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ADB



Asian Development Bank Business Opportunities Seminar

Doing Business with ADB and the ADB Procurement System

12 November 2024



BUSINESS
OPPORTUNITIES

Why pursue ADB-Financed Contracts?



Gateway to new opportunities in fast growing emerging economies across multiple sectors



Availability of funds is assured



Internationally accepted procurement procedures



Risks related to transparency, fairness and integrity of procurement processes mitigated through ADB oversight

Types of business opportunities

Supply of Goods

- Machinery, equipment, computers, furniture

Civil Works

- Roads, railways, bridges, irrigation canals, schools, etc.

Turnkey Contracts

- Power plants, pump stations, water treatment plants, heating plants, airports, etc.

Consulting Services

- Project preparation & implementation, knowledge products, staff consultants

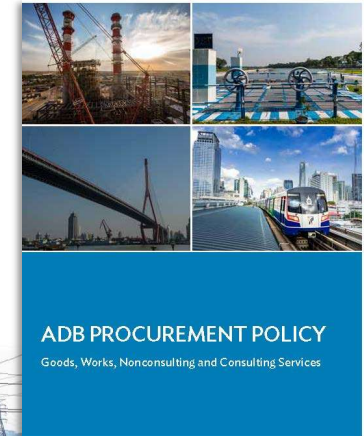
Non-consulting Services

- Surveys, training, translation, event management

Tendering

International Best Practice Procedures

- Advertisement of Opportunities
- Public Bid Opening
- Robust Bid Evaluations Procedures
- Focus on Quality of bids
- Publication of Results
- Process Oversight by ADB
- Debriefing and Complaints Mechanism
- Robust Fraud and Corruption Procedures



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PROCUREMENT REGULATIONS
FOR ADB BORROWERS

Goods, Works, Nonconsulting and Consulting Services

ASIAN DEVELOPMENT BANK



ADB's procurement principles

Principles		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.



2017 Procurement Policy - Increased Focus

Procurement Planning and associated Risk Management

- Expanded Procurement Planning Component to design Fit-for Purpose procurement strategies

Flexibility in Procurement Design based on suitable justification

- Context Specific Procurement Strategies; Removal of value thresholds for procurement packages

Contract Management

- Contract Management Plan now a requirement for all projects

Additional Procedures to increase competition and improve procurement outcomes

- Abnormally Low Bids Provisions, use of parent company resources, Evaluation Options, Standstill Periods

Tracking and Monitoring of Procurement Complaints

- Centralized location for submitting complaints to ADB established

Roles and Responsibilities (Loan & Grant)

Borrower

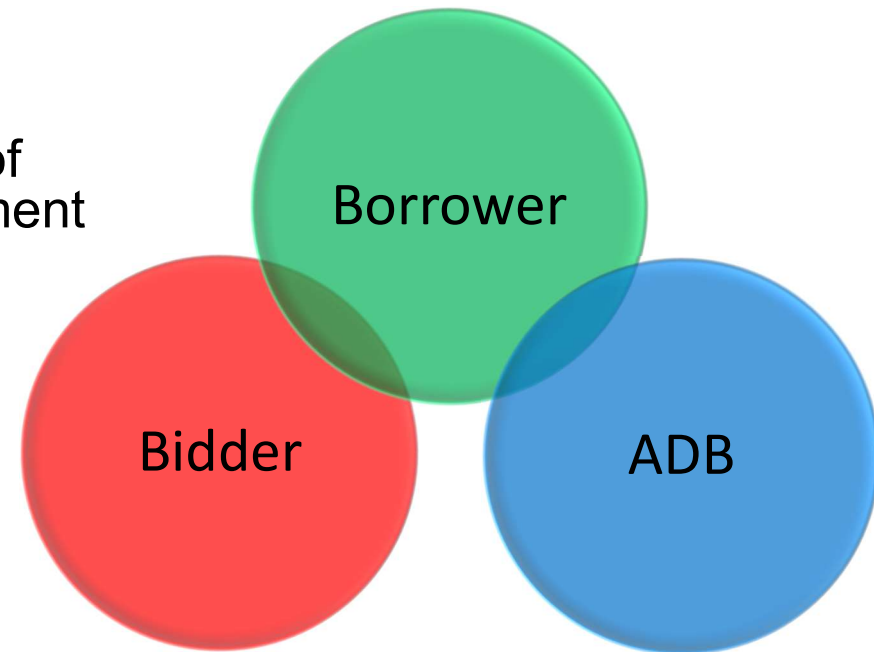
Responsible for implementation of Projects and integrity of procurement process through all stages.

Bidder

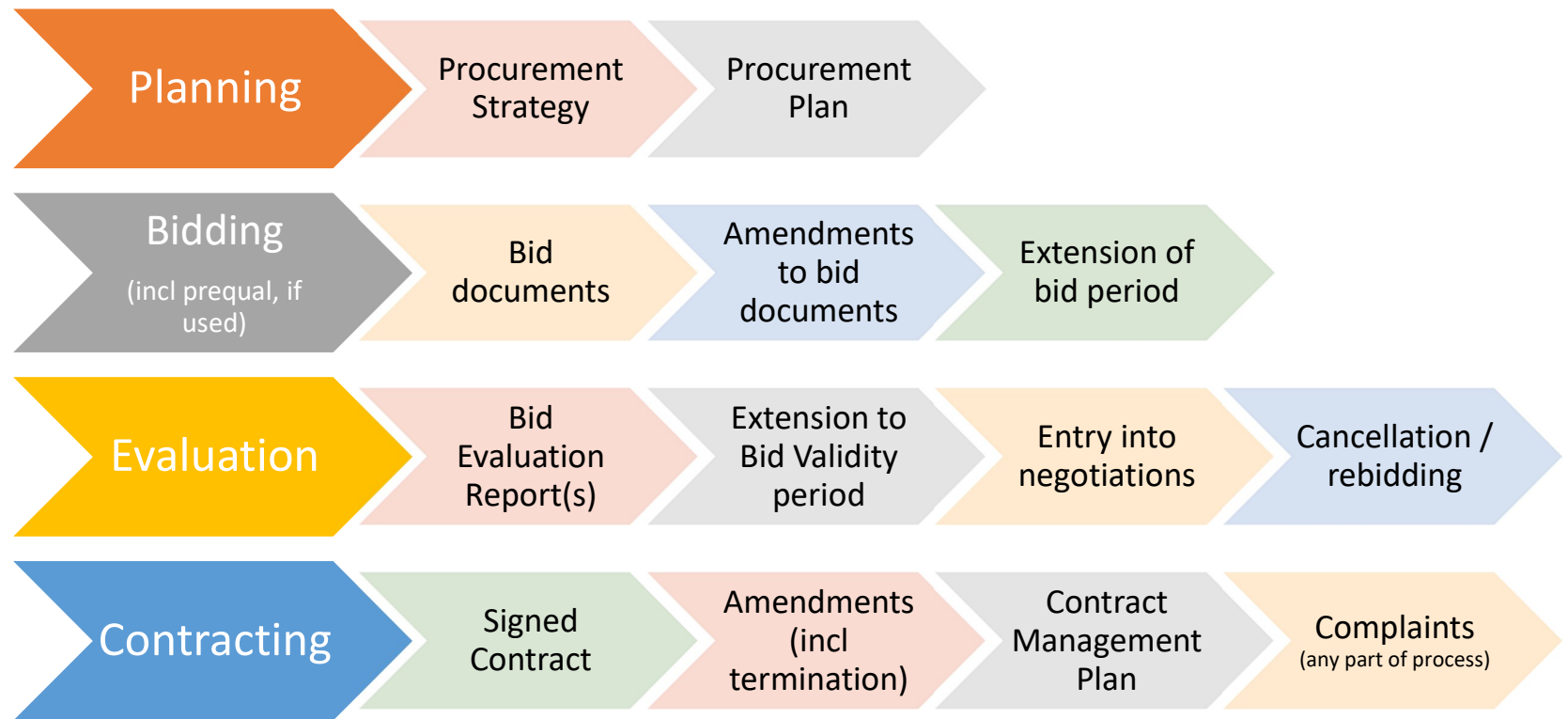
Bidder responsible for submitting complying bid and completing contract on agreed terms

ADB

Satisfies itself through reviews and other modalities that the procurement process is carried out in accordance with ADB Requirements



ADB Oversight





Goods & Works

Procurement Methods – Goods & Works

Open Competitive Bidding (OCB)

Request for Quotations (RFQ)

Limited Competitive Bidding

Direct Contracting (DC)

Framework Agreements

Electronic Reverse Auction

Borrower's Force Account

Salient Points in Goods & Works Procurement

- Use of user guides and standard bidding documents – ability to adapt to market
- International and national advertisement depending on complexity and market
- Various Procedural Options for Bid Evaluation (1S1E, 1S2E, 2S, 2S2E)
- Evaluation can be pass/fail, scoring system, hybrid
- ADB Review System – Prior and Post Review (sampling)
- Others: Advance Contracting; Abnormally Low Bids; Debriefing & Complaints

User Guides & Standard Bidding Documents

- ADB uses a Standard Bidding Document for Internationally Advertised contracts.
- Bid instructions only incorporate minor adjustments for individual tenders.
- Documents have nine sections
- May use various conditions of contract
- Can be found at:

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



Procurement of Works via OCB Standard Bidding Documents (SBD)*

Part I: Bidding Procedures

- Section 1: Instructions to Bidders (ITB)
- Section 2: Bid Data Sheet (BDS)
- Section 3: Evaluation & Qualification Criteria (EQC)
- Section 4: Bidding Forms (BDF)
- Section 5: Eligible Countries (ELC)

Part II: Requirements

- Section 6: Employer's Requirements (ERQ)

Part III: Conditions of Contract & Contract Forms

- Section 7: General Conditions of Contract (GCC)
- Section 8: Particular Conditions of Contract (PCC)
- Section 9: Contract Forms (COF)

*An Invitation for Bids (IFB) accompanies the package but does not form part of the bid documents.

Contract Award, Publication, Debriefing

Only to qualified bidders

Award to LESRB or highest scoring (if points system)

Under prior review:
Subject to ADB approval

Send notice of award to bidder only after ADB approval

Winning bidder to sign contract within specified period

Winning bidder to provide Performance Security within specified period

If bidder does not comply, can proceed to next responsive bidder

Advertise result; debrief bidders if requested

General Advice

- Follow the Bid instructions
- Ensure compliance with Qualification Requirements
- Understand the methodology for evaluation
- Study the Employer's requirements
- Associate or JV with other firms, if required
- Do not add conditions to your offer
- Be fully conversant with bid submission system



Common Mistakes

- Bids not signed
- No Bid Security or Bid Securing Declaration (if required)
- Insufficient Amount of Bid Security, incorrect validity period
- Lack of Supporting Documents
- Incomplete Bids / Partial Bids
- Absence of test reports if required
- Conflicts of interest not disclosed
- Inclusion of financial offer with technical offer where bid conditions require them to be separated



Consulting Services

TA Consulting

- ADB is the Client.
- Direct payment by ADB
- Contracts governed by UK law
- Provision of Privileges and Immunities (expert on mission).
- Tax Exemption in project country*
- Complaints to ADB

V

Loan/Grant Consulting

- Borrower is the Client
- ADB in oversight role
- Client pays (ADB may do on behalf)
- Law of borrower's country generally applies
- Contracts subject to tax
- Complaints to borrower, may copy ADB

* If the country where the work is being undertaken has reserved the right to tax their own nationals, any local sub-consultants or individual experts may be subject to tax.

Types of Consultants



Consulting Firms

Technical Assistance, Loans and Grants



Individual Consultants



Staff Consultants

ADB staffing budget

Recruitment may be national or international

- International may be from any ADB member country (global if no eligibility restriction)
- In firm contracts, team members can be from any country (unless sanctioned)
- A firm is national if legally incorporated in the developing member country.
- An individual is national if a citizen of the developing member country, or if they have legal right to reside and work in the country.

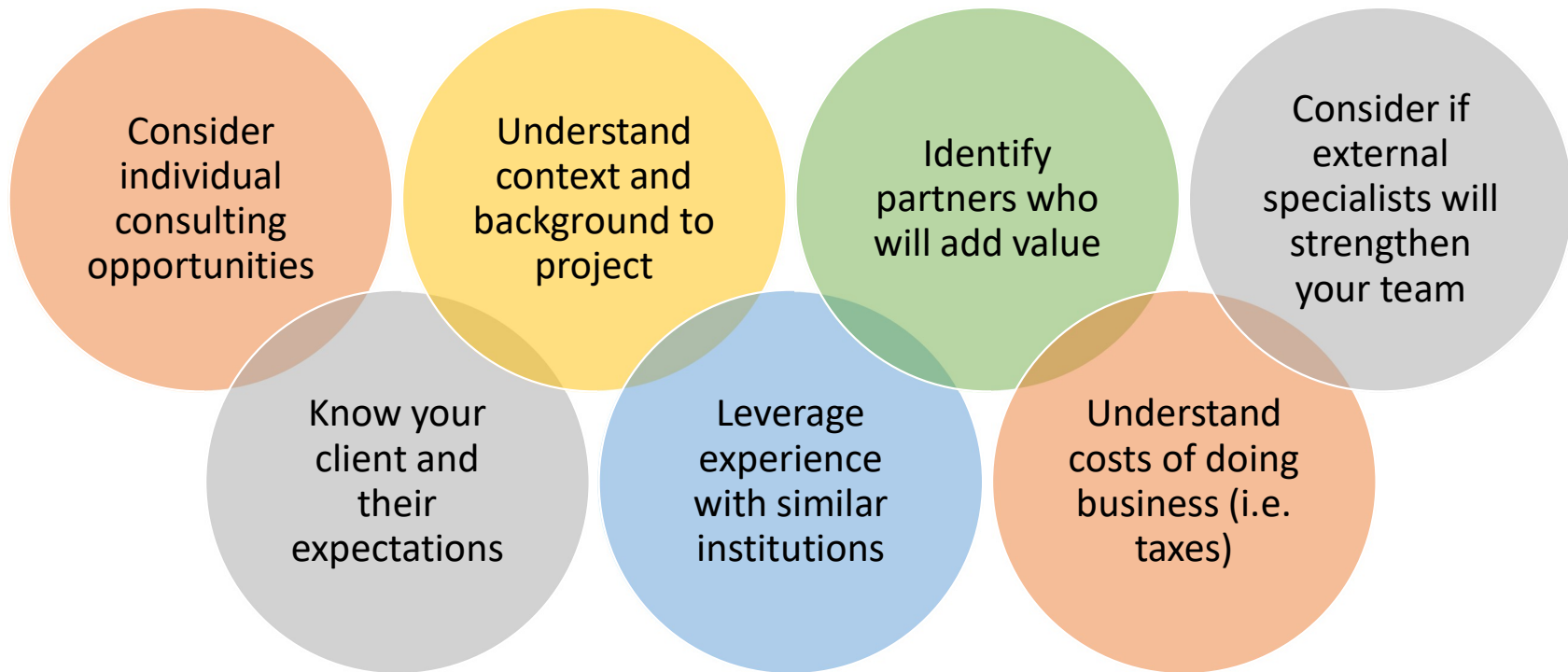
Procurement Methods - Firms

- QCBS { • Quality & Cost Based Selection
- QBS { • Quality Based Selection
- CQS { • Consultants Qualifications Selection
- FBS { • Fixed Budget Selection
- LCS { • Least Cost Selection
- DC { • Direct Contracting

Salient Points on Firm Recruitment Process

- All opportunities advertised on CMS, shortlist published
- A Full, Simplified or Bio-data proposal may be requested
- Use of standard Bidding Documents, Focus on quality in evaluation
- ToR's may be Input (conformance) or Output (performance) based
- Contracts: Time-Based or Lump Sum (can be hybrid)
- CMS used for ADB TA Services; EA systems used for loans & grants
- Others: Member eligibility / debriefing / ADB review

General points when approaching ADB Contracts



ASK QUESTIONS

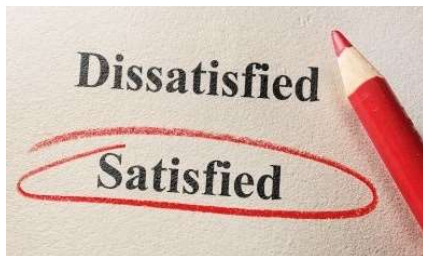
Debriefing and Complaints



https://www.debriefnow.com/images/DebriefNow_cg_men_intersection.jpg

Debriefing:

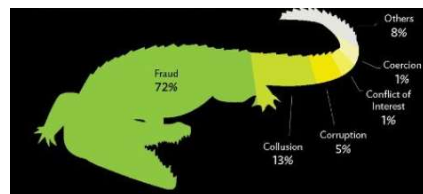
- Unsuccessful bidders may request debriefing from Executing Agency (EA). If they are not satisfied, they may contact ADB directly.



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Complaints:

- Bidders may file complaint directly with ADB and may copy ADB on correspondence with Executing Agencies (EAs). www.adb.org/forms/complaints



<https://www.adb.org/news/adb-steps-anticorruption-efforts-enhance-asias-development>

Anticorruption and Integrity:

- www.adb.org/site/integrity/main

THANK YOU!

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