STAFF INSTRUCTIONS

ADB ADMINISTERED CONSULTING SERVICES
| **GLOSSARY** |
|---------------------------------|---------------------------------------------------------------------------------------------------------|
| ADB financing                    | Includes financing by loans, grants, technical assistance (TA) grants, or funds from external sources ADB administers, ADB’s internal administrative budget, and the capital expenditure budget. |
| Biodata technical proposal (BTP) | Is the basic type of technical proposal. Includes workplan and personnel schedule, CVs of proposed experts. It is default type of proposal for SSS and CQS selections. Most of technical evaluation scoring is attributed to evaluation of proposed experts. |
| Close relative                  | Close relatives are individuals defined in Administrative Order 2.01. |
| Conflict of Interest             | 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. |
| Consultant                      | is an individual or consulting firm (as defined below) that provides consulting services. |
| Consulting firm                 | Means 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, United Nations (UN) agencies and other multilateral organizations, universities, research institutions, Government agencies, civil society organizations (CSO) and non-governmental organizations (NGOs), when such entities provide consulting services. |
| Consultant selection committee (CSC) | Consultant selection committee (CSC) is convened to decide on consulting services matters, including evaluation of EOIs for high-value individual consulting selection and technical evaluation of proposals received from consulting firms in response to the RFP. |
| Consultant Management System (CMS)| The electronic procurement system used by ADB and its Borrowers to recruit consultants. |
| Consulting services that ADB administers | Refers to the consulting services financed by ADB’s internal administrative budget, capital budget, TA grant or other grant projects funded from special funds or trust funds, for which ADB selects and engages the consultants. ADB may also hire consultants funded by advance payment from prospective clients in its non-sovereign operations or following Public Private Partnership transaction advisory services mandate and similar arrangements. |
| Consulting services that executing agencies (EAs) administer | Refers to the consulting services provided under ADB’s loan projects, grant projects or delegated TA projects, for which the EA selects and engages the consultants. |
| Contingency                      | Budgeted amount included in the consulting contract to cover foreign exchange fluctuations and/ or additional/ unforeseen expenses under the contract. Release of contingency is subject to ADB approval. |

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1 Defined as exceeding $200,000.
<table>
<thead>
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<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Competitive component</td>
<td>Portion of the bid which includes Remuneration and out-of-pocket expenses.</td>
</tr>
<tr>
<td>Delegated Technical Assistance (TA)</td>
<td>Technical assistance project where implementation is fully, or partly delegated to the recipient. Refer to Recruiting Party.</td>
</tr>
<tr>
<td>Delegated loan recruitment</td>
<td>Under special circumstances, such as when the procurement capacity of the EA is lacking, the EA may request ADB to help recruit consultants. The terms of such delegation are agreed prior to the selection being carried out with a matrix of responsibilities for the stages of selection process clarified. ADB carries out the selection only up to contract preparation stage at which the EA takes over. ADB may assist the EA with preparing the draft contract.</td>
</tr>
<tr>
<td>EA</td>
<td>EA is identified in a financing agreement or TA agreement as the party responsible for the carrying out of a loan, grant or a TA grant-funded project. The term EA may be extended to include an implementing agency (IA) that the EA designates to implement the project and recruit consultants.</td>
</tr>
<tr>
<td>EOI</td>
<td>Expression of Interest submitted by Consultants in response to the publication of Request for EOI (REOI) through Consulting Services Recruitment Notice (CSRN).</td>
</tr>
<tr>
<td>Full technical proposal (FTP)</td>
<td>Technical proposal which is used for complex, high value assignments. Includes: Description of approach, methodology, workplan and personnel schedule, team composition, task assignments and CV summary, consultant’s organization and experience, comments and suggestions on the TOR, comments on the counterpart support and facilities, CVs of proposed key experts. Allows flexible reallocation of points between personnel evaluation and firm evaluation component.</td>
</tr>
<tr>
<td>ICS</td>
<td>Individual Consultant Selection.</td>
</tr>
<tr>
<td>International consultant</td>
<td>Consultant with international experience beyond that of the country in which the assignment is performed. A national of the country of the assignment may be considered as an International consultant, provided he/she demonstrates required international experience.</td>
</tr>
<tr>
<td>Long-term assignment</td>
<td>Long-term assignments are defined as follows: Assignments where the total initial assignment and extension is equal to or more than 12 person months if the contract defines inputs by person month, or 264 working days if the contract defines inputs by working day; for calculation, a person month is defined as 22 working days; and assignments through re- engagements that bring the total amount of inputs by the same consultant up to or more than the threshold as defined above during any 24-months.</td>
</tr>
<tr>
<td>National consultant</td>
<td>Consultant performing assignment in his/her own country. The expert’s role does not require international experience.</td>
</tr>
<tr>
<td>Non-competitive component</td>
<td>Portion of the bid which are not subject to competitive bid. Includes provisional sums and contingency allocated by ADB and listed in RFP data sheet.</td>
</tr>
<tr>
<td>OCB</td>
<td>Open Competitive Bidding</td>
</tr>
<tr>
<td>PER</td>
<td>Performance Evaluation Report is a system generated and user-filled report detailing consultant’s performance for a specific consulting assignment.</td>
</tr>
<tr>
<td>Project unit</td>
<td>Refers to the ADB project division, regional office or resident mission that supervises a project.</td>
</tr>
<tr>
<td><strong>Provisional sums</strong></td>
<td>Estimated budgeted amounts included in the contracts with consulting firms to cover expenditures associated with workshops, seminars, training, equipment purchase or lease. Not subject to competitive offer.</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
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<tr>
<td><strong>Recruiting party</strong></td>
<td>Refers to the party responsible for selecting and finally signing a contract with the consultant. ADB’s Procurement, Portfolio and Financial Management Department (PPFD) is the recruiting party for TA assignments (except for delegated TAs), staff consultancy assignments and assignments financed by grants administered by ADB. The EA or IA is the recruiting party for loan assignments, grant assignments administered by the EA and assignments for delegated TAs.</td>
</tr>
<tr>
<td><strong>REOI</strong></td>
<td>Request for Expression of Interest. Used interchangeably with CSRN.</td>
</tr>
<tr>
<td><strong>Remuneration matrix</strong></td>
<td>Market-based remuneration framework used to determine appropriate to source (international or national); level (based on complexity of the assignment and level of required supervision) and classification of the Individual consultant selection remuneration.</td>
</tr>
<tr>
<td><strong>Request for Proposal (RFP)</strong></td>
<td>The RFP is issued to shortlisted consulting entities. The RFP shall include Terms of Reference, Evaluation criteria, Eligibility Criteria, Instructions to Consultants, Data Sheet, Standard forms for Submitting Technical and Financial Proposals, standard form of contract. ADB issues RFPs electronically using Consultant Management System.</td>
</tr>
<tr>
<td><strong>Simplified technical proposal (STP)</strong></td>
<td>Technical proposal used for majority of consulting assignments requiring services of the consulting team. Includes: Description of approach, methodology, workplan and personnel schedule, team composition, task assignments and CV summary, CVs of proposed key experts. 70% of technical evaluation scoring is attributed to evaluation of proposed experts.</td>
</tr>
<tr>
<td><strong>Special Consultant Selection Committee (SCSC)</strong></td>
<td>Special Consultant Selection committee is convened to discuss potential “unsatisfactory” performance rating of the consultant.</td>
</tr>
<tr>
<td><strong>Spouse</strong></td>
<td>is (a) 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; (b) a person who is in a common law, de facto or spousal relationship with a staff member; or (c) a domestic partner, as recognized by ADB.</td>
</tr>
<tr>
<td><strong>Terms of reference (TOR)</strong></td>
<td>Is a document describing the purpose, objectives, scope of work, detailed tasks or specified outputs and reporting requirements which the consultant is expected to meet to complete the assignment for the benefit of the client.</td>
</tr>
<tr>
<td><strong>User unit</strong></td>
<td>means an ADB division, department, office, resident mission, regional office or representative office.</td>
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I. **PURPOSE**

1. These Staff Instructions establish procedures for the selection, contracting, and contract management of consulting firms and individual consultants for Asian Development Bank administered consulting services. These staff instructions are effective for Technical assistance projects with concept papers approved after 1 July 2017, the date on which the Procurement Policy came into force. PPFD and User department may agree to use these staff instructions for staff consulting and technical assistance with concept papers approved before 1 July 2017, otherwise Guidelines on Use of Consultants by ADB and Its Borrowers (2013) and PAI 2.01 to 2.07 shall be applicable.

2. Consulting Services that ADB administers refers to the consulting services financed by ADB's internal administrative budget, capital budget, TA grant or other grant projects funded from special funds or trust funds, for which ADB selects and engages the consultants. ADB may also hire consultants funded by advance payment from prospective clients in its non-sovereign operations or following Public Private Partnership transaction advisory services mandate.

3. A change in the TA scope or implementation arrangements and other matters related to TA implementation may be proposed following requirements in the project administration instruction on administering grant-financed TA projects (PAI 5.09).

II. **LEGAL ARRANGEMENTS FOR TAS**

4. TA letter of agreement or Transaction Advisory Services (TAS) Engagement Letter governs the legal relationships between the recipient and ADB, and the Procurement Policy (2017) apply to the recruitment of consultants as provided in the relevant agreement. The rights and obligations of ADB and the consultant are governed by the specific Request for Proposal issued by ADB and by the contract signed by ADB with the consultants, and not by the Policy, TA letter agreement or similar document.

III. **SCOPE**

5. This document outlines principles, policies, rules and procedures to be followed for

   (i) the preparation of consultancy assignments by ADB,
   (ii) the selection and contracting of consultants by ADB,
   (iii) the management of consulting contracts by ADB, and
   (iv) performance evaluation of consultants by ADB.

6. This document does not apply to

   (i) procurement of goods and related services;¹
   (ii) procurement of works;¹
   (iii) procurement of nonconsulting services;¹

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¹ Staff Instructions on Procurement of Goods, Works and Nonconsulting Services.
(iv) procurement of consultants by borrowers through delegated technical assistance or under projects financed in whole or in part by an investment loan or grant from ADB, or by ADB-administered funds;

(v) knowledge partnership arrangements; or

(vi) research grants.

7. Consulting services under ADB-administered technical assistance and staff consulting assignments are defined as those which are of an intellectual and advisory nature requiring evaluation of technical proposals that offer tailored approaches, methodologies, and specially qualified experts.

8. Examples of consulting services include policy and governance studies, advice on institutional reforms, engineering designs, construction supervision, legal advice, forensic 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.

IV. GOVERNING PRINCIPLES

A. Economy

9. The principle of economy means considering factors such as price, quality, and any nonprice attributes, as appropriate, without adversely affecting the viability of the project.

B. Efficiency

10. The principle of efficiency ensures that procurement processes are proportional to the value and risks of the required outcome and underlying project activities, considering implementation capacity, time constraints, and cost-effectiveness.

C. Fairness

11. The principle of fairness means:

   (i) equal opportunity for and treatment of eligible bidders;

   (ii) equitable distribution of rights and obligations between borrowers and bidders; and

   (iii) credible mechanisms for addressing procurement-related complaints and providing recourse.

12. ADB encourages open competition as the preferred procurement approach, whenever possible, to maximize fairness of the opportunity to bid.

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2 The term “borrower” is defined in para. 2 of the ADB procurement policy.
3 Staff Instructions on Borrower Administered Consulting Services.
5 Not yet drafted.
6 Policies and procedures to be followed for preparing, procuring, managing, and evaluating nonconsulting services are described in ADB’s Staff Instructions: Procurement of Goods, Works, and Nonconsulting Services.
D. Transparency

13. The principle of transparency means ensuring, through appropriate documentation and review of activities in the procurement process:

(i) relevant procurement information is made publicly available to interested parties, in a consistent and timely manner, through readily accessible and widely available sources at no (or reasonable) cost;
(ii) appropriate reporting of procurement activity; and
(iii) use of confidentiality provisions in contracts only where justified.

E. Quality

14. The principle of quality requires that the procurement arrangements are structured to procure inputs and deliver outputs of appropriate standard in a timely and effective manner to achieve the project outcomes and development objectives, considering the context, risk, value, and complexity of procurement. In Consulting services, procurement arrangements would include selection methods, type of contracts and arrangements for review of shortlisting and evaluation decisions.

F. Value for Money

15. The principle of value for money means that the Client seeks to obtain optimal benefits through effective, efficient, and economic use of resources by applying, as appropriate, the Core Procurement Principles and related considerations. Price alone may not sufficiently represent value for money.7

V. OTHER IMPORTANT CONSIDERATIONS

A. Eligibility

16. Unless the Board of Directors determines otherwise, a consulting firm or individual consultant must be from an ADB member country to be eligible for the award of a consulting service contract.

i. Eligibility Requirements for All Consultants

17. A consulting firm is from an ADB member country if it meets the following requirements:

(i) Corporations or companies must be incorporated in an ADB member country.
(ii) Partnerships that are not incorporated and have individual members must be duly registered in an ADB member country.
(iii) Universities, institutions, public sector organizations, civil society organizations (CSOs), non-governmental 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.).

18. An individual consultant is from an ADB member country if he/she is a citizen of an ADB member country.

19. A consulting firm or individual consultant sanctioned or temporarily suspended by ADB in accordance with ADB’s Anticorruption Policy (1998, as amended to date)⁸ and Integrity Principles and Guidelines (2015, as amended from time to time)⁹ shall be ineligible to participate in or be awarded an ADB-administered contract or to benefit from an ADB-administered contract, financially or otherwise, during the period determined by ADB.

ii. Government Organizations and Civil Servants

20. The following restrictions on Government organizations and employees apply to all assignments:

(i) 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/client. 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. PPFD has the authority to interpret this requirement and approve specific cases when sufficient justifications are provided by the user/project unit.

(ii) Current employee of an EA or IA for an ADB TA may not work as a consultant under ADB TA.

(iii) 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 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, 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.

iii. Former ADB Staff

21. Former ADB staff, advisers to executive directors, and former executive directors and alternate executive directors on the Board may not work as consultants for consulting services that ADB administers within 1 year of their effective termination date. Vice-presidents may not work as consultants for consulting services that ADB administers within 3 years of their effective termination date. The President may waive such requirements when ADB specifically requires a person’s services. Former ADB staff whose employment was terminated under Interest of Good Administration (IGA) provisions may be engaged by borrowers as loan consultants for ADB-financed projects, but they are ineligible for engagement by ADB.

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22. The Budget, Personnel, and Management Systems Department (BPMSD) clears proposals to engage former ADB staff for the first time as consultants 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 is proposed as an individual consultant for consulting services that ADB administers. The procedures to obtain clearance are as follows:

(i) If the former staff position was below director level, the User Unit refers the candidate’s name to the Director, HR Business Partners Division (BPHP), who checks that they had no performance, disciplinary or other related problem while working in ADB.

(ii) 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.

(iii) If the candidate was a director or alternate director on the Board, or a vice-president, the director of the User Unit, with adequate lead time, briefly justifies and recommends recruitment through: (a) the head of the User Unit or office, (b) the Director General, BPMSD, and (c) the vice-president/managing director general, as applicable, to the President for approval. A copy of the recommendation goes to the Secretary, Office of the Secretary (SEC).

23. 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. The committee shall comprise the Director General, BPMSD as chairperson, the head of the user department or office, and the head of another department or office as an independent member. The Director, BPHP acts as the secretary for the committee. The committee considers all factors, including:

(i) the former staff member’s ADB records with respect to any performance, disciplinary, or related problems;
(ii) the proposed scope of work;
(iii) the expertise required and whether other candidates are equally qualified;
(iv) the extent to which the staff member was associated with the proposed work;
(v) the extent to which the staff’s previous work or his/her former subordinates’ work relates to the proposed work; and
(vi) the risk that the engagement might involve, or be seen to involve, favoritism or conflict of interest.

iv. Spouses of ADB Staff

24. ADB staff spouses applying to work for consulting services that ADB administers will be subject to the conditions below.

25. Spouses of the President, Vice-Presidents, the Managing Director General and Heads of Departments/Offices are restricted from working as a consultant for consulting services that ADB administers. The head of the User Unit 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. If the candidate is the current President’s spouse, the ranking Vice-President may approve the recruitment.
26. The recruitment process for an ADB staff's spouse shall include due diligence to determine whether or not an actual or potential 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.

27. 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. The Director General of Procurement, Portfolio and Financial Management Department (PPFD) will decide if the recruitment may proceed.

28. Staff must not promote their spouses' interests. Staff should not communicate with prospective user departments for engaging their spouses as consultants. Doing so may result in disciplinary measures.

29. Spouses who are interested in individual consulting assignments should register in the CMS. Spouses interested in working for consulting firms or organizations as team members should contact those consulting firms or organizations directly.

30. 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 the assignment will not create any actual, potential or perceived conflict of interest.

31. Single source selection of a spouse for an individual consulting assignment is discouraged. When a single source selection 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 the consulting services recruitment notice (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 single source selection.

32. The Director, BPHP, clears the initial engagement of spouses, similar to the engagement of former bank staff.

33. ADB does not provide spouses working on individual 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.
v. Other Relatives of Current ADB Staff

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

B. Mitigation of Unfair Competitive Advantage

35. Fairness and transparency in the recruitment process require that consulting firms or individual consultants competing for a specific assignment do not derive a competitive advantage from having provided consulting services related to the assignment in question. To that end, ADB shall make available to all the shortlisted consultants together with the RFP the information that would in that respect give a consulting firm or an individual consultant a competitive advantage. It is the responsibility of the consultant which may have the unfair competitive advantage to provide such information to ADB, unless such information is already publicly available, otherwise that consultant may be excluded from the competition.

C. Conflict of Interest

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

37. 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 guidelines, if appropriately addressed or mitigated.

38. Consulting firms and individual consultants are required to disclose all conflicts of interest during the bid submission. ADB will take appropriate actions to manage 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.

39. It is a requirement that consulting firms and individual consultants who are involved in the procurement process for an ADB-financed 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.

40. Cases of potential conflict of interest must be identified as soon as possible, preferably at pre-shortlisting stage, and the potential for the conflict of interest should be resolved or adequately mitigated. If it cannot be established that there is no conflict of interest or cannot be adequately mitigated, the consultant shall be excluded from consideration for the assignment. In case of doubt, User Units shall seek advice from PPFD and the Office of Anticorruption and Integrity (OAI).

41. Conflict of Interest must also be addressed by the Consultant Selection Committee (CSC). No member of the CSC must have any personal interest in the outcome of the evaluation or else be in a position where his or her judgment in the evaluation may be biased. If a member of the evaluation committee does have a conflict of interest he or she should not act on the committee.
If the member of the evaluation committee has a query as to whether a certain fact needs to be declared, he or she should contact PPFD immediately and PPFD will decide.

D.  Integrity Violations

42.  ADB’s Anticorruption Policy (1998, as amended to date) and ADB’s Integrity Principles and Guidelines (2015, as amended from time to time) requires that consultants under ADB-financed contracts, observe the highest standard of ethics during the selection process and in execution of such contracts. In pursuance of this policy, in the context of these Guidelines, ADB defines, for the purposes of this provision, the terms set forth below as follows:

(i)  “corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;
(ii) “fraudulent practice” means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
(iii) “coercive practice” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
(iv) “collusive practice” means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
(v)  “obstructive practice” means (a) deliberately destroying, falsifying, altering or concealing of evidence material to an ADB investigation; (b) making false statements to investigators in order to materially impede an ADB investigation; (c) failing to comply with requests to provide information, documents or records in connection with an OAI investigation; (d) threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or (e) materially impeding ADB’s contractual rights of audit or access to information;
(vi) “integrity violation” is any act which violates ADB’s Anticorruption Policy (1998, as amended to date), including (i) to (v) above and the following: abuse, conflict of interest, violation of ADB sanctions, retaliation against whistleblowers or witnesses, and other violations of ADB’s Anticorruption Policy, including failure to adhere to the highest ethical standard.

43.  ADB will

(i)  reject a proposal for an award if it determines that the consultant recommended for the award has directly, or through an agent, engaged in integrity violation in competing for the contract in question;
(ii) sanction a firm or individual, at any time, 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), including declaring ineligible, either indefinitely or for a stated period of time, such consulting firm, individual, or successor from participation in ADB-financed or ADB-administered activities or to benefit from an ADB-financed, ADB-administered contract or ADB-supported contract, financially or otherwise, if it at any time determines that the firm or individual has, directly or through an agent, engaged in integrity violation; and
(iii) require that a provision be included requiring consultants to permit ADB or its representative to inspect their accounts and records and other documents relating
to consultant selection and to the performance of the contract and to have them audited by auditors appointed by ADB.

E. Sanctions

44. A firm or individual, sanctioned or temporarily suspended by ADB in accordance with ADB’s Prohibited Practices or ADB’s Anticorruption Policy (1998, as amended to date) and Integrity Principles and Guidelines (2015, as amended from time to time), shall be ineligible to be awarded an ADB-financed, ADB-administered or ADB-supported contract or to benefit from an ADB-financed, ADB-administered or ADB-supported contract, financially or otherwise, during the period of time determined by ADB.

VI. PREPARATION OF CONSULTING PACKAGE

45. The main objective when selecting consultants should be ensuring that the consultant finally selected can execute the assignment efficiently and with high standards of performance.

A. Establish the Need for a Consultant

46. The need for consulting expertise must be clearly identified. Under staff consultancy budget, ADB needs to address the following questions:

(i) Does the necessary expertise exist in-house? If yes, why can it not be used or accessed?
(ii) If the expertise is required to supplement ADB’s staff skills-mix, is this requirement temporary?
(iii) Is the expertise necessary in the short-term?
(iv) Is it advantageous in terms of cost, time, or quality, to use a consultant rather than ADB staff?

47. Under technical assistance, similar questions need to be addressed:

(i) Does the necessary expertise exist within the executing agency/recipient of the technical assistance? If yes, what prevents the executing agency from accessing it?
(ii) What expertise exists locally and what expertise is sought from outside the country?
(iii) Does the scope of the assignment include training, capacity development, or technology transfer to the staff of the executing agent?

B. Defining the Assignment

48. This process includes drafting preliminary/outline terms of reference (TOR) which will be used for advertising the opportunity and testing the market, establishing potential sources of consulting expertise and estimating the cost of the contracts based on the market analysis, estimated inputs, and out-of-pocket expenses.
C. Terms of Reference

49. Quality of the Terms of Reference is essential in consultant recruitment and sound contract management. The TOR needs to describe the purpose of the consulting assignment, its overall objectives, and the desired outputs/deliverables.

50. Terms of Reference have several purposes:

(i) At the Expression of Interest stage, the TOR refers to the purpose and objectives of the assignment and the proposed means to achieve them.
(ii) At the RFP stage, the TOR states what is required from the Consulting firm, allowing clear, complete and comparable evaluation of proposals.
(iii) At contracting stage, the TOR forms the main contractual basis for the assignment. It is essential that it is drafted as clearly and unambiguously as possible.
(iv) At performance evaluation stage, it provides benchmarks for evaluation of contractual performance.

51. The scope of the assignment shall be consistent with the allocated budget for the assignment.

52. The possibility of reasonably foreseeable or planned consideration for downstream assignments or extensions of scope of the assignment should be clearly stated in the TOR, Consulting Services Recruitment Notice (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.

53. There are essentially two types of TOR used by ADB:

<table>
<thead>
<tr>
<th>Performance TOR / Output-based TOR</th>
<th>Time and Input-based (or conformance) TOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>This type of TOR 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. Performance TORs focus primarily, if not strictly, on the description of the outputs of an assignment with little, if any, pre-defined input requirements. In this manner, shortlisted consultants are free to 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. Such TORs often use simplified or full technical proposals for selection. Performance TORs are best suited for assignments where</td>
<td>These are applicable when ADB is able to define precisely the nature of the assignment and the expected deliverables. ADB provides the detailed breakdown of inputs—the nature and number of experts required and the person-month allocation for each. They should be used only 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. Such TORs often use biodata or simplified technical proposals for selection. They may also be used for individual consultant selection.</td>
</tr>
</tbody>
</table>

10 See https://www.adb.org/site/business-opportunities/operational-procurement/consulting/documents#loans for narrative and summary templates for biodata, simplified, and full technical proposals.
<table>
<thead>
<tr>
<th>Performance TOR / Output-based TOR</th>
<th>Time and Input-based (or conformance) TOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) the desired outputs are clear and well-defined;</td>
<td></td>
</tr>
<tr>
<td>(ii) 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; or</td>
<td></td>
</tr>
<tr>
<td>(iii) the assignment is in a sector or field where ADB has limited in-house expertise, and the ADB wishes to consider the broadest possible choice of approaches and methodologies to achieve a project’s objectives</td>
<td></td>
</tr>
</tbody>
</table>

54. A typical TOR includes:

(i) purpose of the assignment (refer to fitness for purpose);
(ii) project background linking the purpose of the assignment to the overall desired outcome of the project, setting the stage for necessary collaboration/coordination and inputs from other parties (including, but not limited to ADB and the executing agency staff). Information available for review, including previously prepared reports is referenced;
(iii) objectives of the assignment (and how they relate and contribute to the overall project objectives);
(iv) scope of services;
(v) duration and location(s) of the assignment;
(vi) detailed outputs of the assignment (including time schedule, including key dates for deliverables and applicable quality standards, where relevant);
(vii) key timelines or milestones, and reporting requirements;
(viii) preliminary team composition and qualification requirements for key experts, to be replaced with team composition and qualification requirements for key experts as accepted by the client prior to contract award;
(ix) for output-based contracts: estimated inputs to deliver the required outputs of the assignment, when such estimation is possible. The estimate shall be based on the “best in class” consulting expertise being accessed, rather than “average”. This is especially necessary if consultants are to be given the opportunity to propose substantially different ways of achieving the outputs, rather than simply following a personnel schedule defined by ADB staff;
(x) for input-based contracts: required inputs; or
(x) counterpart support, personnel, and facilities to be provided by ADB and the executing agency (if any).

55. The TOR can be amended prior to issuance of the request for proposals (RFP) based on the feedback received from the consultants expressing interest in the assignment. Consultants are given the opportunity to comment on the adequacy of the TOR and cost estimates at the
expression of interest (EOI) stage. ADB staff involved in the shortlisting are encouraged to analyze such feedback to determine if changes are warranted.

56. The TOR can also be amended during the RFP stage following the clarifications stage, which may have given rise to the need to clarify/amend the TOR.

57. The TOR may also be revised to consider value adding propositions based on the winning proposal. Finally, the TOR may be amended during the implementation of the project (upon agreement of ADB and the Consultant).

D. Defining the Source of the Consulting Expertise

58. Generally, it is clear whether the consulting expertise is sought from a consulting firm or an individual consultant. If the User Unit is uncertain whether the expertise can be obtained from an individual or requires team effort, the User Unit is advised to advertise the opportunity simultaneously as “individual” and “firm” selection and cross-reference the CSRNs to each other. Attention in this case shall be paid to the assessment of feedback to EOI questions on adequacy of the TOR and the budget. Once source of the consulting expertise is certain, the other selection shall be cancelled.

59. In cases where team work is required to successfully complete the assignment, it is best to consider engaging a team of experts following the consulting firm selection procedures. Consulting firms should be used when multi-disciplinary teams are required, along with research capacity and in-house facilities for modelling, data collection, quality assurance, design and engineering capacities. Firms should also be used when the task at hand requires flexibility, innovation, variability in assignments and workloads over the life of the assignment. Recruitment of a consulting firm is also recommended when procurement of the equipment, subcontracting or logistical arrangements, organizing workshops, seminars, and similar events associated with handling of financial resources peripheral to the consulting assignment is considered. Adequate provision of the inputs required by the firm to handle such arrangements—including, but not limited to, insurance and advance payment arrangements—need to be stipulated under the implementation arrangements.

60. Individual consultant recruitment should only be undertaken if this approach is the most effective and efficient way in which an assignment can be undertaken. Engaging more than five individual consultants under a single project for assignments, rather than recruiting a team of experts through a consulting firm, is discouraged because of the potential difficulties in supervision and administration. The engagement of more than five individual consultants will only be permissible where it can be demonstrated that the benefits outweigh the allocation of additional resources for recruitment, contracting, disbursement, coordination, and management of such individual consultants. Subcontracting beyond simple administrative support or research assistance by individual consultants shall not be allowed.

E. National versus International Sourcing of Consulting Expertise

61. ADB staff shall consider requirements of the assignment vis-à-vis availability of local consulting expertise. Assignment shall be categorized as international if more exposure to international context and best practices is desirable or when the expertise is clearly not available from the local market. Cost shall not be the only driving consideration in determining whether the source of the consulting expertise can be national or international. Nationals of ADB member countries that legally reside in the country of the assignment but do not hold such country’s
nationality may be considered for assignments initially categorized as national, if they express interest in such assignments and are qualified to undertake them.

F. Cost Estimates

62. Adequate cost estimates shall be established prior to starting the consulting engagement process, using as inputs the type of consulting expertise (individual or firm); source of consulting expertise (national or international); duration of the assignment; estimated time inputs to deliver the outputs; and associated out-of-pocket expenses (including, but not limited to, per diem, travel expenses, insurance, office operations, communications, and security arrangements, if applicable). ADB’s Consultant Management System (CMS) has an in-built facility to generate cost estimates based on the estimates and sourcing of inputs. ADB staff are encouraged to review such cost estimates and make sure that they are consistent with their knowledge of the consulting market and the available budget.

63. 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/assets.

64. Cost estimates shall include contingency (generally around 5%), unless the assignment duration is very short.

65. Cost estimate categories (competitive component and noncompetitive component, including provisional sums and contingency) are disclosed through CSRN. Consultants are encouraged to provide feedback through the EOI, which requests their comments on adequacy of the TOR vis-à-vis allocated budget for the assignment.

66. 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.

67. Published cost estimates 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.

68. Cost estimates for consulting assignments administered by ADB do not include taxes. 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.
VII. SELECTION METHODS

69. Consulting service selections aim to achieve value for money through the best combination of quality and price appropriate to the service in question. This is normally achieved through open competition among shortlisted firms in which the selection is based on the quality of the proposal and, as appropriate, on the cost of the services to be provided, or among qualified individual consultants.

A. Consulting Firms

70. The table below summarizes selection methods applicable to consulting firms. Limited Competitive Bidding (LCB) which excludes advertisement stage can be applicable for competitive selection of consulting firms as a call-off to the Framework Agreement or in exceptional circumstances (e.g. confidentiality).

<table>
<thead>
<tr>
<th>Selection Method</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality- and cost-based selection (QCBS)</td>
<td>Evaluated based on the quality of the proposal and cost of the services. The winning firm demonstrates the best combination of quality and cost based on a predetermined quality:cost ratio (i.e., 90:10, 80:20; 70:30, 50:50).</td>
</tr>
<tr>
<td>Quality-based selection (QBS)</td>
<td>Evaluated based on the quality of the technical proposals. Financial proposal of the firm with highest technical score is subsequently negotiated.</td>
</tr>
<tr>
<td>Fixed budget selection (FBS)</td>
<td>Firm with the highest technical score wins the contract provided that its financial proposal is within the specified budget.</td>
</tr>
<tr>
<td>Least-cost selection (LCS)</td>
<td>Firms evaluated for technical qualification. The qualified firm with the lowest price wins the contract.</td>
</tr>
<tr>
<td>Consultants’ qualifications selection (CQS)</td>
<td>Evaluated based on consulting firms’ qualifications, reflected in amplified expressions of interest submitted by firms in response to CSRN. The firm is required to submit technical and financial proposal</td>
</tr>
<tr>
<td>Single source selection (SSS)</td>
<td>Non-competitive selection (also known as Direct Contracting). Unique qualifications of the firm need to be established first. The firm is required to submit combined technical and financial proposal. Negotiations require substantiation of billing rates</td>
</tr>
</tbody>
</table>


71. Quality is the primary consideration for consulting services. The nature of the services to be provided and the degree of intellectual input needed will dictate the level of quality required versus the cost during the evaluation process. In planning the consulting services packages, the User Unit in consultation with PPFD needs to determine the best selection method in the planning stage, based on the draft TOR, budget availability, and anticipated selection and implementation timelines.

72. A change in selection method may be justified after the project is approved. Change to QCBS from another selection method does not require approval. Any other changes require approval of the relevant PPFD Director. Change of selection method is processed outside CMS through memorandum or email communication detailing background information, the recommendation and justification. The User Unit needs to attach scanned copy of approved memorandum to CMS.
The User Unit may choose one of the following selection methods for a consulting assignment:

i. **Quality and Cost-Based Selection (QCBS)**

QCBS uses a competitive process among short-listed firms that evaluates proposals on the basis of the quality of the proposal and cost of the services.

QCBS is the most appropriate selection method when the TOR requires team work and contains specific requirements with respect to team composition, detailed tasks and reporting. For QCBS to be effective, TORs should be of high quality and specific. QCBS is the preferred method for selecting consultants for ADB financed projects.

Normally under QCBS, technical proposals are assigned a weight of 80%, while financial or cost proposals are assigned 20%. The weight for “cost” shall be chosen taking into account the complexity of the assignment and the relative importance of quality.

The User Unit may also opt for one of three alternative weightings:

(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 technical proposal may be weighted at 90%, and the financial proposal at 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 technical proposal may be weighted at 70%, and the financial proposal at 30%.

(iii) For audit, procurement agent and inspection agents, the technical proposal may be weighted at 50%, and the financial proposal at 50%.

ii. **Quality-Based Selection (QBS)**

QBS is a selection method based on the evaluation of the quality of the technical proposals, and the subsequent negotiation of the financial proposal and the contract with the consultant that submits the highest ranked technical proposal.

QBS is the appropriate selection method for

(i) complex or highly specialized assignments for which it is difficult to precisely define the scope of work in the TOR and the required consulting inputs, and for which the ADB expects the consultants to submit innovative proposals (for example, country economic or sector studies, multisectoral feasibility studies, design of a hazardous waste remediation plant or of an urban master plan, or financial sector reforms);

(ii) assignments with high downstream impact (for example, feasibility and structural engineering design of major infrastructures such as large dams, policy studies of national significance, and management studies of large Government agencies); or

(iii) assignments that can be carried out very differently, making it difficult to evaluate proposals (for example, management advice, and sector and policy analysis).
iii. **Fixed-Budget Selection (FBS)**

80. FBS is a selection method that evaluates the quality of technical proposals, provided that the costs of service are within a specified budget.

81. FBS is the appropriate selection method 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.

iv. **Least-Cost Selection (LCS)**

82. LCS is a selection method that initially determines if the technical proposals of the shortlisted firms are technically qualified, followed by the selection of the firm proposing the lowest price.

83. LCS is the most appropriate selection method for small (generally less than $100,000) and well-defined standard assignments (for example, audits and simple surveys), where well-established practices and standards exist.

v. **Consultants’ Qualifications Selection (CQS)**

84. CQS is a selection method based on consulting firms’ qualifications, reflected in the Expressions of Interest (EOIs) submitted by firms in response to the ADB’s advertisement.

85. CQS may be used for small assignments (usually 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.

vi. **Single-Source Selection (SSS)**

86. In special circumstances, and only if fit for purpose and justified by value for money considerations, direct contracting (also referred to as single source selection or SSS) may be considered:

   (i) for very small assignments\(^\text{11}\)
   (ii) when only one consultant is qualified or has experience of exceptional worth for the relevant assignment;
   (iii) when the relevant consulting service tasks represent a natural continuation of previous work carried out by the consultant, provided such continuity in

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\(^{11}\) Dollar thresholds defining “very small” shall be determined in each case, taking into account the nature and complexity of the assignment, but shall not exceed $100,000.
downstream work is considered essential and offers a clear advantage over renewed competition;

(iv) additional services not included in the original contract have, through unforeseen circumstances, become necessary for the performance of the services, on condition that those additional services cannot be technically or economically separated from the original contract without major inconvenience to the ADB client(s) for which the technical assistance is implemented, or

(v) in exceptional circumstances, such as in response to disasters when immediate or urgently required consultant mobilization is necessary.

87. ADB staff must ensure absence of potential or perceived conflict of interest, fairness and transparency. Firms selected through the use of SSS will normally be required to submit a biodata technical proposal to ensure that adequate information is provided to ADB in relation to the staffing schedule and the profile of proposed experts, upon which the financial aspects of the contract can be accurately negotiated.

88. When a User Unit proposes that ADB use SSS to select a firm for an assignment under a TA or Staff Consultancy, it should provide adequate justification to PPFD.

89. The TA report shall specifically state the name of the firm and justifications for non-competitive selection.

B. Individual Consultants

90. The recruitment of individual consultants may be conducted through open, limited, or direct contracting. Individual consultant recruitment should only be undertaken if this approach is the most effective and efficient way in which an assignment can be delivered. Engaging more than five individual consultants under a single project for assignments, rather than recruiting a team of experts through a consulting firm, is strongly discouraged due to high administrative cost of supervision and administration. The engagement of more than five individual consultants will only be permissible where it can be demonstrated that the benefits outweigh the allocation of additional resources for recruitment, contracting, disbursement, coordination, and management of such individual consultants. Hiring of individual consultants is undertaken on assignments for which: (a) teams of experts are not required, (b) no additional outside (home office) professional support is required, and (c) the experience and qualifications of the individual are the paramount requirement. When coordination, administration, or collective responsibility may become difficult because of the number of individuals, it is advisable to engage a firm.

91. The hiring of individual consultants is a competitive process that considers the individual’s qualifications and experience for the specific service required. Appendix 3 provides information relating to determination of remuneration matrix for International Individual Consultants. The assignment (request for EOI) must be advertised in CSRN for a minimum of seven (7) calendar days, however this may be waived for small individual consultant assignments if the total input of the assignment is three (3) months, sixty-six (66) working days,\textsuperscript{12} or less and the job level is below international level 6.\textsuperscript{13} However, if a former ADB staff or ADB spouse is a potential candidate, advertising is mandatory regardless of the assignment length and job level.

\textsuperscript{12} If the engagement is likely to be extended beyond 66 working days, the assignment is advertised.

\textsuperscript{13} Refer to Appendix 3.
92. Individual consultants are selected through a comparison of qualifications of qualified candidates among those who have provided EOIs in the assignment or have been approached directly by the ADB.

93. Individual consultants may be selected on the basis of SSS with due justification in exceptional cases such as: (a) tasks that are a continuation of previous work that the consultant has carried out and for which the consultant was selected competitively; (b) emergency situations; and (c) when the individual has experience of exceptional worth for the assignment.

94. If a qualified individual consultant is unavailable or cannot sign a contract directly with ADB due to a prior agreement with a firm, the firm can be invited to provide a qualified individual consultant for the assignment.

C. Resource Persons

95. Resource Persons are engaged to act as facilitators, speakers, panelists, peer reviewers. Resource Persons may also be engaged in a response to a natural disaster emergency when extreme situations demand immediate mobilization of expert for a rapid assessment or a short-term advisors for policy based dialogue in preparation of policy-based loans. Resource Persons often have distinguished academic and/or professional background. They are engaged for short assignments, normally not exceeding 15 days. No extension of a Resource Person assignment is permitted. If the services of the person are required above time threshold for engagement of Resource Person, such engagement shall be processed using standard Individual Consultant Selection procedures.

96. Instead of a consulting fee, Resource Persons receive a reasonable range of honorarium. Honorarium offered in Resource Person contract cannot be used as a rate substantiation for future ADB consulting engagements. ADB may also provide out-of-pocket expenses to cover reasonable expenses related to the assignment. Directly engaged Resource Persons are covered by insurance for the duration of the assignment. CMS automatically calculates such insurance premium and arranges transfer of funds to the insurance provider.

97. The engagement of Resource Persons is approved by User Division Director. For engagements of Resource Persons with honorarium exceeding specified in OpsPedia ceiling, Director, PFP1 or PFP2 approval is required. If honorarium is up to specified ceiling, PPFD is not involved in engagement of Resource Persons.

98. Contracting of Resource Person is effective once Resource Person concurs with ADB offer letter. The contracting of Resource Persons does not require the issuance of a Notice to Proceed.
VIII. CONTRACTING METHODS

A. Contract Types

99. There are different contracting options available for the selection methods summarized above, including time-based, lump sum, framework, retainer/contingency fee, and performance-based contracts. ADB selects the most appropriate form of contract to be used, based on the specifics of an assignment. Selection of the proper form of contract must consider factors such as:

(i) nature and duration of the assignment,
(ii) the extent to which the nature and quality of outputs can be clearly defined and quantified,
(iii) distribution of risks between the parties, and
(iv) the need for providing types of incentives or penalties for issues such as performance quality or timeliness of deliverables.

100. The table below provides brief information on types of contracts:

<table>
<thead>
<tr>
<th>Contract type</th>
<th>Payments made on the basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time-based (also known as input-based)</td>
<td>Time inputs spent and authorized under the contract for personnel named in the contract. Eligible out-of-pocket expenses are listed in the contract</td>
</tr>
<tr>
<td>Lump sum (also known as output-based)</td>
<td>Outputs/deliverables delivered and accepted</td>
</tr>
<tr>
<td>Fixed rate</td>
<td>Consultant is paid fixed rate per unit of output delivered</td>
</tr>
<tr>
<td>Framework ¹⁴</td>
<td>Framework agreement conditions.</td>
</tr>
<tr>
<td>Retainer/contingency fee</td>
<td>The remuneration includes a retainer and a success fee. Used for executive search or similar assignments</td>
</tr>
<tr>
<td>Performance based contracts</td>
<td>Payments are triggered on achievement of selected milestones signifying that certain project deliverables have been completed or achieved. Contract milestones need to be clearly specified, sufficient in number to enable effective monitoring and verifiable. It is possible to structure the contract as “hybrid” where only a portion of remuneration is “at risk” and paid at achievement of specific milestones.</td>
</tr>
</tbody>
</table>


IX. PROCUREMENT PROCEDURES

A. Firms

i. Advertisement

101. All OCB consulting assignments for firms administered by ADB for which international advertising is suitable or required must be publicly advertised on ADB’s CMS using the CSRN, except in exceptional circumstances with strong justification (e.g. the selection requires confidential services, the scope of which cannot be openly disclosed). At least 15 days advertisement is recommended, which may be extended if no adequate EOIs are received or major revisions of the TOR and/or cost estimates are required. It is possible to edit the CSRN with changes made to the TOR, budget, sourcing, selection method and deadline for submission of EOIs. All consultants who submitted EOIs electronically prior to the change of the TOR/cost estimates, or extension of the duration of the advertisement, are automatically notified that the notice was changed, providing consultants the option to edit, modify or withdraw previously submitted EOI. Further, CSRN provides a summary of changes made to the notice since it was published.

ii. Requests for Expressions of Interest

102. Prequalification (shortlisting) is required for all OCB consulting recruitments. 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 ground for disqualifying the EOI.

iii. Shortlisting

103. The User Unit that posted an advertisement using CSRN will conduct shortlisting, applying shortlisting criteria, including but not limited to qualifications of the consultants, project-related experience, past performance records, and other relevant factors. The number of shortlisted entities shall be sufficient to create adequate competition considering the complexity of the assignment, allocated budget, and potential considerations for downstream assignments.

104. If the consultants are expected to conduct the assignment in an ADB member country for the benefit of an ADB client(s) that extends immunities and privileges accorded to ADB experts, it is expected that the proposed shortlist will be submitted to the client Government agency(ies) for no-objection. If the client Government objects to inclusion of any of the consultants in the shortlist, such objection shall be supported by adequate documentation.

105. Shortlists of consulting entities to whom an RFP was issued is disclosed on www.adb.org through CMS.

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15 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” (Selection Title and “other information” can be used to tag the selection as cancelled.

16 A minimum of two shortlisted firms for very small assignments.

17 Framework agreements may include up to 12 firms, allowing call-offs to up to 6 firms.
iv. Request for Proposals

106. ADB-administered consulting selections are required to be conducted on CMS. Adequate guidance on use of the system is provided through the ADB CMS Tutor site.

107. The shortlisted firms 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 and financial proposals, receiving and opening proposals, handling incomplete proposals, and evaluating and ranking proposals.

108. The User Unit prepares the specific RFP for the selection by using the standard electronic RFP, unless specific requirements (such as confidentiality or unique nature of the assignment which renders use of standard RFP inadequate) warrant otherwise.

109. 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.

➢ Types of Technical Proposals

110. Depending on the TOR and the cost estimates, the EA may use one of the three types of technical proposals listed below to select consulting firms. The Project Unit, after consulting PPFD, may propose any type of technical proposal provided it is fully justified.

a) Full Technical Proposals (FTP)

111. FTP is the default type of proposal for an assignment with a complex TOR.

112. The shortlisted firms are normally given 45 days to prepare FTPs. When recruiting through an e-procurement system the FTP preparation period may be reduced to a minimum of 35 days.

113. The following information needs to be provided as part of the FTP:

(i) description of the approach, methodology, and work plan for performing the assignment;
(ii) team composition, task assignments, and CV summary;
(iii) work schedule;
(iv) personnel schedule;
(v) CV of proposed experts;
(vi) consultant's organization and experience;
(vii) comments or suggestions on the TOR; and
(viii) comments on EA counterpart staff and facilities.

b) Simplified Technical Proposals (STP)

114. STP is the default type of proposal for an assignment with a well-defined TOR.

115. The shortlisted firms are normally given 35 days to prepare STPs. When recruiting through an e-procurement system the STP preparation period may be reduced to a minimum of 25 days.

116. The following information needs to be provided as part of the STP:
(i) description of the approach, methodology and work plan for performing the assignment;
(ii) team composition, task assignments, and CV summary;
(iii) work schedule;
(iv) personnel schedule; and
(v) CV of proposed experts.

117. STPs are shorter than FTPs because they do not include information on the firms' previous experiences. Therefore, before shortlisting, when using STP, the EA should carefully examine the firms' and their partners' or associates' experiences, as the case may be.

c) Biodata Technical Proposals (BTP)

118. BTP may be used for assignments with well-defined, position-based TORs.

119. The shortlisted firms are normally given 21 days to prepare BTPs. When recruiting through an e-procurement system the BTP preparation may be reduced to a minimum of 15 days.

120. The following information needs to be provided as part of the BTP:

(i) team composition, task assignments, and CV summary;
(ii) work schedule;
(iii) personnel schedule; and
(iv) CVs of proposed experts.

121. Because BTPs do not include the firms' previous experiences, the EA should carefully examine the firms' experiences during shortlisting.

v. Evaluation

122. After RFP submissions have been made, ADB staff undertake the evaluation by applying the narrative and summary evaluation criteria applicable to the particular selection, which were circulated to shortlisted bidders as part of the RFP. For selections valued at or below $600,000, the User Unit is required to assign at least two technically competent staff to evaluate technical proposals. For selections valued above $600,000, PPFD convenes a consultant selection committee (CSC), involving a procurement specialist from PPFD, a representative of the User Department, and a technical expert from an independent ADB department. The results of the technical evaluation are summarized in a completed evaluation sheet and narrative summary assessment, which are required to proceed to opening of the financial proposal(s). If none of the shortlisted firms reach the qualifying score for the opening of the financial proposal(s), the selection is considered cancelled.

123. Financial evaluation of the proposals under QCBS, FBS, or LCS follows criteria described in the RFP. Under QBS, CQS, or SSS selections, only one financial proposal is opened.

vi. Contract Negotiations

124. Contract negotiations shall not start unless the funding for the contract award is confirmed or, in the case of ADB-administered technical assistance, the TA letter of agreement becomes effective. PPFD conducts negotiations with consulting firms, involving project staff as necessary.
vii. Debriefing

125. ADB shall respond to any requests for debriefing made by unsuccessful consulting firms that submitted a proposal in response to a RFP. Debriefing is done by a PPFD procurement specialist. 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.

viii. Contracting

126. The contract becomes effective once ADB sends the notice to proceed to the consultant.\(^{18}\)

B. Individuals

i. Advertisement and Request for Expressions of Interest

127. Advertising through an open competitive process is the preferred mode of selection for individual consultants. At least 7 days advertisement is recommended, which may be extended if no adequate EOIs are received or major revisions of the TOR and/or cost estimates are required. All consultants that expressed interest in the assignment prior to change of the TOR/cost estimates, or extension of the duration of the advertisement, are notified automatically and have an option to review, revise, or withdraw previously submitted EOIs.

128. For OCB consulting assignments for individual consultants administered by ADB where international advertising is suitable or required, ADB staff must publish a CSRN specifically requesting submission of EOIs of interested individuals, except in exceptional circumstances with strong justification, where ADB may waive the requirement.

ii. Shortlisting and Evaluation

129. The User Unit that posted an advertisement using CSRN will conduct the shortlisting, applying shortlisting criteria, including, but not limited to, qualifications of the consultants, project-related experience, past performance records and other relevant factors. For competitive selection, ADB staff prepares a shortlist of qualified candidates, based on an initial review of credentials and screening of those that do not meet the basic requirements of the assignment, except when proposing to use direct contracting of a single candidate. Shortlisting may be supported by a formal interview process of all shortlisted candidates to establish or confirm the ranking, which needs to be properly documented.

130. For high-value individual consulting engagements (valued at $200,000 and above), PPFD may consider conducting a CSC meeting to review the proposed ranking by the User Unit.

131. If the consultants are expected to conduct the assignment in an ADB member country for the benefit of an ADB client(s) that extends immunities and privileges accorded to ADB experts, it is expected that the proposed shortlist will be submitted to the client Government agency(ies) for no-objection. If the client Government objects to inclusion of any of the consultants in the shortlist, such objection shall be supported by adequate documentation.

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\(^{18}\) Engagement of resource person does not require issuance of NTP.
iii. **Negotiations**

132. After identification of the first-ranked individual consultant and provided 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) are completed, PPFD will negotiate a contract with that candidate.

133. The negotiations are conducted through CMS. Individual consultants may be contracted as freelancers or through the firms that employ them. In the former case, ADB and the individual will negotiate and sign the contract between themselves. In the latter case, the contract is entered between the relevant firm and ADB, but it is conditioned on the availability of the specified individual for the assignment. The originating firm may charge a modest overhead for use of such individual consultant, provided such overhead is reasonable in the circumstances and fully substantiated by documentation that the executing agency may require during negotiations. As with firms, the contract becomes effective once notice to proceed is issued.

iv. **Debriefing**

134. ADB is not required to debrief unsuccessful individual experts that submitted EOIs. However, ADB staff’s discretion in shortlisting the candidates can be randomly audited in accordance with ADB internal procedures.

X. **CONSULTANT CONTRACT MANAGEMENT**

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

136. PPFD assists User Units directly and indirectly with their contract management, by making available training, capacity development, and expert advice. The Office of Cofinancing Operations (OCO) advises on issues that arise during the implementation of cofinanced TAs and coordinates with cofinanciers. The Loan Administration Division of CTL make payments in accordance with contract provisions. The Office of the General Counsel (OGC) advises on contract issues.

137. The User Unit takes the main role in the supervision of consultants. The User Unit is responsible for the results of the project and should therefore supervise the consultant to ensure that the project is successful. For time-based contracts, the User Unit certifies time inputs through processing consultants’ claims in CMS or TA Client portal. The User Unit monitors the consultant’s outputs against its targets, particularly its deadlines for producing the required reports. These targets are specified in the work plan and staffing schedule, and usually in the TOR that is attached to the consultant’s contract.

138. Consultants’ contracts often require them to produce specific outputs (e.g., reports). The User Unit reviews and comments on each output, and circulates it to the concerned divisions and EA, if necessary. The consultant submits hard copies of its final reports, as well as electronic copies. The User Unit also retains copies of the consultant’s reports and other important documents produced. TA Consultant’s reports subject to provisions of Public Communication Policy (PCP 2011) shall be disclosed on www.adb.org.
139. Regional technical assistance (RETA) may have components/outputs administered by different User Units. In this circumstance, 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/output of an RETA should be prepared by the concerned User Unit and then sent to the coordinating User Unit director for further processing.

A. Resolving Performance Problems and Terminating Contracts

140. The User Unit is responsible for appropriate supervision and performance management of the consultants. If performance of the consultant fails to meet requirements of the TOR, consultant needs to be notified of his/her shortcomings and advised to improve his/her performance. If performance continues to be unsatisfactory, User Unit is advised to follow contract provisions for suspension and/or termination of the contract.

B. Consulting Contract Variations

141. Contract variations are written changes to the consultant’s contract on which ADB and the consultant agree. They may change an item in the contract or add a new item. Consultants generally propose most contract variations, but the User Unit and other parties may also propose variations.

142. The changes that require contract variations include changes in the

(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;
(vi) start or completion dates, or contract termination; and
(vii) contact details or remittance instructions for payments.

143. Changes in the experts’ remuneration always have cost implications. Changes in the scope, the implementation arrangements, the experts, their TOR, their staffing schedule or the 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 asks for a change in the payment remittance instructions in its contract, the User Unit makes sure that i) a new bank account is in the consultant’s name; if the consultant is an individual, the account may also be in his/her firm’s name; and ii) the signature on the request is the same as the signature on the contract.

144. When a consultant asks for payment by bank draft, the User Unit may ask the Treasury Department (TD) to endorse the request.

145. When a consulting firm requests a change of its authorized representative, it should support the request with a Board Resolution, power of attorney or similar document.
C. Specific Requirements - TA Consulting Contract Variations

146. The User Unit director endorses proposed contract variations, and then the User Unit either processes them or requests PPFD to process them, depending on the following:

- The User Unit processes variations in individual consultants’ contracts that do not involve changes in experts or remuneration rates and that either have no cost impact or a cost impact estimated at $10,000 or less.
- PPFD approves and processes all variations in contracts with consulting firms, and variations in contracts with individual consultants that involve changes in experts or remuneration rates or have a cost impact estimated at more than $10,000. PPFD processes all contract terminations.
- The User Unit processes variations that authorize advances of out-of-pocket expenses to consultants. Such advances shall be approved in accordance with procedures stipulated in TA Disbursement Handbook.

147. When the User Unit requests PPFD to process a variation with no cost implication, it states this in the request. When PPFD or the User Unit sends variation orders without cost implications to consultants, they state this in the orders.

148. To process a variation, the User Unit or PPFD enters the details into the Technical Assistance Information System (TAIS) and sends a variation order to the consultant. Copies of variation orders shall be available to the User Unit, PPFD and CTL. Copies will be sent electronically unless paper versions are specifically requested.

149. PPFD approves the consultant’s remuneration during the contract negotiations, and both the levels of remuneration and the currencies of payment are fixed for the contract period. When the User Unit extends an individual consultant’s engagement to a total period of more than 1 year, PPFD may agree in special cases to a small increase in the remuneration to cover inflation and/or currency fluctuations.

150. The remuneration of replacement experts provided by consulting firms should not generally exceed the remuneration of the original experts, especially when a consulting firm is selected using QCBS, FBS or LCS.

151. When a consulting firm is selected using QCBS, FBS or LCS, ADB pays the firm the per diem rates it stated in its financial proposal. For other engagements, ADB publishes maximum per diem rates for international consultants working in major cities. The published rates apply only to continuous engagements of six months or less, and the rates for longer continuous engagements are lower.

D. Specific Requirements - Staff Consulting Contract Variations

152. Staff consulting contract variations are processed online, using Consultant Management System. User Units are able to process most of the Staff Consulting variations without referring them to PPFD. PPFD is involved in processing variations where essential terms and conditions of contract (e.g. remuneration) is changing.
E. Extending Individual Staff Consulting Assignments

153. PPFD treats proposals for individual consultants on staff consulting assignments to perform additional work as extensions if there has been a period of less than 30 calendar days from the consultant’s completion of a previous assignment, and if the new assignment is similar to the previous one. PPFD treats other proposals for additional work as new assignments.

154. Proposals to extend an individual staff consulting assignment up to a total period of less than one year are approved by the User Unit director and the relevant PPFD director. When the total engagement inputs including the extension is more than 66 working days, the Director, Budget and Management Services Division, endorses the extension proposals. Proposals to extend an individual staff consulting assignment to a total period of 264 working days or more are endorsed by the head of the User Unit or office and the Director General, PPFD, and approved by the Director General, Budget, Personnel and Management Systems Department.

F. Payments to Consultants

155. The consulting contract does not become effective until the Notice to Proceed (NTP) is issued. The NTP must not be dated prior to the contract date. There should be no mobilization of consultant prior to NTP. 19

156. Payment details should be in the name and account of the consultant and the payment details should pertain to an account that is 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 contract provisions.

157. Payments to Staff Consultants are processed electronically using Consultant Management System.

158. TA consultant submits and User Unit endorses request for payment using TA Client Partner.

G. Advances

159. 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.

H. Turning Over or Disposing of Equipment and Vehicles

160. When the TA is completed, the consultant should promptly turn over any purchased equipment and vehicle to the Government or dispose of these. The User Unit will be responsible for transferring the ownership of vehicles. The consultant should then submit a certificate of turnover or disposal to the User Unit (PPFD provides the format of the certificate of turnover or disposal). The consultant is generally preferred to submit the certificate within one to two weeks

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19 Purchase of ticket prior to the date of NTP with travel date on the date of NTP or later does not constitute mobilization, as risk for non-payment is borne by the Consultant.
from 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, the User Unit should confirm that the consultant has turned over or disposed of the equipment and vehicles and should itself complete the certificate.

I. Final Claims

161. For time-based TA contracts firms are provided with a five-page format for the final claim, entitled Final Statement of Eligible Costs (FSEC). For time-based SC contracts, FSEC is automated through CMS.

162. The consultant is advised to submit the final claim to the User Unit within 15 days from completion of the assignment. The consultant’s contract states that it must submit a final statement of claims within 30 days of contract completion. Before the expiration of this period, the User Unit should advise the consultant of the impending closure of the contract account. PPFD provides a sample notice for this purpose, in case there is no dispute with the consultant.

163. 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. PPFD can provide a sample notice for this purpose.

164. 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 the amount that 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.

J. Disputes

165. The consulting services contract must include provisions dealing with the applicable law and the forum for the settlement of disputes. Initially an effort should be made to resolve disputes amicably and fairly. Consulting services contracts shall, however, always include a clause for settlement of disputes. International commercial arbitration may have practical advantages over other methods for the settlement of disputes, and, as such, it is recommended to use this type of arbitration.

166. Consulting services contract disputes will be settled by arbitration, in accordance with the dispute resolution procedures set forth in consulting services contract. The arbitrator has the authority to settle and resolve all contract disputes, including but not limited to claims of breach of contract by a consulting firm against ADB.

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20 FSEC does not apply to individual consulting contracts.
XI. CONFIDENTIALITY AND ABSENCE OF UNDUE INFLUENCE

167. From the shortlisting date until PPFD signs a contract with a consultant, the selection and recruitment process shall remain confidential. Details are only disclosed to staff who are officially involved in the selection process. Any attempt to influence selection may violate ADB’s Anticorruption Policy (1998, as amended to date) and/or ADB Code of Conduct (2017). No recruiting party staff may discuss the selection and recruitment with the competing or participating consultants. If, at any time, it is determined that there has been a violation of ADB’s Anticorruption Policy, ADB may reject a proposal for award and take other remedial action.

XII. COMPLAINTS

168. Procurement-related complaints with regards to the recruitment process administered by ADB should be brought to consulting@adb.org. The complaint must provide all relevant information to be addressed objectively and in a timely manner.

169. Any complaint alleging issues relating to 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).

170. All outstanding issues identified in a complaint must be resolved in a timely manner so that any challenged bidding process may be corrected, if and as appropriate, and duly implemented and completed.

XIII. PERFORMANCE EVALUATION AND POST-ASSIGNMENT QUESTIONNAIRE

171. ADB believes that past consultant performance should be linked to further business opportunities. To this end, ADB implements formal consultant performance evaluations. The User Unit is advised by automated email to complete a performance evaluation report (PER). As part of the evaluation process, the consultant is invited to comment on the performance of ADB through issuance of an automated post-assignment questionnaire (PAQ). If the performance of the consultant is evaluated as unsatisfactory, the consultant is given the opportunity to review and comment on the content of the performance evaluation. PPFD chairs the Special Consultant Selection Committee to determine if unsatisfactory rating is justified and whether the consultant shall be prevented from being shortlisted for future assignments for a specified period. If consultant’s unsatisfactory rating is confirmed, the consultant is notified in writing.
## Appendix 1: Securing Clearances

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<th>Procedure</th>
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<tr>
<td>Anticorruption Sanction List</td>
<td>Eligibility check</td>
<td>User Unit checks CMS record against ADB’s Sanction list</td>
<td>PPFD runs weekly “match records” against ADB’s sanction list and triggers deactivation of profile for sanctioned individual or entity.</td>
</tr>
<tr>
<td>Performance evaluation clearance</td>
<td>Assuring quality of consulting services.</td>
<td>User Unit checks summary of PER records. Consultants whose PER rating triggered suspension from shortlisting may not be engaged during period of suspension.</td>
<td>“unsatisfactory” PER rating that did not trigger suspension allows shortlisting. Strong rationale for shortlisting such candidate shall be provided.</td>
</tr>
<tr>
<td>Technical Assistance Consultants – Recipient Government Clearance</td>
<td>TA Framework Agreements signed with recipients list privileges and immunities granted to TA consultants performing services under specific TA project</td>
<td>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 EA must justify any objection to any shortlisted consultant. After receiving such justification, the User Unit may exclude the consultant(s) from the short list. However, if valid objections reduce the number of consultants to three or fewer, a completely revised short list may be prepared. Then, the User Unit submits the revised short list to the Government for agreement. Any changes to the short list are submitted through CMS to the PPFD director for approval by no-objection.</td>
<td>Requirement applies to firms and individual consultants. Consultants engaged under Regional TA in ADB HQ which do not deal directly with any Government agency in the TA recipient country do not require Government clearance.</td>
</tr>
<tr>
<td>Staff Consultant clearance (assignment exceeding 66 working days)</td>
<td>Budget control Strategic HR planning</td>
<td>The Director, Budget and Management Services Division (BPBM) approves assignments longer than 66 working days but not long-term. The head of the User Unit or office, Director General, PPFD, and the Director General,</td>
<td>Requirement applies to individual consultants. Requirement does not apply to recruitment of consulting firm using Staff Consulting budget.</td>
</tr>
<tr>
<td>Type of Clearance</td>
<td>Rationale</td>
<td>Procedure</td>
<td>Applicability and exceptions</td>
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<tr>
<td>BPMSD approve long-term assignments¹</td>
<td>The clearance process is automated through CMS.</td>
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<tr>
<td>Government Organizations providing consulting services in their own countries</td>
<td>Avoidance of conflict of interest Use of TA funds for purpose intended</td>
<td>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/client. 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 be consulted.</td>
<td>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.</td>
</tr>
<tr>
<td>Civil servants/ Government employees</td>
<td>Avoidance of conflict of interest Avoidance of conflict in scheduling Use of TA funds for purpose intended (if expertise is present within beneficiary organization, use of ADB-administered funds to acquire such expertise is not justified).</td>
<td>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 on leave of absence and are duly authorized to be work under an ADB consulting contract, (ii) they are not being hired by the agency they were working for immediately before going on leave, 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. PPFD has the authority to interpret this requirement and approve specific cases when</td>
<td>Current employee of an EA/ IA/ Beneficiary of assistance for an ADB-administered TA may not work as a consultant under the TA.</td>
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</table>

¹ Long-term assignments are defined as follows: the total initial assignment and extension is equal to or more than 12 person months if the contract defines inputs by person month, or 264 working days if the contract defines inputs by working day; for calculation, a person month is defined as 22 working days; and assignments through re-engagements that bring the total amount of inputs by the same consultant up to or more than the threshold as defined above during any 24-months.
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<td>sufficient justification is provided by User Unit. When necessary to determine extent of potential conflict of interest, OAI may be consulted.</td>
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<tr>
<td>OAG clearance</td>
<td>Avoidance of conflict of interest</td>
<td>User Unit requests OAG clearance.</td>
<td>OAG clearance is required if ADB’s Internal auditor is considered for the consulting assignment.</td>
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<tr>
<td>Legal expert</td>
<td>Assess suitability of proposed expert for the TOR</td>
<td>The User Unit seeks OGC clearance for any legal expert and the related TOR.</td>
<td>If OGC is the User Unit, clearance is not required.</td>
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<tr>
<td>IT expert</td>
<td>Assess suitability of proposed expert for the TOR</td>
<td>Digital Technology for Development Unit (SDCC-DT) processes clearance at request of the User Unit.</td>
<td>Experts engaged under OIST Staff Consulting or CAPEX budget implemented by OIST do not need clearance from SDCC-DT.</td>
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<tr>
<td>Concurrent intermittent assignments</td>
<td>Avoid scheduling conflict</td>
<td>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.</td>
<td>In case of concurrent intermittent assignments with other organizations/clients, the consultant certifies that there would be no conflict or overlap among the assignments.</td>
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<tr>
<td>Medical clearance (for experts over 70 years old)</td>
<td>Risk mitigation</td>
<td>Expert provides medical clearance if assignment is likely to be physically demanding or its location is away from established medical facilities.</td>
<td>CMS provides the form. User Unit may request a medical certificate, if there are reasonable doubts about health condition of the candidate.</td>
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## RECRUITMENT OF CONSULTING FIRMS

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<td><strong>SHORTLISTING</strong></td>
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¹ Contracts estimated at below US$600,000.
² Contracts estimated above US$600,000.
## RECRUITMENT OF INDIVIDUAL CONSULTANTS

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<td>Issuing the non-committal inquiry</td>
<td>User division</td>
</tr>
<tr>
<td>Response to non-committal inquiry</td>
<td>Consultant</td>
</tr>
<tr>
<td>Issuing request for Government Concurrence</td>
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<tr>
<td>Receiving Government Concurrence</td>
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<tr>
<td>Initiating consultant recruitment</td>
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<tr>
<td>Approving consultant recruitment</td>
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<tr>
<td><strong>NEGOTIATIONS AND CONTRACT SIGNING</strong></td>
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<tr>
<td>Reviewing consultant recruitment request</td>
<td>PPFD</td>
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<tr>
<td>Preparing offer</td>
<td>PPFD</td>
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<td>Approving and sending offer</td>
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<td>Accepting offer</td>
<td>Consultant</td>
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<td>Completion of Negotiations</td>
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<td>Contract signing</td>
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<td><strong>POST-CONTRACT ACTIVITIES</strong></td>
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<tr>
<td>Issuing Notice to Proceed</td>
<td>User Division</td>
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## Appendix 3: Individual Consultant Selection Matrix Components

<table>
<thead>
<tr>
<th>Level</th>
<th>Tasks Description and Professional Qualifications</th>
<th>Project Operations and Management Capabilities</th>
</tr>
</thead>
</table>
| 2     | 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.  

**Requirements:**  
- Minimum Bachelor’s degree  
- Minimum of three years of relevant professional experience  
- At least one international assignment in similar geographic area. | Capable of conducting coordination, research, analysis and technical evaluation. |
| 3     | 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.  

**Requirements:**  
- Minimum Bachelor’s degree highly relevant to the assignment.  
- Minimum of five years of relevant professional experience.  
- At least one international assignment in similar geographic area. | Capable of conducting advance independent research, analysis and technical assessment and evaluation. |
| 4     | 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.  

**Requirements:**  
- Minimum Bachelor’s degree, Master’s degree preferable.  
- Minimum of 7 years of relevant professional experience.  
- International assignments in similar geographic area. | Thorough knowledge of functional specialty.  
- Ability to develop, analyze, and articulate project issues.  
- Ability to diagnose problems and propose reliable solutions.  
- Ability to undertake independent design and development work. |
| 5     | Advises on major complex projects or programs. 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  

**Requirements:**  
- Minimum Bachelor’s degree, Master’s degree preferable.  
- Minimum of 7 years of relevant professional experience.  
- International assignments in similar geographic area. | Capable of directing the work of more junior individuals and be capable of performing a quality control on the work outputs. |
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<thead>
<tr>
<th>Level</th>
<th>Tasks Description and Professional Qualifications</th>
<th>Project Operations and Management Capabilities</th>
</tr>
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<tbody>
<tr>
<td>6</td>
<td>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.</td>
<td>• Ability to coordinate contributions of specialists in other disciplines to complete a joint project.</td>
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<td></td>
<td><strong>Requirements:</strong></td>
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<tr>
<td></td>
<td>• Minimum Bachelor’s degree, Master’s degree preferable.</td>
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<tr>
<td></td>
<td>• Minimum of 15 years of relevant professional experience including several years in a senior advisory or managerial level.</td>
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<tr>
<td></td>
<td>• International assignments in similar geographic area.</td>
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<tr>
<td></td>
<td>• Broad-based work experience recognized as an expert either in a broad area of specialization or in a limited specialized field.</td>
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<tr>
<td>7</td>
<td>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.</td>
<td>• Capable of performing management function for more complicated projects.</td>
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<tr>
<td></td>
<td><strong>Requirements:</strong></td>
<td>• Capable of providing project management strategy rather than day to day management.</td>
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<tr>
<td></td>
<td>• Master’s degree.</td>
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<tr>
<td></td>
<td>• Minimum of 15 years relevant broad-based professional experience or a world-wide leading expert in a highly specialized field.</td>
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<td>• International assignments in similar geographic area.</td>
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<td></td>
<td>Broad-based work experience recognized as an expert either in a broad area of specialization or in a limited specialized field.</td>
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<td>Professional Group Code</td>
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| **A**                   | Accounting, Auditing and Statistics  
  • Accounting  
  • Internal Audit  
  • Statistics  
  Data and Information Services (Also see B)  
  • Documentation and Records Management  
  • Computers/Communications Technical Support (includes: hardware, software and training)  
  • Records and Archives Management  
  • Documentation and Records Management - Reference/Libraries  
  • Web Maintenance/Homepage Design  
  External Affairs and Communications  
  • Audio/Visual Production  
  • Editing and Translation  
  • External Affairs (includes: information dissemination)  
  General Administration  
  • Administrative Services  
  • Contracting and Purchasing  
  • Facilities/Travel  
  • Printing/Graphics/Cartography  
  • Program/Budgeting  
  • Seminar Coordination  
  • TA/Loan Administration  
  Human Resources  
  • Human Resources Administration  
  Translation and Editing  
  • Editing  
  • Translation  |
| **B**                   | Agriculture/Rural Development  
  • Agricultural Extensions  
  • Agricultural Sector  
  • Agricultural Finance  
  • Agro Industry/Agribusiness Management  
  • Agronomy  
  • Fisheries  
  • Forestry  
  • Irrigation/Water Resources  
  • Livestock  
  • Natural Resources Management  
  • Tree Crops  
  Education  
  • Education  
  • Training  
  Information Systems (Also see D)  
  • Communications  
  • Data Communications  
  • Infrastructure  
  • Network Administration  
  • Voice Communications  
  • Intranet/Internet Design  
  Social and Political Science |
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<tr>
<th>Professional Group Code</th>
<th>Professional Groups</th>
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<tbody>
<tr>
<td></td>
<td>• Gender/Women in Development</td>
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<tr>
<td></td>
<td>• Public Sector management</td>
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<td></td>
<td>• Social Sciences/Anthropology</td>
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<tr>
<td></td>
<td>• Social/Political Sciences</td>
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<td></td>
<td>• Sociology</td>
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<td></td>
<td>o Gender</td>
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<td>o Indigenous People</td>
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<td>o Public Administration</td>
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<td>o Resettlement / Reconstruction</td>
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<td>o Social Assessment / Participation</td>
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<td>C</td>
<td>Biological Sciences and Ecology</td>
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<td></td>
<td>• Biological Sciences and Ecology</td>
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<td>• Biotechnology</td>
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<td>• Environmental Management</td>
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<td>o Assessment/Monitoring</td>
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<td>o Biodiversity</td>
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<td>o Climate Change</td>
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<td>o Global Issues</td>
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<td></td>
<td>o Industrial/Toxic Waste</td>
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<td></td>
<td>o Institutional/Legal Framework</td>
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<td>o Natural Resources</td>
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<td>o Pollution</td>
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<td>o Sanitation and Solid Waste</td>
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<td>o Terrestrial System/Forestry</td>
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<td></td>
<td>o Water and Aquatic Systems</td>
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<td></td>
<td>Economics/Financial Analysis</td>
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<td>• Economics/Financial Analysis (Project Feasibility Study, Sector Study)</td>
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<td></td>
<td>• Econometrics/Modeling</td>
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<td></td>
<td>• Environmental Economics</td>
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<td>• Fiscal</td>
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<td>• International Trade/Finance</td>
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<td>• Labor Economics/Employment</td>
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<td>• Macro Economics (includes Policy)</td>
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<td>• Management Accounting</td>
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<td>• Energy</td>
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<td>Water and Aquatic Systems</td>
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<td>Urban/Municipal/Housing</td>
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<td>Urban General</td>
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<td>Urban Institutional Development</td>
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<td>Water/Sanitation/Environmental Services</td>
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<td>Sector Reform (Regulation and Policy)</td>
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<td>Urban Water and Sanitation, Utility Management</td>
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General Operations
- Country Operations
- Procurement
- Project Operations

Health and Medicine
- Medicine/Nutrition

Legal (Also see D)
- Legal (General)

Population and Health Services
- Population
- Health Services
  - Nursing and Occupational Health

Project Management/Institutional Development
- Country Operations Management
- Project Monitoring/Evaluation
- Procurement
- Institutional Development
- Governance

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<td>• Integration/Implementation/and Coordination</td>
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<td>• Mainframe Applications Development</td>
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<td>• Project/ Database Design and Management</td>
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<td>Large Scale Information/Data Management (includes system design)</td>
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<td>Legal/Policy Advise</td>
<td>Court Management and Process</td>
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<td>Deregulation</td>
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<td>Judicial Strength and Regulatory (at sectoral/country level)</td>
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<td>Organizational Planning, Management and Strategy Development</td>
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<td>Private Sector Development and Restructuring</td>
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<td>Public Enterprise Management and Restructuring</td>
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<td>Knowledge Management Specialist</td>
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<td>Organizational Learning Specialist</td>
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<td>Organizational Development Specialist</td>
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<td>Knowledge and Learning Specialist</td>
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<td>Storytelling Specialist</td>
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<td>E-learning Specialist</td>
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<td>E-learning Flash Animation Specialist</td>
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<td>Knowledge Network Specialist</td>
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Appendix 4: Consultant Selection Committee – Routine Matters

EVALUATION OF TECHNICAL PROPOSALS

1. CMS provides on-line facility for generating evaluation sheets, based on the RFP and proposals received.

2. For firm contracts exceeding $600,000, PPFD forms evaluation committee nominating Procurement Specialist as a Chairperson, acting on behalf of Director, PPFD. User Division nominates project specialist, acting on behalf of Director, User Division.

3. PPFD requests nomination of the 3rd (independent) member of the CSC using PPFD’s roster.

4. For firm contracts not exceeding $600,000, the User Unit forms CSC. The User Unit director assigns at least two specialists in the unit familiar with the TOR requirements to carry out the evaluation. At least one of them needs experience in technical proposal evaluation. The User Unit director may request for a CSC regardless of the budget of the assignment if the User Unit has difficulty in assigning experienced staff to do the evaluation.

5. Evaluators first independently assess whether the technical proposals comply with RFP submission requirements, 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.

6. 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 (“core/ 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. If a firm fails to include in its proposal one of the core/ key experts identified in the TOR, that omission may be grounds for rejection. 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.

7. 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.

---

1 Normally, project officer represents User Department, unless there are specific circumstances (potential or perceived conflict of interest) which may require nominating an alternate.
These highlight any omission or deficiency, and each proposal's strengths and weaknesses, compared against the given evaluation criteria.

8. The evaluation results with narrative comments on the evaluation of each technical proposal/CSC minutes, are submitted through CMS to the User Unit director or the CSC chairperson for endorsing to the PPFD director for approval. The minimum passing technical score is specified in the RFP, which is 750 out of 1,000 points. CMS notifies shortlisted firms that submitted proposals of their technical evaluation scoring.

9. PPFD may conduct a post review of the evaluation made by User Units. With the agreement of the PPFD director concerned, PPFD staff may recommend a post review when PPFD believes that there is a need to verify the evaluation results. Such need may arise from a consulting firm’s representation, an EA’s question or any other reason PPFD deems appropriate. The post review primarily provides diagnostic information for improving the User Unit’s capacity for evaluating consultant proposals. However, if post review concludes that the ADB’s Anticorruption Policy has been violated, then the case will be brought to the Director General, PPFD; as well as to other relevant department(s), such as the Office of the General Counsel (OGC) and the Office of Anticorruption and Integrity (OAI).

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 (template in OpsPedia) are submitted in hardcopy.
MINUTES OF CONSULTANT SELECTION COMMITTEE MEETING

Date and Time

SUBJECT : TA no. -
          Project title
          Evaluation of Consultants' Proposals {insert selection method}

PRESENT : List CSC members present

__________________________________________________________

BACKGROUND

Date of Shortlisting:
Shortlisted firms:
Date of issuance of RFP:
Deadline for submission of proposals:

TA STATUS

Date of TA Agreement signing:
{If TA agreement is not signed, the TA project officer shall provide update on the expected date of signing, as no contract can be negotiated prior to the TA being declared effective.}

CONFLICT OF INTEREST CHECK, REMINDER OF CONFIDENTIALITY

{Prior to start of CSC-EV, CSC members shall declare any actual or potential conflict of interest evaluating proposals, including, but not limited to previous employment, ownership of shares, employment of close relatives, ownership of shares by close relatives or similar circumstances.)

The discussions should remain confidential and PPFD would be responsible for debriefing shortlisted consultants on the evaluation results. Representations, however should be formally addressed to the Director, PPFD.

DELIBERATION/DECISION

1. _____ of the ___ shortlisted firms submitted proposals for the project. The proposals were submitted by: (firm name/s) were considered responsive. _____ did not submit (a) proposal.
2. Further, the Consultant Selection Committee (CSC) confirmed that none of its members had personally worked for or been associated with any of the firms evaluated.

3. The CSC evaluated and scored the ___ proposals as follows:

   {Include narrative description of each evaluated proposals, detailing strengths and weaknesses.}

4. Based on the evaluation of the firms concerned, the CSC unanimously scored the proposals as follows:

5. The CSC agreed to open the financial proposals of: (name of firm/s). (firm name/s) will be notified that their technical proposals did not meet the minimum qualifying score of 750 and therefore their financial proposals will remain unopened.

6. The CSC reviewed the TA CRAM Sheet and agreed to follow the recruitment schedule for succeeding activities as planned in the CRAM sheet.

**FOR ACTION**

7. After the financial proposal evaluation and final ranking, (Project Division) should inform the TA recipient of the selection and invite a representative from the Government to attend contract negotiations. The Government should also be requested to reconfirm, prior to contract negotiations, its contribution as detailed in the TA Agreement.
Appendix 5: Special Consultant Selection Committee

Performance Evaluation

1. In cases when User Unit rates consultant’s overall performance as “unsatisfactory”, PPFD director, 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 days to reply in writing to PPFD. If the consultant is recruited through a firm, both the firm and the consultant are given opportunity to comment on the PER report.

2. After PPFD receives the consultant’s reply, a SCSC meeting reviews the PER; the consultant’s comments; past PERs, if any; terms of reference for the assignment and consultant’s report, if applicable; and the consultant’s CV. The SCSC is chaired by the PPFD director or a professional 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 as the User Unit officer. If deemed necessary, the chairperson may invite a representative from the Office of the General Counsel to attend the SCSC meeting as an observer to provide legal advice.

3. Depending on the circumstances, the SCSC may decide that the overall performance rating will stand or will be modified. If the overall performance rating of unsatisfactory is maintained, the SCSC will next decide whether ADB will exclude the consultant from short-listings for ADB-financed assignments, for a specified period effective from the date of the SCSC meeting. The SCSC’s decision is final, and PPFD advises the consultant in writing of the decision. If the PPFD decides to exclude the consultant from short-listings for ADB-financed assignments, the Director General, PPFD signs the letter to the consultant. Otherwise, the concerned PPFD director signs the letter.
Appendix 6: Offers of Free Consulting Services

1. The Bank 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 the Bank.

2. When considering the acceptance of such offers, several matters need to be considered by the Bank. 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 Bank liabilities and the Bank’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 DMCs, and (ix) determining the contractual framework, if any, within which the services can be accepted.

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) non-profit organizations. An offer of free services will be deemed so, when no charge is to be levied by the provider to the Bank, 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.

4. When the offer of free services involved the provision of individual Resource Persons for a seminar/workshop being organized by, or with the assistance of the Bank, the Head of the Department concerned will be responsible for deciding whether the Bank should accept such services. PPFD and CTL may be consulted, when any payment for out-of-pocket expenditures is required. Also, OGC may be consulted regarding an expatriate Resource Person’s status in respect of any needed immunities and privileges, and for possible liability placed on the Bank during the performance of the services.

5. In consideration whether to accept or decline offers of free services, the CSC will, among others, carefully consider the following:

   • the likelihood that impartial advice will be obtained and that the offers made are not principally motivated by considerations of commercial advantage;
   • ascertaining the quality of services on offer, a review of biodata of personnel proposed and work plans may be undertaken;
   • when the provision of such services is likely to justify future single source selection for the continued provision of consulting services, such offers will not be accepted;
   • if the firms/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/affiliates from bidding on any part of the project, excepting competing for the continued provision of consulting services.
• the feasibility of action to maintain confidentiality of information, when this is deemed necessary;
• the contractual framework within which the services can be accepted
• ensuring the acceptability by the recipient DMCs of individuals/ firms offering to provide their services;
• the status of consultants, including any immunities and privileges extended to them. If services are provided by other organization, enjoying similar to ADB immunity and privileges (e.g. UN organizations), the determination of the status would not be required
• any budgetary support needed during the performance of the services and the availability of an authorized source of funds to meet these expenditures; and availability of adequate safeguards to the Bank against potential liabilities arising from the performance of the services. It is expected that the providers of such services will bear their own liabilities
Appendix 7: Certificate of Turnover/Disposal of TA Equipment and Vehicles

TA no. - country: title
Consulting Contract No:
Date: _________________

This is to certify that the equipment and vehicles listed below were turned over to the recipient Government/agency or disposed of in accordance with ADB’s instructions.

<table>
<thead>
<tr>
<th>Item/Description</th>
<th>Quantity</th>
<th>Unit</th>
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Equipment received by:

[representative of recipient Government agency] [signature over printed name]

Date: __________________________

Certified by:

[representative of consultant/ADB staff member] [signature over printed name]

Confirmed by:

__________________________________ [ADB staff member]

[signature over printed name]

Date: ______________________________

Note: Consultants normally submit this certificate with their final claim, within a week or two of completing the assignment. At the latest, you must submit this certificate within 90 days of completion if you are a consulting firm or within 60 days of completion if you are an individual consultant.
Appendix 8: Template to be used for Closing Contracts with Consulting Firms in case of No Dispute

[ADB LETTERHEAD]

[Consultant's Address]

Dear [name of consultant’s representative]:

TA [number and name]: Contract No. [number of contract]

We are writing to advise you that ADB intends to close this TA account, as the assignment has been completed.

It is our understanding that you have no outstanding claims under the captioned contract. If you have any further claims we request you to submit them at the earliest possible time but, in all events, within sixty (60) days from the date hereof. ADB will consider any submission we receive by ______ [date 60 days after the date of this letter]. However, if no submission is received by that date, we will close the TA account.

Please note that ADB will not consider claims from your firm under this TA after the deadline stated above and we will no longer be able to make payments after the TA account has been closed.

Finally, please complete and sign the attached Certificate of Turnover/ Disposal of TA Equipment and Vehicles, if you have not already done so, and return the signed certificate to us within thirty (30) days from the date hereof1.

Yours sincerely,

[name of director]
[user division]

cc: PFP1 or PFP2/CTL

1 Attach Appendix 1 from letter if applicable
Appendix 9: Template to be used for Closing Contracts with Consulting Firms in case of Dispute

[ADB LETTERHEAD]

[Consultant's Address]

Dear [name of consultant’s representative]:

TA [number and name]: Contract No. [number of contract]

We are writing to advise you that ADB intends to close this TA account, as the assignment has been completed.

We have made every effort to resolve your pending claims, but, regrettably, we have been unable to do so. You have not accepted our proposed liquidation of your eligible claims in final settlement of the matter. Therefore, if you wish to proceed to arbitration according to the terms of the captioned contract, we request you to provide us with notice thereof within 60 days from the date hereof. If you fail to provide us with such notice within such period, we will close the TA account.

Please note that ADB will not consider claims from your firm under this TA after the deadline stated above, and we will no longer be able to make payments after the TA account has been closed.

Yours sincerely,

[name of director]
[user division]

cc: PFP1 or PFP2/CTL