



Overview of ADB Procurement Policy and Regulations

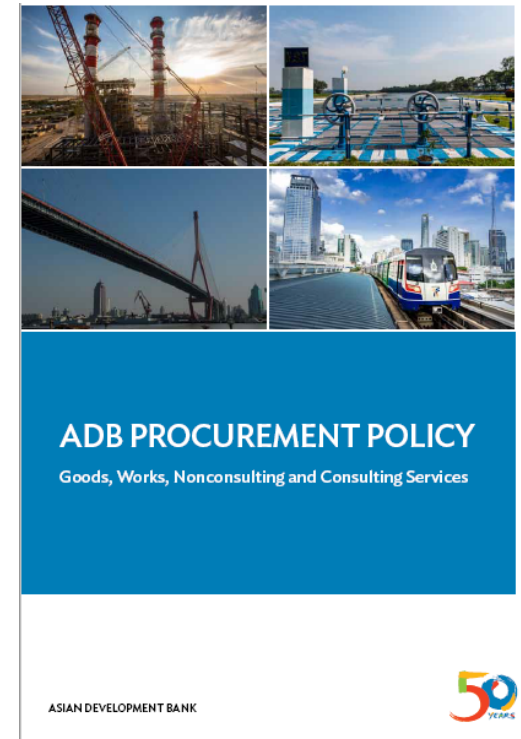
**ADB Business Opportunities Seminar
28 April 2025**



Objective of ADB's Procurement Policies



- Inform those carrying out a project financed in whole or in part by ADB of the core principles that govern the procurement of goods, works, non-consulting and consulting services required.
- Ensure that the proceeds of ADB financing are used with due attention to and compliance with ADB's core procurement principles.





ADB Procurement Documentation



ADB Procurement Policy

Goods, Works, Nonconsulting and Consulting Services

April 2017

Applies to Procurement of Goods, Works and Services required by the borrower and financed in whole or in part by ADB

Procurement Regulations for ADB Borrowers

Goods, Works, Nonconsulting and Consulting Services

8 Standard Bidding Documents and 9 User Guides

17 Documents, June 2018

Facilitate the bidding and procurement process

24 Guidance Notes on Procurement

24 documents, June 2018

Explain and elaborate on the provisions of the procurement policy and procurement regulations





ADB's Core Procurement Principles



Economy



Efficiency



Fairness



Transparency



Quality



Value for money



Roles and Responsibilities



Borrower

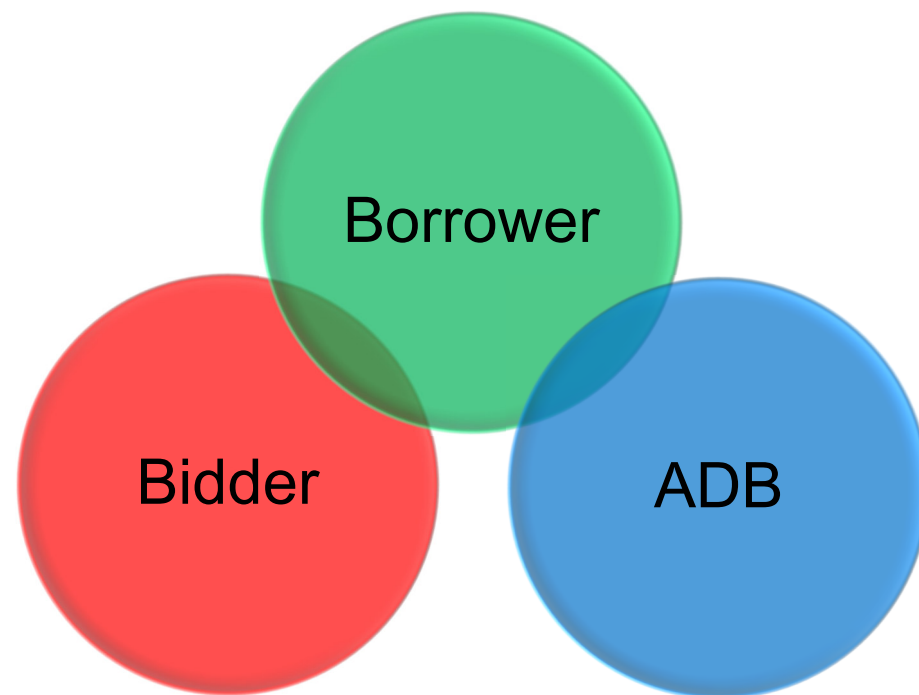
Responsible for implementation of Projects and integrity of procurement process through all stages.

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





PROCUREMENT METHODS & BIDDING PROCEDURES



Procurement Methods – Goods, Works and Non-Consulting Services



Open Competitive Bidding

Limited Competitive Bidding

Request for Quotations

Direct Contracting

Framework Agreements

Electronic Reverse Auction

Borrower's Force Account



Procurement Method - OCB



- Preferred method of procurement on projects financed by ADB
- Applies to Goods, Works, and Services
- Procedures depend on type of procurement being undertaken
- May involve national or international advertisement.



Other Procurement Methods

Goods, Works and Non-Consulting Services



- Limited Competitive Bidding (LCB)
 - Direct Invitation without open advertisement
 - May be appropriate where when there are limited number of bidders, low value does not attract bidders or other exceptional reasons that may justify a departure from OCB
- Request for Quotations (RFQ)
 - Simplified method used for low-value procurement
 - Based on comparing quotations from several suppliers/service providers/contractors
- Direct Contracting (DC)
 - Contracting without competition; may be appropriate under special circumstances
- Framework Agreements (FA)
 - Framework established with one or multiple bidders from which orders may be placed over time
 - Framework establishes scope, positions and rates that will apply to the call-offs, quantum of effort unknown
- Electronic Reverse Auction (ERA)
 - Online event where prequalified bidders compete with the aim of providing the lowest price at bid closure.
- Force Account (FA)
 - Borrower undertakes an activity using its own workforce and equipment



Procurement Methods –Consulting



Consulting Firm



Individual
Consultant

Other Consultants

- NGOs
- Specialized Agencies (UN)
- Government / Semi-Governmental Entities (eligibility to be assessed and agreed by ADB)
 - State-Owned Enterprises (SOEs)
 - Government-owned institutes

Recruitment may be national or international

- Internationals may be for any ADB member country (global if eligibility restriction waived)
- A firm is national if legally incorporated in the DMC where the project is implemented
- An individual is national if a citizen of the DMC where project is implemented.



Procurement Methods – Consulting Firm



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



Procurement Method – QCBS

- Quality and Cost-Based Selection
 - Preferred Method
 - Follows a One Stage, Two Envelope approach
 - Weighted Scoring system Tech:Fin (70:30; 80:20; 90:10)
 - Technical score of 750/1000pts needed to progress to Financial evaluation
- General
 - All firm and Individual Consulting Services opportunities advertised on CMS
 - A Full, Simplified or Bio-data proposal may be requested
 - ToR's may be Input (conformance) or Output (performance) based
 - Contracts: Time-Based or Lump Sum (can be hybrid)
 - CMS used for collecting Expressions of Interest (EOI)
 - CMS used for ADB TA Services; EA systems used for loans & grants*
 - ADB's PER records performance of Consultants



Other Procurement Methods - Consulting Firm



- Quality Based Selection (QBS)
 - Evaluation undertaken only on the technical proposal of the bidder
 - Used where quality is of overriding importance, for complex/highly specialized projects, instances where comparison of financial proposals is difficult as services could be provided in different ways
- Consultants Qualifications Selection (CQS)
 - Used where quality is important for small assignments
 - Selection based on Consultants qualifications
 - Expression of Interest Proposals ranked and first placed candidate invited to submit an offer.



Other Procurement Methods - Consulting Firm (Contd.)



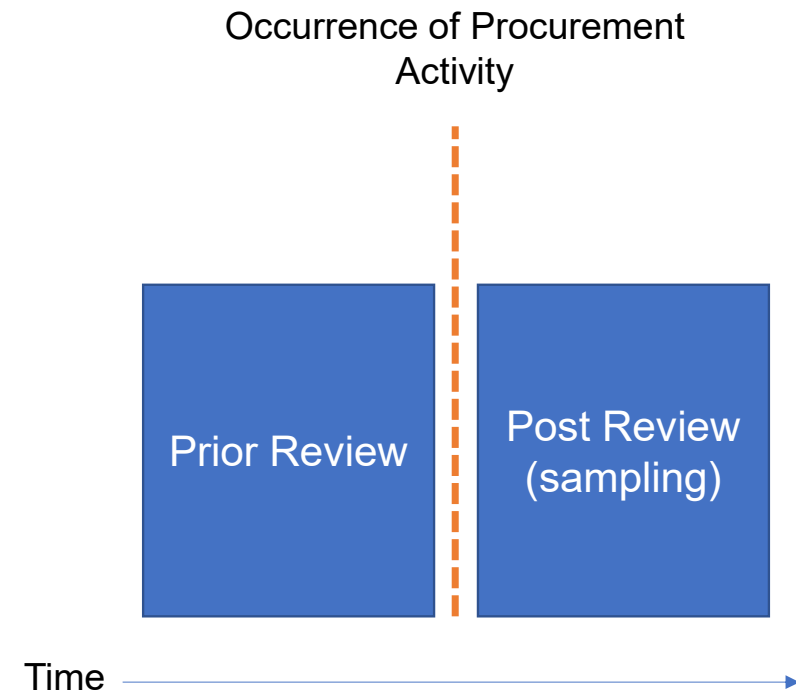
- Fixed Budget Selection (FBS)
 - Used where budget is fixed and cannot be exceeded; any proposal above budget rejected
 - Appropriate when ToR is precise and inputs can be accurately assessed
- Least Cost Selection (LCS)
 - Used for small assignments of standard nature.
 - Lowest bidder providing a technically acceptable proposal.
- Direct Contracting (DC) or Single Source Selection (SSS)
 - Contracting without competition; may be appropriate under special circumstances; to be justified



Review Procedures



- Prior Review
 - Large and/or Complex Contracts
 - Decided during Project Planning
 - ADB Provides No-Objection in advance of activities taking place.
- Post Review (Sampling)*
 - Small and/or non-complex contracts
 - Responsibility for ensuring compliance with ADB requirements rests with borrower
 - ADB will review a certain sample later as part of oversight responsibilities



* ADB reviews the first small or non-complex package for goods and works on a project. Precise requirements detailed on a case-by-case basis



Document Location



- **Policy:**
<https://www.adb.org/documents/adb-procurement-policy>
- **Regulations:**
<https://www.adb.org/documents/procurement-regulations-adb-borrowers>
- **Standard Bidding Documents (8 documents) and User Guides (9 documents):**
<https://www.adb.org/site/business-opportunities/operational-procurement/goods-services/documents>
- **Guidance Notes (24 documents):**
<https://www.adb.org/documents/guidance-notes-on-procurement>



www.adb.org

*Thank
you*



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