

## **PROCUREMENT STAFF INSTRUCTIONS**

These Staff Instructions (SI) cover procedures to be followed by staff in undertaking procurement of goods, works, and services under ADB-administered and Borrower-administered projects based on the ADB Procurement Policy: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time), and are applicable to loan and technical assistance projects with concept papers approved after 1 July 2017.

Procedures for procurement of goods, works, and services under ADB-administered and Borrower-administered projects based on the ADB Guidelines on the Use of Consultants (2013, as amended from time to time) and Procurement Guidelines (2015, as amended from time to time) are covered by respective the Project Administration Instructions.

Questions may be directed to Procurement, Portfolio and Financial Management Department. Abbreviations for ADB departments, offices, divisions, and units are used without definition.

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<b>GLOSSARY</b>	
<b>ADB-administered consulting services</b>	Consulting services financed by ADB's internal administrative expense budget, capital expenditure budget, technical assistance (TA), grant, or other grant projects funded from special funds or trust funds, for which ADB selects and engages consultants. ADB may also hire consultants funded by advance payment from prospective clients in its nonsovereign operations or following public-private partnership transaction advisory services mandate and similar arrangements.
<b>ADB financing</b>	Includes financing by loans or grants, TA, or funds from external sources which ADB administers, ADB's internal administrative expense budget, and the special capital expenditure budget.
<b>ADB Complete Sanctions List</b>	<ul style="list-style-type: none"> <li>• Temporary suspension</li> <li>• First violations</li> <li>• Second and subsequent violations</li> <li>• Sanctions violation while ineligible</li> <li>• Debarred entities who are uncontactable</li> <li>• Cross debarred entities</li> </ul>
<b>ADB Sanctions</b>	ADB imposes sanctions on parties that have engaged in fraudulent, corrupt, coercive, collusive or obstructive practices, or other integrity violations. ADB also enforces debarment decisions in accordance with the Agreement for Mutual Enforcement of Debarment Decisions between ADB and other development banks.
<b>Biodata technical proposal (BTP)</b>	A basic type of technical proposal which may be used for assignments with well-defined, position-based TOR. BTPs only consider the biodata of the experts and do not include the firm's organizational structure and experience or a detailed method statement.
<b>Borrower</b>	Includes agencies or entities that act for the borrower or grant recipient to carry out the project, including any project executing agency (EA) and implementing agency (IA).
<b>Borrower-administered consulting services</b>	Consulting services provided under projects financed in whole or in part by an ADB investment loan or grant, or by delegated TA, for which the EA selects and engages the consultants.
<b>Close relatives of ADB staff</b>	Close relatives are individuals defined in Administrative Order (AO) 2.01, Appendix 1.
<b>Competitive component</b>	Portion of the bid that includes remuneration and out-of-pocket expenses.
<b>Conflict of interest</b>	Any situation in which a party has interests that could improperly influence that party's performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations. Conflict of interest can be actual, potential or perceived conflict.
<b>Consultant</b>	An individual or consulting firm that provides consulting services.

<b>GLOSSARY</b>	
<b>Consultant Management System (CMS)</b>	The electronic procurement system used by ADB and its borrowers to recruit consultants. For borrowers, the functionality is currently limited to posting consulting services recruitment notices (CSRNs) and collection of expressions of interest (EOIs).
<b>Consultant selection committee (CSC)</b>	<p>Convened to decide on consulting services matters, including evaluation of EOIs for high-value or complex individual consultant selections<sup>1</sup> and for technical evaluation of proposals received from consulting firms in response to a request for proposals (RFP).</p> <p>For contracts valued at or below \$750,000, a CSC comprises a two-person committee from the user unit.</p> <p>For contracts valued above \$750,000, a CSC comprises a three-person committee chaired by Procurement, Portfolio and Financial Management Department (PPFD), a project specialist from the user unit and a third independent member requested by PPFD.</p>
<b>Consultant recruitment activity monitoring (CRAM)</b>	A system used to monitor the activities and time taken for consultant recruitment.
<b>Consulting firm</b>	Any private or public entity with the capacity to provide consulting services. Such entities include international and national consulting firms, engineering firms, construction firms, management firms, procurement agents, inspection agents, auditors, UN agencies and other multilateral organizations, universities, research institutions, government-owned institutions or enterprises, civil society organizations (CSOs), and nongovernmental organizations (NGOs), when such entities provide consulting services.
<b>Consulting services</b>	Assignments that are of an intellectual and advisory nature. Examples include policy and governance studies, advice on institutional reforms, engineering designs, construction supervision, legal advice, audits, procurement services, social and environmental studies, and the identification, preparation, and implementation of projects. These are distinguished from nonconsulting services, for which the physical aspects of the activity predominate or that are based on recognized standard offerings.
<b>Consulting Services Recruitment Notice (CSRN)</b>	Procurement notice published on CMS.
<b>Consulting services unit (CSU)</b>	A unit located within Procurement Division 2 (PFP2), PPFD that is responsible for the oversight of all aspects of the recruitment of ADB-administered and Borrower-administered consulting services, including contract signing, contract variations, evaluating consultants' performance, and capacity building of ADB staff, consultants and borrowers on the procurement of consulting services.

<sup>1</sup> Defined as exceeding \$200,000.

<b>GLOSSARY</b>	
<b>Direct contracting</b>	The engagement of an entity or an individual without competition. Also referred to as single-source selection.
<b>Director, PPFD</b>	Refers to either Director, Procurement Division 1 (PPF1), or Director, PPF2, depending on which of these divisions currently manages procurement for the concerned user unit.
<b>Delegated technical assistance (TA)</b>	TA in which ADB delegates responsibility to the EA for implementation, including the responsibility to select and manage consultants and to sign and administer contracts (including payments).
<b>Executing agency (EA)</b>	Identified in the relevant financing agreement or TA letter as the party responsible for the administration of a loan, grant, or TA. The term may be extended to include an implementing agency that the EA designates to implement the project and undertake procurement.
<b>Expression of interest (EOI)</b>	Submitted by consultants in response to the CSRN to express their interest in a particular consultancy assignment.
<b>Full technical proposal (FTP)</b>	Technical proposal used for assignments with a complex TOR. The monetary value of the assignment is not the only determining factor of complexity.
<b>Individual consultant selection (ICS)</b>	The method used by ADB to select individual consultants, based on their CVs and EOIs.
<b>Individual consultant hired through a firm</b>	A contracting modality whereby a specifically named individual is contracted to perform services but where the contract is signed with the firm for which that individual works rather than with the individual expert who is to perform the services.
<b>International consultant</b>	A consultant who has had the necessary exposure to international context and best practice to perform the consulting services in question.
<b>Limited competitive bidding (LCB)</b>	LCB occurs when direct invitations to bid are issued to potential bidders without open advertisement.
<b>National consultant</b>	A consultant performing assignment in his/her own country or in a country where he/she legally resides. The expert's role does not require international experience.
<b>Noncompetitive component</b>	Portion of the bid that is not subject to competitive bidding. Includes provisional sums and contingency allocated by ADB and listed in the RFP data sheet.
<b>Nonconsulting services</b>	(i) Services for which the physical aspects of the activity predominate, that are bid for and contracted on the basis of performance of a measurable physical output, and for which performance standards can be clearly identified and consistently applied; or (ii) Routine services which, while requiring expert inputs, are based on recognized standard industry offerings that are readily available,

<b>GLOSSARY</b>	
	and which do not require evaluation of tailored methodologies or techniques.
<b>Open competitive bidding (OCB)</b>	OCB is the preferred method of procurement under ADB-financed procurement. The objective of OCB is to achieve value for money.
<b>Procurement Accreditation Skills Scheme (PASS)</b>	A procurement and consulting services training and accreditation program administered by PPF.D.
<b>Performance evaluation report (PER)</b>	System-generated and user-filed report detailing a consultant's performance for a specific assignment, which the user unit is required to complete at the end of a consultant's assignment. The information contained in a PER is kept confidential but is used for internal quality control purposes in subsequent recruitments.
<b>Procurement complaint</b>	<p>A procurement-related complaint is a communication received either (i) through the procurement-related complaints submission form on ADB's website or (ii) in any written form (including mail, email, fax) that indicates concern or dissatisfaction with any of the following matters:</p> <p>(i) any matter within the scope of the Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time) ("the Procurement Regulations"), whether the complaint is received directly by ADB from an interested party (also referred to as a "complainant") or indirectly through a borrower or civil society organization;</p> <p>(ii) procurement of goods, works, and nonconsulting services by ADB under TA; and</p> <p>(iii) recruitment of consultants administered by ADB.</p>
<b>Procurement Complaints Tracking System (PCTS)</b>	A database and management system for logging, tracking, and managing correspondence for complaints submitted to ADB. It also serves as the default centralized portal for ADB to receive complaints. There is no substitution database(s) for operational procurement complaints monitoring and management. A recipient of a complaint through other modes of communication shall record the complaint into the PCTS.
<b>Provisional sums</b>	Estimated budgeted amounts included in the contracts with consulting firms to cover expenditures associated with workshops, seminars, training, and equipment purchase or lease. Not subject to competitive offer.
<b>Remuneration matrix</b>	A confidential, market-based remuneration resource used to determine the appropriate rate offers based on source of consulting expertise (international or national), level of expertise (based on complexity of the assignment and level of required supervision), and job sector specialization.
<b>Request for proposals (RFP)</b>	Issued to shortlisted consulting entities for the recruitment of a team of experts. The RFP includes terms of reference, evaluation criteria, eligibility criteria, instructions to consultants, data sheet, standard



<b>GLOSSARY</b>	
	<p>forms for submitting technical and financial proposals, and a standard form of contract. ADB issues RFPs electronically using CMS.</p> <p>An RFP may also be issued to shortlisted nonconsulting service providers in cases where evaluation considers quality of service together with a financial offer. RFP might be suitable for cases where ADB or EA might consider award of the contract to a provider exceeding minimum qualifying criteria.</p>
<b>Request for quotations (RFQ)</b>	<p>Procurement method based on comparing price quotations obtained from several suppliers, contractors, or service providers, as the case may be. Appropriate for procuring readily available goods, standard-specification commodities of small value, standard or routine services, or simple civil works of small value. Indicates the description and quantity of goods, a description of the services, and/or specification of works, as well as desired delivery or completion time and place. Quotations may be submitted electronically or in hard copy. The evaluation follows the same principles as OCB.</p>
<b>Sanctions Screening Portal</b>	<p>A dedicated internal bank-wide <a href="#">Sanctions Screening Portal</a> where all user units are to undertake the required sanctions screening/checks.</p>
<b>Scope of services</b>	<p>Document describing the purpose, objectives, scope of work, detailed tasks or specified outputs; and reporting requirements which the service provider is expected to meet within the duration of the contract.</p>
<b>Service provider</b>	<p>An individual or private or public entity with the capacity to provide nonconsulting services.</p>
<b>Simplified technical proposal (STP)</b>	<p>For assignments with predictable or standard methodologies and outputs. STPs are typically used for non-innovative outputs and accordingly are shorter than FTPs because they do not include information on the firm's organizational structure and experience.</p>
<b>Staff consultant</b>	<p>Recruited by ADB to support institutional operations and financed by ADB's internal administrative expense budget, capital expenditure budget, or other special funds.</p>
<b>Staff's spouse</b>	<p>Is (i) a person to whom a staff member is legally married under the laws of the country where it has been contracted, and under the law of the staff member's home country; (ii) a person who is in a common law, de facto, or spousal relationship with a staff member; or (iii) a domestic partner, as recognized by ADB.</p>
<b>Supplier</b>	<p>An individual or private or public entity with the capacity to supply goods.</p>
<b>Technical Assistance (TA)</b>	<p>Means the assistance ADB provides to help identify, design, implement, and operate development projects, and to strengthen their ability to formulate strategies, policies, and programs.</p>

<b>GLOSSARY</b>	
<b>Terms of reference (TOR)</b>	Describes the purpose, objectives, scope of work, detailed tasks or specified outputs, and reporting requirements that the consultant is expected to meet to complete the assignment.
<b>Transaction advisory services (TAS)</b>	Services undertaken by ADB to promote public–private partnership (PPP) projects to catalyze public and private capital investment for development purposes, including: (i) screening and identifying potential projects; (ii) undertaking financial, technical, legal, commercial, and other due diligence; (iii) developing financial models and advising on financial structures; (iv) preparing or reviewing project documents including bidding documents, contracts, and financing documents; (v) identifying and managing potential investors, financiers, and other partners; (vi) managing the tender process; (vii) assisting negotiations with bidders and/or financiers; and (viii) facilitating commercial and financial closure.
<b>United Nations Security Council Sanctions</b>	ADB pays due regard to the United Nations Security Council Sanctions related thereto under Chapter VII of the Charter of the United Nations. An entity or individual subject to such sanctions is ineligible.
<b>User unit</b>	Means an ADB division, department, office, resident mission, regional office, or representative office procuring goods, works, or services, as the case may be.

# **PART I. STAFF INSTRUCTION ON ADB-ADMINISTERED PROCUREMENT OF GOODS, WORKS, NONCONSULTING, AND CONSULTING SERVICES**

## **SECTION A. PROCUREMENT OF GOODS, WORKS, AND NONCONSULTING SERVICES**

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### **I. SCOPE AND DEFINITIONS**

1. This section instructs ADB staff on the procedures for procurement, contracting, and contract management of goods, works, and nonconsulting services under ADB-administered technical assistance (TA) projects. It is to be read in conjunction with the ADB Procurement Policy: Goods, Works, Nonconsulting, and Consulting Services (2017, as amended from time to time) and relevant standard bidding documents. It does not apply to the procurement of goods, works, and nonconsulting services under ADB's internal administrative budget or capital budget, which is governed by Administrative Order 4.07. It also does not apply to procurement activities carried out under alternative procurement arrangements (APA).<sup>1</sup>

2. Most TA funds are spent on consulting services. However, some TA projects may require procurement of goods, works, and nonconsulting services.

3. For the purpose of this staff instruction, nonconsulting services are:

- (i) services for which the physical aspects of the activity predominate, that are bid and contracted on the basis of performance of a measurable physical output, and for which performance standards can be clearly identified and consistently applied; or
- (ii) routine services which, while requiring expert inputs, are based on recognized standard industry offerings that are readily available, and which do not require evaluation of tailored methodologies or techniques.

4. Examples of the type defined in 3(i), where physical aspects of the activity predominate, usually involve the use of equipment and specific methodologies to achieve their objectives, such as installation and maintenance services, surveys and field investigations, information technology implementation services, physical support services, and similar services.

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<sup>1</sup> If the use of APA has been permitted under a particular project, a trust-and-verify procurement oversight approach will be applied, whereby ADB may rely on oversight mechanisms of the borrower's accredited agency or entity, or the multilateral or bilateral agency or organization involved in the project, as the case may be, or those agreed in the applicable financing or other agreements. However, regardless of procurement arrangement, ADB's Anticorruption Policy (1998, as amended to date) and ADB's Integrity Principles and Guidelines (2015, as amended from time to time), will apply in all cases.

5. Examples of the type defined in 3(ii) include standard audits, inspections, engineering and quantity surveys, quality assurance certification, vocational training, standardized site surveys, translation/interpretation services, event management, hotel and office rentals, internet services, telecommunication services, website maintenance, and similar services.

6. For the purpose of this staff instruction, goods are commercially available, off-the-shelf items that are available for sale and are routinely bought and sold in markets around the world.

7. For the purpose of this staff instruction, works are considered to be small-scale civil works that may be necessary to accomplish the overall scope of a TA project. Works are very seldomly procured under ADB-administered TA projects and are better handled by the TA recipient for reasons mentioned in Section V: "Exceptions" of this staff instruction (SI).

## II. STAFF RESPONSIBILITIES

8. ADB is responsible for ensuring that the proceeds of its financing are aligned with its core procurement principles, i.e., economy, efficiency, fairness, transparency, quality, and value for money. In fulfilling that responsibility:

- (i) ADB user units ensure that ADB-administered TA procurement of goods, works, and nonconsulting services is carried out through approved procedures, including but not limited to the staff responsibilities and approval authorities described here and in Appendix 1;
- (ii) OGC ensures that ADB-funded procurement complies with ADB's Charter provisions, policies and regulations, such as the Procurement Policy, and the specific covenants of legal agreements; and
- (iii) PPF provides fiduciary oversight and supports ADB staff and borrowers on procurement planning and implementation, contract management, and related risk assessment and mitigation throughout the project lifecycle.

9. The user unit is responsible for preparing the key procurement and contract documents for the nonconsulting services, goods, and works to be procured, including, but not limited to, description of the scope of the services, description of goods, proposed payment structure, risk management procedures (if applicable), and performance management measures. The performance standards and performance measurement scheme may be incorporated in the specification document through inclusion of any one of the following: (i) specification; (ii) scope of supply, work, or services; (iii) performance work statement; or (iv) service-level agreement. Sample RFQ documents for goods, works, and nonconsulting services can be found at this [link](#).

## III. DISBURSEMENT REQUIREMENTS

10. For detailed disbursement arrangements, the user unit shall refer to the TA Disbursement Handbook (TADH) (2010, as amended from time to time). ADB disbursement procedures allow the disbursement of funds for goods, works, and nonconsulting services through the following channels:

- (i) payments of subcontracts through consulting firms' contracts;

- (ii) direct payment requests following the contracting of suppliers, contractors, or service providers;
- (iii) payments to executing agencies (EAs), implementing agencies (IAs), or cooperating partners for contracts with suppliers, contractors, or service providers, only through reimbursement or against an advance payment facility or provision;
- (iv) direct payment requests to suppliers, contractors, or service providers following contracting with EAs, IAs, or cooperating partners; and
- (v) reimbursement or liquidation of advances to ADB staff or consultants to meet eligible expenditures.

11. After receiving the appropriate documentation, user unit personnel shall review and validate that the goods, works, and nonconsulting services were provided and accepted. For each payment request, the user unit certifies that the payee is not on the sanctions list of ADB. The user unit will then provide CTL with all relevant documentation and endorse that the invoices can be paid for goods supplied, works constructed, and services rendered.

12. The user unit should ensure eligibility of the procurement of goods, works, and nonconsulting services in line with the approved TA agreement, cofinancing agreement(s), relevant project administration instructions (PAIs) and SIs, the Operations Manual, and TADH. The user unit is responsible for ensuring that adequate due diligence, including verification that contracting entity is not on the sanctions list of ADB, is carried out prior to entering into a contract and that the expenditures are in line with the approved scope of the TA.

13. Where procurement is financed by two or more TAs, the user units involved should agree on the procurement arrangement and approach prior to commencement of any activities associated with obtaining the goods, works, or nonconsulting services. The ADB Operations Manual can be consulted to ensure any cost sharing arrangements are in accordance with applicable policies.

14. Contracts procured by ADB do not include taxes. ADB operations are exempted from taxes. However, for small-value TA expenses, where tax exemption is impractical to obtain, such taxes may be paid under TA operation.<sup>2</sup>

#### **IV. STAGES OF PROCUREMENT**

##### **A. Market Analysis**

15. Market analysis involves review of the range of potential suppliers, contractors, or service providers for the scope of goods, works, or nonconsulting services required. The process may be iterative and may use requests for information (RFIs), benchmarking, internet research, expert advice, or other tools. Market analysis can be a useful opportunity to understand what specifications and/or services are available for a particular project. PPFD may be consulted at this stage to support such analysis and procurement planning.

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<sup>2</sup> See: ADB. 2017. Staff Instruction on Business Processes for Cost Sharing and Eligibility of Expenditures for ADB Financing. Manila.

16. The nature of the market participants identified in the analysis informs the user unit on the most appropriate procurement and contracting modality to deliver optimal value for money.

### **1. Nonconsulting Services: Firm or Individual?**

17. The user unit may select firms and/or individuals to provide nonconsulting services, collectively referred to as “service providers.”

18. **Firms** are normally engaged for more complex assignments with higher impact that need a team to deliver a variety of services requiring close coordination among team members. Firm engagements may span longer periods, where the risk of loss of continuity is comparatively higher. For example, organizing a major event may require a team of experts responsible for logistics, travel, catering, security arrangements, printing, and web hosting in which case a professional event management firm providing an all-inclusive service might be preferable. Similarly, project account auditing assignments are likely to be contracted to a reputable audit firm which would guarantee adherence to Generally Accepted Auditing Practices. There may also be constraints imposed by the market that only allows regulated or licensed firms to provide certain professional services.

19. **Individual service providers** are typically more suitable for assignments that can be carried out independently and where corporate indemnities are not required. In some cases, individual service providers are more appropriate because of needed flexibility in terms of urgency of mobilization, geographic dispersion, and/or timing of deployment. For example, translation or interpretation services are routinely provided by independent service providers not specifically affiliated with any firm.

### **2. National or International Advertisement?**

20. Most goods, works, and nonconsulting services procured under a TA are likely to be sourced in the project country. In some jurisdictions, existing legal and regulatory frameworks may create barriers for specific assignments from outside the project country. Examples may include provision of services requiring local licensing (e.g., medical services) or accreditation or registration (e.g., vocational training leading to a nationally recognized qualification). In these circumstances, national advertisement is appropriate, which also allows participation of foreign bidders subject to meeting specific requirements for the assignments in question.

21. In cases where required services are not available in the project country, international advertising is recommended. Examples of such circumstances may include small island economies and post-conflict and other fragile situations. International advertisement should generally include posting on the ADB website.

## **B. Procurement Modalities**

22. Tables 1 and 2 describe possible procurement and contracting modalities for nonconsulting services and goods under ADB-administered TA, respectively.

**Table 1: Procurement and Contracting Modalities for Nonconsulting Services**

<b>Modality</b>	<b>Recommended Bidding Procedure</b>	<b>Typical Contract Type</b>	<b>Application</b>
Open competitive bidding (OCB)	Request for proposals (RFP) <sup>a</sup> following advertisement and shortlisting	<ul style="list-style-type: none"> <li>• Time-based contract with terms of reference (TOR)<sup>b</sup> and/or service-level agreement</li> <li>• Output-based (Lump sum) contract</li> </ul>	<p>Client wishes to achieve value for money by factoring in quality of services in the evaluation of bids</p> <p>Quality differs substantially between service providers</p>
	Invitation for bids (IFB)	<ul style="list-style-type: none"> <li>• Hybrid contract (with performance-based bonus or penalty clauses)</li> <li>• Subsidy-payment contract (public-private partnership modalities)</li> </ul>	<p>Client wishes to achieve efficiency through bidding in lots</p> <p>Quality of services is similar among service providers meeting minimum qualification requirements</p>
Limited competitive bidding (LCB)	IFB	As above	Market is limited to several key players; potential examples include internet services, inter-island shipping services, specialist services
Request for quotation (RFQ or shopping)	Request for quotations (RFQ)	<ul style="list-style-type: none"> <li>• Service contract</li> <li>• Time-based</li> <li>• Output-based (Lump sum)</li> <li>• Unit rate based</li> </ul>	Simple service contract; short in duration
		<ul style="list-style-type: none"> <li>• Percentage contract</li> </ul>	e.g., inspection agent
		<ul style="list-style-type: none"> <li>• Engagement letter</li> </ul>	e.g., financial audit

Modality	Recommended Bidding Procedure	Typical Contract Type	Application
Direct contracting	RFQ	As above; consider industry norms	<ul style="list-style-type: none"> <li>• Emergency situations</li> <li>• Continuity of services is essential</li> <li>• There is only one service provider (natural monopoly situation)</li> <li>• The amount is very small</li> </ul>
Framework agreement	Procedures as per the framework agreement	Job orders or framework contracts, indefinite delivery / indefinite quantity contracts	Services procured are repetitive in nature and are procured through a pre-existing agreement

<sup>a</sup> RFP is used when factors other than price alone are being considered in the procurement.

<sup>b</sup> The TOR must detail the services and performance standards required of the service provider.

**Table 2: Procurement and Contracting Modalities for Goods**

Modality	Recommended Bidding Procedure	Typical Contract Type	Application
Limited competitive bidding (LCB)	Invitation for bids (IFB)	Standard contract	ADB or consulting firm procures goods
Request for quotation (RFQ or shopping)	Request for quotations (RFQ)	Standard contract	ADB or consulting firm procures goods
Direct contracting	RFQ	Standard contract	<ul style="list-style-type: none"> <li>• ADB or consulting firm procures goods</li> <li>• Emergency situations</li> <li>• Specific goods are required as part of a performance guarantee, a repeat order, or to be compatible with existing equipment</li> <li>• There is only one supplier (natural monopoly situation)</li> <li>• The amount is very small</li> </ul>



Modality	Recommended Bidding Procedure	Typical Contract Type	Application
Framework agreement	Procedures as per the framework agreement	Job orders or framework contracts, indefinite delivery / indefinite quantity contracts	Repetitive requirements for goods being procured through a pre-existing agreement

23. Information concerning quotations, bids, proposals, and anything related to the examination, clarification, and evaluation of commercial offers, and recommendations concerning awards, shall not be disclosed to bidders or other persons not officially concerned with this process until the publication of award.

24. User unit personnel shall be responsible for all activities associated with the procurement of goods, works, and nonconsulting services described herein, including drafting and issuing appropriate advertisements and bidding documents to suppliers, developing appropriate evaluation criteria, receiving quotations/bids, evaluation,<sup>3</sup> checking qualifications, contract award to the selected supplier(s), and managing the fulfillment of contractual commitments. PPFID shall be available to advise and support user unit personnel at each stage of the process.

25. All activities associated with TA procurement of goods, works, and nonconsulting services are subject to ADB's Anticorruption Policy (1998, as amended to date), Access to Information Policy (2018, as amended from time to time), and other relevant ADB policies and procedures. Procurement and contract documents shall reference the Anticorruption Policy and Standards of Conduct provisions.

### C. Negotiations

26. Contract negotiations shall not commence unless the funding for the contract is confirmed. User unit personnel may conduct contract negotiations with firms and individuals for the provision of nonconsulting services and/or in relation to price, delivery period, methodology, payment terms, or other salient features of the goods or works being procured. PPFID shall be available to advise and support user unit personnel as needed.

### D. Contract Modalities

27. The user unit shall select the most appropriate form of contract based on the nature of the assignment.<sup>4</sup> The following considerations are important in determining the form of contract:

- (i) prevailing market or industry practice;
- (ii) duration of the contract;

<sup>3</sup> Refer to Appendix 2 for sample evaluation of quotations.

<sup>4</sup> RFQ templates are available on the PPFID website by accessing the link provided in para. 9 of this Staff Instruction.

- (iii) legal and regulatory requirements, including but not limited to licensing, occupational health and safety, liability coverage and insurance;
- (iv) allocation of contract risks to the party most suitable to mitigate the risk;
- (v) need for incentives or penalties; and
- (vi) ownership of data or any other output of the contract.

28. It is important to determine the prevailing practice in the market and proceed accordingly. For example, if interpreters are generally compensated per working day and translators and editors are compensated per unit of measure (e.g., per 1000 words), it is appropriate to use contract forms suitable for these services contracted and in accordance with the practices of these particular industries.

29. The following types of contracts and pricing modalities are common for nonconsulting services:

- (i) **Time-based.** Payments are made based on agreed rates of personnel involved in provision of services and for agreed out-of-pocket or incidental expenses.
- (ii) **Output-Based (Lump sum).** Payments are made based on delivery and acceptance of contract-defined milestones or outputs.
- (iii) **Hybrid contracts with performance-based component.** May be time-based or output-based (lump sum) with a certain amount of contractual payment at risk, based on achievement of specific performance indicators. An example may include a vocational training contract where payments are made based on enrollment and completion of the course by trainees, and where a bonus may be calculated based on the employability of the trainees finishing the course (e.g., payment trigger of the percentage of graduates employed six months after program completion).
- (iv) **Subsidy-payment contract.** Contract with a service provider compensating for services in otherwise uneconomical conditions (e.g., provision of regular interisland transportation linking remote island communities).
- (v) **Percentage contract.** Contract where service provider is paid based on a predefined percentage of the value of services handled on behalf of the client. A typical example would be a procurement agent or inspection agent contract.
- (vi) **Framework contract.** Used when the client needs “on call” services whose extent and timing cannot be precisely defined in advance. A framework contract is awarded to a single contractor with a fixed budget and no secondary competition, where specific activities are later identified and awarded to the contractor through “call-offs” which identify the scope, commercial terms, timing, and other conditions of the activities or services provided. Fee rates are normally agreed in advance and out-of-pocket expenses are agreed at time of call-off.

30. For goods, supply contracts are concluded with suppliers based upon the agreed unit rates and quantities of goods being procured. The user unit must pay close attention to where goods are being delivered and what costs are included in quotations received from suppliers. Bids shall be invited on the basis of cost, insurance, and freight (CIF), or cost and insurance to place of destination (CIP) for all goods offered from abroad. Locally available, manufactured, or assembled goods, including those previously imported, shall be invited on an ex-works (EXW) basis. Where

inland transportation is required to be performed by the bidder, the bidder shall be required to provide a separate quotation for transportation services.

31. The above contract modalities are not meant to be exhaustive. The user unit should utilize their best judgement in selecting a contract type and pricing modality for the specific circumstances and work with PPFD personnel, as necessary, for guidance through the process.

#### **E. Contract Award**

32. The user unit shall award the contract within the period of validity of the commercial offers (bids, proposals, or quotations) to the supplier, contractor, or service provider that meets the qualification requirements and whose bid is most advantageous based upon the evaluation criteria outlined in the bidding documents.

#### **F. Debriefing**

33. If, after notification of award, a bidder wishes to ascertain the grounds on which its bid was not selected, it should address its request to the user unit. Debriefings are conducted verbally or in writing, and only the bidder's bid can be discussed. The user unit must not disclose details of other submitted bids or the winning bid. The user unit may consult with PPFD to prepare for the debriefing as necessary.

#### **V. EXCEPTIONS**

34. In general, the use of TA funds shall not be applied toward the procurement of civil works. If such works are required under the TA scope, such procurement shall be undertaken by the TA recipient. If the TA recipient lacks procurement capacity, a procurement agent or consultant may be engaged to handle such procurement on behalf of the TA recipient. The only exception to the above restriction is civil works that are essentially repair/renovation/refurbishment of existing structures, which in such cases may be handled by ADB under an RFQ procedure.

35. Procurement of goods and nonconsulting services by consultants under ADB-administered TA must be in accordance with the consultant's contract. In cases where it is necessary for consultants to procure goods and nonconsulting services, it must be included as a receiptable out-of-pocket expense item or as a provisional sum in the consultant's contract without any markup applied to the cost of the goods or nonconsulting services.

## **APPENDIXES**

1. Responsibilities Matrix for Procurement of Goods, Works, and Nonconsulting Services under ADB-Administered Technical Assistance
2. Sample Evaluation of Quotations

**APPENDIX 1: RESPONSIBILITIES MATRIX FOR PROCUREMENT OF GOODS, WORKS,  
AND NONCONSULTING SERVICES UNDER ADB-ADMINISTERED TECHNICAL  
ASSISTANCE**

<b>Procurement of Goods, Works, and Nonconsulting Services</b>	
<b>Procurement Steps</b>	<b>Responsibility<sup>a, b</sup></b>
<b>Preliminary</b>	
Establishing need for goods, works, or nonconsulting services	User unit in coordination with EA (as applicable)
Defining scope of work and budget	User unit
Defining procurement procedure that is fit for purpose	User unit in coordination with PPFD
TA concept paper and TA report	User unit, reviewed by PPFD
Approval for direct contracting, as applicable	Awards <\$100k – User unit director Awards >\$100k – PPFD Director
<b>Advertisement</b>	
Publishing specific procurement notice; requesting expressions of interest	User unit and DOC (for international advertising on the ADB website)
<b>Shortlisting</b>	
Creating shortlist	User unit
Preparing bidding documents	User unit
<b>Bidding Procedure</b>	
Issuing bidding documents to shortlisted bidders	User unit
Responding to clarification requests from bidders (if applicable)	User unit
Preparing bids	Suppliers / contractors / service providers
Receiving bids	User unit
<b>Evaluation of Proposals</b>	
Evaluating bids	User unit with assistance from relevant parties
Approving bid evaluation results	User unit director, at recommendation of PAU head
<b>Negotiations and Contract Signing</b>	
Issuing invitation to negotiate	User unit (director or PAU head)
Negotiations	User unit and supplier/contractor/service provider
Contract	User unit and supplier/contractor/service provider (signed by user unit director)
<b>Post-Contract Activities</b>	
Claim and contract management	User unit
Payment processing	User unit and CTLA

<sup>a</sup> PPFD personnel are available to advise and support the user unit through each phase of this process. Likewise, PPFD may discuss with the user unit and agree to take on a formal role in certain procurement steps if a high-value or high-risk procurement is envisioned.

<sup>b</sup> The user unit responsibilities described here apply if the user unit procures the goods, works, or nonconsulting services directly on behalf of ADB. If TA consultants or EAs/IAs handle the procurement, responsibilities in this regard will follow those defined in the TA report, the consultant's contract, and/or the TA letter.

**APPENDIX 2: SAMPLE EVALUATION OF QUOTATIONS**

Project Title: {INSERT DETAILS}  
 TA Number, Country: {INSERT DETAILS}  
 Source of Funding: {INSERT DETAILS}  
 RFQ Reference Number: {INSERT DETAILS}

1. **Competitive Bids** – as per the attached Request for Quotation (Annex 1), the {INSERT NUMBER} quotations received from {INSERT NUMBER} suppliers (Annex 2) are presented in the following table:

#	Supplier Name	Description of Goods / Services	Qty	Unit Rate		(a) Total Price	(b) Sanctions & Bank Transaction Qs	(c) Sanctions (OFAC) List
				Local	USD			

*Exchange rate reference – insert rate, date, and source*

2. **Selected Supplier** – {INSERT NAME}
3. **Evaluation Criteria** – {INSERT EVALUATION CRITERIA / BASIS OF AWARD}<sup>1</sup>
  - a. Price
  - b. Answers to the sanction and international bank transaction questions –
    - i. **Question:** is the bidder, the bidder’s joint venture partners (if any), the bidder’s shareholders, the shareholders of the bidder’s joint venture partners (if any), *subject to any national or international sanctions or on any sanctions list maintained by any multilateral development bank?* – **NO**
    - ii. **Question:** can the bidder, the bidder’s joint venture partners (if any), the bidder’s shareholders, the shareholders of the bidder’s joint venture partners (if any), *make and receive electronic fund transfer payments through the international banking system?* – **YES**
  - c. Sanctions list (including anti-money laundering regulations) – **CLEAR**
4. {INSERT BRIEF NARRATIVE FOR RECOMMENDED AWARD}

Evaluated by:

Approved by:

<sup>1</sup> Potential evaluation criteria could include lowest evaluated substantially responsive bid, bids offering shortest lead-time, bids offering closest compliance to schedule and specification, etc.

## SECTION B. PROCUREMENT OF CONSULTING SERVICES

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### I. SCOPE

1. This section instructs ADB staff on the procedures for the procurement, contracting, and contract management of ADB-administered consulting services financed in whole or in part by ADB's internal administrative expense budget, capital expenditure budget, technical assistance (TA), grant, or other grant projects funded from special funds or trust funds, for which ADB selects and engages consultants. It is to be read in conjunction with the ADB Procurement Policy: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time), the request for proposals (RFP) and relevant PPFD procurement guidance notes (available at <https://www.adb.org/documents/guidance-notes-on-procurement>). It does not apply to procurement activities carried out under alternative procurement arrangements (APA).<sup>1</sup>

### II. STAFF RESPONSIBILITIES

2. ADB is responsible for ensuring that the proceeds of its financing are administered in alignment with its core procurement principles, i.e., economy, efficiency, fairness, transparency, quality, and value for money. In fulfilling that responsibility:

- (i) ADB user units ensure that ADB-administered consulting recruitment is carried out through approved procedures, including but not limited to the securing of applicable internal clearances in accordance with Appendix 1;
- (ii) PPFD provides fiduciary oversight and support, as needed, to ADB staff on the recruitment and contract management of consultants; and
- (iii) Office of the General Counsel (OGC) ensures that ADB-financed procurement complies with ADB's Charter provisions, ADB policies, including the Procurement Policy, and the specific covenants of legal agreements; and advises on legal issues relating to all aspects of the consulting contract including variations to ADB standard clauses and on disputes and terminations.

Refer to Appendix 2 for roles and responsibilities during consulting services recruitment.

### III. STAGES OF CONSULTANT RECRUITMENT

3. ADB-administered consulting recruitment is carried out through ADB's Consultant Management System (CMS).<sup>2</sup> There are typically 6 stages of the consultant recruitment cycle:<sup>3</sup>

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<sup>1</sup> If the use of APA has been permitted under a particular project, a trust-and-verify procurement oversight approach will be applied, whereby ADB may rely on oversight mechanisms of the borrower's accredited agency or entity, or the multilateral or bilateral agency or organization involved in the project, as the case may be, or those agreed in the applicable financing or other agreements. However, regardless of procurement arrangement, ADB's Anticorruption Policy (1998, as amended to date) and ADB's Integrity Principles and Guidelines (2015, as amended from time to time), will apply in all cases.

<sup>2</sup> PPFD may allow exceptions for recruitment outside of CMS for confidential assignments.

<sup>3</sup> Staff roles and responsibilities for each stage are found in Appendix 2.

- (i) Stage 1: Planning and design
- (ii) Stage 2: Advertisement
- (iii) Stage 3: Shortlisting
- (iv) Stage 4: Evaluation
- (v) Stage 5: Negotiations and contract signing
- (vi) Stage 6: Post-contract activities

**A. Stage 1: Planning and Design**

4. Table 1 lists the steps for the user unit to take prior to initiating consulting services recruitment to maximize efficiency.

**Table 1: Planning and Designing Consulting Services Recruitment**

1.	Scoping the assignment	User unit scopes the assignment by drafting the consulting services recruitment notice (CSRN) and terms of reference (TOR) <sup>a</sup>
2.	Identifying the best source of expertise	<p>User unit determines whether the consulting expertise would best be provided by a consulting firm or an individual consultant and if that firm or individual should be sourced as a national or international selection. This will be defined within the TOR.</p> <p>The processes for engaging resource persons and managing offers of free consulting services are dealt with separately and laid out in Appendixes 4 and 5, respectively.</p>
3.	Preparing cost estimate	<p>User unit prepares a cost estimate<sup>b</sup> based on the required inputs, ensuring that it is consistent with the needs of the project and within the available budget.</p> <p>Appendix 6 presents the components of cost estimates typically considered for a consulting recruitment.</p>
4.	Selecting the procurement method: open competitive bidding (OCB)	<p>For consulting firms and individual consultants, user units should aim to achieve value for money through the best combination of quality and price appropriate to the service in question.</p> <p>Accordingly, OCB<sup>c</sup> is ADB's preferred method of procurement.</p>
5.	Exceptions to OCB	<p>Limited competitive bidding (LCB)</p> <p>On an exceptional basis and with the approval of Director, PPF, in writing, user units may consider LCB where direct invitations to bid are issued to potential bidders without open advertisement when:</p> <ul style="list-style-type: none"> <li>(i) there are few potential bidders in the market,</li> <li>(ii) the value of the contract is not sufficient to attract enough bidders through OCB, and/or</li> <li>(iii) there are other exceptional reasons that may justify deviation from open advertisement.</li> </ul> <p>The user unit may also recruit a consulting firm using LCB, without the need for approval of Director, PPF, where all of the following conditions are met:</p> <ul style="list-style-type: none"> <li>(i) the contract is procured using quality- and cost-based selection (QCBS), fixed budget selection (FBS) or least-cost selection (LCS),<sup>d</sup></li> </ul>



		(ii) the estimated budget for the firm consultancy is \$300,000 or less, and (iii) at least three technically qualified firms are invited to bid.
6.	Establishing the selection method	For consulting firms: See Appendix 7 for the list of selection methods that may be used for consulting firm recruitment.  For individual consultants, including individual consultants hired through a firm: through their submission of expressions of interest (EOIs).
7.	Selecting the proposal type	For firms: See Appendix 8 for the list of proposal types that may be used for consulting firm recruitment.  For individuals: not applicable.
8.	Selecting the contract type	When deciding on the form of contract to be used, the user unit must consider factors such as: (i) the nature and duration of the assignment, (ii) the extent to which the nature and quality of outputs can be clearly defined and quantified, (iii) the allocation of risks between the parties, and (iv) the need to provide particular types of incentives or penalties for issues such as performance quality or timeliness of deliverables.  See Appendix 9 for a description of the contract types that may be used for ADB-administered consulting services.
9.	Advance contracting	To expedite consultant mobilization, particularly for TA projects, for which time is critical, user units may use advance contracting procedures if PPFDD has endorsed the consultant recruitment plan. This means user units may proceed with advertisement in CSRN and shortlisting, however, negotiating and signing the consulting contract may only occur after the TA becomes effective.

<sup>a</sup> Appendix 3 gives further guidance on the purpose and content of a TOR.  
<sup>b</sup> CMS has a built-in facility to generate cost estimates based on the estimated inputs.  
<sup>c</sup> See PPFDD's procurement guidance for more information on OCB: ADB. 2018. *Open Competitive Bidding*. Guidance Note on Procurement. Manila. <https://www.adb.org/documents/guidance-notes-on-procurement>.  
<sup>d</sup> Descriptions of QCBS, FBS and LCS are contained in Appendix 7.

**B. Stage 2: Advertisement**

**1. Advertisement for Consulting Firms<sup>4</sup>**

5. All OCB consulting assignments for firms administered by ADB must be advertised on CMS using a CSRN. For LCB and direct contracting, advertising is not required and the designated firm(s) may be requested to submit proposals by invitation issued through CMS.

6. The user unit prepares the CSRN with support from PPFDD, if needed. The usual minimum posting time for each CSRN for firms is 15 calendar days, which should normally be extended if an insufficient number of adequate EOIs are received.<sup>5</sup> Longer advertising periods are encouraged

<sup>4</sup> This sub-section does not apply to the use of simplified consultants' qualifications selection (SCQS) under OCB, equivalent procedures for which are described in Appendix 7. SCQS cannot be used under LCB, direct contracting, or framework agreement or framework contracting modalities.

<sup>5</sup> A shortlist of less than three is generally considered inadequate to permit competition, so the user unit should ensure that there are sufficient EOIs from which to select a shortlist. If the user unit proceeds with less than three EOIs, it must provide written justification in CMS.

to allow interested firms sufficient time to prepare their EOIs. PPFDF may endorse a shorter posting time, with a minimum of 7 calendar days, for lower-value contracts or in situations where quick mobilization is necessary (e.g., emergencies); PPFDF will consider each request on its merits.

7. The user unit may edit the CSRN after publication, changing the TOR, budget, sourcing, selection method, and/or deadline for submission of EOIs.<sup>6</sup> The posting time should be extended if the changes may materially affect the consultants' EOI preparation to allow all consultants adequate time to reflect the revised requirements. All consultants who submitted EOIs electronically prior to the change of the TOR or cost estimates, or extension of the duration of the advertisement, are automatically notified that the CSRN was changed, providing them the option to edit, modify, or withdraw a previously submitted EOI. CMS provides a summary of changes made to the CSRN since it was published.

8. User units should disclose in the TOR and CSRN foreseen contract extensions and clearly indicate the criteria to be applied for such extensions (e.g., availability of funds, satisfactory performance, limited to a certain number of months or years, etc.). Contracts awarded following such declarations may be varied in line with these declarations to a reasonable extent. For extension of contracts advertised without such declarations, PPFDF may request justification from user units and an analysis of whether further extension may be needed. In either case, at PPFDF's discretion, user units may be required to commit to no further cost extensions under the contract, with any remaining consulting needs to be procured through a new selection.

## **2. Advertisement for Individual Consultants**

9. All OCB consulting assignments for individual consultants administered by ADB must be advertised on CMS using a CSRN. For LCB and direct contracting, advertising is not required and the designated individual(s) may be requested to submit EOIs by invitation.

10. A CSRN will include the detailed TOR and specify the criteria that will be applied for shortlisting and selection of candidates. It will be posted for a minimum of 7 calendar days. The deadline for receipt of EOIs may be extended if an insufficient number of adequate EOIs are received or major revisions of the TOR and/or cost estimates are required. Longer advertising periods are encouraged to allow interested individuals sufficient time to prepare their EOIs.

11. The successful candidate will be selected from those that have filed an EOI in response to the CSRN, whether issued through advertisement or by invitation. ADB has a discretion, but not an obligation, to accept late EOIs received prior to shortlisting. Such discretion may be applied after considering the lateness of the EOI and whether accepting the late EOI would enhance competition. Late EOIs may only be accepted by user units prior to the finalization of the shortlist. User units must provide adequate and reasonably detailed records of the evaluation of EOIs received, including justification for acceptance of late EOIs, to ensure a fair and transparent selection process is documented prior to contract award. Appendixes 10 and 11, respectively, provide information relating to the determination of remuneration rates of international and national individual consultants.

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<sup>6</sup> Deadlines for submission of EOIs can be extended but cannot be shortened after the notice is published. If the notice is published in error, the notice shall be amended to clearly identify "cancelled selection" (the selection title and "other information" areas can be used to tag the selection as cancelled).

12. Requests for EOIs shall follow the approved CSRN format and may include up to five additional questions which would allow ADB to make a more informed shortlisting decision. The questions shall be consistent with the purpose of the assignment. Failure to answer the additional questions may serve as grounds for exclusion from the shortlist.

13. User units may directly contract an individual consultant (i.e., waive the CSRN) if the total inputs for the assignment will be 3 person-months (66 working days) or less and if the job level is below “international level 6”<sup>7</sup> (refer to Appendix 10). A record of the basis for the direct contracting should be uploaded by the user unit in CMS. Any proposed extension of an assignment contracted under the provisions of this paragraph which will bring the contract beyond 66 working days in aggregate must be approved by Director, PPFDF following a request by the user unit with justification in line with the criteria for direct contracting specified in Appendix 7. Recruitment of former ADB staff and spouses of ADB staff always requires CSRN.

14. User units should disclose in the TOR and advertisement possible contract extensions and clearly indicate the criteria to be applied for such extensions (e.g., availability of funds, satisfactory performance, limited to a certain number of months or years, etc.). Contracts with such declarations may be varied in line with these declarations to a reasonable extent. For extension of contracts advertised without such declarations, PPFDF may request justification from user units and an analysis of whether further extension may be needed. In either case, at PPFDF’s discretion, user units may be required to commit to no further cost extensions under the contract, with any remaining consulting needs to be procured through a new selection.

15. Fairness, transparency, and efficiency of the selection and contract management process may be adversely affected when a user unit recruits multiple individual consultants affiliated with the same firm under the same project. As such, user units will be required to justify this action in CMS if they propose to engage more than two unique individual consultants affiliated with the same firm under the same TA or across their unit’s cohort of individual staff consultants within the preceding period of 12 months. This applies regardless of whether the assignment is advertised or directly contracted. SCQS is an appropriate and quick alternative to select a firm for smaller assignments involving a few experts.

### **C. Stage 3: Shortlisting<sup>8</sup>**

#### **1. Eligibility**

16. Unless the Board of Directors determines otherwise, a consulting firm<sup>9</sup> or individual consultant must be from an ADB member to be eligible for the award of an ADB-administered consulting services contract.<sup>10</sup> Eligibility criteria also includes not being subject to an ADB debarment or temporary suspension or subject to a United Nations Security Council sanction. This

<sup>7</sup> For the purpose of this instruction, all national assignments shall be considered below international level 6.

<sup>8</sup> As a single-stage selection method, shortlisting is not used in SCQS and sub-sections 4 and 5 of this section do not apply. Procedures for SCQS are described in Appendix 7. The eligibility, unfair competitive advantage, and conflict of interest provisions set out in sub-sections 1, 2, and 3 of this section still apply to SCQS, though should be read replacing the term “shortlisted consulting firm/s” with “firm/s submitting a single-stage proposal”.

<sup>9</sup> Experts employed or engaged by an eligible consulting firm under a consulting firm contract will be considered eligible regardless of their nationality. However, where individual consulting services are sought, the ADB member eligibility shall apply regardless of whether the individual is recruited through a firm or as a private individual.

<sup>10</sup> Appendix 12 contains further guidance on eligibility requirements for all consultants, including former ADB staff and ADB spouses.

can be checked using the [Sanctions Screening Portal](#) by the user unit. Please refer to Appendix 1 for the stages of sanctions checks.

## 2. Fairness and Transparency in Shortlisting

17. To ensure fairness and transparency in the recruitment process, consultants competing for a specific assignment should not derive a competitive advantage from having provided consulting services related to the assignment in question. Accordingly, when issuing the RFP, ADB shall make available the same information to all shortlisted consulting firms, so that each shortlisted firm receives equivalent information to any shortlisted consulting firm that has provided prior consultant services related to the assignment in question. For individual consultant selections, ADB shall make access to such information available via the CSRN. A consultant has a duty to ensure that he/she discloses all information to ADB that may provide him/her with an unfair competitive advantage because of a prior related engagement. Failure to do so may result in that consultant being excluded from the competition.

## 3. Conflict of interest

18. The independence and integrity of a consultant is a key condition for receiving full, fair, and unbiased expert advice.

19. ADB considers a conflict of interest to be any situation in which a party has interests that could improperly influence that party's performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations. A conflict of interest may not, in all cases, in and of itself, constitute a violation of ADB's anticorruption and integrity framework and as applicable, the ADB Code of Conduct and Standards (for consultants), if appropriately addressed or mitigated. Conflict of interest can be actual, potential or perceived. If user units identify any actual, potential or perceived conflict of interest at any time, they shall refer the matter to Office of Anticorruption and Integrity (OAI).

20. Without limitation on the generality of the foregoing, consultants shall not be recruited under the circumstances set forth below:

- i. **Conflict between consulting activities and procurement of goods, works, or services.** A consulting firm or individual consultant that has been engaged by ADB or a borrower to provide goods, works, or services for a project, shall be disqualified from providing consulting services related to those goods, works, or services. Conversely, a consulting firm or individual consultant hired to provide consulting services for the preparation or implementation of a project shall be disqualified from subsequently providing goods, works, or services resulting from or directly related to the firm's or individual consultant's services for such preparation or implementation.
- ii. **Conflict among consulting assignments.** Consulting firms or individual consultants shall not be hired for any assignment that, by its nature, may be in conflict with another assignment of the firm or individual. As an example, consulting firms or individual consultants hired to prepare engineering design for an infrastructure project shall not be engaged to prepare an independent environmental assessment for the same project, and consulting firms or individual consultants assisting a client in the privatization of public assets shall neither purchase, nor advise purchasers of, such

assets. Similarly, consultants hired to prepare TOR for an assignment shall not be hired for the assignment in question.

- iii. **Relationship with ADB staff and borrower personnel.** Consulting firms or individual consultants that have a financial or familial relationship with an ADB staff<sup>11</sup> or with a borrower's personnel who are directly or indirectly involved in any part of (a) the preparation of the TOR of the contract, (b) the recruitment process for such contract, or (c) supervision of such contract may not be awarded a contract, unless the risk has been addressed in a manner acceptable to ADB throughout the recruitment process and the execution of the contract. For the purpose of this clause, "borrower personnel" means, including but not limited to, personnel, representatives, and directors.

21. Consulting firms and individual consultants are required to disclose all conflicts of interest (actual, potential or perceived) during the bid submission and execution of the contract. ADB will take appropriate actions to manage and address such conflicts of interest or may reject a proposal for award if it determines that a conflict of interest has flawed the integrity of any procurement process or gives rise to conflicts that are not addressed in the view of ADB.

22. It is a requirement that consulting firms and individual consultants who are involved in the procurement process for an ADB-administered contract (i) do not have a conflict of interest with regard to the procurement concerned and are required to remain professional, objective, and impartial; and (ii) are required to always hold the interest of ADB and other beneficiaries of ADB-financed activity paramount, without any consideration of future work, and to avoid conflicts with other assignments and their own corporate and personal interests

23. Conflict of interest must be identified as soon as possible, preferably at pre-shortlisting stage, and should be resolved or adequately mitigated. If it cannot be established that there is no conflict of interest or a conflict cannot be adequately mitigated, the consultant shall be excluded from consideration for the assignment. The user unit shall consult and/or make a full disclosure of its nature, circumstances, and material facts to PPF and OAI as soon as it becomes aware of the actual, potential or perceived conflict situation.

24. Conflict of interest must also be addressed by the consultant selection committee (CSC). A member of the CSC must not have any conflict of interest in the outcome of the evaluation or be in a position where his or her judgment in the evaluation could be biased. If a member of the evaluation committee does have a conflict of interest, he or she should not act on the committee or make a direct or indirect attempt to influence its decision. If a member of the evaluation committee has a query as to whether a certain fact needs to be declared, he or she should contact PPF immediately and PPF will decide, consulting with OAI as necessary. Similarly, for individual consultant selections, a member of the selection team must not have a conflict of interest in the outcome of the evaluation or later, in contract negotiations. If a member of the user unit does have a conflict of interest, he or she must declare such conflict and must not act as a member of the selection team or make a direct or indirect attempt to influence its decision.

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<sup>11</sup> or with an ADB consultant or contractor

#### 4. Shortlisting for Firms <sup>12</sup>

25. For competitive selections, the user unit that posted the CSRN will conduct the shortlisting by applying shortlisting criteria including, but not limited to the qualifications of the consultants, project-related experience, past performance records, and other relevant factors. The experience and qualifications of all firms participating in a joint venture are assessed during shortlisting and, if circumstances so justify, the experience and qualifications of the lead firm or managing joint venture partner may be assigned more weight than those of other partners, in which case such a weighting should be transparently disclosed. Except under the consultants' qualification selection (CQS) method, ranking is not required when shortlisting firms. The number of shortlisted entities shall be sufficient<sup>13</sup> to create adequate competition considering the complexity of the assignment, allocated budget, and potential considerations for downstream assignments. ADB has a discretion, but not an obligation, to accept late EOIs received prior to shortlisting.

26. For all selections, the user unit is responsible for confirming that each shortlisted firm (or nominated firm, for direct contracting), including any joint venture partners and subconsulting entities are not in ADB's Anticorruption Sanctions List (Appendix 1) by conducting due diligence checks through the [Sanctions Screening Portal](#) in addition to ensuring that entities meet the eligibility criteria described in Appendix 12 of this SI. The completed shortlist is submitted through CMS to PPFd for approval. Firms that include an ineligible sub-consultant may be shortlisted provided that the user unit considers the EOI to be of a sufficient quality without the contributions to the EOI of the ineligible sub-consultant. The inclusion of an ineligible joint venture partner in an EOI will mean that the EOI shall be rejected.

27. Consultants given Unsatisfactory ratings with suspension (US)<sup>14</sup> are ineligible for shortlisting during the suspension period. Consultants previously suspended will become eligible after the suspension period has elapsed. In deciding whether to shortlist a consultant, the user unit must carefully consider that consultant's PERs for the last three years. The user unit must document if a consultant is not shortlisted due to low PER rating(s), or if s/he is shortlisted despite previous Unsatisfactory (U) rating(s). Debriefings are only provided for consultants who submitted technical proposals as per paras. 66–67, debriefings related to shortlisting are not given.

28. If the consultants are expected to conduct the assignment in an ADB member for the benefit of an ADB client(s), the proposed shortlist (or nominated firm for direct contracting) will be submitted to the relevant client agency for no objection. This can occur automatically in CMS after PPFd approves the shortlist but may also be done offline. If a relevant client agency objects to the inclusion of any of the consultants in the shortlist, that objection must be supported by adequate documentation, and shall be assessed by the user unit in collaboration with PPFd (and, where necessary, OGC and/or OAI) to determine whether to agree with it and to modify the shortlist accordingly. Client agencies will not normally be given opportunities to object at later stages of the process.

29. Shortlists of consulting entities to which an RFP have been issued are disclosed on [www.adb.org](http://www.adb.org) through CMS.

<sup>12</sup> Shortlisting and evaluation for individuals is discussed in Stage 4: Evaluation.

<sup>13</sup> A minimum of two shortlisted firms, although three or more are desirable.

<sup>14</sup> Refer to Appendix 15 for the categories of PER ratings.

## 5. Request for Proposals for Firm Recruitments

30. The user unit should begin preparing the RFP while the CSRN is being advertised and while undertaking the shortlisting. PPF D reviews and approves the RFP through CMS alongside the shortlist.

31. The shortlisted firms (or nominated firm, for direct contracting) are invited to respond to the RFP under the applicable selection method. The RFP specifies the procedures relating to obtaining clarifications, issuing addenda, submitting technical<sup>15</sup> and financial proposals, receiving and opening proposals, handling incomplete proposals, and evaluating and ranking proposals. The user unit may propose a pre-proposal conference for shortlisted firms. In order to ensure fairness, the arrangements for such a conference should be agreed with the assigned procurement specialist from PPF D and should generally be facilitated by PPF D.

32. The user unit prepares the RFP using the standard electronic RFP, unless specific requirements (such as confidentiality or if the unique nature of the assignment renders the use of the standard RFP inadequate) warrant otherwise, in which case proposed RFP revisions shall be cleared by PPF D.

33. The RFP shall include evaluation criteria for technical proposals and related summary evaluation and personnel evaluation sheets. Failure to provide summary evaluation and personnel evaluation sheets invalidates the bidding procedure. Additional attachments or links may be added to the RFP in CMS, including information intended to mitigate possible unfair competitive advantage that one shortlisted firm may have from having performed project related services (refer to para. 17 above).

### D. Stage 4: Evaluation

#### 1. Evaluation for Consulting Firms<sup>16</sup>

34. After proposals are received, ADB staff undertake the evaluation by applying the narrative and summary evaluation criteria set out in the RFP. For competitive selections valued at or below \$750,000, the user unit convenes a CSC consisting of at least two technically competent staff nominated by the user unit director to evaluate the technical proposals. For competitive selections valued above \$750,000,<sup>17</sup> PPF D convenes a CSC, involving a procurement specialist from PPF D as the chair, a representative of the user unit, and a technical expert from an independent ADB department. For direct contracting, the user unit convenes its two-member CSC regardless of selection value. Appendix 13 describes the CSC process in more detail.

35. The user unit or PPF D, depending on the CSC thresholds specified in para. 34 above, assesses whether (i) each firm (including joint venture partners and subconsultants) and proposed expert are cleared in the [Sanctions Screening Portal](#) (Appendix 1) and meet the eligibility criteria described in Appendix 12 of this SI, (ii) the technical proposals comply with RFP submission requirements, and then evaluate each proposal. The evaluators assess each proposal for its responsiveness to the TOR. Based on the narrative evaluation criteria, evaluators start by rating

<sup>15</sup> Appendix 8 lists the types of technical proposals that may be used within ADB-administered consultant recruitment.

<sup>16</sup> This sub-section does not apply to the use of SCQS, equivalent procedures for which are described in Appendix 7.

<sup>17</sup> For framework agreements, a CSC will be required regardless of value. For framework contracts, a CSC will only be required if the value exceeds \$750,000. For call-offs under framework agreements, a CSC will only be required if the value exceeds \$750,000.

the experts (usually focused on the key experts) in all proposals, using the personnel evaluation sheet. The resulting scores (rating multiplied by the corresponding weight) are then automatically transferred from the personnel evaluation sheet to the summary evaluation sheet. Other criteria, including approach and methodology, are then evaluated based on the narrative evaluation criteria and the ratings are entered in the summary evaluation sheet. All the resulting scores corresponding to each criterion are then added on the summary sheet for a total score. If the firm is selected, it will be requested to replace any expert who scored lower than 70 points with a qualified candidate before the contract negotiation. Evaluators must not introduce into the evaluation process additional criteria which are not indicated in the RFP.

36. The results of the technical evaluation are detailed in an evaluation sheet and narrative summary assessment. These must be completed before proceeding to the opening of the financial proposal(s). The minimum qualifying technical score is specified in the RFP, which is usually 750 out of 1,000 points. If none of the shortlisted firms reach the qualifying score for the opening of the financial proposal(s), the selection is cancelled.

37. After completion of the proposal evaluation, the user unit may request detailed PER ratings within the last three years of the key personnel proposed by the first ranked firm. At the Contract Negotiation stage, the user unit may request the invited Consultant to replace any who received an unsatisfactory performance rating from ADB within the last three years on another consulting assignment relevant to the consulting assignment being evaluated, with a replacement, with similar or better experience and qualification, acceptable to ADB.

38. Financial evaluation and determination of final ranking of the proposals under quality- and cost-based selection (QCBS), FBS, or LCS follows the criteria described in the RFP. Under quality-based selection (QBS), CQS, or direct contracting, only the financial proposal of the firm with the first-ranked technical proposal (for QBS and CQS) or nominated firm (for direct contracting) is opened and negotiated.

## **2. Shortlisting and Evaluation for Individual Consultants**

39. For competitive selections, the user unit that posted the CSRN will conduct the shortlisting by applying shortlisting criteria, including, but not limited to the qualifications of the consultants, project-related experience, past performance records, and other relevant factors. Shortlisting may be supported by a formal interview process of some or all shortlisted candidates to establish or confirm the ranking, which needs to be properly documented.

40. For all selections, the user unit is responsible for ensuring that each shortlisted individual (or nominated individual, for direct contracting) meets the eligibility criteria described in Appendix 12 of this SI. User units must carefully evaluate the EOIs received to ensure a fair and transparent selection process, and ensure that this is documented, prior to contract award. A selection wherein the first-ranked candidate did not meet the minimum eligibility criteria, set by the user unit, may be returned by PPF to the user unit for consideration of the next ranked candidate or re-advertisement.

41. For high-value individual consulting engagements (valued at \$200,000 and above), PPF may consider conducting a CSC meeting to review the proposed ranking by the user unit.



42. Upon completion of the shortlist, the user unit will send a “noncommittal inquiry” through CMS to the first-ranked consultant or to all shortlisted consultants to confirm their current availability for the assignment.

43. If the consultant is expected to conduct the assignment in an ADB member for the benefit of an ADB client(s), it is expected that the proposed shortlist (or nominated individual for direct contracting) will be submitted to the relevant client agency for no objection. An automated function for doing this becomes available through CMS after approval of the shortlist. If the client government objects to the inclusion of any of the consultants in the shortlist, such objection shall be supported by adequate documentation and shall be assessed by the user unit in collaboration with PPF (and, where necessary, OGC and/or OAI) to determine whether to agree with it and to modify the shortlist accordingly. Client agencies will not normally be given opportunities to object at later stages of the process.

44. After the user unit identifies the first-ranked individual and completes all relevant procedures and clearances (including confirmation of availability through response to noncommittal inquiry, no objection from the client government, and clearances for former ADB staff or ADB staff spouse, as applicable), the user unit submits this information through CMS for approval by its own department or office.

## **E. Stage 5: Negotiations and Contract Signing**

### **1. Contract Negotiations (Firms and Individuals)**

45. PPF conducts negotiations with candidates with inputs from the user units as necessary. The responsibility for determining consulting remuneration rates for ADB-administered consultants rests solely with PPF. Throughout the selection process, user units must not engage in rate discussions with candidates or make any commitment to any candidate concerning rates. Any person involved in the recruitment of a candidate shall disclose any relationship that they have with the candidate and shall have no conflict of interest in determining the remuneration of the candidate.

46. Contract negotiations shall not start unless the funding for the contract award is confirmed. In the case of ADB-administered TA the TA becomes effective upon signing of, or no objection to, the TA letter.

### **2. Contract Negotiations (Firms)**

47. For firms, PPF will negotiate with the first-ranked firm, either face-to-face or by correspondence through CMS, as appropriate.

48. The authority to sign contracts with firms on behalf of ADB is as follows:<sup>18</sup>

- (i) Director, PPF signs contracts valued at \$2,000,000 or less,
- (ii) Deputy Director General, PPF signs contracts above \$2,000,000 up to \$5,000,000; and
- (iii) Director General, PPF signs contracts of more than \$5,000,000.

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<sup>18</sup> Except for cases where such authority is delegated by PPF to other signatories under AO 1.03.

After the consulting firm signs the contract, PPFD prepares a report on the negotiations.

### **3. Contract Negotiations (Individuals)**

49. For individuals, PPFD will negotiate a contract with the first-ranked individual upon approval of the selection by the user unit's department or office. In the event that the chosen candidate fails to meet any of the eligibility criteria, including number of years of relevant experience, PPFD may downgrade the job level of the role accordingly. The negotiations are conducted through CMS.

50. Individual consultants may be contracted as freelancers or through the firms that employ them. In the former case, PPFD and the individual will negotiate and sign the contract. In the latter case, the contract is entered into between the relevant firm and ADB.

51. In exceptional circumstances, such as when the user unit requires unique expertise and market demand exceeds supply, PPFD may agree to increase the proposed remuneration for an international or national consultant beyond what is specified by the remuneration matrix.<sup>19</sup> Director, PPFD shall approve any request where the offered remuneration is higher than the maximum remuneration rate specified in the relevant remuneration matrix.

52. The user unit must submit to PPFD evidence (including all EOIs received through CSRN) that it used its best efforts to identify suitable candidates. PPFD may also request the candidate to submit proof that his/her requested remuneration rate reflects his/her market rate. Each request involving a proposed remuneration rate that is higher than the maximum remuneration rate specified in the relevant remuneration matrix must be explained and justified by the user unit in an email from the director of the user unit to Director, PPFD, providing details of the selection including the selection number and information supporting the rate request.

53. The authority to sign contracts on behalf of ADB is as follows:<sup>20</sup>

- (i) A PPFD International Staff nominated by Director, PPFD signs contracts for individual consultants valued at \$100,000 or less,
- (ii) Director, PPFD signs contracts for individual consultants valued over \$100,000.

### **4. Contract Effectivity<sup>21</sup>**

54. The contract becomes effective once the user unit issues the "notice to proceed" (NTP) to the consultant.<sup>22</sup> The NTP must not be dated prior to the date the contract is signed and submitted in CMS to ADB. The user unit must not allow or compel the consultant to start the assignment under the contract until the contract has been signed by all the concerned parties, and the NTP has been duly issued to the consultant.

<sup>19</sup> PPFD uses a market-based remuneration matrix which is regularly updated to take into account comparator organizations, ADB's own experience, and general inflation trends. The details of the matrix are confidential. User units may access assignment specific rates through the "estimate budget" function in the "cost estimate" tab within CMS.

<sup>20</sup> Except for cases where such authority is delegated by PPFD to other signatories under AO 1.03

<sup>21</sup> In the case of SCQS, the user unit confirms the NTP date to PPFD during contract negotiations and CMS issues it automatically upon completion of the negotiation process.

<sup>22</sup> Engagement of a resource person does not require the issuance of an NTP.

## 5. Contract Inputting and Payments

55. No payment shall be made to a consultant for services rendered without the issuance of an NTP.<sup>23</sup>

56. Payment details should be in the name and account of the consultant, or the consulting firm if the consultant is engaged through a firm, with which the contract is signed. The account should be located in the consultant's domicile, place of registration or residence, or the place where the project is implemented. Payments to consultants shall be made in accordance with the contract. Payment by check is not permitted.

57. Payments to staff consultants and resource persons using staff consultancy budget are processed electronically using CMS.

58. TA consultants submit, and the user unit endorses, request for payments using ADB's TA Claims Partner application. Request for payments shall be submitted by user units using ADB's Technical Assistance Request for Payment (TA RFP) application.

## 6. Advances

59. Advances to consultants can be approved by user units against specific out-of-pocket expenses (OPEs) stated in the contract. The advances generally shall not exceed OPEs for one month, with an exception of expenses where market conditions stipulate other payment terms (e.g., prepayment of housing rent). No advances shall be made within 30 days of contract termination date. Advances are not provided for remuneration.<sup>24</sup>

## 7. Final Claims

60. For the final claim under time-based TA contracts, firms must complete a form entitled the "Final Statement of Eligible Costs" (FSEC).<sup>25</sup>

61. The consultant is advised to submit the final claim to the user unit within the timeline prescribed in the contract. Before the expiration of this period, the user unit should advise the consultant of the impending closure of the contract account.

62. If changes in the contract of a debarred or temporarily suspended consultant will be proposed prior to final claim, the contract variation should be submitted to OAI for endorsement prior to processing.

63. In the event of a dispute between the consultant and the user unit, and after reasonable efforts have been made to resolve outstanding payment issues, the user unit should advise the consultant that the contract account will be closed unless the consultant issues a notice that it wishes to proceed to arbitration.

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<sup>23</sup> ADB will reimburse the costs of airline tickets with travel date on or after NTP.

<sup>24</sup> ADB has a discretion to make advances in respect of remuneration to international organizations subject to the approval of Director, PPFID.

<sup>25</sup> FSEC does not apply to individual consulting contracts and lump sum consulting firm contracts.

64. If the consultant fails to submit its final claim by the required deadline, or if the consultant submits its claim on time but provides incomplete documentation, or if the user unit and the consultant cannot reach an agreement on the amount of the final payment, the user unit should decide on the amount that Controller's Department (CTL) will pay the consultant. CTL will effect final payment based on the user unit's assessment of the amounts due, except when the consultant has given a notice of intention to arbitrate. The contract with the consultant expressly states that any claim submitted by the consultant to ADB after consultant contract closure will be denied, and that the consultant waives any such claims unless it has filed a notice of intention to arbitrate.

## **8. Turning Over or Disposing of Equipment and Vehicles**

65. For TA assignments, when the assignment is completed, the consultant should promptly turn over any purchased equipment and vehicle(s) to the client government or intended institutional recipient as approved and defined in the TA paper or dispose of them. The user unit will be responsible for transferring the ownership of vehicles. The consultant should submit a certificate of turnover or disposal to the user unit (a template is available in the TA Disbursement Handbook at <https://www.adb.org/sites/default/files/technical-assistance-disbursement-handbook.pdf>). The consultant should submit the certificate within two weeks of the completion of the assignment, together with its final claim. At the latest, the consultant's contract states that it must submit the certificate within 90 days from contract completion, if it is a consulting firm; or within 60 days from contract completion if the contract is with an individual consultant. If the consultant does not submit the certificate by the deadline but has confirmed compliance with required turnover of goods and equipment, the user unit should confirm that the consultant has turned over or disposed of the equipment and vehicles and should itself complete the certificate.

## **F. Stage 6: Post Contract Award Activities**

### **1. Debriefing**

66. ADB shall respond to any requests for debriefing made by unsuccessful consulting firms that submitted a proposal in response to an RFP under QCBS, QBS, FBS, LCS, CQS, and direct contracting. There is no debriefing for consulting firms that were not shortlisted under these selection methods. Under SCQS, ADB shall only respond to requests for debriefing made by unsuccessful consulting firms that scored at or above the minimum qualifying technical score set by the RFP (normally, 750). Debriefing is done by a PPFDD procurement specialist for transactions where PPFDD chaired the CSC, with detailed inputs from user units. For other transactions, debriefing is done by the responsible user unit. Debriefings must cover only the substance of the requesting bidder's proposal, and under no circumstance shall the details of other bidders' proposals or their scoring be discussed.

67. ADB is not required to debrief unsuccessful individual candidates that submitted EOIs. However, the basis for ADB staff's discretion to shortlist the candidates must be supported by a written narrative evaluation uploaded in CMS that also explains the basis for not shortlisting other EOIs. This may be subject to audit in accordance with ADB administrative procedures.

### **2. Contract Management**

68. After contract award, it is essential that the user unit takes a proactive role in managing the contract to deliver successful results, with related oversight and administration by PPFDD. This

includes effectively and efficiently supervising consultant outputs, timing, payments, variations, and issues of suspension or termination, among others.

69. PPFDF supports user units directly and indirectly with their contract management, by making available training, capacity development, and expert advice. Strategy and Policy Department (SPD) advises on issues that arise during the implementation of cofinanced TA and coordinates with cofinanciers. CTLA-TA and CTFA-AE of CTL make payments in accordance with contract provisions. OGC advises staff on specific legal issues arising from the contract.

70. For time-based contracts, the user unit certifies time inputs through processing consultants' claims in CMS or the TA Claims Partner. The user unit monitors the consultant's outputs against its targets, particularly its deadlines for producing the required outputs or deliverables. These targets are specified in the work plan and staffing schedule, and usually in the TOR that is attached to the consultant's contract.

71. For lump sum contracts, the user unit manages the contract through careful monitoring and prompt approval or disapproval of outputs or deliverables.

72. Consultants' contracts often require them to produce specific outputs (e.g., reports). The user unit reviews and comments on each output and circulates it internally within ADB and to the client government, if necessary. The consultant submits electronic copies of its reports and deliverables. The requirement for hard copies may be specified by the contract if necessary. The user unit also retains copies of the consultant's reports and other important documents produced. TA consultants' reports that are subject to provisions of ADB's Access to Information Policy (2018) (as the case may be) shall be disclosed on [www.adb.org](http://www.adb.org).

73. Regional technical assistance (RETA) may have outputs or components administered by different user units. In such cases, a coordinating user unit should be nominated with overall administrative responsibility for the RETA. All administrative changes (extensions, changes in cost allocations, changes in implementation arrangements, and changes in scope) to a component or output of a RETA should be prepared by the coordinating user unit and then forwarded to its director for further processing.

### **3. Post Facto Approvals**

74. Post facto approvals are those sought for the following actions:

- (i) backdating notices to proceed, where consultants have been instructed to mobilize and have provided services before contracts have been signed by ADB;
- (ii) extending consultancy contracts that have already expired;
- (iii) instructing consultants to provide inputs after contracts have expired;
- (iv) adding or substituting experts or out-of-pocket expenses to existing contracts whose engagement or expenditure was not approved in accordance with ADB's procedures; and
- (v) increasing a consultant's remuneration rate without consulting with PPFDF.

75. Post facto actions are not consistent with relevant ADB policies and may expose ADB and its consultants to operational risks with legal, financial, and reputational impacts. Consultants may not be allowed or instructed to (i) commence services until a contract with ADB has been signed and the user unit has issued NTP, or (ii) continue working after the contract has expired. Further,

ADB staff cannot agree to consultants' requests to increase remuneration rate, change the scope of work, or extend the contract completion date until a contract variation is processed in accordance with this SI. Post facto approvals shall only be provided following a careful review of the circumstances and may require joint approval by head of department or office of the concerned user unit and PPF. ADB staff who repeatedly violate requirements in para. 74 may be referred by PPF to OAI, Office of Professional Conduct (OPC), and/or Budget, People and Management Systems Department (BPMSD) for investigation of possible misconduct under AO 2.02, and possible disciplinary action under AO 2.04. Post facto actions are included under operational risk losses/incidents for reporting to Office of Risk Management (ORM).

#### **4. Disputes**

76. The user unit should make efforts to resolve contractual disputes amicably and fairly with the consultant. Consulting services contract disputes which cannot be resolved in this manner will be settled in accordance with the dispute resolution procedures set forth in the contract (typically through international arbitration).

77. The user unit may follow a three-step initial process, recorded in writing, to resolve consultant performance problems:

- (i) The user unit should discuss the problem(s) with the consultant, describing the areas of the consultant's performance that it considers unsatisfactory; explaining the performance levels required; and directing the consultant toward ways to improve its performance, for example by replacing experts whose performance is unsatisfactory. The user unit should document such discussion and summarize verbal discussions in writing. The consultant should be requested to formally respond with an action plan to improve performance.
- (ii) If the consultant's performance continues to be unsatisfactory and formal contractual action appears to be necessary, the user unit may consider suspending the consultant's contract until proper remedial actions are agreed with the consultant. A contract with consulting firms can be suspended in part or in whole.
- (iii) If following the suspension the consultant's performance has not improved, the user unit may consider terminating the consultant's contract. When the user unit believes that the consultant has not adequately responded to the written warning and decides to terminate the contract, it should consult PPF, OGC, and other relevant departments and offices. The user unit advises the consultant of the decision to terminate the contract, in accordance with the provisions of the contract by issuing a notice. The user unit is responsible for ensuring that the provisions of the contract are applied, including the steps required to terminate the contract. PPF issues the final contract variation to reconcile all actual eligible expenses and close the contract. The user unit advises the client government (if applicable) of the decision and prepares a summary of the remedial action required and a proposal for completing the assignment.

## 5. Consulting Contract Variations<sup>26</sup>

78. Contract variations are written changes to the consultant's contract on which ADB and the consultant agree.<sup>27</sup> User units must review all variations proposed by consultants and negotiate or reject them as needed. User units must process variations in a timely manner, allowing for PPF's processing times and clearances where applicable, to avoid creating situations of post facto approval. User units shall seek OAI's endorsement prior to approving any contract variation (including modification or extension) with consultants that may be currently subject to ADB temporary suspension or debarments, including cross debarment. Changes that require contract variations include the following:

- (i) scope or implementation arrangements;
- (ii) experts performing the services;
- (iii) experts' remuneration;
- (iv) experts' TOR or staffing schedule;
- (v) expenses, including the addition of new expenses and advances;
- (vi) contract duration; and
- (vii) contact details or remittance instructions for payments.

Changes to contract scope and experts' inputs should usually be accompanied by an updated TOR, including updated tasks, deliverables, schedule, and place(s) of assignment, as relevant.<sup>28</sup>

79. Changes in the experts' remuneration always have cost implications. Changes in the scope, implementation arrangements, experts, TOR, staffing schedule, or completion date may or may not have cost implications. Contract variations without cost implications include changes in the payment schedule, consultant's contact details or payment remittance instructions, or other administrative changes. When a consultant submits a signed request letter for a change in the payment remittance instructions in its contract, the user unit makes sure that (i) the new bank account is in the consultant's name, though if the consultant is an individual engaged through a firm, the account must be in the firm's name; (ii) the signature on the request is the same as the signature on the contract or authorized signatory; and (iii) no payments will be made to a trust fund/account and payment will only be made to the contracting party.

80. A request for change in payment instruction from bank remittance to check payment is not allowed.

81. When a consulting firm requests a change in its company name or of its authorized representative, it should support the request with a board resolution, power of attorney, or similar document. To ensure that the contract variation is not considered an attempt to circumvent sanctions, OAI endorsement shall be sought and obtained prior to approving any contract variation (including modification or extension) to a debarred or temporarily suspended firm or individual.

82. In order to mitigate possible risks of money laundering, corruption, terrorism and other integrity risks, and to conduct checks on the appropriate remuneration rates for new experts not

<sup>26</sup> Appendix 14 describes specific requirements on variations to TA and staff consultant contracts and lists the authorized ADB signatories.

<sup>27</sup> Certain variations including those relating to suspension or termination may be made unilaterally by ADB in accordance with the applicable provisions of the consultancy contract.

<sup>28</sup> At no time can an anticorruption or integrity related clause be modified or excluded without approval from OAI.

included in the original contract, no new expert/replacement personnel under a firm's contract shall be authorized to mobilize without ADB's prior approval of a contract variation.

83. Prior to processing contract variations (including modifications or extension), the user unit must check if the consultant is on ADB's sanctions list using the [Sanctions Screening Portal](#) and seek OAI endorsement if the consultant is debarred or temporarily suspended.

84. Refer to Appendix 14 regarding contract variation related requirements.

## **6. Performance Evaluation**

85. ADB implements performance evaluations for consulting firms and individual consultants through CMS in order to provide performance record references for ADB user units to consider in future consultant recruitments.

86. The user unit is advised by automated email at the end of consulting assignments and also at midterm for long assignments, to complete a performance evaluation report (PER). The accurate and timely completion of the PER by the user unit is an important institutional responsibility as it contributes to ensuring that ADB contracts deliver value for money by selecting consultants with good performance records.

87. User unit staff complete the PER in CMS, attaching relevant performance related key correspondence, and the user unit director endorses it. PPF is available to mediate if the user unit staff and user unit director cannot agree on the details of the PER. After user unit director endorsement, CMS forwards the completed PER to PPF for validation and archiving. PPF examines the PER for completeness and accuracy and may return it to the user unit for modification if the PER is deemed insufficiently detailed or inaccurate. Additional information may also be requested. Refer to Appendix 15 for the related process for different PER performance rating categories.

88. ADB staff can view summary consultant performance ratings through CMS and can request the detailed performance ratings from PPF. Consultant performance ratings are restricted to ADB staff and shall not be disclosed to borrowers, external stakeholders or consultants (including the consultant to which the rating relates), except for the notification to the consultant regarding proposed unsatisfactory ratings, as detailed in Appendix 15.



**APPENDIXES**

1. Securing Clearances
2. Roles and Responsibilities During Consulting Recruitment
3. Terms of Reference
4. Resource Persons Engagement
5. Offers of Free Consulting Services
6. Cost Estimates
7. Selection Methods
8. Types of Technical Proposals
9. Types of Contracts
10. Individual Consultant Selection Matrix (International)
11. Individual Consultant Selection Matrix (National)
12. Eligibility
13. Consultant Selection Committee (CSC)
14. Contract Variations
15. Performance Evaluation Report Process

**APPENDIX 1: SECURING CLEARANCES**

Type of Clearance	Rationale	Procedure	Applicability and exceptions
ADB Complete Sanctions List and other sanctions including the United Nations Security Council Sanctions	ADB's anticorruption and integrity framework	User unit checks CMS record against sanctions by using the <a href="#">Sanctions Screening Portal</a> prior to (i) shortlisting, (ii) technical proposals, (iii) financial proposals, (iv) contract awards, (v) (PCSS)/PCUS, (vi) withdrawal payment, and (vii) contract variations (including modifications or extensions). <sup>a</sup>	OAI will request PPF to flag a profile for any debarred or temporarily suspended individual or entity or subject to United Nations Security Council Sanctions.
Performance evaluation clearance	Assuring quality of consulting services	User unit checks summary of PER records. Consultants whose PER rating triggered suspension from shortlisting may not be engaged during period of suspension.	<p>“Unsatisfactory” PER rating that did not trigger suspension allows shortlisting. Strong rationale for shortlisting such candidate shall be provided.</p> <p>OAI may also request flags to be added to the CMS profile for integrity risks which will require the user unit to escalate the case to OAI if engagement of the subject is being considered.</p>
TA consultants: recipient government(s) clearance	TA framework agreements signed with recipients list privileges and immunities granted to TA consultants performing services under specific TA projects	User unit sends shortlist (usually through CMS) to the government to request no objection to the shortlist. The user unit gives the government 5 working days to reply and treats no response as no objection. The user unit must justify any objection to any shortlisted consultant. After receiving such justification, the user unit may exclude the consultant(s) from the shortlist. However, if valid objections reduce the number of consultants to three or fewer, a completely revised shortlist may be prepared. Then, the user unit submits the revised shortlist to the government	Requirement applies to firms and individual consultants. Consultants engaged under regional TA that do not deal directly with any government agency in the TA recipient country/ies do not require government clearance.

Type of Clearance	Rationale	Procedure	Applicability and exceptions
		for agreement. Any changes to the shortlist are submitted through CMS to the relevant Director, PPFD for approval by no objection. <sup>b</sup>	
Staff consultant clearance (assignment exceeding 66 working days)	Budget control  Strategic workforce planning	When the total engagement, including any extension(s), is 460 days or more in any consecutive two year period, through single or multiple contracts under the same department or office, the Head, BPOD-SWU endorses the extension proposal for further approval by the head of the user unit's department or office.  The clearance process is automated through CMS.	Requirement applies to individual staff consultants.  Requirement does not apply to recruitment of consulting firms using staff consulting budget.
Government organizations providing consulting services in their own countries	Avoidance of conflict of interest  Use of TA funds for purpose intended  Mitigating integrity risks	Government-owned enterprises, institutions, and organizations may work as consultants in their own countries only if they can establish that they are legally and financially autonomous; operate under commercial law; and do not depend on the executing and/or implementing agency or client. PPFD has the authority to interpret this requirement and approve specific cases when sufficient justification is provided by the user unit. When necessary to determine extent of potential conflict of interest, OAI may be consulted to determine whether there is conflict of interest.	ADB may sometimes approve a government-owned university or research center, or its staff, to participate in an assignment when the services to be provided by such entity or staff are exceptional or unique, and the participation of such entity or staff is critical to the assignment.  The CMS submission should include the user unit's confirmation that "academic/research staff qualifications is exceptional/unique, and the participation of this academic is critical to the assignment".  The academic or research staff has to notify the university or research institute that he or she is undertaking a paid consultancy with ADB.
Current and former civil servants or government employees	Avoidance of conflict of interest	Civil servants (public sector employees working for a government department or agency) may only be hired	Current employee of an EA, IA, or beneficiary of assistance for an ADB-administered TA cannot work

Type of Clearance	Rationale	Procedure	Applicability and exceptions
	<p>Avoidance of conflict in scheduling</p> <p>Use of TA funds for purpose intended (if expertise is present within the beneficiary organization, use of ADB-administered funds to acquire such expertise is not justified)</p> <p>Mitigating integrity risks</p>	<p>under consulting contracts, either as individuals or as team members of a consulting firm, if: (i) they are on leave of absence and are duly authorized to work under an ADB consulting contract, (ii) they are not being hired by the agency they were working for immediately<sup>1</sup> before going on leave, and (iii) their employment would not create a conflict of interest. A letter from the candidate's agency shall be required to certify that these requirements are met.</p> <p>Former civil servants (public sector employees working for a government department or agency) may only be hired under consulting contracts, either as individuals or as team members of a consulting firm, if: (i) they are not being recruited to work with the agency they were working for immediately<sup>3</sup> before separating from service, and (ii) their employment would not create a conflict of interest. A letter from the candidate's former agency may be required to certify that these requirements are met.</p> <p>PPFD has the authority to interpret this requirement and approve specific cases when sufficient justification is provided by user unit. When necessary to determine extent of potential conflict of interest, OAI may</p>	<p>as a consultant under the TA. Former employees can only work as consultants for ADB-administered TA under certain conditions.</p>

<sup>1</sup> PPFD has the authority to interpret the meaning of "immediately" in this clause, but generally applies the principle that the individual should have been separated from the agency for at least one year.

Type of Clearance	Rationale	Procedure	Applicability and exceptions
		be consulted to determine whether there is conflict of interest.	
CTL clearance	Avoidance of conflict of interest	User unit requests CTL clearance.	CTL's written clearance is required if ADB's external auditor is considered for the consulting assignment.
Financial management staff consultant	Assess proposed expert's technical skills to perform financial management tasks.	User unit provides to PFFM, for clearance, a document confirming that the proposed financial management staff consultant holds a professional accounting qualification with an IFAC member public accounting organization or is a Chartered Financial Analyst with CFA Institute (USA).	Exceptions may be approved by PFFM on a case-by-case basis.
Legal expert	Assess suitability of proposed expert for the TOR	User unit seeks OGC clearance for any legal expert.	If OGC is the user unit, clearance is not required.
IT expert	Assess the suitability of proposed expert for the TOR  Assess TOR to define if ADB IT systems are affected or will be affected by the scope of the engagement	Digital Technology for Development Unit (SDCC-DT) processes clearance at the request of the user unit.	Experts engaged under Information Technology Department (ITD) staff consulting or capital expenditure budget implemented by ITD do not need clearance from SDCC-DT.
Concurrent intermittent assignments	Avoid scheduling conflict	When a candidate has concurrent intermittent assignments with ADB, the user unit seeks clearances from other user units handling concurrent assignments that there would be no conflict and overlap among the assignments.	In case of concurrent intermittent assignments with other organizations or clients, the consultant certifies that there would be no conflict or overlap among the assignments. Total combined inputs should not normally exceed 22WDs per month, particularly for longer assignments.
Medical clearance (for experts age 70 years and above)	Risk mitigation	Expert provides medical clearance if assignment is likely to be physically demanding or its location is	CMS provides the form. User unit may request a medical certificate if there are reasonable doubts about

Type of Clearance	Rationale	Procedure	Applicability and exceptions
		away from established medical facilities.	health condition of the candidate.
Direct contracting for individual consultants (only for assignments exceeding 66 working days and/or job level equal to or above international level 6)	To exercise the principle of fairness and transparency	Memo/e-mail from director or head of user unit to Director, PPFD explaining rationale and requesting for waiver of CSRN	
Direct contracting for contracts valued at above \$100,000 for consulting firms	To exercise the principle of fairness and transparency	Memo/e-mail from director or head of user unit to Director, PPFD explaining rationale and requesting for waiver of CSRN	
LCB for contracts valued at above \$300,000 for consulting firms	To exercise the principle of fairness and transparency	Memo/e-mail from director or head of user unit to Director, PPFD explaining rationale and requesting for waiver of CSRN	
Change in selection method to direct contracting or LCB for consulting firms or individual consultants (only for assignments exceeding 66 working days and/or job level equal to or above international level 6)	To exercise the principle of fairness and transparency	Memo/e-mail from director or head of user unit to Director, PPFD explaining rationale and requesting for waiver of CSRN and change in selection method	For TA processing, the rationale for the use of direct contracting or LCB also needs to be explained in the TA report.
BPMSD clearance (former staff: director level and above)	Avoidance of conflict of interest	The user unit submits, with adequate lead time, the name to the Director General, BPMSD for clearance. BPMSD forms a committee of senior staff to review the nomination.	Clearance is required for every engagement.  Former ADB staff may not work within one year of their effective termination date. President's approval should be obtained to waive this requirement.
Reward, HR and Health Services Division (BPRS) clearance (former	Avoidance of conflict of interest	The user unit refers the candidate's name to the Director, BPRS who checks that they had no performance, disciplinary, or	Clearance is required for initial engagement.

Type of Clearance	Rationale	Procedure	Applicability and exceptions
staff: below director level)		other related problem while working in ADB.	Former ADB staff may not work within one year of their effective termination date. President's approval should be obtained to waive this requirement.
President's clearance (if candidate was a director or alternate director on the Board of Directors or a Vice President)	Avoidance of conflict of interest	The director of the user unit, with adequate lead time, briefly justifies and recommends recruitment through: (i) the head of the user unit's department or office, (ii) the Director General, BPMSD, and (iii) the vice president, as applicable, to the President for approval. A copy of the recommendation goes to The Secretary, OSEC.	<p>Clearance required for every engagement.</p> <p>Former ADB staff may not work within one year of their effective termination date.</p> <p>Vice presidents may not work as consultants within three years of their effective termination date.</p> <p>President's approval should be obtained to waive cooling off period requirement.</p>
President's clearance (spouses of the President, vice presidents, managing director general, and heads of departments or offices)	Avoidance of conflict of interest	Spouses of the President, vice presidents, managing director general, and heads of departments or offices are restricted from working as a consultant for ADB-administered consulting services. The head of the user unit's department or office may recommend that the President waive this restriction in special cases, such as unique qualifications, urgency, or the overriding importance of the assignment. This waiver is required for each assignment involving these spouses.	If the candidate is the current President's spouse, the ranking vice president shall approve the recruitment.
BPRS clearance (spouse of ADB staff)	Avoidance of conflict of interest	The Director, BPRS clears the initial engagement of spouses, similar to the engagement of former ADB staff.	<p>Clearance required for initial engagement.</p> <p>May not be recruited if assignment is in the same division or unit of the ADB staff or if the assignment will be supervised by the latter.</p>

Type of Clearance	Rationale	Procedure	Applicability and exceptions
HR Business Partners Division (BPHP) clearance (direct contract of an ADB staff spouse)	Avoidance of conflict of interest	Direct contracting of an ADB staff spouse for an individual consulting assignment is discouraged. When direct contracting of a spouse is proposed, the user unit concerned must submit proof that no other qualified candidate has expressed interest, following public advertising of the position in CSRN, regardless of the assignment duration and level. The user unit submits a recommendation with a detailed justification including an assessment of any submitted expressions of interest through the head of the user department or office, to the Director, BPHP for clearance. The head of the user department or office then approves the direct contracting.	

CMS = Consultant Management System, CSC = consultant selection committee, CSRN = Consulting Services Recruitment Notice, EA = executing agency, IA = implementing agency, LCB = limited competitive bidding, PCSS = procurement contract summary sheet, PCUS = procurement contract update sheet, PER = performance evaluation report, TA = technical assistance, TOR = terms of reference.

- <sup>a</sup> For SCQS, user unit checks CMS record against sanctions by using the [ADB Sanctions Screening Portal](#) prior to (i) approval of technical evaluation, (ii) contract award, (iii) payments, and (iv) contract variations.
- <sup>b</sup> For SCQS, the same procedure applies except that the user unit sends the longlist of consultants that submitted a single-stage proposal to the government for no objection, prior to finalizing the CSRN. In doing so, government no objection is requested for ADB to decrypt and evaluate the submitted proposals. If the government provides a justified objection to opening a consultant’s proposal that is acceptable to ADB, the consultant’s proposal is not opened, remains encrypted in CMS, and is deleted upon completion of the selection process.



**APPENDIX 2: ROLES AND RESPONSIBILITIES DURING CONSULTING RECRUITMENT <sup>1</sup>**

<b>Steps in Consulting Recruitment</b>	<b>Responsibility</b>
<b>1. Planning and Design (for consulting firms and individuals)</b>	
Creating consultant recruitment plan	User unit
Approving consultant recruitment plan	User unit
<b>2. Advertisement (for consulting firms and individuals)</b>	
Drafting CSRN	User unit
Publishing CSRN	User unit
<b>3. Shortlisting (for consulting firms and individuals)</b>	
Creating shortlist	User unit
Initiating consultant recruitment	User unit
Undertaking sanctions check using the <a href="#">Sanctions Screening Portal</a>	User unit
Approving shortlist (for consulting firms)	PPFD
Issuing noncommittal inquiries (for individual consultants)	User unit
Issuing request for government concurrence	User unit
Receiving government concurrence	User unit
Issuing request for proposals (for consulting firms)	For contracts estimated at \$750,000 and below: user unit; For contracts above \$750,000: PPFD
Preparing proposals (for consulting firms)	Consultants
Receiving proposals (for consulting firms)	User unit or PPFD
Distributing technical proposals (for consulting firms)	User unit or PPFD
Approving individual consultant selection	User unit
<b>4. Evaluation of Proposals (for consulting firms)</b>	
Evaluating technical proposals including undertaking sanctions check using <a href="#">Sanctions Screening Portal</a>	User unit or CSC chaired by PPFD
Approving technical evaluation results	PPFD
Opening financial proposals	PPFD (through CMS)
Evaluating financial proposals including undertaking sanctions check using <a href="#">Sanctions Screening Portal</a>	PPFD
Approving overall ranking	PPFD
<b>5. Negotiations and Contract Signing (for consulting firms and individuals)</b>	
Undertaking sanctions check using <a href="#">Sanctions Screening Portal</a>	PPFD
Issuing invitation to negotiate	PPFD with inputs from user unit and EA (where applicable)
Commencement of negotiations	Consultants, PPFD, and user unit
Completion of negotiations	PPFD
Contract signing	PPFD

<sup>1</sup> This appendix does not apply to the use of SCQS, equivalent procedures for which are described in Appendix 7.

<b>6. Post-Contract Activities (for consulting firms and individuals)</b>	
Issuing notice to proceed	User unit
Inputting contract details into IDS	PPFD
Managing the contract, managing consultant performance, withdrawal or payment applications, and approving claims including undertaking sanctions check using <a href="#">Sanctions Screening Portal</a>	User unit
Making payments on approved claims	CTL
Providing contract management advice	PPFD, OGC, SDCC (for cofinanced TA)
Consulting contract variations (including modifications or extensions) including undertaking sanctions check using <a href="#">Sanctions Screening Portal</a>	User unit or PPFD (based on type and size of variation)
Completing PER	User unit

CMS = Consultant Management System, CSC = consultant selection committee, CSRN = Consulting Services Recruitment Notice, EA = executing agency, IDS = Integrated Disbursement System, PER = performance evaluation report.

### APPENDIX 3: TERMS OF REFERENCE

**Table A3.1: Purpose of a Terms of Reference**

Stage	Purpose
Expression of interest	The TOR defines the assignment objectives, scope, and outputs of the services, and provides background information (including a list of studies and basic data) to assist the bidders in preparing their EOIs or proposals.
Recruitment of consulting firms	At the time of issuance of the RFP, the TOR states what is required from the consulting firm, allowing clear, complete, and comparable evaluation of proposals.
Contracting	The TOR forms the main contractual basis for the assignment. It is essential that it is drafted as clearly and unambiguously as possible.
Performance evaluation	The TOR provides benchmarks for evaluation of contractual performance.

EOI = expression of interest, RFP = request for proposals, TOR = terms of reference.

**Table A3.2: Components of a Terms of Reference**

Component	Considerations
Purpose and objectives	<ul style="list-style-type: none"> <li>How do the assignment’s purpose and objectives relate and contribute to the overall project objectives?</li> </ul>
Background and rationale	<ul style="list-style-type: none"> <li>How to set the stage for necessary collaboration, coordination, and inputs from other parties (including, but not limited to ADB and EA staff)?</li> <li>Are there any information available for review, including previously prepared reports?</li> </ul>
Scope of services	<ul style="list-style-type: none"> <li>What is the scope of services to be performed?</li> <li>If transfer of knowledge or training is included in the scope of work, then the TOR should indicate the level of effort required, the estimated number of trainees, the length of the training program, and other related requirements (such as the need for customized training materials) to enable bidders to estimate the required resources.</li> <li>The scope of the assignment shall be consistent with the allocated budget and timelines for the assignment and conclude before the completion date of the relevant agreement.</li> <li>Where it is reasonable to foresee or where there is planned consideration for downstream assignments or extensions of scope of the assignment, it should be clearly stated in the TOR, CSRN, and the RFP (for recruitment of consulting firms). Factors used to determine if such possibility can materialize need to be adequately disclosed, especially if direct contracting for the downstream assignment is being considered.</li> </ul>
Duration and location(s) of assignment	<ul style="list-style-type: none"> <li>Estimated duration of contract and identified location (if applicable)</li> </ul>

Component	Considerations
Deliverables and schedule	<ul style="list-style-type: none"> <li>• Key timelines or milestones, and reporting requirements</li> <li>• Detailed tasks and activities</li> <li>• Output requirements (including key dates for deliverables and applicable quality standards, where relevant)</li> <li>• The TOR should be sufficiently flexible to allow bidders to propose their own methodology and work program, particularly when the assignment is complex.</li> </ul>
for consulting firm TORs	<ul style="list-style-type: none"> <li>• Expertise required (including any requirement for international and/or national expertise) and professional qualifications</li> <li>• The TOR should also list the services and surveys for the assignment, if needed, and the expected outputs (for example, reports, data, maps, and surveys).</li> <li>• Total inputs required (by person months or working days)</li> </ul>
for output-based TORs	<ul style="list-style-type: none"> <li>• Estimated inputs to deliver the required outputs of the assignment.</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Assignment locations, responsibility level, and sector classification, etc.</li> </ul>

CSRN = Consulting Services Recruitment Notice, EA = executing agency, RFP = request for proposals, TOR = terms of reference.

**Table A3.3: Types of Terms of Reference**

	Performance or Output-Based TOR	Time- or input-based TOR
<b>Key features</b>	Focus on measurable results rather than on the contribution of each individual, to allow the bidders flexibility in preparing proposals for the assignment and in determining the optimal team composition. However, even for output-based TORs, it is important to identify key experts for the assignment.	For firm assignments, the TOR defines each team member’s role, responsibility, and expected amount of inputs. Contract form will generally be time-based.
<ul style="list-style-type: none"> <li>• <b>Consulting firm TOR</b></li> </ul>	<ul style="list-style-type: none"> <li>• Focuses on outputs or results, rather than specifying each required position, to allow the invited firms flexibility in preparing proposals for the assignment and in determining the optimal team composition.</li> <li>• Focuses primarily, if not strictly, on the description of the outputs and activities of an assignment with little, if any, pre-defined input requirements. Shortlisted firms may propose their own best approach and methodology to execute a contract, and define the quantity, nature, skills, and person-month allocation of experts and other required inputs.</li> <li>• Often use simplified or full technical proposals.</li> </ul>	<ul style="list-style-type: none"> <li>• Applicable when the nature of the assignment and the expected deliverables are clearly defined.</li> <li>• Provides the detailed breakdown of inputs—the nature and number of experts required and the person-month allocation for each.</li> <li>• Should only be used when ADB can accurately estimate the optimal nature and quantity of inputs required for the successful execution of an assignment and minimal advantage will be gained by considering varied approaches and/or methodologies.</li> </ul>

	<b>Performance or Output-Based TOR</b>	<b>Time- or input-based TOR</b>
	<ul style="list-style-type: none"> <li>Any entity’s specific technical, sector, and/or country expertise and experience could bring about innovative and/or economical ways of delivering on the objectives of the assignment.</li> <li>The assignment is in a sector or field where ADB has limited in-house expertise and ADB wishes to consider the broadest possible choice of approaches and methodologies to achieve a project’s objectives.</li> <li>Key timelines or milestones and reporting requirements are clearly stated. In exceptional circumstances and where it is necessary and advantageous for the assignment, the user unit may not be able to clearly define timelines or milestones. In such circumstances, the firms may be requested to present timelines or milestones,</li> <li>Contract form is normally lump sum.</li> <li>Estimates inputs to deliver the required outputs of the assignment, when such estimation is possible.</li> </ul>	<ul style="list-style-type: none"> <li>Often use biodata or simplified technical proposals for selection.</li> <li>Contract form is normally time-based.</li> <li>Commonly used when it is anticipated that the scope or length of service may be adjusted during contract implementation.</li> </ul>
<ul style="list-style-type: none"> <li><b>Individual consultant TOR</b></li> </ul>	<ul style="list-style-type: none"> <li>Key outputs, timelines, and/or milestones, and reporting requirements, are clearly defined.</li> <li>No time sheet required.</li> <li>Contract form is normally lump sum.</li> <li>Estimates inputs to deliver the required outputs of the assignment with reasonable precision.</li> <li>The consultant has most (if not all) control over risks surrounding the assignment (e.g., his/her inputs do not depend on the inputs or outputs of third parties).</li> <li>Payments are linked to completion of milestones and submission of project deliverables rather than the number of actual days worked.</li> </ul>	<ul style="list-style-type: none"> <li>Detailed breakdown of inputs, daily rates, and out-of-pocket expenses are required.</li> <li>Time sheet is required.</li> <li>Contract form is normally time-based.</li> <li>Larger value, relatively complex assignments;</li> <li>Scope of work cannot be accurately established.</li> <li>Duration and the assignment depend on variables that may be beyond the control of the consultant.</li> </ul>

TOR = terms of reference.

**Table A3.4: Revising the Terms of Reference**

<b>Stage</b>	<b>Purpose</b>
Prior to RFP issuance	<ul style="list-style-type: none"> <li>The TOR can be amended prior to issuance of the RFP based on the feedback received from the consultants expressing interest in the assignment.</li> <li>Consultants are given the opportunity to comment on the adequacy of the TOR and cost estimates at the EOI stage.</li> </ul>

Stage	Purpose
	<ul style="list-style-type: none"> <li>• ADB staff involved in the shortlisting are encouraged to analyze such feedback to determine if changes are warranted.</li> </ul>
During RFP stage	For consulting firm selections, the TOR can also be amended during the RFP stage following the clarifications stage, which may have given rise to the need to clarify or amend the TOR.
During contract negotiations	The TOR may also be revised to include value-adding propositions based on the winning EOI or proposal.
During contract implementation	The TOR may be amended through a contract variation during the implementation of the contract (upon agreement of ADB and the consultant).

EOI = expression of interest, RFP = request for proposals, TOR = terms of reference

## APPENDIX 4: RESOURCE PERSONS ENGAGEMENT

1. Resource persons<sup>1</sup> may be engaged to act as facilitators, speakers, panelists, peer reviewers, and technical experts for short assignments not exceeding 33 days. Such engagement may be on an intermittent basis provided that a resource person may only be awarded a maximum of five engagements not to exceed an aggregate total of 66WDs within a 12-month period. User units should establish the number of days that the expert has worked. Resource persons should be engaged through CMS.
2. No extension of a resource person assignment is permitted beyond 33 days per contract. If the services are required above the time threshold for engagement of a resource person, such engagement shall be secured following the processes and procedures for recruiting individual consultants. Resource person modality is limited to engagement of independent individuals only.
3. Instead of a consulting fee, resource persons receive a reasonable range of honorarium as indicated in the honorarium guide in PPFH Hub. The honorarium<sup>2</sup> offered in a resource person contract cannot be used as a rate substantiation for future ADB consulting engagements. Resource person honorariums cannot be used for procurement of equipment and financing the cost of other experts, including those providing administrative support. ADB may also provide out-of-pocket expenses to cover reasonable expenses related to the assignment, normally limited to per diems, travel, and accommodation. Directly engaged resource persons are covered by insurance for the duration of the assignment. CMS automatically calculates such insurance premium and ADB's Controller's Department (CTL) arranges transfer of funds to the insurance provider.
4. The engagement of resource persons is approved by the user unit director and PPFH is not normally involved. However, approval by Director, PPFH is required for engagements of resource persons with an honorarium exceeding \$1,000 per day for international resource persons and \$500 per day for national resource persons. BPMSD approval is also required if the resource person is a former ADB staff member or spouse or partner of an ADB staff.
5. All resource persons are subject to sanctions check using the [Sanctions Screening Portal](#) by the user unit. These checks shall be undertaken before ADB offer letter is sent to the resource persons. Engagement of a resource person becomes effective once the resource person concurs with the ADB offer letter. The engagement of resource persons does not require the issuance of an NTP.

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<sup>1</sup> Per Operations Manual H3 and para. 28 of the Staff Instruction on Cost Sharing and Eligibility of Expenditures for ADB Financing, resource persons engaged under TA operations and their related out-of-pocket expenditures are not subject to member country procurement eligibility, other than any specifically required by a co-financier. Member country procurement eligibility shall, however, apply to the recruitment of staff consultants.

<sup>2</sup> For employees of government departments or agencies engaged as resource persons, the honorarium will be paid upon completion of assignment and submission of necessary clearances from his/her agency.

## APPENDIX 5: OFFERS OF FREE CONSULTING SERVICES <sup>1</sup>

1. ADB on occasion receives offers of free services from private individuals and organizations to assist in its operations. The types of services offered include: (i) acting as resource persons at conferences, workshops, and seminars; (ii) provision of experts for assisting in project preparation and implementation; and (iii) direct project related assistance, like training and institution building, to be undertaken with the concurrence of ADB.
2. When considering the acceptance of such offers, several matters need to be considered by ADB. These include: (i) ensuring the impartiality of the advice offered; (ii) maintaining confidentiality of information, where necessary; (iii) avoiding unfair competitive advantage in future procurement of goods and services; (iv) ascertaining the quality of services on offer; (v) potential liabilities and ADB's responsibility for any individual views expressed during the course of providing the services; (vi) provision of any budgetary support required; (vii) the status of the consultants when performing their work; (viii) ensuring acceptability of the consultants to the recipient government(s); (ix) determining the contractual framework; (x) any actual, potential or perceived conflicts of interest; (xi) reputational risk by the consultant promoting/stating that they represented or were engaged by ADB; and (xii) any other factor which would bring into question the suitability of the candidate.
3. The sources from which free services are offered may include (i) private self-employed individuals and employed individuals acting in a private capacity; (ii) firms and other commercial organizations; (iii) international organizations; and (iv) nonprofit organizations. An offer of free services will be deemed so when no charge is to be levied by the provider to ADB for the time spent by the experts concerned in providing their services. However, out-of-pocket expenditures like travel costs and per diem expenditures may, or may not, be charged and a statement of anticorruption and integrity compliance is to be executed by the consultant.
4. When the offer of free services involves the provision of individual resource persons for a seminar or workshop being organized by, or with the assistance of, ADB, the head of the user unit's department or office (HOD/HOO) will be responsible for deciding whether ADB should accept such services. PPF and CTL may be consulted when any payment for out-of-pocket expenditures is required. OGC may also be consulted regarding an expatriate resource person's status in respect of any needed immunities and privileges, and for possible liability placed on ADB during the performance of the services.
5. In considering whether to accept or decline offers of free services, the HOD/HOO will, among others, carefully consider the following:
  - (i) the likelihood that impartial advice will be obtained and that the offers made are not principally motivated by considerations of commercial advantage;
  - (ii) ascertaining the quality of services on offer, a review of biodata of personnel proposed and work plans may be undertaken;
  - (iii) when the provision of such services is likely to justify future direct contracting for the continued provision of consulting services, such offers will not be accepted;

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<sup>1</sup> This section serves as an update and revision of: ADB (Office of the Vice President). Offers of Free Services by Private Individuals and Organizations. 2 October 1995 (internal).



- (iv) if the firms or organizations that offer their services combine the functions of consulting engineers and contractors, or are owned by contractors, or are affiliated to manufacturers, they should limit their role to that of consultants and disqualify themselves and their associates or affiliates from bidding on any part of the project, except competing for the continued provision of consulting services.
  - (v) the feasibility of action to maintain confidentiality of information, when this is deemed necessary;
  - (vi) the contractual framework within which the services can be accepted, if necessary;
  - (vii) ensuring the acceptability by the recipient government(s) of individuals or firms offering to provide their services;
  - (viii) the status of consultants, including any immunities and privileges extended to them during the performance of the services. If services are provided by another organization that enjoys similar immunities and privileges to ADB (e.g., UN organizations), the determination of status would not be required;
  - (ix) any budgetary support needed during the performance of the services and the availability of an authorized source of funds to meet these expenditures; and
  - (x) availability of adequate safeguards to ADB against potential liabilities arising from the performance of the services. It is expected that the providers of such services will bear their own liabilities.
6. All such free consulting services – either by an individual or a firm – are subject to sanctions check using the Sanctions Screening Portal by the user unit before accepting the offers of free services.

## APPENDIX 6: COST ESTIMATES

1. User units may seek guidance from ADB procurement staff when preparing the cost estimate for any consulting assignment. To ensure that value for money is achieved, cost estimates should be prepared even when the intention is that the contract will be delivered on a lump sum basis.

**Table A6.1: Competitive Items – Remuneration and Out-of-Pocket Expenses**

<b>Remuneration</b>	<ul style="list-style-type: none"> <li>• Compensation for consultants' inputs (for a time-based contract) or outputs (for a lump sum contract)</li> <li>• Remuneration may be calculated using person months as the basic unit. However, in the contract, remuneration may be indicated using working days (for individual consulting assignments) or person months (for consulting assignments with firms involving a team of experts), or may be expressed as a lump sum, depending on the type of assignment.</li> </ul>
<b>Per diem</b>	<ul style="list-style-type: none"> <li>• Accommodation costs and daily subsistence allowances required for consultants to work in locations where they do not hold permanent residence or office</li> <li>• User unit may assume that the consultants will need a per diem, although the actual need for per diem will be determined when the consultant has been selected</li> </ul>
<b>Travel</b>	<ul style="list-style-type: none"> <li>• Includes the cost of round-trip travel by air (economy or business class) for international flights</li> <li>• User unit may assume that travel will originate from the most remote place of an ADB member to the assignment location if the actual travel route cannot be determined before the recruitment of the consultant</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• Local transportation costs (including domestic flights) for required activities</li> </ul>
<b>Communication</b>	<ul style="list-style-type: none"> <li>• Communication costs for activities the TOR requires</li> </ul>
<b>Office operations</b>	<ul style="list-style-type: none"> <li>• Applicable for consulting firm engagements where office space is needed but not provided.</li> </ul>
<b>Report</b>	<ul style="list-style-type: none"> <li>• Cost of printing and distribution of the reports the TOR requires</li> </ul>
<b>Translation/interpretation</b>	<ul style="list-style-type: none"> <li>• Not all consultant assignments need this cost item. The TOR should justify the use of translators/interpreters when required.</li> </ul>
<b>Administrative or research assistance</b>	<ul style="list-style-type: none"> <li>• Not all consultant assignments need this cost item. The TOR should justify the use of an administrative or research assistant. Normally not allowed under an individual consultant's contract.</li> </ul>
<b>Miscellaneous TA administration and support cost</b>	<ul style="list-style-type: none"> <li>• Comprises costs of a Microsoft Office 365 E3 license to allow individual consultants access to ADB collaborative tools including MS Sharepoint, Outlook, and Teams, and may be provisioned under the contract for the individual consultant to procure on a reimbursable basis from a roster of suppliers empaneled by ITD. The user unit should ensure that the license is co-terminus with the contract duration.</li> <li>• Other miscellaneous costs may be included within this item with clearance from CTL.</li> </ul>
<b>Equipment</b>	<ul style="list-style-type: none"> <li>• Specialized tools/machines/software that are procured and produced in ADB members. Purchase should be supported by at least three quotations and receipt/s.</li> </ul>
<b>Other costs</b>	<ul style="list-style-type: none"> <li>• Such as insurance or security arrangements should be justified in the TOR.</li> </ul>

TOR = terms of reference.

2. **Noncompetitive components: provisional sums and contingency.** For the engagement of consulting firms, cost estimates shall clearly identify provisional sums (if applicable) and make appropriate adjustments to the competitive component of the bid to account for additional effort on behalf of the firm in handling provisional sums on behalf of ADB. If a firm purchases equipment on behalf of ADB or the executing agency, the cost estimates need to consider insurance provisions for such equipment or assets.

**Table A6.2: Provisional Sums and Contingency**

<b>Provisional sums (normally used in engagement of firms)</b>	<ul style="list-style-type: none"> <li>• This may cover the cost of workshops, seminars, conferences, surveys, and equipment.</li> <li>• For equipment, the cost estimate includes a list of the equipment to be purchased. Such items may be deemed to be noncompetitive, meaning that the provisional sum, while forming part of the overall cost estimate, will not be included in any financial evaluation.</li> </ul>
<b>Contingency</b>	<ul style="list-style-type: none"> <li>• Usually 5–10% of the total cost estimate <sup>a</sup></li> </ul>

<sup>a</sup> Contingency is a budgeted amount included in the consulting contract to cover foreign exchange fluctuations and/or additional or unforeseen expenses under the contract. Release of contingency is subject to ADB’s approval. Contingency may be higher for contracts exceeding 18 months in duration. Release of contingency is done through contract variations that are subject to approval based on thresholds for approval of contract variations in Appendix 14.

**Table A6.3: Taxes**

<b>ADB-administered consulting assignments</b>	<ul style="list-style-type: none"> <li>• Cost estimates for consulting assignments administered by ADB do not include taxes.</li> </ul>
<b>Liability</b>	<ul style="list-style-type: none"> <li>• If experts or firms are not tax-exempt in the countries in which they are tax residents, ADB assumes no liability for covering such taxes.</li> </ul>

**Table A6.4: Disclosure**

<b>CSRN</b>	<ul style="list-style-type: none"> <li>• Cost estimate categories (competitive component and noncompetitive component, including provisional sums and contingency) are disclosed through the CSRN.</li> <li>• Consultants are encouraged to provide feedback through the EOI, which requests their comments on adequacy of the TOR with respect to the allocated budget for the assignment.</li> </ul>
<b>RFP stage</b>	<ul style="list-style-type: none"> <li>• It is possible that the cost estimates will change at RFP stage for the recruitment of the consulting firm or at contracting stage when the individual expert is engaged.</li> </ul>
<b>No guarantee</b>	<ul style="list-style-type: none"> <li>• Published budgets are not a guarantee of specific remuneration or contract amount, which is subject to availability of budget, qualifications of experts, financial bids of consulting firms, and other commercial considerations.</li> </ul>

CSRN = Consulting Services Recruitment Notice, EOI = expression of interest, RFP = request for proposals.

### APPENDIX 7: SELECTION METHODS

1. Value for money is normally based on the best combination of quality and price appropriate to the service in question. This is achieved through competition among bidders where selection is based on the quality of the proposal and, where appropriate, on the cost of the services to be provided. The major selection methods outlined below are read in conjunction with the general procedures. PPFD may pilot modifications to these methods or new methods outside of the framework of this Staff Instruction from time to time subject to the approval by Director General, PPFD.

2. There are five standard competitive selection methods for selecting consulting firms under open competitive bidding (OCB) or limited competitive bidding (LCB): quality- and cost-based selection (QCBS), quality-based selection (QBS), fixed budget selection (FBS), least-cost selection (LCS), and consultants’ qualifications selection (CQS). There is also a new competitive selection method for selecting consulting firms under OCB: simplified consultants’ qualifications selection (SCQS), which is being piloted from Aug. 2022 to Dec. 2024 or as otherwise specified. The user unit needs to determine the best selection method in the planning stage, based on the draft TOR, budget availability, and anticipated selection and implementation timelines. The focal procurement specialist within PPFD may be consulted, as needed. Table A7.1 describes the standard methods and Table A7.2 describes the pilot method.

**Table A7.1: Standard Selection Methods for Consulting Firms**

Selection Method	Purpose	Technical Proposal Evaluation	Financial Proposal Evaluation	Selection Procedure
<b>QCBS</b>	Most appropriate when TOR requires teamwork and contains specific requirements (team composition, detailed tasks, and reporting). TORs should be of high quality and specific. The preferred method for selecting consultants for ADB-administered assignments.	Generally, $\geq 750$ out of 1,000 points	Competitive (QCBS ratio 80:20, 90:10, 70:30) <sup>a</sup>	Firm representing the best combination of quality and price wins
<b>LCS</b>	For standard assignments of a value normally less than \$300,000 (e.g., audit, engineering design and/or supervision of simple projects, and simple surveys), where well-established practices and standards exist.	Generally, $\geq 750$ out of 1,000	Lowest priced	Firm with lowest priced responsive proposal wins
<b>FBS</b>	For assignments where (i) the TOR is precisely defined with no changes expected during implementation; (ii) the time and personnel inputs can be assessed accurately; and (iii) the budget is fixed and cannot be exceeded.	Generally, $\geq 750$ out of 1,000 and highest technical score	Less than or equal to the fixed budget	Firm with the best technical proposal and the financial proposal within the budget wins

Selection Method	Purpose	Technical Proposal Evaluation	Financial Proposal Evaluation	Selection Procedure
<b>QBS</b>	For (i) complex or highly specialized assignments where it is difficult to precisely define the scope of work in the TOR and the required consulting inputs, and for which the user unit expects the consultants to submit innovative proposals (e.g., country economic or sector studies, urban master plan, etc.); (ii) assignments with high downstream impact (e.g., feasibility and structural engineering design of major infrastructure, management studies of large government agencies); or (iii) assignments that can be carried out very differently, making it difficult to evaluate proposals (e.g., management advice, sector and policy analysis).	Generally, ≥750 out of 1,000 and highest technical score	Supporting documents to prove financial position of the firm, remuneration of experts, and social and overhead charges	Negotiations are conducted with the firm that presented the best technical proposal
<b>CQS</b>	Normally for assignments of less than \$200,000 when (i) highly specialized expertise is required, such as from “boutique” consulting firms with depth of expertise in specific areas; (ii) recruitment time is critical and the assignment is short-term; (iii) few consultants are qualified; and (iv) preparing and evaluating competitive proposals is unjustified.	Amplified EOI, structured EOI submission, generally ≥750 out of 1000		Negotiations are conducted with the firm that presented the best expression of interest
<b>Direct contracting (single-source selection)</b>	For contracts estimated at \$100,000 and below: no justification or prior PPFD approval is required. For contracts estimated above \$100,000: may be used in exceptional circumstances with the approval of Director, PPFD and only if justified by value for money considerations, such as (i) for tasks that represent a natural continuation of previous work performed by the firm; (ii) in emergencies, such as responding to disasters and for consulting services required immediately following the emergency; or (iii) when only one firm or individual is qualified, available, or has exceptional experience for the assignment.	Generally, ≥750 out of 1,000		Negotiations are conducted with the firm that is selected without benefit of competition

CQS = consultants’ qualifications selection, EOI = expression of interest, FBS = fixed budget selection, LCS = least-cost selection, QBS = quality-based selection, QCBS = quality- and cost-based selection, TOR = terms of reference.

<sup>a</sup> Normally, QCBS technical:financial proposal scoring weight ratio is 80:20. User units may also opt for one of three alternative weights: (i) For complex assignments and/or where greater priority for quality is needed, or when the impact of the consultant’s assignment will be major, the ratio may be 90:10. This alternative weighting is encouraged for project preparatory, advisory, and supervision assignments where there is an impact on the delivery and success of downstream or related ADB operations. (ii) For assignments of relatively low levels of complexity and with minimum

downstream impact, the ratio may be 70:30. (iii) For audit, procurement agents, and inspection agents, the ratio may be 50:50.

**Table A7.2: Pilot Selection Method for Consulting Firms: Simplified Consultants’ Qualifications Selection**

<b>Purpose</b>
<p>Most appropriate when rapid mobilization of experts through a firm is required, for assignments with maximum budget of \$500,000 and below. It comprises a single-stage, one-envelope selection process without shortlisting. The advertisement or CSRN for SCQS serves as the RFP.</p> <p>Unique aspects of SCQS are described in this table. Other aspects of the method that follow the same or similar processes and considerations as those of the standard selection methods that are listed in Table A7.1 are described throughout the rest of this SI.</p> <p>During the pilot period, no rationale will be required by PPFD for user units to propose consulting firm recruitment packages as SCQS during project planning. During project implementation, no rationale will be required by PPFD for user units to repackage planned firm or individual consultant recruitments into an SCQS firm recruitment, provided such change otherwise complies with ADB policies and procedures. PPFD is not required to review an interdepartmental change memorandum request if the sole procurement-related purpose of the memorandum is to repackage into SCQS. Note, however, that due to the different data structure in CMS, a selection created as SCQS in CMS cannot be converted to another selection method and vice versa. The selection should instead be cancelled and a new selection created.</p>
<b>Advertising and Request for Proposals</b>
<p>Selections using SCQS must be advertised on CMS using a CSRN and linked RFP. SCQS cannot be used under LCB, direct contracting, framework agreement, or framework contracting modalities. The user unit prepares the CSRN and RFP concurrently, with support from PPFD as needed. The RFP specifies the procedures relating to obtaining clarifications, issuing addenda, submitting proposals, proposal forms, receiving and opening proposals, handling incomplete proposals, and evaluating and ranking proposals. The user unit prepares the RFP using the standard electronic RFP for SCQS available in CMS, unless specific requirements (such as confidentiality or if the unique nature of the assignment renders the use of the standard RFP inadequate) warrant otherwise, in which case proposed RFP revisions shall be cleared by PPFD.</p> <p>The proposal type for SCQS is called single-stage proposal (SSP) and is the only proposal type permitted. The proposal forms are hosted entirely within CMS and are not editable by user units as part of RFP preparation. The proposal forms resemble a hybrid of the CMS EOI form and the forms for BTP for the standard ADB-administered selection methods described in Table A7.1.</p> <p>The RFP shall include technical evaluation criteria and related summary evaluation and personnel evaluation sheets. Failure by the user unit to provide summary evaluation and personnel evaluation sheets invalidates the bidding procedure. In case of unfair competitive advantage that becomes apparent near or following completion of the advertising period, the CSRN and RFP should be reissued for at least a week with the potential unfair competitive advantage mitigated through the appropriate disclosure as RFP attachments of any related project documents to which the firm earlier contributed. Additional attachments or links may be added to the RFP and CSRN in CMS, including information intended to mitigate possible unfair competitive advantage that a firm which submitted a proposal may have from having performed project-related services. The user unit submits its draft CSRN and RFP through CMS to PPFD for review and approval prior to advertising.</p> <p>The usual posting time for each CSRN is 21 calendar days, which should normally be extended or reissued if an insufficient number of adequate proposals are received.<sup>a</sup> Longer advertising periods are encouraged</p>

to allow interested firms sufficient time to prepare their proposals. PPFDF may endorse a shorter posting time, with a minimum of 15 calendar days, in situations where quick mobilization is necessary (e.g., emergencies); PPFDF will consider each request on its merits.

The user unit may revise the CSRN and RFP after publication, amending the TOR, budget, data sheet details, and/or deadline for proposal submission.<sup>b</sup> The posting time should be extended if the amendments may materially affect the consultants' proposal preparation to allow all consultants adequate time to reflect the revised requirements. All consultants who submitted proposals electronically prior to the amendment of the RFP or extension of the duration of the advertisement are automatically notified that the CSRN was changed or reissued, providing them the option to edit, modify, or withdraw a previously submitted proposal. CMS provides a summary of changes made to the CSRN since it was published. As the CSRN represents a formal RFP process, late proposals and/or proposals submitted offline shall not be accepted.

User units should disclose in the RFP and CSRN foreseen contract extensions and clearly indicate the criteria to be applied for such extensions (e.g., availability of funds, satisfactory performance, limited to a certain number of months or years, etc.). Contracts awarded following such declarations may be varied in line with these declarations to a reasonable extent. For extension of contracts advertised without such declarations, PPFDF may request justification from user units and an analysis of whether further extension may be needed. In either case, at PPFDF's discretion, user units may be required to commit to no further cost extensions under the contract, with any remaining consulting needs to be procured through a new selection.

**CSRN Finalization, Government Concurrence, and Proposal Decryption**

Upon completion of the advertising period, which concurrently represents the deadline for proposal submission, submitted proposals remain encrypted in CMS until the user unit decrypts and opens them through the act of "finalizing" the CSRN in CMS. During this period, the user unit may choose to reissue the CSRN and RFP to obtain more proposals or to revise aspects of the RFP.

During this period, the user unit also obtains government concurrence on the longlist of consultants that submitted proposals when required, in line with the provisions to this effect in Appendix 1. This can occur automatically in CMS after completion of the advertising period but may also be done offline. If a relevant client agency objects to the inclusion of any of the consultants in the longlist, that objection must be supported by adequate documentation, and shall be assessed by the user unit in collaboration with PPFDF (and, where necessary, OGC and/or OAI) to determine whether to agree with it and to modify the longlist accordingly. Client agencies will not normally be given opportunities to object at later stages of the process. The user unit may reissue the CSRN and RFP (generally for at least 7 days) to collect more proposals if valid government objections to consultants in the longlist reduce the effective pool of competitors. Deliberations between ADB and its Beneficiary/ies are confidential and the details of and reasons for such a justified objection shall not be disclosed to the Consultant.

Following this, the user unit finalizes the CSRN in CMS, which decrypts and opens the submitted proposals and informs all submitting consultants the identities and proposal prices of their other competitors (except for any that receive justified government objection, which remain encrypted and are instead informed as such to all submitting consultants). After decryption and opening, ADB shall not reissue the CSRN and RFP and must either evaluate the decrypted proposals toward a contract offer or cancel the selection process.

**Evaluation**

The user unit that posted the CSRN will conduct the evaluation by applying the narrative and summary evaluation criteria included in the RFP, which include, but are not limited to, the qualifications of the consultants, project-related experience, personnel, quality of method, and other relevant factors. The experience and qualifications of all firms participating in a joint venture are assessed during evaluation and, if circumstances so justify, the experience and qualifications of the lead firm or managing joint venture partner may be assigned more weight than those of other partners, in which case such a weighting should be transparently disclosed in the evaluation criteria prior to RFP issuance.

The user unit convenes a CSC consisting of at least two technically competent staff nominated by the user unit director to evaluate the technical aspects of the decrypted proposals. Appendix 13 describes the CSC process in more detail.

The user unit is responsible to confirm that each longlisted firm, including any joint venture partners and subconsulting entities are not in ADB's Complete Sanctions List (Appendix 1) by conducting due diligence checks through the [ADB Sanctions Screening Portal](#) in addition to ensuring that entities meet the eligibility criteria described in Appendix 12 of this SI. The user unit is also responsible to ensure that the proposals comply with RFP submission requirements and to then evaluate the technical aspects of each proposal. However, the user unit is not responsible to evaluate the financial aspects of the proposals, which is handled by PPF following review and approval of the technical evaluation. The user unit's technical evaluation of a proposal shall not be influenced by its financial aspects.

The evaluators assess the technical aspects of each decrypted proposal for its responsiveness to the TOR. Based on the narrative evaluation criteria, evaluators start by rating the experts (usually focused on the key experts) in all proposals, using the personnel evaluation sheet. The resulting scores (rating multiplied by the corresponding weight) are then automatically transferred from the personnel evaluation sheet to the summary evaluation sheet. Other criteria, including approach and methodology, are then evaluated based on the narrative evaluation criteria and the ratings are entered in the summary evaluation sheet. All the resulting scores corresponding to each criterion are then added on the summary sheet for a total score. If the firm is selected, it will be requested to replace any expert who scored lower than 70 points with a qualified candidate before the contract negotiation. Evaluators must not introduce into the evaluation process additional criteria which are not indicated in the RFP.

As part of proposal evaluation, the user unit may consider the past performance of the firm itself and of its nominated personnel on ADB-financed assignments, where applicable. This is generally assessed via completed PERs in the case of past ADB-administered contracts and via PCRs or TCRs (if such information is discussed in these reports) in the case of past borrower-administered contracts. The user unit may request detailed PER ratings within the last three years for the firm and its nominated personnel. The user unit shall not consider the lack of past performance records on ADB-financed assignments unfavorably against firms or their nominated personnel unless the assignment TOR clearly specifies past ADB experience as desirable or required.

Consultants given unsatisfactory ratings with suspension<sup>c</sup> are ineligible during the suspension period. Consultants previously suspended will become eligible after the suspension period has elapsed.

The user unit shall assess past performance of the firm itself only within the evaluation score for the "qualifications and experience of the consultant" criterion. The user unit must document in its evaluation minutes if the firm's score for this criterion was adjusted following their review of any past performance records.

The user unit shall assess past performance of nominated personnel only following the completion of technical evaluation and as part of a final determination of whether the expert is acceptable or requires replacement as a condition of contract negotiations. Past performance of nominated personnel should otherwise not affect the evaluation scores that nominated personnel receive. It is an acceptable practice within the standard RFP for the evaluation committee to score an expert above the passing threshold of 70% based on their CV but still require replacement because of poor past performance records. The replacement



then required should represent an expert of equal or better score who is acceptable to ADB. The user unit must document any proposed replacements based on poor past performance in its evaluation minutes.

The results of the technical evaluation are detailed in an evaluation sheet and narrative summary assessment. The minimum qualifying technical score is specified in the RFP, which is usually 750 out of 1,000 points. If none of the longlisted firms reach the qualifying score, the selection is cancelled.

The firm that receives the highest technical score above the minimum qualifying technical score (normally, 750) and whose evaluated total price falls within the maximum budget is first-ranked and invited for negotiations. Financial evaluation follows the criteria described in the RFP, whereby quantities of cost items may be adjusted but unit rates are generally not. If negotiations fail with the first-ranked consultant, negotiations may proceed to the next-ranked consultant that scored above the minimum qualifying technical score. Negotiations are expedited via provisions of the standard RFP for SCQS that require firms to provide all necessary contractual documentation (e.g., powers of attorney, passports, etc.) and to declare any desired amendments to the general conditions of contract as part of their proposal submission, with ADB reserving the right to terminate negotiations with a firm that proposes any additional contractual changes following proposal submission.

Under SCQS, ADB shall only respond to requests for debriefing made by unsuccessful consulting firms that scored at or above the minimum qualifying technical score set by the RFP (normally, 750).

**Roles and Responsibilities during Consultant Recruitment**

<b>Steps in Consulting Recruitment</b>	<b>Responsibility</b>	<b>Norm Completion Time<sup>d</sup></b>
<b>Planning and design</b>		
- <i>Creating single-stage consultant recruitment plan and RFP</i>	User unit	N/A
- <i>Approving single-stage consultant recruitment plan and RFP</i>	PPFD	N/A
<b>Advertising</b>		
- <i>Drafting CSRN</i>	User unit (with PPFD support)	N/A
- <i>Publishing CSRN</i>	User unit (with PPFD support)	N/A
- <i>Submitting proposals</i>	Consultants	21 days
<b>CSRN finalization, government concurrence, and proposal decryption</b>		
- <i>Securing government concurrence</i>	User unit	5 days
- <i>Finalizing CSRN and decrypting proposals</i>	User unit	<i>(considered as part of securing concurrence)</i>
<b>Evaluation</b>		
- <i>Single-stage technical evaluation</i>	User unit	6 days
- <i>Undertaking sanctions check using the <a href="#">ADB Sanctions Screening Portal</a></i>	User unit	<i>(considered as part of technical evaluation)</i>
- <i>Approving single-stage technical evaluation</i>	PPFD	3 days
<b>Negotiations and contract signing</b>		
- <i>Undertaking financial evaluation and issuing invite for negotiations</i>	PPFD	6 days
- <i>Negotiating and signing contract, and undertaking sanctions check using the <a href="#">ADB Sanctions Screening Portal</a></i>	PPFD and consultant (with user unit inputs)	9 days
<b>Post-contract activities</b>		
- <i>Issuing notice to proceed</i>	Automatic in CMS (user unit provides date)	N/A

- <i>Inputting contract details into IDS (for TA contracts)</i>	PPFD	N/A
- <i>Managing the contract, managing consultant performance, withdrawal or payment applications, and approving claims including undertaking sanctions check using <a href="#">ADB Sanctions Screening Portal</a></i>	User unit	N/A
- <i>Making payments on approved claims</i>	CTL	N/A
- <i>Providing contract management advice</i>	PPFD, OGC, SDCC (for cofinanced TA)	N/A
- <i>Consulting contract variations (including modifications or extensions) including undertaking sanctions check using <a href="#">ADB Sanctions Screening Portal</a></i>	User unit or PPFD (based on type and size of variation)	N/A
- <i>Completing PER</i>	User unit	N/A

BTP = biodata technical proposal; CMS = Consultant Management System; CSC = consultant selection committee; CSRN = consulting services recruitment notice; EOI = expression of interest; IDS = Integrated Disbursement System; PCR = project completion report; PER = performance evaluation report; RFP = request for proposals; SCQS = simplified consultants' qualifications selection; SSP = single-stage proposal; TA = technical assistance; TCR = TA completion report; TOR = terms of reference.

- <sup>a</sup> At least three proposals should generally be received to permit competition before decrypting and evaluating them. If the user unit proceeds with fewer than three proposals following a robust advertising process, it must provide written justification in CMS.
- <sup>b</sup> Deadlines for submission of proposals can be extended but cannot be shortened after the notice is published. If the notice is published in error, the notice shall be amended to clearly identify "cancelled selection" (the selection title and "other information" areas can be used to tag the selection as cancelled).
- <sup>c</sup> Refer to Appendix 15 for the categories of PER ratings.
- <sup>d</sup> The norm completion times reflect design standards for stages of the recruitment process that are counted toward end-to-end procurement time for the selection, for which a proactive selection team should reasonably be able to attain on a normal selection process without significant issues or third-party delays. "N/A" is used on stages that are not counted toward end-to-end procurement time by ADB.

3. The processing steps for consulting selections are described in consultant recruitment activity monitoring (CRAM) sheets that are available in CMS. Table A7.3 outlines key steps from these CRAM sheets for each of the standard consulting firm selection methods.<sup>1</sup> Table A7.4 outlines key considerations for individual consultant recruitment.

**Table A7.3: Key Steps in Consultant Recruitment Activity Monitoring Sheets**

		QCBS	FBS	LCS	DC	QBS	CQS
<b>PRELIMINARY</b>							
1	Creating consultant recruitment plan	√	√	√	√	√	√
2	Approving consultant recruitment plan	√	√	√	√	√	√
<b>ADVERTISEMENT</b>							
3	Drafting CSRN	√	√	√		√	√
4	Publishing CSRN	√	√	√		√	√
<b>SHORTLISTING</b>							
5	Creating shortlist including undertaking sanctions check using <a href="#">ADB Sanctions Screening Portal</a>	√	√	√		√	

<sup>1</sup> This table does not apply to SCQS, the steps for which are described in Table A7.2.

6	Establishing first ranked						√
7	Initiating consultant recruitment	√	√	√		√	√
8	Approving consultant recruitment	√	√	√	√	√	√
9	<i>Issuing request for government concurrence</i> <sup>a</sup>	√	√	√	√	√	√
10	<i>Receiving government concurrence</i> <sup>a</sup>	√	√	√	√	√	√
<b>BIDDING</b>							
11	Issuing request for proposals	√	√	√	√	√	√
12	Receiving proposals	√	√	√	√	√	√
13	Distributing technical proposals	√	√	√	√	√	√
<b>EVALUATION</b>							
14	Evaluating technical proposals including undertaking sanctions check using <a href="#">ADB Sanctions Screening Portal</a>	√	√	√	√	√	√
15	Approving evaluation results	√	√	√	√	√	√
16	Opening of financial proposals	√	√	√			
17	Evaluating financial proposals including undertaking sanctions check using <a href="#">ADB Sanctions Screening Portal</a>	√	√	√			
18	Approving of overall ranking of consultants	√	√	√			
<b>NEGOTIATION AND CONTRACT SIGNING</b>							
19	Issuing invite for negotiations including undertaking sanctions check using <a href="#">ADB Sanctions Screening Portal</a>	√	√	√	√	√	√
20	Commencement of negotiations	√	√	√	√	√	√
21	Completion of negotiations	√	√	√	√	√	√
22	Contract signing	√	√	√	√	√	√
23	Issuing notice to proceed	√	√	√	√	√	√

CQS = consultants' qualifications selection, CSRN = consulting services recruitment notice, DC = direct contracting, FBS = fixed budget selection, LCS = least-cost selection, QBS = quality-based selection, QCBS = quality- and cost-based selection, TOR = terms of reference.

<sup>a</sup> For recruiting TA consultants (except for consultants working under a regional TA or under an assignment which does not deal directly with any government agency in the TA recipient country).

**Table A7.4: Recruiting Individual Consultants**

Item	Description
<b>Competition</b>	Under OCB and LCB, individual consultants are competitively selected through their submission of EOIs.
<b>Individual vs. Firm Recruitment</b>	<p>Individual consultant recruitment should only be undertaken if this approach is the most effective and efficient way the assignment can be undertaken.</p> <p>Engaging more than five individual consultants under a single project for assignments, instead of a team of experts through a firm, is discouraged because of the potential difficulties in supervision and administration.</p> <p>The engagement of more than five individual consultants will only be permitted by PPFD where it can be demonstrated that the benefits outweigh the allocation of additional resources for recruitment, contracting, disbursement, coordination, and management of such individuals.</p> <p>User units are required to justify in CMS an engagement of more than two unique individual consultants affiliated with the same firm under the same TA or across their</p>

	<p>unit's cohort of individual staff consultants within a 12-month rolling period. This applies regardless of whether the assignment is advertised or directly contracted.</p>
<p><b>Recruitment Procedure</b></p>	<p>An REOI is advertised for recruitment of individual consultants that will include the detailed TOR and specify the criteria that will be applied for shortlisting and selection of final candidates.</p> <p>The successful candidate will be selected from those that have filed an EOI in response to the REOI, whether issued through advertisement or by invitation.</p> <p>An individual consultant is recruited based on his or her qualifications and experience for the assignment.</p>

EOI = expression of interest, LCB = limited competitive bidding, OCB = open competitive bidding, REOI = request for expressions of interest, TA = technical assistance, TOR = terms of reference.

**APPENDIX 8: TYPES OF TECHNICAL PROPOSALS <sup>1</sup>**

Type of Proposal and Application	Proposal Preparation Period	Evaluation Criteria/Score	Information Needed
<p><b>Full Technical Proposal (FTP)</b> for an assignment with a complex TOR. The monetary value of the assignment is not the only determining factor of complexity.</p> <p><i>Note:</i> PPFD should be consulted and approval<sup>a</sup> from the assigned PPFD procurement specialist obtained to change the proposal type from FTP → STP or BTP, or from STP → BTP.</p>	<p>Minimum of</p> <ul style="list-style-type: none"> <li>• 45 days using paper-based process</li> <li>• 35 days using CMS or e-procurement system</li> </ul>	<p>Firm’s qualifications and experience: generally 100–200 points</p> <p>Approach and methodology: generally 200–400 points</p> <p>Personnel biodata: generally 500–700 points</p> <p>Total: 1,000 points</p>	<ul style="list-style-type: none"> <li>• Description of the approach, methodology, and work plan for performing the assignment</li> <li>• Team composition, task assignments, and CV summary</li> <li>• Work schedule</li> <li>• Personnel schedule</li> <li>• CVs of proposed experts</li> <li>• Consultant’s organization and experience</li> <li>• Comments or suggestions on the TOR</li> <li>• Comments on counterpart staff and facilities (if applicable)</li> </ul>
<p><b>Simplified Technical Proposal (STP)</b> for an assignment with a well-defined TOR. STPs are shorter than FTPs because they do not include information on the firms’ organization and experience.<sup>b</sup> User units using STP should carefully examine the firms’ and their partners’ or associates’ organization and experience, as the case may be, during shortlisting.</p>	<p>Minimum of</p> <ul style="list-style-type: none"> <li>• 35 days using paper-based process</li> <li>• 25 days using CMS or e-procurement system</li> </ul>	<p>Approach and methodology: generally 300 points</p> <p>Personnel biodata: generally 700 points</p> <p>Total: 1,000 points</p>	<ul style="list-style-type: none"> <li>• Description of the approach, methodology, and work plan for performing the assignment</li> <li>• Team composition, task assignments, and CV summary</li> <li>• Work schedule</li> <li>• Personnel schedule</li> <li>• CVs of proposed experts</li> </ul>
<p><b>Biodata Technical Proposal (BTP)</b> may be used for assignments with well-defined, position-based TORs. BTPs do not include a detailed method section or the firms’ organization and experience.</p>	<p>Minimum of</p> <ul style="list-style-type: none"> <li>• 21 days using paper-based process</li> <li>• 15 days using CMS or e-procurement system</li> </ul>	<p>Workplan: generally 100 points</p> <p>Personnel biodata: generally 900 points</p> <p>Total: 1,000 points</p>	<ul style="list-style-type: none"> <li>• Team composition, task assignments, and CV summary</li> <li>• Work schedule</li> <li>• Personnel schedule</li> <li>• CVs of proposed experts</li> </ul>

CMS = Consultant Management System, TOR = terms of reference.

<sup>a</sup> The user unit does not need approval from PPFD to change proposal type from BTP → STP or FTP, or from STP → FTP.

<sup>b</sup> Firms’ experience is assessed at shortlisting stage based on information presented in response to advertisement.

<sup>1</sup> This appendix does not apply to the use of SCQS, equivalent procedures for which are described in Appendix 7.

**APPENDIX 9: TYPES OF CONTRACTS**

<b>Contract Type</b>	<b>Description</b>
<b>Time-based</b>	<ul style="list-style-type: none"> <li>• ADB and its borrowers commonly use this contract form when they anticipate that the scope of service may be adjusted during contract implementation.</li> <li>• This may occur because the service involves activities of third parties that may affect the contract.</li> <li>• This type of contract is widely used for complex studies, supervision of construction, and advisory services.</li> <li>• Payments are for agreed daily or monthly rates for the consultant (normally named in the contract) and for reimbursable (eligible OPE) items using actual expenses and agreed unit prices.</li> <li>• This contract includes a maximum amount of total payments to the consultant including a contingency for unforeseen work and duration, and price adjustments.</li> <li>• The user unit monitors the contract to ensure the assignment progresses satisfactorily and consultant’s payments are made in accordance with the contract.</li> <li>• Time-based contracts pair well with input-based TORs.</li> </ul>
<b>Lump sum</b>	<ul style="list-style-type: none"> <li>• Lump sum contracts are for assignments with clearly defined scopes of work and consultant outputs.</li> <li>• They may include policy studies, design of standard or common structures, and preparation of data processing systems.</li> <li>• Prices include all costs and normally cannot be changed during contract implementation.</li> <li>• Payments under the contract are linked to achieving milestones specified in the contract.</li> <li>• Lump sum contracts pair well with output-based TORs.</li> <li>• May either be full lump sum or partial lump sum (e.g., where professional fees are linked to outputs and paid on a lump sum basis while eligible out-of-pocket expenses are enumerated in the contract and paid on a reimbursable basis).</li> </ul>
<b>Performance-based</b>	<ul style="list-style-type: none"> <li>• A performance-based contract may be used for assignments for which a set of performance indicators can measure the consultant’s output.</li> <li>• Payments may vary based on the consultant’s performance. Bonuses for timely or excellent delivery and penalties<sup>a</sup> for delayed delivery and less than satisfactory quality may be used when the performance standards can be clearly and quantitatively defined.</li> <li>• Contract milestones need to be specified with performance indicators for effective monitoring.</li> <li>• The milestones and indicators to verify their achievement are agreed with the consultant during contract negotiations.</li> <li>• May either be fully performance-based or hybrid, where only a portion of the remuneration is performance-based (e.g., through the use of bonuses or penalties).</li> </ul>

Contract Type	Description
<b>Framework agreements<sup>b</sup></b>	<ul style="list-style-type: none"> <li>• Framework agreements are used when a number of similar consultancy assignments are envisaged which will be performed by multiple firms or independent individuals.</li> <li>• A framework agreement is competitively procured and agreement is reached with a number of empaneled consultants on key contractual terms and conditions in advance of the need for any services.</li> <li>• When services are required, one of the empaneled consultants is selected and a type of contract known as a call-off is issued, which draws upon the terms agreed in the framework agreement.</li> <li>• May be input- or output-based, depending on the conditions of the framework.</li> <li>• Fees normally agreed at framework level and out-of-pocket expenses agreed at time of call-off.</li> </ul>
<b>Framework contracts</b>	<ul style="list-style-type: none"> <li>• Framework contracts are used when a single firm or independent individual will perform multiple related assignments</li> <li>• A framework contract is normally competitively procured and agreement is reached with one consultant on key contractual terms and conditions in advance of the need for any services.</li> <li>• When services are required, the selected consultant is awarded a type of contract known as a call-off, which draws upon the terms agreed in the framework contract.</li> <li>• May be input- or output-based, depending on the conditions of the framework.</li> <li>• Fees normally agreed at framework level and out-of-pocket expenses agreed at time of call-off.</li> </ul>
<b>Fixed rate</b>	<ul style="list-style-type: none"> <li>• Fixed rate per unit of output delivered.</li> </ul>
<b>Retainer or contingency fee</b>	<ul style="list-style-type: none"> <li>• Retainer fee and a contingent success fee.</li> <li>• Used for executive search<sup>c</sup> or similar assignments.</li> </ul>

OPE = out-of-pocket expense, TOR = terms of reference.

<sup>a</sup> Care should be taken that any penalty clauses are consistent with the applicable law of the contract.

<sup>b</sup> For background, see: ADB. 2018. *Framework Agreements for Consulting Services*. Guidance Note on Procurement. Manila.

<sup>c</sup> For example, consultants engaged by BPMSD from time to time for purposes of staff recruitment.

**APPENDIX 10: INDIVIDUAL CONSULTANT SELECTION MATRIX (INTERNATIONAL)**

**Table A10.1: Individual Consultant Selection Matrix Job Levels (International)**

Level	Tasks, Description, and Professional Qualifications	Project Operations and Management Capabilities
2	<p>Performs straightforward tasks requiring relevant knowledge and advanced professional skills and independent initiative. The overall direction of the work is well defined. Work is performed under the guidance of Bank staff or a Team Leader if the work forms a component of a larger assignment.</p> <p><i>Requirements:</i></p> <ul style="list-style-type: none"> <li>• Minimum Bachelor’s degree</li> <li>• Minimum of three years of relevant international professional experience</li> <li>• At least one international assignment in similar geographic area.</li> </ul>	<p>Capable of conducting coordination, research, analysis and technical evaluation.</p>
3	<p>Performs a variety of research and analytical tasks within specific functional discipline. Contributes technical inputs to a complex assignment as a team member or support Bank staff mission leaders at a technical level. Work is performed under limited supervision of Bank staff or Team Leader.</p> <p><i>Requirements:</i></p> <ul style="list-style-type: none"> <li>• Minimum Bachelor’s degree highly relevant to the assignment.</li> <li>• Minimum of five years of relevant international professional experience.</li> <li>• At least one international assignment in similar geographic area.</li> </ul>	<p>Capable of conducting advance independent research, analysis and technical assessment and evaluation.</p>
4	<p>Performs fully professional level analysis on issues within a primary functional discipline supported by advanced knowledge and professional experience of a secondary discipline. Contributes major components to project reports and supports Bank staff mission leaders. Provides informed technical or policy advice. Works independently under minimal guidance at most stages of the assignment.</p> <p><i>Requirements:</i></p> <ul style="list-style-type: none"> <li>• Minimum Bachelor’s degree, Master’s degree preferable.</li> <li>• Minimum of 7 years of relevant international professional experience.</li> <li>• International assignments in similar geographic area.</li> </ul>	<ul style="list-style-type: none"> <li>• Thorough knowledge of functional specialty.</li> <li>• Ability to develop, analyze, and articulate project issues.</li> <li>• Ability to diagnose problems and propose reliable solutions.</li> <li>• Ability to undertake independent design and development work.</li> </ul>
5	<p>Advises on major complex projects or programs. Works independently in the field of specialization</p>	<ul style="list-style-type: none"> <li>• Capable of directing the work of more junior</li> </ul>



Level	Tasks, Description, and Professional Qualifications	Project Operations and Management Capabilities
	<p>equipped with knowledge and experience of multiple disciplines. Consistently applying creativity and independent judgement. Interacts with internal or external clients on sensitive and delicate issues. May conduct review to assess the quality of outputs of others before delivery, or during implementation phase. May serve as Deputy Team or Team Leader.</p> <p><i>Requirements:</i></p> <ul style="list-style-type: none"> <li>• Minimum Bachelor's degree, Master's degree preferable.</li> <li>• Minimum of 10 years of relevant international professional experience.</li> <li>• International assignments in similar geographic area.</li> <li>• Broad-based work experience recognized as an expert either in a broad area of specialization or in a limited specialized field.</li> </ul>	<p>individuals and be capable of performing a quality control on the work outputs.</p> <ul style="list-style-type: none"> <li>• Ability to coordinate contributions of specialists in other disciplines to complete a joint project.</li> </ul>
6	<p>Responsible for leading complex projects, usually involving the participation of one or more multi-disciplinary teams. Is widely recognized for demonstrated expertise, and substantial achievements in one or more fields of specialization. May serve as Team Leader.</p> <p><i>Requirements:</i></p> <ul style="list-style-type: none"> <li>• Minimum Bachelor's degree, Master's degree preferable.</li> <li>• Minimum of 15 years of relevant international professional experience including several years in a senior advisory or managerial level.</li> <li>• International assignments in similar geographic area.</li> <li>• Broad-based work experience recognized as an expert either in a broad area of specialization or in a limited specialized field.</li> </ul>	<ul style="list-style-type: none"> <li>• Capable of directing the work of a number of groups or more junior consultants and be capable of performing a quality control on the work outputs.</li> <li>• Ability to coordinate and consolidate contributions of specialists in other disciplines to complete a joint project.</li> </ul>
7	<p>Acts as senior advisor at departmental level or Management level to perform critical tasks on major policy work or managerial/organizational advisory work which has Bank-wide significance or major policy work at national level in the case of TA.</p> <p><i>Requirements:</i></p> <ul style="list-style-type: none"> <li>• Master's degree.</li> <li>• Minimum of 15 years relevant broad-based international professional experience or a world-wide leading expert in a highly specialized field.</li> </ul>	<ul style="list-style-type: none"> <li>• Capable of performing management function for more complicated projects.</li> <li>• Capable of providing project management strategy rather than day to day management.</li> </ul>

Level	Tasks, Description, and Professional Qualifications	Project Operations and Management Capabilities
	<ul style="list-style-type: none"> <li>• International assignments in similar geographic area.</li> </ul> <p>Broad-based work experience recognized as an expert either in a broad area of specialization or in a limited specialized field.</p>	

TA = technical assistance.

**Table A10.2: Professional Groups**

Professional Group Code	Professional Groups
A	<p>Accounting, Auditing and Statistics</p> <ul style="list-style-type: none"> <li>• Accounting</li> <li>• Internal Audit</li> <li>• Statistics</li> </ul> <p>Data and Information Services (Also see B)</p> <ul style="list-style-type: none"> <li>• Documentation and Records Management</li> <li>• Computers/Communications Technical Support (includes: hardware, software and training)                             <ul style="list-style-type: none"> <li>○ Records and Archives Management</li> <li>○ Documentation and Records Management - Reference/Libraries</li> </ul> </li> <li>• Web Maintenance/Homepage Design</li> </ul> <p>External Affairs and Communications</p> <ul style="list-style-type: none"> <li>• Audio/Visual Production</li> <li>• Editing and Translation</li> <li>• External Affairs (includes information dissemination)</li> </ul> <p>General Administration</p> <ul style="list-style-type: none"> <li>• Administrative Services</li> <li>• Contracting and Purchasing</li> <li>• Facilities/Travel</li> <li>• Printing/Graphics/Cartography</li> <li>• Program/Budgeting</li> <li>• Seminar Coordination</li> <li>• TA/Loan Administration</li> </ul> <p>Human Resources</p> <ul style="list-style-type: none"> <li>• Human Resources Administration</li> </ul> <p>Translation and Editing</p> <ul style="list-style-type: none"> <li>• Editing</li> <li>• Translation</li> </ul>
B	<p>Agriculture/Rural Development</p> <ul style="list-style-type: none"> <li>• Agricultural Extensions</li> <li>• Agricultural Sector</li> <li>• Agricultural Finance</li> <li>• Agro Industry/Agribusiness Management</li> <li>• Agronomy</li> </ul>

Professional Group Code	Professional Groups
	<ul style="list-style-type: none"> <li>• Fisheries</li> <li>• Forestry</li> <li>• Irrigation/Water Resources</li> <li>• Livestock</li> <li>• Natural Resources Management</li> <li>• Tree Crops</li> </ul> <p>Education</p> <ul style="list-style-type: none"> <li>• Education</li> <li>• Training</li> </ul> <p>Information Systems (Also see D)</p> <ul style="list-style-type: none"> <li>• Communications                             <ul style="list-style-type: none"> <li>○ Data Communications</li> <li>○ Infrastructure</li> <li>○ Network Administration</li> <li>○ Voice Communications</li> <li>○ Intranet/Internet Design</li> </ul> </li> </ul> <p>Social and Political Science</p> <ul style="list-style-type: none"> <li>• Gender/Women in Development</li> <li>• Public Sector management</li> <li>• Social Sciences/Anthropology</li> <li>• Social/Political Sciences</li> <li>• Sociology                             <ul style="list-style-type: none"> <li>○ Gender</li> <li>○ Indigenous People</li> <li>○ Public Administration</li> <li>○ Resettlement / Reconstruction</li> <li>○ Social Assessment / Participation</li> </ul> </li> </ul>
C	<p>Biological Sciences and Ecology</p> <ul style="list-style-type: none"> <li>• Biological Sciences and Ecology</li> <li>• Biotechnology</li> <li>• Environmental Management                             <ul style="list-style-type: none"> <li>○ Assessment/Monitoring</li> <li>○ Biodiversity</li> <li>○ Climate Change</li> <li>○ Global Issues</li> <li>○ Industrial/Toxic Waste</li> <li>○ Institutional/Legal Framework</li> <li>○ Natural Resources</li> <li>○ Pollution</li> <li>○ Sanitation and Solid Waste</li> <li>○ Terrestrial System/Forestry</li> <li>○ Water and Aquatic Systems</li> </ul> </li> </ul> <p>Economics/Financial Analysis</p> <ul style="list-style-type: none"> <li>• Economics/Financial Analysis (Project Feasibility Study, Sector Study)</li> <li>• Econometrics/Modeling</li> <li>• Environmental Economics</li> <li>• Fiscal</li> <li>• International Trade/Finance</li> <li>• Labor Economics/Employment</li> <li>• Macro Economics (includes Policy)</li> </ul>

Professional Group Code	Professional Groups
	<ul style="list-style-type: none"> <li>• Management Accounting</li> <li>• Micro Economics</li> <li>• Monetary</li> <li>• Poverty</li> </ul> <p>Engineering</p> <ul style="list-style-type: none"> <li>• Architecture</li> <li>• Chemistry</li> <li>• Carbon Market/Clean Development Mechanism</li> <li>• Energy</li> <li>• Environmental Engineering                             <ul style="list-style-type: none"> <li>○ Assessment/Monitoring</li> <li>○ Biodiversity</li> <li>○ Global issues</li> <li>○ Industrial/Toxic Waste</li> <li>○ Institutional/Legal Framework</li> <li>○ Natural Resources</li> <li>○ Pollution</li> <li>○ Sanitation and Solid Waste</li> <li>○ Terrestrial System/Forestry</li> <li>○ Water and Aquatic Systems</li> </ul> </li> <li>• Industry</li> <li>• Mining/Geology</li> <li>• Petroleum/Gas</li> <li>• Power</li> <li>• Telecommunications</li> <li>• Transportation                             <ul style="list-style-type: none"> <li>○ Highway</li> <li>○ Ports</li> <li>○ Railway</li> <li>○ Transportation/Environmental Management</li> <li>○ Transport Policy</li> <li>○ Urban Transportation</li> </ul> </li> <li>• Urban/Municipal/Housing                             <ul style="list-style-type: none"> <li>○ Housing/Policy</li> <li>○ Municipal</li> <li>○ Urban Environmental Management</li> <li>○ Urban General</li> <li>○ Urban Institutional Development</li> </ul> </li> <li>• Water/Sanitation/Environmental Services                             <ul style="list-style-type: none"> <li>○ Environmental Services</li> <li>○ Rural Water and Sanitation</li> <li>○ Sector Reform (Regulation and Policy)</li> <li>○ Urban Water and Sanitation, Utility Management)</li> </ul> </li> </ul> <p>General Operations</p> <ul style="list-style-type: none"> <li>• Country Operations</li> <li>• Procurement</li> <li>• Project Operations</li> </ul> <p>Health and Medicine</p> <ul style="list-style-type: none"> <li>• Medicine/Nutrition</li> </ul> <p>Legal (Also see D)</p> <ul style="list-style-type: none"> <li>• Legal (General)</li> </ul>

Professional Group Code	Professional Groups
	<p>Population and Health Services</p> <ul style="list-style-type: none"> <li>• Population</li> <li>• Health Services                             <ul style="list-style-type: none"> <li>○ Nursing and Occupational Health</li> </ul> </li> </ul> <p>Project Management/Institutional Development</p> <ul style="list-style-type: none"> <li>• Country Operations Management</li> <li>• Project Monitoring/Evaluation</li> <li>• Procurement</li> <li>• Institutional Development</li> <li>• Governance</li> </ul>
D	<p>Finance and Investment</p> <ul style="list-style-type: none"> <li>• Banking</li> <li>• BOT Preparation</li> <li>• Capital Markets</li> <li>• Finance/Fund Management/Co finance</li> <li>• Guarantee/Insurance</li> <li>• International Trade</li> <li>• Investment</li> <li>• Private Sector Development/Privatization</li> <li>• Public/Private Partnerships</li> <li>• Sector Pricing/Tariffs</li> <li>• Social Security/Pension</li> <li>• Specialized Finance (Insurance and Pension)</li> </ul> <p>Information Systems</p> <ul style="list-style-type: none"> <li>• Systems Software Design and Implementation                             <ul style="list-style-type: none"> <li>○ Integration/Implementation/and Coordination</li> <li>○ Mainframe Applications Development</li> <li>○ Project/ Database Design and Management</li> </ul> </li> <li>• Large Scale Information/Data Management (includes system design)</li> </ul> <p>Legal/Policy Advise</p> <ul style="list-style-type: none"> <li>• Court Management and Process</li> <li>• Deregulation</li> <li>• Judicial Strength and Regulatory (at sectoral/country level)</li> </ul> <p>Organization Management and Strategy Development</p> <ul style="list-style-type: none"> <li>• Organizational Planning, Management and Strategy Development</li> <li>• Private Sector Development and Restructuring</li> <li>• Public Enterprise Management and Restructuring</li> </ul>
E	<p>Knowledge Management and Learning</p> <ul style="list-style-type: none"> <li>• Knowledge Management Specialist</li> <li>• Organizational Learning Specialist</li> <li>• Organizational Development Specialist</li> <li>• Knowledge and Learning Specialist</li> <li>• Storytelling Specialist</li> <li>• E-learning Specialist</li> <li>• E-learning Content Developer</li> <li>• E-learning Flash Animation Specialist</li> <li>• Knowledge Network Specialist</li> </ul>

TA = technical assistance.

**APPENDIX 11: INDIVIDUAL CONSULTANT SELECTION MATRIX (NATIONAL)**

Level	Description	Requirements	Nature of Work
1	<p>Performs straightforward tasks requiring basic knowledge of assigned area or administrative skills and initiatives. The overall direction of the work is well defined. Work is performed under the guidance of Bank staff or a Team.</p> <p>Good computer skill with sound knowledge of commonly used application software such as MS Word and Excel. Excellent Written and oral communication skills in English.</p> <p>This is appropriate category for Team Assistants.</p>	<ul style="list-style-type: none"> <li>• Generally a minimum 3 years of relevant administrative work experience or post-graduate qualifications.</li> <li>• Minimum Bachelor's degree.</li> </ul>	<p>Administrative support consultant or use of skills gained in postgraduate studies for modelling, research or similar, under close supervision</p>
2	<p>Performs straightforward tasks requiring combination of basic technical and advance administrative skills and independent initiatives. The overall direction of the works is well defined. Work is performed under the guidance of Bank staff or a Team.</p> <p>Good computer skills with sound knowledge of commonly used application software such as MS Word and Excel. Excellent communication skills in English.</p> <p>This is appropriate category for Sr. Team Assistants.</p>	<ul style="list-style-type: none"> <li>• Minimum 4 years of relevant technical or administrative experience.</li> <li>• Minimum Bachelor's degree relevant to the assignment.</li> </ul>	<p>Advanced administrative support consultant</p>
3	<p>Coordinates and consolidates information to achieve specific functional results and provides diversified analytical, statistical, technical and administrative support. Applies working knowledge of assigned area.</p> <p>Good computer skills with sound knowledge of commonly used application software such as MS Word and Excel. Excellent communication skills in English. Strong interpersonal skills suitable for multicultural environment. Ability to liaise and deal effectively with staff, counterparts in executing agencies and other development agencies.</p>	<ul style="list-style-type: none"> <li>• Minimum 5 years of relevant technical and administrative experience.</li> <li>• Minimum Bachelor's degree relevant to the assignment.</li> </ul>	<p>Combination of advanced administrative support and basic technical support on specific functionality or sector (office operations assistance, research assistance, data management/analyses assistance, project administration, basic IT technical support. Technical support consultant.</p>

Level	Description	Requirements	Nature of Work
	This is appropriate category for Programs/Project or Operations Analysts.		
4	<p>Works independently and provides advice on a mix of office operations and advanced administrative functions to Bank staff, Project Team, and Executive Agencies'. Analyzes technical issues on transactions, financial management, project administration, areas of analysis and research which have well-defined scope as required by the assignment.</p> <p>Strong client orientation and high levels of commitment to results. Effective report writing and English communication skills. Proficiency in word processing, spread sheet analysis and information technology applications.</p> <p>This is appropriate category for Sr. Program, Sr. Projects or Sr. Operations Analysts at national level.</p>	<ul style="list-style-type: none"> <li>• Minimum 7 years of relevant professional experience.</li> <li>• Minimum Bachelor's degree relevant or specific to the assignment.</li> </ul>	<p>Advanced technical support on specific functionality (office operations, research, data management/ analysis, advanced IT technical support, project administration/ management/ monitoring).</p> <p>Similar to level 3 but advanced or senior in terms of professional experience.</p>
5	<p>Thorough knowledge of functional specialty. Ability to develop, analyze and articulate project issues. Ability to diagnose complex technical problems and propose reliable solutions within specific field of expertise in assigned area such as; social study, data analysis, policy research, capacity development, and institutional training. Experience and knowledge of various stages of the project cycle (project planning / to results. feasibility analysis / detailed design / project implementation / contract management).</p> <p>Strong client orientation and high level of commitment to results.</p> <p>This category is appropriate for national consultants who have has no less than 10 years of relevant professional work experience.</p>	<ul style="list-style-type: none"> <li>• Minimum of 10 years of relevant professional experience.</li> <li>• Minimum Bachelor's degree. Preferably Master's degree.</li> </ul>	<p>National consultant.</p> <p>Project management (operations, administration, monitoring, design, implementation), capacity building, training.</p>

Level	Description	Requirements	Nature of Work
6	<p>Provides in-depth technical expertise and operational support. Advises on major complex project issues. Ability to diagnose complex project issues and propose reliable solutions within specific or various fields of expertise such as; social study, data analysis, policy research, capacity development, and institutional training.</p> <p>At this level the incumbent is expected to take the assigned accountabilities as appropriate to the position, and should be able to demonstrate thorough, substantial and diverse experience, ability to undertake a variety of assignments and to work independently. May act as Team Leader.</p> <p>This category is appropriate for Full-Fledged Sr. National Consultants.</p>	<ul style="list-style-type: none"> <li>• Minimum Bachelor's degree.</li> <li>• Minimum of 15 years of relevant professional experience.</li> <li>• Preferably Master's degree.</li> </ul>	<p>Full-fledged national consultant. (Senior level)</p> <p>Project management (operations, administration, monitoring, design, implementation), capacity building, training.</p>
7	<p>Performs fully professional level analysis issues within a primary functional discipline supported by knowledge and experience of secondary discipline, contributes major components to project reports and supports Bank staff mission leaders. Provides informed technical or policy advice. Advises on major complex projects or programs.</p> <p>Works independently in the field of specialization equipped with knowledge and experience of multiple disciplines, consistently applying creativity and independent judgement. Interacts with internal or external clients on sensitive and delicate issues. May conduct review to assess the quality of outputs of others before delivery, or during implementation phase. May serve as Team Leader.</p> <p>This category is appropriate for Full-Fledged Sr. National Consultants (Senior Advisory or Senior Team Leader</p>	<ul style="list-style-type: none"> <li>• Minimum of 15 years of relevant and broad -based professional experience or a leading or recognized expert in highly specialized field.</li> <li>• Preferably Master's degree.</li> </ul>	<p>Full-fledged national consultant. (Senior advisory level)</p> <p>Advisory function for more complicated projects.</p> <p>Provide overall project direction and management strategy.</p>



## APPENDIX 12: ELIGIBILITY

**Table A12.1: Eligibility Requirements for Consultants <sup>1</sup>**

<b>Consulting Firm</b>
<p>A consulting firm<sup>a</sup> is from an ADB member if it meets the following requirements:</p> <ol style="list-style-type: none"> <li>1. Corporations or companies must be incorporated in an ADB member.</li> <li>2. Partnerships that are not incorporated and have individual members must be duly registered in an ADB member.</li> <li>3. Universities, institutions, public sector organizations, CSOs, and NGOs that are not incorporated must provide proof that they are duly established and legally capacitated to enter into binding and enforceable contracts with ADB (by charter, statute, etc.).</li> </ol>
<b>Individual Consultant</b>
<ul style="list-style-type: none"> <li>• An individual consultant is from an ADB member if he/she is a national of an ADB member.</li> <li>• Individuals of ADB members who have appropriate authorization to legally reside and work in the country of the assignment but do not hold the nationality of that country may also be considered as national consultants. However, (a) remuneration will be subject to the local market rate; and (b) accommodation and travel related expenses from home country to country of assignment will not be provided.</li> </ul>
<b>Government Organizations and Civil Servants</b>
<p>The following restrictions on government organizations and employees apply to all assignments, including resource persons:</p> <ol style="list-style-type: none"> <li>1. <b>Government-owned enterprises, institutions, and organizations</b> may work as consultants in their own countries only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the borrower or its EA or implementing agency/ies. However, ADB may sometimes approve a government-owned university or research center, or one of its staff, to participate in an assignment when the services to be provided by such entity or staff are exceptional or unique, and the participation of such entity or staff is critical to the assignment. PPF has the authority to interpret this requirement and approve specific cases when sufficient justifications are provided by the user unit or by the EA.</li> <li>2. <b>Current employees of the EA or IA for an ADB-administered TA</b> cannot work as consultants under that TA. Former employees can only work under the conditions set out for former civil servants below.</li> <li>3. <b>Civil servants in the country of TA operation or borrower country</b> (public sector employees working for a government department or agency) may only be hired under consulting contracts, either as individuals or as team members of a consulting firm, if: (i) they are on leave of absence and are duly authorized to work under an ADB consulting contract, (ii) they are not being hired by the agency they were working for immediately before going on leave,<sup>b</sup> and (iii) their employment would not create a conflict of interest. A letter from the candidate's agency will be required to certify that these requirements are met. These restrictions do not apply to government employees engaged for a consulting assignment in a different country.</li> </ol>

<sup>1</sup> The subjects as listed in these tables shall not be debarred or temporarily suspended by ADB or subject to the United Nations Security Council sanctions, see also Table A12.3: Sanctioning by ADB and by Member Countries

<p>4. <b>Former civil servants</b> (public sector employees working for a government department or agency) may only be hired under consulting contracts, either as individuals or as team members of a consulting firm, if: (i) they are not being recruited to work with the agency they were working for immediately<sup>c</sup> before separating from service, and (ii) their employment would not create a conflict of interest. A letter from the candidate’s former agency may be required to certify that these requirements are met.</p>
<p><b>Consultants currently engaged by ADB or the EA</b></p>
<p>1. <b>A consultant who is currently engaged by ADB or the EA for an ADB-financed TA, project, or contract on a full-time basis</b> is understood to be committed for a continuous assignment, whereby a home office work week consists of 5 working days and a field work week consists of 5 or 6 working days, as the case may be, in accordance with the terms and provisions of the contract.</p> <p>2. <b>A consultant who is currently engaged on a full-time basis for an ADB-financed assignment</b> <u>must not</u> work as a consultant, resource person, or service provider for another ADB-financed TA, project, or contract, and for any other employer or project.</p> <p>3. <b>A consultant who is currently engaged on an intermittent basis for an ADB-financed assignment</b> is allowed to work on another intermittent assignment, provided that PPFD receives clearance from the relevant user unit of ADB administered assignment/s that there would be no overlapping in working days between the assignments in question.</p>
<p><b>Relatives of consultants currently engaged by ADB or the EA</b></p>
<p>Close relatives of consultants currently engaged by ADB may not work as consultants if such engagement creates an actual, potential or perceived conflict of interest situation. Consultants who are close relatives shall not be engaged to work as individual consultants under the same assignment.</p>

CSO = civil society organization, EA = executing agency, IA = implementing agency, NGO = nongovernment organization, TA = technical assistance.

<sup>a</sup> Experts employed or engaged by an eligible consulting firm will be considered eligible regardless of their nationality.

<sup>b</sup> PPFD has the authority to interpret the meaning of “immediately” in this clause but generally applies the principle that the individual should have been separated from the agency for at least one year.

<sup>c</sup> Ibid.

**Table A12.2: Former ADB Staff, Spouses of ADB Staff, and Relatives of ADB Staff<sup>2</sup>**

<p><b>Former ADB staff,<sup>a</sup> director’s advisors, and former executive directors and alternate executive directors on the Board</b></p>
<p>May not work as consultants for consulting services that ADB administers within one year of their effective termination date. Vice presidents may not work as consultants for consulting services that ADB administers within three years of their effective termination date. The President may waive such requirements when ADB specifically requires a person’s services.</p> <p>Former ADB staff whose employment was terminated under IGA provisions may be engaged by borrowers as loan consultants for ADB-financed projects, but they are ineligible for engagement by ADB as TA, staff and training consultants, and as resource persons.</p>
<p><b>Former ADB staff who were previously primarily involved in processing and/or supervising a TA, loan, and/or grant project</b></p>
<p>Must not be engaged as a consultant to implement assignments under that same project. Staff may seek guidance in the handling of such conflict from OAI.</p>
<p><b>Proposals to engage former ADB staff</b></p>

<sup>2</sup> The subjects as listed in these tables shall not be debarred or temporarily suspended by ADB or subject to the United Nations Security Council sanctions, see *a/so* Table A12.3: Sanctioning by ADB and by ADB Members

BPMSD clearance is required for engaging former ADB staff at director level and above, while BPRS clearance is required for engaging former ADB staff at below director level.

This clearance applies for the first time that the former staff is being engaged as a consultant for consulting services that ADB administers and, in the case of former staff at director level and above, for each engagement. This occurs if (i) the former staff was nominated by a first-ranked consulting firm in its technical proposal or (ii) the former staff applies as an individual consultant for consulting services that ADB administers. The procedures to obtain clearance are as follows:

1. If the former staff position was below director level, the user unit refers the candidate's name to the Director, BPRS who checks that they had no performance, disciplinary, or other related problem while working in ADB.
2. If the former staff position was at the level of director or above up to department or office head, the user unit submits, with adequate lead time, the name to the Director General, BPMSD for clearance. BPMSD forms a committee of senior staff to review the nomination (see below).
3. If the candidate was an executive director or alternate executive director on the Board of Directors, or a vice president, the director of the user unit, with adequate lead time, justifies and recommends recruitment through: (a) the head of the user unit's department or office, (b) the Director General, BPMSD, and (c) the appropriate vice president to the President for approval. A copy of the recommendation goes to The Secretary, OSEC.

**BPMSD shall form a committee to review proposals for the engagement of former staff whose positions were at the level of director or above, up to department or office head.**

1. The committee shall comprise the Director General, BPMSD as chairperson, the head of the user unit's department or office, and the head of another department or office as an independent member, or in each case, the designated representative of head of department or office. The Director, BPRS acts as the secretary for the committee. The committee considers all factors, including: the former staff member's ADB records with respect to any performance, disciplinary, or related problems;
2. the proposed scope of work;
3. the expertise required and whether other candidates are equally qualified;
4. the extent to which the staff member was associated with the proposed work;
5. the extent to which the staff's previous work or his/her former subordinates' work relates to the proposed work; and
6. the risk that the engagement might involve, or be seen to involve, favoritism or conflict of interest.

**Spouses of ADB Staff**

ADB staff spouses applying to work for consulting services that ADB administers will be subject to the following conditions:

1. Spouses of the President, vice presidents, and heads of departments or offices are **normally** restricted from working as a consultant for consulting services that ADB administers. The head of the user unit's department or office may recommend that the President waive this restriction in cases where the candidate is a spouse of vice president, or head of department or office. If the candidate is the current President's spouse, the ranking vice president may approve the recruitment.
2. **The recruitment process for an ADB staff's spouse shall include due diligence to determine whether an actual, potential, or perceived conflict of interest exists.** A spouse may not be recruited as an ADB consultant if:
  - (i) the proposed consultancy position is in the same division/unit as the ADB staff whose spouse is being considered for such position, or such staff would supervise the work of his/her spouse by rating performance and recommending rate increases; or
  - (ii) the proposed consultancy position involves an actual or potential conflict of interest on the part of the ADB staff and/or his/her spouse.

3. **A staff who is involved in, or who has knowledge of, any actual, potential, or perceived conflict of interest shall consult and/or make a full disclosure of its nature, circumstances, and material facts to OAI and PPFD as soon as the staff becomes aware of the situation.** OAI shall make the necessary recommendations or take appropriate actions to eliminate or mitigate any such conflict. The Director General, PPFD will decide if the recruitment may proceed.
4. **Staff must not promote their spouses' interests.** Staff must not communicate with prospective user units for engaging their spouses as consultants. Doing so may result in disciplinary measures under AO 2.04.
5. **Spouses who are interested in individual consulting assignments should register in CMS.** Spouses interested in working for consulting firms or organizations as team members should contact those consulting firms or organizations directly.
6. **If a spouse is a candidate on a shortlist, the relevant user unit should evaluate the spouse using the same eligibility requirements as other candidates.** The fact that a proposed consultant is the spouse of a staff should not be a consideration for selecting such a consultant. The user unit should also confirm that selecting the spouse for the assignment will not create any actual, potential, or perceived conflict of interest.
7. **Direct contracting of a spouse for an individual consulting assignment is discouraged.** When direct contracting of a spouse is proposed, the user unit concerned must submit proof that the position was previously advertised in accordance with this SI and no other qualified candidate has expressed interest. The user unit submits a recommendation with a detailed justification including an assessment of any submitted expressions of interest through the head of the user department or office, to the Director, BPRS for clearance. The head of the user department or office then approves the direct contracting.
8. **The Director, BPRS clears the initial engagement of spouses,** similar to the engagement of former bank staff.
9. ADB does not provide spouses working on ADB-administered consulting assignments with:
  - (i) per diem when working in the same duty station as the staff member; or
  - (ii) reimbursement of expenses or other benefits already covered by the benefits ADB gives to the staff.

**Other Relatives of Current ADB Staff**

Close relatives of current ADB staff, other than spouses, may not work as consultants for consulting services that ADB administers. AO 2.01, Appendix 1, defines close relatives.

AO = administrative order, CMS = Consultant Management System, IGA = Interests of Good Administration, SI = staff instruction. TA = technical assistance.

<sup>a</sup> ADB does not consider former ADBI staff or other individuals such as secondees, interns, temporary staff, or contractors (e.g., ITD programmers) as ADB staff.

**Table A12.3: Sanctioning by ADB and by ADB Members <sup>3</sup>**

<b>Sanctioning by ADB</b>
A consulting firm or individual consultant debarred or temporarily suspended by ADB in accordance with ADB's Anticorruption Policy (1998, as amended to date) and Integrity Principles and Guidelines (2015, as amended from time to time) is ineligible to participate in or be awarded a contract that is financed, administered, or supported by ADB. Likewise, the firm or individual consultant must not be under any ADB-issued suspensions resulting from unsatisfactory performance.
<b>Sanctioning by ADB Members</b>

<sup>3</sup> All sanctions checks, including those relating ADB sanctions, are to be undertaken using the [Sanctions Screening Portal](#) by user unit.

Staff may encounter the issue of national blacklisting during or after longlisting by an EA. Staff should ensure that any member country's own debarment procedures do not prevent EAs from treating prospective eligible consultants for ADB-financed contracts from all member countries fairly and in accordance with ADB procurement procedures. This applies equally to official national blacklisting as well as "unofficial" or informal blacklisting. Member countries sometimes establish national blacklisting procedures, often for fraud or corruption as the country may define them, but also for other reasons such as breaches of contract or poor performance. While ADB will support specific anticorruption efforts of member countries, national blacklisting generally will be considered for ADB-financed contracts only when the blacklisted companies and/or individuals are the same nationality as the EA. There may be limited circumstances in which national blacklisting may otherwise be accepted by ADB. If staff become aware of a national blacklist they should:

1. determine the basis for it;
2. advise OAI, PPF, and regional department focal points; and
3. ensure the blacklist is not considered in any ADB-financed contracting or consulting recruitment decisions, including prequalification, unless endorsed by PPF and OAI.

If staff learn that an EA determined that fraud or corruption occurred in ADB-financed procurement, ADB should accept that determination as long as staff are satisfied there was a sound basis for the decision and that the EA followed the ADB Procurement Policy: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time) and the requirements of the relevant procurement plan and financing agreement. The disqualification may, however, apply only to the specific procurement. In those cases, staff should consult with OAI. Staff should also note that EAs may report an integrity violation occurring in ADB-financed procurement directly to OAI, without informing the concerned project officer.

The above discussion refers to blacklisting for fraud and corruption. For sanctioning that relates to poor performance on a particular contract, the poor performance may be taken into account in determining the consultant's qualifications. In such cases, the ADB user unit should assess the sanctioning in terms of qualification only and need not involve OAI. PPF should be consulted as necessary.

If a sanctioning or blacklisting system is disclosed early during processing, staff may include it in the scope for the project procurement risk assessment or in the review of the local laws, rules, and regulations. A system that is objective, fair, and transparent, preferably using third-party experts to assess technical issues, should be acceptable. If a national sanctioning system is found to be acceptable, the sanctioning by the system can be included as a qualification criterion for longlisting. The inclusion of a qualification criterion based on a national blacklisting system will be considered on a case-by-case basis and requires endorsement by PPF.

#### **Sanctioning by United Nations Security Council**

A consulting firm or an individual subject to sanctions by decisions of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations is ineligible.

EA = executing agency.

### APPENDIX 13: CONSULTANT SELECTION COMMITTEE <sup>1</sup>

1. ADB's Consultant Management System (CMS) automatically generates evaluation sheets, based on the request for proposals (RFP) and the proposals received.
2. For firm contracts exceeding \$750,000, PPFD forms a consultant selection committee (CSC), nominating a procurement specialist as the chairperson, acting on behalf of the relevant Director, PPFD. The user unit nominates a project specialist, acting on behalf of the user unit director.<sup>2</sup> PPFD requests the nomination of a third (independent) member of the CSC using PPFD's roster.
3. For firm contracts not exceeding \$750,000, the user unit forms a CSC. The user unit director assigns at least two specialists in the unit familiar with the requirements of the terms of reference (TOR) to carry out the evaluation. At least one of them needs experience in technical proposal evaluation. The user unit director may request PPFD to chair a CSC regardless of the budget of the assignment if the user unit has difficulty in assigning experienced staff to do the evaluation.
4. Evaluators first independently assess whether the technical proposals comply with RFP submission requirements, including assessing whether each firm (including joint venture partners and/or associates) and proposed personnel meet the eligibility criteria described in Appendix 12 of this SI, and then evaluate each proposal. Staff appointed to evaluate technical proposals carry out the evaluation solely using the TOR, narrative evaluation criteria, personnel evaluation sheet, summary evaluation sheet and scoring guide.
5. Evaluation of the technical proposals shall be done independently by each member of the CSC prior to discussion of the strengths and weaknesses of each proposal received. The evaluators evaluate each proposal by its responsiveness to the TOR. Based on the narrative evaluation criteria, evaluators start by rating the personnel (usually focused on the "core" or "key" experts only) of each proposal, using the personnel evaluation sheet, and then by transferring the resulting scores (rating multiplied by the corresponding weight) from the personnel evaluation sheet to the summary evaluation sheet. Other factors, such as approach and methodology, are then evaluated based on the narrative evaluation criteria, and the ratings are entered in the summary evaluation sheet. All the resulting scores corresponding to each criterion are then added on the summary sheet for a total score.
6. The CSC meets to:
  - confirm the absence of actual or potential conflict of interest;
  - confirm that the proposals comply with the RFP requirements;
  - discuss each member's independent evaluation;
  - reach a consensus on a set of scores for each proposal that represents the committee's collective view;
  - complete a final ranking of the proposals; and
  - finalize narrative comments on each proposal to supplement the evaluation forms.

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<sup>1</sup> For SCQS, the same procedure applies, though the appendix should be read replacing the term "shortlisted firm/s" with "firm/s submitting a single-stage proposal" and replacing "technical proposal" with "technical aspects of the proposal".

<sup>2</sup> Normally, the project officer represents the user unit, unless there are specific circumstances (e.g., actual, potential, or perceived conflict of interest) that may require nominating an alternate.

7. This analysis identifies each proposal's strengths and weaknesses against the given evaluation criteria and highlights any omissions or deficiencies.
8. The evaluation results with narrative comments on the evaluation of each technical proposal or CSC minutes, are submitted through CMS to the user unit director or the CSC chairperson for endorsing to the relevant Director, PPF, PPF for approval. A template for CSC minutes is available from PPF. The minimum passing technical score is specified in the RFP, which is usually 750 out of 1,000 points. CMS notifies shortlisted firms that submitted proposals of their technical evaluation scoring.
9. PPF may conduct a post review of the evaluations made by user units. With the agreement of the relevant Director, PPF, PPF staff may recommend a post review when PPF believes that there is a need to verify the evaluation results. Such need may arise from a consulting firm's representation, an executing agency's question, or any other reason PPF deems appropriate. The post review primarily provides diagnostic information for improving the user unit's capacity for evaluating consultant proposals. However, if the post review concludes that the ADB's Anticorruption Policy (1998, as amended to date) has been violated, then the case will be referred to OAI. If the post review determines that there has been noncompliance with this SI, the matter shall be brought to the attention of the relevant Director, PPF.
10. When CMS is not used for recruitment, the same approval procedures are followed as above, but the CSC minutes or evaluation results with a memorandum are submitted in hardcopy. Sanctions checks must still be undertaken using the Sanctions Screening Portal by the user unit and the sanctions status is to form part of the consideration.

**APPENDIX 14: CONTRACT VARIATIONS**

**A. Specific Requirements for Consulting Contract Variations**

1. The user unit director endorses proposed contract variations and then the user unit either processes them or requests PPFD to process them, in accordance with the following:

Value of contract change <sup>a</sup>	Responsible department and signatory	Notes
<b>Individual Consultant Contract Variations</b>		
≤\$30,000 <sup>b</sup>	User Unit Director	All variations except those specified in the row below <sup>c</sup>
≤\$30,000	PPFD <sup>d</sup>	<ul style="list-style-type: none"> <li>• change to remuneration rates of experts</li> <li>• changes to the budget of lump sum<sup>e</sup> contracts</li> <li>• contract terminations, cancellations<sup>f</sup>, and suspensions</li> </ul>
>\$30,000 to \$100,000	PPFD <sup>d</sup>	All variations
>\$100,000	Director, PPFDD	All variations
<b>Firm Consultant Contract Variations</b>		
No cost	User Unit Director	Only applies to: <ul style="list-style-type: none"> <li>• extensions of contract duration;</li> <li>• changes to technical details within the TOR or to the deliverable/payment schedule;</li> <li>• changes to details of the responsible user unit project officer or director within the contract; and</li> <li>• changes to details of the consultant’s address, authorized representative, or contact information within the contract.</li> </ul>
No cost	PPFD <sup>d</sup>	All variations not covered in the row above
≤\$100,000	PPFD <sup>d</sup>	All variations to contracts with consulting firms regardless of cost, other than those listed in the rows above, and any change to a lump sum contract involving a change in budget
>\$100,000	Director, PPFDD	All variations

<sup>a</sup> May be an increase or decrease.  
<sup>b</sup> User unit authorizes advances of out-of-pocket expenses to consultants. Such advances shall be approved in accordance with procedures stipulated in ADB’s TA Disbursement Handbook (2020, as amended from time to time).  
<sup>c</sup> For extensions with cumulative cost implications in a 12-month period above \$30,000, approval is required by the Director, PPFDD.  
<sup>d</sup> A PPFDD procurement specialist appointed by Director, PPFDD.  
<sup>e</sup> User units may process, without PPFDD approval, variations concerning additional travel budget or other receiptable out-of-pocket expense items of \$20,000 or less for partial lump sum contracts.  
<sup>f</sup> Termination is when the consultant was mobilized and financial disbursements have been made under the contract. Cancellation is when the consultant was not mobilized, contractual activities did not commence and no financial disbursements were made.

2. When PPFDD or the user unit issues a variation with no cost implications, this should be clearly stated in the variation order. When a contract variation is issued to extend the contract termination date, the user unit must ensure that the extended date is before the completion date of the relevant financing agreement.



3. To process a variation, the user unit or PPFD enters the details into the Integrated Disbursement System (IDS) for TA consultant contracts and sends a variation order to the consultant. Copies of variation orders shall be made available to the user unit, PPFD, and CTL. Copies will be sent electronically unless paper versions are specifically requested.
4. The remuneration rate and currency approved by PPFD and accepted by the consultant during negotiations will remain fixed for the whole duration of the contract. PPFD may agree to a small increase in remuneration to cover inflation and/or currency fluctuations, on or after the yearly anniversary of the consultant's contract. The revised rate will not be applied retroactively. Job level upgrades are not permitted through contract variation.
5. Prior to entering the details into IDS or submitting a variation request to PPFD, the user unit must check through the [Sanctions Screening Portal](#) if the consultant is in ADB complete sanctions list or subject to other sanctions and seek OAI endorsement if the consultant is debarred or temporarily suspended or subject to other sanctions.
6. The remuneration of replacement experts provided by consulting firms should not exceed the remuneration of the original experts.
7. When a consulting firm is selected using QCBS, FBS, LCS, or SCQS, ADB pays the firm the remuneration and out-of-pocket expense (OPE) rates the consultant stated in its financial proposal or financial aspect of its proposal (as the case may be), which continue to apply to variations that adjust the quantities of these items. For contracts awarded pursuant to other selection methods, remuneration rates and OPEs shall be negotiated with ADB and per diem rates shall be based on ADB's rates.

## **B. Specific Requirements for Staff Consulting Contract Variations**

8. Staff consulting contract variations are processed online using CMS. User units are able to process most staff consulting variations without referring them to PPFD. PPFD is involved in processing variations where essential terms and conditions of contract (e.g., remuneration) are changing or when new cost categories are added.
9. Proposals to extend individual staff consulting assignments with cumulative cost implications in a 12-month period of up to \$30,000 are approved by the user unit director. For extensions with cumulative cost implications in a 12-month period above these thresholds, approval is required from the user unit director and Director, PPFD.
10. Proposals to extend an individual staff consulting assignment to a total period of 460 working days or more in any consecutive two-year period are endorsed by the Head, BPOD-SWU before approval by the head of the user unit's department or office.
11. Prior to processing staff consulting contract variations, the user unit must check through the [Sanctions Screening Portal](#) if the consultant is subject to sanctions and seek OAI endorsement if the consultant is debarred or temporarily suspended or subject to other sanctions.

## APPENDIX 15: PERFORMANCE EVALUATION REPORT PROCESS

### A. PER Performance Rating Categories and Processes

1. The performance rating categories in PER are as follows: Excellent (E), Satisfactory (S), Generally Satisfactory (GS), Unsatisfactory – Without Suspension (U), Unsatisfactory – With Suspension (US) or Not Applicable (N/A).
  - The user unit is responsible for proposing the initial performance rating. The proposed rating and supporting information are subject to the review of PPFD prior to the finalization of the rating in the system.
  - If the user unit proposes to set the rating as E, S or GS, the responsible officer is asked to provide a detailed commentary in the system.
  - If the user unit proposes to set the rating as U or US rating refer to sections B and C below.
  - For consulting firm PERs, the rating of individual team members may be different to that of the firm.
  
2. Consultants will not be requested to review or respond to the performance evaluation unless they are given a U or US rating.
  
3. The PER form becomes available online on CMS to the user unit at the start of the assignment and the user unit can start recording its performance observations in the form at any time during the assignment but it will not be able to submit the form for approval until after the contract ends. The user unit must complete its PER for each consulting assignment it manages within 2 months of the date on which (i) the consulting firm submits the final report to complete their contract or (ii) the contract is completed/pre-terminated. If the assignment lasts 18 months or more, the user unit must also complete a midterm PER within 2 months of the midpoint date of the assignment. If a key expert is replaced in a consulting firm contract because of unsatisfactory performance, the user unit should complete a PER for that individual within 2 months of the replacement date.
  
4. Failure to complete a PER within the specified 2-month period will result in the PER being tagged as Not Rated and the system will be locked. The Not Rated PER can be unlocked when the user unit provides a satisfactory explanation to the responsible Director, PPFD of why the PER was not completed within the specified period. CMS automatically generates the required PER forms for the user unit and sends the user unit and the user unit's director regular reminders of their outstanding PERs.
  
5. User unit staff should keep written records of consultant performance during the contract and, if staff managing the contract are reassigned, the outgoing staff should provide these records to the incoming staff and brief them on the consultant's performance to date and reassign the PER to the new staff. User unit staff responsible for preparing the PER should consult with any staff who were previously involved in managing the contract and with involved staff from any client government to form an accurate and complete assessment.

**B. PER Review Process for Unsatisfactory Rating without Suspension (U)**

6. If the user unit, with the concurrence of PPFD following its preliminary review, proposes that performance of the consultant is U, a PER Review for U process will be carried out to validate the rating.

7. Within a week of receipt of the completed PER in the system, PPFD will establish the PPFD/user unit team to commence the PER Review for U process, which reviews the PER; past PERs (if any); the terms of reference for the assignment and consultant's report(s), if applicable; the consultant's CV; and performance-related correspondence between the user unit and the consultant during the assignment. The PER Review for U is undertaken by the responsible Director, PPFD or an international staff member from PPFD representing him/her and the concerned user unit director or the user unit officer who completed the performance evaluation. If deemed necessary, PPFD may seek legal advice from OGC.

8. Upon completion of the PER Review for U Process, the proposed performance rating may be amended. If the rating is revised to US, the process outlined in section C will be followed. If the rating is revised to E, S, or GS, no further action is required.

9. If the U rating is maintained after the PER Review process, the responsible Director, PPFD, writes to the consultant listing the weaknesses identified in the PER. If the consultant is recruited through a firm, both the firm and the consultant are sent copies of the letter.

10. The letter indicates the following: (a) while remaining eligible to submit expressions of interest and/or proposals, the unsatisfactory rating may have an impact on future shortlisting opportunities; and (b) the consultant can send comments within 10 working days regarding the unsatisfactory rating for ADB's review. Comments from the consultant received within 10 working days will be reviewed and considered by the PER review for U panel. Comments received after this time shall not be considered. The responsible Director, PPFD will then inform the consultant, in writing, of the final decision and whether the rating is retained or adjusted before it is finalized in CMS.

**C. PER Review Process for Unsatisfactory Rating with Suspension (US)**

11. If the user unit, with the concurrence of PPFD following its preliminary review, proposes that the unsatisfactory performance of the consultant warrants suspension (US), the responsible Director, PPFD, after consulting with the user unit director, writes to the consultant listing the weaknesses identified in the PER and invites the consultant to comment. The consultant is given 21 working days to reply in writing to PPFD. If the consultant is recruited through a firm, both the firm and the consultant are given an opportunity to comment on the PER report. Comments from the consultant received within 21 working days will be reviewed and considered by the PPFD and user unit representatives as part of the panel for PER review with US rating. Comments received after this time shall not be considered.

12. Irrespective of whether comments are received from the consultant, PPFD organizes and chairs a PER review panel for US rating meeting, which reviews the PER; the consultant's comments (if received); past PERs, if any; the terms of reference for the assignment and consultant's report(s), if applicable; and the consultant's CV. The PER review panel for US rating is chaired by the responsible Director, PPFD or an International staff member from PPFD representing him/her as chairperson, the concerned user director or the user unit officer who

coordinated the performance evaluation, and another user unit director or his/her designated professional staff chosen from a roster that PPFD maintains. The third member usually has a background in a similar technical area to the user unit officer. If deemed necessary, the chairperson may invite a representative from OGC to attend the PER review panel for US rating meeting as an observer to provide legal advice.

13. The PER review panel for US rating will review the information and decide whether (i) the proposed suspension and its duration shall be retained, or (ii) the proposed suspension is retained but the duration of suspension adjusted, or (iii) the proposed suspension is deemed unjustified. If the proposed suspension is no longer deemed justified, the PER review for US panel will downgrade the rating to U (or such other rating as it considers appropriate), without initiating the process outlined in section B. The PER review panel for US rating's decision is final. The responsible Director, PPFD will inform the consultant in writing of the final decision regarding the rating and suspension period. The rating shall then be finalized in CMS.

## **PART II. STAFF INSTRUCTION ON BORROWER-ADMINISTERED PROCUREMENT OF GOODS, WORKS, NONCONSULTING, AND CONSULTING SERVICES**

### **SECTION A. PROCUREMENT OF GOODS, WORKS, AND NONCONSULTING SERVICES**

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#### **I. SCOPE**

1. This section instructs ADB staff on the procedures regarding the procurement of goods, civil works, and nonconsulting services under sovereign operations financed in whole or in part by way of an investment loan from ADB, ADB-financed grant, or funds administered by ADB. This document is to be read in conjunction with (i) the ADB Procurement Policy: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time), (ii) the Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time), (iii) relevant standard bidding documents and their user's guides, (iv) the Staff Instruction on Risk-based Approach to Procurement Fiduciary Oversight Under Country Partnership Strategies and Sovereign Operation Procurement Preparation (2014), and (v) relevant PPFD procurement guidance notes (available at <https://www.adb.org/documents/guidance-notes-on-procurement>).

#### **II. STAFF RESPONSIBILITIES<sup>1</sup>**

2. ADB is responsible for ensuring that the proceeds of its financing are used with due consideration of the core procurement principles, i.e., economy, efficiency, fairness, transparency, quality, and value for money. In fulfilling that responsibility:

- (i) ADB user units, namely sector divisions, resident missions, and regional offices that are implementing projects, are primarily responsible for monitoring and verifying the executing agency's (EA's) procurement actions and ensuring that approved procurement procedures have been applied properly;
- (ii) OGC advises on legal issues relating to all aspects of ADB projects including preparation and implementation of legal agreements; and
- (iii) PPFD provides fiduciary oversight and supports ADB staff and borrowers on procurement planning and implementation, contract management, and related risk assessment and mitigation throughout the project lifecycle.

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<sup>1</sup> Appendix 1 lists general responsibilities of ADB staff during procurement of goods, works, and non-consulting services.

### III. STAGES OF PROCUREMENT

#### A. Country Partnership Stage

3. PPFD is responsible for preparing the country and sector/agency procurement risk assessment (CSPRA) supporting the development of the country partnership strategy.<sup>2</sup>

#### B. Project Concept and Preparation Stage

4. The user unit and PPFD have a shared responsibility for ensuring completion of the following procurement-related activities prior to loan and/or grant negotiations:

- (i) develop procurement arrangements described in the project concept paper;
- (ii) support the borrower in strategic procurement planning, including the project procurement risk assessment (PPRA) and the procurement risk assessment and management plan (P-RAMP),<sup>3</sup> enabling the borrower to design procurement arrangements including packages, methods and relevant thresholds that satisfy the core procurement principles and achieve fitness for purpose;
- (iii) identify opportunities to use the borrower's electronic government procurement (eGP) system<sup>4</sup> and/or alternative procurement arrangements (APA), either those of the borrower or another MDB,<sup>5</sup> and implement as appropriate; and
- (iv) support the borrower in preparing the initial procurement plan with specific details for at least the first 18 months of implementation.<sup>6</sup>

#### C. Project Implementation Stage

5. The following oversight will apply to borrowers' procurement actions, subject to the agreed review arrangements for the project:

- (i) **Review of draft prequalification and bidding documents.** In most cases, ADB's standard prequalification and bidding documents (SBDs) will facilitate fit-for-purpose procurement outcomes. Therefore, the proposed use of an SBD of another agency or the customization of standard text of an ADB SBD must be supported by the project procurement risk assessment or other evidence that the bidding document or customized text is consistent with ADB's core procurement principles and will therefore achieve fitness for purpose and value for money. Appendixes 2 to 4 provide procurement processing and review flow charts and service standards for user unit, OGC, and PPFD staff.
- (ii) **Review of borrowers' procurement decisions and proposals.** Borrowers' procurement decisions and proposals include any recommendation (a) on the prequalification of applicants, (b) on the responsiveness of technical proposals in a two-stage or two-envelope bidding process, (c) to reject a bid for being abnormally

<sup>2</sup> See: ADB. 2018. *Procurement Risk Framework*. Guidance Note on Procurement. Manila.

<sup>3</sup> See footnote 2 and: ADB. 2018. *Strategic Procurement Planning* Guidance Note on Procurement. Manila. This requirement may be waived by the Director, PPFD when appropriate, e.g., when a procurement risk assessment has been conducted recently or a MAPS II assessment has been conducted.

<sup>4</sup> See: ADB. 2018. *e-Procurement*. Guidance Note on Procurement. Manila.

<sup>5</sup> See: ADB. 2018. *Alternative Procurement Arrangements*. Guidance Note on Procurement. Manila.

<sup>6</sup> See: ADB. 2018. *Strategic Procurement Planning*. Guidance Note on Procurement. Manila.

low, (d) to award or terminate a contract, (e) to enter into price negotiations, and (f) to cancel bidding and/or conduct rebidding after at least one bid has been received. They do not include non-procurement (i.e., technical or administrative) decisions, e.g., a borrower's recommendation to rebid where no bids were received by the bid submission deadline.<sup>7</sup> A borrower's procurement decision or proposal will be supportable if it is consistent with the issued bidding document (including contract forms).

- (iii) **Contract management.** A contract management plan acceptable to ADB will be developed during contract preparation and completed by the contracting parties at the time the contract is signed. The plan will include key performance indicators and milestone events to guide the borrower in monitoring the performance and progress of the contract. Staff will use the borrower's regular reports to determine whether the contract achieved fitness for purpose.
- (iv) **Procurement plans.** User unit staff will ensure that procurement plans are updated every 12 months, or more frequently as needed, to reflect new or revised contract packages, updated cost estimates, and awarded contracts.
- (v) **Procurement Review System (PRS).** It is mandatory to use PRS to prepare and update all procurement plans, to review and approve all procurement transactions<sup>8</sup> with estimated value of \$1 million or more, and to approve all procurement notices prior to being uploaded to the ADB website.<sup>9</sup>
- (vi) **Changes to procurement arrangements.** Proposed changes must be consistent with the strategic procurement planning and procurement risk assessment including supply market analysis, as may be updated from time to time.
- (vii) **Project procurement risk.** The user unit shall monitor the implementation of the risk mitigation measures included in the P-RAMP and any evolving supply market conditions revealed by actual bidding and contract award patterns, and advise PPFD accordingly.

#### D. Project Evaluation Stage

6. The user unit shall ensure that the Project Completion Report describes, among others, how efficiently goods, works, and services were procured, whether the contracts were completed in a timely manner and achieved fit-for-purpose outcomes, and recommends improvements to be made in the strategic procurement planning of new projects in the same sector.

#### IV. APPROVAL AUTHORITIES

7. Tables 1 to 6 describe specific details of responsibilities and approval authorities.<sup>10</sup>

<sup>7</sup> Such non-procurement decisions are given no objection by the user unit. The PRS Help Team should be consulted to ensure that rebidding is correctly arranged in PRS in the absence of a procurement approval. See also footnote 15.

<sup>8</sup> Exceptions to this are contract modifications and contract terminations that are not subject to Procurement Committee approval, and post review (sampling) transactions.

<sup>9</sup> Refer to PRS Quick Reference Guides and footnote 6.

<sup>10</sup> Director, PPFID may delegate to a Procurement Specialist any approval authority assigned to him/her.

**Table 1: Procurement Action Responsibilities During Country Partnership Stage**

No.	Output/Matter	User Unit	PPFD	OGC
1.	CSPRA <sup>a</sup>	Assists with the assessment of the national eGP system	Prepares and approves	May be consulted

CSPRA = country and sector/agency procurement risk assessment, eGP = electronic government procurement.

<sup>a</sup> Refer also to the review and approval requirements in Appendix 8.

**Table 2: Procurement Action Responsibilities During Project Preparation Stage**

No.	Output/Matter	User Unit	PPFD	OGC
1.	Project concept paper (procurement aspects)	Approves the procurement arrangements	Advises appropriate procurement arrangements	Not required
2.	SPP including PPRA and P-RAMP <sup>a</sup>	Incorporates P-RAMP into the project risk assessment and risk management plan, for review at the quality assurance meeting	Provides inputs into the PPRA and prepares a draft P-RAMP for EA's review  Reviews and provides quality assurance on the SPP prepared by the EA and consults with user unit	May be consulted
3.	Use of APA	Co-approves	Co-approves	Co-approves
4.	Procurement plan included in the PAM/FAM <sup>a</sup>	Prepares initial draft and validates the data by submitting it through PRS prior to the quality assurance meeting	Procurement specialist endorses	Not required
5.	Use of standstill arrangements	May be consulted	Director, PPFD approves	May be consulted
6.	Advance contracting notice	Prepares and submits offline	Checks for consistency with initial procurement plan and arranges publication on adb.org	Not required
7.	RRP and PAM/FAM (procurement aspects)	ADB Board of Directors approves	Procurement specialist reviews and endorses	Not required

APA = alternative procurement arrangements, EA = executing agency, PAM/FAM = project/facility administration manual, PPRA = project procurement risk assessment, P-RAMP = procurement risk assessment and management plan, RRP = Report and Recommendation of the President, SPP = strategic procurement plan

<sup>a</sup> Refer also to the review and approval requirements in Appendix 8.



**Table 3: Procurement Action Responsibilities During Project Implementation Stage – Procurement Transactions Subject to Prior Review<sup>11</sup>**

No.	Output/Matter	User Unit	PPFD	OGC <sup>12</sup>
1.	Invitation for Bids or PQ <sup>13</sup>	Reviews for consistency with issued bidding or prequalification document and the IFB template	Arranges publication on adb.org	Not required
2.	First PQ and bidding document of each contract type (any value) under the project <sup>14</sup>	Reviews in parallel. User unit director approves.	Reviews in parallel	Reviews in parallel
3.	PQ or bidding document (\$70 million and above) <sup>15</sup>	Reviews in parallel. User unit director approves.	Reviews in parallel	Reviews in parallel
4.	PQ or bidding document (from \$20 million up to, but not including, \$70 million) <sup>16</sup>	Reviews in parallel. User unit director approves.	Reviews in parallel	May be consulted
5.	PQ or bidding document (below \$20 million) <sup>17</sup>	Reviews with clearance by PASS-accredited staff. User unit director approves.	May be consulted	May be consulted
6.	Proposal to review any PQ or bidding document in	User unit director approves the proposal	Must be consulted regarding the proposal	Not required

<sup>11</sup> Contracts that are not subject to ADB prior review shall be subject to post review by ADB using a sampling methodology that is summarized in the project procurement plan. The user unit is responsible for approval of the post review (sampling) report. Refer to the Procurement Regulations for ADB Borrowers, Appendix 6, paras. 10 to 14 and: ADB. 2018. *Procurement Review*. Guidance Note on Procurement. Manila.

<sup>12</sup> For draft bidding documents, OGC is mandated to review only the contract conditions and legal issues identified by the user unit or the EA (if any). For draft PQ documents, OGC review is not required, unless there are legal issues raised by the user unit or the EA.

<sup>13</sup> If procurement method is open competitive bidding (OCB) through international advertising or if requested by the borrower.

<sup>14</sup> Review procedure should follow that described in Appendix 2-1.

<sup>15</sup> Review requirements for PQ or bidding documents described in items 3 and 4 also apply to any rebiddings, regardless of the reason for rebidding including fresh bidding following contract termination.

<sup>16</sup> Unless it is the first PQ or bidding document for that contract type, in which case the review requirements in item 2 will apply.

<sup>17</sup> Unless it is the first PQ or bidding document for that contract type, in which case the review requirements in item 2 will apply.

No.	Output/Matter	User Unit	PPFD	OGC <sup>12</sup>
	parallel with application or bid preparation period <sup>18</sup>			
7.	RFQ document (any value)	Reviews with clearance by PASS-accredited staff. User unit director approves.	May be consulted	Not applicable
8.	Use of non-ADB contract form or SBD	Provides justification	PPFD and OGC co-approve. Any approval shall be on condition that, where necessary, the EA and bidders shall secure their own licenses to utilize the relevant contract forms, e.g., to prepare the bidding document and bids, and for contract management purposes.	
9.	Proposal to amend an issued PQ or bidding document	Reviews with clearance by PASS-accredited staff. User unit director approves.	May be consulted	May be consulted
10.	A procurement decision or proposal relating to a contract estimated or proposed for award at \$70 million <sup>19</sup> and above <sup>20</sup>	Reviews in parallel and prepares first draft ePAF <sup>a</sup>	Reviews in parallel and assists further drafting of ePAF, in consultation with PC Secretary	Reviews in parallel and assists further drafting of ePAF
		Procurement Committee approves <sup>21</sup>		
11.	A procurement decision or proposal relating to a contract	Reviews in parallel, prepares first draft ePAF. User unit director approves. <sup>a</sup>	Reviews in parallel and assists further drafting of ePAF.	May be consulted

<sup>18</sup> Review and approval requirements described in items 2 to 5 will apply to review of the PQ or bidding document.

<sup>19</sup> Or another threshold applicable to the User Unit as approved by DG, PPF.

<sup>20</sup> Includes all lots under a package having at least one lot estimated at \$70 million and above, except where the Director, PPF (in consultation with the user unit director) decides that lots below \$70 million should instead be co-approved by the user unit director and Director, PPF.

<sup>21</sup> Approval authorities for procurement decisions and proposals also cover the declaration of noncompliance. Appendixes 5 to 7 present procedures for the procurement committee, transferring to the 2017 procurement framework, and specific procurement procedures, respectively. Notwithstanding the provisions of Item 10 of this Table, a financial bid evaluation report for a contract proposed for award at \$70 million and above and having no issues may be jointly approved by the relevant User Unit Director and Procurement Director (co-approval) pursuant to Item 11 of this Table. For the purposes of this footnote, 'No issues' denotes low procurement risk in awarding a contract as proposed by the EA and is indicated by, but is not limited to, (i) the bid recommended for award had the lowest price at bid opening and is not conditional, (ii) the EA does not recommend price negotiations with the winning bidder or rejection of all bids, and (iii) the EA does not recommend, due to Abnormally Low Bid considerations, to reject a bid or increase the performance security of the bidder recommended for award. Director, PPF assesses the procurement risk of each contract proposed for award at \$70 million and above, in consultation with the User Unit and OGC if necessary.

No.	Output/Matter	User Unit	PPFD	OGC <sup>12</sup>
	estimated or proposed for award (from \$20 million up to, but not including, \$70 million <sup>22</sup> )		Director, PPFDD endorses.	
12.	A procurement decision or proposal relating to a contract estimated or proposed for award (below \$20 million)	Reviews with clearance by PASS-accredited staff. User unit director approves. <sup>a</sup>	May be consulted	May be consulted
13.	A proposal to award a contract following previously-approved price negotiations (from \$20 million up to, but not including, \$70 million <sup>23</sup> )	Reviews and approves if: (a) the negotiations resulted in a reduced price without amending the commercial conditions (including contractual provisions) of the bidding document, and (b) PPFDD did not request review of the final award proposal.	If conditions for user unit approval are met, PPFDD may be consulted.  If conditions for user unit approval are not met, Director, PPFDD endorsement is required.	May be consulted.
14.	A proposal to award a contract following previously-approved price negotiations (\$70 million and above)	Reviews and approves if: (a) the negotiations resulted in a reduced price without amending the commercial conditions (including contractual provisions) of the	If conditions for user unit approval are met, PPFDD may be consulted.  If conditions for user unit approval are not met, Procurement Committee	If conditions for user unit approval are met, OGC may be consulted.  If conditions for user unit approval are not met, Procurement Committee

<sup>22</sup> Includes all lots under a package having at least one lot estimated from \$20 million up to, but not including, \$70 million, except where the Director, PPFDD decides that lots below \$20 million should instead be approved by the user unit director.

<sup>23</sup> Or other threshold applicable to the User Unit approved by DG, PPFDD based on the User Unit's track record of strong performance in reviewing and approving procurement transactions.

No.	Output/Matter	User Unit	PPFD	OGC <sup>12</sup>
		bidding document, and (b) Procurement Committee did not request review of the final award proposal.	approval is required.	approval is required.
15.	A proposal to reject a bidder on integrity-related grounds <sup>24</sup>	For a contract estimated or proposed for award below \$20 million, user unit reviews and approves the proposal.	For a contract estimated or proposed for award below \$20 million, PPF D must be consulted.	For a contract estimated or proposed for award up to \$70 million, OGC may be consulted.
For a contract estimated or proposed for award from \$20 million up to, but not including, \$70 million, user unit will review and approve the proposal.	For a contract estimated or proposed for award from \$20 million up to, but not including, \$70 million, Director, PPF D endorses.			
For a contract estimated or proposed for award at \$70 million and above, user unit approves under normal PC arrangements.	For a contract estimated or proposed for award at \$70 million and above, PPF D approves under normal PC arrangements.			
User Unit provides all necessary information to OAI for review. OAI's assessment is generally independent of the procurement process. For certain exceptional cases (such as, but not limited to, particularly serious cases or where it is in the institution's interest), OAI may discuss with the user unit and/or PPF D on the appropriate action to take under the circumstances.				
16.	Proposal to apply a borrower's sanctioning system in evaluation of bids	If the borrower's sanctioning system or blacklist relates to fraud and corruption, PPF D and OAI co-approve. OGC must be consulted.		
If the borrower's sanctioning system or blacklist relates to poor performance or nonperformance on a particular contract, PPF D approves. OGC may be consulted.				

<sup>24</sup> This provision has precedence over any other review procedure in this SI.

No.	Output/Matter	User Unit	PPFD	OGC <sup>12</sup>
17.	Termination of a contract and proposal for further procurement arrangements	User unit director and Director, PPFD co-approve: (a) recommendation for contract termination, and (b) procurement arrangements for the uncompleted balance of the terminated contract.		OGC must be consulted in all contract termination cases. For a contract at \$70 million and above, OGC will review and co-approve the recommendation for contract termination in accordance with normal PC arrangements.
18.	Contract management plan	Approves	May be consulted	May be consulted
19.	Signed contract	Reviews for consistency with contract price and terms and conditions previously approved by ADB. User unit director approves.	May be consulted	May be consulted
20.	Correspondence with Board Members when the user unit is responsible for approving contract award (prior review or post review (sampling))	User department DG or user unit director replies to correspondence or queries from the Board, which should be coursed through OSEC to the user unit. The response, also through OSEC, briefly explains the status of issues raised.	May be consulted	May be consulted
21.	Correspondence with Board Members when the PC is responsible for approving contract award (prior or post review (sampling)):			
	a) if the issue/s have not	Replies to the correspondence	Clears the reply	Clears the reply

No.	Output/Matter	User Unit	PPFD	OGC <sup>12</sup>
	reached the PC			
	b) if the issues have reached the PC <sup>25</sup>	Must be consulted	PC chair replies to correspondence	Must be consulted

DG = director general, EA = executing agency, ePAF = electronic procurement approval form, IFB = invitation for bids, PASS = Procurement Accreditation Skills Scheme, PC = Procurement Committee, PQ = prequalification, RFQ = request for quotations, SBD = standard bidding document.

<sup>a</sup> Refer also to the review and approval requirements in Appendix 8.

**Table 4: Procurement Action Responsibilities During Project Implementation Stage – Changes in Procurement Arrangements<sup>26</sup>**

No.	Proposal	User Unit	PPFD	OGC
1.	To adopt a more competitive procurement method for a contract (any value)	User unit director approves <sup>a</sup>	May be consulted	Not required
2.	To adopt a less competitive procurement method for a contract (below \$20 million)	User unit director approves <sup>a</sup>	May be consulted	May be consulted
3.	To adopt a less competitive procurement method for a contract (\$20 million and above)	Project officer prepares a memo with justification. User unit director co-approves.	Director, PPFD co-approves	May be consulted
4.	Any changes not mentioned above, e.g., <ul style="list-style-type: none"> <li>• in bidding procedure, review type, or estimated value for a contract</li> <li>• in contract or bid packaging, e.g., adding, removing, splitting, or merging of packages or contracts (lots)</li> <li>• in minor details of a contract, e.g., package name, description, advertisement date</li> </ul>	Explanation provided in PRS. Project officer approves the changes.	May be consulted	Not required

<sup>25</sup> May be delegated to the concerned Director, PPFD.

<sup>26</sup> The procurement plan should be updated to reflect the changes and disclosed in adb.org immediately following approval.

No.	Proposal	User Unit	PPFD	OGC
5.	To use APA	Project officer prepares a memo with justification. User unit director co-endorses. User department DG approves.	Director, PPFD co-endorses	Co-endorses
6.	To use eGP system	Verifies for compliance to the MDB/ADB e-tendering requirements	Provides technical advice and support. Director, PPFD approves use of the system.	May be consulted

APA = alternative procurement arrangements, DG = director general, eGP = electronic government procurement, MDB = multilateral development bank.

<sup>a</sup> Evidence of approval may be in any written format and recorded in the PRS.

**Table 5: Procurement Action Responsibilities During Project Implementation Stage – Contract Modifications<sup>27</sup> Subject to Prior Review**

No.	Proposed Modification	User Unit	PPFD	OGC
1.	Extension of time	Approves	Not required	Not required
2.	Modify or waive terms and conditions (including by issuing a change order) with a cost increase, combined with other contract modifications of:			
	(a) up to 15% of original contract amount (if there are legal issues)	Project officer prepares a memo with justification. <sup>28</sup> User unit director approves.	May be consulted	Must be consulted if proposed modification relates to the conditions of contract

<sup>27</sup> Changes in the contract price brought about by applying the price adjustment mechanism specified in the contract are not considered contract modifications.

<sup>28</sup> The approval memorandum shall, at a minimum, contain the following information: (a) rationale and analysis of the cost effectiveness of the proposed modification, (b) physical and financial status of the contract, (c) an assessment of contractor/supplier performance to date, (d) the likelihood that the contract will be completed on time, (e) original and

No.	Proposed Modification	User Unit	PPFD	OGC
	(b) more than 15% of original contract amount but less than \$70 million in aggregate	Project officer prepares memo with justification (footnote 28). User unit director approves.	Must be consulted	(SCC/PCC) or if there are other legal issues involved, e.g., possible inconsistencies with provisions of ADB financing agreements for the project
	(c) more than 15% of original contract amount and equal to or more than \$70 million in aggregate	Reviews in parallel and prepares first draft ePAF	Reviews in parallel and assists further drafting of ePAF, in consultation with PC Secretary	Reviews in parallel and assists further drafting of ePAF
Procurement Committee approves				
3.	A subsequent modification more than 15% but less than \$70 million in aggregate over the previously approved amount	Project officer prepares memo with justification. User unit director approves.	Must be consulted	Must be consulted if proposed modification relates to the conditions of contract (SCC/PCC) or if there are other legal issues involved
4.	A subsequent modification more than 15% and equal to or more than \$70 million in aggregate over the previously approved amount	Reviews in parallel and prepares first draft ePAF	Reviews in parallel and assists further drafting of ePAF, in consultation with PC Secretary	Reviews in parallel and assists further drafting of ePAF
Procurement Committee approves				

ePAF = electronic procurement approval form, PC = procurement committee, SCC/PCC = special or particular conditions of contract.

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revised contract amount, (f) brief description and amounts of prior contract modifications (if any), and (g) confirmation that contractor/supplier is not sanctioned by ADB. Staff should ensure that sufficient funds are available to finance the contract modification.



**Table 6: Procurement Action Responsibilities During Project Implementation Stage – Updating the Procurement Plan**

No.	Action	User Unit	PPFD	OGC
1.	Updating the procurement plan and disclosing on adb.org	Ensures procurement plan is updated at least annually <sup>29</sup> and disclosed on adb.org. Transmits the updated plan to PPFD through PRS with evidence of consultations, endorsements, and approvals described in Table 4.	Procurement specialist approves the updated procurement plan based on consultations and approvals described in Table 4	Not required

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<sup>29</sup> The updated procurement plan will include details of all contracts that have been awarded, revised advertising dates of any contracts that have become delayed, and any use of an eGP system (even if that use is limited to advertising opportunities and publishing contract awards). The final version of the procurement plan will include details of all contracts awarded under the project.

**APPENDIXES**

1. General Responsibilities of ADB Staff to Support Borrower-Administered Procurement of Goods, Works, and Nonconsulting Services
- 2-1. Procurement Committee Workflow for Prior Review Contracts (\$70 Million and Above): Bidding Documents Review
- 2-2. Procurement Committee Workflow for Prior Review Contracts (\$70 Million and Above): Bid Evaluation Report Review and Procurement Approval Form
- 3-1. Procurement Submission Workflow for Prior Review Contracts (from \$20 Million up to, but not including, \$70 Million): Bidding Documents Review
- 3-2. Procurement Submission Workflow for Prior Review Contracts (from \$20 Million up to, but not including, \$70 Million): Bid Evaluation Report Review and Procurement Approval Form
- 4-1. Procurement Submission Workflow for Prior Review Contracts (below \$20 Million): Bidding Documents Review
- 4-2. Procurement Submission Workflow for Prior Review Contracts (below \$20 Million): Bid Evaluation Report Review and Procurement Approval Form
5. Procedures for the Procurement Committee
6. Procedures for Transferring a Project from the Procurement Guidelines to the 2017 Procurement Framework
7. Specific Procurement Procedures
8. Electronic Government Procurement Tasks and Roles in the Procurement Cycle

**APPENDIX 1: GENERAL RESPONSIBILITIES OF ADB STAFF TO SUPPORT BORROWER-ADMINISTERED PROCUREMENT OF GOODS, WORKS, AND NONCONSULTING SERVICES**

<b>1. USER UNITS</b>	
<b>Country/Sector Director</b>	Country/sector directors are responsible for managing all procurement for projects delegated to them, including providing guidance to their staff, capacity building of staff, ensuring fund availability, reviewing all contracts with value up to \$20 million, ensuring timely response and resolution of procurement complaints, issuing approval letters to EAs' recommendations, issuing noncompliance letters, and maintaining a policy dialogue with government in the area of public procurement.
<b>Project Officer</b>	<p>The project officer communicates ADB's position to the EA only after consultation and final clearances from appropriate departments within ADB have been obtained. The project officer has the primary overall responsibility to ensure that procurement is carried out according to ADB policies and procedures. They are, inter alia, responsible for:</p> <ul style="list-style-type: none"> <li>(a) ensuring that a designated procurement specialist<sup>1</sup> is included in the project team from the early project preparation stages;</li> <li>(b) managing and coordinating all procurement work during the project lifecycle;</li> <li>(c) keeping line directors informed of progress or issues adversely affecting procurement in the projects under their responsibility;</li> <li>(d) ensuring that there are adequate resources earmarked for tasks such as procurement post reviews and field supervision missions;</li> <li>(e) reviewing or arranging for a technical expert to review the technical aspects of the project and its related contracts, including but not limited to TOR, technical evaluation criteria, technical specifications and design, bills of quantities, etc.;</li> <li>(f) ensuring that the specifications or Employer's requirements are appropriate for the contract, that no brand names or preferred items or tailor-fit specifications are included, and that there are no signs of EA preference, whether inadvertent or not, that may reduce competition;<sup>2</sup></li> <li>(g) monitoring the execution and regular (at least annual) updating of the procurement plan and ensuring its proper publication, including updates;</li> </ul>

<sup>1</sup> If appropriate, a national procurement officer from the respective resident mission may be included in the team instead of a procurement specialist.

<sup>2</sup> Project staff are expected to have the primary technical expertise for a particular contract and also bear primary responsibility for accuracy and appropriateness of information in Section 6 of relevant bidding documents.

	<ul style="list-style-type: none"> <li>(h) ensuring the timely publication of advance procurement notices and specific procurement notices;</li> <li>(i) monitoring contract management issues and conducting physical inspection; and</li> <li>(j) reviewing contract management plans.</li> </ul>
<p><b>National Procurement Officer</b></p>	<p>The role of NPOs in the RMs aims at efficiency improvement and handholding of EAs and IAs at downstream level of the procurement process. An NPO, if available in an RM, may be requested by the procurement specialist or project officer to perform the following activities:</p> <p><u>Processing</u></p> <ul style="list-style-type: none"> <li>(a) Support the review and preparation of the SPP, including PPRA, procurement plan, and PAM.</li> <li>(b) As a team member, contribute to preparation of draft SPP, PAM, and RRP when project processing is done by the RM.</li> </ul> <p><u>Procurement and Consulting Services Transactions</u></p> <p>When an NPO is PASS-accredited, the project officer may engage the NPO to:</p> <ul style="list-style-type: none"> <li>(c) Review and endorse, in PRS, EA's BERs for procurement of goods, works, and nonconsulting services (up to \$20 million).</li> <li>(d) Review and endorse EA's submission 1, 2, and 3 for selection of consultants (up to \$5 million).</li> <li>(e) Support the EA and IA, on a needs basis, through on-the-spot technical guidance and advice in accordance with ADB policies and procedures.</li> </ul> <p><u>Capacity Development and Knowledge Sharing</u></p> <ul style="list-style-type: none"> <li>(f) Participate in, and contribute to, relevant internal and external training, conferences, and workshops, as well as other activities for advocacy, dissemination, and knowledge building.</li> <li>(g) Assist and coordinate with procurement specialists in delivering tailored training to internal and external clients in collaboration with PPFD outposted staff, for the purpose of developing skills in procurement, consulting services, and project administration, in accordance with the ADB procurement policy and procurement regulations.</li> <li>(h) Assist PPFD in conducting procurement clinics for specific procurement issues raised by EAs and IAs.</li> <li>(i) On request, attend pre-bid and pre-proposal meetings and contract negotiations as an observer, and provide guidance in this regard, in consultation with procurement specialists, to EAs and IAs to help build their capacity.</li> </ul>

	<p>(j) Assist PPF in conducting business opportunities seminars (as a team member) in the country.</p> <p><u>Project Management Support</u></p> <p>(k) Provide advice to EAs and IAs on the most efficient and effective procurement methods, arrangements, and packaging.</p> <p>(l) Assist in processing and implementing TA related to capacity building in procurement and consulting services.</p> <p><u>Policy and Procedure Setting and Improvement</u></p> <p>(m) In coordination with procurement specialists, provide support for harmonization of policies relating to procurement and consulting services at country level.</p> <p>(n) Assist project officers and procurement specialists in complex and multidisciplinary problem solving pertaining to procurement and consulting services.</p>
<p><b>2. PPF</b></p>	
<p><b>Director, PPF</b></p>	<p>Procurement directors advise regional management on the application of procurement policy and how to address systemic operational issues across sectors and sub-sectors in their regions. They oversee the organization and delivery of procurement services at the regional level, and establish appropriate fiduciary and quality controls to ensure consistent application of procurement policies in making procurement decisions. Their responsibilities include:</p> <p>(a) ensuring that each project is assigned a procurement specialist;</p> <p>(b) reviewing draft procurement sections in project documents (procurement risk assessments, procurement arrangements, and procurement plans, as required);</p> <p>(c) setting up adequate arrangements to provide quality assurance and monitor procurement work in respective countries, identifying any procurement-related issues affecting project performance and proposing adequate solutions for addressing procurement challenges in the regions;</p> <p>(d) reviewing all BERs for contracts with value of \$20 million and above, ensuring timely response and resolution of procurement complaints;</p> <p>(e) acting as focal point and spokesperson on general procurement issues with borrowers and external constituencies;</p> <p>(f) providing quality assurance on procurement diagnostics at country level, and following up on reforms in country procurement systems and capacity development actions;</p>

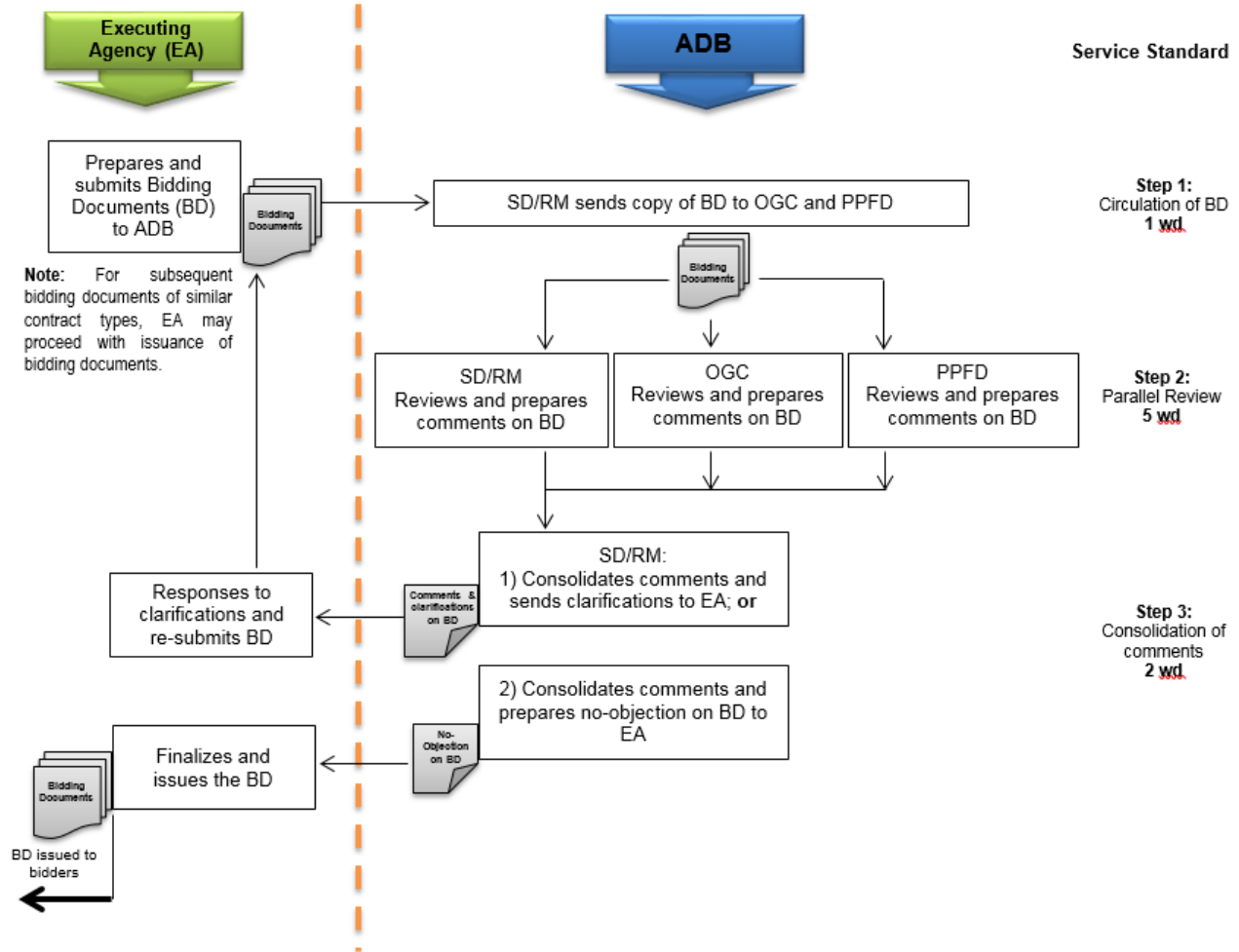
	<ul style="list-style-type: none"> <li>(g) hiring and mentoring procurement staff, and assisting procurement staff in their career development, including on-the-job training;</li> <li>(h) contributing to the design of professional and operational training and development activities in procurement and overseeing delivery of training to borrowers' staff and outreach to the private sector in the region;</li> <li>(i) overseeing the procurement accreditation process in their regions; and</li> <li>(j) leading procurement initiatives at the regional level to establish a framework for knowledge dissemination and/or development of knowledge products, including tools and methodologies.</li> </ul>
<p><b>Procurement Specialist</b></p>	<p>Procurement specialists are the project team members who are accountable for all procurement activities related to the preparation and supervision of the project they are assigned to during the project lifecycle. They are responsible for:</p> <ul style="list-style-type: none"> <li>(a) providing quality professional inputs to the procurement activities mandated by the preparation and implementation of ADB-financed projects;</li> <li>(b) providing inputs, as necessary, to procurement-related sections of the project documents, loan agreements, minutes of negotiations, aide memoires, follow up letters to EAs, etc.;</li> <li>(c) advising the project officer on procurement and capacity building work and handling procurement complaints (including recording them in the Procurement Complaints Tracking System);</li> <li>(d) participating in loan fact-finding missions, loan negotiations, and in project preparation and supervision missions, as required;</li> <li>(e) providing inputs into CSPRAs and PPRAs and contributing to preparation of initial draft procurement plans;</li> <li>(f) participating in capacity building activities and procurement-related workshops with project stakeholders;</li> <li>(g) carrying out procurement-related prior and post review (sampling), and monitoring contract management, as applicable;</li> <li>(h) obtaining clearances on procurement-related issues from the Director, PPF and other procurement authorities within ADB;</li> <li>(i) liaising with OAI regarding red flags or investigations and OGC regarding any legal issues;</li> <li>(j) keeping the project officer and the country and/or sector division directors informed of any issues related to procurement that may arise in the operations assigned to them; and</li> <li>(k) conducting outreach activities for the community of bidders and consultants.</li> </ul>

	<p>In addition, Procurement Specialists are also responsible for contributing to the evaluation of the EA's national procurement systems, including risk assessments and proposals for improvements to strengthen its capacity and the legal and institutional frameworks.</p>
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BER = bid evaluation report, CSPRA = country and sector/agency procurement risk assessment, EA = executing agency, IA = implementing agency, NPO = national procurement officer, PAM = project administration manual, PASS = Procurement Accreditation Skills Scheme, PPRA = project procurement risk assessment, PRS = Procurement Review System, RM = resident mission, SPP = strategic procurement plan, TOR = terms of reference.

**APPENDIX 2-1: PROCUREMENT COMMITTEE WORKFLOW FOR PRIOR REVIEW CONTRACTS (\$70 MILLION AND ABOVE)<sup>1</sup>**

**Part 1: Bidding Documents Review<sup>2</sup>**



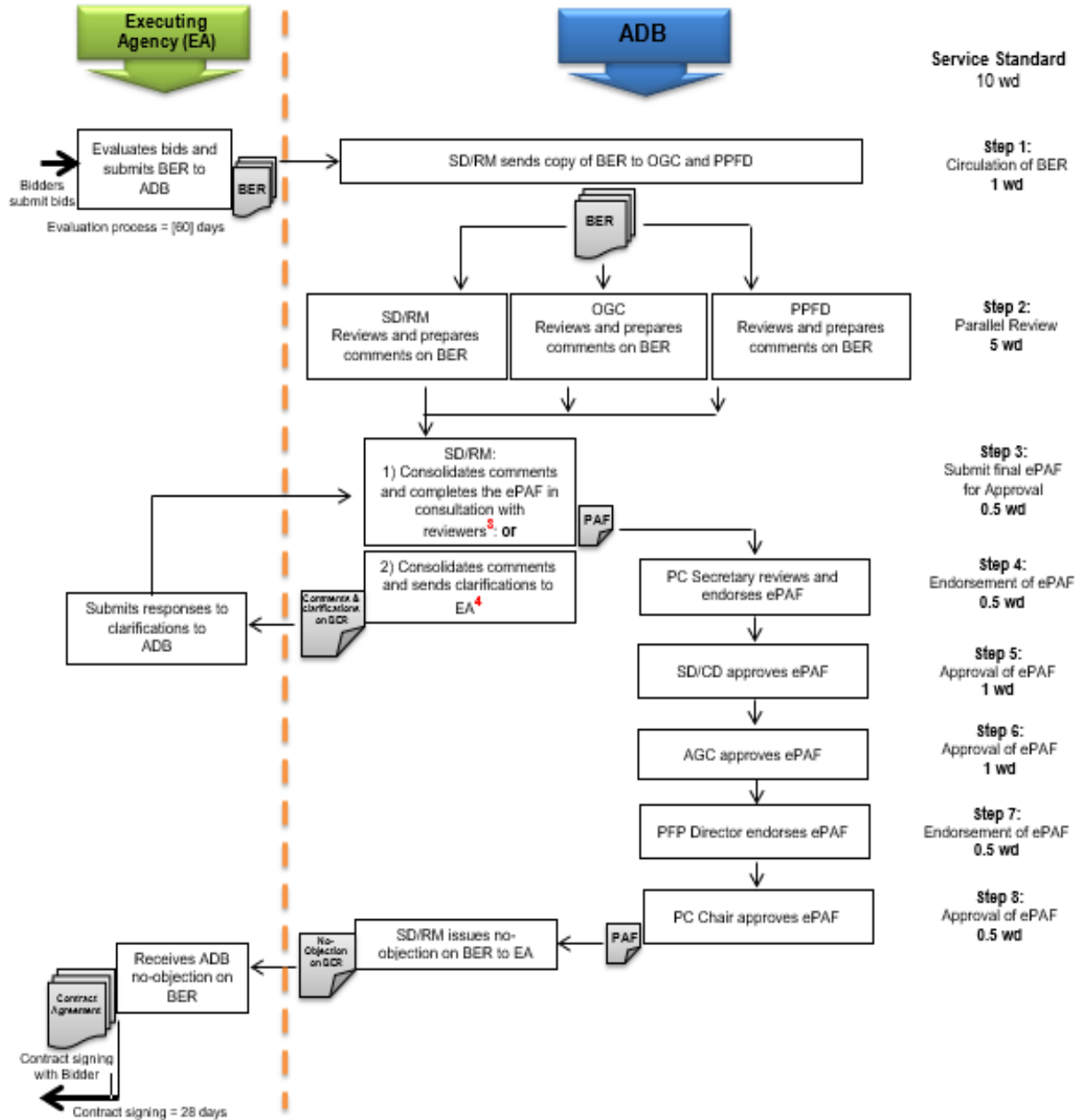
<sup>1</sup> See also: ADB. 2018. *Open Competitive Bidding*. Guidance Note Procurement. Manila.

<sup>2</sup> The bidding documents review process should be done in PRS. It includes any prequalification process. Service standards for complex and nonstandard bidding documents and contracts are not subject to the five-day review period.



**APPENDIX 2-2: PROCUREMENT COMMITTEE WORKFLOW FOR PRIOR REVIEW CONTRACTS (\$70 MILLION AND ABOVE)<sup>3,4</sup>**

**Part 2: Bid Evaluation Report Review and Procurement Approval Form**

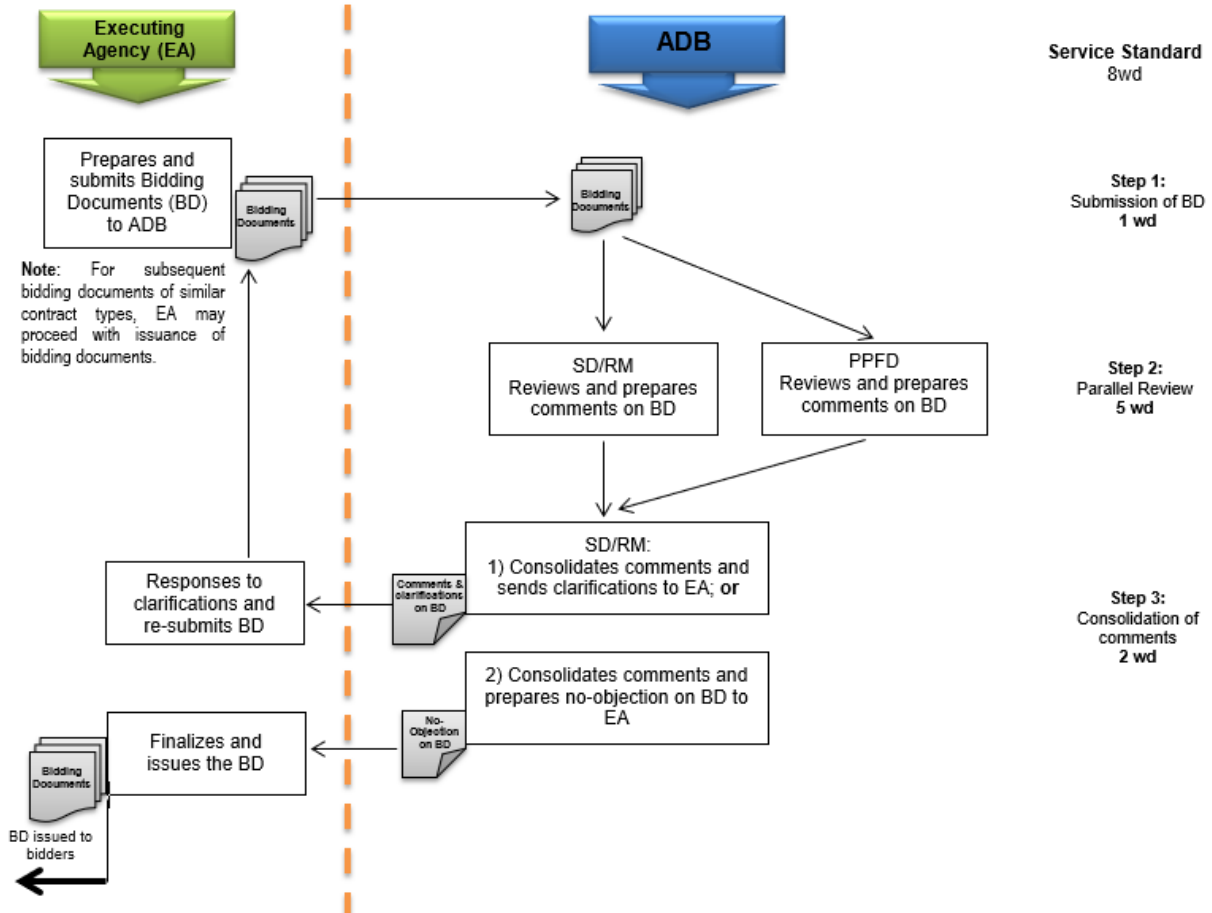


<sup>3</sup> See footnote 1.

<sup>4</sup> Bid evaluation report and procurement approval form review and approval process should be done in PRS and this workflow includes the prequalification review and selection process. Offline discussions are encouraged among the project officer, procurement specialist, and OGC to expedite this process.

**APPENDIX 3-1: PROCUREMENT SUBMISSION WORKFLOW FOR PRIOR REVIEW CONTRACTS (FROM \$20 MILLION UP TO, BUT NOT INCLUDING, \$70 MILLION)<sup>1,2</sup>**

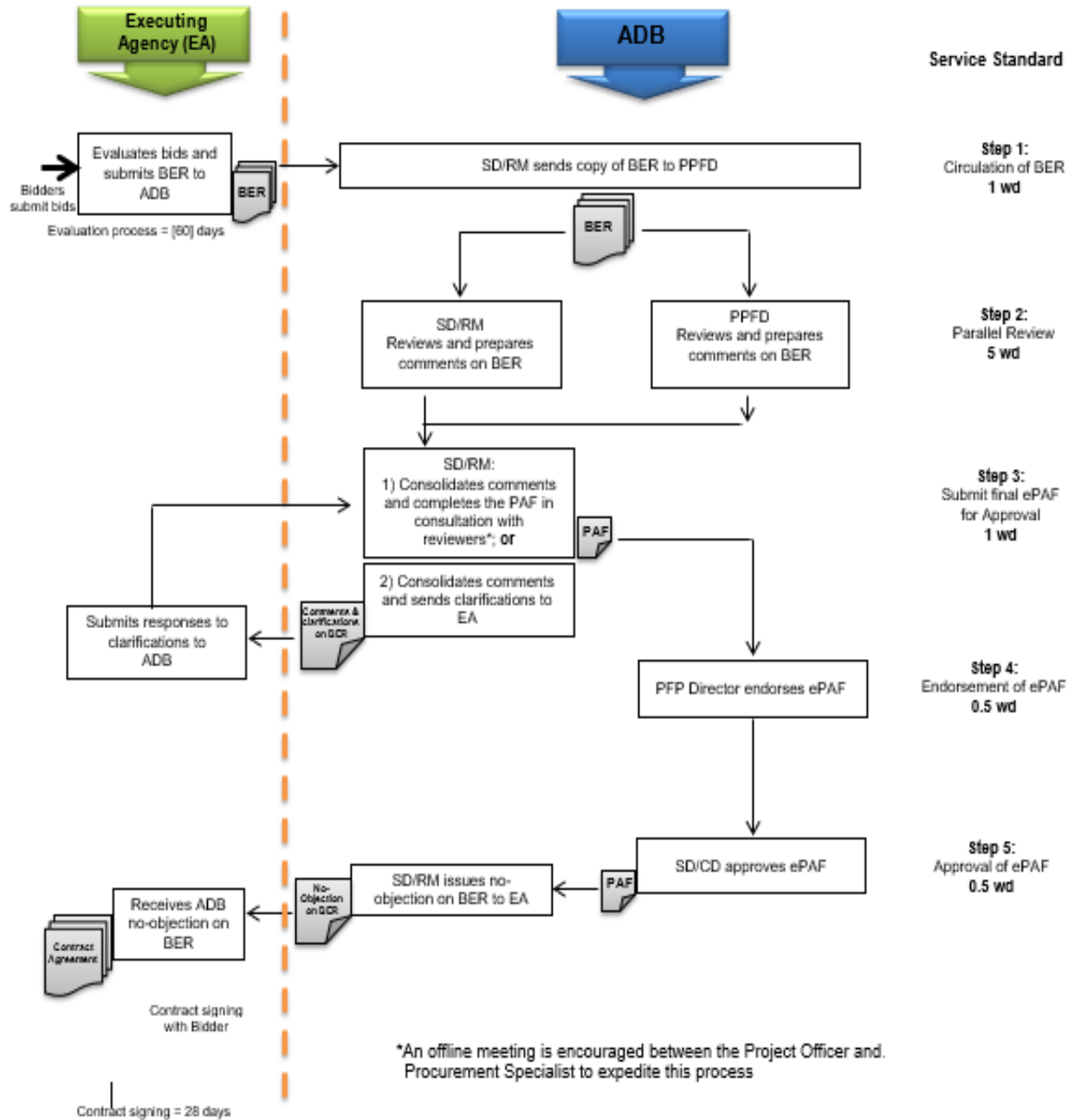
**Part 1: Bidding Documents Review<sup>3</sup>**



<sup>1</sup> See footnote 1, Appendix 2.  
<sup>2</sup> See footnote 4, Appendix 2.  
<sup>3</sup> See footnote 1, Appendix 2.

**APPENDIX 3-2: PROCUREMENT SUBMISSION WORKFLOW FOR PRIOR REVIEW CONTRACTS (FROM \$20 MILLION UP TO, BUT NOT INCLUDING, \$70 MILLION)<sup>4,5</sup>**

**Part 2: Bid Evaluation Report Review and Procurement Approval Form <sup>6</sup>**



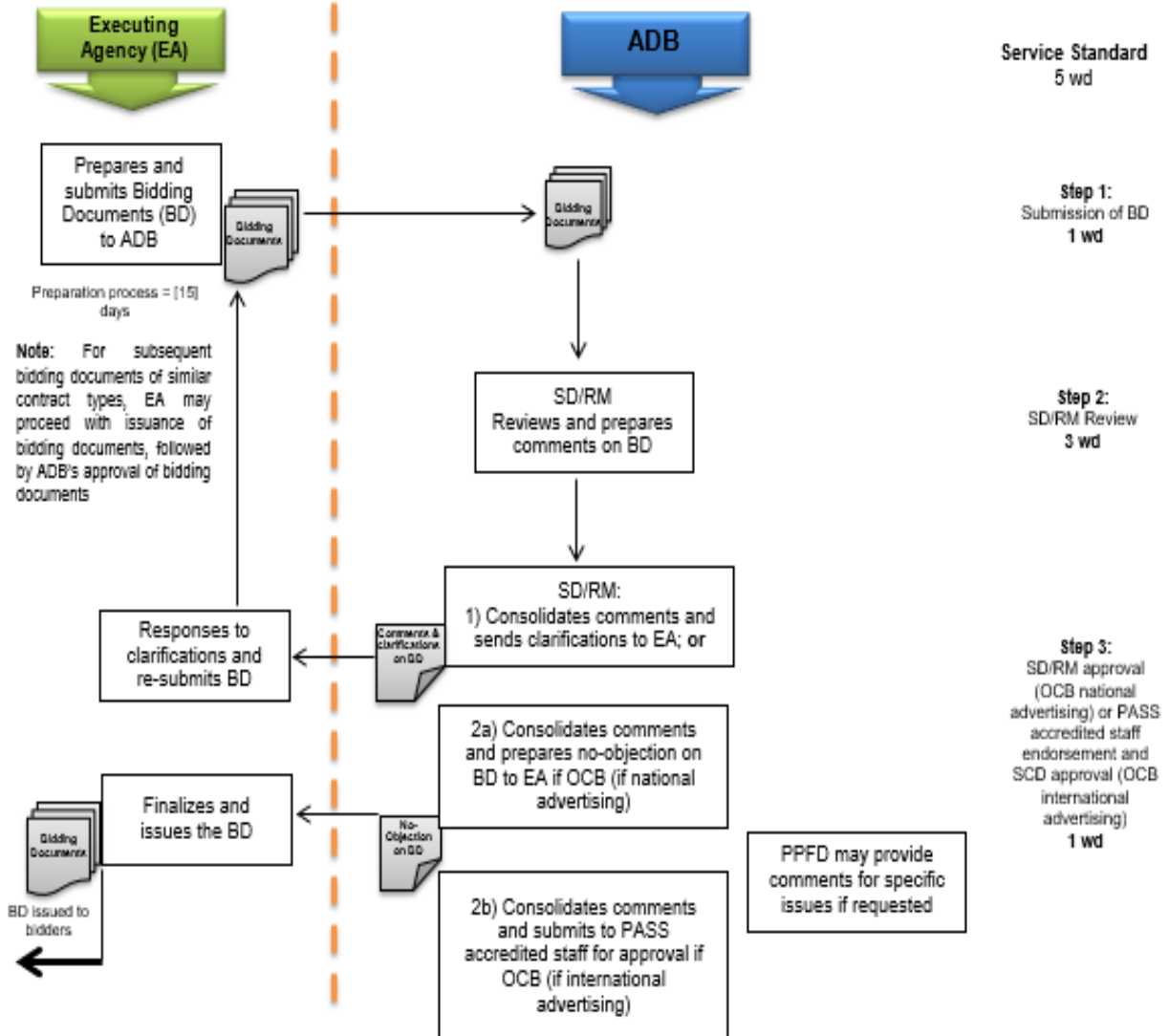
<sup>4</sup> See footnote 1, Appendix 2.

<sup>5</sup> See footnote 4, Appendix 2.

<sup>6</sup> See footnote 1, Appendix 2.

## APPENDIX 4-1: PROCUREMENT SUBMISSION WORKFLOW FOR PRIOR REVIEW CONTRACTS (BELOW \$20 MILLION)<sup>1,2</sup>

### Part 1: Bidding Documents Review<sup>3</sup>



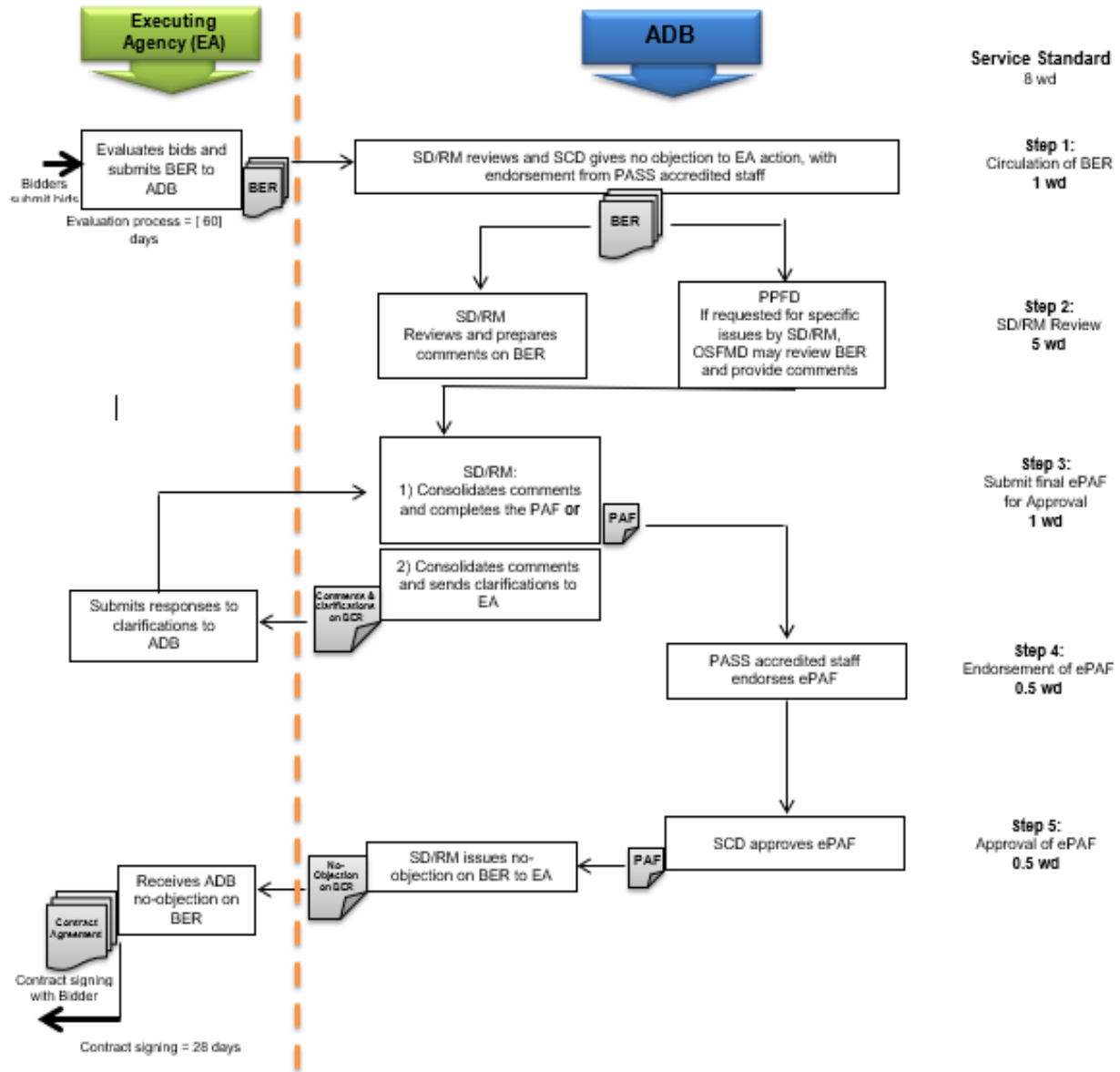
<sup>1</sup> See footnote 1, Appendix 2.

<sup>2</sup> See footnote 4, Appendix 2.

<sup>3</sup> See footnote 1, Appendix 2.

## APPENDIX 4-2: PROCUREMENT SUBMISSION WORKFLOW FOR PRIOR REVIEW CONTRACTS (BELOW \$20 MILLION)<sup>4,5</sup>

### Part 2: Bid Evaluation Report Review and Procurement Approval Form <sup>6</sup>



<sup>4</sup> See footnote 1, Appendix 2.

<sup>5</sup> See footnote 4, Appendix 2.

<sup>6</sup> See footnote 1, Appendix 2.

**APPENDIX 5: PROCEDURES FOR THE PROCUREMENT COMMITTEE**

<p><b>A. Role of the Procurement Committee</b></p>	<p>1. The PC ensures consistent and correct application of procurement practices, generally for contracts valued at \$70 million and above. In addition to the matters indicated in Tables 2, 3 and 5 of Part II, Section A of this SI as being subject to PC approval, the following matters are also submitted to the PC for decision:</p> <ul style="list-style-type: none"> <li>(a) a case where the proposed action of a borrower, having a value of \$70 million and above, conflicts with the financing agreement, procurement plan, the ADB Procurement Policy, or the Procurement Regulations for ADB Borrowers, except changes described in Table 4</li> <li>(b) a proposal or decision that changes the essential terms and conditions that formed the basis of a decision, including declaring noncompliance, taken previously by the PC (on either a no-objection basis or a formal meeting) in the same case;</li> <li>(c) any procurement matter that a user unit deems complicated or has issues requiring broader discussion, irrespective of value; and</li> <li>(d) any procurement matter that may be referred to the PC by Management.</li> </ul> <p>2. To ensure that delegated authority is exercised appropriately, PPFD will periodically review the timeliness and quality of procurement approvals by authorities other than the PC. The findings, with recommendations to address any adverse findings, will be reported to the PC semi-annually. Action plans will be agreed with regional departments as appropriate.</p>
<p><b>B. Composition of the Procurement Committee</b></p>	<p>3. The PC members are the following:</p> <ul style="list-style-type: none"> <li>(a) Director General of PPF, Chair</li> <li>(b) Assistant General Counsel, concerned member</li> <li>(c) User unit director (sector director or country director), concerned member</li> </ul> <p>4. In the absence of the chair of the PC, Director General of PPF will nominate, from time to time, an acting chair among Deputy Director General, PPF, Director, PPF1, or Director, PPF2.</p> <p>5. The Director General of PPF will appoint a principal procurement specialist to serve as the permanent secretary of the PC. In the absence of the permanent secretary, the Director General, PPF may designate an acting secretary.</p>
<p><b>C. Submissions</b></p>	<p>6. PC-related submission procedures and instructions are provided in PRS.</p>

	<p>7. The PC decides whether to concur with the EA's recommendation stated in its BER and in the ePAF posted in the PPFID intranet. The user unit concerned will prepare a detailed and self-contained submission to enable the PC to make a fully informed decision. The BER and ePAF shall be uploaded into PRS. Reviewing staff are responsible for ensuring that all facts, issues, representations, and recommendations regarding the particular procurement are accurately and completely reflected and discussed. The members of the PC are entitled to rely on the completeness and accuracy of the submission in providing their recommendations and/or decisions.</p> <p>8. Contracts subject to post review (sampling) are to be submitted to the PC for retroactive review prior to processing for disbursement, even if the EA has already approved award and signed the contract.</p> <p><b>(i) Submissions on a No-Objection Basis</b></p> <p>9. All matters to be considered by the PC are normally acted upon on a no-objection basis if the recommendations of the user unit, procurement specialist, and project counsel are in agreement. The recommendation of the borrower or EA must be appended together with the written comments on the proposals of the borrower or EA from the user unit, procurement specialist, and project counsel. Copies of representations received are also to be attached and addressed in the governance section of the ePAF. The originating user unit will circulate the final no-objection ePAF to all reviewers and members in the following order:</p> <ul style="list-style-type: none"> <li>(a) Secretary of the PC (for endorsement),</li> <li>(b) Director, concerned user unit,</li> <li>(c) Assistant General Counsel concerned,</li> <li>(d) Director, procurement division (for endorsement), and</li> <li>(e) Director General, PPFID.</li> </ul> <p>10. After receiving the submission, any PC member may request that the case be formally discussed at a meeting.</p> <p><b>(ii) Submissions Requiring a Meeting of the PC</b></p> <p>11. Normally, a meeting would be held to consider (a) a proposal that seeks to vary the essential terms and conditions that formed the basis of a decision taken previously (on either a no-objection basis or in a formal meeting) in the same case; (b) any procurement matter that is complicated or has issues requiring broader discussion as might be requested by the user unit, the project counsel, or the procurement specialist; or (c) any procurement matter referred to the PC by Management.</p> <p><b>(iii) Submissions Involving Contract Modifications</b></p>
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	<p>12. Staff should ensure that sufficient funds are available to finance the contract modification and consult with CTL as needed. Consultation with OAI prior to seeking approval is required if the contractor or supplier appears on ADB's sanctions list. After approval of the contract modification, the user unit will update the EA's contract record (or the procurement contract update sheet) by entering the revised data into the Loan and Grant Financial Information System. The reason for the contract modification and data such as the original contract amount and completion date should also be indicated in the updated EA's contract record for future reference. Any extension of time should also be reflected in the EA's contract record.</p>
<p><b>D. Meetings</b></p>	<p>13. The secretary of the PC will recommend to the chair that a meeting be convened, after receipt from the user unit of (a) a draft ePAF and (b) a request for a meeting of the PC. Normally, at least 2 working days are required for the members to study the submission before a meeting.</p> <p>14. All members are to be present at meetings. If a member is unable to attend, the OIC shall be the representative. If the OIC is also unavailable, a representative is to be designated in writing by the member or by the head of the department or office concerned to whom all responsibility and authority of the absent member is to be delegated.</p> <p>15. The chair may permit other ADB staff or an external highly qualified technical consultant to be present at a meeting if the staff or consultant can provide expert advice on the case to be considered. External experts shall brief the PC but may not be present during the case deliberations. The deliberations and decisions taken during the meeting shall be recorded in the minutes of the meeting prepared by the PC secretary and shared with all PC departments.</p> <p>16. The originating user unit will circulate the final no-objection ePAF to all members in the order described in para. 8 above.</p>
<p><b>E. PC Decisions</b></p>	<p>17. The PC renders decisions unanimously. Without unanimity, the chair will refer the matter to the head of the user department or office to resolve the differences and reach a unanimous decision. If a unanimous decision is still not reached, the head of the user department or office will refer the case to their operations vice president for a decision. The decision thus taken is final. Deliberations of the PC remain confidential even after award of contract.</p> <p>18. The user unit director will be responsible for implementing the decision taken.</p>



<p><b>F. Special Review Procedure</b></p>	<p>19. A special review of a PC decision on a contract award proposed by the EA will be conducted as an exceptional case when all of the following are met:</p> <ul style="list-style-type: none"> <li>(a) the decision of the PC conflicts with the proposal or decision of the borrower or EA in determining the lowest evaluated, substantially responsive bid entitled to award of contract;</li> <li>(b) the matter remains unresolved for more than 4 months after the PC decision;</li> <li>(c) the estimated value of the contract exceeds \$70 million and the contract involves a major project component; and</li> <li>(d) a special review has been requested by the borrower through the operations vice president concerned.</li> </ul> <p>20. Upon the request by the operations vice president concerned for a special review, VPAC shall create and chair a special review committee with four members, namely:</p> <ul style="list-style-type: none"> <li>(a) Director General, PPF;D;</li> <li>(b) General Counsel;</li> <li>(c) Director General of the user department concerned; and</li> <li>(d) a senior staff member appointed by VPAC.</li> </ul> <p>21. The review committee chaired by VPAC determines its own procedures in each case. The committee's decision is final.</p>
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BER = bid evaluation report, EA = executing agency, ePAF = electronic procurement approval form, OIC = officer-in-charge, PC = Procurement Committee, PRS = Procurement Review System.

## **APPENDIX 6: PROCEDURES FOR TRANSFERRING A PROJECT FROM THE PROCUREMENT GUIDELINES TO THE 2017 PROCUREMENT FRAMEWORK**

1. At any time during implementation of a project governed by the ADB Procurement Guidelines (2015, as amended from time to time) and/or the Guidelines on the Use of Consultants by ADB and its Borrowers (2013, as amended from time to time), hereafter referred to as “the Guidelines,” consideration may be given to procuring the remaining contracts in accordance with the ADB Procurement Policy: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time), hereafter referred to as “the Procurement Policy.”
2. Where staff consider that the Procurement Policy offers advantages to project implementation, accounting for the number and complexity of contracts yet to be procured, the potential for transferring the project to the Procurement Policy should be discussed with the borrower. Strong consideration should be given to transferring to the Procurement Policy where new contracts are to be funded by additional financing or by subsequent tranches of a multitranche financing facility.
3. If, as a result of discussions initiated by ADB staff or on its own initiative, the borrower requests in writing to transfer a project to the Procurement Policy, the user unit and PPFD staff will determine and arrange appropriate strategic procurement planning, e.g., updating the original supply market analysis and procurement risk assessment.
4. The transfer to the Procurement Policy should be processed and approved as a minor change in implementation arrangements for approval of the user unit director. The memo should:
  - (i) summarize the expected benefits of the Procurement Policy for the project and the relevant changes to implementation arrangements, e.g., regarding standard bidding documents, procurement methods, bidding procedures, contract forms, or use of alternative procurement arrangements;
  - (ii) confirm or otherwise clarify whether the procurement of all remaining goods, civil works, consulting services, and/or non-consulting services under the project will be governed by the Procurement Policy;
  - (iii) confirm or otherwise clarify whether contracts for which procurement commences before the transfer to the Procurement Policy is approved will be subject to the Guidelines or the Procurement Policy;
  - (iv) mention any practical issues that might arise from the project being implemented under both the Guidelines and the Procurement Policy, and how those issues will be addressed; and
  - (v) describe any additional capacity support to be provided to the borrower.
5. Upon approval of the transfer to the Procurement Policy, the PAM/FAM and procurement plan must be updated to reflect the revised procurement arrangements, including to describe mitigations to address any deficiencies in the national procurement law and procedures given that the revised Procurement Plan will not include an NCB Annex.
6. A copy of the approved memo should be provided to OGC to enable it to arrange amendment of the loan agreement and/or grant agreement.

## **APPENDIX 7: SPECIFIC PROCUREMENT PROCEDURES**

### **A. Procurement in Loans to Financial Intermediaries**

1. Where the financing provides funds to an intermediary institution, the procurement is usually undertaken by the respective beneficiaries in accordance with private sector or commercial practices, which are acceptable to ADB.

### **B. Advance Contracting**

2. Advance contracting normally refers to procuring goods and works up to the stage of ADB approval of the EA's recommendation for awarding a contract before the effective date of the financing agreement or approval of TA. Advance contracting may also include approval of the contract award for the procurement of goods, works, and consulting and nonconsulting services. Advance contracting is considered a default action, as it significantly expedites project implementation. It needs to be discussed with the EA early on in project processing and the following points should be considered:

- (i) the EA's capacity to handle advance contracting;
- (ii) the stage of preparatory work for each project;
- (iii) any special technical features; and
- (iv) the implementation schedule.

3. The procurement procedures, including advertising, shall be acceptable to ADB in accordance with the Procurement Regulations for any contract subsequently awarded to be eligible for ADB financing. User units shall ensure that the EAs comply with rules applicable to advance contracting and retroactive financing and shall advise the EAs that advance contracting and ADB's approval of retroactive financing does not commit ADB to subsequently approve its financing. Further, if retroactive financing is considered necessary after loan approval, even if not included in the loan proposal, it would be permissible to retroactively finance eligible expenditures with the approval of the DG of the user department. When advance contracting is confirmed, staff should advise the EA to:

- (i) seek ADB's no objection to the draft prequalification and bidding documents before they are issued, if practical;
- (ii) follow requirements of public advertising;
- (iii) note that advance contracting by the EA will not commit ADB to subsequently approve the project or to finance the procurement costs.

### **C. Retroactive Financing**

4. Retroactive financing refers to ADB's approval to finance project expenditures incurred by the borrower prior to the effective date of the financing agreement. These expenditures cover only components identified during processing. The amount of retroactive financing to be recommended (if any) is determined during project preparation in the context of efficiency, economy, urgency, and development impact. Consideration is given to the need for preparatory work, advance procurement of goods and works, and the most desirable timing for physical commencement of the project. The following should be considered by staff when recommending retroactive financing:

- (i) retroactive financing is justified in the loan proposal, is subject to final action on the loan proposal, and is reported on adb.org;
- (ii) borrowers are advised that use of retroactive financing does not commit ADB to finance the project;
- (iii) it is limited to a percentage of the loan amount, as described in the Operations Manual, incurred within 12 months before signing date of the loan agreement;
- (iv) ADB will not finance expenditures incurred by the borrower prior to loan or grant effectiveness even if advance contracting is confirmed unless retroactive financing has been approved by ADB.

**APPENDIX 8: ELECTRONIC GOVERNMENT PROCUREMENT TASKS AND ROLES IN THE PROCUREMENT CYCLE**

Procurement Process/ Task	User Unit	PPFD
CSPRA <sup>a</sup>	<ul style="list-style-type: none"> <li>• Supports eGP assessment (or reassessment<sup>b</sup>)</li> <li>• Accomplishes preassessment questionnaire or asks EAs to accomplish</li> <li>• Review assessment TORs</li> <li>• Deploys and manages eGP consultant during field mission</li> <li>• Reviews draft assessment report</li> </ul>	<ul style="list-style-type: none"> <li>• Reviews accomplished pre-assessment questionnaire</li> <li>• Prepares TORs</li> <li>• Identifies consultant</li> <li>• Manages eGP consultant</li> <li>• Reviews draft assessment report and consolidates comments, if any</li> <li>• Approves use of eGP system and identifies conditions that need to be met prior to first use (for centralized system)</li> <li>• Compiles and maintains database of all assessments</li> </ul>
PPRA <sup>c</sup>	<ul style="list-style-type: none"> <li>• If needed, initiates eGP assessment (or reassessment<sup>b</sup>) for the project</li> <li>• Reviews TORs</li> <li>• Deploys and manages eGP consultant, including during field mission</li> </ul>	<ul style="list-style-type: none"> <li>• Prepares TORs</li> <li>• Identifies consultant</li> <li>• Reviews draft assessment report and consolidates comments, if any</li> <li>• Approves use of system and identifies conditions that need to be met prior to first use (for decentralized system)</li> <li>• Compiles and maintains database of all assessments</li> </ul>
Create initial procurement plan and update <sup>d</sup>	<ul style="list-style-type: none"> <li>• Indicates which packages will use eGP</li> <li>• Identifies URL and eGP modules to be used (e-publishing only<sup>e</sup> or e-bidding)</li> </ul>	Reviews and validates these matters
Review of bidding documents <sup>f</sup>	<ul style="list-style-type: none"> <li>• Ensures that the BD addresses all requirements necessary to meet MDB guidelines</li> <li>• Ensures that any conditions for approval of the use of eGP have been met, as described in the memo approving the use of eGP</li> </ul>	When the BD is reviewed by PPFD, reviews and validates these matters

Publishing of invitation for bids	<ul style="list-style-type: none"> <li>• Ensures valid approval for use of eGP in place</li> <li>• Ensures that any conditions for approval of the use of eGP have been met, as described in the memo approving the use of eGP</li> </ul>	Reviews and validates these matters
Procurement process (general)	<ul style="list-style-type: none"> <li>• Monitors eGP performance</li> <li>• Ensures that system security audit certificates are valid</li> </ul>	May be consulted
Review of BERs	Checks for any noncompliance by the EA with mitigation actions required by the assessment report to address deficiencies in the eGP system. Notifies PPF D of any noncompliance if BER is not reviewed by PPF D.	When the BER is reviewed by PPF D, reviews and validates these matters
Contract award and signing <sup>g</sup>	Prepares feedback report <sup>h</sup> once procurement is completed	Maintains database of all eGP feedback reports, and other relevant documentation and information for all eGP systems used, monitors and prepares relevant eGP analysis at program level

BD = bidding document, BER = bid evaluation report, CSPRA = country and sector/agency procurement risk assessment, eGP = electronic government procurement, MDB = multilateral development bank, PPRA = project procurement risk assessment, TOR = terms of reference.

<sup>a</sup> The CSPRA should include an assessment report on the national eGP system.

<sup>b</sup> ADB may choose to reassess an already accredited eGP system if (i) fundamental complaints are received against the system, (ii) the accredited eGP system has undergone material changes subsequent to accreditation and/or (iii) a significant period of 5 years has elapsed since the last accreditation or use of the system by ADB.

<sup>c</sup> The PPRA should verify and confirm the proposed use of eGP.

<sup>d</sup> A description of the use of eGP or related specific arrangements and decisions shall be indicated in the approved project procurement plan before implementation.

<sup>e</sup> Use of an online portal or platform or an eGP system for advertisement or publishing of procurement opportunities or results only for ADB-financed projects may not require an assessment of the portal or eGP system.

<sup>f</sup> Assessment results may recommend use of certain eGP-specific requirements to be inserted in the BD.

<sup>g</sup> The eGP system shall be closely monitored and eGP implementation experience shall be recorded and documented and shared with ADB.

<sup>h</sup> A template of the report is available from PPF D.

## SECTION B. PROCUREMENT OF CONSULTING SERVICES

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### I. SCOPE

1. This section instructs ADB staff on the procedures for the procurement, contracting, and contract management of borrower-administered consulting services financed in whole or in part by way of an investment loan from ADB, ADB-financed grant, or ADB-administered funds. It is to be read in conjunction with (i) the ADB Procurement Policy: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time), (ii) the Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time), (iii) the request for proposal documents and corresponding user's guide, and (iv) relevant PPFD procurement guidance notes (available at <https://www.adb.org/documents/guidance-notes-on-procurement>). It does not apply to procurement activities carried out under alternative procurement arrangements (APA) or nonsovereign operations.<sup>1</sup>

### II. STAFF AND EA RESPONSIBILITIES

#### A. ADB Staff

2. ADB is responsible for ensuring that the proceeds of its financing are used with due consideration of the core procurement principles, i.e., economy, efficiency, fairness, transparency, quality, and value for money. In fulfilling that responsibility:

- (i) ADB user units, namely sector divisions, resident missions, and regional offices that are implementing projects, are primarily responsible for monitoring and verifying the executing agency's (EA's) procurement actions and ensuring that approved procurement procedures have been applied properly;
- (ii) OGC advises on legal issues relating to all aspects of ADB projects including preparation and implementation of legal agreements; and
- (iii) PPFD provides fiduciary oversight and supports ADB staff and borrowers on procurement planning and implementation, contract management, and related risk assessment and mitigation throughout the project lifecycle.

#### B. EA Responsibilities

3. The EA authorizes, selects, contracts, and supervises consultants for a loan or grant-financed consulting assignment. The EA is also primarily responsible for handling complaints and debriefing unsuccessful shortlisted consultants. The EA is ultimately responsible for ensuring that the procurement is carried out in accordance with ADB's core procurement principles and rules.

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<sup>1</sup> If the use of APA has been permitted under a particular project, a trust-and-verify procurement oversight approach will be applied, whereby ADB may rely on oversight mechanisms of the borrower's accredited agency or entity, or the multilateral or bilateral agency or organization involved in the project, as the case may be, or those agreed in the applicable financing or other agreements. However, regardless of procurement arrangement, ADB's Anticorruption Policy (1998, as amended to date) and ADB's Integrity Principles and Guidelines (2015, as amended from time to time), will apply in all cases.

4. The report and recommendation of the President (RRP)<sup>2</sup> or technical assistance (TA) report indicates if the EA will administer the consulting services. Under special circumstances, such as when an EA lacks capacity, the EA may request assistance from ADB in selecting the consultants, provided that the relevant directors of PPF and the ADB user unit agree to provide such assistance.

5. When the borrower requests ADB in writing to take responsibility for selecting a consultant, the user unit consults PPF and submits the request to the user unit's head of department or office for approval. The borrower should adequately justify such a request and explain its necessity. ADB's proposed participation in the recruitment should be set out in the procurement plan and the RRP or TA report. If the request is made after the loan, grant, or delegated TA is approved, it will be regarded as a change in implementation arrangements and will be dealt with in accordance with PAI 5.02 (Change Loan and/or Grant Funded Projects) or 5.09 (Administering Grant-Financed Technical Assistance), as the case may be. If approved, PPF informs ADB's Board of Directors and Management of the change in implementation arrangements in the quarterly portfolio update. In all such cases, ADB takes responsibility only for selecting the consultant, and the EA retains the responsibility for negotiating and signing the contract with the consultant, issuing the notice to proceed, and supervising the consultant's services

6. To increase the EA's ownership of TA and to improve sustainability of project benefits, ADB may, through a memorandum of understanding with the recipient government, delegate responsibility to the EA for the recruitment and supervision of TA consultants. The recommendation to delegate follows an assessment of the EA's capacity to recruit and manage consultants, and is indicated in the TA report or TA concept paper or, when a full TA report is not required, for approval by the relevant ADB authority. The project officer assesses the EA's capacity during a fact-finding mission. ADB procurement staff may assist the project officer in undertaking the EA procurement capacity assessment. When delegation occurs, the EA selects and signs the contract with the consultant and assumes primary responsibility for supervising the consultant.

7. Appendix 1 summarizes specific responsibilities for EAs, user units, and ADB procurement staff.

### **III. STAGES OF CONSULTANT RECRUITMENT**

#### **A. Planning and Design**

##### **1. Procurement Plan**

8. To recruit consultants through a fair, efficient, and transparent process, the EA details the consultant recruitment requirements in the procurement plan. Procurement plans should be publicly disclosed on ADB's website.<sup>3</sup> Essential elements in the consultant recruitment section of the procurement plan include: (i) cost estimates for the consulting assignment; (ii) consultant selection method; (iii) type of proposal to be used (if a proposal is required); (iv) eligibility criteria for the assignment (indicating if the assignment will be international, national, or combined); and (v) the recruitment mode (international or national competitive selection).

<sup>2</sup> "RRP" in this context also means a grant assistance report, additional financing memo, periodic financing report, project readiness financing report, or other document that approves a loan or grant.

<sup>3</sup> Information on stages of procurement is found in the Staff Instruction on Borrower-Administered Procurement of Goods, Works, and Nonconsulting Services.



## **2. Terms of Reference**

9. The terms of reference (TOR) determine the scope of services that the EA requires from the consultant and should be drafted in light of the considerations outlined in Appendix 2.

## **3. Type of Consultant**

10. The EA should consider the most appropriate type of consultant to perform the services. Consideration must be given to whether a firm or individual consultant is more appropriate and whether a national consultant (based in the developing member country of the EA) or an international consultant is more appropriate. Appendix 3 sets out the considerations when making these determinations.

## **4. Cost Estimate**

11. After the TOR have been prepared and the appropriate type of consultant identified, the consultancy assignment should be properly costed by the EA, accounting for considerations of quality and value for money in accordance with Appendix 4.

## **B. Selection Procedure**

### **1. Eligibility**

12. The EA must only award contracts to consultants or subconsultants that are eligible. Appendix 5 sets out considerations that determine whether a particular consultant or subconsultant is eligible.

### **2. Selection Method**

13. The EA may choose one of the selection methods for a consulting assignment detailed in Appendix 6. The choice of method will affect the general procedure to be followed. Other methods may only be used with PPF's prior approval.

### **3. Change in Selection Method**

14. A change in selection method may be justified after a loan, grant, or TA has been approved. A change to quality- and cost-based selection (QCBS) from another selection method does not require approval. When an EA proposes changing the consultant selection method after ADB has approved the project, it submits a proposal and justification for ADB's approval. The director of the user unit approves the proposal in consultation with PPF. The same approval procedure also applies to changes in the quality-cost ratio for QCBS.

15. The user unit updates the procurement plan, which is posted on ADB's website to reflect any approved changes in selection method.

## **C. Types of Technical Proposals**

16. The EA may use one of the three types of technical proposal listed in Appendix 7 to select consulting firms. The user unit, after consulting PPF, may propose any type of technical proposal provided it is fully justified.

17. A change in the type of technical proposal may be justified after a loan, grant, or TA has been approved. The EA does not need approval to change the proposal type from biodata

technical proposal (BTP) to simplified technical proposal (STP) or full technical proposal (FTP), or to change the proposal type from STP to FTP. However, the EA should consult ADB and obtain the user unit director's approval, after consultation with PPF, to change the proposal type from FTP to either STP or BTP, or to change the proposal type from STP to BTP. The user unit then updates the consultant section of the procurement plan.

#### **D. Recruitment Mode (International or National Competitive Selection)**

18. Open competitive bidding (OCB) with international advertisement is the standard mode for recruiting consultants. Appendix 3 discusses whether competitive bidding may be restricted to national consultants.

#### **E. Consulting Services Provided by United Nations and Other International Organizations**

19. The UN and other similar specialized agencies may be hired as consultants where they are qualified to provide technical assistance and advice in their areas of expertise. However, they shall not receive any preferential treatment and shall be procured in accordance with the general procedures and the selection processes detailed in Appendix 6, except that borrowers may accept the privileges and immunities granted to UN agencies and their staff under existing international conventions, and may agree with UN agencies on special payment arrangements as required by their agency's charter, provided these are acceptable to ADB.

#### **F. General Procedures**

20. The following general considerations and procedures are essential for all consultant selection processes, unless otherwise specified.

##### **1. Confidentiality and Absence of Undue Influence in the Selection Process**

21. From shortlisting until the EA signs a contract with a consultant, the selection and recruitment process shall remain confidential. The EA only discloses details to staff who are officially involved in the selection process. Any violation of the confidentiality of the selection and recruitment process, or attempt to influence selection, may violate ADB's Anticorruption Policy (1998, as amended to date) and ADB's Integrity Principles and Guidelines (2015, as amended from time to time). No EA staff may discuss the selection and recruitment with the competing consultants. If, at any time, it is determined that there has been a violation of ADB's Anticorruption Policy and/or Integrity Principles and Guidelines, ADB may take appropriate remedial action.

##### **2. Advance Contracting**

22. To ensure prompt and efficient project implementation, the EA may use advance contracting as part of the normal procedure if (i) ADB Management approves it; (ii) TOR and budget for the assignment are sufficiently clear to permit consultants to submit informed expressions of interest (EOIs) and, if shortlisted, technical and financial proposals; and (iii) PPF has endorsed the project procurement plan for recruiting the consultants. This means that the EA may draft the request for proposals (RFP), shortlist consultants, and evaluate them, if the recruitment advertisement has been posted and EOIs have been received. The EA may not, however, sign a contract with a consultant before the financing agreement for the project has been declared effective, unless ADB Management has also approved retroactive financing. The user unit must advise the EA that ADB's support for advance contracting or retroactive financing

does not commit ADB to approve the loan or grant project, or TA, or to finance the recruitment costs.

23. The EA may start contract negotiations with the selected consultant after ADB's Board of Directors or Management approves the project and when its financing agreement is about to become effective. If retroactive financing has not been approved for the project, the contract shall not be signed until the financing agreement becomes effective.

### **3. Advertising (Consulting Services Recruitment Notice)**

24. To ensure transparency in selecting consultants, ADB requires the EA to advertise most consulting services assignments that ADB finances through OCB, which requires the publication of a consulting services recruitment notice (CSRN).

25. For OCB assignments where international advertising is required (Appendix 3), a CSRN must be posted on ADB's website under the "Projects and Tenders" section via ADB's Consultant Management System (CMS). The borrower may also advertise on an appropriate website in the borrower's country (or newspaper of national circulation including at least one English language newspaper, if available).

26. For OCB consulting assignments that are likely to be adequately serviced by expertise available through national consultants (and are unlikely to attract foreign competition), publication may be in the national press, official gazette, or a free and publicly accessible website preferably in the English language. Such national OCB selections are typically for low-value assignments (Appendix 3). Advertisement in CMS using the CSRN is strongly encouraged for national consulting assignments.

27. The intention to use local language(s) in the advertisement shall be reflected in the project administration manual (PAM) and indicated in the procurement plan. CSRN advertisement or an English language publication in national press, official gazette, etc. should be made at the same time as the publication in the national language. The borrower must ensure that the content of any local language advertisement corresponds in all material respects to that of the CSRN advertisement or the English language publication.

28. To post a CSRN publication, EAs must register with ADB by sending an e-mail to [csrn@adb.org](mailto:csrn@adb.org) with a copy to the concerned user unit, stating all projects under its administration. Once PPFDF receives this, it pre-registers the EA so that a CMS account may be created for the EA for the CSRN posting. The EA's user ID and password will be emailed to the EA. Once the EA's account is established, they may publish CSRNs. EAs are advised to safeguard access credentials to CMS.

### **4. Consulting Services Recruitment Notice Content and Preparation**

29. CSRN must include information on the TOR, cost estimate, selection method, and time frame for recruitment, as defined in the consultant section of the procurement plan. CSRN should also indicate the shortlisting evaluation criteria.

30. The EA prepares the CSRN with support from the user unit. The user unit decides whether its review of the draft CSRN is required prior to posting, taking into consideration the project's procurement risk classification and the value and characteristics of the proposed assignment. User units may consult with ADB procurement staff for advice on this if necessary.

31. CSRN must be posted for an adequate time to allow the consultancy market to respond:
- (i) The CSRN must be posted for 15 days for firm recruitment and 7 days for recruiting individual consultants using ADB's CMS or similar e-procurement systems in receiving EOIs (fully electronic submission).
  - (ii) ADB requires a 30-day posting period for posting that is not solely electronic, i.e., if a newspaper, gazette, etc are used (solely or alongside electronic publication).
  - (iii) For consulting firm contracts of lower value or in situations where quick mobilization is necessary (e.g., emergencies), PPFD may endorse a shorter advertising period, normally a minimum of 7 calendar days if electronic submission of EOIs is used (e.g., through CMS), taking into consideration the procurement risk and value of the selection.
32. For limited competitive bidding (LCB), advertising is not required and the designated bidder(s) may be requested to submit EOIs by invitation. When an EA proposes to use LCB to waive the open advertising requirement for an assignment, it should, via the user unit, identify and justify this proposal in the project concept paper, TA report, or RRP (or relevant appendixes), as the case may be.
33. If an ongoing project proposes a change in advertising method to LCB, the EA should, via the user unit, provide adequate justification to PPFD, and submit a recommendation to the Director, PPFD for approval.

## **5. Expression of Interest**

34. Bidders submit EOIs as individual consultants or as firms. Firms may include a single consulting firm, a lead consulting firm with subconsultants, or a joint venture.

### **a. Expression of Interest by Individuals**

35. When expressing interest as an individual, candidates offer up-to-date information on how their qualifications and experience conform to the TOR requirements.

### **b. Expression of Interest by Firms, Joint Ventures, and/or Associations**

36. When expressing interest as an entity, the firm highlights its most recent projects and geographical experience relevant to the TOR, as well as its management capacity. If a bidder is submitting an EOI as a joint venture (JV), the EOI will be submitted by the lead firm or lead partner and should clearly identify each joint venture partner. Except for recruitment using consultants' qualifications selection (CQS) (Appendix 6), CVs are not required when an entity submits an EOI.

37. A JV is an association of more than one firm that may have a distinct legal personality from that of its members. When expressing interest, the JV must nominate and authorize one firm as the lead firm, which will be the sole representative that will interact directly with the EA.

38. If a JV is selected by the EA to perform the consulting services, the lead firm shall represent the JV in signing the contract and shall have the authority to conduct all business for and on behalf of any and all the members of the JV, provided that each member of the JV shall be jointly and severally liable for the performance of the contract.

39. To ensure that EOIs contain sufficient and consistent information to allow EAs to decide on the shortlisting, EAs request for expressions of interest (REOI) using the standard EOI form.

The REOI can be enhanced by adding relevant questions to the form, the responses to which will demonstrate consultants' suitability to undertake the assignment. The ADB website has a link to standard EOI forms for loans and grants that consultants can download, complete, and send to the EA.<sup>4</sup> The CSRN template also provides the EA address (preferably including an e-mail address), where consultants can write to obtain a standard EOI form. The standard EOI form may be submitted as hard or electronic copy. By requiring submission of a standard EOI form, the EA can evaluate all consultants for shortlisting using uniform documents containing the same type of information. National regulations and the EA may require additional information from national consultants such as company registration and tax reference numbers to be submitted at the EOI stage. These requests can be added to the standard EOI form.

## **G. Recruiting Individual Consultants**

40. The EA recruits individual consultants based on how closely their qualifications and experience conform to the TOR requirements.

41. Individual consultant recruitment does not require submission of proposals. Recruiting individual consultants usually requires advertising with a CSRN.

42. The EA normally shortlists three or more candidates based on the EOIs received. Shortlisted candidates are ranked by their experience and qualifications. All shortlisted candidates must meet the eligibility criteria set out in Appendix 5. Only experts that submitted EOIs shall be shortlisted, unless an extended advertisement did not generate any qualified EOIs. In this case, a shortlist may be created by the EA. These shortlisted candidates will be informed of their inclusion in the shortlist and requested to submit an EOI. If a shortlisted consultant does not submit an EOI, then his/her CV shall not be considered.

43. The EA requests the first-ranked candidate to confirm availability and to provide other information that may be required.

44. Upon receiving a confirmation of availability from the candidate, the EA completes any specific procedures, for clearances and approvals, and then offers a contract to the candidate. The EA should also establish that the candidate has no concurrent assignments that could prevent him or her from providing the necessary levels of input for the assignment.

45. The EA normally determines the remuneration rates based on market rates, while other expenses are based on the TOR. The user unit and ADB procurement staff may assist the EA in determining these rates.

46. Upon receiving the consultant's acceptance of the offer, the EA will issue a notice-to-proceed to the consultant for mobilization. No consultant activities should be authorized until the notice-to-proceed has been issued.

## **H. Recruiting Firms**

### **1. Long List and Shortlist**

47. To obtain high-quality consulting services, the EA examines all EOIs from the bidders responding to the CSRN. The EA lists all eligible firms (long list) that submitted EOIs. The EA may consider readvertising if the EOIs received are insufficient to draw the shortlist. If readvertisement

<sup>4</sup> Available at: <https://www.adb.org/documents/recruitment-firms-individual-consultants-executing-agencies>.

is considered, the EA shall carefully consider any comments on the adequacy of the TOR and the budget submitted by consultants who expressed interest.

48. From the long list, the EA then selects the shortlist, using the following criteria and conditions:

- (i) The shortlisted firms meet the eligibility criteria in Appendix 5.
- (ii) The shortlisted firms are technically qualified, as determined by the EA.
- (iii) Shortlists normally comprise six firms; however, PPF will agree to shortlists comprising a smaller number of firms if appropriate in the context of the assignment, for example, when only a few qualified firms have expressed interest in the specific assignment or when the size of the contract does not justify wider competition.<sup>5</sup>
- (iv) The shortlisted firms meet the requirements for country and/or regional experience, considering any preference that has been expressly indicated by the EA.
- (v) For nationally-advertised recruitments (Appendix 3) the shortlist may comprise entirely national firms (registered in the project country). However, if foreign firms express interest, they should be considered.

49. Except under CQS, ranking is not required when shortlisting firms. Shortlisting for CQS is discussed in Appendix 6.

50. The experiences and qualifications of all firms participating in a joint venture are assessed during shortlisting and, if circumstances so justify, the experience and qualifications of the lead firm or managing joint venture partner may be assigned more weight than those of other partners.

51. Changes in the joint venture arrangement among shortlisted firms are normally not allowed after the shortlist is finalized, unless otherwise stated in the RFP data sheet for a specific assignment, under certain conditions. Specific restrictions are given in the RFP.

## **2. Preparing the Technical Proposal Evaluation Criteria**

52. The EA prepares the technical proposal evaluation criteria for selecting consulting firms. At about the same time that the long list and shortlist are prepared, the EA prepares the technical proposal evaluation criteria based on the type of technical proposal identified in the consultant section of the procurement plan. Standard templates for the detailed evaluation criteria and evaluation sheets are available in ADB's standard RFP.<sup>6</sup> Appendix 8 sets out the suggested evaluation ranges.

53. The EA also prepares a set of narrative evaluation criteria (NEC) for evaluation. The NEC should be consistent with the evaluation sheets and should not include restrictive requirements or introduce hidden criteria. The NEC should also be consistent with the TOR. If the EA opts to give more weight to full-time employees of the consulting firm, this has to be clearly indicated in the NEC and personnel evaluation sheet (PES) in the RFP. The NEC will be used internally to guide the evaluators. The EA may include the NEC in the RFP.

<sup>5</sup> The absolute minimum of shortlisted firms is two.

<sup>6</sup> Available at: <https://www.adb.org/documents/recruitment-firms-individual-consultants-executing-agencies>.

### 3. Preparing the Request for Proposals

54. After the shortlist and evaluation criteria are completed, the EA prepares the RFP and submits the draft RFP with the shortlist, TOR, and evaluation criteria for approval by ADB (Submission 1) if applicable (refer to Appendix 9). It is important to note that when there is a difference between the contents of the issued RFP for a specific assignment and the contents of this SI, the RFP shall prevail, unless an amendment to the RFP is deemed necessary. Ensuring accuracy, consistency, and clarity in the RFP is essential for a smooth and transparent selection process.

55. Apart from the standard instructions, the RFP contains the following:

- (i) shortlisted firms' names (including associated firms and joint venture partners when applicable);
- (ii) selection method and type of technical proposal for the selection;
- (iii) TOR and any information that the EA decides the shortlisted firms need, with the full background and assignment requirements;
- (iv) information that might mitigate an unfair competitive advantage to one or more of the shortlisted firms (if applicable);
- (v) evaluation criteria for the technical proposals;
- (vi) budget for the assignment;
- (vii) assignment-specific datasheet;
- (viii) forms to be completed by the shortlisted firms; and
- (ix) the draft general and specific conditions of contract.

### 4. Clarifying and Amending the Request for Proposals

56. After the RFP is issued to the shortlisted firms, they may request clarification on it before the specified deadline. The EA answers the questions promptly to give shortlisted firms adequate time to incorporate the responses into their proposals. The answers are distributed with the original questions (with any appropriate revisions and without identifying the source of the question) to all shortlisted firms. An exception may arise when the question or response relates to a sensitive matter that cannot be disclosed to a third party, or when circulating a response to a question may violate the questioner's privacy. No response shall favor a particular firm. The EA records all clarifications and/or amendments issued and informs all the proposal evaluators of such clarifications and/or amendments. When the answers and amendments are provided at a pre-proposal conference, the questions and answers should be reflected in the minutes and distributed to all shortlisted firms.

57. The EA may amend the RFP by providing a notice to all shortlisted firms. If the amendment is made close to the deadline for receipt of proposals, extra time may need to be given to firms to allow them to incorporate the changed requirements.

### 5. Acquiring and Rejecting Proposals

58. Shortlisted firms submit proposals to the address stated in the RFP by the deadline. The proposals must be formatted, packaged, and sealed in accordance with the RFP requirements. Proposals received after the specified deadline and proposals providing price information in the same envelope as the technical proposal are normally rejected under RFP requirements. Under special circumstances, such as *force majeure* or documented malfunctioning of e-procurement systems, Director, PPFDF may decide whether a late proposal can be accepted, but such decision

should be made only if it will not affect the fairness, transparency, and integrity of the selection process.

## **6. Evaluating Technical Proposals**

59. The EA designates evaluators who form a consultant selection committee (CSC) to evaluate technical proposals in accordance with the procedures set out in Appendix 8.

## **7. Requesting and Evaluating Financial Proposals**

60. The procedure for requesting and evaluating financial proposals varies depending on the selection method (Appendix 6).

## **8. Determining the Final Ranking of Proposals**

61. The procedure for deciding the final ranking depends on the selection method (Appendix 6).

### **I. Recruiting Consultants: ADB Prior and Post Review (Sampling)**

62. The Procurement Regulations for ADB Borrowers (in Appendix 6, paras. 7–14) allow for prior and post review (sampling) of consulting services transactions. The agreed review arrangement for each package is to be indicated in the procurement plan. ADB's decision on which review method is to be applied will be based on an assessment of the EA during the country and sector/agency and project procurement risk assessments, which will normally identify the EA's capacity to take on greater procurement responsibility. Factors in making the decision should include the nature and distribution of the consulting services, the procurement risk level, and the EA's documented track record in the selection and recruitment of consultants.

#### **1. Prior Review for Firms**

63. For consulting firms, two closely related forms of prior review may be considered: standard prior review and concurrent prior review:

- (i) Under standard prior review, documentation is reviewed and approved by ADB before moving on to the next step in the selection process. The EA follows the general procedures and specific requirements to submit documents for each major step of the recruitment process for ADB's review and approval. The review is conducted in two or three steps, depending on the selection method used.
- (ii) Under the procedure known as concurrent prior review, ADB may, at the borrower's request and if ADB is satisfied that the EA has sufficient capacity, agree to permit the borrower to follow a streamlined version of prior review. Under concurrent prior review, the same submissions as for standard prior review are required; however, after making each submission, the EA is permitted to proceed with the procurement process while ADB reviews the submission.

64. Appendix 9 sets out the procedures for these methods of prior review.

#### **2. Post Review (Sampling) for Firms**

65. Under post review (sampling), ADB does not give prior approval to the EA as it does in prior review. Instead, consulting contracts will be sampled and post reviewed by ADB in



accordance with the methodology set out in the procurement plan. The procedures for post review (sampling) are set out in Appendix 10.

### **3. Prior Review for Individual Consultants**

66. The EA follows the general procedures under the supervision of the user unit. The EA then follows the specific requirements set out in Appendix 11 for each step of the recruitment process, based on the agreed prior review arrangement in the procurement plan, which consists of up to two optional submission forms.

### **4. Post Review (Sampling) for Individual Consultants**

67. Consulting contracts will be post reviewed by ADB in accordance with the post review (sampling) methodology set out in the procurement plan. A post review (sampling) approach will normally be followed, depending on the level of risk and the nature of the procurement. The procedures for post review (sampling) are set out in Appendix 10. If the selection is of high value and/or complex, the EA may wish to establish a CSC, following Appendix 8.

### **5. Integrity Due Diligence for Individual and Firm Consultants**

68. The EA is required to provide ADB with sufficient information to ensure that proper ADB-required integrity and performance-related due diligence checks are performed. For prior review, these requirements are part of the submission forms. For post review (sampling), they are the EA's responsibility. As soon as the EA completes the shortlisting of firms, it shall confirm that none of the entities (lead firms, subconsultants, JV partners, individual consultants, or the firms with which individual consultants are affiliated) are debarred or temporarily suspended by ADB for integrity violations in accordance with the Anticorruption Policy (1998, as amended to date) and Integrity Principles and Guidelines (2015, as amended from time to time) or suspended on performance grounds by ADB. The user unit shall be available to support these checks as necessary and revert to the EA directly before it finalizes the shortlist and issues the RFP. As soon as it completes the evaluation and ranking of proposals, the EA shall again confirm that neither the first-ranked firm (lead firm as well as all sub-consultants and JV partners) nor any of its experts from the list of experts included in the first-ranked firm's proposal are debarred or temporarily suspended by ADB for integrity violations or suspended on performance grounds by ADB. The user unit shall be available to support these checks as necessary and revert to the EA directly before it awards the contract.

69. If the EA fails to conduct the required sanctions checks by itself at the shortlisting, technical evaluation, and contract award stages, or fails to provide sufficient information for the user unit to conduct the required integrity and performance-related due diligence before a contract is awarded, and one or more firms or experts (or their affiliated firms) are found to be debarred or temporarily suspended by ADB, ADB will be entitled to take such action as it deems appropriate, including declaring noncompliance.

70. If ADB determines that the consulting services were not procured in compliance with the agreed procedures as reflected in the procurement plan, the RFP, and this SI, it will take a proportionate approach to the noncompliance and may take appropriate actions consistent with the terms of the loan or grant agreement, or TA letter for delegated TA. Since noncompliance may mean refunding if amounts have been disbursed, the user unit must make sure that EAs submit documents promptly and review them as soon as practicable. Adverse findings related to integrity violations must be reported to OAI and may lead to a finding of noncompliance. Other serious procedural irregularities or noncompliance with procurement principles may also lead to

a finding of noncompliance, while irregularities that are not of a fundamental nature will be relayed to the EA for possible appropriate action.

## **J. Contract Modalities**

### **1. Contract Types**

71. The EA uses the standard ADB contract forms with minimal changes, acceptable to ADB, for specific country and project issues. When using ADB's standard contract forms, changes may be made to the special conditions of contract but not to the general conditions of contract, unless cleared by OGC.

72. Selecting the contract form depends on (i) the type of assignment, (ii) whether the scope and output are definable, (iii) the distribution of risks between the parties, and (iv) the need for providing particular types of incentives or penalties for issues such as performance quality or timeliness of deliverables. Appendix 12 sets out the main contract types.

### **2. Negotiating Contracts**

73. The EA invites the firm to contract negotiations. The procedure depends on the selection method (Appendix 6). Appendix 13 details the procedures recommended for negotiating contracts with firms.

### **3. Cancelling Contract Negotiation**

74. If the selected firm cannot agree with the EA on technical, financial, or other matters, or fails to meet the requirement for mobilizing personnel, the EA may terminate the negotiation with the firm and negotiate with the next-ranked firm, subject to the approval of the user unit and PPF. D.

### **4. Contract Award**

75. If the negotiation succeeds, the selected firm signs the contract with the EA and mobilizes its personnel as contracted. The EA notifies the other firms that submitted proposals about the contract award.

## **K. Post Contract Activities and Consultant Contract Management**

### **1. Implementation Responsibilities**

76. The EA is responsible for supervising and administering consultant contracts. It is important for the EA to monitor the consultants' progress and promptly discuss any problems that arise.

77. The ADB user unit should advise and assist the EA, as necessary, during the procurement process and while the consultants are completing their assignments.

### **2. Contract Variations**

78. Contract variations are written changes to the consultant's contract to which ADB provides a no objection. Variations may change an item in the contract or add a new item. Consultants generally propose most contract variations, but the EA may also propose them.

79. The EA approves all variations in consultants' contracts and may consult the user unit and ADB procurement staff on an as-needed basis. The EA shall seek ADB's no-objection, from the director of the user unit, where any modification would individually or in aggregate increase the original price of the contract by more than 15%.

### **3. Terminating or Suspending a Consultant's Contract**

80. When problems arise during contract implementation, the user unit advises the EA to follow the procedures stipulated in the contract. The EA should discuss the problems with the consultant, and with ADB if necessary, with the intention of reaching an agreement on solutions. When the EA identifies a problem with the consultant's performance, the EA decides what action is appropriate. The EA can follow a three-step procedure to resolve performance problems:

- (i) The EA should discuss the problem with the consultant, describing the areas of the consultant's performance that it considers unsatisfactory; explaining the performance levels required; and directing the consultant toward ways to improve its performance, for example by replacing experts whose performance is unsatisfactory. The EA documents such discussion. The consultant is requested to formally respond with an action plan to improve performance.
- (ii) If the consultant's performance continues to be unsatisfactory and formal contractual action appears to be necessary, the EA may consider suspending the consultant's contract. Contracts with consulting firms can be suspended in part or in whole.
- (iii) If the consultant has not satisfied the EA that its performance will improve following suspension, the EA may consider terminating the consultant's contract.

81. If the EA proposes to terminate a consultant's contract, the EA should submit the following to the user unit for no objection:

- (i) adequate background information and justification for the proposed termination;
- (ii) a summary of the required adjustments or remedial action; and
- (iii) a proposal on how the assignment will be completed.

82. The EA discusses the proposal with the consultant. Based on the available information, the user unit then discusses with PPF, OGC, and other relevant ADB departments and/or offices, on whether termination is warranted. The user unit advises the EA of the decision reached on this matter. The EA then informs the consultant of its decision, in accordance with the contract.

### **4. Consultant Recruitment Activity Monitoring**

83. The EA, user unit, and ADB procurement staff use consultant recruitment activity monitoring (CRAM) for borrower-administered consulting services to monitor the activities in consultant recruitment and to avoid delays. Appendix 14 describes the process for using CRAM.

#### **L. Debriefing and Complaints**

84. The borrower shall respond to any requests for debriefing made by unsuccessful consulting firms that submitted a proposal in response to an RFP. Debriefings must cover only the substance of the requesting bidder's proposal, and under no circumstance should the detail of other bidders' proposals or their scoring be discussed. There is no debriefing for consulting firms that were not shortlisted. There is likewise no debriefing for individual consultants that were not selected.

85. Procurement-related complaints on procurement planning, bidding, or contract management process administered by the borrower should be brought to the attention of the borrower or to ADB, or to both.<sup>7</sup> The complaint should provide all relevant information and must be addressed objectively and in a timely manner.

86. Any complaint alleging an integrity violation must be immediately and confidentially referred to OAI in accordance with ADB's Anticorruption Policy (1998, as amended to date) and ADB's Integrity Principles and Guidelines (2015, as amended from time to time).

87. For further details on procurement-related complaints and complaint handling processes by the EA and ADB, refer to the Staff Instruction on Procurement-Related Complaints and the guidance note on bidding-related complaints.<sup>8</sup>

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<sup>7</sup> ADB's procurement-related complaint submission form is available at: <https://www.adb.org/forms/complaints>.

<sup>8</sup> ADB. 2018. *Bidding-Related Complaints*. Guidance Note on Procurement. Manila.

## **APPENDIXES**

1. Responsibilities and Approving Authorities
2. Terms of Reference
3. Types of Consultants and Expertise
4. Cost Estimate
5. Eligibility
6. Selection Methods
7. Types of Proposals
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**APPENDIX 1: RESPONSIBILITIES AND APPROVING AUTHORITIES**

<b>Steps in Consulting Recruitment</b>	<b>Responsible</b>	<b>Support</b>	<b>Approval or No Objection By</b>
<b>Project Preparation</b>			
<ul style="list-style-type: none"> <li>Procurement plan</li> </ul>	EA	User Unit <ul style="list-style-type: none"> <li>Assists in plan preparation and updating</li> <li>Submits plan for approval</li> <li>Updates PAM for loan or grant projects</li> <li>Updates concept paper and/or TA report for delegated TA</li> </ul>	PPFD Procurement Specialist
<ul style="list-style-type: none"> <li>Terms of reference</li> </ul>	EA, supported by expert or team of specialists	User Unit	
<ul style="list-style-type: none"> <li>Cost estimate</li> </ul>	EA	User Unit	
<ul style="list-style-type: none"> <li>Choice of selection method</li> </ul>	EA	User Unit	PPFD Procurement Specialist
<ul style="list-style-type: none"> <li>Choice of proposal type</li> </ul>	EA	User Unit	User Unit, after consulting PPFD Procurement Specialist
<ul style="list-style-type: none"> <li>Choice of review type</li> </ul>	EA	User Unit	PPFD Procurement Specialist
<b>After Procurement Plan Approval</b>			
<ul style="list-style-type: none"> <li>Change in selection method unless to QCBS</li> </ul>	EA submits justification	User Unit	User Unit Director, after consulting PPFD Procurement Specialist
<ul style="list-style-type: none"> <li>Change in QCBS ratio</li> </ul>	EA submits justification	User Unit	User Unit, after consulting PPFD Procurement Specialist
<ul style="list-style-type: none"> <li>Change in proposal type from FTP → STP or BTP or from STP → BTP</li> </ul>	EA	User Unit	User Unit Director, after consulting PPFD Procurement Specialist
<ul style="list-style-type: none"> <li>Change in expertise (international → national or vice versa)</li> </ul>	EA	<ul style="list-style-type: none"> <li>User Unit</li> <li>PPFD</li> </ul>	User Unit Director, after consulting PPFD Procurement Specialist

Steps in Consulting Recruitment	Responsible	Support	Approval or No Objection By
<ul style="list-style-type: none"> <li>Change in recruitment mode (international or national competitive selection)</li> </ul>	EA	User Unit	User Unit, after consulting PPFD Procurement Specialist
<b>Advertisement</b>			
<ul style="list-style-type: none"> <li>Advertising (CSRN)</li> </ul>	EA	User Unit	User Unit decides whether its approval of the draft CSRN is required prior to posting
<ul style="list-style-type: none"> <li>Waiver of CSRN</li> </ul>	EA	User Unit endorses waiver	PPFD Director
<ul style="list-style-type: none"> <li>CSRN readvertisement</li> </ul>	EA may readvertise or extend if the EOIs received are insufficient	<ul style="list-style-type: none"> <li>User Unit</li> <li>PPFD Procurement Specialist</li> </ul>	
<b>Shortlisting and Issuing Request for Proposals</b>			
<ul style="list-style-type: none"> <li>Long list and shortlist</li> </ul>	EA	User Unit	User Unit and/or PPFD in Submission 1, following the threshold
<ul style="list-style-type: none"> <li>o Unfair competitive advantage</li> </ul>	EA to determine	<ul style="list-style-type: none"> <li>User Unit</li> <li>PPFD</li> </ul>	
<ul style="list-style-type: none"> <li>o Conflict of interest</li> </ul>	EA CSC to confirm absence of actual or potential conflict of interest	User Units disclose to OAI as soon as possible	OAI to determine
<ul style="list-style-type: none"> <li>o Ensuring firms and experts are not sanctioned</li> </ul>	EA and User Unit check ADB sanctions list		
<ul style="list-style-type: none"> <li>o Allegations of corruption and integrity violations</li> </ul>	All must be immediately and confidentially referred to OAI		OAI to determine
<ul style="list-style-type: none"> <li>o Use of national blacklist in contracting decisions</li> </ul>	All project staff should report	PPFD	Must be endorsed by PPFD and OAI
<ul style="list-style-type: none"> <li>o Exclusion of firm due to prior poor performance</li> </ul>	EA	Consult PPFD as necessary	User Unit should assess sanctioning or exclusion
<ul style="list-style-type: none"> <li>Technical proposal evaluation criteria (SES, PES, NEC)</li> </ul>	EA, based on proposal type in procurement plan	User Unit	User Unit and/or PPFD in Submission 1, following the threshold

Steps in Consulting Recruitment	Responsible	Support	Approval or No Objection By
<ul style="list-style-type: none"> <li>Draft RFP</li> </ul>	EA	User Unit	User Unit and/or PPF in Submission 1, following the threshold
<ul style="list-style-type: none"> <li>Clarifying and amending the RFP</li> </ul>	EA sends copy of clarifications and amendments to <u>all</u> shortlisted firms, copied to User Unit	User Unit	
<ul style="list-style-type: none"> <li>Opening, minuting, and storage of proposals</li> </ul>	EA		
<b>Evaluation of Proposals</b>			
<ul style="list-style-type: none"> <li>Technical proposal evaluation</li> </ul>	EA	User Unit	User Unit and/or PPF in Submission 2, depending upon threshold
<ul style="list-style-type: none"> <li>Technical proposals not meeting minimum score</li> </ul>	EA informs firms not technically qualified and returns unopened financial proposals		
<ul style="list-style-type: none"> <li>Financial proposal evaluation</li> </ul>	EA	User Unit	User Unit and/or PPF in Submission 3, depending upon the threshold
<b>Contract Negotiations and Contract Signing</b>			
<ul style="list-style-type: none"> <li>Contract negotiations for advance contracting selections</li> </ul>	EA	User Unit should advise the EA that <ul style="list-style-type: none"> <li>Advance contracting is normal procedure</li> <li>ADB's support does not commit ADB to approve the loan/grant project or to finance the recruitment costs</li> </ul>	ADB Board of Directors for project approval, and when financing agreement is about to become effective
<ul style="list-style-type: none"> <li>Negotiating contracts</li> </ul>	EA	User Unit	
<ul style="list-style-type: none"> <li>Cancelling contract negotiation</li> </ul>	EA		User Unit and PPF
<ul style="list-style-type: none"> <li>Contract award</li> </ul>	EA	User Unit	
<ul style="list-style-type: none"> <li>Debriefing</li> </ul>	EA	User Unit	
<b>Contract Implementation</b>			



Steps in Consulting Recruitment	Responsible	Support	Approval or No Objection By
<ul style="list-style-type: none"> <li>• Legal issues from recruiting consultants, administering contracts, etc. in loan or grant-financed consulting assignments</li> </ul>	EA	User Unit	OGC
<ul style="list-style-type: none"> <li>• Contract variations</li> </ul>	EA	PPFD	User Unit (see SI para. 79)
<ul style="list-style-type: none"> <li>• Contract termination or suspension</li> </ul>	EA	<ul style="list-style-type: none"> <li>• User Unit</li> <li>• PPFD</li> <li>• OGC</li> </ul>	User Unit after consultation with PPFD, OGC, and other relevant ADB departments or offices
<ul style="list-style-type: none"> <li>• Payment verification and processing</li> </ul>			CTL
<ul style="list-style-type: none"> <li>• Monitoring</li> </ul>	EA	User Unit	
<b>ADB Review and Threshold</b>			
<ul style="list-style-type: none"> <li>• Recruitment: individuals                             <ul style="list-style-type: none"> <li>○ Submission 1 (TOR, cost estimate, draft contract, and shortlisting report)</li> <li>○ Submission 2 (signed contract)</li> </ul> </li> </ul>	EA	<ul style="list-style-type: none"> <li>• PPFD</li> </ul>	<ul style="list-style-type: none"> <li>• User Unit</li> </ul>

Steps in Consulting Recruitment	Responsible	Support	Approval or No Objection By
<ul style="list-style-type: none"> <li>• Recruitment: firms                             <ul style="list-style-type: none"> <li>○ Submission 1 (shortlist and RFP)</li> <li>○ Submission 2 (technical proposal evaluation)</li> <li>○ Submission 2-3 (combined technical and financial proposal evaluation)</li> <li>○ Submission 3 (financial proposal evaluation)</li> </ul> </li> </ul>	EA	<ul style="list-style-type: none"> <li>• User Unit</li> <li>• PPFD</li> </ul>	<ul style="list-style-type: none"> <li>• User Unit reviews packages valued at <u>\$5M or less</u> <ul style="list-style-type: none"> <li>○ Staff reviewing must be PASS-accredited, otherwise PPFD will review and approve</li> <li>○ User Unit director approves</li> </ul> </li> <li>• PPFD reviews packages with value <u>above \$5M</u> <ul style="list-style-type: none"> <li>○ PPFD, User Unit review in parallel</li> <li>○ Director, PPFD or authorized representative approves</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Recruitment under emergency cases</li> </ul>	EA		User Unit and PPFD
<b>Consulting Recruitment Delegation</b>			
<ul style="list-style-type: none"> <li>• Consulting assignments delegated to ADB</li> </ul>	EA may request assistance from ADB in selecting the consultants, provided that the EA negotiates and signs the consulting service contract		PPFD and User Unit directors co-approve
<ul style="list-style-type: none"> <li>• Delegated TA</li> </ul>	<ul style="list-style-type: none"> <li>• EA selects and signs the contract with the consultant</li> <li>• EA assumes primary responsibility for supervising the consultant</li> </ul>	<ul style="list-style-type: none"> <li>• Project officer assesses the EA's capacity during a fact-finding mission</li> <li>• PPFD may assist</li> </ul>	
<b>Others</b>			
<ul style="list-style-type: none"> <li>• Capacity building</li> </ul>	<ul style="list-style-type: none"> <li>• User Unit</li> <li>• PPFD</li> </ul>		
<ul style="list-style-type: none"> <li>• CMS</li> </ul>	PPFD for business processes	ITD for IT Support	

CMS = Consultant Management System, CSC = consultant selection committee, CSRN = consulting services recruitment notice, EA = executing agency, EOI = expression of interest, NEC = narrative evaluation criteria, PASS = Procurement Accreditation Skills Scheme, PES = personnel evaluation sheet, RFP = request for proposals, SES = summary evaluation sheet, TA = technical assistance, TOR = terms of reference.

## APPENDIX 2: TERMS OF REFERENCE

### Purpose of the Terms of Reference (TOR)

Stage	Purpose
Expression of interest (EOI)	<ul style="list-style-type: none"> <li>The TOR defines the assignment objectives, scope, and outputs of the services, and provides background information (including a list of studies and basic data) to assist the bidders in preparing their EOIs.</li> </ul>
Recruitment of consulting firms	<ul style="list-style-type: none"> <li>At the time of issuance of the RFP, the TOR states what is required from the consulting firm, allowing clear, complete, and comparable evaluation of proposals.</li> </ul>
Contracting	<ul style="list-style-type: none"> <li>TOR forms the main contractual basis for the assignment. It is essential that it is drafted as clearly and unambiguously as possible.</li> </ul>
Performance evaluation	<ul style="list-style-type: none"> <li>TOR provides benchmarks for evaluation of contractual performance.</li> </ul>

### Components of a TOR

Component	Considerations
Purpose and objectives	<ul style="list-style-type: none"> <li>How does the assignment relate and contribute to the overall project objectives?</li> </ul>
Background and rationale	<ul style="list-style-type: none"> <li>Describe the context of the assignment</li> <li>Is there any information available for review, including previously prepared reports?</li> </ul>
Scope of services	<ul style="list-style-type: none"> <li>What is the scope of services to be performed?</li> <li>If transfer of knowledge or training is included in the scope of work, then the TOR should indicate the level of effort required, the estimated number of trainees, the length of the training program, and other related requirements (such as the need for customized training materials) to enable bidders to estimate the required resources.</li> <li>The scope of the assignment shall be consistent with the allocated budget and timelines for the assignment and before the expiry of the financing agreement.</li> <li>Where additional downstream assignments or extensions of scope are envisaged or reasonably foreseeable, it should be clearly stated in the TOR, consulting services recruitment notice (CSRN), and the request for proposals (RFP) (for recruitment of consulting firms). The executing agency (EA) should be transparent about the factors involved in determining such extensions, especially if direct contracting for the downstream assignment is being considered.</li> </ul>
Duration and location(s) of assignment	<ul style="list-style-type: none"> <li>Estimated duration of contract and identified location (if applicable).</li> </ul>

Component	Considerations
Deliverables and schedule	<ul style="list-style-type: none"> <li>• Key timelines or milestones, and reporting requirements.</li> <li>• Detailed tasks and activities.</li> <li>• Output requirements (including key dates for deliverables and applicable quality standards, where relevant).</li> <li>• The TOR should be sufficiently flexible to allow bidders to propose their own methodology and work program, particularly when the assignment is complex or output based.</li> </ul>
Counterpart support by the EA (when applicable)	<ul style="list-style-type: none"> <li>• Support, personnel, and facilities to be provided by ADB or EA (if any).</li> <li>• The TOR should define the EA's counterpart support responsibilities, materials, data, and reports that can be made available to the consultants (when applicable).</li> </ul>
For consulting firm TORs	<ul style="list-style-type: none"> <li>• Expertise required (including any requirement for international and/or national expertise) and professional qualifications.</li> <li>• The TOR should also list the services and surveys for the assignment, if needed, and the expected outputs (for example, reports, data, maps, and surveys).</li> <li>• Total inputs required (by person months or working days).</li> </ul>
For output-based TORs	<ul style="list-style-type: none"> <li>• Estimated inputs to deliver the required outputs of the assignment.</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Assignment locations, responsibility level, provisional sums, sector classification, etc.</li> </ul>

### Types of TOR

	Performance or Output-Based TOR	Time- and input-based TOR
Key features	<ul style="list-style-type: none"> <li>• Focus on measurable results rather than on the contribution of each individual, to allow the bidders flexibility in preparing proposals for the assignment and in determining the optimal team composition. It is important to identify key experts for the assignment.</li> </ul>	<ul style="list-style-type: none"> <li>• For firm assignments, the TOR defines each team member's role, responsibility, and expected amount of inputs. Contract form will generally be time-based.</li> </ul>

	<b>Performance or Output-Based TOR</b>	<b>Time- and input-based TOR</b>
<p>Consulting firm TOR</p>	<ul style="list-style-type: none"> <li>• Focuses on outputs or results, rather than specifying each required position, to allow the invited firms flexibility in preparing proposals for the assignment and in determining the optimal team composition.</li> <li>• Focuses on the description of the outputs and activities of an assignment with few, pre-defined input requirements. Shortlisted firms may propose their own best approach and methodology to execute a contract, and define the quantity, nature, skills, and person-month allocation of experts and other required inputs.</li> <li>• Often use simplified or full technical proposals.</li> <li>• Any entity’s specific technical, sector, and/or country expertise and experience could bring about innovative and/or economical ways of delivering on the objectives of the assignment.</li> <li>• Key timelines or milestones and reporting requirements are clearly stated. In exceptional circumstances and where it is necessary and advantageous for the assignment, and where timelines or milestones may not be clearly defined, firms may be requested to present timelines or milestones, which can be added into the TOR during contract negotiations.</li> <li>• Contract form is normally lump sum.</li> <li>• Estimates inputs to deliver the required outputs of the assignment, when such estimation is possible.</li> </ul>	<ul style="list-style-type: none"> <li>• Applicable when the services are predictable and standardized.</li> <li>• Provides the detailed breakdown of inputs—the nature and number of experts required and the person-month allocation for each.</li> <li>• Should only be used where it is possible to accurately estimate the optimal nature and quantity of inputs required for the successful execution of an assignment and minimal advantage will be gained by considering varied approaches and/or methodologies.</li> <li>• Often use biodata or simplified technical proposals for selection.</li> <li>• Contract form is normally time-based.</li> <li>• Commonly used when it is anticipated that the scope or length of service may be adjusted during contract implementation.</li> </ul>

	<b>Performance or Output-Based TOR</b>	<b>Time- and input-based TOR</b>
Individual consultant TOR	<ul style="list-style-type: none"> <li>• Key outputs, timelines and/or milestones, and reporting requirements are clearly defined.</li> <li>• Contract form is often lump sum, where payments are linked to completion of milestones and submission of project deliverables rather than the number of actual days worked.</li> </ul>	<ul style="list-style-type: none"> <li>• Generally applicable for larger value, relatively complex assignments.</li> <li>• Detailed breakdown of inputs, daily rates, and out-of-pocket expenses are required.</li> <li>• Time sheet is required.</li> <li>• Contract form is normally time-based.</li> </ul>

**Revising the TOR**

<b>Stage</b>	<b>Purpose</b>
Prior to RFP issuance	<ul style="list-style-type: none"> <li>• The TOR can be amended prior to issuance of the RFP based on the feedback received from the consultants expressing interest in the assignment.</li> <li>• Consultants are given the opportunity to comment on the adequacy of the TOR and cost estimates at the EOI stage.</li> <li>• The EA is encouraged to analyze such feedback to determine if changes are warranted.</li> </ul>
During RFP stage	<ul style="list-style-type: none"> <li>• For consulting firm selections, the TOR can also be amended during the RFP stage following the clarifications stage, which may have given rise to the need to clarify or amend the TOR.</li> </ul>
During Contract Negotiations	<ul style="list-style-type: none"> <li>• The TOR may also be revised to include value-adding propositions based on the winning EOI or proposal.</li> </ul>
During Contract Implementation	<ul style="list-style-type: none"> <li>• The TOR may be amended through a contract variation during the implementation of the contract.</li> </ul>

### APPENDIX 3: TYPES OF CONSULTANTS AND EXPERTISE

#### Types of Consultants

Consulting Firms	Individual Consultants <sup>1</sup>
<ul style="list-style-type: none"> <li>• Usually used for assignments that require multi-expertise teamwork</li> <li>• May also be preferred for engagements that span over a long period and when the risk of loss of continuity is high</li> </ul>	<ul style="list-style-type: none"> <li>• Suitable for assignments that can be carried out independently</li> <li>• Appropriate in some cases, e.g., needed flexibility due to urgency of mobilization, geographic dispersion, and/or timing of deployment</li> </ul>
<ul style="list-style-type: none"> <li>• Individual consultant recruitment should only be undertaken if this approach is the most effective and efficient way the assignment can be undertaken.</li> <li>• Consultation with PPF is required before several individual consultants may be contracted separately under one project, particularly whenever the assignments are interdependent on inputs by these consultants. In such cases, a consulting firm should normally be engaged to provide these individuals as a team and to provide a single source of contractual accountability for the inputs and outputs.</li> <li>• Engaging more than five individual consultants under a single project for assignments, instead of a team of experts through a firm, is discouraged because of the potential difficulties in supervision and administration. This will only be permitted by PPF where it can be demonstrated that the benefits outweigh the allocation of additional resources for recruitment, contracting, disbursement, coordination, and management of such individuals.</li> </ul>	

#### Determining International or National Expertise

<b>TOR</b>	Requirements determine whether international or national expertise is required.
<b>Procurement plan</b>	<p>During plan preparation, the executing agency (EA) may consult ADB to determine and define the appropriate combination of national and international expertise considering:</p> <ul style="list-style-type: none"> <li>• the nature of assignment,</li> <li>• the size and quality of the national consulting market, and</li> <li>• other relevant factors.</li> </ul> <p>The procurement plan should indicate if only national consultants are to be considered.</p>
<b>National expertise</b>	The user unit should discuss the availability and qualifications of national consultants with the EA, and cross check with the Consultant Management System (CMS) and other data sources.
<b>National advertisement and competition among national consultants</b>	May be considered when there are sufficient, qualified, and cost-competitive national consultants (registered in the project country).

<sup>1</sup> Note: may be engaged directly or through a firm.

<b>International consultants</b>	Must be permitted to apply and be equally considered for any role advertised as national.
<b>Changing position from international to national or vice-versa</b>	After the procurement plan is finalized, this requires ADB's no objection.

### Using National Consultants from Developing Member Countries

<b>National firm</b>	ADB considers a consulting firm as a national firm of a borrower's country if it is legally incorporated or organized as a legal entity under the laws of that country.
<b>National (individual) consultant</b>	<ul style="list-style-type: none"> <li>• An individual consultant who is a citizen of the DMC concerned.</li> <li>• Individuals of ADB member countries who have appropriate authorization to legally reside and work in the country of the assignment but do not hold the nationality of that country may also be considered as national consultants.</li> <li>• ADB encourages the use of qualified consultants from developing member countries (DMCs).</li> </ul>
<b>Nationals of a DMC who possess the appropriate international experience</b>	May be considered for assignments that require international expertise, whether in the national's own country or in other DMCs.



## APPENDIX 4: COST ESTIMATE

1. To ensure that value for money is achieved, cost estimates should be prepared even when the intention is that the contract will be delivered on a lump sum basis.

### Competitive Items: Remuneration and Out-of-Pocket (OPE) Expenses

<b>Remuneration</b>	<ul style="list-style-type: none"> <li>• Compensation for consultants' inputs (for a time-based contract) or outputs (for a lump sum contract)</li> <li>• Remuneration may be calculated using person months as the basic unit. However, in the contract, remuneration may be indicated using working days (for individual consulting assignments) or person months (for consulting assignments with firms involving team of experts), or may be expressed as a lump sum, depending on the type of assignment.</li> </ul>
<b>Per diem</b>	<ul style="list-style-type: none"> <li>• Accommodation costs and daily subsistence allowances required for consultants to work in locations where they do not hold permanent residence or office.</li> <li>• It may be assumed that the consultants will need per diem, although the actual need for per diem will be determined when the consultant has been selected.</li> </ul>
<b>Travel</b>	<ul style="list-style-type: none"> <li>• Includes the cost of round-trip travel by air (economy or business class) for international flights.</li> <li>• It may be assumed that travel will originate from the most remote place of an ADB member country to the assignment location if the actual travel route cannot be determined before the recruitment of the consultant.</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• Local transportation costs (including domestic flights) for required activities.</li> </ul>
<b>Communication</b>	<ul style="list-style-type: none"> <li>• Communication costs for activities the terms of reference (TOR) requires.</li> </ul>
<b>Office operations</b>	<ul style="list-style-type: none"> <li>• Applicable for consulting firm engagements where office space is needed but not provided.</li> </ul>
<b>Report</b>	<ul style="list-style-type: none"> <li>• Cost of printing and distribution of the reports the TOR requires.</li> </ul>
<b>Translation or interpretation</b>	<ul style="list-style-type: none"> <li>• Not all consultant assignments need this cost item. The TOR should justify the use of translators or interpreters when required.</li> </ul>
<b>Administrative or research assistance</b>	<ul style="list-style-type: none"> <li>• Not all consultant assignments need this cost item. The TOR should justify the use of an administrative or research assistant. Normally not allowed under an individual consultant's contract.</li> </ul>
<b>Other costs</b>	<ul style="list-style-type: none"> <li>• Such as insurance or security arrangements, which should be justified in the TOR.</li> </ul>

## Noncompetitive Components: Provisional Sums and Contingency

2. For the engagement of consulting firms, cost estimates shall clearly identify provisional sums (if applicable) and make appropriate adjustments to the competitive component of the bid to account for additional effort on behalf of the firm in handling them. If a firm purchases equipment on behalf of the executing agency, the cost estimates need to consider insurance provisions for such equipment or assets.

### Provisional Sums and Contingency

<b>Provisional sums (normally used in engagement of firms)</b>	<ul style="list-style-type: none"> <li>• This may cover the cost of workshops, seminars, conferences, surveys, and equipment.</li> <li>• For equipment, the cost estimate includes a list of the equipment to be purchased.</li> <li>• Such items are deemed to be noncompetitive, meaning that the provisional sum, while forming part of the overall cost estimate, will not be included in any financial evaluation.</li> </ul>
<b>Contingency</b>	<ul style="list-style-type: none"> <li>• Usually 5–10% of the total cost estimate<sup>1</sup></li> </ul>

### Taxes

<b>Liability</b>	<ul style="list-style-type: none"> <li>• If experts or firms are not tax-exempt in the countries in which they are tax residents, ADB assumes no liability for covering these taxes.</li> </ul>
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### Disclosure

<b>Consulting services recruitment notice (CSRN)</b>	<ul style="list-style-type: none"> <li>• Cost estimate categories (competitive component and noncompetitive component, including provisional sums and contingency) are disclosed through the CSRN.</li> <li>• Consultants are encouraged to provide feedback through their expression of interest (EOI), which requests their comments on adequacy of the TOR with respect to the allocated budget for the assignment.</li> </ul>
<b>RFP stage</b>	<ul style="list-style-type: none"> <li>• It is possible that the cost estimates will change at request for proposals (RFP) stage for the recruitment of the consulting firm or at contracting stage when the individual expert is engaged.</li> </ul>
<b>No guarantee</b>	<ul style="list-style-type: none"> <li>• Published budgets are not a guarantee of specific remuneration or contract amount, which is subject to availability of budget, qualifications of experts, financial bids of consulting firms, and other commercial considerations.</li> </ul>

<sup>1</sup> Budgeted amount included in the consulting contract to cover foreign exchange fluctuations and/or additional or unforeseen expenses under the contract. Contingency may be higher for contracts exceeding 18 months in duration.

## APPENDIX 5: ELIGIBILITY

<b>Consulting Firm Nationality</b>
<p>A consulting firm is from an ADB member country if it meets the following requirements:</p> <ol style="list-style-type: none"> <li>1. Corporations or companies must be incorporated in an ADB member country.</li> <li>2. Partnerships that are not incorporated and have individual members must be duly registered in an ADB member country.</li> <li>3. Universities, institutions, public sector organizations, civil society organizations (CSOs), and nongovernmental organizations (NGOs) that are not incorporated must provide proof that they are duly established and legally capacitated to enter into binding and enforceable contracts with ADB (by charter, statute, etc.).</li> </ol>
<b>Individual Consultant Nationality</b>
<p>An individual consultant is from an ADB member country if he/she is a citizen of an ADB member country.</p>
<b>Government Organizations and Civil Servants</b>
<p>The following restrictions on government organizations and employees apply to all assignments:</p> <ol style="list-style-type: none"> <li>1. <b>Government-owned enterprises, institutions, and organizations</b> may work as consultants in their own countries only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the borrower or its executing agency (EA) or implementing agency/ies. However, ADB may sometimes approve a government-owned university or research center, or one of its staff, to participate in an assignment when the services to be provided by such entity or staff are exceptional or unique, and the participation of such entity or staff is critical to the assignment.<sup>1</sup> PPF has the authority to interpret this requirement and approve specific cases when sufficient justifications are provided by the user unit or by the EA.</li> <li>2. <b>Civil servants from the borrower country</b> (public sector employees working for a government department or agency) may only be hired under consulting contracts, either as individuals or as team members of a consulting firm, if: (i) they are on leave of absence and are duly authorized to work under an ADB consulting contract, (ii) they are not being hired by the agency they were working for immediately before going on leave,<sup>2</sup> and (iii) their employment would not create a conflict of interest. A letter from the candidate's agency may be required to certify that these requirements are met. These restrictions do not apply to government employees engaged for a consulting assignment in a different country.</li> </ol>

<sup>1</sup> This may also be applied to academics working in private universities or research institutes.

<sup>2</sup> PPF has the authority to interpret the meaning of "immediately" in this clause but generally applies the principle that the individual should have been separated from the agency for at least one year.

<b>Consultants currently engaged by ADB or the EA</b>
<ol style="list-style-type: none"> <li><b>A consultant who is currently engaged by ADB or the EA for an ADB-financed TA, project, or contract on a full-time basis</b> is understood to be committed for a continuous assignment, whereby a home office work week consists of 5 working days and a field work week consists of 5 or 6 working days, as the case may be, in accordance with the terms and provisions of the contract.</li> <li><b>A consultant who is currently engaged on a full-time basis for an ADB-financed assignment</b> <u>must not</u> work as a consultant, resource person, or service provider for another ADB-financed TA, project, or contract, and for any other employer or project.</li> <li><b>A consultant who is currently engaged on an intermittent basis for an ADB-financed assignment</b> is allowed to work on another intermittent assignment, provided that PPFDF receives clearance from the relevant user unit of ADB administered assignment/s that there would be no overlapping in working days between the assignments in question.</li> </ol>
<b>Former ADB staff who were previously primarily involved in processing and/or supervising a TA, loan, and/or grant project</b>
Must not be engaged as a consultant to implement assignments under that same project. Staff may seek guidance in the handling of such conflict from OAI.
<b>Consultants that have a conflict of interest</b>
Must not be engaged as a consultant to implement assignments unless the conflict can be mitigated. Examples of conflict of interest which apply specifically to consultancy contracts are listed in the request for proposal (RFP) documents.

## Sanctioning by ADB and by Member Countries

<b>Sanctioning by ADB</b>
A consulting firm or individual consultant debarred or temporarily suspended by ADB in accordance with ADB's Anticorruption Policy (1998, as amended to date) and Integrity Principles and Guidelines (2015, as amended from time to time) is ineligible to participate in or be awarded a contract that is financed, administered, or supported by ADB. Likewise, the firm or individual consultant must not be under any ADB-issued suspensions resulting from unsatisfactory performance.
<b>Sanctioning by Member Countries</b>
Staff may encounter the issue of national blacklisting during or after longlisting by an EA. Staff should ensure that any member country's own debarment procedures do not prevent EAs from treating prospective eligible consultants for ADB-financed contracts from all member countries fairly and in accordance with ADB procurement procedures. This applies equally to official national blacklisting as well as "unofficial" or informal blacklisting. Member countries sometimes establish national blacklisting procedures, often for fraud or corruption as the country may define them, but also for other reasons such as breaches of contract or poor performance. While ADB will support specific anticorruption efforts of member countries, national blacklisting generally will be considered for ADB-financed contracts only when the blacklisted companies and/or individuals are the same nationality as the EA. There may be limited circumstances in which national blacklisting may otherwise be accepted by ADB. If staff become aware of a national blacklist they should: <ol style="list-style-type: none"> <li>determine the basis for it;</li> <li>advise OAI, PPFDF, and regional department focal points; and</li> </ol>

3. ensure the blacklist is not considered in any ADB-financed contracting or procurement decisions, including prequalification, unless endorsed by PPF and OAI.

If staff learn that an EA determined that fraud or corruption occurred in ADB-financed procurement, ADB should accept that determination as long as staff are satisfied there was a sound basis for the decision and that the EA followed the Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time) and the requirements of the relevant procurement plan and financing agreement. The disqualification may, however, apply only to the specific procurement. In those cases, staff should consult with OAI. Staff should also note that EAs may report an integrity violation occurring in ADB-financed procurement directly to OAI, without informing the concerned project officer.

The above discussion refers to blacklisting for fraud and corruption. For sanctioning that relates to poor performance on a particular contract, the poor performance may be taken into account in determining the consultant's qualifications. In such cases, the ADB user unit should assess the sanctioning in terms of qualification only and need not involve OAI. PPF should be consulted as necessary.

If a sanctioning or blacklisting system is disclosed early during processing, staff may include it in the scope for the project procurement risk assessment or in the review of the local laws, rules, and regulations. A system that is objective, fair, and transparent, preferably using third-party experts to assess technical issues, should be acceptable. If a national sanctioning system is found to be acceptable, the sanctioning by the system can be included as a qualification criterion for longlisting. The inclusion of a qualification criterion based on a national blacklisting system will be considered on a case-by-case basis and requires endorsement by PPF.

## Procurement Regulations and Standard Request for Proposals

<b>Procurement Regulations</b>
The Procurement Regulations, paras. 1.14 to 1.18, set out the eligibility requirements for ADB-financed operations.
<b>Standard Request for Proposals (RFP)<sup>3</sup> for Borrower-Administered Consulting Firm Recruitment</b>
<p>ADB permits bidders from all eligible countries. The definition of eligibility varies depending on the financing source(s) for the specific loan or grant. There are three categories of eligibility:</p> <ol style="list-style-type: none"> <li>1. full ADB member country eligibility: for loans or grants funded by ADB's ordinary capital resources or other ADB-administered funds;</li> <li>2. restricted ADB member country eligibility: for loans or grants funded by Special Funds, whereby only the ADB developed member countries that have contributed to such resources are eligible, as well as all ADB developing member countries; and</li> <li>3. eligibility beyond ADB member countries: only in cases where universal procurement applies.</li> </ol>

<sup>3</sup> Available at: <https://www.adb.org/documents/recruitment-firms-individual-consultants-executing-agencies>.

Section 5 of the Standard RFP contains the precise eligibility wording to be used in packages and consulting services recruitment notices (CSRNs), depending on the funding source and other considerations.

Borrowers are otherwise not permitted to deny the participation of a bidder, or to disqualify the bidder, for reasons unrelated to those that are essential to ensure a bidder's capability and resources to successfully perform the relevant contract.

Consulting firms must be legally incorporated or organized as legal entities under the laws of the eligible country<sup>4</sup> and individual consultants (whether engaged independently or through firms) must hold a valid passport or a valid government identification card issued to nationals of the relevant eligible country, as defined in the RFP.

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<sup>4</sup> Experts employed or engaged by an eligible consulting firm will be considered eligible regardless of their nationality.

## APPENDIX 6: SELECTION METHODS

1. Value for money is normally based on the best combination of quality and price appropriate to the service in question. This is achieved through competition among shortlisted bidders where selection is based on the quality of the proposal and, where appropriate, on the cost of the services to be provided. The major selection methods outlined below are read in conjunction with the general procedures.

2. There are five default competitive selection methods for selecting consulting firms under open competitive bidding (OCB) or limited competitive bidding (LCB): quality- and cost-based selection (QCBS), quality-based selection (QBS), fixed budget selection (FBS), least-cost selection (LCS), and consultants' qualifications selection (CQS). The determination of the best selection method is made in the planning stage, based on the draft TOR, budget availability, and anticipated selection and implementation timelines. PPF may be consulted, as needed.

### Selection Methods for Consulting Firms<sup>1</sup>

Selection Method	Purpose	Technical Proposal Evaluation	Financial Proposal Evaluation	Selection Procedure
<b>Quality- and cost-based selection (QCBS)</b>	Most appropriate when terms of reference (TOR) requires teamwork and contains specific requirements (team composition, detailed tasks, and reporting). TORs should be of specific. The preferred method for selecting consultants for ADB-financed projects.	Generally, $\geq 750$ out of 1,000 points	Competitive (QCBS ratio <sup>2</sup> 80:20, 90:10, 70:30) <sup>3</sup>	Firm representing the best combination of quality and price wins
<b>Least-cost selection (LCS)</b>	For standard assignments of a value normally less than \$300,000 (e.g audit, engineering design and/or supervision of simple projects, and simple surveys), where well-established practices and standards exist.	Generally, $\geq 750$ out of 1,000	Lowest priced	Firm with lowest priced responsive proposal wins
<b>Fixed budget selection (FBS)</b>	When: (i) the TOR is precisely defined with no changes expected during implementation; (ii) the time and personnel inputs can be assessed accurately; and (iii) the budget is fixed and cannot be exceeded.	Generally, $\geq 750$ out of 1,000 and highest technical score	Less than or equal to the fixed budget	Firm with the best technical proposal and the financial proposal within the budget wins

<sup>1</sup> See also Appendix 1 of: ADB. 2018. *Consulting Services Administered by ADB Borrowers*. Guidance Note on Procurement. Manila.

<sup>2</sup> QCBS technical:financial evaluation ratio must be indicated in the procurement plan.

<sup>3</sup> Normally, QCBS ratio is 80:20. There are three alternative weights:

- (i) For complex assignments and/or where greater priority for quality is needed, or when the impact of the consultant's assignment will be major, ratio may be 90:10. This alternative weighting is encouraged for project preparatory, advisory, and supervision assignments where there is an impact on the delivery and success of downstream or related ADB operations.
- (ii) For assignments of relatively low levels of complexity and with minimum downstream impact, ratio may be 70:30.
- (iii) For audit, procurement agents, and inspection agents, the ratio may be 50:50.

Selection Method	Purpose	Technical Proposal Evaluation	Financial Proposal Evaluation	Selection Procedure
<b>Quality-based selection (QBS)</b>	For (i) complex or highly specialized assignments where it is difficult to precisely define the scope of work in the TOR and the required consulting inputs, and for which consultants are expected to submit innovative proposals (e.g., country economic or sector studies, urban master plan, etc.); (ii) assignments with high downstream impact (e.g., feasibility and structural engineering design of major infrastructure, management studies of large government agencies); or (iii) assignments that can be carried out very differently, making it difficult to evaluate proposals (e.g., management advice, sector and policy analysis).	Generally, $\geq 750$ out of 1,000 and highest technical score	Supporting documents to prove financial position of the firm, remuneration of experts, and social and overhead charges	Negotiations are conducted with the firm that presented the best technical proposal
<b>Consultants' qualification selection (CQS)</b>	Normally for assignments of less than \$200,000 when (i) highly specialized expertise is required, such as from "boutique" consulting firms with depth of expertise in specific areas; (ii) recruitment time is critical and the assignment is short-term; (iii) few consultants are qualified; and (iv) preparing and evaluating competitive proposals is unjustified.	Amplified Expression of Interest (EOI), structured EOI submission, generally, $\geq 750$ out of 1000		Negotiations are conducted with the firm that presented the best expression of interest
<b>Direct contracting (single-source selection)</b>	May be used if justified by value for money considerations, such as (i) for tasks that represent a natural continuation of previous work performed by the firm; (ii) in emergencies, such as responding to disasters and for consulting services required immediately following the emergency; or (iii) when only one firm or individual is qualified, available, or has exceptional experience for the assignment.	Generally, $\geq 750$ out of 1,000		Negotiations are conducted with the firm that is selected without benefit of competition



**Notes on Direct Contracting (Single-Source Selection)<sup>4</sup>**

<b>No competition</b>	<ul style="list-style-type: none"> <li>• The selection of consultants under direct contracting does not capitalize on the main benefits of competition, particularly with respect to quality and cost.</li> <li>• Direct contracting lacks transparency and may increase the risk of unacceptable recruitment practices. Therefore, justification for direct contracting is closely scrutinized to ensure adherence to principles of economy, efficiency, and equal opportunity for all qualified consultants.</li> <li>• The executing agency (EA) must ensure fairness and transparency and have procedures in place to ensure that (i) the prices paid are reasonable and consistent with market rates for similar assignments, and (ii) the consulting contract values are not split into smaller-sized engagements to circumvent a competitive process.<sup>5</sup></li> </ul>
<b>Justification for direct contracting</b>	<ul style="list-style-type: none"> <li>• When the EA proposes to use direct contracting to select a consultant for an assignment, it should, via the ADB user unit, identify and justify this proposal, together with the identification of the firm (for firm selections only), in the concept paper, technical assistance report, and/or the report and recommendation of the President (or relevant appendixes), as the case may be, for PPFDD review and Management or Board approval.</li> <li>• If an ongoing project proposes a change in selection method to direct contracting, the EA should, via the ADB user unit, provide adequate justification to PPFDD, and submit a recommendation, together with the identification of the firm or individual consultant, to the relevant Director, PPFDD for approval.</li> <li>• Direct contracting sought for confidentiality reasons needs prior endorsement from relevant Director, PPFDD.</li> </ul>
<b>Recruitment procedure</b>	<ul style="list-style-type: none"> <li>• After approval, the EA asks the consultant to submit a technical proposal (normally biodata technical proposal for firms) and a financial proposal at the same time without posting a consulting services recruitment notice.</li> <li>• EA reviews the proposal to ensure it is adequate then negotiates the contract with the consultant.</li> </ul>

<sup>4</sup> This section should be read alongside para. 2.17 of the Procurement Regulations for ADB Borrowers.

<sup>5</sup> A tabular list of all consultants recruited through direct contracting during the previous period must be periodically published (ideally each quarter) in an English language newspaper or freely accessible website by the EA. It should include details of the consultant's name, contract amount, duration, and summary of scope of the assignment.

**Selection Methods: Key Steps**

Step	QCBS	LCS	FBS	QBS	CQS
1	Refer to the consultant section of the procurement plan and obtain any required approval.				
2	Advertise the assignment and receive EOIs.			Advertise the assignment and receive amplified EOIs. Advertisement should include specific requirements (project experience, regional/country experience, key personnel available for the assignment), specific EOI format and criteria for assessing amplified EOI.	
3	Prepare the long list, shortlist, evaluation criteria, and RFP, and obtain any required approval.			Establish a shortlist of preferably at least 3 firms by ranking and obtain any required approval.	
(If Prior Review) Submission 1 (Shortlist and Draft RFP) Review and Approval					
4	Send the RFP to shortlisted firms and invite their technical and financial proposals in separate sealed envelopes, following the RFP submission requirements and deadlines. The EA may clarify or amend the RFP and TOR.  For FBS, RFP must indicate budget ceiling for the assignment. Firms to submit proposal within the budget ceiling.		Send the RFP to shortlisted firms and invite their technical and financial proposals in separate sealed envelopes, following the RFP submission requirements and deadlines <b>OR</b> Request only for technical proposals. The EA may clarify or amend the RFP and TOR.		Send RFP to the first-ranked firm and request a technical and a financial proposal.
5	Receive proposals and securely store (any) financial proposals, which remain unopened, until the public opening.			Receive one proposal only.	

Step	QCBS	LCS	FBS	QBS	CQS
6	<p>Conduct the public opening of technical proposals.</p> <p>Evaluate using the RFP evaluation criteria and scoring system, and then obtain any required approval for the technical evaluation results.</p>				<p>Open and evaluate the technical proposal using the RFP evaluation criteria and scoring system. If unacceptable, repeat step 4 by inviting the next-ranked firm to submit a proposal. Review the financial proposal submitted by the firm and obtain any required approval (Submission 2–3) for selecting the firm.</p>
(If Prior Review) Submission 2 (Technical Proposal Evaluation) Review and Approval					
7	<p>Notify all firms whose technical proposals failed to obtain the minimum qualifying score (generally 750 points) about such failure and invite those firms whose technical proposals obtained a score of at least 750 to the public opening of financial proposals.</p>			<p>Open only the financial proposal of the technically highest-ranking firm <b>OR</b> Invite the first-ranked firm to submit a financial proposal.</p>	
8	<p>Conduct the public opening of financial proposals following the procedure in the RFP (ITC 23.1, 23.2).</p>				
9	<p>Evaluate the financial proposals and verify the price of each using the procedure in the RFP (ITC 24.1.1, 24.2) and the Guidance Note on Financial Proposal Evaluation (2016, available at: <a href="https://www.adb.org/sites/default/files/fin-proposal-evaluation-guidance.pdf">https://www.adb.org/sites/default/files/fin-proposal-evaluation-guidance.pdf</a>).</p>			<p>Review the financial proposal to check if it complies with the RFP requirement and identify any major issues for contract negotiation.</p>	
10	<p>Calculate the final score for each firm by adding the agreed technical score weighting to the agreed financial score weighting.</p>		<p>Proposals with evaluated total price (ETP) exceeding the budget are disqualified.</p>		

Step	QCBS	LCS	FBS	QBS	CQS
11	Rank the firms by their final scores, prepare an evaluation report, and obtain any required approval.	Prepare an evaluation report recommending selected firm ( <b>lowest</b> priced, technically qualified) and obtain any required approval.	Prepare an evaluation report recommending selected firm ( <b>highest</b> technical score within budget) and obtain any required approval.		
(If Prior Review) Submission 3 (Financial Proposal Evaluation) Review and Approval					
12	Invite the first-ranked firm to contract negotiation.				Invite the selected firm to contract negotiation via video- or teleconference.
	During the negotiation, the EA may only make minor changes in the TOR, the consultant's inputs, and the quantities of expenses.			Before or during negotiation, the EA may request the firm to substantiate the remuneration rates and expenses, especially if they are higher than the market rates or the EA's cost estimates.	
	The EA cannot change the consultant's rates for remuneration and expenses.	Lump sum contract may be considered.			
If the negotiation succeeds, award the contract.					
13	If negotiations fail, obtain the required approval for inviting the next-ranked firm to negotiate and repeat process from step 12.			Repeat process from step 7.	Repeat the process from step 4.
14	Issue a notice-to-proceed to the contracted firm for mobilizing the team.				
15	Return the unopened financial proposals to consultants whose technical proposals scored less than 750 points.			Return the unopened financial proposals to unsuccessful firms.	
16	Notify other shortlisted consultants (all competing/participating firms of the contract award) and, if so requested, verbally debrief, either face-to-face or through telecommunication, shortlisted firms by appointment. The debriefing is limited to the evaluation of the proposal submitted by the firm that requested debriefing.				

**Recruiting Individual Consultants**

Item	Description
<b>Competition</b>	Under OCB and LCB, individual consultants are competitively selected through their submission of EOIs.
<b>Recruitment Procedure</b>	<ul style="list-style-type: none"> <li>• A request for EOIs (REOI) is advertised for recruitment of individual consultants that will include the detailed TOR.</li> <li>• The successful candidate will be selected from those that have filed an EOI in response to the REOI, whether issued through advertisement or by invitation.</li> <li>• An individual consultant is recruited based on his or her qualifications and experience for the assignment.</li> <li>• The recruitment usually follows the local procedures of the borrower for such recruitment if permitted under the project procurement plan.</li> </ul>

## APPENDIX 7: TYPES OF TECHNICAL PROPOSALS

Type of Proposal and Application	Proposal Preparation Period	Evaluation Criteria/Score	Information Needed
<p><b>Full Technical Proposal (FTP)</b> for an assignment with a complex TOR. The monetary value of the assignment is not the only determining factor of complexity.</p> <p><i>Note:</i> PPFD procurement specialist should be consulted and approval<sup>1</sup> from the user unit director obtained to change the proposal type stated in the procurement plan from FTP → STP or BTP, or from STP → BTP.</p>	<p>Minimum of</p> <ul style="list-style-type: none"> <li>• 45 days using paper-based process</li> <li>• 35 days using CMS or e-procurement system</li> </ul>	<p>Firm's qualifications and experience: generally 100–200 points</p> <p>Approach and methodology: generally 200–400 points</p> <p>Personnel biodata: generally 500–700 points</p> <p>Total: 1,000 points</p>	<ul style="list-style-type: none"> <li>• Description of the approach, methodology, and work plan for performing the assignment</li> <li>• Team composition, task assignments, and CV summary</li> <li>• Work schedule</li> <li>• Personnel schedule</li> <li>• CVs of proposed experts</li> <li>• Consultant's organization and experience</li> <li>• Comments or suggestions on the TOR</li> <li>• Comments on EA counterpart staff and facilities.</li> </ul>
<p><b>Simplified Technical Proposal (STP)</b> for an assignment with a well-defined TOR. STPs are shorter than FTPs because they do not include information on the firms' organization and experience.<sup>2</sup> Therefore, before shortlisting, when using STP, the EA should carefully examine the firms' and their partners' or associates' organization and experience, as the case may be.</p>	<p>Minimum of</p> <ul style="list-style-type: none"> <li>• 35 days using paper-based process</li> <li>• 25 days using CMS or e-procurement system</li> </ul>	<p>Approach and methodology: generally 300 points</p> <p>Personnel biodata: generally 700 points</p> <p>Total: 1,000 points</p>	<ul style="list-style-type: none"> <li>• Description of the approach, methodology, and work plan for performing the assignment</li> <li>• Team composition, task assignments, and CV summary</li> <li>• Work schedule</li> <li>• Personnel schedule</li> <li>• CVs of proposed experts</li> </ul>
<p><b>Biodata Technical Proposal (BTP)</b> may be used for assignments with well-defined, position-based TORs. BTPs do not include a detailed method section or the firms' organization and experience.</p>	<p>Minimum of</p> <ul style="list-style-type: none"> <li>• 21 days using paper-based process</li> <li>• 15 days using CMS or e-procurement system</li> </ul>	<p>Workplan: generally 100 points</p> <p>Personnel biodata: generally 900 points</p> <p>Total: 1,000 points</p>	<ul style="list-style-type: none"> <li>• Team composition, task assignments, and CV summary</li> <li>• Work schedule</li> <li>• Personnel schedule</li> <li>• CVs of proposed experts</li> </ul>

<sup>1</sup> No approval required to change proposal type from BTP → STP or FTP, or from STP → FTP.

<sup>2</sup> Firms' experience is assessed at shortlisting stage on the basis of information presented in response to advertisement.

**APPENDIX 8: TECHNICAL EVALUATION AND EVALUATION CRITERIA WEIGHTS**

<b>Check compliance with request for proposals (RFP)</b>	Evaluators first independently assess whether the technical proposals comply with RFP submission requirements, and then evaluate each technical proposal.						
<b>Tools for evaluation</b>	Five basic tools during technical evaluation are the terms of reference (TOR), narrative evaluation criteria, personnel evaluation sheet (PES), summary evaluation sheet (SES), and scoring guide (indicated in the SES and PES).						
<b>Process</b>	<ul style="list-style-type: none"> <li>• The evaluators independently evaluate each proposal for its responsiveness to the TOR.</li> <li>• Based on the narrative evaluation criteria, evaluators start by rating the personnel (usually focused on the “core” or “key” experts) of each proposal, using the personnel evaluation sheet, and then by transferring the resulting scores (rating multiplied by the corresponding weight) from the personnel evaluation sheet to the summary evaluation sheet.</li> <li>• If a firm fails to include in its proposal one of the core or key experts identified in the TOR, this may give grounds for rejection of the proposal or may result in a zero score being awarded for that expert.</li> <li>• Other factors, such as approach and methodology, are then evaluated based on the narrative evaluation criteria, and the ratings are entered in the summary evaluation sheet.</li> <li>• All the resulting scores corresponding to each criterion are then added on the summary sheet for a total score.</li> </ul>						
<b>Scoring guide</b>	To ensure consistency in evaluation, evaluators use the scoring guide indicated in the SES and PES to determine the ratings for each criterion.						
<b>Summary evaluation sheet</b>	The summary evaluation sheet (SES) with the evaluation criteria and score weights are included in the RFP.						
<b>Personnel evaluation sheet</b>	<p>The personnel evaluation sheet (PES) is also to be included in the RFP. The personnel evaluation sheet should incorporate the weights suggested below for at least the core or key experts identified in the TOR and may score other, non-key experts on a “pass/fail” basis if desired:</p> <table> <tr> <td>Qualifications and general experience</td> <td>10% to 20%</td> </tr> <tr> <td>Project-related experience</td> <td>60% to 80%</td> </tr> <tr> <td>Overseas/country experience<sup>1</sup> or experience with international organizations<sup>2</sup></td> <td>10% to 20%</td> </tr> </table>	Qualifications and general experience	10% to 20%	Project-related experience	60% to 80%	Overseas/country experience <sup>1</sup> or experience with international organizations <sup>2</sup>	10% to 20%
Qualifications and general experience	10% to 20%						
Project-related experience	60% to 80%						
Overseas/country experience <sup>1</sup> or experience with international organizations <sup>2</sup>	10% to 20%						

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<sup>1</sup> For international experts

<sup>2</sup> For national experts

<b>CSC meeting</b>	<p>The evaluation should be conducted by a CSC. The CSC meets to:</p> <ul style="list-style-type: none"> <li>• confirm absence of actual or potential conflict of interest;</li> <li>• confirm that the proposals comply with the RFP requirements;</li> <li>• discuss each member's independent evaluation;</li> <li>• reach a consensus (not merely an averaging) on a set of scores for each proposal that represents the committee's collective view;</li> <li>• complete a final ranking of the proposals; and</li> <li>• finalize narrative comments per proposal to supplement the evaluation forms.</li> </ul>
<b>Narrative comments</b>	<p>These highlight any omission or deficiency, and each technical proposal's strengths and weaknesses, compared against the given evaluation criteria.</p>
<b>Minimum passing score</b>	<ul style="list-style-type: none"> <li>• Specified in the RFP, which is generally 750 out of 1,000 points.</li> <li>• After scoring is completed and any necessary approvals are obtained from ADB (Submission 2), the EA promptly advises any firm whose technical proposal has scored less than 750 points that such firm has been unsuccessful.</li> <li>• When quality- and cost-based selection (QCBS), least-cost selection (LCS), or fixed budget selection (FBS) is used, the EA returns the unopened financial proposals of firms that have failed to pass the minimum technical threshold, after contract award.</li> </ul>



## APPENDIX 9: PRIOR REVIEW OF CONSULTING FIRM RECRUITMENT

1. High-risk contracts as identified in the procurement plan are subject to ADB's prior review. The executing agency (EA) shall make such additions or modifications to, or deletions from, the documents reviewed as ADB may request. The EA uses ADB's standard submission forms available on ADB's website<sup>1</sup> or as provided by the ADB user unit. The EA emails the documents required to the user unit for review and no objection.

### Documents Required per Selection Method

<b>Submission 1 (Draft Request for Proposals (RFP) and Shortlisting) Review</b>	<b>QCBS</b>	<b>QBS</b>	<b>FBS</b>	<b>LCS</b>	<b>CQS</b>	<b>Direct Contracting</b>
Submission 1 form	✓	✓	✓	✓	✓	✓
Cost estimate and budget	✓	✓	✓	✓	✓	✓
Minutes of EA's consultant selection committee (CSC) shortlisting meeting and statement on ethical conduct (SEC) signed by CSC members	✓	✓	✓	✓	✓	✓
Complete draft RFP	✓	✓	✓	✓	✓	✓
Narrative evaluation criteria (NEC)	✓	✓	✓	✓	✓	✓
Copy of approval for change in selection method if not stated in the report and recommendation of the President (RRP) or procurement plan		✓	✓	✓	✓	✓
<b>Submission 2 (Technical Evaluation) Review</b>	<b>QCBS</b>	<b>QBS</b>	<b>FBS</b>	<b>LCS</b>	<b>CQS</b>	<b>Direct Contracting</b>
Submission 2 form	✓	✓	✓	✓		
RFP (as issued)	✓	✓	✓	✓		
Copy of all requests for clarifications, answers provided, and amendments to RFP with acknowledgement receipts from shortlisted consultants	✓	✓	✓	✓		
Scanned copy of EA's original record of opening of technical proposals	✓	✓	✓	✓		
Minutes of the CSC's technical evaluation committee (CSC-TEV) and SEC signed by CSC members	✓	✓	✓	✓		
Filled out summary and personnel evaluation sheets	✓	✓	✓	✓		
Copy of the confirmation of withdrawal from consultants who did not submit a proposal (if relevant)	✓	✓	✓	✓		
<b>Submission 2-3 (Combined Technical and Financial Evaluation) Review</b>					<b>CQS</b>	<b>Direct Contracting</b>
Submission 2-3 form					✓	✓
RFP (as issued)					✓	✓
Minutes of the CSC-TEV and SEC signed by CSC members					✓	✓
Filled out summary and personnel evaluation sheets					✓	✓
Notes on financial evaluation					✓	✓
<b>Submission 3 (Financial Evaluation) Review</b>	<b>QCBS</b>	<b>QBS<sup>a</sup></b>	<b>FBS</b>	<b>LCS</b>		
Submission 3 form	✓		✓	✓		
Data entry page	✓		✓	✓		
Record of opening of financial proposals (FEV-1)	✓		✓	✓		
Financial proposals price adjustments (FEV-2)	✓		✓	✓		
Summary evaluation sheet and final ranking (FEV-3)	✓		✓	✓		
Minutes of the EA CSC-FEV and SEC signed by CSC members	✓		✓	✓		

<sup>1</sup> Available at: <https://www.adb.org/documents/recruitment-firms-individual-consultants-executing-agencies>.

CQS = consultants' qualifications selection, FBS = fixed budget selection, LCS = least-cost selection, QBS = quality-based selection, QCBS = quality- and cost-based selection.

<sup>a</sup> Financial proposal evaluation for QBS: EA to open the financial proposal of the firm with the highest-scored technical proposal. After confirming that the price proposal is in line with the RFP, EA to invite the firm for contract negotiations.

**Receipt and Review of Executing Agency's Submission**

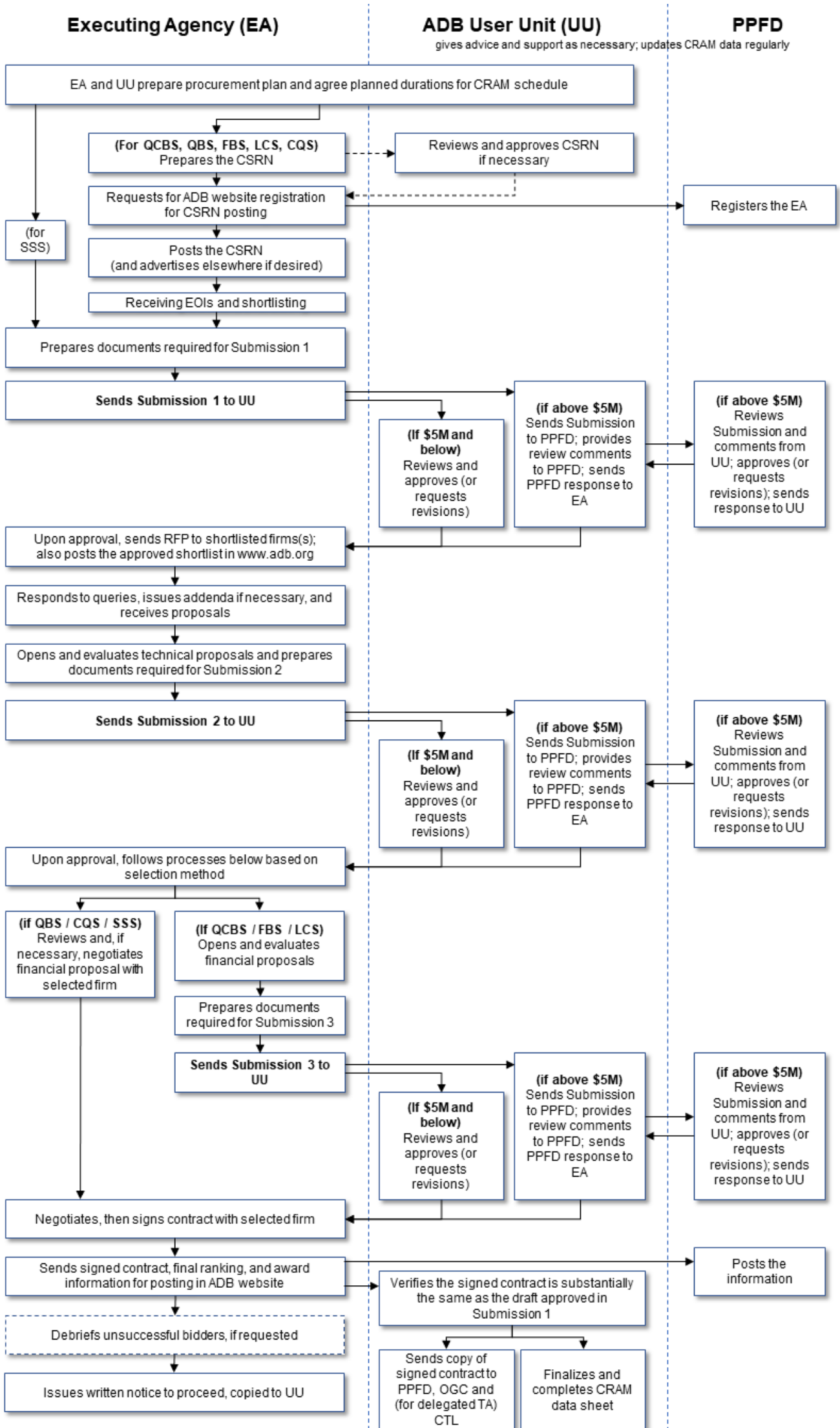
<p><b>Receipt</b></p>	<ul style="list-style-type: none"> <li>• Upon receipt of the EA's submission, the ADB user unit ensures that the EA has completed all documents required in the submission form.</li> <li>• If any document is missing, the user unit immediately asks the EA to submit these to ADB.</li> <li>• The review process is then determined in accordance with the approval authority for EA submissions provisions.</li> <li>• The user unit provides and updates the data required for the consultant recruitment activity monitoring (CRAM) process alongside its review of the submission and forwards it to the EA for monitoring purposes.</li> <li>• ADB procurement and user unit staff monitor the CRAM process and ensure that the review of the EA's submission is accomplished within the allotted period.</li> </ul>
<p><b>User unit</b></p>	<ul style="list-style-type: none"> <li>• User units shall review and give ADB's no objection to Submissions 1, 2, and 3 for all consulting firm contracts valued at \$5 million and below, <u>provided</u> the reviewing staff are duly accredited under ADB's Procurement Accreditation Skills Scheme (PASS) for consultancy recruitment.</li> <li>• The user unit director approves the unit's reviews of all EA submissions.</li> </ul>
<p><b>PPFD</b></p>	<ul style="list-style-type: none"> <li>• PPFDD's Loan Consulting Unit (LCU) shall review and give ADB's no objection to Submissions 1, 2, and 3 for consulting firm contracts valued above \$5 million. PPFDD will also review and approve contracts \$5 million and below if the user unit lacks PASS-accredited staff in consultancy recruitment.</li> <li>• Requests in ongoing projects to waive advertising through the use of limited competitive bidding (LCB) or to change selection method to direct contracting also require approval by Director, PPFDD. PPFDD directors or their authorized representatives approve submissions.</li> <li>• PPFDD regularly assesses ADB user unit capacity and performance to update the review thresholds and ascertain their readiness to review Submissions 1, 2, and 3 under specific circumstances.</li> <li>• For contracts requiring PPFDD review, in accordance with the approval authority for EA submissions provisions, the ADB user unit immediately forwards an electronic copy of the completed submission to the LCU, with a copy to other relevant ADB procurement staff.</li> <li>• LCU reviews the submission and provides any comments in the comment fields of ADB's standard submission form, consulting with other relevant ADB procurement staff as necessary.</li> <li>• LCU may also directly input corrections in the EA's submitted documents, provided it explains them in the comment fields.</li> <li>• The user unit and the LCU conduct their reviews in parallel, and the user unit submits its comments to the LCU for consolidation.</li> <li>• Once all comments have been consolidated, the authorized PPFDD staff unconditionally approves, conditionally approves, or disapproves the submission and forwards it to the ADB user unit who will send it to the EA.</li> </ul>
<p><b>Resubmission or conditional approval</b></p>	<ul style="list-style-type: none"> <li>• In either case, the EA may be requested to revise and resubmit documents if there are material concerns with the submission.</li> <li>• Each version of the submission must be dated.</li> <li>• ADB states in the standard submission form whether it gives its no objection to a particular submission from the EA.</li> </ul>

	<ul style="list-style-type: none"> <li>For complex issues, ADB procurement staff or the user unit may request PPF to create an internal ADB CSC to review the documents and resolve any pending issues.</li> </ul>
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**Actions after ADB’s Submission Review**

<p><b>Preparing for and conducting contract negotiations</b></p>	<ul style="list-style-type: none"> <li>Before contract negotiations, the EA must confirm the eligibility and performance records of each member of the team proposed by the selected firm. As part of the review of Submission 3, ADB will review the team of experts proposed by the winning entity against ADB’s sanction and suspension list (for integrity violations or poor performance), as well as ADB-required integrity due diligence checks.</li> <li>After ADB gives its no objection to Submission 3 (or Submission 2 for QBS, CQS, and direct contracting), the user unit authorizes the EA to invite the first-ranked consultant to negotiate a contract with the EA, in accordance with the general procedures.</li> <li>At contract negotiations, the selected consultant will identify the authority of its representative to negotiate and sign the contract, provide the entity’s legal certificate of incorporation or establishment, confirm the availability of its proposed personnel, provide clarifications and corrections to its proposal as requested by the EA, and replace personnel when appropriate, in accordance with the general procedures. The EA confirms the support and/or facilities it will provide to the consultant and their mutual responsibilities and finalizes the amounts to be used under the contract for provisional sums, if any. When negotiations are conducted face-to-face (in person or by video link), the EA prepares minutes of the important points of agreement.</li> <li>The EA should obtain the prior approval of ADB before agreeing with the consultant on any changes to the general or specific conditions of contract from those approved in the draft RFP at Submission 1.</li> <li>If the EA and the consultant cannot agree, the EA may terminate the current negotiations with ADB’s prior no objection and start negotiations with the next-ranked consultant, and so on until an agreement is reached. The user unit requests PPF’s no objection each time the EA requests to terminate contract negotiations and to start negotiations with the next-ranked firm.</li> </ul>
<p><b>Finalizing the contract</b></p>	<ul style="list-style-type: none"> <li>Once contract negotiations are successfully completed, the EA and the consultant sign the contract and the EA submits a copy of the signed contract to ADB (through the user unit).</li> <li>After receiving the signed contract, the user unit verifies that it is substantially the same as the draft contract it approved in Submission 1. The user unit sends copies of the signed contract to PPF and CTL (for delegated TA) for their files and future record.</li> <li>After completing the selection, the EA debriefs the shortlisted consultants, if so requested by the consultant concerned, regarding how their ranking was determined. The EA is required to address any procurement-related complaint objectively and in a timely manner, with transparency and fairness. Consultants unsatisfied with the debriefing provided by the EA or whose questions have not been answered by the EA may contact ADB to request a debriefing or to submit a complaint.</li> </ul>
<p><b>Issuing notice to proceed</b></p>	<ul style="list-style-type: none"> <li>Once the conditions for effectiveness listed in the special conditions of contract are met, the EA then makes the contract effective by sending the consultant a written notice to proceed, copied to ADB (through the user unit).</li> <li>Consultants must not start work prior to receiving this notice to proceed.</li> </ul>

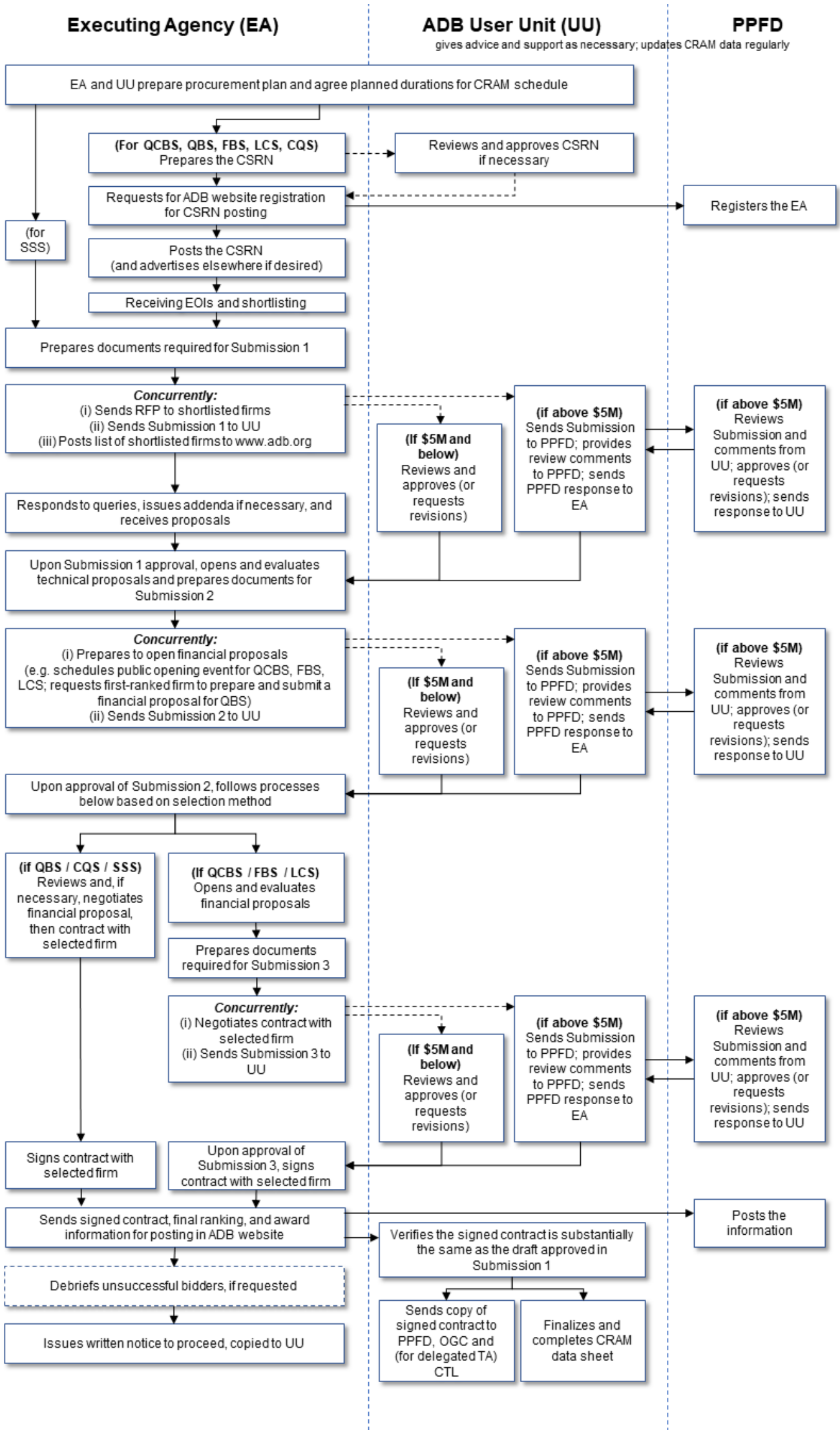
**Diagram 1: Simplified Flow Chart of the Key Steps for Recruiting Consulting Firms by the Executing Agency with an ADB Prior Review Arrangement**



**Concurrent Prior Review**

Step	Description
1	Under concurrent prior review, ADB performs the same checks as it does under standard prior review (as described above); however, it does not require the EA to wait for ADB's no objection at the stages outlined above. Instead, key stages of the procurement process will be concurrently reviewed by ADB in accordance with the review procedure set out in the procurement plan.
2	<p>ADB shall require the EA to submit the same submission forms as for standard prior review:</p> <ol style="list-style-type: none"> <li>1. The first ADB concurrent review will typically be of Submission 1 (Preparing Cost Estimates, Shortlist and Request for Proposals). While ADB is conducting its review, the EA may issue the RFP documents to the shortlisted firms as soon as it has supplied the RFP package and shortlist report to ADB for review. The EA may, however, not open the technical proposals until ADB has approved Submission 1.</li> <li>2. The second ADB concurrent review will typically be of Submission 2 (Evaluating Technical Proposals and Preparing Evaluation Report). While ADB is conducting its review, the EA may make preparations for opening the financial proposals (e.g., scheduling the public opening event for QCBS, FBS, or LCS; requesting the first-ranked firm to prepare and submit a financial proposal for QBS), but may not actually open them until ADB has approved Submission 2.</li> <li>3. The third ADB concurrent review will typically be of Submission 3 (Opening and Evaluating the Financial Proposal(s), Ranking the Proposals, and Recommending Contract Award) where the selection method requires it (for QCBS, FBS, and LCS, but not for QBS or CQS). Where Submission 3 is required, the EA may issue and negotiate the contract but may not sign it with the consultant until ADB has approved Submission 3.</li> <li>4. In each instance, during or after the review of the submission, ADB may propose amendments or request the EA for clarifications. As issues identified may affect the procurement process, the user unit and (if not delegated entirely to the user unit) PPFD reviews and confirms that ADB's procurement principles have been met (in accordance with the approval authority for EA submissions provisions). Failure on the part of the EA to fully comply with ADB's comments may lead to a finding of noncompliance. Unless ADB disapproves any of the reviews, the EA may proceed through all steps to contract award.</li> </ol>
3	The user unit and (if not delegated entirely to the user unit) PPFD should complete the concurrent prior review promptly on receipt of the documentation from the EA. Concurrent prior reviews may be conducted as part of project review missions. The EA will still need to establish a CSC following the same process as for standard prior review and the process is otherwise the same as for standard prior review.
4	When using concurrent prior review, the EA is still responsible for conducting sanctions checks at shortlisting, technical evaluation, and contract award stages of the selection process. The EA should obtain access to the complete ADB sanctions list and the user unit should assist the EA in obtaining such access.
5	When the above steps are completed, the EA follows the procedure for finalizing the contract. When using concurrent prior review, the user unit verifies that the signed contract is substantially the same as the draft it reviewed within the RFP.
6	For any selection where the EA uses RFP documents other than the latest version of the ADB harmonized standard RFP available on the ADB website, ADB will conduct full, standard prior review of the selection in question. Likewise, if the EA does not wish to be subject to concurrent prior review, it may instead elect to follow the standard prior review procedure.

**Diagram 2: Simplified Flow Chart of the Key Steps for Recruiting Consulting Firms by the Executing Agency with an ADB Concurrent Prior Review Arrangement**



**APPENDIX 10: POST REVIEW (SAMPLING)<sup>1</sup> – FIRMS AND INDIVIDUALS**

	<b>Firms</b>	<b>Individuals</b>
<b>Sampling of contracts</b>	<ul style="list-style-type: none"> <li>The user unit and/or PPF shall review the selection documentation of a sample of the contracts awarded by the executing agency (EA) to confirm that ADB's procurement principles were met (following the same approval authority thresholds as for prior review).</li> <li>The method for selecting contracts for review will be set out in the procurement plan. This approach will generally be applied where numerous contracts of lower value are issued by the EA and ADB will base its review on a random sample of contracts.</li> <li>In the event that a small number of larger contracts are to be post reviewed, the ADB may choose as its sample some or all of the contracts.</li> </ul>	<ul style="list-style-type: none"> <li>The user unit reviews the selection documentation of a sample of the contracts awarded by the EA to confirm that ADB's procurement principles were met and submits its endorsement.</li> <li>This approach will generally be applied where numerous contracts of lower value are issued by the EA and ADB will base its review on a random sample of contracts.</li> </ul>
<b>No objection after 6 months</b>	<ul style="list-style-type: none"> <li>If the post review (sampling) is not completed within six months after receipt of the documents, the EA may assume that ADB has no objection to the award of contract.</li> <li>Post review (sampling) may be conducted as part of project review missions. For firm recruitment, the EA will still need to establish a consultant selection committee (CSC) following the same process as for prior review.</li> </ul>	
<b>Sanctions list check</b>	<ul style="list-style-type: none"> <li>When using post review (sampling), the EA is still responsible for conducting sanctions checks at shortlisting, technical evaluation, and contract award stages of the selection process.</li> <li>The EA should obtain access to the complete ADB sanctions list and the user unit should assist the EA in obtaining the access.</li> </ul>	
<b>Verification of signed contract</b>	<ul style="list-style-type: none"> <li>When the above steps are completed, the EA follows the procedure for finalizing the contract.</li> <li>For firm recruitment when using post review (sampling), the user unit verifies that the signed contract is substantially the same as the draft issued within the request for proposals (RFP).</li> </ul>	
<b>Only ADB standard RFP</b>	<ul style="list-style-type: none"> <li>For any selection where the EA uses RFP documents other than the latest version of the ADB harmonized standard RFP available on the ADB website, ADB will conduct full, standard prior review of the selection in question.</li> </ul>	

<sup>1</sup> If the EA does not wish to be subject to post review (sampling), it may instead elect to follow the prior review procedures.

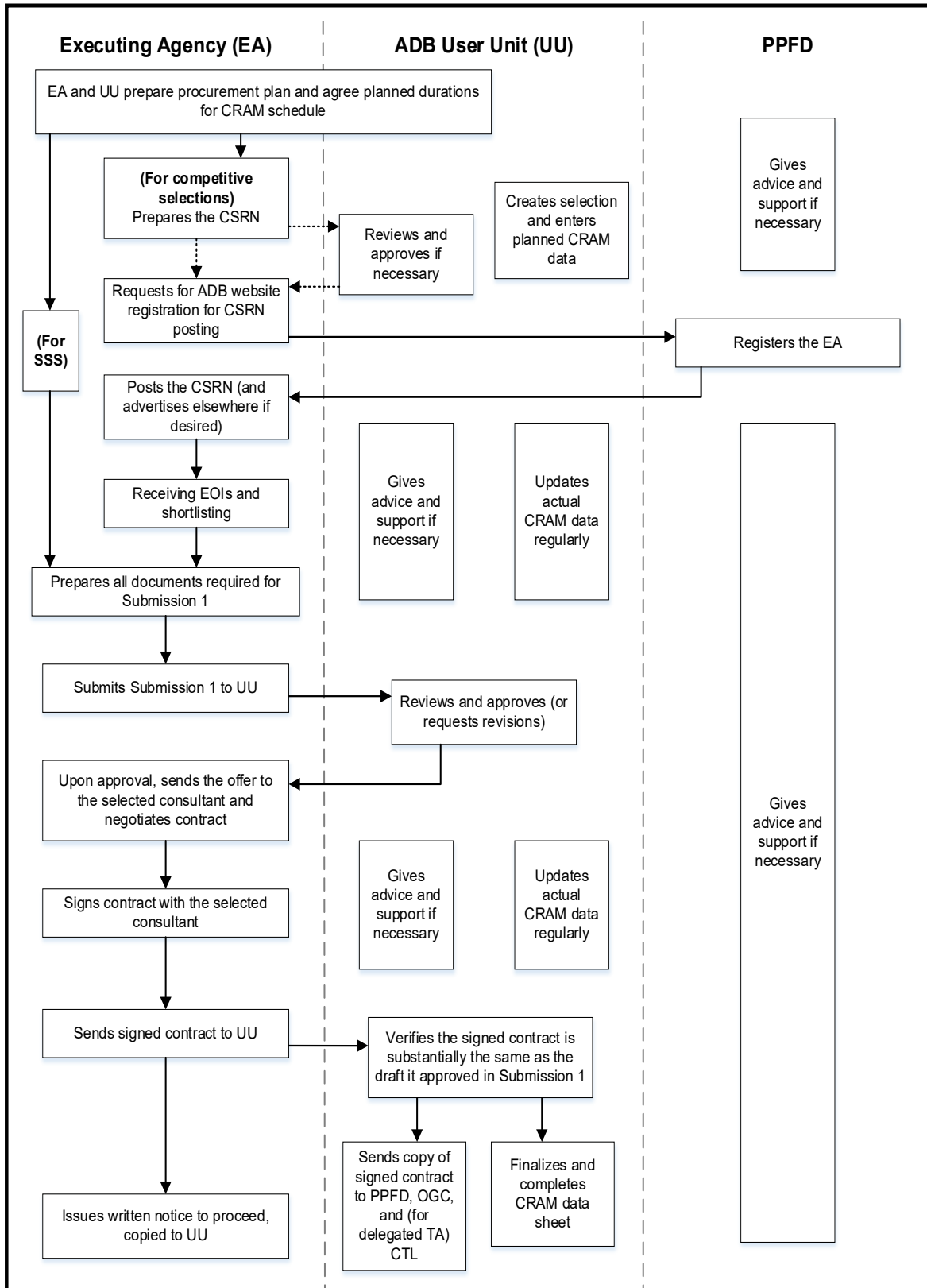
**APPENDIX 11: PRIOR REVIEW – INDIVIDUALS**

<b>Selecting and approving the shortlist</b>	<ul style="list-style-type: none"> <li>• The executing agency (EA) prepares a shortlist of at least three qualified candidates, except when proposing to use direct contracting of a single candidate or limited competitive bidding (LCB). At the EA’s request, the user unit may provide the names and qualifications of suitable candidates from the Consultant Management System (CMS). The EA may also advertise externally for suitable candidates, in addition to the consulting services recruitment notice (CSRN) posting requirement in the general procedures.</li> <li>• The EA ranks the candidates and submits their names and qualifications, with the draft contract, to ADB (through the user unit) for approval. An optional “Submission 1” form is available on the ADB website<sup>1</sup> that EAs may use for this purpose. The user unit: <ul style="list-style-type: none"> <li>○ reviews the EA’s submission documents;</li> <li>○ for requests to undertake direct contracting of a single candidate, considers the EA’s rationale provided and approves or rejects the request based on this rationale, and consults with ADB procurement staff if necessary, after identifying concerns;</li> <li>○ requests comments from OGC and/or other departments or offices after identifying concerns;</li> <li>○ gives ADB’s no objection to the EA’s submission or identifies revisions, changes, or amendments that are considered necessary;</li> <li>○ prepares a note to file summarizing the issues raised and the decisions taken and advises the EA of ADB’s decision.</li> </ul> </li> </ul>
<b>Negotiating the contract</b>	<ul style="list-style-type: none"> <li>• After ADB gives its no objection to the ranked shortlist and the draft contract, the EA negotiates with the first-ranked candidate. If the negotiations fail, the EA obtains the user unit’s no objection to terminate the current negotiations and start negotiations with the next-ranked candidate, and so on until agreement is reached.</li> <li>• Once contract negotiations are successfully completed, the EA and the consultant sign the contract and the EA submits a copy of the signed contract to ADB (through the user unit). An optional signed contract “Submission 2” form is also available on ADB’s website that user units and EAs may use for the purpose.</li> </ul>
<b>Finalizing the contract</b>	<ul style="list-style-type: none"> <li>• After receiving the signed contract, the user unit verifies that it is substantially the same as the draft contract it approved in Submission 1.</li> <li>• The user unit sends copies of the signed contract to PPF and CTL (if delegated TA) for their files and future record.</li> </ul>
<b>Issuing notice to proceed</b>	<ul style="list-style-type: none"> <li>• The EA then makes the contract effective by sending the consultant a written notice to proceed, copied to ADB (through the user unit). Consultants must not start work prior to receiving this notice to proceed.</li> <li>• The user unit reviews and gives ADB’s no objection to submissions related to individual consultant selection, provided that the reviewing staff are duly accredited under ADB’s Procurement Accreditation Skills Scheme (PASS) for consultancy recruitment. The user unit director approves the unit’s reviews of all EA submissions.</li> </ul>

<sup>1</sup> <https://www.adb.org/documents/recruitment-firms-individual-consultants-executing-agencies>



**Diagram 3: Simplified Flow Chart of the Key Steps for Recruiting Individual Consultants by the Executing Agency with an ADB Prior Review Arrangement**



**APPENDIX 12: CONTRACT TYPES**

<b>Contract Type</b>	<b>Description</b>
<b>Time-based</b>	<ul style="list-style-type: none"> <li>• ADB and its borrowers commonly use this contract form when they anticipate that the scope of service may be adjusted during contract implementation.</li> <li>• This may occur because the service involves activities of third parties that may affect the contract.</li> <li>• This type of contract is widely used for complex studies, supervision of construction, and advisory services.</li> <li>• Payments are for agreed daily or monthly rates for the consultant (normally named in the contract) and for reimbursable (eligible out-of-pocket expense) items using actual expenses and agreed unit prices.</li> <li>• This contract includes a maximum amount of total payments to the consultant including a contingency for unforeseen work and duration, and price adjustments.</li> <li>• The borrower or its executing agency monitors the contract to ensure the assignment progresses satisfactorily and consultant's payments are made in accordance with the contract.</li> <li>• Time-based contracts pair well with input-based terms of reference (TORs).</li> </ul>
<b>Lump sum</b>	<ul style="list-style-type: none"> <li>• Lump sum contracts are for assignments with clearly defined scopes of work and consultant outputs.</li> <li>• They may include policy studies, design of standard or common structures, and preparation of data processing systems.</li> <li>• Prices include all costs and normally cannot be changed during contract implementation.</li> <li>• Payments under the contract are linked to achieving milestones specified in the contract.</li> <li>• Lump sum contracts pair well with output-based TORs.</li> <li>• May either be full lump sum or partial lump sum (e.g., where professional fees are linked to outputs and paid on a lump sum basis while eligible out-of-pocket expenses are enumerated in the contract and paid on a reimbursable basis).</li> </ul>

Contract Type	Description
<b>Performance-Based</b>	<ul style="list-style-type: none"> <li>• A performance-based contract may be used for assignments for which a set of performance indicators can measure the consultant's output.</li> <li>• Payments may vary based on the consultant's performance. Bonuses for timely or excellent delivery and penalties<sup>1</sup> for delayed delivery and less than satisfactory quality may be used when the performance standards can be clearly and quantitatively defined.</li> <li>• Contract milestones need to be specified with performance indicators for effective monitoring.</li> <li>• The milestones and indicators to verify their achievement are agreed with the consultant and/or borrower during contract negotiations.</li> <li>• May either be fully performance-based or hybrid, where only a portion of the remuneration is performance-based (e.g., through the use of bonuses or penalties).</li> </ul>
<b>Framework agreements<sup>2</sup></b>	<ul style="list-style-type: none"> <li>• Framework agreements are used when a number of similar consultancy assignments are envisaged.</li> <li>• A framework agreement is competitively procured and agreement is reached with a number of empaneled consultants on key contractual terms and conditions in advance of the need for any services.</li> <li>• When services are required, one of the empaneled consultants is selected and a type of contract known as a call-off is issued, which draws upon the terms agreed in the framework agreement.</li> <li>• May be input- or output-based, depending on the conditions of the framework.</li> <li>• Fixed budget, normally with fees agreed in advance and out-of-pocket expenses agreed at time of call-off</li> </ul>
<b>Fixed rate</b>	<ul style="list-style-type: none"> <li>• Fixed rate per unit of output delivered.</li> </ul>
<b>Retainer or contingency fee</b>	<ul style="list-style-type: none"> <li>• Retainer fee and a contingent success fee.</li> <li>• Used for executive search or similar assignments.</li> </ul>

<sup>1</sup> Care should be taken that any penalty clauses are consistent with the applicable law of the contract.

<sup>2</sup> Framework contracts are different from framework agreements. See: ADB. 2018. *Framework Agreements for Consulting Services*. Guidance Note on Procurement. Manila.

### APPENDIX 13: NEGOTIATIONS

<p><b>Preparing to negotiate</b></p>	<p>In the letter inviting the selected firm to contract negotiations, the executing agency (EA) requires the selected firm to meet the following requirements as preconditions:</p> <ul style="list-style-type: none"> <li>• <b>Reconfirming or replacing of personnel.</b> Before contract negotiations, the firm confirms the availability of all team members nominated in its technical proposal. Replacing personnel may be considered when (i) the EA decides to start the field services significantly later than the request for proposals (RFP) date, or (ii) the proposed team member becomes unavailable due to reasons beyond the firm's control (for example, illness, death, resignation, or serious family reasons). The replacement team member must have equal or better qualifications and experience than the originally nominated team member. The EA may request the replacement of personnel when the firm obtains the highest overall ranking but a particular expert has received a low score, is ineligible, or was rated poorly for a previous consulting assignment. Under quality- and cost-based selection (QCBS), fixed budget selection (FBS), and least-cost selection (LCS), the remuneration charged for the replacement expert should remain the same as that proposed for the original expert. Team members confirmed at contract negotiations can only be changed after the acceptance of the inception report by the EA (unless due to reasons beyond the firm's control).</li> <li>• <b>Identifying issues.</b> Before contract negotiation, the firm receives a list of any issue/s identified during evaluation requiring clarification or correction.</li> <li>• <b>Documentation.</b> The firm invited to negotiate submits to the EA a letter of authority identifying the firm's representative who shall be authorized to negotiate and sign the contract, as well as a copy of the firm's legal certificate of incorporation or establishment.</li> </ul>
<p><b>Contract negotiation agenda</b></p>	<p>The contract negotiation may be conducted face-to-face for large (typically above \$750,000) and complex contracts, or through telecommunications or electronic communications for smaller and simple contracts. The agenda includes</p> <ul style="list-style-type: none"> <li>• submitting written authorization for the firm to negotiate and sign a contract with the EA;</li> <li>• reviewing documentation submitted, including the financial proposals, and reviewing project matters such as scope of work and terms of reference (TOR), work plan and personnel schedule, consultant's personnel, counterpart staff and facilities, and/or equipment;</li> <li>• reviewing the financial terms and conditions;</li> <li>• reviewing the consultant's contract;</li> <li>• explaining the post-assignment questionnaire; and</li> <li>• discussing contract administration and monthly progress reports.</li> </ul>

**APPENDIX 14: CONSULTANT RECRUITMENT ACTIVITY MONITORING**

<b>Monitoring the consultant recruitment process</b>	<ul style="list-style-type: none"> <li>• The executing agency (EA), user unit, and ADB procurement staff use consultant recruitment activity monitoring (CRAM) for EA-administered consulting services to monitor the activities in consultant recruitment and to avoid delays. A preliminary CRAM schedule for the recruitment based on the anticipated consultant mobilization timetable is included as an annex to the procurement plan.</li> <li>• The CRAM schedule identifies the main activities in the recruitment process, the responsible unit, the expected time required for each activity, and the target dates for completing each activity. The EA, user unit, and ADB procurement staff complete each activity and monitor the recruitment process. They use CRAM to identify delays and to act promptly to get the recruitment process back on schedule.</li> <li>• The user unit and the EA are jointly responsible for preparing the project CRAM schedule, monitoring and updating it promptly after each activity is completed, and taking corrective action to avoid delays as necessary.</li> <li>• For contracts approved by PPF, the user unit shall record updates and actions in ADB's CRAM system, available within the Procurement Review System (PRS). For contracts approved by the user unit, updating the CRAM in PRS is strongly encouraged. Sample CRAM schedules are available on the ADB website<sup>1</sup> for offline use. ADB procurement staff may monitor CRAM schedules and advise corrective actions as necessary.</li> <li>• The user unit appoints a CRAM coordinator, who coordinates all CRAM-related data inputs and updates with ADB procurement staff and the EA. When a planned activity is not completed on schedule, the user unit must explain the delay in the CRAM schedule. User unit directors monitor recruitment activities for all the loans, grants, and delegated technical assistance (TA) under their supervision, and act to overcome delays in recruitment.</li> </ul>
<b>Monitoring the recruitment activities and updating the schedule</b>	<ul style="list-style-type: none"> <li>• The designated staff responsible for CRAM within the user unit and EA should communicate and share data regularly on the status of each activity in the schedule. At minimum, the user unit sends the EA an updated CRAM schedule alongside each formal communication of ADB's decision on the EA's submissions for prior review, or alongside key communications between ADB and the EA for concurrent review.</li> <li>• The EA staff monitors the recruitment and reports to the user unit the date when each activity is completed and the reason for any delays. The user unit staff enter this information into the CRAM schedule. When an activity is completed later than the planned date, the EA and the user unit take corrective action to get recruitment back on schedule.</li> </ul>
<b>Accessing the system</b>	<ul style="list-style-type: none"> <li>• The user unit and ADB procurement staff access and update the CRAM schedule within ADB's CRAM system.</li> <li>• The EA accesses the CRAM schedule through communication with the user unit.</li> <li>• The user unit should export and send the schedule to the EA regularly for their inputs.</li> </ul>

<sup>1</sup> <https://www.adb.org/documents/recruitment-firms-individual-consultants-executing-agencies>

<p><b>Creating a consultant recruitment schedule</b></p>	<ul style="list-style-type: none"> <li>• During the project fact-finding mission, the user unit explains the CRAM schedule and process to the EA. The user unit gives the EA the sample CRAM schedules and discusses the consultant recruitment schedule. The user unit asks the EA to assign staff who will be responsible for maintaining the CRAM schedule and monitoring recruitment. The user unit and EA agree on realistic planned dates for each activity, following as closely as possible the “norms” for each activity that are listed in the sample CRAM schedules. Activities can be added or removed from the schedules as necessary, depending on the arrangement agreed in the project procurement plan (e.g., to remove ADB’s prior review of one of the submissions, if agreed). Planned dates and durations shall be entered into the CRAM schedules prior to the start of the first activity and shall not be changed thereafter.</li> <li>• When the EA schedules and advises ADB of the date for the consulting services recruitment notice (CSRN) posting (or the date of the first activity, for direct contracting or other selections without advertisement), the user unit creates a CRAM schedule for the assignment. The user unit enters the following information into the schedule for the package: <ul style="list-style-type: none"> <li>○ package number and name;</li> <li>○ type of selection (firm or individual consultant);</li> <li>○ general description of the package;</li> <li>○ estimated value in USD;</li> <li>○ whether reviewing staff are accredited under the Procurement Accreditation Skills Scheme (PASS);</li> <li>○ selection method (quality- and cost-based selection (QCBS), quality-based selection (QBS), fixed budget selection (FBS), least-cost selection (LCS), consultants’ qualifications selection (CQS), direct contracting);</li> <li>○ type of ADB review (standard prior review, concurrent review, post review (sampling));</li> <li>○ assignment type (international or national);</li> <li>○ mode of expression of interest (EOI) submission (fully electronic or mixed (electronic and paper-based));</li> <li>○ planned quarter and year that the advertisement will start;</li> <li>○ type of technical proposal for firms (biodata (BTP), simplified (STP), full (FTP)); and</li> <li>○ approving authority (user unit or PPF).</li> </ul> </li> <li>• After creating the new schedule, the user unit needs to modify activities as necessary and enter the planned start date of the first activity and the planned duration of each activity. These initial modifications and planned dates shall not be changed once they are entered and confirmed into the schedule. Note that a CRAM schedule is not required if the package is indicated for review by ADB using post review (sampling).</li> </ul>
<p><b>Maintaining records</b></p>	<ul style="list-style-type: none"> <li>• When the recruitment process is completed, the user unit makes a hard copy of the CRAM and retains it in the project file.</li> <li>• PPF monitors the use of CRAM, maintains the CRAM system and offline sample CRAM schedules, analyzes CRAM data, and proposes recommendations for streamlining the recruitment process. Staff should report any problems with the system or offline CRAM schedules to PPF’s Loan Consulting Unit (LCU).</li> </ul>

## PART III. STAFF INSTRUCTION ON PROCUREMENT-RELATED COMPLAINTS

### I. SCOPE

1. This section instructs ADB staff on the procedures for handling complaints directly addressed to ADB and is related to the following matters:

- (i) any matter within the scope of the Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time) (“the Procurement Regulations”), whether the complaint is received directly by ADB from an interested party (also referred to as a “complainant”) or indirectly through a borrower or civil society organization;
- (ii) procurement of goods, works, and nonconsulting services by ADB under technical assistance (TA); and
- (iii) recruitment of consultants administered by ADB.

2. Complaints raising issues relating either to fraud, corruption, and/or any other integrity violations under the Anticorruption Policy (1998, as amended to date) and Integrity Principles and Guidelines (2015, as amended from time to time) or to project safeguards and people adversely affected by ADB assisted projects<sup>1</sup> are not covered by this Staff Instruction (SI). This document is to be read in conjunction with (i) the Procurement Regulations, particularly Appendix 7 on bidding-related complaints; (ii) standard bidding documents, request for proposals (RFP) documents, and their respective user’s guides; and (iii) relevant PPFD procurement guidance notes (available at [https:// www.adb.org/documents/guidance-notes-on-procurement](https://www.adb.org/documents/guidance-notes-on-procurement)). This SI does not apply to complaint handling related to ADB’s institutional procurement, which is covered by Administrative Order (AO) 4.07.

### II. DEFINITIONS

3. A procurement-related complaint (“complaint”) is a communication received either (i) through the procurement-related complaints submission form on ADB’s website<sup>2</sup> or (ii) in any written form (including mail, e-mail, or fax) that indicates concern or dissatisfaction with any matter described in para. 1.

### III. PROCUREMENT COMPLAINTS TRACKING SYSTEM

4. The Procurement Complaints Tracking System (PCTS) is a database and management system for logging, tracking, and managing correspondence for complaints submitted to ADB.<sup>3</sup> It also serves as the default centralized portal for ADB to receive complaints. There is no substitution database(s) for operational procurement complaints monitoring and management. A

<sup>1</sup> See instead: ADB. 2012. *Accountability Mechanism Policy 2012*. Manila.

<sup>2</sup> Available at: <https://www.adb.org/forms/complaints>.

<sup>3</sup> The PCTS replaces the Central Electronic Procurement Complaints Registry.

recipient of a complaint through other modes of communication shall record the complaint into the PCTS.

5. PPF administers the procurement complaint assignment, tracking, and reporting functions of PCTS.

#### **IV. STAFF RESPONSIBILITIES**

##### **A. General Responsibilities**

6. ADB is responsible for (i) recording and reviewing all complaints directly addressed to it<sup>4</sup> in relation to any matter within the scope of the Procurement Regulations and (ii) promptly forwarding complaints to borrowers for review and resolution, where appropriate. ADB is responsible for recording, reviewing, and addressing all other complaints objectively, and in a timely manner, with due consideration of fairness and transparency.

7. ADB user units are primarily responsible for ensuring that complaints are addressed by borrowers in compliance with the Procurement Regulations, including promptly forwarding any complaints to borrowers that have been received by ADB and by supporting borrowers to review and resolve complaints.

8. For a complaint that requires input from a borrower to prepare a response to the complainant, the user unit is responsible for sharing the queries with the borrower (subject to any confidentiality request by the complainant), obtaining their inputs, and responding to the complainant. In such cases, prior endorsement from the PPF Procurement Complaint Focal Point or PPF Consulting Services Complaint Focal Point, as the case may be, on the response to the complainant is required.

9. For a complaint that does not require input from borrowers, consultation with PPF is mandatory for the borrower-administered procurement of goods, works, and nonconsulting services with an estimated cost of over \$20 million and consulting services with an estimated cost of over \$5 million. The Procurement Committee Secretary must be consulted if a complaint relates to any procurement package that required or will require approval by the Procurement Committee.

10. The user unit is responsible for responding to complaints relating to procurement of goods, works, and nonconsulting services under TA. The user unit is also responsible for responding to complaints relating to recruitment of ADB-administered consultants. Consultation with PPF is mandatory for ADB-administered consulting firm selections with an estimated cost of over \$750,000, where PPF will also be involved in issuing the response and any necessary actions.

11. OGC advises on legal issues when consulted by user units in responding to complaints. In all cases, OGC must be consulted if the complaint relates to the conditions of contract or any other legal issues involved, such as possible inconsistencies with provisions of ADB financing agreements.

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<sup>4</sup> For a project or contract following an alternative procurement arrangement (APA), the rules and procedures regarding handling of complaints of the borrower or another financier will generally apply.



12. PPF is responsible for maintaining records and generating quarterly reports through PCTS. The PCTS team of PPF, within 5 working days of receiving a complaint through PCTS, assigns it to a focal point nominated by the user department or office, requests a response, and monitors correspondence. PPF's Procurement Complaint Focal Point or Consulting Services Complaint Focal Point (nominated by the Director General, PPF), as the case may be, are responsible for reviewing and endorsing responses to complaints following the provisions of paras. 8 and 9. Appendix 1 presents a simplified flow chart for the handling of procurement-related complaints.

#### **B. Prior to Submission of Applications for Prequalification, Bids, or Proposals**

13. For borrower-administered procurement, the user unit shall review complaint resolution actions proposed by the borrower as a part of ADB's prior review of the procurement decision. Under post review (sampling), the user unit will promptly forward the complaints to the borrower but is not responsible for reviewing proposed resolution actions. The user unit is responsible for recording the complaint and its resolution in the relevant electronic procurement approval form (ePAF). Consultation with PPF is mandatory following the provisions of paras. 8 and 9.

14. For ADB-administered procurement, the user unit should respond to any complaint received prior to the deadline for bids or proposals, including by modifying the procurement and/or extending the deadline if appropriate. Consultation with PPF is mandatory following the provisions of para. 10.

#### **C. After Application, Bid, or Proposal Submission Deadline**

15. When a complaint is submitted during a standstill period that applies to the bidding process, the user unit and the executing agency (EA) discuss steps, if any, in consultation with PPF, that must be taken to satisfactorily address the complaint.

16. Except for acknowledging receipt of a complaint, ADB and/or the EA do not enter into any direct communication with a complainant until after publication of contract award.

#### **D. After Contract Award**

17. For borrower-administered procurement, when ADB receives a complaint from a bidder that is not satisfied with the explanation provided by the borrower during a debriefing, the user unit, in consultation with PPF, is responsible for responding to the complainant and copying the borrower.

18. For ADB-administered procurement, when ADB receives a complaint from a bidder that is not satisfied with the explanation provided by ADB during a debriefing, the user unit or PPF responds following the provisions of para. 10. To avoid conflict of interest, the review and response shall be separate and independent from any staff involved in the debriefing that may be the subject/s of the complaint. If the user unit as a whole is conflicted, PPF may handle the review and response. If PPF's focal points and/or procurement specialists are conflicted, the relevant Director, PPF or Deputy Director General, PPF will handle the complaint as necessary.

**E. Approval Authorities**

19. Tables 1 and 2 describe specific details of responsibilities and approval authorities.

**Table 1: Staff Responsibilities for Borrower-Administered Procurement-Related Complaints**

Activities	Borrower	User Unit	PPFD	OGC
<b>Receipt of complaint</b>	If the complaint is directly addressed to the EA, promptly acknowledges receipt to the complainant, and shares the complaint with ADB, unless the project or contract follows APA of the borrower or another financier.	<p>If the complaint is directly addressed to ADB, promptly acknowledges receipt to the complainant.</p> <p>Enters the complaint into PCTS if received through a channel other than PCTS.</p> <p>Designated focal point may reassign a complaint to other user unit team members.</p>	Complaints submitted through PCTS will be automatically acknowledged.	
<b>Initial assignment of the complaint</b>			PCTS team assigns valid complaints to the focal point designated in the user unit within 5 working days.	
<b>Initial actions</b>		<p>Issues request for clarification(s) to the complainant if additional information is needed to identify the responsible EA or to understand the complaint better.</p> <p>Where relevant, forwards the complaint to the</p>		

Activities	Borrower	User Unit	PPFD	OGC
		responsible EA for its action.		
<b>Review the complaint</b>	<p>Reviews the complaint.</p> <p>Proposes resolution action(s) to ADB if the package is subject to prior review.</p>	<p>Reviews and approves resolution actions proposed by the borrower. Seeks PPFD and/or OGC advice as appropriate, following the thresholds described here.</p>	<p>PPFD's Procurement and/or Consulting Services Complaint Focal Points, as the case may be, review and endorse the proposed response to the complainant for complaints that require inputs from the EA or IA.</p> <p>The focal points or other PPFD procurement specialists may be consulted if the estimated contract value for goods, works, or nonconsulting services is less than \$20 million or for consulting services less than \$5 million.</p> <p>The focal point(s) must be consulted if the estimated contract value exceeds these amounts.</p> <p>The PC Secretary must also be consulted if the estimated contract value for goods, works, and nonconsulting services exceeds</p>	<p>Provides advice on proposed action/s when consulted.</p> <p>Must be consulted if the complaint relates to the conditions of contract or any other legal issues.</p>

Activities	Borrower	User Unit	PPFD	OGC
			\$50 million or if the contract is otherwise subject to PC approval.	
<p><b>Respond to the complaint:</b></p> <p><i>For complaints received prior to application, bid, or proposal submission</i></p>	<p>Issues the response (upon ADB's no-objection if the package is subject to prior review) within 10 working days.</p> <p>Issues a clarification or an amendment to the procurement process, if needed.</p> <p>Records the summary of the received complaints and their resolution when submitting the evaluation for ADB's no objection.</p>	<p>Responds to complaint in PCTS if it is directly addressed to ADB, within 10 working days.</p>		
<p><b>Respond to the complaint:</b></p> <p><i>For complaints received after application, bid, or proposal submission</i></p>	<p>Sends only an acknowledgement of receipt to the complainant during the evaluation period.</p> <p>Records the summary of the received complaints and their resolution when submitting the evaluation for</p>	<p>If complaint is directly addressed to ADB:</p> <p>Sends only an acknowledgement of receipt to the complainant during the evaluation period.</p> <p>Responds to complaint in PCTS, within 10 working</p>		

Activities	Borrower	User Unit	PPFD	OGC
	<p>ADB's no objection.</p> <p>Issues the response (upon ADB's no-objection if the package is subject to prior review) within 10 working days after the date of contract award.</p>	<p>days after the date of contract award.</p>		
<p><b>Respond to the complaint:</b></p> <p><i>For complaints received after contract award</i></p>	<p>Issues the response (upon ADB's no-objection if the package is subject to prior review) within 10 working days.</p>	<p>Responds to complaint in PCTS if it is directly addressed to ADB, within 10 working days.</p>		

APA = alternative procurement arrangement, EA = executing agency, IA = implementing agency, PC = Procurement Committee, PCTS = Procurement Complaints Tracking System.

**Table 2: Staff Responsibilities for ADB-Administered Operational Procurement-Related Complaints**

Activities	User Unit	PPFD	OGC
<p><b>Receipt of complaint</b></p>	<p>Promptly acknowledges receipt to the complainant and enters the complaint into PCTS, if received through a channel other than PCTS.</p> <p>Designated focal point may reassign a complaint to other user unit team members.</p>	<p>Complaints submitted through PCTS will be automatically acknowledged.</p>	

Activities	User Unit	PPFD	OGC
<b>Initial assignment of the complaint</b>		PCTS team assigns valid complaints to the focal point designated in the user unit within 5 working days.	
<b>Review of the complaint</b>	<p>Issues request for clarification(s) to the complainant if additional information is needed to review the complaint.</p> <p>Reviews the complaint.</p> <p>Proposes resolution action(s). Seeks PPF and/or OGC advice as appropriate, following the thresholds described here.</p>	<p>PPFD's Procurement and/or Consulting Services Complaint Focal Points, as the case may be, and other procurement specialists, review and advise on the proposed response when consulted.</p> <p>The Consulting Services Complaint Focal Point must be consulted and assigned PPF and procurement specialist must be involved for consulting firm contracts with an estimated value of over \$750,000.</p>	<p>Provides advice on proposed action when consulted.</p> <p>Must be consulted if the complaint relates to the conditions of contract or any other legal issues.</p>
<p><b>Respond to the complaint:</b></p> <p><i>For complaints received prior to bid or proposal submission</i></p>	<p>User unit director or delegated personnel issues the response to the complainant within 10 working days.</p> <p>Issues a clarification or an amendment to the procurement process, if needed.</p> <p>Records the summary of the received complaints and their resolution</p>	<p>For consultant firm selections with an estimated value of over \$750,000:</p> <p>Issues the response to the complainant within 10 working days.</p> <p>Issues a clarification or an amendment to the RFP, if needed.</p> <p>Records the summary of the received</p>	

Activities	User Unit	PPFD	OGC
	when submitting the evaluation for approval.	complaints and their resolution when submitting the evaluation for approval.	
<p><b>Respond to the complaint:</b></p> <p><i>For complaints received after bid or proposal submission</i></p>	<p>Sends only an acknowledgment of receipt to the complainant during the evaluation period.</p> <p>Records the summary of the received complaints and their resolution when submitting the evaluation for approval.</p> <p>User unit director or delegated personnel issues the response to the complainant within 10 working days after the date of contract award.</p>	<p>For consultant firm selections with an estimated value of over \$750,000:</p> <p>Records the summary of the received complaints and their resolution when submitting the evaluation for approval.</p> <p>Issues the response to the complainant within 10 working days after the date of contract award.</p>	
<p><b>Respond to the complaint:</b></p> <p><i>For complaints received after contract award</i></p>	<p>User unit director or delegated personnel issues the response to the complainant within 10 working days (avoiding conflict of interest with any staff involved in a debriefing that may be the subject/s of the complaint).</p>	<p>For consultant firm selections with an estimated value of over \$750,000:</p> <p>Issues the response to the complainant within 10 working days.</p> <p>Also available to review and issue a response in cases where the user unit is conflicted.</p>	

CMS = Consultant Management System, PCTS = Procurement Complaints Tracking System.

### Appendix 1: Simple Procurement Related Complaints Handling Flow

