



Overseas Investment and Development Projects Issue Brief -Procurement Trends in ADB-Financed Overseas Infrastructure Projects: Introduction of Merit Point Criteria

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This **Overseas Investment and Development Projects Issue Brief** is a quarterly publication of Shin & Kim's Infrastructure Development Practice Group (the "Infrastructure Development PG"). It aims to provide analysis of policy trends and legal and institutional developments relevant to successful overseas investment and development projects.

I. Overview of the Merit Point Criteria (MPC) System

■ Background

The Asian Development Bank (ADB) has introduced Merit Point Criteria (MPC) to secure optimal value for money in the bid evaluation process and has applied MPC from January 1, 2026.

■ Definition and Scope

MPC is a new bid evaluation method that reflects non-price factors, including technical quality and sustainability, in addition to price. It is mandatory for internationally advertised works, non-consulting services, and goods contracts procured under ADB financing.

■ Application to Overseas Infrastructure Construction Projects

Where borrowers implement infrastructure projects in sectors such as transport, energy, and water resources using ADB loans, MPC applies to the evaluation process, including the selection of EPC contractors and other works contractors.

<MPC Overview >

Key Features	<ul style="list-style-type: none"> ▪ Incorporates elements such as sustainability into the technical evaluation criteria ▪ Introduces differentiated minimum technical weightings depending on contract value and procurement risk ▪ Applies a fixed rating scale in calculating evaluation scores
Effective Date	<ul style="list-style-type: none"> ▪ January 1, 2026
Scope	<ul style="list-style-type: none"> ▪ Infrastructure projects implemented by borrowers using ADB loans.
Application	<ul style="list-style-type: none"> ▪ Applied to the evaluation criteria and standards for selecting EPC contractors and other works contractors

II. Key Features of the Merit Point Criteria (MPC)

■ MPC Application: Evaluation of EPC Contractors and Other Works Contractors

The evaluation process for selecting EPC contractors and other works contractors for overseas construction projects is typically conducted through a combined technical and price weighted evaluation method, which aggregates the technical score and price score. For example, if the technical weighting is 80% and the price weighting is 20%, and a bidder receives a technical score of 80 and a price score of 100, the final evaluation score is calculated as 84.

* (Technical score of 80 x 80%) + (Price score of 100 x 20%) = 84

The recently introduced MPC applies to this technical and price weighted evaluation process. Its key features are as follows.

■ Key Details of MPC

1) Technical Evaluation Criteria

Technical evaluation criteria refer to the detailed evaluation items used to calculate the technical score. MPC provides six criteria, including site organization and staffing plan, construction methodology, sustainability, and risk management.

<MPC Technical Evaluation Criteria >

Criterion	Details
① Site Organization and Staffing Plan (Site Organization)	Staffing and resource deployment plan, qualifications of key personnel, etc.
② Construction Methodology	Innovative construction methods, materials, equipment and logistics plans, etc.
③ Schedule	Detailed work schedule, mobilization plan, etc.
④ Sustainability	Contribution to local communities, including local job creation, skills development and technology transfer; environmental management; reduction of carbon emissions, etc.
⑤ Risk Management	Identification of project risks and mitigation strategies, etc.
⑥ Quality Management	Quality management plan, occupational health and safety management system, etc.

Unlike prior technical evaluation approaches, MPC expressly provides for a ‘Sustainability’ criterion that assesses matters such as contributions to local communities. Up to 25% of the total technical score may be allocated to Sustainability, and up to 15% may be allocated to the sub-criterion of local job creation, skills development, and technology transfer.

For internationally advertised works contracts, ADB also requires that at least 50% of the total labor force, measured on a person-days basis, be supplied by local workers, and permits additional points to be awarded where a bid exceeds this threshold.

2) Minimum Technical Weighting

Minimum Technical Weighting refers to the minimum percentage of the technical score weighting that must be applied when conducting a combined technical and price weighted evaluation.

To prevent the arbitrary application of technical weightings, MPC prescribes differentiated Minimum Technical Weightings based on (i) the estimated contract value and (ii) procurement risk and requires compliance with those minimum thresholds.

- Estimated contract value: classified as High Value if the estimated contract value is USD 10 million or more, and as Low Value if it is less than USD 10 million.

- Procurement risk: classified into four levels - High, Substantial, Moderate, and Low - taking into account Borrower capacity, market conditions, contract complexity, contract size, and implementation environment.

<Minimum Technical Weighting Standards >

		Contract Value	
		High(\geq 10M USD)	Low(<10M USD)
Procurement Risk	High / Substantial	50%	60%
	Moderate / Low	10%	20%

For example, where procurement risk is high and the estimated contract value is less than USD 10 million, the Minimum Technical Weighting is set at 60%, increasing the relative importance of the technical evaluation. Conversely, where procurement risk is low and the estimated contract value is USD 10 million or more, the Minimum Technical Weighting is 10%, making price competitiveness a key factor.

3) Fixed Rating Scale for Technical Evaluation Scores

ADB has established the following fixed rating scale so that evaluators can quantitatively determine technical scores and use the scale as the basis for allocating points.

<Fixed Rating Scale for Technical Evaluation >

Score	Rating	Description
10	Outstanding	Exceeds expectations and requirements in all aspects of the criterion. Demonstrates an exceptional understanding of the criterion through an excellent methodology and clear, credible substantiation. Includes significant innovation and added-value elements and presents a clear implementation plan for the proposed approach
9	Excellent	Exceeds expectations and requirements in most aspects of the criterion. Demonstrates an excellent understanding of the criterion through a well-structured methodology and strong substantiation. Includes key innovation and added-value elements, but lacks an implementation plan for the proposed approach
8	Good	Exceeds expectations and requirements in some aspects of the criterion. Demonstrates a good understanding of the criterion through a systematic and well-developed methodology and reasonable, verifiable substantiation. Includes some innovation and added-value elements and presents an implementation plan for the proposed approach
7	Above Average	Meets expectations and requirements in all aspects of the criterion.

		Demonstrates a sound understanding of the criterion through a thorough methodology without weaknesses and reasonable, though difficult-to-verify, substantiation. Includes minor innovation and added-value elements, but lacks an implementation plan for the proposed approach
6	Average	Meets expectations and requirements in most aspects of the criterion. Demonstrates sufficient understanding of the criterion through an appropriate methodology with negligible weaknesses. Does not include innovation or added-value elements
5	Below Average	Meets the requirements in some aspects of the criterion. Demonstrates a below-average understanding of the criterion, with minor weaknesses in the methodology. Provides sufficient confidence that the criterion can be delivered
4	Marginal	Barely meets the requirements of the criterion. The methodology shows some understanding of the criterion but contains weaknesses. Provides a moderate level of confidence that the criterion can be delivered
3	Poor	Fails to meet most requirements of the criterion. The methodology contains major weaknesses and/or conflicting information. Provides little confidence that the criterion can be delivered
2	Very Poor	Fails to meet the key requirements of the criterion. The methodology contains significant weaknesses and/or irrelevant information. Provides no confidence that the criterion can be delivered
1	Unacceptable	Fails to meet all requirements of the criterion. The methodology contains material omissions or irrelevant information.

III. Implications for Korean Companies Expanding into Overseas Construction Markets

Where borrowers implement infrastructure projects in sectors such as transport, energy, and water resources using ADB loan, they will conduct bid evaluations applying MPC to select EPC contractors and other works contractors. MPC is therefore expected to have a significant impact on the bidding strategies of Korean companies preparing to enter overseas infrastructure construction markets.

In particular, the introduction of MPC indicates that, beyond existing technical and quality management capabilities, companies will need differentiated bidding capabilities that can comprehensively demonstrate local partnership strategies, such as local job creation and technology transfer, as well as life-cycle value, including contributions to the environment and local communities.

Key matters that Korean companies should prepare to respond to the MPC regime as follows.

1) Strengthening Technical Proposal Capabilities

MPC directly incorporates technical proposal capabilities into the evaluation process, including construction methodology, site organization, schedule, risk management, and quality management. It is therefore essential to develop technical proposal drafting capabilities that present specific methodologies and supporting evidence, rather than simply listing prior construction experience.,

2) Establishing a Local Participation Strategy

For internationally advertised works contracts, at least 50% of the total labor force must be supplied by local workers, and additional points may be awarded where this threshold is exceeded. Korean companies should therefore develop concrete plans for structuring local joint venture partnerships, using local subcontractors, organizing personnel, and implementing skills development and technology transfer.

3) Securing Sustainability and ESG Capabilities

MPC directly reflects environmental management, reduction of carbon emissions, and contributions to local communities in the technical evaluation criteria. To respond effectively, Korean companies should present concrete measures for forecasting and reducing greenhouse gas emissions during construction, improving resource efficiency, adopting climate-resilient design, employing local workers, and creating local jobs.

Shin & Kim's Infrastructure Development Practice Group is a dedicated team for overseas infrastructure investment and development projects. Based on its expertise in procurement and contractual structures for MDB-financed projects, the Practice Group provides tailored consulting services across the full project lifecycle, from identification of overseas infrastructure projects and formulation of international competitive bidding strategies to risk analysis, contract negotiation and execution, and project implementation.

In the rapidly changing MDB procurement environment, our Infrastructure Development PG will serve as a trusted strategic partner for overseas construction companies.

[\[Korean version\]](#) 해외 투자개발사업 Issue Brief - 'ADB 재원투입 해외 인프라 사업'에 대한 조달 제도 동향 : MPC 도입

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