



**ASIAN INFRASTRUCTURE
INVESTMENT BANK**

2021 Corporate Procurement Annual Report

Corporate Procurement Unit
Facilities and Administration Services Department
March 2022

Executive Summary

Contract Value

- The total value of corporate procurement contracts in 2021 is USD**80,790,844** which is 28 percent higher than in 2020. A total of 606 contracts were awarded compared to 568 contracts in 2020.
- The procurement category with the largest spend is General Services accounting for 62 percent of the total contract value, followed by Consulting Services for 29 percent, Goods for seven percent and Works for two percent.

Procurement Approach

- AIIB procures goods, works and services, including consulting services, through competition or direct selection. Competitive procurement represents 65 percent of the total contract value compared to 60 percent in 2020.
- Aside from regular one-off and multiyear contracts, AIIB executed seven framework agreements for the long-term supply of strategic goods and services.

2021 Corporate Procurement Activities

- Completed 606 contracts to support AIIB's investment operations projects and meet the Bank's corporate requirements for goods, works and general/consulting services using the Bank's administrative and capital budget.
- Selected and commenced implementation for ERP upgrading to SAP S4Hana, to be integrated with two eProcurement systems (SAP Ariba and SAP Fieldglass).
- Issued revisions to Directive on Corporate Procurement and Administrative Guidance, in respect to AIIB's Corporate Efficiency review to meet specific challenges and improve overall efficiency in corporate procurement.
- Led by Compliance, jointly reviewed and revised the Administrative Guidance (AG) on "Know Your Counterparty/Financial Crime & Integrity Due Diligence (KYC/FCIDD) for Corporate Procurement, based on experience learned since the first issuance of its original version in March 2020 with the objective to enhance internal control measures.
- Completed two Audits on Internal Control on Financial Reporting and Audit on Outsourcing Services.

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1. Introduction

The Annual Corporate Procurement Report provides an overview of AIIB's procurement of goods, works and services, including consulting services required by AIIB to fulfill its institutional requirements using the Bank's administrative budget, capital expenditure budget and other funding sources administered by AIIB.

In the height of the pandemic in 2021, AIIB's Corporate Procurement relied heavily on virtual meeting platforms and the Bank's eProcurement systems to ensure that work with requesting departments and suppliers continued without interruption.

This report was prepared by the Corporate Procurement Unit (CPU) of the Facilities and Administration Services Department. CPU exercises AIIB's corporate procurement functions and ensures compliance with the Bank's Policy on Corporate Procurement.

This report includes statistics on (i) AIIB's Corporate Procurement contract value by categories, (ii) top 10 contracts by value, (iii) procurement methods, (iv) global procurement and (v) engagement of Individual Consultants.

2. Corporate Procurement Contract Value

Based on AIIB's administration and operational requirements, the total corporate procurement contract value in 2021 is USD**80,790,844**, a 28-percent increase from USD63,062,832 in 2020.

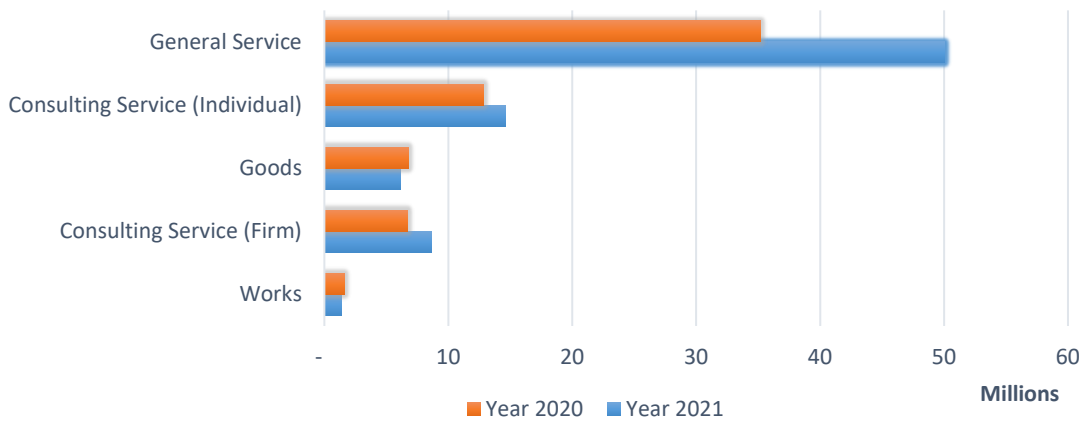
Table 1: 2021 Contract Value by Procurement Category

Procurement Category	No. of Contracts	Total Value (USD)
Consulting Services (Firm)	93	8,654,405
Consulting Services (Individual)	258	14,586,803
General Services	166	50,029,448
Goods	81	6,162,728
Works	8	1,357,460

Total:	606	80,790,844
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The value of contracts for General Services accounted for 62 percent of the total contract value. Contracts for Consulting Services by firms (11 percent) and individuals (18 percent) constitute 29 percent of the total contract value. The remainder consists of contracts for Goods and Works.

Chart 1: Contract Value by Category in 2021 and 2020 (in USD)



3. Top 10 Contracts by Value

The top 10 contracts accounted for 46 percent of the total contract value (excluding Individual Consultant contracts).

Table 2: Top 10 Contracts by Value

Rank	Procurement Category	Contract	Total Value (USD)
1	General Services	Property Management and Corporate Service for Headquarters and Tianjin Office	5,099,625
2	General Services	Building Security Management Service for Headquarters and Tianjin Office	4,714,871

3	General Services	Personnel Outsourcing Services	3,939,537
4	General Services	Building Facilities Management Services for Headquarters	2,897,069
5	General Services	Medical Insurance Premium	2,779,090
6	General Services	New Financial Accounting System Implementation Service	2,491,961
7	General Services	IT Infrastructure Operation Service	2,408,594
8	General Services	Data Platform	2,363,091
9	Goods	Risk Management Subscription	2,323,222
10	General Services	eProcurement System License Renewal	1,339,883

Note: The above contracts include both standalone contracts and sub-agreements issued in year 2021.

Table 3: Framework Agreements

No.	Contract Name	Procurement Category
1	General Services	Institutional Event Planning and Organizing Service
2	General Services	Tablet and Accessories
3	General Services	Soft Skills Training Programs (multiple service providers)
4	Goods	Office Supply
5	Goods	eCommerce Platform
6	Goods	Mobile Phones and Associated Services
7	Works	Lighting Improvement Works

4. Procurement Methods

A total of 228 contracts representing 65 percent of the total value of contracts were procured through competition, while 378 contracts representing 35 percent of the total contract value were procured through direct selection. The exception to competitive procurement is in accordance with the AIIB Directive on Corporate Procurement section 3.7.2. Contracts awarded in 2021 through competition increased by five percent.

Table 4: Procurement Methods (in USD)

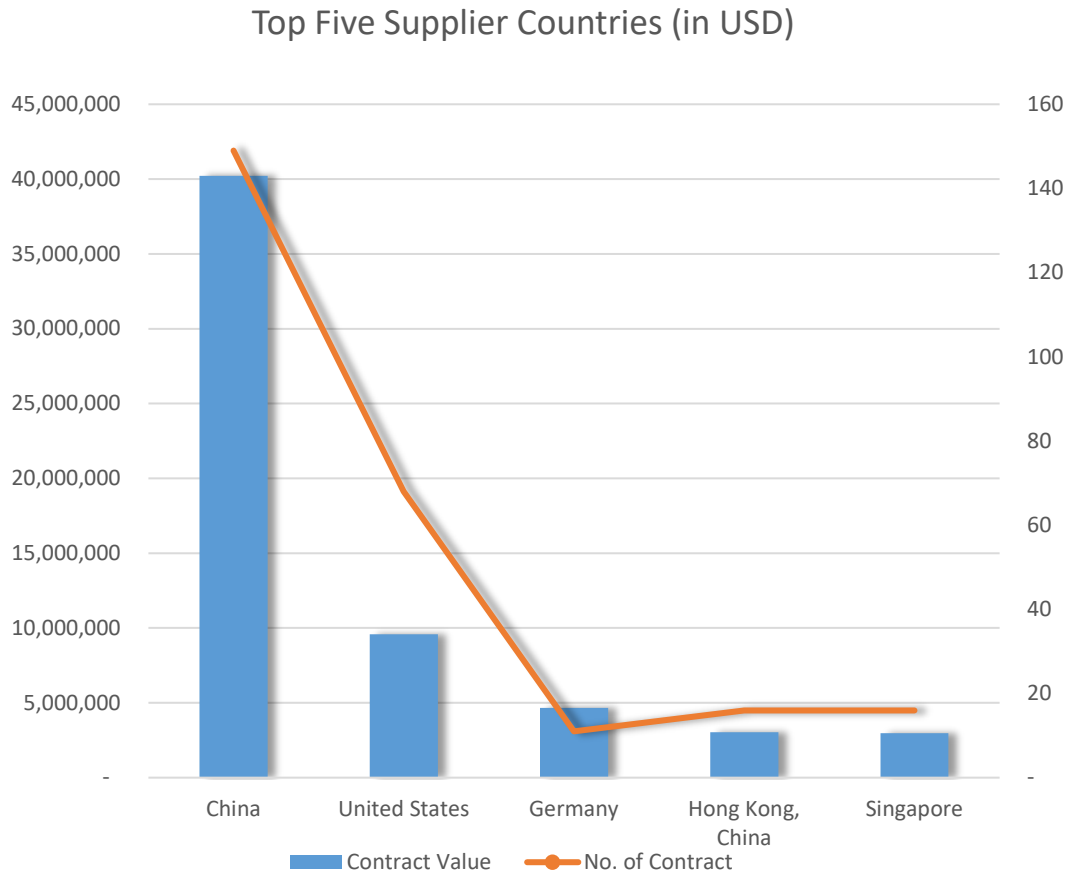
Procurement Method	No. of Contracts	Total Contract Value (USD)	Percentage (by value)
Direct Selection	378	27,983,139	35%
Competition	228	52,807,705	65%
Grand Total	606	80,790,844	100%

5. Global Procurement

AIIB's Procurement Policy allows the Bank to procure goods, works, general services and consulting services from any country and district unless AIIB's Board of Directors decides otherwise. To implement the policy, AIIB provides an online facility for advertising business opportunities for goods and services including consulting services.

The top five supplier countries and districts (where their global head offices are registered) are China (61 percent); the United States (14 percent); Germany (seven percent); Hong Kong, China (five percent) and Singapore (four percent). The top five represent 91 percent of the total contract value of suppliers.

Chart 2: Top Five Supplier Countries and Districts (contract value in USD)



Note: Data excludes nationalities of Individual Consultants.

International suppliers (including foreign companies outside China, wholly owned foreign enterprises registered in China) mainly provided consulting services and international subscription of IT products and associated services, while local suppliers provided mainly general services, including administration, security and facility management, IT equipment and software, telecommunications, catering and local event management and staff relocation settlement services.

6. Engagement of Individual Consultants

In 2021, Individual Consultants continued to play an important role in supporting AIB's operations in the areas of policy assurance and compliance, information technology, legal, investment project preparation and implementation.

The total number of individual consultant contracts concluded in 2021 is 258, an increase from previous years. The overall contracted commitment (including both consultants' remuneration and reimbursable expenses) reached USD14,586,803,

a 13.6 percent increase compared to 2020. Consultants' total input days also increased by 11.3 percent compared to 2020. See Table 5 for detailed data.

Table 5: Total Number of Contracts, Contract Value and Input Days

Year	Total No. of Contracts	Total Contract Value (USD)	Total Input Days
2021	258	14,586,803	21,715
2020	243	12,836,601	19,512
2019	221	13,191,131	15,131

Table 6: Total Number of Contracts, Contract Value and Input Days by Procurement Method in 2021

Procurement Method	No. of Contracts	Contract Value (USD)	% of Total Value	Input Days
Open Competition	76	6,888,471	47%	11,047
Direct Selection (>USD 70K)	20	3,389,260	23%	3,117
Direct Selection (<=USD 70K)*	162	4,309,072	30%	7,736
Grand Total	258	14,586,803	100%	21,715

Note: Direct selection of consultants for contracts that exceed USD70,000 threshold includes original contracts and contract extensions with cumulative budget.

In 2021, 211 individual consultants from 38 nationalities were engaged by AIIB. Top 5 nationalities by contract value are shown in Table 7 below.

Table 7: Top Five Nationalities (by Contract Value)

Rank	Nationality	Contract Value (USD)	Percentage
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1	China	4,897,555	34%
2	USA	1,685,738	12%
3	India	1,120,475	8%
4	Indonesia	1,007,610	7%
5	France	822,400	6%

7. Annex: 2021 Major Contracts With Firms (Contract Value ≥ USD200,000)

General Services			
No.	Description	Contract Period (year)	Contract Value (USD)
1	Property Management and Corporate Service for Headquarters and Tianjin Office	1	5,099,625
2	Building Security Management Service for Headquarters and Tianjin Office	1	4,714,871
3	Personnel Outsourcing Services	5	3,939,537
4	Building Facilities Management Services for Headquarters	1	2,897,069
5	Medical Insurance Premium	1	2,779,090
6	New Financial Accounting System Implementation Service	1	2,491,961
7	IT Infrastructure Operation Service	3	2,408,594
8	Data Platform	4	2,363,091
9	eProcurement System License Renewal	3	1,339,883
10	Investment Management Information System (iMIS)	3	1,082,912
11	Personnel Outsourcing Services	4	922,464
12	CRM Product and Implementation	3	846,716
13	IT Service Management System Enhancement	3	829,985
14	Endpoint Management Service Implementation and Support	4	797,080

15	Loan Management Information System Implementation Enhancement	3	777,745
16	Treasury Management System	1	750,000
17	IT Security Service	3	730,734
18	Budget Management System License Renewal	3	722,435
19	HR Management System License Renewal	3	667,437
20	Insurance Plan (Non-medical)	1	600,230
21	External Website Optimization and Operation	3	529,477
22	Membership Intelligence Portal	2	528,703
23	LMIS BAU Support Services	2	429,596
24	Collaboration Platform	1	427,461
25	Accounting System License	1	422,102
26	Security Management Platform Upgrade	1	391,973
27	PE Fund and Direct Equity Management System	3	370,000
28	Metadata Management Tool	3	357,685
29	Bloomberg Terminal and Market Data Subscription	2	355,226
30	Travel and Expense System License Renewal	3	343,012
31	Digital Risk Protection System License Renew	3	331,995
32	Subscription of Independent Research on IT Market and Vendors-Gartner	2	330,666
33	Recruitment Subscription and Services	1	325,917
34	IT Helpdesk Services	3	306,667
35	Unified Data Backup Platform	3	301,748
36	Project Procurement Management System	4	294,241
37	Cloud Environment Security Assessment	1	278,926
38	Bloomberg Market Data Subscription	2	260,631
39	Travel System Integration with AirPlus	1	260,590
40	AWS Landing Zone Service	3	249,078

41	Cyber Security Testing Services (Supplier 1)	3	239,101
42	Cyber Security Testing Services (Supplier 2)	3	238,842
43	Cyber Security Testing Services (Supplier 3)	3	238,842
44	Maintenance and Support for Risk Management Platform	2	232,175
45	Amazon Web Service	2	231,401
46	RPA Implementation for ERP upgrade and Operations	2	214,347
47	External Auditor Review on 2021 Interim Financial Statements of AIB	1	200,000

Consulting Services (Firm)

No.	Description	Contract Period (year)	Contract Value (USD)
1	AIB and Special Funds Audit Fee	1	1,053,000
2	IT Risk Management Services	1	734,192
3	Facilities Management Consulting Services	1	706,075
4	Data Governance Consulting Service	1	635,078
5	Accounting and Reporting Support Services	3	390,649
6	AIB's 2021 Comprehensive Compensation and Benefits Review	1	290,000
7	Market Advisory Service for Oman Broadband Tranche 2 Project	1	280,000

Goods

No.	Description	Contract Period (year)	Contract Value (USD)
1	Risk Management Subscription	3	2,323,222
2	Unified Data Backup Platform	3	292,665
3	Turret Phone	3	268,895
4	Mobile Phones and Associated Services	5	237,089

Works (including Publications and Subscriptions)			
No.	Description	Contract Period (year)	Contract Value (USD)
1	Building Improvement Works (9F Sky Garden)	1	742,079
2	Acoustic Improvement Works	1	286,503

Note: The above contracts include both standalone contracts and sub-agreements issued in year 2021.