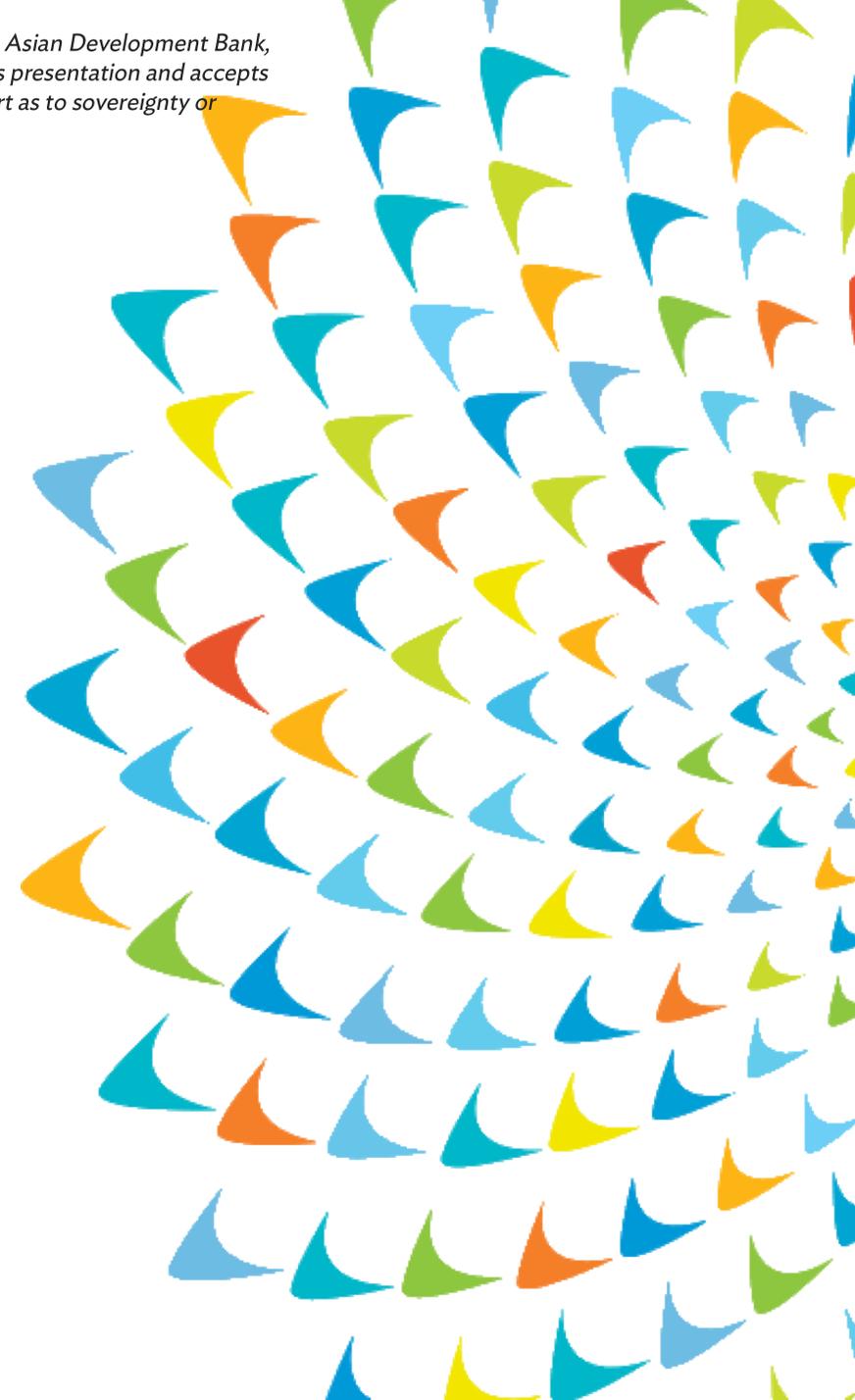




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Merit point based evaluation of bids – challenges and opportunities



Background



Quality is a core procurement principle of ADB and key consideration throughout the project and procurement cycle.

Merit Point Criteria allows for the qualitative aspects of a bid to be evaluated in parallel with price aspects



Comparison of evaluation criteria methodology



Lowest Evaluated Substantially Responsive Bid (LESRB)



Merit Point Criteria (MPC)

Evolution of approach to MPC in ADB



pre-2017

ADB Procurement Guidelines (2015): non-price factors allowed for consideration, need to be quantified (para 2.17)

2017

ADB Procurement Policy (2017) introduces “quality” as one of 6 procurement principles.
Procurement Regulations for ADB Borrowers (2017) para 8.10,36-39, 74 and Appendix 5 define evaluation of non-price components

2020

Merit-point based criteria applied to evaluation of bids in the Pacific and South East Asia.

MPC opportunities

- Elevates Quality (as part of Value for Money and fit-for-purpose approach) by evaluating bids based on operational performance, lifecycle value, and technical merit, not just upfront costs.
- Encourages stronger bids by signaling to the market that quality will be rewarded, resulting in better solutions, not just cheaper ones.
- Supports fair competition by encouraging all suppliers to meet clearly defined quality standards, leveling the playing field.
- Improves transparency and objectivity, reducing subjectivity in evaluations enhancing trust among stakeholders.
- Aligns with ADB's priorities, such as climate resilience, sustainable infrastructure, gender inclusion, and innovation.



MPC challenges

Moves from standard evaluation criteria to fit-for-purpose criteria which may require:

- More detailed market analysis and early market engagement
- Better procurement planning
- higher level of procurement expertise
- Raising awareness of the private sector that criteria is changing
- Capacity building of procurement entities
- Capacity building of market players
- Advanced contract management

Application of Merit Point Criteria elsewhere



- Many bi-lateral and multilateral development banks, Governments and have adopted the use of MPC

- WB
- IADB
- AFD
- EU
- USA
- Japan
- Australia
- UN
- Others

Agence Française de Développement

39 Evaluation of Combined Technical and Financial Bids

39.1 The Employer's evaluation of responsive Bids will take into account technical factors, in addition to cost factors in accordance with Section III, Evaluation and Qualification Criteria. The weights to be assigned for the Technical factors and cost are specified in Section III, Evaluation and Qualification Criteria. The Employer will rank the bids based on the combined weighted technical and price scores.

Section III – Evaluation and Qualification Criteria

1.3 Scoring of the Technical Bid:

Substantially responsive Technical Bids shall be scored in accordance with ITB 33.3. The technical factors and sub-factors, and the corresponding weights are:

The technical factors (sub-factors) and the corresponding weight out of 100% are:	
Technical Factors	Weight in percentage (insert weight in %)
1. Approach and Methodology:	

JRC TECHNICAL REPORT

Revision of the EU Green Public

The International Federation of Consulting Engineers (FIDIC) conducted a worldwide survey of engineering associations and multilateral development banks and concluded that “...**this Low Bid method is not providing client/owners with ultimate best-value. As a result, there is a growing recognition that alternative selection processes which include qualifications criteria are required**” (FIDIC 2017).

Manual

Transport Infrastructure Project Delivery System

Volume 1 (Selection of Delivery Options)

September 2022



World Bank Application of MPC

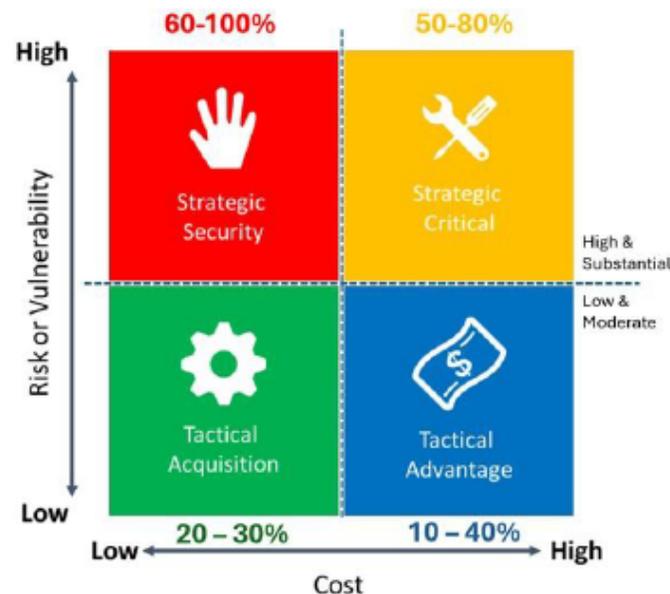


RATED CRITERIA

Mandatory weightings for most international procurements with enhanced oversight beginning March 2025

Average weighting for Rated Criteria is too low, 33% for non-price quality factors, sometimes as low as 10%

- Mandated minimum quality weightings will be applied informed by risk-level and contract value (see matrix)
- Supported by strong Bank oversight of risk-ratings, procurement strategy, bid evaluation and Key Performance Indicators



PROGRESS SO FAR

Delivered in February 2025

- Regulations, Procedures and Standard Procurement Documents amended to enforce the new mandate
- Rated Criteria Library updated to include sample criteria, including sector-specific criteria (e.g. transport)
- Guidance Notes updated to reflect the new mandate
- E-learning modules for staff, clients, TTLs and businesses updated to reflect the new mandate

Current Country Procurement Regulations on MPC



Tajikistan Public Procurement Law 2023

Article 46. Evaluation of bids and award of the contract

1. In determining **the most advantageous bid**, the procuring entity **may take into account the following criteria or a combination thereof, provided that they are described in the tender documents**, and apply them as described in the tender documents:

- 1) **the price of the tender offer;**
- 2) **non-price criteria related to costs that are not related to the price of the bid (criteria such as total life cycle costs that are or can be presented in monetary terms), as well as any other non-price criteria, including mandatory criteria that are evaluated on a "pass-by-fail" basis, and rating criteria that are evaluated on the basis of points.**

2. All non-price evaluation criteria should be as objective as possible, quantifiable and in monetary terms.

3. **A contract shall be awarded to the tender participant who has submitted the most advantageous tender bid that substantially meets the qualification criteria established in the prequalification documentation, shortlist or tender documentation.**

01 Jan 2026 Onwards



Improve Quality and Value for Money

- Mandate Merit Point Criteria (MPC) for contracts advertised internationally across the region.
- Technical MPC technical: financial ratio will be based on procurement risk and contract value. This should be identified and agreed in SPP stage.

Foster Economic Growth and Local Development

- Mandatory requirement (a percentage) for local labor for internationally advertised Works contracts.
- For all contracts where MPC applies, a percentage of the total technical points shall be allocated to measures that further support local job creation and skills development.

Promote Innovation, Enhance Supplier Base

- Mandate Early Market Engagement (EME) for internationally advertised contracts ensuring that contractors are consulted in advance on tenders commencing..

Potential Impacts of an MPC Mandate

Potential Advantages

- Increased quality focus leading to extended lifecycle of infrastructure.
- New market players bid for contracts
- Ability to factor other social & environmental considerations
- Borrowers can use mandate to justify use internally.

Potential Disadvantages

- Increased costs with marginal quality benefit.
- Increased evaluation complexity for borrowers.
- Potential for longer procurement times
- More capacity support requirements.



Planned roll-out of MPC mandate



Procurement Directives (replacing Procurement Regulations) by Q4, 2025



Training of ADB staff Q2-Q4, 2025



Development of additional guidance and tools Q4, 2025



Development of e-learning materials Q4, 2025



Training of EA/IA starting in Q4, 2025



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QUESTIONS?