Guide on Post Review (Sampling)

CPS Stage

1. Country sector/agency procurement risk is determined at the CPS stage\(^1\) or any other time as agreed with the Regional Department. A rating of low risk would indicate an acceptable set of procurement laws, rules and regulations that, at a minimum, prescribe open competitive tendering as the default procurement method, has a transparent bidding process, and offers no nationality preferences. For a low risk country, the national laws, rules and regulations may be considered acceptable when the following features are found:
   - Procurements are well publicized through traditional and/or new electronic and open access media,
   - Bidding documents provide clear instructions on how bids should be submitted, how prices should be offered, and the place and time for submission of bids,
   - Adequate response time for preparation and submission of bids are provided,
   - The procedures provide for adequate competition in order to ensure reasonable prices,
   - Methods to be used in the evaluation of bids and the award of contracts are objective and made known to all bidders in the bidding documents and not be applied arbitrarily,
   - The procedures include public opening of bids, publication of results of evaluation and of the award of contract,
   - There are provisions for bidders to protest, and
   - If foreign firms wish to participate, they shall be allowed to do so.

2. A low country procurement risk rating would allow use of the national laws, rules and regulations to be used for procurement of certain lower risk and low impact contracts to be financed by ADB. The set of contracts may, when indicated in the procurement plan, be the subject of post review (sampling).

3. The procurement plan would set the ceiling for the contracts subject to post review (sampling), which would be from zero to $5.0 million but for a particular project shall always be below the ICB threshold. At the CPS formulation stage, recent 2-3 years national budgets may be examined to determine types and sizes of contracts normally implemented by project executing agencies. The upper limit of contract sizes to be covered by post review (sampling) shall be based on the value and types of contracts normally awarded by the EA using the national procurement laws, rules and regulations, and procured through competitive international, competitive national, shopping or other prescribed methods in the national procurement system.

Procurement Plan

4. Based on the ceiling set during CPS (up to $5 million but below the prior review and ICB thresholds), consider the procurement record of the executing agency.

5. Consider at least two possible scenarios of contract identification at the procurement plan stage: all identified, or some lumped as “10 contracts of between $1.0 million to $2.0 million” or “15 contracts below $500,000 each.”

6. Identify contracts or contract groups within the ceiling set and/or the stratification of samples, i.e. stratified by contract size, say, below $500,000, $1.0 to $2.0 million, $2.0 to $3.0 million, $3.0 to $4.0 million, and $4.0 to $5.0 million.

\(^1\) For Pacific countries that do not have full CPS, country procurement risk shall be determined during the preparation of Pacific approach document or during project processing.
7. Set a systematic sampling approach at, say every 5th contract for the stratum with largest sample, every 4th contract for next sized sample, and or 3rd contract for the stratum with a smaller sample size, etc. For the largest contracts in the total sample, every contract may be reviewed. In the scenario where all contracts for country systems are identified in the procurement plan, the target sample shall cover about 50% to 80% of the total value of contracts and about 20% of total number. In the second scenario where the contracts in the procurement plan for are indicative only and lumped as, for example, "10 contracts between $500,000 to $1.0 million", taking "every 5th contract" as the sample approximates 20% of the number.

8. Sample contracts may be reviewed at each reimbursement cycle or series of withdrawal applications, or when each review or supervision mission is fielded.

**Actual review of sampled contracts**

9. For the actual review procedure, the methodology of the Procurement Review for Effective Implementation or PREI may be used, except that assessment is not against ADB guidelines but against the national procurement laws, rules and regulations. The PREI Manual and User's Guide are available in OpsPedia.