

# Project Administration Instructions

PAI 2.02, Part D  
Revised in August 2009  
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## RECRUITING CONSULTING FIRMS PART D: FOR TECHNICAL ASSISTANCE ASSIGNMENTS

### A. Introduction

1. This part of project administration instruction (PAI) 2.02 provides procedures for recruiting consulting firms for assignments under technical assistance (TA) operations. Also read PAI 2.01, which provides general guidelines on recruiting consultants; PAI 2.02, Part A, which provides additional guidelines on using each selection method; and PAI 2.03, Part B, which provides details on the different types of proposals.

### B. Policies

2. For TA, the following policies apply:

- The Asian Development Bank (ADB) normally recruits TA-funded consultants itself, although this responsibility may, at times, be delegated to executing agencies (EAs). (See section C below.)
- For assignments that are complex or typically require more than three experts, consulting firms are recruited (see PAI 2.03, Part A for procedures for the recruitment of individual consultants under TA).
- Consulting firms are recruited through competitive selection in order to identify the most qualified firms with high-quality services.
- When selecting consultants, to ensure a wide geographic spread, firms from a broad range of ADB member countries are placed on the short list.
- When qualified national consultants from developing member countries (DMCs) are available, special efforts are made to use their services. (See section D below.)
- ADB aims to recruit consultants promptly with no avoidable delays.

### C. Procedures for Delegating TA to Executing Agencies

3. When considering delegating TA to an EA for recruitment, ADB requires that an assessment of the EA's capacity to implement the recruitment be undertaken during TA processing.

4. ADB, in cooperation with the EA, is responsible for conducting the assessment. For a full description of EA capacity assessment, refer to the Central Operations Services Office's (COSO) *Guide on Procurement Capacity Assessment*.

5. ADB may agree, subject to the findings of an EA capacity assessment, with the recipient government to delegate consultant recruitment to the EA, and ADB's review of the EA's actions will be in accordance with PAI 2.02, Part E.

6. After the EA capacity assessment, the Director General of the user division in consultation with Principal Director, COSO confirms that the EA has the capacity to recruit the consultants required for the TA. In general, EAs handling delegated TA must have past experience recruiting and procuring for ADB or another multilateral development bank or bilateral agency, and should assign experienced, competent project management staff.

7. Any EA training requirements are defined in an action plan annexed to the capacity assessment report.

8. If the Director General of the user division in consultation with the Principal Director, COSO decides that the EA does have the capacity to recruit the consultants, the EA, in cooperation with the user division officer, will prepare a consultant recruitment activity monitoring (CRAM) frame. Preparation will follow the same procedure as the CRAM frame for loan/grant projects (PAI 2.02, Part E, section X).

9. If the Director General of the user division in consultation with the Principal Director, COSO decides that the EA does not have sufficient capacity to recruit the consultants, the default procedure will be recruitment by ADB.

#### **D. Participation of National Consultants in DMCs**

10. The user division officer, in consultation with the EA, normally defines positions for national consultants in DMCs when qualified national consultants are available. The user division officer examines the availability of national consultants by checking the information in the Consultant Management System (CMS), ADB's databases of consulting firms and individual consultants, and by discussing with the government and relevant local organizations.

11. Following confirmation of the availability and competence of national consultants, the user division officer, in consultation with the EA, defines which positions are best assigned to international and national consultants and makes separate budget provisions, based on appropriate international and national market rates. The user division officer decides whether the national consultant will work alone under a separate contract or in collaboration with the consultant completing the international assignment. In the latter case, the national consultant may be selected directly by ADB, or, as is normal practice, the consultant selected for the international assignment will associate with a national firm of its choice.

12. ADB's policy to encourage participation of national consultants in TA implementation is part of its policy to encourage and develop DMC consultants. Other support ADB provides to national consultants in DMCs includes regular training seminars and, if requested by the government concerned, TA to strengthen the consulting industry in selected DMCs.

#### **E. Procedures**

13. ADB uses six selection methods described in PAI 2.02, Part A to recruit consultants: (i) quality- and cost-based selection (QCBS), (ii) quality-based selection (QBS), (iii) fixed-budget selection (FBS), (iv) least-cost selection (LCS), (v) consultants' qualifications selection (CQS), and (vi) single-source selection (SSS). PAI 2.02, Part A provides details on these methods. The following paragraphs summarize the procedures for recruiting consulting firms that are generally common to these selection methods. For CQS, selection is done on the basis of an evaluation of expressions of interest (EOIs) rather than on the basis of proposals, and for SSS there is no competition, but the selected consultant is required to submit a proposal. Flow charts showing the steps to be followed for the different methods of selection are provided in Appendix 1.

## **F. Advertising the Assignment**

14. At the earliest opportunity, the user division posts details of the consulting assignments for a TA<sup>1</sup> in the business opportunities section of ADB's website. The division first posts a project profile, normally after the user division officer has proposed a concept paper (CP). This profile provides a short outline of the TA and the consulting services required. The user division then posts a consulting services recruitment notice (CSRN) normally after the TA fact-finding mission or upon finalization of adequate TOR. The CSRN describes the consulting assignments in detail and includes the draft terms of reference (TOR). The draft TOR will confirm whether preparation of the TOR for a proposed ("downstream") project will be a required task. The user division must post the CSRN on the website for at least 30 days before short-listing.

15. The CSRN posting period may be reduced or waived if the user division submits a recommendation to that effect to the head of its department or office for approval, and duly notifies COSO of any such approvals. COSO informs the Board, in the quarterly portfolio update, of any such instances. User divisions may, in addition, advertise assignments in other places when necessary to obtain sufficient EOIs.

## **G. Consultants Expressing Interest**

16. The CSRNs on the ADB website include a link that allows interested and qualified consulting firms to submit EOIs following a standard template. These are automatically acknowledged and saved in a COSO database. Whereas short-listing will be primarily based on an evaluation of these EOIs, consulting firms may, if they wish, submit additional information.

17. When submitting an EOI in response to a CSRN, lead firms that are not yet registered in the CMS will be requested to complete and submit online a simplified registration (SR). Submission of a full registration (FR) will be required prior to contract negotiations.

## **H. Expressions of Interest and Joint Ventures and Associations Between or Among Consultants**

18. COSO receives EOIs from individual consulting firms and from groups of firms. Consulting firms may join together with each other to complement their respective areas of expertise, or for other reasons. This collaborative effort can take the form of a joint venture or an association and the type of collaboration must be duly identified in the EOI. Under an association or consortium which is not a joint venture, the consulting firms that are members are not jointly or severally liable, but are required to enter into an agreement or exchange letters of association on terms and conditions that are mutually agreed, and the lead firm in the association is directly liable under its contract with ADB.

19. When expressing interest, (i) an association must nominate one firm as the lead firm and this firm interacts directly with ADB as the sole formal representative of the association; and (ii) a joint venture must nominate one firm as the lead or managing joint venture partner. The qualifications of all firms participating in a joint venture or an association are assessed during short-listing and if circumstances so justify, the experience and qualification of the lead firm or managing joint venture partner may be given more weight. To determine the nationality of the joint venture or association for the purpose of short-listing, ADB uses the nationality of the lead firm/managing partner of the joint venture or association. If a

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<sup>1</sup> The user division must advertise for the recruitment of individual consultants required for the initial project scoping in those cases specified for short-listing in PAI 2.03, Part A, paragraph 14.

firm submits or participates as an international JV partner or associate firm in more than one EOI, only the most qualified EOI, based on the shortlisting criteria, will be selected for shortlisting, and the less-qualified EOIs will be disregarded in the absence of exceptional circumstances. The qualifications and experience of proposed subconsultants (either individual experts or firms) will not be considered in determining whether a firm is eligible for shortlisting. Therefore, proposed subconsultants should not be identified in the EOI.<sup>2</sup>

20. Shortlisted consultants may only submit one proposal. A national firm (which is not a lead firm) that is a JV partner or an associate firm included in a shortlist may, however, participate in more than one proposal. For purposes of this provision, a firm or entity is considered 'national' if it is incorporated or registered in the country in which the assignment is to be carried out. Once short-listed, a joint venture or association may take on additional non-shortlisted partners or associates to broaden its range of expertise and experience, but cannot drop or replace existing partners and/or associates in the absence of exceptional circumstances. ADB shall in its sole discretion assess whether such exceptional circumstances exist in any particular case based on written representation by the shortlisted firm concerned. Firms, joint ventures and associations (i.e. lead firms and each associate firm identified in the relevant EOI) that formally withdraw from a short-list are permitted to join as associates or JV partners in proposals of other shortlisted firms provided the relevant Request for Proposal (RFP) permits and on such terms and conditions as specified in the RFP.

#### **I. Preparing a Long List**

21. The user division prepares a long list of about 15-20 consultants, consulting COSO as considered necessary. The consultants on the long list must be technically qualified and come from ADB member countries. In doing this, the user division

- reviews and retains all the consulting firms, associations, and joint ventures that expressed interest; and
- adds other firms registered in the CMS if there are not yet enough firms on the long list or a region is underrepresented.

No special preference is given to consultants from countries that contribute to ADB's TA Special Fund or other special funds.

#### **J. Evaluating EOIs and Preparing the Short List**

22. Four criteria are typically evaluated:

- Eligibility of the consulting entity
- Management competence (20%)
- Technical competence (60%)
- Geographic competence (20%)

The above weightings are indicative, actual weightings may be tailored to the scope of the assignment. The following paragraphs set out the approach for EOI short-listing evaluation that is strongly recommended, particularly for higher-value assignments, CQS and Indefinite Delivery Contracts (IDCs).

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<sup>2</sup> A 'subconsultant' is either an individual expert or a firm with whom a lead or associate firm or a joint venture, proposes to sub-contract part of the services during implementation of the assignment.

Appendix 5 is an EOI evaluation sheet. This applies a similar methodology to that used for evaluation of technical proposals. The sheet differentiates between evaluation of an EOI submitted by a single firm, and an association or joint venture. Whereas overall weighting may be tailored to the assignment, an overall weighting norm of 65% for the lead firm and 35% for associates or partners is proposed for associations and joint ventures. Unless specified, the decision to opt for an association or a joint venture is a commercial decision taken by the firm.

23. Eligibility is a declaration by the firm, association or joint venture confirming: (i) an understanding of the terms of reference (TOR), (ii) no involvement by the firm, association or joint venture or any part-time or full-time experts employed, in preparing the TOR, (iii) an understanding that any involvement in preparing the TORs for any ensuing assignment will result in disqualification from short-listing and/or participation in such follow-on assignment. It is mandatory for the firm, association or joint venture to sign the declaration, and the lead firm, in all cases, to have completed, at least, a simplified CMS registration for ADB-TAs. No scores are assigned; this is a pass/fail criterion.

24. Management competence section (maximum of two pages) requires: (i) the firm, association or joint venture to designate senior management from the lead firm, who will assume overall responsibility for the consulting assignment, and to outline the relevant background and experience of senior management to the assignment's TOR, (ii) an association or joint venture to outline the rationale for, and benefits of, the association to the assignment's TOR, (iii) an explanation by the firm, association or joint venture of the proposed management arrangement, covering contract supervision, client liaison, logistics, team management, etc., (iv) an explanation of the firm's, association's or joint venture's quality control procedures particularly in relation to the assignment, including performance monitoring, reporting, handling of complaints, replacement of non-performing experts etc. Evaluation should focus on the underlying sub-criteria:

<b>Sub Criteria</b>	<b>Norm Weighting for Single Firm</b>
Background and experience of senior management relevant to the TOR	10%
Proposed management coordination	5%
Proposed quality control	5%

For associations and joint ventures, of the total 20% weighting, 15% would be applied to the lead firm and 5% to the associates/partners.

25. Technical competence section (maximum of two pages, supported by a maximum of 10 project sheets) requires the firm, association or joint venture to summarize the relevance of its background and experience to the assignment's TOR. This will be supported by reference to past projects as illustrated by project sheets included under Appendix 1 of the EOI. The project sheets will need to define clearly the exact role (lead, associate or providing one expert) of the firm, associates or partners on each nominated project. Evaluation should focus on the underlying sub-criteria:

<b>Sub Criteria</b>	<b>Norm Weighting for Single Firm</b>
Firm's specialization vis-à-vis the sectoral focus of the assignment	10%
Firm's experience vis à vis the assignment's TOR	30%
Number of similar projects undertaken where firm was lead partner	15%
Number of similar projects undertaken where firm was associate or JV partner	5%

For associations and joint ventures, of the total 60% weighting, 40% would be applied to the lead firm and 20% to the associates/partners

26. Geographic competence section (maximum of one page) requires the firm, association or joint venture to highlight its country/regional experience. This may include experience on assignments in different sectors or specializations to the assignment for which the EOI is being submitted. This section should demonstrate a history of working experience in the country/region in question and an appreciation of local cultural sensitivities, ability to manage multi-cultural teams, network and develop capacity of national /regional consultants as well as highlighting useful supporting features such as local representation, local offices, and local community initiatives. Evaluation should focus on the underlying sub-criteria:

<b>Sub Criteria</b>	<b>Norm Weighting for Single Firm</b>
Firm's country experience	10%
Firm's regional experience	5%
Permanent presence / local office	5%

For associations and joint ventures, of the total 20% weighting, 10% would be applied to the lead firm and 10% to the associates/partners.

**K. Selecting a Short List, Preparing Evaluation Criteria, and Preparing a Data Sheet for Inclusion in the Request for Proposals**

27. The user division submits memo for short-listing with checklist (see Appendix 3), CP<sup>3</sup>/TA paper, TOR, refined long list, narrative evaluation criteria, summary and personnel evaluation sheets, short-listing criteria, and short list to COSO with brief justification (see Appendix 3, page 3). If necessary, the user division or COSO may request a CSC meeting to draw up the short list.

28. For TA contracts of \$600,000 or less, COSO approves the short list and evaluation criteria on a no objection basis. For TA contracts exceeding \$600,000, the user division may, at its discretion, request an informal meeting with COSO staff to discuss the proposed short list and other matters in the checklist. COSO completes the checklist to document the short-listing process and concerned COSO director signs the checklist for record. Alternatively, if considered necessary, the user division or COSO may request a formal consultant selection committee (CSC) meeting.

29. The user division staff concerned should ensure that all documentation listed in the relevant checklist is in order and in conformity with ADB's standard templates, and that the user division assessments and recommendations in connection with the short-listing and technical evaluation have been undertaken in accordance with applicable ADB procedures and guidelines. It is the responsibility of the user division to identify issues of concern or potential concern to the relevant COSO officer at the time of, or prior to, submission of the relevant checklist.

30. The short list normally consists of six firms. To ensure a wide geographic spread for projects requiring international consulting input, short-listed firms should be selected from a broad range of ADB member countries. Short lists should include one firm from any one country but no more than two firms are allowed from any one country provided adequate justification is provided for the second such firm from the same country. In addition, there should be at least one firm from a DMC, unless no qualified

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<sup>33</sup>Applicable to project preparatory technical assistance.

DMC firm has expressed interest or one cannot be identified on the CMS. The user division must document the short-listing process and indicate the basis for the selection of the short-listed firms.

31. At the same time as the short list is prepared, the user division prepares a set of evaluation criteria and weightings for the technical proposal and also the background information. Full documentation required for the RFP is listed in section N below. Evaluation criteria and weightings are dependent on the type of proposal to be used. These vary depending on the cost of the consulting services budget and the need, or not, for a detailed methodology. A full discussion is provided in PAI 2.02, Part B. Background information will normally include the CP/TA paper, which contains a description of the justification for the TA, its scope, the TOR, and the TA budget.

32. From the short-listing date until COSO signs a contract with a consulting firm, all aspects of the selection are confidential. ADB discloses the details only with staff directly involved in the selection. Any attempt to influence a selection will be dealt with according to ADB's anticorruption policy. ADB staff must not discuss the selection with competing consultants, for example, by asking for clarification or additional information on their proposals.

#### **L. Holding a Consultant Selection Committee Meeting (optional)**

33. In special circumstances, the user division or COSO may request the convening of a CSC meeting to prepare a short list and approve evaluation criteria. The CSC consists of a COSO director or a professional staff member from COSO representing him/her as chairperson; the user division officer; and a professional staff member from another division chosen from a roster that COSO maintains. The third member is neutral and usually has a background in a similar technical area as the user division officer. The CSC members represent the directors of their divisions, who may exercise voting rights if necessary. (See PAI 2.01, Part A for more information on CSCs.)

34. If a CSC meeting is requested, the user division submits such a request to the relevant COSO director. The request includes the

- long list;
- proposed short-listing criteria;
- proposed evaluation criteria for the technical proposals; and
- CP/TA paper, including the TOR, cost estimates, and financing plan.

35. The CSC reviews the TOR to ensure that they are clear and complete. The CSC also reviews the technical evaluation criteria, including the weights that will be given to the various parts of the technical proposals. The selection of the short list (normally consisting of six firms) is then made.

36. COSO prepares minutes of the CSC meeting and the CSC members endorse them and the concerned COSO director signs the minutes.

#### **M. Advance Contracting**

37. To engage consultants without delay, the user division shall use advance contracting procedures provided (i) COSO endorses the type of consultants (i.e. consulting firms or individual consultants) to be recruited and the selection method to be used; (ii) the terms of reference and budget for the assignment are sufficiently well-framed to permit consultants to submit informed expressions of interest (EOIs) and, if shortlisted, technical and financial proposals; and, for delegated TA, (iii) COSO has endorsed the Procurement Plan. This means that, after the CSRN has been posted for the required period, the user

division may proceed with shortlisting, requesting and evaluating proposals in accordance with the procedures set out in this PAI. However, negotiation and signing of the consulting contract will only take place after the TA has been approved and the TA Letter Agreement has been signed or no objection has been concluded within the applicable clearance period. The CSRN must be posted on ADB's website for 30 days, unless the department or office head approves waiving or reducing the posting period and COSO is duly notified in writing.

#### **N. Clearing the Short List with the Government**

38. After selection of the short list, the user division asks the government, usually the EA, if it has any objection to any consultant on the short list based on its previous experience. The user division gives the government 5 working days to reply, and treats lack of response as concurrence. The short list remains confidential until the user division receives the statement of no objection or the time limit expires. This requirement to clear the short list with the EA does not apply to regional TA unless the user division officer considers it necessary for its smooth implementation.

39. If the EA objects to any of the short-listed consultants, it must provide adequate justification. After receiving such justification, the user division deletes the concerned consultant(s) from the short list. ADB does not accept additions to the short list or substitution of consultants. However, if valid objections reduce the number of consultants to three or less, a completely revised short list may be prepared. In these cases, the user division submits the revised short list to the government for concurrence. Any changes to the short list are submitted to the relevant COSO director for approval on a no-objection basis.

#### **O. Requesting Proposals**

40. After the relevant COSO director approves the short list and clearance is received from the government, the next step is for RFPs to be sent to the short-listed consultants. For contracts valued at more than \$600,000, this is done by COSO. For contracts valued at \$600,000 or less, it is done by the user division. The COSO portal on the intranet provides copies of standard RFP documents and of templates for nonstandard RFP documents. The user division may ask COSO for assistance in preparing this documentation.

41. The information in the RFP includes the

- names of the short-listed consultants;
- selection method ADB will use;
- detailed TOR;
- EA's list of qualified national consultants, if applicable;
- copy of the CP/TA paper, which includes estimates of the work schedule; the total international and national person-months and the costs; and the required expertise, data, facilities, services, and reports;
- type of technical proposal requested and instructions on how to prepare that type of proposal;
- evaluation criteria for the technical proposals;
- ADB budget for the assignment;
- the deadline for ADB to receive proposals;
- address in ADB to which to send three copies of the proposals; and
- name and address of the EA, the resident mission, and any other agencies to which to send one copy of the proposals.

42. The estimated or maximum budget for the assignment will be shown in the QCBS data sheet<sup>4</sup>. For QCBS, FBS, and LCS this will include certain provisional sums for such items as equipment, training, seminars, or the recruitment of nongovernment organizations that are fixed and cannot be changed in the financial proposal. It will also include a sum for contingencies, which will also be fixed and not subject to alteration. The RFP will further indicate that for QCBS which states a maximum budget in the data sheet, the financial proposal must be within this maximum budget; otherwise the financial proposal will be declared nonresponsive and will not be awarded any points during the financial evaluation.

43. The data sheet will further point out that the total budget for the assignment may differ from that shown in the CP/TA paper, since some of the items budgeted for in the TA may be procured separately from the particular assignment for which proposals are being requested.

44. The RFP also explains the following procedures:

- If the winning consultant includes any former ADB staff, vice-president, or Board member in its technical proposal, ADB will decide whether they will be allowed to work on the assignment.
- ADB will require the successful consultant to disqualify itself, its affiliates, and its associates from participating in the project in any other capacity. For example, firms of independent consulting engineers are limited to the role of consulting engineers and must not also act as contractors or manufacturers.
- ADB may exclude a consultant if it is found to have a conflict of interest (see *Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers*, paragraph 1.11) or if ADB determines that a consultant engaged in corrupt, fraudulent, collusive, or coercive practices (*Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers*, paragraph 1.23).
- Firms that have expressed interest as a part of a joint venture or association will be short-listed as such, and all firms that indicated their participation are expected to be represented in the proposal. Additional firms may be included in the joint venture or association when the proposal is submitted (see Section H, paragraph 20).

45. The RFP also includes instructions for submitting financial proposals and other procedures that are specific to the selection method ADB will use.

46. Any queries by the consultants about the EOIs or the RFP should be addressed to COSO for consulting assignments with a budget above \$600,000; and to the user division if it is \$600,000 or less. In all such cases, COSO or the respective user division will respond to such queries, and the responses will be copied to all short-listed firms (without disclosing the name of the firm submitting the queries). When the user division replies, a copy will be provided to COSO, and vice-versa.

47. The consultants should acknowledge receiving the RFP and any ADB-approved extensions to the deadline for receiving proposals. The consultants should also advise whether they intend to submit proposals. COSO returns any proposals received after the stated deadline to the consultants, unopened.

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<sup>4</sup> \* For QBS, the budget specified in the Data Sheet is an estimate.

**P. Evaluating the Technical Proposals**

48. When the assigned budget is more than \$600,000, COSO establishes a CSC and forwards copies of the technical proposals to the CSC members to evaluate. When the contract budget is \$600,000 or less, the user division undertakes the evaluation on its own. The evaluators

- assess whether the proposals comply with the requirements in the RFP;
- evaluate each technical proposal;
- rank the technical proposals; and
- prepare narrative comments on each proposal to supplement the evaluation forms, highlighting any omissions or deficiencies and issues that need clarifying as well as the strengths and weaknesses of each proposal.

49. The CSC members or the user division evaluate the technical proposals using the evaluation criteria prepared at the time of short-listing and provided in the RFP. Four basic tools are used during the technical evaluation process: (i) the proposals themselves, (ii) a personnel evaluation sheet (available template on the COSO portal of the intranet), (iii) a summary evaluation sheet (template also available on the COSO portal of the intranet), and (iv) a scoring table. The scoring table has been devised by ADB to ensure consistency in evaluations. Its use in the evaluation of proposals is obligatory and inter-band ratings are disallowed. The scoring table divides evaluations into six categories as follows:

Excellent	100%	The proposal substantially exceeds the evaluation criteria requirements.
Very good	90%	The proposal exceeds the evaluation criteria requirements.
Above Average	80%	The proposal fully meets the evaluation criteria requirements.
Average	70%	The proposal adequately meets the evaluation criteria requirements, but there are minor deficiencies
Below Average	50%	The proposal has significant deficiencies against the evaluation criteria requirement that will probably impact negatively on the implementation of the assignment.
Noncomplying	0%	The proposal either does not comply with the evaluation criteria requirement or does not provide enough information to allow a higher rating. For example, nominating an expert who is a national of a non-ADB member country is noncomplying.

50. As a first step, using the personnel evaluation sheet, the evaluators rate the personnel of each proposal with regard to responsiveness to each evaluation criterion using the scores from the scoring table. The resulting ratings are then multiplied by the weight given to the particular evaluation criterion during short-listing. Scores from the personnel evaluation sheet are then transferred to the summary sheet, and the other factors such as approach and methodology are then evaluated in the same manner. (These factors vary depending on the type of proposal—see PAI 2.02, Part B.) The resulting scores against each criterion are then added together in the summary sheet to obtain a total score out of 1,000. Proposals are then ranked based on these scores.

51. If the evaluation is being done by a CSC, the CSC meets after a preliminary evaluation has been carried out by each individual member to

- confirm that the proposals comply with the requirements in the RFP;
- discuss each member’s independent evaluation;

- reach a consensus on a set of scores for each proposal that represent the committee's collective view;
- complete a final ranking of the proposals; and
- finalize narrative comments on each proposal to supplement the evaluation forms, highlighting any omissions or deficiencies and the strengths and weaknesses of each proposal in terms of the designated evaluation criteria.

52. After the CSC meeting, COSO prepares minutes, which are confidential. If the evaluation is done by the user division, the director of the user division then submits the proposed technical ranking, evaluation sheets, and narrative to the relevant COSO director for approval on a no-objection basis. If considered necessary, either the user division or COSO may request a CSC meeting to reevaluate the proposals.

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

53. The procedure for requesting and evaluating financial proposals varies depending on the selection method. PAI 2.02, Part A provides details. For QCBS, FBS, LCS, CQS, and SSS, financial proposals are submitted at the same time as the technical proposals. For QBS, a financial proposal is submitted by the first-ranked firm.

#### **R. Selecting the First-Ranked Firm**

54. The procedure for selecting the first-ranked firm depends on the selection method. For QCBS, the selection is based on a combination of the technical score and cost. The verified financial proposal must be within the maximum budget stated in the data sheet accompanying the RFP. Moreover, in determining the score of the financial proposal, only the variable cost items are compared among proposals. Provisional sums and contingencies are removed from the calculations. For FBS, the highest-ranked technical proposal meeting the minimum qualifying mark (i.e., 750 points out of 1,000) and within the indicated budget is chosen as the first-ranked firm. For LCS, the lowest priced financial proposal of the technically responsive firms (i.e., those scoring 750 points or more on their technical proposals) is ranked first. For CQS, the first-ranked firm is chosen based on a ranking of EOIs and is then requested to submit technical and financial proposals at the same time. Contract negotiations follow the same approach as QBS or SSS.

55. For QBS and FBS, ranking is based on the technical score alone, but for FBS the firm ranked first technically must have submitted a financial proposal within the specified budget; otherwise its proposal will be declared as nonresponsive. Selection by SSS does not involve competition.

56. Further details on the mechanics used for each selection method are given in PAI 2.02, Part A.

#### **S. Preparing for Contract Negotiations**

57. Prior to contract negotiations, COSO asks the Budget, Personnel, and Management Systems Department (BPMS) to clear any ex-staff by the first-ranked consultant who have not previously worked for ADB on consulting assignments. COSO clears those who have previously worked for ADB on consulting assignments. Further, any legal or IT experts proposed by the first-ranking firm must be endorsed by OGC and/or OIST, as the case may be, prior to inviting the first-ranked firm for contract negotiations.

58. The user division, in consultation with COSO will decide on mode of negotiation. Negotiations are usually conducted by correspondence when the assignment budgets are equal to or less than \$600,000.

59. COSO aims to complete negotiations by correspondence within 5 working days of sending an offer to the consultant. The COSO officer responsible for the negotiation discusses the schedule and procedure with the user division officer beforehand.

60. COSO writes to the first-ranked consultant and advises that it wishes to negotiate a contract. The letter

- asks the consultant to confirm the availability of all the team members nominated in its technical proposal; and
- summarizes any issues identified during the evaluation that require clarification, any deficiencies to be corrected, any team members to be replaced, or any other corrective action to be taken.
- requests the firm to provide identification documentation, a letter of authority identifying the representative of the firm authorized to negotiate the contract, a copy of legal incorporation or establishment certification and confirmation of full registration in CMS.

61. When the negotiations will be face-to-face, COSO proposes a schedule and agenda and invites the consultant to send a representative to ADB headquarters. The representative should be prepared to discuss the consultant's proposals and must have the authority to finalize and sign a contract. The firm must pay all the representative's costs to attend the negotiations.

62. When the negotiations will be face-to-face and the TA budget includes an allowance for the EA to send a representative or representatives to observe, the user division invites the EA. ADB expects the EA's representative to confirm the support that the EA will provide to the consultant and to agree on the EA's and the consultant's roles and responsibilities. EAs do not normally participate in negotiations for regional TA.

#### **T. Replacing Proposed Team Members**

63. Prior to negotiations, ADB may at times request the first-ranked firm to replace a proposed team member. This may occur when the firm's overall ranking is the highest, but one particular expert is given a low score, or when one of the team members is found to be ineligible or to have been rated poorly for a previous consulting assignment. Normally under QCBS, FBS, or LCS, the remuneration charged for the replacement expert will remain the same as that proposed for the original expert.

64. Sometimes a first-ranked consultant makes a request to replace team members prior to or during negotiations. When the first-ranked consultant proposes a replacement for one of the following reasons, the original evaluation and ranking normally remain valid, and ADB normally agrees to the replacement:

- the proposed team member resigns, is certified ill, suffers an accident, or dies; or
- ADB or the EA decides to start the field services significantly later than the date indicated in the RFP.

If there are requests for reasons other than those specified above, ADB may disqualify the first-ranked firm and negotiate with the next-ranked firm.

65. When ADB agrees to replace a team member, the replacement must have equal or better qualifications and experience than the originally nominated team member.

#### **U. Negotiating the Contract**

66. COSO is responsible for negotiating a contract with the first-ranked consultant. The user division officer assists, particularly on technical matters, and COSO may also ask the concerned counsel from the Office of the General Counsel (OGC) to assist on specific legal issues, or the third CSC member and other staff to help.

67. The negotiations normally cover the TOR, the consultant's methodology and work plan, the team members and personnel schedule, the counterpart facilities the EA will provide the financial terms, and the other terms and conditions in the contract. COSO's procedure for negotiating the financial terms depends on the selection method (PAI 2.02, Part A). When the negotiations are face-to-face, COSO prepares minutes of the important points of agreement.

68. COSO finalizes the terms of the contract on behalf of ADB, according to ADB's policies and procedures. The maximum contract amount must be within the maximum available budget for the assignment. The contract stipulates that the consultant must submit its request for final payment within a designated number of days of completing the assignment<sup>5</sup>.

69. If COSO cannot reach a satisfactory agreement with the first-ranked consultant for technical, financial, or other reasons, negotiations are terminated. COSO then negotiates with the next-ranked consultant in turn until it reaches an agreement.

70. When it agrees on the terms and conditions in the contract, COSO explains to the consultant ADB's procedures for payments, contract variations, and evaluating the consultant's performance.

#### **V. Finalizing the Contract**

71. The negotiations are normally completed when the consultant signs the contract. When the negotiations are face-to-face, the consultant's representative usually signs the contract and the minutes, and the government's representative usually signs the minutes, before they leave Manila. COSO attaches the minutes to the contract to clarify the terms and conditions, but they are not part of the contract and do not modify the terms and conditions.

72. After the consultant signs the contract, COSO prepares a report on the negotiations. The relevant COSO director signs contracts valued at \$600,000 or less on behalf of ADB, and the Principal Director, COSO signs contracts of more than \$600,000.

73. After the contract is signed, COSO sends a copy of the contract and the minutes to the head of the user department or office, the user division, the Controller's Department (CTL), OGC, the regional department (if it is not the user department), and any other departments concerned with the project. COSO then advises the other consultants who submitted proposals that they were unsuccessful.

74. After receiving the signed contract, the user division sends a copy to the EA (and to the funding source, if applicable) and confirms that the EA is ready for the consultant to start the field services. The user division then makes the contract effective by sending the consultant a written notice to proceed,

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<sup>5</sup> This period is normally 90 days.

copied to CTL, COSO, and other departments and offices concerned. CTL then arranges to release the mobilization payment to the consultant.

## **W. Monitoring the Consultant Recruitment Process**

75. COSO and the user division use the CRAM system to monitor the activities in recruiting the consultant. CRAM helps them to identify delays and to reduce the time taken to recruit the consultant. Appendix 2 provides an example of a CRAM frame and a flow chart of the CRAM process.

76. CRAM identifies the main activities in the recruitment process, the time normally required for each activity, and target dates for completing each activity. The staff responsible for completing each activity and for monitoring the recruitment process use CRAM to identify delays and take prompt action to get the recruitment process back on schedule.

### **1. Creating a CRAM Frame**

73. Around the time of short-listing, COSO creates a CRAM frame for the recruitment by entering into the system the following information provided by the user division:

- TA number, name, and type;
- contract budget;
- selection method,
- type of technical proposal;
- EA name and contact person;
- user division;
- user division officer;
- COSO officer; and
- short-listing date.

When COSO enters the short-listing date into the CRAM frame, the system automatically generates a recruitment schedule.

74. The user division provides COSO with the information, including the short-listing date, when it submits the short list to COSO for concurrence. COSO enters the information into the CRAM frame and attaches a copy to its memo to the user division endorsing the short list.

### **2. Information in the CRAM Frame**

75. The recruitment schedule in the CRAM frame includes the planned dates for each activity, the normal number of days for each activity, and the normal cumulative days since short-listing. The recruitment activities shown depend on the selection method and the size of the assigned budget. The number of days required for each activity is based on norms for each selection method and type of technical proposal. The norms are shown in working days except for receipt of proposals and sending the invitation to attend contract negotiations, which are shown in calendar days.

### **3. Accessing the CRAM Frame**

76. Staff may access the CRAM frame on the Consulting Services Reference database in Lotus Notes. The procedure is as follows:

- Open Lotus Notes and click “file” > “Database” > “Open.”
- Select “LNADBG1/ADB” from the list of servers.
- Select “Consulting Serv Reference” from the list of databases.
- Select 4. “TA Monitoring” > a. “CRAM Sheets.”

#### **4. Updating the CRAM Frame during the Recruitment Process**

77. The CRAM frame shows the names of the user division officer and the COSO staff responsible for conducting and monitoring the recruitment process. They are each responsible for entering in column 7 the dates on which they complete the activities for which they are responsible. Planned dates cannot be changed.

78. Columns 10 and 11 in the CRAM frame show the difference in days between the planned date and actual date for each activity, and the difference between the planned and actual days since short-listing. When the actual date is later than the planned date, the responsible staff member enters an explanation in column 12 and the action the staff member will take to get the recruitment back on schedule. The upper right corner of the CRAM frame shows the date the frame was last edited.

79. When the assignment budget is more than \$600,000 and CSC meetings are required for evaluation, COSO coordinates and monitors the recruitment process. When the assigned budget is \$600,000 or less and CSC meetings are not required for evaluation, the user division coordinates and monitors the recruitment process. COSO monitors all CRAM frames to make sure they are updated promptly and checks the planned activity for each TA daily. When a planned activity is not achieved on schedule, COSO sends a reminder to the responsible staff member for action.

80. COSO sends a monthly report on each division's CRAM frames to the director. The director monitors the division's recruitment activities for all its TA and takes appropriate action when necessary to overcome delays.

#### **5. Maintaining CRAM Records**

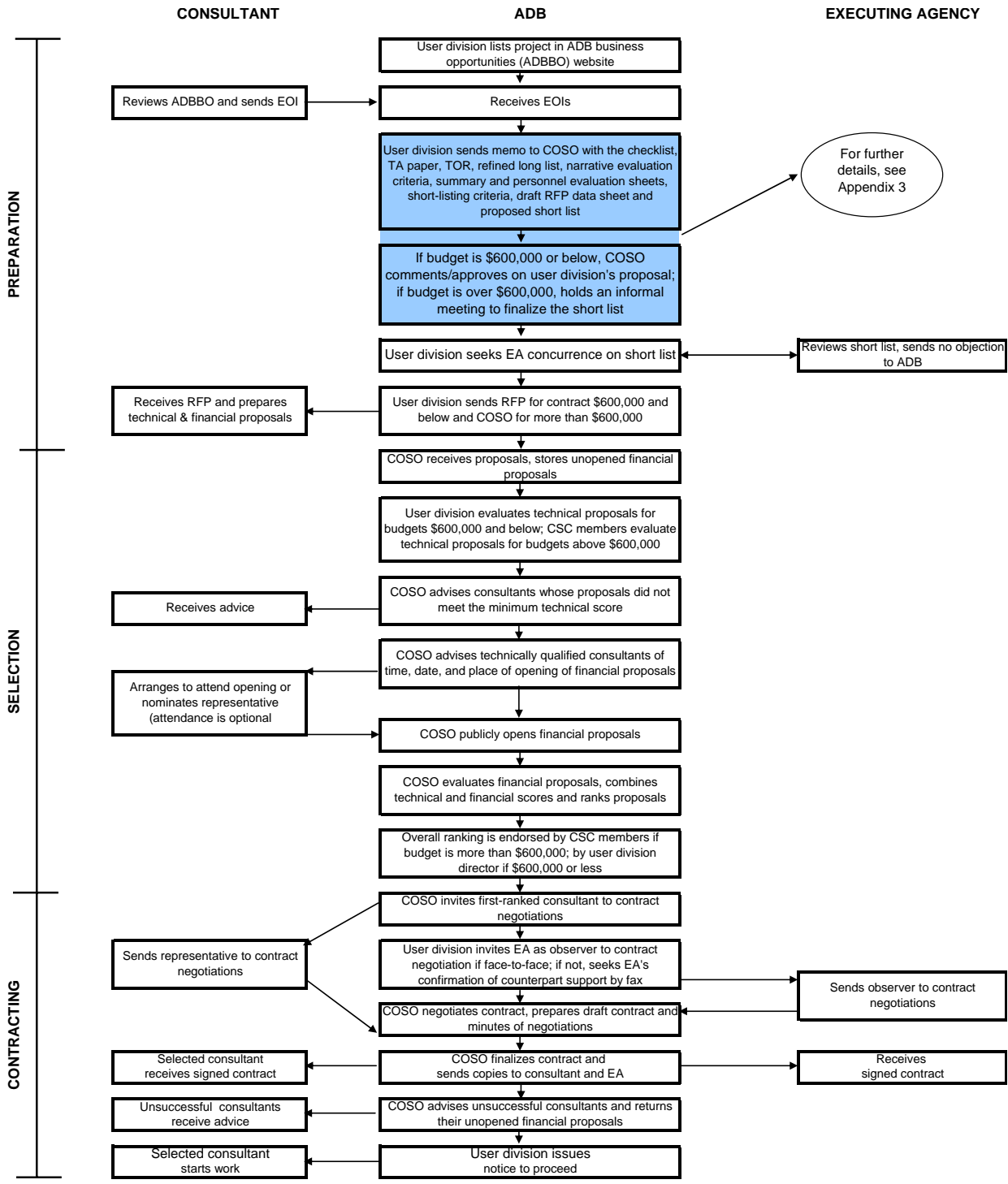
81. When the user division completes the recruitment process, it makes a hard copy of the CRAM frame and retains it in the project file.

82. COSO keeps completed CRAM frames in the CRAM database and evaluates them twice a year. If required, COSO proposes recommendations for streamlining the recruitment process.

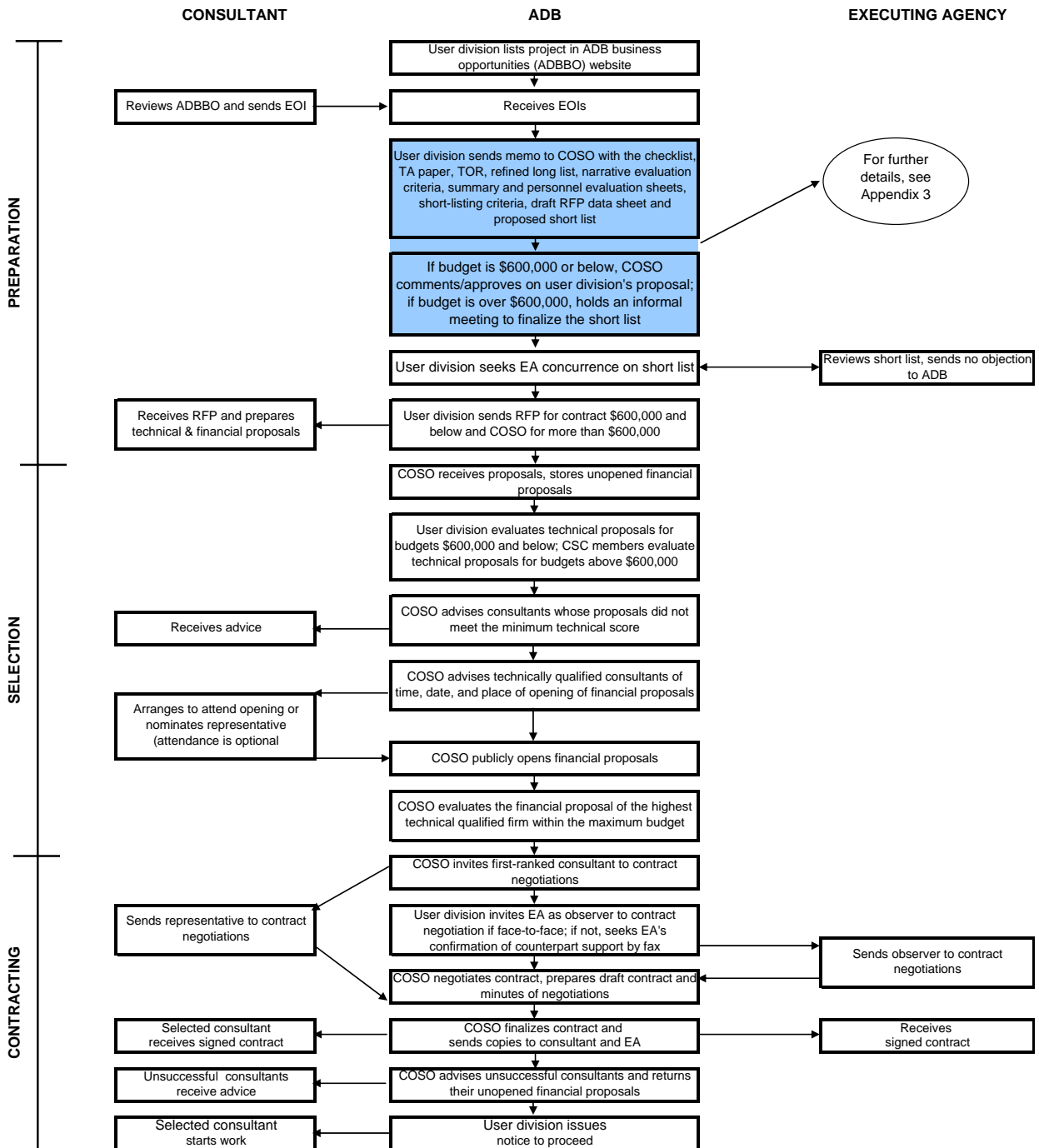
83. COSO monitors the application of the CRAM and maintains the CRAM system. Staff should report any problems with the system to COSO.



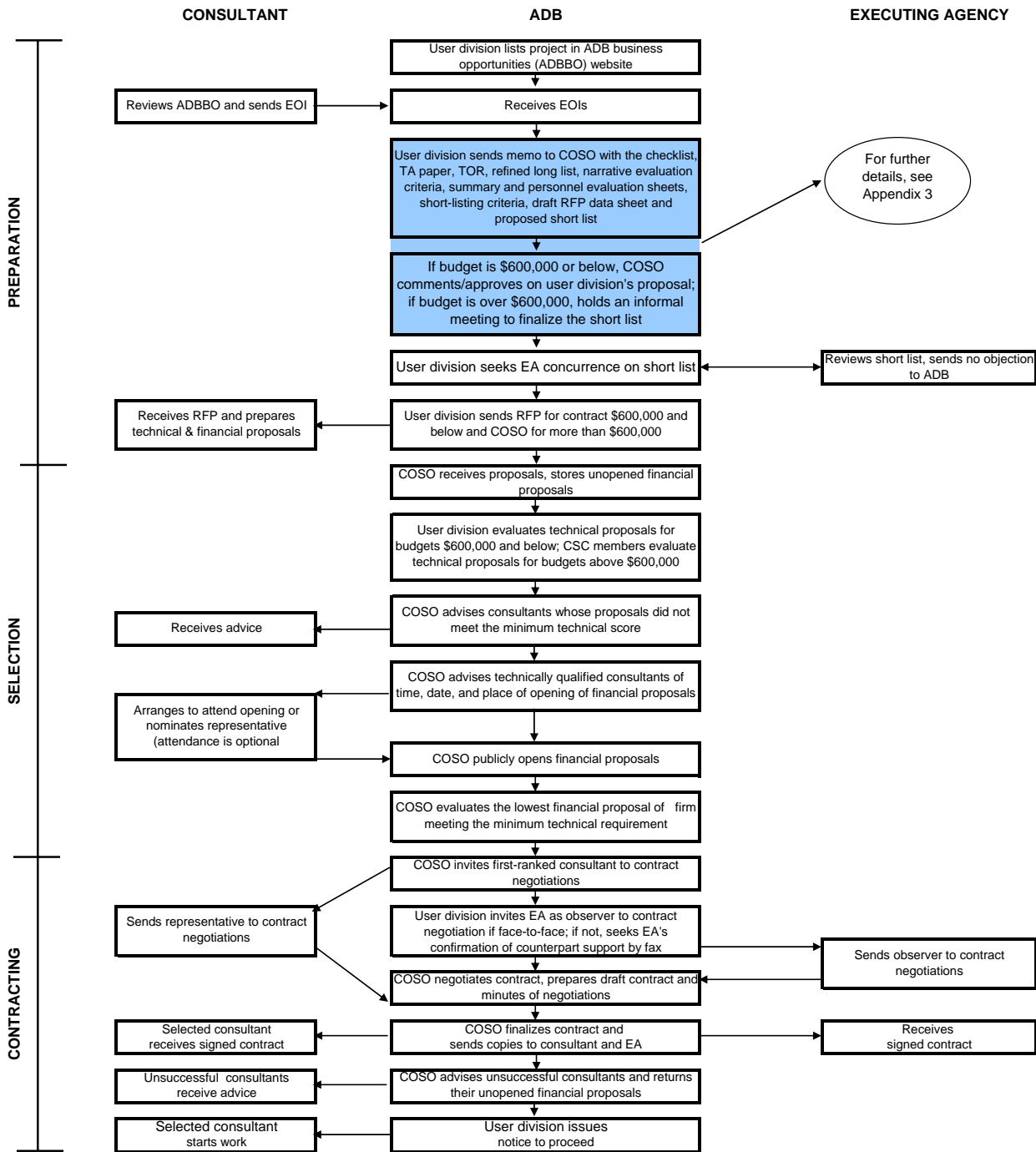
RECRUITING CONSULTING FIRMS FOR TECHNICAL ASSISTANCE USING QCBS



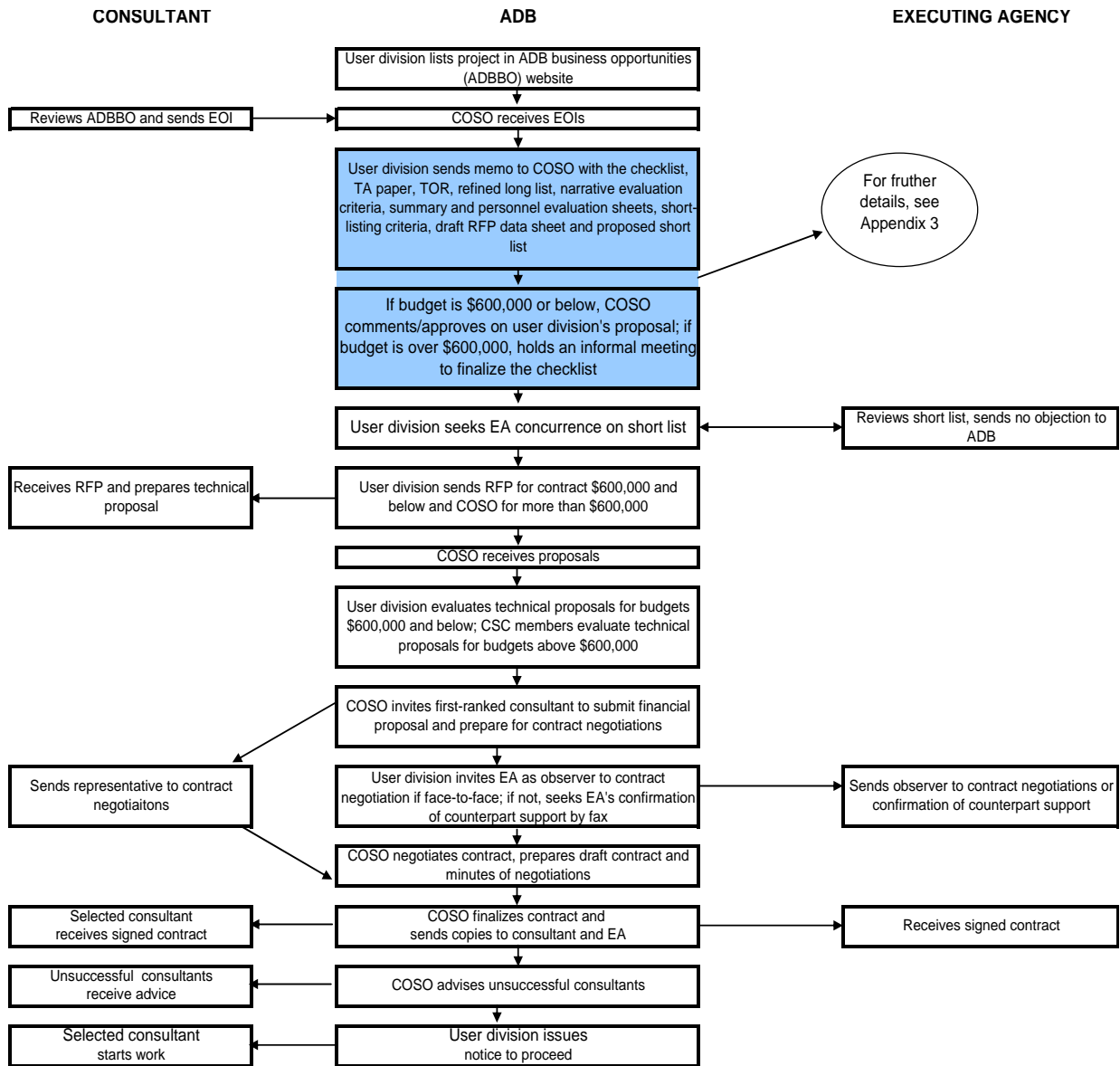
RECRUITING CONSULTING FIRMS FOR TECHNICAL ASSISTANCE USING FBS



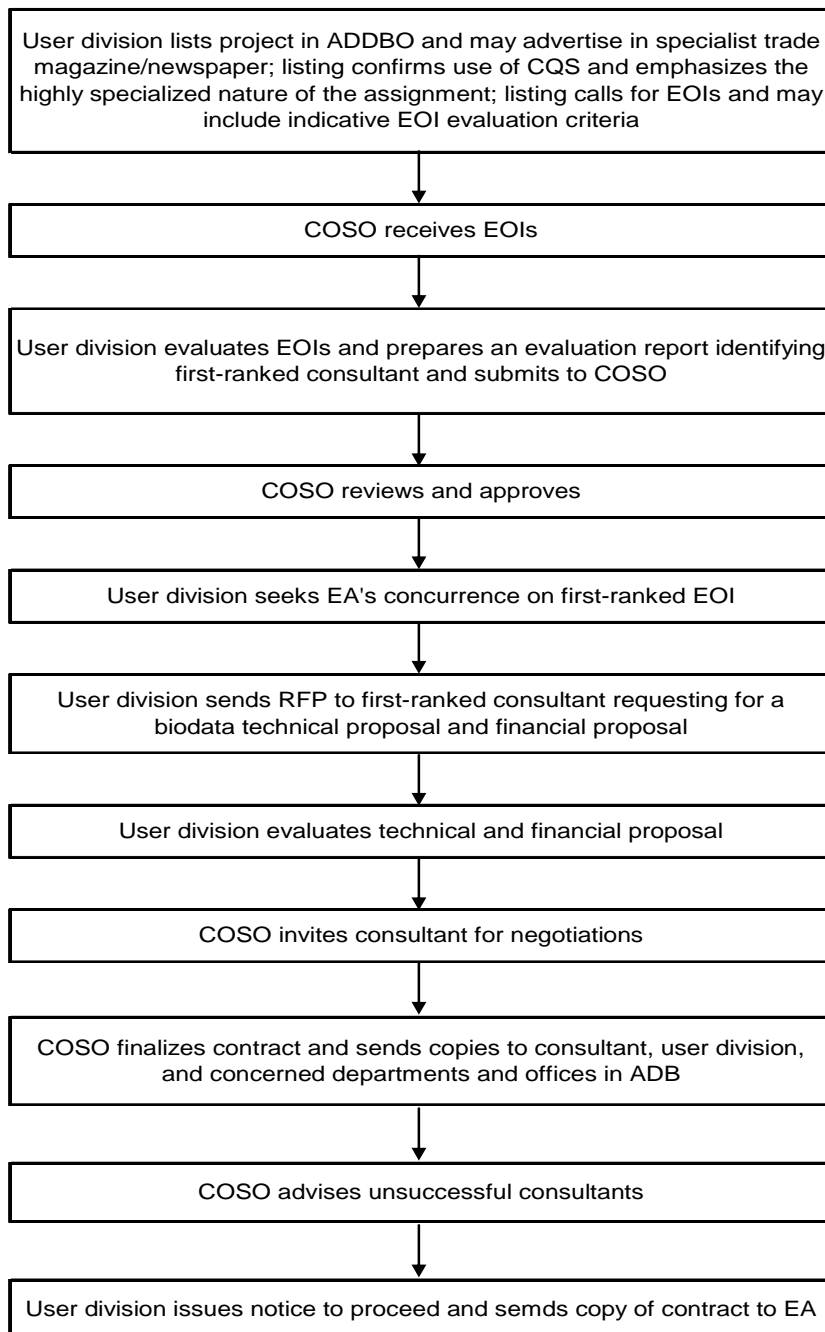
RECRUITING CONSULTING FIRMS FOR TECHNICAL ASSISTANCE USING LCS



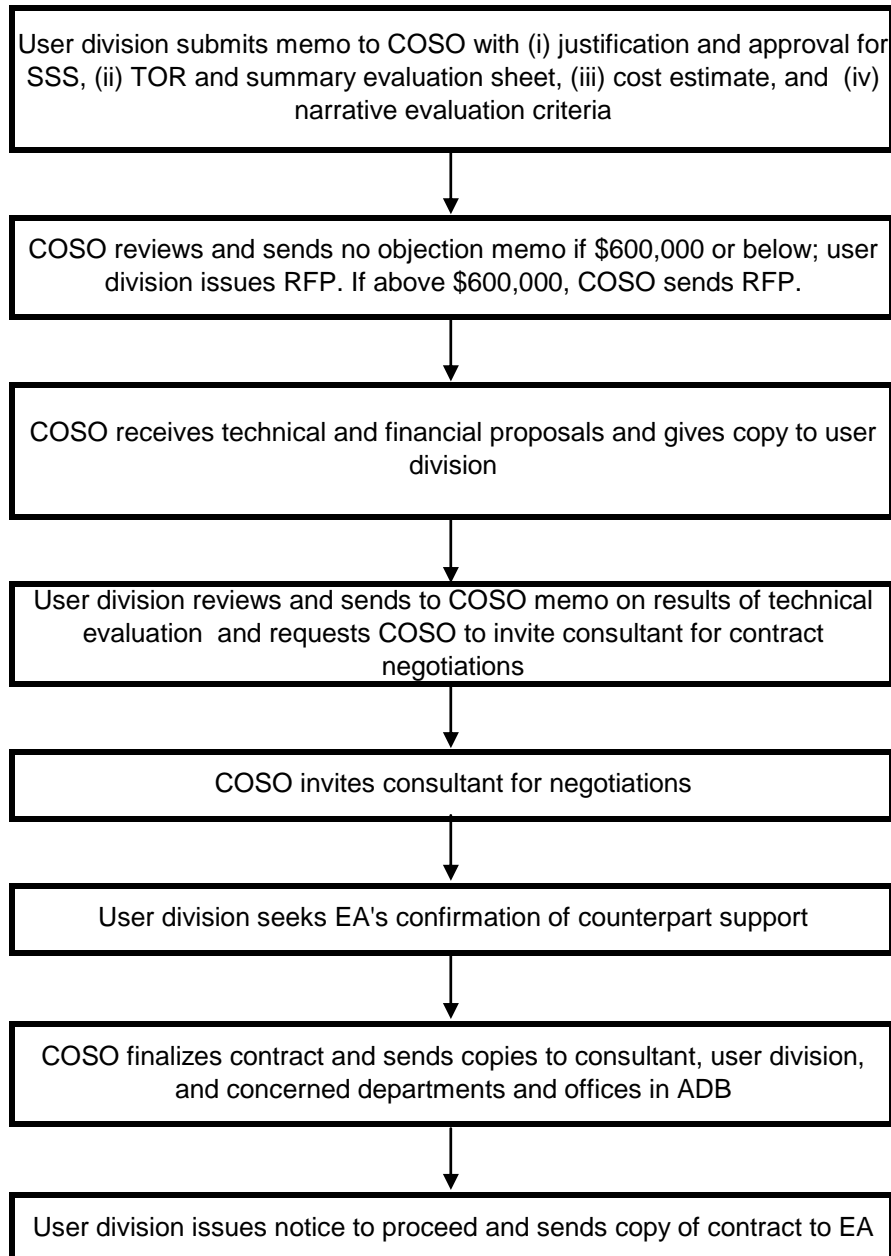
RECRUITING CONSULTING FIRMS FOR TECHNICAL ASSISTANCE USING QBS



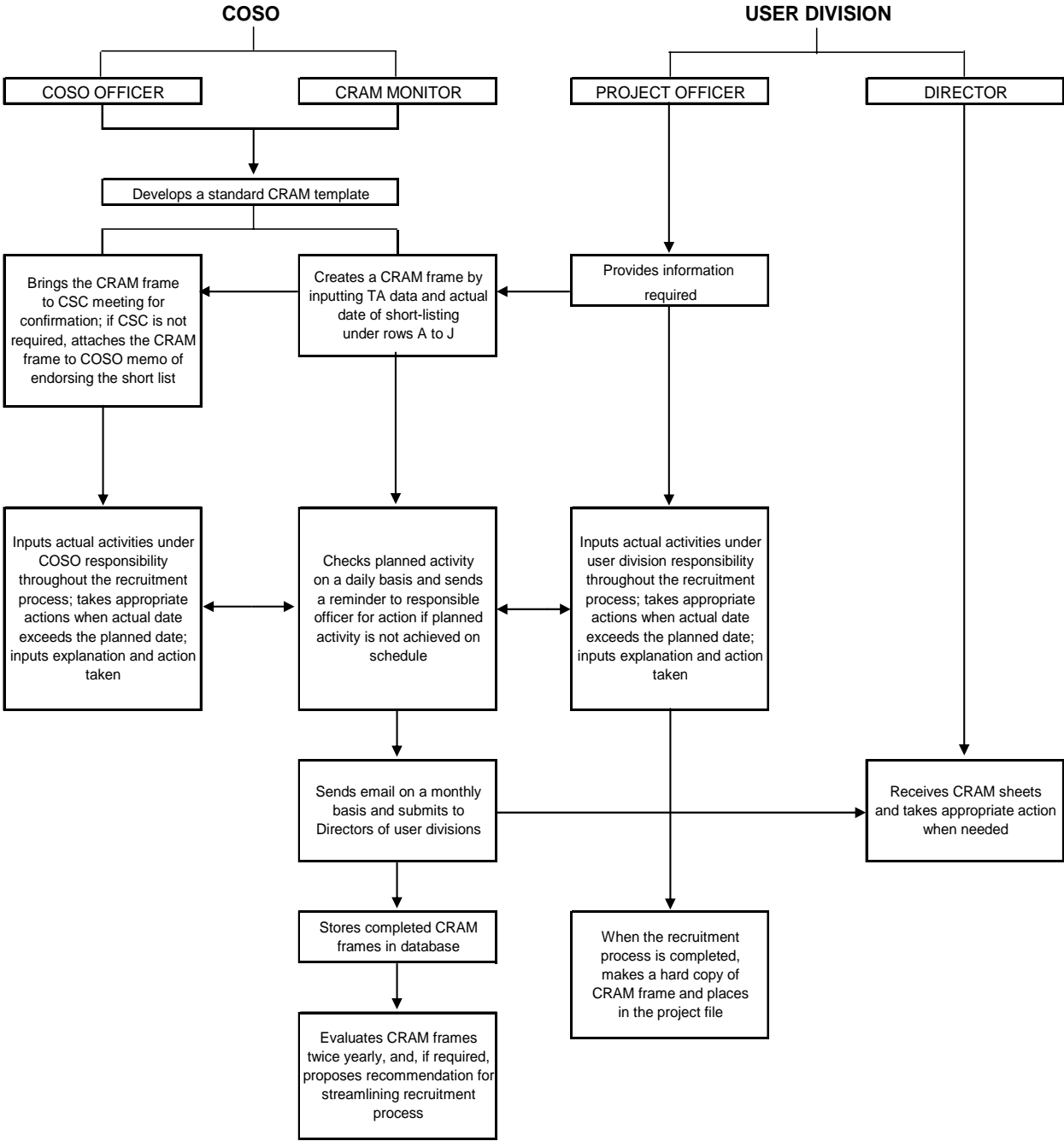
**RECRUITING CONSULTING FIRMS FOR TECHNICAL ASSISTANCE USING CQS  
(with maximum contract budget of \$200,000)**



### RECRUITING CONSULTING FIRMS FOR TECHNICAL ASSISTANCE USING SSS



**USING CRAM FOR TECHNICAL ASSISTANCE**



Consultant Recruitment Activity Monitoring (CRAM)			
A. TA No., Name and Title			
B. Contract Budget (US\$)	1,700,000		Package Number
C. Selection Method	QCBS		Financing:
D. Type of Technical Proposal	Full		
E. Executing Agency (EA)			
F. EA Contact Person			
G. User Division (UD)/Dept.			
H. ADB Project Officer	Initials:	Project Assistant:	
I. ADB COSO Officer	Initials:		
J. COSO Receipt of Shortlist from UD			Last edited by:

Activity	Responsible Staff	Norm Work Days	Planned			Actual			Deviation		Explanation and Action
			Dates	Cal. Days	Cum. Days	Achieved Date	Days	Cum. Days	Days	Cum. Days	
1	2	3	4	5	6	7	8	9	10	11	12
1		5									
2		1									
3		5									
4		3									
5		45									
6		10									
7		3									
8		1									
9		3									
10		5									
11		1									
12		10									
13		3									
14		2									
Total number of calendar days (CD)		97									

Notes:

- Activity Norms (column 3) are based on working days with the exception of activities 5 and 12 which are based on calendar days.
- The base date for planning and monitoring is the date of COSO receipt of shortlist from UD.
- Planned dates, days and cumulative days (columns 4, 5, and 6, respectively) are derived from the Norms and are computed as calendar days.
- Actual achieved dates (column 7) are inputted by the responsible UD/COSO officer, and Actual days and cumulative days (columns 8 and 9, respectively) are computed as calendar days.
- Deviations are computed in calendar days and cumulative calendar days (columns 10 and 11).
- For simplified technical proposal, norm for Activity 5 is 35 days (total 92 CD); for biodata technical proposal, norm is 21 days (total 78 CD).

**REQUEST FOR INFORMAL MEETING TO PREPARE THE SHORT LIST, REVIEW THE EVALUATION  
CRITERIA AND PREPARE REQUEST FOR PROPOSAL**

**(FOR ALL TAs USING CHECKLIST PROCEDURE)**

[date]

To: [name of director], Director, [COS1 or COS2]  
Through: [name of director], Director, [User division]  
From: *User Division Specialist, designation, User Division*  
Subject: **[TA No.-Country: Title]**  
- Request for Preparation of Short list, Review of Evaluation Criteria and  
Preparation of Request for Proposals Documentation

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1. In accordance with PAI 2.02D, we would like to request an informal meeting with COSO staff to draw up the short list and prepare the documentation for the Request for Proposals (RFP).
2. We have reviewed the documents attached below and found them to be in order
  - (i) Checklist with items 1 to 8 completed
  - (ii) CP/TA paper, including the TOR, cost estimates, and financing plan
  - (iii) Proposed short-listed firms/organizations
  - (iv) Refined long list of firms/organizations
  - (v) Short-listing criteria (narrative description of the basis for selecting firms for the short list)
  - (vi) Data Sheet for the RFP
  - (vii) Terms of reference for Consultants
  - (viii) Narrative Evaluation Criteria
  - (ix) Summary and Personnel Evaluation Sheets
3. We also confirm that none of the firms or their associates in the proposed short-list had contributed to the preparation of the terms of reference for the subject TA or any of our staff involved in the selection process was previously associated with any of the short-listed firms or their associates.

[date]

**TA No.-Country: Title**

1. Advance action?  Yes  No  
If yes, attach copy of approved memo.
2. CSRN in adb.org (minimum of 30 days)  Yes  No  
Date of CSRN: \_\_\_\_\_
3. Implementation Arrangements:
  - (i) Date of TA approval : \_\_\_\_\_
  - (ii) Executing Agency (EA) details  
Contact Person : \_\_\_\_\_  
Designation : \_\_\_\_\_  
EA Agency : \_\_\_\_\_  
Address : \_\_\_\_\_  
Phone/Fax/Email : \_\_\_\_\_
  - (iii) Source of Financing : \_\_\_\_\_
  - (iv) TA Amount : \_\_\_\_\_
  - (v) Selection Method:  FBS  LCS  QBS  QCBS
  - (vi) Quality-Cost Ratio (for QCBS:  80:20  70:30  90:10  
Justification required for quality-cost ratio of 70:30 or 90:10: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - (vii) Type of Proposal:  BTP  STP  FTP
  - (viii) Required inputs (in person-months): \_\_\_\_\_ International \_\_\_\_\_ National
4. Data Sheet of the Request for Proposal (RFP):
  - (i) Budget for consulting services: US\$ \_\_\_\_\_ Estimated  Maximum
  - (ii) Breakdown of provisional sums:
    - a) \_\_\_\_\_ US\$ \_\_\_\_\_
    - b) \_\_\_\_\_ US\$ \_\_\_\_\_
    - c) \_\_\_\_\_ US\$ \_\_\_\_\_
  - (iii) Contingency Amount: US\$ \_\_\_\_\_
  - (iv) Counterpart support and facilities to be provided by the EA:
    - a) \_\_\_\_\_
    - b) \_\_\_\_\_
    - c) \_\_\_\_\_

5. Approval of the Following Documents:

- |       |  |                          |     |                          |    |
|-------|--|--------------------------|-----|--------------------------|----|
| (i)   | Background Information and detailed Terms of Reference for Consultants | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| (ii)  | Narrative Evaluation Criteria  | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| (iii) | Summary Evaluation Sheet and Personnel Evaluation Sheets               | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |

6. The following short-listing criteria were adopted:

- a) \_\_\_\_\_  
 \_\_\_\_\_
- b) \_\_\_\_\_  
 \_\_\_\_\_
- c) \_\_\_\_\_  
 \_\_\_\_\_

7. Proposed Short list

	FIRM	Country of Incorporation	CMS No.
1.			
2.			
3.			
4.			
5.			
6.			

- (i) Six firms with wide geographic spread (no more than 2 firms from any 1 member country, and at least 1 firm from a developing member country).  Yes  No

Justification/s for proposed shortlist:

\_\_\_\_\_  
 \_\_\_\_\_

- (ii) Any of the shortlisted firms (including associated firms or JV partners) in ADB sanction list?  Yes  No
- (iii) PER of the firms in the refined long list checked? (Attached as Appendix 1)  Yes  No
- (iv) External ADB auditor included in the checklist? If Yes,  Yes  No

8. Checking of Conflict of Interest:

- (i) Conflict between consulting activities (1.11a)  Yes  No

- (ii) Conflict among consulting assignments (1.11b)  Yes  No
- (iii) Conflict with concerned COSO/User Division Specialists (1.11c)  Yes  No

If yes, state relationship & whether potential or actual conflict of interest exists.

\_\_\_\_\_

\_\_\_\_\_

9. CRAM sheet has been created?  Yes  No

10. User division should obtain the executing agency's (EA) agreement on the proposed short list and send a copy of the correspondence to COSO. The EA should respond within 5 working days. If no objection is received or the EA does not respond within this period, the user division will issue the RFP for contract budgets of \$600,000 or below and COSO for contract budgets above \$600,000. The short list should remain confidential until the RFP is issued. Consultants' inquiries relating to short-listing for contracts valued at \$600,000 or below should be referred to the user division and above \$600,000, to COSO.

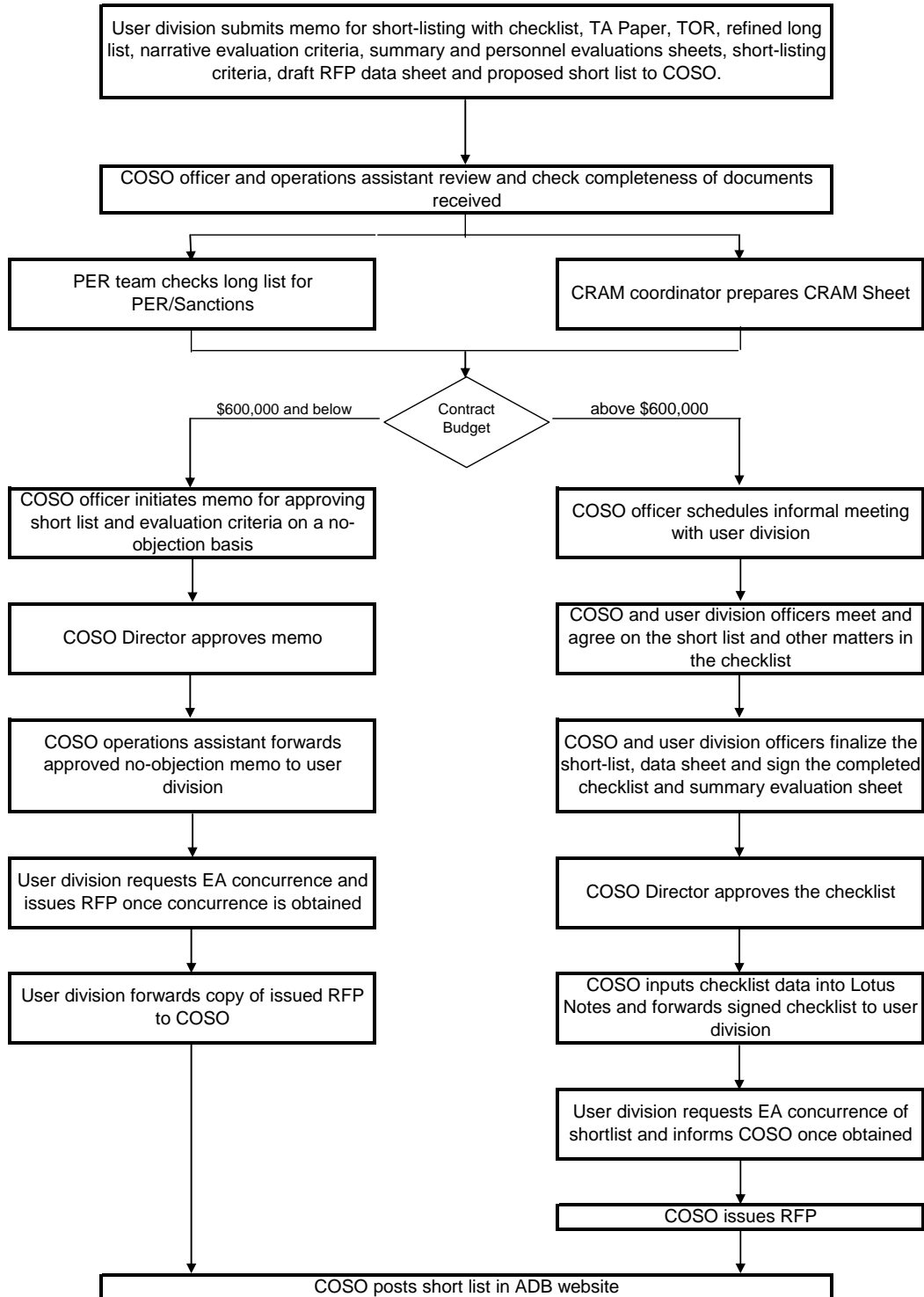
\_\_\_\_\_  
User Division Specialist  
Date

\_\_\_\_\_  
COSO Specialist  
Date

\_\_\_\_\_  
Director, COS1/COS2  
Date

Distribution:  
Director (User Division/RM) / (User Division Specialist)  
Monitoring & Statistics Unit (MSU)  
File II

**FLOWCHART FOR TA SHORTLISTING**





**CQS – TA Checklist**

[date]

**TA No./Title:**

1. Advance action?  Yes  No
- CSRN in adb.org (maximum of 30 days)  Yes  No
- Date of CSRN: \_\_\_\_\_

**2. Implementation Arrangements:**

- (i) Date of TA approval : \_\_\_\_\_
- (ii) Executing Agency (EA) details
- Contact Person : \_\_\_\_\_
- Designation : \_\_\_\_\_
- EA Agency : \_\_\_\_\_
- Address : \_\_\_\_\_
- Phone/Fax/Email : \_\_\_\_\_
- (iii) Source of Financing : \_\_\_\_\_
- (iv) TA Amount : \_\_\_\_\_
- (v) Required inputs (in person-months): \_\_\_\_\_ International \_\_\_\_\_ National

**3. Budget**

- (i) Budget for consulting services (not exceeding US\$200,000): US\$ \_\_\_\_\_
- Justification in special case where budget exceeds US\$200,000:
- \_\_\_\_\_
- \_\_\_\_\_
- (ii) Counterpart support and facilities to be provided by the EA:
- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_

4. **Background Information and detailed Terms of Reference for Consultants**  Yes  No

**5. Expression of Interest (EOI) evaluation criteria:**

Criteria	Weighting (%)	Narrative criteria attached Yes/No
Eligibility	Pass/Fail	
Management Competence <sup>1</sup>	X%	
Technical Competence	X%	
Geographical Competence	X%	
<b>Total</b>	100%	

<sup>1</sup> Including brief background & experience of senior management responsible for this assignment, and if applicable, the rationale for a proposed association/JV.

6. **Expression of Interest (EOI) template<sup>2</sup>:**  
Draft Attached  Yes  No
- (i) Any of the firms that submitted the EOI (including associated firms or joint venture partners) in ADB sanction list/T-list?  Yes  No
- (ii) PER of the firms checked in mainframe?  Yes  No
- (iii) Any of the firms (including associated firms or joint venture partners) in ADB PER-related Suspension list?  Yes  No
- (iv) External ADB auditor included in the checklist? **If Yes, please obtain clearance from OAGF before proceeding.**  Yes  No
7. **Draft advertisement (if TA advertised in country) Attached**  Yes  No
8. **COSO/User Division Specialists endorsed the evaluation criteria, EOI template and draft advertisement**  Yes  No

If "NO", state conditions for endorsement by ADB:

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\_\_\_\_\_  
*Signature and Date above Printed Name*  
User Division Specialist

\_\_\_\_\_  
*Signature and Date above Printed Name*  
COSO Specialist

\_\_\_\_\_  
Director, COS1/COS2

Distribution:  
Director (User Division/RM) / (User Division Specialist)  
Monitoring & Statistics Unit (MSU)  
File II

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<sup>2</sup> EOI standard template available at [www.adb.org/opportunities/business\\_opportunities/consulting\\_services/toolkits\\_and\\_templates\\_for\\_consultants](http://www.adb.org/opportunities/business_opportunities/consulting_services/toolkits_and_templates_for_consultants). This may be modified to match requirements.

