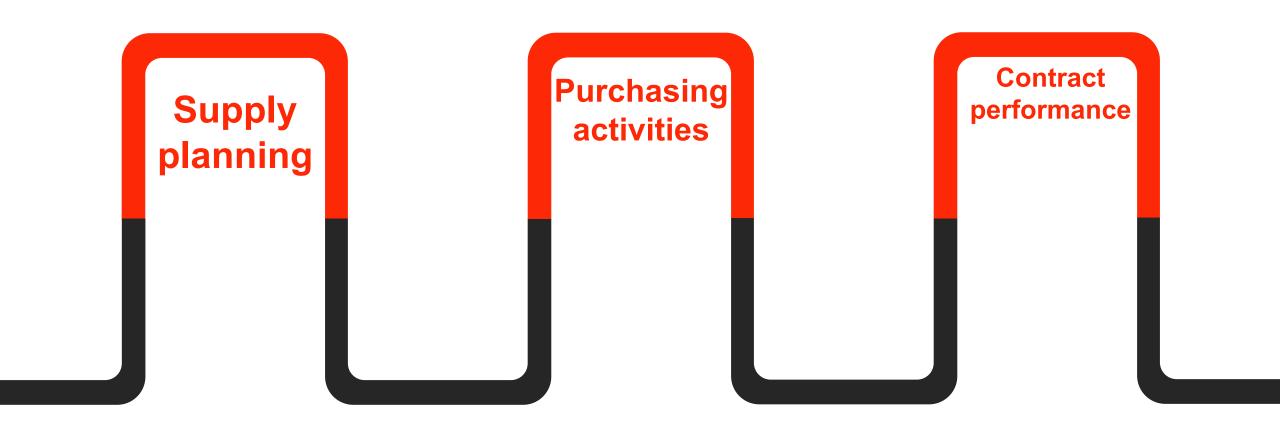
# Diagnostics procurement bottlenecks: a diagnosis and some curative suggestions

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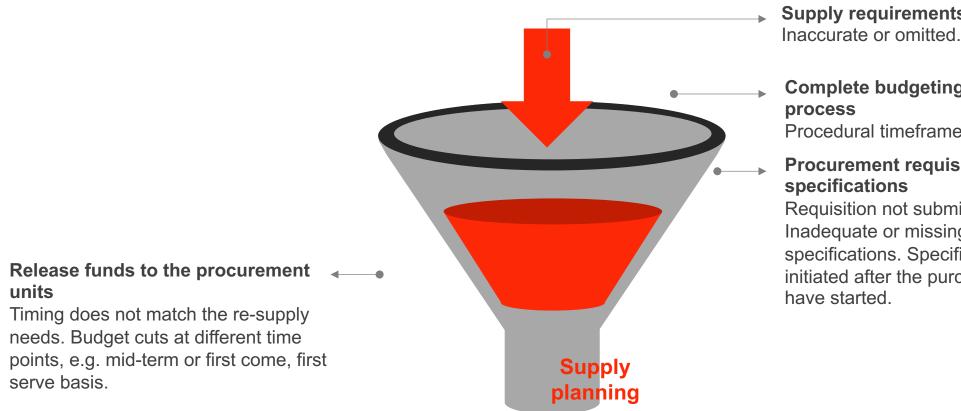
Svilen Konov, 18.01.2024

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## Diagnostics procurement cycle



## Bottlenecks in the supply planning



#### **Supply requirements**

### Complete budgeting and approval

Procedural timeframes mismatch.

### **Procurement requisitions and**

Requisition not submitted on time. Inadequate or missing technical specifications. Specification changes initiated after the purchasing procedures

# Bottlenecks in the purchasing activities

#### Open bids, select suppliers

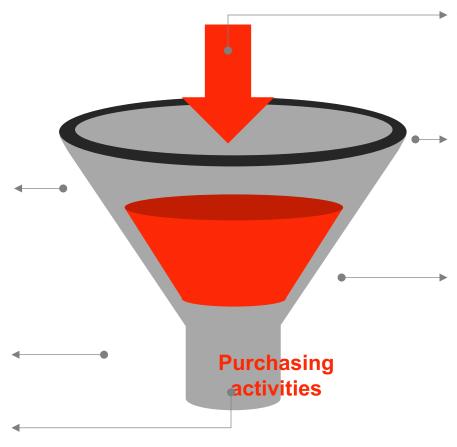
Slow and non-transparent preparation of examination worksheet, disagreements with the final results of the evaluation process, slow approval process, rejection by monitor.

#### **Award contracts**

Protests by losing bidders, cancellations, irregularities in performance security.

#### Payment guarantee

Late letter of request of credit or downpayment, delays in the MoF, funds not available.



Assess procurement options, plan contract groupings, plan purchase Lack of expertise in the procurement unit, delayed approvals, uncertainty over dates and amounts of available funds.

### Prepare bidding documents, obtain approvals

Slow or flawed preparation of the documents. Use of non-standardized templates and nomenclature. PAPI.

#### **Invite offers**

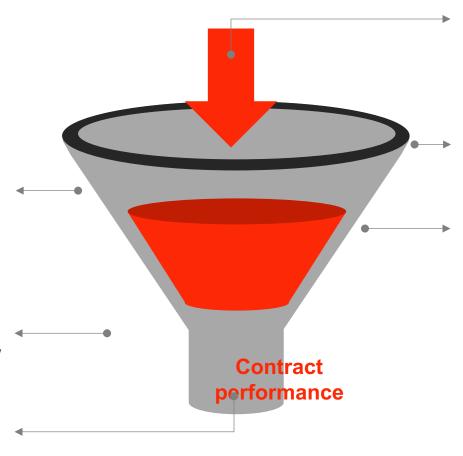
Problems with advertising, bidding documents revision, bidding deadline extensions to accommodate amendments or bidders.

# Bottlenecks in the contract performance

Clear goods through customs Slow processing, no funds for fees, irregularities in good or documents, registration issues with the regulatory body.

Post shipment inspection, testing
Delayed or failed post-shipment
inspection and testing and resultant slow
reporting and release.

Insurance, maintenance
Breakages with no support from the
manufacturers or in-house capacity to
repair, lack of spare parts.



Process order and manufacture goods

Raw materials shortage, overbooked manufacturing schedule, distributor issues.

**Pre-shipment inspection, testing** Failed or disputed results.

**Deliver to port of entry** Logistics problems, failure.

## Some curative suggestions

As an important first step in addressing a procurement bottleneck, concerned parties should investigate the source of the bottleneck, including where in the procurement environment it occurred, and who is in control at the point of occurrence.

Invest in the quality of data collection and when possible use mathematical modelling or verified systems of adequate quantification of goods.

These should be based on prevalence and incidence.

05

Create a system of e-Government procurement enhance the tender call coverage, increase number of bidders and transparency, ease the process.

Create an electronic procurement information system to standardize the forms, streamline the process, increase transparency and reduce mistakes.

03

Open the market to international competition, thus reducing the limitations of using an in-country supplier only and possibly reducing the expenses that a 'third man' brings into the equation.

02

Assessment and revisiting of the national procurement policies and legislation to better reflect modern realities and remove procedural obstacles.

01

Of recent, bottlenecks more often occur in areas of the procurement environment that fall outside the traditional core competency areas of procurement—technical capacity, staffing, and management.

04

## Some curative suggestions

After a problem is identified, the interested party should engage others who have similar concerns, such as civil society groups and stakeholders, and identify champions who can do something about the situation.

Particular emphasis on insurance, maintenance conditions, availability of spare parts, especially for the big-ticket machinery and also in-house availability of engineering expertise. 10

Nomenclature on national level, price lists, market research expertise and **technical specifications**.

09

Enhance procurement technical expertise-individual skills and knowledge, organisational/national policies procedures and develop SOPs for every step of the procurement algorithm.

08

Pooled procurement on a regional, national international level with the possibility to exchange goods in case of sharp rises of necessity.

07

Multi-year, framework or LTAs where the legislation allows it, to benefit from a more secure supply possibly have some pricing benefit.

06

All concerned parties should obtain relevant and accurate information to support claims, if possible; and take appropriate action.

