	Operational execution	Project Execution
Replacements	Compliance checks	Records	Equipment safety	Waste reduction/ recycling	Monitoring	Certifications	Compliance with key dates, completion	Storage	Methodologies	Impacts on local groups	Resilience	Delivery methodology	
	Liability	Temporary works	Operational safety	Odors, noise, vibration			Resources management	Spare parts		Gender management	Innovation	Response to change methodology	
		Permanent works						Guarantees/ warrantees		Interruptions to local businesses	Emissions	Performance measures	
		Key performance indicators						Factory acceptance test		Displacement			
								Trainings		Fair trade			
<---------- Sustainability Criteria---------->													

Weighting of Criteria

- Rank criteria based on perceived importance.
- Place the most weight on criteria with the highest importance, and the lowest weight for criterion or categories with the least importance.
- Methods: pairwise comparison, ranking, rating scales

Example of Rating Scales

	Criteria	Step 1 - Assign Overall Weight	Step 2 - Assign Subweight
1	**Programming**	10	
1a	Overall Project Schedule		6
1b	Design Schedule		2
1c	Mobilization Schedule		2
2	**Methodology – Groundworks**	25	
2a	Subsoil preparation		5
2b	Backfill		5
2c	Piling		15

Example of Rating Scales

	Criteria	Step 1 - Assign Overall Weight	Step 2 - Assign Subweight
3	**Methodology – Station Construction**	**45**	
3a	Foundation Design		15
3b	Architectural design and methodology		15
3c	Accessibility design		15
4	**Health & Safety**	**15**	
4a	Health and Safety Plan		10
4b	Emergency Procedures		5
5	**Environmental Management**	**5**	
5a	Fuel management		3
5b	Waste materials management and recycling		2
	Total	**100**	**100**

Example of Scoring Descriptors

% of Maximum Score		Description of Services
Range	Fixed	
Excellent submission (91%–100%)	Excellent submission (100%)	Significantly exceeds the requirements. Exceptional demonstration of the bidder's ability, understanding, skills, and resources required to properly deliver the project on time. Response identifies factors that could offer potential added value. Excellent supporting evidence is provided.
Good submission (81%–90%)	Good submission (90%)	Marginally exceeds the requirements. Above average demonstration of the bidder's ability, understanding, skills, and resources required to deliver the project on time. Good supporting evidence is provided.
Acceptable submission (61%–80%)	Acceptable submission (80%)	Satisfies the requirements. The bidder has demonstrated that it has the ability, understanding, skills, and resources required to deliver the project on time. Sufficient supporting evidence is provided.
Some reservations (41%–60%)	Some reservations (60%)	The submission does not fully meet the requirements and the bidder has not sufficiently demonstrated that it has the ability, understanding, skills, and resources necessary to deliver the project on time. Insufficient supporting evidence is provided.
Serious reservations (21%–40%)	Serious reservations (40%)	Significantly below the requirements. There are major reservations concerning the bidder's ability, understanding, skills, and resources required to properly deliver the project on time. Little supporting evidence is provided.
Unacceptable submission (1%–20%)	Unacceptable submission (20%)	Does not comply with requirements. Provides scarce information to demonstrate that the bidder has the ability, understanding, experience, skills, and resources required to deliver the project on time.

Aligning with FIDIC Practices

Emphasis on Quality:

- Performance, durability, and risk management during contract execution.

MPC supports this focus through evaluation of:

- Methodology and work plan
- Key personnel and equipment
- Innovation, safety, and sustainability
- Performance metrics and functionality

Incorporating MPC into FIDIC Red Book

- Reflect evaluated technical commitments in Contract Documents
- Update Specifications and Requirements based on the winning bid
- Define KPIs and link them to performance damages or incentives (e.g. bonuses) via Particular Conditions
- Record negotiation outcomes in Minutes of Contract Negotiations
- Require signed declarations confirming bidder’s commitments