



The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.


Procurement of Goods, Works, and Non-consulting Services

Bidding Documents and Procurement Guidance Notes

10 – 11 May 2023 | Islamabad, Pakistan





1



Topics

1. Preparation of Bidding Documents
2. Guidance Notes




May 2023


ADB Procurement

2


2





1. Bidding Documents



3



Procurement Process



May 2023

ADB Procurement

4

4

Invitation for Bids (IFB)

Purpose

- A letter informing potential Bidders about requirements and inviting interested Bidders to bid
- Name of Borrower, name of Project, description of works, name of purchaser and purchasing unit, contact info, how to get/buy the bid documents, bid opening info, amount of bid security


Procedures

- Tender with prequalification: IFB sent only to prequalified bidders
- Tender with postqualification: IFB published in international and/or local media

Requirements

- Advertisement in local English language newspapers of national circulation or internationally known and freely accessible website in English
- Publication in the ADB Business Opportunities on ADB's web site

IFB is not part of the Bidding Document



May 2023

ADB Procurement

5

5

Bid Document

Basic


- To inform about the scope of contract
- To advise on procedures for bid preparation and submission
- To inform on criteria and methods for bid evaluation and award of contract
- To inform on conditions of contract
- EA prepares and issues the BD based on ADB's SBD

Clarity of the BD

- Comprehensive in scope and clear in content
- Describe works to be done in sufficient details to enable efficient and accurate preparation of bid
- Indicate methods, terms and conditions of bid evaluation
- State conditions of contract and bid requirements that must be complied with

Other Factors

- Provides reference to ADB.
- Inform the bidders that procurement is subject to ADB policies and procedures
- Language – must be (available) in English as the working language of ADB



May 2023

ADB Procurement

6

6

Outline and Components of a Bid Document

Part I: Bidding Procedures

Section 1. Instruction to Bidders (ITB)

Section 2. Bid Data Sheet (BDS)

Section 3. Evaluation and Qualification Criteria (EQC)

Section 4. Bidding Forms (BF)

Section 5. Eligible Countries (ELC)

Part II: Requirements

Section 6. Works' Requirements (WRQ)

Part III: Conditions of Contract and Contract Forms

Section 7. General Conditions of Contract (GCC)

Section 8. Particular Conditions of Contract (PCC)

Section 9. Contract Forms (COF)

May 2023

ADB Procurement

7

7

Sec. 1. Instructions to Bidders (ITB)

Purpose

- To specify general procedures that regulate the bidding process

Contents

- Standard clauses that have been designed to remain unchanged and to be used without modifying their text




May 2023

ADB Procurement

8

8




Sec. 2. Bid Data Sheet (BDS)

Purpose

- to provide information specific to a particular bidding process in order to supplement the information or requirements of Section I

Content

- clauses which are numbered with the same numbers as the corresponding clauses of Section I. - Instruction to Bidders




May 2023

ADB Procurement

9

9




Sec. 3. Evaluation and Qualification Criteria (EQC)

Purpose

- to specify criteria that the Purchaser will use to evaluate the Bids and post-qualify the lowest evaluated Bidder.

Content

- Evaluation, Qualification, Historical Contract Nonperformance, Financial Situation, Construction Experience, Organizational Environmental, Health and Safety System




May 2023

ADB Procurement

10

10



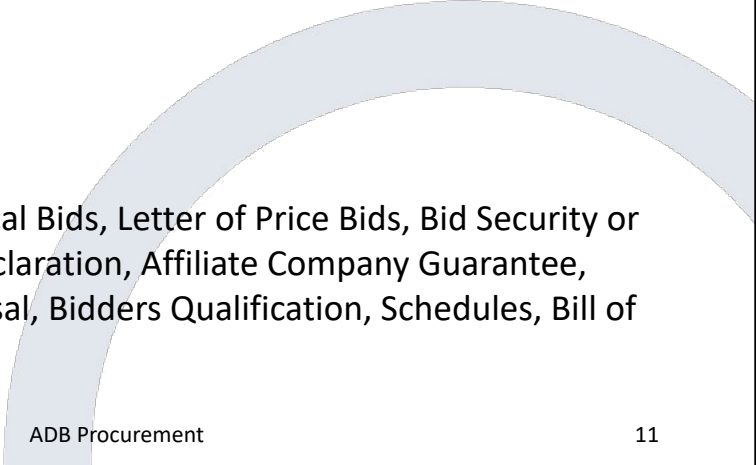
Sec. 4. Bidding Forms (BF)


Purpose

- Provide forms that the Bidder must complete and include in its Bid.


Contents

- Letter of Technical Bids, Letter of Price Bids, Bid Security or Bid-Securing Declaration, Affiliate Company Guarantee, Technical Proposal, Bidders Qualification, Schedules, Bill of Quantities



 May 2023 ADB Procurement 11

11



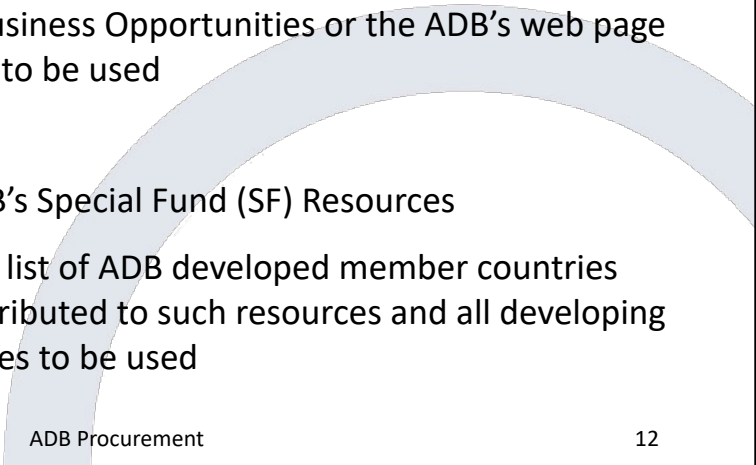
Sec. 5. Eligible Countries (ELC)


For loans from ADB's Ordinary Capital Resources (OCR)

- The most recent list of ADB member countries obtainable from the ADB Business Opportunities or the ADB's web page at www.adb.org to be used


For loans from ADB's Special Fund (SF) Resources

- The most recent list of ADB developed member countries which have contributed to such resources and all developing member countries to be used



 May 2023 ADB Procurement 12

12




Sec. 6. Works' Requirements (WRQ)

Purpose

- to provide complete, precise, and clear information to enable bidders to prepare efficiently and accurately Bids that are realistic and competitive

Contents

- Specifications, Environmental, Health and Safety Management Requirement, Drawings, Supplementary Information that describe the Works to be procured, Personnel Requirements, Equipment Requirements

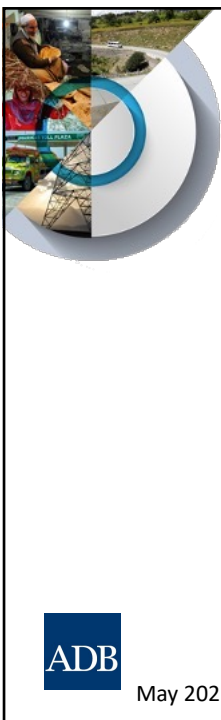


May 2023

ADB Procurement

13

13




Sec. 7. General Conditions of Contract (GCC)

Purpose

- to define general procedures for proper contract management through clear definitions of rights and obligations of contracting parties

Contents

- standard clauses applicable to most contracts designed to remain unchanged and to be used without modifying their text
- ADB uses other internationally acceptable forms of contract, such as: FIDIC (Works, DBO), ENAA (Plant)
- Other internationally acceptable forms can be considered subject to inclusion of ADB's specific provisions on Eligibility, Integrity, Safeguards, RWE, Dispute Resolution, Arbitration




May 2023

ADB Procurement

14

14




Sec. 8. Particular Conditions of Contract (SCC)


Purpose

- define provisions that are specific to a particular bidding process in order to supplement the information or requirements of Section VII. General Conditions of Contract


Contents

- Part A – Contract Data
- Part B – Special Provisions
- Part C – Corrupt and Fraudulent Practices
- Part D – Environmental, Health and Safety (EHS)



 May 2023 ADB Procurement 15

15



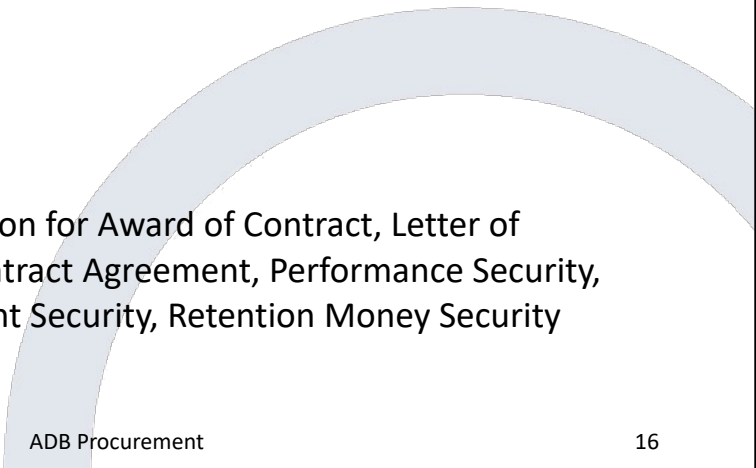
Sec. 9. Contract Forms (COF)


Purpose

- Provide forms that the Bidder Awarded the Contract must complete

Contents

- Notice of Intention for Award of Contract, Letter of Acceptance, Contract Agreement, Performance Security, Advance Payment Security, Retention Money Security



 May 2023 ADB Procurement 16

16




17

Environmental, Health and Safety (EHS) Requirement

- Environmental Management Plan (EMP) is part of the BD (sec. 6)**
 - The Borrower undertakes environmental assessment in the form an Environmental Impact Assessment (EIA, cat A), an Initial Environment Examination (IEE, cat B) or desk study (cat C) to meet ADB Safeguard Policy Statement (SPS) requirements.
 - EIA and IEE must include an EMP.
- Environment, Health and Safety Management Plan (EHSMP) is part of the bid**
 - Bidder submits with his bid an EHSMP showing how he will comply with EHS requirements (ref EMP and other info in the BD).
- Site-specific EMP (SSEMP) & SSHSMP are parts of contractor's document and must be cleared before commencing work**
 - Contractor submits SSEMP and SSHSMP to the Engineer for access to site. Review period is 21 days.


ADB May 2023 ADB Procurement 18

18




Sec. 1, Instruction to Bidders

- Clause ITB 16.1:** The Bidder shall furnish a Technical Proposal including a statement of work methods, equipment, personnel, schedule, environmental, health and safety (EHS) management plan commensurate with the proposed scope of works, EHS Code of Conduct, and any other information as stipulated in Section 4 (Bidding Forms), in sufficient detail to demonstrate the adequacy of the Bidders' proposal to meet the work requirements and the completion time.


 May 2023
 ADB Procurement
19

19




Sec. 3, Evaluation and Qualification Criteria


1.7.1 Environmental, Health and Safety Management Plan (EHSMP)

[The following is a sample criteria]

Any bid not accompanied by the EHSMP may be rejected by the Employer as nonresponsive. If a Bidder submits a EHSMP that is not commensurate with the risks and impacts of the proposed works and activities in the bidding document, the Employer shall issue a request for clarification to request for further information from the Bidder. The Bidder must submit the requested information within [insert number of days, normally 5 working days] days of receiving such a request. Failure to provide a satisfactory response to the request for further information within the prescribed period of receiving such a request may cause the rejection of the Bid.


 May 2023
 ADB Procurement
20

20



Sec. 3, Evaluation and Qualification Criteria (cont'd)


1.7.2 Sustainable Procurement

Example text: The following sustainable procurement technical requirements will be evaluated on a pass/fail basis. Failure to meet any of the following requirements will result in mandatory rejection of the bid.

[E.g. No diesel plant is proposed for the construction process.]

NOTE

If specific sustainable procurement technical requirements have been specified in Section 6 (Works' Requirements), either state that (i) those requirements will be evaluated on a pass/fail (compliance basis) or otherwise (ii) in addition to evaluating those requirements on a pass/fail (compliance basis), if applicable, specify the monetary adjustments to be applied to Bid prices for comparison purposes on account of Bids that exceed the specified minimum sustainable procurement technical requirements.




May 2023

ADB Procurement

21

21




Sec. 3, Evaluation and Qualification Criteria (cont'd)

1.7.3 Life Cycle costs (for Financial Evaluation)

[state either life cycle costing "shall" or "shall not apply". If life cycle costing applies for Bid evaluation, the methodology and the information expected from Bidders shall be specified]

The factors for calculation of the life cycle cost are:

- (i) number of years for life cycle: [insert number of years],
- (ii) operating costs [state how they will be determined],
- (iii) maintenance costs, including the cost of spare parts for the initial period of operation [state how they will be determined], and
- (iv) Discount rate: [insert discount rate in percent] to be used to discount to present value all annual future costs calculated under (ii) and (iii) above for the period specified in (i).




May 2023

ADB Procurement

22

22




Sec. 3, Evaluation and Qualification Criteria (cont'd)


2.4.3 Specific Experience in Managing Environmental, Health and Safety Aspects

Criteria	Compliance Requirements		Documents
Requirement	Single Entity or Its Specialist Subcontractors	Joint Venture or Its Specialist Subcontractors	Submission Requirements
For the contracts in 2.4.1 and 2.4.2 above and/or any other contracts [substantially completed and under implementation] as prime contractor, Joint Venture partner, or Subcontractor between 1st January ^a and Bid submission deadline, experience in managing EHS risks and impacts in the following aspects: ^b	Must meet requirements	One member must meet requirements Or All members must meet requirements	Form EXP – 3

^a Insert year.
^b Based on the EHS assessment, specify, as appropriate, specific experience requirements to manage EHS aspects.


May 2023
ADB Procurement
23

23




Sec. 3, Evaluation and Qualification Criteria (cont'd)


2.5 Organizational Environmental, Health and Safety System

2.5.1 Environmental, Health and Safety Certification

Criteria	Compliance Requirements		Documents
Requirement	Single Entity or Its Specialist Subcontractors	Joint Venture or Its Specialist Subcontractors	Submission Requirements
Availability of a valid ISO certification or internationally recognized equivalent (equivalency to be demonstrated by the Bidder), and applicable to the worksite: 1. 2. 3.	Must meet requirements	One member must meet requirements Or All members must meet requirements	Form EXP – 4


May 2023
ADB Procurement
24


24




Sec. 3, Evaluation and Qualification Criteria (cont'd)

2.5.2 Environmental, Health and Safety Documentation

Criteria	Compliance Requirements		Documents
Requirement	Single Entity or Its Specialist Subcontractors	Joint Venture or Its Specialist Subcontractors	Submission Requirements
Availability of in-house policies and procedures for EHS management: For example: 1. Existence of an Ethics Charter. 2. Existence of a system for monitoring compliance with EHS commitments for the Bidder's Subcontractors and all its partners. 3. Existence of official company procedures for the management of the following: 1. 2.	Must meet requirements	One member must meet requirements Or All members must meet requirements	Form EXP – 5


May 2023
ADB Procurement
25


25




Sec. 3, Evaluation and Qualification Criteria (cont'd)

2.5.3 Environmental, Health and Safety Dedicated Personnel

Criteria	Compliance Requirements		Documents
Requirement	Single Entity or Its Specialist Subcontractors	Joint Venture or Its Specialist Subcontractors	Submission Requirements
Availability of in-house personnel dedicated to EHS issues: 1. 2.	Must meet requirements	One member must meet requirements Or All members must meet requirements	Form EXP – 6


May 2023
ADB Procurement
26



26



Challenges and Common Issues

- Contradictions/conflicting/unclear information and requirement in various sections of the BDs
- How to translate sustainability-related aspects into bidding requirement and evaluation and develop both the clients' and bidders' capacities in SusPP.
- Requests for clarifications from bidders
 - Not completely captured in writing; not fully and clearly responded → not considering valid issues raised by bidders which may reflect reality in the market and justify amending the bid document

Essential care must be given in preparation of bidding documents
→ **do not issue flawed bidding documents**




May 2023


ADB Procurement

27

27



2. Guidance Notes



28

Guidance Notes

- To operationalize ADB Procurement policy and Regulations.
- Grouped based on themes



GUIDANCE NOTES					
Preparation and Planning	Procurement Methods	Bidding Procedures	New Principles and Practices	Complaints, Compliance, and Eligibility	Specialized Areas
<ul style="list-style-type: none"> • Procurement Risk Framework • Strategic Procurement Planning • Procurement Review • Alternative Procurement Arrangements 	<ul style="list-style-type: none"> • Open Competitive Bidding • Consulting Services Administered by ADB Borrowers • Non-consulting Services Administered by ADB Borrowers • Framework Agreements 	<ul style="list-style-type: none"> • Price Adjustment • Prequalification • Subcontracting • Domestic Preference 	<ul style="list-style-type: none"> • Value for Money • Quality • Contract Management • Abnormally Low Bids 	<ul style="list-style-type: none"> • Bidding-Related Complaints • Noncompliance in Procurement • Standstill Period • State-Owned Enterprises 	<ul style="list-style-type: none"> • Fragile, Conflict-Affected, and Emergency Situations • E-Procurement • Public-Private Partnerships • High-Level Technology • Sustainable Public Procurement • Use of Merit Point Criteria for Bid Evaluation

29

Guidance Notes


May 2023
ADB Procurement
30

30