

# What bidding procedures are used by ADB-financed projects?

ADB-financed projects use various bidding procedures for the procurement of goods, works, and nonconsulting services. Each project tender specifies the bidding procedure that will be used. In general, one of the following bidding procedures is used.

## Single-Stage: One-Envelope Bidding Procedure

- Bidders submit bids in one envelope containing both the price proposal and the technical proposal.
- The envelopes are opened in public at the date and time advised in the bidding document. The bids are evaluated.
- Following approval by ADB, the contract is awarded to the bidder whose bid has been determined to be the lowest evaluated substantially responsive bid.

## Single-Stage: Two-Envelope Bidding Procedure

- Bidders submit two sealed envelopes simultaneously, one containing the technical proposal and the other the price proposal, enclosed together in an outer single envelope.
- Initially, only the technical proposals are opened at the date and time advised in the bidding document. The price proposals remain sealed and are held in custody by the purchaser. The technical proposals are evaluated by the purchaser. No amendments or changes to the technical proposals are permitted. This allows the purchaser to evaluate the technical proposals without reference to price. Bids of bidders who do not conform to the specified requirements may be rejected as deficient bids, with ADB's approval.
- Following ADB approval of the technical evaluation, and at a date and time advised by the purchaser, the price proposals are opened in public. The price proposals are evaluated.
- Following ADB's approval of the price evaluation, the contract is awarded to the bidder whose bid has been determined to be the lowest evaluated substantially responsive bid.

## Two-Stage Bidding Procedure

- Bidders first submit their technical proposals, in accordance with the specifications, but without prices.
- The technical proposals are opened at the date and time advised in the bidding document. The technical proposals are evaluated and discussed with the bidders. Any deficiencies, extraneous provisions and unsatisfactory technical features are pointed out to the bidders whose comments are carefully evaluated. The bidders are allowed to revise or adjust their technical proposals to meet the requirements of the purchaser. The objective of the exercise is to ensure that all technical proposals conform to the same acceptable technical standard and meet the technical solution required by the purchaser.

- Bids of bidders who are unable or unwilling to bring their bids to conform to the acceptable technical standard may be rejected as deficient bids.
- After the evaluation of technical proposals has been approved by ADB, the second stage is to invite bidders to submit price proposals and revised technical proposals in compliance with the acceptable technical standard.
- The revised technical proposals and price proposals are opened in public at a date and time advised by the purchaser. In setting the date, the purchaser will allow sufficient time for bidders to incorporate the changes involved in the technical proposals and prepare price proposals. The price proposals and revised technical proposals are evaluated.
- Following ADB's approval, the contract is awarded to the bidder whose bid has been determined to be the lowest evaluated substantially responsive bid.