



Implementation of Merit Point Criteria (MPC)

Overview



Agenda

- Sector typology (Transport, Water, Energy etc)
- Merit Point Criteria Overview
- Designing
- Scoring, Evaluation
- Contractual enforcement

Sector Typology

Transport

Energy

Water and Urban
Development

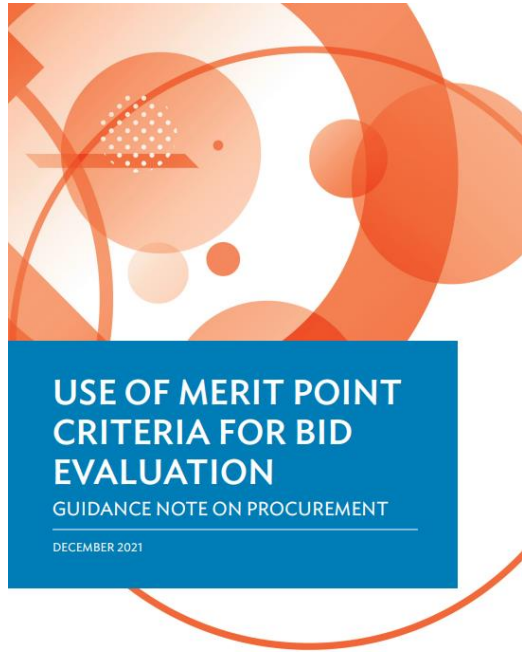
Agriculture, Food,
Nature, and Rural
Development

Health and Social
Development

Importance of MPC

- **Elevates Quality (as part of VfM 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 guidance



USE OF MERIT POINT CRITERIA FOR BID EVALUATION

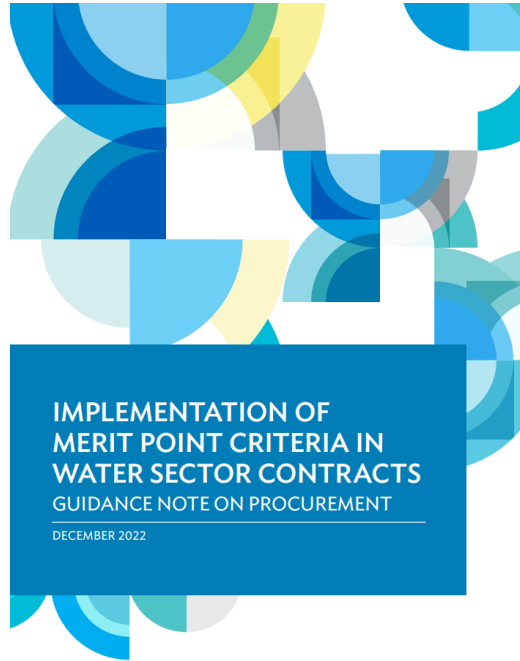
GUIDANCE NOTE ON PROCUREMENT

DECEMBER 2021

ASIAN DEVELOPMENT BANK



<https://www.adb.org/documents/merit-point-criteria-bid-evaluation>



IMPLEMENTATION OF MERIT POINT CRITERIA IN WATER SECTOR CONTRACTS

GUIDANCE NOTE ON PROCUREMENT

DECEMBER 2022

ASIAN DEVELOPMENT BANK



<https://www.adb.org/sites/default/files/merit-point-criteria-water-sector-contracts.pdf>



IMPLEMENTATION OF MERIT POINT CRITERIA IN TRANSPORT SECTOR CONTRACTS

GUIDANCE NOTE ON PROCUREMENT

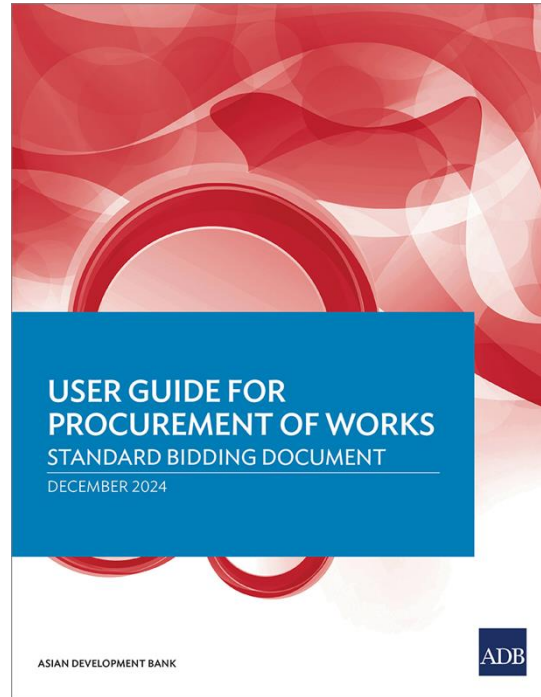
DECEMBER 2024

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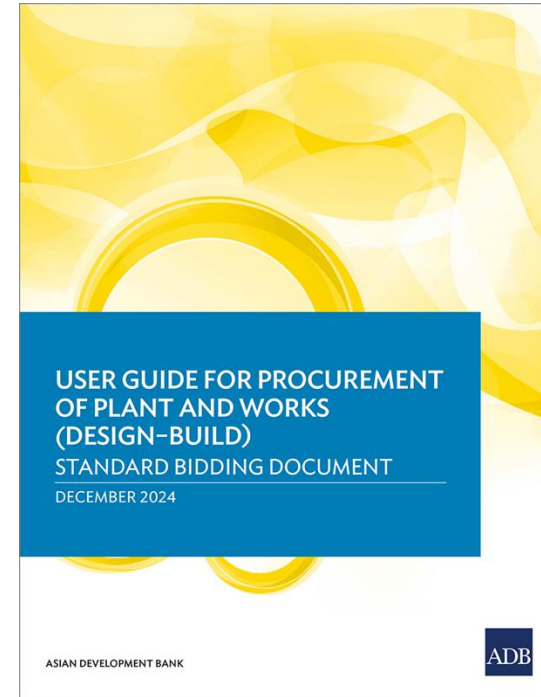


<https://www.adb.org/documents/implementation-merit-point-criteria-transport-sector-contracts>

SBDs with MPC

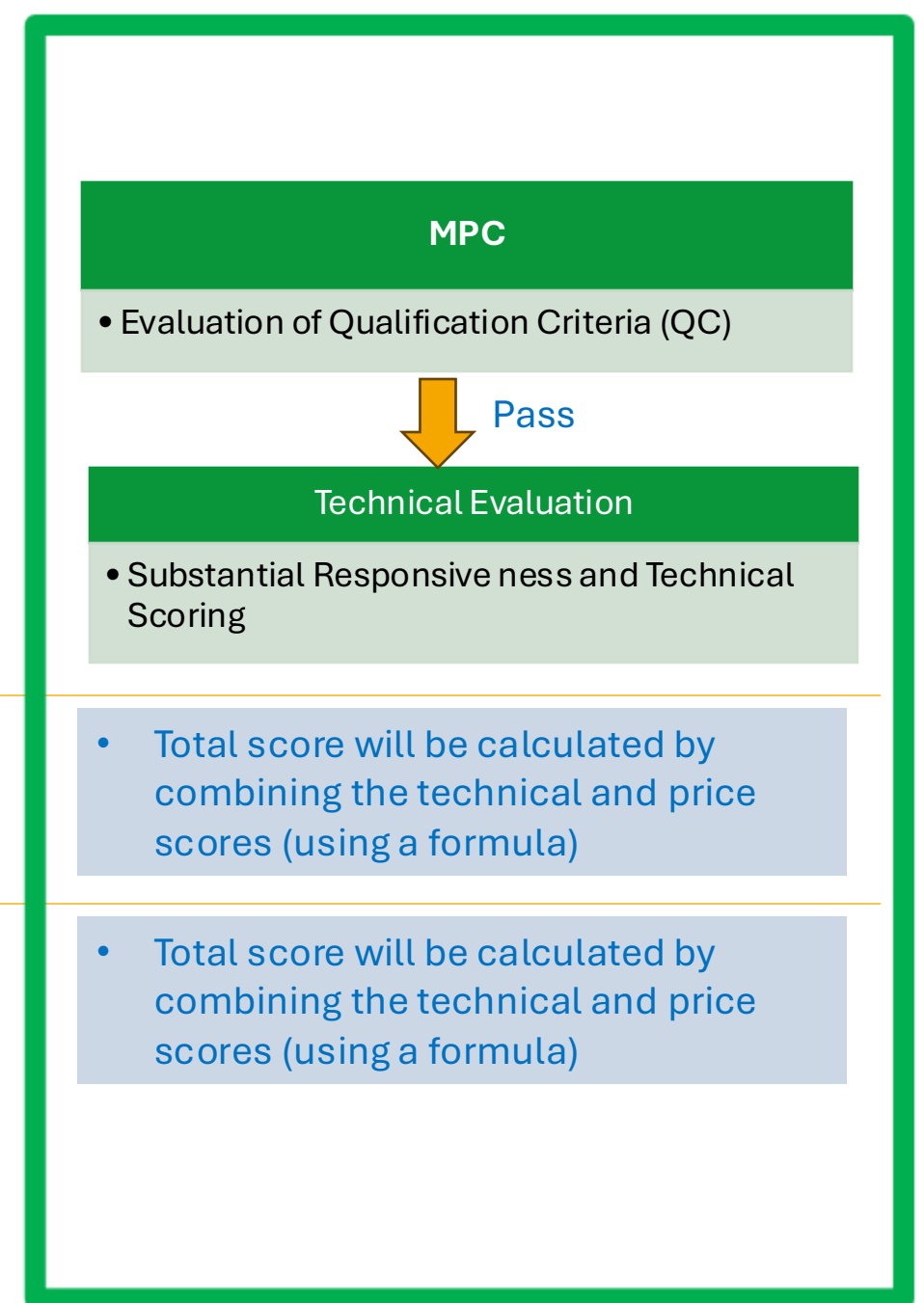
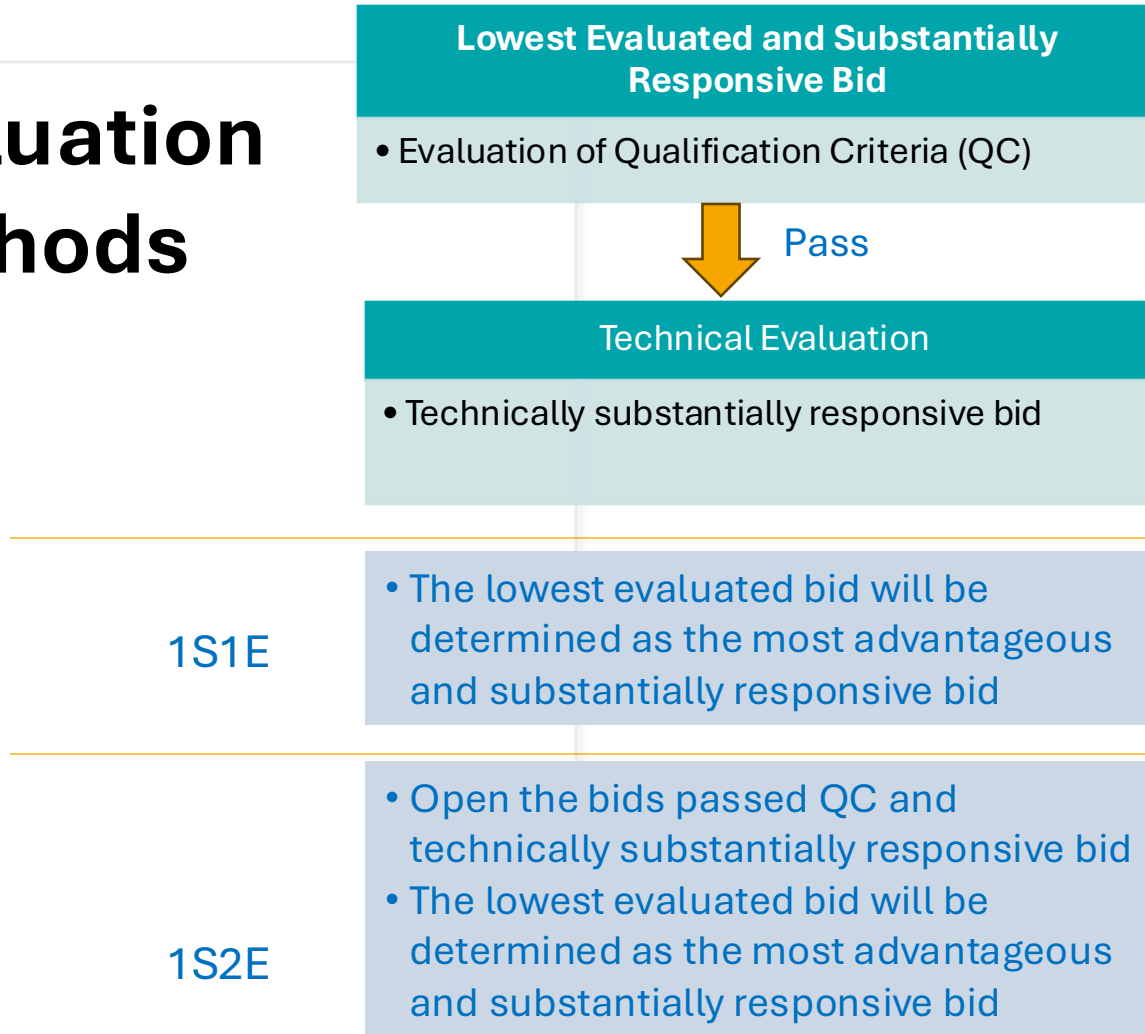


<https://www.adb.org/documents/procurement-works-red-book-2017>



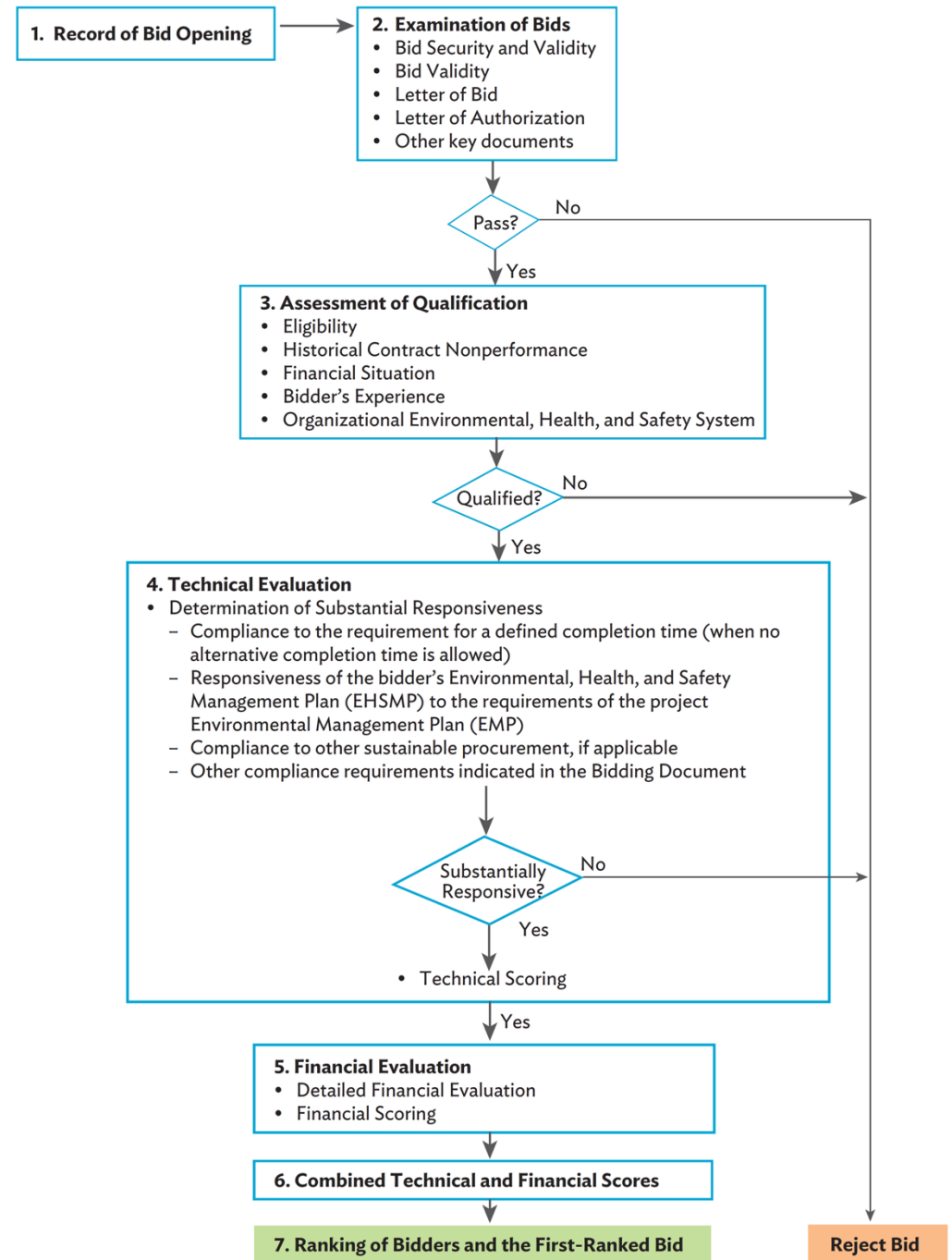
<https://www.adb.org/documents/procurement-plant-works-design-build-yellow-book-2017>

Evaluation Methods

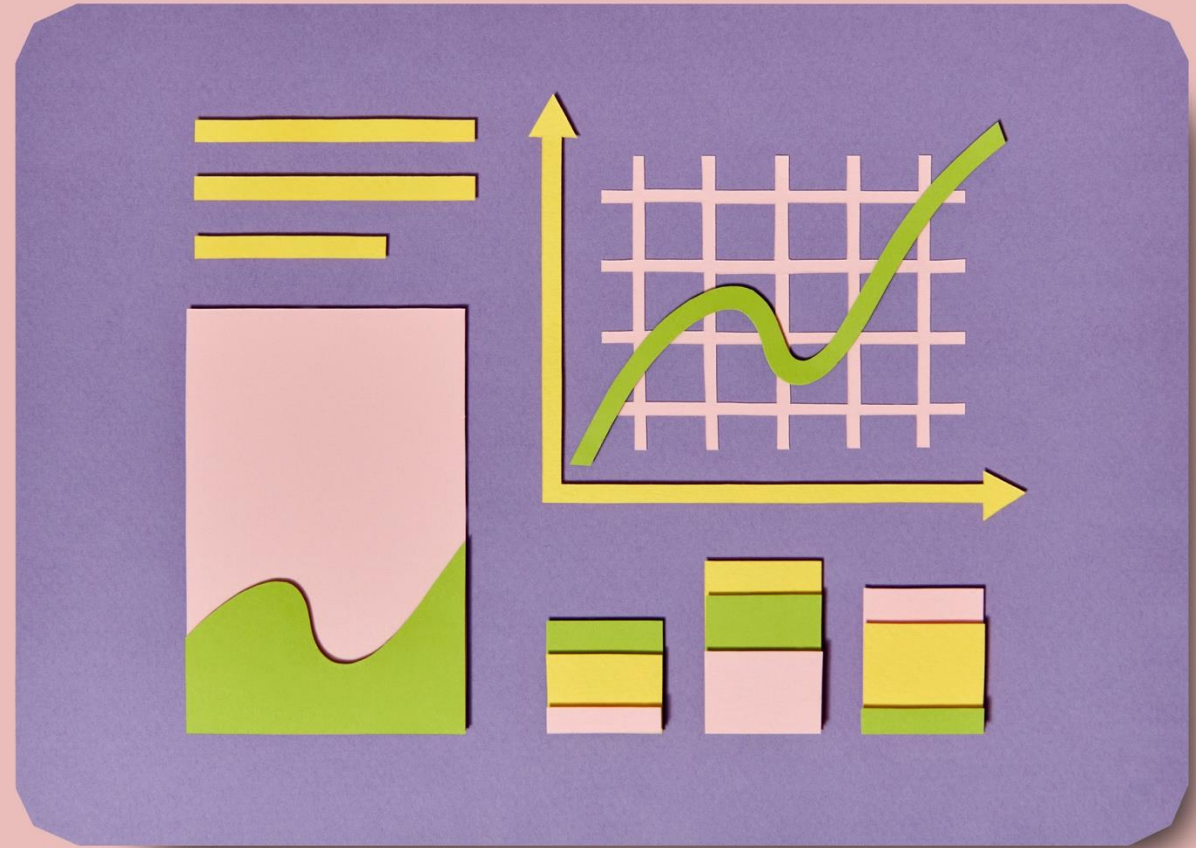


ADB's latest SBDs requirement

(Evaluation process using MPC)



Design Sequence



Assign Tech:Fin weighting

- 80:20, 50:50, 25:75



Identify headline scoring criteria

- Methodology, personnel, EHS, etc.



Weight headline criteria

- Prioritize criteria
- Use pairwise comparison, AHP, etc., if needed.



Identify scoring sub-criteria

- Method Statements
- Work program, resource schedule



Decide on calculation method for scores

- Two main options (i) absolute scoring, or (ii) comparator to strongest bid



Develop narrative for each scoring level

- Guide on how to assign marks for each scoring level based on bid quality.



Create Scoring Rubric

- Scoring scale, normally from 0% to 100%
- Can use absolute scores or ranges for each level



Weight scoring sub-criteria

- Prioritize sub-criteria
- Use pairwise comparison, AHP, etc., if needed.



Test, refine and finalize

- Run some simulations to test impact of scoring structure (sensitivity analysis)



Identify scoring criteria to be linked to KPIs

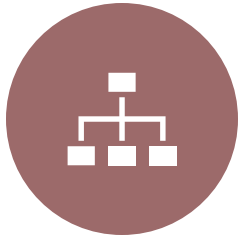
- Identify KPIs that bind bidders to meet targets they propose in their bids



Incorporate KPIs in the contract

- When contractor benefit from proposals, make them enforceable contractually

Early thoughts before start.



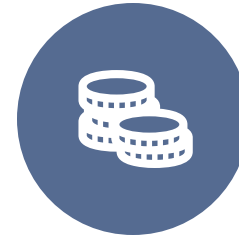
COMPLEXITY
OF THE
PROJECT



SCALE OF
THE PROJECT



ENVIRONME
NT, HEALTH,
AND SAFETY



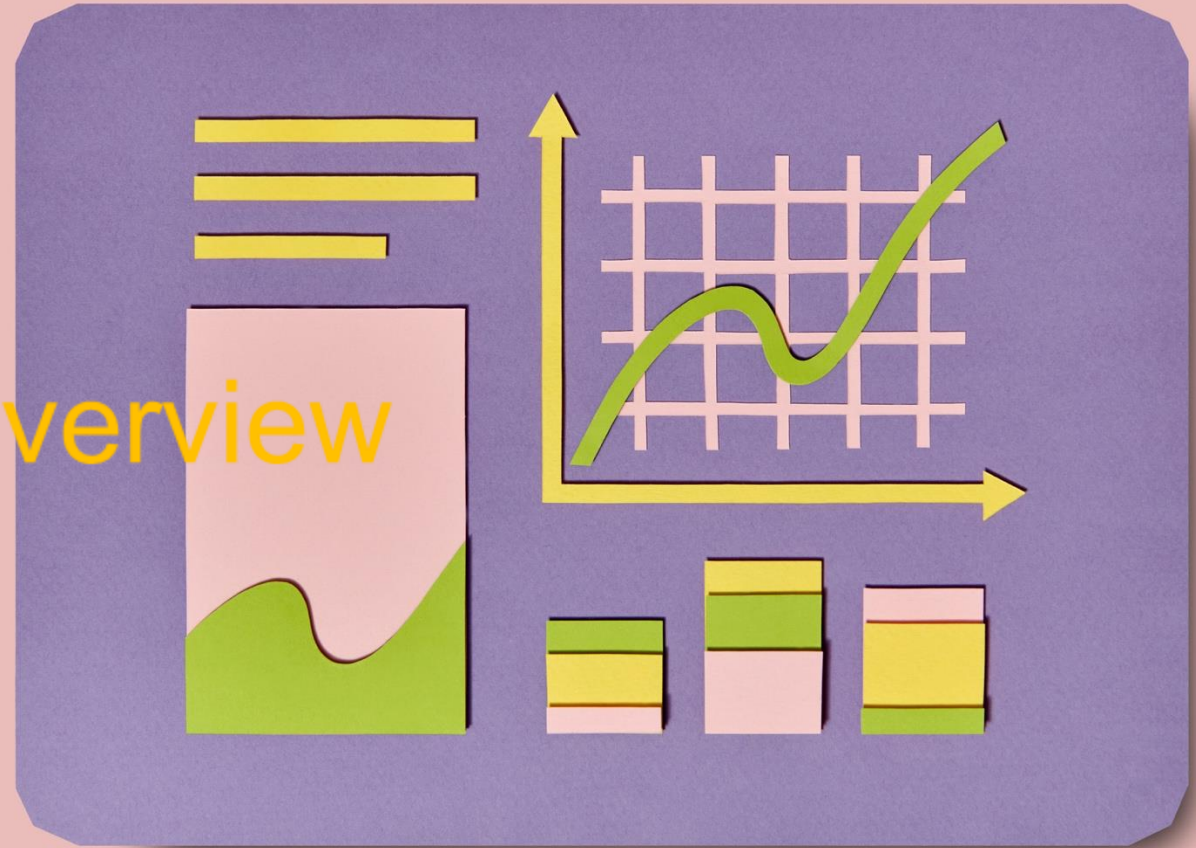
SECONDARY
ECONOMIC
BENEFITS



EXTERNAL
FACTORS

Technical: Financial Ratio

Overview

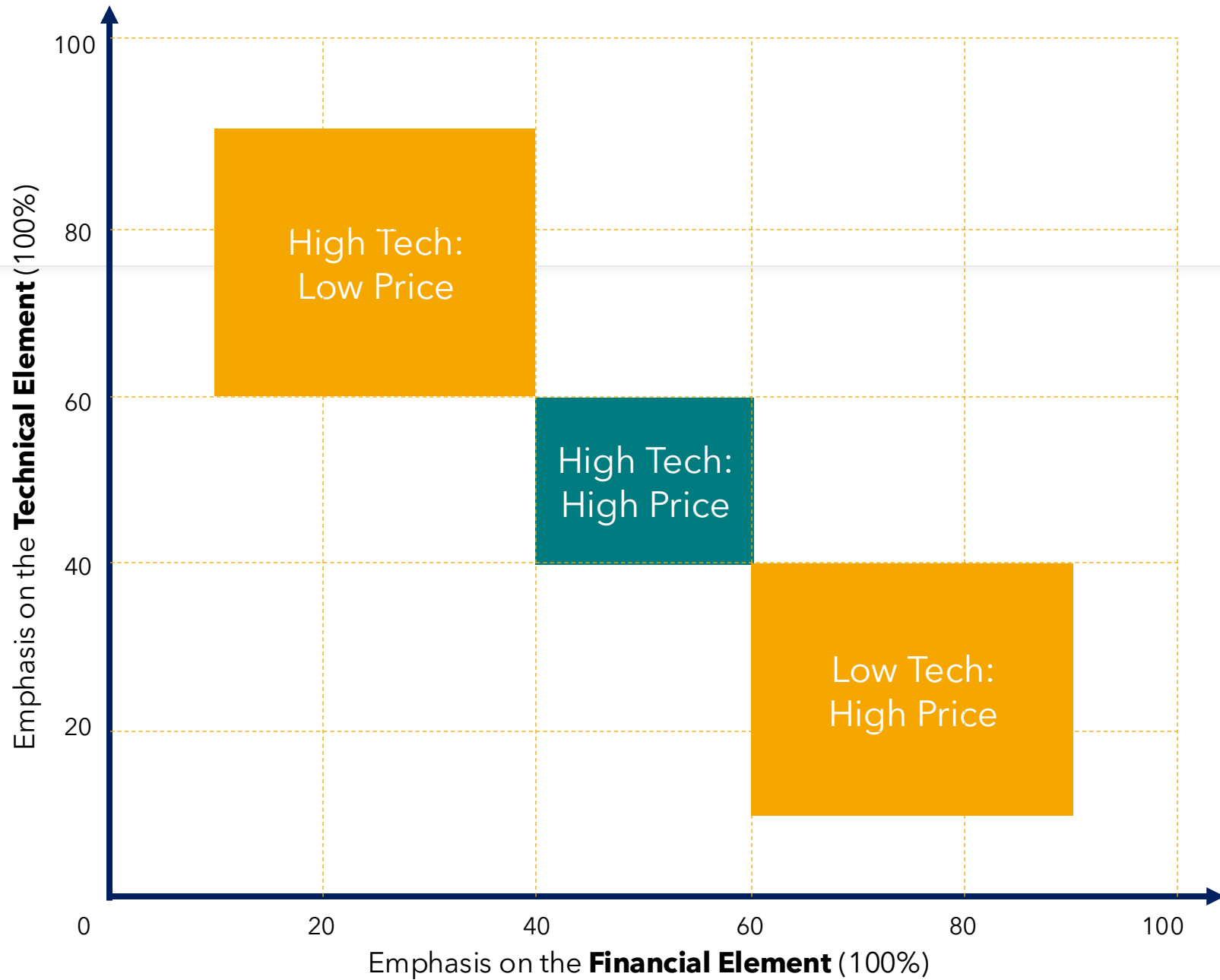


Technical:Financial Ratio

- **Technical/Financial Ratio shall be determined based on procurement risk**
- **There may be some minimum threshold requirement based on Risk categories.**
- **New Procurement Directive (formerly Regulations) will indicate threshold if applicable. Further guidance will be available through Guidance Note on determination of risk category**
- **The Guidance Note is expected to be published by Jan 2026**

Example – Procurement Risk

	Road Upgrade	Water treatment plant	Tunnel	Signalling system	E-Buses
Duration	18 months	2 years	4 years	12 months	12 months
Procurement	D-B-B	D&B	D&B	D&B	D&B
Site condition	Flat	Rocky	Urban areas		
Market	Competitive	Limited contractors	Limited contractors	Monopoly	Limited suppliers
Complexity	• Live road • Simple design	• Poor soil condition • High water table • Complex design • Water tower, pump stations, distribution lines	• Tunneling method	• Technology • Longevity • Interoperability for future	• Spare parts • Maintenance • EV Charging
Employer's priority	Open the project soon	Quality brands	Save cost	Save cost	Faster delivery





Designing of MPC



Criteria Development



Fundamentals

- Clear
- Conscious
- Defined measurement criteria
- Avoid subjectivity
- Ideally 3-5 main criteria with several sub-criteria
- Consistent with Section 4 and Section 6





Example criteria in general

- Site Organization
- Key Personnel
- Design and Construction Methodology
- Health and Safety
- Environment
- Risk Management
- Quality Management
- Works Management
- Materials, Equipment, and Logistics
- Testing, Commissioning, and Handover
- Carbon management
- Community and Social, Local Participation



Contractor's Organization and Team Members

- Bidder's project organizational structure and specific team members proposed to deliver a project.
- Organizational charts, person-planning (days per month, etc.), responsibilities and reporting methods, curriculum vitae, and other details of the overall organization or specific or key team members.

Contractor's Organization and Team Members

Bidder's Organizational Chart:

- Clearly defines project roles and hierarchy.
- Indicates lines of communication and reporting.

Project-Specific Team:

- Lists key personnel assigned to the project.
- Demonstrates a balance of skills and expertise.

Roles, Responsibilities, and Reporting Methods

- Clear definition of each team member's role in the project.

Reporting structure to ensure accountability.

- Coordination between the stakeholders.

Key Personnel Qualifications and Experience

Curriculum Vitae (CVs) of Key Team Members:

- Education, certifications, and professional affiliations.
- Years of experience.
- Similar projects handled in the past.



Design and Construction Methodology

- Requiring bidders to explain detailed methodologies for design and construction components can compel the bidders to carefully consider these elements and can improve the bidding outcome and the overall project quality.
- **Understanding of Project Requirements:** How well the bidder demonstrates knowledge of the project.
- **Design methodology:** If the contract involves a design by the contractor, it is recommended to assess the design capabilities of the bidder's design team.
- **Construction Methodology:** Detailed explanation of execution plans, equipment usage, and sequencing.
- **Innovation and Value Engineering:** Proposed techniques to enhance efficiency, durability, or cost-effectiveness.
- **Sustainability Considerations:** Use of eco-friendly materials and construction practices.



Health and Safety

- Details on the bidder's approach to health and safety aspects.
- Safety planning, construction safety, and long-term project operational safety.

Environment

- Management and recycling of construction waste products.
- Control of noise during construction.
- Management of resources, such as fuel and water, during the construction process.
- Control and management of local environmental issues, such as environmentally sensitive areas, traffic, and personnel.



Works Management

- Works programme
- Resource planning
- Document management

Materials, Equipment, and Logistics

- Sourcing plan
- Long lead items
- Logistics, Storage



Testing, Commissioning, and Handover

- Where applicable, MPC should incorporate an assessment of the bidder's testing, commissioning, and handover capabilities.
- Commissioning and testing plans.

Climate Change

- Use of renewable energy.
- Green material.
- Direct/ Indirect emissions.



Community and Social

- Community and social criteria can include those related to fair trade, gender equality, impacts to indigenous groups, fair pay and labor protections, impacts to local businesses
- **Local participation: Local participation action plan, percentage of bid price attributed to local participation (Local labor, capacity building)**



Risk Management

- Understanding how bidders will plan and address project implementation.
- Indicative risk register and mitigation plan.

Quality Management

- Bidder's quality management plan.
- Assessing quality management certifications.
- Reviewing their record-keeping procedures.
- Analyzing site quality management processes.

Simple example for transport project

No.	Evaluation Criteria
1	Site Organization
2	Method Statement
3	Mobilization Schedule and Construction Schedule
4	Environmental Compliance
5	Quality Assurance Program
6	Safety Program

Main

Sub criteria

No.	Evaluation Criteria
1	Site Organization
	(i) Organization Chart
	(ii) Key Personnel
2	Method Statement (Example)
	(i) Bored pile construction
	(ii) Supply, fabrication, delivery, and erection of structural steel
	(iii) Supply, fabrication, delivery, and erection of pre-cast concrete
	(iv) Method of proper fit-up of prefabricated and pre-cast elements during assembly
	(v) Roadway construction
	(vi) Existing bridge dismantling, demolition, and salvage
3	Mobilization Schedule and Construction Schedule
	Mobilization Schedule
	Construction Schedule
4	Environmental Compliance
	Environmental compliance requirements and monitoring measurements
	Coordination with environmental authorities
5	Quality Assurance Program
	Quality Assurance Program
6	Safety Program
	Safety Program

Simple example for transport project

B. Technical Evaluation Subcriteria

A2.1 Scoring will be done to each item and subitem according to predetermined score, as shown below, and based on the level of its responsiveness in percentage to the corresponding requirements.

No.	Evaluation Criteria	Total Score
1	Site Organization	150
	(i) Organization Chart	50
	(ii) Key Personnel	100
2	Method Statement (Example)	500
	(i) Bored pile construction	125
	(ii) Supply, fabrication, delivery, and erection of structural steel	100
	(iii) Supply, fabrication, delivery, and erection of pre-cast concrete	125
	(iv) Method of proper fit-up of prefabricated and pre-cast elements during assembly	100
	(v) Roadway construction	100
	(vi) Existing bridge dismantling, demolition, and salvage	50
3	Mobilization Schedule and Construction Schedule	200
	Mobilization Schedule	75
	Construction Schedule	125
4	Environmental Compliance	50
	Environmental compliance requirements and monitoring measurements	40
	Coordination with environmental authorities	10
5	Quality Assurance Program	50
	Quality Assurance Program	50
6	Safety Program	50
	Safety Program	50

Criteria scope

B.2. Method Statement

500 points

Bidders are expected to prepare and submit a detailed method statement, describing the methodology proposed to be adopted in the execution of the contract.

Specifics shall include methodology and/or information for

- (i) Bored pile construction;
- (ii) Supplier of structural steel;
- (iii) Fabrication, delivery, and erection of structural steel;
- (iv) Supplier of pre-cast concrete;
- (v) Fabrication, delivery, and erection of pre-cast concrete;
- (vi) Method of proper fit-up of prefabricated and pre-cast elements during assembly;
- (vii) Roadway construction; and
- (viii) Existing bridge dismantling, demolition, and salvage.

Weighting of Criteria

Identification of Criteria

List the relevant criteria (as discussed in the previous section)

Understanding Stakeholder Perspectives (Engineering Contract Administration, Finance)

Gather inputs from stakeholders involved in the project.
Different stakeholders might have varying perspectives on the importance of criteria based on their roles and interests.

Weighting

Rank or rate the criteria based on their perceived importance.

Methods:

- (1) Pairwise comparison
- (2) Ranking
- (3) Rating scales

	1	2	3	4	5	6	7	8	9	10	11
A											
B											
C											
D											



Weighting of Criteria

- **Weightages should be developed for criteria and for sub criteria (if any).**
- **Most weight on the criteria with the highest importance, and the lowest weight for criterion or categories with the least importance.**

Weighting of Criteria - Methods

- **By personal preference (e.g. I think this criteria is important so let me allocate 60% for it)**
- **By calculations (e.g.):**
 - **Rating Scale/ Fixed Weighting Method**
 - **Rank Sum Weight method**
 - **Equal ratio method**
 - **Pairwise comparison**

Methods of Weighting

Rating Scale/ Fixed Weighting Method

Each technical criterion is assigned a **pre-determined weight** based on its importance, **set by a human evaluator by judgment**

Pros: Fast, Simple

Cons: Personal Bias, Manipulation/abuse

Criterion	Weight (%)
Programming	10%
Methodology - Groundworks	25%
Methodology - Station Construction	45%
Contractors Health & Safety	15%
Environmental Management	5%

Methods of Weighting

Equal Method

Equally distribute the weighting.

Good for projects where there is no perceived relative importance.

Pros: Super Fast

Cons: Inaccuracies

Criteria	Total Weight	Sub Weight
Programming	20	
Overall Project Schedule		6.7
Design Schedule		6.7
Mobilization Schedule		6.7
Methodology – Groundworks	20	
Subsoil preparation		6.7
Backfill		6.7
Piling		6.7
Methodology – Station Construction	20	
Foundation Design		6.7
Architectural design and methodology		6.7
Accessibility design		6.7
Contractors Health & Safety	20	
Health and Safety Plan		10.0
Emergency Procedures		10.0
Environmental Management	20	
Fuel management		10.0
Waste materials management and recycling		10.0
Total	100	100.0

Methods of Weighting

Rank Sum Weight method

Assigns weights to criteria by **first ranking** them, then calculating weights based on their rank positions

Pros: Simple but logical, fast

Cons: Human intervention in ranking may affect the fairness

Methods of Weighting

Criteria	Ranking*	Total Weight**	Sub Weight**
Programming	Rank 3	20	
Overall Project Schedule	Rank 3-2		6.7
Design Schedule	Rank 3-1		10.0
Mobilization Schedule	Rank 3-3		3.3
Methodology - Groundworks	Rank 2	27.0	
Subsoil preparation	Rank 2-3		4.5
Backfill	Rank 2-2		9.0
Piling	Rank 2-1		13.5
Methodology - Station Construction	Rank 1	33.0	
Foundation Design	Rank 1-1		16.5
Architectural design and methodology	Rank 1-2		11.0
Accessibility design	Rank 1-3		5.5
Contractors Health & Safety	Rank 4	13.0	
Health and Safety Plan	Equal rank		6.5
Emergency Procedures	Equal rank		6.5
Environmental Management	Rank 5	7.0	
Fuel management	Equal rank		3.5
Waste materials management and recycling	Equal rank		3.5
Total		100.0	

The first ranking is conducted by one or more reviewers, which is then followed by a moderation stage to achieve agreement on the final ranking. In this instance, Rank 1 is given the highest value, while Rank 5 is designated the lowest.

Using the following formula.

$$\frac{2(n + 1 - r)}{n(n + 1)} \times 100$$

r = rank, n = total number of criteria



Methods of Weighting

Pairwise Comparison

Comparing two items (criteria) at a time to determine which is preferred or more important

Pros: Logical, Accurate

Cons: Complex, not familiar to everyone, time consuming

Example of a Pairwise Comparison Approach

Example
(Double Click on the image below for external file)

		Evaluation Criteria	Programming	Overall Project Schedule	Design Schedule	Mobilization Schedule	Methodology-Groundworks	Subsoil Preparation	Backfill	Piling	Methodology-Station Construction	Foundation Design	Architectural Design and Methodology	Accessibility	Health and Safety	Health and Safety Plan	Emergency Procedures	Environmental Management	Fuel Management	Waste Materials Management and Recycle
			A	B	C		D	E	F			G	H	I		J	K		L	M
	1	Programming																		
A	1a	Overall Project Schedule		A2	C1		D2	E2	F3			G3	H3	I3		J2	K2		L1	M1
B	1b	Design Schedule			C1		C1	E2	F3			G3	H3	I3		J2	K2		B1	B1
C	1c	Mobilization Schedule					C2	E1	F2			G2	H2	I2		J2	K1		C1	C1
	2	Methodology-Groundworks																		
D	2a	Subsoil preparation						E3	F3			G3	H3	I3		J3	K2		L1	M1
E	2b	Backfill							F1			G1	H1	I1		E1	E1		E2	E2
F	2c	Piling										G1	H1	F1		F1	F1		F2	F1
	3	Methodology-Station Construction																		
G	3a	Foundation Design											G1	G1		G1	G1		G2	G1
H	3b	Architectural Design and Methodology												H1		H1	H1		H2	H1
I	3c	Accessibility Design														I1	I1		L2	I1
	4	Health and Safety																		
J	4a	Health and Safety Plan															K1		L1	M1
K	4b	Emergency Procedures																	K1	K1
	5	Environmental Management																		
L	5a	Fuel Management																		L1
M	5b	Waste Materials Management and Recycling																		

		Total	%	Rounded
1	Programming			10
1a	Overall Project Schedule	2	1.6	2
1b	Design Schedule	2	1.6	2
1c	Mobilization Schedule	7	5.5	6
2	Methodology-Groundworks			27
2a	Subsoil Preparation	2	1.6	2
2b	Backfill	14	11	11
2c	Piling	18	14.2	14
3	Methodology-Station Construction			43
3a	Foundation Design	20	15.7	15
3b	Architectural Design and Methodology	19	15	15
3c	Accessibility Design	17	13.4	13
4	Health and Safety			15
4a	Health and Safety Plan	9	7.1	7
4b	Emergency Procedures	10	7.9	8
5	Environmental Management			5
5a	Fuel Management	4	3.1	3
5b	Waste Materials Management and Recycling	3	2.4	2
		127	100	100

Pairwise comparison

	Programming	Overall Project Schedule	Design Schedule	Mobilization Schedule	Methodology-Groundworks	Subsoil Preparation	Backfill	Piling	Methodology-Station Construction	Foundation Design	Architectural Design and Methodology	Accessibility Design	Health and Safety Plan	Emergency Procedures	Environmental Management	Fuel Management	Waste Materials Management and Recycling
Programming		A2	C1														
Overall Project Schedule																	
Design Schedule																	
Mobilization Schedule																	
Methodology-Groundworks																	
Subsoil Preparation																	
Backfill																	
Piling																	
Methodology-Station Construction																	
Foundation Design																	
Architectural Design and Methodology																	
Accessibility Design																	
Health and Safety Plan																	
Emergency Procedures																	
Environmental Management																	
Fuel Management																	
Waste Materials Management and Recycling																	

Notes:

- Relative Importance: 1 = minor preference, 2 = moderate preference, 3 = major preference.
- For example, when comparing criteria B and F, F3 means a major preference for F over B.

Example criteria with calculated weighting

Why calculation?

- There is a logic behind it.
- Fair and Transparent Evaluation
- Balanced Trade-Off
- Reduces Subjectivity and Bias
- Procurement Compliance and Defensibility
- Efficiency and Consistency



No.	Criteria	Total Category Weighting	Subcategory Weighting
1	Programming	10	
1a	Overall Project Schedule		2
1b	Design Schedule		2
1c	Mobilization Schedule		6
2	Methodology—Groundworks	27	
2a	Subsoil Preparation		2
2b	Backfill		11
2c	Piling		14
3	Methodology—Station Construction	43	
3a	Foundation Design		15
3b	Architectural Design and Methodology		15
3c	Accessibility Design		13
4	Contractors Health and Safety	15	
4a	Health and Safety Plan		7
4b	Emergency Procedures		8
5	Environmental Management	5	
5a	Fuel Management		3
5b	Waste Materials Management and Recycling		2
	Total	100	100

**EXAMPLE CRITERIA:
Bangladesh Water Sector
Project (ADB)**

Table of evaluation of Technical Proposal

Technical Proposal requirement No. ¹	Requirement	Method of evaluation	Maximum score ²
1	Work methodology (WM) 1 – GPR survey	scored	10
2	Work methodology (WM) 2 – design of pipelines	scored	12.5
2.1	<i>pipe route selection and long section</i>	<i>scored</i>	<i>(10)</i>
2.2	<i>determination of pipe diameter</i>	<i>scored</i>	<i>(2.5)</i>
3	Work methodology (WM) 3 – logistics	scored	10
3.1	<i>Location of storage yards</i>	<i>scored</i>	<i>(5)</i>
3.2	<i>Sizing of storage yards</i>	<i>scored</i>	<i>(5)</i>
4	Work methodology (WM) 4 – pipeline installation	Scored	20
4.1	<i>trench support system, butt fusion welding of HDPE pipes, culvert crossings</i>	<i>scored</i>	<i>(10)</i>
4.2	<i>schematic diagram of working corridors</i>	<i>scored</i>	<i>(10)</i>
5	Work methodology (WM) 5 – railway track crossing by trenchless technique	scored	20
5.1	<i>trenchless construction equipment</i>	<i>scored</i>	<i>(2.5)</i>
5.2	<i>schematic layout of working corridor</i>	<i>scored</i>	<i>(5)</i>
5.3	<i>monitoring and correction of settlement</i>	<i>scored</i>	<i>(5)</i>
5.4	<i>ground support mechanism</i>	<i>scored</i>	<i>(2.5)</i>
5.5	<i>dewatering and ground water control</i>	<i>scored</i>	<i>(2.5)</i>
5.6	<i>assessment of key risks</i>	<i>scored</i>	<i>(2.5)</i>