NONCONSULTING SERVICES ADMINISTERED BY ADB BORROWERS

GUIDANCE NOTE ON PROCUREMENT

JUNE 2018

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Notes:

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ABOUT THIS PUBLICATION

In April 2017, the Asian Development Bank (ADB) approved its new procurement framework, the ADB Procurement Policy: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time); and the Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time). These replace the former Guidelines on the Use of Consultants (2013, as amended from time to time) and Procurement Guidelines (2015, as amended from time to time). The procurement policy and the procurement regulations address the procurement activities of project executing agencies and implementing agencies on projects financed in whole or in part by a loan or grant from ADB, or by ADB-administered funds. ADB designed the 2017 procurement policy to deliver significant benefits and flexibility throughout the project procurement cycle, as well as to improve project delivery through a renewed focus on the concepts of quality, value for money (VFM), and fitness for purpose.

This note is part of a series of guidance notes published by ADB in 2018 to accompany the 2017 procurement policy and the procurement regulations. Each note discusses a topical issue for borrowers (including grant recipients), bidders, and civil society under the new framework (see list below). The guidance notes cross-reference each other frequently and should be read in conjunction. All references to “guidance notes” pertain to these notes. The notes may be updated, replaced, or withdrawn from time to time.

List of Guidance Notes for the 2017 ADB Procurement Policy and the Procurement Regulations

1. Value for Money	14. High-Level Technology
2. Procurement Risk Framework	15. Quality
3. Strategic Procurement Planning	16. Bidding-Related Complaints
4. Procurement Review	17. Noncompliance in Procurement
5. Alternative Procurement Arrangements	18. Standstill Period
6. Open Competitive Bidding	19. State-Owned Enterprises
7. Price Adjustment	20. E-Procurement
8. Abnormally Low Bids	21. Framework Agreements for Consulting Services
9. Domestic Preference	22. Public-Private Partnerships
10. Prequalification	23. Contract Management
11. Subcontracting	24. Fragile, Conflict-Affected, and Emergency Situations
12. Consulting Services Administered by ADB Borrowers	
13. Nonconsulting Services Administered by ADB Borrowers	
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ADB procurement reforms intend to ensure VFM by improving flexibility, quality, and efficiency throughout the procurement cycle (see illustration below and the *Guidance Note on Value for Money*). VFM is part of a holistic procurement structure with three support pillars: efficiency, quality, and flexibility. The two key principles of transparency and fairness weave across all elements of the structure.

Time

Time is an important element of VFM. When a project is delivered promptly or when a process is completed rapidly, greater value is created for all stakeholders. For example, a road project completed early provides economic benefit, security, or other value to the community it serves. It increases the return on investment to the executing agency and accelerates the project and payment cycle to the successful bidder. Likewise, a project delivered late loses significant value.

When considering VFM in the context of procurement, pay attention to anything that (i) shortens the procurement cycle time frame or (ii) accelerates delivery of the development project.

Objective

This guidance note is intended to assist readers by elaborating on and explaining ADB's 2017 procurement policy and procurement regulations for borrowers (including grant recipients).

This note identifies additional information for the reader to consider when applying ADB's procurement policy and procurement regulations to their circumstances.

Living Document

This guidance note is intended to be a living document and will be revised as required.

Be sure to check the ADB Business Center website for the latest version and updates, <https://www.adb.org/business/main>.

The Reader

In many circumstances, readers are expected to use this guidance note in a manner unique to their needs. For consistency throughout the suite of guidance notes, the following assumption is made about the reader:

The reader is a professional involved in activities financed in whole or in part by an ADB loan or grant, or by ADB-administered funds.

FAQs

Frequently asked questions, clarifications, examples, additional information, links to training, and other useful resources will be made available on the ADB website.

Be sure to check the ADB Business Center website for more information, <https://www.adb.org/business/main>.

Legal and Order of Priority

This guidance note explains and elaborates on the provisions of the Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time) applicable to executing (and implementing) agencies under sovereign (including subsovereign) projects financed in whole or in part by an investment loan from ADB (i.e., excluding ADB results- or policy-based loans), ADB-financed grant (excluding ADB-administered technical assistance and staff consultancies), or by ADB-administered funds.

In the event of any discrepancy between this guidance note and the procurement regulations, the latter will prevail. The financing agreement governs the legal relationships between the borrower and ADB. The rights and obligations between the borrower and the provider of goods, works, or services are governed by the specific procurement document issued by the borrower and by the contract signed between the borrower and the provider, and not by this guidance note.

ABBREVIATIONS

ADB	—	Asian Development Bank
OCB	—	open competitive bidding
RFP	—	request for proposals
RFQ	—	request for quotations
SLA	—	service-level agreement
VFM	—	value for money

EXECUTIVE SUMMARY

This guidance note introduces “nonconsulting services” as a separate category of services that borrowers (including grant recipients) can procure for their projects. Nonconsulting services include (i) services for which the physical aspects of the activity predominate, that are bid and contracted on the basis of performance of a measurable physical output, and for which industry and performance standards can be clearly identified and consistently applied; or (ii) routine services which, while requiring expert inputs, are based on recognized standard offerings that are readily available and which do not require evaluation of tailored methodologies or techniques.

The guidance note reviews roles and responsibilities of borrowers and service providers in procuring and implementing nonconsulting service assignments. It discusses issues that borrowers should consider when planning, procuring, and implementing a nonconsulting service contract.

Effective procurement of nonconsulting services may

Increase Efficiency, Fitness for Purpose, and Value for Money

- Ensure that procurement processes for nonconsulting services are proportional to the value and risks of their required outcomes.
- Enable borrowers to make best use of their resources through well-defined nonconsulting service assignments.

Improve Quality

- Ensure that nonconsulting services are structured to procure their inputs and deliver their outputs in a timely and effective manner.

Improve Fairness and Transparency

- Make available appropriate documentation on how borrowers procure nonconsulting services and how prospective service providers may participate.
- Give sufficient guidance to ensure equal opportunities for prospective service providers.

Encourage the Development of Domestic Industry

- Most nonconsulting services are likely to be sourced from within the borrower’s country.

I. Introduction

A. Scope and Definitions

1.1 This guidance note builds on the operational experience of the Asian Development Bank (ADB) in procuring nonconsulting services and gives advice on the advantages and disadvantages of using different procurement modalities. It elaborates on provisions in the ADB Procurement Policy: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time) relating to planning, procuring, and implementing nonconsulting service contracts by borrowers (including grant recipients) under projects financed in whole or in part by an ADB loan or grant, or by ADB-administered funds. It applies to all stages of the ADB procurement cycle (Figure 1).

1.2 The 2017 procurement regulations (para. 1.12) define two types of services under projects financed in whole or in part by an ADB loan or grant, or by ADB-administered funds:

- (i) **consulting services**,¹ which are of an intellectual and advisory nature requiring evaluation of technical proposals that offer tailored approaches, methodologies, and specially qualified experts; and
- (ii) **nonconsulting services**,² which include
 - (a) services for which the physical aspects of the activity predominate, that are bid and contracted on the basis of performance of a measurable physical output, and for which industry and performance standards can be clearly identified and consistently applied; or

¹ See the *Guidance Note on Consulting Services Administered by ADB Borrowers* for more detail on planning, procuring, and implementing consulting service contracts.

² ADB defined nonconsulting services as a distinct category of services for the first time in its 2017 procurement policy and procurement regulations. Prior to this, short definitions of “service delivery assignments,” procurement and inspection agents, and auditors existed in the Guidelines on the Use of Consultants by ADB and Its Borrowers (2013, as amended from time to time). The Procurement Guidelines (2015, as amended from time to time) also discussed “related services” to goods and works. However, this framework did not differentiate between customized intellectual and advisory services that are generally considered to be consulting services and standardized services—well-defined by industry standards—that are generally considered to be nonconsulting services. The lack of clear distinction meant that complex consulting selection procedures were applied to standardized services, resulting in loss of efficiency, poor responses from the market, and project implementation delays.

Figure 1: The ADB Procurement Cycle

Source: Asian Development Bank.

- (b) routine services which, while requiring expert inputs, are based on recognized standard offerings that are readily available and which do not require evaluation of tailored methodologies or techniques.

1.3 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.

1.4 Examples of the first type of nonconsulting services, where physical aspects of the activity predominate, usually involve the use of equipment and specific methodologies to achieve their objectives. These include, among others, equipment maintenance and repair, information technology implementation services, interisland shipping, small-scale installation and maintenance services, physical support services (messengerial, janitorial, catering, security, etc.), and surveys and field investigations.

1.5 Examples of the second type, based on recognized standard offerings, could include, among others, standard audits (such as financial and safety), inspection, engineering and quantity surveys, quality assurance certification, vocational training following nationally recognized qualification standards (regularly accredited by a specialized qualification body), standardized household surveys, medical services and community-based healthcare provision, translation and/or interpretation services, editing/typesetting/proofreading, photography and/or videography, event management, organization and logistics of study tours, internet and/or telecommunication services, website maintenance, and call center or help desk operations.

1.6 Consulting and nonconsulting services can sometimes be difficult to distinguish, as both can include professional services. Figure 2 illustrates that service activities differ by the extent to which they are routine or tailored and physical or intellectual. Those that exist around the middle of the spectrum may be able to be procured using either the consulting or nonconsulting service modalities.

Figure 2: Examples of Service Activities That Differ by the Extent to Which They Are Routine or Tailored and Physical or Intellectual

Source: Asian Development Bank.

B. Roles and Responsibilities

1. Borrowers

1.7 For investment loans and grants financed in whole or in part by ADB, or by ADB-administered funds, borrowers undertake the procurement planning, bidding, bid evaluation and selection, contract management, and complaint resolution processes for nonconsulting services. Sections II through V give further detail on the processes that borrowers may follow at each stage of the procurement cycle.

1.8 ADB may review the borrower's activity through key steps in the selection process. The method of review, either prior review or post review (sampling) will be determined and stated in the project procurement plan. More information on the types of reviews, the documents subject to review, and the consequences of noncompliance can be found in the *Guidance Note on Procurement Review* and the *Guidance Note on Noncompliance in Procurement*.

2. Service Providers

1.9 Service providers interested in providing a nonconsulting service should carefully review the service specification and other commercial and contractual conditions, and participate in the selection as desired. They should prepare a quotation, bid, or proposal as applicable and should seek clarification from the borrower if they find any ambiguity or omissions in the bidding documentation, or any provision that appears unduly restrictive or discriminatory, particularly in the scope of services or general specifications, selection procedure, and evaluation and qualification criteria.

II. Procurement Planning

2.1 Good planning is imperative to the successful procurement and implementation of contracts. This section discusses considerations when planning and preparing to procure nonconsulting services.

A. Procurement Plan

2.2 The borrower prepares the project procurement plan following the *Guidance Note on Strategic Procurement Planning*. This will involve identifying the need for nonconsulting services and determining the nature of such services required, market conditions, legal and regulatory frameworks applicable to the provision of such services, timing and duration of delivery, contract value, and the potential downstream effect of the services on achievement of project outcomes.

2.3 The borrower is responsible for preparing the key procurement and contract documents for the services to be procured, including, but not limited to, description of the scope of the services, proposed payment structure, risk management procedures (if applicable), and performance management measures. These items may be prepared into a general specification document, a work statement, and/or a service-level agreement. Section III discusses this further.

2.4 For larger or more complex assignments, borrowers may undertake a market analysis at this stage that reviews the range of potential service providers. The process may involve research, expert advice, benchmarking, consultations with ADB, and requests for information to potential bidders, among others. The nature of the market participants identified in the analysis will guide the borrower in selecting the most appropriate procurement and contracting modality to deliver the best value for money (VFM). The analysis may also consider whether the borrower would benefit from arrangements that share project risks and leverage private finance, in which case the assignment may be better procured through a public-private partnership.³

³ Public-private partnerships are not considered nonconsulting service selections and this guidance note does not apply to them. Refer to the *Guidance Note on Public-Private Partnerships* for general details on public-private partnerships.

2.5 Based on the borrower's preparations and analysis, it may choose to select firms and/or individuals to provide nonconsulting services, collectively referred to as "service providers." Firms are normally engaged for more complex assignments with higher impact that need a team to deliver a variety of services and need close coordination between team members. Firm engagements may span longer periods, where the risk of loss of continuity is comparatively higher. For example, organizing a major event may require a team of experts responsible for logistics, travel, catering, security arrangements, printing, and web hosting, in which case a professional event management firm providing all-inclusive service might be preferable. Similarly, a project account audit assignment is likely to be contracted to a reputable audit firm, which would guarantee adherence to the Generally Accepted Auditing Standards. There may also be constraints imposed by the market that only allows regulated or licensed firms to provide services.

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

B. Procurement Modalities

2.7 Nonconsulting service selections aim to achieve VFM through the best combination of quality and price appropriate to the service in question. This is normally achieved through open competition. This subsection presents five main modalities available to borrowers for procuring nonconsulting services. The list is not exhaustive and other modalities may be considered by ADB on a case-by-case basis, considering market norms and the nature of the services required. In any case, ADB will be satisfied that the requirements of ADB's Anticorruption Policy (1998, as amended to date)⁴ and Integrity Principles and Guidelines (2015, as amended from time to time)⁵ are observed. Appendix 1 summarizes characteristics of the five modalities.

1. Open Competitive Bidding

2.8 Open competitive bidding (OCB) seeks bids from qualified service providers that meet the borrower's quality and technical requirements, including ensuring timely and adequate notification of the requirements to all eligible prospective bidders, and an equal opportunity to bid. OCB is the preferred method for procurement financed in whole or in part by an ADB loan or grant, or by ADB-administered funds.

⁴ ADB. 2010. *Anticorruption and Integrity*. Manila. <https://www.adb.org/sites/default/files/institutional-document/31317/anticorruption-integrity-policy-strategy.pdf>.

⁵ ADB. 2015. *Integrity Principles and Guidelines (2015)*. Manila. <https://www.adb.org/sites/default/files/institutional-document/32131/integrity-principles-guidelines.pdf>.

2.9 OCB is a flexible procurement method that allows different options for its bidding arrangements depending on the complexity of the assignment, provided they are consistent with ADB's core procurement principles, eligibility requirements, and integrity requirements. Selections are advertised either internationally or nationally.

2.10 Most nonconsulting services are likely to be sourced from within the borrower's country and national advertising will be the most sensible option in these circumstances. International advertising is recommended when required services are not available in the borrower's country. This may occur in small island economies and post-conflict or other fragile situations. In some jurisdictions, the existing legal and institutional framework may create barriers for some nonconsulting services to be procured from outside of the borrower's country—such as services that require local licensing (e.g., medical services) or local accreditation (e.g., vocational training leading to nationally recognized qualifications).

2.11 For nonconsulting services, the OCB process for firms may include prequalification and may use (i) single-stage, one-envelope; (ii) single-stage, two-envelope; (iii) two-stage; or (iv) two-stage, two-envelope arrangements, depending on the nature of the services required. See the *Guidance Note on Open Competitive Bidding* for more detail on these arrangements.

2.12 Borrowers may also use the consulting service modalities to procure its more complex nonconsulting services through a request for proposals (RFP). The borrower should choose the modality that uses the more suitable set of documents and procedures for its circumstances. The RFP process may include shortlisting and may use (i) quality- and cost-based selection, (ii) quality-based selection, (iii) fixed budget selection, (iv) least-cost selection, or (v) consultants' qualifications selection arrangements, depending on the nature of the services required. See the *Guidance Note on Consulting Services Administered by ADB Borrowers* for more detail on these arrangements.

2.13 For individual service providers, the process will use a single-stage selection arrangement by default, normally through a request for expressions of interest and/or curricula vitae.

2. Limited Competitive Bidding

2.14 As described in paras. 2.6 and 2.7 of the 2017 procurement regulations, limited competitive bidding is essentially OCB by direct invitation without open advertisement. It may be appropriate when

- (i) there are only a limited number of potential bidders,
- (ii) the amount of the contract is not large enough to attract sufficient bidders through OCB,
- (iii) the complexity of the services merit limiting participants to best in class providers, or
- (iv) there are other exceptional reasons that may justify departure from open advertisement.

3. Request for Quotations or Shopping

2.15 Request for quotations (RFQ)—also known as shopping—compares price quotations from several prospective service providers. RFQ is appropriate when more competitive methods like OCB are not justified on the basis of cost or efficiency, such as for procuring standard or routine nonconsulting services of small value. RFQ only applies to the selection of firms, not individuals. Requests may be locally advertised or sent directly to the firms to be invited. This is usually a single-stage selection process. Appendix 2 gives an outline for RFQ that borrowers may adapt.

4. Direct Contracting or Single-Source Selection

2.16 Direct contracting—also known as single-source selection—is contracting without competition. It may be used in special circumstances following para. 2.17 of the 2017 procurement regulations and only if fit for purpose and justified by VFM considerations. Direct contracting applies to the selection of firms and individuals. The selection process involves identifying the service provider and justifying the reasons for their direct selection, then inviting them to prepare a technical and financial submission that is negotiated.

5. Framework Agreement

2.17 A framework agreement is an agreement awarded between one or more contracting authorities and one or more service providers (firms or individuals). The agreement establishes terms governing potential contracts to be awarded during a given period, particularly with regard to price and, where appropriate, the quantity envisaged. The agreement sets out terms and conditions under which specific selections (“call-offs”) for the potential contracts can be made throughout the term of the agreement.

2.18 The procurement and award of a framework agreement may follow the procedures of any of the other competitive procurement modalities discussed in this section where appropriate and justified. See the *Guidance Note on Framework Agreements for Consulting Services* for general principles on framework agreements that can be adapted for nonconsulting service selections.

III. Preparation of Bidding and Contract Documents

3.1 Following completion of procurement planning and determination of the procurement modality, the borrower will prepare bidding and draft contract documents for issuance to bidders. Bidding documents generally include evaluation and qualification criteria, a specification of services—usually known as a work statement—performance indicators, draft contract terms and conditions, and may include a service-level agreement (SLA). A work statement may be used on its own for simpler assignments or in tandem with an SLA for more complex assignments. Performance indicators may be used within the work statement, SLA, or other parts of the contract, where relevant. Borrowers should also draft a contract management plan at this stage, as discussed in the *Guidance Note on Contract Management*.

A. Evaluation and Qualification Criteria

3.2 The borrower will develop evaluation and qualification criteria in preparation for issuing bidding documents. Qualification criteria ensure that only a bidder with the appropriate professional, financial, and technical capacity to successfully perform the contract is awarded the contract. Qualification requirements should be limited to those necessary to establish that a bidder has such capacity. Evaluation criteria should reflect the requirements of the services and the most critical service provider characteristics that are key to the delivery of desired project outcomes, as described in the work statement or other specification, and in the SLA (if used). Box 1 gives simplified examples of qualification criteria.

3.3 The borrower should also consider whether and how to evaluate any subcontractors proposed by bidders. The *Guidance Note on Subcontracting* discusses ways to evaluate and mitigate risks from subcontractors in goods, works, and plant contracts, which borrowers may adapt for their nonconsulting service assignments.

3.4 ADB's user's guides to its standard bidding documents provide guidance on evaluation and qualification criteria for goods, works, plant, and consulting services, which borrowers may adapt where relevant for their nonconsulting service procurements. The *Guidance Note on Open Competitive Bidding* and the *Guidance Note on Quality* also give more information on the design of evaluation and qualification criteria. Criteria must be specific, measurable, and fit for purpose, and should use either "pass/fail" (quantitative) scoring or points-based (qualitative)

Box 1**Simplified Examples of Qualification Criteria**

- An event management assignment might require bidders to demonstrate experience organizing at least five fully serviced events with over 500 attendees each, within the last 5 years.
- A vocational training assignment might require bidders to demonstrate national accreditation by the Ministry of Education of their training program, to demonstrate at least 20 teaching staff with nationally recognized teaching certifications, and to demonstrate having trained at least 500 individuals in the subject matter over the last 5 years.
- A standard audit assignment might require bidders to demonstrate that they are able to issue audit opinions on financial statements in accordance with the Generally Accepted Auditing Standards, that they are a member of a global audit network, and that they have experience auditing public organizations with asset size greater than \$1 billion within the last 3 years.
- A videography assignment might require bidders to own at least one set of videography equipment capable of capturing at least 10 hours of video at 4K resolution.

Source: Asian Development Bank.

scoring. Criteria must avoid referring to specific brand names of any required assets or equipment unless the phrase “or equivalent” is used alongside them. Where quality is an important consideration in bidder evaluation and selection, additional criteria may be added seeking information on the ability of bidders to provide quality outcomes, so that the best VFM is achieved.

B. Contract Strategy and Contractual Terms and Conditions

3.5 The contract strategy is one of the outcomes of the procurement planning process. The contract strategy should consist of the selection of the appropriate form of contract and compensation mechanism based on market norms and the nature of the services required. This should consider factors such as

- (i) prevailing market or industry practice;
- (ii) nature and duration of the assignment;
- (iii) legal and regulatory requirements such as licensing, occupational health and safety, liability, and insurance;
- (iv) the extent to which the nature and quality of outputs can be clearly defined;
- (v) allocation of risks to the party most suitable of mitigating them; and
- (vi) the need for incentives or penalties to manage performance quality or timeliness.

3.6 For example, it is prevailing practice for auditors to sign an “engagement letter” describing the services contracted by the client; thus, borrowers are recommended to use this contract form in this case, provided ADB’s requirements are met. Similarly, interpreters are usually paid per working day, and translators and editors are paid per unit of measure (e.g., per 1,000 words), and contract forms should be appropriate to these prevailing practices.

3.7 **Lump sum contracts** are commonly used for nonconsulting service assignments and are used when the content, duration, and required outputs of the services are clearly defined. Prices shall include all costs and cannot be negotiated. Payments are linked to outputs.

3.8 **Time-based or unit price contracts** are used when it is difficult to define the scope, output, and the length of the services. This is either because the services are related to and await completion of activities by others for which the completion period may vary, or because the input of the service providers is difficult to assess. Payments are linked to inputs based on specified rates for personnel and materials, and/or on reimbursable expenses.

3.9 **Framework contracts** are awarded to a single service provider, with fixed budget and no secondary competition, normally with fees agreed on in advance and out-of-pocket expenses agreed on at time of call-off. They are used when the borrower needs services from a single service provider, but the timing and nature of the services to be delivered cannot be precisely defined at the outset. Once a framework contract is in place, the borrower may issue its detailed requirements in a series of parts (call-offs), within the scope of the generic specification of services. Framework contracts are distinct from framework agreements, though the two are similar. Refer to the *Guidance Note on Framework Agreements for Consulting Services* for general information about the differences between a framework agreement and a framework contract.

3.10 **Hybrid contracts with a performance-based component** may be time-based or output-based with a certain amount of contractual payment at risk, based on the achievement of specific performance indicators, which need to be clearly specified and verifiable. An example could include a vocational training contract where payments are made based on enrollment and completion of the course by trainees, and where a bonus may be calculated based on the employability of the trainees finishing the course (e.g., the bonus payment trigger could be “% of graduates employed 6 months after course completion”).

3.11 **Percentage contracts** compensate a service provider based on a predefined percentage of the value of services handled on behalf of the client. An example could include a contract with a procurement or inspection agent.

3.12 In planning and preparing the selection and the draft contractual documents, the borrower may adapt ADB’s standard bidding and contractual documents available for goods, works, plant, or consulting services, subject to ADB’s no-objection, or they may refer to the standard bidding documents for

nonconsulting services published by the World Bank⁶ and to standard contractual documents published by respected international organizations (e.g., the FIDIC “White Book” client–consultant model services agreement). The form of contract used should relate to the choice of procurement method (e.g. invitation for bids, RFQ, RFP) and to the size and complexity of the assignment. Borrowers are encouraged to adapt and use ADB standard forms of contract where possible. ADB may consider a borrower’s proposal to use other forms of contract for specialized services, if circumstances warrant.

3.13 In any case, ADB’s anticorruption policy and integrity principles and guidelines require borrowers and service providers to observe the highest standard of ethics during procurement and contract implementation under projects financed in whole or in part by an ADB loan or grant, or by ADB-administered funds. Bidding documents and contract documents shall include reference to ADB’s anticorruption policy and integrity principles and guidelines, including their provisions on integrity violations and standards of ethical conduct.

3.14 When the contract is to be financed in whole or in part by ADB, or by ADB-administered funds, bidding and contract documents shall reference ADB and its relationship with the borrower. Terms to this effect may be adapted from ADB’s standard RFP for consulting services or its other standard bidding documents. The contract document shall also include an undertaking by the service provider that no fees, gratuities, rebates, gifts, commissions, or other payments, other than those shown in the bid, proposal, or quotation, have been received, given, or promised in connection with the services procurement process or in contract execution.

3.15 In addition, unless waived, bidding documents shall include references to ADB’s procurement eligibility restrictions, as provided in paras. 1.14 to 1.18 of the 2017 procurement regulations.

3.16 Borrowers may also use contractual terms related to relevant social and environmental considerations for the assignment, to price adjustment provisions for long-term assignments, and to mitigating risks from subcontractors. These may be added to ensure that the prospective service providers use best practice or to ensure that their work complies with national law and the ADB Safeguard Policy Statement (2009).⁷ Terms may be added to oblige the service provider to include the same performance and integrity terms from its contract into any contracts it enters with subcontractors. The *Guidance Note on Subcontracting* gives more detail on this risk mitigation measure.

⁶ World Bank. 2017. *Standard Procurement Document: Request for Bids—Non-Consulting Services*. Washington, DC. <http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework>.

⁷ ADB. 2009. *Safeguard Policy Statement*. Manila. <https://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf>.

C. Work Statement

3.17 When used, the work statement describes the nature and scope of the assignment, including technical specifications, and guides the work of the service provider. It should give a clear, accurate, and comprehensive description of the borrower's needs. It should enable bidders to understand what would be expected from them and whether they can provide the services, and facilitate them to prepare a responsive bid. It is derived from the needs assessment undertaken as part of procurement planning. Appendix 3 gives a work statement template that borrowers may adapt.

3.18 The work statement becomes an integral part of the resulting contract describing the tasks to be undertaken by the service provider. It serves as the baseline for evaluating the service provider's performance and contributes to defining the respective rights and obligations of the parties. A good work statement

- (i) describes the borrower's technical requirements and the service provider's role and responsibilities in a clear and unambiguous manner and includes the required results or outputs,
- (ii) enables the borrower to estimate the costs of the assignment and to budget accordingly,
- (iii) attracts competitive technical and financial proposals from qualified service providers,
- (iv) serves as a master document against which technical and financial proposals can be compared and evaluated fairly and transparently,
- (v) serves as a guide for discussions during contract negotiations,
- (vi) acts as a reference against which the performance can be measured, and
- (vii) creates a legally defensible position in case of a dispute.

3.19 The work statement should be sufficiently flexible, when the circumstances justify, to allow service providers to propose their own methods and work program, particularly when the assignment is complex and advertised using RFP. The work statement should define the borrower's counterpart support responsibilities, materials, facilities, data, and reports that shall be made available to the service provider (when applicable). See Box 2 for further details.

3.20 The level of detail and complexity of the work statement should correspond to the size and complexity of the assignment. For example, a work statement for a large and complex assignment advertised with RFP should reflect a higher level of detail and acceptance of customized solutions by prospective bidders than one advertised for a small and simple assignment with RFQ.

Box 2**Contents of the Work Statement**

A typical work statement should include

- project background;
- scope and objectives of the assignment (and how they relate or contribute to the overall project objectives);
- applicable or reference documents to consider for performing the work;
- detailed outputs of the assignment;
- key management requirements, including reporting, meetings, schedules and deliverables, and reviews, where applicable; and
- other specific aspects of the work, including functional, technical, or performance specifications (if not covered by a service-level agreement); personnel requirements; counterpart support to be provided by the borrower (if any); undertakings needed by the service provider; duration and location of the assignment; and other relevant information.

Source: Asian Development Bank.

D. Service-Level Agreement

3.21 An SLA is a formal statement of performance requirements specifying the exact nature and level of service to be provided by the service provider. Its main objective is to quantify the minimum quality of service that will meet the borrower's project needs, as a basis for monitoring and maintaining service levels. SLAs help to quantify the service, clarify expectations, communicate evaluation criteria, and prevent conflicts and disputes. SLAs highlight how performance is to be measured and the consequences of under or over performance. Appendix 4 gives an example of service levels that could form part of an SLA.

3.22 When used, an SLA becomes an integral part of the resulting contract describing the required service levels and expected performance and quality of the tasks specified in the work statement. It is read in conjunction with the work statement as the baseline for evaluating the service provider's performance and contributing to the respective rights and obligations of the parties. See Box 3 for further details. A good SLA

- (i) focuses attention on what the service involves and achieves,
- (ii) identifies the key service requirements of the borrower,
- (iii) prompts both parties to consider the level of service that can realistically be delivered with available resources,
- (iv) gives the basis for effective management and monitoring of the service relationship through mutually agreed performance indicators, and
- (v) fosters better understanding and trust between the borrower and service provider.

3.23 An SLA for a call center or help desk operation, for example, could specify service levels such as monthly call summary reports provided within 3 business days after the end of the month, simple user questions or complaints resolved within 2 days of receipt, and complex user questions or complaints resolved with 7 days of receipt (“simple” and “complex” would need to be defined carefully in this case, based on the nature of the service).

3.24 SLAs are not necessary for every nonconsulting service contract and their level of detail and complexity should align with the size and complexity of the assignment. A good SLA can be time-consuming to create and monitor. SLAs are thus recommended for long-term, multiyear contracts; larger contracts of about \$500,000 or more; complex contracts; and/or critical contracts, where service failures may cause great risks or harm.

Box 3

Contents of the Service-Level Agreement

A typical SLA should include

- scope and objectives of the assignment, including terms and conditions under which services will be provided;
- service description (describing the services to be delivered and those not to be delivered, or only delivered on request and at additional cost);
- standards or service levels for each task by which the service provider will be evaluated, including indicators to be measured;
- allocation of responsibility for activities, risks, and costs;
- consequences in case performance is above or below standards (i.e., incentives or penalties);
- how services and service levels will be monitored and reviewed through service review meetings, and how problems will be addressed;
- how complaints and disputes will be managed; and
- when and how the SLA will be revised if service requirements change.

Source: Asian Development Bank.

E. Performance Indicators

3.25 Many nonconsulting service assignments will need a careful definition of the quality of the service through the work statement and SLA, and not simply whether services are being delivered at agreed levels or within agreed timelines. It can be more difficult to define and measure quality for service contracts than for goods or works contracts because services are intangible, measurement of compliance with the specification may be subjective, and samples of the services cannot be seen prior to purchase.

3.26 Nonetheless, it is important to agree on what is to be measured and how it will be measured through performance indicators. Performance indicators must be specific, measurable, attainable, relevant, and timebound (i.e., “SMART”). They should focus on actionable metrics that assess the minimum acceptable service quality and that are linked to the borrower’s satisfaction with the service. The *Guidance Note on Quality* gives more information on specifying performance measures. Appendix 4 also gives an example of how performance indicators are developed and how they could form part of an SLA.

IV. Bidding, Bid Evaluation, and Contract Award

4.1 Following preparation of the bidding documents, the bidding documents are issued and bidders prepare bids and submit them by the bid submission deadline, in accordance with the selected procurement modality. Upon receipt, bids are evaluated against the stated evaluation and qualification criteria and a recommendation for award is prepared and approved internally by the borrower, and reviewed as appropriate by ADB. For more information on the process, refer, where relevant, to the *Guidance Notes on (i) Procurement Review, (ii) Abnormally Low Bids, (iii) e-Procurement, (iv) Open Competitive Bidding, (v) Consulting Services Administered by ADB Borrowers, (vi) Bidding-Related Complaints, (vii) Standstill Period, and (viii) Noncompliance in Procurement*, among others.

V. Implementation and Contract Management

5.1 Following contract award, the borrower should review and update the project's risk register developed during the procurement planning stage with any new risks that may have arisen as a result of the service provider selected, and any new risks that could arise during contract implementation. The update should also identify actions to mitigate these new risks. Refer to the *Guidance Note on Procurement Risk Framework* and the *Guidance Note on Strategic Procurement Planning* for more information.

5.2 It is essential that the borrower takes a proactive role in managing the contract to ensure that the service provider's performance is satisfactory, that stakeholders concerned are adequately engaged, and that all contract requirements and deliverables are fully met. This is done primarily through developing a contract management plan and managing the delivery of services in accordance with the plan and the contract. This is especially important for higher-value and higher-risk contracts. Among other things, the plan should include the measures against which the service provider's performance will be assessed, in accordance with the SLA and performance measures. See the *Guidance Note on Contract Management* for more information.

Appendix 1: Characteristics of Five Procurement Modalities for Nonconsulting Services

Procurement Modality	Typical Bidding Arrangements	Applicability	Typical Contract Type	Application
Open Competitive Bidding	<p>International or national open advertising</p> <p>Prequalification or shortlisting (if necessary)</p> <p>Invitation for Bids:</p> <ul style="list-style-type: none"> - Single-stage, one-envelope - Single-stage, two-envelope - Two-stage - Two-stage, two-envelope <p>or</p> <p>Request for Proposals:</p> <ul style="list-style-type: none"> - Quality- and cost-based selection - Quality-based selection - Fixed budget selection - Least-cost selection - Consultants' qualifications selection <p>or</p> <p>Selection of individuals:</p> <ul style="list-style-type: none"> - Single-stage request for expressions of interest 	<p>- Firms</p> <p>- Firms</p> <p>- Individuals</p>	<ul style="list-style-type: none"> - Lump sum - Time-based or unit price - Hybrid performance-based 	<p>Invitation for Bids:</p> <ul style="list-style-type: none"> - Borrower wishes to achieve efficiency and wide market reach through open bidding - Quality of services is comparable among service providers meeting minimum qualification requirements <p>Request for Proposals:</p> <ul style="list-style-type: none"> - Borrower wishes to achieve value for money by factoring quality of services in the evaluation of proposals

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Table continued

Procurement Modality	Typical Bidding Arrangements	Applicability	Typical Contract Type	Application
Limited Competitive Bidding	International or national limited advertising or direct invitation Other arrangements the same as for open competitive bidding	- Firms - Individuals	- Lump sum - Time-based or unit price - Hybrid performance-based	- Market is limited to several key players, e.g., provision of internet service; interisland shipping - Required service is standardized and quality is comparable among those meeting minimum qualification requirements
Request for Quotations	Local advertising or direct invitation Single-stage request for quotations	- Firms	- Simple service contract - Lump sum - Time-based or unit price - Engagement letter - Percentage contract	- Short, simple assignments - Financial audit - Procurement or inspection agent
Direct Contracting or Single-Source Selection	Identification and justification of desired service provider Technical and financial submission - Bid, proposal, or quote - Curriculum vitae and daily rate	- Firms - Individuals	Any of the above, if appropriately justified	- Emergency situations - Continuity of services is essential - There is only one service provider - Amount is very small
Framework Agreement	May use the arrangements for open competitive bidding, limited competitive bidding, or request for quotations, where appropriate and justified	- Firms - Individuals	- Framework, job order, or indefinite delivery	- Services are repetitive in nature and are procured through a preexisting agreement

Source: Asian Development Bank.

Appendix 2: Request for Quotation Outline

A2.1 This template gives an outline format to request for quotations from the market for a nonconsulting service assignment. For projects financed in whole or in part by an Asian Development Bank (ADB) loan or grant, or by ADB-administered funds, the outline must be adapted to include, at minimum, ADB's mandatory contract terms and conditions described in section III, subsection B. The borrower may develop this during the procurement planning or the preparation of bidding documents stages of the procurement cycle and send it to ADB for no-objection. Borrowers should also use ADB's sample documents on shopping for goods and works (available on the ADB website), where relevant, as a basis for preparing the request.

Outline of a Request for Quotations	
Service and Submission Details	
Submission Date and Time	<i>[State date and time by which quotation is required to be submitted]</i>
Submission Details	<i>[State method of submission, e.g., e-mail, online procurement system] [State submission e-mail address, employer contact person details]</i>
Description of Services	<i>[Refer to an attached work statement if one has been produced. If no work statement, describe the services, the service deliverables, the quantity of each service component, the location services are to be performed, the technical requirements and/or any other information necessary to allow service providers to accurately cost and quote.]</i>
Performance Requirements	<i>[Refer to service level and performance indicator specifications if applicable. If no service level or performance indicator specifications, state the level of performance required.]</i>
Queries	For any queries regarding this Request for Quotation, send an e-mail to <i>[contact name]</i> at e-mail address <i>[e-mail address]</i> no later than <i>[state date and time prior to submission date]</i>
Terms and Conditions of Quotation	The terms and conditions can be found at this link: <i>[add link to standard terms and conditions, which shall include the terms required by the Asian Development Bank as per section III, subsection B]</i>

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Table continued

Outline of a Request for Quotations			
Quotation			
Service Component	Unit	Currency	Price per Unit
[State service component]	[State unit of measure]	[State currency]	
[State service component]	[State unit of measure]	[State currency]	
[State service component]	[State unit of measure]	[State currency]	
Details of Contact Person in Your Organization			

Appendix 3: Work Statement Template

A3.1 The purpose of this work statement template is to help the borrower or employer write a clear, succinct, and structured work statement for inclusion in any of the procurement modalities described in section II and Appendix 1.

A3.2 A clear and structured work statement is important for two reasons:

- (i) It helps to clarify internal requirements and convey information to service providers that is important for gauging the scope, nature, and timing of the services.
- (ii) It helps the service provider to understand the requirements clearly so that they can deliver services that are fit for purpose, at a cost that reflects the effort and quality requirements.

A3.3 In general, when drafting a work statement, these principles should be followed:

- (i) Use simple language, write in plain language, and do not use jargon.
- (ii) Define terms, symbols, and acronyms.
- (iii) Be as concise as possible without reducing understanding.
- (iv) Do not duplicate the requirement in more than one section.

A3.4 Guidance in this work statement template is provided in italics and enclosed in square brackets. It should not be included in an agreement or a bidding document sent to a service provider.

A3.5 The work statement should be fit for purpose. Any sections below that are not relevant to the services should be deleted, and numbering adjusted accordingly.

Work Statement for [add short services description]	
1.	Background
	<p>[Provide general information about the employer organization (purpose or mission, values, operations, customers, dimensions, etc.) that may be of use to give context to service providers unfamiliar with the employer.]</p> <p>[Provide relevant contextual information about the services (to the extent that this adds understanding).</p> <p>Example: “(Employer name) has completed a major road construction project in the northern province and has determined the need to survey the completed roadway and surrounding area to ensure that stormwater drainage from the road reserve is effective and limits local land flooding. Accordingly, this work statement has been prepared to solicit proposals for surveying services for 50 kilometers of the road reserve.”]</p> <p>[State why the services are required. This could be stated in the form of a problem statement, with headings as follows:</p> <p><u>Current State</u> (Describe the current situation and associated challenge)</p> <p><u>Impact</u> (Describe the impacts of the current situation)</p> <p><u>Desired State</u> (Describe the desired state after completion of the services)</p> <p>Example:</p> <p><u>Current State</u></p> <p>Stormwater drainage from the newly constructed road and surrounding road reserve is not as designed.</p> <p><u>Impact</u></p> <p>Local flooding of properties at several points adjacent to the road reserve.</p> <p><u>Desired State</u></p> <p>An understanding of the drainage of the road reserve as currently constructed.]</p>
2.	Scope of Services
2.1	In Scope
	<p>[Clearly and succinctly describe the services. If the services include installation, commissioning, training, documentation, maintenance, or support, specify these. Greater detail can be provided in the Statement of Requirements section below.]</p>
2.2	Out of Scope
	<p>[State any excluded aspects of the services, if this adds clarity, otherwise, delete this heading.]</p>
2.3	Demand for Services
	<p>[If the services are such that they have an associated level of demand (e.g., inbound calls for a help desk service), state the anticipated demand for the service and state if the demand figures are indicative and not binding. Demand can take the form of past volumes or historical usage data, for example, number of end users for software licenses.</p> <p>State the average, minimum, and maximum demand if these may impact resourcing levels and service provider costs.</p> <p>If the information on demand is comprehensive, include this as an appendix to the agreement or bidding document and cross-reference the appendix here.]</p>

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Work Statement for [add short services description]	
3.	Statement of Requirements <i>[The amount of detail in the Statement of Requirements will vary depending on the value and complexity of the services.]</i>
3.1	Objectives of the Services <i>[State what the services are trying to achieve. It is essential to state objectives because it provides clarity both to the specifier as well as the service provider and ensures alignment of the service provider's actions with the specifier's intent.]</i>
3.2	Deliverables of the Services <i>[These are the outputs or deliverables required to be produced by the service provider under the contract. They must be specific products of the services (not simply activities) and are usually tangible. They can be milestone deliverables as well as final deliverables.]</i> <i>Examples:</i> <ul style="list-style-type: none"> • “Geological map of survey area • Report summarizing findings of geological survey • Core samples stored in accordance with the requirements in the Statement of Requirements”]
3.3	Information Systems or Technology Requirements <i>[State any information systems, technology, data, or reporting requirements associated with the services, especially data privacy requirements.]</i> <i>Example: “The Service Provider must provide a risk assessment and assurance plan for maintaining data privacy for approval by the Employer prior to commencing the Services.”</i> <i>State any access required by your organization to information systems provided by the service provider.</i> <i>State any requirement for the service provider to develop a business continuity plan and/or a disaster recovery plan.]</i>
3.4	Technical Requirements <i>[State any inspection and testing, licensing, safety, and environmental requirements, design standards and codes, operational technical requirements, quality assurance, documentation requirements, etc.]</i>
3.5	Capabilities <i>[State any requirements around key skill areas, qualifications, or certifications.]</i> <i>Example 1: “Law firms must have expertise in compulsory third-party claims.”</i> <i>Example 2: “Accounting consultants working on the Services must be qualified as Certified Public Accountants.”]</i>
3.6	Availability <i>[State the required availability of the services, if applicable, such as operating hours, definition of “normal hours” and “after hours,” holiday periods, etc.]</i> <i>Example: “The help desk services shall be available 24 hours per day, 365 days per year.”]</i>

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Work Statement for [add short services description]	
3.7	Working Conditions and Location of Services <i>[Outline of working conditions or limitations that will be imposed on the service provider, for example, the services may be required to be performed in a particular office of the employer.]</i> <i>[State any travel required.]</i>
3.8	Maintenance and Support Requirements <i>[State any requirements for the service provider to provide preventive and/or reactive maintenance and repair services, or supply of spare parts.]</i>
3.9	References <i>[Supporting information, references, and documents such as drawings can be included as appendixes to the work statement if required. Describe the purpose of the references and cross-reference to the appendixes here.]</i>
4.	Timescales, Logistics, and Transition
4.1	Timescales <i>[The end date of the services may be stated in the agreement document. However, if there are milestone dates for delivery of certain parts of the services or certain deliverables, or if there are “stage-gates,” i.e., stages of completion of parts of the services that require employer approval prior to proceeding with other parts of the services, then these should be stated here.]</i>
4.2	Logistics Requirements <i>[Specify any logistics requirements such as coordination and planning activities, and lead times required.]</i>
4.3	Transition-In Requirements <i>[Specify any transition-in arrangements and any transfer of intellectual property, assets, and resources. Consider the need for confidentiality agreements, arrangements for the transition from an incumbent service provider to a new service provider, and any transition planning and activities, for example, preparing detailed process flow, policies, procedures, training documents, etc.]</i>
4.4	Transition-Out Requirements <i>[State any requirements at the time of completion of the services, for example, handover of documentation or intellectual property from the service provider to the employer.]</i>
5.	Quality and Acceptance
	<i>[State any quality system or quality assurance requirements if these are important for the services.</i> <i>Example: “The Service Provider shall have a quality management system compliant with ISO 9001:2008, Quality Management Systems, and shall apply this to the Services.”]</i> <i>[State any compliance requirements, specifically any internal or external rules which must be met, for example, compliance with specific legislation, internal policies, or procedures.]</i> <i>[State the quality criteria that will be used to measure acceptance of the deliverables.]</i>

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Table continued

Work Statement for [add short services description]	
6.	Risk Management
	<p>[State any material risks associated with the services that should be highlighted for management by the service provider.</p> <p>Example:</p> <p>“The Service Provider will ensure that it has in place appropriate risk management processes associated with the delivery of the Services, especially the following issues:</p> <ul style="list-style-type: none"> • Client data privacy • Integration of Service Provider systems into Employer systems <p>The Service Provider shall report on risk control assessment, assurance and management measures taken on the above risks on a frequency required by the Employer.”]</p>
7.	Reporting
	<p>[State the requirements for reporting on project status or process performance.</p> <p>Example 1 (project):</p> <p>“The Service Provider is required to provide monthly progress reports to the Employer outlining overall progress against project milestones, activities performed in the previous week, planned activities in the coming week, project risks, and expenditure to date vs budget.”</p> <p>Example 2 (process):</p> <p>“The Service Provider shall provide monthly process performance reports to be delivered to the Employer on the fifth day of the each month unless otherwise specified. The report will show performance against service levels and key performance indicators and will highlight and explain any deviations from required performance and recommended actions to rectify the deviation.”]</p>
8.	Other Requirements
	<p>[State any other requirements appropriate to the value and nature of the services that have not already been stated, for example:</p> <ul style="list-style-type: none"> • Occupational health and safety requirements that the service provider must follow • Environmental protection requirements]
9.	Invoicing
	<p>[The terms and conditions of contract may specify invoicing arrangements, or there may be opportunity to add any special invoicing requirements to the invoicing section of the contract schedule. If not, add any additional invoicing instructions here or otherwise delete this section.]</p>

Appendix 4: Example of Service Levels and Performance Indicators for a Service-Level Agreement

A. Service Levels

4.1 Service levels are the levels of service that the service provider is expected to provide. They are usually applicable to an ongoing service, but can be specified for projects. Table A4.1 gives an example of service levels.

B. Performance Indicators

4.2 Performance indicators (or key performance indicators) measure performance against the service levels and other critical aspects of service provider performance. Performance indicators typically include measures of quantity, quality, timeliness, cost, and satisfaction, and may include continuous improvement.

Table A4.1: Example of Service Levels for a Maintenance Services Contract

Service Aspect	Service Level
Call answer time	Calls answered within 60 seconds
Maintenance issues investigated promptly	Investigate within 4 hours of issue being logged
Maintenance issues resolved	Resolved within 3 business days following investigation
Respond to employer requests for information	Within 1 business day of request
Production of monthly reports	By the fifth day of the month

Source: Asian Development Bank.

4.3 Performance indicators should only be specified if they will be monitored through the course of the services. Indicators should be “SMART,” i.e., specific, measurable, attainable, relevant, and timebound.

4.4 Table A4.2 gives example performance indicators incorporating service-level specifications and other indicators.

Table A4.2: Example of Performance Indicators for a Maintenance Services Contract

Performance Objective	Performance Measure	Key Performance Indicator	Reporting Frequency
Quantity			
Scheduled maintenance inspections conducted to plan	Number of scheduled inspections performed	90% of scheduled inspections conducted	Quarterly
Preventive maintenance performed as planned	Number of preventive maintenance jobs performed	85% of preventive maintenance jobs in plan conducted	Quarterly
Quality			
Repairs performed to required quality standard	Rework of maintenance repairs	< 5% of repairs require rework within 6 months of initial repair	Quarterly
Timeliness			
Incoming calls answered promptly ^a	Call answer time	95% of calls answered within 60 seconds	Monthly
Maintenance issues investigated promptly ^a	Time taken to investigate issues	90% of issues investigated within 4 hours of issue being logged	Monthly
Maintenance issues resolved promptly ^a	Time taken to resolve maintenance issues	90% of issues resolved within 3 business days following investigation	Monthly
Cost			
Maintenance budget not exceeded	Cost versus budget	Total cost < 105% of budget	Quarterly
Customer Service			
Employer is satisfied with the Service Provider's performance	Customer survey of key users in Employer organization	Average customer satisfaction survey rating of > 3.5 out of 5	Annually

^a These performance measures are also included in Table A4.1's example of service levels.

Source: Asian Development Bank.

Nonconsulting Services Administered by ADB Borrowers

Guidance Note on Procurement

This guidance note introduces nonconsulting services as a separate category of services that ADB borrowers can procure for their projects. Nonconsulting services comprise both physical and intellectual activities that are routine and measurable in nature (e.g., installation and maintenance services, household surveys, standard audits, website maintenance, event management, interisland shipping, and vocational training). The guidance note reviews roles and responsibilities of borrowers and service providers in procuring and implementing nonconsulting service assignments. It discusses issues that borrowers should consider when planning, procuring, and implementing a nonconsulting service contract.

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to a large share of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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