

Value for Money

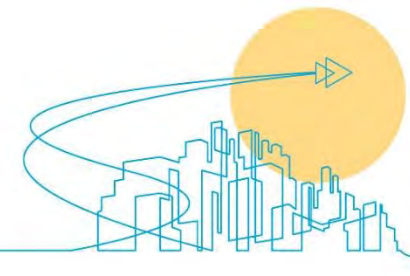
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Agenda

- Introduction to Value for Money
- Case study 1 – Greater Malé Waste-to-Energy Project in the Maldives
- Case Study 2 – Science and Technology Human Resource Development Project in Sri Lanka
- Panel Discussion/Q & A



Panel Discussion

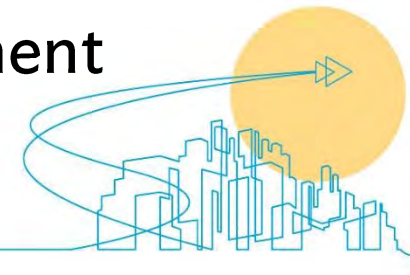
Ahmed Murthaza, Director General,
Waste Management and Pollution Control
at the Ministry of Environment, Maldives

Dr. S D R Perera, Project Director, Science
and Technology Human Resource
Development Project, Sri Lanka

Ryotaro Hayashi, Social Sector
Economist, SAHS







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ADB new procurement policy 2017

Introduction of Value for Money

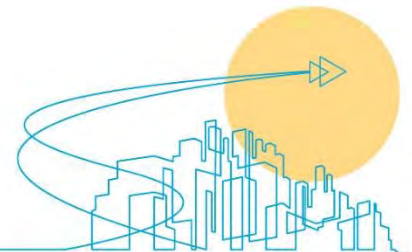
Principle		Outcomes
	Fairness	Equal opportunity; equitable distribution; and credible mechanisms for addressing procurement-related complaints.
	Economy	Using price, quality, and any nonprice attributes to deliver viable projects.
	Efficiency	Ensures procurement processes are proportional to value and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

Value for Money

Definition

VfM is the effective, efficient and economic use of resources to obtain optimal development outcomes,

based on an evaluation of relevant costs and benefits together with proper assessment of risks, non-price attributes, and whole life-cycle costs, as appropriate



Value for Money

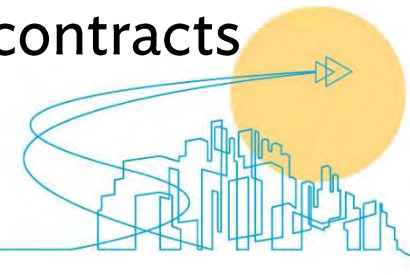
Procurement objectives

- Price or cost
- Quality
- Risk mitigation or avoidance
- Speed of delivery
- Security of delivery

Procurement strategies

- Competition
- Lowest evaluated cost
- Life-cycle cost
- Combination of quality & price
- O & M included in the contract
- PPPs
- Bonuses & damages
- Framework contracts

Market to deliver



VfM through Strategic Procurement Planning

Project Concept

- Project development objectives
- Project description and categorization
- Indicative contract packages

Operating Environment

- Borrower capacity and capability assessment
- FCAS Considerations
- Support requirements
- External influences
- Stakeholder and communication strategy

Market Analysis

- Porter's five forces analysis
- Supply positioning
- Supplier preferencing

Risk Management

- Country and sector/agency procurement risk assessment
- Project procurement risk assessment
- Risk register



Analysis

Options Analysis

- Identify strategic options
- Evaluate strategic option
- Strategy selection



Choices

Procurement Strategy

- Procurement methods
- Bidding procedures
- Contracting strategy
- Strategic procurement planning template
- Procurement plan template



Planning



Case Study 1

Greater Malé Waste-to-Energy Project in the Maldives

Presenters:

Ahmed Murthaza, Director General, Waste Management and Pollution Control at the Ministry of Environment

Luca Di Mario, Urban Development Specialist, SAUW



Case Study 2

Science and Technology Human Resource Development Project in Sri Lanka

Presenters:

Dr. S D R Perera, Project Director, Science and Technology Human Resource Development Project, Sri Lanka

Ryotaro Hayashi, Social Sector Economist, SAHS

