ASIAN DEVELOPMENT BANK BUSINESS OPPORTUNITIES FAIR 2025

16-18 SEPTEMBER 2025 | ADB HEADQUARTERS, MANILA

QUALITY INNOVATION IMPACT

Understanding Bidding Documents to Prepare Competitive Bids

Hiet Tran – Sr. Procurement Specialist

Procurement, Portfolio and Financial Management Department

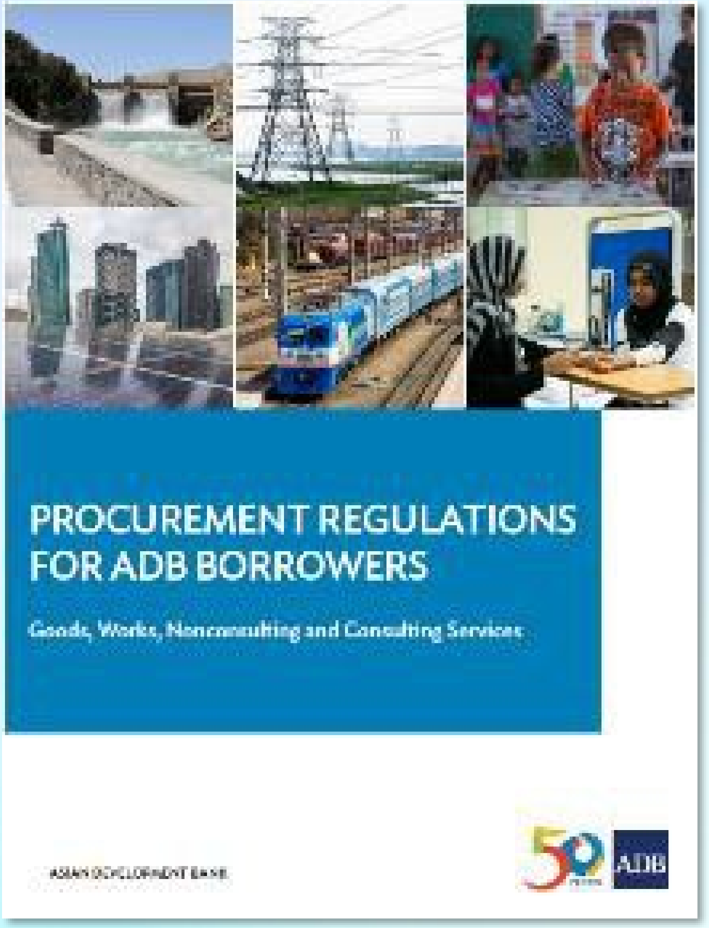
Outline

1. Procurement Basics
2. Bidding Document
3. Bid Evaluation

1. Procurement Basics

Types of Procurement

- Goods
- IT Products and Services
- Works (Civil Works)
- Plant
- Nonconsulting Services
- Consulting Services



Terminologies

- **Bidding Document**: A document issued by a procuring entity to invite potential suppliers or contractors to submit an offer for a specific Goods, Works, or Nonconsulting Services package.

- **Bid**: An offer, by a firm or joint venture, in response to a Bidding Document, to provide the required Goods, Works or Non-consulting Services.

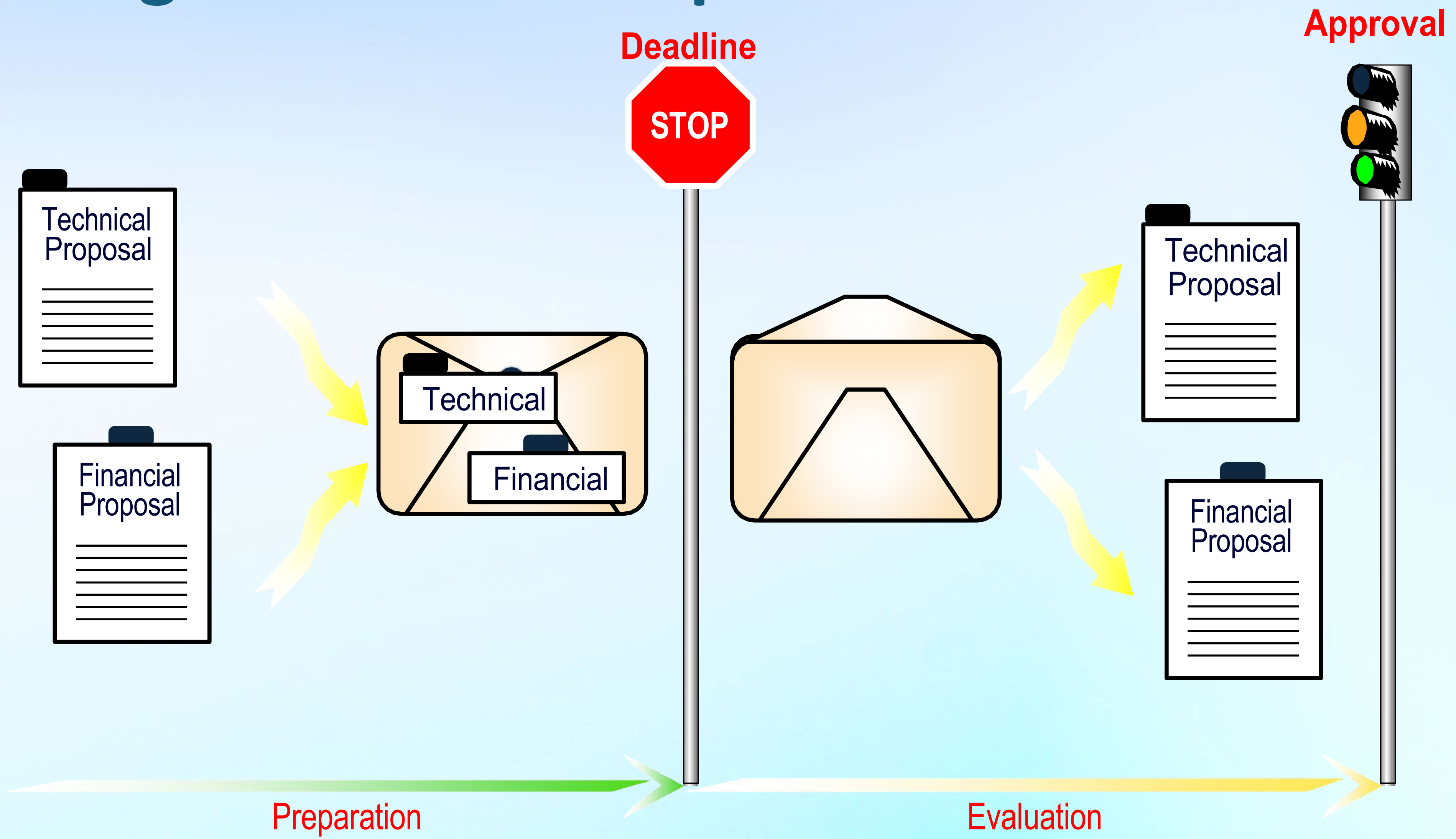
Procurement Methods

- Open Competitive Bidding (OCB)
- Limited Competitive Bidding (LCB)
- Request for Quotations (RFQ)
- Framework Agreements (FA)
- Electronic Reverse Auction (ERA)
- Force Account (FA)
- Direct Contracting (DC)

Bidding Procedures

- Single-Stage One-Envelope (1S1E)
- Single-Stage Two-Envelope (1S2E)
- Two-Stage Two-Envelope (2S2E)
- Two-Stage (2S)

Single-Stage One - Envelope



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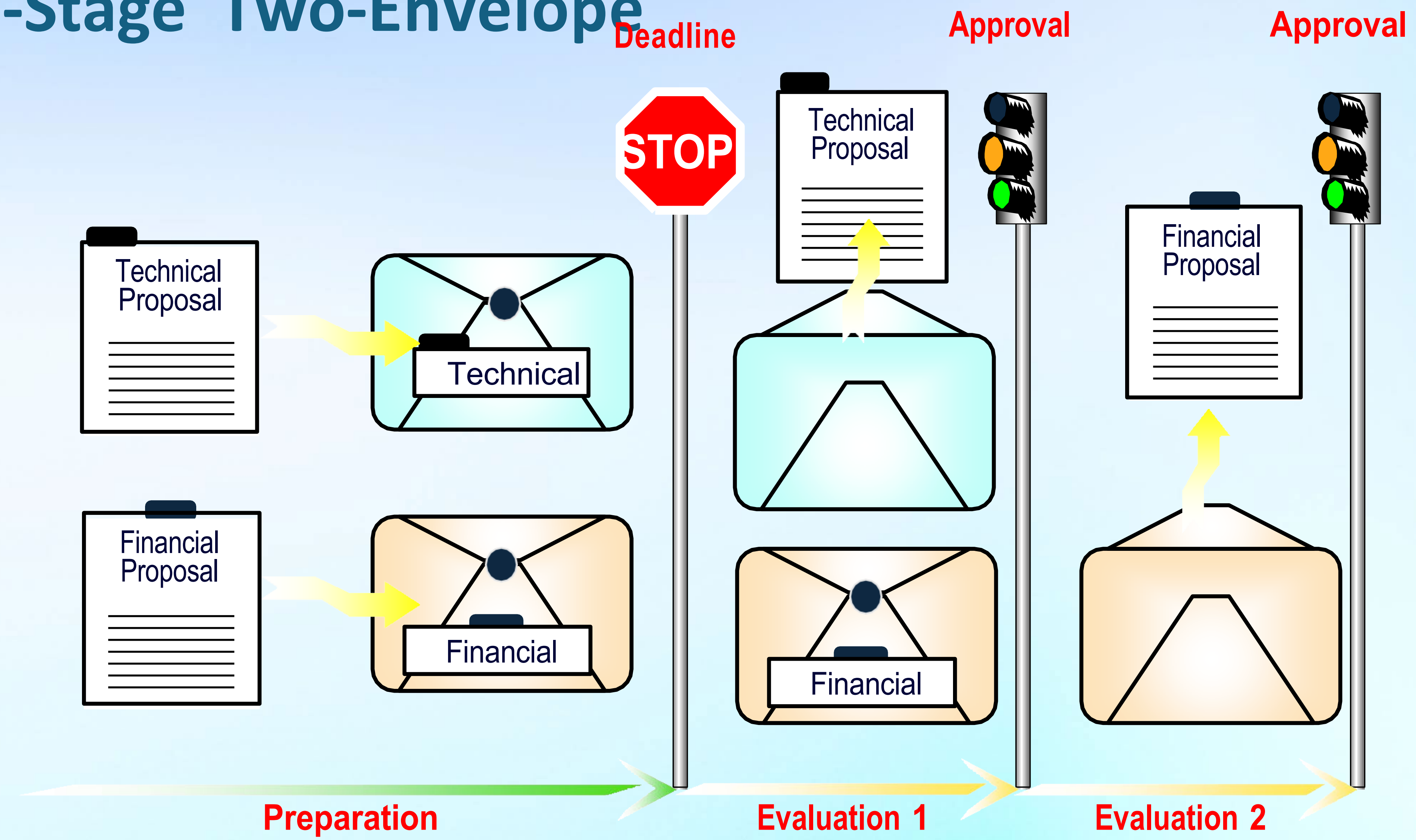
Single-Stage Two-Envelope



Bidding Process

Procurement Planning

Bidding Document

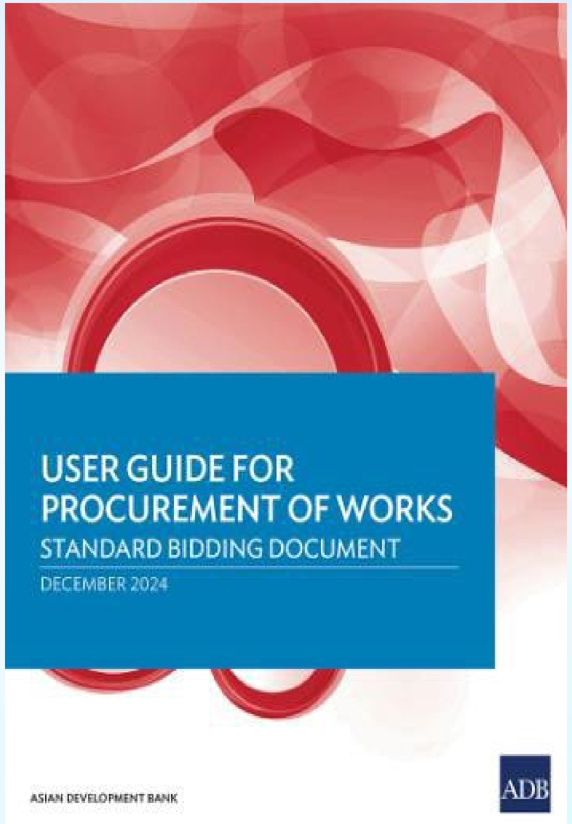
Bid Opening

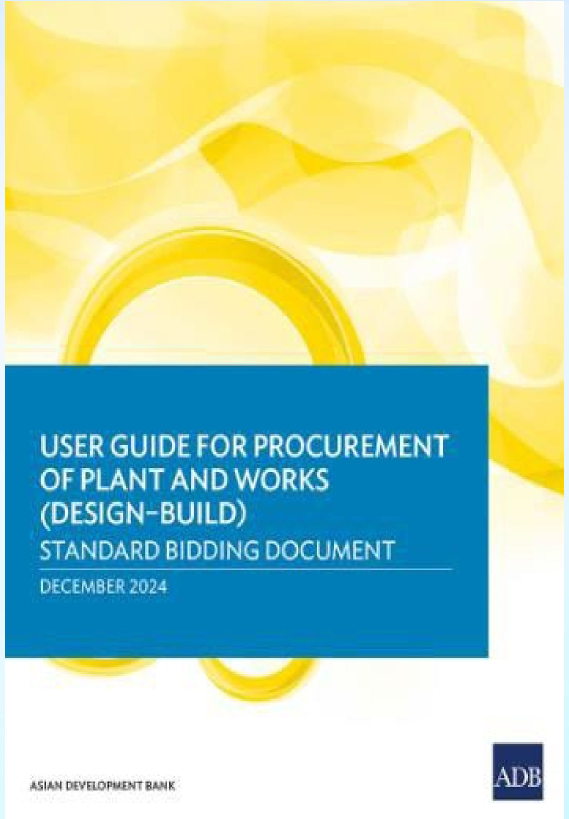
Bid Evaluation

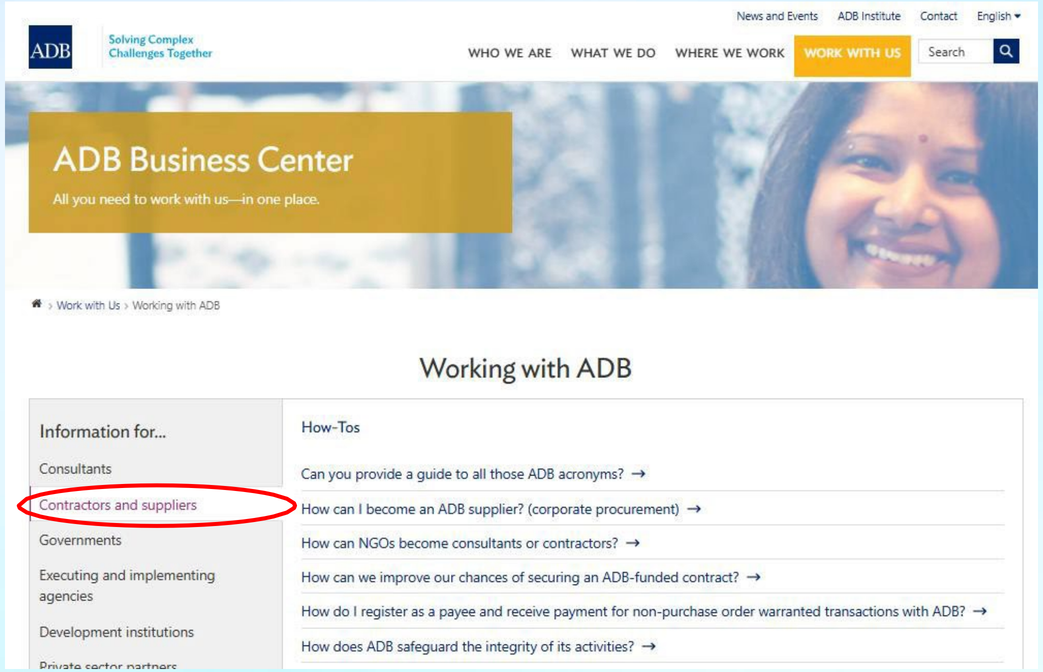
Contract Award

2. Bidding Document (BD)

ADB Standard Bidding Documents (SBD)







https://www.adb.org/business/how-to/where-can-i-find-adbs-standard-bidding-documents

ADB SBD Structure

Part I: Bidding Procedures

Section 1. Instructions to Bidders (ITB)

Section 2. Bid Data Sheet (BDS)

Section 3. Evaluation and Qualification Criteria (EQC)

Section 4. Bidding Forms (BDF)***

Section 5. Eligible Countries (ELC)

Notes:

Blue: Standard Sections

Yellow: Customized Sections, specific to each bidding

*** : With some customization

Part II: Requirements

Section 6. Works' Requirements – for CW
Employer's Requirements - for Plant
Schedule of Supply - for Goods
Schedule of Requirements – for IT

Part III: Conditions of Contract and Contract Forms

Section 7. General Conditions of Contract (GCC)

Section 8. Special Conditions of Contract (SCC)

Section 9. Contract Forms (COF)

Clarification, Site Visit, and Pre-bid Meeting

- Opportunities for bidders to clarify contents of the BD
- Pay attention to deadline for clarification requests
- Clarification requests must be in writing
- Monitor responses from the procuring entity
- Visit and examine the Site of Works
- Attend pre-bid meeting and obtain minutes

Amendments of BD

- BD may be amended due to clarifications or at discretion of the procuring entity
- Any addendum issued shall be part of the BD
- Bidders should monitor BD amendments
- The procuring entity may, at its discretion, extend the deadline for bid submission

Bid Submission and Opening

- Submission on or before the deadline
- Late bids shall be rejected – deadline is deadline
- Bid opening attendance is strongly recommended

Avoidable Mistakes at Bid Preparation

- Using wrong forms/templates
- Submitting incomplete documents
- Bids are not signed properly
- Technical and Price Bids are not marked properly (1S2E)
- Technical and Price Bids are put in the same envelope (1S2E) => may be rejected
- Documents are mixed up => Bid Security is not found at bid opening
- etc.,

3. Bid Evaluation

Bid Evaluation – The Two Methods

Eligible and Qualified Bidder	Technically Acceptable Bid (Yes/No)	Evaluated Bid Prices	Winner = Lowest Evaluated Bid	Lowest Evaluated Substantially Responsive Bid (LESRB) – the Traditional Method
Eligible and Qualified Bidder	Technically Acceptable Bid (Yes/No, then Score)	Evaluated Bid Prices, then Score	Winner = Highest Combined Score	Merit Point Criteria (MPC)

Bid Evaluation (LESRB) - Overview

- Following the procedures and criteria specified in the issued BD and amendments (if any) for a specific bidding process
- Key Steps/Components
  1. Preliminary Examination
  2. Eligibility Checking
  3. Qualification Evaluation*
  4. Responsiveness Checking
  5. Financial Evaluation
  6. Price Analysis

* In 1S1E, Qualification Evaluation may be done after Financial Evaluation

1. Preliminary Examination (P/F)

- Identity of the bidder (single entity or JV)
- Validity of the bid in general (e.g., signing, validity period, bid security)
- Presence or absence of key documents required
- Whether the documents submitted for the advertised procurement

2. Eligibility Checking (P/F)

- Coming from Eligible Countries as per Section 5. Eligible Countries
- Not having Conflict of Interest
- Not sanctioned or suspended by ADB or other MDBs due to Fraud & Corruption related reasons. See the list https://sanctions.adb.org/
- Government entities in the borrower country (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not a dependent agency of the procuring entity.
- Not having been excluded by an act of compliance with a United Nations Security Council resolution

3. Qualification Evaluation (P/F)

- Following Section 3. Evaluation and Qualification Criteria
- Typical Qualification Criteria

- History of Nonperforming Contracts
- Historical Financial Performance
- Average Annual (Construction) Turnover /Size of Operation
- Financial Resources/Cash Flow Capacity
- Contracts of Similar Size and Nature/Contractual Experience
- Experience in Key Activities
- Technical/Production Experience
- Production Capacity
- Qualifications of Subcontractors
- etc.

3. Qualification Evaluation (P/F)

❖ Specific Qualification Criteria for Civil Works and Plant

- Declaration: Environmental, Health and Safety Past Performance
- Specific Experience in Managing Environmental, Health and Safety Aspects
- Environmental, Health, and Safety Certification
- Environmental, Health, and Safety Documentation
- Environmental, Health, and Safety Dedicated Personnel

❖ The choice of criteria depends on specific procurement

4. Responsiveness Checking (P/F)

❖ **Purpose**

- To identify Substantially Responsive Bids to commercial terms and conditions and technical requirements
- To identify quantifiable nonmaterial nonconformities, if any, contained in the Substantially Responsive Bids for further evaluation at the Financial Evaluation

4. Responsiveness Checking (P/F)

❖ Concepts

- *Deviation:* a departure from the requirements specified in the BD
- *Reservation:* the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the BD
- *Omission:* the failure to submit part or all of the information or documentation required in the BD

4. Responsiveness Checking (P/F)

❖ Concepts

- *Substantially Responsive Bid*: a bid that meets the requirements of the BD *without material deviation, reservation, or omission*
- A *material deviation, reservation, or omission* is one that:

a) If accepted, would:

(i) Affect in any substantial way the scope, quality, or performance of the Works (or Goods and or Plant) specified in the Contract; or

(ii) Limit in any substantial way, inconsistent with the BD, the Employer's (or Purchaser's) rights or Bidder's obligations under the proposed contract; or

(b) If rectified, would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

Examples of Commercially Nonresponsive Bids

- Failure to sign Letter of Bid/Bid Submission Sheet and Price Schedules
- Failure to submit the original bid
- Not submitting a Bid Security, when required
- Bid security with shorter validity period/smaller amount
- Inability to meet a critical delivery schedule
- Submitting a conditional bid (or the bid contains "reservations")
- Failure to submit major supporting documents
- Violating any conditions specified in the BD as grounds for rejection (e.g., shorter bid validity period, using negative unit rates, not accepting price adjustment, etc.)

Examples of Technically Nonresponsive Bids

- ❖ Failure to bid the required scope of work
- ❖ Failure to quote for major item in the package
- ❖ Failure to meet major technical requirements

5. Financial Evaluation

- Excluding noncompetitive components (e.g., provisional sums or contingency)
- Excluding local (import, sales and other) taxes – for Goods, IT, and Plant
- Correction of arithmetical errors
- Application of discounts, if any
- Adjustment for quantifiable nonmaterial nonconformities, for comparison purpose
- Conversion to single/evaluation currency
- Application of other factors as per Section 3. Evaluation and Qualification Criteria (e.g., O&M, LCC, Domestic Preference, Payment or Delivery Schedule, etc.,)

⇒Determine Evaluated Bid Prices of Substantially Responsive Bids

⇒The Lowest Evaluated Substantially Responsive Bid (LESRB), or Lowest Evaluated Bid (LEB) for short

6. Price Analysis

- Is the LESRB
  - A Seriously Unbalanced or Front-Loaded Bid?
  - An Abnormally Low Bid (ALB)?
- Actions permitted by the BD
  - Clarification
  - Decision
    - (i) Acceptance
    - (ii) Acceptance with increased Performance Security
    - (iii) Rejection

Clarification During Bid Evaluation

- The procuring entity may seek clarification, at their discretion
- No change in price or substance shall be allowed
- Once clarification is sought, bidders should respond promptly
- No response to clarification may result in bid rejection
- Clarification submitted w/o being requested shall not be considered
- Attempt to influence the procuring entity during evaluation may result in bid rejection

Bid Validity and Extension

- Monitor bid validity and respond to request for extension
- Remember to extend Bid Security validity
- May remind the procuring entity about bid validity if it is about to expire - sometimes they forget

Standstill Period, Debriefing, and Complaint

- Opportunities for unsuccessful bidders to request for debriefing or to file a complaint
- Bidders should request for debriefing from or file a complaint directly to the procuring entity
- BD includes procedures and contact details for bidding related complaints

Thank You!