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# ADB Policies, Strategies, Requirements on Procurement

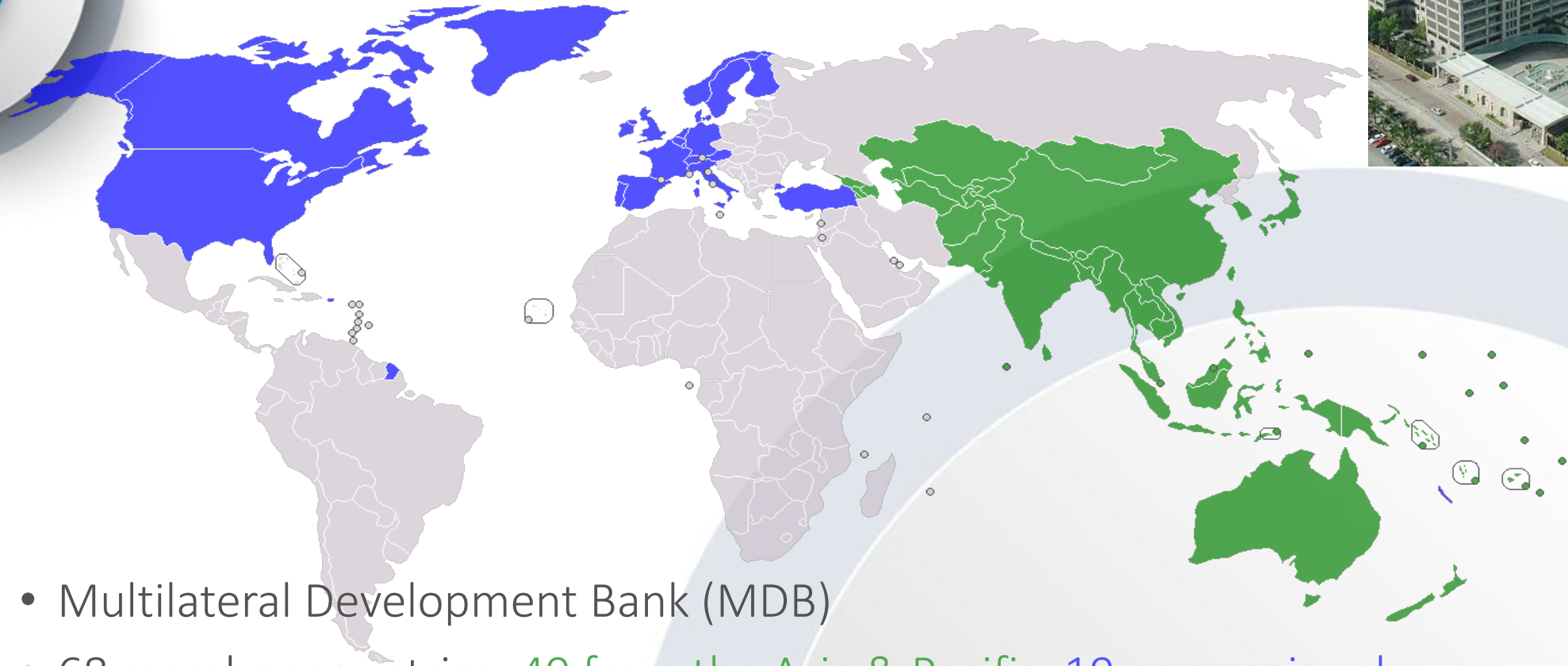
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**19-23 August 2024 | ADB Headquarters, Philippines**



ADB

# Asian Development Bank (ADB)



- Multilateral Development Bank (MDB)
- 68 member countries, 49 from the Asia & Pacific, 19 non-regional
- Headquarter in Manila, Philippines, and 43 Field Offices
- 3,894+ staffs from 65 nationalities



# Agreement Establishing the Asian Development Bank (ADB)

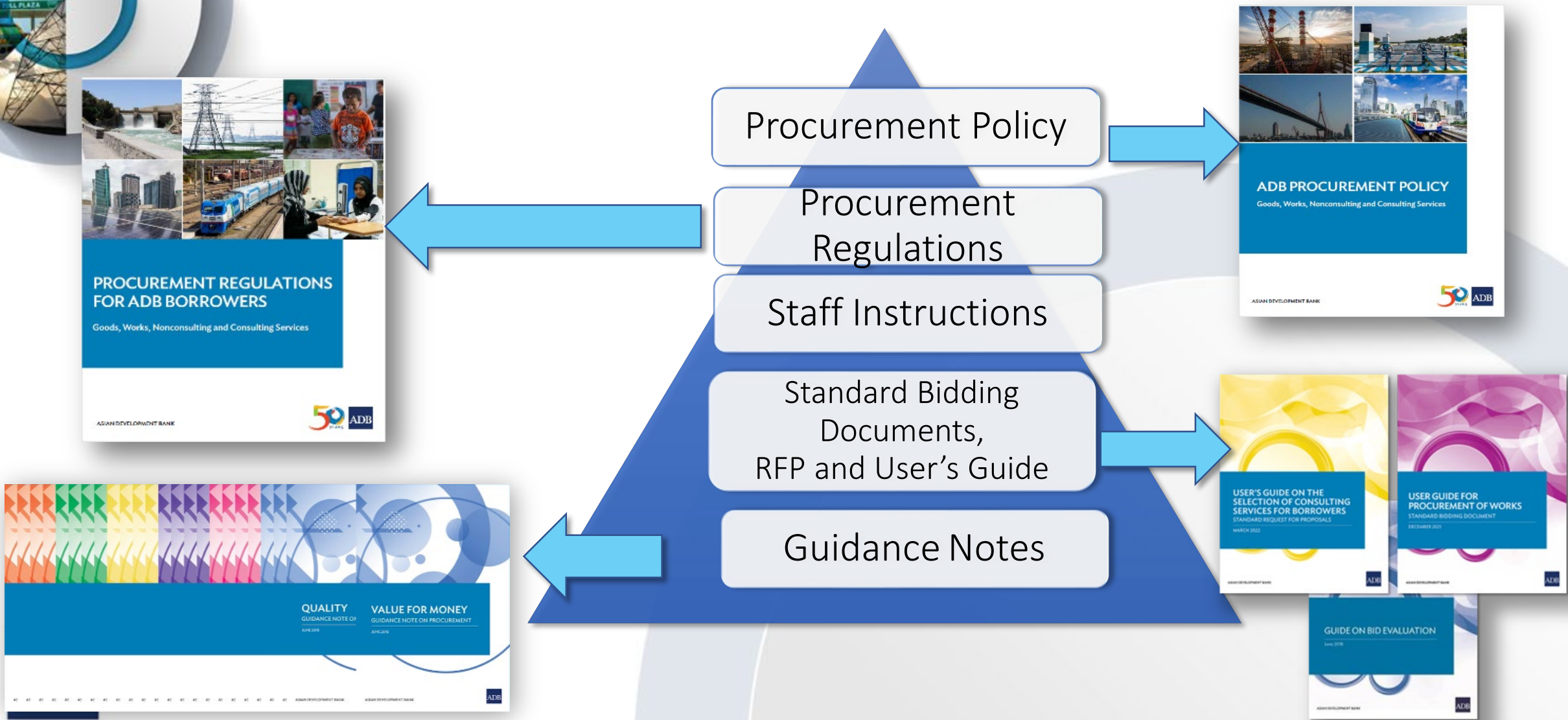
“The ADB Charter”

ADB shall take the necessary measures to ensure that the proceeds of any loan made, guaranteed or participated in by ADB are used only for the purposes for which the loan was granted and with due attention to considerations of economy and efficiency

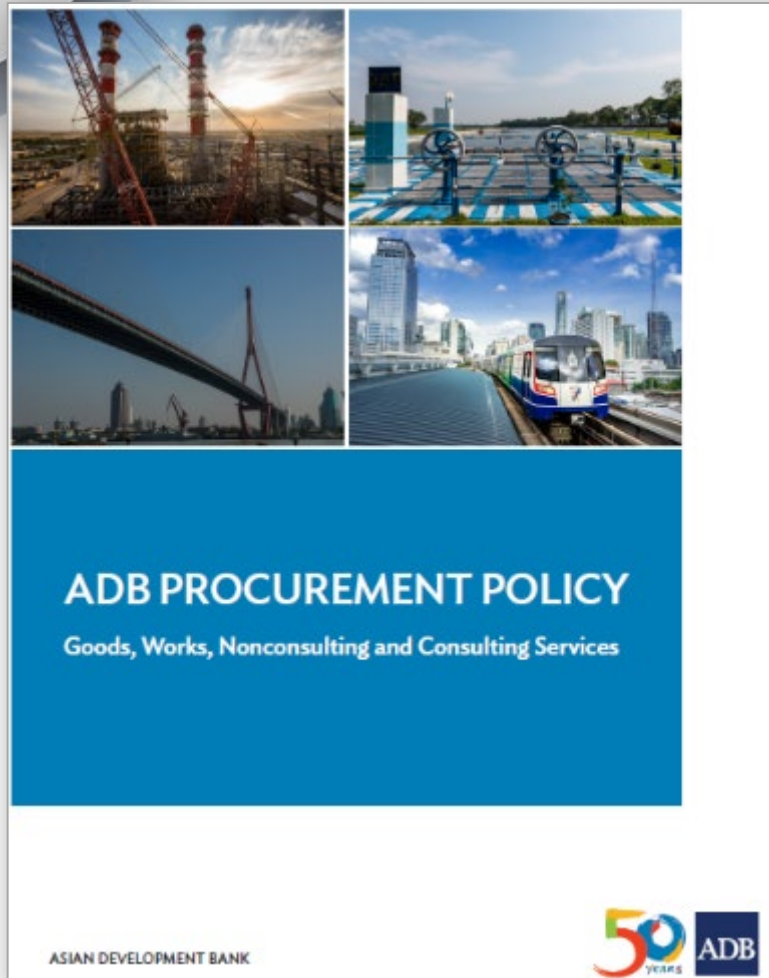
*(Chapter III, Article 14, Operating Principle xi)*



# ADB Procurement Framework




# ADB Procurement Policy



- Approved by ADB Board of Directors, representing member countries of ADB
- Core procurement principles which govern procurement financed in whole or in part by ADB financing.
- It stipulates that the responsibility for the implementation of the project, and therefore for the procurement, award, and administration of contracts under the project, rests with the borrower
- It is referred to in the financing agreement

# ADB Procurement Policy

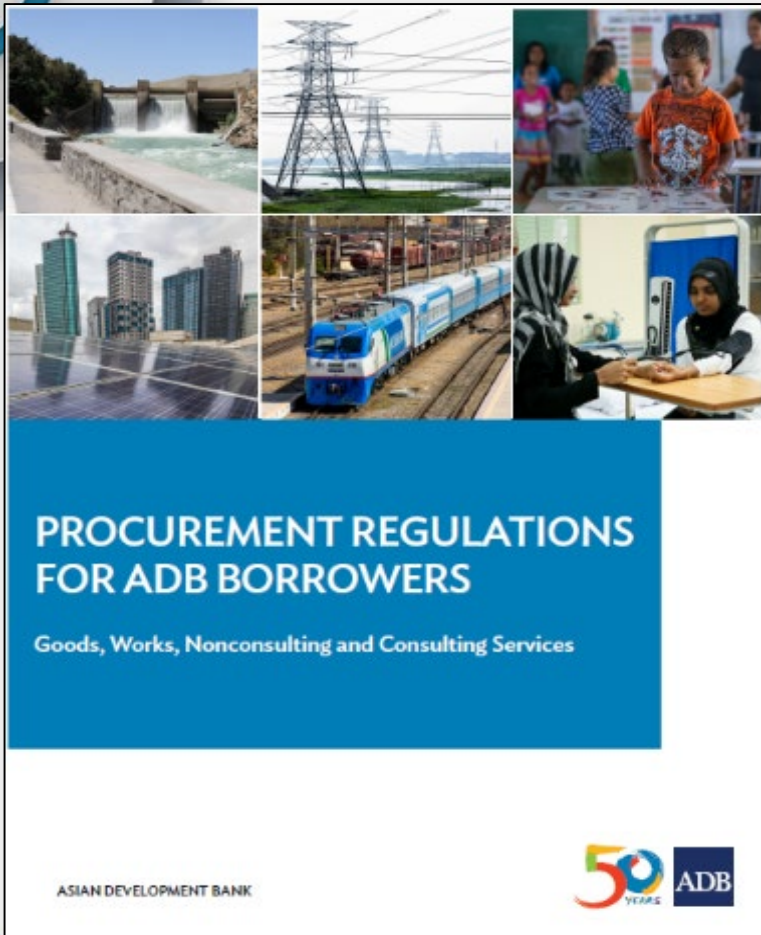
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- I. Purpose
  - II. General Considerations
  - III. Core Procurement Principles\*
  - IV. Fitness for Purpose
  - V. Eligibility
  - VI. Development of Domestic Industry
  - VII. Integrity
  - VIII. Conflict of Interest
  - IX. Accountability
  - X. Noncompliance
  - XI. Complaints
  - XII. Alternative Procurement Arrangements
  - XIII. E-procurement
  - XIV. Procurement Plan
  - XV. Procurement for Nonsovereign Operations

# Procurement Principles

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



# Procurement Regulations for ADB Borrowers



- Approved by the ADB President
- Applicable for all projects financed in whole or in part
- Details of policies, procedures including ADB's fiduciary oversight through prior or post review process
- International best practices



# Eligibility Requirements

- Funds are to be used for approved purposes only
- Country eligibility (pay attention on sources of funds and if universal procurement is applicable or not)
- Bidder's capacity

## Eligibility exceptions

- Compliance with UN council decision
- State-Owned-Enterprises (SOE), may participate if they;
  - (i) can operate as a commercial entity;
  - (ii) is legally and financially autonomous; and
  - (iii) is not a dependent agency of the borrower.
- Declaration of ineligibility by ADB

# Eligibility Requirements

- Government-owned universities or research centers of the borrower's country- may provide services on exceptional basis – **case by case**
- Government officials, civil servants –(not hired immediately by the same agency before going on leave; no COI)
- Development of Domestic Industry
  - Encouraged

# Eligibility

<https://www.adb.org/publications/faqs-adb-sanctions>

## How to access ADB's Sanctions List?

1

Go to <http://sanctions.adb.org>

ADB ASIAN DEVELOPMENT BANK

Anticorruption and Integrity

Home

Sanctions List

Published List

Complete List \*

Resources

ADB Anticorruption Homepage

Anticorruption FAQs

Procurement Guidelines

Consultant Guidelines

Integrity Principles and Guidelines

Other Sanctions Lists

EBRD Sanctions List

ADB Sanctions List

IADB Sanctions List

Worldbank Sanctions List

Corros./Disbursement Watchdog

### Sanctions List

The following page lists the entities temporarily suspended and debarred by the Asian Development Bank (ADB) in accordance with the Agreement for Mutual Enforcement of Debarment Decisions with Development Banks (MDBs). These entities are not eligible to participate in ADB-financed, -administered, or -guaranteed projects.

#### Published Sanctions List (No Login Required)

What you will see in the list:

- Sanctions violation while ineligible
- Second and subsequent violations
- Debarred entities (firms and individuals) who are uncontactable
- Cross debarred entities
- Subset of the complete list

[VIEW PUBLISHED SANCTIONS LIST](#)

#### Complete Sanctions List (For authorized users only)

What you will see in the list:

- Published Sanctions List
- First violations
- Temporary suspension

This is a secure application operated by ADB for its authorized users. Only users who are given access to the application can access the list.

Are you a qualified (non-ADB staff) user who needs access to the sanctions list?

[SIGN-UP](#)

2

Click on **Sign-up** to apply for access.

3

Fill out the form.

ADB ASIAN DEVELOPMENT BANK

### Apply for access to Asian Development Bank full sanctions list:

Your Name \*

User Name / Password \*

Designation \*   
(i.e. Deputy Secretary / Proj Officer)

Organization / Agency \*   
(i.e. name of Organization, Ministry, Employer, etc.)

Address \*

Country \*

Telephone Number \*

Fax Number

Email Address \*

In connection with I am involved in a Designation \*   
(i.e. Project Director and Project(s))

ADB Loan number(s)

Project is being executed by

ADB Project Officer's contact information:

Project Officer \*

Officer's ADB Email \*

Information on why access is required

If granted access, I shall use the information in ADB Sanctions List exclusively in connection with the project identified above. I shall protect the confidentiality of the information and use it only for the purpose for which the access has been granted.

The information will be granted without prejudice to the privileges and immunities conferred on ADB and its officers and employees by the Agreement Establishing the Asian Development Bank and other applicable sources of law. ADB reserves the right to invoke its privileges and immunities at any time with respect to the information provided and in any administrative or other proceedings.

[Accept Terms](#)

Make sure you fill in the name and e-mail address of an **ADB project officer** who can verify your involvement in an ADB project.

4

After completing the sign-up page, check "Accept Terms" to submit your application. You will receive a notification by e-mail. If you have problems submitting the online application, please download the form and e-mail to [integrity@adb.org](mailto:integrity@adb.org).



# Anticorruption Policy

- ADB requires observance of the highest standard of ethics during procurement process and contract execution.
- ADB provides specific definition on what constitutes corrupt practice, fraudulent practice, coercive practice, and collusive practice.


Involvement in the above practices will lead to disqualification and declaration of ineligibility and may affect Project Financing.

- ADB reserves the right to inspect and audit contractor's or consultant's accounts and records and other documents relating to procurement process and to the performance of the contract by ADB or its representative.

# E-Procurement

- ADB encourages borrowers to use e-procurement for communication with bidders, advertisement, issuance of bidding document and its amendments, submission of bids, disclosure of contract awards.
- The use of e-procurement in ADB-financed projects shall be endorsed by ADB who will verify that the system is accessible and secure, ensure integrity and confidentiality, and have sufficient audit trail feature.

# Alternative Procurement Arrangements



Agency  
Procurement

Use of  
procurement  
procedures of  
accredited agency

Mutual  
Reliance

Use of  
procurement  
procedures of  
cofinancier

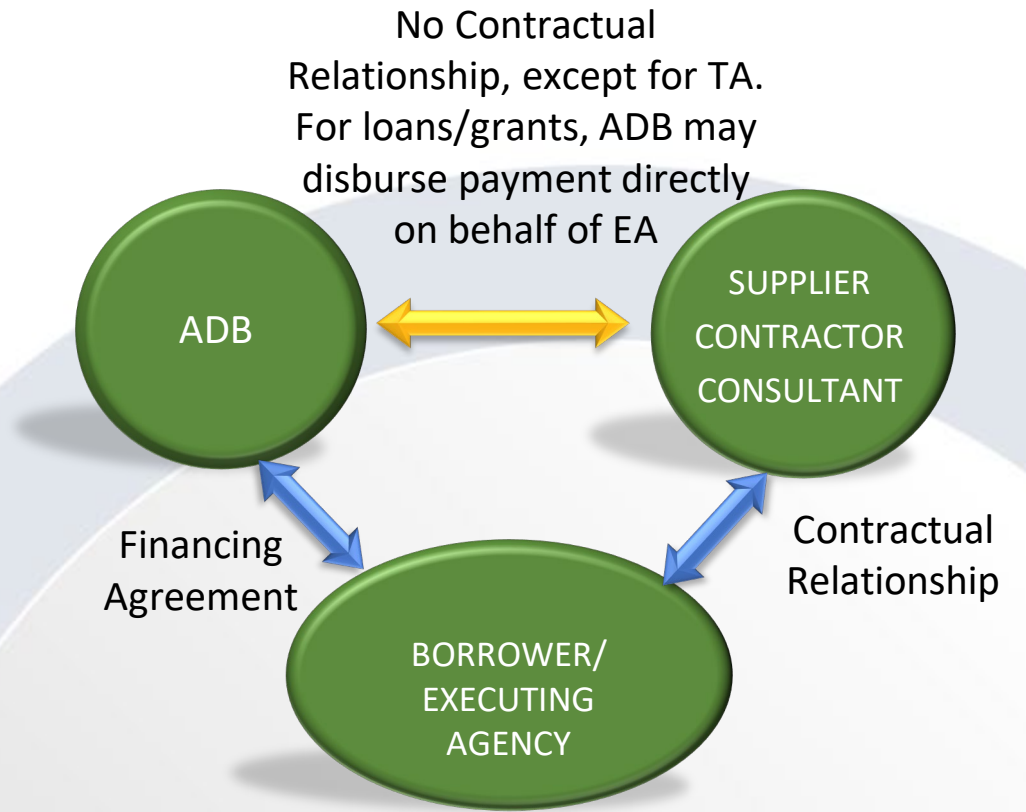


# Relationships, Roles, and Responsibilities in Procurement

The Borrower (Executing Agency) is responsible for procurement of goods, works and services

ADB (*under TAs*) or Borrower select and recruit Consultants

ADB reviews the procurement activities of EAs to ensure that proceeds of its financing are used in accordance with the bank's rules. This is done on either a prior review or post-review basis



**\*Two primary "streams" of procurement:**

- 1) ADB Technical Assistance (ADB = buyer)
- 2) ADB-financed projects (borrower = buyer)

# Strategic Procurement Planning

SPP is to be led by Borrower and ADB can support this activity

Capacity assessment of the EA/IAs, market analysis, risk assessment and mitigation action plan, option analysis, procurement strategy and procurement plan

Have clarity on the implementation arrangement and role of key stakeholder in in the processing and implementation

Include VFM statement and key risk identified during this exercise and how these shall be addressed

SPP is a living document and should be updated during implementation



<https://www.adb.org/documents/procurement-planning>



# Advance Contracting and Retroactive Financing

## Advance Contracting

If a borrower proceeds with the initial steps of procurement before signing the related financing agreement, the procurement procedures, including advertising, shall be acceptable to ADB in accordance with these Regulations for any contracts subsequently awarded to be eligible for ADB financing.

Its at Borrower's own risk. Any concurrence by ADB with the procedures, documentation, or proposal for award does not commit ADB to finance the project in question.

## Retroactive Financing

If the contract is signed, reimbursement by ADB of any expenses incurred by the borrower under the contract prior to effectiveness of the financing agreement is referred to as retroactive financing.

**ADB encourages use of above two options to enhance procurement readiness**





# Procurement Methods and Procedures

## ADB Procurement Regulations

- OCB: Open Competitive Bidding
- LCB: Limited Competitive Bidding
- Framework Agreements
- RFQ: Request for Quotations (previously “Shopping”)
- Electronic Reverse Auction
- Direct Contracting
- Force Account
- Bidding procedures can be 1S1E or 1S2E. **ADB encourages 1S1E**

# Selection method for consultants

## QCBS

Quality- and Cost-Based Selection

Well defined TOR, highest combined scores

## LCS

Least-Cost Selection

Small value, standard assignment, lowest cost

## FBS

Fixed-Budget Selection

Well-defined TOR, highest technical scores within budget

## QBS

Quality-Based Selection

Complex TOR, varied solution, highest technical scores

## CQS

Consultants' Qualification Selection

Amplified EOI, small value, specialized, highest qualified

## SSS

Single-Source Selection

Specific justifications, small value assignment

# Review Requirements



## Prior Review

ADB review at various steps in the procurement process- review of bid documents, publication of IFBs, bid evaluation reports

## Post Review (Sampling)

ADB review is conducted after the procurement is completed- on sample basis

Review requirements to be agreed upon during SPP and reflected in the PP.

### Appendix A - PROCUREMENT PLAN

Basic Data		
Project Name: South Commuter Railway Project (Facility)		
Project Number: 52220-001	Approval Number:	
Country: Philippines	Executing Agency: Department of Transportation	
Project Procurement Classification: A	Implementing Agency: N/A	
Project Procurement Risk: High	Project Closing Date: 31 December 2028	
Project Financing Amount: US\$6,395,200,000	ADB Financing: US\$4,300,000,000	
Cofinancing (ADB Administered):	Non-ADB Financing: US\$1,670,000,000	
Date of First Procurement Plan: 1 March 2022	Date of this Procurement Plan: 1 March 2022	
Procurement Plan Duration (in months): 18	Advance Contracting: Yes	e-GP: No

#### A. Methods, Review and Procurement Plan

Except as the Asian Development Bank (ADB) may otherwise agree, the following methods shall apply to procurement of goods, works, and consulting services.

Procurement of Goods and Works		
Method		Comments
Open Competitive Bidding (OCB) for Goods		International advertisement
Open Competitive Bidding (OCB) for Works		International advertisement

Consulting Services		
Method		Comments
Quality- and Cost-Based Selection for Consulting Firm		

#### B. Lists of Active Procurement Packages (Contracts)

The following table lists goods, works, and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan duration.

Package Number	General Description	Estimated Value (in US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments
CP-S-02	Viaduct and elevated stations	415,000,000.00	Open Competitive Bidding (OCB)	Prior	1S1E	Q4 / 2020	Prequalification of Bidders: No
CP-S-03a	Viaduct and elevated stations	401,000,000.00	OCB	Prior	1S1E	Q1 / 2021	Domestic Preference Applicable: No
CP-S-03b	Viaduct, Tunnel, underground and elevated station	714,000,000.00	OCB	Prior	1S1E	Q2 / 2021	Advance Contracting: No
CP-S-03c	Viaduct and elevated stations	343,000,000.00	OCB	Prior	1S1E	Q1 / 2021	Advance Contracting: Yes Bidding



# Where to find the information

[www.adb.org/about/procurement](http://www.adb.org/about/procurement)

News and Events

ADB Institute

Contact

English ▾

**ADB** ASIAN DEVELOPMENT BANK

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WHAT WE DO

WHERE WE WORK

**WORK WITH US**

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## Procurement

Goods, Works, Non-Consulting and Consulting Services

## Operations Procurement

The Procurement, Portfolio and Financial Management Department (PPFD) provides fiduciary oversight of procurement of goods, works, non-consulting and consulting services. PPFD supports ADB staff and borrowers on procurement planning and implementation, contract management, and related risk assessment and mitigation throughout the project life cycle. It also leads procurement and consulting services innovation and capacity building initiatives.