



# ADB's Procurement Reform Framework

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# Agenda

## A. Snapshot of ADB Portfolio

- ADB Operations
- ADB's Infrastructure Portfolio

## B. ADB's Proposed Procurement Framework

- The Proposed Procurement Framework
- ADB's Proposed Procurement Policy
- Key Features of the Procurement Framework
- ADB Proposed Procurement Framework and Quality Infrastructure

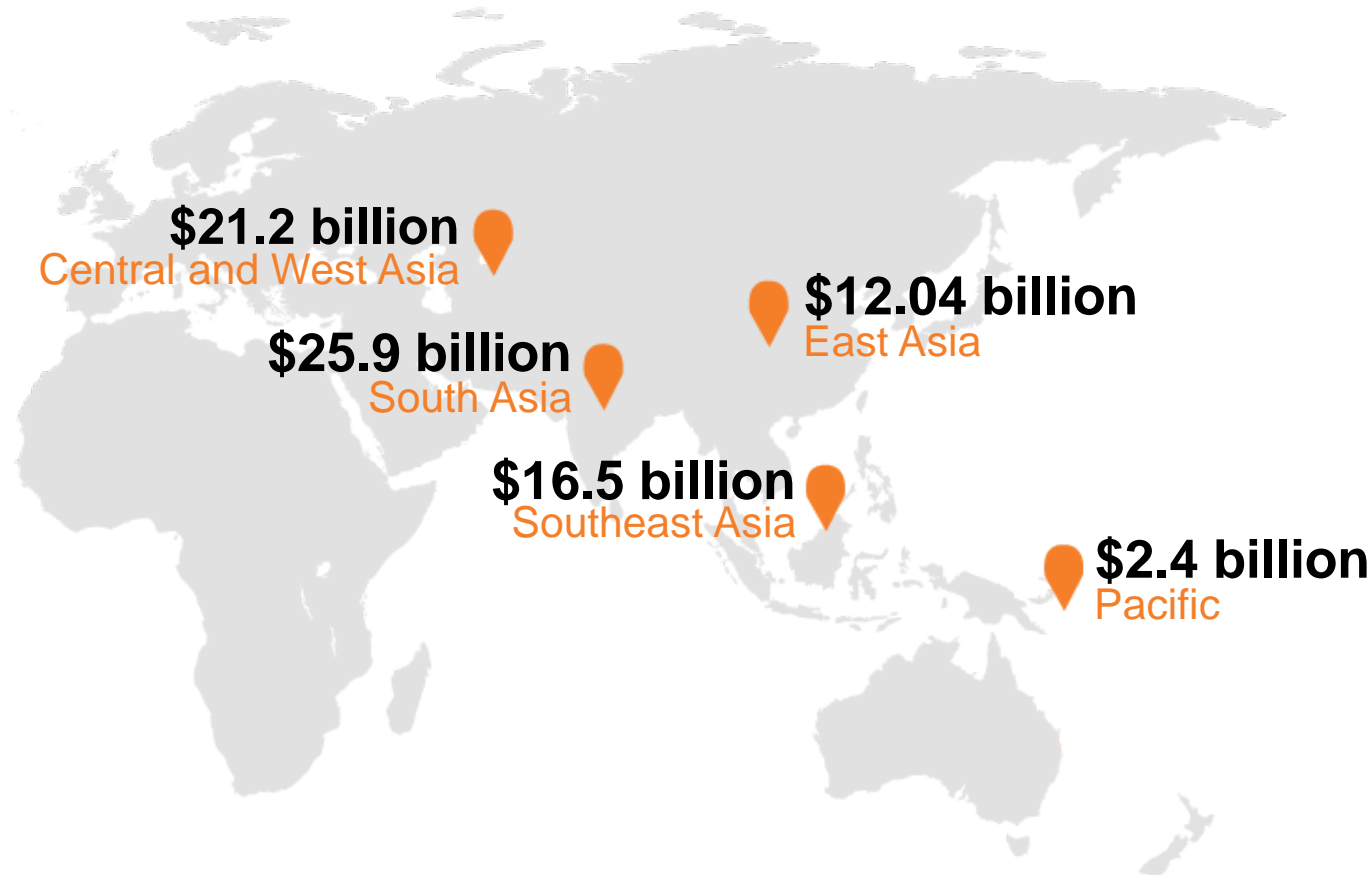
# A. Snapshot of ADB Portfolio

- ADB Operations
- Infrastructure Financing

As of January 2017

# ADB Portfolio by Region

**\$78.40  
BILLION**

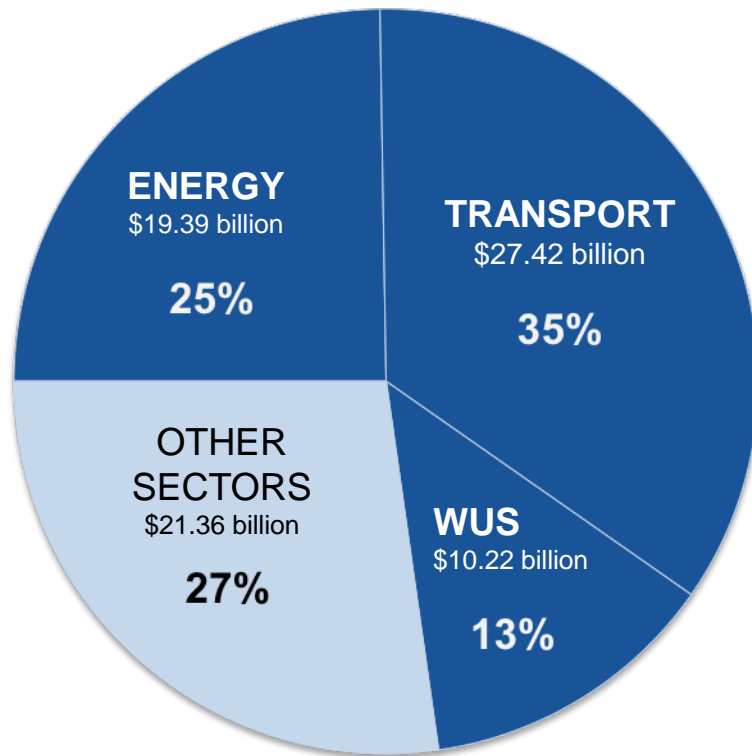


Notes: Figures are preliminary as of January 2017; non operations \$0.4 billion

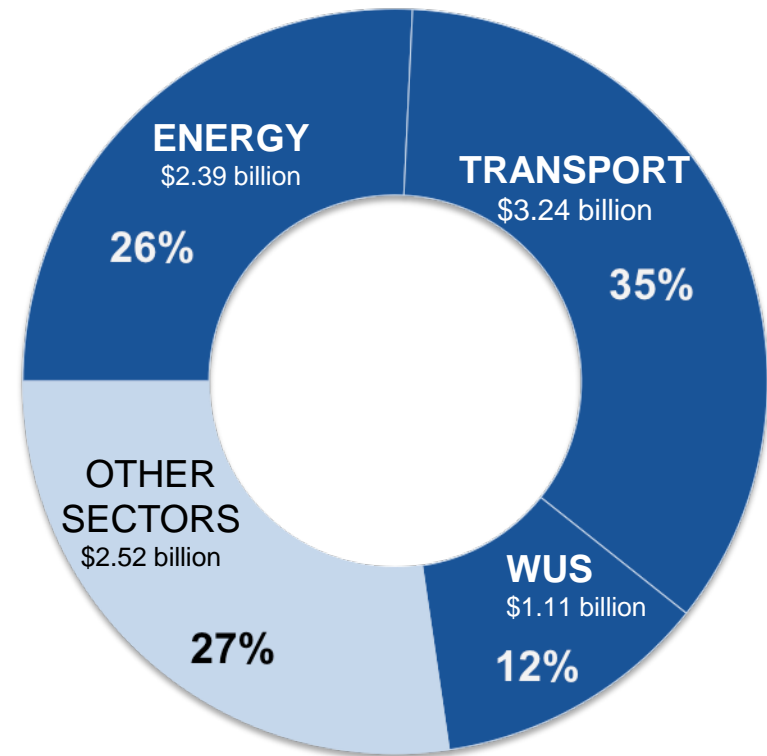
# ADB Portfolio by Sector

More than 70% of ADB's Portfolio  
accounts for Infrastructure  
Projects

Portfolio Projects by Sector (2016)



Contracts Awarded by Sector (2016)

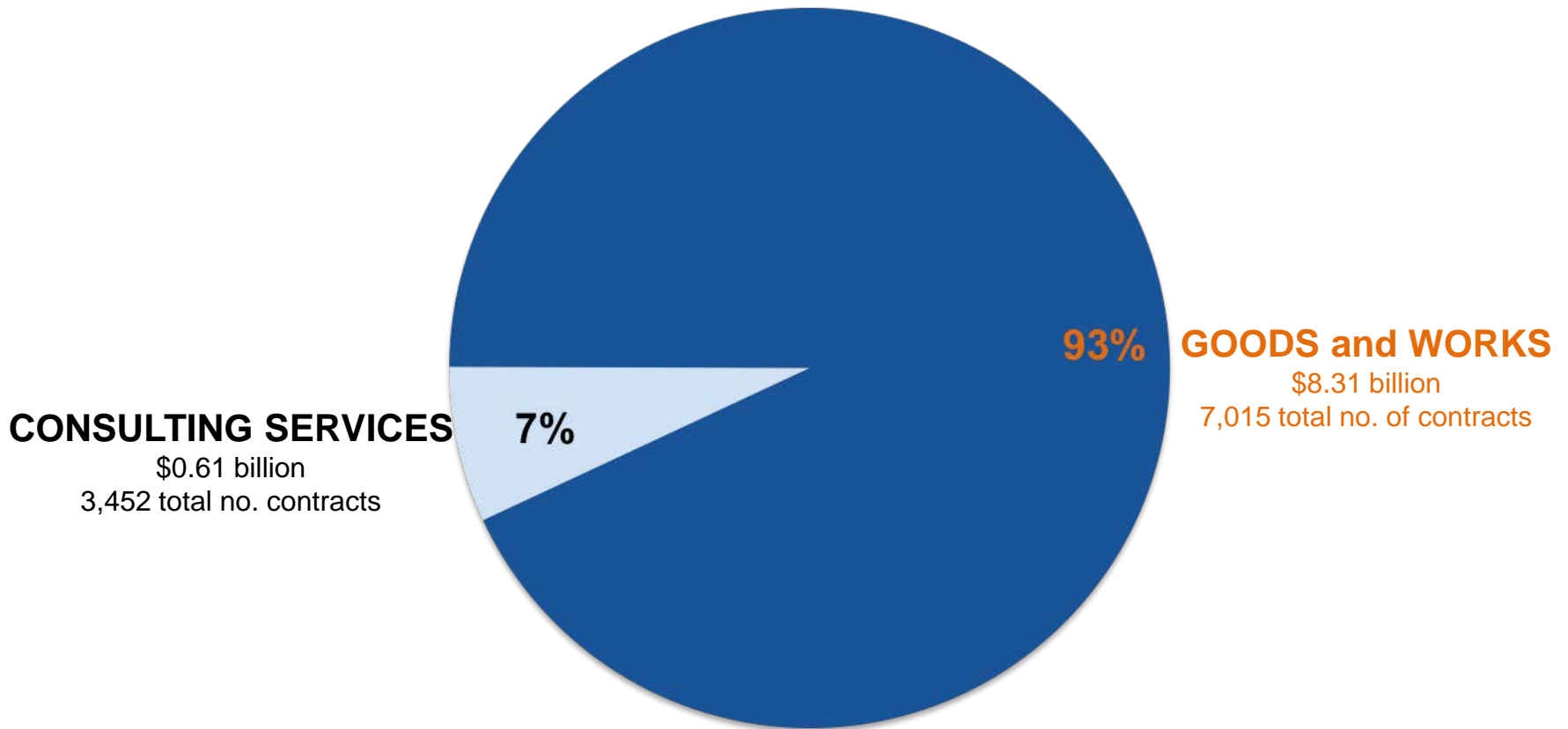


WUS= Water and Other Urban Infrastructure and Services

# ADB Procurement Contracts by Type



# ADB Procurement Contracts by Type

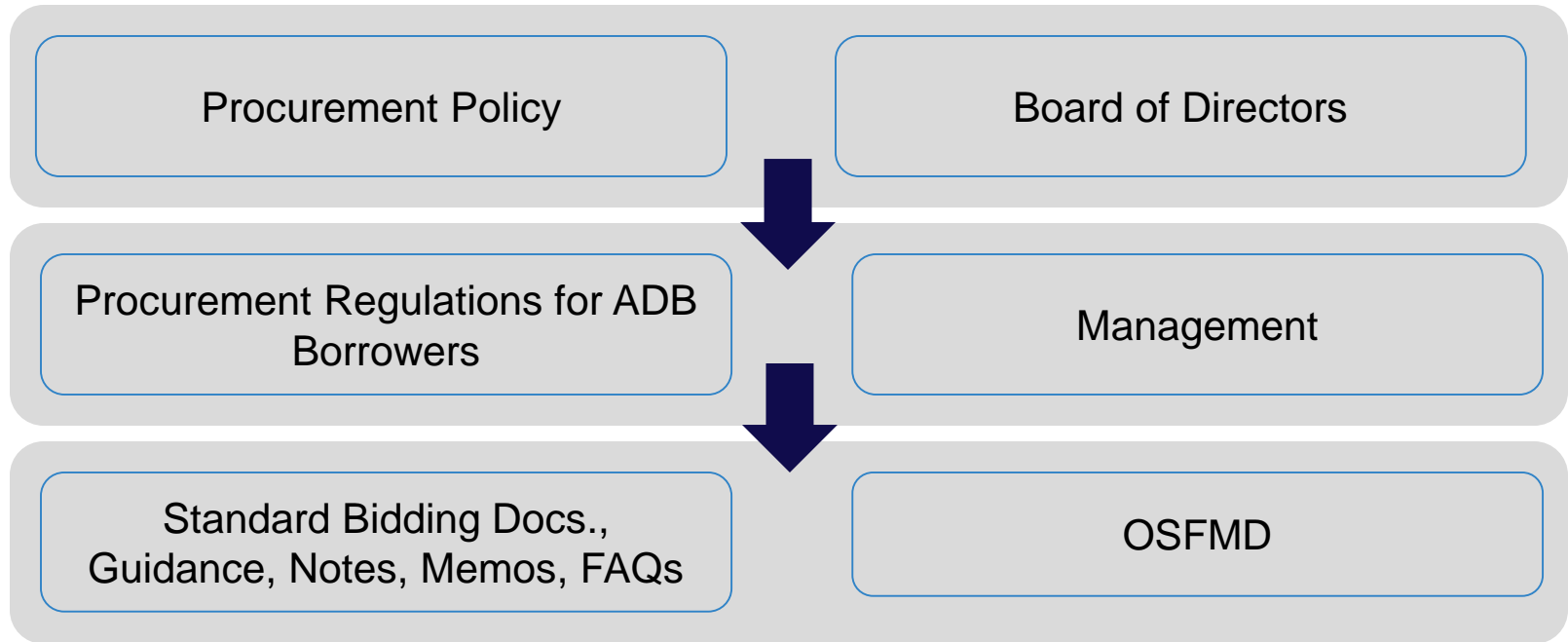


# B. ADB Procurement Framework

- The Proposed Procurement Framework
- ADB's Proposed Procurement Policy
- Key Features of the Procurement Framework
- ADB Proposed Procurement Framework and Quality Infrastructure



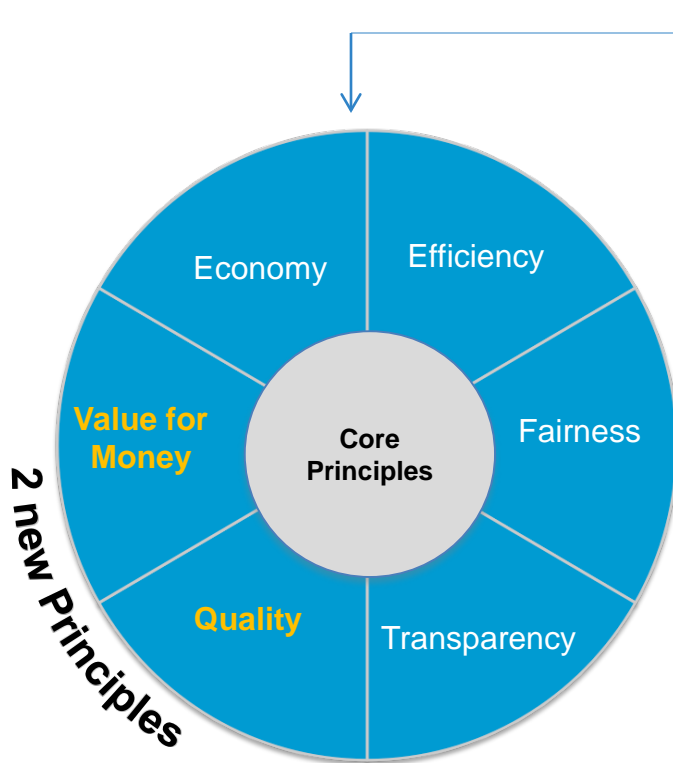
# THE PROPOSED PROCUREMENT FRAMEWORK



Action Plan to Deliver Reforms

Stronger focus on **QUALITY, GOVERNANCE, and RESPONSIVENESS**

# ADB'S PROCUREMENT POLICY



## 1. Core Procurement Principles

2. Fitness for purpose

3. Eligibility

4. Integrity, conflict of interest & accountability

5. Noncompliance

6. Complaints

7. Alternative procurement arrangements

8. E-procurement

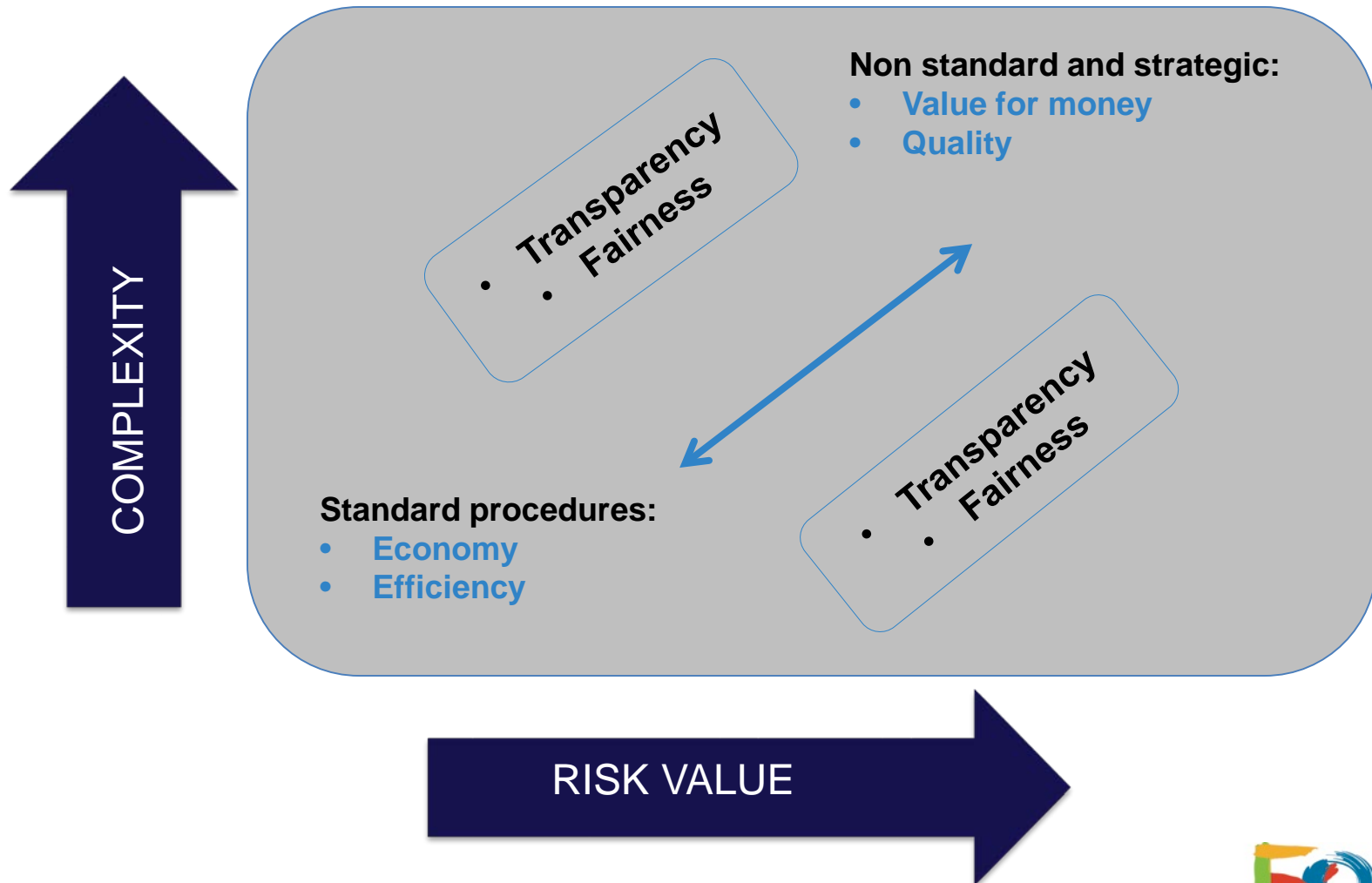
9. Procurement plan

Considerations  
relevant to  
Principles

Stronger focus  
on  
Governance

Delivery modes  
to meet  
emerging needs

# How Core Procurement Principles work together?



# KEY FEATURES OF THE PROCUREMENT FRAMEWORK

## 1. Procedures separated from Policy:

- The framework comprises of a new Procurement Policy and Procurement Regulations (replacing the existing Procurement Guidelines).
- Provides a single modern policy for procurement of goods, works, non-consulting and consulting services
- Harmonized with other MDBs

## 2. Expanded core procurement principles: VfM and Quality Focus

- Based on value for money as a criterion for evaluation and award
- Include elements of quality criteria in prequalification and evaluation
- Consider quality-based procedures: life-cycle costing, fit for purpose, socio-economic and environmental development benefits
- Clearer rules and requirements for bids and evaluation
- Facilitate procurement of high and proprietary technology

# KEY FEATURES OF THE PROCUREMENT FRAMEWORK

## 3. Modernized and fit for purpose procurement:

- Risk-based oversight function ('trust and verify')
- Allow greater flexibility and more options for procurement method (e.g. APA, mutual reliance)
- Use of modern procurement tools and techniques (electronic procurement, PPP, RFQ, framework contracts, DBO approaches etc.)

## 4. Improved delivery system:

- Decentralized procurement function
- Use of standard bidding documents
- Contract management support
- Enhanced procedures for complaints handling (introduces standstill provisions)

# HOW CAN ADB PROCUREMENT FRAMEWORK SUPPORT FOR QUALITY INFRASTRUCTURE?

- Enhanced procurement planning, design and engineering for better project quality;
- More options for procurement methods: alternative procurement arrangements;
- Better value for money: application of cost-benefit analysis, fitness for purpose across procurement stages;
- Promote fair, transparent and competitive bidding processes;
- Greater sector support to transport, energy and water and urban infrastructure projects.

# HOW CAN ADB PROCUREMENT FRAMEWORK SUPPORT FOR QUALITY INFRASTRUCTURE?

## 3. Support for Procurement of High Level Technology:

### ➤ Project Design

- Greater emphasis on market assessments
- Use of better quality consultants in order to help with project preparation

### ➤ Procurement Method

- Use of appropriate procurement methods to ensure the engagement of quality contractors (1S, 2E)
- Use of 2-stage process to permit discovery and improvement of initial specifications

### ➤ Bid Evaluation

- Inclusion of quality criteria in specifications, bid evaluation
- Work out life cycle cost and value for money

### ➤ Delivery System

- Upfront involvement of procurement staff (during project design stage), quality criteria in specifications, bid evaluation
- Decentralize procurement function to field offices

### ➤ Contract Management

- Provide support for contractual issues

# Thank You

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